

**Bertel O. Steen AS**

**Consolidated financial statements 2016**

Consolidated financial statements 2016

---

**The consolidated financial statements for Bertel O. Steen AS comprise the following parts:**

\* Annual Report of the Board of Directors

\* Income statement

\* Balance sheet

\* Cash flow statement

\* Notes:

Note 1	Accounting principles
Note 2	Group composition
Note 3	Segment information
Note 4	Financial items
Note 5	Stock
Note 6	Payroll expenses, number of employees, remuneration, loans to employees, etc.
Note 7	Pensions
Note 8	Tangible fixed assets, goodwill and intangible assets
Note 9	Investments in associated companies and joint ventures
Note 10	Shares and other investments
Note 11	Receivables due in more than one year
Note 12	Other provisions for obligations
Note 13	Mortgages and warranty obligations
Note 14	Bank overdraft facilities, bank deposits, guarantees and currency
Note 15	Tax charge
Note 16	Equity
Note 17	Share capital and shareholder information
Note 18	Transactions with related parties
Note 19	Financial risk
Note 20	Significant transactions during the financial year

\* Auditor's Report

The consolidated financial statements, which have been prepared by the company's Board of Directors and management, should be read in conjunction with

Bertel O. Steen AS  
Org.no. 916 218 753

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

**INCOME STATEMENT**

	Note	2016	2015
<b>Operating revenue</b>			
Income from sales		14 172 182	11 612 101
Other operating revenue		192 653	174 944
<b>Total operating revenue</b>	<b>3</b>	<b>14 364 835</b>	<b>11 787 045</b>
<b>Operating expenses</b>			
Cost of goods		10 814 875	8 695 224
Payroll expenses	6/7	1 626 142	1 445 279
Ordinary depreciation	3/8	161 802	161 899
Other operating expenses		1 256 778	1 113 578
<b>Total operating expenses</b>		<b>13 859 597</b>	<b>11 415 980</b>
<b>Operating profit</b>	<b>3</b>	<b>505 239</b>	<b>371 065</b>
<b>Financial items</b>			
Profit from investments in associated companies	9	5 735	3 723
Financial items	3/4	(61 129)	(78 394)
<b>Total financial items</b>		<b>(55 394)</b>	<b>(74 671)</b>
<b>Profit before tax</b>	<b>3</b>	<b>449 844</b>	<b>296 394</b>
Tax on ordinary profit	15	(117 290)	(88 851)
<b>Profit / loss for the year</b>	<b>16</b>	<b>332 554</b>	<b>207 543</b>
Minority interest in profit for the year	16	22 845	14 759
Majority interest in profit for the year	16	309 709	192 784

Bertel O. Steen AS  
Org.no. 916 218 753

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

**BALANCE SHEET**

	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Intangible assets	8	14 728	8 832
Deferred tax asset	15	166 422	98 592
Goodwill	8	3 275	9 089
<b>Total intangible assets</b>		<b>184 425</b>	<b>116 513</b>
<b>Tangible fixed assets</b>			
Land, buildings and other property	8/13	1 650 596	1 567 764
Movable property, fixtures and fittings, tools, office equipment, etc.	8/13	483 808	361 013
<b>Total tangible fixed assets</b>		<b>2 134 404</b>	<b>1 928 777</b>
<b>Financial non-current assets</b>			
Other shares and non-current receivables	10/11	3 209	3 941
Investments in associated companies and joint ventures	9	37 356	32 810
<b>Total financial non-current assets</b>		<b>40 565</b>	<b>36 751</b>
<b>Total fixed assets</b>		<b>2 359 393</b>	<b>2 082 041</b>
<b>Current assets</b>			
<b>Stock</b>			
	5	<b>2 536 761</b>	<b>2 178 290</b>
<b>Receivables</b>			
Accounts receivable	13	850 351	1 014 245
Other receivables		119 465	212 703
Pre-payments		158 973	168 795
Receivables from other related parties	18	52 220	57 486
<b>Total receivables</b>		<b>1 181 009</b>	<b>1 453 229</b>
Bank deposits, cash and cash equivalents	14	<b>18 967</b>	<b>16 552</b>
<b>Total current assets</b>		<b>3 736 737</b>	<b>3 648 071</b>
<b>TOTAL ASSETS</b>	3	<b>6 096 130</b>	<b>5 730 112</b>

**Bertel O. Steen AS**  
Org.no. 916 218 753

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

**BALANCE SHEET**

	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	16	372 433	372 433
Share premium reserve	16	598 000	598 000
Other equity	16	1 266 464	1 066 366
Minority interests	16	44 249	42 167
<b>TOTAL EQUITY AND MINORITY INTERESTS</b>		<b>2 281 147</b>	<b>2 078 967</b>
<b>LIABILITIES</b>			
<b>Provisions for liabilities</b>			
Pension commitments	7	30 174	25 763
Other provisions for liabilities	12	0	356 812
<b>Total provisions for liabilities</b>		<b>30 174</b>	<b>382 575</b>
<b>Other non-current liabilities</b>			
Borrowings	13	947 086	1 108 985
Other non-current liabilities	13	107	560
<b>Total other non-current liabilities</b>		<b>947 193</b>	<b>1 109 545</b>
<b>Current liabilities</b>			
Borrowings	13	71 625	81 843
Debt to shareholders and other related parties	18	78 563	83 019
Accounts payable		1 113 788	1 103 884
Income tax payable	15	160 523	32 617
Unpaid government charges and special taxes		204 224	212 339
Proposed dividend	16	119 765	83 558
Other current liabilities	12	1 089 130	561 764
<b>Total current liabilities</b>		<b>2 837 617</b>	<b>2 159 025</b>
<b>TOTAL LIABILITIES</b>		<b>3 814 984</b>	<b>3 651 145</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6 096 130</b>	<b>5 730 112</b>

The Board of Directors of Bertel O. Steen AS  
Lørenskog, Norway, 04 April 2017

Sverre Leiro  
Chairman of the Board

Odd Christopher Hansen  
Board member

Bertel O. Steen  
Board member

Sverre Rune Kjær  
Board member

Gisle Skansen  
Board member

Ole Stefan Nedenes  
Board member

Jens Mosveen  
Board member

Leif Erik Vik  
Board member

Bjørn Maarud  
CEO

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

**CASH FLOW STATEMENT**

	Note	2016	2015
<b>Cash flows from operating activities</b>			
Profit before tax		449 844	296 394
Income tax paid in the period		(32 617)	(28 403)
Gains (losses) on sale of fixed assets and shares		(6 736)	(7 616)
Ordinary depreciation	8	161 802	161 899
Depreciation of tangible fixed assets		484	0
Pension cost without cash effect		4 558	1 456
Changes in provisions for liabilities and charges, without cash effect		(356 812)	70 035
Changes in stock		(358 471)	(362 042)
Changes in accounts receivable		163 894	(364 297)
Changes in accounts payable		9 904	291 216
Changes in other current items		606 459	(119 066)
<b>Net cash flow from operating activities</b>		<b>642 308</b>	<b>(60 424)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible fixed assets		165 610	133 020
Payments for purchase of tangible fixed assets	6	(427 236)	(290 584)
Proceeds from sale of shares and interests in other businesses		(4 545)	0
Payments for acquisition of shares and interests in other businesses		500	0
Change in intercompany accounts		0	0
Payments for acquisition of subsidiaries	20	(91 378)	(225 383)
Proceeds from repayment of long-term receivables		100	500
<b>Net cash flow from investing activities</b>		<b>(356 949)</b>	<b>(382 447)</b>
<b>Cash flow from financing activities</b>			
Proceeds from new long-term debt		0	1 106 321
Payments in connection with repayment of long-term debt		(162 352)	0
Change in intercompany accounts		1 061	(789 238)
Net change in overdraft facility		(10 218)	81 843
Dividends paid		(83 558)	(62 197)
Group contribution received (paid)		(27 877)	(31 950)
<b>Net cash flow from financing activities</b>		<b>(282 944)</b>	<b>304 779</b>
<b>Net change in cash and cash equivalents during the year</b>		<b>2 415</b>	<b>(138 091)</b>
Cash and cash equivalents 1 Jan.		16 552	154 643
<b>Cash and cash equivalents 31 Dec.</b>		<b>18 967</b>	<b>16 552</b>

## NOTES

### Note 1 - ACCOUNTING PRINCIPLES

#### CONSOLIDATION PRINCIPLES

The consolidated financial statements include Bertel O. Steen AS and those subsidiaries over which Bertel O. Steen AS has a controlling influence as a result of legal or actual control. Controlling influence is normally achieved when the Group owns more than 50% of the shares in the company and the Group is able to exercise actual control over the company.

Non-controlling interests are included in group equity. Intergroup transactions and balances have been eliminated. The consolidated financial statements have been prepared with uniform accounting policies, in which the subsidiaries follow the same accounting policies as the parent company.

The acquisition method is used for recognising company mergers on the income statement. Companies that are bought or sold in the course of the year are included in the consolidated financial statements from the date on which control is achieved and until the date on which it ceases. Subsidiaries that are acquired are accounted for in the consolidated financial statements based on the historical cost to the parent company. The historical cost is allocated to identifiable assets and liabilities in the subsidiary, which are recorded at fair value at the time of the acquisition. Any excess value beyond that which can be attributed to identifiable assets and liabilities is recorded on the balance sheet as goodwill. Goodwill is treated as a residual value and entered on the balance sheet with the share observed in the acquisition transaction. Straight line depreciation is applied to excess values in the consolidated accounts over the expected economic life.

