KISTEFOS

Financial Statements 2023

Org. nr. 951 408 743

Annual report

The Kistefos Group achieved a profit after tax of 397 MNOK for the year. This is a decrease of 660 MNOK from 2022, when the group had a profit after tax of 1,057 MNOK. The decrease is due to weaker results in several of the company's largest investments, including Advanzia, Western Bulk and Viking Supply Ships.

Advanzia delivered a profit after tax of 97.5 MEUR, compared to 122.4 MEUR in 2022. The result is negatively affected by increased financing costs as well as increased loan loss provisions. Net income ended at 432.1 MEUR, an increase from 398.6 MEUR in 2022. The loan balance at the end of the year was 2,728 MEUR, up from 2,346 MEUR in 2022, while the number of active customers increased to approx. 1.6 million, up from 1.4 million in 2022.

Western Bulk delivered a very disappointing and poor result after tax with a loss of 15.6 MUSD compared to a profit of 66 MUSD in 2022. The decrease in profit is due to incorrect positioning in a volatile market.

Viking Supply Ships achieved a weak result after tax with a loss of 88 MSEK in 2023 compared to a profit of 8 MSEK in 2022. The decrease in profit is primarily due to a weaker market for VSS' AHTS vessels compared to last year.

Lumarine delivered a profit after tax of 166 MNOK. The result is positively affected by compensation received following the temporary loss of heated water from Equinor's methanol facility, which is located near Lumarine's facility at Tjeldbergodden.

Throughout the year, the Kistefos Group has invested a total of 518 MNOK.

The parent company's portfolio of listed shares led to a positive result of 146 MNOK.

The group's free liquidity amounted to 790 MNOK (2022: 1,246 MNOK) at the end of the year, and the parent company's free liquidity was 116 MNOK (2022: 427 MNOK).

At the end of the year, the parent company owned unleveraged, listed shares (excluding Viking Supply Ships and Western Bulk) for a total of approx. 3,100 MNOK.

The Kistefos Group's revenues in 2023 was 19,795 MNOK. This is a decrease from 2022 of 1,971 MNOK. The change is mainly due to lower income in Western Bulk Chartering.

The operating profit for the year was 1,122 MNOK, down from 2022 when the operating profit was 1,513 MNOK. The decrease is mainly due to particularly weak results in Western Bulk Chartering, but also a somewhat weaker result in Advanzia.

The Group's net financial result went from -140 MNOK in 2022 to -453 MNOK in 2023. The change is mainly explained by higher interest costs in 2023, as well as somewhat lower gains on listed shares compared to the previous year.

Profit after tax ended at 397 MNOK for 2023 compared to 1,057 MNOK in 2022.

The Group's total balance sheet assets were 55,049 MNOK per 31.12.2023, which was an increase of 13,265 MNOK from 41,784 MNOK per 31.12.2022. The increase is mainly explained by growth in loan balance and bank deposits in Advanzia Bank.

The Group's long-term liabilities was 18,088 MNOK per 31.12.2023 compared to 10,734 MNOK per 31.12.2022. The change is mainly due to increased bond debt and increased debt in Advanzia Bank.

On the balance sheet date, current liabilities were 32,637 MNOK (26,988 MNOK in 2022), of which deposits from customers in Advanzia Bank amounted to 30,896 MNOK (24,901 MNOK in 2022).

The Group's book equity was 4,325 MNOK per 31.12.2023, compared to 4,062 MNOK per 31.12.2022. The Group is considered to have considerable values in excess of the book values.

For the Group, net cash flow from operational activities was -24 MNOK and -571 MNOK from investment activities. Net cash flow from financing activities was 6,256 MNOK.

Consolidated businesses

Advanzia Bank S.A. (60.3 % ownership)

Considering the prevailing market situation, Advanzia delivered a good result of 97.5 MEUR, corresponding to a return on equity of 29.5%. Due to the macroeconomic environment, inflation and increased interest rates, the bank's loss provisions increased by 35.5% from 121.3 MEUR in 2022 to 164.3 MEUR in 2023, while operating costs increased by 16.4% from 129 MEUR in 2022 to 150,2 MEUR in 2023. At the same time, Advanzia's net income increased by 8.4% from 398.6 MEUR in 2022 to 432.1 MEUR in 2023.

The past year has been characterized by rising financing costs and increased loan loss provisions, driven by higher interest rates and increased inflation across the bank's markets.

Despite demanding market conditions, Advanzia delivered satisfactory growth throughout the year. The bank's net loan balance grew by 16.3%, while the bank gained 405,000 new customers. This led to 1,596,000 active credit card customers at the end of the year, 15.6% higher than at the beginning of the year. The number of full-time equivalent employees was 200 at the end of 2023.

Throughout the year, Advanzia has continued to increase the diversification of the bank's funding sources. In December, the bank raised 500 MNOK in hybrid financing (AT1), and at the same time increased the limit on the bank's outstanding ABS from 475 MEUR to 1,000 MEUR, of which 850 MEUR had been drawn up at the end of the year. The increased diversification of the bank's financing exemplifies its strong ability to attract attractive debt capital, also under demanding market conditions.

Towards the end of the year, Advanzia hired Nishant Fafalia as CEO on a permanent basis. Fafalia comes from the role as Investment Director at Kistefos and board member at Advanzia. Fafalia has been interim CEO of Advanzia since the first quarter of 2023.

The bank did not pay dividends in 2023.

Western Bulk Chartering AS (68.1 % ownership)

Western Bulk delivered a very disappointing and poor result after tax with a loss of 15.6 MUSD compared to a profit of 66 MUSD in 2022.

