



BERGEN GROUP

QUALITY THROUGH SERVICE AND INNOVATION

INTERIM REPORT
2017 : Q1



Bergen Group ASA

Interim Report Q1 2017

Strong growth in revenue and earnings In Q1 2017

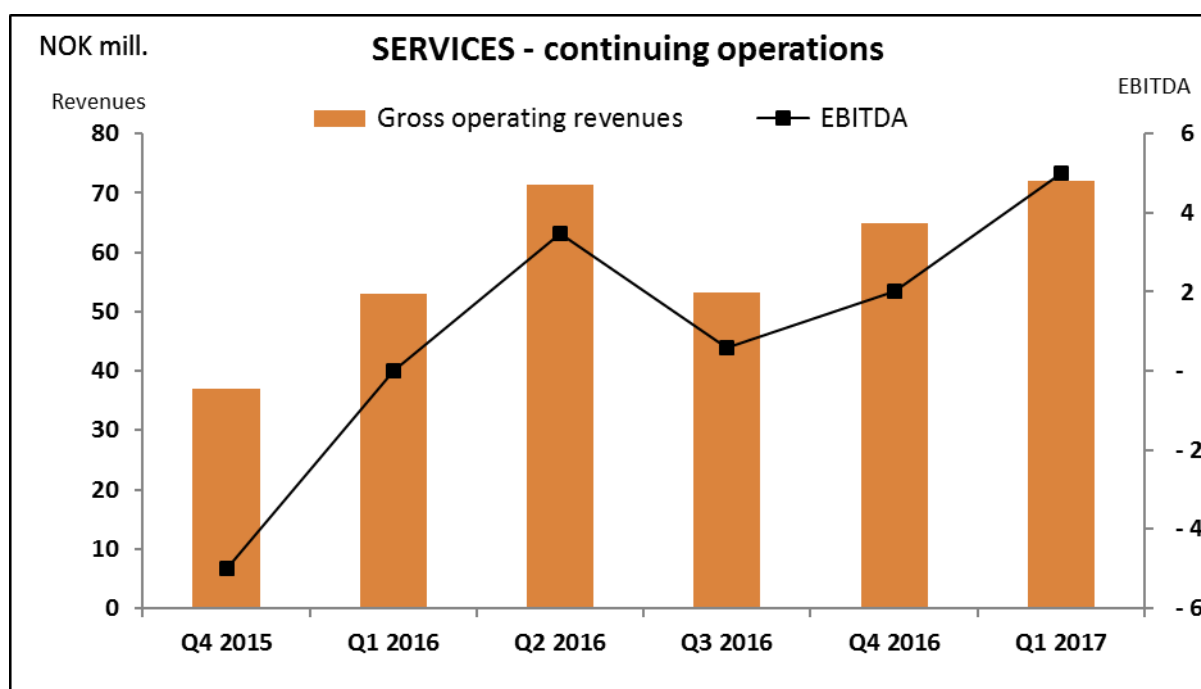
- Turnover of NOK 72 million (NOK 53 million in Q1 2016)
- Operating profit (EBITDA) of NOK 5 million corresponding to 7.0% of the revenue. (NOK 2 million, corresponding to 3.7.% of the revenue in Q1 2016)
- Profit after tax of NOK 3 million (NOK -0.3 million in 2016)
- Order books of NOK 151 million (NOK 186 per 31 March 2016)

Strategic cooperation established - will contribute to growth

- Strategic collaboration established with AAK Energy Services AS
- Access to complementary knowledge and expertise
- Strengthens Bergen Group's position within established market areas
- Opens the use of established competence towards new market areas.

Successful subsequent offering - Strengthened financial platform

- Successful subsequent offering was completed on 31 March 2017
- Fully utilized subsequent offering, over-subscribed by 470%, with a gross proceeds of NOK 5.3 million to the company.
- Equity ratio of 59 percent as of 31 March 2017.
- Positive cash flow in the quarter of NOK 1 million.



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

Financial Review

This interim report has been developed according to IAS 34 "Interim Financial Reporting", and follows the same accounting principles as the annual accounts for 2016. Comparative figures for Q1 2016 has been revised due to changes in the income statement and the balance sheet from unaudited interim report for Q1 2016 until final audited annual report for 2016.

Continued operations as of 31 March 2017 consist of the companies Bergen Group Services AS, Bergen Group Management AS, Bergen Group Technology AS and Bergen Group ASA.

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

Profit and loss statement Q1 2017

Bergen Group recorded total revenues of NOK 72 million in Q1 2017, compared to NOK 53 million in Q1 2016. Net profit from operations (EBITDA) in Q1 2017 was NOK 5.0 million, compared to NOK 2.0 million in Q1 2016.

After total depreciation of NOK 1.3 million, earnings before interest and taxation (EBIT) in Q1 2017 was NOK 3.6 million, compared to NOK 0.3 million in Q1 2017.

Net financial items was NOK -0.5 million in Q1 2017, compared to NOK -0.6 million in Q1 2016.

Earnings before Tax (EBT) was NOK 3.1 million in Q1 2017, compared to NOK -0.3 million in Q1 2016. Net profit was NOK 3.1 million in Q1 2017, compared to NOK -0.6 million in Q1 2016 (including discontinued operations in Q1 2016).

