BERGEN GROUP

QUALITY THROUGH SERVICE AND INNOVATION

INTERIM REPORT

2016 : Q3

Bergen Group ASA Interim Report Q3 2016

The Group's operative activities, performed in the segment Services, maintain profitability in Q3 2016:

- Turnover of NOK 54 million (NOK 44 million in Q3 2015).
- EBITDA of NOK 3.4 million (NOK -3.4 million in Q3 2015).
- Order backlog of NOK 165 million (NOK 173 million by the end of Q3 2015).

Financial key figures at group level for the first three quarters of the year:

- Gross revenue of NOK 181 million (NOK 160 million in Q3 2015).
- EBITDA of NOK 7.1 million (NOK -7.6 million in 2015).
- Result after tax of NOK -4.3 million (NOK -94 million in 2015).

Extensive refinancing process expected to be finalised in Q4 2016

- Private placement of NOK 22 million fully subscribed and approved by the Extraordinary General Meeting.
- Authorisation given to the Board to carry out repair issue of up to NOK 5.28 million.
- Voluntary debt restructuring which to date is approved by 3/4 of the accounts receivable.
- Expected reduction of more than 50 % of the debt to Eastern European Investment Management (EEIM) from the arbitration verdict summer 2013, and authorisation given by the Extraordinary General Meeting to convert the remaining part of this debt into a convertible loan of up to EUR 1.8 million.
- Loan of NOK 20 million with favourable conditions from the two main shareholders Brian Chang Holdings Limited and AS Flyfisk readied for drawdown.
- The Group's positions towards the bankruptcy of the former subsidiaries, of which in the autumn of 2015 filed for bankruptcy, have been clarified concerning negative risks. Final dividends will, when clarified, provide a positive effect.

KEY FIGURES **Amounts in TNOK**	**Q3 2016**	**Q3 2015**	**YTD 2016**	**YTD 2015**	**2015**
Operating revenue*	56 452	44 609	181 184	160 226	207 996
EBITDA	350	(10 084)	7 123	(7 557)	(27 164)
EBIT	(1 023)	(11 678)	2 845	(12 528)	(34 025)
Loss before tax from continuing operations	(4 391)	(16 317)	(3 765)	(27 973)	(52 459)
Net loss from continuing operations	(4 391)	(16 023)	(3 765)	(27 720)	(63 459)
Net loss from discontinued operations	(185)	(56 067)	(545)	(66 386)	(38 426)
Total loss	(4 576)	(72 090)	(4 309)	(94 106)	(101 885)
Total Capital			497 311	403 008	526 378
Total Equity			76 469	89 604	80 778
Equity share			15,4 %	22,2 %	15,3 %
Net interest bearing debt			14 011	54 100	60 964
Order backlog - Services	165 000	172 500	165 000	172 500	146 500

* Figures for operating revenue includes intercompany eliminations, see Note 4

** EBITDA includes one-off costs related to restructuring of TNOK 1 000 in Q3 2016, and TNOK 2500 YTD 2016.

Continued activities per September 30th 2016, as shown in the table "Financial Key Figures" above, consist of the companies Bergen Group Services AS, Bergen Group Management AS, Bergen Group Technology AS and Bergen Group ASA.

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.

Continued activities by 30 September 2016, as made visible 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 of the bankruptcy of subsidiaries are reported as discontinued activities, regardless of which company has incurred the losses of the bankruptcy.

Profit and loss accounts per Q3 2016 (continued activities)

Bergen Group had operating revenue of NOK 56.5 million in Q3 2016, compared to NOK 44.6 million in Q3 2015. The operating profit before depreciation (EBITDA) in Q3 2016 was positive NOK 0.4 million, compared to negative NOK 10.1 million in Q3 2015. The numbers for Q3 2016 include restructuring costs of NOK 1 million.

After total depreciation of NOK 1.4 million, the operating profit after depreciation / impairment (EBIT) in Q3 2016 was minus NOK 1.0 million, compared to minus NOK 11.7 million in Q3 2015.

Net financial costs constituted negative NOK 3.4 million in Q3 2016, compared to negative NOK 4.6 million in Q3 2015.

In Q3 2016 the result before tax was negative NOK 4.4 million, compared to negative NOK 16.3 million in Q3 2015. The result after tax in Q3 2016 was negative NOK 4.4 million, compared to negative NOK 16.0 million in Q1 2016.

