BEERENBERG

BEERENBERG HOLDCO II AS

ANNUAL REPORT

15

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OUR VISION

Beyond Expectations

Our vision commits the corporation and all of its employees to seek solutions that exceed the expectations of the wider world.

OUR CORE VALUES

Inclusive – Innovative – Responsible

The company shall be ***inclusive*** towards individuals, other companies and society as a whole. An open and accommodating attitude shall prevail throughout the group. The company's ability to be ***innovative*** will help safeguard our own future, improve conditions for the local environment and generally help create positive social development. A ***responsible*** attitude shall prevail at the company at all levels and in all contexts.

Key figures

ORDERS AND RESULTS		2015	2014	2013*	2012**	2011**
Estimated order backlog******	MNOK	**7 700**	**7 900**	**9 796**	**11 390**	**8 836**
Revenue	MNOK	**2 363,2**	**2 306,3**	**1 926,9**	**1 436,3**	**1 417,6**
Growth in revenue	Percent	2,5 %	19,7 %	34,2 %	1,3 %	-1,0 %
EBITDA	MNOK	**275,7**	**280,4**	**221,5**	**172,0**	**127,3**
Ebitda margin	Percent	11,7 %	12,2 %	11,5 %	12,0 %	9,0 %
EBIT	MNOK	**194,0**	**208,3**	**117,2**	**119,2**	**81,8**
Net Profit	MNOK	**88,4**	**41,0**	**NA**	**47,2**	**30,7**
Net margin	Percent	3,7 %	1,8 %	NA	3,3 %	2,2 %
CASH FLOW AND CAPEX						
Cash flow from operating activities	MNOK	**203,2**	**105,2**	**NA**	**86,9**	**-8,3**
Capex	MNOK	**27,8**	**74,1**	**48,5**	**44,6**	**55,7**
BALANCE SHEET						
Equity	MNOK	**414,7**	**330,2**	**290,6**	**128,7**	**197,2**
Equity ratio	Percent	20,2 %	17,6 %	16,3 %	11,5 %	17,1 %
Net working capital	MNOK	**78,8**	**118,4**	**75,0**	**65,8**	**51,6**
Nwc / revenue ratio	Percent	3,3 %	5,1 %	3,9 %	4,6 %	3,6 %
Total liabilities	MNOK	**1 642,4**	**1 551,1**	**1 488,4**	**985,9**	**958,0**
Total assets	MNOK	**2 057,0**	**1 881,4**	**1 779,0**	**1 114,6**	**1 155,2**
EMPLOYEES ***						
Employees 31.12.	Number	**1 604**	**1 708**	**1 677**	**1 354**	**1 280**
Man years - totally employed	Number	**2 177**	**2 184**	**1 993**	**1 597**	**1 538**
Change in total resources employed	Percent	-0,3 %	9,6 %	24,8 %	3,8 %	15,7 %
Hours produced	In thousands	**3 225**	**3 431**	**3 090**	**2 427**	**2 574**
Change in hours produced	Percent	-6,0 %	11,0 %	27,3 %	-5,7 %	15,3 %
HSE						
Sick leave	Percent	**7,2**	**6,5**	**6,4**	**7,8**	**7,7**
Serious Personnel injuries	Number	**0**	**0**	**0**	**0**	**0**
Lost time incidents Frequency (LTIF)	Per million worked hours	**0**	**0,3**	**0**	**0**	**0**
Total recordable incidents frequency	Per million worked hours	**2,5**	**5,2**	**4,1**	**2,4**	**6,1**

*) Figures for 2013 is proforma as if the Group Beerenberg Invest was formed as of 01.01.2013. Net Profit and cashflow for 2013 is therefore not available.
**) Figures for 2012 and earlier is presented for the Group Beerenberg Holding.
***) Employees and man years for 2014 are adjusted.
****) Estimated order backlog is based on the best estimates of frame agreements.

Message from the CEO

MARKETS

The oil price drop, which first began to manifest itself in the last six months of 2014, continued to gather pace in 2015. The trigger was the supply shock caused by the sharp growth in unconventional production (USA), although OPEC's repositioning from swing producer to a market player actively using the pricing mechanism to gain market share has also contributed to the fall.

Prices that have been hovering around US dollar 30 (Brent) in the last months of the year are having a growing impact on the international oil and gas industry. In Norway the industry has started to face up to the fundamental changes needed to ensure a sustainable cost level. In this respect it is good to see that many of the contracts associated with the Johan Sverdrup development have been awarded to Norwegian suppliers. Although exchange rates have perhaps been the biggest contributing factor so far, it is clear that the restructuring taking place in the Norwegian oil and gas industry has already boosted competitiveness. It is not long since the majority of such newbuild contracts would have fallen into foreign hands.

The global markets saw an increase in demand in the second half of 2015. Lower prices are having an effect – especially on demand in the US, Europe and Japan. There has also been a surprise increase in demand from China, where the transport sector is seeing particularly strong growth. Low oil prices also led conventional oil companies to cut investment by a total of 20 percent in 2015. Investment in unconventional oil production in the US fell by some 40 percent in the same period. There will be further cuts both in the conventional and unconventional segments in 2016.

The key to the desired price hike is still in the hands of OPEC. Had Saudi Arabia reduced its current output to 2014 levels – thus removing 1 million barrels from the supply side – rather than suggesting a freeze at January 2016 levels, the market would to all intents and purposes be balanced.

COMPANY

Beerenberg had a good year in 2015 in terms of both finances and operations. Activity levels remained stable, and the company has taken market share. Beerenberg enters 2016 with a largely intact order backlog due to significant awards during 2015. This provides a robust basis for steady development in a turbulent market.

However, given the present market situation, the company is still prepared for stormy weather. Our current order backlog does in no way guarantee full capacity utilisation in a market with long lead times. At the same time, the pressure on prices is increasing in step with diminishing work volumes. Market developments have not yet resulted in consolidation in the ISS sector.

In this perspective, Beerenberg can see tangible threats but also interesting opportunities in the coming years. We believe that consolidation in the ISS segment is inevitable. It is also possible to create competitive capacity in associated products and services segments in this part of the industry. Since operators are increasingly focusing on comprehensive and efficient flow in their procurements, a broader product range would create interesting growth opportunities for a company such as Beerenberg.

HSE/Q, PRODUCTIVITY AND CONSISTENCY

Quality sells in good times and in bad. Irrespective of market trends, Beerenberg continues to focus on robust HSE/Q deliveries, a high level of productivity and delivery consistency as its main competitive advantages.

Some companies elected to actively use the pricing mechanism to make heavy commitments during the financial crisis. With the pressure on prices that ensued, many of them have subsequently faced significant commercial challenges. We have seen signs of this in our sector, too, with many companies posting critically low profits. Fundamental challenges such as short-term survival will for these companies take priority over any processes to ensure continual improvement and develop solutions for the future. Such trends are counterproductive for everyone, including the operators who end up picking up the bill. This is borne out by the explosive increase in costs that the oil industry has experienced in the last decade. More long-term and industrially appropriate mechanisms should certainly be cultivated during the current downturn.

FUTURE PROSPECTS

At the start of 2016 it is difficult to be unreservedly optimistic about oil prices in the coming year. However, in light of the sharp drop in investment in production capacity, it is also difficult not to envisage an increase on current levels. Even with an increase in oil price there is a need to cut the cost per barrel of oil equivalent across the industry.

Carefully considered change processes that generate long-term effects in a market that will continue to process oil equivalents for many generations to come is the medicine the industry needs in order to ensure a sustainable future. In this perspective there are three fundamental rules that will provide the basis for Beerenberg's strategic choices in the coming years. Rule number one is that the total value of the company's deliveries should always be perceived as exceeding the price tag. Rule number two is that the company's revenues must always be greater than its costs. Rule number three is that there are no more rules.

Morten Walde
CEO

Beerenberg management

Beerenberg management (as at 14.04.2016)
From left: Steinar Kobbeltvedt, Stig Tuastad, Gro Hatleskog, Morten Walde, Arild Apelthun, Ove Johan Solem and Tore Angelskår.

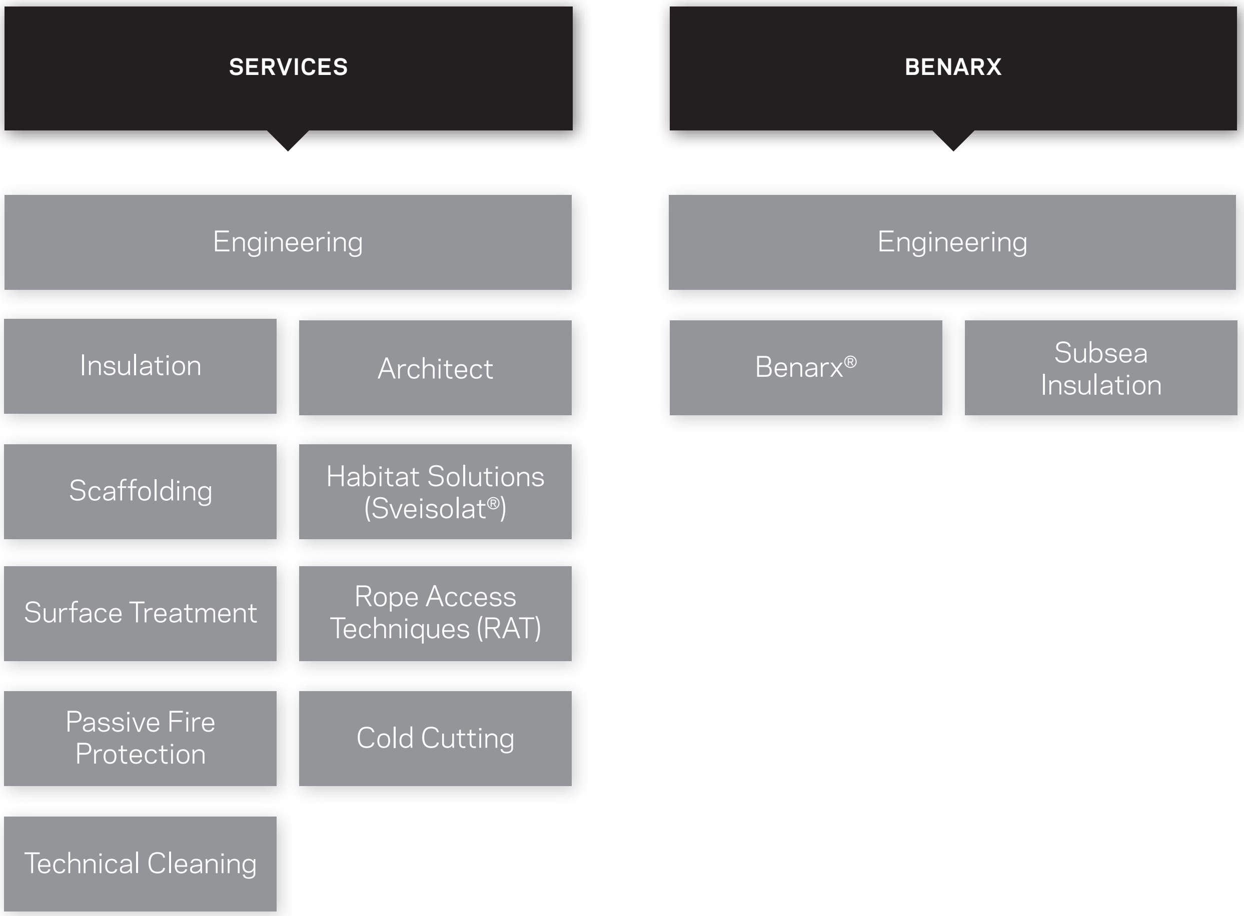
- **MORTEN WALDE**
  President & CEO
  - HSEQ & RISK
    STEINAR KOBBELTVEDT
    EVP
  - FINANCE
    ARILD APELTHUN
    EVP & CFO
  - BUSINESS SUPPORT
    GRO HATLESKOG
    EVP
  - PEOPLE
    STIG TUASTAD
    EVP
  - BENARX
    OVE JOHAN SOLEM
    EVP
  - SERVICES
    TORE ANGELSKÅR
    COO

HSE/Q, productivity and consistency

For more than 35 years Beerenberg has made oil and gas production possible in inhospitable environments by delivering intelligent and innovative service solutions. Our expertise covers the entire life cycle of the petroleum industry from field studies and newbuilds to maintenance, modifications and lifetime extensions.

Beerenberg is a leading supplier of maintenance and modifications services. More than 1,500 Beerenbergers are working as problem solvers for the company's clients both in Norway and abroad. The company sees it as its duty to challenge conventional thinking in the industry through innovation and creative solutions – always focusing on improved HSE/Q, productivity and consistency.

Beerenberg has organised its activities into the two divisions Services and Benarx (see chart below).



A SELECTION OF OUR CLIENTS

Oil & gas
- ConocoPhillips
- DET NORSKE
- Shell
- Statoil

MMO
- Aibel
- Aker Solutions
- Kværner
- Reinertsen
- WorleyParsons

Yards
- Daewoo
- Hyundai
- Samsung
- SMOE

Subsea
- FMC
- OneSubsea
- Cameron

Services

Services has the overall responsibility for Beerenberg's newbuild, maintenance and modifications contracts. Alongside the ISS disciplines (insulation, scaffolding and surface treatment), the division also covers passive fire protection, technical cleaning, rope access techniques, architectural/outfitting services and the cold work concepts Sveisolat (habitats) and cold cutting / mobile machining.

Services' key business areas have been divided into four segments:
- Integrated Operators
- Onshore Maintenance
- Major Projects
- Added Services

The four key areas are designed to meet future demand on the Norwegian Continental Shelf. As well as direct maintenance contracts on installations and plants in operation, Beerenberg is also involved in business concepts aimed at modification projects and newbuilds in the oil and gas sector.

As a supplement to the traditional ISS disciplines, Beerenberg also delivers a range of technology-driven additional services whose innovative approach helps to ensure effective, consistent and HSE/Q-friendly operation.

Beerenberg's engineering services are an integrated part of the company's overall service concept. The company has extensive experience with studies, FEED, pre-engineering, fabrication engineering and as-built from a number of developments and installations in Norway and abroad. The company's expertise includes design, specifications and modelling, technical drawing, working documents, documentation, plans and methods, inspections and other field engineering, and as-built.

Benarx

High-tech insulation products and advanced subsea insulation make up the core activities of Benarx.

The Benarx® product series is a range of industrialized insulation solutions developed by Beerenberg for passive fire protection and thermal and acoustic insulation.

In the context of LCC (life cycle cost), the solutions have often proved to be cost-effective, and they save space and time (installation) while simplifying logistics, improving HSE performance and providing unique properties with regard to fire technology, thermodynamics, acoustics and CUI optimization. The company's in-house developed insulation products have a life span that far exceeds that of conventional solutions. Extensive and ongoing research and product development is undertaken, often in close co-operation with key clients and suppliers as well as institutions such as SINTEF, DNV, the National Institute of Technology, CRM, GexCon and Lloyds (type approval). The solutions have been tested and approved according to all relevant specifications/standards.

Benarx has been established as best practice on the Norwegian Continental Shelf (NCS). During 2015 Benarx continued to broaden the target market for its products and is experiencing significant global growth. A fully owned new production unit has been opened in Poland in 2015. International partner agreements have been formalized in the UK, Poland, Kazakhstan, Thailand and Korea.

The market for thermal subsea insulation is facing strong growth. Benarx has been awarded major contracts in this market over a number of years and is well positioned for future growth. Benarx is working with FMC, OneSubsea and other major operators in the sector. The company's solutions include the use of market-leading materials and application methods developed in-house. We carry out assignments all over the world. Equipment/personnel are therefore organized in such a way as to allow them to be quickly deployed and carry out assignments wherever the clients want.

NEW PRODUCTS

Corrosion under insulation (CUI) is one of the biggest challenges for the international oil and gas industry. Strict criteria for effective and lasting maintenance solutions will help significantly reduce these challenges.

Ninety-five of all installations (60%) on the NCS will be more than 20 years old by 2020. Current, conventional maintenance systems and technologies are not optimal for the tests facing the industry. CUI therefore represents one of the biggest challenges in terms of safety, cost and stable production. Benarx's R&D department focuses especially on developing solutions that effectively monitor CUI and reduce the risk of CUI-related incidents. The first automated monitoring systems are about to be introduced to the market by the company.

Benarx AS was in 2015 established as a fully owned daughter company of Beerenberg Corp. AS.

Ethics and social responsibility

Social responsibility

Beerenberg assumes social responsibility by taking systematic steps to ensure profitable and sustainable growth in the areas affected by its business. The company's core values – Inclusive, Innovative and Responsible – are key factors in this process. Beerenberg has adopted a "Corporate Social Responsibility Policy" which covers human rights, workers' rights, the environment, anti-corruption and wider society.

Due to the nature of the business, the areas of health, safety and environment are given the highest priority by the Beerenberg group. Its health, safety and environmental initiatives are embedded in a zero accidents philosophy and based on the idea that HSE should be an integrated element in all parts of the business.

Beerenberg's reputation is formed and sustained by the attitudes, conduct and work of the company's employees at all levels of the organisation. The company's objective is to create value for its owners, customers, employees, partners and society in general. The way in which value is created and managed has an impact on the value of the company. For that reason it is important for Beerenberg to ensure that its employees work and conduct themselves in line with the company's core values and ethical guidelines.

SOCIAL COMMITMENT

In 2015 Beerenberg supported Médecins Sans Frontières medical facilities inside Syria. It also supported Amnesty International's work to ensure freedom, fairness and equality for all. Our involvement with these two organisations is directly linked to the company's core values.

On various occasions the company has also provided funding for children's sports in locations where the company operates. In this context the company has placed particular emphasis on the positive role played by sports with regard to multicultural integration.

Ethics

The Beerenberg group's ethical guidelines are designed to ensure that everyone acting on behalf of the company goes about their business in an ethical manner and in line with the company's values and principles on business practices and personal conduct.