Balance sheet and cash flow per Q1 2017

Total assets for Bergen Group were NOK 302 million per end Q1 2017. The Group's receivables at end of Q1 2017 were NOK 89 million, whereas bank deposits were NOK 37 million.

Interest bearing debt was NOK 36.3 million at end of Q1 2017, of which NOK 16.3 million is a convertible loan, compared to interest bearing debt of NOK 43.5 million at end Q1 2016. Bergen Group's book equity end Q1 2017 was NOK 178.6 million, equal to an equity ratio of 59.1 %.

Bergen Group generated a net positive cash flow of NOK 0.8 million in Q1 2017. Cash flow from operations activities was positive NOK 0.8 million, including net changes in other current assets and liabilities of NOK 4.8 million. Cash flow from investment activities was neutral at NOK 0.3 million. Cash flow from financing activities are also considered neutral at NOK -0.3 million. Debt instalment relates to debt transferred from short term to long term debt.

Reporting segments

This interim report reports for the following independent segments:

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

SEGMENT SERVICES	Q1	Q1	YTD	YTD
	2017	2016	2017	2016
Operating revenue*	70 792	53 294	70 792	53 294
EBITDA	6 689	4 316	6 689	4 316
Depreciation, amortisation	(305)	(1 641)	(305)	(1 641)
Impairment	-	-	-	-
EBIT from continuing operations	6 385	2 675	6 385	2 675
EBIT from discontinued operations	-	(135)	-	(135)
Order backlog	151 000	186 000	151 000	186 000

*Figures for revenues excludes intercompany eliminations

As of 31 March 2017, the Group's operative activity is exercised through the wholly owned subsidiary Bergen Group Services AS, which focuses on the three market areas Energy & Industry, Maritime and Defense.

Bergen Group Services AS had a quarter of very high activity within the majority of the company's business areas. Revenue of NOK 71 million in the quarter represents an increase of activity in excess of 30% compared to the same quarter last year. Operating profit (EBITDA) increased by NOK 3 million compared with the corresponding quarter last year. The positive profitability trend is attributable to high capacity utilization combined with a continuous focus on the best possible balance between production capacity and the amount of orders.

The strong sales growth is mainly related to ship maintenance and maritime services. The customer base within these market areas are highly varied and the economic downturn associated with offshore industry has limited effect on the activity. The activity is based on a combination of long-term framework agreements with civilian and military customers, as well as framework and service agreements with national and international suppliers.

For many years, the company has acquired solid expertise in implementing complex maintenance and service projects for both civilian and military customers. The primary market is Western Norway, but the extent of travel-based missions elsewhere in the country and towards offshore installations has shown an increasing trend in the second half of 2016 and in the 1st quarter 2017.

The market area Energy & Industry, which through much of 2016 was affected by low activity and challenging competition, has increased activity in the first quarter of 2017. This market area is still considered to be characterized by relatively short-term assignments and fierce competition. The strategic cooperation with AAK Energy Services AS (discussed in the section "Strategic measures in Q1 2017") is expected to contribute to increased activity for the Energy & Industry market, both towards existing and new markets.

SEGMENT OTHER	Q1	Q1	YTD	YTD
	2017	2016	2017	2016
Operating revenue	1 010	1 010	1 010	1 010
EBITDA	(1 670)	(2 320)	(1 670)	(2 320)
Depreciation, amortisation	(1 079)	(53)	(1 079)	(53)
Impairment	-	-	-	-
EBIT from continuing operations	(2 749)	(2 373)	(2 749)	(2 373)

Strategic measures in Q1 2017

In February 2017, Bergen Group ASA established a strategic partnership with AAK Energy Services AS. This company, headquartered in Kokstad in Bergen, are experts in access solutions related to maintenance and modification work in environments characterised by demanding access.

Bergen Group has a clear growth strategy that also includes various forms of strategic cooperation with companies which will add on to the group's competitive strength. The collaboration with AAK Energy Services gives Bergen Group access to an attractive cutting edge expertise in access solutions and operations at the height, and will help strengthen the company's position towards delivering demanding assignments related to maritime service and ship maintenance. The cooperation with AAK is also expected to increase Bergen Group's attractiveness in new areas such as onshore and offshore wind turbines.

AAK Energy Services AS has traditionally had its main focus on offshore related activities. In recent years, this has been a very challenging market with weak profitability for most of the industry. During the past year, the company has positioned itself against various land-based projects, among other things by being awarded technical and safety-critical assignments in connection with the maintenance of bridges for the Norwegian Public Roads Administration.

Following the strategic cooperation agreement, Bergen Group ASA, through its wholly owned subsidiary Bergen Group Management AS, has granted a convertible loan to AAK Energy Services AS limited to NOK 6.0 million and divided into two separate tranches of up to NOK 3 million for payment in respectively 1st and 2nd quarter of 2017. The loan expires on December 29, 2017, and is secured with 1st priority in AAK's assets. Reference is made to stock exchange announcement distributed 21 February 2017, as well as note 8, for further details about the loan.

QHSE

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

In the first quarter of 2017, the Group had one reportable personal injury among its own employees. In January, an employee suffered fracture in the ankle after falling on the slippery surface. Cause analysis has been carried out and corrective measures have been implemented after the incident.