Throughout the year, the market was characterized by high market volatility, driven by, among other things, fluctuating economic outlook and restrictions linked to the Panama Canal and turmoil in the Red Sea. The company failed to take advantage of the occasional large market fluctuations due to incorrect positioning. Furthermore, investments in new business areas also led to negative profit effects for the year. Western Bulk operated an average of 126 ships per day in 2023, compared to 111 per day in 2022. On average for 2023 the company achieved a net TC margin per ship day of 202 USD in 2023, compared to 2,870 USD in 2022.

Viking Supply Ships AB (78.2 % ownership)

The group Viking Supply Ships AB (VSS) delivered a weak result after tax with a loss of 88 MSEK in 2023, compared to a profit of 8 MSEK in 2022. The revenue was 607 MSEK in 2023 (577 MSEK in 2022), of which 357 MSEK (358 MSEK in 2022) comes from the AHTS business and 250 MSEK comes from Services and Ship Management (219 MSEK in 2022). EBITDA for the group ended at 37 MSEK in 2023 compared to 99 MSEK in 2022. The decrease in profit is primarily due to a weaker market for VSS' AHTS vessels compared to last year.

VSS had three AHTSs in the spot market at the beginning of 2023, and one AHTS was reactivated in March 2023. The average day rate for the AHTS fleet in 2023 was approx. 47,700 USD (69,000 USD in 2022), and the utilization rate was 46% (46% in 2022), excluding ships in circulation.

In 2022, VSS had less capacity in the market compared to 2023, which led to a higher average daily rate, but roughly equivalent AHTS revenues as in 2023.

VSS increased its fleet by two AHTS in 2023. At the end of the year, operations in the VSS group consisted of six AHTS vessels (of which two have ice class 1A Super and two have ice class 1A), two modern PSVs with ice class (VSS owns 30 % of the PSVs), as well as five icebreakers for the Swedish Maritime Administration. In January 2024, VSS terminated the operating agreements for the PSVs and exercised a put option on both ships. Furthermore, the Swedish Maritime Administration will take over the operation of the five state-owned icebreakers in the second half of 2024.

1881 Group AS (100 % ownership)

In 2023, 1881 Group AS had a revenue of 470 MNOK (461 MNOK in 2022), with an EBITDA of 53 MNOK (84 MNOK in 2022). The main reason for the decrease in EBITDA is mainly related to new establishments within Tjenestorget.

In 2023, 1881 made Hjemmesidehuset a part of the group, and the company will merge with Idium 1881 AS in the beginning of 2024. Moving forward the company will operate under the brand of Hjemmesidehuset. In 2023, Tjenestorget has worked on the geographical expansion into Sweden, as well as expanding the service offer in Denmark. Furthermore, Tjenestetorget has launched prisradar.no, a price comparison service for products in Norway.

NextGenTel Holding AS (100 % ownership)

In 2023 NextGenTel's total revenue ended at 473 MNOK (490 MNOK in 2022). The company delivered an EBITDA of 26 MNOK (versus 30 MNOK in 2022).

Through 2023, NextGenTel has strengthened its presence in the Norwegian broadband market, and currently has close to 57,000 fiber broadband customers in addition to more than 11,000 customers being supplied with wireless access. By the end of 2023, 90% of the revenue come from new products, and the conversion from copper lines to modern technologies has thus been completed. In 2023, NKOM has announced that fiber networks will be available for several providers in several geographical areas. NextGenTel has been correspondingly active in the consultation process and expects to be able to capitalize on this.

Bitpro (76 % ownership)

In 2023, Bitpro AS had a total revenue of 266 MNOK (251 MNOK in 2022), with EBITDA of 26 MNOK compared to 12 MNOK the previous year.

In 2023, Kistefos bought shares in Bitpro and thus increased its ownership from 73.7% to 76%. In 2023, Bitpro delivered several major projects, with good customer satisfaction. The company has taken important steps on the delivery side, with the use of new IT platforms to streamline project management. 2023 has also been about technology migration from copper to modern technology such as fiber and fixed wireless broadband. This will continue in 2024, but now on a smaller scale. Focus areas going forward will be on further margin improvement, as well as organic and non-organic growth.

Lumarine AS (82.1 % ownership)

The company achieved a total revenue of 236 MNOK in 2023 (107 MNOK in 2022), an increase of 121% compared to the previous year. EBITDA ended at 161 MNOK (-49 MNOK in 2022). Profit after tax for the year ended at 166 MNOK (-301 MNOK in 2022). Lumarine's revenues and EBITDA for the year are positively affected by compensation received following the temporary withdrawal of heated water from Equinor's methanol facility, which is located near Lumarine's facility at Tjeldbergodden.

Throughout the year, Lumarine has refinanced the debt with SpareBank 1 SR-Bank with a new debt facility with reduced principal, as well as significantly reduced short-term liabilities. The company has also focused on operations and reduced the number of employees. In total, these activities have improved the company's financial prospects and solvency, areas the company will keep on developing through 2024.

Parent company Kistefos AS

The Parent company had an operating result in 2023 of -149 MNOK (-272 MNOK in 2022). The change is mainly due to lower salary costs and sponsor/gift costs in 2023.

The financial result for the period was 179 MNOK compared to 847 MNOK in 2022. The change in the financial result is mainly due to Advanzia not paying dividend in 2023.

Profit after tax for the Parent company was 30 MNOK in 2023 (576 MNOK in 2022).

The parent company's free liquidity at the end of the year was 116 MNOK compared to 427 MNOK in 2022. At the end of 2023 the Parent company also had 328 MNOK available on a drawdown facility (RCF) which is used for short-term liquidity management, as well as listed shares (excluding subsidiaries) of approx. 3,100 MNOK.

The parent company's book equity was 1,391 MNOK per 31.12.2023, (1,559 MNOK per 31.12.2022). The equity ratio was 19.7% at the end of the year (24.4% at the end of 2022).

