BERGEN GROUP

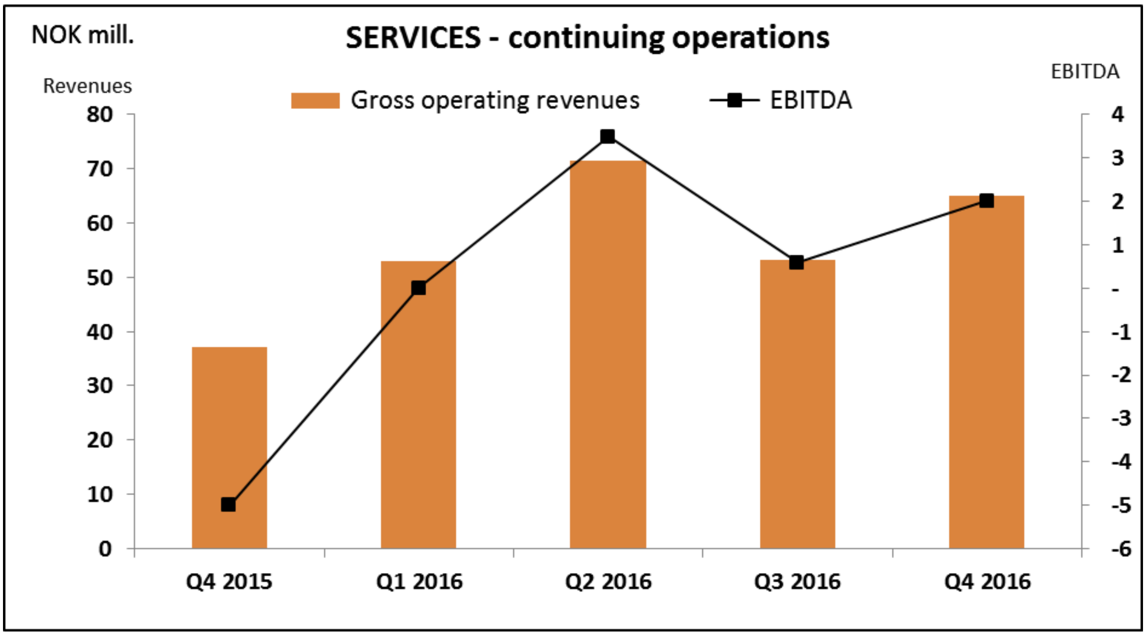
QUALITY THROUGH SERVICE AND INNOVATION

Bergen Group ASA
Interim Report Q4 2016 and preliminary figures 2016

Successful refinancing process completed in Q4 2016
- Private placement of NOK 22 million fully subscribed at the Extraordinary General Meeting.
- Authorisation given to the Board to carry out repair issue up to NOK 5.28 million.
- NOK 188 million of reduced obligations through extensive voluntary debt restructuring.
- New loans with attractive conditions: in total NOK 20 million from the main shareholders and EUR 1.8 million in a convertible loan from Eastern European Investment Management (EEIM).

Accumulated figures for 2016 at Group level:
- Gross revenue of NOK 246 million (up from NOK 208 million in 2015).
- Result after tax of NOK 66 million (up from NOK -102 million in 2015).
- Net positive effect of MNOK 82 from restructuring and debt remission.
- Strengthened equity; NOK 168 million (up from NOK 81 million as of 31 December 2015)
- Strengthened equity ratio; 61.5 % as of 31 December 2016 (up from 15.3% as of 31 December 2015).

Improvement of the result of the Group's operational activities (segment Services):
- Revenue of NOK 64 million in Q4 2016 (up from NOK 44 million in Q4 2015).
- EBITDA of NOK 2 million in Q4 2016 (up from NOK -3.4 million in Q4 2015).
- Order backlog of NOK 172 million by the end of Q4 2016 (up from NOK 147 million by the end of Q4 2015).



The segment Services consist of Bergen Group Services AS and Bergen Group Technology, in which Bergen Group Services AS is the operative part of remaining activity in this segment.

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 2015. Comparative figures for Q4 2015 has been revised due to changes in the income statement and the balance sheet from unaudited interim report for Q4 2015 until final audited annual report for 2015.

Continued operations as of 31 December 2016, as shown in the table “Financial Key Figures” on page 1, consist of the companies Bergen Group Services AS, Bergen Group Management AS, Bergen Group Technology AS and Bergen Group ASA.

All effects from the bankruptcy of subsidiaries are reported as discontinued operations, regardless of which company has incurred the losses of the bankruptcy.

In December 2016, private placement was completed, as well as a restructuring and comprehensive voluntary debt remission, ref. note 4 and 11. The effects are presented as discontinued operations.

Profit and loss accounts per Q4 2016 (continued operations)

Bergen Group had operating revenue of NOK 65 million in Q4 2016, compared to NOK 48 million in Q4 2015. The operating profit before depreciation (EBITDA) in Q4 2016 was negative NOK 2.0 million, compared to negative NOK 19.6 million in Q4 2015.

After total depreciations of NOK 1.5 million, the operating profit after depreciations and write-downs (EBIT) in Q4 2016 was negative NOK 3.6 million, compared to negative NOK 21.5 million in Q4 2015.

Net financial items were positive NOK 0.9 million in Q4 2016, compared to negative NOK 3.0 million in Q4 2015.