A major customer of Bergen Group Services AS conducted a supplier audit in the field of machining in Q1. The feedback of the audit was positive, and a deviation was reported that was closed and approved by the customer.

The company has continued focus on reporting improvement proposals and observations. Along with risk assessments, reporting is used for preventive work. The number of registrations in the event register in the 1st quarter is considered satisfactory according to the target.

HR / Personnel

As of March 31, 2017, there were a total of 142 permanent employees in Bergen Group, which represents a minor net increase compared with the previous quarter. Bergen Group is focusing a continuous competence and capacity adjustment in order to meet fluctuations in market development and operational activities. During the first quarter of the year, there have been used layoffs in the Energy & Industry market area. In ship technical disciplines within maritime service, new recruits have taken place during the quarter.

Bergen Group operates within market areas that are partly independent of each other, but in several areas coincide with competence requirements and requirements for available capacity. The company has a special focus on ensuring the best possible coordination of resource use and production capacity between the different operational units.

The average sick leave among all employees in Q1 was 3.7% (short-term leave) and 4.8% (long term leave). Total sick leave in the quarter was 8.7%. This is somewhat above the corresponding quarter last year (6.9%).

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

Apprentices: Bergen Group focuses on further developing capacity and competence within the various market areas that are considered strategically important. One of the priority measures is to pursue an active apprenticeship policy towards the subjects considered strategically important. During 2016, 4 new apprenticeships were entered into, as well as one adult apprenticeship. By the end of the year 7 employees had apprenticeships, including one adult apprentice. The company considers an active apprenticeship scheme strategically important.

Group Management

At the beginning of March 2017, the Board of Bergen Group ASA made an agreement with Hans Petter Eikeland and Nils Hoff on permanent employment as respectively CEO and CFO in Bergen Group ASA, as from the date when their current engagements contract expire in June 2017. The Board of Bergen Group ASA is pleased that Eikeland and Hoff both have accepted to continue in permanent positions.

Eikeland was engaged as CEO of Bergen Group ASA in August 2015 to lead the company through a demanding restructuring phase that would lay the foundation for profitable growth in remaining operations. At the same time Nils Hoff was temporarily engaged as CFO to assist in the restructuring process.

Risks and uncertainty

Bergen Group ASA is exposed to risk of both operational and financial nature. The Board and Audit Committee of Bergen Group ASA has a strong focus on ethics and risk management, and efforts are being made to reduce the Group's overall risk exposure. The main risk factors are financial risk and project risk, including general counterparty risk in today's market.

Financial risk includes credit risk, market risk and liquidity risk. The financial risk overview that have been communicated to the market through the latest quarterly reports is considered significantly reduced by the extensive restructuring and refinancing process completed at the end of Q4 2016.

Project risk has previously represented a major risk factor for Bergen Group, primarily due to the Group's previous acquisition of large and comprehensive projects in shipbuilding and rigging upgrades. As of May 2017, the group has a limited risk exposure to individual projects.

In February 2017, Bergen Group granted a convertible loan to AAK Energy Services AS limited to NOK 6.0 million. The loan expires on 29 December 2017, and is secured by 1st priority in AAK's assets. The risk of the loan is considered to be very limited as of 11 May 2017. See Note 8 for further details on the loan.

In addition to an ongoing general operational risk, the Board considers that as of May 11, 2017 there are no major risk factors that significantly affect the Group.

Related parties

In Q1 2017 there has not been any transactions or significant agreements entered into with any related parties.

As a part of the refinancing completed at the end of December 2016, a short-term loan of NOK 20 million on favourable terms was given from the two main shareholders Brian Chang Limited and AS Flyfisk, ref. stock exchange announcement made 28 December 2016. As of 11 May this loan has been redeemed with NOK 9 million, in accordance with the loan agreement. The loan will be reimbursed at the end of Q2 2017.

Share capital and shareholder information

Subsequent offer: On March 17, 2017, a subsequent offer was opened based on the authorization given at the Extraordinary General Meeting held on November 17, 2016. The subsequent offer, based on the same subscription price as in the Private placement completed in Q4 2016, was completed 31 March and added gross proceeds of NOK 5.3 million to the company. The shares from the subsequent offer were listed as from April 7, 2017. Following the capital increase from the subsequent offer, the registered share capital of the company as of April 7, 2017 is NOK 83,416,078, divided by 83,416,078 shares, each with a nominal value of NOK 1.00.

Stock traders and share price: In the first quarter of 2017 a total of 9,554 transactions were carried out in the company's shares, with a total volume of 41.6 million shares. Corresponding figures in the fourth quarter of 2016 were 1,374 transactions and 9.85 million shares in total volume.

During the first quarter of 2017, the company's shares were traded at prices between NOK 1.76 and NOK 4.38 (NOK 1.19 and NOK 2.23 in Q4 2016). The closing price on March 31, 2017 was NOK 2.22 (NOK 1.93 at the end of Q4 2016). This, taking into accounts the shares from the repurchase rights, values the company's market value in the stock market to NOK 185 million at the end of Q1. The shares from the subsequent offer were listed as of April 7, 2017.