Associated companies are enterprises in which the Group has significant influence, but not control, over the financial and operational management (normally through an ownership stake of between 20 and 50%). The consolidated financial statements include the Group's share of profits from associated companies entered using the equity method from the time significant control was achieved and until such control ceases. When the Group's losses exceed the investment in an associated company, the Group's carrying amount is reduced to zero and further losses are not posted unless the Group has an obligation to cover the loss.

#### Shares and investments in associated companies, joint ventures and subsidiaries

Investments in subsidiaries, associated companies and joint ventures are assessed using the cost method in the company accounts and using the equity method in the consolidated financial statements. The investments are depreciated to fair value if the reduction in value is not temporary and when it is deemed necessary according to generally accepted accounting principles. Dividends, intra-group contributions and other allocations from subsidiaries are recognised in the same year as the provision has been made on the accounts of the party making the payment. If the dividend / group contribution exceeds the share of accrued earnings after the date of acquisition, the excess amount represents repayment of invested capital and the allocations are deducted from the value of the

#### MATERIAL ACCOUNTING POLICIES

##### Fundamental accounting principles

The annual financial statements comprising the income statement, balance sheet, cash flow statement and notes, have been prepared in accordance with the provisions of the Norwegian Accounting Act and generally accepted accounting principles in Norway.

##### Main rule for assessment and classification of assets and liabilities

Assets intended for long-term ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables that are to be repaid within one year are classified as current assets. Similar criteria are used for the classification of short-term and long-term liabilities. Current assets are assessed at the lower of acquisition cost and fair value.

Fixed assets are valued at historical cost, but are written down to the recoverable amount if this is lower than the book value and the reduction in value is not expected to be temporary. Fixed assets with a limited useful economic life are depreciated according to a schedule.

##### Income

###### Sale of goods:

Income is accounted for when it is earned, i.e. when both risk and control have been materially transferred to the customer, normally when the item is handed over to the customer.

###### Sale of services:

Income is accounted for when it is earned, i.e. when a claim for remuneration arises. This happens when a service is provided, in line with performance of the

##### Expenses

As a general rule, expenses are accounted for during the same period as the associated income. In cases where there is no clear relationship between expenses and income, the distribution will be determined on the basis of discretionary criteria. Other exceptions from the matching principle are specified where relevant.

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

---

**Currency**

Transactions in foreign currency are translated using the exchange rate on the date of the transaction. Monetary items in foreign currency are converted to Norwegian kroner using the rate of exchange on the balance sheet date. Changes in exchange rates are recognised on an ongoing basis during the accounting

**Financial instruments**

Financial instruments are used in connection with the management of financial risk. Hedging using forward exchange contracts is used when financially justifiable. Forward contracts are recorded at fair value. Gains and losses resulting from sale or change in fair value are reported in the income statement in cases where the derivative is not part of a hedge relationship that satisfies the criteria for hedge accounting. Interest derivatives such as interest rate swap agreements have been entered into to secure future interest costs. Unrealised gains / losses are recognised on an ongoing basis during the accounting period

**Other shares and investments classified as fixed assets**

Shares and investments in partnerships in which the Group does not have significant influence are assessed using the cost method. The investments are depreciated to fair value if the reduction in value is not temporary. Dividends received from the companies are recognised as other financial income.

**Intangible assets and tangible fixed assets**

Intangible assets that are both expected to generate future income and whose historical cost can be measured reliably are entered in the balance sheet. Depreciation is calculated on a straight-line basis over the expected economic life of the assets. Tangible fixed assets are depreciated over their expected economic life. Depreciation is generally distributed on a straight-line basis over the entire expected economic life.

Costs relating to normal maintenance and repairs are recognised as they arise. Costs associated with major replacements and upgrades that extend the economic life of the assets are entered in the balance sheet.

**Stock**

Stocks of goods are valued at the lower of cost and estimated selling price less costs to sell. An individual assessment is made of each car. Parts and equipment are recognised at average acquisition cost (in accordance with the FIFO principle). Write-downs are made for obsolescence.

**Receivables**

Accounts receivable and other receivables are included at nominal value, less any provision for anticipated bad debts. Provision for bad debts is made on the basis of specific consideration of individual receivables. In addition, unspecified provisions to cover any estimated losses are made for other accounts receivable.

**Warranties, servicing and repurchase obligations**

Warranty work related to prior sales is assessed at the expected cost of the work. The estimate is calculated on the basis of historical figures for warranty repairs.

Unearned income related to existing service agreements is entered in the balance sheet as deferred income and is recognised when the cost accrues over the

The group companies guarantee the repurchase value of the cars they sell that are financed by leasing. The repurchase value is determined on the basis of a defined formula and depends on the model, the length of the lease and the mileage. Provisions are made for any expected losses on these repurchase

**Related parties**

All transactions between group companies are on ordinary commercial terms.

**Pensions**

*Defined-benefit plans*

Pension liabilities are calculated as the present value of future pension benefits accrued on the balance sheet date. Future pension benefits are calculated on the basis of expected salary on retirement.

Net pension commitments are entered in the balance sheet as other liabilities after adjustment for actuarial gains / losses. The net value of over-financed plans is entered in the balance sheet as a long-term receivable. The net pension cost and gross pension cost less the estimated return on the pension assets for the period are included under payroll expenses. Gross pension cost consists of the present value of the pension benefits earned for the period, interest costs on the pension commitments and recognised actuarial gains / losses.

The accounting treatment of pensions is based on a straight-line accrual profile and expected final salary as the accrual basis. Actuarial gains / losses and the effect of changes in assumptions are amortised over the expected remaining earning period if they are in excess of 10% of the pension liabilities or pension assets (corridor), whichever is larger. The employer's National Insurance contributions are included in the figures.



**Bertel O. Steen AS**  
Org.no. 916 218 753

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

---

*Defined-contribution plans*

The company has a contractual pension under the AFP scheme that provides a lifelong supplement to the ordinary pension. The AFP scheme is a defined-benefit, multi-employer pension plan funded through premiums that are determined as a percentage of the employee's salary. For accounting purposes, the

For pension plans where the employer pays an agreed contribution and the pension funds are managed separately (defined-contribution plans), the contribution is included in payroll and other personnel costs.

**Taxes**

The tax charge consists of the tax payable and the change in net deferred tax. Tax payable is calculated on the basis of the taxable income for the year. Deferred tax is calculated on the basis of temporary differences between taxable and accounting values and tax losses carried forward. If the tax rate has changed since the previous year, the new tax rate is used to calculate deferred tax. Deferred tax and deferred tax assets are presented on a net basis in the

**Public grants**

Any operating grants the Group receives, such as government subsidies for apprentices, for example, are accrued together with the expenses the grant is intended for. Grants related to the SkatteFUNN scheme are recorded as a reduction of the accounting item to which they pertain.

**Group contributions**

Group contributions are treated as an equity transaction and not as an allocation of the profit. Group contributions from the parent company to subsidiaries are accounted for as other paid-in capital, adjusted for the tax effect of 25%. In the parent company's financial statements, net paid group contributions are added to the cost of shares in subsidiaries, and received group contributions are recognised as finance.

**Changes in the composition of the Group**

In 2016 Bertel O. Steen AS acquired Bertel O. Steen Bildrift AS (1 January 2016) from the sister company Bertel O. Steen Agri AS. Bertel O. Steen Eiendom AS has acquired the companies Røykåsveien 9 AS (1 January 2016) and Grus Eiendom AS (20 June 2016). There have not been any other major changes in the composition of the Group that have significance for the consolidated financial statements.

**Cash flow**

The cash flow statement has been prepared in accordance with the indirect method. Cash and cash equivalents include cash and bank deposits with maturity of less than 12 months.

**Comparison figures**

If accounting items are reclassified, the comparison figures are restated accordingly.

**Long-term partnership contracts**

**Peugeot**

The contract with Automobiles Peugeot was signed in 1929. A new contract with Automobiles Peugeot was signed in mid-2011, in addition to new dealer contracts. These have no set duration, but can be terminated with a two-year period of notice.

**Daimler**

The contract with Daimler AG was signed in 1929. As a consequence of the European Commission Block Exemption Regulation no. 1400/2002, a new agreement was entered into in 2003, with a two-year mutual period of notice.

**Kia Motors**

The agreement with Kia Motors was entered into in 1993 and was renewed in 2003. In line with the European Commission Block Exemption Regulation no. 1400/2002, the agreement currently remains in force with a two-year mutual period of notice.

**Citroën**

The contract with Automobiles Citroën was signed in April 2015 in connection with Bertel O. Steen's acquisition of the company. Prior to this the company had not had a formal importer agreement. During the first five years, the signed agreement can only be terminated in the event of material breach; thereafter it continues to run automatically for another five years, unless it is terminated with six months' mutual notice.