Result before taxes in Q4 2106 was negative NOK 2.7 million, compared to negative NOK 24.5 million in Q4 2015. The result after tax in Q4 2016 was negative NOK 2.7 million, compared to negative NOK 35.7 million in Q4 2015.

Accumulated figures – entire 2016 (continued operations)

Bergen Group's accumulated operating income for 2016 was NOK 246 million, compared to NOK 208 million in 2015. The group's accumulated operating result before depreciations and write-downs (EBITDA) for 2016 was NOK 5 million, compared to negative NOK 27 million in 2015. The group's accumulated result before taxes and financial items (EBIT) was negative NOK 0.7 million compared to negative NOK 34 million in 2015. The group's result after taxes from continued operations was negative NOK 6 million, compared to negative NOK 63 million in 2015.

Comparative figures have been revised, and do not include figures from discontinued operations.

Balance and cash flow in Q4 2016 (both continued and discontinued activities)

The Group’s total balance at the end of Q4 2016 for both continued and discontinued activities was NOK 291 million. The Group’s receivables at the end of Q4 2016 were NOK 82 million, whereas bank deposits constituted NOK 36 million.

Interest-bearing debt was NOK 36.3 million at the end of Q4 2016, after refinancing and debt remission in December 2016, whereas interest bearing debt at the end of Q4 2015 was NOK 67.5 million. Bergen Group’s book equity at the end of Q4 2016 was NOK 168 million, equivalent to an equity ratio of 61.5 %.

Bergen Group had a negative cash flow of NOK 1.6 million in Q4 2016. The cash flow from operational activities, including discontinued operations, was negative with NOK 5.6 million. This includes net changes related to other current assets and other current liabilities with negative NOK 55.5 million, of which mainly relates to remission of other current liabilities and losses on other short term receivables in relation to the refinancing, of which took place in December 2016. The cash flow from investment activities was neutral with NOK 0 million, whereas the cash flow from financing activities was positive with NOK 4.0 million. Payments received from the private placement in Q4 2016 were NOK 22.1 million.

Reporting segments

This interim report reports for the following independent segments:

- Services (Bergen Group Services AS and Bergen Group Technology AS), Bergen Group Services AS constitutes the operative part of the remaining activities within this segment.
- Other (other Group activities, including Bergen Group Management AS and Bergen Group ASA)

SERVICES	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Operating revenue*	63 888	43 522	242 868	222 184
EBITDA	1 976	(3 418)	16 132	3 482
Depreciation, amortisation	(1 749)	(1 527)	(5 771)	(6 521)
Impairment	-	-	-	-
EBIT from continuing operations	227	(4 945)	10 361	(3 038)
Order backlog	172 000	146 500	172 000	146 500

*Figures for revenues excludes intercompany eliminations

As of 31 December 2016, the Group's operational activities are performed through the fully owned subsidiary Bergen Group Services AS, which mainly focuses on the three market areas Energy & Industry, Maritime and Defense.

Both the figures for Q4 2016 as well as the accumulated figures for entire 2016 related to the segment Services show a positive development, including a strengthened result before depreciation and amortization(EBITDA) compared to the corresponding period in 2015. The positive development of the result relates to a great extent to measures implemented to achieve the best possible balance between production capacity and contract volume. This has also made the company more competitive, and has contributed to generating activity towards new customers.

The company is considered to have a well-established market position towards maritime service and ship-technical maintenance. Through many years it has acquired solid competence in carrying out complex maintenance and service projects both for civilian and military customers. The primary market is Western Norway, but the extent of travel-based assignments elsewhere in Norway and towards offshore installation has shown an increasing tendency throughout the second half of 2016.

The level of activity connected to ship-technical maintenance and maritime service in Q4 has been consistently high. The customer base is very varied, and only to a small degree influenced by the downturn in the offshore industry. The activities are based upon a combination of long-term framework agreements, such as for the Norwegian Society for Sea Rescue (Redningsselskapet) and the Norwegian Armed Forces, and a strong position in the spot market.

The rental agreement, signed towards the end of Q3 2016, for the dry dock and deepwater quay at the area at Laksevåg, that until spring 2016 was used by NorYards BMV, has in Q4 added increased activity connected to ship-technical maintenance and maritime service for larger vessels.. A good portion of this has been assignments within the spot market. The company expects more long-term agreements and strengthen the company's position in connection to new framework agreements towards maritime operations.

Through large parts of 2016 the market area Energy & Industry has been influenced by a low level of activity and a challenging competitive situation. This situation has improved somewhat in Q4 2016 and seems to continue in the beginning of 2017. However, the market area is still characterised by relatively short-term assignments.

The company will continue to focus strongly on adapting the organisations' competence and capacity in order to strengthen its competitiveness with regards to the expected market development.

OTHER	**Q4 2016**	**Q4 2015**	**YTD 2016**	**YTD 2015**
Operating revenue	1 001	847	4 113	10 659
EBITDA	(3 871)	(14 542)	(10 904)	(30 646)
Depreciation, amortisation	141	(64)	(116)	(340)
Impairment	-	-	-	-
EBIT from continuing operations	(3 784)	(14 606)	(11 074)	(30 986)
Order backlog	-	-	-	-

GROUP ELIMINATIONS	**Q4 2016**	**Q4 2015**	**YTD 2016**	**YTD 2015**
Elimination operating revenues	43	-	(866)	(24 847)
Elimination order backlog	-	-	-	-

QHSE

Bergen Group works systematically and continually on improving QHSE (Quality, Health, Security and Environment) performance, systems and safety culture connected to all operations within the Group. The Group has a zero vision for quality, HSE and events impacting the external environment. The goal is preventing employees from becoming injured or ill through work, ensure the right quality of our deliveries and avoid harmful impact on our surroundings.