The company's ethical guidelines are revised annually and adopted by the group's executive bodies. The guidelines are also reviewed by the company's employee organisation (the Works Council).

Raising awareness and training employees in the principles of ethics and ethical guidelines are part of the company's induction course for new employees. Ethics are a recurring topic at monthly themed meetings in the operations arm of the organisation. They are also upheld by the "power of example" – in other words by the management's attitudes and conduct at various levels. Ethics is a regular topic in various fora such as the working environment committee and health and safety seminars. A whistleblowing regime for staff has been implemented to help ensure compliance with the ethical guidelines. The system includes channels for alerting external and independent third parties. A Compliance Officer role has also been established.

Review of the principles of corporate governance according The Norwegian Code of Practice for corporate governance (NUES) dated 30th of October 2014

1. Review of corporate governance

The purpose of the principles of corporate governance in Beerenberg Holdco II AS is to clarify the division of roles between shareholders, the board of directors and executive management more comprehensively than is required by legislation. There have been no changes in the Code of practice (NUES) in 2015.

The Group's vision is "Beyond Expectations". The vision commits the corporation and all of its employees to seek solutions that exceed the expectation of the wider world.

The Group has set out three core values:

- ***Inclusive*** towards individuals, other companies and society as a whole. An open and accommodating attitude shall prevail throughout the group.
- ***Innovative*** will contribute to create a positive social development, improve the environment and help safeguard a better future.
- ***Responsible*** attitude shall prevail at the company at all levels and in all contexts.

The Group has established ethical guidelines that should form the basis for how Beerenberg conducts business.

Deviation from code of recommendation: None

2. Business

The Group's operational activity is conducted in its subsidiary, Beerenberg Corp. AS. In article 3 in Beerenberg Corp. AS Articles of Association the purpose of the business is defined thus:

"The objects of the company are to engage in contract work, production, industrial maintenance, trading, agency and commission work, and to take interests in other enterprises engaged in similar activities by way of share subscriptions or other means".

Deviation from code of recommendation: None

3. Equity and dividends

Total assets at 31 December 2015 was MNOK 2 057 with an equity of MNOK 415, giving a equity ratio of 20,2 %. The Group's solidity is evaluated on the basis of current targets, strategy and risk profile.

The Company has issued a bond that is listed on the Oslo stock exchange under the ticker BBER01.

Deviation from code of recommendation: Dividend policy and specific capital requirement targets. The Group's financing restricts the Company's rights to pay dividends. Consequently the board has not found it practical to develop a dividend policy. Furthermore the board has not deemed it necessary to establish specific targets for leverage or equity ratio in addition to the evaluations that are made continuously and specified in budgets and strategy plans.

4. Equal treatment of shareholders and transactions with close associates

The Company has one owner and one share class. The shares are not listed. As a consequence there is no specific policy relating to preferential treatment of existing shareholders, nor is there policy relating to sales of shares.

With regards to transactions with close associates, the board of directors has prepared guidelines whereby the transaction should be based on an independent, 3rd party valuation. However, if the matter relating to the valuation has been satisfactory handled, the board may decide forego the independent valuation.

A procedure concerning reporting potential conflicts of interests to the board has been established.

Deviation from code of recommendation: Policies relating to preferential treatment of shareholders and sales of own shares have not been established.

5. Freely negotiable shares

No form of restriction on negotiability is included in the Company's Articles of Association.

Deviation from code of recommendation: None

6. Annual general meeting

The Company's shares are not listed. As a consequence the board has not prepared separate procedures regarding annual general meeting.

Deviation from code of recommendation: On the basis of current ownership structure the board has not seen it as necessary to develop additional guidelines beyond what is described in the legal framework (the Norwegian Limited Liability Companies Act).

7. Nomination committee

The Company's shares are not listed. As a consequence the board has not prepared procedures regarding nomination committee.

Deviation from recommendation: On the basis of current ownership structure the board has not seen it as necessary to appoint a nomination committee.

8. Corporate assembly and board of directors: Composition and independence

The Company does not have a corporate assembly.

At the annual general meeting on the 19th of June 2014 Ketil Lenning was appointed chairman and Sebastian Ehrnrooth and Marcus Planting-Bergloo was appointed members of the board for a 2-year term.

The boards of directors have the following members

NAME	POSITION	PERIOD
Ketil Lenning	Chairman	2014–2016
Sebastian Ehrnrooth	Member	2014–2016
Marcus Planting-Bergloo	Member	2014–2016
Svein Eggen	Member	2015–2017
Lars Marcusson	Member	2015–2017

Beerenberg Invest AS. owns 100% of the shares in Beerenberg Holdco II AS.

Sebastian Ehrnrooth and Marcus Planting-Bergloo represent Segulah IV L.P. which holds 81% of the shares in Beerenberg Invest AS. In addition Ketil Lenning (1,4%), Svein Eggen (0,5%) and Lars Marcusson (0,5%) owns shares in Beerenberg Invest AS.

Ketil Lenning, Lars Marcusson and Svein Eggen are all independent of the Company, its management and its biggest shareholder.

Deviation from code of recommendation: None

9. The work of the board of directors

The board has established procedures to clarify areas of responsibility as a group and as individuals.

The board has established an annual plan for the year, and has in 2015 held six meetings. The annual plan includes a two year strategy plan, budget and target setting and review of the operations with focus on control and risk evaluation.

The board has appointed an audit committee and established guidelines for its work.

The members of the audit committee are:
Lars Marcusson, leader of the committee
Svein Eggen
Marcus Planting-Bergloo

The Company does not have compensation committee, and evaluates the need annually.

The board prepares an annual evaluation of the work in the board.

Deviation from code of recommendation: None

10. Risk management and internal control

The board regularly reviews the performance of the Company, among others through a monthly and quarterly report. These reports contain financial information about the Company and specific information relating to the business segments in addition to other important areas such as HSE. In addition the board approves significant tenders and investments.

The board of directors has an annual review of risk areas and internal control systems, including ethical guidelines.

Deviation from code of recommendation: None.

11. Remuneration of the board of directors
The remuneration of the board of directors is established by the annual general assembly and is based on an evaluation of the workload. The remuneration is not dependent on the financial performance of the Group. There is no form of incentive arrangement or similar. Please see note 19 for additional information.

Deviation from code of recommendation: None.

12. Remuneration to leading employees
The boards view on the remuneration level for leading employees are that they should be on a competitive level and motivating. The board has not established guidelines relating to remuneration to leading employees. The board intends to propose guidelines relating to remuneration to leading employees on the next annual general meeting.

Deviation from code of recommendation: Guidelines has not been established. The Board intends to correct the deviation on the annual general meeting in 2016.

13. Information and communication
The Group has established policies relating to financial information. Beerenberg's reporting aims to be clear and precise and ensure that the general principle of equal treatment is fulfilled.

Deviation from code of recommendation: None

14. Takeover
There are no provisions or limitation in the Articles of Association regarding takeovers.

There are no other limitations to limit acquisition of the Company's shares.

Deviation from code of recommendation: Guidelines relating to takeovers has not been established. The board has, in light of the current ownership structure, not seen the need to establish guidelines in case of a takeover.

15. Auditor
The auditor holds at least two meetings with the audit committee. In addition the auditor participates in one board meeting in connection with the approval of the annual accounts where parts of the meeting are without participation from the management.

The auditor presents the plan for the annual audit with the audit committee where priorities and risk evaluations including internal control are presented. The auditor prepares an audit report in connection with the annual accounts base on the annual audit plan.

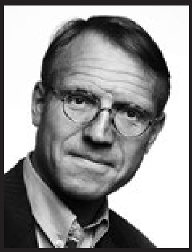
The total fee paid to the auditor, where a distinction between the auditor fee for annual audit and other services provided are shown in note 19. The extent of other services outside the audit is reviewed by the audit committee. The audit committee evaluates the auditor's independence.

Deviation from code of recommendation: The board has not seen it as necessary to establish additional guidelines relating to the use of additional services from the auditor.

Board of Directors Beerenberg Holdco II AS

Ketil Lenning (1950), Chairman of the Board, former CEO of Odfjell Drilling Ltd. He has extensive international experience in the oil industry, including as COO of Smedvig ASA, Norsk Hydro Oil Division etc. He holds a number of boardroom positions in the oil services industry. Mr Lenning is an independent Board member.

Svein Eggen (1950) has more than 30 years' experience in the international offshore, oil and gas industries. He was President and CEO of Technip Offshore Inc. until 2005. Prior to that he held leading positions in the Aker group, including those of President and CEO of Aker Maritime ASA and President and CEO of Aker Maritime Inc. in Houston, USA. He holds several boardroom positions both in Norway and abroad. Svein Eggen is an independent Board member.



Sebastian Ehrnrooth (1963), investors' representative and partner at Segulah Advisor AB. He qualified as a civil engineer at Linköping University and holds an MBA from IMD in Lausanne. He was formerly Deputy CEO of CityMail, Project Manager at Bain & Company and Sales Manager at Motorola. He holds boardroom positions at Segulah Advisor AB, PMC Group and KP Komponenter A/S.

Lars Marcusson (1947), former CEO of Callenberg Group AB. He has previously held boardroom positions at Marintekniskt Forum and Entreprenörsarenan AB. Mr Marcusson is an independent Board member.

Marcus Planting-Bergloo (1977), investors' representative and partner at Segulah Advisor AB. He holds an MSc in Economics from the Stockholm School of Economics. He previously worked as a consultant at LEK Consulting in London and at Occam Associates in Stockholm. He holds boardroom positions at Segulah Advisor AB, Øglænd System and Balco.


BEEREN
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Annual Directors' Report 2015

Despite a demanding market following the drop in the oil price Beerenberg Holdco II (Beerenberg) has maintained its activity level and profitability on the same level as last year. The activity level relating to new build projects has been high and has offset the drop in other business segments. During the year Beerenberg has secured a number of contracts that forms a good basis for future development.

The Beerenberg Group operational activity is organized in two main subsidiaries. Beerenberg Corp. AS delivers expertise, technology, engineering and inspection services in the field of ISS along with associated services in the areas of passive fire protection, technical cleaning, rigging, architecture/outfitting, rope access techniques, habitat solutions (Sveisolat and cold cutting).

Benarx Solutions AS was established as a separate legal entity in 2015. The business in this subsidiary includes industrial insulation solutions relating to passive fire protection, thermal and acoustic insulation in addition to subsea insulation.

Beerenberg continues to be to a large extent conducted on long-term maintenance contracts both offshore and on-shore. However, green field project was almost 50% of Beerenbergs business and represents a diversification in the project portfolio. Estimated order backlog at the end of the year was BNOK 7,7, in line with last year. Adjusted for awarded orders after year end this figure is BNOK 13.

Beerenberg has its headquarters in Bergen and offices in Stavanger, Mongstad, Aukra and Os in Norway, and Gościcino in Poland.

SIGNIFICANT EVENTS IN 2015

The key events occurred in 2015:

- The business segment Benarx was established as a separate entity with effect from 1.1.2015.
- Beerenberg entered into a 10 year frame agreement for maintenance and modification at Mongstad with an estimated value of MNOK 2 000.
- Production of Benarx Products was moved to Poland as part of a strategy to improve competitiveness.
- Beerenberg was awarded a contract relating to hook-up of the Gina Krogh platform
- In January 2016, Beerenberg was awarded a 15 year frame agreement relating to offshore maintenance and modification with an estimated value of MNOK 8 000.

ANNUAL FINANCIAL STATEMENTS

Operating revenues was slightly higher than 2015 with MNOK 2,363, compared with MNOK 2,306 in 2014. The product related revenue increased significantly during the year while the revenue on services was reduced compared to last year.

The operating profit for 2015 was MNOK 194, comparable to MNOK 208 in 2014. The margin was reduced from 9,0% to 8,2%. The reduction is in part due to lower margin on new build projects and in part due to restructuring costs in connection with closing the production facilities in Norway. Adjusted for restructuring cost the operating profit for 2015 was MNOK 213.

Net financial cost of MNOK 75 compared to MNOK 149 in 2014. The main reason for the lower cost is that Beerenberg refinanced its business in 2014.

Profit before tax was MNOK 119 compared to MNOK 59 last year and net profit was MNOK 88 compared to MNOK 41 last year.

CAPITAL, CASH FLOWS AND LIQUIDITY
Total assets at the end of 2015 was MNOK 2 057, and increase from MNOK 1 881 last year. The equity was MNOK 415, an increase from MNOK 330 last year.

Working capital fluctuated during the year. The working capital was high for most of the year with a significant reduction in working capital in last quarter of the year, mainly driven by newbuild project.

Cash flow from operation was MNOK 206 compared to MNOK 105 last year, largely explained by changes in working capital. Net capital expenditures from acquisition from tangible and intangible fixed assets were reduced from MNOK 63 in 2014 to MNOK 28 in 2015. Notable investment in 2015 was establishing the factory in Poland and finalization of fixtures and furnishings in the new office facility in Bergen.

The cash flow from financial activities of negative MNOK 4, improved from negative MNOK 29 in 2014. In 2015 this mainly represents repayment of leasing whereas in 2014 the majority was net cash effect due to refinancing.

Total cash flow for the year was MNOK 174.

Beerenberg refinanced its debt in 2014 by issuing a senior secured bond of MNOK 1 100 with a maturity in mid 2018. Currently it holds MNOK 55 in own bonds.

Beerenberg is in compliance with its covenant at 31.12.2015.

SHAREHOLDERS
Beerenberg Invest AS owns 100% of the shares in Beerenberg Holdco II. AS.

FINANCIAL RISK
The Company Board sets out frameworks and guidelines for the Company's risk management by adopting overarching policies and procedures and by carrying out continual controls and supervision of the business.

The Company's central finance department has overall responsibility for day-to-day management and follow-up of the Group's financial risks and works closely with the operational units to identify, evaluate and implement necessary measures to reduce risk.

Risk management covers credit risk, currency risk, interest rate risk and the use of financial derivatives.

Credit risk
The Company conducts business in an environment dominated by large and strong clients, and historically there have been few losses on receivables. New customers are usually credit-checked before entering into contracts, and efforts are made during international operations to use payment security to safeguard receivables and payment demands wherever possible.

Currency and interest rate risk
A key principle for the Group is to keep the currency risk as neutral as possible by using the same currency for both income and expenditure. The Company and the Group are still exposed to fluctuations in exchange rates to some degree through their international operations, as some of their revenues, expenditure and investments are in foreign currencies. In line with the adopted policy, committed client and supplier contracts involving currency exposure above and beyond the defined limits must be hedged.

The majority of the Company and the Group's interest rate risk in relation to interest-bearing debts are hedged through a long-term interest swap agreement, whereby a variable NIBOR-based interest rate has been swapped so that the exposure towards fluctuations in the short-term interest rate is reduced.

Financial and liquidity risk
The Group refinanced its debt by issuing a MNOK 1 100 senior secured bond during 2014. In addition it renegotiated its credit lines with one bank to ensure its short term working capital requirements and bonding requirements. Under these agreements the company must measure, satisfy and report on a set of covenants relating to leverage and interest coverage quarterly.

The Company and the Group are continually managed and measured in line with the framework stipulated by the agreements and have satisfied the parameters relating to operations. The Company's financing arrangements remain subject to its continuing to achieve cash flow and earnings levels.

Market risk
The Group operates in the oil and gas market, which can be volatile. Beerenberg is therefore affected by the oil companies' actions and the prevailing oil and gas prices. There is reason to believe that investment growth on the Norwegian Continental Shelf will abate in the long term, which in turn will impact activity levels. In order to expand its operations and customer base, the Company has widened its international presence and areas of operation to help counteract market fluctuations on the NCS.

Technology risk
The market in which Beerenberg operates will continue to seek improved solutions and products for the future. In order to refine its competitive edge, the Company has adopted a strategy of continuing to invest in engineering services and R&D along with an ambition to protect its assets through patents and other property rights.

RESEARCH AND DEVELOPMENT
The Company has a dedicated research and development department. It is managed by Benarx Solutions but co-ordinates all of the Group's R&D activities via its "Technology Forum". A key principle for the Group is to register patents in order to protect its developed assets. As at 31.12.15 the Company had registered a total of 10 patents and 3 patents pending in relevant domestic and international markets.

The Group's main focus as regards research and development is product and method development in the field of ISS.

Beerenberg capitalised NOK 3.1 million of its total activities in the area of research and development in 2015, compared with NOK 3.2 million in 2014.

SOCIAL RESPONSIBILITY AND ETHICS
The annual report includes a separate account of the Company's approach, conduct and guidelines in relation to social responsibilities and ethics. In that regard the Group's values and integrity will not be compromised.

The Company's ethical guidelines are central to its training programmes because the Company's business is reliant on trust and a good reputation. Training in the Company's ethical guidelines helps ensure that employees and others acting on behalf of the Group exercise good judgement and behave in a manner that is consistent with the Company's ethical rules.

HR, ORGANISATION AND WORKING ENVIRONMENT
HR and working environment
The Group employed 1 604 people as at 31.12.2015, a reduction of 104 from last year. The number of FTE at year end was 2177 including hired in personnel.

Beerenberg seeks to sustain a good working environment with enthusiastic and motivated staff who feel that they are being well looked after. The Company has staff arrangements and fora for co-operation between staff and management, as are common within the sector.

Equality and discrimination
Beerenberg strives to treat all employees at all levels equally, regardless of gender, religion, ethnic background or other factors. Similarly, remuneration should reflect job content and qualifications, regardless of gender or other factors.

Beerenberg operates in a male-dominated industry, and the Company's employees are therefore predominantly male. The proportion of female employees, mostly in administrative positions, represented 6,4% at the end of the year – a level similar to last year. In 2015 there was one female in the group management.

The Company's ambition is to increase the number of female employees at all levels by working systematically with recruitment.

Organization
In January 2015 the Group made some adjustments to its organization. An area named "People" was separated as an organizational unit with special responsibility for availability and training of foremen and operators. In addition Technology was established with a separate responsibility for methods within ISS disciplines and Added Services.

