BERGEN GROUP

QUALITY THROUGH SERVICE AND INNOVATION

INTERIM REPORT

2018 : Q3

Photo: Stein Erik Gilje/Engesund Fiskeoppdrett AS

Bergen Group ASA Interim Report Q3 2018

Solid footprint established within aquaculture

- Bergen Group Sjøsterk AS awarded orders for NOK 100 million since the acquisition in July 2018.
- Good capacity utilization in the dry dock; one service barge and four turnkey feed barges for delivery during the first three quarters of 2019.
- Bergen Group well positioned as a supplier of turnkey products to the aquaculture industry in a national market.

Growth strategy materialized; merging with Endùr Fabricom

- Will provide a strong industrial group in Western-Norway with nearly 400 employees and an order book of NOK 1 billion.
- Continued focus on growth strategy and structural measures in the market areas Maritime Service, Energy and Aquaculture

Key figures for Q3 2018

- Order book of NOK 190 million as per 30 September 2018.
- Turnover of NOK 50 million in Q3 and accumulated NOK 152 Year-To-Date.
- One-off costs of NOK 7 million affect the quarterly earnings.
- EBITDA of negative NOK 8 million in Q3.
- Equity ratio of 65 % as of 30 September 2018.

KEY FIGURES (unaudited) Amounts in TNOK	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	50 200	60 097	152 111	208 856	272 102
EBITDA	(8 470)	1 858	(22 550)	5 374	(4 079)
EBIT	(9 659)	1 532	(25 466)	2 262	(8 215)
Profit/Loss before tax	(13 733)	808	(30 321)	4	(10 894)
Profit/Loss	(12 932)	808	(29 520)	4	(11 686)
Total Capital	256 972	282 124	256 972	282 124	261 489
Total Equity	167 519	206 559	167 519	206 559	187 540
Equity ratio	65 %	73 %	65 %	73 %	72 %
Net interest bearing debt	8 965	(33 422)	8 965	(33 422)	(35 765)
	-	-	-	-	-
Order backlog	189 500	137 100	189 500	137 100	138 000

* 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 2018. 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.

Sjøsterk II AS (now Bergen Group Sjøsterk AS) and Sjøsterk AS (now Bergen Group Sjøsterk Eiendom AS), were both acquired by Bergen Group in mid-July 2018. The accounts figures for these two companies are consolidated into the group accounts for the first time in the third quarter of 2018, and is visible in the new reporting segment "Aquaculture". This segment has no comparative figures.

Profit and loss statement Q3 2018

Bergen Group recorded total revenue of NOK 50.2 million in Q3 2018, compared to NOK 60.1 million in Q3 2017. EBITDA in Q3 2018 was NOK -8.5 million compared to NOK 1.9 million in Q3 2017.

After depreciation and amortization of NOK 1.2 million, EBIT in Q3 2018 was NOK -9.7 million, compared to NOK 1.5 million in Q3 2017.

Net financial items was NOK -4.1 million in Q3 2018, compared to NOK -0.7 million in Q3 2017.

Loss before tax was NOK 13.7 million in Q3 2018, compared to profit before tax of NOK 0.8 million in Q3 2017. Net profit was NOK -12.9 million in Q3 2018, compared to NOK 0.8 million in Q3 2017.

Q3 results also includes on-off cost of NOK 7 million. This incorporates cost related to M&A, losses on an individual project, loss on trade receivables and restructuring cost, which also contains expenses for personnel dismissal.

Balance sheet and cash flow per Q3 2018

Total assets for Bergen Group were NOK 257million per end Q3 2018, whereas cash and cash equivalents including restricted cash were NOK 22.2 million.

Interest bearing debt was NOK 31.1 million at end of Q3 2018, of which NOK 16.1 million relates to convertible loan, and NOK 15million relates to a loan to acquire new business. Bergen Group's book equity end Q3 2018 was NOK 167.5 million, equal to an equity ratio of 65%.

