KISTEFOS

Financial Statements 2021

Org. nr. 951 408 743

Annual report

The Kistefos Group posted a profit after tax for the year of MNOK 1,516. This is an increase of MNOK 934 from 2020, when the group had a profit after tax of MNOK 582.

Advanzia Bank increased its profit after tax by 20% and ended at MEUR 121 against MEUR 101 in 2020. Despite the pandemic, the loan balance increased by 15% to MEUR 2,205 during the year, while the number of active customers increased by 7% to approx. 1.23 million.

Western Bulk delivered the best result ever with a profit after tax of MUSD 81. In 2020, the profit after tax was MUSD 3.2. The company capitalized on a rising market with more tonnage obligations than cargo obligations. The company's management and organization have carried out a successful change process which, together with a strong market, has helped to make the record year possible.

Viking Supply Ships achieved a profit after tax of MSEK -118 in 2021 against MSEK -191 in 2020. The result is negatively affected by the global covid-19 pandemic, overcapacity of anchor handling vessels in the market and low activity among the oil companies also in 2021.

In 2021, the Kistefos Group completed two sales transactions. In June, Aspit AS (47.6% ownership) was sold, and the accounting gain in Kistefos was MNOK 107. In September, the wholly owned subsidiary 1881 Group AS sold its shareholding in Prisguiden AS (51% ownership), which resulted in a book gain in the group of MNOK 227.

The Kistefos Group has continued to invest in existing and new portfolio companies, and a total of around NOK 550 million was invested throughout the year.

The group's free liquidity amounted to MNOK 1,407 (2020: MNOK 1,711) at the end of the year, and the parent company's free liquidity was MNOK 204 (2020: MNOK 1,247).

The Kistefos Group's revenue in 2021 was MNOK 18,161. This represents an increase since 2020 of MNOK 5,672. The increase is mainly due to increased revenues in Western Bulk Chartering and Advanzia.

Operating profit for the year was MNOK 1,541, compared to MNOK 1,010 in 2020. The increase in operating profit comes from a higher operating profit in Western Bulk Chartering and Advanzia.

The Group’s net financial result went from MNOK -231 in 2020 to MNOK 235 in 2021. The change is mainly explained by gains from the sale of Aspit and Prisguiden, and higher gains on financial instruments in 2021 compared to the previous year.

Profit after tax ended at NOK 1,516 for 2021, compared to MNOK 582 in 2020.

The Group’s total recorded assets were MNOK 38,237 on 31 December 2021, which was an increase of MNOK 3,799 from MNOK 34,437 on 31 December 2020. The increase is mainly due to an increased business volume in Advanzia Bank and Western Bulk.

The Group’s long-term liabilities were MNOK 9,379 on 31 December 2021, compared to MNOK 5,272 on 31 December 2020. The change is due mainly to the issue of a MEUR 475 ABS facility (loan with security in some of the loan portfolio) in Advanzia Bank.

On the balance sheet date, current liabilities were MNOK 25,447 (MNOK 25,929 in 2020), of which deposits from customers in Advanzia Bank amounted to MNOK 22,422.

The Group’s book equity was MNOK 3,411 on 31 December 2021, compared to MNOK 3,236 on 31 December 2020. The Group is considered to have considerable value in excess of the book values.

For the group, net cash flow from operating activities was MNOK -2,102 and MNOK -108 from investment activities. Net cash flow from financing activities was MNOK 3,528.

For the parent company, net cash flow from operating activities was MNOK -405 and MNOK 470 from investment activities. Net cash flow from financing activities was MNOK -1,107.

Consolidated businesses

Advanzia Bank S.A. (60.3 % ownership)

Despite the fact that 2021 was yet another year affected by Covid-19, Advanzia still delivered satisfactory growth under the prevailing conditions. The profit after tax increased by 20% and ended at MEUR 120.7, compared to MEUR 100.5 in 2020, while the net loan balance ended at MEUR 2,042, corresponding to a growth of MEUR 275 (16%). At the end of the year, the number of active credit card customers was 1,232,000, roughly 7% more than the previous year.

As in 2020, the Covid-19 pandemic continued to affect growth in the number of customers and loan balance. Lockdowns have had a strongly negative impact on industries such as travel and restaurants. These are sectors that traditionally have a high degree of revolving credit card use, and are therefore important sectors for Advanzia.

In 2021, the bank launched a modern cloud-based platform and a new mobile application in all its markets. These initiatives have led to a significant improvement in the user experience for the bank's customers and have contributed to making the bank future-oriented and competitive.

Return on equity in 2021 was 40.0%, compared 40.8% in 2020.

Advanzia also had a successful year on the financing side. The bank issued MNOK 400 in AT1 bonds and MEUR 30 in T2 bonds over the course of the year. The bank also succeeded in making the first European ABS transaction with security in a German credit card portfolio. Loans were MEUR 475 and represent a further step forward in the bank's strategy of diversifying funding. At the end of the year, Advanzia had a capital adequacy ratio of 26.3% (including the profit for the year).

In November 2021, the bank paid out a dividend of MEUR 78 based on the 2020 result.

Western Bulk Chartering AS (68.1 % ownership)

For 2021, the profit after tax was MUSD 81.0, a record year for the company and a significant improvement from MUSD 3.2 in 2020. Western Bulk benefited from a rising market with a surplus of tonnage liabilities relative to cargo. Prioritizing short-term market exposure enabled the company to turn positions around quickly, thereby also enabling Western Bulk to benefit from the market downturn that started in October.

Western Bulk operated an average of 112 vessels per day in 2021, compared to 110 per day in 2020.

The company was listed on Euronext Growth, with 20 September 2021 as the first day of trading. In conjunction with the listing, the company offered a share issue of MUSD 15 at NOK 30 per share. The share price has since climbed to around NOK 65 at the time of writing.

Viking Supply Ships AB (78.8 % ownership)

The Viking Supply Ships AB (VSS) group achieved a result after tax of MSEK -118 in 2021 (MSEK -191 in 2020). Net revenue was MSEK 312 in 2021 (MSEK 286 in 2020), of which MSEK 120 (MSEK 123 in 2020) comes from the AHTS business, and MSEK 192 comes from services and ship management (MSEK 163 in 2020). EBITDA for the group ended at MSEK -49 in 2021, compared to MSEK -101 in 2020. The global pandemic, overcapacity of anchor handling vessels in the market, combined with low activity by the oil companies has had a negative impact on the company's result in 2021.

VSS had two AHTS vessels in the spot market in 2021, while two AHTS vessels were in hot layup. The average day rate for the company's

AHTS vessels in 2021 was approximately USD 34,000 (USD 27,000 in 2020) and the utilisation rate was 55% (40% in 2020), excluding laid up vessels.

At the end of the year, operations in the VSS group included the four group-owned AHTS vessels (of which two are Ice Class 1A Super, and two are Ice Class 1A), two modern ice-class PSVs (VSS took delivery of both PSVs in 2021 and owns 30% of the vessels), and five icebreakers for the Swedish Maritime Administration.

1881 Group AS (100 % ownership)

In 2021, 1881 Group AS had revenues of MNOK 374 (MNOK 390 in 2020), and the company achieved an EBITDA result of MNOK 100 (MNOK 95 in 2020).