Allotment of options: On 17.03.2017, the Board of Directors granted Eikeland Holding AS, owned by CEO Hans Petter Eikeland and Eagle AS, owned by CFO Nils Ingemund Hoff, 1 million options each. The options entitle the holder to subscribe for shares at face value and must be exercised by 01 June 2017. The terms related to exercise of the options are linked to the final implementation and registration of capital increase related to repurchase rights. This took place on 7 April 2017 and the terms are thus deemed fulfilled in Q2 2017. As both the recovery date and the exercise period fall within Q2 2017, the possible impact on earnings will be recorded in Q2. Estimated earnings effect is MNOK 3.04 based on market price at the grant date.

Shareholders: During the past year, Bergen Group ASA had a substantial increase in the number of shareholders. As of listing of new shares on April 7, 2017, the company had 1,268 shareholders, of which the 20 largest owned 82.9%. By comparison, the company had 1,024 shareholders as at 31 December 2016. An updated overview of the company's 20 largest shareholders is available on the company's IR pages at www.bergengroup.no.

Subsequent events

There have been no events after the balance sheet date, which is assumed to have any impact on the valuation that appears in the accounting figures in this report, other than those reflected in note 13.

Future outlook

Bergen Group Services has strong and profitable operational activity related to the company's expertise within complex maritime service projects. The Board of Bergen Group ASA considers this business to have a well-established market position. The company will continue to focus heavily on ship maintenance and maritime services combined with service and prefab supplies towards land-based industry.

The main business is linked to the company's extensive capacity and expertise in ship technical maintenance on vessels and maintenance and repair of diesel engines that are used for demanding maritime operations, which impose extra high demands on reliability and service quality.

Bergen Group has for many years focused on establishing long-term framework agreements with national and international players in maritime industry. The company has extensive framework agreements with both the Armed Forces and the Norwegian Sea Rescue Company on various maritime services. The long-term framework agreements that came into place with Volvo Penta and Marine Jet Power AB in the fourth quarter of 2015, have increased the company's activity through 2016 and further growth from these framework agreements is expected in 2017.

The company has also taken steps to expand its activities towards the oil and gas industry to include a market covering the entire energy sector, including renewable energy. Part of the extensive expertise that Bergen Group has built up on complex maritime service projects for a long time will also be useful towards the future 'green' energy market. The strategic cooperation initiated in February 2017 with AAK Energy Services AS is expected to have a positive effect on the company's growth ambitions, also within new market areas.

Bergen Group aims to be an attractive industrial group with a strong position as a supplier of services and solutions to both the offshore and onshore markets. The Group has a strong focus on assessing alliances and forms of collaboration with other companies, where complementary activities and potential for synergy, increased market position and entry into new market areas can be found.

Order books: At the end of Q1 2017, Bergen Group had an order backlog of NOK 152 million, compared to NOK 172 million as at 31 December 2016. The largest single contract awarded in Q1 2017 was a one-year extension of seven framework contracts on various disciplines related to service and maintenance on military vessels. In four of these disciplines Bergen Group Services AS has status as No. 1 supplier. The total value of this contract extension is estimated at approx. NOK 15-20 million for the period running until March 2018. The main part of the revenues from these framework contracts is expected to be recognized in the second half of 2017.

The two market areas Maritime and Energy & Industry, both of which primarily operates in the spot market, had a net increase in the order reserve in the quarter. The order books within Maritime service is based on a number of different customers and thus considered robust.

Parts of the remaining order value of the existing contracts related to the frigate maintenance will not generate operational activity before second half of 2017. The tender process for a renewal of the maintenance contract on the frigates, valid from 1 July 2017, is expected to be completed by the end of Q2 2017.

The order books as at 31 March 2017 does not include the value of options related to existing contracts.