The background for the change was to optimize the utilization of personnel and form a optimized basis for the technical know-how within in core services.

HEALTH, SAFETY AND THE ENVIRONMENT

Continuous attention on Health, Safety and Environment on all levels of the organization will reduce the risk for incidents and is a key enabler in developing the Group.

Beerenberg has adopted a "zero philosophy" relating to HSE. One of the main focus areas are proactive prevention of injuries, both during the execution of the work and long term effects. With focus on training, risk management and robust work practice Beerenberg aims to reduce the risk for work related injuries for risk exposed personnel.

Beerenberg health monitoring program is also made mandatory for our suppliers and adherence is being reviewed in meetings, audits and reports.

Strong reliable practices, planning of the work and focus on safety is not alone sufficient to prevent injuries and illness. Adherence, motivation and competence on an individual basis are necessary to prevent incidents. Beerenberg develops HSE competence though mandatory training for all employees and subcontractors and extended HSE training for managers on all levels.

By focusing on monitoring, HSE efforts are continuously evaluated to identify risks and maximize the effect of the efforts.

Effort to reduce sickness absence in Beerenberg is ongoing. In 2015 the sickness absence was 7,2%, an increase from 6,5% in 2014. Short term absence was 3,1% and long term absence was 4,1%. In 2014 the respective numbers was 2,9% and 3,6%.

In 2015 the Company recorded 8 incidents/accidents, The comparable number in 2014 was 18. Beerenberg continue to systematically monitor and adept efforts to further reduce the number of incidents.

The external environment

Beerenberg conduct its business in such a way that it minimise the impact of its activities on nature and the

environment and continuously look for ways to further reduce this impact.

The Company's impact on the external environment is primarily considered to stem from emissions of volatile organic compounds (VOCs) as a result of the use of paint products and solvents. This is a natural consequence of the Company's activities, and the volume of VOC emissions will always reflect the volume of assignments and the type of products being ordered and delivered. The Company endeavours to use alternative products with a lesser impact on the environment where possible (the substitution requirement). In order to reduce the negative environmental effects of the significant amounts of waste that it generates, the Company has put in place robust procedures for waste disposal and treatment (recycling of materials and energy).

The Company has also taken environmental measures concerning paper and office waste in its administrative functions.

Beerenberg is certified in accordance with NS-EN ISO 9001: 2008 Quality management systems, NS-EN ISO 14001: 2004 Environmental management systems, and OHSAS 18001: 2007 Occupational health and safety.

FUTURE PROSPECTS

The Group revised and updated its strategy plan in autumn 2015. This forms the basis for the Group strategy towards 2018. The activity level within the oil and gas industry is expected to be further reduced and the main focus is expected to be on cost optimization both for development of products and services.

The prospects in the Company's primary markets are generally considered to be challenging with an expectation that the market for maintenance and modification will remain relatively low and depending on external factors, mainly oil price, the development can have long term impact on groups total market. The Company has in last part of 2015 and in January 2016 entered into long term agreements that form a good foundation for the Company going forward.

In 2015 a number of initiatives have been taken to maintain and improve the Group's competitive position. Additional initiatives are ongoing to further enhance the position. These initiatives will form a foundation for maintaining a satisfactory profitability during the downturn in the market and form the foundation for growth once the market conditions improve.

The Board should like to stress that there is always a degree of uncertainty surrounding assessments of the future.

THE BOARD'S STATEMENT OF CORPORATE GOVERNANCE

In the governance manual the Board of Directors has stipulated that the Group should develop procedures and systems to ensure compliance with the Norwegian Code of Practice for Corporate Governance in order to inspire trust in the Group and to ensure professionalism and an ability to adjust, should it be required of Beerenberg in the future.

The Board has reviewed the Company's compliance with the Code of Practice and concluded that the Code has been observed in respect of issues that the Board has deemed relevant for a privately owned company such as Beerenberg Corp. AS. The Board is also of the opinion that the deviations that have been identified can be rectified by relatively simple means, should it become relevant at a later date.

THE BOARD'S OPINION AND EVENTS AFTER THE REPORTING DATE

In the Board's view the financial statements and statement of financial position with accompanying notes provide a true picture of the activities of Beerenberg Corp. AS and of the Company's position at year end.

In accordance with Section 3-3 of the Norwegian Accounting Act, the Board can confirm that the requirements for the going concern assumption have been satisfied and that the financial statements have been prepared on that basis.

No events have occurred after the end of the financial year of significance to the assessment of the Company's financial statements and position.

THANKS TO OUR PARTNERS AND EMPLOYEES

The Board of Directors should like to thank all employees and business partners for their co-operation and efforts in 2015.

Bergen, 14th of April 2016
The Beerenberg Holdco II Board of Directors

Ketil Lenning
Chairman

Sebastian Ehrnrooth

Svein Eggen

Lars Marcusson

Marcus Planting-Bergloo

Morten H. Walde
CEO

Beerenberg Holdco II AS Group

Consolidated Income Statement

Amounts in NOK 1,000	Note	2015	2014
Sales Revenue		**2 363 163**	2 300 069
Other revenue		**0**	6 235
Operating revenue	5, 6	**2 363 163**	2 306 304
Materials, goods and services		**253 279**	144 972
Pay and other social services	8,18,19	**1 447 096**	1 496 684
Other operating costs	7, 22	**387 096**	384 298
Total operating expenses		**2 087 470**	2 025 954
Operating result before depreciation, amortisation and impairment losses		**275 694**	280 350
Depreciation, amortisation and impairment losses	11, 12	**81 727**	72 018
Operating result		**193 967**	208 333
Financial revenue	9	**7 261**	8 437
Financial expenditure	9, 24, 27	**82 330**	157 782
Result before tax		**118 898**	58 988
Tax	10	**30 469**	17 986
Annual profit/loss		**88 430**	41 001
The annual profit/loss is attributable to:			
The owners of the parent company		**88 430**	41 001
Annual profit/loss		**88 430**	41 001
Basic earnings, and dilutet earnings per share for 267.300.000 shares	17	**0,00033**	0,00015

Diluted earnings per share are identical as there is no dilutive effect.

The accompanying notes 1-30 are an integral part of these financial statements.

Consolidated Statement of Performance

Amounts in NOK 1,000	Note	2015	2014
Annual profit/loss		**88 430**	41 001
Other revenue and expenses			
Change in value of derivatives	27	**-4 400**	-1 051
Conversion differences		**373**	-198
Total Statement of performance		**84 403**	39 753
The statement of performance is attributable to:			
The owners of the parent company		**84 403**	39 753
Total Statement of performance		**84 403**	39 753

Other revenue and expenses is after tax and will be reversed in the income statement.

The accompanying notes 1-30 are an integral part of these financial statements.

Consolidated Statement of Financial Position

Assets Amounts in NOK 1,000	**Note**	**31.12.2015**	**31.12.2014**
NONCURRENT ASSETS			
Intangible assets	12, 28	**153 631**	187 156
Goodwill	12	**883 860**	883 860
Property, plants and equipment	11, 28, 30	**183 116**	203 486
Loans to enterprises in the same Group	13, 24, 28	**608**	608
Other investments		**0**	41
Total Noncurrent assets		**1 221 215**	1 275 151
CURRENT ASSETS			
Goods	14, 28, 30	**53 374**	38 810
Accounts receivable from customers	13, 15, 28, 30	**386 609**	214 995
Other receivables	13, 15, 28	**18 646**	23 094
Earned, not invoiced	15, 23, 28	**112 409**	238 748
Cash at bank, cash in hand and similar	13, 16	**264 778**	90 597
Total current assets		**835 815**	606 244
Total Assets		**2 057 030**	1 881 395

Equity and Liabilities

Amounts in NOK 1,000	Note	31.12.2015	31.12.2014
EQUITY			
Share capital		**26 730**	26 730
Share premium		**240 310**	240 310
Other equity		**147 612**	63 209
Total equity	17	**414 652**	330 249
LIABILITIES			
Pension obligations	18, 28	**6 508**	7 949
Deferred tax obligations	10, 28	**35 444**	40 323
Other long-term obligations	20, 28	**9 400**	4 000
Interest bearing long-term liabilities	29, 30	**1 031 786**	1 029 705
Derivatives	27	**30 002**	32 992
Total long-term liabilities		**1 113 140**	1 114 969
Liabilities to credit institutions	13, 16, 29, 30	**3 103**	377
Supplier liabilities	21, 28	**122 971**	137 438
Tax payable	10, 28	**33 938**	38 524
Owed government charges and special taxes	28	**108 800**	79 606
Other -short term liabililities	21, 23, 28	**260 426**	180 232
Total short-term liabilities		**529 238**	436 176
Total liabilities		**1 642 378**	1 551 146
Total equity and liabilities		**2 057 030**	1 881 395

The accompanying notes 1-30 are an integral part of these financial statements.

BERGEN 14. APRIL 2016
Board of directors at Beerenberg Holdco II AS

Ketil Lenning
Chairman

Sebastian Ehrnrooth

Svein Eggen

Lars Marcusson

Marcus Planting-Bergloo

Morten H. Walde
CEO

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Total
Equity as per 31.12.2013	**26 730**	**240 310**	**-1 178**	**-709**	**25 452**	**290 605**
Total result for the period			**1 178**	**-852**	**39 427**	**39 753**
Transactions with shareholders						
Group contributions					-109	-109
Equity as per 31.12.2014	**26 730**	**240 310**	**0**	**-1 562**	**64 771**	**330 249**
Total result for the period			**373**	**-4 400**	**88 430**	**84 403**
Transactions with shareholders						
Group contributions						
Equity as per 31.12.2015	**26 730**	**240 310**	**373**	**-5 962**	**153 200**	**414 652**

The accompanying notes 1-30 are an integral part of these financial statements

Consolidated Statement of Cash Flows

Amounts in NOK 1,000	Note	2015	2 014
Cash flows from operating activities			
Result for the period before tax		**118 898**	58 988
Tax paid for the period		**-38 524**	-13 487
Gains/losses from sales of fixed assets		**0**	-5 310
Depreciation, write-down and amortisation	10, 11	**81 727**	72 018
Changes to inventory		**-14 564**	15 476
Changes to accounts receivable from customers	14	**-171 614**	-39 187
Changes to supplier liabilities		**-14 468**	65 966
Difference between expensed and paid-in/out pension premium		**-1 441**	-19
Changes to other time restricted items		**245 915**	-49 250
Net cash flow from operating activities		**205 930**	105 195
Cash flows from investment activities			
Incoming payments from the sale of tangible and intangible fixed assets	10	**0**	10 669
Outgoing payments from acquisition of tangible and intangible fixed assets	10, 11	**-27 831**	-74 092
Outgoing payments from other investments		**0**	-41
Reimbursement part of purchase price of shares		**0**	6 285
Outgoing payment of loan to parent company		**0**	-500
Net cash flow from investment activities		**-27 831**	-57 679
Cash flows from financing activities			
Incoming payment of new long-term debt	13	**0**	1 100 000
Repayment of long-term liabilities (outgoing)		**-3 919**	-1 128 704
Payments of Group contributions (outgoing)		**0**	-151
Net cash flow from financing activities		**-3 919**	-28 855
Net changes to cash and cash equivalents		**174 181**	18 660
Cash and cash equivalents per 01.01		**90 597**	71 937
Cash and cash equivalents per 31.12	15	**264 778**	90 597

The accompanying notes 1-30 are an integral part of these financial statements.

Note 1 Information about the Group

Beerenberg Holdco II. AS is a limited liability company registered in Bergen, Norway. The Beerenberg Holdco II Group comprises the parent company Beerenberg Holdco II. AS and the subsidiaries Beerenberg Holding AS, Beerenberg Corp. AS Benarx Solutions AS, Benarx Solutions Poland Sp. z o.o, and Benarx Pacific Asia PTE. LTD. Beerenberg Corp. AS and subsidiaries make up the Beerenberg Corp. AS sub-Group and is the operative company. The head office is in Bergen and the Group has offices in Stavanger, Mongstad, Aukra and Os in Norway, and Gościcino in Poland.

The Group delivers expertise and technology as well as engineering and inspection services in the fields of surface treatment, passive fire protection, insulation, architecture/interiors, scaffolding, rope access techniques, and habitats as well as mobile machining, cutting and decommissioning.

The consolidated financial statements comprise the parent company and subsidiary companies, referred to collectively as “the Group” and individually as “Group entities”.

The consolidated financial statements with accompanying notes have been prepared in accordance with IFRS. The financial statements with accompanying notes for the parent company Beerenberg Holdco II AS have been prepared in accordance with regulations on simplified application of IFRS.

Beerenberg Holdco II AS is 100 % owned by Beerenberg Holdco I AS.

The annual financial statements were authorised for issue by the board of directors on 14 April 2016.

Note 2 Basis of preparation

Confirmation of financial framework

The consolidated financial statements have been prepared in accordance with EU-approved IFRS standards and associated interpretations as required as at 31 December 2015 and in accordance with additional Norwegian disclosure requirements under the provisions of the Norwegian Accounting Act as at 31 December 2015.

The financial statements of Beerenberg Holdco II AS have been prepared in accordance with regulations on simplified application of IFRS.

The proposed consolidated financial statements were authorised by the board and CEO on the date stated in the signed statement of financial position. The consolidated financial statements shall be reviewed by an ordinary general meeting for final approval.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

NOK is the Group’s functional currency and presentation currency.

BASIS OF CALCULATIONS

The consolidated financial statements have been prepared using historical cost principles, with the exception of

- Derivatives, which are assesed at fair value.

ESTIMATES AND ASSESSMENTS

Preparing the financial accounts in accordance with IFRS requires the management to make assessments, estimates and assumptions that affect the application of the accounting principles. The carrying amounts of assets and liabilities, as well as revenues and costs, are affected by these assessments. Actual results may deviate from estimated amounts. Estimates and their associated assumptions are based on historical data and other factors that are deemed to be relevant and representative. These calculations form the basis for assessing the amounts recognised in respect of assets and liabilities that cannot be determined on the basis of other sources. The estimates and assessments section gives an account of accounting assessments made that significantly affect the financial accounts and of estimates with a considerable risk of significant adjustments in the next financial year.

Estimates and underlying assumptions are reviewed continually. Changes to accounting estimates are recognised in the period in which they occur if they only apply to that period.

If the changes also pertain to future periods, the effect is distributed over the current and future periods.

Note 3 Accounting principles

The accounting principles described below have been consistently applied to all companies in the Group in all periods.

Consolidation principles

SUBSIDIARY COMPANIES

The subsidiary companies include all entities where the Group has a deciding influence on the entity's financial and operational strategy, normally through the ownership of more than 50% of the voting capital, and where the entity constitutes an enterprise. Subsidiaries are consolidated from the date when control was transferred to the Group. Consolidation ceases on the date when the Group no longer has control.

Acquired subsidiaries are accounted for in the consolidated financial statements based on the parent company's acquisition cost. When acquiring a subsidiary company, the purchase price of the acquired undertaking must be distributed so that the opening balance of the Group reflects the estimated fair value of the assets and liabilities that have been acquired. In order to establish the fair value of an acquisition, alternative methods must be used for assets for which there is no active market. Excess value beyond that which can be attributed to identifiable assets and liabilities is recognised as goodwill. If the fair value of the equity in an acquired company exceeds the consideration paid, the excess is immediately recognised as income. The allocation of the purchase price upon consolidation is amended if new information appears about the fair value applicable on the date control was obtained, no later than 12 months after the acquisition took place.

IntraGroup transactions, balances and unrealised gains are eliminated. Unrealised losses are also eliminated but are considered to be an indicator of impairment, which would require an assessment to be made as to whether the transferred asset should be written down.

TRANSLATION OF FOREIGN CURRENCY

The bulk of the Group's activities are conducted in NOK.

The accounts of individual entities within the Group are measured in the currency used where the entity predominantly operates (functional currency). The consolidated financial statements are presented in NOK, which is both the functional currency of the parent company and the presentation currency of the Group.

Transactions and balance sheet items

Transactions in other currencies are converted to the functional currency using the transaction exchange rate. Foreign currency gains and losses resulting from the settlement of such transactions and from the conversion of monetary items (assets and liabilities) in other currencies at year-end using the exchange rate at the end of the reporting period are recognised in profit or loss.

Foreign currency gains and losses relating to loans, cash and cash equivalents are presented (net) as financial income or financial expenses. All other foreign currency gains and losses are presented on the line for other (losses) gains.

The currency effect of non-monetary items (both assets and liabilities) is included in the fair value assessment.

Group entities

The statements of financial position and comprehensive income of Group entities with a functional currency that differs from the presentation currency are translated as follows:

a) The statement of financial position is translated using the exchange rate at the end of the reporting period
b) The statement of comprehensive income is translated using the average exchange rate (if the average exchange rate does not give a reasonable overall estimate for the transaction exchange rate, then the transaction exchange rate is used)
c) Translation differences are taken to other revenues and costs and are specified as a separate item.

Financial instruments

The Group initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when the Group transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. All rights and liabilities in transferred financial assets that are created or retained as a result of the transfer are recognised separately as assets or liabilities.

Financial assets and liabilities are offset if the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Offset amounts are presented net in the statement of financial position.

CLASSIFICATION

The Group classifies its financial assets in the categories (1) financial assets at fair value through profit or loss, (2) loans and receivables, and (3) available-for-sale financial assets. Classification is dependent on the objective.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are financial assets that are held for trading. A financial asset is classified in this category if it was acquired primarily with a view to generating a gain from short-term price fluctuations. Attributable transaction costs are initially recognised in profit or loss when they are incurred. The instruments are measured at fair value, and changes in the value are recognised in profit or loss. Derivatives are classed as financial assets at fair value through profit or loss, unless they are part of a hedge relationship.

The fair value of forward exchange contracts is based on their listed market price if available. If the market price is not available, the fair value is determined by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract at a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. The quotes are tested for reasonableness by discounting estimated, future cash flows based on the terms and maturity of each contract, using the market interest rate for an equivalent instrument at the measurement date.