There were several major transactions in 1881 Group in 2021. Prisguiden AS was sold to the Swedish PriceRunner, which resulted in an accounting gain of MNOK 227 in 2021. The settlement was a combination of cash settlement and shares in PriceRunner, before PriceRunner was later sold on to Klarna, with further gains for 1881 Group in 2022. The company also bought the Tjenestetorget group from ABBH (formerly Asker og Bærums Budstikke). Tjenestetorget complements 1881 Group and has resulted in an increase in revenues for the group.

NextGenTel Holding AS (100 % ownership)

In 2021, total revenues ended at MNOK 540, compared to MNOK 577 in 2020. EBITDA for the period was MNOK 13, compared to MNOK 45 in 2020.

By the end of 2021, copper access networks were mostly phased out, and NextGenTel is now investing in fiber and FWA (Fixed Wireless Access), in addition to telephony products via fixed-line infrastructure. The technology migration weighed down the margins in 2021, as the company maintained an abnormally high number of disconnections and connections of various kinds for high-speed broadband.

Bitpro (73.7% ownership)

In 2021, Bitpro AS had revenues of MNOK 259, compared to MNOK 240 in 2020. Total EBITDA for the period was MNOK 19, compared to MNOK 33 in 2020.

Bitpro has contracts with the biggest and most important fiber access suppliers in Norway, and was one of the first players to start delivering FWA (Fixed Wireless Access) back in 2020. Fiber and the FWA products have been the company’s product platform when in 2021 it migrated most of its SMB customers from copper to new, modern access products. This work will continue in 2022, but with an emphasis on the company’s major customer segment.

Lumarine AS (82.1 % ownership)

In 2021, the company had revenues of MNOK 135, an increase from 2020 (MNOK 113). In 2021, EBITDA was approximately MNOK 15, an increase from approximately MNOK -2 in 2020. The result after tax ended at NOK -28, compared to MNOK -36 in 2020. The financial results for 2021 were negatively impacted by costs associated with heating water, due to the temporary shutdown of Equinor’s plant at Tjeldbergodden.

Lumarine has three aquaculture facilities located in Tømmervåg, Sleneset and Tjeldbergodden. The company operates exclusively with cod and ballan wrasse.

In 2021, the company offered a share issue totalling MNOK 75 in order to fund an expansion in production capacity at Tjeldbergodden, enabling it to deliver volumes on long-term contracts for ballan wrasse and cod.

Parent company Kistefos AS

In 2021, the parent company had an operating profit of MNOK -288 (MNOK -135 in 2020). The change is largely due to higher sponsorship costs in 2021.

The financial result for the period was MNOK 1,108, compared to MNOK -174 in 2020. The financial result is mainly driven by dividends from subsidiaries and the sale of shares and financial instruments, and was MNOK 1,282 higher in 2021 compared to 2020, partly due to the fact that in 2021, Advanzia Bank was once more able to pay out dividends. The parent company recorded dividends of MNOK 1,026 from Advanzia Bank as income in 2021.

The result after tax for the parent company was MNOK 815 in 2021, compared to MNOK -282 in 2020.

The parent company's free liquidity at the end of the year was MNOK 204, compared to MNOK 1,247 in 2020.

The parent company's book equity was MNOK 1,383 on 31 December 2021, compared to MNOK 1,168 on 31 December 2020. The equity ratio was 23% at the end of the year (18% at the end of 2020).

Developments in non-consolidated portfolio companies

Komplett Bank ASA (23.89 % ownership, including related parties)

In 2021, Komplett Bank delivered a result after tax of MNOK -208.7, compared to MNOK 262.8 in 2020. The weak result was due to a one-off effect of MNOK -546 (before tax) connected with extraordinary provisions for losses, and consequently the bank is expecting a significantly better result in 2022. The net loan balance was MNOK 7,397.8, equivalent to a reduction of 12% from 2020, primarily due to the sale of non-performing loan portfolios. Underlying growth, adjusted for the sale of loan portfolios, was -3%.

In October, Øyvind Oanes took up the position of new CEO of the bank. Through the fourth quarter, he has led the bank through a strategy process which focused on streamlining the organisation, improving efficiency and simplifying the technology platform. These initiatives are expected to result in significantly better financial results over time.

Instabank ASA (24.99 % ownership)

In 2021, Instabank's total income ended at MNOK 321.1, 22% above the previous year. The company's operating costs increased by 13%, while provisions for losses were reduced from MNOK 92.9 to MNOK 80.9, corresponding to a reduction of 13%. In 2021, Instabank delivered a profit after tax of MNOK 83.4, which was 95% higher than the previous year. The net loan balance was MNOK 3,832.1, corresponding to a growth of 35%.

Marco Polo Network (29.5 % ownership)

In 2021, Marco Polo Network Operations Ltd (formerly TradeIX Ltd.) prioritised the sale and development of the products Receivables Discounting, Maritime and Supplier Pay. As part of the restructure, dedicated teams were established within each of the product areas. The company has launched its first product on the market, Receivables Discounting, which simplifies the sale of accounts receivable for clients. Clients will be integrated into the solution on an ongoing basis. Marco Polo Network has also completed its Maritime product, a solution that simplifies financing associated with port calls and canal transits.

In 2021, Marco Polo Network raised a total of MUSD 40 in a Series B Round, and converted MUSD 24.5 in convertible debt (including interest), issued in 2020. In conjunction with this, Kistefos has invested MUSD in the company, as well as converting the debt (of which Kistefos had MUSD 8.5).

Semine AS (52.7 % ownership)

In 2021, Semine has prioritized the sale and integration of customers in the company's product. The company delivered revenues for the year of MNOK 25, compared to MNOK 21 in 2020. EBITDA in 2021 was MNOK -43, compared to MNOK -19 in 2020. At the end of 2021, Semine had signed contracts representing MNOK 33.1 in annual revenues.

Semine has developed an automation solution based on artificial intelligence to handle incoming invoices. At the end of 2021, Semine was handling around 180,000 invoices a month for just under 70 companies of various sizes and across various industries.

In June 2021, Kistefos increased its ownership from 50.0% to 52.7% through a share issue. The company received a total of MNOK 50 in equity, with participation by the biggest shareholders and employees.

Oslo Airport City AS (27.9 % ownership)

Oslo Airport City saw positive development throughout 2021 and has reached several important milestones. Construction of a new electric vehicle center for the Autozentrum AS Porsche dealer is underway, and the same applies to the World Seafood Center. Towards the end of the year, an agreement was signed with tenants for a high-standard asset warehouse, which is expected to get underway in the third quarter.

At the start of 2022, Kistefos increased its ownership from 24.8% to 27.9%.

Organisation and environment

At the end of 2021, the Kistefos Group, including associated companies, employed a total of 1,309 full-time equivalents. The parent company's head office is in Oslo. The Group operates a global business.

At the end of the year, the number of full-time equivalents in the parent company was 15.5. The working environment in Kistefos is good. In 2021, sickness absence totalled 84 days (2.6%) for the parent company. No injuries or accidents were reported in the Group or in the parent company in 2021.

The Group has a focus on ensuring that both genders are given equal opportunities in terms of skills improvement, pay and development opportunities. The Group practises a human resources and recruitment policy that does not discriminate. The parent company and Group practise equality in appointments, and strive to achieve a good gender balance. The Kistefos Group has developed its own Code of Conduct which describes the guidelines that are used as a basis for work such as preventing discrimination and ensuring that duties are adapted where there are special needs.

