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KEY FIGURES

	2018	2017
Revenue	223 813	272 102
EBITDA	-40 453	-4 079
EBITDA margin	-18,07 %	-1,50 %
Loss before tax from continuing operations	-67 407	-10 893
Total profit / loss for the year	-70 806	-11 685
Total assets	241 927	269 273
Total equity	125 978	195 463
Return on equity ¹⁾	-56,21 %	-5,98 %
Equity share ²⁾	52,07 %	72,59 %
Net working capital	-19 776	29 623
Net interest bearing debt	8 858	-33 967
Current ratio ³⁾	1,07	2,54
Numbers of shares pr year end (numbers)	93 991 018	93 957 685
Average outstanding shares	93 978 689	88 493 714
Diluted, weighted average numbers of shares	93 978 689	88 493 714
Earnings per share (NOK)	-0,75	-0,13
Diluted earnings per share (NOK)	-0,75	-0,13

1) Net income / Total equity

2) Equity/total capital

3) Current assets / Current liabilities

THIS ANNUAL REPORT INCLUDES BERGEN GROUP'S FINANCIAL STATEMENTS FOR 2018 AS APPROVED BY THE BOARD OF BERGEN GROUP ASA ON 9 APRIL 2019.

A NORWEGIAN VERSION OF THE REPORT IS AVAILABLE ON THE GROUP'S WEBSITE WWW.ENDUR.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.

PHOTO ©: BERGEN GROUP / MORTEN WANVIK

DESIGN: ARTGARDEN

FROM BERGEN GROUP TO

In 2017, the Board of then Bergen Group ASA approved a growth-focused strategy aiming to further develop the company to become an attractive maritime industry group with their main business anchored in West Norway. This growth strategy has been the foundation of the operational and structural measures carried out and implemented during 2018, which are continued under the new name Endúr ASA.



The most extensive strategic step taken in 2018 was establishing an agreement to merge the fully owned company of Endúr Holding AS, Endúr Fabricom AS with all its subsidiaries, and Bergen Group ASA. This agreement was central to achieve greater resilience by having a presence in more market segments and in a greater geographical area.

The merger was finalized on February 20, 2019, and the Group's name was then changed to Endúr ASA from Bergen Group ASA.

The transaction with Endúr Holding included the full takeover of the holding company of Endúr Energy Solutions AS (formerly Endúr Fabricom AS) and the subsidiaries Endúr Industries AS (formerly Fabricom Industrier AS) and Endúr PMAE AS (formerly Fabricom PMAE AS). In the Annual Report, these companies will be referred to as Endúr Energy Solutions.

Endúr ASA has defined the three business areas **Aquaculture, Maritime Service** and **Energy Solutions** as the Group's platform for future growth, and maintains a growth strategy focusing on both structural and organic growth. In the future growth process, the Board will assume measures that will be able to further increase the companies' attractiveness and competitiveness in markets in which we already have established positions.

The Annual Report for 2018 is presented after the above transaction is finalized, and only includes the companies belonging to the Group per December 31, 2018.

Endúr is an Old Norse word originating from the word "Endúrnýja", meaning to renew, but Endúr is also a word with multiple meanings – in front of energy it means "lasting energy". The name can also be seen as an abbreviation of the English word Endurance.

«Endúr ASA has defined the three business areas Aquaculture, Maritime Service and Energy Solutions as the group's platform for future growth, and maintains a growth strategy focusing on both structural and organic growth»

MARITIME SERVICE

The market outlook connected to ship maintenance and maritime services in the civilian market is considered good, with a potential for further long-term growth. Throughout 2018, the company has strengthened its position within the service and maintenance of engine installations, both offshore, on ships and on

land. This area of activity will keep focusing on growth in the years to come. The acquisition of the dry dock at Stamsneset outside Bergen is considered strategically important in order to ensure dock capacity suitable for other maritime activities as well.

AQUACULTURE

This is a new focus area and an important part of the Group's future growth strategy. The market for concrete barges to the fish farming industry is considered strong, and the company notes that it can supply competitive deliveries to customers along the entire Norwegian coast in this area. Endúr has extensive experience within complex maritime productions, both

offshore installations and ship-related productions. This competence will be used to further develop the next generation of feeding and service barges to meet the requirements for a high degree of flexibility, operational safety, solid environmental and biomass handling.

ENERGY SOLUTIONS

Through the merger with Endúr Energy Solutions, the Group has gotten an important foothold as a supplier towards the oil and gas industry. Endúr Energy Solutions is a well-established oil service company headquartered in Stavanger and with solid experience as a supplier of maintenance, modification, installation, fabrication and reconstruction of complex oil and gas

installations both onshore and offshore. In 2018, the company increased its amount of orders significantly, and has gotten an operative foothold through deliveries to several important hubs for the oil and gas industry. The Group's operative activities connected to rope access technique (Endúr AAK) will also be part of this reporting segment.



Based in West Norway, Endúr ASA (formerly Bergen Group ASA) is an industry group and well-established supplier of products and services which in 2018 were mainly related to maritime service, rope access technique and aquaculture.

In connection with the completed transaction with Endúr Holding AS, the Group's name was changed from Bergen Group ASA to Endúr ASA, effective from February 20, 2019. The company's ticker at the Oslo Stock Exchange was changed from BERGEN to ENDÚR on February 21.

The transaction with Endúr Holding AS included the full takeover of the owner of Endúr Energy Solutions AS (formerly Endúr Fabricom AS), Endúr Industries AS (formerly Fabricom Industrier AS) and Endúr PMAE AS (formerly Fabricom PMAE AS). In the report, these companies will be referred to as Endúr Energy Solutions.

The merged company has defined the three business areas Aquaculture, Maritime Service and Energy Solutions as the Group's platform for further growth.

Endúr is an Old Norse word originating from the word "Endúrnýja" meaning to renew, but Endúr is also a word with numerous meanings – in front of energy, it means "lasting energy". The name may also be considered an abbreviation of the English word Endurance. These are properties that will contribute to the further development and growth of the Group.

2018 CHARACTERIZED BY A STRATEGY FOCUSING ON GROWTH

Throughout 2018, the Board of Endúr ASA has had a strategy focusing on growth, aiming to develop Endúr as an attractive maritime industry group with their main business anchored in West Norway. The most important measures implemented by the Board in 2018 in relation to the growth-focused strategy are connected to:

- The acquisition of Sjøsterk, formerly owned by Backe Bergen AS' production facility and operating organisation for the production/delivery of barges and other floating concrete constructions in Bergen and
- The decision to merge with Stavanger-based Endúr Energy Solutions, which was carried out in February 2019
- Extensive organisational changes, including a phase-out of the company's prefab activities and downsizing of administrative functions in order to better adapt to assumed needs in the future.

Growth platform towards aquaculture: The acquisition of the concrete barge producer Sjøsterk, along with complete production facilities, was alerted in Q1 and finalized at the start of Q3 2018. The business is now operated by Endúr Sjøsterk AS. The company holds modern and efficient production facilities and dry dock at Stamneset by Grimstadfjorden/Dolviken close to Bergen,

and can demonstrate an extensive history within the production of various floating concrete constructions. Endúr Sjøsterk has a well-established position towards the fish farming industry by having delivered concrete feeding barges for several decades.

Growth platform towards oil and gas: The merger with Endúr Energy Solutions was initiated early in the 2nd half of 2018, and finalized in February 2019. The company is a well-established oil service company headquartered in Stavanger and with extensive experience as a supplier of maintenance, modification, installation, fabrication and reconstruction of complex oil and gas installations both onshore and offshore.

Adaptation of competence and capacity: During 2018, relatively extensive organisational steps have been taken to adjust the administrative and operational capacity. The total number of employees in the Group per December 31, 2019, is 173 employees. This is a net reduction of 43 permanent employees.

MARKET SEGMENTS AND BUSINESSES

The Group's operational activities in 2018 have been connected to the three subsidiaries Endúr Maritime AS (formerly Bergen Group Services AS), Endúr AAK AS (formerly Bergen Group AAK AS) and Endúr Sjøsterk (for-





merly Bergen Group Sjøsterk AS). Endúr Maritime and Endúr AAK has constituted the reporting segment Services in 2018, while Endúr Sjøsterk AS has constituted the reporting segment Aquaculture.

In the following description of the Group's market segments and businesses, the Board will also include a separate section regarding Endúr Energy Solutions which, from 2019 onwards, will constitute the main part of the business area Energy Solutions. We emphasize that Endúr Energy Solutions has not been consolidated into the annual accounts or other reporting parameters.

Endúr Maritime AS

Maritime Service: The company has extensive experience within the ship-technical maintenance connected to complex vessels with extremely strict quality and operational safety requirements. Over time, the company has built up solid competence and capacity for handling extensive maintenance agreements towards both military and civilian maritime customers. The activities connected to ship-technical maintenance and maritime service are varied and only to a small degree impacted by the level of activity within the offshore industry. Operational activities are based on a combination of long-term framework agreements, such as those with the Norwegian Society for Sea Rescue and the Foundation sailing ship Statsraad Lehmkuhl, as well as a strong position within the spot market.

One of the company's strategic targets has been to establish the framework and supplier agreements necessary to strengthen increased activities in the future while contributing to further developing the company's competence within the execution of demanding maintenance and service in the maritime market. In December 2018, the company was awarded a 3-year framework agreement with Equinor Energy AS for the engine maintenance of offshore installations. Effective from February 1, 2019, the framework agreement is expected to generate a turnover of at least NOK 50 million throughout the contractual period. The agreement also includes an option for a further 2-year renewal. The framework agreement includes corrective and planned service/maintenance/overhaul of MTU diesel engines both offshore (Norwegian sector) and at Endúr Maritime's facilities in Bergen.

The Norwegian Armed Forces is an important customer for Endúr Maritime. For many years, the company has supplied services through various framework contracts, mainly connected to engine service and ship-technical maintenance. Due to the expiry of the maintenance agreement for the frigates of the Norwegian Armed

Forces in 2017, the deliveries to the Armed Forces have been at a significantly lower level in 2018 than in previous years.

Prefabrication: for the past few years, this has been characterised by a challenging market situation with limited order horizon and heavily pressured margins. Therefore, the Board decided to liquidate the prefabrication activities at Straume. Through several years, there have been not insignificant deficiencies within this department. In the accounting year 2018, the deficit for these activities was NOK 21 million, including liquidation costs. The machining activity at Straume will continue.

Endúr AAK AS

Rope Access Technique: The company is one of the leaders within rope access technique and complex work operations at heights related to maintenance and modification projects for various types of infrastructure, regardless of industry. Traditionally, the company has focused mainly on the offshore market connected to the oil and gas industry. This has been a challenging market for the past few years. The company maintains a strong focus on improving its position towards various land-based projects, and experiences a growing level of activity within parts of these markets. This also includes maintenance and services for windfarms, for example through a 3-year framework agreement awarded by Siemens Wind Power AS in May 2017.

Endúr Sjøsterk AS

Aquaculture: The segment Aquaculture is a new focus area for Endúr ASA. At the end of 2018, the operative business within this segment is executed by Endúr Sjøsterk AS. Along with the real estate company Endúr Eiendom AS, this company was taken over from Backe Bergen in July 2018.