The fair value reflects the instrument's credit risk.

FINANCIAL DERIVATIVE INSTRUMENTS

The Group holds a limited number of financial derivative instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are recognised initially at fair value. Changes in fair value are recognised in profit or loss, except for hedging instruments that meet the criteria for hedge accounting.

The Group's criteria for classifying a derivative instrument as a hedging instrument follow the requirements of IAS 39 and are as follows:

1. There is sufficient documentation at the time of the inception of the hedge relationship that the instrument is effective
2. The hedging instrument is expected to be highly effective in offsetting the changes in fair value or cash flows of the hedged item
3. For a cash flow hedge, the transaction must be highly likely to occur
4. The effectiveness of the hedging instrument can be reliably measured, and
5. The hedging instrument is continually assessed and has proven to be effective

Hedging instruments classed as cash flow hedges offset variations in cash flows caused by changes in exchange rates, interest rates and market values. For cash flow hedges that meet the criteria for hedge accounting, all gains and losses on the effective part of the contract are recognised in comprehensive income, while those on the ineffective part are recognised in the income statement under finance.

Derivative financial instruments with positive fair value are classified as current assets if the remaining maturity of the hedged item is less than a year into the future, and as fixed assets when the remaining maturity of the hedged item is more than a year ahead. Financial derivatives with negative fair value are classified as a current liability if the remaining maturity of the hedged item is less than a year into the future, and as a long term liability when the remaining maturity is more than a year ahead.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classed as current assets unless they expire within 12 months of the end of the reporting period. Loans and receivables are classed as trade receivables, other long-term receivables and other receivables.

Trade receivables

Trade receivables are initially recognised at fair value. The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the end of the reporting period (the reporting date). Due to their short residual maturity, the nominal value of the receivables is deemed to reflect their fair value. Provisions for losses are accounted for when there are objective indicators that the Group will not receive payment in accordance with the original terms and conditions. The provision is the difference between the nominal/amortised cost and expected payment (present value of expected future cash flow) from the customer.

Trade payables and other short-term payables

Trade payables are measured at fair value when initially recognised and at amortised cost in subsequent periods. Due to their short residual maturity, the nominal value of the payables is deemed to reflect their fair value / amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank deposits.

Share capital

Ordinary shares are classed as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity (share premium) net of any tax effects.

Tangible non-current assets

The Group's tangible non-current assets comprise production equipment, workshops and improvements to buildings and other operating equipment. Tangible non-current assets are recognised in the statement of financial position at cost less accumulated depreciation and write-downs. The cost price of tangible non-current assets is the purchase price including expenses directly attributable to the purchase of the asset. The cost of self-constructed assets includes the cost of materials, direct labour costs, borrowing costs and other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items, and restoring the site on which they are used.

Expenses incurred after the non-current asset has been put into use, such as ongoing daily maintenance, are recognised in profit or loss in the period in which they were incurred, except for other expenses expected to generate future economic benefits that are recognised as a part of the non-current asset.

If substantial, individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate components.

Gains and losses on disposal are included in the operating profit or loss.

Goodwill

The Group measures goodwill as the fair value of the consideration transferred, less the net amount (normally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Goodwill is distributed to cash-generating units and is not subject to an amortisation schedule but is tested for impairment annually and when there is an indication that a write-down is necessary. Goodwill write-downs are not reversed. For the purpose of testing goodwill for impairment, goodwill is allocated to the cash-generating units that are expected to benefit from the acquisition.

Intangible assets

RESEARCH AND DEVELOPMENT

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge, is recognised in profit or loss as incurred.

Development activities include designs or plans for the production of new or substantially improved products and processes. Development expenditure is capitalised only if it can be reliably measured, if the product or process is technically or commercially viable, if future economic benefits are probable, and if the Group intends to and has sufficient resources to complete the development and to sell or use the asset. The expenditure capitalised includes materials, direct labour, directly attributable overhead costs and borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

The Group's intangible assets relate to identified excess value such as technology and customer relationships arising in connection the acquisition of Beerenberg Holding AS by Beerenberg Holdco II in 2013, and also relating to in-house insulation technology (Benarx). See also Note 12 concerning intangible assets.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful life. Depreciation is calculated on the basis of the cost of the asset or other amount substituted for cost, less its residual value.

The economic useful life of scaffolding is assessed, and its period of use has been set at 20 years. The period of use is the period in which the company expects to use the scaffolding and may thus be shorter than its economic useful life. The period of use and the residual value are assessed at the end of each reporting period and adjusted if necessary. Scaffolding are depreciated over a period of 15 years.

Containers and workshops are depreciated over a period of 10 years, while other production equipment and other assets are depreciated over a period of 3–7 years.

Intangible assets are amortised on a straight-line basis over their estimated useful life from the time they are available for use, since this most closely reflects the consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current period and comparative periods are as follows:

- Customer relationships 10 years
- Technology 10 years

Amortisation method, useful life and residual value are reviewed annually and adjusted if necessary.

Impairment losses

When the carrying amount of a non-current asset is higher than the estimated recoverable amount, the value is written down to the recoverable amount. The recoverable amount is the greatest of fair value less cost to sell and its value in use. The scope for reversing any previous write-downs (except goodwill) is assessed on each reporting date.

With the exception of inventories (see Inventories) and deferred tax assets (see Income tax), the carrying amount of the Group's fixed assets is continually assessed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (refer to Calculating the recoverable amount below).

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds the recoverable amount. Impairment losses are recognised through profit or loss.

Impairments estimated for cash-generating units are allocated so that the carrying amount of any goodwill in the cash-generating units is reduced first. Next, the remaining impairment losses on the other assets in the unit are allocated pro rata based on the carrying amount.

If an impairment in the fair value of a financial asset available for sale has been taken directly to other income and expenses, and if there is objective evidence that the asset has been the subject of an impairment, the accumulated loss that has been recognised directly in other income and expenses in profit or loss will be recognised. This applies even if the financial asset has not been realised. The loss recognised in profit or loss is the difference between the acquisition cost at the time of acquisition and the current fair value, less any impairment of the financial asset previously recognised in profit or loss.

CALCULATING THE RECOVERABLE AMOUNT

The recoverable amount of an asset is the greater of the net selling price (less cost to sell) and value in use. The value in use is estimated by discounting expected future cash flows to their present value using a market-based risk-adjusted discount rate. For assets that do not generally generate independent cash flows, the recoverable amount is determined for the smallest cash-generating unit to which the asset belongs.

REVERSING IMPAIRMENT LOSSES

Impairment losses on goodwill are not reversed. In respect of other assets, impairment losses are reversed if there is any change to the estimates used to calculate the recoverable amount.

Lease agreements (as a lessee)

Leases under which the Group assumes substantially all the risks and rewards of ownership are classed as financial leases. Upon initial recognition the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is subject to the same accounting principle as equivalent assets.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

Inventories

Inventories are measured at an amount equal to the lower of acquisition cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. The acquisition cost of manufactured inventories includes the direct cost of materials, direct labour and a share of indirect production overheads, while the acquisition cost of purchased inventories is the cost price based on the first-in-first-out principle and includes the cost incurred in acquiring the inventories, production or conversion overheads and other costs incurred in bringing them to their existing location and condition. In accordance with IAS 2.28, the value of inventories is written down to the net realisable value if the inventories have been damaged or have become wholly or partially obsolete or if the selling price has fallen.

Cost of sales for the year comprises the cost price of goods sold plus any write-down in accordance with IAS 2.28 at the end of the year.

Pension costs and pension obligations

Pension costs and pension obligations are treated in accordance with IAS 19R. Pensions are described in Note 18. The net pension costs for the period are classed as salary and personnel costs.

The Group operates a pension scheme financed by contributions paid into a separate legal entity (insurance company) in the form of a defined contribution plan. A defined contribution plan is a pension scheme under which the Group pays fixed contributions to the insurance company. The company has no further payment obligations once the contributions have been paid. The contributions are recognised in profit or loss as salary costs as incurred. Prepaid contributions are recognised as assets to the extent that they can be refunded or reduce future contributions.

The Group is also participant in the AFP scheme which is a pension-scheme that pays a lifelong supplement to ordinary pension benefits.

The group has in addition to the ordinary pension scheme also a supplementary pension plan for executive management and key employees.

See further information in Note 18 on pensions.

Provisions

Provisions are accounted for when the Group has an obligation (legal or self-imposed) resulting from a previous event if it is likely (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be reliably calculated. If the effect is significant, the provision is calculated by discounting expected future cash flows with a discount rate before tax that reflects the market's valuation of the time value of money and, if relevant, risks specifically linked to this obligation.

WARRANTIES

A provision for warranties is recognised when the underlying products or services are delivered. The warranty period is normally 2-5 years. At the end of a project, a provision is made to meet any warranty claims and complaints. The provision is based on historical information about warranties weighted by the probability that a warranty expense will be incurred. It is normal for such provisions to be a fixed proportion of the contract value, but a larger or smaller provision may be made depending on the specific assessment of individual projects. Experience from previous projects provides the best basis for making both general and specific warranty provisions. Factors that may affect the size of the provision include the Group's quality measures and project implementation model.

RESTRUCTURING

A provision for restructuring is recognised once the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or been communicated to the affected parties.

ONEROUS CONTRACTS

A provision for onerous contracts is recognised when the Group's expected revenue from a contract is lower than the unavoidable cost of meeting its contractual obligations. The estimated provision is the present value of the lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract. Before a provision is made, all impairment losses on assets associated with the contract are recognised.

Revenue recognition

Most of the company's revenues are associated with the sale of services, goods and hire of equipment in connection with maintenance contracts that the company has entered into. Revenues are recognised in accordance with IAS 18 Revenue. According to IAS 18.21 the percentage of completion method is also applied and the income is recognized in the periods in which the services are rendered. IAS 18.21 also refers to IAS 11. IAS 11 requires that revenue is recognized on this basis, and the requirements of IAS 11 is applied for recognition of revenue and associated costs for transactions involving services.

The majority of the Group's contracts is invoiced and recognized as income on basis of hours incurred multiplied by a defined hourly rate associated with the services provided, unit price contracts are recognized as income in accordance with measured progress and equipment rental is recognized as income in the period the equipment is leased.

Contract revenues include the initial amount agreed in the contract plus any variations in contract work, disputed amounts and incentive payments to the extent that it is probable that they will result in revenue and can be estimated reliably. When the outcome of a contract can be estimated reliably, the contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The outcome of a transaction may, according to IAS 18, be estimated reliably when:

a) The revenue can be reliably measured.
b) It is probable that the economic benefits associated with the transaction will fall to the company.
c) The stage of completion of the transaction at the end of the reporting period can be measured reliably.
d) The expenses incurred in connection with the transaction and the expenses that will be incurred in completing the transaction can be measured reliably.

Contract expenses are recognised as incurred, unless they generate an asset related to future contract activity. Indirect expenses which are applicable to the company as a whole, or to the project activities, but which cannot be allocated to an individual project, are not included.

Revenue relating to ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates etc.

Revenue from services rendered is recognised when persuasive evidence exists that the work completed has been, or is highly likely to be, approved by the customer. This is assessed on the basis of the stage of completion of the service at the end of the reporting period. The stage of completion is assessed on the basis of work completed.

If the outcome of a maintenance contract cannot be measured reliably, the contract revenues are recognised only to the extent that the incurred contract expenses are expected to be met by the customer. An expected loss on a contract is recognised in profit or loss as incurred.

Revenue from the sale of goods is recognised when persuasive evidence exists that the significant risks and rewards of owning the goods have been transferred to the buyer. For sales of the company's products, transfer normally occurs once the product is received at the customer's warehouse or installation.

MAINTENANCE CONTRACTS

Most of the Group's turnover is associated with long-term maintenance contracts. As a general rule, these contracts are agreed with a fixed price per unit (unit price contracts) or a fixed price per hour, and variations thereof. What constitutes a unit varies from contract to contract, but it may be a square metre of surface treatment, for example.

At the end of each billing period, the Group reports to the customer the number of hours and/or number of units completed in the period. The former is based on the recorded and approved number of hours, while the latter is based on physical progress recorded by a detailed inspection. The customer reviews the supporting documentation and issues a payment certificate to the Group. On the basis of the payment certificate, the Group recognises the revenue for the period as income and bills the customer. By having the customer review the documentation of work completed and issue a payment certificate, the revenue has the prior approval of the customer.

DELIVERY OF MATERIALS

In some contracts, the delivery of materials is incorporated in the fixed hourly price or the fixed unit price. In other cases, the delivery of materials is billed separately. The delivery of materials is recognised as income when the materials have been put into use on a project or transferred to the customer in some other way.

OTHER REVENUES

On smaller projects, the work carried out in the period is billed and recognised as income based on work completed or, as a general rule, based on approved timesheets, but without the customer issuing a payment certificate in advance. Some smaller projects are also billed and recognised as income upon completion of the project. These types of projects will rarely stretch over multiple reporting periods. Letting of scaffolding and other equipment is invoiced and recognized as income in the period it has been let.

ACCRUED, NOT INVOICED CONTRACT REVENUES

Accrued, not invoiced contract revenues represent the value of completed contract work less payment from the customer. The value of completed contract work is measured at cost plus accrued net profit to date. Payment from customers is offset in the statement of financial position against contract work in progress. Received customer advances in excess of the amount allocated to inventories are classed as current liabilities.

Expense recognition / matching

Expenses are matched with and recognised alongside the revenues to which they can be allocated. Expenses that cannot be allocated directly to revenue are recognised as incurred. All expenses linked to the restructuring or discontinuation of an operation are recognised at the time the decision is made.

Government grants

The company receives various types of government grants in relation to its research and development activities. These may be funding through the SkatteFUNN scheme or other grants. Such grants, whereby the company is compensated for expenses incurred, are systematically recognised in profit or loss over the period that the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss over the useful life of the asset.

Finance income and finance costs

Finance income comprises interest income on funds invested during the year. Finance costs comprise interest costs incurred during the year.

Foreign currency gains and losses are reported on a net basis.

Income tax and deferred tax

Income tax expenses comprise current and deferred tax. Tax is recognised in profit or loss, except when it relates to items taken to other income and expenses or directly to equity, or are linked to business combinations. If this is the case, the tax is also taken to other income and expenses or directly to equity.

Tax payable for the period is calculated in accordance with tax laws and rules that have been enacted, or substantially enacted, by the tax authorities at the end of the reporting period. Taxable income is calculated on the basis of the legislation in the countries in which the Group's subsidiaries operate and generate taxable income.

Using the liability method, deferred tax is calculated on all temporary differences between the tax value and consolidated accounting value of assets and liabilities. The following temporary differences are not taken into account:

- Goodwill that is not tax deductible
- Initial recognition of assets or liabilities that affects neither accounting nor taxable profit or loss
- Differences relating to investments in subsidiaries that are not likely to reverse in the near future

Deferred tax is calculated using tax rates and tax legislation that have been enacted, or substantially enacted, at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be generated against which the deductible temporary differences can be realised.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset them.

Estimates and judgements

Estimates and judgements are reviewed on an ongoing basis and are based on historical information and other factors, including assumptions and future events that are deemed likely under the current circumstances.

ESTIMATES/ASSUMPTIONS

The Group produces estimates and makes judgements/assumptions about the future. The resulting accounting estimates will rarely correspond fully to the final outcome. Estimates and assumptions that entail a significant risk of substantial changes in the carrying amounts of assets and liabilities during the next accounting year are:

i) **Tangible non-current assets** – Depreciation and potential write-downs of equipment are based on assumptions concerning periods of use, residual value, expected revenues and interest rate levels. A negative change in the basic assumptions could lead to higher depreciation than previously and potentially to a write-down of the assets.

ii) **Revenue recognition** - As described in recognized sale of services for under IAS 18 Revenue. This includes income recognition according to the percentage of completion of physical progress in the service delivery, which in some cases lead to use of estimates.

The most significant source of uncertainty in respect of contract revenues relates to the estimation of supplementary work, additional requirements and bonus payments that are recognised as income to the extent that the Group finds it probable that they will result in additional revenue and that reliable estimates can be made. For many projects, there may be substantial changes to the agreed scope of work that may lead to a number of variations in contract work. It is normal for contracts to contain provisions for how such changes should be handled. At any given time there will be unapproved variations in contract work and requirements included in the contract revenues. Although the management has extensive experience in assessing the outcome of such negotiations, there will always be an element of uncertainty.

The cost of completion depends on both productivity factors and salary levels. Factors that may substantially affect cost estimates, requirements and variations in contract work include weather conditions, access to work sites, the price of raw materials and other circumstances that may have an effect on time use.

Revenue recognition of contracts with mobilisation and demobilisation costs requires assumptions to be made about the duration of the contract, including potential extension options, in order to allocate expenses and revenues from the mobilisation/demobilisation period over the delivery period. Changes in the delivery period may result in adjustments being made to the accrued amount.

iii) **Income tax** – On some projects, the company will operate outside Norway and must then comply with local legislation. On operations taking place abroad, the company will primarily operate as a sub-contractor to a customer with an established business in the country in question and will normally not incur any tax liabilities, as these will be assumed by the customer. Tax incurred in a third country will in some cases be income tax and in other cases operating expenses. An assessment of potential tax liabilities has been made, with the conclusion that the Group has no latent overseas tax liabilities as at 31.12.2015.

Capitalised tax assets usually arise as a result of loss carryforwards that can be used to reduce income tax on future profits. Recognition of such assets is based on having sufficient basis for assuming that such future profits will be available against which the loss carryforwards can be utilised. When the final outcome deviates from the original provision, the deviation will affect the tax payable and the provision for deferred tax in the period that the outcome becomes clear. Specific information about the Group's tax situation can be found in Note 10 Tax.

