



# BERGEN GROUP

QUALITY THROUGH SERVICE AND INNOVATION



INTERIM REPORT  
2018 : Q2

# Bergen Group ASA

## Interim Report Q2 and 1H 2018

### Increased order book and positive development in challenging markets

- Positive development within demanding market areas; both Defense and Energy & Industry with revenue growth.
- Maritime services in the civilian market with continued high activity, without major single projects.
- Increased order books and positive market outlook in the civilian market.
- Reduced revenue compared with previous quarters.

### Key figures for Q2 and 1H 2018

- Order book of NOK 153 million as per 30 June 2018.
- Turnover of NOK 47 million in Q2 and NOK 102 in 1H 2018.
- Negative NOK 6 million in EBITDA in Q2, and negative NOK 14 million in 1H 2018.
- Equity ratio of 72 %t as of 30 June 2018.

### Acquisitions in aquaculture open up opportunities

- The acquisition from Backe Bergen completed on 10 July 2018; Bergen Group Sjøsterk is already in the process of constructing a new concrete barge project for Osland Havbruk AS.
- Bergen Group Sjøsterk (name changed from Sjøsterk II) strengthens the group's footprints towards aquaculture; synergies for other companies in the group are expected.

### Focus on further growth

- Continued dedicated focus on growth strategy and structural measures that can provide synergy effects, an enhanced market position for existing businesses and fit into new relevant market areas.

KEY FIGURES (unaudited) Amounts in TNOK	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	46 893	76 957	101 911	148 759	272 102
EBITDA	(6 317)	(1 504)	(14 080)	3 516	(4 079)
EBIT	(7 188)	(2 906)	(15 807)	730	(8 215)
Profit/Loss before tax	(7 728)	(3 928)	(16 589)	(804)	(10 894)
Profit/Loss	(7 728)	(3 928)	(16 589)	(804)	(11 686)
	-	-	-	-	-
Total Capital	249 588	288 888	249 588	288 888	269 273
Total Equity	180 115	205 741	180 115	205 741	195 463
Equity share	72 %	71 %	72 %	71 %	73 %
Net interest bearing debt	(31 335)	(27 398)	(31 335)	(27 398)	(37 457)
	-	-	-	-	-
Order backlog - Services	153 000	151 000	153 000	151 000	152 200

\* Figures for operating revenue includes intercompany eliminations.



## Financial Review

This interim report has been developed according to IAS 34 "Interim Financial Reporting", and follows the same accounting principles as the annual accounts for 2017. From 1 May 2017, Bergen Group AAK AS (formerly AAK Energy Services AS) was consolidated into the group's financial statements. Comparative figures for Q2 2017 include Bergen Group AAK as from 1 May 2017.

### Profit and loss statement Q2 2018 and first half of 2018

Bergen Group recorded total revenue of NOK 46.8 million in Q2 2018, compared to NOK 77.0 million in Q2 2017. EBITDA in Q2 2018 was NOK -6.3 million compared to NOK -1.5 million in Q2 2017.

EBITDA in Q2 2018 also includes costs related to M&A, options for senior executives and cost related to workforce reductions.

After depreciation and amortization of NOK 0.9 million, EBIT in Q2 2018 was NOK -7.2 million, compared to NOK -2.9 million in Q2 2017.

Net financial items was NOK -0.5 million in Q2 2018, compared to NOK -1.0 million in Q2 2017.

EBT was NOK -7.7 million in Q2 2018, compared to NOK -3.9 million in Q2 2017. Net profit was NOK 7.7 million in Q2 2018, compared to NOK -3.9 million in Q2 2017.

Bergen Group recorded total revenue of NOK 101.9 million the first half of 2018, compared to NOK 148.8 million the first half of 2017. EBITDA the first half of 2018 was NOK -14.1 million compared to NOK 3.5 million the first half of 2017.

### Balance sheet and cash flow per Q2 2018

Total assets for Bergen Group were NOK 249.6 million per end Q2 2018, whereas cash and cash equivalents including restricted cash were NOK 47.6 million.

Interest bearing debt was NOK 16.3 million at end of Q2 2018, of which all relates to convertible loan. Bergen Group's book equity end Q2 2018 was NOK 180.1 million, equal to an equity ratio of 72 %.

Bergen Group generated a net negative cash flow of NOK 4.4 million in Q2 2018. Cash flow from operations activities was NOK -3.2 million. Cash flow from investment activities was NOK -0.8 million. Cash flow from financing at NOK -0.3 million.

## Reporting segments

This interim report reports for the following independent segments:

- **Services** (Bergen Group Services AS and Bergen Group AAK)
- **Other** (other Group activities)

The operating activity in the reporting segment Services as of 30 June 2018 is exercised by the subsidiaries Bergen Group Services AS and Bergen Group AAK AS. Bergen Group AAK AS was consolidated into the group as of May 2017, thus comparative figures for Q2 2017 is from 1 May 2017.