In Q4 2016 the Group had no notifiable personal injuries among our own employees.

Bergen Group Services carried out the follow-up audit of the standards ISO 9001:2008, ISO 14001:2004 and ISO 3834-2 for the business area Energy & Industry, and also incorporated the business area Defence into these standards.

The reporting of proposed improvements and observations used in preventive work shows an increase, and the goal for the number of registrations was reached.

HR / Personnel

Per 31 December 2016 Bergen Group had in total 138 permanent employees. During the entire 2016 the competence and capacity was adjusted according to the market development, which has entailed some downsizing of the production capacity within the area Energy & Industry, while recruitment within some disciplines related to ship-technical maintenance and maritime service has taken place.

The average sick leave (short- and long term) among all employees was 6.88% in Q4 2016 compared to 6.1% in Q3 2016. The total short-term sick leave in Q4 2016 was 3.69% against 3.4 % in Q3 2016. The total percentage of long-term sick leave in Q4 was 3.19% against 2.6 % in Q3 2016.

For the year 2016 as a whole, the sick leave was 6.3%, of which 3.3% was short-term leave and 3% was long-term leave. The average sick leave among the employees in the calendar year 2015 was, for comparison, 6.5%. The average sick leave in the Norwegian industry has been around 5% the past year.

The Board registers that the sick leave has experienced minor decrease every year since 2012. The goal is for the sick leave to be further reduced.

The work environment is generally considered good. Bergen Group has zero tolerance towards all forms of harassment, discrimination or other behaviour that colleagues, business connections or others may perceive to be threatening or derogatory. All employees are entitled to fair and equal treatment.

Apprentices: Bergen Group focuses on further developing capacity and competence within the various market areas that are considered strategically important. During 2016 4 new apprenticeships were entered into, as well as one adult apprenticeship. In total, the company has had 9 apprenticeships throughout the year, of which 3 have successfully completed the qualifying examination. 2 have been permanently employed. By the end of the year 7 employees had apprenticeships, including one adult apprentice. The company considers an active apprenticeship scheme strategically important.

Risks and uncertainty

Bergen Group ASA is exposed to risks of both an operational and financial character. The Board and Audit Committee of Bergen Group AS have a strong focus on ethics and risk management, and work actively on reducing the Group’s total risk exposure. The most important risk factors are financial risks and project risks, including general counterparty risks in today's market.

Financial risks include credit risks, market risks and liquidity risks. The financial risk scenario communicated to the market through the last interim reports is considered to be significantly reduced as a result of the extensive restructuring and refinancing process that was finalised end of Q4 2016.

Project risks have previously constituted a large risk factor for Bergen Group, and then first and foremost connected to the Group taking on large and extensive projects within shipbuilding and rig upgrades earlier. Per February 2017 the risk exposure of the Group’s activities towards single projects has been limited.

Beyond ongoing, general operational risks, the Board considers that there as of February 6th 2017 are no risk elements present that impacts the Group negatively to a significant degree.

Related parties

The agreement that was achieved regarding the refinancing, which was clarified towards the end of December 2016, included NOK 22 million in added equity through a private placement towards primary insiders and related parties. The share subscriptions in the private placement came from the three main shareholders Brian Chang Holdings Limited, AS Flyfisk and Køhlergruppen AS, with in total NOK 14.5 million, and NOK 7.5 million from managers within the Group and Bergen Group Services

Brian Chang Holdings Limited and AS Flyfisk have contributed with in total NOK 20 million in the form of a short-term loan with a 6 percent interest rate. We refer to note 4 and 11 for further details related to net effect of the refinancing and the voluntary debt remission.

Except from the main shareholders Brian Chang Holding Limited and AS Flyfisk' s participation in various parts of the restructuring and refinancing process, there have been no transactions with related parties during Q4 2016.

Extraordinary General Meeting

On 17 November 2016, Bergen Group ASA held an Extraordinary General Meeting (EOGF) according to the summons sent on 27 October 2016. In total 45 776 226 of in total 60 622 009 shares and votes were represented, which corresponds to 75.51 % of the total number of shares and votes within the Company. The following was unanimously approved according to the summons:

- Carrying out a private placement within the Company with gross proceeds of around NOK 22 070 000, with the subsequent subscription, and
- Authorisation to the Board for taking out a convertible loan of up to EUR 1 800 000, and
- Authorisation to the Board of carrying out a repair issue with gross proceeds of up to NOK 5 282 083.

The above decisions by the Extraordinary General Meeting was included as central elements of the extensive refinancing and restructuring process that was finalised by the end of Q4 2016.

Share capital and shareholder information

New share capital: As a consequence of the private placement approved by the Extraordinary General Meeting 17 November 2016, on 28 December 2016 the company's share capital was increased with NOK 18 392 333 through issuing 18 392 333 new shares, each with a nominal value of NOK 1.00, for the issue price of NOK 1.20 per share. After the capital increase the Company's share capital is NOK 79 014 342, distributed on 79 014 342 shares, each at a nominal value of NOK 1.00.