When owned by Backe Bergen AS, the operations of Sjøsterk had a turnover of NOK 18 million in the first half of 2018, and an operating profit before depreciation and amortization (EBITDA) of NOK 3.8 million. Accumulated figures for 2018 as a whole (including the period January 1 to June 30 as well) constitute a turnover (pro forma) of NOK 43 million and an EBITDA of NOK 5.8 million in Sjøsterk.

After the acquisition in July, the company has signed contracts for a total of six concrete barges for the fish farming industry. These contracts represent a total value of almost NOK 110 million to be delivered during the three first quarters of 2019.

Endúr Energy Solutions

Oil service: Through the transaction that took place in February 2019, Endúr Energy Solutions is part of the Group. Endúr Energy Solutions is a well-established oil service company headquartered in Stavanger and with solid experience as a supplier of maintenance, modification, installation, fabrication and reconstruction of complex oil and gas installations both onshore and offshore. Its new ownership in February 2018 was followed by a significant increase in the amount of orders, and per December 31, 2018, it is MNOK 730 million.

The company is about to get an operative foothold within several important oil and gas industry hubs emphasizing MMO projects (Maintenance, Modifications and Operations). During 2018, the company has established different framework agreements that ensure both long-term activity and activity within different geographical areas. These include a 5-year contract for maintenance, modification and outage at Esso's refinery at Slagen-tangen in Tønsberg. This contract alone, which includes options for extension, will generate work for around 30 employees on a permanent basis. In addition, larger maintenance projects will lead to necessary periodical increases in staffing.

The company also has a long-term MMO agreement (2016-2020) as subcontractor for Wintershall related to the Brage Well Connection, as well as a 4-year agreement (2018-21) with Aker BP connected to the maintenance and support of all Aker BP installations.

An important project starting in Q4 2018 was connected to the contract with Equinor for the demolition of the existing G12 gas turbine and generator with associated equipment at the Mongstad facilities in Nordhordland. This contract has, at the most, employed around 170 persons. The project was finalized in Q1 2019.

The number of employees in Endúr Energy Solutions per December 31, 2018 is 112 persons.

ANNUAL RESULT, BALANCE AND CASH FLOW DEVELOPMENT – CONSOLIDATED

This annual report has been developed according to the "International Financial Reporting Standards" (IFRS) as established by EU.

The Group's operative activities per December 31, 2018 consist of the companies Endúr Maritime AS, Endúr AAK AS, Endúr Sjøsterk AS, Endúr Eiendom AS, Endúr Invest AS and Endúr ASA.

The annual report reports for the following independent

segments:

- Services (Endúr Maritime AS and Endúr AAK AS)
- Aquaculture (Endúr Sjøsterk AS and Endúr Eiendom AS)
- Other (remaining Group activities).

Result: The accumulated operating profit for Endúr ASA in 2018 is NOK 223 million, compared to NOK 272 million in 2017. The Group's accumulated operating profit before depreciation and amortization (EBITDA) in 2018 is NOK -40 million, compared to NOK -4 million in 2017. The Group's accumulated result before tax and financial posts (EBIT) in 2018 is NOK -66 million compared to NOK -8 million in 2017.

In 2018, the depreciation of recorded goodwill of NOK 21 million was carried out. No goodwill depreciation occurred in 2017. The Group result after tax in 2018 is NOK -67 million, compared to NOK -12 million in 2017.

The total capital per December 31, 2018 was NOK 242 million and recorded equity was NOK 126 million, constituting an equity ratio of 52%. In comparison, the Group had a total capital per December 31, 2017 of NOK 269 million and an equity of NOK 196 million, constituting an equity ratio of 73%.

Balance and cash flow: The Group's receivables at the end of 2018 constituted NOK 34 million, while bank deposits constituted NOK 33 million. Interest-bearing debt was NOK 38 million at the end of 2018.

Cash flow from operations was NOK 3 million in 2018. Corresponding figures from 2017 was NOK 10 million. The change is mainly due to a net reduction in working capital. Net cash flow from investments is negative with NOK 46 million. This is mainly due to the acquisition of Endúr Sjøsterk AS and Endúr Eiendom AS. Cash flow from financing activities was NOK 22 million in 2018. This is mainly due to new interest-bearing debt.

The Group's bank deposits were NOK 33 million per December 31, 2018, while corresponding figures for December 31, 2017 constituted NOK 54 million. This equals a reduction of liquidity of NOK 21 million during the year.

Endúr has no overarching research and development activity, but works with targeted projects within product and service development, which may strengthen the market positions of the companies.

The parent company Endúr ASA had no turnover in 2018 or 2017. The operating result for the parent company is NOK -17 million in 2018, while the corresponding figures for 2017 is NOK -18 million. Net financial costs were NOK 7 million in 2018, against corresponding financial





costs of NOK 4 million in 2017. The annual result was NOK -24 million in 2018, while the corresponding figures for 2017 were NOK -22 million.

Appropriation of profits and dividend policy

The annual result was NOK 24.4 million for the parent company, predisposed towards share premiums, other paid equity and uncovered losses. After disposing the results, the company has no free equity. The equity of the parent company per December 31, 2018 is positive with NOK 67.5 million.

It is the express ambition of the company to provide the shareholders with annual returns on their investments in the form of dividends and increased value of at least the level of investment alternatives with comparable risk. Based on the Group's 2018 results, the Board does not propose any dividends.

ANNUAL GENERAL MEETING INFORMATION

The Ordinary Annual General Meeting of Endúr ASA was held on Monday June 25, 2018, at the company facilities in Damsgårdsveien 229 in Bergen. In total, 63.41 % of the share capital was represented.

The AGM unanimously approved the Board's proposal for the Financial Statement and Annual Report for the accounting year 2017. All other proposals were also unanimously approved by the AGM in line with the recommendations of the Board and the Election Committee.

Furthermore, an extraordinary General Meeting was held in Endúr ASA on December 21, 2018, approving the merger with Endúr Holding AS along with the following name change to Endúr ASA. In connection with the transaction, it was decided to reduce the company's share capital with NOK 93 051 107.82 from NOK 93 991 018 to NOK 939 910.18 by writing the share value down from NOK 1.00 to NOK 0.01. Out of the impairment amount, NOK 53 728 683 shall be used to cover losses, and the remaining NOK 39 322 424.82 is transferred to a fund (other equity), acc. to the Public Limited Liability Companies Act § 12-1, (1), no. 3.

These decisions were supported by more than 99.9% of the represented share capital.

Furthermore, the extraordinary General Meeting selected Rune Skarveland as a new Director of the Board. Skarveland, replacing Espen Berge, was elected for a period lasting until the company's next Annual General Meeting in the spring of 2019.

BOARD AND REVISION COMMITTEE

As of December 31, 2018, the Board of Endúr ASA consists of four shareholder-elected and two employee-elected Board members. The four shareholder-elected members are Hans Petter Eikeland, Rune Skarveland, Tove Ormevik and Bente Stangeland. The two employee-elected members are Kristoffer Hope and Jorunn Ingebrigtsen.

In 2018, the company's revision committee has consisted of three persons from Endúr ASA: Espen S. Berge (until December 21, 2018), Bente Stangeland and Jorunn Ingebrigtsen. The competence and independence of the revision committee is considered to meet the requirements considered necessary for maintaining tasks according to the Public Limited Companies Act and according to the company's size and activities.

QHSE – QUALITY, HEALTH, SAFETY AND ENVIRONMENT

Endúr works systematically and continually on improving the Group's systems for quality, health, safety and the environment (QHSE) and the safety culture connected to the Group's operations. The Group has a zero vision for incidents connected to HSE, quality deviations and incidents impacting the external environment. The goal is to avoid employees becoming injured or ill at work, as well as ensure the correct quality of deliveries and avoid negative impact on the environment around us. The company works purposefully on increasing the use of suggestions for improvements and observations in preventive work. This type of reporting has kept increasing throughout 2017 and into 2018, 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 to ensure that these are quality assured through ISO certifications for both Endúr Maritime AS, Endúr AAK AS and Endúr Sjøsterk AS.

In 2018, recertifications were carried out according to ISO 9001:2015 in Endúr Maritime AS, Endúr AAK AS, as well as first-time certification of Endúr Sjøsterk AS. In addition, Endúr Maritime AS was recertified according to ISO 14001:2015.

ISO 9001: 2015 confirms that the management system is certified according to the standard for good quality management, and ISO 14001:2015 documents the com-

pany's environmental management system. ISO 3834-2 defines extensive quality requirements for the welding of metallic materials both in workshops and at construction sites. This certification is important in order to document the extensive welding-technical competence of Endúr Maritime AS. Within this field, re-certification according to NS-EN 1090 EXC3, which is a standard for the welding execution of load-bearing steel constructions, has also been carried out.

All the operative companies in Endúr ASA has a targeted strategy for further developing the companies' quality assurance systems.

Health: The average sick leave among Endúr employees in 2018 was 6.5%. For comparison, the average sick leave in 2017 was 7.2%.

The sick leave in 2018 was distributed on 2.2% in short-term leave and 4.3% in long-term leave. None of the long-term absences are considered work-related. Endúr aims to reduce sick leave to a level corresponding to the national average. The quarterly sick leave within the industry sector in Norway in 2017 was between 4.4% and 6.1%. (Source: SSB).

During 2018, the Group had a total of 1 personal injury among its own employees, with a very limited absence period. The company has implemented measures to prevent similar incidents.

Based on the number of reported injuries, the annual H value was measured to 3.4. The H value measures the number of injuries leading to sick leave per million work hours. For comparison, the H value for 2017 was 11.8.

The company is satisfied with the decreased personal injury frequency.

Environment: Endúr maintains 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 serious incidents that had consequences for the environment registered in 2018. 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 2018, the Group has focused on further developing its systems, competence and learning in order to achieve lower risks for all our activities. Operational activities use 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 December 31, 2018, the Group had 176 employees, most of whom had full-time positions. Endúr considers it strategically necessary to carry out continuous competence and capacity adjustments according to the market development and operational activities. During 2018, there has been a net reduction of 43 FTEs within the Group, primarily within Endúr Maritime AS.

Parts of the company's activities are project-related assignments requiring the use of extra capacity for a limited period. Mainly, the company uses temporary employment to cover project-related capacity. During 2018, total temporary employment in sum constituted around 25 FTEs.

The work environment is generally considered good. Endúr 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 club management/employee representatives are considered important in order to catch negative deviations connected to the work environment.

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

Endúr's operational activities are mainly part of areas traditionally characterised by a large share of male employees. By the end of 2018, the percentage of female employees was 5 per cent (against 5.5 % by the end of





2017). This number is not considered satisfactory. The Group maintains a dedicated focus on recruiting more female employees at all levels. The salary for women is considered the same as for men in similar positions.

At the end of 2018, the Board of Endúr ASA consists of six members, of whom three are women.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

According to § 3-3c of the Accounting Act, Endúr 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.

Endúr 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 Endúr.

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

Endúr has initiated preliminary processes to achieve an ISO certification according to the "CSR Performance Ladder", which is a certifiable standard for management systems connected to CSR. The standard "CSR Performance Ladder" is based on international standards such as ISO and OHSAS, and is managed by an independent foundation and expert committee. A completion of this ISO process is planned to be finalised during 2019.

The company's CSR guidelines will, according to the above standard, cover the following 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 create visible principles, procedures and standards that are fully integrated into business strategies, daily operations and the relationship to stakeholders.