Based on the acquisition of Sjøsterk, Bergen Group will adjust the Group's reporting segments as from Q3 2018.

SEGMENT SERVICES	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	46 893	75 908	101 911	146 700	271 591
EBITDA	(3 002)	4 349	(6 926)	11 038	12 835
Depreciation, amortisation, impairment	(868)	(323)	(1 721)	(628)	(4 078)
EBIT	(3 870)	4 082	(8 648)	10 467	8 756
Order backlog	153 000	146 000	153 000	146 000	152 200

\*Figures for revenues excludes intercompany

**Bergen Group Services** has a well established position in maritime service and ship maintenance based on the company's extensive expertise in carrying out complex maritime service projects. The primary geographical market is Western Norway, but the extent of travel-based assignments elsewhere in the country and towards offshore installations has shown increasing activity over the last years.

Shiptechnical maintenance and maritime services in the civilian market had a lower activity in Q2 compared with the previous quarter. This is mainly related to the absence of major projects in Q2. The spot market has been strong during the quarter, while callouts on existing framework contracts have been somewhat lower in Q2 compared with the previous quarter.

The total activity for the Defence has been slightly increased in Q2. Order reserves within this market area have not changed significantly during the last quarter.

The Energy & Industrial Market area experienced an increase in order book during Q1, which contributed to increased revenue in this area in Q2.

Bergen Group Services has taken further measures in the second quarter, which will give cost reductions effect in coming quarters. Measures are being taken to adapt expertise and capacity in line with the expected market development and order book.

**Bergen Group AAK AS** has a well established market position in producing access technology services and complex service assignments related to maintenance and modification work within different fields of expertise. The services are delivered to a number of sectors requiring demanding access. However, earnings in Q2 are somewhat affected by continued price pressure in the market.

Bergen Group AAK was awarded a 5-year framework agreement with an international operator on the NCS in the second quarter of 2018. The framework agreement applies to various types of mechanical assignments on offshore installations where complex access services are required.

Bergen Group AAK has implemented measures in the quarter to increase capacity in line with expected future demand. This will ensure increased delivery capacity for Bergen Group AAK during Q3 and going forward.

SEGMENT OTHER	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	1 005	1 049	2 004	2 059	4 602
EBITDA	(3 315)	(5 852)	(7 153)	(7 522)	(16 913)
Depreciation, amortisation, impairment	(3)	(1 079)	(7)	(2 158)	(57)
EBIT	(3 318)	(6 987)	(7 160)	(9 736)	(16 971)

**Segment other** comprise other activities in the Group. This also include various M&A expenses related to the ongoing growth processes.

## QHSE

Bergen Group works systematically and continuously in improving QHSE (Quality, Health, Environment and Safety) performance, systems and security culture associated with all operations within the Group. The group has a zero vision for HSE and events that affect the external environment as well as a zero-error philosophy of quality. The goal is to prevent employees from getting hurt or sick at work, ensuring the correct quality of our deliveries and avoiding environmental impacts around us.

In the second quarter of 2018, the Group had no (zero) loss of absence among its own employees. Accumulated HSE target figures for 1H 2018 for the subsidiaries Bergen Group Services AS and Bergen Group AAK AS are:

- LTA / H1 = 0 (Lost Time Accidents)
- TRI / H2 = 11.8 (Total Recordable Injuries)
- F value = 0 (Absence Day Rate)

These figures are satisfactory.

Bergen Group Services AS and Bergen Group AAK has performed an operational activity in line with the company's adopted program for continuous work on quality and HSE in the 2<sup>nd</sup> quarter. The company still has focus on reporting improvement proposals and carrying out risk assessments, as a part of the company's preventive work.

The systematic work to avoid damage and quality defects continues internally and in cooperation with the company's project customers.

Bergen Group AAK achieved certification in accordance with the new standard ISO 9001: 2015 in the first quarter of 2018. An upgrading of this certification for Bergen Group Services as well has been in process during Q2 18.

## HR / Personnel

As of 30 June 2018, Bergen Group counts totally 178 employees all mainly full-time positions. This is a reduction 10 fulltime positions during Q2.

Bergen Group conducts continuous competence and capacity adjustment in relation to market development and operational activities. During Q2, it has been applying both temporary and permanent layoffs, mainly in the Energy and Industry segment.

Bergen Group's two subsidiaries Bergen Group Services and Bergen Group AAK operate within market areas that are partly independent of each other but in many areas coincide with competence requirements and requirements for available capacity. The two companies focus on ensuring the best possible coordination of resource use and production capacity between the various departments. This coordination has increased in the quarter.