**Bertel O. Steen AS**  
Org.no. 916 218 753

**Consolidated financial statements**  
(Figures in NOK thousands)

---

## Note 2 - GROUP COMPOSITION

	Registered office	Stake and voting share
<b><u>Car Import:</u></b>		
Bertel O. Steen AS	Lørenskog	100,0 %
Kia Bil Norge AS	Lørenskog	100,0 %
CDS Norge AS	Lørenskog	100,0 %
Chrysler Norge AS (deleted in December 2016)	Lørenskog	0,0 %
Nordisk Bilimport AS	Lørenskog	100,0 %
Bertel O. Steen Spesialkjøretøy AS	Lørenskog	100,0 %
Bertel O. Steen Bildrift (new company from 1 January 2016)	Lørenskog	100,0 %
<b><u>Car Finance:</u></b>		
Bertel O. Steen Finans AS	Lørenskog	100,0 %
<b><u>Workshop chain</u></b>		
Snap Drive AS	Skedsmo	100,0 %
<b><u>Car Retail:</u></b>		
Bertel O. Steen Detalj AS	Lørenskog	100,0 %
Bertel O. Steen BilVenture AS	Lørenskog	100,0 %
Bertel O. Steen Bil AS	Lørenskog	100,0 %
Bertel O. Steen Aktiv Bil AS	Lørenskog	100,0 %
Bertel O. Steen Oslo AS	Oslo	100,0 %
Bertel O. Steen Romerike AS	Skedsmo	100,0 %
Bertel O. Steen Asker og Bærum AS	Bærum	100,0 %
Bertel O. Steen Vare-Last-Buss AS	Lørenskog	90,1 %
Bertel O. Steen Møre og Romsdal AS	Ålesund	100,0 %
Brabil AS (merged on 1 January 2016)	Haram	0,0 %
Bertel O. Steen Ringerike AS	Ringerike	100,0 %
Bertel O. Steen Vestfold AS	Tønsberg	90,2 %
Bertel O. Steen Autostern AS	Oslo	100,0 %
Bertel O. Steen Telemark AS	Skien	100,0 %
Bertel O. Steen Hedmark og Oppland AS	Ringsaker	100,0 %
Bertel O. Steen Lillehammer Motorcentral AS	Lillehammer	100,0 %
Bertel O. Steen Østfold AS	Fredrikstad	100,0 %
Bertel O. Steen Bergen AS	Bergen	100,0 %
Bertel O. Steen Buskerud AS	Lier	100,0 %
Bertel O. Steen Rogaland AS	Sandnes	90,1 %
Motor Trade Holding AS	Trondheim	50,0 %
Motor-Trade AS	Trondheim	100,0 %
Trønderlinjen AS	Melhus	100,0 %
Bertel O. Steen Agder AS	Kristiansand	60,0 %
Bertel O. Steen Brobekk AS	Oslo	100,0 %

**Bertel O. Steen AS**  
Org.no. 916 218 753

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

---

**Note 2 - GROUP COMPOSITION (Cont.)**

	<b>Registered office</b>	<b>Stake and voting share</b>
<b><u>Property operations:</u></b>		
Bedriftsveien 120 AS	Lørenskog	100,0 %
Bertel O. Steen Eiendom AS	Lørenskog	100,0 %
Bertel O. Steen Eiendomsdrift AS	Lørenskog	100,0 %
Bertel O. Steen Osloeiendommer ANS	Lørenskog	100,0 %
Bryggeriveien 5 AS	Lørenskog	100,0 %
Dikveien 1 AS	Lørenskog	100,0 %
Ekreveien 27 AS	Lørenskog	100,0 %
Energiveien 11 AS	Lørenskog	100,0 %
Grus Eiendom AS (new company from June 2016)	Lørenskog	100,0 %
Hensmoen AS	Lørenskog	100,0 %
Hvamveien 2 AS	Lørenskog	100,0 %
Håvardstun AS	Lørenskog	100,0 %
Industrigata 58 AS	Lørenskog	100,0 %
Industriveien 7 B Eiendom AS	Lørenskog	100,0 %
Lerstadveien 525 AS	Lørenskog	100,0 %
Liamyrene 3 AS	Lørenskog	100,0 %
Maridalsveien 85-87 AS	Lørenskog	100,0 %
Prof. Koths vei 85 AS	Lørenskog	100,0 %
Røykåsveien 9 AS (new company from January 2016)	Lørenskog	100,0 %
Røykåsveien Eiendom AS	Lørenskog	100,0 %
Sandakerveien 64 AS	Lørenskog	100,0 %
Skolmar Eiendom AS	Lørenskog	100,0 %
Slagenveien 67 AS	Lørenskog	100,0 %
Sognsveien 90 AS	Lørenskog	100,0 %
Solheimveien 11 AS	Lørenskog	100,0 %
Solheimveien 15 AS	Lørenskog	100,0 %
Solheimveien 7 AS	Lørenskog	100,0 %
Svanedamsveien 6-8 AS	Lørenskog	100,0 %
Vassbotnen 9 AS	Lørenskog	100,0 %

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

**Note 3 - SEGMENT INFORMATION**

The Bertel O. Steen AS Group comprises the business areas Car Import, Car Finance, Snap Drive AS, Car Retail and Real Estate.

See note 2 for more detailed information concerning the individual companies in the different business areas.

The business areas had the following key figures for 2016:

	Car Import	Car Finance	Snap Drive AS	Car Retail	Real estate	Eliminations	Group
<b>Operating revenue</b>	<b>10 177 038</b>	<b>58 218</b>	<b>246 475</b>	<b>9 470 831</b>	<b>228 851</b>	<b>(5 816 577)</b>	<b>14 364 835</b>
Depreciation and impairment	34 097	452	5 595	69 453	51 199	1 006	161 802
<b>Operating profit</b>	<b>179 144</b>	<b>49 528</b>	<b>11 603</b>	<b>169 580</b>	<b>116 905</b>	<b>(21 520)</b>	<b>505 239</b>
Net financial result	66 253	341	(845)	157 454	85 280	(369 613)	(61 129)
<b>Profit before tax</b>	<b>245 397</b>	<b>49 869</b>	<b>10 758</b>	<b>329 431</b>	<b>202 185</b>	<b>(387 796)</b>	<b>449 844</b>
<b>Assets</b>	<b>4 680 408</b>	<b>136 260</b>	<b>70 800</b>	<b>2 264 279</b>	<b>1 655 846</b>	<b>(2 711 461)</b>	<b>6 096 130</b>

The business areas had the following key figures for 2015:

	Car Import	Car finance	Snap Drive AS	Car Retail	Real estate	Eliminations	Group
<b>Operating revenue</b>	<b>8 250 329</b>	<b>70 236</b>	<b>232 806</b>	<b>7 818 433</b>	<b>219 426</b>	<b>(4 804 185)</b>	<b>11 787 045</b>
Depreciation and impairment	45 179	380	5 100	69 180	47 185	(5 126)	161 899
<b>Operating profit</b>	<b>108 979</b>	<b>60 108</b>	<b>18 978</b>	<b>117 882</b>	<b>102 797</b>	<b>(37 679)</b>	<b>371 065</b>
Net financial result	257 043	567	(646)	184 212	68 916	(588 485)	(78 394)
<b>Profit before tax</b>	<b>366 023</b>	<b>60 674</b>	<b>18 332</b>	<b>304 337</b>	<b>171 713</b>	<b>(624 684)</b>	<b>296 394</b>
<b>Assets</b>	<b>4 994 386</b>	<b>125 651</b>	<b>73 906</b>	<b>1 928 139</b>	<b>1 566 393</b>	<b>(2 958 363)</b>	<b>5 730 112</b>

**Note 4 - FINANCIAL ITEMS**

	2016	2015
Other interest income	7 918	4 522
Realised and unrealised exchange gains	0	0
Other financial income	424	150
<b>Total financial income</b>	<b>8 342</b>	<b>4 672</b>
Interest paid to the parent company Bertel O. Steen Holding AS	0	(16 649)
Other interest expense	(32 506)	(21 181)
Realised and unrealised exchange losses	(25 698)	(36 423)
Other financial costs	(11 267)	(8 812)
<b>Total financial costs</b>	<b>(69 472)</b>	<b>(83 065)</b>
<b>Net financial items</b>	<b>(61 129)</b>	<b>(78 394)</b>

**Note 5 - STOCK**

	2016	2015
New cars	1 592 357	1 409 579
Used cars	375 128	311 524
Demonstration cars	347 257	267 381
Parts	243 154	224 864
Miscellaneous	45 207	34 997
Obsolete goods	(66 342)	(70 055)
<b>Total stock</b>	<b>2 536 761</b>	<b>2 178 290</b>

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

**Note 6 - PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATION, ETC.**

<b>Payroll expenses, etc.</b>	<b>2016</b>	<b>2015</b>
Salaries	1 308 263	1 170 645
Employer's National Insurance contribution	199 168	181 447
Pension expenses	59 542	41 012
Other remuneration	59 169	52 174
<b>Total payroll expenses</b>	<b>1 626 142</b>	<b>1 445 279</b>
No. of full-time equivalents employed (in whole numbers)	<b>2 232</b>	<b>2 066</b>
<b>Loans and guarantees at 31 Dec.</b>		
Total loans to employees	<b>2 576</b>	<b>2 845</b>
No members of the executive management have loans from the company.		
<b>Remuneration of senior executives</b>		
Salary, bonus, pension costs and other remuneration of the CEO	17 292	9 358
Remuneration of board members	1 760	1 458
Remuneration of the Audit Committee	90	0
Remuneration of the Remuneration Committee	30	0
<b>Total remuneration of senior executives</b>	<b>19 172</b>	<b>10 816</b>

The payroll costs for 2016 include benefits such as pensions and bonuses. In 2016, the CEO's total remuneration including provisions for a pension amounted to NOK 17.3 million. This includes the following: NOK 5 million in fixed salary, holiday pay and payments to the Group's occupational pension scheme. The Group's bonus scheme amounted to NOK 6.5 million in 2016, including provisions for holiday pay. The CEO has met the criteria that were set on his appointment in 2013 within a period of five years, resulting in a one-off payment of NOK 4.1 million. In addition, the CEO has received NOK 500,000 in other benefits, and a pension compensation payment of NOK 1.2 million.