For the parent company, net cash flow from operational activities was -501 MNOK and -678 MNOK from investment activities. Net cash flow from financing activities was 869 MNOK.

A report according to the Transparency Act will be available on the company's website (kistefos.no) by June 30th.

<u>Development in non-consolidated portfolio companies</u>

Morrow Bank ASA (24.16 % ownership incl. related parties)

In 2023, Morrow Bank delivered a result after tax of 152 MNOK, which is significantly higher than 2022 (1 MNOK). Morrow Bank's total revenue in 2023 ended at 1,054 MNOK (800.9 MNOK in 2022). The company's operating costs were reduced by 36.7% to 321 MNOK (507 MNOK in 2022), while loss provisions increased from 292 MNOK to 527 MNOK, corresponding to a growth of 80.3%. The net loan balance ended at 11,076 MNOK (9,111 MNOK in 2022), corresponding to a growth of 21.6%. In 2023, the bank changed its name from "Komplett Bank".

At the end of the year, Morrow Bank had a net lending portfolio of 11,076 MNOK (9,111 MNOK), corresponding to a growth of 21.6% throughout 2023, and a total of ~50% over the last two years combined.

Instabank ASA (24.90 % ownership)

In 2023, Instabank delivered a profit after tax of 101 MNOK, 22.7% above 2022 (82 MNOK). Instabank's total revenue in 2023 ended at 441 MNOK (357.6 MNOK in 2022). The company's operating costs increased by 7.9% to 166 MNOK (154 MNOK in 2022), at the same time as loss provisions increased from 100 MNOK to 144 MNOK, corresponding to a growth of 43.4%. The net loan balance ended at 5,994 MNOK (4,674 MNOK in 2022), corresponding to a growth of 28.2%. In 2023, the bank launched business loans aimed at small and medium-sized enterprises.

In spring 2022, Lunar Bank made a bid on Instabank bank at 3.75 NOK per share. The acquisition was never completed and therefore the shareholders have demanded compensation as the shares were never sold. The shareholders believe that Lunar did not meet the obligations stated in the share purchase agreement to ensure the execution of the agreement, and have demanded compensation for their contractual interest. The district court's judicial verdict was handed down in favor of the shareholders on February 19th, 2024, a total compensation of approx. 625 MNOK, of which Kistefos' share is almost 180 MNOK. Lunar has appealed the verdict.

Siem Offshore (33.3 % ownership)

In 2023, the company reported revenues of 336 MUSD, which is an increase from 274 MUSD in 2022. EBITDA was 164 MUSD, an increase from 104 MUSD in 2022. Profit after tax was 173 MUSD, an increase from 28 MUSD in 2022.

At the end of the year, the company operated a fleet of 29 ships (26 owned and 3 through ship management agreements) consisting of modern and advanced subsea vessels, well intervention vessels, AHTSs, PSVs and other vessel classes.

Oslo Airport City AS (30.4 % ownership)

Oslo Airport City had a positive operational development during 2023. The first phase of The World Seafood Center has now been completed and handed over to tenants. Expected completion of phase 2 is Q1 2024. In 2023, the company has completed the sale of a fully developed art storage and entered into a lease agreement for a new logistics facility with GF-Logistikk. Furthermore, the company is working on further development of buildings, especially within logistics and mobility.

Organization and environment

At the end of 2023, the Kistefos Group, including associated companies, employed a total of 1,271 full-time employees. 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 17.8. The working environment in Kistefos is good. In 2023, absence due to sickness was 21 days (0.5%) in the parent company. No injuries nor accidents have been reported in the Group or in the parent company in 2023.

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 practices a human resources and recruitment policy that does not discriminate. Both the parent company and the Group practice 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 significant environmentally polluting business of any significance. However, the Group is involved in businesses where there may be potential sources of pollution and emissions of greenhouse gases. This particularly applies to the Group's activities within shipping and offshore supply. All companies within this industry in the Group publicly support the Norwegian Shipping Association's ambition for net zero emissions by 2050 and are working on relevant and operational measures for reduced environmental impact and increased energy efficiency. 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.

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 a board 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- 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 are risks 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 for 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 and NOWA. In terms of the Group's banking activities, the biggest risks are credit risk and regulatory risk. Advanzia Bank 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 the basis of a going concern assumption. The board confirms that the assumption of continued operations is present, and that there have been no significant events since the balance sheet date that are not reflected in the annual report.

Solstad Offshore

On December 7th, 2023, Kistefos sent a claim to Solstad Offshore to call for an extraordinary shareholders meeting. The reason for this was the extensive restructuring plan for the company which was announced on October 23rd, 2023. The restructuring plan involved a direct transfer of assets and control to Aker, which entailed serious discrimination against the shareholders in Solstad Offshore. Kistefos later withdrew the claim and chose to send a lawsuit notice directly to key parties behind the proposed refinancing instead. Kistefos AS and related parties own a total of 18.07% in Solstad Offshore.

Outlook 2024

Advanzia expects a significantly improved result in 2024 due to a change in strategy moving away from unprofitable growth markets, continued improvements to credit processes and the full effect of interest rate increases.

Furthermore, Advanzia's priorities in the coming years is to achieve strong customer growth, loan balance and profitability, and the growth must be supported by a modern technology platform which enables a digital and seamless user experience. The bank will emphasize strengthening its market leadership in Germany and Austria.

Western Bulk had a challenging year, and the company is now working on bringing the company back to profitability. This includes, among other things, changes in the management team, where a new interim CEO is in place. The company is now working on finding a permanent replacement who has the sufficient skills to lead the company going forward.

