



BERGEN GROUP

ANNUAL REPORT 2017

QUALITY
THROUGH SERVICE
AND INNOVATION

2017





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KEY FIGURES

	2017	2016
Revenue	272 102	246 116
EBITDA	-4 079	4 014
EBITDA margin	-1,50 %	1,63 %
Loss before tax from continuing operations	-10 893	-7 500
Net loss for the year from continuing operations	-11 685	-7 500
Net profit / loss for the year from discontinued operations	-	80 637
Total profit / loss for the year	-11 685	73 137
Total assets	269 273	300 316
Total equity	195 463	175 476
Return on equity ¹⁾	-5,98 %	41,68 %
Equity share ²⁾	72,59 %	58,43 %
Net working capital	29 623	50 593
Net interest bearing debt	-37 457	-16 167
Interest coverage ratio ³⁾	-2,85	0,64
Current ratio ⁴⁾	2,54	1,42
Numbers of shares pr year end (numbers)	93 957 685	79 120 342
Average outstanding shares	88 493 714	60 823 569
Diluted, weighted average numbers of shares	88 493 714	61 267 404
Earnings per share (NOK)	-0,13	1,20
Diluted earnings per share (NOK)	-0,13	1,19
<i>Continued operations</i>		
Earnings per share (NOK)	-0,13	-0,12
Diluted earnings per share (NOK)	-0,13	-0,12
<i>Discontinued operations</i>		
Earnings per share (NOK)	0,00	1,33
Diluted earnings per share (NOK)	0,00	1,32

1) Net income / Total equity

2) Equity/total capital

3) EBITDA / Interest expense

4) Current assets / Current liabilities

THIS ANNUAL REPORT INCLUDES BERGEN GROUP'S FINANCIAL STATEMENTS FOR 2017 AS APPROVED BY THE BOARD OF BERGEN GROUP ASA ON 20 APRIL 2018.

A NORWEGIAN VERSION OF THE REPORT IS AVAILABLE ON THE GROUP'S WEBSITE WWW.BERGENGROUP.NO. HERE YOU WILL ALSO FIND MORE DETAILED AND UPDATED INFORMATION ABOUT THE GROUP. THE ENGLISH VERSION IS AN OFFICE TRANSLATION. IN CASE OF INCONSISTENCY, THE NORWEGIAN VERSION PREVAILS.

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DESIGN: ARTGARDEN

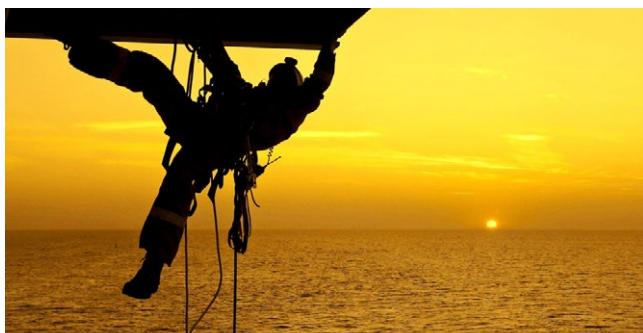
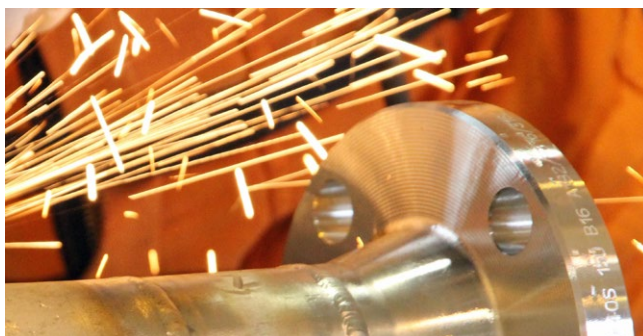
Bergen Group ASA is a Norwegian industrial group based in western part of Norway, and a well-established supplier of products and services to the areas of Energy & Industry, Maritime, Defense and Access Technology. The Group's companies bases on extensive expertise and long experience in their business areas. Operational activity as per end of 2017 is carried out by subsidiaries Bergen Group Services AS and Bergen Group AAK AS, with a combined 200 employees.

The operational activity take place in centrally located facilities at Laksevåg in Bergen and Straume on Sotra. The two subsidiaries also has extensive activities in customer locations in Hordaland, as well as travel teams covering both the Norwegian coast, offshore installations in the North Sea and international assignments.

Bergen Group Services has a well-established capacity and expertise in ship-technical maintenance of both civil and military vessels. The company facilitates and carries out inspection, service, repair, maintenance, upgrading and modifications of various types of vessels and equipment. The company is one of the leading within Norway in the field of maintenance and repair of diesel engines used for demanding maritime operations, which impose extra high demands on reliability and service quality. Bergen Group also has good facilities that can offer a variety of different tasks related to machining, plate, pipe and welding.

Bergen Group AAK AS (formerly AAK Energy Services AS), was acquired in May 2017, and the company is now a fully owned subsidiary of the Group. Bergen Group AAK has comprehensive knowledge and experience in access technology and efficient work at height related to maintenance and modification work at different types of infrastructure, independent of industry. This also includes a position as supplier of providing maintenance and services to wind power installations both on- and offshore.

GROWTH: The Board of Directors have adopted a strategy focusing on growth, and with a goal to develop Bergen Group as an attractive maritime industrial group with its main operational activity based in the Western part of Norway. The strategy comprise growth in both organic and structural measures which enable complementary activities and generate potentials which can be used to extract synergies, strengthen market positions and adapt to new market areas.



*“The Board of Directors have in 2017 adopted a strategy focusing on growth. **The goal is to develop Bergen Group as an attractive maritime industrial group** with its main operational activity based in the Western part of Norway”.*

MARITIME

This business unit is a total supplier of ship maintenance and maritime service. This also includes diesel engine service, covering high speed and “medium speed” engines. Within this area, long-term framework agreements with customers such as the Norwegian Society for Sea Rescue, the Norwegian Armed Forces, Volvo Penta and Marine Jet Power AB are established. The company has its own advanced motor workshop with special competence within high-speed diesel engines, and their own engine test centre for condition assessments and test drives.

DEFENSE

Bergen Group has long experience within the ship-technical maintenance connected to complex vessels with very high requirements for quality and operating safety. This also includes various long-term maintenance agreements and frame contracts towards the Norwegian Armed Forces. The unit department possesses specialist competence within project management, maintenance and modification/outfitting of complete vessels. One of the major frame agreements, related to the ship-technical maintenance of the Norwegian frigates, expired in July 2017. The group considers the Norwegian Armed Forces an important customer for the coming years.

ENERGY & INDUSTRY

This business unit has extensive experience from various assignments within offshore, subsea, ship and land-based industries. Their main activities include advanced welding-technical prefabrication and maintenance services within steel structures, plates and piping systems, as well as machining components. The unit also has solid competence within i.e. stainless qualities, aluminium, CuNi and Titan. The product range covers everything from design and engineering, via prefabrication and completion/installation to maintenance and upgrading.

ACCESS TECHNOLOGY

Bergen Group AAK is expert in access technology related to maintenance and modification work within different fields of expertise. The services delivered to a number of sectors where there is demanding access, including decom projects, offshore and offshore oil and gas installations, wind farms, road and other infrastructure. The head office and parts of warehouse functions are co-located with Bergen Group Services's department Energy & Industry premises on Sotra outside Bergen.





FOCUS ON GROWTH **OPPORTUNITIES**

Bergen Group has put behind a challenging year in which focus has been on restructuring and future growth. These continuous change processes have already provided results through a strengthened financial platform and an expansion of the Group's operational activities towards new and growing markets.

Dealing with growth and continuous restructuring are demanding, but inspiring, processes for both employees, directors and our owners. Organizational measures are implemented to ensure that we have the expertise and capacity best suited to the market prospects within the segments we operate. The board has taken and will be taking strategic decisions based on assumptions about a future that is far more dynamic than the past, and the owners agree to the impact from growth measures that not necessarily give an immediate return on investments.

As CEO of Bergen Group ASA, it is inspiring to experience the constructive efforts from employees, management, the board and shareowners have in regards to prepare Bergen Group for profitable growth. This comfortability marks both the summary of 2017 and the beginning of 2018, and gives me the confidence that we will be able to achieve our ambitions and specific goals in the coming years.

Bergen Group has been an important supplier of service and maintenance services towards maritime industry for a long time. This position will be further developed and strengthened in the coming years. We have knowledge, expertise and capacity expected to be in strong demand going forward.

In addition, we have made important steps to grow into new market areas that provide us with a more varied and robust operating platform, and at the same time opening up potential synergy effects with existing operational activity.

The acquisition of AAK Energy Services (now Bergen Group AAK AS), which was completed in May 2017, has provided the Group with attractive expertise in advanced access technology

and installation and maintenance work at the height. The operational activity of Bergen Group AAK has gained us access to new market areas. At the same time, it is pleasing to see that Bergen Group AAK provides projects that also generate significant activity in other parts of the group.

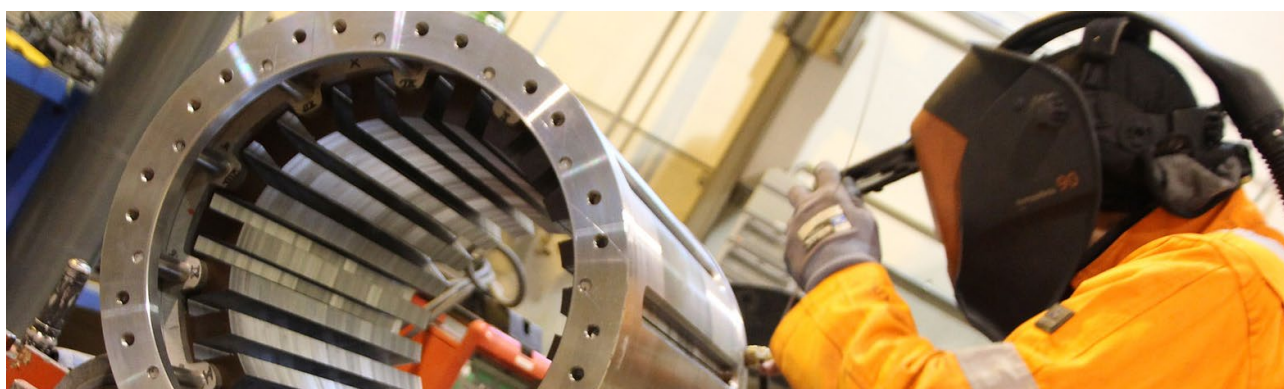
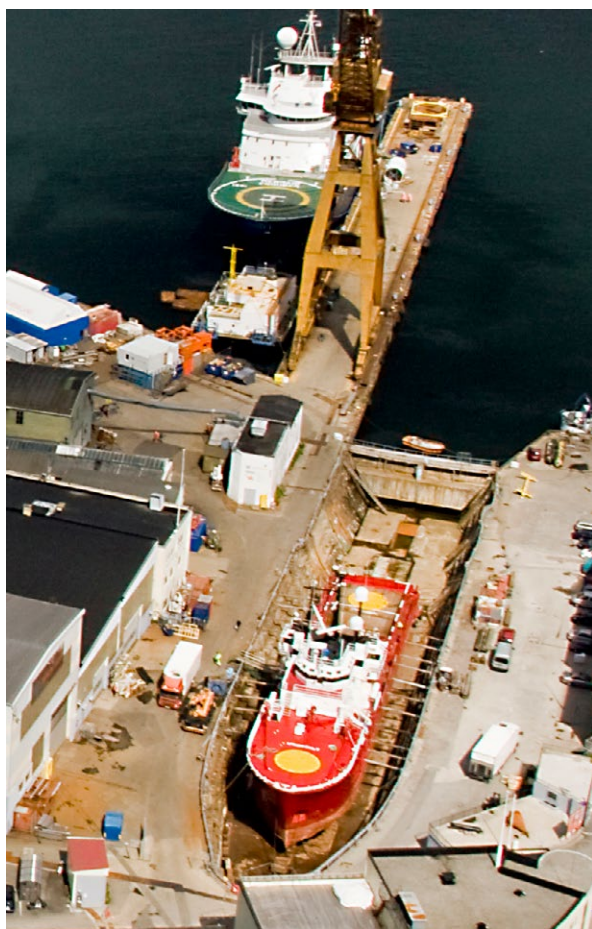
The agreement entered into in February 2018 with Backe Bergen AS on acquisition of the dry dock and the operational activities at Stamsneset at Grimstadfjorden, will be adding up to the Group's activity with a leading manufacturer of integrated fleets for the fish farming industry in Norway. We are looking forward to taking over the business and the facility during the second quarter of 2018, and we see significant opportunities for further growth towards the aquaculture industry. This acquisition also provides us with a long-term strategic dry dock capacity that, when needed, can be utilized by the Group's other maritime-oriented activities.

We are well underway with an exciting growth period that will also characterize 2018 and, as I am confident, will help to further develop and strengthen Bergen Group's position as an attractive industrial group with its operational activity based in the western part of Norway.

Bergen 20th April 2018



Torgeir Næraø
CEO



DIRECTORS' REPORT FOR **BERGEN GROUP ASA** 2017

Bergen Group ASA is a Norwegian industrial group based in western part of Norway, and a well-established supplier of products and services to the industry segments Energy & Industry, Maritime, Defense and Advanced Access Services. The operational activity in 2017 has been carried out by the two subsidiaries Bergen Group Services AS and Bergen Group AAK AS (as from May 2017), both companies with an extensive expertise and long experience in their respective business areas.

The Board of Directors have adopted a strategy focusing on growth, and with a goal to develop Bergen Group as an attractive maritime industrial group with its main operational activity based in the Western part of Norway. The strategy comprise both organic and structural growth measures, enabling synergies through complementary activities, thus strengthening the companies' relative market positions and profit potential when entering new market segments.

MARKET AREAS AND OPERATIONS

The operational activities in the Group takes place at facilities at Laksevåg in Bergen and Straume, Sotra. The two subsidiaries also have extensive activity at customer facilities, carried out by travel teams that operate along the Norwegian Coast and the Norwegian onshore market, as well as on offshore installations in the North Sea.

Maritime Service: Bergen Group has long experience within ship-technical maintenance connected to complex vessels with very high requirements for quality and operational safety. The company has further developed solid competence within own organisation, being able to handle extensive, long-term maintenance agreements towards both military and merchant marine customers. The activities connected to ship-technical maintenance and maritime service are diverse and largely uninfluenced by the downturn in the offshore industry. The assignments are based on a combination of long-term framework agreements, such as those with the Norwegian Society for Sea Rescue (Redningsselskapet) and the foundation Statsraad Lehmkuhl (Sail ship), combined with a strong position within the spot market.

For several years, one of the company's strategic goals has been to establish frame agreements that contribute to a future activity increase, and further developing the company's competence at demanding maintenance and service assignments in the maritime market.

Defence: Bergen Group has provided services to the Norwegian Armed Forces through various framework agreements for several years, mainly related to motor service and ship-technical maintenance. One of the major frame agreements, related to the ship-technical maintenance of the Norwegian frigates, expired in July 2017 without renewal in favour of Bergen Group.

The lapse of this contract has made a negative impact on the revenues in this division, especially in the last quarter in 2017.

Energy & Industry: This division, headquartered at Straume outside Bergen, is centring on packaged prefabrication assignments, including machining, welding, electric and hydraulic outfitting, pipework, surface treatment and integration. This market area has been characterised by a challenging market situation with a limited order horizon and margins under severe pressure in the last few years.

Access technology: Bergen Group AAK AS (formerly AAK Energy Services AS) acquired in May 2017, and now a fully owned subsidiary of the Group and included in the reporting segment Services. The company's financial numbers for the period 1 May - 31 December 2017 have been consolidated into the group's financial statement for 2017.

Bergen Group AAK is a leading expert in access technology and efficient work at height related to maintenance and modification work at different types of infrastructure, independent of industry. The company has traditionally had its primary focus on offshore activities related to the oil and gas industry. This has been a challenging market in recent years. The company has been successful in positioning itself towards various land-based projects, and is experiencing activity growth in these markets. In addition, Bergen Group AAK has succeeded in establishing a position as supplier of providing maintenance and services to wind power installations. A result of this was the 3-year framework agreement awarded from Siemens Wind Power AS in May 2017.

Monitoring of capacity: Based on the fluctuating activity level in the business units, Bergen Group is continuously monitoring the need for appropriate measures to be implemented in order to ensure an adequate cost level and operational capacity in line with the expected activity levels going forward.





THE ANNUAL RESULT, BALANCE AND CASH FLOW DEVELOPMENT – CONSOLIDATED

The annual report has been prepared in accordance with "International Financial Reporting Standards" (IFRS) as adopted by the EU.