In 2016 remuneration of board members came to NOK 1,880,000. In addition, the chair of the board has received other remuneration totalling NOK 185,000. The chair of the board does not have any agreements concerning a bonus, share options or severance pay.

<b>Recognised remuneration to the auditor and affiliated companies breaks down as follows:</b>	<b>2016</b>	<b>2015</b>
Statutory auditing services	2 353	3 202
Certification services	0	486
Tax-related consultancy	1 675	919
Non-audit services	1 231	870
<b>Total auditing services</b>	<b>5 260</b>	<b>5 477</b>

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

**Note 7 - PENSIONS**

The Group is required to have an occupational pension scheme pursuant to the Norwegian Act relating to mandatory occupational pensions (OTP). The

**Defined-contribution pension plan and contractual pension (AFP)**

The Group has a defined-contribution pension plan for its employees. The Group pays a fixed contribution to an insurance company. The Group has no further payment obligations once these contributions have been paid. The contribution is 2–6% of the employee's salary over 1 x G (the National Insurance). A total of 2,352 employees are covered by this scheme.

**Actuarial estimates for defined-benefit plans**

Actuarial calculations are carried out annually for the former AFP scheme and contributions for members of the old AFP scheme, which was discontinued from 31 December 2015. Last year's expenses for the AFP pension are presented in the table below.

The Group has unfunded pension commitments, which are charged directly to operations. A total of 10 employees are covered by this scheme.

**Unfunded defined-benefit scheme – unfunded defined-contribution scheme**

On 31 December 2015, the former defined-benefit pension plan financed by operations for active employees was converted into a new unfunded defined-contribution scheme financed by operations. The new scheme includes all employees with salaries exceeding 12 x G. The accounting effect of this is presented below. Capitalised liabilities and the year's expenses are included in the table below.

**Funded defined-benefit scheme**

The Group has previously had one company that had a funded defined-benefit scheme that is charged directly to operations. This pension plan was discontinued on 31 December 2015 and was replaced by a defined-contribution scheme starting from 1 January 2016. This has had the following effect on the consolidated financial statements for 2015: Reduction in pension expense NOK 18,099,000 in income and prepaid pension premiums of NOK

<b>Pension expense</b>	<b>2016</b>	<b>2015</b>
Present value of the service cost for the year	0	4 661
Interest cost on the pension commitment	456	(18 095)
Return on plan assets	0	(1 407)
Recognised changes in plan	0	(1 287)
Recognised effect of actuarial gains and losses	1 497	9 989
<b>Net pension expense unfunded pensions</b>	<b>1 953</b>	<b>(6 138)</b>
Defined-contribution scheme financed by operations.	4 136	0
<b>Total defined-benefit plans</b>	<b>6 089</b>	<b>(6 138)</b>
Defined-contribution pension	29 320	28 344
AFP scheme	24 133	18 806
<b>Total pension expense</b>	<b>59 542</b>	<b>41 012</b>
<b>Pension assets / liabilities</b>		
Accrued pension liabilities	15 945	22 965
Unrecognised past service cost	(824)	(534)
Net pension liabilities before employer's National Insurance contributions	<b>15 121</b>	<b>22 431</b>
Accrued employer's National Insurance contributions	2 256	3 185
<b>Net pension liabilities</b>	<b>17 421</b>	<b>25 763</b>
Net pension assets calculated by an actuary	(44)	(147)
Liabilities for defined-contribution schemes financed by operations.	12 796	0
<b>Total recognised pension liabilities</b>	<b>30 174</b>	<b>25 616</b>
<b>The liabilities are related to the following plans:</b>		
Unfunded pension plans	17 377	25 616
Liabilities for defined-contribution schemes financed by operations.	12 796	0
<b>Net recognised pension commitment</b>	<b>30 174</b>	<b>25 616</b>
<b>Economic assumptions</b>		
Discount rate	2,50 %	2,50 %
Expected salary increase	2,25 %	2,25 %
Expected pension increase	0,00 %	0,10 %
Expected increase in the National Insurance basic amount (G)	2,00 %	2,25 %

Consolidated financial statements 2016  
(Figures in NOK thousands)

**Note 8 - TANGIBLE FIXED ASSETS, GOODWILL AND INTANGIBLE ASSETS**

	Land, movable property, buildings and fittings, etc.		Goodwill	Intangible fixed assets	2016 Total	2015 Total
Acquisition cost 1 Jan.	2 100 228	910 481	37 051	252 107	3 299 868	3 047 426
Additions from acquisitions	111 942	0	0	0	111 942	139 080
Additions	9 285	412 923	(4 085)	9 113	427 236	290 584
Disposals	(913)	(272 919)	(550)	0	(274 381)	(177 223)
<b>Acquisition cost 31 Dec.</b>	<b>2 220 542</b>	<b>1 050 486</b>	<b>32 416</b>	<b>261 220</b>	<b>3 564 664</b>	<b>3 299 868</b>
Accumulated depreciation and impairment, 1 Jan.	532 465	549 468	27 962	243 275	1 353 170	1 173 610
+Accumulated depreciation from acquisitions	0	0	0	0	0	69 370
Ordinary depreciation for the year	51 318	105 538	1 728	3 217	161 802	161 899
Disposals acc. dep. (sale of capital assets)	(13 837)	(88 328)	(550)	0	(102 715)	(51 708)
<b>Accumulated depreciation and</b>	<b>569 946</b>	<b>566 678</b>	<b>29 141</b>	<b>246 492</b>	<b>1 412 257</b>	<b>1 353 170</b>
<b>Carrying amount, 31 Dec.</b>	<b>1 650 596</b>	<b>483 808</b>	<b>3 275</b>	<b>14 728</b>	<b>2 152 407</b>	<b>1 946 697</b>
Economic life	20–50 years	3–10 years	5 years	5–10 years		
Depreciation schedule	Straight line	Straight line	Straight line	Straight line		
Annual lease payments for off-balance sheet fixed as:	<b>93 836</b>	<b>6 075</b>				

Fixed assets are depreciated on a straight-line basis based on the expected economic life. Land is not depreciated.

At 31 December 2016, NOK 79.3 million has been capitalised related to a new IT platform for car dealers in the automotive group. The IT platform is capitalised at 31 December 2016, but has not been written off in 2016 as it is not yet in use.

<b>Carrying amount of goodwill allocated to acquisitions</b>	
CDS Norge AS	2 377
Acquisitions of other smaller businesses	898
<b>Total goodwill at 31 Dec.</b>	<b>3 275</b>

<b>Specification of carrying amount of intangible fixed assets</b>	
Bertel O. Steen AS – proprietary software	13 748
Other proprietary software	980
<b>Total intangible fixed assets at 31 Dec.</b>	<b>14 728</b>

**Bertel O. Steen AS**

Org.no. 916 218 753

**Consolidated financial statements 2016**

(Figures in NOK thousands)

**Note 9 - INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES**

Company name	Registered office	Stake and voting share	Cost of acquisition	Opening balance 1 Jan.	Share of the profit for the year	Capital contribution / transfers	Carrying amount
UPL og BOSE Holding AS	Hamar	50 %	14 853	25 801	3 813	0	29 614
Bilskadesenteret Telemark AS	Skien	25 %	303	737	509	(450)	796
Bilskadesenteret Ringerike AS	Hønefoss	33 %	900	130	(536)	500	94
KAFO Holding AS	Gjøvik	33 %	3 010	1 055	(3)	0	1 052
Skade og Lakk AS	Fredrikstad	33 %	3 480	1 047	5	0	1 052
Tønne Karosseri og Lakk AS	Verdal	20 %	402	648	540	(320)	868
Bilhuset Brekstad AS	Rissa	20 %	1 000	985	(70)	0	916
Prøven Motortrade AS	Stjørdal	50 %	50	0	0	0	0
Stjørdal Bilskadesenter AS	Stjørdal	33 %	400	557	180	(180)	557
Hjørnetomta AS	Stjørdal	50 %	691	805	5	0	810
Leira Bil Brekstad AS	Brekstad	20 %	100	86	(7)	(79)	0
Rosten Drift AS	Trondheim	50 %	15	0	0	0	0
Prøven Kverneland AS	Trondheim	31 %	311	960	1 300	(662)	1 598
<b>Total investments in joint ventures and associated companies</b>			<b>25 515</b>	<b>32 811</b>	<b>5 735</b>	<b>(1 191)</b>	<b>37 356</b>

**Note 10 - SHARES AND OTHER INVESTMENTS**

Other shares and investments	Registered office	Stake and voting share	Cost of acquisition	Carrying amount
Nytt om Bil AS	Asker	10 %	50	50
Trøndelag Lakksenter AS	Trondheim	13 %	500	500
Lillehammer Bilskadesenter AS	Lillehammer	17 %	195	195
Autoringen AS	Oslo	20 %	300	300
Other shares and investments with ownership under 10%			2 129	1 470
<b>Total other shares and investments</b>			<b>3 174</b>	<b>2 515</b>

**Note 11 - RECEIVABLES DUE IN MORE THAN ONE YEAR**

	2016	2015
Other receivables	694	794

**Note 12 - OTHER PROVISIONS FOR OBLIGATIONS**

	2016	2015
<b>Long-term provisions:</b>		
Provision for service contracts	0	37 360
Provision for warranty obligations	0	203 821
Provision for possible losses on repurchase obligations	0	57 549
Provision for other contingent liabilities	0	700
<b>Total long-term provisions for obligations</b>	<b>0</b>	<b>299 430</b>
<b>Current provisions</b>		
Provision for service contracts	22 650	0
Provision for warranty obligations	255 816	0
Provision for possible losses on repurchase obligations	58 513	0
Goodwill	15 267	22 440
Provisions for other contingent liabilities and losses on lease contract	25 438	14 550
<b>Total other current provisions for obligations</b>	<b>377 684</b>	<b>36 989</b>
<b>Value of repurchase portfolio</b>	<b>2 271 377</b>	<b>2 039 473</b>

See also note 1 for a more detailed description of the Group's principles relating to provisions for obligations.