The stock market values the company to NOK 153 million, based on the closing price of NOK 1.93 per share on 30 December 2016. The corresponding figure by the end of 2015 was NOK 62 million (based on 60.6 million shares).

Share trades and share price: In Q4 2016 the company's shares were traded in total 1 374 times, with a total volume of 9.85 million shares. The corresponding figure of Q3 2016 was 541 trades and a total volume of 3.18 million shares.

During Q4 2016, the company's shares were traded at prices around NOK 1.19 and NOK 2.23 (NOK 1.24 and NOK 1.68 in Q3 2016). The closing price on 30 December 2016 was NOK 1.93 (NOK 1.26 by the end of Q3 2016 and NOK 1.03 by the end of 2015).

The closing price of NOK 1.93 per 30 December 2016 represents an increase in 2016's share price of 87.4 percent (NOK 1.03 by the end of 2015).

Repair issue: The Board of Bergen Group ASA has started the process of preparing the repair issue, based on the authorisation provided by the Extraordinary General Meeting that was held on 17 November 2016. The repair issue is planned to be implemented in Q1 2017, at the same subscription price as in the private placement carried out in Q4 2016. The repair issue has gross proceeds of up to NOK 5.3 million. Subscription rights for the repair issue applies to all shareholders of the company registered per 17 November 2016 (and registered in VPS as per 21 November 2016) who did not participate in the private placement, ref. the stock exchange announcement distributed on 2 November 2016 regarding key information for the repair issue. Based on the criteria stated above, each shareholder will receive approximately 0.2738 subscription rights per share, and one (1) subscription right will entitle to subscription and allocation of one (1) new share. Facilitator for the issue is Norne Securities.

Shareholders: Per 30 December 2016, after the shares of the private placement were registered, the company had 1 024 shareholders (953 shareholders per 31 December 2015), of whom the 20 largest owned 87.02 %. An updated overview over the company's 20 largest shareholders is available on the company's IR pages at www.bergengroup.no.

Liquidity guarantee: In Q4 2016 Bergen Group ASA entered into an Agreement on Market Making with Norne Securities AS for the company's shares issued at the Oslo Stock Exchange. The purpose of the agreement is to increase the liquidity of the company shares. The agreement conforms to the requirements of the Oslo Stock Exchange, and applied from 18 November 2016.

Events after the balance sheet date

There have been no events after the balance sheet dates that are considered to impact the valuation appearing in the accounting data of this report.

Future outlook

The extensive restructuring process that was completed by the end of Q4 2016 has provided the company with a stronger financial platform, while the operational is considered strengthened. Within several of the areas in which the company operates, the market has been challenging throughout 2016. During the past year, the company has implemented various capacity and competence-related measures, adapted to the expected market demand in the years to come. These measures are expected to have a positive impact on both turnover and profitability during the next two quarters.

Bergen Group operates within market areas that are partially independent from each other, but which in several areas coincide when it comes to requirements for competence and available capacity. This contributes to securing an order backlog that is robust with regards to market and economic fluctuations within specific areas. At the same time, this enables a coordination of the use of resources and production capacity across the departments.

The Board is therefore of the opinion that the Group currently has a good foundation for a targeted growth strategy based on the company's existing business areas. In addition, the Board will actively consider various strategic measures that may secure complementary capacity and competence for Bergen Group.

The strategic collaboration with AAK Energy Services AS, communicated in a stock exchange announcement on 3 February 2017, is considered important in the efforts to strengthen the Group's market position.

Bergen Group continuously assesses strategic measures towards companies with complementary activities and the potential for extracting synergy effects, increased market position and access to new market areas.

Order backlog: By the end of Q4 2016, Bergen Group had an order backlog of NOK 172 million, compared to NOK 165 million per 30 September 2016. The strongest net growth in the order backlog has been within the two market areas Maritime and Energy & Industry. Here the number of orders is distributed on a range of different assignments over different market segments. The largest single order that was rewarded in Q4 was an assignment regarding the inspection and performance monitoring for the mine hunting vessel KNM Rauma, ref. the stock exchange announcement sent on 5 December 2016. The project started just after New Year in 2017, and will last for an estimated 12 weeks. In the first half of 2016 the company carried out a similar assignment on the sister ship KNM Hinnøy.

The order backlog per 31 December 2016 does not include the value of options connected to existing contracts.

In Q4 2016, Bergen Group Services was pre-qualified for the delivery of tender for a new contract connected to the ship-technical maintenance of the Norwegian Armed Forces' frigates starting up from July 2017. The Norwegian Armed Forces has initiated an ordinary tender competition for the renewal of this contract, and the process is expected to be clarified in the middle of Q2 2017.