Viking Supply Ships expects better results in 2024 compared to 2023, but the volatile market in the North Sea is expected to continue. Minor seasonal variations are expected in the coming years due to a more stable level of rigs throughout the year and more projects also in the winter season. Furthermore, because of high oil prices, more activity is also expected in other oil-producing regions (South America, Africa, Australia, and Canada), which will potentially have a positive effect on the market balance. In longer term, floating offshore wind may also become a demand driver. That said, there is still excess capacity of AHTS tonnage. If the expected level of activity does not materialize, VSS's earnings could remain weak.

1881 has ambitions for further growth going forward, mainly through acquisition of companies which have similarity to the current products and services. In 2023, 1881 have experienced growth from search/entry in Digital Media 1881, which is expected to continue in 2024. Significant organic growth is expected going forward within new business areas, such as Hjemmesidehuset and Tjenesteorget. This is particularly due to the establishment in Sweden and Denmark. Due to the same reason the future results in 1881 Group are expected to remain at a 2023 level, which is lower than historical numbers.

With 90% of the company's subscription revenue coming from fiber or wireless broadband at the end of 2023, NextGenTel has a good starting point for further growth in number of subscriptions, both through sales to new customers and through cooperation with regional fiber players. The opening of the fiber network will be a contributing factor to this and provide opportunities for further growth in the customer base.

Bitpro expects higher margins in 2024 compared to 2023 due to efficiency improvement processes carried out in the company throughout 2023, particularly related to delivery. Furthermore, Bitpro wants to be an active promoter of the market consolidation and is therefore in ongoing dialogue with several players to consider cooperation or acquisitions.

In the coming year Lumarine will continue to focus on delivering solid operations on existing contracts, which is expected to generate an operating profit, though at a significantly lower level than in 2023.

Morrow Bank expect to continue the positive development through 2024, with increasing revenues, good cost efficiency and reduced loan loss provisions.

Instabank expect further increased net income throughout 2024, as well as stable costs and loss provisions. Throughout the year, the bank will maintain its focus on continuing to win market shares within the most profitable products.

Siem is well positioned with vessels ready to exploit long-term opportunities within the PSV, AHTS and OCV segments, which is beneficial in a rising market. The long-term outlook for the company's OSV fleet continues to strengthen due to need for adequate and secure energy supply. The renewable energy segment is also under parallel pressure to increase production, in addition to the long-term transition for more sustainable energy production.

Oslo Airport City has sent a planning proposal for detailed regulation of the OAC logistics park with 540,000 meters of land and 360,000 meters of buildable land to the municipal council and expects final clarification during the first quarter of 2024.

Based on these prospects, the Kistefos group expects an improved result for 2024 compared to 2023.

Allocation of net profit for the year

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

Net profit for the year	30 016
Transferred from other equity	167 984
Proposed group Contribution	-194 494
Proposed dividend	-3 506
Total allocation	30 016

The board proposes giving NOK 79 720 in group contributions to subsidiaries.

Oslo, 14th of March 2024,
Board of Directors of Kistefos AS

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KISTEFOS AS

Parent company		PROFIT AND LOSS STATEMENT		Group	
2022	**2023**	*Amounts in NOK 1,000*	**Note**	**2023**	**2022**
		OPERATING INCOME			
0	0	Freight revenues ships		12 336 682	16 023 485
0	0	Sales revenue		1 253 475	1 270 773
0	0	Interest income, bank activities		5 968 909	4 391 390
20 050	2 225	Other operating income		235 467	79 787
20 050	**2 225**	**Total operating income**	**1**	**19 794 533**	**21 765 435**
		OPERATING EXPENSES			
22	6	Cost of goods sold		578 855	634 663
0	0	Operating expenses ships		12 165 647	14 844 466
0	0	Interest expenses, bank activities		2 575 084	1 362 467
101 416	56 445	Wages and salaries	**2**	923 232	1 102 704
377	653	Depreciation and write-downs of fixed and intangible assets	**3**	389 109	576 065
190 074	94 483	Other operating expenses	**2**	2 040 816	1 731 875
291 890	**151 587**	**Total operating expenses**		**18 672 744**	**20 252 240**
-271 840	**-149 362**	**OPERATING RESULT**		**1 121 789**	**1 513 195**
		FINANCIAL INCOME AND EXPENSES			
1 319 412	481 410	Income / (expense) from group companies and associated companies		-1 774	-3 407
7 562	4 551	Interest received from group companies		0	0
12 868	17 439	Other interest received		46 700	25 034
410 506	137 415	Gain / (losses) on shares and other financial instruments		137 415	668 446
27 478	13 993	Other financial income	**4**	54 048	137 964
-599 381	0	Change in value of shares and other financial instruments		-29	-481 469
-11 933	-8 142	Interest paid to group companies		0	0
-274 673	-443 607	Other interest expenses		-582 571	-381 978
-45 126	-23 682	Other financial expenses	**4**	-106 764	-104 160
846 712	**179 377**	**Net financial income / (expenses)**		**-452 976**	**-139 569**
574 872	**30 016**	**Profit before tax**		**668 813**	**1 373 626**
1 209	0	Taxes	**5**	-272 113	-316 726
576 081	**30 016**	**PROFIT AFTER TAX**		**396 701**	**1 056 901**
		Majority’s share of profit after tax		34 905	611 806
		Minority’s share of profit after tax		361 796	445 094