In 2016 the company has reclassified provisions related to service agreements, warranty obligations and losses on repurchase obligations as these kinds of prov part of the operating cycle and are thus a current liability.

NOK 363 million of the repurchase portfolio related to buses is mortgaged against a factory in 2016, compared with NOK 338 million in 2015.



**Consolidated financial statements 2016**  
(Figures in NOK thousands)

**Note 13 - MORTGAGES AND WARRANTY OBLIGATIONS**

	2016	2015
<u>Recognised debt secured by a mortgage, etc.:</u>		
Drawn on credit facilities / mortgage loan	947 086	1 112 299
Capitalised borrowing costs	0	(3 313)
Other non-current liabilities	107	560
Borrowings	71 625	81 843
<b>Total</b>	<b>1 018 818</b>	<b>1 191 388</b>
<u>Carrying amount of mortgaged assets:</u>		
Accounts receivable	701 835	797 585
Inventories	2 147 447	1 528 235
Vehicles, operating equipment, fixtures and fittings, etc.	377 247	259 106
Land, buildings and other property	1 470 756	1 474 404
<b>Total</b>	<b>4 697 285</b>	<b>4 059 330</b>
<b>Unutilised credit facilities</b>	<b>1 042 914</b>	<b>879 923</b>
<b>Unused portion of bank overdraft facility</b>	<b>294 588</b>	<b>287 043</b>

Credit facilities totalling NOK 1,300 million in Bertel O. Steen Eiendom AS and NOK 1,000 million in Bertel O. Steen AS fall due in 2020. NOK 40 million of the recognised debt falls due more than five years after the end of the financial year.

The Group's average interest rate charged in 2016 was 2.30% (2.67% in 2015). See also note 19 regarding financial risk.

Loans from banks have different requirements, primarily related to equity, EBIT and maximum borrowing ratio. At 31 December 2016, all the loan requirements were met.

**Note 14 - BANK OVERDRAFT FACILITIES, BANK DEPOSITS, GUARANTEES AND CURRENCY**

	2016	2015
<b>Unused portion of bank overdraft facility</b>	<b>294 588</b>	<b>287 043</b>
<b>Guarantees</b>		
Bank guarantee covering unpaid tax withholding	88 680	82 830
Reimbursement of the car factory	54 518	62 530
Other guarantees	127 850	142 646
Parent company guarantee in favour of third parties provided on behalf of other group companies	111 463	20 600
Rent guarantees in favour of third parties	177 568	79 486
Restricted bank deposits covering liability for employee tax deductions	3 452	3 144
<b>Total guarantees</b>	<b>563 531</b>	<b>391 236</b>
<b>Surety</b>		
Other surety obligations	3 334	3 334
<b>Total surety</b>	<b>3 334</b>	<b>3 334</b>
<b>Total guarantees and surety</b>	<b>566 865</b>	<b>394 570</b>
<b>Forward exchange contracts</b>		
EUR forward contracts – purchase contracts (amounts in EUR)	112 629	107 724
EUR forward contracts – sales contracts (amounts in EUR)	4 000	7 050

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

**Note 15 - TAX CHARGE**

	2016	2015
<b>The income tax expense for the year is arrived at as follows:</b>		
Taxes payable	131 167	168 999
Tax effect of paid group contributions	0	(136 124)
Under (over) provided in previous years	0	474
Effect of new tax rules	6 934	7 887
Change in deferred tax	(20 812)	47 614
<b>Total tax on ordinary profit</b>	<b>117 290</b>	<b>88 851</b>
<b>Reconciliation from nominal to effective tax rate:</b>		
Profit before tax	449 844	296 394
Expected tax charge based on the nominal tax rate (25% in 2016 / 27% 2015)	112 461	80 026
Actual tax charge	117 290	88 851
<b>Difference between nominal and actual tax charge</b>	<b>(4 829)</b>	<b>(8 825)</b>
<b>Tax effect of the following items:</b>		
Costs without deduction / income without tax liability	(3 028)	(3 872)
Recognised dividend income, gains on shares and share write-downs	(152)	133
Profit from associated companies	1 419	1 005
Effect of new tax rules and rates (2015)	(6 934)	(7 887)
Other items including the "SkatteFUNN" scheme	3 866	1 797
<b>Total difference</b>	<b>(4 829)</b>	<b>(8 825)</b>
Effective tax rate	26 %	30 %
<b>Specification of tax effect of temporary differences and forwardable losses:</b>		
Tax asset (liability)		
Tangible and intangible fixed assets	(59 880)	(55 573)
Stock	41 416	37 274
Receivables	2 617	4 150
Profit and loss account	(2 555)	(3 099)
Liabilities	150 458	105 965
Other differences	34 359	9 811
Loss carryforwards	7	65
<b>Total book value of deferred tax assets</b>	<b>166 422</b>	<b>98 592</b>
Deferred tax assets are entered on the balance sheet on the basis of expectations of future profits in the company or group.		
<b>Taxes payable in the balance sheet are arrived at as follows:</b>		
Taxes payable on profit for the year	245 759	168 999
Tax effect of received (paid) group contributions	(114 591)	(136 124)
Errors in previous years / the "SkatteFUNN" scheme	29 355	(258)
<b>Total taxes payable</b>	<b>160 523</b>	<b>32 617</b>

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

**Note 16 - EQUITY**

	Share capital and other equity	Minority interest	Total
<b>Equity at 1 Jan.</b>	<b>2 036 800</b>	<b>42 167</b>	<b>2 078 967</b>
<b>Change in capital for the year:</b>			
Translation adjustment / errors in previous years	(2 361)	1	(2 360)
Provision for dividend	(99 000)	(20 765)	(119 765)
Net paid group contributions	(8 250)	0	(8 250)
Profit / loss for the year	309 709	22 845	332 554
<b>Equity at 31 Dec.</b>	<b>2 236 898</b>	<b>44 249</b>	<b>2 281 147</b>

**Note 17 - SHARE CAPITAL AND SHAREHOLDER INFORMATION**

The share capital in Bertel O. Steen AS at 31 December comprises the following:

	Number	Nominal value	Carrying amount
<b>Total shares</b>	<b>3 724 334</b>	<b>100</b>	<b>372 433 400</b>

Bertel O. Steen AS has the following shareholders:

Name	Ordinary shares	Total shares	Shareholding	Voting share
Bertel O. Steen Holding AS	3 724 334	3 724 334	100 %	100 %
<b>Total</b>	<b>3 724 334</b>	<b>3 724 334</b>	<b>100 %</b>	<b>100 %</b>

Each share carries the same rights in the company.

**Bertel O. Steen AS**  
Org.no. 916 218 753

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

---

**Note 18 - TRANSACTIONS WITH RELATED PARTIES**

The automotive group sells cars, spare parts, IT services and other administrative services to the Bertel O. Steen Invest group and the parent company Bertel O. Holding AS. All transactions between group companies are on ordinary commercial terms. Remuneration of senior executives is discussed in note 6.

<b>The Group's transactions with related parties:</b>	<b>2016</b>	<b>2015</b>
<b>Income</b>		
Sales of cars and parts, incl. workshop services	13 501	6 804
Sales of IT and other admin. services	7 123	6 975
Rental income	2 697	3 144
<b>Total income</b>	<b>23 321</b>	<b>16 924</b>
<b>Expenses</b>		
Purchase of administrative services	495	0
<b>Total expenses</b>	<b>495</b>	<b>0</b>

In 2016 Bertel O. Steen AS acquired 100% of the shares in Bertel O. Steen Bildrift AS from Bertel O. Steen Agri AS. See note 20 for further details concerning these transactions.

<b>Balances with related parties</b>	<b>2016</b>	<b>2015</b>
<b>Current receivables</b>		
Trade receivable vis-à-vis Bertel O. Steen Invest AS and subsidiaries	2 345	2 371
Group contributions from Bertel O. Steen Invest AS and subsidiaries	49 875	55 115
<b>Total current receivables</b>	<b>52 220</b>	<b>57 486</b>
<b>Current liabilities</b>		
Other current liabilities vis-à-vis Bertel O. Steen Holding AS	15	27
Group contributions paid to Bertel O. Steen Invest AS and subsidiaries	66 500	75 500
Group contributions paid to Bertel O. Steen Holding AS	11 000	7 492
Dividend payable to Bertel O. Steen Holding AS	99 000	67 508
<b>Total current liabilities</b>	<b>176 515</b>	<b>150 527</b>

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

---

**Note 19 - FINANCIAL RISK**

The activities of the Bertel O. Steen Group entail financial risk associated mainly with foreign exchange, interest rates, credit and liquidity.