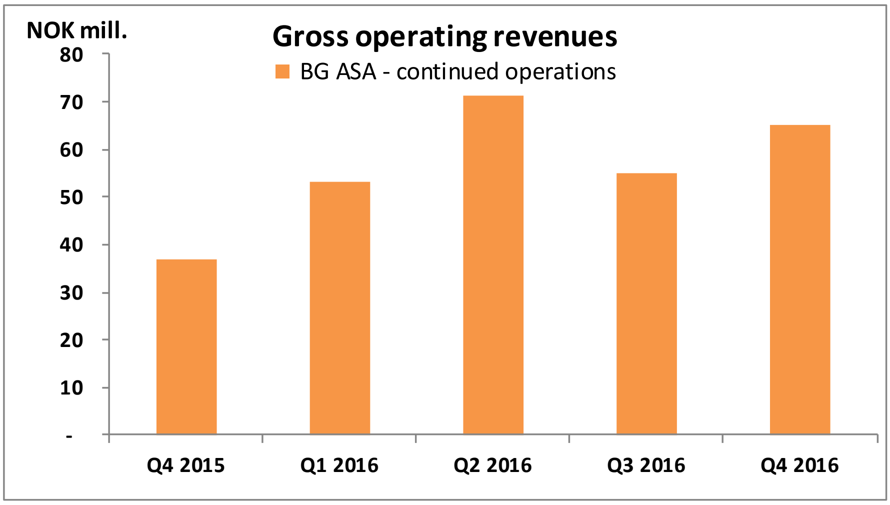
Bergen, 6 February 2017

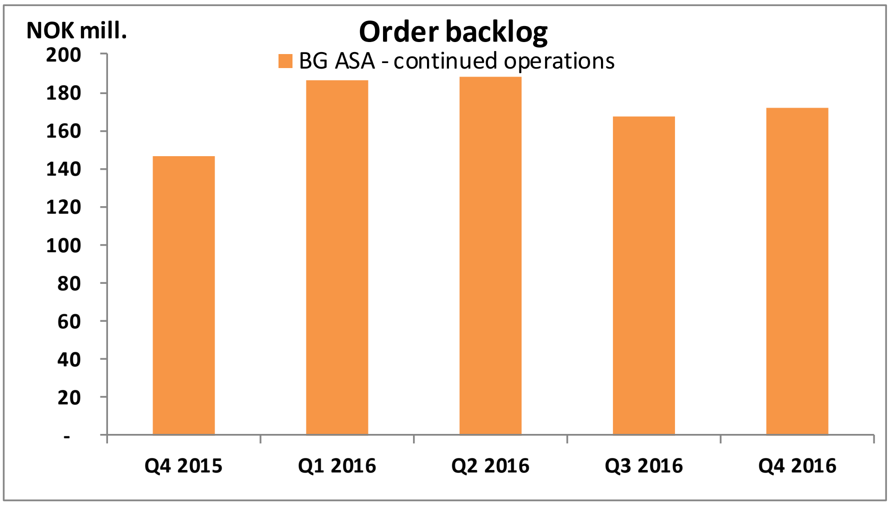
The Board and CEO of Bergen Group ASA

Tor Lars Onarheim, Chairman of the Board	Espen Berge
Tove Ormevik	Bente Stangeland
Kristoffer Hope, employee representative	Jorunn Ingebrigtsen, employee representative