Continued operations as at 31 December 2017 consist of the companies Bergen Group Services AS, Bergen Group AAK AS, Bergen Group Management AS and Bergen Group ASA.

Three private placements and a subsequent offering were completed in 1st Half of 2017 to strengthen the Group's position and prepare for further growth. The transactions generated net proceeds of NOK 28.6 million.

Bergen Group's accumulated operating income for 2017 is NOK 272 million, compared to NOK 246 million for 2016. The group's accumulated operating profit before depreciation and amortization (EBITDA) for 2017 is negative NOK 4 million, compared to NOK 4 million for 2016. The group's accumulated result before taxes (EBIT) is negative NOK 8.2 million, compared to negative NOK 1.8 million in 2016.

There has not been an impairment of goodwill and excess values in 2017, which represents the same view as in 2016. The Group's result after taxes is negative NOK 11.7 million, compared to positive NOK 73.1 million in 2016.

Total assets at 31 December 2017 were NOK 269 million and book equity was NOK 195 million, of which gives an equity ratio of 72.6%. Similarly, as at 31 December 2016, the Group had total assets of NOK 300 million and equity of NOK 175 million, of which implied an equity ratio of 58.4%.

Balance sheet and cash flow: The group's receivables at the end of 2017 amounted to NOK 38.4 million, whereas bank deposits totalled NOK 53.7 million. Interest-bearing debt at year-end 2017 was NOK 16.3 million after refinancing and debt remission in December 2016.

Cash flow from operating activities was NOK 10.3 million in 2017. Corresponding figure for 2016 was negative NOK 0.5 million. The change is mainly due to cash management and reduction in net working capital. Net cash flow from investments was negative NOK 1.6 million.

The Group's bank deposits was NOK 53.7 million as at 31 December 2017, while it was NOK 36.3 million as of 31 December 2016. This implies increased liquidity of NOK 17.4 million during the year.

Bergen Group has no overall research or development activity, but still works with targeted projects in product and service development, which may help strengthen the companies' market positions.

The parent company Bergen Group ASA had no turnover in 2017 or 2016. The parent company's operating result was NOK – 17.8 million in 2017 against a corresponding operating result of NOK – 19.5 million in 2016. Net financial costs were NOK 3.8 million in 2017, against corresponding net financial income of NOK 15.3 million in 2016, this mainly relates to the refinancing process, completed in December 2016. The result for the year was NOK – 22.2 million in 2017, and for 2016, the corresponding figure was NOK – 16.4 million.

ALLOCATION OF PROFIT AND DIVIDEND POLICY

The Group's result after tax was NOK -11.7 million.

The annual result for the parent company was NOK – 22.2 million, of which will be allocated through transfer from other equity. After the allocation of the result, the company has no free equity. The parent company's equity per 31 December 2017 is positive with NOK 90.9 million.

The company has a stated ambition to provide the shareholders with annual return on their investments by means of dividends and increase of value that is at least at the level of other investment alternatives with comparable risks. The Board has considered, based on the Group's result for 2017, not to suggest any dividends.

GENERAL MEETING INFORMATION

Bergen Group ASA held its Annual General Meeting on 8 June 2017, with 74.96 % of the share capital represented. The General Meeting unanimously approved the Annual Financial Statements and the Annual Report for the financial year of 2016. All other proposals also unanimously approved by the General Assembly in accordance with the recommendations from the Board of Directors and the Nomination Committee.

Additionally, Bergen Group ASA held an Extraordinary General Meeting on 8 November 2017, with 63.57% of the share capital represented. In this meeting, Hans Petter Eikeland was elected new Chairman of the Board of Directors of Bergen Group ASA, replacing Tor Lars Onarheim.

BOARD OF DIRECTORS AND AUDIT COMMITTEE

As of 31 December 2017, the Board of Directors of Bergen Group ASA consists of five shareholder-elected and two employee-elected Board members. The five shareholder-elected members are Hans Petter Eikeland, Espen S. Berge, Tove Ormevik, Tracy Chang and Bente Stangeland. The two

employee-elected members are Kristoffer Hope and Jorunn Ingebrigtsen. Magnus Stangeland is deputy member for the five shareholder-elected Board members.

The company's audit committee in 2017 has consisted of the following three persons from the Board of Bergen Group ASA: Espen S. Berge (leader), Bente Stangeland and Jorunn Ingebrigtsen. The audit committee is considered both capable and independent, which, due to the company's size and activities, is necessary in order to take care of their tasks according to the Public Limited Companies Act.

QHSE – QUALITY, HEALTH, SAFETY, AND ENVIRONMENT

Bergen Group works systematically and continuously to improve the QHSE (Quality, Health, Safety, and Environment) performance, systems and safety culture connected to all operations within the Group. The Group has a zero vision for incidents connected to HSE, quality deviations, and incidents affecting the environment. The goal is to avoid employees becoming injured or ill at work, ensure the right quality of deliveries, and avoid negative impact on the environment around us. The company works purposefully on increasing the use of suggestions for improvement and observations for use in preventive work. This type of reporting has increased during 2017, which is in line with our target and an important part of the work of maintaining the Group's zero vision.

Quality: The Group systematically develops process-based quality systems within each specific business area. An important part of this work is a dedicated focus on the management systems and ensure that these are quality assured through ISO certifications for both Bergen Group Services AS and Bergen Group AAK AS.

In 2017, a follow-up audit was carried out according to the standards ISO 9001 and ISO 14001. In addition, both standards have been audited according to the new 2015-version together with ISO 3834-2. These certifications were renewed according to the company's activities. ISO 9001:2015 confirms that the management system for quality is certified according to the standard for good quality management, and ISO 14001:2015 documents the company's environmental management system. ISO 3834-2 defines extensive quality requirements for fusion welding of metallic materials both in workshops and at construction sites. This certification is important in order to document the extensive technical welding competence in Bergen Group Services. Within this field, re-certification according to NS-EN 1090, which is a standard for the execution of steel constructions and aluminium constructions, was completed.

Bergen Group Services AS and Bergen Group AAK AS has a targeted strategy of further developing the company's quality systems.

Health: The average sick leave in 2017 was 7.2 %, distributed on short-term leave of 2.3 % and long-term leave of 4.9 %. For comparison, the average sick leave among the employees in the calendar year 2016 was 6.3 %. The average sick leave within Norwegian industry has been around 5 % for the past year. Bergen Group has a target of reducing the sick leave to a level in line with the national average. During 2017, the Group had four accidents with personal injuries leading to absence from work. The company has implemented measures to prevent similar incidents.

Based on the number of reported injuries, this year's H-value measured at 11.8. The H-value measures the number of injuries with absence per million work hours.

Environment: Bergen Group keeps a continuous focus on environmental improvement when it comes to production processes and the use of alternative products and services in order to reduce the Group's negative impact on the environment. In general, the Group's activities have a limited negative impact on the environment. There were no severe incidents with consequences for the environment registered in 2017. The company strives for minimal use of solvents, energy, and water. Collaborative agreements have been established with approved companies that ensure that hazardous waste is handled safely and according to regulations. The company focuses on using fewer environmentally damaging products by increasing the awareness of the total environmental impact of a product throughout its lifespan. In this context, the Group has established systems for risk assessment, measures and control of the use of chemicals in order to ensure systematic and preventive environmental work.

Safety: In 2017, the Group has focused on further developing the systems, competence and learning in order to achieve lower risks for all our activities. The operational activities uses electronic tools for all guiding documentation connected to the above certifications in connection with reporting and following up incidents and deviations. The company has established an electronic system for risk assessment and maintenance management. An annual plan for the HSE work has been developed and is followed in order to safeguard continuous improvement and reach the company's goals.

PERSONNEL, EQUALITY AND COMPETENCE DEVELOPMENT

Per 31 December 2017, Bergen Group had in total 201 permanent employees, with few exceptions all full-time employees. Average full-time equivalent in 2017 was 216 person-years.

Bergen Group has continues focus on organisational measures in order to adapt expected demand for competence and capacity. In 2017, this has entailed downsizing within the prefabricated business and recruiting within some fields for the ship-technical maintenance.





Parts of the company's activities are project-related assignments that require use of additional capacity on the staffing side for a limited period. Mainly, the company secures additional project-related capacity through temporary employments. During 2017, total temporary employments constituted around 10 FTEs (full time equivalent).

The work environment is generally, considered as good. Bergen Group has established a zero tolerance towards all types of harassment, discrimination, or other behaviour that colleagues, business partners or others may perceive to be threatening or derogatory. Regular meetings in AMU (The Working Environment Committee) and with the union management/employee representatives are considered important in order to solve negative deviations connected to the work environment.

Bergen Group depends on talented, experienced, and qualified managers and co-workers. All employees are treated equally, regardless of ethnicity, nationality, sexual orientation, gender, religion, or age – and equal opportunities are offered for development and promotion to management positions.

Most of Bergen Group's activities are conducted in a business sector traditionally dominated by male employees. By the end of 2017, the female ratio of the Group's activities is 5.5 %, which is not satisfactory. The Group have a dedicated focus on recruiting more female employees at all levels.

The Board of Directors in Bergen Group ASA consists of seven members, of whom four are women. The Group management together with the management in the two subsidiaries constitutes 13 males and 2 females by the end of 2017. The salary for women is weighed as the same as for men in similar positions.

CORPORATE SOCIAL RESPONSIBILITY; CSR

According to § 3-3c of the Accounting Act, Bergen Group is bound to provide an annual account of Corporate Social Responsibility (CSR), either in the Annual Report or in another publicly available document which is referred to in the Annual Report.

Bergen Group focuses on balancing the relationship between financial growth and the company's social responsibilities. The Group strives towards executing the best possible CSR, where the Group's activities integrate social and environmental considerations in their daily operations and towards groups impacted by the activities. Taking care of human rights and the environment, respect for basic workers' rights and decent work conditions, fighting corruption as well as the greatest possible openness are central in Bergen Group.

The Group's policy and goals related to CSR is available on the Group's website.

Bergen Group has in 2017, initiated preliminary processes for achieving ISO certification according to the "CSR Performance Ladder". Which is a certifiable standard for management systems connected to CSR. The standard "CSR Performance Ladder" based on internationally standards such as ISO and OH-SAS, and managed by an independent foundation and expert committee. A completion of this ISO-process, originally targeted by end of 2017, but rescheduled to be finalised in 2018/19.

The company's CSR policy will, according to the above standard, cover the following CSR topics:

- Organisation management
- Work conditions and human rights
- Environment, commodities, energy, and emissions
- Business ethics and consumer questions
- Social commitment and development

The company's goal is to make visible principles, procedures and standards which fully integrates into business strategies, daily operation and towards stakeholder relationships.

CORPORATE GOVERNANCE

Bergen Group ASA believes the foundation for good Corporate Governance should be built on clear and transparent relationships between the owners, the Board, and the management.

Corporate Governance shall ensure credibility and trust among all stakeholders, and forms a good foundation for furthering sustainable value creation and good results. Good business management is an important prerequisite for achieving Bergen Group ASA's vision and carrying out the strategy. Good business management contributes to the Group's long-term value creation, while the resources are utilised in an efficient and sustainable manner.

Bergen Group ASA's guidelines for business management follow the recommendation from NUES (The Norwegian Committee for Corporate Governance), which is available at www.nues.no. The Norwegian recommendation for Corporate Governance is based on the shares, accounting, stock exchange and securities legislation, as well as the stock exchange regulations, and contains rules and guidelines, which partially elaborates the current legislation, and partially covers areas not addressed by the legislation.

The goal of the guidelines is to clarify the distribution of roles between shareholders, the Board and caseworkers beyond the requirements of the law. Bergen Group's goal is to follow the recommendation of strengthening the trust in the company and contribute to the greatest possible value creation long term, to the best of the shareholders, employees, and other stakeholders.





Bergen Group's Corporate Governance, last reviewed by the Board of Directors in Q1 2017, is available on the company's website.

SHARE CAPITAL, SHARES AND SHAREHOLDER INFORMATION

Bergen Group ASA's shares have been listed on the Oslo Stock Exchange since June 2008 under the ticker BERGEN.

Shareholders: Bergen Group ASA had a strong increase in the number of shareholders in 2017. At the end of 2017, the company had 1,539 shareholders in total, compared with 1,024 shareholders at the end of 2016. Updated overview of the company's 20 largest shareholders is available on the company's IR pages at www.bergengroup.no

Share trades and share price: The closing price on Friday, December 29, 2017 was NOK 1.89. This values the company's market value in the stock market to NOK 178 million at the end of 2017, compared with NOK 153 million at the end of 2016.

The closing price during 2017 has varied between NOK 4.31 (17 February) and NOK 1.58 (15 August) per share throughout the year.

In 2017, 28,600 public trades with the company's shares took place at Oslo Stock Exchange. This is a significant increase from 2016 (4,400 trades). The accumulated trade volume in 2017 was 148.2 million shares, compared to 30.6 million shares in 2016.

RISK EXPOSURE AND RISK MANAGEMENT

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, thus peruses options 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 assessed as limited by date. The Group has some exposure to market and credit risk. Liquidity, relative to operational activity is satisfactory.

Currently the Group has limited risk exposure to individual projects.

Market risk is mainly linked 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.

SUBSEQUENT EVENTS (AS PER 17 APRIL)

On 27 February 2018, Bergen Group ASA announced in a stock exchange announcement that the group had entered into a share purchase agreement (SPA) with Backe Bergen AS for the purchase of dry dock and associated business at Stamsneset at Grimstadvorden in Bergen. The Group thus strengthens its position towards the aquaculture industry by taking over a leading producer of integrated feeding barges for the aquaculture industry in Norway. Stamsneset is located in the fjord pool separating Bergen Airport from the navy base at Haakonvern. Bergen Group will take over property and facilities, including a modern and upgraded dry dock at 22 meters wide and 90 meters long, adequate crane capacity, workshops and an upgraded administration building. Expected completion date of the transaction is before the end of Q2 2018, and is subject to due diligence being completed without significant findings. A detailed stock exchange announcement related to this SPA was distributed Friday, 2 March 2018.

On 28 February 2018, Bergen Group ASA announced in a stock exchange announcement that the group has entered into a share purchase agreement (SPA) with the purpose of acquiring the wastewater and pipe renewal company Vitek AS. In the consecutive process, the parties did not reach the necessary agreement on elements deemed necessary in order to finalize a transaction acceptable for both parties. Based on this, the SPA was terminated on 13 April 2018, ref. separate stock exchange message distributed the same day.

MARKET AND OUTLOOK

During 2017, Bergen Group has invested resources in building a platform for future growth. This includes structural measures and relevant acquisitions, which contribute Bergen Group as an attractive industrial group with activities predominantly in the western part of Norway.

The Group has a dedicated focus on evaluating structural measures that can generate complementary activities and potential for synergy effects, including increased market position and entry into new market areas.

The Group is expecting the future growth to take place both through organic growth as well as acquisitions. In May 2017, the group completed a 100% acquisition of AAK Energy Services, now renamed as Bergen Group AAK. Through this acquisition, Bergen Group has gained access to an attractive cutting-edge expertise in advanced access and work at the height, which also will help strengthen the company's position towards delivering demanding assignments related to maritime service and ship maintenance.

The acquisition of the integrated feed fleet production and dry dock capacity at Stamsneset from Backe Bergen enables



further development of maritime operations also to include product and system deliveries towards the aquaculture industry. Bergen Group takes over a steadily growing operation. The record of accomplishment, and hence market interest, for these products is considered good in the coming years. In addition, there is a basis for synergies in relation to the Group's existing engineering, fabrication and engine/generator set operations. Hence, the acquisition constitute an important step

in the process of strengthening the Group's position as a supplier of products and services that are competitive in national emerging markets.

Bergen Group considers this acquisition strategically important in order to secure dock capacity suitable for other maritime activities, including for the Norwegian Navy.





The subsidiary Bergen Group Services has multiple years of being able to deliver strong and profitable operations related to the company's execution and expertise in complex maritime service projects. The basis for activity growth towards ship maintenance and maritime services in the civilian market (merchant marine) is strengthened. Capacity utilization within this segment is largely characterized by spot assignments and relatively short order horizons. The company's performance in the fourth quarter, however, is influenced by reduced activity towards the Navy. At today's date, there is uncertainty regarding volumes and services mix related to both existing and new service and maintenance contracts from the Norwegian Navy.