CORPORATE GOVERNANCE

Endúr ASA is of the opinion that 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 form a good foundation for furthering sustainable value creation and good results. Good business management is an important prerequisite for achieving Endúr ASA's vision and carrying out our strategy plans. Good business management contributes to the Group's long-term value creation, while the resources are utilised in an efficient and sustainable manner.

Endúr ASA's guidelines for corporate governance follow the recommendation of The Norwegian Committee for Corporate Governance (NUES), 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 stock exchange regulations, and contains rules and guidelines which partially elaborates the current legislation, and partially covers areas not addressed by the legislation.

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

Endúr's principles for Corporate Governance are available on the company's website, and was last revised by the Board in Q1 2017.

Changes in Group management: On November 15, 2018, Nils Hoff took over as new CEO of the company after Torgeir Nærø. Hoff comes from various leading positions within both finance and industry, for example as CFO in Tandberg Data, CFO in Tandberg Storage and CFO in Data Invest. In addition, Hoff has extensive Board experience within industrial companies, for example as Board member of Norske Skog. In the summer of 2015, Hoff was headhunted to the role of CFO in Endúr ASA to assist in an extensive restructuring process.

Morten Riiser took on the position as new CFO in Endúr ASA on November 15, 2018. Riiser joined the company as VP Finance in August 2018, then coming from a manager position in the advisory firm KPMG. Riiser has varied accounting, consulting and audit experience from

a number of different companies in various industries, and is a state-authorized public accountant and graduated from the Norwegian School of Business and Economics with a master's degree in auditing and accounting.

SHARE CAPITAL, SHARES AND SHAREHOLDER INFORMATION.

Endúr ASA has been listed on the Oslo Stock Exchange since June 2008. Until mid-February 2018, the company was listed under the ticker BERGEN. After the name was changed to Endúr ASA, the stock exchange ticker was changed to ENDUR.

Shareholders: Per December 31, 2018, the company had a total of 1,482 shareholders, compared to 1,539 shareholders by the end of 2017. An updated overview over the company's 20 largest shareholders is available on the company's IR pages at www.endur.no.

Information document: In extension of the Endúr ASA Board's unanimous approval of the fusion plan with Endúr Fabricom AS on November 15, 2018, an Information document was published on December 14, 2018 according to the requirements in Ongoing obligations for listed companies.

Share trades and share price: In 2018, the company's shares were traded publicly 5,600 times on the Oslo Stock Exchange, a decrease from 28,600 trades in 2017. Accumulated trade volume in 2018 was 33.96 million shares, compared to 148.2 million shares in 2017.

The final price on Friday December 28, 2018 (the final trading day of the year) was NOK 1.23 (NOK 1.89 by the end of 2017). This values the company's market value in the stock market at NOK 116 million by the end of 2018, compared to NOK 178 million by the end of 2017.

The final price throughout 2018 has varied between NOK 1.18 (December 20) and NOK 2.22 (January 29)

RISK EXPOSURE AND RISK MANAGEMENT

Endúr ASA is exposed to risks of both operational and financial character. The Board and the Revision Committee of Endúr ASA focus strongly on ethics and risk management, and we work actively to reduce the total risk exposure of the Group. The most important risk factors are financial risks, market risks and project risks, hereunder counterparty risks.

Financial risks include credit risks, market risks and liquidity risks. The financial risk scenario is handled by the respective companies on an independent basis, and are currently mainly considered connected to periodically short-term liquidity fluctuations. The Group's current total liquidity position is considered satisfactory, but has been weakened throughout 2018 due to a negative operating profit combined with implemented acquisitions. The Board and the administration have implemented measures throughout the year to ensure profitability in all units within the Group. This is assumed to have a positive effect in 2019, and the Board considers the financial risk reduced at the current date.

Market risks are mainly connected to strong fluctuations within market areas in which the Group operates. Currently the Group has diversified operational activities occurring within different market areas that are partially independent of each other. The market risks are therefore considered to be limited, however with certain risks connected to the renewal of larger framework contracts. The transaction with Endúr Holding AS has supplied the Group with significantly increased operational activity towards the oil and gas market. This is a market which, historically speaking, has fluctuated a great deal, due to, for example, oil price fluctuations. The current order backlog towards this market is spread out on both onshore and offshore-related installations, and is considered relatively robust.

Beyond an ongoing, general operational risk, the Board considers no risk elements that impact the Group negatively to any significant degree to be present per April 9, 2019.

EVENT AFTER THE BALANCE SHEET DATE:

On February 20, 2019, the market was informed that all conditions for the implementation of the previously announced transaction with Endúr Holding (owner of Endúr Fabricom AS) had been met, and that the merger between Bergen Group and Endúr Holding AS was thus finalised.

When carrying out the transaction with Endúr Holding AS, the company's par value was written down from NOK 1 to NOK 0.01 per share. Bergen Group ASA's share capital was then increased by NOK 1 186 500 by issuing 118 650 000 new shares, each priced at NOK 0.01, to an issue price of NOK 0.01 per share. The exchange ratio of 79.1 shares in Bergen Group ASA for each share in Endúr Holding AS entails a value of NOK 1.44 for each share in Bergen Group ASA on a fully watered-down basis.





The transaction was implemented and finalised according to the assumptions present when all Boards of the involved companies approved the merger plan, ref. the stock exchange announcement sent on November 15, 2018.

For further details around the transactions we refer to the Information document distributed via Oslo Stock Exchange on December 14, 2018, as well as subsequent stock exchange announcements until the notice about the finalised fusion on February 20, 2019.

In connection with the completed merger, the Group's name was changed from Bergen Group ASA to Endúr ASA, effective from February 20, 2019. The company ticker at Oslo Stock Exchange was changed from BERGEN to ENDUR on February 21.

MARKET AND FUTURE OUTLOOK

The Board of Endúr ASA maintains a growth strategy focusing on both structural and organic growth. In the following growth process, the Board will assume measures that can further increase the attractiveness and competitiveness of the companies in those markets where we already have established positions. The Group expects future growth to happen both through organic growth and acquisitions.

Furthermore, the Board focuses on developing synergies both within the current operational activities and in connection with cost reductions.

Aquaculture: This is a new focus area and an important part of the Group's future growth strategy. The market for concrete barges to the fish farming industry is considered strong, and the company notes that it can supply competitive deliveries to customers along the entire Norwegian coast in this area. Endúr has extensive experience within complex maritime productions, both offshore installations and ship-related productions. This competence will be used to further develop the next generation of feeding and service barges to meet the requirements for a high degree of flexibility, operational safety, solid environmental and biomass handling.

Maritime Service: The market outlook connected to ship maintenance and maritime services in the civilian market is considered good, with a potential for further long-term growth. Throughout 2018, the company has strengthened its position within the service and maintenance of engine installations, both offshore, on ships and on land. This area of activity will keep focusing on

growth in the years to come. The purchase of the dry dock at Stamsneset is considered strategically important in order to ensure dock capacity that will also suit other maritime activities.

Energy Solutions: Through the merger with Endúr Energy, the Group has gotten an important foothold as a supplier towards the oil and gas industry. Endúr Energy Solutions is a well-established oil service company headquartered in Stavanger and with solid experience as a supplier of maintenance, modification, installation, fabrication and reconstruction of complex oil and gas installations both onshore and offshore. In 2018, the company increased its amount of orders significantly, and has gotten an operative foothold through deliveries to several important hubs for the oil and gas industry. At the end of December, the company has an order backlog of NOK 730 million. The Group's operative activities connected to rope access technique (Endúr AAK) will also be part of this reporting segment.

Order backlog: Per December 31, 2018, Endúr ASA had a total order backlog of NOK 276 million, distributed on the two reporting segments Aquaculture (NOK 79 million) and Services (NOK 197 million). The order backlog includes the value of estimated call-offs of ongoing framework agreements, but does not consider the value of options connected to existing contracts.

The order backlog in Endúr Energy Solutions is estimated at NOK 730 million by the end of 2018. This order book represents mainly complementary business that can also be considered to generate synergy effects between the operative companies that are now gathered under joint ownership in the Group.

ASSUMPTIONS OF CONTINUED OPERATIONS

The Board of Endúr ASA considers the strategic, operational and structural measures carried out and implemented in 2018 particularly important to establish a future-oriented Group focusing on profitability and future growth.

The merger with Endúr Holding AS, finalised in February 2019, is considered to provide Endúr ASA strengthened operational activity distributed on a greater geographical market, and thus a more robust platform for a future growth process.

The financial results of the year have largely been characterised by the aforementioned change and growth processes, which were mainly finalised during last year.

Directors' Report for **Endúr** ASA 2018

Adjusted for one-time costs connected to these processes, the remaining activities are considered to represent a strong platform for profitable and sustainable operations in 2019 and onwards.

The Board of Endúr ASA confirms, according to § 3-3 of the Accounting Act, that the annual accounts have been prepared based on the assumption for continued operations.

Bergen, 9th April 2018


Rune Skarveland


Hans Petter Eikeland
(Chairman of the Board of Directors)


Bente Stangeland


Nils Hoff
CEO


Kristoffer Hope


Jorunn Ingrbrigtsen


Tove Ormevik





CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	NOTE	IFRS 2018	IFRS 2017
Continuing operations			
Sales revenue	4, 6	223 813	271 637
Other operating revenue			465
Operating revenue	4, 6	223 813	272 102
Cost of sales		-96 976	-111 623
Payroll expenses	5	-126 322	-127 296
Depreciation, amortisation, impairment	11, 12	-25 080	-4 136
Other operating expenses	5	-40 967	-37 262
Operating expenses		-289 347	-280 317
Operating loss		-65 533	-8 215
Financial income	7	434	421
Financial expenses	7	-2 307	-3 100
Net financial items		-1 874	-2 679
Loss before tax		-67 407	-10 893
Tax	9	351	-792
Loss from continuing operations		-67 056	-11 685
Discontinued operations			
Loss from discontinued operations	8	-3 750	-
Profit / Loss		-70 806	-11 685
Other comprehensive income			
Items which may be reclassified over profit and loss in subsequent periods			
Foreign currency translation differences for foreign operations		-	-
Reclassification of foreign currency differences on disposal of foreign operations		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income		-70 806	-11 685
Profit / Loss attributable to:			
Owners of the Company		-70 806	-11 685
Profit / Loss		-70 806	-11 685
Total comprehensive income attributable to:			
Owners of the Company		-70 806	-11 685
Total comprehensive income		-70 806	-11 685
Earnings per share			
Basic earnings per share (NOK)	10	(0,75)	(0,13)
Diluted earnings per share (NOK)	10	(0,75)	(0,13)
Earnings per share - continuing operations			
Basic earnings per share (NOK)	10	(0,71)	(0,13)
Diluted earnings per share (NOK)	10	(0,71)	(0,13)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOTE

IFRS
2018IFRS
2017

ASSETS

Deferred tax asset	9	19 279	19 729
Intangible assets and goodwill	11	108 708	107 382
Property, plant and equipment	12	19 635	4 802
Other investments	21	6 988	-
Total non-current assets		154 611	131 913
Inventories	13	3 474	4 592
Contract assets	6	17 282	40 590
Trade and other receivables	14, 21	33 972	38 435
Cash and cash equivalents	15, 21	32 589	53 742
Total current assets		87 316	137 360
Total assets		241 928	269 273