General assessments have been carried out of potential tax liabilities, but to date they have not resulted in any income tax being paid or provided for. Such assessments may be challenged and lead to tax being paid. The company normally hedges its contracts with customers so that the customer assumes the tax risk. However, there may be elements of uncertainty in relation to the extent of any tax refund and the cost of processing any tax claims.

iv) **Warranties** – The warranty period is normally 2-5 years. At the end of a project, a provision is usually made to meet any warranty claims and complaints. It is normal for such provisions to be approximately one per cent of the contract value, but a larger or smaller provision may be made depending on the specific assessment of individual projects. Experience from previous projects provides the best basis for making both general and specific warranty provisions.

v) **Goodwill** – In accordance with the accounting principles, the Group performs tests annually, or more frequently if necessary, to determine whether goodwill recognised in the statement of financial position should be written down. The estimated recoverable amount is calculated on the basis of the present value of budgeted cash flows for the cash-generating unit. The calculations require the use of estimates and that they are consistent with the market valuation of the Group. Specific information about goodwill and the testing of carrying amounts is provided in Note 12 Intangible assets.

vi) **Research and development** – In accordance with the accounting principles, the Group performs tests annually, or more frequently if necessary, to determine whether recognised research and development should be written down. The estimated recoverable amount is calculated on the basis of the present value of budgeted cash flows for the cash-generating unit. The calculations require the use of estimates and that they are consistent with the market valuation of the Group. Specific information about research and development and the testing of recognised amounts is provided in Note 12 Intangible assets.

Events after the reporting period

New information after the reporting period about the company's financial position at the end of the reporting period has been taken into account in the financial statements. Events after the reporting period that do not affect the company's financial position at the end of the reporting period but that will affect the company's financial position in the future are disclosed if they are significant.

Refer to note 26 for events after the reporting period.

New and amended standards adopted by the group

No new standards or amendments of standards have been adopted by the Group in 2015.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for future annual periods, but have not been applied in preparing these consolidated financial statement. Amongst new standards that the Group have chosen not to early adapt, the most material are disclosed below

IFRS 9 'FINANCIAL INSTRUMENTS'

IFRS 9 Financial Instruments addresses classification, measurement, and recognition of financial assets, and financial liabilities and hedge accounting. The complete version of IFRS 9 was issued in July 2014. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 simplifies requirements of hedge accounting by tying the hedging effectiveness closer to risk management policies and allows for greater room for assessment. The implementation date for IFRS 9 is set for annual accounts for 2017, but early adoption is allowed. The Group has not yet fully evaluated the impact of IFRS 9.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard replaces IAS 18 Revenue and IAS 11

Construction contracts and corresponding interpretations. The implementation date for IFRS 15 is set for annual accounts for 2017, but early adoption is allowed. The Group is currently evaluating the impact of IFRS 15.

IASB published the new IFRS 16 Leases in mid-January 2016. The standard requires the lessee recognizes the assets and liabilities of most leases. The new standard must be applied from financial year 2019. The Group has not yet fully evaluated the impact of IFRS 16.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Statement of cash flows

The Group's consolidated statement of cash flows shows the Group's total cash flows spread over operating, investing and financing activities. The statement shows the effect of each activity on the Group's liquid assets.

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term highly liquid investments with insignificant risk convertible into known amounts of cash with maturities less than three months from acquisition date.

Earnings per share

Basic earnings per share and diluted earnings per share are presented for ordinary shares. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share are determined by adjusting the profit or loss and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for dilutive potential.

Determination of fair values

The Group's accounting principles and note information require the determination of fair value for both financial and non-financial assets and liabilities. Fair values are determined for measurement and/or disclosure purposes based on the methods described below. If relevant, further information about the assumptions made is disclosed in the notes relating to the respective assets and liabilities.

TANGIBLE NON-CURRENT ASSETS

The fair value of property, plant and equipment is recognised at fair value if is part of a business combination. The fair value of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

INTANGIBLE ASSETS

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method. The value is established residually by deducting a fair return on all other assets that together with customer relationships generate the cash flows used in the calculation.

The fair value of other intangible assets is based on the discounted expected cash flows derived from the use and subsequent sale of the assets.

INVENTORIES

The fair value of inventories acquired in a business combination is the estimated selling price in the ordinary course of business less the cost of completion and sale, to include a profit margin based on the effort required to complete and sell the inventories.

INVESTMENTS IN SHARES AND BONDS

The fair value of financial assets at fair value through profit or loss, investments held to maturity and available-for-sale financial assets is set to the quoted market price at the end of the reporting period. The fair value of held-to-maturity investments is only provided for disclosure purposes.

TRADE RECEIVABLES AND OTHER RECEIVABLES

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the end of the reporting period (the reporting date).

ACCOUNTS PAYABLE AND OTHER LIABILITIES

Trade payables are obligations to pay for goods and services from suppliers to the ordinary operations and are measured at fair value (historical cost)

Loans are recognized initially at fair value when the loan is paid, net of transaction costs. In subsequent periods, loans are measured at amortized cost using effective interest rate.

Other liabilities are measured at fair value.

Note 4 Financial risk management

As a global supplier of oil services, the Group is exposed to market risks (exchange rate risk and interest rate risk), credit risk, inflation risk and liquidity risk.

The Group has established procedures and guidelines for setting appropriate risk levels for its main risks and for monitoring its risk exposure. The Group's objectives for capital management are to sustain the Group's position as a going concern in order to generate a return for shareholders, to be of benefit to other interested parties, and to maintain an optimal capital structure in order to reduce the cost of capital.

Risk management for the Group is undertaken centrally in accordance with guidelines approved by the board of directors. The Group identifies, measures, manages and reports financial risks in collaboration with the various operating units.

Managing the capital structure involves actively monitoring and adjusting the composition in accordance with changes in financial and economic circumstances and in the risk linked to underlying assets. In order to maintain the desired capital structure, the Group may refinance debts, buy or issue new shares or debt instruments, or it may sell assets.

The Group continuously monitors counterparties in order to reduce risk relating to financing, investing excess liquidity, bank balances from operations and derivatives. The Group's guidelines impose limitations on exposure to individual counterparties and contain procedures for identifying risk factors when they occur.

The board produces written principles for the overarching risk management policy and issues written guidelines for specific areas such as exchange rate risk, interest rate risk, credit risk, the use of financial derivatives and other financial instruments and for investing excess liquidity.

Exchange rate risk

The Group predominantly operates in Norway, but some of its activities are international and thus exposed to exchange rate risks in several currencies. Exchange rate risks emerge from current and future assignments and from recognised assets. The Group is exposed to exchange rate fluctuations because a limited portion of the Group's revenue and cost is in other currencies. According to Group policy, customer- and supplier contracts with exchange rate risk exceeding defined limits shall be hedged.

The parent company used NOK as its functional currency. An assessment is made annually as to what is the actual functional currency of each entity in the Group.

The company has relatively insignificant investments in overseas subsidiaries where net assets are exposed to exchange rate risks upon translation.

Sensitivity analyzes related to exchange rate fluctuations is described in note 13

Market risk

The Group operates in the oil and gas market, which may have fluctuating market development, and Beerenberg will thus be affected by the oil companies behaviour and the prevailing oil and gas prices. The recent fall in oil prices shows that the level of activity is an important factor that influences behaviour. To meet this development Beerenberg made a diversification towards different product areas and activity in new construction projects and maintenance and modification projects that mitigate fluctuations in activity to some extent.

On the Norwegian shelf, there is reason to believe that investment growth will slow down in the long term, which will affect the level of investment. To extend the activity and customer base, the Group has worked to expand its international presence, to accommodate market cycles on the Norwegian shelf.

Cash flows and fair value interest rate risk

Variable rate loans pose an interest rate risk to the Group's cash flows. The Group is exposed to interest rate risks relating to debts, including financial leasing. The weighted average effective rate of interest in relation to variable rate debt, including financial leasing, was 7 % in 2015 (2014: 7,1 %). The Group's interest-bearing assets comprise as of 31.12 of bank deposits of NOK 264,8 million. Changes in market interest rates would affect operating cash flows related to these interest-bearing assets, but to a relatively modest degree.

Interest rate risks are continually reviewed by looking at potential refinancing, renewal of existing contracts, alternative financing and hedging. Please see the note on loans. The Groups calculation of interest on contracts is entirely linked to liabilities.

The Company and the Group's interest rate risk related to interest-bearing debt is essentially hedged by a long-term interest rate swap agreement whereby floating NIBOR based rate plus margin is swapped with a fixed interest rate so that the exposure to changes in short-term floating interest rates are reduced.

If interest rates had been 1% (percentage point) higher/lower on loans in NOK in 2015 and all other variables were constant, this would have resulted in a reduction/increase in profit/loss after tax of NOK 7.5 million in 2014 (2014: 6.4) Equity would have been similarly affected.

This is due to higher/lower interest costs on variable rate loans.

Credit risk

Credit risks are assessed at Group level. The Group's financial assets that are exposed to credit risks are predominantly trade receivables. Trade receivables mostly concern multinational oil companies and independent oil and gas companies, including companies that are wholly or partially owned by foreign governments. The Group has also taken out credit insurance for all customers that are not oil companies. The Group handles its exposure to credit risk by carrying out continual credit checks of customers, and it makes provisions for losses on doubtful accounts.

Routines are incorporated to ensure that sales are only made to customers with satisfactory credit worthiness. The provisions made for losses on doubtful accounts are based on the management's best estimate of probable losses on outstanding balances from customers and take into account a number of factors, primarily receivables aging reports, past experience, customer concentration, the customer's financial strength and reputation.

If an independent credit rating of a customer is available, it will be used when determining a credit limit. If no independent assessment of the customer's credit worthiness is available, an assessment is carried out on the basis of the customer's financial position, history and other factors as appropriate. Individual limits for risk exposure are set on the basis of internal and external assessments of credit worthiness and of guidelines provided by the board of directors. Our customers are predominantly large international oil companies or government-owned oil companies. Such companies generally have very good credit ratings.

The Group have not provided any warranties that pose a significant risk.

Liquidity risk

The Group is exposed to liquidity risks relating to the repayment of debts and payments to suppliers. Cash flow forecasts are created for each operating unit within the Group and aggregated at Group level. Rolling forecasts for the Group's liquidity requirements are monitored centrally to ensure that the Group has sufficient cash equivalents to meet operating-related liabilities at all times. Such forecasts take into account the Group's planned loans, compliance with borrowing terms and compliance with internal targets for reporting figures.

Excess cash at the Group entities beyond that which constitutes necessary working capital is transferred to the Group's finance function. The Group's finance function invests excess cash in interest-bearing cash deposit accounts, choosing instruments with appropriate maturity dates and liquidity in order to obtain sufficient flexibility as determined by the above-mentioned forecasts. On the reporting date, the Group had bank deposits of NOK 264.8 million plus an unused overdraft of NOK 150 million, designed to meet the liquidity risk.

Note 13 shows the Group's interest-bearing financial liabilities classed according to maturity structure. Classification is carried out according to the due date stated in the contract. The amounts in the table are undiscounted contractual cash flows.

Risk relating to capital management

The Group's objectives for capital management are to sustain the Group's position as a going concern in order to generate a return for its owners and other interested parties and to maintain an optimal capital structure in order to reduce the cost of capital.

In order to improve its capital structure, the Group can adjust the level of dividends paid to shareholders, issue new shares, or sell assets to repay loans. The gearing in the Group for 31.12.15 and for 31.12.14 is shown in table below.

	2015	**2014**
Total debt	1 034 890	1 030 082
Less cashand cash equivalents	-264 778	-90 597
Net debt	770 112	939 485
Total Equity	414 652	330 249
Total Capital (adjusted)	1 184 764	1 269 734
Debt Ratio	65 %	74 %
Gearing	1,9	2,8

Technology risk

The market in which Beerenberg operates will continue to seek improved solutions and products for the future. In order to refine its competitive edge, the Company has adopted a strategy of continuing to invest in engineering

Note 5 Segment

(Amounts in NOK 1,000)

Operating segments are reported consistent with internal reporting provided to Chief Operating decision maker. Chief Operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is defined as the Group Executive Management. As at 31.12.15 there are two reporting segments in the Group, "Services" and "Benarx". Services includes business related to the traditional ISS activity of the company which is mainly related to major framework contracts. Benarx includes business involving production of insulation materials and related subsea insulation business.

	Services		Benarx		Not allocated/ eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014
Operating revenue external	2 180 027	2 123 048	183 136	183 256			2 363 163	2 306 304
Operating revenue internal	4 779		352 525	80 772	-357 303	-80 772		
Total Operating revenue	**2 184 806**	**2 123 048**	**535 661**	**264 028**	**(357 303)**	**(80 772)**	**2 363 163**	**2 306 304**
Direct cost	1 825 332	1 769 400	399 675	218 500	(357 303)	(80 772)	1 867 704	1 907 129
Gross profit	**359 473**	**353 648**	**135 986**	**45 528**			**495 459**	**399 176**
Admin & overhead	165 002	97 552	54 763	18 225		3 049	219 766	118 826
EBITDA *	**194 471**	**256 096**	**81 222**	**27 303**		**(3 049)**	**275 694**	**280 350**
Depreciation, amortisation and impairment losses	27 760	26 756	17 497	4 300			45 256	31 056
EBITA **	**166 712**	**229 340**	**63 726**	**23 003**		**(3 049)**	**230 437**	**249 294**

*) Operating result before depreciation, amortisation and impairment losses
**) Operating result before amortisation

ASSETS	Services		Benarx		Not allocated/ eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014
Intangible assets	139 338	167 401	14 293	19 754			153 631	187 156
Goodwill	683 860	683 860	200 000	200 000			883 860	883 860
Property, plants and equipment	164 583	174 907	18 533	28 579			183 116	203 486
Loans to enterprises in the same Group					608	608	608	608
Other investments				41				41
Total Noncurrent assets	**987 781**	**1 026 168**	**232 825**	**248 374**	**608**	**608**	**1 221 215**	**1 275 151**
Goods	12 973	15 136	40 400	23 674			53 374	38 810
Accounts receivable from customers	389 874	192 096	70 077	22 899	-73 342		386 609	214 995
Other receivables	13 781	20 091	15 378	3 003	-10 513		18 646	23 094
Earned, not invoiced	101 791	217 254	12 674	21 494	-2 056		112 409	238 748
Cash at bank, cash in hand and similar					264 778	90 597	264 778	90 597
Total current assets	**518 419**	**444 577**	**138 529**	**71 070**	**178 867**	**90 597**	**835 815**	**606 244**
Total Assets	**1 506 201**	**1 470 745**	**371 354**	**319 444**	**179 475**	**91 205**	**2 057 030**	**1 881 395**

GEOGRAPHIC

Revenue is also measured according to wheter it is earned in Norway/on the Norwegian Continental Shelf (NCS) or internationally (ICS)

	NCS		ICS		Consolidated	
	2015	2014	2015	2014	2015	2014
Total Operating revenue	2 258 347	2 236 549	104 817	69 755	2 363 163	2 306 304

Reconciliation of EBITDA to profit/loss before tax:	2015	2014
EBITDA for reporting segments	275 694	280 350
Depreciation, amortisation and impairment losses	81 727	72 018
Net finance costs	75 069	149 345
Result before tax	118 898	58 988

Revenue from customers who make up more than 10% of total revenue
Revenue from 3 customers make up more than 10 % of total revenue in 2015.
Revenues from customer 1 amounted to 597,370 (2014: 1,014,090)
Revenues from customer 2 amounted to 423,223 (2014: 707,076)
Revenues from customer 3 amounted to 1,130,304 (2014: 269,494)

Note 6 Operating revenues

(Amounts in NOK 1,000)

	2015	2014
Sales revenue		
Revenues from services	1 673 616	1 823 233
Revenues from sale of goods	513 028	241 729
Revenues from hiring of equipment	176 520	235 107
Total sales revenue	**2 363 163**	**2 300 069**
Other revenue		
Gains from sale of assets	0	6 235
Total other revenue	**0**	**6 235**
Total operating revenue	**2 363 163**	**2 306 304**

Note 7 Other operating costs

(Amounts in NOK 1,000)

Beerenberg Holdco II's other operating costs totals 387,096. (384.298 for 2014) 70–80% of these costs are project costs. Other costs are costs relating to consulancy fees, premises and associated costs, IT, insurance premiums, contingents, marketing and patent costs.

	2015	2014
Travel expenses	124 480	118 019
Rental of equipment	46 541	67 407
Other project costs	107 782	93 989
Consultancy fees	35 251	42 371
Facilities	38 394	31 192
IT	24 486	17 523
Other	1 231	3 361
Insurance	2 449	3 348
Membership fees	2 697	2 189
Market	2 716	4 269
Patents	1 068	630
Total other operating costs	**387 096**	**384 298**

Auditor's fee	**2015**	**2014**
Statutory auditing	1 396	1 103
Other certification services	46	0
Tax advice	465	818
Other non-audit services	194	557
Total	**2 100**	**2 478**

The sums stated are exclusive of VAT.