Order books: At the end of Q4 2017, Bergen Group had a total order backlog of NOK 152 million compared to NOK 172 million at the end of 2016. The decrease in the order books during

2017 is solely related to the absence of renewal on the frigate maintenance contract with the Navy. The business unit Rope Access (Bergen Group AAK) and maritime service in the civilian market (Bergen Group Services) both have experienced a growth in their order books during 2017. The order backlog at 31 December 2017 does not include the value of options related to existing contracts.

ASSUMPTIONS OF GOING CONCERN

The Board of Directors confirm, according to § 3-3 of the Accounting Act, that the annual accounts have been prepared based on the assumption of going concern.

Bergen, 20th April 2018

Hans Petter Eikeland
(Chairman of the Board of Directors)

Tracy Chang

Bente Stangeland

Espen Berge

Torgeir Næraø
CEO

Kristoffer Hope

Jorunn Ingebrigtsen

Tove Ormevik





CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME

NOTE

IFRS
2017IFRS
2016**Continuing operations**

Sales revenue		271 637	246 101
Other operating revenue		465	15
Operating revenue	4	272 102	246 116

Cost of sales		-111 623	-116 473
Payroll expenses	5	-127 296	-90 732
Depreciation, amortisation, impairment	10, 11	-4 136	-5 811
Other operating expenses	5	-37 262	-34 897
Operating expenses		-280 317	-247 913

Operating loss		-8 215	-1 797
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Financial income	7	421	1 390
Financial expenses	7	-3 100	-7 093
Net financial items		-2 679	-5 703

Loss before tax		-10 893	-7 500
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Tax	8	-792	-
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Loss from continuing operations		-11 685	-7 500
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Discontinued operations

Profit / Loss from discontinued operations	6	-	80 637
Profit / Loss		-11 685	73 137

Other comprehensive income

Items which may be reclassified over profit and loss in subsequent periods

Foreign currency translation differences for foreign operations		-	-
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Reclassification of foreign currency differences on disposal of foreign operations		-	-
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Other comprehensive income for the period, net of tax		-	-
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Total comprehensive income		-11 685	73 137
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Profit / Loss attributable to:

Owners of the Company		-11 685	73 137
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Profit / Loss		-11 685	73 137
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Total comprehensive income attributable to:

Owners of the Company		-11 685	73 137
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Total comprehensive income		-11 685	73 137
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Earnings per share

Basic earnings per share (NOK)	9	(0,13)	1,20
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Diluted earnings per share (NOK)	9	(0,13)	1,19
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Earnings per share - continuing operations

Basic earnings per share (NOK)	9	(0,13)	(0,12)
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Diluted earnings per share (NOK)	9	(0,13)	(0,12)
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOTE

IFRS
2017IFRS
2016

ASSETS

Deferred tax asset	8	19 729	19 000
Intangible assets and goodwill	10	107 382	104 523
Property, plant and equipment	11	4 802	5 057
Total non-current assets		131 913	128 580
Inventories	12	4 592	3 224
Work in progress	13	40 590	40 963
Trade receivables	14, 21	30 995	26 839
Other receivables	14, 21	7 440	64 370
Cash and cash equivalents	15, 21	53 742	36 341
Total current assets		137 360	171 736
Total assets		269 273	300 316

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOTE

IFRS
2017IFRS
2016

EQUITY AND LIABILITIES

Equity

Share capital	16	93 958	79 014
Share premium		17 382	3 679
Retained earnings		84 123	92 783
Equity		195 463	175 476

Liabilities

Loans and borrowings	17, 21	16 285	168
Pension liabilities		40	40
Other non-current liabilities		3 490	3 490
Total non-current liabilities		19 815	3 698

Loans and borrowings	17, 21	-	20 005
Trade payables	21	19 973	29 461
Tax payable	8	-	-
Public duties payable		10 313	7 317
Other current liabilities	19	23 709	64 360
Total current liabilities		53 995	121 143

Total liabilities		73 810	124 841
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Total equity and liabilities		269 273	300 316
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Bergen, 20th April 2018

Hans Petter Eikeland
(Chairman of the Board of Directors)

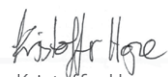

Tracy Chang



Bente Stangeland



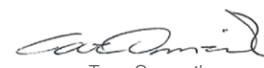
Espen Berge


Torgeir Næraø
CEO


Kristoffer Hope



Jorunn Ingebrigtsen



Tove Ormevik

CONSOLIDATED STATEMENT OF CASH FLOWS

NOTE

IFRS
2017IFRS
2016**Cash flow from operating activities**

Loss from continuing operations		-11 685	-7 500
Loss from discontinued operations	6	-	80 637

Loss for the period		-11 685	73 137
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Adjustments for:

Tax expense / Tax income from continuing operations	8	792	-
Tax expense from discontinued operations		-	-
Taxes paid		-	-
Depreciation, amortisation, impairment - continued operations	10, 11	4 136	5 811
Depreciation, amortisation, impairment - discontinued operations	10, 11	-	25
Gain on sale of property, plant and equipment		-465	-
Share option expense		3 486	-

Changes in:

Trade receivables		6 864	-16 824
Trade payables		-18 528	10 472
Inventories / work in progress	12, 13	2 262	-12 981
Other current accruals (*)		23 477	-60 094

Net cash from operating activities		10 338	-455
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Cash flow from investments activities

Proceeds from sale of property, plant and equipment		1 097	-
Acquisition of property, plant and equipment	10, 11	-2 608	-283
Acquisition of subsidiary, net of cash acquired	23	-68	-

Net cash from investments activities		-1 579	-283
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Cash flow from financing activities

Proceeds from new equity (capital increase)		28 648	17 070
Proceeds from new long-term loans		-	16 038
Proceeds from loans and borrowings		-	20 005
Repayment of borrowings		-20 005	-50 751

Net cash from financing activities		8 643	2 362
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Net change in cash and cash equivalents		17 402	1 624
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Cash and cash equivalents as per 1.1	15	36 341	34 717
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Cash and cash equivalents as per 31.12	15	53 743	36 341
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Of which is restricted cash	15	18 273	15 686
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(*) In 2016, changes in other current accruals mainly relate to net effect of remission of debt, related to other current debt and losses on receivables related to refinancing, of which took place in December 2016.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2017

	Note	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 (cash proceeds)	16	14 944	13 704	-	28 648
Effect of share options	20	-	-	3 486	3 486
Other changes		-	-	-462	-462
Net changes 2017		14 944	13 704	-8 661	19 987
Equity 31.12.2017		93 958	17 382	84 123	195 463

2016

	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.2016	60 622	-	20 156	80 778
Profit (loss)	-	-	73 137	73 137
Capital increase (cash proceeds)	14 225	2 845	-	17 070
Capital increase (conversion of debt)	4 168	833	-	5 001
Other changes	-	-	-510	-510
Net changes 2016	18 393	3 678	72 627	94 698
Equity 31.12.2016	79 014	3 679	92 783	175 476



NOTE 1 CORPORATE INFORMATION

Bergen Group ASA is a public limited company based in Norway. The Company was founded on 22 May 2007, and has registered office address in Bergen. The main office is located at Straume, near Bergen. These consolidated financial statements comprise the parent company and its subsidiaries (collectively the "Group" and individually "Group companies").

Bergen Group ASA is a well established supplier of products, services and solutions to the offshore and maritime industry. The Group's operating business focuses on the four market segments Energy & Industry, Maritime, Defence and Access Technology. Bergen Group ASA has been listed on the Oslo Stock Exchange with the ticker BERGEN since June 2008.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**2.1 Declaration of conformity**

The consolidated accounts have been submitted in accordance with EU approved International Financial Reporting Standards (IFRS) and associated interpretations, and also the additional Norwegian information requirement pursuant to the Norwegian Accounting Act, and that are applicable as at 31 December 2017. The consolidated accounts is for the period 01.01.2017 until 31.12.2017.

The proposed annual accounts were adopted by the Board of Directors on 20th April 2018. The annual accounts will be dealt with by the Ordinary General Meeting before the end of June 2018 for final approval. Up until final approval, the Board of Directors has the authority to amend the annual accounts.

2.2 Standards issues but not yet effective

A number of new standards, amendments to standards and interpretations have been published, but are not yet effective and have not been applied in preparing these consolidated financial statements.

IFRS 9 Financial instruments

The new standard, effective for annual reporting periods beginning from 1 January 2018, replaces the existing guidance in IAS 39 Financial Instruments Recognition and Measurement. The standard includes revised guidance on classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. Bergen Group has reviewed its financial assets and liabilities and expects limited impact on its consolidated financial statements following implementation of IFRS 9

Classification

IFRS 9 contains a new classification and measurement approach for financial assets. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The standard eliminates

the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities.

Bergen Group does not expect any material impact on its accounting of financial instruments following the new classification requirements.

Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

Bergen Group will apply the expected credit loss model for its trade receivables, with immaterial impact on the loss allowance due to the group's customer portfolio.

Hedge accounting

Due to the currently limited use of hedge accounting, Bergen Group does not expect any material impact on its accounting of financial instruments following the new hedge accounting requirements.

Estimated impact

The estimated impact on equity from implementing IFRS 9 per 1 January 2018, is immaterial and no transition adjustment is expected adjusted against equity. The actual impact may change if new information and guidance becomes known before the group presents its first financial statements using the new standard.

IFRS 15 Revenues from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 introduces a new five-step model that applies to revenue arising from contracts with customers. The new revenue recognition standard will not significantly change how the company recognises revenue.

Sale of goods and rendering of services

Revenue from sale of is recognised when the significant risk and rewards of owning the goods have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date or is invoiced based on hours performed at agreed rates.

Bergen Groups main contracts are servicing and maintenance contracts. According to today's practice, revenue is recognized over time. Bergen Group will continue to qualify for recognizing revenue over time after implementation of IFRS 15. Bergen Groups deliveries is primarily maintenance of the customer's fixed assets. Therefore, the performance enhances





an asset that the customer controls as the asset is enhanced. This means that Bergen Groups customer contracts qualifies for the second criteria under IFRS 15 for revenue recognition over time (IFRS 15.35(b)). According to today's practice, each promised services in the contract is considered as solely performance obligations. Under IFRS 15, if promised services is not distinct from other promised services, then it is combined to one performance obligation that is distinct. This change in accounting practice will not give any impact on the financial statement.

Bergen Group expects that no contract cost that will be capitalized under IFRS 15. Primarily, such cost are nonsignificant, and in addition the contract, as defined in IFRS 15, normally last less than a year.

Based on this, Bergen Group expects no accounting effects as a result of implementing IFRS 15.

Estimated impact

The estimated impact on equity from implementing IFRS 15 per 1 January 2018, is immaterial and no transition adjustment is expected adjusted against equity. The actual impact may change if new information and guidance becomes known before the group presents its first financial statements using the new standard.

IFRS 16 Leasing

The new standard, effective for annual reporting periods beginning from 1 January 2019, replaces the existing guidance in IAS 17 Leases. The new standard will change how the group accounts for its leased assets and facilities. The following effects are expected to impact the reported figures upon transition to IFRS 16:

- Assets and liabilities are expected to increase with an amount close to net present value of future lease payments
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) will increase as the lease payments will be presented as depreciation and finance cost rather than operating expense
- Operating cash flow will increase and investing and financing cash flow will decrease as lease payments will not be classified as operating cash flow

2.3 Functional and presentation currency

The consolidated accounts are presented in NOK, which is also the functional currency of the parent company. Financial information is stated in NOK thousands, unless otherwise specified.

2.4 Basis for measurement

The consolidated financial statements have been prepared based on historical cost.

2.5 Basis of consolidation

The consolidated accounts include the parent company Bergen

Group ASA, subsidiaries, and the group's shares in associated companies and joint ventures. The parent company and the subsidiary are referred to collectively as "the group" and individually as "group companies".

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred.

Subsidiaries

A subsidiary is a company controlled by the group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Transactions between group companies and inter-company balances, including internal profit and unrealised gains and losses, are eliminated. Unrealised gains that arise from transactions with associated companies are eliminated with the group's share in the associated company. The same applies to unrealised loss, but only if there are no indications of an impairment of the asset that has been sold internally. The consolidated accounts have been prepared on the assumption of uniform accounting principles for similar transactions and other events under similar circumstances.

2.6 Usage of judgements and estimates

Preparation of the annual accounts in accordance with IFRS includes valuations, estimates and assumptions that influence both the choice of accounting principles applied and reported amounts for assets, obligations, income and expenses. During preparation of the annual accounts, the management has used estimates based on best judgement and assumptions that are considered realistic based on historical experience.

Actual amounts may differ from estimated amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 18 Classification of lease contracts.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year to come is included in the following notes:

Note 8 Recognition of deferred tax assets; availability of future taxable profit against which carry forward tax losses can be used

Note 10 Impairment test: key assumptions underlying recoverable amounts

Note 19 recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources

Measurement of fair values

A number of the group's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

The group has an established control framework with respect to the measurement of fair values. The framework implies regularly review of significant unobservable inputs and valuation adjustments.

When measuring the fair value of an asset or a liability, the group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 11 Tangible fixed assets

Note 21 Financial instruments

Note 23 Acquisition of subsidiary

2.7 Foreign currency*Foreign currency transactions*

Transactions in foreign currencies are translated into functional currency for the respective group companies using the exchange rate at the time of the transaction. Monetary items in foreign currency are translated to functional currency using the exchange rate on the balance sheet date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit or loss.

2.8 Revenue recognition*Sale of goods and services*

Sale of goods is recognised when the significant risk and rewards of owning the goods have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date or is invoiced based on hours performed at agreed rates. The stage of completion is normally assessed based on the proportion of costs incurred for work performed to date compared to the estimated total contract costs. No revenue is recognised if there is significant uncertainty regarding recovery of consideration due.

2.9 Employee benefits*Pensions*

The group mainly has defined contribution pension schemes that are charged against income as contributions are made to the scheme.



Some group companies also have an early retirement scheme (AFP) in the LO-NHO area. The AFP scheme is accounted for as a defined contribution pension scheme, as the scheme's administrator is not able to make the necessary calculation of obligations, assets and pension earnings for each member enterprise. Consequently, the premium and contributions will be charged against income as they arise. However, an obligation is calculated for employees who have chosen to take early retirement. These are defined as active AFPs and the obligation is equivalent to the employer's contribution in the period from when they take early retirement until they reach 67 years of age. The obligation is recognized in the consolidated accounts. In the previous AFP scheme, there is an undercoverage. The company have accrued for the expected cost related to this undercoverage.

Severance pay

Severance pay is recognised as a cost when the group is obliged to, and does not have any realistic chance to withdraw from a formal, detailed plan regarding the end of an employee's employment before the ordinary retirement age, or an offer of voluntary retirement. The latter is recognised as a cost if it is likely that the offer will be accepted and the number of acceptances can be reliably estimated. If the severance pay falls due more than 12 months after the reporting period, it is discounted to the fair value.

Share based payments

The Group has share-based program. The program is measured at fair value at the date of the grant. The share option program is settled in shares. The fair value of the issued options is expensed over the vesting period, which in this case is over the agreed-upon future service time.

The cost of the employee share-based transaction is expensed over the average vesting period. The value of the issued options of the transactions that are settled with equity instruments (settled with the company's own shares) is recognised as salary and personnel cost in profit and loss and in other paid-in capital. Social security tax on options is recorded as a liability and is recognised over the estimated vesting period.

2.10 Income tax

The tax cost consists of tax payable and the change in deferred tax. Deferred tax liability / tax asset is calculated based on all taxable temporary differences. Deferred tax asset is recognised in the accounts when it is likely that the company will have enough taxable income to be able to use the tax asset. Deferred tax and deferred tax asset are recognized regardless of when the differences will be reversed and recognized in the accounts and in principle are recognized at nominal value. Deferred tax / tax asset is valued based on the expected future tax rate.

Both tax payable and deferred tax are recognized directly against equity if they are related to items recognized directly against equity.

2.11 Discontinued operations

At disposal of a separate major line of business, the profit or loss from these operations, including gains/losses from the derecognition is classified as discontinued operations, if the criteria in IFRS 5 have been met. Profit/loss from group of assets classified as held for sale is also classified as discontinued operations. When discontinued operations are identified, the comparable amounts in the income statement and other comprehensive income, and the accompanying notes, are restated to reflect these operations in the previous year as if they were discontinued in that year.

2.12 Property, plant and equipment

Property, plant and equipment are valued at cost price less accumulated depreciation and impairment losses. When assets are disposed of, the cost price and the accumulated depreciation is reversed in the accounts and any loss or gain from the disposal is recognised in the profit and loss account.

The cost price of property, plant and equipment is the purchase price, including taxes and direct acquisition costs associated with preparing the asset for use. Cost incurred after the asset has been put to use, such as repair and maintenance, will usually be expensed. If increased earnings can be demonstrated to have resulted from the repair / maintenance, the costs will be capitalised as additions.