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	NOTE	IFRS 2018	IFRS 2017
EQUITY AND LIABILITIES			
Equity			
Share capital	16	93 991	93 958
Share premium		17 382	17 382
Retained earnings		14 605	84 123
Equity		125 978	195 463
Liabilities			
Loans and borrowings	17, 21	30 941	16 285
Pension liabilities		-	40
Other non-current liabilities		3 518	3 490
Total non-current liabilities		34 459	19 815
Loans and borrowings	17, 21	6 988	-
Trade and other payables	18, 21	60 445	49 210
Contract liabilities	6	5 814	-
Provisions	19	8 245	4 785
Total current liabilities		81 492	53 995
Total liabilities		115 951	73 810
Total equity and liabilities		241 928	269 273

Bergen, 9th April 2018


Rune Skarveland



Hans Petter Eikeland
(Chairman of the Board of Directors)



Bente Stangeland



Nils Hoff
CEO



Kristoffer Hope



Jorunn Ingebrigtsen



Tove Ormevik

CONSOLIDATED STATEMENT OF CASH FLOWS		NOTE	IFRS 2018	IFRS 2017
<i>Cash flow from operating activities</i>				
Loss for the period			-70 806	-11 685
Adjustments for:				
Tax expense / Tax income	9		-351	792
Depreciation, amortisation, impairment	11, 12		25 080	4 136
Gain on sale of property, plant and equipment				-465
Items classified as investments and financing activities			1 457	1 264
Share option expense			1 021	3 486
<i>Changes in:</i>				
Trade and other receivables	14		4 502	6 864
Trade and other payables	18		10 125	-18 528
Inventories / contract assets & liabilities	6, 13		30 240	2 262
Other current accruals			3 265	23 477
Net cash from operating activities			4 533	11 602
<i>Cash flow from investments activities</i>				
Proceeds from sale of property, plant and equipment				1 097
Acquisition of property, plant and equipment	11, 12		-1 427	-2 608
Acquisition of shares			-6 988	
Acquisition of subsidiary, net of cash acquired	23		-37 481	-68
Net cash from investments activities			-45 896	-1 579
<i>Cash flow from financing activities</i>				
Proceeds from issue of share capital (capital increase)			33	28 648
Proceeds from loans and borrowings	17		21 988	-
Payment of interests			-1 457	-1 264
Repayment of borrowings	17		-355	-20 005
Net cash from financing activities			20 209	7 379
Net change in cash and cash equivalents			-21 154	17 402
Cash and cash equivalents as per 1.1	15		53 743	36 341
Cash and cash equivalents as per 31.12	14		32 589	53 743
Of which is restricted cash	14		7 744	18 273

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2018

	Note	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.2018		93 958	17 382	84 123	195 463
Profit (loss)				-70 806	-70 806
Capital increase (cash proceeds)	16	33			33
Effect of share options	20			1 021	1 021
Other changes				267	267
Net changes 2018		33	-	-69 518	-69 485
Equity 31.12.2018		93 991	17 382	14 605	125 978

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



NOTE 1 CORPORATE INFORMATION

Endúr ASA is a public limited company based in Norway, and was founded on 22 May 2007. The Company's registered office is at Laksevåg in Bergen. The group's name was changed from Bergen Group ASA to Endúr ASA with effect from 20 February 2019. These consolidated financial statements comprise the Company and its subsidiaries (collectively the "Group" and individually "Group companies"). Endúr ASA is listed on Oslo Stock Exchange with the ticker ENDUR.

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 2018. The consolidated accounts is for the period 01.01.2018 until 31.12.2018.

The proposed annual accounts were adopted by the Board of Directors on 9 April 2019. The annual accounts will be dealt with by the Ordinary General Meeting in May 2019 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

IFRS 16 Leasing

The new standard, effective for annual reporting periods beginning from 1 January 2019, replaces the existing guidance in IAS 17 Leases. IFRS 16 Leases will be implemented by Endúr on 1 January 2019. IFRS 16 covers the recognition of leases and related notes in the financial statements. For lessees, a right-of-use (RoU) asset and a lease obligation for each lease that meet the definition of a lease under IFRS 16 will be recognized in financial statements. Lease payments shall be reflected as interest cost and reduction of rental liabilities. RoU shall be depreciated over the shortest of each lease term and the lifetime of the asset. Lease payments in the cash flow statement are classified as cash flows from financing activities.

Implementation

- IFRS 16 will be implemented with a modified retrospective approach with no restatement of the comparative figures. At the time of implementation, the lease liabilities

are calculated at the present value of the committed residual payment in the agreement and the lease assets are measured at the same value as the lease payment.

- Any contractual provisions relating to lease agreements will reduce the value of the corresponding right-of-use asset.

Expected effect from the implementation of IFRS 16 on Endúr's financial statements

Consolidated balance sheet; Endúr expects that the implementation of IFRS 16 will increase the consolidated balance sheet by capitalizing lease commitments and leasing assets of NOK 25 million. Estimated effect is considered to be a preliminary estimate.

Consolidated income statement; In the consolidated income statement, operating leasing costs will be replaced by depreciation and interest expenses

Consolidated cash flow statement; In consolidated cash flow statement, lease payments will be presented as cash flow from financing activities. Previously, operating lease costs were presented as cash flow from operations.

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 Endúr 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 6 Whether revenue is recognized over time or at a point in time. Identification of performance obligations in customer contracts.

Note 23 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 18 Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources

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.

Foreign currency differences are generally recognised in profit or loss.

2.8 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. In the profit or loss statement revenues from contracts with customers are presented net of discounts, VAT and other public duties.

Under IFRS 15, a five-step model for revenue recognition applies to all customer contracts that meet specific criteria. The parties of the contract must have approved the contract (in writing, orally or in accordance with other customary business practice) and are committed to perform their respective obligations. Variation orders are only included when the parties in the contract has approved the specific variation order. At contract inception, the Group assess the goods and services promised in the contracts with customers for the purpose of identifying separate performance obligations. Revenue from contracts with customers is recognised at point in time (or over time) when the Group satisfy a performance obligation by transferring the promised goods or services to the customer. The Group have assessed

that most of the performance obligations are performed over time, with revenue being recognised over time. Progress for the performance obligation satisfied over time is measured using an input method. Progress is measured based on accrued time and material because this method is considered most appropriate to reflect the transfer of control of the goods and services to the customer.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The Group estimates the amount of variable consideration either by using the expected value method or the most likely amount method depending on which method the Group expects to better predict the amount of consideration to which it will be entitled.

When determining the transaction price, the promised amount of consideration is adjusted for the effects of significant financing components in order to reflect the time value of money. Financing components may exist when the period between transfer of the promised good or service to the customer and when the customer pays for that good or service exceeds one year. The Group does such an assessment at contract inception.

Service- and maintenance contracts

Service and maintenance contracts are mainly time and materials contracts (T&M), but fixed-price contracts and elements of fixed-price also occur. Each individual contract is normally considered as a separate performance obligation and revenue is recognised over time to depict the delivered time and materials. For contracts with significant fixed-price elements an input method is used to measure the progress of the project, which is the basis for recognizing revenue over time. The normal credit term is usually 30 days upon billing

Customized products

Contracts for customized products constitute one performance obligation. Revenue is recognised over time using an input method, such as cost incurred relative to the total estimated costs of completing the performance obligation. The Group is entitled to receive payment at completion of milestones agreed by the contract parties.

Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised

for the earned consideration that is conditional.

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group fulfils the performance obligation (s) under the contract.

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 expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The companies recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

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 re-

stated to reflect these operations in the previous year as if they were discontinued in that year.

2.12 Property, plant and equipment

Tangible assets are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the statement of comprehensive income.

The cost of tangible assets is the purchase price, including taxes/duties and costs directly linked to preparing the asset ready for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognised in the statement of comprehensive income, while other costs that are expected to provide future financial benefits are capitalised.

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognised as a change in an estimate.

Assets under construction are classified as non-current assets and recognised at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use.

An impairment loss is identified if the carrying amount of a tangible asset exceeds its recoverable amount. The impairment loss is recognised by reducing the carrying amount of the tangible asset to equal the recoverable amount.

2.13 Intangible assets and goodwill

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through an acquisition are recognised at their fair value in the Group's opening balance sheet. Capitalised intangible assets are recognised at cost less any amortisation and impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are expensed as occurred.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortised over their economic life and tested for impairment if there are any indications. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life and goodwill are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life and goodwill are not amortised. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

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

Financial instruments are recognized in the balance sheet when the Group has become a party to the contractual terms of the instrument. Financial instruments are derecognised when the contractual rights or obligations are met, canceled, expired or transferred.

Initial measurement of financial instruments is made at fair value at the time of settlement, normally at transaction price. Subsequent measurement depends on the classification of the financial asset or the financial liability.

Financial instruments are classified as long-term when the expected realization date is more than twelve months after the balance sheet date. Other financial instruments are classified as short-term.

Financial assets

For initial recognition, a financial asset is classified in the following categories:

- Amortized cost
- Fair value with change in value over profit & loss
- Fair value with change in value over other income and expenses (OCI).

The Group's financial assets mainly consist of debt instruments (receivables) and cash. The receivables cash flows consist only of principal and any interest and all receivables are only held to receive contractual cash flows. Receivables and cash are included in the category amortized cost.

The Group holds investment in shares. The investment is included in the category fair value with value change over other income and expenses (OCI).

Financial liabilities

For initial recognition, a financial liability is classified in the following categories:

- Amortized cost
- Fair value with change in value over profit

The Group's financial liabilities consist of convertible loans, bank loans, vendor credit payables and other payment obligations. These financial liabilities are subsequently measured at amortized cost.

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 Impairment

Financial instruments and contract assets

ECLs are estimated probability-weighted net present value of future expected credit losses. ECLs are discounted at the effective interest rate of the financial asset. Loss allowances for trade receivables and contract assets are measured at an amount equal to lifetime ECLs.

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.

2.18 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:

- potential liabilities resulting from previous events, but whose existence depends on future events
- liabilities not recognised in the accounts because it is not likely that the liability will result in an outflow of resources
- 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 Endúr'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.

2.19 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. hood and magnitude of an outflow of resources.



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 coun-

try 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 related to the segments Services and Aqua. The customers are aquaculture companies, shipping companies 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 31.12.2018.

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					
			Total	6 months or less	6 - 12 mth.	1 - 2 years	2 - 5 years	More than 5 years
31 December 2018	Note	Carrying amount						
Convertible loans	17	16 128	17 096	484	484	16 128		
Secured bank loan	17	14 813	17 468	671	664	1 313	14 820	
Credit - purchase of shares	17	6 988	7 163	7 163				
Trade and other payables	18	60 445	60 445	60 445				
Total		98 374	102 171	68 763	1 148	17 441	14 820	-

			Contractual cash flows					
			Total	6 months or less	6 - 12 mth.	1 - 2 years	2 - 5 years	More than 5 years
31 December 2017	Note	Carrying amount						
Convertible loans	17	16 117	18 051	484	484	968	16 117	
Financial leases	17	168	168			168		
Trade and other payables	18	49 210	49 210	49 210				
Total		65 495	67 429	49 693	484	17 252	-	-

MARKET RISK**Currency risk**

Endúr 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. Endúr's turnover in 2018 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:

	31.12.18		31.12.17	
	EUR	USD	EUR	USD
Bank	490		490	205
Trade payables			-	-50
Net statement of financial position exposure	490	-	490	155
Estimated need for future sales (NOK)			-	-
Estimated need for future purchases (NOK)			-	-
Gross exposure	490	-	490	155
Currency hedging *)	-	-	-	-
Net exposure	490	-	490	155

	2018		2017	
	EUR	USD	EUR	USD
Main exchange rates throughout the year:				
Average exchange rate for the year	9,60	8,13	9,33	8,26
Spot exchange rate on 31 December	9,95	8,69	9,84	8,21

Sensitivity analysis

31. December 2018	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	-	-

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

NOTE 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The company does not normally hedge against changes in the interest rate.