Bergen Group generated a net negative cash flow of NOK 25.5 million in Q3 2018. Cash flow from operations activities was NOK -2.1 million. Cash flow from investment activities was NOK -38.1 million. Cash flow from financing activities was NOK 14.7 million. This is mainly due to new borrowings from bank of NOK 15 million.

Reporting segments

This interim report reports for the following independent segments:

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

The two companies Sjøsterk II AS (now Bergen Group Sjøsterk AS) and Sjøsterk AS (now Bergen Group Sjøsterk Eiendom AS) were both taken over by Bergen Group in mid-July 2018. The accounts figures for these two companies are consolidated into the group accounts for the first time in the third quarter of 2018, and is visible in the new reporting segment "Aquaculture". This segment has no comparative figures.

SEGMENT SERVICES	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	45 857	61 645	147 767	208 345	271 591
EBITDA	(5 118)	5 976	(12 044)	17 014	12 835
Depreciation, amortisation, impairment	(872)	(1 565)	(2 593)	(2 193)	(4 078)
EBIT	(6 989)	4 354	(15 637)	14 821	8 756
Order backlog	120 500	137 100	120 500	137 100	152 200

*Figures for revenues excludes intercompany eliminations

Bergen Group Services AS 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.

The operational activity within ship maintenance and maritime service towards the civilian market has in Q3 been in line with the previous quarter, which represents a lower utilization rate compared with the corresponding quarters in previous years. This relates mainly to to lack of major projects in the last two quarters. The spot market has been strong during the quarter, while call-offs on existing framework contracts have in Q3 been somewhat lower compared with the corresponding quarter last year.

The total activity generated from the Norwegian Armed Forces has remained unchanged in Q3 compared to Q2, and thus at a level generatring low turnover and low profitability. Order reserves within this market area have not changed significantly during the quarter.

The Energy & Industry market has experienced a minor increase in turnover in Q3, compared with Q2. The results in this market area are still characterized by strong price pressure and lack of profitability.

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 various disciplines. The services are delivered to a number of sectors where it is demanding access. The third quarter results are still characterized by price pressure in the market. This, combined with losses on a larger single project, has generated negative profitability during the quarter.

SEGMENT AQUACULTURE	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	4 343	-	4 343	-	-
EBITDA	762	-	762	-	-
Depreciation, amortisation, impairment	(317)	-	(317)	-	-
EBIT	445	-	445	-	-
Order backlog	69 000	-	69 000	-	-

*Figures for revenues excludes intercompany eliminations

Segment Aquaculture is an important focus area for Bergen Group ASA, and the Group has ambitions to establish itself as a competitive equipment- and service-provider for the aquaculture industry in the national market. At the end of Q3 2018, the opertional activity in this segment is carried out by Bergen Group Sjøsterk AS. This company, together with the real estate company Bergen Group Sjøsterk Eiendom AS, was aquired from Backe Bergen in July 2018.

The operations in Sjøsterk, under the ownership of Backe Bergen AS, generated revenues of NOK 18 million in the first half of 2018 and an operating profit before depreciation and amortization (EBITDA) of NOK 3.8 million. These figures are not taken into account in the YTD-column in the table above. Accumulated figures year-to-date in Sjøsterk (including the periods before and after acquisition) thus give a turnover of NOK 24 million and an EBITDA of NOK 4.6 million.

During the period from the acquisition until the end of October, Bergen Group Sjøsterk has been awarded contracts for a total value of close to NOK 100 million, related to the building of of one service fleet and four turn-key feed barges. The five concrete barges, including the contract with Grieg Seafood awarded on 31 October 2018, are scheduled for deliveries during the first three quarters of 2019.

The revenues in Q3 2018 is mainly generated from operations carried out in the second half of the quarter, and related to the construction of a service fleet of 40 x 17 meters with storage capacity of up to 600 tonnes for delivery to Osland Havbruk in Q1 2019. The contract has an estimated value of NOK 12-14 million.

On 29 August 2018 Bergen Group Sjøsterk was awarded a contract from Nordlaks Oppdrett AS for the construction of three turnkey feed barges with a total order value of NOK 60 million. The construction project related to hese three fleets was started early Q4. The concrete construction of the hulls will provide maximum capacity utilization of the dry dock throughout this quarter. The barges are scheduled for delivery during the second and third quarter of 2019.