The estimated economic life of the asset and the depreciation method are assessed annually to ensure that the method and the period used correspond to the financial reality of the fixed assets. The same applies to the scrap value.

Fixed assets under construction is classified as a fixed asset and is recognised in the profit and loss account as costs incurred in connection with the fixed assets. Fixed assets under construction is not depreciated until the asset has been put into use.

If tangible fixed assets have a higher book value than their fair value, they will be written down to their minimum fair value.

2.13 Intangible assets and goodwill

The cost of intangible assets acquired through acquisition is capitalised at fair value in the opening balance for the group. Capitalised intangible assets are recognised in the accounts at cost, less any depreciation and write-downs.

Internally generated intangible assets, with the exception of capitalised development costs, are not capitalised, but expensed as they arise.

The economic lifetime is either finite or indefinite. Intangible assets with a finite lifetime are depreciated over the economic lifetime and are tested for write-down, if there are indications that this is required. The depreciation method and period are assessed at least once a year. Changes in the depreciation method and / or depreciation period are treated as estimate differences.

Intangible assets with an indefinite useful life are not depreciated, but instead tested for impairment at least once a year, either individually or as part of a cash-generating unit. The life-time is assessed annually to see whether the assumption of an infinite useful life is justified. If not, the change to a finite life-time is treated on a prospective basis.

Goodwill is not depreciated, but an annual assessment is made to evaluate whether the value can be justified in relation to recoverable amount. If there are any external indications of a fall in value, goodwill will be assessed at each closing of accounts.

2.14 Leases

Financial leases

Leases where substantially all of the risks and rewards of ownership are transferred to the group are classified as financial leases. The group presents financial leases in the accounts as assets and liabilities, equal to the cost price of the asset or, if lower, the current value of the lease's cash flow. The implicit interest cost of the lease, if it can be determined, is used to assess the present value of the lease. If it cannot be determined, the company's marginal lending rate in the market is used. Direct costs associated with the lease are included in the cost price of the asset. Monthly lease amounts are broken down into an interest and a repayment element. The interest costs are allocated to different periods, so that the interest on the outstanding debt is the same in different periods.

The assets involved in financial leases are depreciated. The depreciation period is consistent for corresponding assets owned by the group. If there is no guarantee that the company will take over the asset on expiry of the lease, the asset is depreciated over the shortest of the period of term of the lease and the depreciation period for corresponding assets owned by the group.

Operational leases

Leases where substantially all of the risks and rewards of ownership are not transferred to the group are classified as operational leases. Lease payments are classified as operating costs, and recognised in the profit and loss account over the term of the lease.

If a "sale and lease-back" transaction results in an operational lease and it is clear that the transaction was carried out at fair value, any gain or loss will be recognised in the profit and loss account immediately when the transaction is carried out. If the sales price is lower than the fair value, any gain or loss will be recognised immediately, except in situations where it will lead to future lease payments below market price. In such cases, the gain or loss is amortised over the lease period. If the sales price is higher than the fair value, the difference is amortised over the estimated period of use of the asset.

2.15 Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at FVTPL, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at FVTPL and other financial liabilities.

Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets – Measurement

Financial assets at FVTPL: A financial asset is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at FVTPL are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Held-to-maturity financial assets: These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables: These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Available-for-sale financial assets: These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.





Non-derivative financial liabilities – Measurement

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Derivative financial instruments

Financial derivatives that are not recognised as hedging instruments are assessed at their fair value. Changes in the fair value are recognised in the statement of comprehensive income as they arise.

An embedded derivative is separated from the host contract and recognised as a derivative if, and only if, all the following conditions are met:

The financial characteristics of and financial risk relating to the embedded derivative are not closely related to the financial characteristics of and financial risk relating to the host contract.

Hedge accounting

Before a hedging transaction is carried out, the Group's finance department assesses whether a derivative (or possibly another financial instrument in the case of a currency hedge) is to be used to hedge the fair value of a recognised asset or liability or a firm commitment, hedge a future cash flow from a recognised asset, obligation, identified very probable future transaction or, in the case of a currency risk, a firm commitment or hedge a net investment in a foreign operation.

The Group's criteria for classifying a derivative or other financial instrument as a hedging instrument are as follows:

- the hedge is expected to be very effective in that it counteracts changes in the fair value of or cash flows to an identified asset - a hedging efficiency of 80-125% is expected,
- the effectiveness of the hedge can be reliably measured,
- there is adequate documentation when the hedge is entered into that the hedge is effective, among other things, for cash-flow hedges, the forthcoming transaction must be highly probable, and
- the hedge is evaluated regularly and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

A separate instrument with the same conditions as the embedded derivative would have complied with the definition of a derivative.

The combined instrument (the main contract and embedded derivative) is not measured at its fair value with changes in value recognised in profit or loss.

2.16 Inventories

Inventories are recognised in the accounts at the lower of the acquisition cost and net realisable value. The net realisable value is the estimated sales price in ordinary operations, less estimated costs relating to completion, marketing and distribution. The cost of inventory is based on the FIFO method and includes costs of bringing the goods to their present state and location.

2.17 Work in progress

Work in progress comprises construction contracts and service- and maintenance contracts.

The book value of the work in progress comprises uninvoiced amounts anticipated to be paid by customers for work carried out on the balance sheet date. The value is measured by taking the costs incurred plus a mark-up for reported earnings, less on-account invoiced amounts and reported loss. Incurred costs are costs directly attributable to the contracts, and also the share of fixed and variable joint costs in the construction and service business based on operational capacity.

If payment from customers exceeds the reported income, the difference is presented in the balance sheet as deferred income.

2.18 Impairment

Trade and other receivables

Provision is made when there is objective evidence that the group will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Available-for-sale financial assets

Equity investments classified as available-for-sale are considered impaired when there is a significant or prolonged decline in fair value of the investment below its cost. Any subsequent increase in value on available-for-sale assets is considered a revaluation and is recognised in other comprehensive income.

Other financial assets

The recoverable amount of receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (the effective interest rate computed at initial recognition of the financial assets). Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial assets that can be reliably estimated.

Non-financial assets

The carrying amounts of the group's assets, other than employee benefit assets, inventories, deferred tax assets and derivatives are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated.

Cash-generating units (CGU) containing goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use are tested for impairment annually.

The recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in the income statement. An impairment loss recognised in respect of CGU is allocated first to goodwill and then to the other assets in the unit (group of units) on a pro rata basis.

An impairment loss on goodwill is not reversed. An impairment loss on other assets is reversed if there has been a change in the estimates used to determine the recoverable amount, and the change can be objectively related to an event occurring after the impairment was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.19 Provisions and liabilities

A provision is recognised in the balance sheet when the group has a present obligation as a result of a past event that can be estimated reliably and it is probable that the group will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a market based pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the liability-specific risks.

Warranty provision

A provision for warranty is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

Contingent liabilities and assets

Contingent liabilities are defined as:

- (i) Potential liabilities resulting from previous events, but whose existence depends on future events
- (ii) Liabilities not recognised in the accounts because it is not likely that the liability will result in an outflow of resources
- (iii) Liabilities that cannot be measured with a satisfactory degree of reliability.

Contingent liabilities are not recognised, with the exception of contingent liabilities stemming from the acquisition of enterprises. Material contingent liabilities are specified in the notes, except for contingent liabilities where the likelihood of existence is very low.

A contingent asset is not recognised in the accounts, but will be specified in the notes to the accounts if it is likely that the asset will devolve on the group.

Guarantee liabilities

Contractual guarantees of completion and guarantees in connection with advance payment from customers are furnished as part of Bergen Group's activities. Such guarantees usually involve a bank connection that issues the guarantee in relation to the customer. In some cases, guarantees have also been furnished by other companies in the group.

2.20 Cash flow statement

The cash flow statement shows the overall cash flow broken down by operations, investment and financial activities. The statement shows each activity's effect on the liquid assets. The cash flow statement is prepared in accordance with the indirect model. Unrestricted bank deposits, restricted tax and restricted deposits on projects is included in the cash equivalents in the balance.

NOTE 3 FINANCIAL RISK MANAGEMENT

The group is exposed to the following financial risks resulting from the use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note provides information about exposure to each of the above-mentioned risks as well as goals, principles and processes for measuring and managing risk, and the group's capital management. More quantitative information is included elsewhere in the consolidated accounts.

The board of directors has overall responsibility for establishing and monitoring the group's risk management framework. Risk management principles have been established in order to identify and analyse the risks to which the group is exposed, to stipulate limits on risk and pertaining control procedures, and to monitor risk and compliance with the limits. Risk management principles and systems are reviewed regularly to reflect changes in activities and market conditions.

CREDIT RISK

Credit risk is the risk of financial losses in the event that a customer or counterparty in a financial instrument is unable to meet its contractual obligations. Credit risk relates usually to the group's receivables from customers. The group's exposure to credit risk is mainly the result of individual factors relating to each individual customer. The demographics of the customer base, including the risk of default of payment in the industry and the country in which the customers operate, have less influence on the credit risk. There is no geographical concentration of credit risk.

The group's trade debtors are mostly related to the segment Services. The customers are shipping and other industrial companies of all sizes.

The company has established guidelines for credit rating. This means that the creditworthiness of all new customers is assessed on an individual basis before the customer is offered the group's standard terms and conditions for delivery and payment.

The maximum risk exposure is represented by the carrying amount of the financial assets, including derivatives, in the statement of financial position. Counterparty for derivative financial instruments is normally a bank, the credit risk linked to these financial derivatives is limited. The Group regards its maximum credit risk exposure to the carrying amount of trade debtors and other receivables (see Note 14).

Historically, losses on trade debtors have been limited.

LIQUIDITY RISK

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities under both normal and stressed conditions. Please see note 17 for more information on the group's bank loans as of 31.12.2017.

NOTE 3 FINANCIAL RISK MANAGEMENT (CONTINUED)**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date, including payment of interest and without the effect of settlement arrangements:

			Contractual cash flows					
	Note	Carrying amount	Total	6 months or less	6 - 12 mth.	1 - 2 years	2 - 5 years	More than 5 years
31 December 2017								
Convertible loans	17	16 117	18 051	484	484	17 084		
Financial leases	17	168	168			168		
Trade payables	19	19 973	19 973	19 973				
Total		36 258	38 193	20 457	484	17 252	-	-

			Contractual cash flows					
	Note	Carrying amount	Total	6 months or less	6 - 12 mth.	1 - 2 years	2 - 5 years	More than 5 years
31 December 2016								
Convertible loans	17	16 128	16 128	16 128				
Mortgage loans	17	20 005	20 005	20 005				
Financial leases	17	168	168			168		
Trade payables	19	29 461	29 461	29 461				
Total		65 762	65 762	65 594	-	168	-	-

MARKET RISK**Currency risk**

Bergen Group operates mainly in a domestic market. Hence, the company is only to a limited extent directly exposed to its own operations abroad. Macro economically conditions, of which are significant for the group, is mainly related to developments in oil and gas prices, including development and maintenance activities in the North Sea. Bergen Group's

turnover in 2017 was to a less extent related to offshore activities, and is as such also less exposed to the above mentioned risk factors. The company's activities within vessel maintenance and maritime services is to a less extent influenced by developments within this sector.



NOTE 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's exposure to the main foreign currencies:

	31.12.17		31.12.16	
	EUR	USD	EUR	USD
Bank	490	205	1 618	140
Trade payables	-	-50	-868	-
Net statement of financial position exposure	490	155	750	140
Estimated need for future sales (NOK)	-	-	-	-
Estimated need for future purchases (NOK)	-	-	-	-
Gross exposure	490	155	750	140
Currency hedging	-	-	-	-
Net exposure	490	155	750	140

	2017		2016	
	EUR	USD	EUR	USD
Main exchange rates throughout the year:				
Average exchange rate for the year	9,33	8,26	9,29	8,40
Spot exchange rate on 31 December	9,84	8,21	9,09	8,62

Sensitivity analysis

31. December 2017	Equity	Profit/loss
A 10 per cent strengthening of NOK in relation to EUR	-49	-49
A 10 per cent strengthening of NOK in relation to USD	-16	-16

31. December 2016	Equity	Profit/loss
A 10 per cent strengthening of NOK in relation to EUR	-75	-75
A 10 per cent strengthening of NOK in relation to US	-14	-14

NOTE 3 FINANCIAL RISK MANAGEMENT (CONTINUED)**Interest rate risk**

The company does not normally hedge against changes in the interest rate. The majority of the company's borrowing is based upon an agreed interest of 6% p.a.

Sensitivity analysis

A change in the interest rate of 100 base points on the reporting date would have increased (reduced) equity and yearly profit by the amounts shown in the table below. This analysis assumes that all other variables, particularly the exchange rates, remain unchanged.

2017	Profit/loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Cash and cash equivalent	537	-537	537	-537
Long-term interest-bearing loan	-163	163	-163	163
Cash flow sensitivity (net)	375	-375	375	-375

2016	Profit/loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Cash and cash equivalents	363	-363	272	-272
Long-term interest-bearing loans	-163	163	-122	122
Short-term interest-bearing loans	-200	200	-150	150
Cash flow sensitivity (net)	-	-	-	-

CAPITAL MANAGEMENT

The board of directors' goal is to maintain a strong capital base in order to preserve the confidence of investors, creditors and market, and to develop business activities. The return on capital is monitored by the board. Return on capital is defined as the operating profit/loss divided by the total equity. The

board also monitors the level of dividends on ordinary shares. The group may also trade in own shares, but during the year no trading in own shares have occurred. The group has no defined plan for the purchase of own shares.

NOTE 4 OPERATING SEGMENTS

Operating segments

Bergen Group ASA reported in 2017 for the segment Services, of which includes the subsidiaries Bergen Group Services AS and Bergen Group AAK AS. Other group companies reports as Other.

Segment performance is measured by operating profit before depreciation, amortization and write-downs (EBITDA) and operating profit (EBIT). This is included in internal management reports, of which are being reviewed by the group's CEO.

Bergen Group ASA reported in 2016 for the segment Services, of which includes the subsidiaries Bergen Group Services AS and Bergen Group Technology AS. Other group companies reports as Other.

2017

	Services	Other	Intra-group eliminations	Total
Operating revenue - external	271 591	511		272 102
Operating revenue - internal	-	4 091	-4 091	-
Total operating revenues	271 591	4 602	-4 091	272 102
Operating profit / loss EBITDA	12 835	-16 913	-	-4 079
Depreciation, amortisation	-4 078	-57		-4 136
Impairment	-			-
Operating profit / loss EBIT from continuing operations	8 756	-16 971	-	-8 215
Operating profit / loss EBIT from discontinued operations	-	-	-	-
Equity-accounted investees	-	-	-	-
Other assets	263 735	89 426	-83 888	269 273
Liabilities	70 618	87 081	-83 888	73 810

2016

	Services	Other	Intra-group eliminations	Total
Operating revenue - external	242 707	3 409	-	246 116
Operating revenue - internal	162	704	-866	-
Total operating revenues	242 868	4 113	-866	246 116
Operating profit / loss EBITDA	15 004	-10 990	-	4 014
Depreciation, amortisation	-5 771	-40	-	-5 811
Impairment	-	-	-	-
Operating profit / loss EBIT from continuing operations	9 234	-11 030	-	-1 797
Operating profit / loss EBIT from discontinued operations	-	107 723	-	-107 723
Equity-accounted investees	-	-	-	-
Other assets	710 226	1 163 066	-1 572 976	300 316
Liabilities	102 309	1 595 508	-1 572 976	124 841

NOTE 4 OPERATING SEGMENTS (CONTINUED)**Geographical information**

Geographical revenue is presented on the basis of where the group derives revenues.

	2017	2016
Norway and the Norwegian Continental Shelf	272 102	246 116
Other	-	-
Total	272 102	246 116

NOTE 5 SALARIES, FEES, REMUNERATIONS**Payroll expenses**

	2017	2016
Salaries and holiday pay	100 329	73 158
Employer 's national insurance contribution	14 626	10 960
Share-based payment	3 486	-
Pension expenses	3 120	6 309
Other payroll expenses	5 734	305
Total	127 296	90 732
Average number of employees	216	147
Numbers of employees 31 Dec.	201	140

The group is required to have a pension scheme in accordance with the Norwegian law on required occupational pension schemes ("lov om obligatorisk tjenestepensjon"). The group's pension arrangements fulfil the law requirements.

The Group has defined contribution pension plans for all employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contribution is expensed when it occurs.

The contributions recognised as expenses equalled TNOK 3 120 in 2017.