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.

2018	Profit/loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Cash and cash equivalents	320	-320	320	-320
Long-term interest-bearing loans	-63	63	-63	63
Cash flow sensitivity (net)				

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

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 has no defined plan for the purchase of own shares.

In February 2019, Endúr ASA acquired the shares in Endúr Energy Solutions AS, Endúr Industier AS, Endúr PMAE AS and Endúr Services AS.

Taking control of these companies is considered an important milestone in the Group's business development and will largely affect the Group's future returns.

NOTE 4 OPERATING SEGMENTS

Operating segments

Endúr ASA reported in 2018 for the segment Services, of which includes the subsidiaries Endúr Maritime AS and Endúr AAK AS, and the segment Aquaculture, of which includes the subsidiaries Endúr Sjøsterk AS og Endúr Eiendom AS. Other group companies reports as Other.

The figures presented in the segment Aquaculture represents the period from 1 July to 31 december.

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

Services

The Services segment provides maritime service, ship maintenance and services within access technology.

Aquaculture

The Aquaculture segment includes production of concrete barges for the aquaculture industry.

Other

The "other" segment includes unallocated corporate costs.

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.

2018

	Aquaculture	Services	Other	Intra-group eliminations	Total
Operating revenue - external	30 207	193 607	-		223 813
Operating revenue - internal	-	18 858	3 980	-22 838	0
Total operating revenues	30 207	212 465	3 980	-22 838	223 813
Operating profit / loss EBITDA	2 713	-24 343	-18 823	-	-40 453
Depreciation, amortisation	-484	-3 430	-166	-	-4 080
Impairment		-21 000		-	-21 000
Operating profit / loss EBIT	2 229	-48 773	-18 989	-	-65 533
Equity-accounted investees	-	-	-	-	-
Other assets	69 955	192 812	53 535	-74 374	241 928
Liabilities	24 389	57 463	108 473	-74 374	115 951

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	8 756	-16 971	-	-8 215
Equity-accounted investees	-	-	-	-
Other assets	263 735	89 426	-83 888	269 273
Liabilities	70 618	87 081	-83 888	73 810

NOTE 5 SALARIES, FEES, REMUNERATIONS

Payroll expenses	2018	2017
Salaries and holiday pay	100 211	100 329
Employer`s national insurance contribution	14 957	14 626
Share-based payment	1 021	3 486
Pension expenses	4 743	3 120
Other payroll expenses	5 391	5 734
Total	126 322	127 296
Average number of employees	183	201
Numbers of employees 31 Dec.	173	216

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 is occurs.

The contributions recognised as expenses equalled TNOK 4 743 in 2018.

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 2018 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 (CONTUÍNUED)

Remuneration to members of the executive management team

The remuneration of the executive management team for 2018 and 2017 is shown in the tables below.

2018	Base salary	Variable pay	Other benefits	Pension benefit	Total
Nils Ingemund Hoff*	1 675		40	79	1 794
Torgeir Nærø (until november 2018)	1 475		42	72	1 589
Morten Riiser (from november 2018)	172		-	10	182
Øyvind Risnes	1 297		42	69	1 408
Total	4 619	-	124	230	4 973

2017	Base salary	Variable pay	Other benefits	Pension benefit	Total
Torgeir Nærø (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

* CEO 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 Endúr ASA. From 1 July 2017 this engagement agreement was replaced by permanent employment of Nils Hoff as CFO for Endúr ASA. 15 November 2018, Nils Hoff was appointed as CEO for Endúr ASA.

** 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 Endúr ASA. From 1 July 2017 this engagement agreement was replaced by permanent employment of Hans Petter Eikeland as CEO for Endúr ASA. His engagement as CEO ended in november 2017.

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 Endúr 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 (CONTUÍNUED)

Remuneration to the board of directors for the period from ordinary meeting 2017 until ordinary general meeting 2018

Name	Position	Remuneration
Tor Lars Onarheim	Chairman of the Board (until october 2017)	100
Hans Petter Eikeland	Chairman of the Board	300
Kristoffer Nesse Hope	Member of the Board	150
Tove Ormevik	Member of the Board	150
Jorunn Helvik Ingebrigtsen	Member of the Board and Audit Committee	200
Espen Selvikvåg Berge	Member of the Board and Audit Committee	200
Bente Stangeland	Member of the Board and Audit Committee	200
Magnus Stangeland	Deputy member	65

Remuneration to the election and remuneration committee for the period from ordinary meeting 2017 until ordinary general meeting 2018

Name	Position	Remuneration
Andreas Iversen	Leader	20
Henning Nordgulen	Member	20
Linn Cecilie Moholt	Member	20

Share options - group management

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 Endúr ASA at a price equivalent to 50% of average price during the last 30 trading days prior to exercise of the options.

Nils Hoff was granted an option to acquire up to 1 000 000 new shares in Endúr ASA. The options were granted in January 2018.

Øyvind Risnes was granted an option to acquire up to 333 000 new shares in Endúr ASA. The options were granted in November 2017.

See note 20 for further information regarding share options.

Audit fees (All amounts excluding VAT)	2018	2017
Audit services	863	1 150
Other attestation services	455	287
Tax advisory services	82	169
Other non-audit services	117	192
Total	1 517	1 798

NOTE 6 REVENUE

Change in significant accounting policies - IFRS 15 Revenue from Contracts with customers

Endúr has initially applied IFRS 15 from 1 January 2018. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces 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.

IFRS 15 did not have a significant impact on Endúrs accounting policies. The impact on equity from implementing IFRS 15 per 1 January 2018, is immaterial and no transition adjustment is adjusted against equity"

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

	Aquaculture		Services		Total	
	2018	2017	2018	2017	2018	2017
Primary geographical markets						
Norway and the Norwegian Continental Shelf	30 207	-	193 607	272 102	223 813	272 102
Other		-	-	-	-	-
	30 207	-	193 607	272 102	223 813	272 102
Major products / service lines						
Service and maintenance contracts	-	-	179 672	255 899	179 672	255 899
Projects - Concrete barges	30 022	-	-	-	30 022	-
Other	185	-	13 935	16 203	14 120	16 203
	30 207	-	193 607	272 102	223 814	272 102
Timing of revenue recognition						
Products transferred at a point in time	185	-	-	-	185	-
Products and services transferred over time	30 022	-	193 607	272 102	223 629	272 102
	30 207	-	193 607	272 102	223 814	272 102

Performance obligations that are unsatisfied at the reporting date, have an original expected duration of one year or less

CONTRACT BALANCES

	2018	2017
Receivables, wich are included in trade and other receivables	23 962	30 995
Contract assets	17 282	40 590
Contract liabilities	5 814	-

The contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date on service and maintenance contracts. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issue an invoice to the customer.

The contract liabilities relates to the advance consideration received from customers for construction of concrete barges, for wich revenue is recognised over time.

NOTE 7 NET FINANCE COSTS

	2018	2017
Interest income	45	351
Currency gain	92	71
Other financial income	297	-
Finance income	434	421
Interest cost	-1 504	-1 432
Currency loss	-78	-335
Other financial expenses	-726	-1 334
Finance costs	-2 307	-3 100
Net finance costs recognised in the income statement	-1 874	-2 679

NOTE 8 DISCONTINUED OPERATIONS

A cost of MNOK 3.75 was recognised in 2018 related to the share purchase agreement from the sale of Bergen Group Hanøytangen. This cost is presented as "Loss from discontinued operations" in accordance with presentation previous years.

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	2018	2017
Revenue		-	-
Operating expenses		-	-
Operating result (EBIT)		-	-
Net financial items		-3 750	-
Result before taxes from operating activities		-3 750	-
Tax	9	-	-
Net result from operating activities		-3 750	-
Gain on sale of discontinued operation		-	-
Net result from discontinued operations		-3 750	-
Earnings per share - discontinued operations			
Earnings per share (NOK)	10	(0,04)	-
Diluted earnings per share (NOK)	10	(0,04)	-

NOTE 9 TAX

INCOME TAX EXPENSE

	2018	2017
Tax payable		
Tax payable for the year	-	-
Total tax payable for the period	-	-
Changes deferred tax		
Changes in deferred tax	-351	-
Effects of changes in tax rate	-	792
Total changes deferred tax	-351	792
Net tax income / expense on continuing operations	-351	792

RECONCILIATION OF EFFECTIVE TAX RATE

2018

2017

Loss from continuing operations	-67 056	-11 685
Net tax income / expense	-351	792
Loss before tax	-67 407	-10 893
Tax at nominal tax rate	23,0 % -15 504	24,0 % -2 614
Other permanent differences	-8,7 % 5 858	-98,7 % 10 752
Effects of changes in tax rate	-4,5 % 3 013	-7,3 % 792
Effects of temporary differences not recognized	-9,3 % 6 281	74,7 % -8 137
Net tax income / expense for the group	-351	-7,3 % 792

RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES	31.12.17	Recognised in profit or loss - continuing operations	Acquired in business combinations	31.12.18
Non current assets	-6 430	271	673	-5 486
Currents assets	-45 091	-1 920	2 870	-44 141
Provisions	-194	-6 313		-6 506
Pension obligations	-40	40		-
Other differences	-1 445	63		-1 382
Excess values	3 567	-1 189		2 378
Interest deductibility carried forward	-55 597	-		-55 597
Taxable loss carried forward	-157 637	-32 948		-190 585
Total basis related to deferred tax	-262 867	-41 995	3 543	-301 319
Net deferred tax asset	-60 460	-6 632	801	-66 290
Net deferred tax asset - not recognised in the accounts	-40 731	-6 281		-47 011
Net deferred tax asset - recognised in the accounts	-19 729	-351	801	-19 279

NOTE 10 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.

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)

	2018			2017		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit (loss) attributable to ordinary shareholders (basic)	-67 056	-3 750	-70 806	-11 685	-	-11 685

Weighted-average number of ordinary shares (basic)	Date	2018	2017
Issued ordinary shares at 1 January		93 957 685	79 014 342
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
Effect of shares issued	16.05.18	21 004	
Weighted-average number of ordinary shares at 31 December		93 978 689	88 493 714

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.