Note 8 Personnel costs

(Amounts in NOK 1,000)

Personnel costs	**2015**	**2014**
Salaries incl. holiday pay	858 695	956 956
National Insurance contributions	130 031	145 819
Pensions	31 836	28 545
Contract personnel	409 783	348 032
Other employee benefits	16 751	17 332
	1 447 096	**1 496 684**
Number of FTEs	2 177	2 184

Note 9 Finance income and finance costs

(Amounts in NOK 1,000)

Finance income and finance costs	**2015**	**2014**
Other finance income		4 095
Interest income from other sources	2 001	2 712
Foreign exchange gains, realised	5 195	1 471
Foreign exchange gains, unrealised	66	159
Finance income	**7 261**	**8 437**
Interest cost bank	1 478	30 468
Interest cost bond	66 210	35 341
Accrued refinancing fee	6 000	37 875
Leasing interest costs	246	560
Interests from vendors and other interest costs	2 537	2 503
Foreign exchange losses, realised	5 739	1 264
Foreign exchange losses, unrealised	120	0
Interest on loan from parent company	0	18 917
Change in market value derivatives (not hedge accounted)	0	30 853
Finance costs	**82 330**	**157 782**
Net finance costs recognised in income statement	**-75 069**	**-149 345**

Note 10 Tax

(Amounts in NOK 1,000)

	2015	**2014**
Tax payable has been calculated as follows		
Ordinary result before tax	118 898	58 988
Loss in foreign subsidiaries, not included in basis for tax payable	3 937	0
Permanent differences	1 102	2 912
Change in differences that are not included in the basis for deferred tax assets / liabilities	0	14 502
Change in differences included in the basis for deferred tax assets / liabilities	53 162	14 875
Change in losses to be carried forward	-51 404	51 404
Basis for tax payable	**125 695**	**142 681**
Tax payable on the result for the year	**33 938**	**38 524**
Tax cost is calculated as follows:		
Tax payable on the result of the year	33 938	38 524
Corrections to previous years	0	1 273
Gross changes deferred tax	-6 464	-21 811
Change deferred tax due to change of tax rate	2 995	0
Total tax cost for the year	**30 469**	**17 986**

	31.12.2015	31.12.2014
Tax payable on the balance sheet has been calculated as follows		
Tax payable on the result for the year	33 938	38 524
Total tax payable	**33 938**	**38 524**
Spesification of the basis for deferred tax/deferred tax concessions changes over profit and loss		
Additions through business combinations	130 291	157 940
Fixed assets	39 998	46 987
Current assets	11 699	24 351
Liabilities	-23 847	-11 663
Precluded interest deduction to be carried forward	-8 417	-14 728
Total	**149 726**	**202 887**
Losses and deduction to be carried forward	0	-51 404
Total basis for deferred tax	149 726	151 484
Deferred tax changes over profit and loss	**37 431**	**40 901**
Spesification of the basis for deferred tax/deferred tax concessions changes over OCI	**2015**	**2014**
Temporary differences		
Derivatives	-7 949	-2 139
Basis for deferred tax/deferred tax concessions changes over OCI	-7 949	-2 139
Deferred tax changes over OCI	**-1 987**	**-578**
Deferred tax obligations	**35 444**	**40 323**

Explanation as to why the tax for the year does not amount to 27 % of the result before tax		
27 % of the result before tax	32 103	15 927
Permanent differences (27%)	298	786
Errors in previous years	0	1 273
Loss in foreign subsidiaries, not included in basis for tax payable	1 063	0
Change deferred tax due to change of tax rate	-2 995	0
Calculated tax	**30 469**	**17 986**

Corrections to previous years in 2014 is as a result of a change in the tax assessment for the year 2013, after the accounts for 2013 were prepared.

Note 11 Property, plant and equipment

(Amounts in NOK 1,000)

31.12.2015	Vehicles	Production equipment	Telecoms & IT	Buildings, barracks and halls	Total 31.12.2015
Acquisition cost 01.01	17 814	356 023	14 006	38 473	**426 315**
Acquisitions of non-current assets		16 059	1 679	7 152	**24 890**
Disposals					
Discarded assets/adjustment					
Acquisition cost 31.12	**17 814**	**372 082**	**15 685**	**45 625**	**451 206**
Accumulated depreciation 01.01	14 968	174 885	10 441	22 540	**222 834**
Depreciation for the year	800	25 543	1 833	3 437	**31 613**
Write-downs for the year		6 376	140	7 127	**13 643**
Disposals – accumulated depreciation					
Accumulated depreciation 31.12	**15 768**	**206 804**	**12 414**	**33 104**	**268 090**
Capitalized value 31.12	**2 045**	**165 278**	**3 271**	**12 521**	**183 116**
Economic useful life	5-7 years	5-10-15 years	3 years	10 years	
Depreciation schedule	Straight-line	Straight-line	Straight-line	Straight-line	

The Group has entered into leasing agreements on a number of non-current assets. Leasing agreements last for 5 years and are treated as financial leasing. Leasing agreements are generally entered into at a variable interest rate at 1 month NIBOR + a margin of 1 - 2,2 %. No leasing agreements includes buyout-options at the end of the leasing periods. However, at the end of the leasing periods the Group can ask for an offer to buy the equipment. This is generally given at a price varying around 2 months leasing amounts. The Group will normally utilize such offers.

The book value of leased material as of 31.12.2015 is 2,057, and relates mainly to AV-equipment (781) and vehicles (1,064). For reference the book value of leased material as of 31.12.14 was 15,153, of which 11,212 was scaffolding,718 a portable cabin, and 1,573 was vehicles.

Production of insulation products at the Group's facility at Os is decided to be closed down from second Quarter of 2016. Therefore, fixtures and fittings and customizations in the production facility, as well as machinery that will be rendered obsolete is written down as of 31.1.15.

31.12.2014	Vehicles	Production equipment	Telecoms & IT	Buildings, barracks and halls	Total 31.12.2014
Acquisition cost 01.01	16 521	293 531	11 493	47 744	**369 288**
Acquisitions of non-current assets	1 293	64 501	2 513	1 274	**69 581**
Disposals		(2 010)	-	(10 545)	**(12 554)**
Discarded assets/adjustment	-		-		**-**
Acquisition cost 31.12	**17 814**	**356 023**	**14 006**	**38 473**	**426 315**
Accumulated depreciation 01.01	14 007	151 210	9 395	24 358	**198 969**
Depreciation for the year	962	24 160	1 046	4 520	**30 688**
Write-downs for the year	-	361	-	8	**368**
Disposals – accumulated depreciation	-	(846)	-	(6 350)	**(7 196)**
Discarded assets/adjustment	-	-	-	-	**-**
Accumulated depreciation 31.12	**14 969**	**174 885**	**10 441**	**22 536**	**222 830**
Capitalized value 31.12	**2 846**	**181 138**	**3 565**	**15 937**	**203 486**
Economic useful life	5-7 years	5-10-15 years	3 years	10 years	
Depreciation schedule	Straight-line	Straight-line	Straight-line	Straight-line	

Note 12 Intangible assets and Goodwill

(Amounts in NOK 1,000)

INTANGIBLE ASSETS 31.12.2015	Cutting technology	Benarx	Benarx certification	Patents and development projects	Software	3GS New Operating Model	Goodwill	Customer relation-ships	Total 31.12.2015
Acquisition cost 01.01	7 216	57 834	2 153	9 636	29 383	6 705	883 860	259 260	1 256 047
Acquisitions in-house R&D				2 946					2 946
Acquisitions of non-current assets									-
Adjustment									-
Disposals									-
Acquisition cost 31.12	**7 216**	**57 834**	**2 153**	**12 582**	**29 383**	**6 705**	**883 860**	**259 260**	**1 258 992**
Accumulated amortisation 01.01	2 720	46 937	196	2 446	22 659	2 255	-	107 807	185 020
Accumulated write-downs 01.01				11					11
Amortisation for the year	600	5 837	429	1 716	3 764	1 341		22 784	36 470
Write-downs for the year									-
Disposals – accumulated amortisation									-
Disposals – accumulated write-downs									-
Accumulated amortisation 31.12	**3 320**	**52 774**	**625**	**4 162**	**26 423**	**3 596**	**-**	**130 590**	**221 491**
Accumulated write-downs 31.12	**-**	**-**	**-**	**11**	**-**	**-**	**-**	**-**	**11**
Capitalised value 31.12	**3 896**	**5 060**	**1 528**	**8 408**	**2 960**	**3 109**	**883 860**	**128 670**	**1 037 491**
Economic useful life	10 years	10 years	5 years	5 years	5 years	5 years		10 years	
Depreciation schedule	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line		Straight-line	

The Beerenberg Holdco II AS Group has recorded goodwill to the amount of 883,860. This goodwill is primarily allocated to the employees, corporate culture, know-how and synergies that can be realised in connection with the acquisition of subsidiaries. Stable operative management is achieved through the active ownership of key personnel in the acquired company. In 2013 Beerenberg Holding AS was aquired by Beerenberg Holdco II AS, generating a Goodwill of 883 860. Intangible assets are measured on the basis that the asset will give future economic benefits, that the acquisition cost is identifiable, and that it has a lasting useful life.

The company has a good order portfolio and is developing technology that will help the company develop vertically and horizontally throughout the value chain and increasing the volume of technology-based services. By exploiting existing synergies, the company will be able to make use of the market opportunities they offer through improved access to expert personnel.

On that basis and on the basis of estimated future revenues, the Group can justify that acquired goodwill will have a value in excess of the book value based on budgets and strategy plans for the cash-generating units to which the goodwill has been allocated.

In accordance with IAS 36 it has in been performed test for impairment. According to this standard the company shall estimate recoverable amount, and compare this to book values including Goodwill. By the end of 2015 the group has two cash-generating units (CGU), "Benarx" which consists of business related to the production of insulation materials and subsea related insulation business, and "Services", which consists of the traditional ISS activity of the company mainly related to larger framework contracts. Goodwill is allocated with 200,000 to CGU Benarx , and 683,860 to CGU Services. Goodwill is tested for impairment by comparing capital employed in the two CGU against the present value of expected cash flows of the CGUs

Budget and forecasts approved by the Board of Directors for the next 5 years is the basis for the test of impairment. During this period, the EBIT margin is estimated to 8-10 %. Key assumptions for estimated future cash flows are:

- An increase and stabilization of oil-price on a level higher level than current, with a corresponding higher activity level on the Norwegian Continental Shelf. Especially, this is important related to maintenance and modification.
- The Group maintaining a reasonable market share in the insulation material business, through amongst other deliveries to new build projects, initiated on Norwegian Continental Shelf and that the activity level in the Group stays approximately on the same level as in 2015

Furthermore, the required rate of return is set to 9.4 %, while no terminal growth rate is applied. The required rate of return is built up using the WACC method (weighted average cost of capital). Applied assumptions are: risk free rate of 1.65 %, the company's borrowing margin above the risk free rate of 4.7 %, equity market premium of 5 %, an equity beta of 1.72, alpha-premium of 1.5 %, and a tax rate of 25 %.

The sensitivity for the impairment test for 2015 are, if the operating profit in coming years will be reduced by 13 % compared to what is assumed in the budget / forecast, or if a required rate of return of more than 10.8 % is applied, the Group would have to assess impairment of part of Goodwill allocated to CGU Services. For CGU Benarx a further deterioration of operating results must occur, or an even higher required rate of return must be applied before a potential impairment situation arises.

The Group believes that no reasonable changes in the assumptions that have been used for testing impairment, could result in a lower value of future cash flows than the net capital employed.

INTANGIBLE ASSETS 31.12.2014	**Cutting technology**	**Benarx**	**Benarx certification**	**Patents and development projects**	**Software**	**3GS New Operating Model**	**Goodwill**	**Customer relationships**	**Total 31.12.2014**
Acquisition cost 01.01	7 216	57 834	853	6 422	29 387	6 705	890 145	259 260	1 257 821
Acquisitions in-house R&D				3 214					3 214
Acquisitions of non-current assets			1 300						1 300
Adjustment							-6 285		-6 285
Disposals					-4				-4
Acquisition cost 31.12	**7 216**	**57 834**	**2 153**	**9 636**	**29 383**	**6 705**	**883 860**	**259 260**	**1 256 047**
Accumulated amortisation 01.01	2 116	41 099	-	1 151	17 460	914	-	81 329	144 069
Accumulated write-downs 01.01									
Amortisation for the year	600	5 839	196	1 295	5 199	1 341		26 480	40 950
Write-downs for the year				11					11
Disposals – accumulated amortisation									-
Disposals – accumulated write-downs									-
Accumulated amortisation 31.12	**2 717**	**46 937**	**196**	**2 446**	**22 659**	**2 255**	**-**	**107 809**	**185 019**
Accumulated write-downs 31.12	**-**	**-**	**-**	**11**	**-**	**-**	**-**	**-**	**11**
Capitalised value 31.12	**4 499**	**10 897**	**1 957**	**7 179**	**6 724**	**4 450**	**883 860**	**151 451**	**1 071 016**
Economic useful life	10 years	10 years	5 years	5 years	5 years	5 years		10 years	
Depreciation schedule	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line		Straight-line	

Note 13 Financial instruments

(Amounts in NOK 1,000)

Exposure to credit risk

The capitalised value of financial assets represents maximum credit exposure.
Maximum exposure to credit risks on the reporting date was:

	Capitalised value	
	2015	**2014**
Trade receivables	386 609	214 995
Loans to parent company	608	608
Advances to employees	728	1 136
Other receivables	17 918	21 958
Cash and cash equivalents	264 778	90 597
Total	**670 640**	**329 294**

IMPAIRMENT LOSSES

The age distribution of trade receivables as at 31.12 was as follows:

	2015		**2014**	
	Gross	**Impairment**	**Gross**	**Impairment**
Not overdue	338 444		201 060	
0–30 days overdue	43 000		6 602	
31–90 days overdue	3 066		6 098	
More than 90 days overdue	4 199	2 100	3 335	2 100
Total	**388 709**	**2 100**	**217 095**	**2 100**

Change in provision account for impairment of trade receivables:

	2015	**2014**
Opening balance	2 100	1 600
Change in allowance for impairment	-	500
Closing balance	**2 100**	**2 100**

Based on past experience, any trade receivables not yet overdue do not require a write-down for impairment losses to be performed. 90%+ of the receivables relates to a few multinational oil companies with good payment history.

The allowance for impairment is kept unchanged compared to 2014.

Liquidity risk

Contractual payments due in relation to financial commitments, including rent payments, are:

As at 31.12.15	Capitalised value	Contractual cash flows	6 months or earlier	6-12 months	1-2 years	2-5 years	More than 5 years
Interest-bearing leasingdebts *	1 800	1 800	540	540	633	87	
Interest-bearing long term debt **	1 029 987	1 217 425	34 485	34 485	68 970	1 079 485	
Accrued interests	3 103	3 103	3 103				
Trade payables	122 971	122 971	122 971				
Other current liabilities	260 426	260 426	260 426				
Overdraft facility	0	0					
Total	**1 418 286**	**1 605 724**	**421 525**	**35 025**	**69 603**	**1 079 572**	**0**

* Current interest rates on leasing debt is 3 month NIBOR plus margin of about 1% - 2.2%

** Interest-bearing long-term debt consists of a bond with the principal amount 1,100,000. Capitalized value includes transaction costs that are expensed as interest during the course of the loan (15,000) and nominal amount of treasury bonds (55,000) Current interest rate on the loan is 3 month NIBOR plus margin of 5%. There are no installments on this loan and it matures 27. June 2018.

The cash flows described in the maturity analysis are not expected to occur at a significantly earlier date or with significantly different amounts.

Book value of leasing arrangments are nominal values of future lease payments including interest. Due to the relatively short time horizon and low interest rates on leasing agreements, the nominal amounts are not discounted, so that the nominal value of the liabilities is deemed to reflect fair value.

As at 31.12.14	Capitalised value	Contractual cash flows	6 months or earlier	6-12 months	1-2 years	2-5 years	More than 5 years
Interest-bearing leasingdebts *	5 718	5 718	2 304	843	1 097	1 474	
Interest-bearing long term debt **	1 023 987	1 286 395	34 485	34 485	68 970	1 148 455	
Accrued interests	377	377	377				
Trade payables	137 438	137 438	137 438				
Other current liabilities	180 232	180 232	180 232				
Overdraft facility	0	0					
Total	**1 347 752**	**1 610 160**	**354 836**	**35 328**	**70 067**	**1 149 929**	

* Current interest rates on leasing debt is 3 month NIBOR plus margin of about 1% - 2.2%

** Interest-bearing long-term debt consists of a bond with the principal amount 1,100,000. Capitalized value includes transaction costs that are expensed as interest during the course of the loan (15,000) and nominal amount of treasury bonds (55,000)

Exchange rate risk

	31.12.15					31.12.14				
	Euro	**USD**	**PLN**	**SGD**	**GBP**	**Euro**	**USD**	**PLN**	**SGD**	**GBP**
Cash and cash equivalents	30	599	112	50	-	-	-	-	-	-
Trade receivables	-	2 883	-	-	49	122	635	-	-	-
Trade payables	-337	-198	-	-22	-234	-183		-	-	-
Gross exposure	**-307**	**3 284**	**112**	**28**	**-185**	**-61**	**635**	**-**	**-**	**-**

	Average exchange rate		Spot exchange rate	
Significant exchange rates during the year:	**2015**	**2014**	**2015**	**2014**
Euro	8,953	8,353	9,6190	9,037
USD	8,074	6,302	8,8090	7,433
PLN	2,139	1,996	2,263	2,109
SGD	5,870	4,970	6,239	5,622
GBP	12,342	10,369	13,072	11,571

A decrease in NOK against the following currencies at the end of the year would have increased/(reduced) equity and profit by the amounts given below. The analysis is based on changes in the exchange rate within a reasonably possible range. The possible range is defined by the management at the end of the accounting year. The analysis assumes that other variables, particularly interest rates, remain constant. The analysis was carried out on the same basis as in 2014.

		Effect for 2015		Effect for 2014	
Currency	**Change**	**Equity**	**Profit/loss**	**Equity**	**Profit/loss**
EURO	10 %	-216	-216	-40	-40
USD	10 %	2 112	2 112	344	344
PLN	10 %	18	18	-	-
SGD	10 %	13	13	-	-
GBP	10 %	-177	-177	-	-
Total effect		**1 751**	**1 751**	**304**	**304**

An increase in NOK against the above-mentioned currencies as at 31 December would have given the same figures, but with the opposite effect, once again assuming that other variables remain constant.

Interest rate risk

At the end of the year, the interes rate profile for the Group's interest-bearing financial instruments was as follows:

	Capitalized value	
	2015	2014
Fixed rate instruments		
Financial assets		-
Financial liabilities		-
Total		
Variable rate instruments		
Financial assets		
Financial liabilities	1 034 890	1 030 082
Total	**1 034 890**	**1 030 082**

FAIR VALUE AND CAPITALISED VALUE

The fair value and capitalised value of financial assets and liabilities:

	31.12.15		31.12.14	
	Capitalised value	Fair value	Capitalised value	Fair value
Assets carried at amortised cost				
Trade receivables	386 609	386 609	214 995	214 995
Other receivables	608	608	608	608
Cash and cash equivalents	264 778	264 778	90 597	90 597
Total	**651 994**	**651 994**	**306 200**	**306 200**
Liabilities carried at amortised cost				
Loan	1 029 987	889 609	1 023 987	843 838
Leasing and accrued interests	4 903	4 903	6 095	6 095
Trade payables	122 971	122 971	137 438	137 438
Total	**1 157 860**	**1 017 482**	**1 167 520**	**987 371**

The methods used to measure the fair value of financial instruments are described in the note on the Group's accounting principles.