As a replacement of the old AFP-scheme at year-end 2015, the Norwegian government, the employer organisations and the

employee organisations established a new AFP-scheme. The new AFP-scheme is, contrary to the old scheme, not an early retirement plan, but a plan of which gives a lifelong contribution to the ordinary pension. The employees can choose to exercise the new AFP-scheme starting at the age of 62 years, also in combination with continued work until they turn 67 years old. The new AFP-scheme is a defined benefit multi-employer plan, of which is financed through contributions that are determined by a percentage of the employee's earnings between 1G and 7.1G. There is currently no reliable measure and allocation of liabilities and assets in the plan. The plan is accounted for as a defined contribution plan, of which means that the contributions are recognised as expenses with no provisions.

The premium for 2017 has been set to 2.5 % of the total payments between 1 G and 7.1 G to the group employees. However, the group does not pay any premium for employees subsequent the calendar year in which they turn 61 years old.



NOTE 5 SALARIES, FEES, REMUNERATIONS (CONTINUED)

Remuneration to members of the executive management team

The remuneration of the executive management team for 2017 and 2016 is shown in the tables below.

2017	Base salary	Variable pay	Other benefits	Pension benefit	Total
Torgeir Næør (from november 2017)	236		14	11	261
Hans Petter Eikeland* (until november 2017)	635	450	1 398	32	2 515
Nils Ingemund Hoff**	840		1 176	45	2 061
Øyvind Risnes	1 255		84	61	1 401
Total	2 966	450	2 672	149	6 237

2016	Base salary	Variable pay	Other benefits	Pension benefit	Total
Hans Petter Eikeland*			3 522	-	3 522
Nils Ingemund Hoff**		-	2 954	-	2 954
Øyvind Risnes	1 255	-	82	73	1 410
Total	1 255	-	6 558	73	7 886

* Hans Petter Eikeland was, in the period August 2015 to june 2017, engaged as CEO through an engagement agreement between his own company Eikeland Holding AS and Bergen Group ASA. From 1 July 2017 this engagement agreement was replaced by permanent employment of Hans Petter Eikeland as CEO for Bergen Group ASA. His engagement as CEO ended in november 2017.

** CFO Nils Ingemund Hoff was, in the period August 2015 to june 2017, engaged as CFO through an engagement agreement between his own company Eagle AS and Bergen Group ASA. From 1 July 2017 this engagement agreement was replaced by permanent employment of Nils Hoff as CFO for Bergen Group ASA.

The Board of directors have approved the Company's guidelines for salaries to senior executives. This can be summarized as follows: The main principles for Bergen Group ASA's executive remuneration policy is that senior executives will be offered terms that are competitive, when salaries, fringe benefits, bonus and pension scheme are considered in total. Cash

compensation could be given as compensation in addition to base salary for senior management, but then limited to a certain percentage of base salary and linked to the achievement of specific targets. Guidelines for awarding bonuses is to be determined by the board.

NOTE 5 SALARIES, FEES, REMUNERATIONS (CONTINUED)**Remuneration to the board of directors for the period from ordinary meeting 2016 until ordinary general meeting 2017**

Name	Position	Remuneration
Tor Lars Onarheim	Chairman of the Board (until october 2017)	300 000
Kristoffer Nesse Hope	Member of the Board	150 000
Tove Ormevik	Member of the Board	150 000
Jorunn Helvik Ingebrigtsen	Member of the Board and Audit Committee	200 000
Espen Selvikvåg Berge	Member of the Board and Audit Committee	200 000
Bente Stangeland	Member of the Board and Audit Committee	200 000
Magnus Stangeland	Deputy member	20 000

Remuneration to the election and remuneration committee for the period from ordinary meeting 2016 until ordinary general meeting 2017

Name	Position	Remuneration
Andreas Iversen	Leader	20 000
Tore Dalseide	Member	20 000
Henning Nordgulen	Member	20 000

Share options - group management

In January 2017, Bergen Group entered into agreements with Hans Petter Eikeland and Nils Hoff for the conditional granting of 1,000,000 options each through their companies Eikeland Holding AS and Eagle AS. The options granted were conditional upon an imminent repair issue being completed and the options could be exercised as soon as the repair issue was registered in the enterprise register. Options not exercised by June 1, 2017 would expire without compensation. The agreed exercise price for the options was NOK 1, equivalent to par value. The conditional repair issue was completed and registered in the Business Register in June 2017, and both Eikeland Holding AS and Eagle AS chose to exercise all options.

On 4 November 2017 and 10 January 2018, the Group established share option programmes that entitle key management personnel to purchase shares in the Company. The holders of vested options are entitled to purchase shares in Bergen Group ASA at a price equivalent

to 50% of average price during the last 30 trading days prior to exercise of the options.

Torgeir Næør have been granted an option to acquire up to 500 000 new shares in Bergen Group ASA. The options were granted in November 2017.

Nils Hoff have been granted an option to acquire up to 1 000 000 new shares in Bergen Group ASA. The options were granted in January 2018.

Øyvind Risnes have been granted an option to acquire up to 333 000 new shares in Bergen Group ASA. The options were granted in November 2017.

See note 20 for further information regarding share options.

Audit fees (All amounts excluding VAT)	2017	2016
Audit services	1 150	1 045
Other attestation services	287	368
Tax advisory services	169	110
Other non-audit services	192	-
Total	1 798	1 523

NOTE 6 DISCONTINUED OPERATIONS

In total four subsidiaries of Bergen Group ASA declared bankruptcy in 2015; Bergen Group Hanøytangen AS, Bergen Group Skarveland AS (both in Q3 2015), Bergen Group BMV AS and Bergen Group Fosen AS (both in Q4 2015). The results from these companies until declaration of bankruptcy are presented as discontinued operations.

In addition, losses on receivables against these bankruptcy companies and the gain on debt remission are presented as discontinued operations.

RESULTS OF DISCONTINUED OPERATIONS	NOTE	2017	2016
Revenue		-	-
Operating expenses		-	-6 660
Loss on receivables		-	-101 063
Operating result (EBIT)		-	-107 723
Net financial items		-	-15
Result before taxes from operating activities		-	-107 738
Tax	8	-	-
Net result from operating activities		-	-107 738
Gain on sale of discontinued operation		-	-
Loss on bankruptcy of subsidiaries		-	-
Gain on remission of debt		-	188 375
Net result from discontinued operations		-	80 637
Earnings per share - discontinued operations			
Earnings per share (NOK)	9	-	1,33
Diluted earnings per share (NOK)	9	-	1,32

NOTE 7 NET FINANCE COSTS

	2017	2016
Interest income	351	53
Currency gain	71	1 337
Return on investment in equity-accounted investees	-	-
Finance income	421	1 390
Interest cost	-1 432	-6 256
Currency loss	-335	-357
Other financial expenses	-1 334	-480
Finance costs	-3 100	-7 093
Net finance costs recognised in the income statement	-2 679	-5 703

NOTE 8 TAX

INCOME TAX EXPENSE	2017	2016
Tax payable		
Tax payable for the year	-	-
Total tax payable for the period	-	-
Changes deferred tax		
Changes in deferred tax	-	-760
Effects of changes in tax rate	792	760
Total changes deferred tax	792	-
Net tax income / expense on continuing operations	792	-



NOTE 8 TAX (CONTINUED)

RECONCILIATION OF EFFECTIVE TAX RATE		2017	2016
Loss from continuing operations		-11 685	-7 500
Net tax income / expense		792	-
Loss before tax		-10 893	-7 500
Tax at nominal tax rate	24,0 %	-2 614	25,0 % -1 875
Other permanent differences	-98,7 %	10 752	-86,6 % 6 497
Effects of changes in tax rate	-7,3 %	792	-10,1 % 760
Effects of temporary differences not recognized	74,7 %	-8 137	71,8 % -5 382
Net tax income / expense for the group	-7,3 %	792	0,0 % -

RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES	31.12.16	Recognised in profit or loss - continuing operations	Acquired in business combinations	31.12.17
Non current assets	-7 245	2 328	-1 512	-6 430
Currents assets	-169 323	125 065	-40	-44 298
Provisions	-2 076	3 119	-1 237	-194
Pension obligations	-40	2 552	-	2 512
Other differences	-665	-780	-	-1 445
Excess values	2 100	-2 794	4 260	3 567
Interest deductibility carried forward	-55 597	-	-	-55 597
Taxable loss carried forward	-56 746	-103 864	-15 378	-175 988
Total basis related to deferred tax	-289 593	25 627	-13 907	-277 873
Net deferred tax asset	-69 502	8 929	-3 338	-63 911
Net deferred tax asset - not recognised in the accounts	-50 503	8 137	-1 817	-44 182
Net deferred tax asset - recognised in the accounts	-19 000	792	-1 521	-19 729

NOTE 9 EARNINGS PER SHARE

The basic earnings per share are calculated as the ratio of the profit for the year that is due to the shareholders of the parent divided by the weighted average number of ordinary shares outstanding. When calculating the diluted earnings per share, the profit/loss that is attributable to the ordinary shareholders of the parent and the weighted average number of ordinary shares

outstanding are adjusted for all the dilution effects relating to convertible bonds and share options. In the calculations, convertible bonds and share options are assumed to have been converted/exercised on the first date in the fiscal year. Convertible bonds and share options issued in the period are assumed to be converted/exercised at the date of issue/grant date.

NOTE 9 EARNINGS PER SHARE (CONTINUED)**Basic earnings per share**

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of shares outstanding.

Profit (loss) attributable to ordinary shareholders (basic)	2017			2016		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit (loss) attributable to ordinary shareholders (basic)	-11 685	-	-11 685	-7 500	80 637	73 137

Weighted-average number of ordinary shares (basic)	Date	2017	2016
Issued ordinary shares at 1 January		79 014 342	60 622 009
Effect of shares issued	27.12.16		201 560
Effect of shares issued	07.04.17	3 244 019	
Effect of shares issued	22.05.17	1 227 397	
Effect of shares issued	01.06.17	5 007 956	
Weighted-average number of ordinary shares at 31 December		88 493 714	60 823 569

Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Profit (loss) attributable to ordinary shareholders (diluted)	2017			2016		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit (loss) attributable to ordinary shareholders (basic)	-11 685	-	-11 685	-7 500	80 637	73 137
Profit (loss) attributable to ordinary shareholders (diluted)	-11 685	-	-11 685	-7 500	80 637	73 137

Weighted-average number of ordinary shares (diluted)	2017	2016
Weighted-average number of ordinary shares (basic)	88 493 714	60 823 569
Effect of convertible bonds	-	443 836
Weighted-average number of ordinary shares (diluted) at 31 December	88 493 714	61 267 405 9

At 31 December 2017, 16 200 000 convertible bonds and 2 233 333 options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

NOTE 10 INTANGIBLE ASSETS

2017	Research and Development	Licences, patents etc.	Goodwill	Customer relations	Total intangible assets
Acquisition cost 1 Jan. 2017	3 830	7 747	152 213	42 000	205 790
Acquisitions 2017	-	1 785	-	-	1 785
Acquisitions through business combinations	184	-	-	3 760	3 944
Disposals 2017	-	-	-	-	-
Acc. acquisition cost 31 Dec. 2017	4 014	9 532	152 213	45 760	211 519
Accumulated depreciations as of 1 Jan. 2017	3 830	7 538	-	39 900	51 267
Accumulated impairment losses as of 1 Jan. 2017	-	-	50 000	-	50 000
Current year's depreciations	61	97	-	2 712	2 871
Impairment loss	-	-	-	-	-
Disposal in 2017 of acc. depreciations	-	-	-	-	-
Acc. Amort. and imp. losses 31 Dec. 2017	3 891	7 635	50 000	42 612	104 138
Book value 31. Dec. 2017	123	1 897	102 213	3 148	107 381

NOTE 10 INTANGIBLE ASSETS (CONTINUED)

2016

	Research and Development	Licences, patents etc.	Goodwill	Customer relations	Total intangible assets
Acquisition cost 1 Jan. 2016	3 830	7 747	152 213	42 000	205 790
Acquisitions 2016	-	-	-	-	-
Disposals 2016	-	-	-	-	-
Acc. acquisition cost 31 Dec. 2016	3 830	7 747	152 213	42 000	205 790
Accumulated depreciations as of 1 Jan. 2016	3 830	7 489	-	35 700	47 018
Accumulated impairment losses as of 1 Jan. 2016	-	-	50 000	-	50 000
Current year's depreciations	-	49	-	4 200	4 249
Impairment loss	-	-	-	-	-
Disposal in 2016 of acc. depreciations	-	-	-	-	-
Acc. Amort. and imp. losses 31 Dec. 2016	3 830	7 538	50 000	39 900	101 267
Book value 31. Dec. 2016	-	209	102 213	2 100	104 523
Amortisation rates	0 - 20 %	10 %	Impairment	10 - 14 %	
Amortisation plan	Linear	Linear	test	Linear	

Impairment testing for CGUs containing goodwill

Bergen Group's goodwill originates from several acquisitions in 2007 and 2008. Management follows up recoverable amount for each cash-generating unit (CGU).

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	2017	2016
Services - Bergen Group Services AS	102 213	102 213
Total goodwill	102 213	102 213

Services - BG Services AS

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The value in use calculations use cash flow projections based on the future cash flow, budgets and strategic forecasts for the periods 2018-2020 and an annual growth rate for subsequent periods.

The key assumptions used in the estimation of value in use were as follows:

Discount rate	11 %
Terminal value growth rate	2 %
EBITDA margin	6-9 %

The discount rate used is a post-tax weighted average capital cost (WACC). The discount rate has been calculated using a normalised 10 year SWAP rate of 1.5 %, general market risk premium of 5 %, small

cap premium of 1,5 %, post-tax cost of debt of 5 % and a debt/total capital factor for the peer group of 50%. The nominal tax rate of 23% from 1 Jan. 2018 has been used.

The terminal value growth rate has been determined as the lower of the Bank of Norway's inflation target and the long term growth rate estimated by management.

Budgeted EBITDA is based on expectations for future results taking into account experience from historical results.

The estimated recoverable amount of the CGU exceeds its carrying amount. Management has identified that a reasonable possible change in the key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the sensitivity related to changes in the key assumptions.

Sensitivity - changes in key assumptions	Effect recoverable amount	Impairment
Discount rate +1%	-15 132	13 730
Terminal value growth rate -1%	-11 889	10 487
Average EBITDA-margin -0,5%	-8 811	7 409

NOTE 11 PROPERTY, PLANT AND EQUIPMENT**2017**

	Land, buildings and quays	Plant and equipment	Operating equipment, fixtures and fittings	Total
Acquisition cost 1 Jan. 2017	5 647	30 379	11 410	47 436
Acquisitions 2017	-	605	218	822
Acquisitions through business combinations		819		819
Disposals 2017	-4 970	-	-	-4 970
Acc. acquisition cost 31 Dec. 2017	677	31 803	11 628	44 108
Accumulated depreciation as of 1 Jan. 2017	4 498	27 075	10 807	42 379
Depreciation	112	948	205	1 265
Acc. disposal of depreciations during 2017	-4 338			-4 338
Accumulated depreciation 31 Dec. 2017	272	28 023	11 011	39 306
Accumulated impairment losses as of 1 Jan. 2017	-	-	-	-
Impairment loss	-	-	-	-
Acc. disposal of impairment losses during 2017	-	-	-	-
Accumulated impairment losses 31 Dec. 2017	-	-	-	-
Book value 31 December 2017	405	3 780	616	4 802

2016

	Land, buildings and quays	Plant and equipment	Operating equipment, fixtures and fittings	Total
Acquisition cost 1 Jan. 2016	5 647	30 203	11 304	47 153
Acquisitions 2016	-	177	106	283
Disposals 2016		-	-	-
Acc. acquisition cost 31 Dec. 2016	5 647	30 379	11 410	47 436
Accumulated depreciation as of 1 Jan. 2016	3 886	26 570	10 336	40 792
Depreciation	611	505	471	1 587
Acc. disposal of depreciations during 2016				-
Accumulated depreciation 31 Dec. 2016	4 498	27 075	10 807	42 379
Accumulated impairment losses as of 1 Jan. 2016	-	-	-	-
Impairment loss	-	-	-	-
Acc. disposal of impairment losses during 2016	-	-	-	-
Accumulated impairment losses 31 Dec. 2016	-	-	-	-
Book value 31 December 2016	1 149	3 304	603	5 057
Depreciation rates	0 - 5 %	10 - 33 %	10 - 33 %	
Depreciation plan	Linear	Linear	Linear	

NOTE 12 INVENTORIES

	2017	2016
Purchased finished goods	4 592	3 224
Total	4 592	3 224

	2017	2016
Inventories at 31 Dec. at cost price	4 717	3 224
Inventories at 31 Dec. at net realisable value	-125	-
Total	4 592	3 224

Inventories have been reduced by NOK 125 000 as a result of the write-down to net realisable value. Such write-down was recognised as an expense during 2017.