In the second quarter of 2018, Bergen Group AAK had a sick leave of 7.7%, based on a long-term absence of 7% and a short-term absence of 0.7%. Bergen Group Services had a sick leave of 6.8%, based on a long-term absence of 5.2% and a short-term absence 1.6%. The majority of long-term considered nonwork-related. Short-term sickness absence in the first half, mainly related to winter season and influenza outbreak, peaked in February and has decreased towards the summer.

The working environment is generally considered good. Bergen Group has zero tolerance for all types of harassment, discrimination or other behaviour that colleagues, business associates or others may perceive as threatening or abusing. All employees are entitled to equal treatment.

## Risks and uncertainty

Bergen Group ASA has exposure to both operational and financial risk. The Board of Bergen Group ASA has a strong focus on ethics and risk management, and efforts are being made to reduce the Group's overall risk exposure. The main risk factors are financial risk, market risk and project risk, including general counterparty risk.

Financial risk includes credit risk, market risk and liquidity risk. The financial risk picture is considered to be relatively limited as per date. The liquidity position of the company has been reduced because of negative operating profit in the last quarters, combined with completed acquisitions. The Board and the Administration have continuous assessments of status and measures to maintain a liquidity deemed satisfactory relative to the operational activity per date.

Project risk constitutes a continuous risk factor for Bergen Group, although to a limited extent related to the fact that revenues are mainly generated from number of different projects. The Board expects an increase in the number of larger projects to be executed, and has thus initiated processes to maintain limited risk exposure from these projects.

Market risk is mainly connected to strong fluctuations in market areas in which the Group operates. The Group currently has a diversified operational activity that takes place within different market areas, which are partly independent of each other. Market risk is in general considered limited, however with a certain risk related to renewal of major frame contracts.

Besides the ongoing general operational risk, the Board of Directors considers there are no risk factors that as of 21 August 2018 affect the Group to a significant extent.

## Related parties

In Q2 2018 there has not been any transactions or agreements entered into with any related parties.

## Share capital and shareholder information

**Shareholders:** At the end of Q1 2018, the company had 1,555 shareholders in total, compared with 1,571 shareholders at the end of Q1 2018. Updated overview of the company's 20 largest shareholders is available on the company's IR pages at [www.bergengroup.no](http://www.bergengroup.no).

**Stock trades and share price:** A total of 1,103 transactions in the company's shares took place during Q2 2018, with an aggregated volume of 6.2 million shares. Corresponding figures in the Q1 2018 were 2,352 transactions with a total volume of 14.3 million shares. During the second quarter of 2018, the company's shares were traded at prices between NOK 1.59 and NOK 1.85 (NOK 1.66 and NOK 2.46 in Q1 2018).

The closing price on Friday 29 June 2018 (last trading day in the quarter) was NOK 1.82 (NOK 1.78 at the end of Q1 2018). This values the company's market value in the stock market to NOK 171 million at the end of Q2 2018, compared with NOK 167 million at the end of Q1 2018.

## Subsequent events

In 10 July 2018, the market was informed that Bergen Group ASA had completed the acquisition of Backe Bergen's property (Sjøsterk AS) and operations (Sjøsterk II AS) at Stamsneset at Grimstadfjorden in Bergen. The purchase was made according to the terms communicated in previous stock exchange announcements on respectively 27 February and 2 March this year. The settlement for the transaction was NOK 40 million,

which, adjusted for net working capital, was settled with a cash payment at the acquisition date. The settlement is financed with NOK 15 million in bank loan and remaining from internal cash holdings.

Bergen Group Sjøsterk AS and Bergen Group Sjøsterk Eiendom AS will be consolidated into the Group's financial statements starting with Q3 2018.

Following the end of Q2, Bergen Group has disclosed one contract awarded that will affect the company's order reserves in the next quarterly report: On 10 June, it was informed that Bergen Group Sjøsterk was awarded a contract with Osland Havbruk AS for the construction of a concrete barge with storage capacity of up to 600 tonnes. The contract has an estimated value of 12-14 million, and the work has already started. The barge will be delivered in Q1 2019.

## Outlook

Bergen Group has, during the last few quarters spent substantial resources on facilitating a foundation for growth. This also includes structural measures and relevant acquisitions, which will contribute Bergen Group as an attractive industrial group with activities predominantly in the western part of Norway. The goal is to secure growth by adding complementary activities to the Group that provide a more robust operating platform and at the same time potential synergies, increased market position and an adapting to new market areas.

The acquisition of integrated feed barge production and dry dock capacity from Backe Bergen was completed in July 2018. The company is in the process of constructing a new concrete barge to be delivered in Q1 2019. The market interest for these products is considered high, and the company expects growth in the order books in coming quarters. The possibilities for synergies in relation to the Group's other activities are considered to be good.