Balance and cash flow in Q3 2016 (both continued and discontinued activities)

By the end of Q3 2016, the Group’s balance for both continued and discontinued activities was NOK 497 million. The Group’s receivables by the end of Q3 2016 amounted to NOK 281 million, whereas bank deposits constituted NOK 37 million.

Net interest-bearing debt was NOK 36 million by the end of Q3 2016, after the repayment of interest-bearing debt of NOK 30 million in Q3 2016. Bergen Group’s book equity by the end of Q3 2016 was NOK 76.5 million, equivalent to an equity ratio of 15.4 %.

Bergen Group had a negative cash flow of NOK 37 million in Q3 2016, of which is mainly due to repayment of short-term interest-bearing debt by NOK 30 million. Hence, the cash flow from funding activities was negative with NOK 30 million. The cash flow from operational activities, including discontinued activities, was negative with NOK 7 million. The cash flow from investment activities was neutral with NOK 0 million.

The pay-out from the final settlement from Kleven Maritime, related to the formerly sold shipbuilding projects, has been clarified to be just below NOK 10 million. The payment will be made in Q4 2016.

In Q3 the Group has repaid the syndicated loan of NOK 30 million fully.

We also refer to information provided to the market on 27 October 2016 regarding the ongoing refinancing process, which includes voluntary debt restructuring connected mainly to obligations the Group incurred before the summer of 2015. A positive outcome of this refinancing process will strengthen the Group’s equity significantly when the process is finalised during Q4 2016.

Reporting segments

This interim report reports for the following independent segments:

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

Services

SERVICES	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Operating revenue*	54 136	43 522	178 981	185 131
EBITDA	3 429	(3 418)	14 156	8 547
Depreciation, amortisation	(1 221)	(1 527)	(4 022)	(4 695)
Impairment	-	-	-	-
EBIT from continuing operations	2 209	(4 945)	10 134	3 852
EBIT from discontinued operatins	(10)	(15 339)	(154)	(24 334)
Order backlog	165 000	172 500	165 000	172 500

*Figures for revenues excludes intercompany eliminations

Per 30 September 2016, the Group's operative activities are carried out through the fully owned subsidiary Bergen Group Services AS, whose main focus is the three market areas Energy & Industry, Maritime and Defense.

Currently, the company has a well-established market position towards maritime service and ship-technical maintenance. They have built up a solid competence within carrying out complex maintenance and service projects both for civilian and military customers over many years.

In Q3, the activities connected to ship-technical maintenance and maritime service have been somewhat characterised by less activity during the summer and holiday period. The customer base is very varied, and to a small degree influenced by the downturn connected to the offshore industry. The activities are based on a combination of long-term framework agreements, such as those with Redningsselskapet and the Norwegian Armed Forces, and a strong position within the spot market.

Towards the end of Q3, a new lease was signed with Marin Eiendom for a limited area at Laksevåg, which until the spring 2016 was used by NorYards BMV. This area includes both dry dock and wharf area, and adds increased capacity to the company, as well as opportunities for carrying out larger projects within ship-technical maintenance and maritime service. The new area has already generated assignments in Q4 2016.

The company's turnover in the market area Energy & Industry is still influenced by low levels of activity, and a challenging competitive situation. The capacity utilisation of the company's facilities at Straume at Sotra has been low in Q3. However, an increase in requests for offers has been registered in the quarter, and the amount of assignments has shown a positive tendency at the start of Q4.

The accumulated figures for the first nine months of the year show a small decrease in total turnover, but a strengthened result before depreciation and impairment (EBITDA) compared to the corresponding period of 2015. This is despite experiencing a market that is under more pressure with regards to prices compared to last year. The positive profit development can to a large degree be attributed to the effect of the measures that were implemented in order to achieve the best possible balance between production capacity and workload. The company will keep focusing on this. As a qonsequense to this, adjustments of the organisation have been carried out in Q3, through layoffs and terminations within some disciplines, and recruitment within others.

Other

OTHER	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Operating revenue	1 014	3 524	3 112	9 812
EBITDA	(2 953)	(6 666)	(7 033)	(16 104)
Depreciation, amortisation	(135)	(68)	(256)	(276)
Impairment	-	-	-	-
EBIT from continuing operations	(3 088)	(6 734)	(7 289)	(16 380)
EBIT from discontinued operations	(205)	(19 400)	(391)	(26 118)
Order backlog	-	-	-	-

The reporting segment Other includes the Group's discontinued activities, as well as costs connected to running BG Management and BG ASA. The figures for Q3 also include restructuring costs of NOK 1 million, related to the extensive refinancing process, of which is expected to be finalised in Q4 2016.