Bergen, 11 May 2017

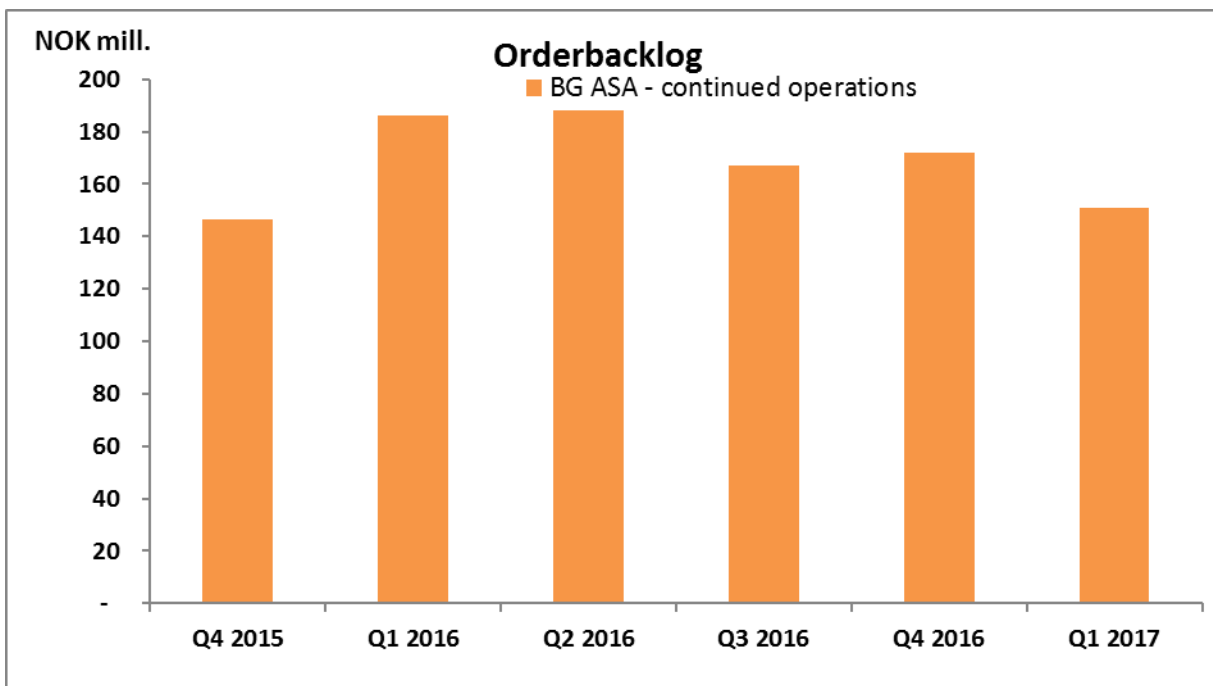
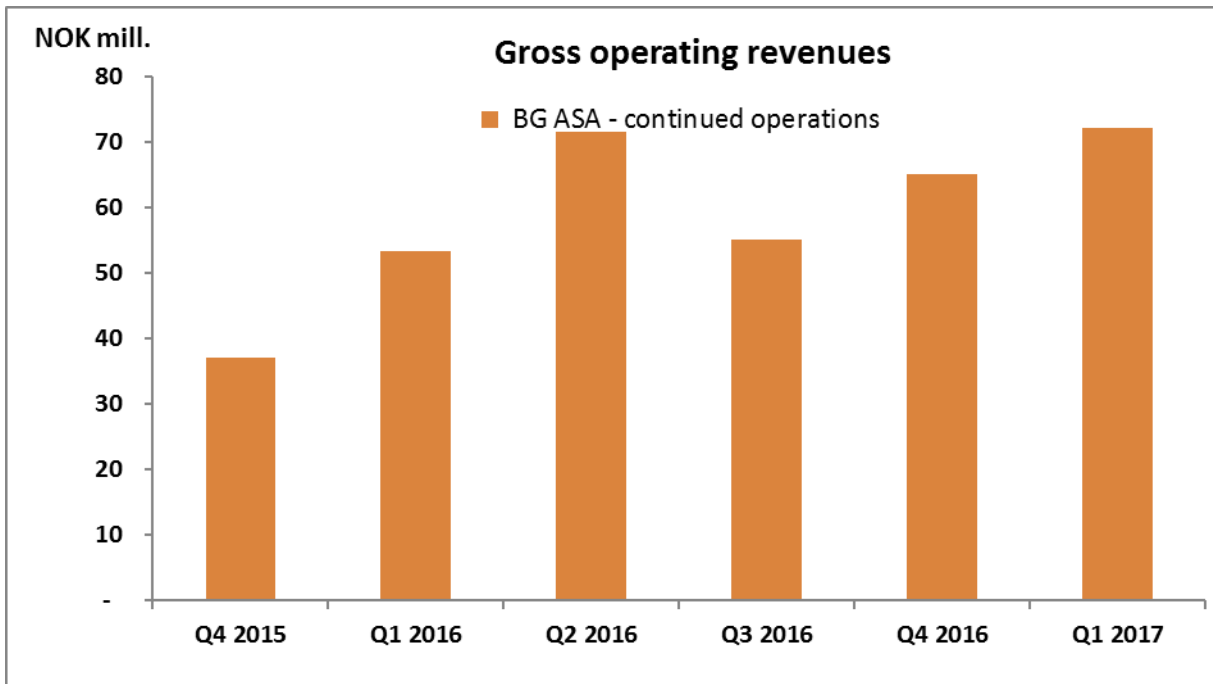
The board of directors and the CEO of Bergen Group ASA

Tor Lars Onarheim, chairman
Tove Ormevik
Kristoffer Hope, employee repr.

Espen Berge
Bente Stangeland
Jorunn Ingebrigtsen, employee-repr.