The parent company does not operate any environmentally polluting businesses of any significance. However, the Group is involved in businesses where there may be potential sources of pollution. The respective boards of these companies are responsible for ensuring that their businesses are operated responsibly and in line with the guidelines which are there to prevent and limit environmental pollution.

In 2021, the Covid-19 situation continued to result in major changes in working practices, the widespread use of working from home and very limited travel activity for large parts of the year. Work has not been materially negatively affected by the changes, which shows that the organisation is adaptable.

Group risks

The Group is exposed to various types of risk. The board and management actively monitor the various parts of the business that are exposed to risk. Kistefos AS has taken out management liability insurance with a broad scope of coverage and a sum assured that, in the board's opinion, reflects the company's exposure.

Beyond the market risk which is inherent in each company or project, there are also other operational risks and financial risks associated with the Group's activities. The Group is exposed to foreign currency risk and protects its operational activities, assets and liabilities against currency fluctuations where it considers this appropriate.

There is risk associated with short-term and long-term liquidity in the Group, and the board is committed to ensuring that liquidity will be sufficient to meet the Group's needs at any time. The board's commitment to liquidity is important with volatile financial markets, and is designed to ensure that the parent company and Group can meet their obligations. Furthermore, the Group must be positioned to act opportunistically when interesting opportunities present themselves.

The Group is also exposed to changes in the interest rate level. The parent company has interest-bearing debt linked to NIBOR. In terms of the Group's banking activities, the biggest risks are credit risk and regulatory risk. Advanzia has its own credit function which monitors and evaluates risk.

Significant events after the reporting period and the going concern assumption

The annual accounts have been prepared on the basis of a going concern assumption. The board confirms that the entity is a going concern and that there have been no material events since the balance sheet date that are not reflected in the annual report.

Outlook for 2022

In its markets, Advanzia is expecting lower unemployment, a reduced budget deficit and around 4% growth in gross domestic product. Covid-19 restrictions are also being lifted. This could result in an increase in activity and consumption, but the situation regarding the war in Ukraine makes the outlook less predictable.

Western Bulk was operating 108 vessels at the start of 2022. Compared to recent years, the market rates are at a relatively high level with high volatility. The company does not own any vessels, and has a flexible business model that can benefit from both growth and falls in the market. The outlook for profitability in 2022 is therefore good, but the result is not expected to be at the same level as in 2021.

For VSS, the improving Covid-19 situation and global economic growth will contribute to a higher oil price, which supports increasing activity in the oil and gas sector. With expectations of more rigs in operation from the second quarter, there is also an expectation of increased demand for AHTS tonnage. However, there is still overcapacity in the market, and it is difficult to predict how long the improved market conditions will last, and how they will affect rates and utilisation rates. The current situation after Russia attacks on Ukraine, however, make it irrelevant for VSS to work towards contracts in Russia. The contract VSS announced in January 2022 will probably be canceled or postponed.

1881 Group is expecting growth from new business areas and new services to outweigh much of the falling market in traditional information services. After a series of acquisitions in recent years, 1881 Group has ambitions for both strategic and organic growth, particularly in sectors that touch on the Group's businesses. Stable results are expected.

NextGenTel is expecting lower revenues in 2022 than in 2021. The reason is due to a fall from outgoing product areas (copper-based broadband, TV, voice and international). Growth from new products outweighs the fall from old products, with fiber systems growing more than 35% in the current year. In 2022, NextGenTel is expecting to have 70% of its revenues in new revenue areas.

Bitpro is expecting lower revenues and lower margins in 2022 compared to 2021. This is due to the continued migration of customers from copper to new and modern access products. Bitpro wants to be an active driver of consolidation in its relevant market, and is in ongoing dialogue with exciting players about collaboration or acquisition opportunities.

Through continuing deliveries of ballan wrasse and cod on existing contracts, as well as further expansion and investment in cod, Lumarine has laid a good foundation for further growth and profitability in 2022.

The war in Ukraine and sanctions against Russia are creating global insecurity. It is not clear whether this will affect the Kistefos Group, but both commodity prices and world trade will change as a result of the war and the sanctions. The consequences for the companies in the Kistefos Group are currently unclear.

Allocation of net profit for the year

The board proposes the following allocation of the profit for the year (figures in NOK 1 000):

Net profit for the year	814,560
Transferred to other equity	-214,560
Proposed Group contribution	-589,375
Proposed dividend	-10,625
Total appropriations	-814,560

The Board proposes giving NOK 115,204 in group contributions to subsidiaries.

Oslo, 16th of March 2022,
Board of Directors of Kistefos AS

Translation, not to be signed

Christen Sveaas Chairman of the Board	Erik Wahlstrøm Board member	Martin Reimers Board member
Tom Ruud Board Member	Ragnhild M. Wiborg Board Member	Bengt A. Rem CEO

KISTEFOS AS

Parent company		PROFIT AND LOSS STATEMENT		Group	
2020	2021	*Amounts in NOK 1,000*	Note	2021	2020
		OPERATING INCOME			
0	0	Freight revenues ships		13 062 665	7 576 501
0	0	Sales revenue		1 269 384	1 278 750
0	0	Interest income, bank activities		3 763 206	3 578 961
-940	4 801	Other operating income		65 755	54 309
-940	**4 801**	**Total operating income**	**1**	**18 161 011**	**12 488 521**
		OPERATING EXPENSES			
68	47	Cost of goods sold		601 017	549 553
0	0	Operating expenses ships		12 088 356	7 387 139
0	0	Interest expenses, bank activities		1 010 251	932 815
55 777	84 318	Wages and salaries	**2**	1 050 909	801 479
472	271	Depreciation and write-downs of fixed and intangible assets	**3**	348 677	345 337
77 360	208 100	Other operating expenses	**2**	1 520 487	1 461 733
133 677	**292 736**	**Total operating expenses**		**16 619 697**	**11 478 056**
-134 617	**-287 935**	**OPERATING RESULT**		**1 541 314**	**1 010 465**
		FINANCIAL INCOME AND EXPENSES			
85 089	1 215 779	Income / (expense) from group companies and associated companies		-4 954	230
3 862	4 393	Interest received from group companies		0	0
10 494	10 968	Other interest received		14 452	15 933
-49 249	198 230	Gain / (losses) on shares and other financial instruments		416 706	-58 796
35 310	41 085	Other financial income	**4**	289 146	50 374
-53 917	-113 410	Change in value of shares and other financial instruments		-113 410	86 877
-23 597	-17 450	Interest paid to group companies		0	0
-179 947	-214 462	Other interest expenses		-293 233	-249 526
-2 425	-17 574	Other financial expenses	**4**	-74 042	-75 822
-174 380	**1 107 558**	**Net financial income / (expenses)**		**234 666**	**-230 729**
-308 997	**819 624**	**Profit before tax**		**1 775 980**	**779 735**
26 591	-5 064	Taxes	**5**	-259 979	-198 133
-282 406	**814 560**	**PROFIT AFTER TAX**		**1 516 001**	**581 602**
		Majority's share of profit after tax		871 400	392 353
		Minority's share of profit after tax		644 600	189 250