In September Bergen Group Sjøsterk announced a commercialization agreement with Engesund Fiskeoppdrett AS. The agreement is related to further development and production of a concrete barge designed for for the production of larger smolt. The agreement with Engesund Fiskoppdrett comprise sale and production of this concept, called "Engesundmerden", which is the result of extensive development work led by Engesund Fiskoppdrett, together with Multiconsult and others, as well as support from Innovation Norway.

SEGMENT OTHER	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	1 005	1 538	3 009	3 597	4 602
EBITDA	(4 115)	(4 119)	(11 268)	(11 641)	(16 913)
Depreciation, amortisation, impairment	-	1 239	(7)	(919)	(57)
EBIT	(4 115)	(2 823)	(11 274)	(12 559)	(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 third quarter of 2018, the Group had no (zero) loss of absence among its own employees. Accumulated HSE target figures Year-To-Date, includes the subsidiaries Bergen Group Services AS and Bergen Group AAK AS (all three quarters) and Bergen Group Sjøsterk (as from Q3).

- LTA / H1 = 0 (Lost Time Accidents)
- TRI / H2 = 21.8 (Total Recordable Injuries)
- F value = 0 (Absence Day Rate)

These values are considered acceptable. The work injuries relates to minor incidents such as debris on the eye, cut in lip and knife cut.

Bergen Group Services AS, Bergen Group AAK and Bergen Group Sjøsterk AS have performed an operational activity in line with the company's adopted program for continuous work on quality and HSE in the third quarter. The companies 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 Services achieved certification in accordance with the new standard ISO 9001: 2015 & ISO 14001: 2015 in the third quarter of 2018.

HR / Personnel

As of September 30, 2018, there were 175 employees in Bergen Group, all of them mainly full-time positions. The figure reflects a small increase in the number of employees in Bergen Group AAK, reduction in Bergen Group Services, and the inclusion of five positions in Bergen Group Sjøsterk incorporated in the Group as from July 2018.

Bergen Group conducts continuous competence and capacity adjustment in relation to market development and operational activities. During the third quarter, both layoffs and terminations have been completed, mainly within the area of Energy and Industry.

In the third quarter of 2018, the total sick leave in the group companies was approx. 5.5 %, of which short-term absence amounts to approx. 1.2%. The majority of long-term sick leave is not evaluated to be work-related illnesses. Short-term sick leave has decreased compared with the two previous quarters.

Accumulated sick leave for the first three quarters of the year is 6.7 %. The corresponding figures in 2016 and 2017 were respectively 6.3 % and 7.2 %

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 measures are taken 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 generally considered relatively limited as per date. The company's liquidity position has decreased because of negative operating profit, combined with acquisitions, over the last few quarters. 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.

Financial risk includes credit risk, market risk and liquidity risk. The financial risk is currently linked to short-term liquidity. The company's liquidity position has been weakened because of negative operating profit, combined with acquisitions, over the last few quarters. The Board of Directors and the administration have taken measures to ensure a satisfactory short-term liquidity for the Group. Measures will be taken in current quarter towards the activity area Energy & Industry in order to achieve profitability and to be in line with the strategy of the merged company Bergen Group – Endùr Fabricom.

Project risk constitutes a continuous risk factor, including the risk of any liquidity impact consequences. The project risk is considered somewhat limited, based on the fact that most of the activity is spread over a number of various 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 1 November 2018 affect the Group to a significant extent.

Related parties

In Q3 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 Q3 2018, the company had 1,548 shareholders in total, compared with 1,555 shareholders at the end of Q2 2018. Updated overview of the company's 20 largest shareholders is available on the company's IR pages at www.bergengroup.no.

Stock trades and share price: 1,359 transactions in the company's shares took place during Q3 2018, with an aggregated volume of 9.1 million shares. Corresponding figures in the Q2 2018 were 1,103 transactions with a total volume of 6.2 million shares. During the third quarter of 2018, the company's shares were traded at prices between NOK 1.40 and NOK 1.90 (NOK 1.59 and NOK 1.85 in Q2 2018).