GROUP ELIMINATIONS	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Elimination operating revenues	1 302	(2 779)	(909)	(66 695)
Elimination order backlog	-	-	-	-

Future outlook

Bergen Group ASA is about to finalise a restructuring and refinancing process, which will provide the Group with a stronger platform for future growth. The Board considers this refinancing, which does not include the subsidiary Bergen Group Services AS, to be crucial for establishing a company balance and a capital structure that can secure satisfactory liquidity and a more robust financial situation for the Group, while taking both shareholders and creditors into account in the best way possible.

If the above process is finalised within its assumptions, given through a separate stock exchange report on 27 October 2016 and in the case documents for the Extraordinary General Meeting held on 17 November 2016, the Board believes that the new foundation will open for possibilities for future-oriented growth within the company's different business areas.

The market is still considered to be challenging within several of the areas in which the company operates. The company has still managed to maintain a strong market position and positive earnings, as well as carry out capacity and competence-related measures adapted to the expected market needs in the years to come. The access to dry docks and the significantly increased wharf dock capacity through the new lease of parts of the former BMV area at Laksevåg is considered important in connection to securing growth opportunities within maritime service and ship-technical maintenance.

Bergen Group operates within market areas that are partially independent from each other, but which in many areas correspond to each other when it comes to requirements for competence or available capacity. This enables the Group to coordinate the use of resources and production capacity, while further developing an order backlog that is robust when it comes to market and cyclical fluctuations within specific areas.

Cooperation and further growth: Bergen Group actively works towards further developing the Group's supplier position towards the offshore, industry and maritime environments in Norway. The foundation for this is considered strengthened as soon as the ongoing refinancing process during Q4 2016 has been finalised. When it comes to future growth, the company will assess various alternatives that may contribute to a strengthened market position and increased degree of utilisation at the Group's established facilities.

Order backlogs: At the end of Q3 2016, Bergen Group had an order backlog of NOK 165 million, compared to NOK 188 million at 30 June 2016. The order backlog per 30 September 2016 does not include the value of options connected to existing contracts.

QHSE

Bergen Group works systematically and continually on improving the QHSE (Quality, Health, Safety and Environment) performance, systems and safety culture connected to all Group operations. The Group has zero tolerance for negative QHSE incidents. The goal is avoiding employees becoming injured or ill at work, while ensuring the right quality of our deliveries as well as avoiding unfortunate impact on our surroundings.

Rune Torgersen has been appointed the new QHSE Manager in Bergen Group Services from 1 September 2016. Torgersen has extensive experience from various QHSE positions within industry, and has also had assignments within quality and HSE for Bergen Group companies for the past two years.

In Q3 2016 the Group had no personal injuries with mandatory notification among our own employees.

HR / Personnel

Per 30 September 2016 Bergen Group had 140 permanent employees in total. During the quarter, competence and capacity has been adjusted to adapt to the market development, which has entailed downsizing the production capacity within the area Energy & Industry and recruiting within ship-technical maintenance related to maritime service.

The average sick leave (short- and long term) among all employees in Q3 2016 was 6.1 %, compared to 5.7 % in Q2 and 6.9 % in Q1 2016. The total short-time sick leave in Q3 2016 was 3.4 % against 2.8% in Q2 2015. Total long-term sick leave was 2.6 % in Q3 2016. Accumulated for the first 9 months of the year, the total sick leave is 6.2 %.

The Board registers that the sick leave has been relatively stable for the past few quarters. The goal is to reduce the sick leave further. The company will prioritise following this up.

The work environment is generally considered good. Bergen Group has zero tolerance towards all types of harassment, discrimination or other behaviour that colleagues, business partners or others may perceive as 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 in which the Group operates. One of the prioritised measures is an active apprentice policy towards the disciplines that are considered strategically important. During Q3, 2 of the company’s 7 apprentices have passed their final examination. During the quarter, the company has signed agreements with 2 new employees to formalise their prior learning through the certificate of apprenticeship. The company considers an active apprenticeship scheme to be strategically important for further developing and securing relevant professional competence.