Hans Petter Eikeland, CEO

Quarterly consolidated development Bergen Group



CONSOLIDATED INCOME STATEMENT (unaudited)		Q1	Q1	YTD	YTD
	NOTE	2017	2016	2017	2016
Continuing operations					
Operating revenue	4	71 802	53 299	71 802	53 299
Cost of sales		(29 607)	(19 881)	(29 607)	(19 881)
Payroll expenses		(27 660)	(23 790)	(27 660)	(23 790)
Other operating expenses		(9 514)	(7 631)	(9 514)	(7 631)
Operating result before depreciations and write-down	4	5 020	1 996	5 020	1 996
Depreciations		(1 384)	(1 694)	(1 384)	(1 694)
Write-down		-	-	-	-
Operating result (EBIT)	4	3 636	302	3 636	302
Financial income		258	1 033	258	1 033
Financial expenses		(770)	(1 676)	(770)	(1 676)
Result before taxes		3 124	(341)	3 124	(341)
Taxes		-	-	-	-
Result after taxes from continuing operations		3 124	(341)	3 124	(341)
Discontinued operations					
Result after taxes from discontinued operations	5	(0)	(293)	(0)	(293)
Result		3 124	(634)	3 124	(634)
Result attributable to:					
Owners of the parent Company		3 124	(634)	3 124	(634)
Non-controlling interests		-	-	-	-
Result		3 124	(634)	3 124	(634)
Earnings per share					
Basic earnings per share (NOK)		0,04	-0,01	0,04	-0,01
Diluted earnings per share (NOK)		0,04	-0,01	0,04	-0,01
Earnings per share - continuing operations					
Basic earnings per share (NOK)		0,04	-0,01	0,04	-0,01
Diluted earnings per share (NOK)		0,04	-0,01	0,04	-0,01
Weighted average no. of shares outstanding (millions)*		79,01	60,62	79,01	60,62
Diluted weighted average no. of shares outstanding (millions)		79,01	60,62	79,01	60,62

*Ref note 10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)		Q1	Q1	YTD	YTD
	NOTE	2017	2016	2017	2016
Result		3 124	(634)	3 124	(634)
<i>Items which may be reclassified in the Income Statement in subsequent periods</i>					
Foreign currency translation differences related to subsidiaries		-	-	-	-
Reclassification of foreign currency differences on disposal of discontinued operations		-	-	-	-
Total comprehensive income		3 124	(634)	3 124	(634)
Total comprehensive income attributable to:					
Owners of the parent Company		3 124	(634)	3 124	(634)
Non-controlling interests		-	-	-	-
Total comprehensive income		3 124	(634)	3 124	(634)

CONSOLIDATED BALANCE SHEET			
(unaudited)			
	NOTE	31.03.2017	31.03.2016
ASSETS			
Deferred tax asset	12	19 000	19 000
Other intangible assets and goodwill	11	103 622	107 870
Property, plant and equipment		4 857	6 367
Equity-accounted investees		-	-
Other receivables		-	-
Total non-current assets		127 478	133 236
Inventories		3 521	3 672
Work in progress		44 757	35 427
Trade receivables	8	36 026	14 677
Other receivables	8	53 087	307 252
Cash and cash equivalents	7	37 185	30 251
Total current assets		174 575	391 279
Total assets		302 054	524 515
EQUITY AND LIABILITIES			
Equity			
Share capital	10	79 014	60 622
Share premium		3 678	-
Other paid-in equity		-	-
Retained earnings		95 906	19 522
Total equity		178 599	80 144
Liabilities			
Loans and borrowings		16 629	258
Pension liabilities		40	41
Other liabilities		3 490	3 490
Total non-current liabilities		20 158	3 789
Loans and borrowings	8	20 000	66 210
Trade payables	8	31 477	32 443
Taxes payable		-	-
Other current liabilities	8	51 820	341 929
Total current liabilities		103 297	440 582
Total liabilities		123 455	444 371
Total equity and liabilities		302 054	524 515

CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)	NOTE	Q1 2017	Q1 2016	YTD 2017	YTD 2016
Cash flow from operating activities					
Result from continuing operations		3 124	(341)	3 124	(341)
Result from discontinued operations		(0)	(293)	(0)	(293)
Result for the period		3 124	(634)	3 124	(634)
<i>Adjustments for:</i>					
Tax expense / Tax income from continuing operations		-	-	-	-
Tax expense from discontinued operations		-	-	-	-
Taxes paid		-	-	-	-
Depreciation, amortisation, impairment		1 384	1 694	1 384	1 694
Profit (loss) from sale of discontinued operations, net of tax		-	-	-	-
Loss on bankruptcy in subsidiaries		-	-	-	-
<i>Changes in:</i>					
Trade receivables		888	5 413	888	5 413
Trade payables		(5 301)	6 137	(5 301)	6 137
Inventories / work in progress		(4 090)	(7 893)	(4 090)	(7 893)
Other current assets and accruals (*)		4 794	(6 404)	4 794	(6 404)
Net cash from operating activities		799	(1 686)	799	(1 686)
Cash flow from investments activities					
Proceeds from sale of property, plant and equipment		-	-	-	-
Acquisition of property, plant and equipment		(283)	(1 700)	(283)	(1 700)
Net cash from investments activities		(283)	(1 700)	(283)	(1 700)
Cash flow from financing activities					
Proceeds from new equity (capital increase)		-	-	-	-
Proceeds from long term loans and borrowings		16 461	-	16 461	-
Proceeds from current loans and borrowings		-	-	-	-
Repayment of borrowings		(16 133)	(1 079)	(16 133)	(1 079)
Net cash from financing activities		328	(1 079)	328	(1 079)
Net change in cash and cash equivalents		844	(4 466)	844	(4 466)
Cash & cash equivalents at start of period		36 341	34 717	36 341	34 717
Cash & cash equivalents at end of period	7	37 185	30 251	37 185	30 251
Of which restricted cash at the end of the period		16 571	7 332	16 571	7 332