Note 14 Goods

(Amounts in NOK 1,000)

	2015	2014
Raw materials	50 114	32 221
Work in progress	4 516	3 251
Finished goods	362	5 338
Provision for obselete goods	(1 618)	(2 000)
Total Goods	**53 374**	**38 810**

As of 31.12.2015 a provision for obselete goods of 1,618 is booked.

As of 31.12.2014, the corresponding provision was 2,000.

Note 15 Trade receivables and other receivables

(Amounts in NOK 1,000)

TRADE RECEIVABLES	2015	2014
Trade receivables at face value	388 709	217 095
Provision for losses on claims	(2 100)	(2 100)
	386 609	**214 995**
Earned, Not invoiced contract revenues	112 409	238 748
Total accounts receivables and earned not invoiced contract revenues	**499 018**	**453 743**

OTHER RECEIVABLES	2 015	2014
Advances to employees	728	1 136
Other receivables	17 918	21 958
Total other receivables	**18 646**	**23 094**

3,776 of other receivables pertains to refundable sick pay in 2015, while the remaining 14,142 relates to prepayments and accrued cost in projects. Corresponding figures for 2014 was refundable sick pay of 3,641, refundable VAT of 9,631 and prepayments and accrued cost in projects of 8,686.

Note 16 Bank deposits and cash equivalents

(Amounts in NOK 1,000)

Bank deposits and cash equivalents	2015	2014
Bank deposits	264 778	90 597
	264 778	**90 597**

Currency		2015	2014
Foreign Currency	USD	5 276	-
Foreign Currency	PLN	253	-
Foreign Currency	EUR	287	-
Foreign Currency	SGD	312	-

OVERDRAFT LIMIT
Beerenberg Corp AS has an overdraft limit of 150,000. Deductions as at 31.12.2015 amounted to 0.

TAX WITHHOLDING GUARANTEE LIMIT
The Group has a guarantee limit for tax deducted at source of 60,000.

Note 17 Share capital and shareholder information

(Amounts in NOK 1,000)

SHARE CAPITAL AND SHAREHOLDER INFORMATION:
The Company's share capital is 26.730 distributed on 267.300.000 shares. Nominal value per share is 0,0001. All shares are owned by Beerenberg Holdco I AS.

Earnings per share in NOK is NOK 0,00033 for 2014 compared to 0,00015 for 2014.

Basic earnings per share are based on the profit/loss attributable to ordinary shares and on the weighted average number of ordinary shares outstanding. Diluted earnings per share are identical as there is no dilutive effect.

CONVERSION RESERVE
This fund includes all foreign exchange differences related to the conversion of financial statements from foreign subsidiaries.

HEDGING RESERVE
This fund includes changes to market value of derivatives.

Note 18 Employee benefits – pensions

(Amounts in NOK 1,000)

MANDATORY OCCUPATIONAL PENSION
The company is obliged to operate an occupational pension scheme in accordance with the Norwegian act on mandatory occupational pensions. The company's pension schemes satisfy the provisions of this act.

EXTENDED PENSION SCHEME
Group Executive management, CEO and defined other key personell have an additional pension scheme agreement which amounts to 10 % of salary for CEO, 4 % of salary for Group Executive management, and 3 % for other members of this pension scheme.

AFP SCHEME
A new AFP scheme has been established to replace the old AFP scheme. Unlike the old scheme, the new AFP scheme is not an early retirement scheme but a scheme that pays a lifelong supplement to ordinary pension benefits. Employees may elect to join the new AFP scheme from the age of 62 while continuing to work, and they will accrue additional benefits by continuing to work until the age of 67. The new AFP scheme is a defined benefit multiemployer pension scheme and is financed by premiums set as a percentage of salary. There is currently no reliable measurement and allocation of obligations and assets under the scheme. The scheme is accounted for as a contribution-based pension scheme whereby premium payments are recognised as an expense as incurred and no provisions are made in the financial statements.

Pension obligations has the following composition	**2 015**	**2 014**
Obligations related to extended pension scheme	7 690	6 200
Prepayments/obligations related to mandatory occupational pension	-1 182	247
Remaining obligations related to underfunding of old AFP-scheme	-	1 501
Total pension obligations	**6 508**	**7 949**

Pension cost in consolidated income statement has the following composition	**2 015**	**2 014**
Pension cost extended pension scheme	1 489	2 211
Pension cost mandatory occupational pension	13 510	15 122
Pension cost AFP scheme	16 837	11 212
Total pension cost in consolidated pension cost	**31 836**	**28 545**

Note 19 Remuneration of key employees

(Amounts in NOK 1,000)

DIRECTORS' FEES	2 015	2014
Chairman Ketil Lenning	400	400
Total for 4 board members elected by shareholders	780	1 019
Board members elected by employees *	127	90

* This applies to directors' fees for board positions in subsubsidiary Beerenberg Corp AS.

GROUP EXECUTIVE MANAGEMENT

2015	Position	Period	Salary	Bonus	Other Compensations
Morten Walde	CEO	01.01-31.12	2 818	167	70
Arild Apelthun	CFO	01.01-31.12	1 752		28
Ove Solem	EVP	01.01-31.12	2 334	83	53
Steinar Kobbeltveit	EVP	17.08-31.12	443		8
Tore Angelskår	EVP	01.01-31.12	1 830	81	79
Stig Tuastad	EVP	01.01-31.12	1 620	71	41
Gro Hatleskog	EVP	01.01-31.12	1 535		28

2014	Position	Period	Salary	Bonus *	Other Compensations
Morten Walde	CEO	01.01-31.12	2 797	1 887	45
Arild Apelthun	CFO	13.10-31.12	381		3
Ove Solem	EVP	01.01-31.12	1 750		16
Ola Jordal	EVP	01.01-31.12	1 132	713	3
Tore Angelskår	EVP	01.01-31.12	1 795	1 172	35
Stig Tuastad	EVP	01.01-31.12	1 512	1 003	24

* Bonus for 2014 includes stay on bonus

Group Executive management and CEO have an additional pension scheme agreement which amounts to 10 % of salary for CEO, and 4 % of salary for Group Executive management. The CEO has an agreement that guarantees salary payments for up to 18 months if the employer were to terminate his employment. A non-compete clause also apply to the CEO in the same period. The CEO has a performance-based bonus scheme, identical for all employees in the Group Executive management, which may not exceed 30 % of the annual salary.

In connection with the shareholders of Beerenberg Holding signing an agreement to sell their shares to Segulah IV LP with transaction date 21.02.2013, a Stay-on Bonus for members of the Group management was triggered in August 2014. The bonus agreement entitled members of the Group management and some key personell to a stay-on bonus if they were still employed 18 months after the share sale transaction. No other bonuses, severance or options than described here are given to the board of directors or management.

In addition to ordinary salaries, key employees benefit from free telephones, broadband and mandatory contribution-based pensions. Everyone is paid a fixed salary, and no overtime payments are made. The key principles for setting management salaries at Beerenberg are that the company should be able to offer competitive terms. This relates to the combination of salaries, benefits in kind and pension schemes. The company operates in an international environment, a fact that is emphasised and reflected when setting the level of remuneration. When setting remuneration for 2015, the company will apply the same policy as in 2014. This entails being a competitive employer who attracts necessary expertise and capacity. The company also wishes to retain expertise and encourage long-term employment relationships. In respect of salary levels, the company aims to be in the high to average range in relation to comparable companies in order to attract "the best brains".

Note 20 Warranty liabilities and provisions

(Amounts in NOK 1,000)

The Group has provided a joint bank guarantee for all the companies in the Group. In some cases, the Group will provide bank guarantees to customers when entering into large fixed price contracts. As at 31.12.15, the guarantees totalled 30,617.

A tax withholding guarantee of 60,000 has also been provided to the Bergen tax office as at 31.12.15, and a customs credit guarantee of 3,900 has been provided to the customs office.

The Group has warranty liabilities relating to maintenance contracts. Warranty periods may last for two to five years after an annual programme has been completed. New-build and modifications contracts are generally subject to a 2-year warranty after the completion certificate has been issued.

Guarantee liabilities are assessed continuously per individual project that has guarantees provided. However, it is difficult to estimate the probability that a warranty claim will arise per project and how much cost this would entail. There are therefore also made an assessment of the overall uncertainty on group level (IAS 37.24)

A provision for for warranty liabilities has been made of 9,400 as at 31.12.2015. Corresponding liability for 31.12.2014 was 4,000.

Incurred warranty costs in 2015 was 388 compared to 71 in 2014.

Note 21 Trade payables and other payables

(Amounts in NOK 1,000)

TRADE PAYABLES

The Group's current liabilities stood at 122,971 in 2015 (137,438 in 2014)

OTHER CURRENT LIABILITIES

The Groups current liabilities stood at 260,426 in 2015 (180,232 in 2014)

94,940 of these liabilities pertains to accrued holiday pay in 2015 (103,579 in 2014), 47,735 is deffered revenue (2014: 10,539), while the remaining current liabilities relate to project provisions, and provisions for accrued salaries.

Note 22 Operational leasing

(Amounts in NOK 1,000)

Total leasing liabilities for irrevocable operating leases	2 015	2 014
Leases falling due within one year	16 130	16 874
Leases lasting from one to five years	52 200	57 896
Leases lasting more than five years	44 959	55 393
Total	**113 289**	**130 163**

Lease and sublease agreements recognised in income statement	2 015	2 014
Minimum rent		
Variable rent		
Subleases	905	900
Total	**905**	**900**

Most operational leases relate to the leasing of premises.

Other lease expenses mostly comprise leasing of IT equipment, vehicles, fixtures and fittings and equipment.
There are no purchase options on property or equipment, and equipment may not be subleased.
Variable rent does not form a substantial part of the lease expenses.

Production of insulation products at the Group's facility at Os is decided to be closed down from second Quarter of 2016. Therefore, as of 31.12.2015, a provision equal to remaining lease obligations of facilities that will be without production activity is made. The amount is 8,800. This is not deducted in the overview of future lease obligations above.

Note 23 Contingent outcomes

(Amounts in NOK 1,000)

PROJECT RISKS AND UNCERTAINTIES

The group's projects are largely long-term contracts awarded as the result of a tender. According to IAS 18.21 the percentage of completion method is applied and and revenue is recognized in the periods in which services are provided. The value of work performed during the period are estimated based on physical progress recorded after a detailed inspection or the number of hours of work performed.

Circumstances and information may change in subsequent periods, and final outcomes may be better or worse than the assessment made at the time the financial statements were prepared. In the group's opinion, there are no projects as at 31.12.15 with uncertainties relating to estimates that may be of significant importance to the consolidated figures.

LEGAL DISPUTES

From time to time, the Group becomes involved in various disputes in its course of business. Provisions have been made to cover expected losses resulting from such disputes to the extent that negative outcomes are probable and reliable estimates can be produced. The final outcome of such cases will always contain elements of uncertainty, and may result in liabilities exceeding the recognised provisions.

Note 24 Related parties

(Amounts in NOK 1,000)

In 2015 the Group had no transactions with related parties.

The Group has granted two short term loans to parent companies Beerenberg Holdco I AS and Beerenberg Invest AS totalling 608. These are short term loans, and are not interest bearing.

Please refer to Notes 19 for details of salaries, severance pay and other related matters.

Note 25 Group entities

(Amounts in NOK 1,000)

As at 31.12.2015 the Group consists of the following 6 companies; Beerenberg Holdco II AS, Beerenberg Holding AS, Beerenberg Corp. AS, Benarx Solutions AS, Benarx Solutions Poland Sp. z o.o and Benarx Pacific Asia PTE. LTD. The companies are fully owned. Capitalised value applies to the financial statements of the parent company.

Company	Parent Company	Ownership interest	Acquisition cost	Capitalised value
Beerenberg Holding AS	Beerenberg Holdco II AS	100 %	1 257 646	1 257 646
Beerenberg Corp AS	Beerenberg Holding AS	100 %	737 706	737 706
Benarx Solutions AS	Beerenberg Corp AS	100 %	5 000	5 000
Benarx Solutions Poland Sp. z o.o	Benarx Solutions AS	100 %	14 926	14 926
Beerenberg Pacific Asia PTE. LTD	Benarx Solutions AS	100 %	309	309

Benarx Pacific Asia's registered office is in Singapore.
Benarx Solutions Poland Sp. Z o.o's registered office is in Poland.
The other companies has registered office at Kokstad, Bergen.

The voting share in the subsidiary companies is identical to the ownership share.

Note 26 Events after the reporting date

On the 5th of January 2016 Beerenberg entered into a new frame agreement with Statoil concerning offshore maintenance and modification of 11 installations. The estimated value of the 15 year contract is 8,000,000.

Note 27 Derivatives

The Group has in 2014 entered into an interest rate swap agreement to secure the cash flows related to long-term loans, where the loan terms are 3 months Nibor margin. The contract involve an exchange of 3-month Nibor to the fixed rates set forth below for current principal in the maturity of the agreement. The fair value of interest rate swap is classified as non-current liability since the remaining maturity of the hedged item (loan) is more than 12 months.Change in value of contracts are recognized in other comprehensive income. Interest rate swaps are valued according to level 2 of the valuation hierarchy (IFRS 13), ie the value derived from observable factors such as market interest rates.

The interest rate swap agreement were agreed by settling previously entered into agreements from 2013, and incorporating market value of these agreements into the conditions for the new agreement entered into 15.12.2014. The interest rate swap agreements entered into in 2013 had at this point a negative market value of 30,853. As long term debt to finance institutions was repaid in june 2014, hedge accounting of the previously entered into swap agreements ceased since hedged item was repaid. As a consequense change in market value of these swaps until settling date 15.12.2014 is recorded as finance cost. Upon entering into the new interest swap agreement 15.12.2014, hedge accounting is reestablished with the Bond as hedged item. Change in market value from that date is recorded in OCI.

There is no ineffectiveness related to cash-flow hedging recorded in the profit and loss statement.

Bank	Agreement	Date of agreement	Maturity	Principal amount	Fixed interest	Variable interest	Classification	Market value as of 31.12.15	Fair Value 31.12.15
Danske Bank	39652279FO-03266	15.12.2014	29.12.2014-27.06.2018	800.000	2,32 %	3 mnth Nibor	Long term	-30 002	-30 002

Note 28 Net capital employed

(Amounts in NOK 1,000)

	2015	2014
Goods	53 374	38 810
Accounts receivables and other receivables	517 664	476 837
Supplier liabilities	(122 971)	(137 438)
Tax payable, special taxes and government charges	(142 738)	(118 130)
Provisions	(260 426)	(180 232)
Net current operational assets	**44 903**	**79 847**
Other non-current operational assets	-	41
Intangible assets	1 037 491	1 071 016
Property, plant and equipment	183 116	203 486
Interest-bearing receivables	608	608
Other long term obligations	(9 400)	(4 000)
Total net capital employed	**1 256 718**	**1 350 998**

Note 29 Interest-bearing debts

(Amounts in NOK 1,000)

The tables provide information about the contractual terms relating to the Group's interest-bearing loans measured at amortised cost. For more information about the group's interest rates, currencies and liquidity risk, please see the section on financial risk management and exposure in the chapter on accounting principles.

SUMMARY OF INTEREST-BEARING DEBTS AS AT 31.12.2015

Loans:	Book value	Spread over NIBOR	Due	Terms of interest
Multicurrency overdraft limit 150,000	-	2,7 %	until further notice	NIBOR+Margin*
Financial leases	1 800	1,0 - 2,2 %	2016-2019	NIBOR+Margin

* In addition it is a commitment fee of 0.40 % of margin.

The Group have the following loans:

Loans:	Book value	Spread over NIBOR	Fair Value	Due	Terms of interest
Bond (Senior Secured Callable Bond Issue 2014/2018)	1 029 987	5,00 %	889 609	27.06.2018	3 mnth NIBOR+Margin

Fair Value is calculated from trading price for bonds as of 16.12.2015, the last day of transactions of these bonds in 2015

Fair value of interest rate swaps are valued according to level 2 of the valuation hierarchy (IFRS 13), ie the value derived from observable factors such as market interest rates.

Maturity structure of financial liabilities
Amounts in the table shows the maturity structure in nominal amounts (NOK 1,000) for the interest-bearing liabilities including interest payments for debt as of 31.12.:

	Book value	Fair value	Earlier than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Multicurrency overdraft limit 150,000	-	-	-	-	-	-	
Bond (Senior Secured Callable Bond Issue 2014/2018)	1 029 987	889 609	34 485	34 485	68 970	1 079 485	
Financial leases **	1 800	1 800	540	540	633	87	
Total	**1 031 786**	**891 409**	**35 025**	**35 025**	**69 603**	**1 079 572**	**-**

**' The leasing arrangements relates to containers, AV-equipment and vehicles.
Book value of the leasing arrangements is nominal amounts of future payments including interests.
Due to short residual maturity and moderate interest level, the nominal value of the leasing payments is deemed to reflect their fair value / amortised cost. Installments and interest in the periodic payments under capital leases are recognized respectively, as a reduction in lease liability and interest expense. Variable rent does not form a substantial part of the lease expenses. Interest expense relating to capital leases is in 2015 246. There are no subletting of assets under finance lease. There are no restrictions imposed through lease arrangements, such as when it comes to dividends, additional debt.

COVENANTS

The Group has adhered to current covenants in 2015.
The Group expects to comply with the existing covenants for the remainder of the bank agreement/maturity of Bond.

Current covenants relates to:
Leverage (Net Debt / EBITDA)

This ratio can at most be 9.