Risks and uncertainties

The Board and the Audit Committee of Bergen Group ASA have a strong focus on ethics and risk management. We actively work towards reducing the Group’s total risk exposure. The most important risk factors are financial risks, project risks and market risks, hereunder general counterparty risks in the current market.

In their annual report for 2015 and the Group’s Interim Reports for Q1 and Q2 2016, Bergen Group has shown important risk and uncertainty factors that may influence the Group’s financial position. The previous Interim Reports have also shown implemented measures and their progress.

Per 17 November 2016, the Board considers the risk scenario connected to financial risks to be further reduced. In connection to that, we refer to the stock exchange announcement published on 27 October 2016, where the company informed of ongoing constructive processes with creditors and capital sources in order to establish a company balance and a capital structure that will secure satisfactory liquidity and a more robust financial situation.

Bergen Group Services AS is not directly influenced by the Group's financial risk elements. The following main element in the refinancing, which does not include Bergen Group Services AS, has been clarified per 17 November:

- The company's Extraordinary General Meeting has approved a pre-committed private placement towards some of the company's existing shareholders and persons in the company management with gross proceeds of NOK 22 million with a subscription price of NOK 1.20, where eight persons in the Group management and Bergen Group Services contribute with NOK 7.5 million.
- Furthermore, the Extraordinary General Meeting has given the Board authority to carry out a repair issue with gross proceeds of up to NOK 5,282,083 at the same subscription price as what is offered for the private placement.
- The Extraordinary General Meeting has also given the Board authority to rise a convertible loan of up to EUR 1,800,000, related to the Group's remaining debt to Eastern European Investment Management SP.Z.o.o. ("EEIM") following the voluntary debt reduction.
- The Group's position towards the bankruptcies of former subsidiaries, which filed for bankruptcy in the autumn of 2015, has been clarified with regards to negative risks. Final dividends will, when clarified, provide a positive effect.

The following elements of the refinancing are still in process, with satisfactory progress:

- The company's suggestion for voluntary debt restructuring of 50 percent of the obligations the Group has incurred, mainly before the summer of 2015 (either directly or via parent company guarantees issued on behalf of subsidiaries which no longer are in operation), has to date been supported by creditors who represent in total 3/4 of the outstanding claims. The administration expects a positive clarification from the remaining creditors within short time.
- An agreement of reducing more than 50 % of the Group's existing debt to Eastern European Investment Management SP. Z.o.o. ("EEIM") and converting the remaining part of the debt to a convertible loan of EUR 1.8 million is in progress – but not formally clarified at this date.
- The agreement regarding a loan facility of NOK 20 million from the two main shareholders Brian Chang Holdings Limited and AS Flyfisk has been established and is ready for signing. The loan will, together with the above convertible loan, be an important financing element when the refinancing process is finalised through completing the debt restructuring and the payment to the creditors.

The Board considers the progress of the remaining elements of the processes to be constructive, and maintains the goal of finalising this refinancing process before the end of Q4 2016. However, the Board points out that the various elements of the refinancing depend on each other, and there will therefore be risks involved until all process elements have been completed.

The Group's restructuring plan will lead to the following accounting effect, assuming it is implemented:

- The company's equity will be strengthened by TNOK 98,600 through
    - a private placement issue of TNOK 22 000, and;
    - an equity effect of TNOK 76 600 related to debt restructuring as the Group's short-term debt will be reduced by TNOK 338 600, whereas the Group's current assets will be decreased by TNOK 260 300.
- The Group will after the refinance process have an external debt financing totaling TNOK 36 400, of which represents a reduction of TNOK 25 500.
- Debt reduction related to the voluntary debt reduction is estimated at TNOK 182 000

Related parties

There have been no transactions with related parties during Q3 2016 that significantly impacted the Group's financial position or result.

Subsequent events

When it comes to significant subsequent events after the balance sheet date, we refer to the ongoing processes described in note 9 "Claims" and note 10 "Financial risks", as well as the stock exchange report published on 27 October 2016 and the Extraordinary General Meeting held on 17 November 2016. The Extraordinary General Meeting made the following decisions:

- The implementation of a private placement in Bergen Group ASA with gross proceeds of around TNOK 22 070. The placement is fully subscribed by the main shareholders and the company management.
- Authorisation to the Board regarding taking out a convertible loan of up to TEUR 1 800.
- Authorisation to the Board regarding carrying out a repair issue with gross proceeds of up to TNOK 5 282.