	2018			2017		
Profit (loss) attributable to ordinary shareholders (diluted)	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit (loss) attributable to ordinary shareholders (basic)	-67 056	-3 750	-70 806	-11 685	-	-11 685
Profit (loss) attributable to ordinary shareholders (diluted)	-67 056	-3 750	-70 806	-11 685	-	-11 685

Weighted-average number of ordinary shares (diluted)	2018	2017
Weighted-average number of ordinary shares (basic)	93 978 689	88 493 714
Weighted-average number of ordinary shares (diluted) at 31 December	93 978 689	88 493 714

At 31 December 2018, 16 200 000 convertible bonds and 1 355 555 options were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

NOTE 11 INTANGIBLE ASSETS

2018

	Research and Development	Licences, patents etc.	Goodwill	Customer relations	Total intangible assets
Acquisition cost 1 Jan. 2018	4 014	9 532	152 213	45 760	211 519
Acquisitions 2018					-
Acquisitions through business combinations			23 952		23 952
Disposals 2018					-
Acc. acquisition cost 31 Dec. 2018	4 014	9 532	176 165	45 760	235 471
Accumulated depreciations as of 1 Jan. 2018	3 891	7 635	-	42 612	54 138
Accumulated impairment losses as of 1 Jan. 2018	-	-	50 000	-	50 000
Current year's depreciations	62	514		1 049	1 625
Impairment loss			21 000		21 000
Disposal in 2018 of acc. depreciations					-
Acc. Amort. and imp. losses 31 Dec. 2018	3 953	8 149	71 000	43 661	126 764
Book value 31. Dec. 2018	61	1 383	105 165	2 099	108 708
Amortisation rates	0 - 20 %	10 %	Impairment	25-30 %	
Amortisation plan	Linear	Linear	test	Linear	

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
Amortisation rates	0 - 20 %	10 %	Impairment	25-30 %	
Amortisation plan	Linear	Linear	test	Linear	

Impairment testing for CGUs containing goodwill

Endúr's goodwill originates from acquisitions in 2007, 2008 and 2018.

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

	2018	2017
Services - Endúr Maritime AS	81 213	102 213
Aquaculture - Endúr Sjøsterk AS	23 952	-
Total goodwill	105 165	102 213

NOTE 11 INTANGIBLE ASSETS (CONTINUED)

Services

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 2019-2021 and an annual growth rate for subsequent periods."

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

Discount rate	11,0 %
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 nor

malised 10 year SWAP rate of 1.9 %, general market risk premium of 5%, small cap premium of 5 %, post-tax cost of debt of 5,3 % and a debt/total capital factor for the peer group of 50%. The nominal tax rate of 22% from 1 Jan. 2019 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.

As a result of losses in 2018, termination of location Straume and limited future volumes related to framework contracts with the Norwegian Armed Forces, the recoverable amount has been considered to be lower than the book value of the cash-generating unit. As a result, a write-down of goodwill of NOK 21 million was recognized in the fourth quarter of 2018.

The following table shows the the sensitivity related to changes in the key assumptions

Sensitivity - changes in key assumptions	Effect recoverable amount	Impairment
Discount rate +1%	-10 348	10 348
Terminal value growth rate -1%	-7 355	7 355
Average EBITDA-margin -0,5%	-6 380	6 380

Aquaculture

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 2019-2021 and an annual growth rate for subsequent periods.

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

Discount rate	11,0 %
Terminal value growth rate	2 %
EBITDA margin	10 - 11 %

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 1.9 %, general market risk premium of 5%, small cap premium of 5 %, post-tax cost of debt of 5,3 % and a debt/total capital factor for the peer group of 50%. The nominal tax rate of 22% from 1 Jan. 2019 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.

The following table shows the the sensitivity related to changes in the key assumptions

Sensitivity - changes in key assumptions	Effect recoverable amount	Impairment
Discount rate +1%	-8 631	-
Terminal value growth rate -1%	-6 122	-
Average EBITDA-margin -0,5%	-4 477	-

NOTE12 PROPERTY, PLANT AND EQUIPMENT

2018

	Land, buildings and quays	Plant and equipment	Operating equipment, fixtures and fittings	Total
Acquisition cost 1 Jan. 2018	677	31 803	11 628	44 108
Acquisitions 2018	718	661	48	1 427
Acquisitions through business combinations	12 827	3 035		15 862
Disposals 2018				-
Acc. acquisition cost 31 Dec. 2018	14 222	35 498	11 676	61 396
Accumulated depreciation as of 1 Jan. 2018	272	28 023	11 011	39 306
Depreciation	654	1 578	223	2 455
Acc. disposal of depreciations during 2018				-
Accumulated depreciation 31 Dec. 2018	926	29 601	11 234	41 761
Accumulated impairment losses as of 1 Jan. 2018	-	-	-	-
Impairment loss				-
Acc. disposal of impairment losses during 2018				-
Accumulated impairment losses 31 Dec. 2018	-	-	-	-
Book value 31 December 2018	13 296	5 898	442	19 635

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
Depreciation rates	0 - 5 %	10 - 33 %	10 - 33 %	
Depreciation plan	Linear	Linear	Linear	

NOTE 13 INVENTORIES

	2018	2017
Purchased finished goods	3 474	4 592
Total	3 474	4 592

	2018	2017
Inventories at 31 Dec. at cost price	4 599	4 717
Inventories at 31 Dec. at net realisable value	-1 125	-125
Total	3 474	4 592

Inventories have been reduced by MNOK 1,125 as a result of the write-down to net realisable value. MNOK 1 of this write-down was recognised as an expense during 2018. Most of the write-downs are related to the closure of the prefab department at Straume.

NOTE 14 RECEIVABLES

TRADE AND OTHER RECEIVABLES	2018	2017
Trade receivables at nominal value	24 102	32 339
Provision for bad debt	-890	-1 345
Trade receivables, net	23 212	30 995
Loans to employees	181	219
VAT receivable	1 402	191
Prepaid expenses	5 227	2 520
Other short-term receivables	80 403	81 066
Provision for bad debt	-76 454	-76 555
Total	33 972	38 435

BAD DEBT PROVISION	2018	2017
Balance as of January 1 under IAS 39	-1 345	-2 307
Adjustment on initial application of IFRS 9	-	-
Balance as of January 1 under IFRS 9	-1 345	-2 307
Provisions made during the year	-676	
Provisions used during the year	904	962
Provisions reversed during the year	227	
Balance as of December 31	-890	-1 345





NOTE 14 RECEIVABLES (CONTINUED)

MATURITY PROFILE OF TRADE RECEIVABLES	2018		2017	
	Gross receivables	Provision for loss	Gross receivables	Provision for loss
Not overdue	17 587		23 350	
Due in 0-30 days	3 470		1 932	
Due in 31-120 days	1 952		3 208	
Due in 121-365 days	770	-566	1 776	
Due in > 1 year *	324	-324	2 073	-1 345
Total	24 102	-890	32 339	-1 345

NOTE 15 CASH AND CASH EQUIVALENTS

	2018	2017
Cash and bank deposits		
Cash and bank deposits - unrestricted funds	24 845	35 469
Cash and bank deposits - restricted funds	7 744	18 273
Total	32 589	53 742
Restricted funds		
Tax withholding accounts	4 156	4 760
Security furnished to customers for payments in advance /		
Escrow-accounts related to historical sales transactions	-	7 520
Security related to guarantees issued	-	2 433
Deposit accounts for non-insured pension obligations	3 588	3 559
Total	7 744	18 273

NOTE 16 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital

In may 2018, 33 333 ordinary shares were issued as a result of the exercise of options arising from the share option programme granted to key management personnel.

The company's share capital as of 31 December 2018 was NOK 93 991 018, divided by 93 991 018 shares, each of par value of NOK 1.00. All shares have equal voting rights.

LIST OF SHAREHOLDERS

SHAREHOLDERS AS OF 31 DECEMBER 2018	NO OF SHARES	HOLDING
BRIAN CHANG HOLDINGS	28 918 110	30,77 %
AS FLYFISK	22 397 940	23,83 %
EIKELAND HOLDING AS	5 823 024	6,20 %
BERGEN KOMM. PENSJONSKASSE	1 500 000	1,60 %
EAGLE AS	1 417 000	1,51 %
PROFOND AS	1 241 111	1,32 %
FRANK ROBERT SUNDE	1 069 716	1,14 %
SPECTATIO FINANS AS	1 016 394	1,08 %
BERGEN EIENDOM INVEST A/S	1 000 000	1,06 %
SØR-VARANGER INVEST AS	916 774	0,98 %
NORDNET LIVSFORSIKRING AS	897 319	0,95 %
MØVIK INVEST AS	876 487	0,93 %
FJ HOLDING AS	833 000	0,89 %
SOTRA KRAN AS	819 826	0,87 %
SVEIN ATLE ULVESETER	773 701	0,82 %
FRIELE CAPITAL AS	740 740	0,79 %
KJELL GUNNAR NES	540 000	0,57 %
BERNHD. BREKKE AS	494 505	0,53 %
KANABUS AS	432 265	0,46 %
HARALD SIG. JACOBSEN	402 000	0,43 %
TOTAL SHARES OWNED BY 20 LARGEST SHAREHOLDERS	72 109 912	76,72 %
OTHER SHAREHOLDERS	21 881 106	23,28 %
TOTAL NUMBER OF SHARES 31.12.2018	93 991 018	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 2018.

NAME	TITLE	OWNERSHIP	NO OF SHARES	HOLDING
Hans Petter Eikeland	Chairman of the Board of Directors	Shares owned by Eikeland Holding AS	5 823 024	6,20 %
Bente Stangeland *	Board member		-	0,00 %
Tove Ormevik	Board member		20 000	0,02 %
Kristoffer Nesse Hope	Board member		-	0,00 %
Jorunn Helvik Ingebrigtsen	Board member		-	0,00 %
Rune Skarveland **	Board member	Shares owned by AS Flyfisk	-	0,00 %
Magnus Stangeland *	Deputy member		22 397 940	23,83 %
Nils Ingemund Hoff	CEO		1 417 000	1,51 %
Øyvind Risnes	Director		117 000	0,12 %
Total shares 31.12.2018 owned by board members and their closely-related parties and executive personnel			29 774 964	31,68 %

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

** Rune Skarveland, elected board member as from 21 December 2018, received shares in Endúr ASA in connection with the merger i february 2019, through his ownership in Eikestø AS, wich is a significant shareholder in Handeland Industri AS.

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

NOTE 17 LOANS AND BORROWINGS

NON-CURRENT LOANS AND BORROWINGS

	2018	2017
Financial lease obligations		168
Convertible loan	16 128	16 117
Secured bank loans	14 813	-
Total	30 941	16 285

CURRENT LOANS AND BORROWINGS

	2018	2017
Credit - purchase of shares in Endúr Energy Solutions AS	6 988	-
Total	6 988	-

TERMS AND REPAYMENT SCHEDULE

	Currency	Nominal interest rate	Year of maturity	Carrying amount 2018
Converible loan	NOK	6 %	2020	16 128
Secured bank loan	NOK	3-4%	2018-2023	14 813
Credit - purchase of shares in Endúr Energy Solutions AS	NOK	5 %	2019	6 988

NOTE 17 LOANS AND BORROWINGS (CONTINUED)

The bank loan is secured by (i) mortgage regarding all shares in Endúr Sjøsterk AS, (ii) collateral in land and buildings in Endúr Eiendom AS, and (iii) security in Endúr Maritime AS's inventories, receivables and other assets.

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.

The loan is fixed at a NOK/EUR currencyrate of 9,20, and is therefore referred to as a loan in NOK

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 Endúr Maritime AS, (ii) collateral in the company's accounts receivables, (iii) collateral in the company's bank accounts; And (iii) security in Endúr Maritime AS's bank accounts, accounts receivable and assets.

