Financial Statements 2022

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Annual report

The Kistefos Group achieved a profit after tax of 1,057 MNOK for the year. This is a decrease of 459 MNOK from 2021, when the group had a profit after tax of 1,516 MNOK.

Advanzia Bank increased its profit after tax by 1.4% and ended at 122.4 MEUR compared to 120.7 MEUR in 2021. The loan balance increased throughout the year by 14.9% to 2,346 MEUR, while the number of active customers increased by 12% to approx. 1.4 million. The increases were offset by higher interest costs on customer deposits as well as higher loan losses than in 2021.

Western Bulk delivered a profit after tax of USD 66 million. In 2021, the result after tax was 81 MUSD. The 2022 result is the second best in the company's history.

Viking Supply Ships achieved a profit after tax of 8 MSEK in 2022 compared to -118 MSEK in 2021. The improvement in the result is due to a better market with high rates primarily in parts of the second and third quarters.

In 2022, the Kistefos Group had, among other things, gains from the sale of Promon and additional settlement from the sale of Kappa in 2019. The accounting effect of this was 422 MNOK. In addition, the stock exchange portfolio had a positive result of 261 MNOK. Kistefos has taken a loss on the investment in Marco Polo Network, Lumarine and various other investments of a total of 700 MNOK.

The Kistefos Group has continued to invest in existing and new portfolio companies throughout the year, and approximately 1,500 MNOK was invested in total.

The group's free liquidity amounted to 1,246 MNOK (2021: 1,407 MNOK) at the end of the year, and the parent company's free liquidity was 427 MNOK (2021: 204 MNOK).

The Kistefos Group's revenue in 2022 was 21,765 MNOK. This represents an increase from 2021 of 3,604 MNOK. The change is mainly due to increased revenues in Western Bulk Chartering and Advanzia Bank.

The operating profit for the year was 1,513 MNOK, a marginally decrease from 2021 when the operating profit was 1,541 MNOK. The operating profit includes write-downs of fixed assets and receivables of 243 MNOK.

The Group's net financial result went from 235 MNOK in 2021 to -140 MNOK in 2022. The change is mainly explained by a write-down of share values totaling 457 MNOK.

Profit after tax ended at 1,057 MNOK for 2022 compared to 1,516 MNOK in 2021.

The Group's total balance sheet assets were 41,784 MNOK per 31.12.2022, which was an increase of 3,547 MNOK from 38,237 MNOK per 31.12.2021. The increase is mainly explained by growth in loan balance in Advanzia Bank.

The Group's long-term liabilities was 10,734 MNOK per 31.12.2022 compared to 9,379 MNOK per 31.12.2021. The change is mainly due to increased bond debt and increased debt in Advanzia Bank.

On the balance sheet date, current liabilities were 26,988 MNOK (25,447 MNOK in 2021), of which deposits from customers in Advanzia Bank amounted to 24,901 MNOK (22,422 MNOK in 2021).

The Group's book equity was 4,062 MNOK per 31.12.2022, compared to 3,411 MNOK per 31.12.2021. The Group is considered to have considerable values in excess of the book values.

For the Group, net cash flow from operational activities was -870 MNOK and -1,262 MNOK from investment activities. Net cash flow from financing activities was NOK 141 million.

Consolidated businesses

Advanzia Bank S.A. (60.3 % ownership)

The past year was characterized by a reversal in expansive money market policy, high inflation, increased interest rates and geopolitical unrest both in Europe and the rest of the world. This led to an increase in financing costs, which is expected to continue in the coming years.

Despite this, Advanzia still delivered satisfactory growth under the prevailing conditions on several important target figures. The result after tax increased by 1.4% and ended at 122.4 MEUR compared to 120.7 MEUR in 2021, while the net loan balance ended at 2,346 MEUR, corresponding to growth of 304 MEUR (14.9%). At the end of the year, the number of active credit card customers was 1,399,000, 12% more than the previous year.

The growth in loan balances and active customers has taken place at the same time as the bank has reached milestones in its digital transformation, as well as started to improve the experience for new customers. The launch of a new modern app for Card-as-a-Service customers was also a highlight of the past year and shows that the bank can both focus on customer growth and necessary projects that lay the foundation for future growth and good customer experiences. Such initiatives led to Advanzia having a record in transaction volume per active card throughout the year.

The bank also looks back on its first full year in Italy, where the introduction of the card has been well received in the market. Despite establishment in a new country, customer growth and digitalization, the ratio between costs and revenues did not increase and fell from 21.6% in 2021 to 20.5% in 2022, excluding acquisition costs. This underpins Advanzia's ability to scale and the fundamental digitized business model.

Loan loss provisions both in Advanzia and the market in general have been low throughout the pandemic due to good liquidity in households. In 2022, as expected, this reversed to the levels experienced before the pandemic. Despite this, the return on equity in 2022 ended at 41.8%, up from 37.1% in 2021.

The bank paid a total of 92 MEUR in dividends to Kistefos in 2022.

Western Bulk Chartering AS (68.1 % ownership)

Western Bulk achieved a good result in 2022, with a profit after tax of 66.0 MUSD.

This is the second best result in the company's history, after the result of 81.0 MUSD in 2021. The market has been characterized by nominally high rates and high market volatility, driven, among other things, by the war in Ukraine. The company took advantage of the market downturn that started in the second quarter by taking on cargo commitments covered by spot ships at falling rates. Furthermore, the company has utilized various trading strategies and arbitrage opportunities made possible by the high volatility and unrest in the market. Western Bulk operated an average of 111 ships per day in 2022, against 112 per day in 2021. The company achieved a net TC margin per ship day of 2,870 USD in 2022, compared to 3,376 USD in 2021.