Shareholder information

In Q3 2016 the company shares were traded in total 541 times, with a total volume of 3.18 million shares. The corresponding figures in Q2 2016 were 780 trades and 4.76 million shares in total volume.

During Q3 2016, the company shares were traded at prices between NOK 1.24 and NOK 1.68 (NOK 1.33 and NOK 1.63 in Q2 2016). The closing price on 30 September 2016 was NOK 1.26 (NOK 1.49 by the end of Q2 2016). Based on 60.6 million outstanding shares, the stock market values the company's equity at NOK 76.4 by the end of Q3 2016, a reduction from NOK 90.3 million by the end of Q2 2016.

As of 30 September 2016 the company had 937 shareholders (934 shareholders per 30 September 2015), of which the 20 largest owned 86.6 %. An updated overview of the company's 20 largest shareholders is available at the company's IR-pages at www.bergengroup.no.

Bergen Group ASA has signed a liquidity provider agreement 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's shares. The agreement conforms to the requirements set by the Oslo Stock Exchange, and applies from 18 November 2016.

Bergen, 17 November 2016

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

CONSOLIDATED INCOME STATEMENT (unaudited)	NOTE	Q3 2016	Q3 2015	YTD 2016	YTD 2015	2015
Continuing operations						
Operating revenue	4	**56 452**	**44 609**	**181 184**	**160 226**	**207 996**
Cost of sales		(26 281)	(22 225)	(84 179)	(50 187)	(72 722)
Payroll expenses		(19 822)	(22 886)	(66 217)	(88 271)	(111 985)
Other operating expenses		(10 000)	(9 583)	(23 664)	(29 325)	(50 454)
Operating profit before depreciation and write-downs	4	**350**	**(10 084)**	**7 123**	**(7 557)**	**(27 165)**
Depreciation, amortisation		(1 373)	(1 594)	(4 278)	(4 971)	(6 860)
Impairment		-	-	-	-	-
Operating profit (EBIT)	4	**(1 023)**	**(11 678)**	**2 845**	**(12 528)**	**(34 025)**
Financial income		31	(465)	1 328	1 499	1 997
Financial expenses		(3 400)	(4 174)	(7 938)	(16 944)	(20 431)
Loss before tax		**(4 391)**	**(16 317)**	**(3 765)**	**(27 973)**	**(52 459)**
Tax		-	294	-	253	(11 000)
Loss from continuing operations		**(4 391)**	**(16 023)**	**(3 765)**	**(27 720)**	**(63 459)**
Discontinued operations						
Loss from discontinued operations	5	(185)	(56 067)	(545)	(66 386)	(38 426)
Loss		**(4 576)**	**(72 090)**	**(4 309)**	**(94 106)**	**(101 885)**
Loss attributable to:						
Owners of the parent Company		(4 576)	(72 090)	(4 309)	(94 106)	(101 885)
Non-controlling interests		-	-	-	-	-
Loss		**(4 576)**	**(72 090)**	**(4 309)**	**(94 106)**	**(101 885)**
Earnings per share						
Basic earnings per share (NOK)		-0,08	-1,19	-0,07	-1,55	-1,68
Diluted earnings per share (NOK)		-0,08	-1,19	-0,07	-1,55	-1,68
Earnings per share - continuing operations						
Basic earnings per share (NOK)		-0,07	-0,26	-0,06	-0,46	-1,05
Diluted earnings per share (NOK)		-0,07	-0,26	-0,06	-0,46	-1,05
Weighted average no. of shares outstanding (millions)		60,62	60,62	60,62	60,62	60,62
Diluted Weighted avg. no. of shares outstanding (millions)		60,62	61,29	60,62	61,29	60,62

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)	NOTE	Q3 2016	Q3 2015	YTD 2016	YTD 2015	2015
Loss		**(4 576)**	**(72 090)**	**(4 309)**	**(94 106)**	**(101 885)**
Items which may be reclassified over P&L in subsequent periods						
Foreign currency translation differences related to subsidiaries		-	-	-	-	-
Reclassification of foreign currency differences on disposal of discontinued operations		-	-	-	-	-
Total comprehensive income		**(4 576)**	**(72 090)**	**(4 309)**	**(94 106)**	**(101 885)**
Total comprehensive income attributable to:						
Owners of the parent Company		(4 576)	(72 090)	(4 309)	(94 106)	(101 885)
Non-controlling interests		-	-	-	-	-
Total comprehensive income		**(4 576)**	**(72 090)**	**(4 309)**	**(94 106)**	**(101 885)**