The subsidiary Bergen Group Services has for several years had a robust and profitable business related to the company's implementation and competence in complex maritime service projects. Market prospects for ship maintenance and maritime services in the civilian market are still considered good. Capacity utilization within this segment, which is predominantly defined by spot assignments and relatively short order horizons, is expected to be good also in the coming quarters. A good utilization of the facilities and the operational capacities is optimal when spot assignments can be combined with some single projects of larger extent and longer duration. This was not the case in second quarter of 2018.

The company's revenues are still affected by low activity towards the Armed Forces. The order backlog related to the Defence has shown a slight increase in the first half. Some long-term framework agreements are expected to be settled during the second half of 2018. The company still considers it strategically important to maintain a satisfactory capacity and competence towards this area in view of expected future growth.

Market situation within the field of access technology and services has somewhat improved during the first half of the year, both in relation to the price level and increased amount of inquiries. Thus, Bergen Group is preparing for activity growth in coming quarters. The company has succeeded in strengthening its customer and activity base towards both existing and new market areas for access service and maintenance projects.

**Order backlog:** At the end of Q2 2018, Bergen Group had a total order backlog of NOK 153 million, representing a net increase of NOK 15 million compared to the end of Q1 2018 (NOK 138 million). The two market areas that have shown declining activity in the last few years (Defense and Energy & Industry) both show a slight increase in the order reserves during first half of 2018. The largest single contract awarded in Q2 2018 was a 5-year framework agreement awarded to Bergen Group AAK from an international operator on the Norwegian continental shelf. The framework agreement was announced on 29 May 2018 with an estimated total value of approx. NOK 40-60 million.

The order backlog for Maritime services in the civilian market is considered satisfactory, given that this is largely characterized by mostly spot assignments from a varied and growing customer base.

A new order valued NOK 12-14 million was disclosed after the end of the quarter. Reference is made to section "Events after balance sheet date" for more details.

The order backlog as of 30 June 2018 does not include the value of options related to existing contracts.

## **Declaration from the Board and CEO**

We confirm that the composite interim financial statement for the period January 1<sup>st</sup> 2018 to June 30<sup>th</sup> 2018, to the best of our knowledge has been developed according to IAS 34 Interim Financial Reporting/applicable accounting standards and that the information in the Interim Report provides a true and fair view of the company and the Group's assets, debt, financial position and the result as a whole. We also confirm that the information in the Interim Report to the best of our knowledge provides a true and fair view over important events during the accounting period and their impact on the interim accounts, of the most central risk and uncertainty factors faced by the company in the next accounting period, and by significant transactions by close parties.

### **Bergen, 21 August 2018**

The board of directors and the CEO of Bergen Group ASA

Hans Petter Eikeland, chairman of the board

Tove Ormevik

Kristoffer Hope, employee repr.