NOTE 13 WORK IN PROGRESS

	2017	2016
Accrued, non-invoiced revenue - Construction contracts in progress	-	-
Accrued, non-invoiced revenue - Service and maintenance contracts in progress	40 590	40 963
Total work in progress	40 590	40 963
Advance payments from customers	-	2 076
Loss projects in progress	-	-

NOTE 14 RECEIVABLES

TRADE RECEIVABLES	2017	2016
Trade receivables at nominal value	32 339	29 145
Provision for bad debt	-1 345	-2 307
Total	30 995	26 838

MATURITY PROFILE OF TRADE RECEIVABLES	2017		2016	
	Gross receivables	Provision for loss	Gross receivables	Provision for loss
Not overdue	23 350		19 753	
Due in 0-30 days	1 932		2 219	
Due in 31-120 days	3 208		2 507	-904
Due in 121-365 days	1 776		462	
Due in > 1 year *	2 073	-1 345	4 205	-1 403
Total	32 339	-1 345	29 146	-2 307

OTHER CURRENT RECEIVABLES	2017	2016
Loans to employees	219	-
VAT receivable	191	12 906
Prepaid expenses	2 520	2 441
Other short-term receivables	81 066	687 520
Provision for bad debt	-76 555	-638 497
Total	7 440	64 370

NOTE 15 CASH AND CASH EQUIVALENTS

	2017	2016
CASH AND BANK DEPOSITS		
Cash and bank deposits - unrestricted funds	35 469	20 655
Cash and bank deposits - restricted funds	18 273	15 686
Total	53 742	36 341
RESTRICTED FUNDS		
Tax withholding accounts	4 760	3 980
Security furnished to customers for payments in advance / Escrow-accounts related to historical sales transactions	7 520	5 380
Security related to guarantees issued	2 433	2 836
Deposit accounts for non-insured pension obligations	3 559	3 490
Total	18 273	15 686

NOTE 16 SHARE CAPITAL AND SHAREHOLDER INFORMATION**Share capital**

As a result from private placements in april to june 2017, the share capital was increased with NOK 14 943 343 by issuing 14 943 343 new shares, each with par value of NOK 1,00.

The company's share capital as of 31 December 2017 was NOK 93 957 685, divided by 93 957 685 shares, each of par value of NOK 1.00.

Share value

The share price as of 31 December 2017 was NOK 1.89, compared to NOK 1.93 as of year-end 2016. This implies a price decrease of 2% during 2017. As of 31 December 2017, the

market value of the company at the stock market was NOK 178 million, based upon 93 957 685 shares.

List of shareholders

As of 31 December 2017, the company had 1 539 shareholders in total, compared with 1 024 shareholders at the end of 2016. Updated overview of the 20 largest shareholders is available on the IR sites at www.bergengroup.no.

SHAREHOLDERS AS OF 31 DECEMBER 2017

	NO OF SHARES	HOLDING
BRIAN CHANG HOLDINGS LTD	28 918 110	30,78 %
AS FLYFISK	22 397 940	23,84 %
EIKELAND HOLDING AS	5 823 024	6,20 %
BERGEN KOMM. PENSJON	1 500 000	1,60 %
EAGLE AS	1 417 000	1,51 %
PROFOND AS	1 241 111	1,32 %
SUNDE FRANK ROBERT	1 229 582	1,31 %
SØR-VARANGER INVEST	916 774	0,98 %
BERGEN EIENDOM INVEST	851 851	0,91 %
NORDNET LIVSFORSIKRING	833 146	0,89 %
FJ HOLDING AS	833 000	0,89 %
ENGELSTAD SIMEN FALCK	779 397	0,83 %
MØVIK INVEST AS	776 487	0,83 %
ULVESETER SVEIN ATLE	762 902	0,81 %
FRIELE CAPITAL AS	740 740	0,79 %
JØRGENSEN PER	600 000	0,64 %
NES KJELL GUNNAR	508 000	0,54 %
BERNHD. BREKKE AS	494 505	0,53 %
NORDNET BANK AB	459 415	0,49 %
KANABUS AS	432 265	0,46 %
Total shares owned by 20 largest shareholders	71 515 249	76,11 %
Other shareholders	22 442 436	23,89 %
Total number of shares 31.12.2017	93 957 685	100,00 %





NOTE 16 SHARE CAPITAL AND SHAREHOLDER INFORMATION (CONTINUED)

Shares owned by executive personnel and board members

The following table shows shares owned by executive personnel and board members, including shares owned by their closely-related persons and companies, as of 31 December 2017.

NAME	TITLE	OWNERSHIP	NO OF SHARES	HOLDING
Hans Petter Eikeland	Chairman of the Board of Directors	Shares as of 31. Dec. 2017 owned by Eikeland Holding AS	5 823 024	6,20 %
Bente Stangeland*	Board member		-	0,00 %
Tove Ormevik	Board member		20 000	0,02 %
Espen Selvikvåg Berge	Board member		-	0,00 %
Kristoffer Nesse Hope	Board member		-	0,00 %
Jorunn Helvik Ingebrigtsen	Board member		-	0,00 %
Tracy Chang**	Board member	Shares as of 31. Dec. 2017 owned by Brian Chang Holdings Ltd	28 918 110	30,78 %
Magnus Stangeland*	Deputy member	Shares as of 31. Dec. 2017 owned by AS Flyfisk	22 397 940	23,84 %
Nils Ingemund Hoff	CFO	Shares as of 31. Dec. 2017 owned by Eagle AS	1 417 000	1,51 %
Øyvind Risnes	Director		117 000	0,12 %
Kenneth Tunes	VP Finance		-	0,00 %
Total shares 31.12.2017 owned by board members and their closely-related parties and executive personnel			58 693 074	62,47 %

* Flyfisk AS is owned 75% by Magnus Stangeland, and 8.33% by Bente Stangeland.

** Tracy Chang is a director in Brian Chang Holdings Ltd (the major shareholder in Bergen Group ASA as per 31 December 2017)

No loans nor guarantees have been issued to members of the board.

NOTE 17 LOANS AND BORROWINGS

NON-CURRENT LOANS AND BORROWINGS	2017	2016
Financial lease obligations	168	168
Convertible loan	16 117	-
Total	16 285	168
CURRENT LOANS AND BORROWINGS	2017	2016
Convertible loan (classified as "Other current liabilities")	-	16 128
Loan from share holders	-	20 005
Total	-	36 133

NOTE 17 LOANS AND BORROWINGS (CONTINUED)

REPAYMENT SCHEDULE	Carrying amount	6 months or less	6-12 mth.	1 - 2 years	2 - 5 years	More than 5 years
Finance lease liabilities	168			168		
Convertible loan	16 117			16 117		
Total	16 285	-	-	16 285	-	-

Convertible loan

At the Extraordinary General Assembly of the Company held on 17 November 2016, it was resolved to authorize the Board of Directors to raise loans of up to EUR 1.8 million with the right to demand shares to be issued at a conversion price of NOK 1.00 per share. A convertible bond loan agreement was entered into on 21 December 2016.

In connection with the restructuring, EEIM's claim to the company was reduced to EUR 1.8 million, which would be converted into a convertible bond loan when all assumptions under the agreement have been met. On 28 March 2017, all the prerequisites were fulfilled, and the loan was then considered as convertible bond loan from 28 March 2017. Therefore, in the financial statements for 2016, the requirement of EUR 1.8 million was presented in the item "Other current liabilities".

The convertible loan has a maturity of 36 months with an interest rate of 6% per annum. EEIM has the right to request loans and accrued interest (or part of these) converted into shares at a conversion rate of NOK 1.00 per share. The conversion right can be exercised at any time before the due date. The number of shares to be issued by conversion will be determined by converting the loan from EUR to NOK in accordance with a conversion mechanism provided in the loan agreement. Upon repayment of the loan, the company will pay to EEIM a back-end fee equal to 10 percent of the loan amount being repaid.

The convertible loan is secured by (i) mortgage regarding all shares in Bergen Group Services AS, (ii) collateral in the company's accounts receivables, (iii) collateral in the company's bank accounts; And (iii) security in Bergen Group Services AS's bank accounts, accounts receivable and assets.

EEIM shall, on request from Bergen Group, give priority to: i) the ratio between equity and total capital of the Group on a consolidated basis and in Bergen Group Services AS as stated in the accounts (and in accordance with GAAP) is above 33%. ("Equity Ratio"), and that consolidated interest rate coverage at any time is above 2: 1, and in Bergen Group Services AS is above 3: 1, both measured on a 12-month rolling basis, starting 1 January 2017.

The convertible bond loan will give priority to its collateral including if it is necessary to finance existing debt or raise new debt and that such funding will not lead to violations of the financial covenants.

Financial lease obligations

The Group's assets under finance leases include machinery and equipment. In addition to the rental payments, the Group has obligations for maintenance and insurance of the assets

NOTE 18 OPERATIONAL LEASES**Operational leases**

Operational leases includes mainly operational leasing of property and offices. In addition there are some operational leasing related to cars, copiers and other smaller equipment.

Rental regulations

Rental price of the estates is given by the Central Bureau of Statistics consumer price index (CPI) before entering into a contract. Ground rent adjustment occurs time of take-over of

the property, thereafter at the end of each calendar year, based upon CPI changes for the, at the time of adjustment, last known 12 months.

Renewal

Leases expire without notice. The tenant has an option to renew the lease. Lessee shall be notified in writing no later than 12 months before its expiry.

TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS

	2017	2016
Leases that expire within one year	9 776	8 853
Leases that expire in one to five years	23 223	31 204
Leases that expire in more than five years	9 374	4 113
Total	42 373	44 170

NOTE 19 OTHER CURRENT LIABILITIES

OTHER CURRENT LIABILITIES	2017	2016
Provisions	4 785	2 128
Debt to bankruptcy estates	0	27 249
Holiday-pay allowance	12 219	7 838
Other short-term liabilities	6 704	27 146
Total	23 709	64 360

In 2016, other short-term liabilities include a claim from EEIM of NOK 16.2 million. A convertible loan agreement has been entered on this amount. However, conditions in this agreement were at first fulfilled on 28 March 2017. Reference is given to Note 17 for further information.

SPECIFICATION OF PROVISIONS	Warranties	Other provisions	Total
Balance as at 1 January 2017	-	2 128	2 128
Provisions made during the year	-	4 785	4 785
Provisions used during the year	-	-2 128	-2 128
Provisions reversed during the year	-	-	-
Balance as at 31 December 2017	-	4 785	4 785

EXPECTED TIMING OF PAYMENT	Warranties	Other provisions	Total
Current	-	4 785	4 785
Total	-	4 785	4 785

NOTE 20 SHARE OPTION PROGRAM

Exercised options in 2017

In January 2017, Bergen Group entered into agreements with Hans Petter Eikeland and Nils Hoff for the conditional granting of 1,000,000 options each through their companies Eikeland Holding AS and Eagle AS. The options granted were conditional upon an imminent repair issue being completed and the options could be exercised as soon as the repair issue was registered in the enterprise register. Options not exercised by June 1, 2017 would expire without compensation. The agreed exercise price for the options was NOK 1, equivalent to par value.

The conditional repair issue was completed and registered in the Business Register in June 2017, and both Eikeland Holding AS and Eagle AS chose to exercise all options.

Measurement of fair value

The fair value of the options was calculated using Black & Scholes. As the grant date and exercise date were approximately at the same time, the equity value of the options was virtually the entire option value. The value at the grant date was NOK 2.52 and the exercise price per option was NOK 1.00. As a result, value per option was calculated at NOK 1.52. The total option cost for the 2,000,000 options exercised by Eikeland Holding AS and Eagle AS amounted to NOK 3,040,000.

CEO, Hans Petter Eikeland, and CFO, Nils Hoff, were granted 1 000 000 options each in January 2017 through their companies Eikeland Holding AS and Eagle AS. The options were linked to the implementation of a future repair issue.

As soon as the repair issue was registered, the options were exercised. This was done prior to board meeting in BG ASA 22.05.2017.

The calculation of the value of the options was equal to the market value at the time of exercise

Option program

On 4 November 2017 and 10 January 2018, the Group established share option programmes that entitle key management personnel to purchase shares in the Company. The holders of vested options are entitled to purchase shares in Bergen Group ASA at a price equivalent to 50% of average price during the last 30 trading days prior to exercise of the options. The price shall, however, not be lower than Par value.

It is a condition for exercising the options that the option holder is permanently employed in the Group at the time of exercising the options.

NOTE 20 SHARE OPTION PROGRAM (CONTINUED)

The options can be exercised from the dates specified below

Period	Number of share options
From 1 march 2018 to 31 december 2018	744 444
From 1 march 2019 to 31 december 2019	744 444
From 1 march 2020 to 31 december 2020	744 444
Total	2 233 333

Measurement of fair value

The model used for measurement of the fair values is the binomial model of Cox Ross Rubenstein.
The inputs used in the measurement of the fair values at grant date of the options were as follows.

Input	2017
Fair value at grant date	NOK 0,9
Share price at grant date	2,27
Strike price	2,27
Risk free interest rate	1 %
Expected volatility	40 %

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price

Reconciliation of outstanding share options	Number of share options
Outstanding options at 1 january	-
Granted during the year	4 233 332
Exercised during the year	(2 000 000)
Outstanding options at 31 december	2 233 332

Expense recognised in profit or loss

For details of the related share option expenses, see Note 5

NOTE 21 FINANCIAL INSTRUMENTS**Overview of financial instruments in the consolidated balance sheet**

	Note	2017		2016	
		Assets	Liabilities	Assets	Liabilities
Financial assets not measured at fair value					
Cash and cash equivalents	15	53 742		36 341	
Trade receivables	14	30 995		36 914	
Other current receivables	14	7 440		45 352	
Financial liabilities not measured at fair value					
Financial lease liability	17		168		168
Convertible loan	17		16 117		
Loan from shareholderds	17		-		20 000
Trade payables			19 973		29 461
Other short term liabilities	19		18 924		62 232
Total		92 178	55 182	118 607	111 861

Fair value hierarchy

The group has not disclosed the fair values for financial assets and liabilities not measured at fair value since the carrying amount is a reasonable approximation of fair value.

NOTE 22 GROUP COMPANIES

GROUP COMPANY	Owner	Registered office	Company's share capital	Holding and votes	Profit/loss for the year (preliminary)	Equity as at 31.12.2017 (preliminary)
Bergen Group Management AS	Bergen Group ASA	5160 Laksevåg	606	100 %	2 700	39 083
Bergen Group Services AS	Bergen Group Management AS	5160 Laksevåg	12 378	100 %	12 568	94 525
Bergen Group AAK AS	Bergen Group Management AS	5160 Laksevåg	3 431	100 %	-2 410	-3 184

In order to achieve a more rational organization in Bergen Group, several mergers has been completed in 2017:

- Merger between Bergen Group Fosen Nybygg AS and Bergen Group Fosen Industrier AS and Bergen Group Fosen Holding AS as the acquiring company.
- Merger between Bergen Group Fosen Holding AS and Bergen Group Shipbuilding AS as the acquiring company.
- Merger between Bergen Group Shipbuilding AS and Bergen Group Technology AS and Bergen Group Management AS as the acquiring company.
- Merger between Bergen Group Shared Services AS and Bergen Group Management AS as the acquiring company.
- Merger between Bergen Group Offshore AS and Bergen Group ASA as the acquiring company.

In May 2017, Bergen Group Management AS acquired 100% of the shares in AAK Energy Services AS, subsequently renamed Bergen Group AAK AS. See note 23 for more information regarding the acquisition.

NOTE 23 ACQUISITION OF SUBSIDIARY

In May 2017, Bergen Group acquired 100% of the shares in AAK Energy Services AS. Bergen Group Management AS was the legal buyer of the shares. The acquired company was renamed Bergen Group AAK AS. For the eight months ended 31 December 2017, Bergen Group AAK AS contributed revenue of MNOK 32 and loss of MNOK 1 to the Group's results.

Consideration transferred

Cash consideration	1 250
Seller credit	1 250
Total consideration transferred	2 500

Acquisition-related costs

The group incurred acquisition-related costs of NOK 200 000, 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.