Bergen Group ASA Interim report Q3 2016

Amounts in TNOK

CONSOLIDATED BALANCE SHEET
(unaudited)

	NOTE	30.09.2016	30.09.2015	31.12.2015
ASSETS				
Deferred tax asset	13	19 000	21 608	19 000
Other intangible assets and goodwill	12	105 746	109 837	108 772
Property, plant and equipment		5 317	7 523	6 361
Equity-accounted investees		82	-	-
Other receivables		-	1 347	-
Total non-current assets		**130 145**	**140 316**	**134 133**
Inventories		4 009	23 901	3 766
Work in progress		45 252	32 179	27 440
Trade receivables	8	32 432	73 339	20 090
Other receivables	8	248 378	98 297	306 232
Cash and cash equivalents	7	37 095	34 977	34 717
Assets in disposal groups classified as held for sale		-	-	-
Total current assets		**367 166**	**262 693**	**392 245**
Total assets		**497 311**	**403 008**	**526 378**
EQUITY AND LIABILITIES				
Equity				
Share capital	11	60 622	60 622	60 622
Other paid-in equity		-	20 639	-
Retained earnings		15 847	8 343	20 156
Total equity		**76 469**	**89 604**	**80 778**
Liabilities				
Loans and borrowings		258	700	258
Pension liabilities		40	41	41
Other liabilities		3 490	3 432	3 490
Total non-current liabilities		**3 788**	**4 173**	**3 789**
Loans and borrowings	8	35 991	73 107	67 289
Trade payables	8	58 896	130 364	26 306
Tax payable		-	1 756	-
Other current liabilities	8	322 167	104 004	348 216
Liabilities directly associated with assets in disposal groups classified as held for sale	6	-	-	-
Total current liabilities		**417 054**	**309 231**	**441 811**
Total liabilities		**420 842**	**313 405**	**445 600**
Total equity and liabilities		**497 311**	**403 008**	**526 378**

CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)	NOTE	Q3 2016	Q3 2015	YTD 2016	YTD 2015	2015
Cash flow from operating activities						
Loss from continuing operations		(4 391)	(16 023)	(3 765)	(27 720)	(63 459)
Loss from discontinued operations		(185)	(56 067)	(545)	(66 386)	(38 426)
Loss for the period		**(4 576)**	**(72 090)**	**(4 309)**	**(94 106)**	**(101 885)**
Adjustments for:						
Tax expense / Tax income from continuing operations		-	(213)	-	(253)	11 000
Tax expense from discontinued operations		-	0	-	12 000	3 354
Taxes paid		-	-	-	(688)	(688)
Depreciation, amortisation, impairment		1 373	1 595	4 278	9 921	6 860
Share of profit of equity-accounted investees, net of tax		-	-	-	(559)	-
Profit from sale of fixed assets		-	-	-	(7 255)	-
Profit (loss) from sale of discontinued operations, net of tax		-	(1 666)	-	(35 487)	(34 726)
Profit (loss) from other disposals		-	-	-	-	19 304
Changes in:						
Trade receivables		(8 968)	42 689	(12 342)	47 877	141 849
Trade payables		2 758	(18 703)	32 590	(31 667)	(335 313)
Inventories / work in progress		5 082	23 964	(18 056)	(26 810)	118 994
Construction loans		-	-	-	-	-
Other current assets and accruals		(2 520)	(8 346)	31 723	29 350	18 489
Net cash from operating activities		**(6 851)**	**(32 771)**	**33 884**	**(97 677)**	**(152 762)**
Cash flow from investments activities						
Proceeds from sale of property, plant and equipment		-	-	-	14 680	192 039
Acquisition of property, plant and equipment		37	(205)	(208)	(5 683)	(3 464)
Disposal of discontinued operations, net of cash disposed of		-	-	-	222 752	-
Disposal of other investments		-	-	-	10 000	-
Effect of bankruptcy in subsidiaries		-	(59 915)	-	(59 915)	-
Net cash from investments activities		**37**	**(60 120)**	**(208)**	**181 834**	**188 575**
Cash flow from financing activities						
Proceeds from loans and borrowings		-	3 529	-	9 756	-
Repayment of borrowings		(30 435)	0	(31 298)	(161 337)	(103 496)
Net cash from financing activities		**(30 435)**	**3 529**	**(31 298)**	**(151 581)**	**(103 496)**
Net change in cash and cash equivalents		(37 249)	(89 362)	2 378	(67 424)	(67 683)
Cash & cash equivalents at start of period		74 344	124 339	34 717	102 400	102 400
Cash & cash equivalents at end of period	7	**37 095**	**34 977**	**37 095**	**34 977**	**34 717**
Of which restricted cash at the end of the period		**14 857**	**20 653**	**14 857**	**15 270**	**28 134**