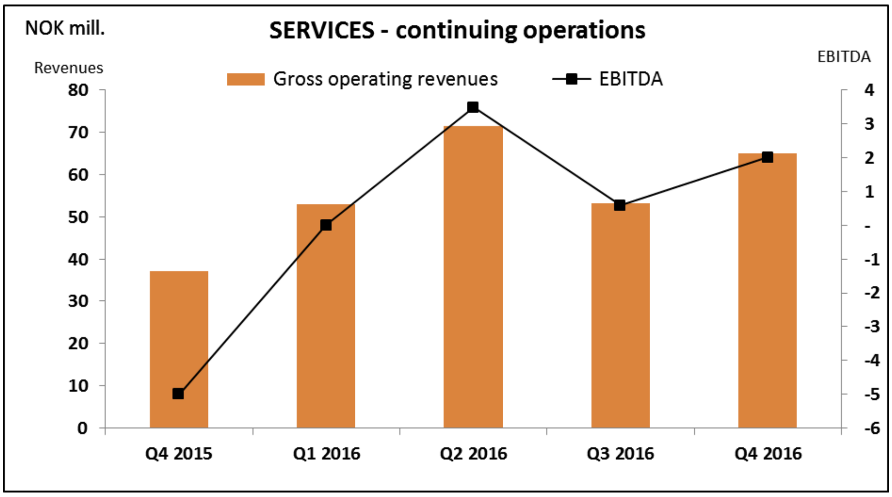
Hans Petter Eikeland, CEO

Quarterly development Bergen Group – consolidated group figures





Quarterly development Bergen Group – split by reporting segments



CONSOLIDATED INCOME STATEMENT (unaudited)	NOTE	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Continuing operations					
Operating revenue	4	**64 932**	**47 770**	**246 116**	**207 996**
Cost of sales		(32 294)	(22 535)	(116 473)	(72 722)
Payroll expenses		(24 515)	(23 714)	(90 732)	(111 985)
Other operating expenses		(10 148)	(21 129)	(33 812)	(50 454)
Operating result before depreciations and write-dow	4	**(2 024)**	**(19 608)**	**5 099**	**(27 165)**
Depreciations		(1 533)	(1 889)	(5 811)	(6 860)
Write-down		-	-	-	-
Operating result (EBIT)	4	**(3 557)**	**(21 497)**	**(712)**	**(34 025)**
Financial income		1 912	498	1 390	1 997
Financial expenses		(1 006)	(3 487)	(7 093)	(20 431)
Result before taxes		**(2 651)**	**(24 486)**	**(6 415)**	**(52 459)**
Taxes		-	(11 253)	-	(11 000)
Result after taxes from continuing operations	6	**(2 651)**	**(35 739)**	**(6 415)**	**(63 459)**
Discontinued operations					
Result after taxes from discontinued operations	4, 5	72 617	27 960	72 073	(38 426)
Result		**69 967**	**(7 779)**	**65 657**	**(101 885)**
Result attributable to:					
Owners of the parent Company		69 967	(7 779)	65 657	(101 885)
Non-controlling interests		-	-	-	-
Result		**69 967**	**(7 779)**	**65 657**	**(101 885)**
Earnings per share					
Basic earnings per share (NOK)		0,89	-0,13	0,83	-1,68
Diluted earnings per share (NOK)		0,89	-0,13	0,83	-1,68
Earnings per share - continuing operations					
Basic earnings per share (NOK)		-0,03	-0,59	-0,08	-1,05
Diluted earnings per share (NOK)		-0,03	-0,59	-0,08	-1,05
Weighted average no. of shares outstanding (millions)		79,01	60,62	79,01	60,62
Diluted weighted avgerage no. of shares outstanding (millions)		79,01	60,62	79,01	60,62

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)	NOTE	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Result		**69 967**	**(7 779)**	**65 657**	**(101 885)**
Items which may be reclassified in the Income Statement in subsequent periods					
Foreign currency translation differences related to subsidiaries		-	-	-	-
Reclassification of foreign currency differences on disposal of discontinued operations		-	-	-	-
Total comprehensive income		**69 967**	**(7 779)**	**65 657**	**(101 885)**
Total comprehensive income attributable to:					
Owners of the parent Company		69 967	(7 779)	65 657	(101 885)
Non-controlling interests		-	-	-	-
Total comprehensive income		**69 967**	**(7 779)**	**65 657**	**(101 885)**

Bergen Group ASA Interim report Q4 2016 Amounts in TNOK

CONSOLIDATED BALANCE SHEET
(unaudited)

	NOTE	31.12.2016	31.12.2015
ASSETS			
Deferred tax asset	13	19 000	19 000
Other intangible assets and goodwill	12	104 684	108 772
Property, plant and equipment		4 896	6 361
Equity-accounted investees		-	-
Other receivables		-	-
Total non-current assets		**128 580**	**134 133**
Inventories		3 224	3 766
Work in progress		40 963	27 440
Trade receivables	8	36 914	20 090
Other receivables	8	45 352	306 232
Cash and cash equivalents	7	36 341	34 717
Total current assets		**162 794**	**392 245**
Total assets		**291 374**	**526 378**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	79 014	60 622
Share premium		3 678	-
Other paid-in equity		-	-
Retained earnings		85 304	20 156
Total equity		**167 996**	**80 778**
Liabilities			
Loans and borrowings	9	16 296	258
Pension liabilities		40	41
Other liabilities		3 490	3 490
Total non-current liabilities		**19 826**	**3 789**
Loans and borrowings	8	20 005	67 289
Trade payables	8	36 778	26 306
Taxes payable		-	-
Other current liabilities	8	46 768	348 216
Total current liabilities		**103 551**	**441 811**
Total liabilities		**123 377**	**445 600**
Total equity and liabilities		**291 374**	**526 378**

Bergen Group ASA Interim report Q4 2016 Amounts in TNOK

CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)	NOTE	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Cash flow from operating activities					
Result from continuing operations		(2 651)	(35 739)	(6 415)	(63 459)
Result from discontinued operations		72 617	27 960	72 073	(38 426)
Result for the period		**69 967**	**(7 779)**	**65 657**	**(101 885)**
Adjustments for:					
Tax expense / Tax income from continuing operations		-	11 253	-	11 000
Tax expense from discontinued operations		-	(8 646)	-	3 354
Taxes paid		-	-	-	(688)
Depreciation, amortisation, impairment		1 533	1 890	5 811	6 860
Profit (loss) from sale of discontinued operations, net of tax		-	-	-	(34 726)
Loss on bankruptcy in subsidiaries		-	-	-	19 304
Changes in:					
Trade receivables		(4 482)	53 249	(16 824)	141 849
Trade payables		(22 118)	(104 058)	10 472	(335 313)
Inventories / work in progress		5 075	24 874	(12 981)	118 994
Other current assets and accruals (*)		(55 547)	(30 962)	(61 095)	18 489
Net cash from operating activities		**(5 573)**	**(60 179)**	**(8 960)**	**(152 762)**
Cash flow from investments activities					
Proceeds from sale of property, plant and equipment		-	3 673	-	192 039
Acquisition of property, plant and equipment		(50)	1 162	(258)	(3 464)
Net cash from investments activities		**(50)**	**4 835**	**(258)**	**188 575**
Cash flow from financing activities					
Proceeds from new equity (capital increase)		22 071	-	22 071	-
Proceeds from long term loans and borrowings		16 038	-	16 038	-
Proceeds from current loans and borrowings		20 005	55 084	20 005	-
Repayment of borrowings		(15 986)	-	(47 284)	(103 496)
Net cash from financing activities		**4 019**	**55 084**	**10 830**	**(103 496)**
Net change in cash and cash equivalents		(1 604)	(260)	1 612	(67 683)
Cash & cash equivalents at start of period		37 095	34 977	34 717	102 400
Cash & cash equivalents at end of period	7	**35 491**	**34 717**	**36 328**	**34 717**
Of which restricted cash at the end of the period		**15 686**	**28 134**	**15 686**	**28 134**

(*) Other current assets and accruals mainly relate to the net effect of debt remission related to other current liabilities, and loss on other short term receivables in relation to the refinancing, of which took place in December 2016.