KISTEFOS AS

Parent company		BALANCE SHEET		Group	
31.12. 2022	31.12. 2023	*Amounts in NOK 1,000*	Note	31.12. 2023	31.12. 2022
		ASSETS			
		FIXED ASSETS			
8 606	5 036	Deferred tax assets	**5**	2 954	28 997
0	0	Goodwill	**3**	64 748	100 184
0	0	Other intangible assets	**3**	614 784	749 279
8 606	**5 036**	**Total intangible assets**		**682 486**	**878 459**
0	0	Property and real estate		118 549	89 687
0	0	Ships, PSV and AHTS		2 431 025	1 647 618
253 621	254 709	Operating equipment, FF&E, machines etc.		421 587	341 786
253 621	**254 709**	**Total tangible fixed assets**	**3**	**2 971 161**	**2 079 091**
3 868 054	4 055 742	Investments in subsidiaries	**6**	0	0
0	0	Investments in associated companies		93 074	82 290
133 927	26 184	Loans to group companies		0	0
14 805	4 121	Other long-term receivables		7 056	47 939
4 016 786	**4 086 047**	**Total financial fixed assets**		**100 130**	**130 229**
4 279 014	**4 345 791**	**Total fixed assets**		**3 753 778**	**3 087 779**
		CURRENT ASSETS			
0	0	Goods for sale and consumption		535 846	476 343
0	47	Accounts receivable		394 056	581 627
0	0	Loans and advances, bank activities		32 845 033	26 366 634
157 982	421 697	Receivables from group companies		349	923
0	0	Restricted bank deposits		76 606	115 759
82 030	181 206	Other receivables		631 984	556 746
240 011	**602 950**	**Total goods for sale and receivables**		**34 483 874**	**28 098 031**
1 454 780	1 994 264	Shares and other financial instruments	**7**	2 664 623	2 042 560
0	0	Cash balances, bank activites		13 357 288	7 309 068
426 977	116 282	Cash and cash equivalents	**8**	789 842	1 246 332
2 121 768	**2 713 496**	**Total current assets**		**51 295 628**	**38 695 991**
6 400 782	**7 059 287**	**TOTAL ASSETS**		**55 049 406**	**41 783 770**

KISTEFOS AS

Parent company 31.12.2022	Parent company 31.12.2023	BALANCE SHEET *Amounts in NOK 1,000*	Note	Group 31.12.2023	Group 31.12.2022
		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			
1 170 375	1 002 391	Other Equity		1 957 261	1 930 952
		Minority interests		1 978 925	1 742 269
1 558 711	**1 390 727**	**Total Equity**	**9**	**4 324 522**	**4 061 557**
		LONG TERM LIABILITIES			
0	0	Deferred taxes	**5**	21 821	44 806
0	0	Pension liabilities	**2**	4 217	4 909
1 251	171 727	Liabilities to financial institutions	**8**	1 066 384	745 877
522 099	464 633	Liabilities to group companies		0	0
3 698 500	4 669 700	Unsecured bond-loans	**8**	4 669 700	3 698 500
0	0	Subordinated loan, bank activities		1 743 228	1 203 259
301	136	Other long-term liabilities		10 583 002	5 036 452
4 222 152	**5 306 196**	**Total other long-term liabilities**		**18 088 352**	**10 733 802**
		SHORT TERM LIABILITIES			
0	0	Credit balances, bank activities		30 895 942	24 901 294
2 944	4 101	Trade creditors		247 880	256 782
0	0	Taxes payable	**5**	18 909	127 589
2 449	4 574	Government taxes, holiday pay, tax deductions		89 518	316 117
493 463	277 720	Dividend/group contribution		421 124	431 628
121 062	75 967	Other short-term liabilities		963 159	955 000
619 919	**362 363**	**Total short-term liabilities**		**32 636 532**	**26 988 410**
4 842 070	**5 668 560**	**Total liabilities**		**50 724 885**	**37 722 212**
6 400 782	**7 059 287**	**TOTAL EQUITY AND LIABILITIES**		**55 049 406**	**41 783 769**

The board of Directors of Kistefos AS
Oslo, 14th of March 2024

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KISTEFOS AS

Parent Company		CASHFLOW STATEMENT	Group	
31.12. 2022	31.12. 2023	*Amounts in NOK 1,000*	31.12. 2023	31.12. 2022
		CASH FLOW FROM OPERATIONAL ACTIVITIES		
574 872	30 016	Profit before tax	668 813	1 373 626
0	0	Taxes (paid) / repaid during the year	-374 432	-403 314
377	653	Depreciations	389 109	576 065
-410 506	-137 415	Net (gain) / loss on sale of shares and other financial instruments	-137 415	-668 446
27	-47	Change in accounts receivables and loans/advances in bank activities	-6 290 829	-4 342 441
2 503	1 157	Change in accounts payables and credit balances in bank activities	5 985 746	2 567 975
0	0	Net FX on changes in accounts receviables/payables in foreign currency	55 619	-122 298
0	0	Change in goods for sale and consumption	-59 502	-86 807
-1 319 412	-481 410	Income from subsidiaries and associated companies	-1 774	0
599 381	0	Change in value of shares and other financial instruments	29	481 469
139 482	85 724	Change in other receivables and other liabilities	-259 162	-245 758
-413 276	**-501 322**	**A = Net cash flow from operating activities**	**-23 797**	**-869 929**
		CASH FLOW FROM INVESTMENT ACTIVITIES		
-156 141	-1 087	Reduction/ (increase) in operating equipment, FF&E, buildings/real estate etc.	-91 290	-278 633
0	0	Reduction/(increase) ships	-24 995	-25 475
0	0	Reduction/(increase) other immaterial assets	-21 137	-17 134
0	0	Reduction/(increase) investments in subsidiaries/associated companies	-10 784	-6 159
-732 285	-517 831	Reduction/(increase) shares and other financial instruments	-517 042	-918 856
0	0	Change in restricted bank deposits	39 153	6 509
76 592	-99 176	Change in other receivables	41 991	-21 930
1 743 250	13 402	Dividens received	13 402	0
-185 441	-73 610	Change in receivables to group companies	0	0
745 975	**-678 303**	**B = Net cash flow from investment activities**	**-570 701**	**-1 261 678**
		CASH FLOW FROM FINANCING ACTIVITIES		
-352	170 476	Increase/(reduction) liabilities to financial institutions	320 508	43 696
374 000	971 200	Increase/(reduction) unsecured bond loan	971 200	374 000
0	0	Increase/(reduction) other liabilities	5 398 321	747 816
-600 000	-400 000	Capital increase/(dividend)	-433 698	-1 024 951
116 256	127 256	Reduction / (Increase) in loan to group companies	0	0
-110 097	**868 931**	**C = Net cash flow from financing activities**	**6 256 331**	**140 561**
		Other Changes		
0	0	Cash in new subsidiaries in the Group	0	0
0	0	Other changes, accounting principles, and currency fluctuations	-70 102	173 565
0	**0**	**D = Net other changes**	**-70 102**	**173 565**
222 603	-310 694	A+B+C+D = Net change in bank deposits and cash	5 591 730	-1 817 481
204 374	426 977	Bank deposits and cash as per 1 January	8 555 400	10 372 880
426 977	**116 283**	**Bank deposits and cash as per 31 December**	**14 147 130**	**8 555 400**
		Balance of bank deposits and cash consists of:		
		Deposits bank activities	13 357 288	7 309 068
		Other bank deposits and cash	789 842	1 246 332