Bergen Group ASA Interim report Q3 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)
Other comprehensive income	-	-	-	-	-
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)	-	-	-	(4 309)	(4 309)
Other comprehensive income	-	-	-	-	-
Equity effect of share options	-	-	-	-	-
Other changes	-	-	-	-	-
Equity 30.09.2016	**60 622**	**-**	**-**	**15 847**	**76 469**

Bergen Group ASA Interim report Q3 2016 Amounts in TNOK

(The English version is an office translation. In case of inconsistency, the Norwegian version prevails)

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
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

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	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Operating revenue*	54 136	43 522	178 981	185 131
EBITDA	3 429	(3 418)	14 156	8 547
Depreciation, amortisation	(1 221)	(1 527)	(4 022)	(4 695)
Impairment	-	-	-	-
EBIT from continuing operations	2 209	(4 945)	10 134	3 852
EBIT from discontinued operatins	(10)	(15 339)	(154)	(24 334)
Order backlog	165 000	172 500	165 000	172 500

*Figures for revenues excludes intercompany eliminations

OTHER	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Operating revenue	1 014	3 524	3 112	9 812
EBITDA	(2 953)	(6 666)	(7 033)	(16 104)
Depreciation, amortisation	(135)	(68)	(256)	(276)
Impairment	-	-	-	-
EBIT from continuing operations	(3 088)	(6 734)	(7 289)	(16 380)
EBIT from discontinued operations	(205)	(19 400)	(391)	(26 118)
Order backlog	-	-	-	-

GROUP ELIMINATIONS	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Elimination operating revenues	1 302	(2 779)	(909)	(66 695)
Elimination order backlog	-	-	-	-

Bergen Group ASA Interim report Q3 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 are therefore with effect from Q3 2015 classified as discontinued operations, and are also presented as discontinued operations. Corresponding figures have been

NET LOSS FROM DISCONTINUED OPERATIONS	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Operating revenue	-	5 952	-	385 103
Operating expenses	(130)	(19 228)	(459)	(428 448)
Net financial items	(55)	(957)	(85)	(3 934)
Loss before tax from operating activities	**(185)**	**(14 233)**	**(545)**	**(47 279)**
Tax	(0)	0	(0)	(0)
Net loss from operating activities	**(185)**	**(14 233)**	**(545)**	**(47 279)**
Gain on sale of discontinued operation	-	-	-	34 726
Loss by liqudation of subordinated compay	-	(41 834)	-	(41 834)
Income tax on gain on sale of discontinued operation	-	-	-	(12 000)
Net loss from discontinued operations	**(185)**	**(56 067)**	**(545)**	**(66 386)**
Loss attributable to:				
Owners of the Company	(185)	(56 067)	(545)	(66 386)
Non-controlling interest	-	-	-	-
Net loss from discontinued operations	**(185)**	**(56 067)**	**(545)**	**(66 386)**
Earnings per share - discontinued operations				
Earnings per share (NOK)	-0,00	-0,92	-0,01	-1,10
Diluted earnings per share (NOK)	-0,00	-0,91	-0,01	-1,08

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	30.09.16	30.09.2015	31.12.2015
Cash and cash equivalents - liquid funds	22 238	19 707	6 583
Cash and cash equivalents - restricted funds	14 857	15 270	28 134
Total	**37 095**	**34 977**	**34 717**

NOTES (unaudited)

Note 8 - Financial instruments

Until 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 will be treated as external receivables and liabilities. The group had as of 30 September 2016 the following financial assets; Cash and cash equivalents MNOK 37, accounts receivables MNOK 32, and other short term receivables MNOK 248. Financial obligations consisted of; Short term interest bearing debt MNOK 36, account payables MNOK 59, and other short term obligations MNOK 322.