EEIM shall, on request from Endúr ASA, give priority to: i) the ratio between equity and total capital of the Group on a consolidated basis and in Endúr Maritime 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 Endúr Maritime 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.

CARRYING AMOUNT OF ASSETS PLEDGED AS SECURITY FOR LIABILITIES

SECURITY	2018	2017
Property, plant and equipment	15 865	3 773
Inventories	3 474	4 592
Contract assets	15 812	35 285
Trade and other receivables	17 533	29 866
Cash and cash equivalents	4 104	26 982

RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Convertible loan	Other loans	Finance lease liabilities
Balance as at 1 January 2018	16 117	-	168
Changes from financing cash flows			
Proceeds from issue of share capital (capital increase)			
Proceeds from loans and borrowings		21 988	
Repayment of borrowings		-187	-168
Total changes from financing cash flows	-	21 801	-168
Other changes	11		
Total liability-related other changes	11	-	-
Total equity-related other changes	-	-	-
Balance at 31 December 2018	16 128	21 801	-

NOTE 18 TRADE AND OTHER PAYABLES

TRADE AND OTHER PAYABLES	2018	2017
Trade creditors	34 669	19 973
Public duties and taxes	11 643	10 313
Holiday-pay allowance	11 039	12 219
Other current liabilities	3 094	6 704
Total	60 445	49 210

NOTE 19 PROVISIONS

SPECIFICATION OF PROVISIONS	Onerous contracts	Other provisions	Total
Balance as at 1 January 2018	-	4 785	4 785
Provisions made during the year	4 700	3 545	8 245
Provisions used during the year		-4 785	-4 785
Provisions reversed during the year			-
Balance as at 31 December 2018	4 700	3 545	8 245

EXPECTED TIMING OF PAYMENT	Onerous contracts	Other provisions	Total
Current	4 700	3 545	8 245
Total	4 700	3 545	8 245

Onerous contracts in the table above relate to subletting of production facilities previously used by the group in its operations related to prefabrication.

NOTE 20 SHARE OPTION PROGRAM

Share 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 Endúr 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.

The options can be exercised from the dates specified below

Period	Number of share options
From 1 march 2019 to 31 december 2019	677 778
From 1 march 2020 to 31 december 2020	677 778
Total	1 355 555

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.

NOTE 20 SHARE OPTION PROGRAM (CONTINUED)

Input	2018
Fair value at grant date	NOK 0,9
Share price at grant date	2,27
Strike price*	50 %
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

*The share price at grant date shall be a price equivalent to 50% of average price during the last 30 trading days prior to exercise of the options.

Reconciliation of outstanding share options	Number of share options
Outstanding options at 1 january	2 233 333
Forfeited during the year	(1 844 445)
Granted during the year	1 000 000
Exercised during the year	(33 333)
Outstanding options at 31 december	1 355 555

None of the options can be exercised on the reporting date.

Expense recognised in profit or loss

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

NOTE 21 FINANCIAL INSTRUMENTS

Change in significant accounting policies - IFRS 9 Financial instruments

IFRS 9 Financial Instruments was adopted on January 1, 2018. The standard supersedes IAS 39 Financial Instruments: Recognition and Measurement and addresses classification and measurements of financial instruments, impairment of financial assets and hedge accounting. Endúr has implemented the standard as of January 1, 2018. The main changes are described below:

- * New classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics
- * Expected credit loss (ECL) method for its trade receivables and contracts assets.

The table below shows the financial assets in the group and how they are classified under IAS 39 and IFRS 9 at the date of transition:

	Original classification under IAS 30	New classification under IFRS 9
Other investments	Available for sale	FVOCI - equity instrument
Trade and other receivables	Loans and receivables	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost

		2018			2017	
Overview of financial instruments in the consolidated balance sheet	Note	Financial assets at amortised cost	Equity investments at FVOCI	Other financial liabilities	Loans and receivables	Other financial liabilities
<i>Financial assets not measured at fair value</i>						
Other investments*			6 988			
Trade and other receivables	14	33 972			38 435	
Cash and cash equivalents	15	32 589			53 742	
<i>Financial liabilities not measured at fair value</i>						
Financial lease liability	17			-		168
Convertible loan	17			16 128		16 117
Loans and borrowings	17			21 801		-
Trade and other payables	18			60 445		49 210
Total		66 560	6 988	98 373	92 177	65 495

*Other investments consists of shares in Endúr Energy Solutions AS

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 31.12.2018 (preliminary)
Endúr Invest AS	Endúr ASA	5160 Laksevåg	606	100 %	1 264	52 610
Endúr Maritime AS	Endúr ASA	5160 Laksevåg	12 378	100 %	-18 347	63 758
Endúr AAK AS	Endúr Invest AS	5160 Laksevåg	3 431	100 %	-6 117	-10 134
Endúr Sjøsterk AS	Endúr Invest AS	5160 Laksevåg	440	100 %	4 059	7 698
Endúr Eiendom AS	Endúr Invest AS	5160 Laksevåg	101	100 %	606	12 755

In July 2018, Endúr Invest AS acquired 100% of the shares in Sjøsterk AS and Sjøsterk II AS, later renamed Endúr Sjøsterk AS and Endúr Eiendom AS. See note 23 for more information regarding the acquisition.

NOTE 23 ACQUISITION OF SUBSIDIARY

In July 2018, Endúr Invest AS acquired 100% of the shares in Sjøsterk AS and Sjøsterk II AS, later renamed Endúr Sjøsterk AS and Endúr Eiendom AS. For the six months ended 31 December 2018, the acquired companies contributed revenue of MNOK 29,5 and profit of MNOK 2,1 to the Group's results.

Consideration transferred

Cash consideration - Endúr Sjøsterk AS	30 478
Cash consideration - Endúr Eiendom AS	13 000
Seller credit	-
Total consideration transferred	43 478

Acquisition-related costs

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

Identifiable assets acquired and liabilities assumed

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

Property, plant and equipment	15 910
Trade receivables and other receivables	39
Cash and cash equivalents	5 997
Deferred tax	-801
Trade payables and other payables	-1 618
Total identifiable net assets acquired	19 527

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.

Goodwill arising from the acquisition has been recognised as follows.

Total consideration transferred	43 478
Fair value of identifiable net assets acquired	(19 527)
Goodwill	23 951

NOTE 23 ACQUISITION OF SUBSIDIARY (CONTINUED)

On February 19, 2019, a merger was carried out in which 97% of the shares in Endúr Energy Solutions AS were merged into Endúr ASA. Endúr Energy Solutions AS owns the subsidiaries Endúr Industrier AS, Endúr PMAE AS and Endúr Services AS.

Taking control of these companies is considered an important milestone in the process of strengthening the Groups position as a supplier of products and services that are competitive within national growth markets. The transaction will strengthen the Groups ownership, enhance its industrial competence and give robustness through presence in several market segments and over a larger geographical area.

The transaction involved a demerger of Endúr Holding AS, where the shares in the subsidiaries and other specified obligations in Endúr Holding AS was acquired by Endúr ASA. The shareholders of Endúr Holding AS received remuneration in the form of 118 650 000 new shares in Endúr ASA. These shares represent 55% of the shares in Endúr ASA.

As the shareholders in Endúr Holding AS holds more than 50% of the shares in Endúr ASA, the business combination will be accounted for as reverse acquisition in accordance with the

rules in IFRS 3. This means that it is the former Bergen Group group that is subject to new measurement at the time of the transaction and that the Groups future financial information will represent a continuation of the condensed financial statements of Endúr Energy Solutions.

The initial accounting for the business combination is incomplete at the time these financial statements are authorised for issue. Disclosures containing information about the identifiable assets acquired and liabilities assumed, are therefore not presented. The fair value of the consideration at the time of the transaction is NOK 129 million, which corresponds to the market price at the time of the transaction.

If the business combination had been completed on 01.01.2018, this would have resulted in pro forma operating revenues for the Group of NOK 401 million, and a pro forma loss of NOK 77 million in 2018.

For further information, reference is made to the information memorandum which was issued and announced on 14 December 2018.

NOTE 24 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

	2018	2017
Leases that expire within one year	10 189	9 776
Leases that expire in one to five years	19 577	23 223
Leases that expire in more than five years	3 234	9 374
Total	33 000	42 373

NOTE 25 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. No material transactions with related parties have taken place during 2018.

NOTE 26 SUBSEQUENT EVENT

On February 20, 2019, the market was informed that all conditions for the completion of the previously announced transaction with Endúr Holding (owner of Endúr Fabricom AS) had been fulfilled, and that the merger between Bergen Group and Endúr Holding AS had thus been completed.

In connection with the merger, a capital reduction was carried out in Endúr ASA in that the nominal value was reduced to NOK 0.01 per share.

In connection with the settlement of the merger with Endúr Holding AS, Bergen Group ASA's share capital was increased by NOK 1,186,500 by issuing 118,650,000 new shares, each with a nominal value of NOK 0.01, at a subscription price of NOK

0.01 per share. The exchange ratio of 79.1 shares in Bergen Group ASA for each share in Endúr Holding AS entails a value of NOK 1.44 for each share in Bergen Group ASA, on a fully diluted basis.

The transaction was completed and finalized in accordance with the assumptions on which all the boards of the companies involved adopted the merger plan, cf. the stock exchange announcement sent on November 15, 2018.

In connection with the merger, the group's name was changed from Bergen Group ASA to Endúr ASA with effect from 20 February 2019. The company's ticker on Oslo Børs was changed from BERGEN to ENDÚR from 21 February.

NOTE 27 ALTERNATIVE PERFORMANCE MEASURES

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. Endúr 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. Endúr presents EBITDA in key figures on page 3 of the annual report and in note 4 Operating Segments."

EBITDA-MARGIN

EBITDA-margin is calculated by EBITDA/ Operating revenue. Endúr 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. Endúr 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 prof-

itability measure expresses how much profit the group generates with the money shareholders have invested. Endúr 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. Endúr 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. Endúr 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. Endúr presents Net Interest-Bearing Debt 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. Endúr presents Current Ratio in key figures on page 3 of the annual report.