**Currency risk**

The Group's income is mainly in Norwegian kroner, but approximately 60% of goods purchased are in foreign currency.

At 31 December 2016 the Group had purchased forward contracts worth NOK 996,378,000 and sold forward contracts to the value of NOK 37,365,000 – i.e. net NOK 959,014,000. Their fair value at year-end was NOK 1,029,888,000. Unrealised foreign exchange losses totalling NOK -3,854,000 between the acquisition cost and the market value on the balance sheet date have been recognised as an exchange loss (disagio). Fair value is the market value calculated using the

<b>Maturity year of forward exchange contracts</b>	<b>2017</b>	<b>2018</b>
Nominal amount of purchases of euro	996 378	0
Nominal amount of sales of euro	18 601	18 764
Unrealised foreign exchange losses	(3 930)	76

**Liquidity risk**

The Group operates in a cyclical industry with relatively large fluctuations in working capital. There is therefore risk associated with short-term access to funding. This risk is managed by having flexible committed funding in the parent company, with regular adjustment of drawdowns according to needs. See note 10 on credit facilities.

**Interest rate risk**

At 31 December 2015 the Group had external debts totalling NOK 1,110 million. This debt is based on a variable market interest rate.

At 31 December 2016 NOK 341 million was hedged with long interest rate swaps at an average NIBOR 3M of 1.24% and an average remaining term of 3.3 years. 36% of the loan portfolio is associated with swap agreements. At year-end the swap agreements had a positive market value of NOK 2.1 million. This has been recognised as unrealised interest income.

<b>Maturity year of interest rate swap agreements</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Later</b>
Nominal amount	0	20 000	105 000	105 000	111 000	0

  

<b>Maturity of long-term debt</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Later</b>
Nominal amount	0	0	0	2 300 000	0	40 000

Bertel O. Steen AS and Bertel O. Steen Eiendom AS were refinanced in 2015, with five-year loan agreements.

**Credit risk**

The risk that counterparties do not have the financial capacity to fulfil their obligations is considered small, since historically there have been very few bad debts. The Group seeks to hedge this risk through bank guarantees from independent dealers, good credit procedures and close follow-up of outstanding accounts receiv

**Bertel O. Steen AS**  
Org.no. 916 218 753

**Consolidated financial statements 2016**  
(Figures in NOK thousands)

---

## **Note 20 - SIGNIFICANT TRANSACTIONS DURING THE FINANCIAL YEAR**

### **Transactions during the 2016 financial year:**

Bertel O. Steen AS acquired 100% of the shares in Bertel O. Steen Bildrift AS from the sister company Bertel O. Steen Agri AS.

Bertel O. Steen Eiendom AS acquired 100% of the shares in Røykåsveien 9 AS and Grus Eiendom AS.

### **Transactions during the 2015 financial year:**

Bertel O. Steen AS acquired 100 % of the shares in CDS Norge AS. In addition, Bertel O. Steen AS bought the shares in Snap Drive AS and Bertel O. Steen Spesialkjøretøy AS from the Bertel O. Steen Invest group.

Bertel O. Steen Eiendom AS acquired 100% of the shares in Røykåsveien Eiendom AS and Industriveien 7 B Eiendom AS.

The Group has not sold any subsidiaries.

The transactions had the following effect on the consolidated financial statements:

	<b>Effect of acquisitions</b>	
	<b>2016</b>	<b>2015</b>
Cash	287	53 013
Receivables including deferred tax assets	9 961	38 346
Fixed assets including added value	112 442	82 091
Stock	0	119 623
Accounts payable	0	(74 213)
Other current liabilities	(31 024)	(139 706)
<b>Net identifiable assets</b>	<b>91 666</b>	<b>79 154</b>
Goodwill	0	7 642
Deferred tax asset	0	37 082
Fiscal continuity Snap Drive AS		154 518
Paid in cash	91 666	278 396
Acquired cash	(287)	(53 013)
<b>Net cash</b>	<b>91 378</b>	<b>225 383</b>

## Board of Directors' Report 2016

(Figures in brackets relate to the figures for 2015)

### Introduction

Bertel O. Steen AS's main business areas are automotive and property operations. In 2016 the Group had turnover of NOK 14.4 (11.8) billion and at year-end employed 2,306 (2,173) full-time equivalents. The head office is located in the municipality of Lørenskog, Norway.

The automotive operations consist of car imports, car retail, workshop operations, and car financing. Property operations consist of the Group's properties connected with the motor industry and other commercial properties. The Group performs its activities in Norway.

Bertel O. Steen AS's vision is to be Norway's best automotive company. We will create value for our employees, customers, shareholders, suppliers and society by developing a performance-driven organisational culture.

Bertel O. Steen AS is owned by Bertel O. Steen Holding AS. Bertel O. Steen Holding also owns the investment company Bertel O. Steen Invest AS.

**Car Import** imports vehicles of the makes Mercedes-Benz, smart®, Peugeot, Citroën, DS, Kia, Fuso and Setra.

**Car Retail** consists of a nationwide dealer network that distributes the Group's car makes and used cars and provides after-sales services and financial services. Sales are effected through Bertel O. Steen Detalj AS and subsidiaries.

**The chain of workshops** Snap Drive AS is an independent chain consisting of 20 workshops located in the largest cities in Norway.

**Car Financing** consists of the company Bertel O. Steen Finans AS, which offers financing solutions through a nationwide network of dealers.

**Property** consists of Bertel O. Steen Eiendom AS and its subsidiaries, which own and manage a substantial property portfolio of approx. 170,000 m<sup>2</sup> connected with the motor industry and other business sectors. These properties have a combined market value of approx. NOK 3.1 billion, roughly half of which (by value) is car-related properties.

### Highlights

The automotive and property group Bertel O. Steen AS achieved its best ever results in 2016. The Group increased its top line by NOK 2.6 billion to NOK 14.4 billion and achieved an operating profit of NOK 505 million, an increase of 36% from 2015.

In a strong overall market up 4.1% from 2015, Bertel O. Steen has increased its total number of newly registered vehicles by 5.2% (6.3% including Kia Soul Electric imported via Germany).

### Strong brands

Bertel O. Steen represents some of the world's strongest car manufacturers and brands. The Group's portfolio includes the makes Mercedes-Benz, smart®, Peugeot, Citroën, DS, Kia, Fuso and Setra, in addition to the workshop chain Snap Drive.

2016 was the best year ever for Mercedes-Benz passenger cars in Norway, with a market share of 5.9% (including smart®). This brand's increase is attributed to the breadth of the product portfolio and good performance by the car importer and the dealer network.

Based on Mercedes-Benz, PSA and Kia's broad product ranges and the new models and powertrains that the factories are going to introduce in the future,

Bertel O. Steen finds that the Group represents strong suppliers with big ambitions.

### **Major growth in vans**

The van market was strong in 2016, and Bertel O. Steen increased its overall market share in this segment to 25.7% (from 24.1%). Overall, the Group is only 2.9 percentage points behind the market leader in the van segment. This means that every fourth van sold in Norway comes from Bertel O. Steen.

Mercedes-Benz had good growth and ended the year with a 10.5% market share and third place in the van statistics. Together vans from PSA Norge (Peugeot and Citroën) had a combined market share of 15.2%, securing a clear second place in the van segment for the Group's French models.

### **Large dealer network**

Bertel O. Steen has the largest dealer network in Norway, consisting of both wholly owned and independent dealers. The dealers represent the Group's brands in a good way and are ranked highly by customers. Bertel O. Steen has strengthened its work to support and develop the dealers, allowing them to focus on their core business. In 2016 the Group's work on developing a performance-driven corporate culture and defined key moments yielded tangible results and helped further strengthen the dealer network.

Operations in the Group's own dealerships have shown a clear improvement. Bertel O. Steen's car retail operations had turnover of NOK 9,471 million, up 21% from 2015, and an operating profit of NOK 170 million, an increase of 44% from 2015. The Board is satisfied with the development.

### **Corporate Social Responsibility**

Against the backdrop of the Group's corporate value "integrity" and the maxim that everything we say and do must be able to bear scrutiny, the Group has initiated a number of measures, internally and aimed at the company's partners, to ensure responsible conduct – at every level.

In 2016 Bertel O. Steen implemented ethical guidelines that all employees must commit to follow, focused on integrity in relations with colleagues and suppliers, and joined the UN Global Compact, committing the Group to running its business in accordance with requirements in the areas of human rights, labour, the environment and anti-corruption.

Bertel O. Steen requires that all its suppliers, partners and other associates commit to and are able to provide documentary evidence that they comply with all relevant legislation, regulations and rules concerning the employees' labour and social rights. The Group also requires that they act in compliance with and respect the Group's ethical guidelines.

Bertel O. Steen has zero tolerance for corruption.

To safeguard this important work, the Group has established a new Compliance Officer position, with responsibility for organising, monitoring, checking and reporting that external and internal guidelines and laws are complied with in all parts of the businesses and by all the Group's employees. A number of episodes in 2016 have highlighted the need for prioritisation of this work. The Compliance Officer is also responsible for the Group's whistleblowing channel and routines.

### **Continued focus on property**

Bertel O. Steen has a property portfolio worth over NOK 3 billion. To ensure further development and flexibility in the car facilities, the Group will continue to invest in car-related properties.

Bertel O. Steen Eiendom AS bought the property companies Røykåsveien 9 AS next to the Group's head office in Lørenskog and Grus Eiendom AS in Berger in the municipality of Skedsmo. The purpose of these acquisitions is to gain control over the properties adjacent to the Group's head office to ensure strategic flexibility and to build a new central warehouse for the importers.