KISTEFOS AS

Parent company 31.12. 2020	Parent company 31.12. 2021	BALANCE SHEET *Amounts in NOK 1,000*	Note	Group 31.12. 2021	Group 31.12. 2020
		ASSETS			
		FIXED ASSETS			
23 998	12 528	Deferred tax assets	5	5 618	9 053
0	0	Goodwill		111 243	58 309
0	0	Other intangible assets		834 754	853 587
23 998	**12 528**	**Total intangible assets**	**3**	**951 615**	**920 949**
0	0	Property and real estate		148 010	56 680
0	0	Ships, PSV and AHTS		1 518 221	1 520 961
84 022	97 480	Operating equipment, FF&E, machines etc.		321 494	271 399
84 022	**97 480**	**Total tangible fixed assets**	**3**	**1 987 725**	**1 849 040**
3 624 398	3 845 911	Investments in subsidiaries	6	0	0
0	0	Investments in associated companies	6	69 735	33 026
217 707	136 717	Loans to group companies		0	0
4 436	4 462	Other long-term receivables		15 866	5 457
3 846 541	**3 987 090**	**Total financial fixed assets**		**85 601**	**38 483**
3 954 561	**4 097 098**	**Total fixed assets**		**3 024 941**	**2 808 472**
		CURRENT ASSETS			
0	0	Goods for sale and consumption		389 536	272 875
77	27	Accounts receivable		775 455	405 212
0	0	Loans and advances, bank activities		21 830 364	19 858 034
137 288	677 007	Receivables from group companies		894	1 460
0	0	Restricted bank deposits		122 268	103 465
278 134	122 640	Other receivables		127 418	482 082
415 499	**799 673**	**Total goods for sale and receivables**		**23 245 935**	**21 123 129**
947 095	1 021 772	Shares and other financial instruments	7	1 593 079	1 387 124
0	0	Cash balances, bank activites		8 965 734	7 407 758
1 246 500	204 374	Cash and cash equivalents	8	1 407 146	1 710 895
2 609 094	**2 025 820**	**Total current assets**		**35 211 894**	**31 628 906**
6 563 655	**6 122 918**	**TOTAL ASSETS**		**38 236 835**	**34 437 378**

KISTEFOS AS

Parent company 31.12. 2020	Parent company 31.12. 2021	BALANCE SHEET *Amounts in NOK 1,000*	Note	Group 31.12. 2021	Group 31.12. 2020
		EQUITY AND LIABILITIES			
		EQUITY			
		Restricted Equity			
310 828	310 828	Share capital		310 828	310 828
77 508	77 508	Other Restricted Equity		77 508	77 508
		Retained earnings			
779 734	994 294	Other Equity		1 619 949	1 281 395
		Minority interests		1 402 885	1 566 487
1 168 070	**1 382 630**	**Total Equity**	**9**	**3 411 170**	**3 236 218**
		LONG TERM LIABILITIES			
0	0	Deferred taxes	**5**	312	(0)
0	0	Pension liabilities	**2**	10 405	19 096
0	1 603	Liabilities to financial institutions	**8**	767 163	1 097 668
629 786	472 556	Liabilities to group companies		(0)	(0)
3 629 500	3 324 500	Unsecured bond-loans	**8**	3 324 500	3 629 500
0	0	Subordinated loan, bank activities		1 174 384	486 758
3 092	697	Other long-term liabilities		4 102 351	38 949
4 262 378	**3 799 356**	**Total other long-term liabilities**		**9 379 116**	**5 271 971**
		SHORT TERM LIABILITIES			
0	0	Credit balances, bank activities		22 422 179	23 863 120
15 948	441	Trade creditors		167 923	160 912
0	0	Taxes payable	**5**	238 395	229 345
2 725	2 968	Government taxes, holiday pay, tax deductions		313 900	66 937
555 872	715 204	Dividend/group contribution		1 151 738	290 800
558 661	222 319	Other short-term liabilities		1 152 414	1 318 073
1 133 206	**940 931**	**Total short-term liabilities**		**25 446 549**	**25 929 188**
5 395 583	**4 740 287**	**Total liabilities**		**34 825 665**	**31 201 158**
6 563 654	**6 122 918**	**TOTAL EQUITY AND LIABILITIES**		**38 236 835**	**34 437 377**

Oslo, 16th of March 2022
Board of Directors of Kistefos AS

Translation, not to be signed

Christen Sveaas
Chairman of the Board

Erik Wahlstrøm
Board member

Martin Reimers
Board member

Tom Ruud
Board member

Ragnhild M. Wiborg
Board member

Bengt A. Rem
CEO

KISTEFOS AS

Parent Company 31.12. 2020	Parent Company 31.12 2021	CASHFLOW STATEMENT *Amounts in NOK 1,000*	Group 31.12 2021	Group 31.12. 2020
		CASH FLOW FROM OPERATIONAL ACTIVITIES		
-308 997	819 624	Profit before tax	1 775 980	779 735
0	0	Taxes (paid) / repaid during the year	-259 115	-116 943
472	271	Depreciations	348 677	345 337
49 249	-198 230	Net (gain) / loss on sale of shares and other financial instruments	-416 706	58 796
2 076	50	Change in accounts receivables and loans/advances in bank activities	-2 342 574	-2 199 095
-1 285	-15 507	Change in accounts payables and credit balances in bank activities	-1 433 931	1 766 177
0	0	Net FX on changes in accounts receviables/payables in foreign currency	200 240	-274 529
0	0	Change in goods for sale and consumption	-116 661	110 239
-85 089	-1 215 779	Income from subsidiaries and associated companies	0	-230
53 917	113 410	Change in value of shares and other financial instruments	113 410	-86 877
-103 068	91 312	Change in other receivables and other liabilities	28 538	-397 276
-392 726	**-404 850**	**A = Net cash flow from operating activities**	**-2 102 141**	**-14 667**
		CASH FLOW FROM INVESTMENT ACTIVITIES		
-25 544	-13 458	Reduction/ (increase) in operating equipment, FF&E, buildings/real estate etc.	-98 643	-91 803
0	0	Reduction/(increase) ships	-17 142	-18 949
0	0	Reduction/(increase) other immaterial assets	-110 572	25 226
0	0	Reduction/(increase) investments in subsidiaries/associated companies	-39 099	-6 156
-72 808	54 529	Reduction/(increase) shares and other financial instruments	186 872	-136 110
0	0	Change in restricted bank deposits	-18 803	18 930
-103 835	0	Change in other receivables	-10 122	-29 077
183 283	580 706	Dividens received	0	0
-195 478	-151 579	Change in receivables to group companies	0	0
-214 382	**470 197**	**B = Net cash flow from investment activities**	**-107 509**	**-237 938**
		CASH FLOW FROM FINANCING ACTIVITIES		
0	1 603	Increase/(reduction) liabilities to financial institutions	-309 078	-124
1 279 500	-305 000	Increase/(reduction) unsecured bond loan	-305 000	1 279 500
0	-316 600	Increase/(reduction) other liabilities	4 717 800	896
-101 000	-290 100	Capital increase/(dividend)	-576 166	-209 732
28 979	-197 376	Reduction / (Increase) in loan to group companies	0	0
1 207 479	**-1 107 473**	**C = Net cash flow from financing activities**	**3 527 556**	**1 070 540**
		Other Changes		
0	0	Cash in new subsidiaries in the Group	0	791
0	0	Other changes, accounting principles, and currency fluctuations	-63 679	-21 658
0	**0**	**D = Net other changes**	**-63 679**	**-20 867**
600 372	-1 042 126	A+B+C+D = Net change in bank deposits and cash	1 254 227	797 067
646 128	1 246 500	Bank deposits and cash as per 1 January	9 118 654	8 321 586
1 246 500	**204 374**	**Bank deposits and cash as per 31 December**	**10 372 880**	**9 118 654**
		Balance of bank deposits and cash consists of:		
		Deposits bank activities	8 965 734	7 407 758
		Other bank deposits and cash	1 407 146	1 710 895

ACCOUNTING PRINCIPLES

These financial statements are presented in accordance with the Norwegian Accounting Act and generally accepted accounting practices in Norway.