The closing price on Friday 28 September 2018 (last trading day in the quarter) was NOK 1.54 (NOK 1.82 at the end of Q2 2018). This values the company's market value in the stock market to NOK 145 million at the end of Q3 2018, compared with NOK 171 million at the end of Q2 2018.

Subsequent events

Order intake: Bergen Group Sjøsterk AS was on 31 October 2018 awarded a contract from Grieg Seafood ASA for the construction of a turnkey concrete feed barge for delivery in the summer of 2019. With this contract, Bergen Group Sjøsterk has over a period of three months been awarded contracts on five barges with a total value of almost NOK 100 million.

Merger process and transaction model: On October 19, 2018, Bergen Group disclosed a status report on the merger process with Endûr Fabricom AS. In accordance with Continuing obligations for stock exchange listed companies, Bergen Group ASA will publish an Information document that provides more detailed information about the process, companies involved, updated accounts and intermediate balances, and an assessment of market prospects. In consultation with Oslo Stock Exchange, this Information document will be published when the respective companies' boards have formally approved and decided on the merger plan. This is expected to take place in mid-November. See also section "Merger" under the heading "Future prospects" for further details.

Beyond the above, there have been no events after the balance sheet date, that are expected to have an impact on the valuation as shown in the accounting figures in this report.

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.

Merger with Endùr Fabricom: On August 27, 2018, the market was informed through a stock exchange announcement that Bergen Group ASA had entered into an agreement with the oil service company Endùr Fabricom regarding a merger between the two companies. The merged company will constitute a strong industrial group based in western Norway, with close to 400 employees and an order book exceeding NOK 1 billion. The new company will focus on the three business areas Maritime Service, Energy (Oil and Gas) and Aquaculture.

Both Bergen Group and Endur Fabricom have been through extensive restructuring processes to adapt to a changing market. Both of the two companies have managed to carry out demanding restructuring in parallel with strengthening of the companies’ core competencies, and are now eager to grow. The merger between the two companies is expected to enhance both the speed and profitability of the further growth process and will open up synergies that increase the attractiveness and competitiveness of the companies within markets where they already have positions. Furthermore, the merger is anticipated to provide synergies both within today's operational activity and expense reductions.

The transaction was originally planned between Endúr Holding AS and Bergen Group Management AS, which is 100% owned by Bergen Group ASA. However, the parties have agreed on a somewhat adjusted transaction model, which demerger Endúr Holding AS with Bergen Group ASA as the acquiring company in two stages. The first step, where Bergen Group Management AS acquires 3.9% of Endúr Holding AS's share capital, Endúr Holding AS, was completed 31 October 2018. In step 2, Endúr Holding AS's remaining ownership in Endúr Fabricom AS will be demergered from Endúr Holding AS directly to Bergen Group ASA. This requires the necessary formal decisions in the respective boards, as well as in the extraordinary general meeting scheduled for completion in December 2018.

The merger does not trigger any mandatory offer to existing shareholders in Bergen Group ASA. If convertible bonds and stock options in Bergen Group ASA are taken into account, the owners of Endùr Holding AS will possess a 51% ownership position of Bergen Group ASA after completion of the transaction.

The transaction will be further described in a separate Information document to be disclosed in accordance with Continuing obligations for stock exchange listed companies. With reference to the status update distributed in the Stock Exchange announcement disclosed 19 October 2018, this Information document is expected to be distributed mid November 2018.

Segment Aquaculture: Bergen Group Sjøsterk, which is based on the acquisition of integrated feed barge production and dry dock facility from Backe Bergen, which took place in July 2018, has gained a strong position as a supplier of feed barges to the fish farming industry in Norway. After the acquisition Bergen Group Sjøsterk has been awarded contracts of five barges with a total value of almost NOK 100 million for delivery through the first three quarters of 2019.