Note 30 Secured Liabilities

(Amounts in NOK 1,000)

The Group has provided security for its arrangement with Danske Bank. The tables below provide an overview of the arrangement and the book value of the assets set up as security.

In some cases, the company will provide bank guarantees to customers when entering into large fixed price contracts. As at 31.12.15, these guarantees totalled 30,617.

The Group has produced a joint bank guarantee for all the companies in the group. The Group's guarantee liability pertains to contract guarantees for such guarantees and to guarantees to the authorities. As at 31.12.15, the guarantees totalled 94,517.

	31.12.2015	31.12.2014
Security has been provided for the following debts:		
Guarantees, incl. tax withholding guarantee	94 517	91 176
Current liabilities to credit institutions	3 103	377
Long-term liabilities to credit institutions	1 031 786	1 029 705
Total for the Group	**1 129 407**	**1 121 258**

Capitalised value of assets provided as security for secured debts:		
Fixed assets	183 116	203 486
Inventories	53 374	38 810
Trade receivables	386 609	214 995
Total	**623 098**	**457 291**

Beerenberg Holdco II AS

Income statement

Amounts in NOK 1,000	Note	2015	2014
Operating expenses			
Other operating expenses	7	**745**	843
Total operating expenses		**745**	843
Operating result		**-745**	-843
Intragroup interest income		**6 464**	3 685
Other interest income		**854**	6
Other finance income		**78 720**	232 783
Intragroup interest costs		**10 479**	24 599
Other interest costs		**66 277**	44 643
Other finance costs		**6 161**	36 275
Net financial items	8, 9	**3 121**	130 957
Ordinary result before tax		**2 376**	130 114
Tax	6	**488**	35 131
Annual profit/loss		**1 888**	94 983
The annual profit/loss for the year allocated to:			
Other equity	4	**1 888**	94 983
Annual profit/loss		**1 888**	94 983
Earnings per share and diluted earnings per share for 267,300,000 shares.	3	**0,00001**	0,00036

Diluted earnings per share are identical as there is no dilutive effect.

The accompanying notes 1-9 are an integral part of these financial statements.

Statement of performance

Amounts in NOK 1,000	Note	2015	2014
Annual profit/loss		**1 888**	94 983
Other revenue and expenses			
Change in value of derivatives	9	**-5 810**	-2 139
Tax effect	9	**1 410**	578
Total Statement of performance		**-2 512**	93 422
The statement of performance is attributable to:			
Shareholders		**-2 512**	93 422
Total Statement of performance		**-2 512**	93 422

Other revenue and expenses is after tax and will be reversed in the income statement.

The accompanying notes 1-9 are an integral part of these financial statements.

Statement of financial position

Assets

NON-CURRENT ASSETS	Amounts in NOK 1,000	Note	31.12.2015	31.12.2014
Financial non-current assets				
Investments in subsidiaries		1	**1 257 646**	1 257 646
Total financial non-current assets			**1 257 646**	1 257 646
Total non-current assets			**1 257 646**	1 257 646
CURRENT ASSETS				
Receivables				
Other current receivables		1	**187 733**	257 755
Total receivables			**187 733**	257 755
Cash at bank, cash in hand and similar		2	**4 043**	433
Total current assets			**191 776**	258 189
Total assets			**1 449 423**	1 515 835

Equity and liabilities

EQUITY Amounts in NOK 1,000	**Note**	**31.12.2015**	**31.12.2014**
Paid-in capital			
Share capital		**26 730**	26 730
Share premium		**240 310**	240 310
Total paid-in capital		**267 040**	267 040
Retained earnings			
Other equity		**115 199**	117 711
Total retained earnings		**115 199**	117 711
Total equity	3, 4	**382 239**	384 751
LIABILITIES			
Deferred tax	6	**527**	5 013
Other non-current liabilities			
Bond	5	**1 029 987**	1 023 987
Derivatives	9	**30 002**	32 992
Other non-current liabilities	1	**0**	30 191
Total other non-current liabilities		**1 059 989**	1 087 171
Current liabilities			
Tax payable	6	**3 406**	38 524
Other current liabilities		**3 262**	377
Total current liabilities		**6 669**	38 901
Total liabilities		**1 067 184**	1 131 084
Total equity and liabilities		**1 449 423**	1 515 835

The accompanying notes 1-9 are an integral part of these financial statements.

BERGEN 14. APRIL 2016
Beerenberg Holdco II AS board of directors

Ketil Lenning
Chairman

Sebastian Ehrnrooth

Svein Eggen

Lars Marcusson
Styremedlem

Marcus Planting-Bergloo

Morten H. Walde
CEO

Statement of cash flows

All amounts in NOK 1,000	Note	2015	2014
Cash flows from operating activities			
Result for the period before tax		**2 376**	130 114
Tax paid for the period	6	**-38 524**	0
Change in other accruals		**-73**	12 637
Net cash flow from operating activities		**-36 221**	142 751
Cash flows from investment activities			
Outgoing payments from loan to Group companies		**-79 938**	0
Investments in subsidiaries		**0**	-557 646
Net cash flow from investment activities		**-79 938**	-557 646
Cash flows from financing activities			
Incoming payment of new long-term debt	1, 5	**0**	1 100 000
Payments on intragroup loans		**0**	31 970
Repayments of non-current liabilities	5	**-30 191**	-558 907
Payment of group contribution	8	**228 681**	70 739
Group contribution booked as finance income	8	**-78 720**	-228 681
Net cash flow from financing activities		**119 769**	415 121
Net change in cash and cash equivalents		**3 610**	226
Cash and cash equivalents per 01.01		**433**	208
Cash and cash equivalents per 31.12		**4 043**	433

The accompanying notes 1-9 are an integral part of these financial statements.

Accounting principles

The financial statements have been prepared in accordance with the regulation on simplified adoption of IFRS (International Financial Reporting Standards). The annual financial statements were authorised for issue by the board of directors on 14 April 2016.

CLASSIFICATION OF ITEMS IN THE STATEMENT OF FINANCIAL POSITION

Assets intended for long-term ownership or use are classified as non-current assets. Assets associated with the circulation of goods are classified as current assets. Receivables are classified as current assets if they fall due within one year. Analogue criteria are applied to liabilities. However, repayments of non-current receivables and non-current liabilities made in the first year are not classed as current assets or current liabilities.

TAX

The tax liability in the income statement comprises both tax payable and changes in deferred tax for the period. Deferred tax is calculated at the prevailing tax rate on the basis of the temporary differences between book value and taxable value and on any tax loss carryforward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that are reversed or may be reversed in the same period have been offset.

INVESTMENTS IN SUBSIDIARIES

Subsidiaries are measured using the cost method in the separate financial statements. Investments are valued at the historical cost of the shares unless depreciation has become necessary. They are depreciated to fair value when the fall in value is due to circumstances that cannot be assumed to be temporary and it is deemed necessary in accordance with generally accepted accounting practices. Write-downs are reversed when the basis for a write-down is no longer present.

Any dividends received are in principle recognised as income, however. Dividends that exceed retained earnings after purchase are recognised as a reduction in the original cost. Dividends / group contributions from subsidiaries are recognised in the same year that the subsidiary makes the provision.

LIABILITIES

Liabilities are recognised at their fair value when the loan is paid out, less transaction costs. In subsequent periods the loan is recognised at amortised cost using the effective rate of interest.

FINANCIAL INSTRUMENTS

The company initially recognises loans, receivables and deposits on the date of acquisition. All other financial assets are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when the company transfers the contractual rights in a transaction where substantially all the risks and rewards of ownership of the financial asset are transferred. All rights and liabilities in transferred financial assets that are created or retained as a result of the transfer are recognised separately as assets or liabilities.

Financial assets and liabilities are offset if the company is legally entitled to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Offset amounts are presented net in the statement of financial position.

FINANCIAL DERIVATIVE INSTRUMENTS

The company holds a limited number of financial derivative instruments to hedge its foreign currency, interest rate and market risk exposures. Derivatives are recognised initially at fair value. Changes in fair value are recognised in profit or loss, except for hedging instruments that meet the criteria for hedge accounting.

The company's criteria for classifying a derivative instrument as a hedging instrument follow the requirements of IAS 39 and are as follows:

1. There is sufficient documentation at the time of the inception of the hedge relationship that the instrument is effective
2. The hedging instrument is expected to be highly effective in offsetting the changes in fair value or cash flows of the hedged item
3. For a cash flow hedge, the transaction must be highly likely to occur
4. The effectiveness of the hedging instrument can be reliably measured, and
5. The hedging instrument is continually assessed and has proven to be effective

Hedging instruments classed as cash flow hedges offset variations in cash flows caused by changes in exchange rates, interest rates and market values. For cash flow hedges that meet the criteria for hedge accounting, all gains and losses on the effective part of the contract are recognised in comprehensive income, while those on the ineffective part are recognised in the income statement under finance income or finance cost.

Financial derivatives with a positive market value are classed as current assets if the remaining life of the hedged item is shorter than one year and as non-current assets if the remaining life of the hedged item is longer than one year. Financial derivatives with a negative market value are classed as current liabilities if the remaining life of the hedged item is shorter than one year and as non-current liabilities if the remaining life is longer than one year.

FINANCIAL RISK MANAGEMENT

Variable rate loans pose an interest rate risk to the group's cash flows. The group is exposed to interest rate risks relating to debts. Interest rate risks are continually reviewed by looking at potential refinancing, alternative financing and hedging. The company has entered into an interest swap, see also Notes 5 and 9.

Note 1 Long-term investments in other companies

(Amounts in NOK 1,000)

SUBSIDIARY:	Registered office	Ownership interest / Voting share	Equity last year 100 %	Profit/loss last year 100 %
Beerenberg Holding AS	Bergen	100%	741 019	127 610

INTRAGROUP BALANCES ETC.:

Other current receivables	**2015**	**2014**
Beerenberg Corp. AS	168 195	228 681
Beerenberg Holding AS	19 521	28 997
Total	**187 716**	**257 678**

Non-current liabilities	**2015**	**2014**
Beerenberg Corp. AS	0	30 191
Total	**0**	**30 191**

Note 2 Restricted funds

The company has no restricted funds as at 31.12.15.

Note 3 Share capital and shareholder information

(Amounts in NOK 1,000)

The share capital of 26,730 comprises 267,300,000 shares, each with a value of 0.1.

The company's shareholder as at 31.12.2015 was:

Shareholder	Shares	Ownership interest	Voting share
Beerenberg Holdco I AS	267 300 000	100%	100%
Total	**267 300 000**	**100%**	**100%**

Earnings per share were 0.00001 in 2015 compared with 0.00036 in 2014.

Earnings per share are based on the profit/loss attributed to ordinary shares and on the weighted average number of ordinary shares outstanding.

Earnings per share and diluted earnings per share are identical, as there are no shares that may give rise to dilution.

Note 4 Equity

(Amounts in NOK 1,000)

	Share capital	Share premium	Other equity	Total
Equity as of 01.01.2015	**26 730**	**240 310**	**117 711**	**384 751**
Profit/loss for the year	0	0	1 888	1 888
Other comprehensive income for the year	0	0	-4 400	-4 400
Equity as of 31.12.2015	**26 730**	**240 310**	**115 199**	**382 239**

Note 5 Non-current liabilities, collateral and guarantees etc.

(Amounts in NOK 1,000)

Liabilities secured by collateral etc.	**2015**	**2014**
Bond (Senior Secured Callable Bond Issue 2014/2018)	1 029 987	1 023 987
Total	**1 029 987**	**1 023 987**

The nominal value of the bond is 1,100,000. In 2014 the company bought back bonds to a nominal value of 55,000. These bonds have been presented as a reduction in the bond. The bonds were purchased at a discounted price. The recognised profit of 4,095 has been presented as finance income. The bond has been carried at the amortised cost of 1,029,987.

The Beerenberg Corp. Group is jointly and severally liable together with its parent company Beerenberg Holding AS and the parent company's parent company Beerenberg Holdco II AS for bonds acquired by Beerenberg Holdco II AS.

MATURITY STRUCTURE OF FINANCIAL LIABILITIES

The figures in the table show the maturity structure in nominal increments for the group's interest-bearing debts, including interest payments on recognised liabilities as at 31.12:

	Book value	Fair value	Under 6 months	6–12 months	1–2 years	2–5 years
Bond	1 029 987	889 609	34 485	34 485	68 970	1 079 485

The fair value of the bond is determined in accordance with Level 2 of the valuation hierarchy (IFRS 13), i.e. the value is derived from observable factors such as market prices.

The bond matures in June 2018 and no payments are due before this date.
The interest rate is 3 months' NIBOR plus a 5 percentage point spread.

COVENANTS

The company/group complied with existing covenants in 2015.
The group expects to comply with existing covenants for the remainder of the loan period.

Current covenants relate to:
Leverage (Net Debt / EBITDA)
This ratio may be a maximum of 9.

Note 6 Tax

(Amounts in NOK 1,000)

Calculation of deferred tax / deferred tax assets	2015	2014
Temporary differences through profit/loss		
Accrued borrowing costs	**15 013**	21 013
Accrued gain on buying back bonds at a discount	**4 095**	4 095
Precluded interest deduction to be carried forward	**-8 417**	-4 402
Net temporary differences	**10 691**	20 706
Losses to be carried carryforward	**0**	0
Changes to losses and deduction to be carried forward	**0**	0
Basis for deferred tax / tax assets	**10 691**	20 706
25%/27% deferred tax through profit/loss	**2 673**	5 591
Of which deferred tax assets not recognised in statement of financial position	**0**	0

Temporary differences through OCI	2015	2014
Derivatives	**7 949**	-2 139
Net temporary differences	**7 949**	-2 139
Losses and deduction to be carried forward	**0**	0
Basis for deferred tax / tax assets	**7 949**	-2 139
25%/27% deferred tax assets through OCI	**-2 146**	-578
Of which deferred tax assets not recognised in statement of financial position	**0**	0
Deferred tax in the statement of financial position	**527**	5 013

Distribution of tax expense	2015	2014
Tax payable in the statement of financial position	**3 406**	38 524
Tax effect of group contribution paid	**0**	0
Total tax payable in tax expense	**3 406**	38 524
Change in deferred tax through profit/loss	**-2 704**	-3 393
Change in deferred tax as a result of change in tax rate	**-214**	0
Tax expense through profit/loss	**488**	35 131
Change in deferred tax/deferred tax assets through OCI	**1 569**	578
Change in deferred tax throug OCI as a result of change in tax rate	**-159**	0
Tax expense through OCI	**1 410**	578

Note 7 Payroll costs, number of employees, remuneration, loans to employees etc.

(Amounts in NOK 1,000)

The company had no employees in 2015 and is not obliged to operate an occupational pension scheme under the

Act on Obligatory Occupational Pensions.

No remuneration was paid to the CEO or members of the board of directors in 2015.

Expensed auditor's remuneration	**2015**	**2014**
Statutory auditing (Including technical preparation of financial statements)	146	51
Other certification services	0	0
Tax advice	45	6
Other services	5	0
Total	**197**	**57**

The sums stated are exclusive of VAT.

Note 8 Specification of finance income and finance costs

(Amounts in NOK 1,000)

Finance income	**2015**	**2014**
Group contribution from Beerenberg Corp. AS	78 720	228 681
Intragroup interest income	6 464	3 685
Gains from buying treasury Bonds	0	4 095
Other interest income	854	6
Other finance income	0	7
Total finance income	**86 038**	**236 473**

Finance costs	**2015**	**2014**
Intragroup interest costs	10 479	24 599
Other interest costs	66 277	44 643
Other finance costs	6 161	36 275
Total finance costs	**82 917**	**105 516**

Note 9 Financial instruments

(Amounts in NOK 1,000)

	2015	2014
Cash flow hedges (interest rate swaps)	-30 002	-32 992
Fair value hedges	0	0
Total fair value	**-30 002**	**-32 992**

The company has an interest rate swap with a nominal value of 800,000. The company is swapping variable interest for fixed interest at 2.32%. The fair value of the interest swap has been calculated by the group's bank. The interest rate swap runs until June 2018.

The interest swap is deemed to effectively reduce interest rate risk, thus satisfying the criteria for hedge accounting.

The interest swaps are valued in accordance with Level 2 of the valuation hierarchy (IFRS 13), i.e. the value is derived from observable factors such as market interest rates.

Change in fair value of the cash flow hedge net after tax is recorded in OCI.

	2015	2014
Change in fair value through other comprehensive income	-5 810	-2 139
Tax effect	1 410	578
Net change in fair value through other comprehensive income	**-4 400**	**-1 562**

Interest payments of 853 relating to the interest swap were expensed in 2015.

FINANCIAL INSTRUMENTS BY CATEGORY

As at 31.12.2015 - Assets	Lending, receivables and cash	Assets at fair value through profit/loss	Derivatives used for hedging	Financial assets available for sale	Total
Receivables	187 733				187 733
Cash and cash equivalents	4 043				4 043
Total	**191 776**	**0**	**0**	**0**	**191 776**

As at 31.12.2015 - Liabilities	Financial liabilities carried at amortised cost	Liabilities at fair value through profit/loss	Derivatives used for hedging	Other financial liabilities	Total
Derivatives used for cash flow hedging			30 002		30 002
Loans excl. statutory liabilities	1 033 249				1 033 249
Total	**1 033 249**	**0**	**30 002**	**0**	**1 063 251**

To the Annual Shareholders' Meeting of Beerenberg Holdco II AS

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Beerenberg Holdco II AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2015, income statement, statement of comprehensive income and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet as at 31 December 2015, income statement, statement of comprehensive income, changes in equity, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with simplified application of international accounting standards according to § 3-9 of the Norwegian Accounting Act and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of Beerenberg Holdco II AS as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to § 3-9 of the Norwegian Accounting Act.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Beerenberg Holdco II AS as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements and the going concern assumption 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 accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 14 April 2016
PricewaterhouseCoopers AS

Sturle Døsen
State Authorised Public Accountant (Norway)

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

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