This description of accounting principles is limited to descriptions that are mandatory in accordance with the accounting act or account-ing standards, and which are necessary to evaluate the accounts and are not explicitly described in the accounts or notes, and descriptions where the accounting act or accounting standards have optionality in regards of accounting principles.

Consolidation principles

The consolidated financial statements include the parent company Kistefos AS and companies in which it holds a controlling interest, directly or indirectly, regardless of how they are incorporated. These consolidated financial statements have been prepared in accordance with uniform principles that apply to the entire Group. Intragroup transactions, profits, receivables and payables have been eliminated. The cost of shares and interests in subsidiaries has been eliminated in the consolidated finan-cial statements against the shareholders' equity in the subsidiary companies at the time of establishment or purchase (the acquisition method). Excess values are distributed across the assets to which the excess values refer and are depreciated or amortised over the assumed life of the assets. Excess values that cannot be attributed to tangible or intangible assets are classified as goodwill and amortised. Goodwill is recognized in the balance sheet only with the majoritys share.

Minority interests are recognised as a separate item in the profit and loss statement and on the balance sheet. The minority's share of the profit is calculated on the basis of the subsidiary's profit after tax. On the balance sheet, minority interests are calculated as a share of the subsidiary's equity before intragroup eliminations.

When foreign subsidiaries are consolidated, balance sheet items are translated at the exchange rate on the balance sheet date. Profit/loss items are translated at the average exchange rate for the year. Translation differences are entered directly against the Group's equity.

Valuation and classification of assets and liabilities
The first annual instalment on long-term liabilities is included under long-term liabilities.

Assets and liabilities in foreign currency
Balance sheet items in foreign currency that are not hedged against exchange rate fluctuations are valued at the exchange rate on the balance sheet date

Transactions in foreign currency are converted at the exchange rate on the date of the transaction.

Financial instruments

Financial instruments are recognised in the financial statements in accordance with the intention behind the conclusion of the agreements. Agreements are defined as either hedging transactions or trades upon conclusion.

Financial instruments in the Group are derivatives linked to cargo, bunkers and exchange and interest rates. The derivatives are intended to hedge cash flows and future results. Gains/losses on financial hedging instruments are recognised at the same time as the effect of the hedged objects on the profit and loss statement.

Intangible assets

Costs from the maintenance of operating systems developed in-house are recognised as they are incurred. Development costs that are directly traceable to the design and testing of an identifiable and unique operating system that is controlled by the Group are recognised on the balance sheet as an intangible asset when certain criteria are met.

Fixed assets
Adaptions in leased premises are depreciated over the lease-contract period.

Subsidiaries, associated companies and joint ventures
Subsidiaries and associated companies are included in the parent company using the cost method.

Investments in companies in which the participants exercise joint control pursuant to agreement are recognised using the proportionate consolidation method

Write-down of fixed assets

In those cases in which the recoverable amount (higher of the utility value and sales value) of a fixed asset is lower than the recognised value, the asset is written down to the recoverable amount. The write-down is reversed if the basis for the write-down no longer exists.

Bunkers and other inventories
Bunkers and other holdings are recognised on the balance sheet under other current assets. The holdings are valued at whichever is the lower of their cost price and their fair value.

ACCOUNTING PRINCIPLES

Shares and other financial instruments

Financially motivated investments in shares and other financial instruments are classified as current assets and are valued according to the portfolio principle. The total portfolio is valued and the value adjusted if the total holding has a value lower than the acquisition cost. The acquisition cost is allocated based on average acquisition prices.

Short-term investments in companies in which the Group holds more than a 50% ownership interest are not consolidated if the objective of the investments is to dispose of all or parts of the individual investment after restructuring and development has been completed as planned.

Provisions are made for dividends on shares and these are recognised as income when it is deemed probable that the dividend will be approved by the general meeting

For the bulk operations, a writedown is made in case the total market value of its leases, freight and freight/bunkers-derivatives are negative. If the negative value exceeds the assets in the balance sheet, a provision is made for the excess value.

For Bank activities, loss provisions are made on credit card loans and other loans in accordance with IFRS 9. This means that the bank makes provisions for losses on good customers who pay on time, in addition to customers that have not paid in time. The loss provisions are calculated on the basis of historical data, where expected loan losses are projected based on this.

The Bank assesses that credit card loans which are more than 60 days past due are to be considered as impaired. Loans 90 days past due are cancelled, and the full outstanding loan balance becomes payable.For impaired loans that are considered uncollectible, the Bank will fully write off the loan balances and any related allowances for impairment.

Lease commitments

All material leasing commitments are classified as operational leasing. Leasing expenses are classified as ordinary operating expenses. From 2021, Lumarine has reclassified its leasing commitment at Tjeldbergodden as financial lease.

Revenue recognition principles

Sales are recognised in the profit and loss account when revenues can be reliably measured, it is probable that economic benefits will flow to the Group, and special criteria associated with the various forms of sale mentioned below are met. The Group bases the estimates for recognising revenues on historical figures, assessments of the type of customer and transaction, and any special circumstances associated with the individual transaction.

Interest income and other financial income are recognized in the profit and loss as they are earned.

Offshore og shipping

Income contingent upon travelling and expenses from offshore and shipping activities are accrued based on the number of days of the travel before and after year-end. Freight revenues on a bareboat basis are treated as freight revenues.

Telecom

Customers are billed by the telecommunications operators (the operators) via their ordinary telephone bill. The Group bills the operators. Earned revenues that have not been billed are presented as accounts receivable. Revenues are measured at fair value from the fee received from operators, i.e. net after the operator’s share and not at the fair value of the fee paid by the end customer

In the case of manual number information, the service is deemed to have been delivered when the phone call is completed.

Revenues from directory listings (advertisements, keywords, etc.) and advertising banners are periodically accrued over the lifetime of the contract from the month the listing is posted on the website and over a period that corresponds to the contract's term of office, usually 12 months.

Bank activities

Interest income and expense are recognised in the P&L using the effective interest method. When calculating the effective interest rate, the Bank considering all contractual terms but not future credit losses. The calculation of the effective interest rate includes fees and points paid or received that are an integral part of the effective interest rate. For impaired assets, the Bank continues to recognize the interest income based on the effective interest method.

Maintenance and classification expenses

Periodic maintenance and docking of vessels are recognised on the balance sheet over the period up to the next periodic maintenance. Actual expenses from running maintenance are charged against operating income when maintenance takes place.