Bergen Group aims to grow as a national equipment and service supplier towards the aquaculture industry. The market for concrete feed barges for the aquaculture industry is evaluated strong, and the company is considered being competitive in a national market with customers along the Norwegian coast. Bergen Group has extensive experience from complex maritime productions, both from offshore installations and from various ship technical projects. This competence is considered a strong platform for developing next generation of feed barges and service barged prepared for stronger demands of high flexibility, solid environmental and biomass management and high operational reliability.

Segment Services: Market prospects for ship maintenance and maritime services in the civilian market are still considered as good, with potential for further long-term growth. The capacity utilization within this segment, which is largely characterized by spot assignments and relatively short order horizons, has been somewhat lower than expected in the last two quarters. However, profitability within this market area in segment Services is maintained on a satisfactory level. The company is focusing on strengthening the portfolio of framework agreements as well as increasing the attractiveness of the spot market, and expects this to generate positive effect coming quarters.

A continued low activity towards the Armed Forces is influencing the results in this segment also in Q3 . The order backlog from this part of the market is par with the previous quarter. Clarifications from the Armed Forces on various long-term framework agreements that may be relevant for Bergen Group, is not expected before in the first quarter of 2019. Bergen Group consider it as strategically important to maintain satisfactory capacity and competence towards the Defence in view of potential of expected future growth.

The market situation in the area of Energy & Industry (prefabrication) is challenging and lack of profitability is also expected in the coming quarters. Measures will be taken in current quarter in order to achieve profitability and to be in line with the strategy of the merged company.

Order backlog: At the end of Q3 2018, Bergen Group had a total order backlog of NOK 189 million, representing a net increase of NOK 37 million compared to the end of Q2 2018.

The growth in the Group's order book in the third quarter has mainly taken place within the new segment Aquaculture. As per today, the operative business in this segment is exercised by Bergen Group Sjøsterk.

Since the acquisition in July 2018, this company has closed orders for almost NOK 100 million. Of this, NOK 69 million is included in the Group's order backlog as of 30 September 20818.

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

Order intake disclosed in stock exchange messages after the end of the quarter are explained in more detail in the section "Events after balance sheet date".

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

Bergen, 1 November 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 LOSS (unaudited)	**NOTE**	**Q3 2018**	**Q3 2017**	**YTD 2018**	**YTD 2017**	**FY 2017**
Operating revenue	4	**50 200**	**60 097**	**152 111**	**208 856**	**272 102**
Cost of sales		(16 701)	(21 857)	(50 763)	(82 898)	(111 623)
Payroll expenses		(31 687)	(28 812)	(95 934)	(89 110)	(123 810)
Cost related to options		(303)	(233)	(1 543)	(3 253)	(3 486)
Other operating expenses		(9 980)	(7 337)	(26 420)	(28 221)	(37 262)
Operating profit/loss before depr., impairm. (EBITDA)	4	**(8 470)**	**1 858**	**(22 550)**	**5 374**	**(4 079)**
Depreciation, amortisation, impairment		(1 188)	(326)	(2 916)	(3 112)	(4 136)
Operating profit/loss (EBIT)	4	**(9 659)**	**1 532**	**(25 466)**	**2 262**	**(8 215)**
Net finance costs	5	(4 074)	(723)	(4 855)	(2 257)	(2 679)
Profit/loss before tax		**(13 733)**	**808**	**(30 321)**	**4**	**(10 894)**
Income tax expense		801	-	801	-	(792)
Profit/loss for the period		**(12 932)**	**808**	**(29 520)**	**4**	**(11 686)**
Profit/loss attributable to:						
Owners of the parent Company		(12 932)	808	(29 520)	4	(11 686)
Non-controlling interests		-	-	-	-	-
Profit/loss		**(12 932)**	**808**	**(29 520)**	**4**	**(11 686)**
Earnings per share						
Basic earnings per share (NOK)		(0,14)	0,01	(0,31)	0,00	(0,13)
Diluted earnings per share (NOK)		(0,14)	0,01	(0,31)	0,00	(0,13)
Weighted average no. of shares outstanding (millions)		93,99	93,96	93,97	93,96	88,49
Diluted weighted average no. of shares outstanding (millions)		93,99	93,96	93,97	93,96	88,49