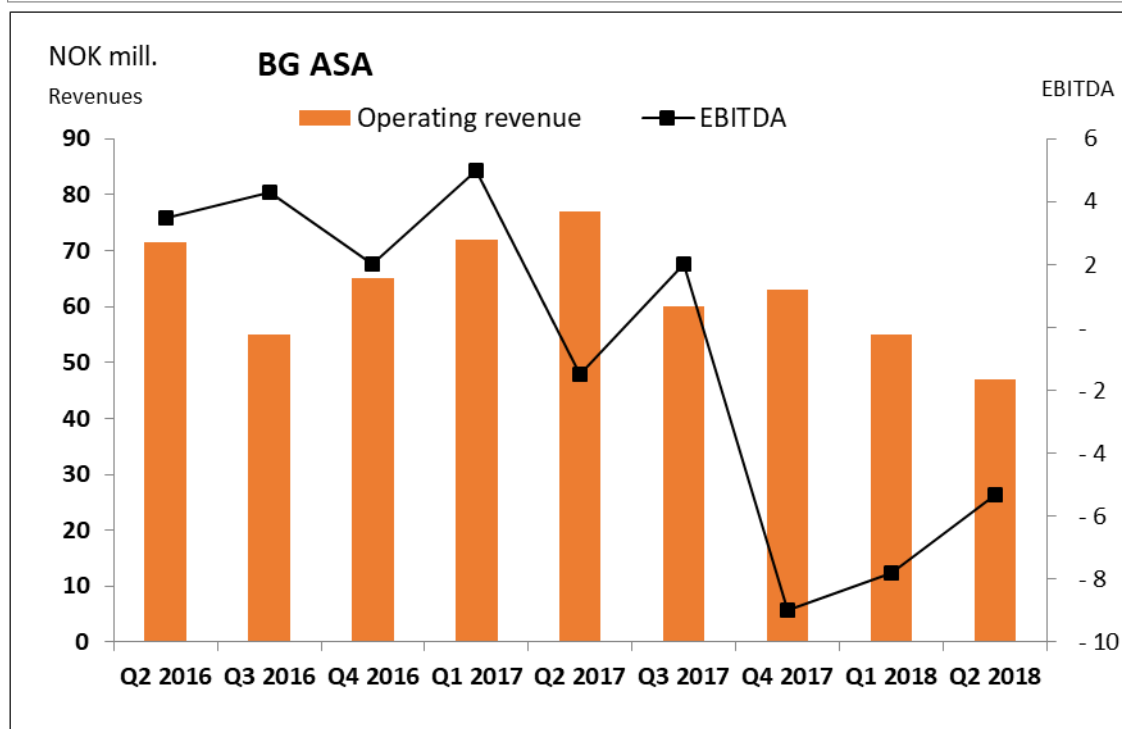
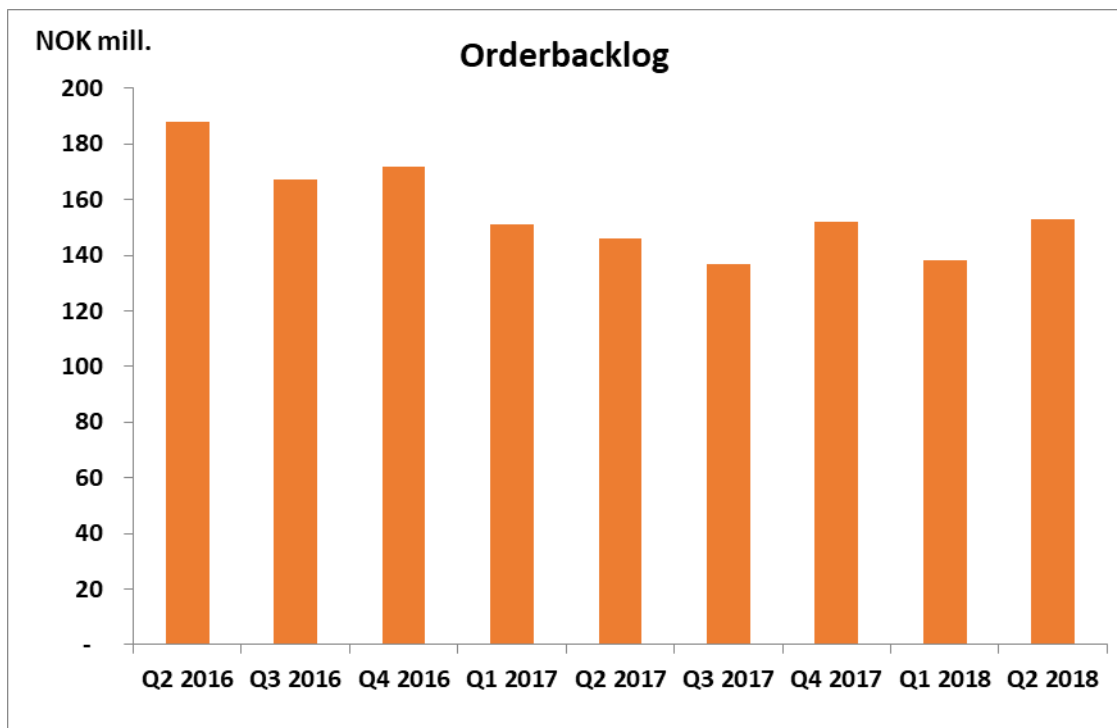
Jorunn Ingebrigtsen, employee repr.