Gifts and sponsorships

The parent company supports charitable, cultural and non-profit purposes, including the distribution of scholarships for studies at the most recognized foreign universities. Non-recurring gifts are expensed in the year in which both the declarant and the recipient agree on the terms of the performance, and the Company (the Group) has an irrevocable obligation to render the gift, regardless of the date of payment. Benefits where the Company receives a consideration, typically sponsorship agreements etc., are expensed normally when incurred, or for significant agreements, if significant future consideration can be demonstrated, at the time when the consideration is received by the Company (the Group).

NOTES TO THE ACCOUNTS

Amounts in NOK 1,000

NOTE 1 - BUSINESS AREAS

	Bank	Bulk	Offshore
Operating Income 2020	3 619 609	7 330 980	260 122
Operating Income 2021	3 812 198	12 781 319	295 349

	IT / Telecom	Real Estate	Other	Group
Operating Income 2020	1 165 687	0	112 123	12 488 521
Operating Income 2021	1 134 647	50	137 448	18 161 011

Operating Income by geographical areas	2021	2020
Nordic region	1 951 590	1 722 170
Rest of Europe	8 388 403	6 086 044
North America	1 141 808	621 687
Rest of the world	6 679 209	4 058 619
Total	**18 161 011**	12 488 521

NOTE 2 - WAGES AND SALARIES, REMUNERATION, PENSIONS ETC.

	Parent Company		Group	
	2021	2020	2021	2020
Wages and salaries, holiday pay, fees etc	71 863	46 036	910 903	666 322
Employer's tax	9 086	6 138	69 448	63 177
Pension expenses benefit-based pensions	0	0	15 460	15 836
Pension expenses contribution-based pensions	1 663	1 888	21 336	22 014
Other personnell expenses	1 705	1 715	33 762	34 133
Total wages and salaries	**84 318**	**55 777**	**1 050 909**	**801 479**
Full time equivalents	16	18	1 309	1 054

Wages and salaries for ship-based crews are recognised under operating expenses, ships.

Renumeration of the company's officers and managing director

Fee to the Chairman of the board NOK 0, other fees to the Board of Directors NOK 1 000.

The CEO's salary, bonus and other remuneration amounted to NOK 9 057 in 2021. The CEO has a bonus agreement based on performance components and value creation, as well as concractual agreement of 6 months salary after an eventual resignation. Beyond the above-mentioned benefits for the Managing Director and the members of the Board of Directors, there are no other agreements relating to bonuses, severance packages, subscription rights or options.

	Parent Company	Group	
Auditor's fee (ex. VAT)		Parent company's auditor	Other auditors
Statutory audit	792	3 058	5 050
Assistance with preparing annual financial statements, tax returns and other tax services	443	887	1 627
Services other than audit	39	837	3 556
Total	1 273	4 782	10 233

Some of the subsidiaries have a defined benefit pension scheme that covers a total 325 (340) employees in the Group at 31 December 2021, of which 296 (307) are retired. The employees are beneficiaries to certain defined future benefits. These benefits mainly depend on the number of earnings years, salary at the age of retirement, future returns on pension assets and size of the benefits received from the National Insurance Scheme.

The collective pension agreement is financed by generating reserves structured in a life insurance company. Net pension expenses are categorised in their entirety as wage and salary expenses in the financial statements. Under the Norwegian Mandatory Occupational Pension Act, Kistefos AS is obliged to have an occupational pension scheme. The scheme satisfies the relevant requirements.

	Group	
Pension expenses and liabilities in the financial statements:	**2021**	2018
Current value of this year's pension contributions	-484	-148
Interest cost of accrued pension liability	2 671	290
Expected return on pension assets	-2 574	-122
Amortisation	0	0
National insurance contribution and administration expenses	-95	5 454
Changes in pension scheme	95	-245
Net pension expenses, contribution plans	15 850	9 017
Year's pension expenses/(income)	**15 460**	**14 246**
Pension assets/(liabilities):	**2021**	2020
Estimated pension liabilities	-163 743	-173 643
Pension assets (at market value)	156 814	157 644
Unrecognised actuarial differences	0	0
Estimated national insurance contribution	-2 121	-2 901
Adjustment IFRS to NGAAP	0	0
Net book value, pension liabilities	**-9 576**	**-18 640**
Pension scheme with net liability classified as an accrual	**-10 405**	**-19 096**
Pension assets included in other receivables	**829**	**456**

Estimate assumptions:	
Discount rate	0,8 % - 1,7 %
Expected returns	0,8 % - 1,7 %
Wage and salary adjustment rate	2,00 % - 2,50 %
National Insurance Scheme's basic pension adjusmtent rate	2,00 % - 2,25 %
Pension regulation	0 %

NOTE 3 – TANGIBLE FIXED ASSETS AND INTANGIBLE ASSETS

	Parent Company	Group	
	FF&E machinery, etc.	FF&E machinery, etc.	Buildings real estate
Acquisition cost as per 1 January	93 419	502 885	83 996
Reclassification	0	-26 723	59 748
Foreign currency translation differences	0	-2 008	0
Additions during the year	13 654	146 576	53 366
Disposals during the year	0	-5 968	-13 560
Acquisition cost as per 31 December	**107 072**	**614 761**	**183 550**
Depreciations and amortisations as per 1 January	9 320	231 410	27 316
Reclassification	0	598	0
Foreign currency translation	0	-1 806	0
This year's depreciations	271	65 930	8 224
This year's writedowns	0	0	0
Additions during the year	0	0	0
Disposals during the year	0	-2 875	0
Accumulated depreciations and amortisations	9 592	293 260	35 540
Book value as per 31 December	**97 480**	**321 494**	**148 010**
Economic life	5-10 years	3-10 years	50 years
Depreciation plan	Straight line	Straight line	Straight line Real estate is not depreciated

	Ships, Offshore	Other Intangible assets	Goodwill / (Negative Goodwill)	**Total Group**
Acquisition cost as per 1 January	2 088 801	1 677 449	-105 237	4 247 893
Reclassification	-144 351	-485	0	-111 811
Foreign currency translation differences	210 426	-22 903	0	185 515
Additions during the year	17 142	198 502	75 886	491 472
Disposals during the year	0	0	-866	-20 394
Acquisition cost as per 31 December	**2 172 018**	**1 852 562**	**-30 218**	**4 792 672**
Depreciations and amortisations as per 1 January	567 840	827 396	-171 996	1 481 966
Reclassification	-21 622	0	0	-21 024
Foreign currency translation	58 797	-9 410	5 265	52 847
This year's depreciations	48 781	199 823	25 920	348 677
This year's writedowns	0	0	0	0
Additions during the year	0	0	0	0
Disposals during the year	0	0	-650	-3 525
Accumulated depreciations and amortisations	653 797	1 017 801	-141 460	1 858 938
Book value as per 31 December	**1 518 221**	**834 754**	**111 243**	**2 933 722**
Economic life	20-25 years	2 - 99 years	5 years	
Depreciation plan	Straight line	Straight line / 10 % balance	Straight line	

Goodwill/ (Negative goodwill)

Net goodwill consists mainly of negative goodwill following the acquisition of shares in Viking Supply Ships AB in 2016 and 2018 (NOK -26 308), goodwill from acquisitions / issues in Western Bulk Chartering AS (NOK 17 060), goodwill in O1881 Group (NOK 89 487), goodwill in Lumarine (NOK 18 526) and NextGenTel (NOK 17 378). The items are depreciated in accordance with the Accounting Act.