Bergen Group ASA Interim report Q4 2016 Amounts in TNOK

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

	Share capital	Share premium	Other paid-in equity	Retained earnings	Total equity
Equity 01.01.2015	**60 622**	**-**	**20 639**	**103 085**	**184 346**
Profit (loss)	-	-	(20 639)	(81 246)	(101 885)
Capital increase	-	-	-	-	-
Equity effect of share options	-	-	-	(1 047)	(1 047)
Other changes	-	-	-	(636)	(636)
Equity 31.12.2015	**60 622**	**-**	**-**	**20 156**	**80 778**

	Share capital	Share premium	Other paid-in equity	Retained earnings	Total equity
Equity 01.01.2016	**60 622**	**-**	**-**	**20 156**	**80 778**
Profit (loss)	-	-	-	65 657	65 657
Capital increase	18 392	3 678	-	-	22 071
Equity effect of share options	-	-	-	-	-
Other changes	-	-	-	(510)	(510)
Equity 31.12.2016	**79 014**	**3 678**	**-**	**85 303**	**167 996**

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. 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 2015. 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 2015. The financial statements are available at the group's web pages: www.bergengroup.no

Changes have been made in the audited annual report 2015 compared to the unaudited interim report for Q4 2015. Both year-end result from continued operations and year-end result from discontinued operations have been changed. Changes have also been made in the balance sheet related to assets and liabilities. Hence, changes have also been made to the consolidated statement of cash flows, the statement of changes in equity, and related notes, including the segment note. As such, comparative figures for Q4 2015 and as of 31 December 2015 have been restated in compliance with the annual report for 2015. Further reference is made to the 2015 annual report.

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

SERVICES	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Operating revenue*	63 888	43 522	242 868	222 184
EBITDA	1 976	(3 418)	16 132	3 482
Depreciation, amortisation	(1 749)	(1 527)	(5 771)	(6 521)
Impairment	-	-	-	-
EBIT from continuing operations	227	(4 945)	10 361	(3 038)
Order backlog	172 000	146 500	172 000	146 500

*Figures for revenues excludes intercompany eliminations

OTHER	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Operating revenue	1 001	847	4 113	10 659
EBITDA	(3 871)	(14 542)	(10 904)	(30 646)
Depreciation, amortisation	141	(64)	(116)	(340)
Impairment	-	-	-	-
EBIT from continuing operations	(3 784)	(14 606)	(11 074)	(30 986)
Order backlog	-	-	-	-

In December 2016, both a refinancing and a comprehensive voluntary remission of debt were accomplished. Additionally, a private placing (capital increase) of in total TNOK 22 070 was completed. These accounting effects are in Q4 2016 classified as discontinued operations. In this relation, expenses related to refinancing and debt remission has incurred. Net positive accounting effect charged to the income statement is estimated at TNOK 82 435, of which is specified as follows; remission of debt TNOK 188 375, loss on receivables on bankrupt estates of former Bergen Group subsidiaries of TNOK 98 479, and expenses related to the refinancing process of TNOK 7 460.

GROUP ELIMINATIONS	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Elimination operating revenues	43	-	(866)	(24 847)
Elimination order backlog	-	-	-	-

Bergen Group ASA Interim report Q4 2016 Amounts in TNOK

NOTES (unaudited)

Note 5 - Discontinued operations

As a consequense from the bankruptcies of BG BMV and BG Fosen in October 2015, the remaining operations related to the ship building division ceased. In September 2015, bankruptcy in BG Skarveland and BG Hanøytangen was filed. The operations in these companies have therefore with effect from Q3 2015 been classified as discontinued operations, and are also presented as discontinued operations. Corresponding figures have been revised.

NET RESULT FROM DISCONTINUED OPERATIONS	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Operating revenue	-	5 952	-	146 458
Operating expenses	459	(19 228)	-	(138 814)
Financial revenue	188 446	-	188 360	-
Financial expenses	(116 287)	(957)	(116 287)	(6 695)
Result before taxes from operating activities	**72 617**	**(14 233)**	**72 073**	**948**
Taxes	0	0	-	12 000
Net result from operating activities	**72 617**	**(14 233)**	**72 073**	**12 948**
Gain on sale of discontinued operation	-	-	-	34 726
Loss by liqudation of subordinated company	-	(41 834)	-	(41 834)
Income tax on gain on sale of discontinued operation	-	-	-	(12 000)
Net result from discontinued operations	**72 617**	**(56 067)**	**72 073**	**(6 159)**
Result attributable to:				
Owners of the Company	72 617	(56 067)	72 073	(6 159)
Non-controlling interest	-	-	-	-
Net result from discontinued operations	**72 617**	**(56 067)**	**72 073**	**(6 159)**
Earnings per share - discontinued operations				
Earnings per share (NOK)	0,92	-0,92	0,91	-0,10
Diluted earnings per share (NOK)	0,92	-0,92	0,91	-0,10

Note 6 - Continued operations

Figures for the continued operations include the companies Bergen Group Services AS, Bergen Group Technology AS, Bergen Group Management AS and Bergen Group ASA. All effects from bankruptcy in subsidiaries are presented as the segment discontinued operations, regardsless which company that has suffered any losses from bankruptcy.