Espen Berge

Bente Stangeland

Torgeir Nærø, CEO





CONSOLIDATED STATEMENT OF PROFIT OR		Q2	Q2	YTD	YTD	FY
	NOTE	2018	2017	2018	2017	2017
<b>Operating revenue</b>	4	<b>46 893</b>	<b>76 957</b>	<b>101 911</b>	<b>148 759</b>	<b>272 102</b>
Cost of sales		(13 619)	(31 434)	(32 332)	(61 041)	(111 623)
Payroll expenses		(30 953)	(32 638)	(65 978)	(60 298)	(123 810)
Cost related to options		(303)	(3 020)	(1 240)	(3 020)	(3 486)
Other operating expenses		(8 335)	(11 370)	(16 440)	(20 884)	(37 262)
<b>Operating profit/loss before depreciation, amortisation, impairment (I</b>	4	<b>(6 317)</b>	<b>(1 504)</b>	<b>(14 080)</b>	<b>3 516</b>	<b>(4 079)</b>
Depreciation, amortisation,		(872)	(1 402)	(1 728)	(2 786)	(4 136)
<b>Operating profit/loss (EBIT)</b>	4	<b>(7 188)</b>	<b>(2 906)</b>	<b>(15 807)</b>	<b>730</b>	<b>(8 215)</b>
Financial income		35	3	95	261	421
Financial expenses		(574)	(1 025)	(876)	(1 795)	(3 100)
<b>Profit/loss before tax</b>		<b>(7 728)</b>	<b>(3 928)</b>	<b>(16 589)</b>	<b>(804)</b>	<b>(10 894)</b>
Income tax expense		-	-	-	-	(792)
<b>Profit/loss for the period</b>		<b>(7 728)</b>	<b>(3 928)</b>	<b>(16 589)</b>	<b>(804)</b>	<b>(11 686)</b>
<b>Profit/loss attributable to:</b>						
Owners of the parent Company		(7 728)	(3 928)	(16 589)	(804)	(11 686)
Non-controlling interests		-	-	-	-	-
<b>Profit/loss</b>		<b>(7 728)</b>	<b>(3 928)</b>	<b>(16 589)</b>	<b>(804)</b>	<b>(11 686)</b>
<b>Earnings per share</b>						
Basic earnings per share (NOK)		(0,08)	(0,04)	(0,18)	(0,01)	(0,13)
Diluted earnings per share (NOK)		(0,08)	(0,04)	(0,18)	(0,01)	(0,13)
Weighted average no. of shares outstanding (millions)		93,96	93,96	93,96	93,96	88,49
Diluted weighted average no. of shares outstanding (millions)		93,96	93,96	93,96	93,96	88,49

CONSOLIDATED STATEMENT OF		Q2	Q2	YTD	YTD	FY
	NOTE	2018	2017	2018	2017	2017
<b>Result</b>		<b>(7 728)</b>	<b>(3 928)</b>	<b>(16 589)</b>	<b>(804)</b>	<b>(11 686)</b>
<i>Items which may be reclassified in the Income Statement in subsequent periods</i>						
<i>Items which will not be reclassified in the Income Statement in subsequent periods</i>						
<b>Total comprehensive income</b>		<b>(7 728)</b>	<b>(3 928)</b>	<b>(16 589)</b>	<b>(804)</b>	<b>(11 686)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent Company		(7 728)	(3 928)	(16 589)	(804)	(11 686)
Non-controlling interests		-	-	-	-	-
<b>Total comprehensive income</b>		<b>(7 728)</b>	<b>(3 928)</b>	<b>(16 589)</b>	<b>(804)</b>	<b>(11 686)</b>

<b>CONSOLIDATED BALANCE SHEET</b>			
<b>(unaudited)</b>	<b>NOTE</b>	<b>30.06.2018</b>	<b>31.12.2017</b>
<b>ASSETS</b>			
Deferred tax asset	10	19 729	19 729
Intangible assets and goodwill	9	106 633	107 382
Property, plant and equipment		4 728	4 802
<b>Non-current assets</b>		<b>131 090</b>	<b>131 913</b>
Inventories		4 930	4 592
Work in progress		29 132	40 590
Trade receivables	6	30 562	30 995
Other receivables	6	6 243	7 440
Cash and cash equivalents	5	47 631	53 742
<b>Current assets</b>		<b>118 498</b>	<b>137 359</b>
<b>Total assets</b>		<b>249 588</b>	<b>269 272</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	93 958	93 958
Share premium		17 382	17 382
Retained earnings		68 775	84 123
<b>Total equity</b>		<b>180 115</b>	<b>195 463</b>
<b>Liabilities</b>			
Loans and borrowings		16 296	16 285
Pension liabilities		40	40
Other liabilities		3 490	3 490
<b>Non-current liabilities</b>		<b>19 826</b>	<b>19 815</b>
Trade payables and other payables	6	24 026	30 286
Other current liabilities	6	25 622	23 709
<b>Current liabilities</b>		<b>49 648</b>	<b>53 995</b>
<b>Total liabilities</b>		<b>69 474</b>	<b>73 810</b>
<b>Total equity and liabilities</b>		<b>249 588</b>	<b>269 272</b>

CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)	Q2	Q2	YTD	YTD	FY
NOTE	2018	2017	2018	2017	2017
<b>Cash flow from operating activities</b>					
Profit/loss for the period	(7 728)	(3 928)	(16 589)	(804)	(11 685)
Adjustments for:					
Tax expense	-	-	-	-	792
Depreciation, amortisation, impairment	872	1 402	1 728	2 786	4 136
Profit from sale of fixed assets	-	-	-	-	(465)
Effect of options exercised	303	3 020	1 240	3 020	3 486
Items classified as investments and financing activities	259	553	521	823	1 264
Changes in:					
Trade receivables	(2 672)	(4 204)	433	(3 316)	6 864
Trade payables	(12)	(3 714)	(6 260)	(9 015)	(18 528)
Inventories / work in progress	8 114	(7 350)	11 120	(11 440)	2 262
Other current assets and accruals	(2 414)	14 343	3 121	19 137	23 477
<b>Net cash from operating activities</b>	<b>(3 278)</b>	<b>121</b>	<b>(4 686)</b>	<b>1 190</b>	<b>11 603</b>
<b>Cash flow from investments activities</b>					
Proceeds from sale of property, plant and equipment	-	-	-	-	1 097
Acquisition of property, plant and equipment	(866)	(1 401)	(905)	(1 684)	(2 608)
Acquisition of subsidiary, net of cash acquired	-	-	-	-	(68)
<b>Net cash from investments activities</b>	<b>(866)</b>	<b>(1 401)</b>	<b>(905)</b>	<b>(1 684)</b>	<b>(1 579)</b>
<b>Cash flow from financing activities</b>					
Proceeds from new equity (capital increase)	-	28 675	-	28 675	28 648
Interest expense	(259)	(553)	(521)	(823)	(1 264)
Repayment of borrowings	-	(20 008)	-	(19 680)	(20 005)
<b>Net cash from financing activities</b>	<b>(259)</b>	<b>8 114</b>	<b>(521)</b>	<b>8 172</b>	<b>7 379</b>
Net change in cash and cash equivalents	(4 403)	6 834	(6 112)	7 678	17 403
Cash & cash equivalents at start of period	52 034	37 185	53 743	36 341	36 341
<b>Cash &amp; cash equivalents at end of period</b>	<b>5</b>	<b>47 631</b>	<b>44 019</b>	<b>47 631</b>	<b>53 744</b>
Of which restricted cash at the end of the period		17 038	17 038	7 211	18 273

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

	Share capital	Share premium	Retained earnings	Total equity
<b>Equity 01.01.2017</b>	<b>79 014</b>	<b>3 679</b>	<b>92 783</b>	<b>175 476</b>
Profit (loss)	-	-	(11 685)	(11 685)
Capital increase	14 944	13 704	-	28 648
Equity effect of share options	-	-	3 486	3 486
Other changes	-	-	(462)	(462)
<b>Equity 31.12.2017</b>	<b>93 958</b>	<b>17 383</b>	<b>84 122</b>	<b>195 463</b>
	Share capital	Share premium	Retained earnings	Total equity
<b>Equity 01.01.2018</b>	<b>93 958</b>	<b>17 383</b>	<b>84 122</b>	<b>195 463</b>
Profit (loss)	-	-	(16 589)	(16 589)
Equity effect of share options	-	-	1 240	1 240
<b>Equity 30.06.2018</b>	<b>93 958</b>	<b>17 383</b>	<b>68 774</b>	<b>180 115</b>

## NOTER

(unaudited)

### Note 1 - Corporate information

Bergen Group ASA is a public limited company based in Norway, and was founded on 22 May 2007. The Company's registered office is at Laksevåg in Bergen. The main office is located at Straume, near Bergen. These consolidated financial statements comprise the Company and its subsidiaries (collectively the "Group" and individually "Group companies"). Bergen Group ASA is listed on Oslo Stock Exchange with the ticker BERGEN.

### Note 2 - Interim report / Accounting principles / comparative figures

This interim report is in accordance with IAS 34 "Interim Financial Reporting" and follows the same accounting principles as the Group financial statements for 2017. An interim report does not include all the information required in a complete financial statement, and it should be read in relation with the Group financial statements for 2017. The financial statements are available at the group's web pages: [www.bergengroup.no](http://www.bergengroup.no).

Two new accounting standards have been implemented with effect from 1 January 2018:

- The Group has implemented IFRS 15. This Standard has no significant impact on the Group's financial reporting. For more information see description in the 2017 annual report. No changes have been made to comparative figures or the opening balance as at 1 January 2018.
- The Group has implemented IFRS 9. This standard has no significant impact on the Group's financial reporting. For more information see description in the 2017 annual report. No changes have been made to comparative figures or the opening balance as at 1 January 2018

### Note 3 - Estimates and judgements in the accounts

Preparation of both interim accounts and financial statement according to IFRS includes judgments, estimates and assumptions, of which will influence on the reported values for both assets, liabilities, revenue and costs. During the preparation of the accounts the management used estimates based on best estimates, and assumptions considered to be fair and true based on historical knowledge. Actual amounts may differ from estimates.