Deferred tax asset	1 521
Customer relationships	3 945
Property, plant and equipment	819
Work in progress	3 257
Trade receivables	11 021
Other receivables	19
Cash and cash equivalents	2 432
Trade payables	-9 041
Public duties payable	-4 340
Other current liabilities	-7 134
Total identifiable net assets acquired	2 500

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were the multi-period excess earnings method. The method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

NOTE 24 RELATED PARTIES

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the company, of which would not be undertaken between unrelated parties. All transactions in Bergen Group with related parties have been based on arm's length terms.

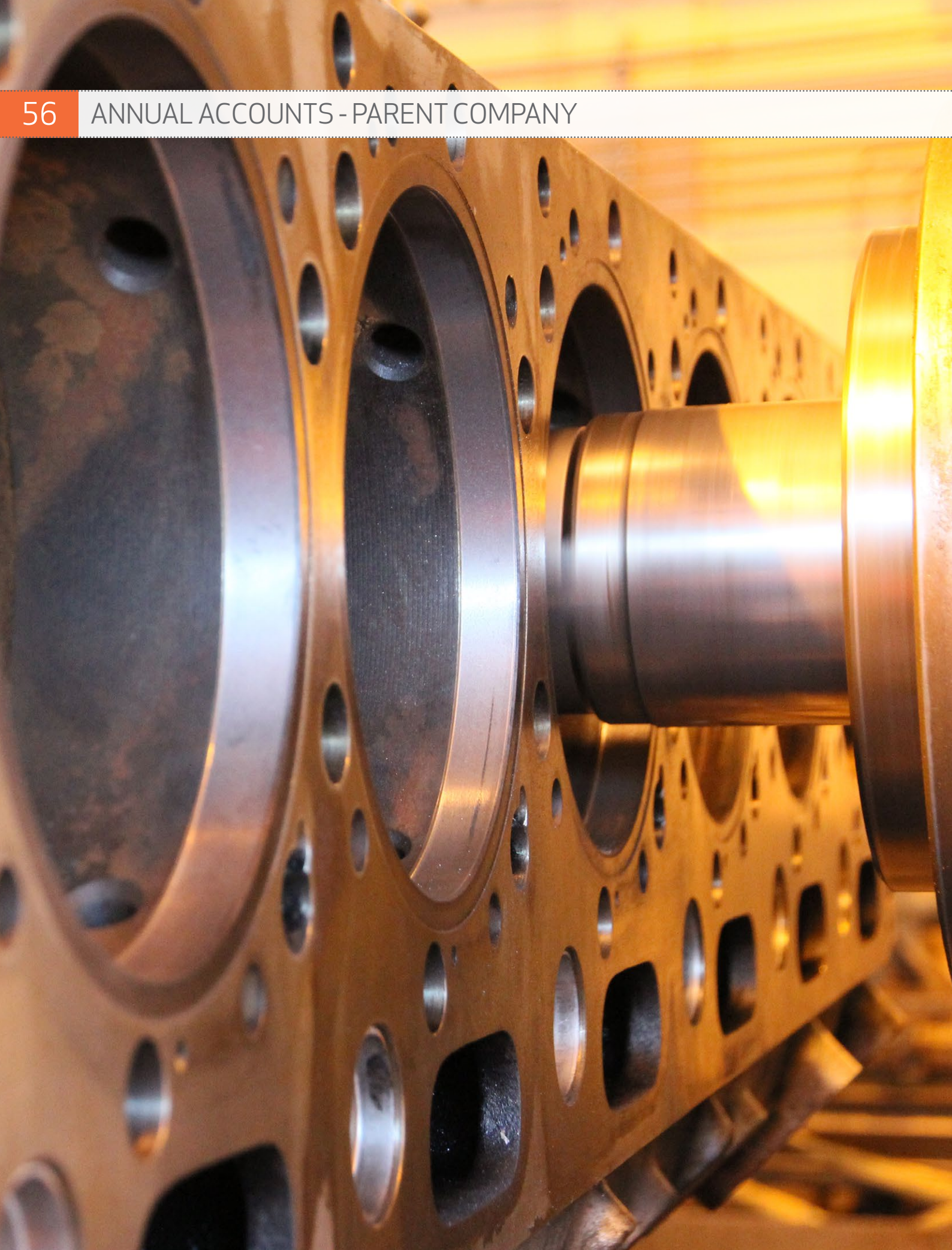
In 2016, Brian Chang Holdings Limited and AS Flyfisk contributed with a short-term loan of NOK 20 million with 6 per cent interest. The loan was repaid in 2017. Except for this matter, no transactions with related parties have taken place during 2017.

NOTE 25 SUBSEQUENT EVENTS

On 27 February 2018, Bergen Group ASA announced in a stock exchange announcement that the group had entered into a share purchase agreement with Backe Bergen AS for the purchase of dry dock and associated business at Stamsneset at Grimstadfjorden in Bergen. The Group thus strengthens its position towards the aquaculture industry by taking over a leading producer of integrated feeding barges for the aquaculture industry in Norway. Stamsneset is located in the fjord pool separating Bergen Airport from the navy base at Haakonsværn. Bergen Group will take over property and facilities, including a modern and upgraded dry dock at 22 meters wide and 90 meters long, adequate crane capacity, workshops and an upgraded administration building. Expected completion date of the transaction is before the end of Q2 2018, and is subject to a due diligence being completed without significant findings.

On 28 February 2018, Bergen Group ASA announced in a stock exchange announcement that the group has entered into a share purchase agreement (SPA) with the purpose of acquiring the wastewater and pipe renewal company Vitek AS. In the consecutive process, the parties did not reach the necessary agreement on elements deemed necessary in order to finalize a transaction acceptable for both parties. Based on this, the SPA was terminated on 13 April 2018, ref. separate stock exchange message distributed the same day.

Other than already disclosed stock exchange messages, there has been no events after the balance sheet date assumed to have any impact on the valuation that appears in the accounting figures in this report.



INCOME STATEMENT PARENT COMPANY

NOTE

N-GAAP
2017N-GAAP
2016

Other operating revenue		44	-
Operating revenue		44	-
Payroll expenses	2	-8 662	-1 813
Other operating expenses	2	-9 230	-17 654
Operating expenses		-17 893	-19 467
Operating profit/loss		-17 848	-19 467
Financial income	3	377	84 314
Financial expenses	3	-4 215	-68 968
Net financial items		-3 838	15 346
Loss before tax		-21 686	-4 120
Tax	4	-474	-12 254
Profit/Loss		-22 160	-16 374

BALANCE SHEET - PARENT COMPANY

NOTE

N-GAAP
2017N-GAAP
2016

ASSETS

Deferred tax assets	4	10 894	11 368
Investments in group companies	5	134 223	634 690
Receivables from group companies	8	-	553 744
Total non-current assets		145 117	1 199 802
Other receivables		812	1 609
Receivables from group companies	8	70	94 076
Cash and cash equivalents		11 895	7 789
Total current assets		12 777	103 474
Total assets		157 894	1 303 276

EQUITY AND LIABILITIES

Equity

Share capital	6, 7	93 958	79 014
Share premium	7	13 704	-
Other paid-in equity	7	20 639	20 639
Retained earnings	7	-37 385	-18 907
Equity		90 916	80 746

Liabilities

Loans and borrowings	9	-	-
Liabilities to group companies	8	39 581	1 149 148
Convertible loan	9	16 117	-
Other non-current liabilities		3 490	-
Total non-current liabilities		59 188	1 149 148

Loans and borrowings	9	-	20 005
Liabilities to group companies	8	113	14 645
Trade payables		1 789	2 391
Other short term liabilities		5 888	36 340
Total current liabilities		7 790	73 381

Total liabilities		66 978	1 222 529
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Total equity and liabilities		157 894	1 303 276
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Bergen, 20th April 2018

Hans Petter Eikeland
(Chairman of the Board of Directors)

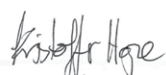

Tracy Chang



Bente Stangeland



Espen Berge


Torgeir Næro
CEO


Kristoffer Hope



Jorunn Ingebrigtsen



Tove Ormevik

CASHFLOW STATEMENT - PARENT COMPANY

NOTE

N-GAAP
2017N-GAAP
2016**Cash flow from operational activities**

Loss before tax

-22 160

-4 120

Loss before tax**-22 160****-4 120***Adjustments for:*

Income tax expense

4

474

12 254

Share option expense

3 228

-

Write down of shares in subsidiaries

343 254

7 601

Reversal of write down intercompany receivables

-343 254

-

Changes in:

Trade receivables

-

-10 778

Trade payables

-2 893

94 777

Other current accruals

-8 898

-106 673

Net cash from operating activities**-30 248****-6 939****Cash flow from investments activities**

Disposal of other investments

-

-

Acquisition of other investments

-

-

Net cash from investments activities**-****-****Cash flow from financing activities**

Proceeds from loans and borrowings

-

18 000

Repayment of borrowings

-20 005

-55 688

Proceeds from private placement

28 648

17 070

Proceeds from merger

7 524

-

Net changes in intercompany balances

18 188

31 447

Net cash from financing activities**34 355****10 829**

Net change in cash and cash equivalents

4 106

3 890

Cash and cash equivalents as per 1.1

7 789

3 899

Cash and cash equivalents as per 31.12**11 895****7 789**

Of which is restricted cash as per 31.12

11 378

-

NOTE 1 ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP) valid as per 31 December 2017, and consist of income statement, balance sheet, cash flow statement and notes.

The financial statements have been prepared based on the fundamental principles governing historical cost accounting, comparability, continued operations, congruence and prudence. Transactions are recorded at their value at the time of the transaction. Income is recognised at the time of delivery of goods or services. Costs are expensed in the same period as the income to which they relate. Costs that cannot be directly related to income are expensed as incurred. The different accounting principles are further commented on below.

According to generally accepted accounting standards, there may be some exceptions to the basic assessment and valuation principles. Comments on these exceptions can be found in the respective notes to the accounts. When applying the basic accounting principles and disclosure of transactions and other items, the "substance over form" rule is adopted. Contingent losses, of which are probable and quantifiable are charged to the profit and loss account.

Estimates and judgements

Preparing the annual accounts includes judgements, estimates and assumptions that influence both the choice of accounting principles applied and the reported amounts for assets, liabilities, revenues and expenses. The management has used estimates based on its best judgement and assumptions that are considered realistic on the basis of historical experience during preparation of the annual accounts. Actual amounts may deviate from estimated amounts. Estimates and underlying assumptions are reviewed and assessed on an ongoing basis. Changes in accounting estimates are recognised in the period in which the estimates are changed and in all future periods affected.

Classification of assets and liabilities

Assets are classified as current assets when:

- the asset is part of the entity's service cycle and is expected to be realised or consumed during the entity's normal production period;
- the asset is held for trading;
- the asset is expected to be realised within 12 months of the balance sheet date;
- the asset is cash or cash equivalents, but with an exception for when there are restrictions on exchanging or using it to settle debt within 12 months of the balance sheet date.

All other assets are classified as non-current assets.

Liabilities are classified as current liabilities when:

- the liability is part of the service cycle and is expected to be settled during the normal production period;
- the liability is held for trading;
- settlement within 12 months of the balance sheet date has been agreed;
- the entity has no unconditional right to postpone settlement of the liability to minimum 12 months after the balance sheet date.

All other liabilities are classified as non-current liabilities.

Foreign currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The company's functional currency is NOK, of which is also the parent company's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Balance sheet items are measured at the rate of exchange at the balance sheet date.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Revenue

Revenue from services is reported in the profit and loss account in accordance with the degree of completion of the transaction on the balance sheet date. The degree of completion is calculated on the basis of work completed.

Subsidiaries

In the parent company, subsidiaries are valued using the cost method. The investment is valued at acquisition cost, unless a write-down is required. Dividends, group contributions and other distributions are recognised in the same year as they are distributed in the subsidiary's financial statements. If the dividend/group contribution received exceed the retained profit share in the ownership period, the excess amount is recognised as a repayment of invested capital and entered in the balance sheet as a reduction of the investment.

Impairment of assets

If indications are identified that the carrying value of a non-current assets is higher than fair value, an impairment test is performed. The test is performed for the lowest level of an assets with independent cash flows. If carrying value is higher than recoverable amount, a write down to recoverable amount will be recognised.

Write downs recognised in previous years will be reversed if the conditions leading to the write down is no longer present. Impairment of goodwill will never be reversed.

Income tax

The tax consists of tax payable and the change in deferred tax. Deferred tax/ tax asset is calculated on the basis of all taxable temporary differences. A deferred tax asset is recognised in the profit and loss account when it is probable that the company will have sufficient taxable income to utilise the tax asset. Deferred tax and deferred tax assets are recognised regardless of when the differences are reversed, and are in principle recognised at nominal value. Deferred tax/ tax asset is valued on the basis of the expected future tax rate. Both tax payable and deferred tax are recognised directly against equity to the extent to which they relate to items recognised directly against equity.

Loans

All loans are recognised at cost price. That means that they are recognised at the current rate of value of amounts received. Costs relating to raising new loans are expensed over the term of the loan.

Equity

Transaction costs relating to equity transactions, including the tax effect of the transaction costs, are recognised directly against the equity. Only transaction costs directly related to the equity transactions are recognised against equity.

On the repurchase of own shares, the purchase price, including directly attributable costs such as changes in equity, is entered as a change in equity. Own shares are presented as a reduction of equity. Losses or gains from transactions with own shares are not recognised in the profit and loss account.

Events after the balance sheet date

New information about the group's positions on the balance sheet date is taken into consideration in the accounts. Events after the balance sheet date that do not influence the group's positions on the balance sheet date, but which will have a material effect on

NOTE 2 SALARIES, FEES, REMUNERATIONS

PAYROLL EXPENSES	2017	2016
Salaries and holiday pay	3 182	-
Employer 's national insurance contribution	671	-
Share-based payment	3228	-
Pension expenses	143	-
Other payroll expenses	1 437	1 813
Total	8662	1 813
Average number of employees	2	0

For an overview of compensation to the executive management group please see note 5 in the group notes.

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension schemes ("lov om obligatorisk tjenestepensjon"). The company's pension arrangements fulfil the law requirements.

REMUNERATION TO THE AUDITOR (All amounts excluding VAT)	2017	2016
Audit services	842	697
Other attestation services	266	197
Tax advisory services	76	110
Other non-audit services	119	-
Total	1 303	1 004

NOTE 3 NET FINANCIAL ITEMS

	2017	2016
Interest income from group companies	-	48 119
Other interest income	312	35
Other financial income	65	36 160
Income from investments in subsidiaries	-	-
Financial income	377	84 314
Interest expenses to group companies	-1 849	-56 719
Other interest expenses	-1 264	-3 975
Other financial expenses	-1 102	-672
Reversal of write-down of intercompany receivables	343 254	-
Write-down of shares in subsidiaries	-343 254	-7 601
Financial expenses	-4 215	-68 967
Net financial items	-3 838	15 347

As a result of the merger discussed in note 3, a loss provisions on internal receivables have been reversed in 2017. A corresponding impairment of the shares in BG Management AS has been recognized as an effect of the merger.

NOTE 4 TAXES

	2017	2016
Result before taxes	-21 686	-4 120
Permanent differences	109	14 391
Changes in temporary differences	-4 649	6 967
Group contribution given	-	-14 487
Interest deductibility limitation	-	-
Change in losses carried forward	26 225	-2 751
Basis for taxes payable	-	-
Taxes payable 24% (25% in 2016)	-	-

THE TAX EXPENSES FOR THE YEAR IS CALCULATED AS FOLLOWS

	2017	2016
Taxes payable	-	-
Taxes payable on group contribution	-	3 622
Net change in deferred tax/ tax asset	-	9 106
Net change in deferred tax / tax asset due to new tax rate (23%)	474	-474
Tax expense for the year	474	12 254

RECOGNISED DEFERRED TAX ASSETS

	31.12.16	Recognised in the income statement	Recognised in the equity	31.12.17
Temporary differences	-8 497	-4 335	4 649	-8 184
Interest deductibility carried forward	-38 869	-	-	-38 869
Loss carried forward	-	-4 544	-26 225	-30 770
Total basis related to deferred tax assets	-47 366	-8 880	-21 577	-77 822
Net deferred tax assets	-11 368	-2 131	-4 400	-17 899
Net deferred tax assets				
- not recognised in the accounts	-	-2 131	-4 874	-7 005
Net deferred tax assets				
- recognised in the accounts	-11 368	-	474	-10 894

NOTE 5 INVESTMENTS IN SUBSIDIARIES

Group company	Owner	Company' s share capital	Holding and votes	Profit/loss for the year (preliminary)	Equity as of 31 Dec. (preliminary)	Book value
Bergen Group Services AS	Bergen Group ASA	133 950	100 %	12 568	94 525	99 405
Bergen Group Management AS	Bergen Group ASA	606	100 %	2 700	39 083	34 818
Total						134 223

In order to achieve a more rational organization in Bergen Group, a merger has been completed, between the wholly owned subsidiary Bergen Group Offshore AS and the parent company Bergen Group ASA as the acquiring company. The merger is carried out in accordance with the Norwegian Public Limited Liability Companies Act section 13-24, on the basis of a joint merger plan for mergers between subsidiaries and parent companies.