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

Office rent is considered operational and not recognised in the balance sheet. Leased fixed assets are recognised in the balance sheet if the lease contract is considered financial.

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 2022	4 391 390	15 533 355	548 458
Operating Income 2023	5 968 909	11 805 965	604 725

	IT / Telecom	Real Estate	Other	Group
Operating Income 2022	1 165 189	0	127 042	21 765 435
Operating Income 2023	1 176 600	0	238 334	19 794 533

Operating Income by geographical areas	2023	2022
Nordic region	2 346 828	2 128 702
Rest of Europe	10 010 343	8 935 230
North America	1 418 759	1 776 691
Rest of the world	6 018 601	8 924 812
Total	**19 794 533**	21 765 435

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

	Parent Company		Group	
	2023	2022	**2023**	2022
Wages and salaries, holiday pay, fees etc	42 572	87 780	730 140	944 473
Employer's tax	10 027	11 934	72 283	68 938
Pension expenses benefit-based pensions	0	0	22 845	17 498
Pension expenses contribution-based pensions	1 264	2 431	33 386	42 177
Other personnell expenses	2 581	(730)	64 578	29 627
Total wages and salaries	**56 445**	**101 416**	**923 232**	**1 102 704**
Full time equivalents	17,8	19,5	1 270,8	1 333,7

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 1 475.

The CEO's salary, bonus and other remuneration amounted to NOK 6 637 in 2023. 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	790	3 802	4 580
Assistance with preparing annual financial statements, tax returns and other tax services	365	1 273	3 133
Services other than audit	30	161	1 809
Total	1 185	5 236	9 522

Some of the subsidiaries have a defined benefit pension scheme that covers a total 529 (482) employees in the Group at 31 December 2023, of which 280 (296) 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:	**2023**	2022
Current value of this year's pension contributions	-76	-515
Interest cost of accrued pension liability	4 217	2 752
Expected return on pension assets	-4 573	-2 749
Amortisation	0	0
National insurance contribution and administration expenses	1 786	-327
Changes in pension scheme	0	-10
Net pension expenses, contribution plans	21 492	18 352
Year's pension expenses/(income)	**22 845**	**17 498**

Pension assets/(liabilities):	**2023**	2022
Estimated pension liabilities	-145 095	-150 131
Pension assets (at market value)	144 036	157 562
Unrecognised actuarial differences	0	0
Estimated national insurance contribution	-1 579	-1 566
Adjustment IFRS to NGAAP	0	0
Net book value, pension liabilities	**-3 109**	**5 233**
Pension scheme with net liability classified as an accrual	**-4 217**	**-4 909**
Pension assets included in other receivables	**1 109**	**10 142**

NOTES TO THE ACCOUNTS

Amounts in NOK 1,000

Estimate assumptions:

Discount rate	3,1 %
Expected returns	2,6 % - 3,1 %
Wage and salary adjustment rate	2,00 % - 3,50 %
National Insurance Scheme's basic pension adjusmtent rate	3,25 %
Pension regulation	1,5 %-1,8 %

NOTE 3 – TANGIBLE FIXED ASSETS AND INTANGIBLE ASSETS

	Parent Company		Group	
	FF&E machinery, etc.	Art	FF&E machinery, etc.	Buildings real estate
Acquisition cost as per 1 January	12 418	251 337	571 691	193 275
Reclassification	0	0	0	0
Foreign currency translation differences	0	0	-2 589	0
Additions during the year	1 422	323	114 107	94
Disposals during the year	-5	0	-20 795	-2 439
Acquisition cost as per 31 December	**13 835**	**251 660**	**662 413**	**190 930**
Depreciations and amortisations as per 1 January	10 132	0	480 311	103 588
Reclassification	0	0	-2 324	0
Foreign currency translation	0	0	292	0
This year's depreciations	654	0	60 003	7 893
This year's writedowns	0	0	-32 566	-39 100
Additions during the year	0	0	0	0
Disposals during the year	0	0	-13 229	0
Accumulated depreciations and amortisations	10 785	0	492 487	72 381
Book value as per 31 December	**3 049**	**251 660**	**169 919**	**118 549**
Economic life	5-10 years	Not depreciated	3-10 years	50 years
Depreciation plan	Straight line		Straight line	Straight line Real estate is not depreciated