Intangible assets

Intangible assets derive from the acquisition of Opplysningen 1881 AS in 2011, Digitale Medier AS in 2017 and NextGenTel in 2019, as well as internally developed IT - and production systems.

Lease agreements

Western Bulk Chartering has signed some long-term T/C agreements with a duration for longer than 12 months. These represent a lease liability of USD 82,965, excluding options. In addition, Bulk Invest has entered into some long-term T/C agreements as charterer. These represent a lease receivables of USD 34 092.

NOTE 4 - OTHER FINANCIAL INCOME AND EXPENSES

	Parent Company		Group	
	2021	2020	**2021**	**2020**
Share dividends	0	0	1 226	0
Gains on foreign exchange	0	0	32 546	3 642
Other financial income	41 085	35 310	255 374	46 732
Total other financial income	**41 085**	**35 310**	**289 146**	**50 374**
	2021	2020	**2021**	**2020**
Loss on foreign exchange	0	0	-42 024	-34 544
Other financial expense	-17 574	-2 425	-32 018	-41 277
Total other financial expenses	**-17 574**	**-2 425**	**-74 042**	**-75 822**

NOTES TO THE ACCOUNTS

Amounts in NOK 1,000

NOTE 5 – TAXES

	Parent Company		Group	
Tax expenses for the year:	**2021**	2020	**2021**	2020
Change in deferred tax/deferred tax assets*	11 470	-22 309	-10 366	-35 177
Tax payable	0	0	293 621	252 217
Tax on group contribution in P&L	-6 406	-4 282	-3 578	-544
Other changes	0	0	-19 698	-18 363
Year's tax expense/(income)	**5 064**	**3 218**	**259 979**	**201 410**

**: Change in deferred tax differs from the tax effect of changes in temporary differences because the tax effect of parts of the group contribution is recognized directly against deferred tax assets in the balance sheet.*

Tax payable in this year's tax expense:	**2021**	2020
Operating result before tax	259 354	-308 997
Permanent differences	-556 056	11 860
Change in temporary differences	16 611	-18 057
Basis for tax payable	**-280 091**	**-315 195**
Tax (22 % /23%)	0	0

Specification of the basis for deferred tax:	**Parent Company**		**Group**	
Offsetting differences	**2021**	2020	**2021**	2020
Temporary differences, current receivables/debt	24 339	39 386	-39 799	-17 218
Temporary differences, fixed assets/long term debt	-596	-811	367 970	323 042
Temporary differences, others	7 115	8 894	-205 838	-199 596
Loss carry-forward for tax purposes incl. Cut off interest cost	-364 862	-432 666	-532 937	-621 155
Change in deferred tax/(deferred tax assets)	**-334 003**	**-385 197**	**-410 604**	**-514 928**
	0	*0*	*22% - 23%*	*22% - 23%*
Estimated deferred tax/(deferred tax assets)	**-73 481**	**-84 743**	**-90 342**	**-113 296**
			0	0
Deferred tax - not recognized on balance sheet	**-60 953**	**-60 745**	**-85 036**	**-72 146**
Net deferred tax / (deferred tax asset)	**-12 528**	**-23 998**	**-5 306**	**-41 150**
Deferred tax on balance sheet	**0**	**0**	**312**	**0**
Deferred tax asset on balance sheet	**-12 528**	**-23 998**	**-5 618**	**-9 053**

Net deferred tax asset is recognized in the balance sheet when its deemed probable that the asset can be utilized. Deferred tax assets and deferred taxes are offset against each-other when they can be utilized in such manner.

NOTE 6 – INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

The parent company owns the following direct ownership interests in consolidated companies	Ownership share / voting rights	Business office
Kistefos Eiendom AS	100,0 %	Oslo
Kistefos Venture Capital AS	100,0 %	Oslo
Oktant Invest AS	100,0 %	Oslo
Viking Invest AS	100,0 %	Oslo
Advanzia Holding AS	100,0 %	Oslo
Kistefos Equity Holdings AS	100,0 %	Oslo
Advanzia Bank S.A.	60,3 %	Luxembourg
Odin Viking SPV AS	100,0 %	Oslo
Holding Akvaservice AS	100,0 %	Oslo
Kistefos Equity Holding AS	100,0 %	Oslo
Kistefos International Investments AS	100,0 %	Oslo

Total book value of the subsidiaries is NOK 3 845 911

Material subsidiaries	Parent company	Ownership share / voting rights	Business office
Viking Supply Ships AB	Viking Invest AS	78,8 % / 78,3 %	Kristiansand
1881 Group AS	Kistefos Venture Capital AS	100 %	Oslo
Western Bulk Chartering AS	Kistefos Equity Holdings AS	68,1 %	Oslo
NextGenTel Holding AS	Telecom Holding 3 AS	100 %	Oslo
Lumarine AS	Holding Akvaservice AS	82,1 %	Tømmervåg

Amounts in NOK 1,000

NOTE 7 – SHARES AND OTHER FINANCIAL INSTRUMENTS

PARENT COMPANY

	Profit/Equity in last financial statement	Number of shares owned	Ownership interest	**Book value**
Komplett Bank ASA (in addition to 2,860,000 shares in forward contracts)		35 747 285	19,1 %	312 789
Marco Polo Network Ltd.		102 809	29,5 %	261 028
Instabank ASA		83 126 568	25,0 %	137 264
Diffia AS		84 084	35,3 %	50 254
Seram Coatings AS		1 911 424	28,2 %	22 908
Ostomycure AS*	-7 547/7 951	21 427 926	73,9 %	0
Other shares and financial instruments				237 530
Total shares and other financial instruments – parent company				**1 021 772**

OWNED BY SUBSIDIARIES

		Number of shares owned	Ownership interest (%)	**Book value**
Oslo Airport City AS		20 539 565	24,8 %	205 396
Promon AS		201 399	28,8 %	22 566
Semine AS*	-54 649/62 512	739 337	52,7 %	119 015
Antler (aksjer og fondsandeler)			6,8 %	72 690
Previwo AS*	4 074/37 438	1 611 235	60,2 %	45 289
Pricerunnder		2 383	0,9 %	67 707
Other shares and financial instruments				38 646
Total shares and other financial instruments – Subsidiaries				571 308
Total shares and other financial instruments – Group				**1 593 078**

* Not consolidated due to temporary ownership.

NOTE 8 – DEBT, MORTGAGES, GUARANTEES, DISPUTES AND RESTRICTED BANK DEPOSITS

The parent company has at year-end 2021 and 2020 no secured debt.
The Group has debt of NOK 4 764 664 (2020: NOK 1 097 668) that is pledged in assets with a book value of NOK 6 392 883 (2020: NOK 1 364 053).

Advanzia Bank have a hybrid loan of EUR 25,000 with a 10-year maturity due in November 2029. In accordance with Norwegian GAAP, NOK 625,000 of the hybrid capital has been reclassified from equity in Advanzia's official accounts to debt in Kistefo's consolidated financial statements. Lumarine has loan of NOK 43,537 which falls due after 2026. There are no other debt that matures later than five years in the Group.