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)	**NOTE**	**Q3 2018**	**Q3 2017**	**YTD 2018**	**YTD 2017**	**FY 2017**
Result		**(12 932)**	**808**	**(29 520)**	**4**	**(11 686)**
Items which may be reclassified in the Income Statement in subsequent periods						
Items which will not be reclassified in the Income Statement in subsequent periods						
Total comprehensive income		**(12 932)**	**808**	**(29 520)**	**4**	**(11 686)**
Total comprehensive income attributable to:						
Owners of the parent Company		(12 932)	808	(29 520)	4	(11 686)
Non-controlling interests		-	-	-	-	-
Total comprehensive income		**(12 932)**	**808**	**(29 520)**	**4**	**(11 686)**

Bergen Group ASA Interim report Q3 2018 Amounts in TNOK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)

	NOTE	30.09.2018	31.12.2017
ASSETS			
Deferred tax asset	13	19 729	19 729
Intangible assets and goodwill	11, 12	125 147	107 382
Property, plant and equipment		25 147	4 802
Non-current assets		**170 022**	**131 913**
Inventories		4 966	4 592
Work in progress		34 813	40 590
Trade receivables	8	19 002	30 995
Other receivables	8	6 006	7 440
Cash and cash equivalents	6	22 163	53 742
Current assets		**86 949**	**137 359**
Total assets		**256 972**	**269 272**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	93 991	93 958
Share premium		17 382	17 382
Retained earnings		56 146	84 123
Total equity		**167 519**	**195 463**
Liabilities			
Loans and borrowings	7, 9	31 128	16 285
Pension liabilities		-	40
Other liabilities		3 490	3 490
Non-current liabilities		**34 618**	**19 815**
Trade payables and other payables	8	29 725	30 286
Other current liabilities	8	25 110	23 709
Current liabilities		**54 835**	**53 995**
Total liabilities		**89 453**	**73 810**
Total equity and liabilities		**256 972**	**269 272**

Bergen Group ASA Interim report Q3 2018 Amounts in TNOK

CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)	NOTE	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Cash flow from operating activities						
Profit/loss for the period		**(12 932)**	**809**	**(29 520)**	**5**	**(11 685)**
Adjustments for:						
Tax expense		801	-	801	-	792
Depreciation, amortisation, impairment		1 188	326	2 916	3 112	4 136
Profit from sale of fixed assets		-	(467)	-	(467)	(465)
Effect of options exercised		303	233	1 543	3 253	3 486
Items classified as investments and financing activities		272	181	793	1 004	1 264
Changes in:						
Trade receivables		11 521	49 715	11 954	9 484	6 864
Trade payables		4 589	(32 666)	(1 671)	(4 903)	(18 528)
Inventories / work in progress		(5 716)	42 307	5 404	(13 321)	2 262
Other current assets and accruals		(2 135)	(12 222)	985	6 915	23 477
Net cash from operating activities		**(2 109)**	**48 216**	**(6 795)**	**5 082**	**11 603**
Cash flow from investments activities						
Proceeds from sale of property, plant and equipment		-	1 991	-	1 991	1 097
Acquisition of property, plant and equipment		(258)	323	(1 163)	(1 361)	(2 608)
Acquisition of subsidiary, net of cash acquired		(37 862)	-	(37 862)	-	(68)
Net cash from investments activities		**(38 120)**	**2 314**	**(39 025)**	**630**	**(1 579)**
Cash flow from financing activities						
Proceeds from new equity (capital increase)		33	-	33	28 675	28 648
Proceeds from new loan		15 000	-	15 000	-	-
Interest expense		(272)	(181)	(793)	(1 004)	(1 264)
Repayment of borrowings		-	(16)	-	(19 696)	(20 005)
Net cash from financing activities		**14 761**	**(197)**	**14 240**	**7 975**	**7 379**
Net change in cash and cash equivalents		(25 468)	50 333	(31 580)	13 687	17 403
Cash & cash equivalents at start of period		47 631	(305)	53 743	36 341	36 341
Cash & cash equivalents at end of period	6	**22 163**	**50 028**	**22 163**	**50 028**	**53 744**
Of which restricted cash at the end of the period		14 185	16 876	14 185	16 876	18 273