With a new strategy, a new CEO and a new, highly qualified board, property operations are going to be further strengthened.

### **Motor vehicle taxes**

It is expensive to buy a car in Norway. Motor vehicle taxes in Norway are among the highest in the world, and the tax policy is unpredictable. In autumn 2016 there was a fierce political battle over motor vehicle taxes, in connection with the national budget for 2017. The outcome – "the new car deal" – was that low-emissions vehicles will continue to be cheaper than vehicles with high emissions. Electric vehicles will continue to be exempt from VAT (initially up to 2020), and CO<sub>2</sub> emissions are being taxed more heavily. This means higher taxes for hybrids, while plug-in hybrids get a tax break.

Through its tax policy, the government is changing consumers' preferences. This is particularly noticeable within electric vehicles, where the subsidies and support schemes that helped increase the demand for electric vehicles in the Norwegian market show no signs of disappearing. Just a few years ago, motorists were encouraged to choose diesel cars, whereas now some parties are talking about banning petrol and diesel cars in Norway in eight years' time.

Electric and chargeable hybrids are clearly being favoured through the tax policy, to encourage consumers to make more environmentally friendly choices. This makes car ownership unpredictable for customers, and it is very challenging for the automotive industry to change as quickly as the government wants.

For 2016 "the new car deal" meant that customers who had ordered a plug-in hybrid decided to postpone collecting their car until 2017. This affected Bertel O. Steen's bottom line for 2016, but has also resulted in a very good start to 2017.

## **Towards the vision of Norway's best automotive company**

### **Vision and strategy**

Bertel O. Steen AS's vision is to be Norway's best automotive company. Efforts are under way to establish a performance-driven corporate culture to further improve the Group's results. In 2016 the Group has worked on improving performance in specific key moments with a firm focus on the customer and involving employees and independent dealers in the journey towards the vision of becoming Norway's best automotive company. This has boosted the entire organisation.

The Group has also invested heavily in training and now has a comprehensive management development programme in place. In addition, the Group has the "New manager in Bertel O. Steen" induction programme and courses for first-time managers. An "onboarding" programme for new employees and two annual management forums ensure good involvement and anchoring.

### **A changing industry**

The automotive industry faces major changes in the future, with new technology and changes in the patterns of use driving the development of new services and concepts.

Bertel O. Steen sees four megatrends, which have already begun to affect society and which in the future may revolutionise our industry.

#### *Electrification*

Norway is the world leader in electric vehicles, with sales up tenfold in four years. The technology is advancing by leaps and bounds, the driving range of electric cars is increasing all the time, and prices are dropping. All car manufacturers are working to develop new and improved electric models, and in a few years the market is going to be flooded with new electric and hybrid cars.

### *Digitalisation and connectivity*

Digitalisation and connectivity are the basis for creating new services linked to cars and their functionality. We expect "car-to-car" and "car-to-infrastructure" communication" to yield services that will make customers' lives safer and easier. Cars will become a hub in people's everyday lives – an innovative, eco-friendly platform with exciting technology.

### *Self-driving cars*

Although self-driving cars are not expected on Norwegian roads in the near future, we expect the technology to surprise us. The technological challenges are being overcome, one by one, although there are still many regulatory obstacles to autonomous vehicles. However, once the framework conditions are in place, we will see a wealth of new opportunities! There will be self-driving buses and trucks that can link up, meaning drivers will be able to take a break while on the move. And passenger cars are sure to follow close behind.

### *Mobility*

There is a trend among consumers away from owning goods and towards hiring, and there is every reason to believe the same will happen in the automotive industry. Bertel O. Steen expects that in a few years' time customers are going to want package deals, with shared expenses – and access to different car models.

Mobile phone technology has enabled services such as the car-sharing app Nabobil and the ride-sharing app Uber, which were absolutely inconceivable just a few years ago. Today Uber has tens of millions of users and hundreds of thousands of drivers worldwide, posing a major challenge for the existing taxi industry.

This is only the beginning of a development where anything is possible. Bertel O. Steen intends – and wants – to be at the forefront of this trend.

In 2016 Bertel O. Steen worked on preparing the organisation for the future, at the same time as the

Group is keeping a close eye on developments in order to adapt to trends in society in general and to the needs of customers in the automotive industry in particular.

With new needs from customers, increasingly stringent environmental requirements and new technologies, the Group sees many opportunities in both the short and the long term. Owners who want to invest in the future and capable employees who implement the strategy and develop the business mean the Bertel O. Steen group is better prepared for the future than most other players in the industry.

### **Excellent work in 2016**

The positive development in 2016 can largely be attributed to the fact that the Group has developed and implemented an ambitious strategy. The Board believes the Group is one step closer to its vision of becoming Norway's best automotive company!

The Board would like to thank all the employees for their dedication and hard work in 2016.

### **The market and business development in 2016**

The car market in Norway remained good in 2016. A relatively strong employment market, low interest rates and a weak krone contributed to increased demand for our products and services, resulting in a continued positive development of the automotive market in Norway. Total car sales in Norway amounted to 197,991 units, up 4.1% compared with 2015.

The market for passenger cars totalled 154,603 cars, which is 2.6% higher than in 2015. The van market grew by 8.3% in 2016 to 36,008 units. Bus sales grew by 44.1% to 1,398 units, and the market for trucks grew by 15.1% to 5,982 units in 2016.

Overall the Group had a market share of 15.5% in 2016, compared with 15.3% in 2015.

## Company and Group results

### Bertel O. Steen AS

The company increased its turnover by 27.9% in 2016 to NOK 8,273 (6,471) million. The profit for the 2016 financial year was NOK 190 million, compared with NOK 320 million in 2015. The decline is partly due to the fact that dividends and group contributions from subsidiaries amounted to NOK 96 million in 2016, compared with NOK 305 million in 2015.

The company's cash flows from operations in 2016 were positive by NOK 366 million, compared with NOK 62 million in 2015.

### Group

The operating revenue for 2016 amounted to NOK 14,365 million, an increase of 22% compared with 2015. The Group has had a positive development in all its business areas in 2016. Thanks to good markets in the Group's business areas in 2016, the Group achieved an operating profit of NOK 505 million, compared with NOK 371 million for 2015. Car Import, Car Retail, Car Finance and Property Operations all made positive contributions to the overall result.

Net financial expenses fell by NOK 17 million from 2015 to NOK 61 million in 2016. Most of this change is attributable to net realised and unrealised foreign exchange losses.

The Group recorded a pre-tax profit of NOK 450 million in 2016, which is NOK 153 million higher than the previous year.

The Group's tax charge for 2016 was NOK 117 (89) million. The Group's tax payable amounted to NOK 161 (33) million.

The Group's profit for the 2016 was NOK 333 (208) million.

The Group's cash flow from operating activities amounted to NOK 642 (-60) million in 2016, with the cash flow from the Group's profit and decrease in

accounts receivable making a positive contribution, while the significant increase in inventories pulled the figures down. Net cash flow from investing activities was NOK -357 (-382) million, of which investments in property operations amounted to NOK 23 (33) million and acquisitions of businesses totalled NOK 92 (225) million. Net cash flow from financing activities ended at NOK -283 (305) million, of which NOK 111 (94) million is payment of dividends and group contributions and NOK 173 (-399) million is a reduction in interest-bearing debt.

The Group's total change in cash flows from operating, investing and financing activities amounted to NOK 2 (-138) million in 2016.

The Group had cash and cash equivalents of NOK 19 (17) million at the end of 2016, while liquidity reserves totalled NOK 1,338 (1,167) million. The overall liquidity situation is regarded as satisfactory.

The Group had interest-bearing debt of NOK 1,019 (1,191) million at year-end 2016. The Group's equity ratio was 37.4% at year-end 2016, which is 1.1 percentage points higher than the previous year.

### Car Import

Bertel O. Steen's total **car import business**, including sales of parts, increased its operating revenue by 27%, from NOK 7,943 million in 2015 to NOK 10,058 million in 2016. The import division as a whole achieved an operating profit of NOK 284 million, up NOK 58 million from the previous year. Most of the increase is due to the improved profit in Mercedes-Benz passenger cars and commercial vehicles and Peugeot.

The Group has a product portfolio that as a whole has adapted to changes in the market well, with good product breadth in electric vehicles and plug-in hybrids, modern diesel and petrol engines, four-wheel drive and SUV models in line with the market's demands.

The Group registered a total of 30,689 new vehicles in 2016, an increase of 3,180 vehicles from the

previous year. Total sales of the Group's car makes in 2016 resulted in a combined market share of 15.5%, up 0.2 percentage points from the previous year. In addition, 2,135 Kia Soul Electric were imported via Germany. This adds an estimated 0.9 percentage points to the Group's market share, bringing the total market share to 16.4%.

All the Group's brands have room for improvement, and increased market share will therefore be an important priority in 2017.

**Mercedes-Benz** had a good year in 2016 with an increase of 23.6% from 2015, making it the third best-selling brand in 2016, up from fifth place in 2015. The overall market share was 7.1% (6.0%).

The market share in the passenger car segment rose from 5.1% in 2015 to 5.9% (including smart®) in 2016. This is the highest ever market share for Mercedes-Benz passenger cars in Norway.

Mercedes-Benz vans improved in 2016 and achieved a market share of 10.5%, up from 7.9% in 2015. With 13 more vehicles registered than Peugeot, Mercedes-Benz moved up to third place on the van statistics, largely thanks to the market's good reception of the popular four-wheel drive van Vito.