The parent company has no liabilities that matures later than five years.

Bank deposits and overdraft facilities

NOK 174 236 (2020: NOK 145 449) of the parent company's and the Group's bank deposits are in deposit accounts as collateral for forward funded shares. This can be freed when the instalments are realised.

In addition to this, NOK 1 809 (2020: NOK 1 650) is deposited in tax withholding account for the parent company.

Western Bulk Chartering has restricted cash deposits of USD 13,863 related to obligations to brokers, guarantees and pension liabilities.

As of 31.12.21 Lumarine has drawn NOK 15,469 of an overdraft facility of NOK 55,000.

The parent company and Group are subject to covenant requirements concerning a minimum level of available liquidity.
The parent company and Group were in compliance with these requirements as per 31 December 2021.

Guarantees, etc.

Kistefos AS has provided a guarentee for the NOK 500,000 drawdown facility in Advanzia Holding AS. Kistefos's guarantee was not exposed to losses at the time the financial statements were presented.

Western Bulk Chartering AS has provided a guarantee for a bunker facility of USD 5,000 and a revolving credit facility of USD 20,000. As of 31.12.21, only USD 3,400 has been drawn on the revolving credit facility.

Opplysningen 1881 AS and Digitale Medier AS has pledged guarantees as collateral for various operations-related liabilities. Bank guarantees and collateral totalling NOK 13,600 in value have been pledged as security for the liabilities.

Disputes:

The subsidiary Western Bulk Chartering AS is involved in legal disputes, both as a defendant and as a plaintiff. The company makes accounting provisions based on the individual cases. The provisions made in the company's financial statements are considered sufficient, and of no material effect for the Group. The Group does not wish to describe the provisions in detail due to ongoing cases. In total, the company as a defendant has booked provisions of USD 9,600 as of 31.12.2021, compared with USD 5,100 as of 31.12.2020.

China Invesments AS (wholly owned subsidiary of Kistefos AS) has appealed against a decision by the Tax Authorities on increased taxable income in connection with the sale of fund shares in 2015. The Tax Appeals Board has upheld the Tax Authorities' assessment, and the company has sent letter with comments to the Tax Appeals Board's resolution. No provision has been made for the tax expense in the accounts.

Amounts in NOK 1,000

NOTE 9 – SHAREHOLDERS' EQUITY

PARENT COMPANY	Share capital	Other paid equity	Other equity	Total equity
Equity as per 1 January	310 828	77 508	779 734	1 168 070
Profit/(loss) for the year	0	0	814 560	814 560
Group contribution	0	0	-589 375	-589 375
Dividend	0	0	-10 625	-10 625
Other changes and conversion differences	0	0	0	0
Equity as per 31 December	**310 828**	**77 508**	**994 294**	**1 382 630**

The company's share capital is NOK 310,828 divided into 22,202,000 shares at NOK 14 each. All shares carry equal rights.
The company's shares are owned by AS Holding (98.23%) and Kistefos Skog AS (1.77%), all companies indirectly owned by Christen Sveaas.

GROUP	Share capital	Other paid equity	Other equity	Minority interests	Total equity
Equity as per 1 January	310 828	77 508	1 281 395	1 566 487	3 236 218
Profit/(loss) for the year	0	0	871 400	644 600	1 516 001
Group contribution	0	0	-589 375	0	-589 375
Dividend	0	0	-10 625	-861 420	-872 045
Other changes and conversion differences	0	0	67 153	53 218	120 371
Equity as per 31 December	**310 828**	**77 508**	**1 619 949**	**1 402 885**	**3 411 170**

NOTE 10 – FINANCIAL RISK FACTORS

Operational exposure
The Group's activities within shipping and offshore are exposed to the global cargo market and oil market, and results will vary with rates and utilisation rates. Where appropriate, cargo derivatives are used to hedge or adjust the risk exposure in the market. The Group is also heavily exposed to changes in the price of oil, which can cause major fluctuations in the cost of bunkers. Swap or forward contracts for fuel are used to reduce the bunkers risk.

Currency risk related to the balance sheet
The Group has significant operational activities abroad and needs ongoing exposure in foreign currencies in order to maintain its daily operations. The majority of the companies' income and expenses are in the same currency. Therefore, the overall currency risk in relation to cash items is relatively modest. Some small items in subsidiaries are hedged using forward exchange contracts.

The Group's financial statements are prepared in Norwegian kroner (NOK). Balance sheet risk arises when the subsidiaries' balance sheets are translated from their respective local currencies into NOK. The Group's liabilities are calculated on the basis of the currency composition of assets on the balance sheet.

Interest rate risk
The Group's interest rate risk primarily derives from long-term loans. Variable rate loans involve an interest rate risk to the Group's cash flow. Some items in subsidiaries are hedged using interest-rate futures.

Liquidity risk
The Group focuses on the liquidity reserves and liquidity necessary to cover ongoing operating liabilities. The liquidity requirements associated with loan covenants are monitored on an ongoing basis. It also focuses on the liquidity necessary to use derivatives for hedging purposes.

Credit Risk
Credit risk is the main individual risk for the banking activities. Credit risk is the risk of financial losses if a customer is uanble to fulfill its contractual obligations and, for the main part, arises in relation to the banks loans and advances to customers and other banks, as well as investments in debt papers. The bank has established a separate Credit Comittee which supervises and assesses the risk. This includes, amongst other, establishing credit guidelines and routines and structures for approval and renewal of credit facilities, and assessment and estimation of credit risk.

NOTE 11 – TRANSACTIONS WITH RELATED PARTIES, MATERIAL TRANSACTIONS AND EVENTS AFTER THE BALANCE SHEET DATE

In June, Kistefos sold all of the shares in Aspit AS (47.6%) and booked an accounting gain of NOK 107,000.

In September, 1881 Group sold its 51% shareholding in Prisguiden AS to Swedish Pricerunner, which resulted in an accounting gain of NOK 227,000.

During the year, Kistefos AS sold shares to the sister company Kistefos Investment AS for a total of NOK 36,700.

In January 2022, Kistefos sold all shares in Promon AS (28.8%) and booked an accounting gain of NOK 273,000.

The parent company had liabilities to, and receivables from, other group companies. These are subject to interest of 6 month NIBOR + a 1.75% margin. In addition, Kistefos does some administrative work for other group companies. These are billed based on the arm's length principle.

The war in Ukraine and sanctions against Russia are creating global insecurity. It is not clear whether this will affect the Kistefos Group, but both commodity prices and world trade will change as a result of the war and the sanctions. The consequences for the companies in the Kistefos Group are currently unclear.

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To the General Meeting of Kistefos AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Kistefos AS showing a profit of NOK 814 560 000 in the financial statements of the parent company and a profit of NOK 1 516 001 000 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Kistefos AS, which comprise the balance sheet as at 31 December 2021, 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 consolidated financial statements of Kistefos AS and its subsidiaries, which comprise the balance sheet as at 31 December 2021, 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to https://revisorforeningen.no/revisjonsberetninger

Oslo, 16 March 2022
RSM Norge AS

Translation, not to be signed

Per-Henning Lie
State Authorised Public Accountant