	Art	Ships, Offshore	Other Intangible assets	Goodwill / (Negative Goodwill)	**Total Group**
Acquisition cost as per 1 January	251 337	2 460 839	1 975 118	-10 200	5 442 060
Reclassification	0	-10 873	-190	0	-11 063
Foreign currency translation differences	0	58 563	91	0	56 065
Additions during the year	323	859 916	95 428	3 527	1 073 395
Disposals during the year	0	-5 169	-77 818	0	-106 221
Acquisition cost as per 31 December	**251 660**	**3 363 276**	**1 992 628**	**-6 674**	**6 454 232**
Depreciations and amortisations as per 1 January	0	813 222	1 225 835	-110 385	2 512 571
Reclassification	0	27 133	-18 492	0	6 317
Foreign currency translation	0	0	-13 702	0	-13 410
This year's depreciations	0	91 897	209 968	38 962	408 722
This year's writedowns	0	0	52 055	0	-19 611
Additions during the year	0	0	0	0	0
Disposals during the year	0	0	-77 818	0	-91 047
Accumulated depreciations and amortisations	0	932 252	1 377 846	-71 424	2 803 541
Book value as per 31 December	**251 660**	**2 431 025**	**614 780**	**64 749**	**3 650 694**
Economic life	Not depreciated	20-25 years	2 - 99 years	5-10 years	
Depreciation plan		Straight line	Straight line / 10 % balance	Straight line	

Book value of lease agreements

Fixed assets include lease agreements of 815 534 NOK. This mainly applies to the lease of the ships Odin Viking and Andreas Viking in VSS. The annual depreciation on the leased operating assets was 17 826 NOK.

Goodwill/ (Negative goodwill)

Net goodwill consists mainly of negative goodwill following the acquisition of shares in Viking Supply Ships AB in 2021 (NOK -7 832), goodwill from acquisitions / issues in Western Bulk Chartering AS (NOK 4 074), goodwill in O1881 Group (NOK 62 342), goodwill in Lumarine (NOK 4 233) and NextGenTel (NOK 1 931). 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 156 700 USD, excluding options. In addition, Bulk Invest has entered into some long-term T/C agreements as charterer. These represent a lease receivables of 17 517 USD.

Amounts in NOK 1,000

NOTE 4 - OTHER FINANCIAL INCOME AND EXPENSES

	Parent Company		Group	
	2023	2022	**2023**	**2022**
Share dividends	13 402	20 742	13 402	0
Gains on foreign exchange	587	2 301	37 196	70 319
Other financial income	4	4 435	3 450	67 645
Total other financial income	**13 993**	**27 478**	**54 048**	**137 964**

	2023	2022	**2023**	**2022**
Loss on foreign exchange	-2 926	-30 224	-32 089	-74 922
Other financial expense	-20 756	-14 902	-74 674	-29 238
Total other financial expenses	**-23 682**	**-45 126**	**-106 763**	**-104 160**

NOTE 5 – TAXES

	Parent Company		Group	
Tax expenses for the year:	**2023**	2022	**2023**	2022
Change in deferred tax/deferred tax assets*	-3 570	-1 209	4 095	5 899
Tax payable	0	0	256 771	298 275
Tax on group contribution in P&L	0	0	3 570	0
Other changes	3 570	0	7 676	12 553
Year's tax expense/(income)	**0**	**-1 209**	**272 113**	**316 726**

**: 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:	**2023**	2022
Operating result before tax	30 016	574 872
Permanent differences	-455 578	-751 022
Change in temporary differences	0	-8 117
Basis for tax payable	**-425 562**	**-184 268**
Tax (22 %)	0	0

Specification of the basis for deferred tax:

	Parent Company		Group	
Offsetting differences	**2023**	2022	**2023**	2022
Temporary differences, current receivables/debt	49 734	33 764	-26 265	-71 122
Temporary differences, fixed assets/long term debt	-380	-480	139 919	162 281
Temporary differences, others	4 554	5 692	-163 311	-201 396
Loss carry-forward for tax purposes	-930 688	-457 680	-1 200 237	-738 209
Change in deferred tax/(deferred tax assets)	**-876 780**	**-418 703**	**-1 249 895**	**-848 447**
	0	*0*	*22% - 23%*	*22% - 23%*
Estimated deferred tax/(deferred tax assets)	**-192 892**	**-92 115**	**0**	**-187 373**
			0	0
Deferred tax - not recognized on balance sheet	**-187 856**	**-83 509**	**-293 844**	**-203 182**
Net deferred tax / (deferred tax asset)	**-5 036**	**-8 606**	**18 867**	**15 809**
Deferred tax on balance sheet	**0**	**0**	**21 821**	**44 806**
Deferred tax asset on balance sheet	**-5 036**	**-8 606**	**-2 954**	**-28 997**

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
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
Kistefos Corporate AS	100,0 %	Oslo

Total book value of the subsidiaries is NOK 4 055 742

Material subsidiaries	Parent company	Ownership share / voting rights	Business office
Viking Supply Ships AB	Viking Invest AS	78,2 % / 75 %	Stenungsund/Kristiansand
1881 Group AS	Kistefos Venture Capital AS	100 %	Oslo
Western Bulk Chartering AS	Kistefos Equity Holdings AS	68,1 %	Oslo
Nextgentel AS	Telecom Holding 3 AS	100,0 %	Oslo
Fiber Norge AS	Telecom Holding 3 AS	100,0 %	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**
Siem Offshore ASA[1]		79 585 160	33,3 %	585 988
Solstad Offshore ASA[1]		11 275 000	13,7 %	307 385
Morrow Bank ASA (in addition to 2 860 000 in forward shares)[1]		44 927 000	19,6 %	358 643
Instabank ASA		94 268 606	24,9 %	154 757
Source Energy AS		23 554	24,9 %	115 040
Diffia AS		118 526	42,1 %	76 392
Nordic Corporate Bank ASA		517 061	10,0 %	62 656
Seram Coatings AS		2 871 424	28,8 %	34 908
Hjemmelegene AS		157 326	27,8 %	27 000
Argeo AS (in addition to 8 050 000 in forward shares)		32 621 837	16,9 %	90 136
Ostomycure AS[2]	-20 500/-6 600	116 652 832	73,9 %	0
Other shares and financial instruments		0	0,0 %	181 268
Total shares and other financial instruments – parent company				**1 994 264**

1): The shares are booked at cost as the requirement in the Accounting Act §5-8 (4) for good ownership dispersion and liquidity in the shares is not met. Based on the stock market price on 29/12/23, the fair value of the shares is 2 196 550 NOK (Siem), 409 057 NOK (Solstad) and 175 215 NOK (Morrow).