In addition a merger has been completed between the wholly owned subsidiaries Bergen Group Technology AS and Bergen Group Shipbuilding AS and the parent company Bergen Group Management AS as the acquiring company.

The mergers is effective from 1 January 2017.

NOTE 6 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital

As a result from private placements in april to june 2017, the share capital was increased with NOK 14 943 343 by issuing 14 943 343 new shares, each with par value of NOK 1,00.

The company's share capital as of 31 December 2017 was NOK 93 957 685, divided by 93 957 685 shares, each of par value of NOK 1.00.

List of shareholders

As of 31 December 2017, the company had 1 539 shareholders in total, compared with 1 024 shareholders at the end of 2016. Updated overview of the 20 largest shareholders is available on the IR sites at www.bergengroup.no.

SHAREHOLDERS AS OF 31 DECEMBER 2017	NO OF SHARES	HOLDING
BRIAN CHANG HOLDINGS LTD	28 918 110	30,78 %
AS FLYFISK	22 397 940	23,84 %
EIKELAND HOLDING AS	5 823 024	6,20 %
BERGEN KOMM. PENSJON	1 500 000	1,60 %
EAGLE AS	1 417 000	1,51 %
PROFOND AS	1 241 111	1,32 %
SUNDE FRANK ROBERT	1 229 582	1,31 %
SØR-VARANGER INVEST	916 774	0,98 %
BERGEN EIENDOM INVEST	851 851	0,91 %
NORDNET LIVSFORSIKRING	833 146	0,89 %
FJ HOLDING AS	833 000	0,89 %
ENGELSTAD SIMEN FALCK	779 397	0,83 %
MØVIK INVEST AS	776 487	0,83 %
ULVESETER SVEIN ATLE	762 902	0,81 %
FRIELE CAPITAL AS	740 740	0,79 %
JØRGENSEN PER	600 000	0,64 %
NES KJELL GUNNAR	508 000	0,54 %
BERNHD. BREKKE AS	494 505	0,53 %
NORDNET BANK AB	459 415	0,49 %
KANABUS AS	432 265	0,46 %
Total shares owned by 20 largest shareholders	71 515 249	76,11 %
Other shareholders	22 442 436	23,89 %
Total number of shares 31.12.2017	93 957 685	100,00 %

Shares owned by executive personnel and Board of Directors

The following table shows shares owned by executive personnel and board members, including shares owned by their closely-related persons and companies, as of 31 December 2017.

NAME	TITLE	OWNERSHIP	NO OF SHARES	HOLDING
Hans Petter Eikeland	Chairman of the Board of Directors	Shares as of 31. Dec. 2017 owned by Eikeland Holding AS	5 823 024	6,20 %
Bente Stangeland *	Board member	0	-	0,00 %
Tove Ormevik	Board member	0	20 000	0,02 %
Espen Selvikvåg Berge	Board member	0	-	0,00 %
Kristoffer Nesse Hope	Board member	0	-	0,00 %
Jorunn Helvik Ingebrigtsen	Board member	0	-	0,00 %
Tracy Chang **	Board member	Shares as of 31. Dec. 2017 owned by Brian Chang Holdings Ltd	28 918 110	30,78 %
Magnus Stangeland *	Deputy member	Shares as of 31. Dec. 2017 owned by AS Flyfisk	22 397 940	23,84 %
Nils Ingemund Hoff	CFO	Shares as of 31. Dec. 2017 owned by Eagle AS	1 417 000	1,51 %
Øyvind Risnes	Director	0	117 000	0,12 %
Kenneth Tunes	VP Finance	0	-	0,00 %
Total shares 31.12.2017 owned by board members and their closely-related parties and executive personnel			58 693 074	62,47 %

* Flyfisk AS is owned 75% by Magnus Stangeland, and 8.33% by Bente Stangeland.

** Tracy Chang is a director in Brian Chang Holdings Ltd (the major shareholder in Bergen Group ASA as per 31 December 2017).

No loans nor guarantees have been issued to members of the board.

NOTE 7 EQUITY

	Share capital	Share premium	Other paid-in equity	Retained earnings	Total equity
2016					
Equity 01.01.2016	60 622	-	20 639	-100 987	-19 726
Result for the year	-	-	-	-16 374	-16 374
Capital increase (cash proceeds)	14 225	2 845	-	-	17 070
Capital increase (debt conversion)	4 168	834	-	-	5 002
Voluntary debt remission	-	-	-	94 777	94 777
Reclassification	-	-3 679	-	3 679	-
Net changes 2016	18 393	-	-	82 082	100 475
Equity 31.12.2016	79 015	-	20 639	-18 905	80 749
2017					
Equity 01.01.2017	79 014	-	20 639	-18 906	80 746
Result for the year	-	-	-	-22 160	-22 160
Capital increase (cash proceeds)	14 944	13 704	-	-	28 648
Capital increase (debt conversion)	-	-	-	-	-
Effect share options	-	-	-	3 486	3 486
Other changes	-	-	-	195	195
Net changes 2017	14 944	13 704	-	-18 479	10 169
Equity 31.12.2017	93 958	13 704	20 639	-37 384	90 916

NOTE 8 INTERCOMPANY BALANCES, TRANSACTIONS WITH RELATED PARTIES

RECEIVABLES	2017	2016
Long-term receivables	-	553 744
Short-term receivables	70	94 076
Total	70	647 820
LIABILITIES		
Long-term liabilities	39 581	1 149 148
Short-term liabilities	113	14 645
Total	39 694	1 163 793

There is no instalment plan for repayment of debt.

The internal loans are charged with 3 months NIBOR + 4%.





NOTE 8 INTERCOMPANY BALANCES, TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

TRANSACTIONS WITH RELATED PARTIES

The table below provides details of transactions with related parties:

Related party	Transaction	Interest income from	Interest expense to
Bergen Group Management AS	Interests	-	1 069
Bergen Group Services AS	Interests	-	780
Total		-	1 849

For specification of remuneration to the Board of Directors, please see note 5 in the group notes.

NOTE 9 FINANCIAL MARKET RISK

The company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

Credit risk of receivables towards group companies will be depending on performance of the actual operations in the subsidiary.

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. Please see note 3 in the group accounts for more details on the Company's approach as regards to managing liquidity risk.

Market risk for the company is related to currency risk and interest risk.

Currency risk

Certain payments may be agreed to happen in foreign currencies. The Company's most frequently used foreign currency is USD.

NOTE 9 FINANCIAL MARKET RISK (CONTINUED)

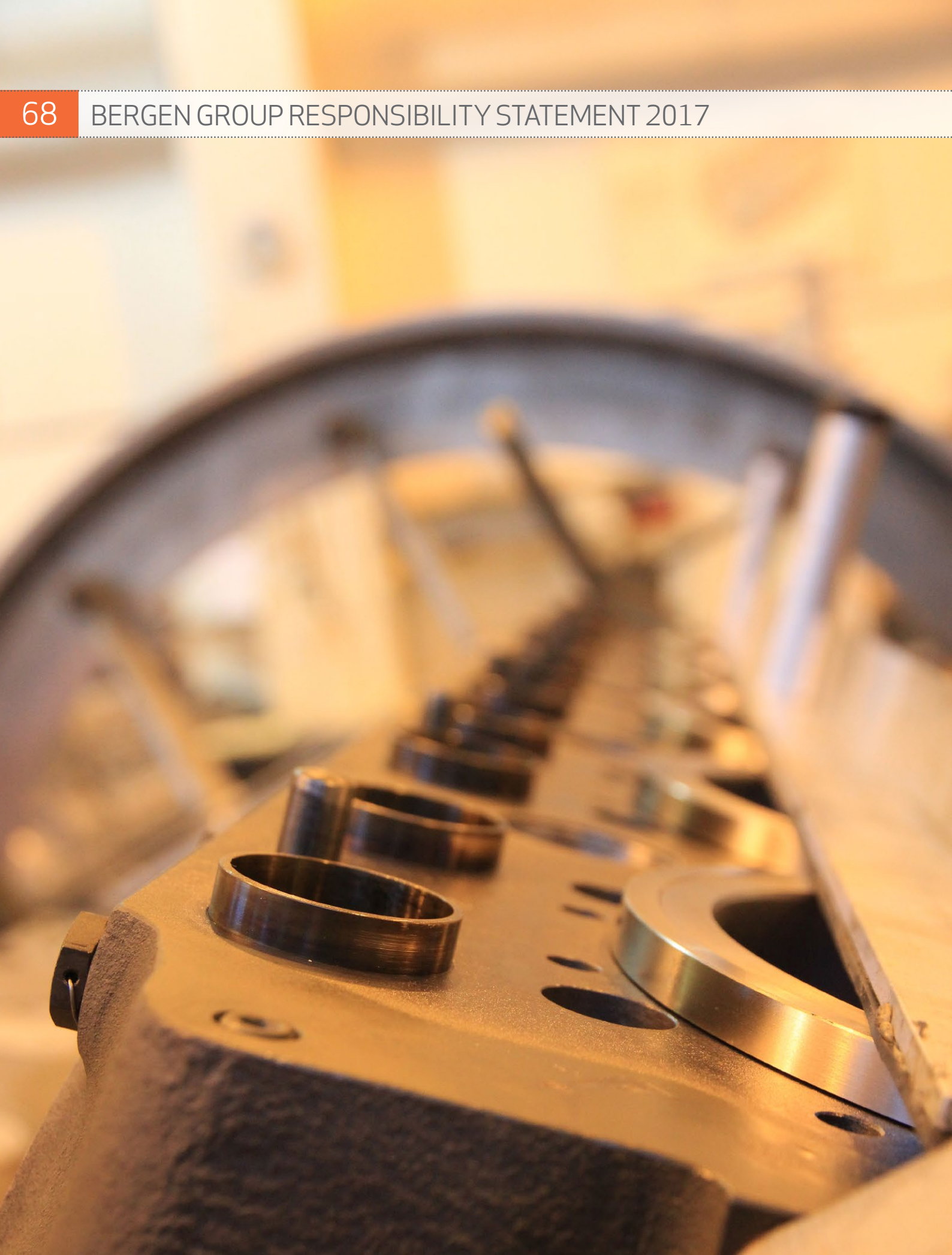
AMOUNTS IN TNOK	31.12.17		31.12.16	
	EUR	USD	EUR	USD
Bank	-	205	-	140
Trade creditors	-	-	-	-
Balance sheet exposure	-	205	-	140
Estimated need for future sales	-	-	-	-
Estimated need for future purchases	-	-	-	-
Cash flow exposure	-	-	-	-
Forward exchange contracts	-	-	-	-
Net exposure	-	205	-	140
Main exchange rates throughout the year:	2017		2016	
	EUR	USD	EUR	USD
Average exchange rate for the year	9,33	8,26	9,29	8,40
Spot exchange rate on 31 December	9,84	8,21	9,09	8,62

Interest rate risk

The company does not normally hedge against changes in the interest rate. However, the company's borrowing is based upon interest rate of 6% p.a. until maturity of the loans.

NOTE 10 SUBSEQUENT EVENTS

See note 25 for the group.





Responsibility Statement 2017

We confirm, to the best of our knowledge, that the financial statements for the period from 1 of January to 31 of December 2017 has been prepared in accordance with IFRS, and gives a true and fair view of the Group's assets, liabilities, financial position and the financial result as a whole.

We also confirm, to the best of our knowledge that the Board of Director's Report gives a correct description of the result and position of the company, together with a description of the most important risks and uncertainties the company is facing.

Bergen, 20th April 2018

The Board of Directors and CEO of Bergen Group ASA

Hans Petter Eikeland
(Chairman of the Board of Directors)

Tracy Chang

Bente Stangeland

Espen Berge

Torgeir Næro
CEO

Kristoffer Hope

Jorunn Ingebrigtsen

Tove Ormevik



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Independent Auditor's Report

To the General Meeting of Bergen Group ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bergen Group ASA. The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2017, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2017 and income statement, statement of changes in equity, cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matter

How the key audit matter was addressed in the audit

Impairment of goodwill

Carrying amount of goodwill resulting from the Group's acquisitions of subsidiaries, constitute a significant part of the assets in the Group's statement of financial position. As at 31 December 2017, goodwill amounting to NOK 102 million represents 38 % of total assets.

Management performs an annual impairment test by estimating the recoverable amount of goodwill. The determination of recoverable amounts requires application of significant judgment by management, in particular with respect to cash flow forecast and the applied discount rate.

Due to the materiality, complexity and estimation uncertainty concerning goodwill, we consider impairment of goodwill a key audit matter to the audit of the Group.

See note 10 to the consolidated financial statements.

The Group's accounting policy regarding impairment of intangible assets is disclosed in note 2.13 to the consolidated financial statements.

Our audit procedures included an evaluation of the key assumptions applied in the valuation model, such as revenue growth, EBITDA margin, terminal growth rate, discount rate and remaining useful life.

We involved our valuation specialists to assist us with our assessment of the discount rates, expected inflation rates and the appropriateness of the model used.

In addition, we performed the following audit procedures:

- we evaluated the reliability of estimates used by management by comparing forecasts made in prior years to actual outcomes
- we assessed key inputs in the calculations such as revenue growth, EBITDA and discount rate, by reference to management's forecasts
- we assessed management's sensitivity analysis focused on what impact on recoverable amount reasonable changes in assumptions such as revenue growth, EBITDA and discount rate would have
- we tested the mathematical accuracy of the valuation model

Furthermore, we have evaluated the adequacy of the disclosures provided in the notes covering impairment.



Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, the statements on Corporate Governance and Corporate Social Responsibility and other information in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the parent company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the parent company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from



fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 25 April 2018
BDO AS

Børre Skisland
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

ALTERNATIVE PERFORMANCE MEASURES

In 2015, The European Securities and Markets Authority (ESMA) published its “Guidelines on Alternative Performance Measures” (APMs). The guidelines apply to all listed companies and issuers responsible for drawing up a prospectus when reporting alternative performance measures in management reports or prospectuses. The effective date for the guidelines was 3 July 2016. An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

In this annual report the Group presents several Alternative Performance Measures (APMs), which are described below:

EBITDA

EBITDA (Earnings before interest, taxes, depreciation and amortization) is a commonly used performance measure. EBITDA provides an expression of profitability from operations. Bergen Group believes that this performance measure provides useful information about the Group’s ability to service debt and finance investments. In addition, the performance measure is useful for comparing profitability with other companies. Bergen Group presents EBITDA in key figures on page 3 of the annual report and in note 4 Operating Segments.

EBITDA-margin

EBITDA-margin is calculated as EBITDA/ Operating revenue. Bergen Group presents EBITDA in key figures on page 3 of the annual report.

EBIT

EBIT (Earnings before interest and taxes) is a commonly used performance measure. EBIT provides an expression of profitability from operations, but unlike EBITDA this performance measure also includes depreciations and amortization for the period. Bergen Group presents EBIT in brackets behind operating profit in consolidated income statement, and in note 4 Operating Segments.

Return on Equity

Return on Equity is calculated as Net Income/ Equity. This profitability measure expresses how much profit the group generates with the money shareholders have invested. Bergen Group presents Return on Equity in key figures on page 3 of the annual report.

Equity share

Equity share is calculated as Book value of Equity/ Total Assets. Bergen Group presents Equity share in key figures on page 3 of the annual report.

Net Working Capital

Net Working capital is calculated as Current Assets minus Current Liabilities. Net Working Capital is a measure of the group’s operating liquidity. Bergen Group presents Net Working Capital in key figures on page 3 of the annual report.

Net Interest-Bearing Debt

Net Interest-Bearing Debt is calculated as interest-bearing loans minus cash and cash equivalents. Bergen Group presents Net Interest-Bearing Debt in key figures on page 3 of the annual report.

Interest Coverage Ratio

Interest Coverage Ratio is calculated as EBITDA/ Interest expenses. This ratio measures the group’s ability to make interest payments on its debt in a timely manner. Bergen Group presents Interest Coverage Ratio in key figures on page 3 of the annual report.

Current Ratio

Current Ratio is calculated as Current Assets/ Current Liabilities. The current ratio is a liquidity ratio that measures the group’s ability to pay short-term and long-term obligations. Bergen Group presents Current Ratio in key figures on page 3 of the annual report.

BERGEN GROUP ASA

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