INCOME STATEMENT PARENT COMPANY NOTE

N-GAAP
2018N-GAAP
2017

Other operating revenue		-	44
Operating revenue		-	44
Payroll expenses	2	-8 657	-8 662
Other operating expenses	2	-8 420	-9 230
Operating expenses		-17 077	-17 893
Operating profit/loss		-17 077	-17 848
Financial income	3	106	377
Financial expenses	3	-6 649	-4 215
Net financial items		-6 543	-3 838
Loss before tax		-23 620	-21 686
Tax	4	-792	-474
Profit/Loss		-24 412	-22 160

BALANCE SHEET - PARENT COMPANY

NOTE

N-GAAP
2018N-GAAP
2017

ASSETS

Deferred tax assets	4	10 103	10 894
Investments in group companies	5	134 460	134 223
Total non-current assets		144 562	145 117

Other receivables		733	812
Receivables from group companies	8	-	70
Cash and cash equivalents		3 892	11 895
Total current assets		4 625	12 777

Total assets		149 188	157 894
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EQUITY AND LIABILITIES

Equity

Share capital	6, 7	93 991	93 958
Share premium	7		13 704
Other paid-in equity	7		20 639
Retained earnings	7	-26 433	-37 385
Equity		67 558	90 916

Liabilities

Liabilities to group companies	8	56 011	39 581
Convertible loan	9	16 128	16 117
Other non-current liabilities		3 518	3 490
Total non-current liabilities		75 658	59 188

Liabilities to group companies	8		113
Trade payables		3 305	1 789
Other short term liabilities		2 667	5 888
Total current liabilities		5 972	7 790

Total liabilities		81 629	66 978
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Total equity and liabilities		149 188	157 894
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Bergen, 9th April 2018


Rune Skarveland



Hans Petter Eikeland
(Chairman of the Board of Directors)



Bente Stangeland



Nils Hoff
CEO



Kristoffer Hope



Jorunn Ingebrigtsen



Tove Ormevik

CASHFLOW STATEMENT - PARENT COMPANY

NOTE

N-GAAP
2018N-GAAP
2017*Cash flow from operational activities*

Loss before tax		-24 412	-22 160
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Loss before tax		-24 412	-22 160
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Adjustments for:

Income tax expense	4	792	474
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Share option expense		784	3 228
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Write down of shares in subsidiaries		-	343 254
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Reversal of write down intercompany receivables		-	-343 254
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Changes in:

Trade receivables		-	-
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Trade payables		1 515	-2 893
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Other current accruals		-3 103	-8 898
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Net cash from operating activities		-24 424	-30 248
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Cash flow from investments activities

Disposal of other investments			-
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Acquisition of other investments			-
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Net cash from investments activities		-	-
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Cash flow from financing activities

Repayment of borrowings			-20 005
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Proceeds from private placement		33	28 648
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Proceeds from merger			7 524
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Net changes in intercompany balances		16 388	18 188
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Net cash from financing activities		16 421	34 355
---	--	---------------	---------------

Net change in cash and cash equivalents		-8 003	4 106
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Cash and cash equivalents as per 1.1		11 895	7 789
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Cash and cash equivalents as per 31.12		3 892	11 895
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Of which is restricted cash as per 31.12		3 677	11 378
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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 2018, 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 regard- less 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	2018	2017
Salaries and holiday pay	4 892	3 182
Employer`s national insurance contribution	853	671
Share-based payment	784	3 228
Pension expenses	211	143
Other payroll expenses	1 918	1 437
Total	8 657	8 662
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.

See note 20 in the group financial statements for information regarding share options.

REMUNERATION TO THE AUDITOR (All amounts excluding VAT)	2018	2017
Audit services	537	842
Other attestation services	386	266
Tax advisory services	53	76
Other non-audit services	78	119
Total	1054	1 303

NOTE 3 NET FINANCIAL ITEMS

	2018	2017
Other interest income	16	312
Other financial income	89	65
Income from investments in subsidiaries	-	-
Financial income	106	377
Interest expenses to group companies	-1 503	-1 849
Other interest expenses	-1 071	-1 264
Other financial expenses	-324	-1 102
Loss - sale of shares	-3 750	-
Reversal of write-down of intercompany receivables		343 254
Write-down of shares in subsidiaries		-343 254
Financial expenses	-6 649	-4 215
Net financial items	-6 543	-3 838

NOTE 4 TAXES

	2018	2017
Result before taxes	-23 620	-21 686
Permanent differences	4 534	109
Changes in temporary differences	1	-4 649
Change in losses carried forward	19 085	26 225
Basis for taxes payable	-0	-
Taxes payable 23% (24% in 2017)	-	-

THE TAX EXPENSES FOR THE YEAR IS CALCULATED AS FOLLOWS

	2018	2017
Taxes payable	-	-
Taxes payable on group contribution	-	-
Net change in deferred tax/ tax asset	792	474
Tax expense for the year	792	474

RECOGNISED DEFERRED TAX ASSETS	31.12.17	Recognised in the income statement	31.12.18
Temporary differences	-8 184	-1	-8 185
Interest deductibility carried forward	-38 869		-38 869
Loss carried forward	-30 770	-19 085	-49 855
Total basis related to deferred tax assets	-77 822	-19 086	-96 908
Net deferred tax assets	-17 899	-3 421	-21 320
Net deferred tax assets - not recognised in the accounts	-7 005	-4 213	-11 217
Net deferred tax assets - recognised in the accounts	-10 894	792	-10 103

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
Endúr Invest AS	Endúr ASA	133 950	100 %	1 264	52 610	99 477
Endúr Maritime AS	Endúr ASA	606	100 %	-18 347	63 758	34 982
Total						134 459

The subsidiaries' registered office is 5160 Laksevåg.

NOTE 6 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital

In may 2018, 33 333 ordinary shares were issued as a result of the exercise of options arising from the share option programme granted to key management personnel.

The company's share capital as of 31 December 2018 was NOK 93 991 018, divided by 93 991 018 shares, each of par value of NOK 1.00. All shares have equal voting rights.

LIST OF SHAREHOLDERS

SHAREHOLDERS AS OF 31 DECEMBER 2018	NO OF SHARES	HOLDING
BRIAN CHANG HOLDINGS	28 918 110	30,77 %
AS FLYFISK	22 397 940	23,83 %
EIKELAND HOLDING AS	5 823 024	6,20 %
BERGEN KOMM. PENSJONSKASSE	1 500 000	1,60 %
EAGLE AS	1 417 000	1,51 %
PROFOND AS	1 241 111	1,32 %
FRANK ROBERT SUNDE	1 069 716	1,14 %
SPECTATIO FINANS AS	1 016 394	1,08 %
BERGEN EIENDOM INVEST A/S	1 000 000	1,06 %
SØR-VARANGER INVEST AS	916 774	0,98 %
NORDNET LIVSFORSIKRING AS	897 319	0,95 %
MØVIK INVEST AS	876 487	0,93 %
FJ HOLDING AS	833 000	0,89 %
SOTRA KRAN AS	819 826	0,87 %
SVEIN ATLE ULVESETER	773 701	0,82 %
FRIELE CAPITAL AS	740 740	0,79 %
KJELL GUNNAR NES	540 000	0,57 %
BERNHD. BREKKE AS	494 505	0,53 %
KANABUS AS	432 265	0,46 %
HARALD SIG. JACOBSEN	402 000	0,43 %
TOTAL SHARES OWNED BY 20 LARGEST SHAREHOLDERS	72 109 912	76,72 %
OTHER SHAREHOLDERS	21 881 106	23,28 %
TOTAL NUMBER OF SHARES 31.12.2018	93 991 018	100,00 %

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 2018.

NAME	TITLE	OWNERSHIP	NO OF SHARES	HOLDING
Hans Petter Eikeland	Chairman of the Board of Directors	Shares owned by Eikeland Holding AS	5 823 024	6,20 %
Bente Stangeland *	Board member		-	0,00 %
Tove Ormevik	Board member		20 000	0,02 %
Kristoffer Nesse Hope	Board member	Shares owned by AS Flyfisk	-	0,00 %
Jorunn Helvik Ingebrigtsen	Board member		-	0,00 %
Rune Skarveland **	Board member		-	0,00 %
Magnus Stangeland *	Deputy member		22 397 940	23,83 %
Nils Ingemund Hoff	CEO		1 417 000	1,51 %
Øyvind Risnes	Director	Shares owned by Eagle AS	117 000	0,12 %
Total shares 31.12.2018 owned by board members and their closely-related parties and executive personnel			29 774 964	31,68 %

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

** Rune Skarveland, elected board member as from 21 December 2018, received shares in Endúr ASA in connection with the merger i february 2019, through his ownership in Eikestø AS, wich is a significant shareholder in Handeland Industri AS.

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
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
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
2018					
Equity 01.01.2018	93 958	13 704	20 639	-37 384	90 916
Result for the year				-24 412	-24 412
Capital increase (cash proceeds)	33				33
Effect share options				1 021	1 021
Other changes		-13 704	-20 639	34 343	-
Net changes 2018	33	-13 704	-20 639	10 951	-23 358
Equity 31.12.2018	93 991	-	-	-26 432	67 558

NOTE 8 INTERCOMPANY BALANCES, TRANSACTIONS WITH RELATED PARTIES

RECEIVABLES	2018	2017
Long-term receivables	-	-
Short-term receivables	-	70
Total	-	70
LIABILITIES		
Long-term liabilities	56 011	39 581
Short-term liabilities	-	113
Total	56 011	39 694

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
Endúr Invest AS	Interests	-	565
Endúr Maritime AS	Interests	-	939
Total		-	1 503

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	31.12.18		31.12.17	
	EUR	USD	EUR	USD
Bank	-	-	-	205
Trade creditors	-	-	-	-
Balance sheet exposure	-	-	-	205
Estimated need for future sales	-	-	-	-
Estimated need for future purchases	-	-	-	-
Cash flow exposure	-	-	-	-
Forward exchange contracts	-	-	-	-
Net exposure	-	-	-	205
Main exchange rates throughout the year:	2018		2017	
	EUR	USD	EUR	USD
Average exchange rate for the year	9,60	8,13	9,33	8,26
Spot exchange rate on 31 December	9,95	8,69	9,84	8,21

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 2018

We confirm, to the best of our knowledge, that the financial statements for the period from 1 of January to 31 of December 2018 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, 9th April 2019

The Board of Directors and CEO of Endúr ASA

A handwritten signature in black ink, appearing to read "Rune Skarveland".

Rune Skarveland

A handwritten signature in black ink, appearing to read "Hans Petter Eikeland".

Hans Petter Eikeland
(Chairman of the Board of Directors)

A handwritten signature in black ink, appearing to read "Bente Stangeland".

Bente Stangeland

A handwritten signature in black ink, appearing to read "Nils Hoff".

Nils Hoff
CEO

A handwritten signature in black ink, appearing to read "Kristoffer Hope".

Kristoffer Hope

A handwritten signature in black ink, appearing to read "Jorunn Ingebrigtsen".

Jorunn Ingebrigtsen

A handwritten signature in black ink, appearing to read "Tove Ormevik".

Tove Ormevik



BDO AS
Munkedamsveien 45
P.O. Box 1704 Vik
N-0121 Oslo

Independent Auditor's Report

To the General Meeting in Endúr ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Endúr ASA.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2018, the income statement, statement of changes in equity and cash flows 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 2018, and income statement, statement of changes in equity and cash flows 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 Endúr ASA as at 31 December 2018, 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 give a true and fair view of the financial position of the group Endúr ASA as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the 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 2018. 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 the key audit matter	How the key audit matter was addressed in the audit
<p>Impairment of goodwill</p> <p>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 2018, goodwill amounting to NOK 105 million represents 43 % of total assets.</p> <p>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.</p> <p>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.</p> <p>We refer to note 11 to the consolidated financial statements which presents an impairment loss of NOK 21 million for the year ended 31 December 2018.</p> <p>The Group's accounting policy regarding impairment of intangible assets is disclosed in note 2.13 to the consolidated financial statements.</p>	<p>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.</p> <p>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.</p> <p>In addition, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • 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 <p>Furthermore, we have evaluated the adequacy of the disclosures provided in the notes covering impairment.</p>

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report 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 and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

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 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's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.



Oslo, 25 April 2019
BDO AS

Børre Skisland
State Authorised Public Accountant

Note: Translation from Norwegian prepared for information purposes only.

ENDÚR ASA

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Further contact info is available on the company's home page.