OWNED BY SUBSIDIARIES

		Number of shares owned	Ownership interest (%)	**Book value**
Oslo Airport City AS		25 168 415	30,4 %	295 688
Antler (shares and shares in funds)		0	6,8 %	90 409
Rødhallen AS[3]	2 484/16 495	0	100,0 %	47 818
Previwo AS[4]	-1 524/42 204	1 728 986	58,7 %	48 688
Semine AS[5]	-33 846/29 811	1 258 869	54,5 %	77 664
Other shares and financial instruments				110 093
Total shares and other financial instruments – Subsidiaries				670 360
Total shares and other financial instruments – Group				**2 664 624**

[2) - 4)] *Not consolidated due to temporary ownership. The numbers for Previwo and Ostomycure are not audited.*

[5)] *: Not consolidated due to temporary ownership.Accounting figures apply for 2022 as 2023 was not ready when Kistefos's annual accounts were submitted.*

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

The Parent company had a secured debt of 171 727 NOK by the end of 2023 (none in 2022).
The Group has debt of 10 476 185 NOK (2022: 5 738 828 NOK) that is pledged in assets with a book value of 15 659 885 NOK (2022: 7 713 134 NOK).

Advanzia Bank have a hybrid loan of 25,000 EUR with a 10-year maturity due in November 2029. In accordance with Norwegian GAAP, 1 125 000 NOK of the hybrid capital has been reclassified from equity in Advanzia's official accounts to debt in Kistefo's consolidated financial statements. Besides this and leasing debt specified below, the group has no debt that falls due later than 5 years.

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

Financial lease

Other long-term liabilities include the following lease obligations accounted for as financial leasing. The main part of the debt relates to lease obligations on Odin Viking and Andreas Viking in VSS:

	Nominal values	Present value
Withiin one year	113 842	66 451
Two to five years	748 665	630 499
More than five years	71	66
Sum NOK	**862 578**	**697 016**

Bank deposits and overdraft facilities

Of the parent company's and the Group's bank deposits, 103 083 NOK (2022: 350 362 NOK) are in deposit accounts as collateral for forward funded shares. This can be freed when the instalments are realised. In addition to this, 2 675 NOK (2022: 1 525 NOK) is deposited in tax withholding account for the parent company.

Western Bulk Chartering has restricted cash deposits of 7 531 USD related to obligations to brokers, guarantees and bunker facilities.

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 2023.

Guarantees, etc.

Kistefos AS has provided a guarentee for the 400,000 NOK drawdown facility in Kistefos Equity Holdings AS (fully drawn as of 31.12.23) and for the 40 000 USD drawndown facility in Viking Supply Ships Holdings AS (10 000 USD drawn as of 31.12.23) . Kistefos's guarantees were not exposed to losses at the time the financial statements were presented.

Western Bulk Chartering AS has, on behalf of its Group, provided a framework agreement for guarantee purposes of 35 000 NOK (7 577 drawn as of 31.12.23), and bunker facilities of 10 000 USD and a guarantee on behalf of Western Bulk Pte of 6 000 USD. Western Bulk Chartering AS has also provided certain parent company guarantees for its subsidiaries' execution of commercial contracts.

Opplysningen 1881 AS and Digitale Medier AS has pledged guarantees as collateral for various operations-related liabilities. Bank guarantees totalling 17 040 NOK 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 8 200 USD as of 31.12.2023, compared to 13 900 USD as of 31.12.2022.

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	1 170 376	1 558 712
Profit/(loss) for the year	0	0	30 016	30 016
Group contribution	0	0	-194 494	-194 494
Dividend	0	0	-3 506	-3 506
Equity as per 31 December	**310 828**	**77 508**	**1 002 391**	**1 390 727**

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	1 930 952	1 742 269	4 061 557
Profit/(loss) for the year	0	0	34 905	361 796	396 701
Group contribution	0	0	-194 494	0	-194 494
Dividend	0	0	-3 506	-156 187	-159 693
Other changes and conversion differences	0	0	189 404	31 047	220 452
Equity as per 31 December	**310 828**	**77 508**	**1 957 261**	**1 978 925**	**4 324 522**

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.

A significant part of the group's long-term debt is in Norwegian kroner. There is a currency risk related to dividends from foreign subsidiaries in a different currency. No currency hedging has been done against this.

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. The parent company has interest-bearing debt linked to NIBOR and NOWA. Loans with floating interest carry an interest rate risk for the Group's cash flow.

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

During the year, Kistefos AS sold shares for a total of 94 982 NOK to and bought shares for a total of 378 NOK from related parties.

The parent company had liabilities to, and receivables from, other group companies. These are subject to interest of 3 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.

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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 30 016 000 in the financial statements of the parent company and a profit of NOK 396 701 000 in the financial statements of the group. The financial statements comprise:

- the financial statements of the parent company Kistefos AS (the Company), which comprise the balance sheet as at 31 December 2023, 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 (the Group), which comprise the balance sheet as at 31 December 2023, 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 2023, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, 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 relevant laws and regulations in Norway 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 statutory 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, 14 March 2024
RSM Norge AS

Translation, not to be signed

Per-Henning Lie
State Authorised Public Accountant