### Note 4 - Segment information

SEGMENT SERVICES	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	46 893	75 908	101 911	146 700	271 591
EBITDA	(3 002)	4 349	(6 926)	11 038	12 835
Depreciation, amortisation, impairment	(868)	(323)	(1 721)	(628)	(4 078)
EBIT	(3 870)	4 082	(8 648)	10 467	8 756
Order backlog	153 000	146 000	153 000	146 000	152 200

\*Figures for revenues excludes intercompany eliminations

SEGMENT OTHER	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	1 005	1 049	2 004	2 059	4 602
EBITDA	(3 315)	(5 852)	(7 153)	(7 522)	(16 913)
Depreciation, amortisation, impairment	(3)	(1 079)	(7)	(2 158)	(57)
EBIT	(3 318)	(6 987)	(7 160)	(9 736)	(16 971)

### Note 5 - Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30.06.2018	31.12.2017
Cash and cash equivalents - liquid funds	30 593	35 469
Cash and cash equivalents - restricted funds	17 038	18 273
<b>Total</b>	<b>47 631</b>	<b>53 742</b>

### Note 6 - Financial instruments

The group had as of 30 June 2018 the following financial assets; Cash and cash equivalents MNOK 48 (including restricted cash), accounts receivables MNOK 31, and other short term receivables MNOK 6. Financial obligations consisted of; Long term interest bearing debt MNOK 16, account payables and other liabilities MNOK 24.

### Note 7 - Financial risks

Financial risks imply credit risk, market risk and liquidity risk. The financial risk overview communicated to the market in the most recent interim reports, is considered to be significantly reduced as a result from the extensive restructuring and refinancing process, of which was completed at the expiration of Q4 2016. Further, the financial strenght has improved in 2017 with net proceeds of MNOK 29 from share issues. It is as of 7 May 2018, in addition to continuous general operational risk, also including the related financial risk elements, the opinion of the Board of Directors, that there are no other risk elements having significantly negative impact on the Group.



## NOTES

(unaudited)

### Note 8 - Shareholder information

The share capital in Bergen Group ASA is NOK 93 957 685, distributed on 93 957 685 shares with nominal value NOK 1/per share

<b>Largest shareholders 30.06.2018</b>	<b># of Shares</b>	<b>% of total</b>
Brian Chang Holdings Limited	28 918 110	31 %
AS FLYFISK	22 397 940	24 %
EIKELAND HOLDING AS	5 823 024	6 %
BERGEN KOMMUNALE PENSJONSKASSE	1 500 000	2 %
EAGLE AS	1 417 000	2 %
PROFOND AS	1 241 111	1 %
SUNDE, FRANK ROBERT	1 037 366	1 %
SPECTATIO FINANS AS	1 016 394	1 %
BERGEN EIENDOM INVEST AS	1 000 000	1 %
SØR-VARANGER INVEST AS	916 774	1 %
NORDNET LIVSFORSIKRING AS	881 897	1 %
MØVIK INVEST AS	876 487	1 %
FJ Holding AS	833 000	1 %
ULVESETER, SVEIN ATLE	762 902	1 %
FRIELE CAPITAL AS	740 740	1 %
NES, KJELL GUNNAR	532 000	1 %
BERNHD. BREKKE AS	494 505	1 %
KANABUS AS	432 265	0 %
ROSENBERG INVESTERING AS	412 799	0 %
JACOBSEN, HARALD SIGFRED	402 000	0 %
<b>Total 20 largest</b>	<b>71 636 314</b>	<b>76 %</b>
<b>Other shareholders</b>	<b>22 321 371</b>	<b>24 %</b>
<b>Total all shareholders</b>	<b>93 957 685</b>	<b>100 %</b>

### Note 9 - Intangible assets and goodwill

Bergen Group ASA performs a test of the value of goodwill and other intangible assets annually or at the end of each reporting period, if there is indication of impairment of the assets. As of 31.12.2017, the Group performed an impairment test of goodwill and other intangible assets in accordance with requirements in IAS 36. The value in use has been used in order to determine recoverable amount. The calculations are based upon estimated future cash flows for the remaining cash generating unit, Bergen Group Services AS. The calculations are based upon budgets and long term profit goals for the period 2018 up to and including 2020. For subsequent periods, a growth rate of 2% has been used, which is in line with the expected inflation rate. WACC of 11% after tax has been used. The other assumptions used, are similar to the description in the annual report 2017. Based upon this test, no changes in the values were recognized neither YE 2017. Further information available in the Annual report available on the company website [www.bergengroup.no](http://www.bergengroup.no).

### Note 10 - Taxes

Deferred taxes reflect the effects of temporary differences between the book value and tax value of assets and liabilities. The recorded value of deferred tax assets is NOK 19,7 million. The group has assessed that there are not convincing evidence sufficient for all taxable losses and other tax positions to be recognized as deferred tax assets. Deferred tax assets not recognized is estimated at NOK 64 million as per 31.12.2017.