Note 9 - Claims

In July 2013, an arbitration court in Stockholm ordered Bergen Group Fosen AS to pay EUR 3.6 million plus interest to the hull yard in Poland related to delivery of the hull of the first cruise ferry (BN 87) built at Fosen. Bergen Group is currently in a constructive dialouge with the counter-party regarding establishment of an agreement regarding terms of payment, of which takes into consideration the voluntarily remission of debt, of which is expected to be clarified during Q4 2016. The suggested solution model includes a reduction of more than 50% of the Group's existing debt to Eastern European Investment Management SP.Z.o.o. ("EEIM") and convertion of the remaining part of the debt to a convertible bond loan of EUR 1.8 million. At the extraordinary general meeting on 17 November 2016, the Board of Directors were given power of attorney to enter into the above mentioned convertible loan. The accounting provision of NOK 37 million from Q2 2013 is as of this date not changed.

Note 10 - Financial risks

Bergen Group has in the annual report for 2015 and in the interim report for Q1 and Q2 2016 highlighted important risk and uncertainty factors, of which may affect the Group's financial position. The previously stated risks are as of 17 November 2016 considered as further reduced. The ongoing processes with creditors and sources of capital, in order to establish a group balance sheet and a capital structure, of which ensures adequate liquidity and a more robust financial situation, is considered by the Board as constructive. However, the Board emphasises that the different elements in the refinancing are dependent upon each other, and there will as such be risks related until completion of all elements in the process. The purpose is to finalize this restructuring process during Q4 through a coordinated solution, of which takes into account the parties involved in a satisfactory manner. The development of the Group's risks, as described in the Q2 2016 report, is further described in the section "risks and uncertainty".

Note 11 - Shareholder information

As of 30 September 2016, the Company had 937 share holders (953 share holders as of 31 December 2015), of which the 20 largest owned 86.58 %.

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 30.09.2016	# of shares	% ownership
BRIAN CHANG HOLDINGS LIMITED	20 068 500	33,10 %
AS FLYFISK	17 860 570	29,46 %
KØHLERGRUPPEN AS	6 062 721	10,00 %
MP PENSJON PK	1 046 085	1,73 %
DAG-JØRGEN SALTNES	966 903	1,59 %
OLA RUSTAD AS	923 334	1,52 %
SØR-VARANGER INVEST AS	916 774	1,51 %
LARS RO	500 000	0,82 %
BERNHD. BREKKE AS	494 505	0,82 %
FOSEN OFFSHORE AS	494 505	0,82 %
EIKELAND HOLDING AS	469 024	0,77 %
KANABUS AS	432 265	0,71 %
BREKKE LARSEN AS	400 000	0,66 %
OMA INVEST AS	327 421	0,54 %
KJELL GUNNAR NES	308 000	0,51 %
NORDNET LIVSFORSIKRING AS	268 891	0,44 %
ROSENBERG INVESTERING AS	266 545	0,44 %
FRANK ROBERT SUNDE	240 606	0,40 %
THOMAS RUTHERFORD HASLETT	232 428	0,38 %
BIRGER HOLTAN	210 000	0,35 %
Total	**52 489 077**	**86,58 %**
Other shareholders	8 132 932	13,42 %
Total shareholders	**60 622 009**	**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. 2015 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 2% has been used, of which equals 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, the booked values are unchanged.

Note 13 - Tax

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 millions. The group has assessed that there are not convincing evidence sufficient for all taxable losses to be recognized as deferred tax assets. Deferred tax assets not recognized is estimated at NOK 82 million. 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 and 30.09. 2016.

Note 14 - Subsequent events

As regards to significant subsequent events, referencel is made to the ongoing processes, of which are described in note 9 "Claims" and note 10 "Financial risks", and stock exchange report as of 27 October 2016 and extraordinary general assembley held on 17 November 2016. At the extraordinary general meeting, the following resolutions were made:

• Implementing a private placing in Bergen Group ASA with gross equity proceeds of approximately TNOK 22 070. The equity issue is fully subscribed by the main shareholders and the Group management.
• Power of attorney to the Board of Directors to enter into agreement of convertible loan up until TEUR 1 800;
• Power of attorney to the Board of Directors to implement a repair quity issue with gross equity proceeds up until TNOK 5 282.

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