Note 7 - Cash and cash equivalents

CASH AND CASH EQUIVALENTS	31.12.2016	31.12.2015
Cash and cash equivalents - liquid funds	20 655	6 583
Cash and cash equivalents - restricted funds	15 686	28 134
Total	**36 341**	**34 717**

NOTES (unaudited)

Note 8 - Financial instruments

Prior to Bergen Group Skarveland, Bergen Group Hanøytangen, Bergen Group BMV and Bergen Group Fosen were declared bankrupt, these companies were included in the group accounts, and group internal receivables and liabilities were eliminated. Due to the bankruptcies of the former group internal companies, receivables and liabilities to remaining companies in Bergen Group has up to and including Q3 2016 been treated as external receivables and liabilities. In December 2016 a capital issue of MNOK 22 was completed together with a voluntary remission of debt implying reduced financial obligations of MNOK 188. The group had as of 31 December 2016 the following financial assets; Cash and cash equivalents MNOK 36, accounts receivables MNOK 37, and other short term receivables MNOK 45. Financial obligations consisted of; Long term interest bearing debt MNOK 16, short term interest bearing debt MNOK 20, account payables MNOK 37, and other short term obligations MNOK 46.

Note 9 - Claims

The dispute with Eastern European Investment Managemetn SP.Z.o.o. ("EEIM") related to the arbitration court award in Stockholm in July 2013 has been settled, implying a reduction of more than 50% of the group's existing debt (including interests) from the arbitration court award, and an agreement to re-arrange the remaining part of the debt to a convertible loan of EUR 1.8 million.

Note 10 - Financial risks

Financial risks imply credit risk, market risk and liquidity risk. The financial risk picture 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. It is as of 6 February 2017, in addition to continous 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.

Note 11 - Shareholder information

As of 31 December 2016, the Company had 1 024 share holders (953 share holders as of 31 December 2015), of which the 20 largest owned 87.02 %. In December 2016, a capital increase was carried out, increasing the total number of shares with 18 392 333.

An updated overview of the Company's 20 largest share holders is available at the Company's IR pages at www.bergengroup.no.

LARGEST SHAREHOLDERS 31.12.2016	# of shares	% ownership
BRIAN CHANG HOLDINGS LIMITED	26 146 500	33,09 %
AS FLYFISK	22 027 570	27,88 %
KØHLERGRUPPEN AS	7 901 721	10,00 %
EIKELAND HOLDING AS	4 636 024	5,87 %
DAN JØRGEN SALTNES	946 451	1,20 %
OLA RUSTAD A.S	923 334	1,17 %
SØR-VARANGER INVEST AS	916 774	1,16 %
FJ HOLDING AS	833 000	1,05 %
FRANK ROBERT SUNDE	538 070	0,68 %
BERNHD. BREKKE AS	494 505	0,63 %
KANABUS AS	432 265	0,55 %
EAGLE AS	417 000	0,53 %
NORDNET LIVSFORSIKRING AS	409 473	0,52 %
BREKKE LARSEN AS	400 000	0,51 %
GRINI ASBJØRN	342 000	0,43 %
TOFTEGÅRD ROGER ARNT	333 500	0,42 %
KJELL GUNNAR NES	308 000	0,39 %
ROSENBERG INVESTERING AS	266 545	0,34 %
SKÅLA BÆR AS	250 000	0,32 %
THOMAS RUTHERFORD HASLETT	232 428	0,29 %
Total	**68 755 160**	**87,02 %**
Other shareholders	10 259 182	12,98 %
Total all shareholders	**79 014 342**	**100,00 %**

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. As of 31.12. 2016, 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 2016 up to and including 2018. For subsequent periods, a growth rate of 0.5% has been used, of which is below the expected inflation rate. WACC of 11.5% after tax has been used. The other assumptions used, are similar to the description in the annual report 2015. Based upon this test, a write-down of goodwill of MNOK 18.0 has been charged to the Income statement in Q4 2016.

Note 13 - Taxes

Deferred taxes reflect the effects of temporary differences between the book value and tax value of assets and liabilities. Due to losses last year, the group has considered the probability of future utilization of taxable losses carried forward. In order for the group to recognize deferred tax assets related to recent tax losses, IAS 12 requires convincing evidence. The recorded value of deferred tax assets is NOK 19 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 54 million. The corporate tax rate of 25% with effect from 1.1. 2016 has been used in order to calculate deferred tax assets as of 31.12. 2015. However, the corporate tax rate has been reduced to 24% with effect from 1.1. 2017, of which has been used in order to calculate deferred tax assets as of 31.12. 2016.

Note 14 - Subsequent events

There has not been any subsequent events after the balance sheet date, of which are considered to have any impact on valuations related to the accounting figures in this interim report. The accounting effects related to the refinancing are all included in the figures in Q4 2016, ref. note 4 regarding discontinued operations.

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