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY (unaudited)**

	Share capital	Share premium	Other paid-in equity	Retained earnings	Total equity
Equity 01.01.2016	60 622	-	-	20 156	80 778
Profit (loss)	-	-	-	73 137	73 137
Capital increase	18 392	3 678	-	-	22 071
Equity effect of share options	-	-	-	-	-
Other changes	-	-	-	(510)	(510)
Equity 31.12.2016	79 014	3 678	-	92 783	175 476
	Share capital	Share premium	Other paid-in equity	Retained earnings	Total equity
Equity 01.01.2017	79 014	3 678	-	92 783	175 476
Profit (loss)	-	-	-	3 124	3 124
Capital increase	-	-	-	-	-
Equity effect of share options	-	-	-	-	-
Other changes	-	-	-	-	-
Equity 31.03.2017	79 014	3 678	-	95 907	178 600

NOTES (unaudited)**Note 1 - Corporate information**

Bergen Group ASA is a public limited company based in Norway, and was founded on 22 May 2007. The Company's registered office is at Laksevåg in Bergen. The main office is located at Straume, near Bergen. These consolidated financial statements comprise the Company and its subsidiaries (collectively the "Group" and individually "Group companies"). Bergen Group ASA is listed on Oslo Stock Exchange with the ticker BERGEN.

Note 2 - Interim report / Accounting principles / comparative figures

This interim report is in accordance with IAS 34 "Interim Financial Reporting" and follows the same accounting principles as the Group financial statements for 2016. An interim report does not include all the information required in a complete financial statement, and it should be read in relation with the Group financial statements for 2016. The financial statements are available at the group's web pages: www.bergengroup.no

Changes have been made in the audited annual report 2016 compared to the unaudited interim report for Q4 2016. Both year-end result from continued operations and year-end result from discontinued operations have been changed. Changes have also been made in the balance sheet related to assets and liabilities. Hence, changes have also been made to the consolidated statement of cash flows, the statement of changes in equity, and related notes, including the segment note.

Note 3 - Estimates and judgements in the accounts

Preparation of both interim accounts and financial statement according to IFRS includes judgments, estimates and assumptions, of which will influence on the reported values for both assets, liabilities, revenue and costs. During the preparation of the accounts the management used estimates based on best estimates, and assumptions considered to be fair and true based on historical knowledge. Actual amounts may differ from

Note 4 - Segment information

SEGMENT SERVICES	Q1 2017	Q1 2016	YTD 2017	YTD 2016
Operating revenue*	70 792	53 294	70 792	53 294
EBITDA	6 689	4 316	6 689	4 316
Depreciation, amortisation	(305)	(1 641)	(305)	(1 641)
Impairment	-	-	-	-
EBIT from continuing operations	6 385	2 675	6 385	2 675
EBIT from discontinued operations	-	(135)	-	(135)
Order backlog	151 000	186 000	151 000	186 000
*Figures for revenues excludes intercompany eliminations				
SEGMENT OTHER	Q1 2017	Q1 2016	YTD 2017	YTD 2016
Operating revenue	1 010	1 010	1 010	1 010
EBITDA	(1 670)	(2 320)	(1 670)	(2 320)
Depreciation, amortisation	(1 079)	(53)	(1 079)	(53)
Impairment	-	-	-	-
EBIT from continuing operations	(2 749)	(2 373)	(2 749)	(2 373)

NOTES (unaudited)**Note 5 - Discontinued operations**

As a consequence from the bankruptcies of BG BMW and BG Fosen, BG Skarveland and BG Hanøytangen in 2015, the remaining operations related to the ship building division ceased. The operations in these companies have therefore with effect from Q3 2015 been classified as discontinued operations, and are also presented as discontinued operations. As discontinued operations no longer affect the profit, Bergen Group will revert to only reporting continued operations going forward.

NET RESULT FROM DISCONTINUED OPERATIONS	Q1 2017	Q1 2016	YTD 2017	YTD 2016
Operating revenue	-	-	-	-
Operating expenses	-	(271)	-	(271)
Net financial items	-	(22)	-	(22)
Result before taxes from operating activities	-	(293)	-	(293)
Taxes	-	-	-	-
Net result from operating activities	-	(293)	-	(293)
Gain on sale of discontinued operation	-	-	-	-
Loss by liquidation of subordinated company	-	-	-	-
Income tax on gain on sale of discontinued operation	-	-	-	-
Net result from discontinued operations	-	(293)	-	(293)
Result attributable to:				
Owners of the Company	-	(293)	-	(293)
Non-controlling interest	-	-	-	-
Net result from discontinued operations	-	(293)	-	(293)
Earnings per share - discontinued operations				
Earnings per share (NOK)	-	-0,00	-	-0,00
Diluted earnings per share (NOK)	-	-0,00	-	-0,00

Note 6 - Continued operations

Figures for the continued operations include the companies Bergen Group Services AS, Bergen Group Technology AS, Bergen Group Management AS and Bergen Group ASA.