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(unaudited)

	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.2017	**79 014**	**3 679**	**92 783**	**175 476**
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	-	-	(461)	(461)
Equity 31.12.2017	**93 958**	**17 382**	**84 123**	**195 464**

	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.2018	**93 958**	**17 382**	**84 123**	**195 464**
Profit (loss)	-	-	(29 520)	(29 520)
Capital increase	33	-	-	33
Equity effect of share options	-	-	1 543	1 543
Equity 30.09.2018	**93 991**	**17 382**	**56 146**	**167 519**

Bergen Group ASA Interim report Q3 2018 Amounts in TNOK

NOTES
(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. 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.

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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Note 4 - Segment information

SEGMENT SERVICES	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	45 857	61 645	147 767	208 345	271 591
EBITDA	(5 118)	5 976	(12 044)	17 014	12 835
Depreciation, amortisation, impairment	(872)	(1 565)	(2 593)	(2 193)	(4 078)
EBIT	(6 989)	4 354	(15 637)	14 821	8 756
Order backlog	120 500	137 100	120 500	137 100	152 200

*Figures for revenues excludes intercompany eliminations

SEGMENT AQUACULTURE	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	4 343	-	4 343	-	-
EBITDA	762	-	762	-	-
Depreciation, amortisation, impairment	(317)	-	(317)	-	-
EBIT	445	-	445	-	-
Order backlog	69 000	-	69 000	-	-

*Figures for revenues excludes intercompany eliminations

SEGMENT OTHER	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Operating revenue*	1 005	1 538	3 009	3 597	4 602
EBITDA	(4 115)	(4 119)	(11 268)	(11 641)	(16 913)
Depreciation, amortisation, impairment	-	1 239	(7)	(919)	(57)
EBIT	(4 115)	(2 823)	(11 274)	(12 559)	(16 971)

*Figures for revenues excludes intercompany eliminations

Note 5 - Net finance costs

NET FINANCE COSTS	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Interest income	13	19	41	280	351
Other finance income	274	5	300	5	71
Interest cost	(416)	(234)	(956)	(1 126)	(1 432)
Losses connected to conditional remuneration related to historical sales	(3 750)	-	(3 750)	-	-
Other finance cost	(195)	(513)	(489)	(1 416)	(1 669)
Total	**(4 074)**	**(723)**	**(4 855)**	**(2 257)**	**(2 679)**

NOTES
(unaudited)

Note 6 - Cash and cash equivalents

CASH AND CASH EQUIVALENTS	30.09.2018	31.12.2017
Cash and cash equivalents - liquid funds	7 979	35 469
Cash and cash equivalents - restricted funds	14 185	18 273
Total	**22 163**	**53 742**

Note 7 - Loans and borrowings

LOANS AND BORROWINGS	30.09.2018	31.12.2017
Debt to credit institutions	15 000	-
Convertible loan	16 128	16 117
Financial lease obligations	-	168
Total	**31 128**	**16 285**

Collateral
The convertible loan is secured by (i) mortgage regarding all shares in Bergen Group Services AS, (ii) collateral in Bergen Group ASA's accounts receivables, (iii) collateral in Bergen Group ASA's bank accounts, and (iv) security in Bergen Group Services AS's bank accounts, accounts receivable and equipment.

Debts to credit institutions are secured by (i) mortgages in all shares in Bergen Group Sjøsterk AS, (ii) mortgage in property belonging to Bergen Group Sjøsterk Eiendom AS and (iii) collateral in Bergen Group Services AS's inventories, accounts receivable and equipment.

Note 8 - Financial instruments
The group had as of 30 September 2018 the following financial assets; Cash and cash equivalents MNOK 22 (including restricted cash), accounts receivables MNOK 19, and other short term receivables MNOK 6. Financial obligations consisted of; Long term interest bearing debt MNOK 31, account payables and other liabilities MNOK 30.