Mercedes-Benz trucks' market share declined from 13.9% in 2015 to 13.7% in 2016. In the bus segment, Mercedes-Benz's market share dropped from 28.5% in 2015 to 23.7% in 2016. Despite this, Mercedes-Benz commercial vehicles made a solid contribution to the success in 2016. The bus division had several large orders, and the completed turnaround in the truck organisation yielded good results.

Mercedes-Benz was the third largest make in the truck segment and the second largest in the bus segment in 2016.

**Peugeot** was the eighth best-selling make in Norway in 2016, unchanged from 2015. The total market share was 4.3% in 2016, down from 4.6% the previous year. Peugeot's market share for passenger

cars decreased by 3.1% in 2016, largely due to its lack of plug-in hybrid and electric models. The market share in the van segment rose from 9.9% in 2015 to 10.5% in 2016.

**Citroën and DS.** Bertel O. Steen bought the Citroën and DS import company in 2015 and in 2016 worked on improving the operation of these units. The market share in the passenger car segment was 1.3% (1.4%) and in van segment was 4.7% (6.3%). The total market share for Citroën and DS in 2016 was 1.9% (2.2%).

The merger of Peugeot, Citroën and DS to PSA Norge has been a success, and the new, motivated management group delivered good results.

**Kia** has increased its presence in the Norwegian market in 2016. To meet the demand in the market and because of problems getting enough cars, the Group has had to import a large number of cars via Germany. Including the cars from Germany, Kia increased the number of cars delivered to the Norwegian market from 6,355 in 2015 to 6,406 in 2016, an increase of 0.8%. This corresponds to a market share of 4.1% in the passenger car segment.

**Snap Drive AS** increased its turnover from NOK 233 million in 2015 to NOK 246 million in 2016. The operating profit fell to NOK 13 million in 2016, compared with NOK 19 million in 2015 as a result of slightly weaker margins, the closing down of a department in Moss and a management reshuffle.

**Bertel O. Steen Spesialkjøretøy AS's** core business is the sale of special vehicles to the police, the Armed Forces and government agencies, and servicing of and sales of spare parts for these vehicles. The company had turnover of NOK 48 (46) million and an operating profit of NOK 3 (3) million in 2016.

The dealer chain **Bertel O. Steen Detalj AS and its subsidiaries** increased its turnover in 2016 to NOK 9,471 million, an increase of 14% from 2015.



In 2016 sales of new cars rose by 39.2% and sales of used cars by 8.0%. Sales of parts and workshop services rose by 12.4% and 4.9% respectively. The Group's car retail operations returned an operating profit of NOK 170 million in 2016, an increase of NOK 52 million from 2015.

**Bertel O. Steen Finans**, the Group's car financing company, achieved growth of 16.2% in its financing portfolio in 2016, bringing it to NOK 6,199 million. However, the company's total turnover fell to NOK 58 million in 2016, from NOK 70 million the previous year, as a result of lower interest spreads in the portfolio and increased commission payments. The operating profit for 2016 came to NOK 50 (60) million.

**Bertel O. Steen Eiendom AS and subsidiaries** achieved an operating profit of NOK 117 (100) million in 2016.

The properties in the portfolio are fully leased with the exception of warehouse premises in Lørenskog that have been earmarked for future purposes. The majority of the non-car related tenants are public organisations with long-term lease contracts.

### **The working environment**

The Group aims to offer its employees a challenging job in a stimulating working environment. The healthy development of the organisation is safeguarded by regularly measuring employee satisfaction, dealer satisfaction and customer satisfaction and implementation of appropriate measures as and when necessary. Bertel O. Steen AS makes considerable investments in the development of competencies.

The Group reported 21 (20) minor accidents resulting in injury in 2016 and 11 (7) accidents resulting in prolonged sickness absence. All injuries are followed up and reported in the Group's HSE system. The individual employees are followed up according to their needs through close cooperation with the occupational health service. The Group also has a

continuous programme of measures to prevent accidents.

The Group's sickness absence rate is well below the average for Norway. The sickness absence rate was 4.1% in 2016, which is 0.2 percentage points lower than in 2015. Short-term sickness absence was 2.0% in 2016, unchanged from 2015.

The Board is satisfied with the development.

### **Gender equality and discrimination**

The Group works actively to promote gender equality, ensure equal opportunities and rights, and prevent discrimination in the organisation on the basis of gender, age, religion, political opinion, race, colour, national origin, ethnic origin, sexual orientation or living arrangements. In the Board's view, there is no need for special measures in this area.

The Group had 12.1% female employees in 2016, which is roughly the same level as in 2015. The Group has one woman in the group management.

### **The external environment and corporate social responsibility**

As one of Norway's largest and oldest service and trading companies, the Group is highly aware of its corporate social responsibilities.

By joining the UN Global Compact, the Group has committed to adhere to the organisation's ten basic principles linked to human rights, labour, the environment and anti-corruption.

The Group attaches particular importance to protection of the environment and related issues. All the Group's dealers are publicly environmentally certified under either the Norwegian Eco-Lighthouse scheme or ISO 14001. In connection with this work, a number of measures have been implemented to reduce energy consumption. Good routines have also been adopted for waste management, both to

prevent harmful emissions and to ensure a higher waste recycling rate.

Thorough work has been carried out to reduce the use of chemicals in the businesses, which has led to more responsible use and better overview. The chemicals used are risk-assessed and registered electronically on the EcoOnline website, a national database.

The Group's dealers are members of Autoretur, a system for the collection and recycling of all end-of-life vehicles. Membership of Batteriretur ensures responsible collection and disposal of car batteries. The Group is also a member of the national Grønt Punkt packaging recycling scheme.

Bertel O. Steen requires that all its suppliers provide documentation that they meet the statutory requirements concerning occupational health and safety and the working environment, and that they are legally organised in accordance with the applicable tax and working environment regulations and in terms of the employees' labour and social rights.

There is a strong focus on compliance with laws, regulations, and external and internal policies.

## **Risk**

The Group is exposed to a variety of risks, including currency risk, interest-rate risk, price risk, supplier and customer risk, changes in market development, tax policy and changes in political framework conditions. The Group actively manages risk in order to safeguard value creation for shareholders, employees and society.

See also the comments on the Group's risk situation in note 19 to the consolidated annual financial statements.

## **Statement on the outlook**

The Group foresees greater economic uncertainty in 2017 and expects a weaker car market, with a passenger car market of 150,000, compared with 154,603 in 2016.

A significant portion of the profit within the Group's automotive operations comes from the after-sales service market. The Group is experiencing tough competition in this market, but believes that a concerted effort to improve the services in the after-sales market will result in greater overall earnings in this area in 2017.

In recent years the Group has operated in a strong car market, but the longer-term prognoses for the car market remain uncertain. The Group's renewed focus on key strategic initiatives, improving processes and increasing employee engagement, in addition to greater dealer and customer satisfaction, are expected to result in greater profitability in an increasingly demanding market.

In the property market, rents and property values in 2017 are expected to remain largely unchanged from those in 2016.

Bertel O. Steen Eiendom AS and its subsidiaries have achieved a high level of security for its earnings thanks to the high occupancy rate and stable lessors. Bertel O. Steen has in 2016 made good progress in most key areas of the business. There was a focus on strengthening competence within the organisation. The Group has also worked to further align the employees' attitudes and conduct with the company's ethical standards and the performance-driven corporate culture that the company wants to cultivate throughout the entire organisation. We are already seeing the results of this work in the form of increased market shares, higher margins and improved employee satisfaction. This work will continue unabated going forwards and underpins the Board's confidence in a continued positive development in terms of both Bertel O. Steen's market position and the company's profitability. This



focus will also be important in order to be able to weather periods of difficult market conditions.

### **Going concern**

In pursuance of section 3-3 of the Norwegian Accounting Act, the Board confirms that the financial statements have been prepared in accordance with the going concern assumption.

Beyond that which appears in the financial statements, the Board of Directors is not aware of any circumstances that have occurred during the course of 2016, or after the end of the financial year

that have any great significance for the annual financial statements.

The Board believes that the annual financial statement provides a true and fair picture of the company's financial position.

### **Allocation of profits**

Bertel O. Steen AS reported an annual profit for 2016 of NOK 190 million. On this basis, it is proposed that a dividend of NOK 107 million be paid, while NOK 83 million be transferred to retained earnings (other equity).

Lørenskog, Norway, 04 April 2017

Sverre Leiro  
Chairman of the Board

Odd Christopher Hansen  
Board member

Bertel O. Steen  
Board member

Sverre Rune Kjær  
*Board member*

Gisle Skansen  
*Board member*

Ole Stefan Nedenes  
*Board member*

Jens Mosveen  
*Board member*

Leif Erik Vik  
*Board member*

Bjørn Maarud  
CEO

# Independent Auditor's Report

To the General Meeting of Bertel O. Steen AS

Report on the Audit of the Financial Statements

## Opinion

---

We have audited the financial statements of Bertel O. Steen AS. The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2016, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2016, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

## Basis for Opinion

---

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

## Other information

---





Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

---

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### Auditor's Responsibilities for the Audit of the Financial Statements

---

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

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

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

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

## Report on Other Legal and Regulatory Requirements

### Opinion on the Board of Directors' report

---

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit 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.

Oslo, 9 May 2017  
BDO AS

Asle Aftret  
State Authorised Public Accountant

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