Note 7 - Cash and cash equivalents

CASH AND CASH EQUIVALENTS	31.03.2017	31.03.2016
Cash and cash equivalents - liquid funds	20 614	22 918
Cash and cash equivalents - restricted funds	16 571	7 332
Total	37 185	30 251

NOTES (unaudited)**Note 8 - Financial instruments**

The group had as of 31 March 2017 the following financial assets; Cash and cash equivalents MNOK 37, accounts receivables MNOK 36, and other short term receivables MNOK 53. Financial obligations consisted of; Long term interest bearing debt MNOK 16, short term interest bearing debt MNOK 20, account payables MNOK 31, and other short term obligations MNOK 52. Part of other short term receivables relates to a convertible loan to AAK Energy Services AS part of a strategic cooperation agreement (ref separate Notification). Total facility of MNOK 6 of which MNOK 3 has been paid, and the remaining MNOK 3 will be disbursed upon fulfillment of established terms from AAK Energy Services. Bergen Group has the right to convert the loan to shares in AAK Energy Services AS, reference is made to separate Notification. Long term debt of MNOK 16 relates to convertible loan from EEIM.

Note 9 - Financial risks

Financial risks imply credit risk, market risk and liquidity risk. The financial risk overview communicated to the market in the most recent interim reports, is considered to be significantly reduced as a result from the extensive restructuring and refinancing process, of which was completed at the expiration of Q4 2016. It is as of 11 May 2017, in addition to continuous general operational risk, also including the related financial risk elements, the opinion of the Board of Directors, that there are no other risk elements having significantly negative impact on the Group.

Note 10 - Shareholder information

At March 17, 2017 a subsequent offering opened, based on proxy from extraordinary general assemble on Nov. 17, 2016. The share price in the subsequent offering equaled the share price in the private placement in Q4 2016. The subsequent offering was closed on March 31, 2017 with total net proceeds of MNOK 5,3.

The new shares were listed as of April 7, 2017. After the registration of the shares from the subsequent offering, the total share capital is NOK 83 416 078, distributed on 83 416 078 shares with nominal value NOK 1/per share

LARGEST SHAREHOLDERS 31.03.2017	# of shares	% ownership
BRIAN CHANG HOLDINGS LIMITED	26 146 500	31,34
AS FLYFISK	22 027 570	26,41
KØHLERGRUPPEN AS	7 901 721	9,47
EIKELAND HOLDING AS	4 636 024	5,56
DAN JØRGEN SALTNES	916 774	1,10
OLA RUSTAD A.S	905 712	1,09
SØR-VARANGER INVEST AS	833 000	1,00
FJ HOLDING AS	761 996	0,91
FRANK ROBERT SUNDE	720 777	0,86
BERNHD. BREKKE AS	501 566	0,60
KANABUS AS	494 505	0,59
EAGLE AS	432 265	0,52
NORDNET LIVSFORSIKRING AS	417 000	0,50
BREKKE LARSEN AS	412 799	0,49
GRINI ASBJØRN	408 000	0,49
TOFTEGÅRD ROGER ARNT	350 812	0,42
KJELL GUNNAR NES	342 000	0,41
ROSENBERG INVESTERING AS	333 500	0,40
SKÅLA BÆR AS	325 227	0,39
THOMAS RUTHERFORD HASLETT	300 000	0,36
Total	69 167 748	82,91 %
Other shareholders	14 248 330	17,09 %
Total all shareholders	83 416 078	100,00 %

Note 11 - Intangible assets and goodwill

Bergen Group ASA performs a test of the value of goodwill and other intangible assets annually or at the end of each reporting period, if there is indication of impairment of the assets. As of 31.12. 2016, the Group performed an impairment test of goodwill and other intangible assets in accordance with requirements in IAS 36. The value in use has been used in order to determine recoverable amount. The calculations are based upon estimated future cash flows for the remaining cash generating unit, Bergen Group Services AS. The calculations are based upon budgets and long term profit goals for the period 2016 up to and including 2018. For subsequent periods, a growth rate of 0.5% has been used, of which is below the expected inflation rate. WACC of 11.5% after tax has been used. The other assumptions used, are similar to the description in the annual report 2015. Based upon this test, no changes in the values were recognized neither YE 2016, nor end Q1 2017. Further information available in the Annual report available on the company website www.bergengroup.no

Note 12 - Taxes

Deferred taxes reflect the effects of temporary differences between the book value and tax value of assets and liabilities. The recorded value of deferred tax assets is NOK 19 million. The group has assessed that there are not convincing evidence sufficient for all taxable losses and other tax positions to be recognized as deferred tax assets. Deferred tax assets not recognized is estimated at NOK 48 million as per 31.12.2016. The Group has not recorded any changes in Deferred tax asset in Q1 2017.

Note 13 - Subsequent events

The Group completed the financial restructuring process early April 2017 by registering the share issue and establishing convertible loan, ref separate Notifications on each subject. On 17.03 2017, the Board of Directors granted Eikeland Holding AS, owned by CEO Hans Petter Eikeland and Eagle AS, owned by CFO Nils Ingemund Hoff, 1 million options each. The options entitle the holder to subscribe for shares at face value and must be exercised by 1 June 2017. The terms related to exercise of the options are linked to the final implementation and registration of capital increase related to repurchase rights. This took place on 7 April 2017 and the terms are thus deemed fulfilled in Q2 2017. As both the recovery date and the exercise period fall within Q2 2017, the possible impact on earnings will be recorded in Q2. Estimated earnings effect is MNOK 3.04 based on market price at the grant date.