Note 9 - Financial risks
Financial risk includes credit risk, market risk and liquidity risk. The financial risk is currently linked to short-term liquidity. The company's liquidity position has been weakened because of negative operating profit, combined with acquisitions, over the last few quarters. The Board of Directors and the administration have taken measures to ensure a satisfactory short-term liquidity for the Group. Measures will be taken in current quarter towards the activity in the market area Energy & Industry in order to achieve profitability and to be in line with the strategy of the merged company.

Note 10 - Shareholder information
The share capital in Bergen Group ASA is NOK 93 991 018, distributed on 93 991 018 shares with nominal value NOK 1/per share

Largest shareholders 30.09.2018	# of Shares	% of total
BRIAN CHANG HOLDINGS	28 918 110	31 %
AS FLYFISK	22 397 940	24 %
EIKELAND HOLDING AS	5 823 024	6 %
BERGEN KOMMUNALE PEN	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	1 000 000	1 %
SØR-VARANGER INVEST	916 774	1 %
NORDNET LIVSFORSIKRING	910 411	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	540 000	1 %
BERNHD. BREKKE AS	494 505	1 %
KANABUS AS	432 265	0 %
ROSENBERG INVESTERING	412 799	0 %
JACOBSEN HARALD SIGFRED	402 000	0 %
Total 20 largest	**71 672 828**	**76 %**
Other shareholders	22 318 190	24 %
Total all shareholders	**93 991 018**	**100 %**

NOTES
(unaudited)

Note 11 - Acquisition of subsidiary
In July 2018, Bergen Group Management AS acquired 100% of the shares in Sjøsterk AS and Sjøsterk II AS, later renamed Bergen Group Sjøsterk AS and Bergen Group Sjøsterk Eiendom AS. For the three months prior to September 30, 2018, the companies contributed revenues of MNOK 4.3 and a profit before tax of MNOK 0.5 in the Group's results.

Consideration transferred

Cash consideration	43 478
Total consideration transferred	43 478

Acquisition-related costs
The group incurred acquisition-related costs of MNOK 0,3, mainly related to legal services

Identifiable assets acquired and liabilities assumed
The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

Property, plant and equipment	20 910
Trade receivables and other receivables	39
Cash and cash equivalents	5 997
Deferred tax	(801)
Trade payables and other payables	(1 110)
Other current liabilities	(508)
Total identifiable net assets acquired	24 526

Goodwill

Total consideration transferred	43 478
Fair value of identifiable net assets acquired	(24 526)
Goodwill	18 952

Note 12 - 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.

Services
As of 30.09.2018, 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 2021. Budgeted EBITDA is based on expectations for future results taking into account experience from historical results. 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 and EBITDA-margin of 6-10% has been used. Estimated recoverable amount of cash-generating unit exceeds book value.

Aquaculture
Cash-flow-generated unit has not been tested for impairment as no indication of impairment has been identified.

Reconciliation of carrying amount of goodwill

Cost	
Balance at 1 January 2018	152 213
Acquisition through business combination	18 952
Balance at 30 September 2018	171 165
Impairment losses	
Balance at 1 January 2018	50 000
Impairment loss	-
Balance at 30 September 2018	50 000
Carrying amounts	
Balance at 1 January 2018	102 213
Balance at 30 September 2018	121 165

Note 13 - 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.

ALTERNATIVE PERFORMANCE MEASURES

Bergen Group presents alternative performance measures as a supplement to measures regulated by IFRS. The alternative performance measures are presented to provide better insight and understanding of operations, financial position and the basis for future developments.

The definitions of these measures are as follows:

EBITDA - Profit/loss before i) tax, ii) net finance cost, iii) depreciation, amortisation, impairment. Corresponds to "Operating profit/loss before depr., impairm" in the consolidated statement of profit or loss

EBIT - Profit/loss before i) tax, ii) net finance cost,. Corresponds to "Operating profit/loss" in the consolidated statement of profit or loss

Net interest-bearing debt - Total interest-bearing debt, less i) interest-bearing receivables and ii) cash

Equity ratio - Total equity divided by total assets