Viking Supply Ships AB (78.8 % ownership)

The group Viking Supply Ships AB (VSS) had a profit after tax of 8 MSEK in 2022 (-118 MSEK in 2021). The turnover was 577 MSEK in 2022 (312 MSEK in 2021), of which 358 MSEK (120 MSEK in 2021) comes from the AHTS business and 219 MSEK comes from Services and Ship Management (192 MSEK in 2021). EBITDA for the group ended at 103 MSEK in 2022 compared to -49 MSEK in 2021. The improvement in the result is due to a better market with high rates primarily in parts of the second and third quarters. Russia's invasion of Ukraine has led to fewer ice contracts available to VSS, as the situation makes it undesirable for VSS to work towards contracts in Russia.

VSS had two ships in the spot market at the start of 2022, two ships were reactivated respectively in April and May, while one ship was again placed in storage in September due to a weak market. The average daily rate for the AHTS fleet in 2022 was approx. 69,000 USD (34,000 USD in 2021), and the utilization rate was 46% (55% in 2021), excluding vessels in circulation.

At the end of the year, operations in the VSS group consisted of the four owned ice class AHTS vessels (of which two have ice class 1A Super and two have ice class 1A), two modern PSVs with ice class (VSS took delivery of both PSVs in 2021 and owns 30% of the ships), as well as five icebreakers for the Swedish Maritime Administration.

1881 Group AS (100 % ownership)

In 2022, 1881 Group AS had a revenue of 461 MNOK (374 MNOK in 2021) and the group achieved an EBITDA result of 84 MNOK (100 MNOK in 2021).

In 2022, 1881 bought Hjemmesidehuset AS, a supplier of simple websites with headquarters in Ski. The homepage complements Idium 1881 through a focus on different segments. The company will currently operate under its own brand, but will merge with Idium over time.

In 2022, Tjenestorget worked on preparations for geographical expansion in Sweden, where they started in January 2023.

NextGenTel Holding AS (100 % ownership)

In 2022, NextGenTel's total revenue ended at 490 MNOK (540 MNOK in 2021). EBITDA in 2022 was 30 MNOK (13 MNOK in 2021).

Through 2022, NextGenTel has strengthened its presence on the Norwegian broadband market, and currently has close to 50,000 broadband customers on fiber, in addition to more than 10,000 customers delivered via wireless access. 85% of the turnover will come from new products when we enter 2023, and by the end of the year this figure is expected to be up to 90%. This means that income from copper lines is already a marginal part of the turnover at the end of 2022.

Bitpro (73.7 ownership)

In 2022, Bitpro AS had a revenue of 251 MNOK compared to 259 MNOK the previous year. Total EBITDA for the period was 12 MNOK compared to 19 MNOK the previous year.

2022 has mainly been about technology migration, as well as the establishment of a new IT system to make the organization more efficient, particularly in the delivery phase. Furthermore, the company has won larger contracts which facilitate good growth in the top line and margin expansion going forward.

Lumarine AS (82.1 % ownership)

The company achieved a revenue of 107 MNOK in 2022, a reduction from 2021 (135 MNOK). EBITDA in 2022 was approx. -49 MNOK, a reduction from approx. 15 MNOK in 2021. Profit after tax ended at -301 MNOK compared to -28 MNOK in 2021. The financial results for 2022 are negatively affected by lower volumes of ballan wrasse than expected, and among other things extraordinary costs related to heating water due to downtime at Equinors facility at Tjeldbergodden. In addition, there have been significant write-downs. Towards the end of 2022, Lumarine received notice from Equinor that the methanol factory at Tjeldbergodden would be shut down for a longer period with the loss of hot water as a consequence. This resulted in the contract for ballan wrasse being cancelled.

Parent company Kistefos AS

The parent company had an operating profit in 2022 of -272 MNOK (-288 MNOK in 2021). The change is mainly due to lower sponsorship and gift costs in 2022.

The financial result for the period was 847 MNOK, compared to 1,108 MNOK in 2021. The change in the financial result is mainly driven by write-down of financial instruments in 2022.

Profit after tax for the parent company was 576 MNOK in 2022, compared to 815 MNOK in 2021.

The parent company's free liquidity at the end of the year was 427 MNOK, compared to 204 MNOK in 2021.

The parent company's book equity was 1,559 MNOK per 31.12.2022, compared to 1,383 MNOK per 31.12.2021. The equity ratio was 24.4% at the end of the year (22.6% at the end of 2021).

For the parent company, net cash flow from operational activities was -413 MNOK and 746 MNOK from investment activities. Net cash flow from financing activities was -110 MNOK.

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

Development in non-consolidated portfolio companies

Komplett Bank ASA (24.5 % ownership including related parties)

In 2022, Komplett Bank delivered a result after tax of 1 MNOK, compared to -208.7 MNOK in 2021. The change in result is mainly due to write-off of intangible assets of -92 MNOK in connection with the transition to a new IT system in 2021. The bank has been through yet another restructuring year focusing on various strategic initiatives, including a reduction in full-time employees, an increase in the net loan balance and a reduction in the NPL ratio. These initiatives are expected to result in significantly better financial results in the years to come.

Instabank ASA (24.99 % ownership)

In 2022, Instabank's total income ended at 357.6 MNOK, 11.4% above 2021. The company's operating costs increased by 20.3%, while provisions for losses increased from 80.9 MNOK to 100.2 MNOK, corresponding to growth of 23.9%. In 2022, Instabank delivered a profit after tax of 82.2 MNOK, a 1.4% reduction from last year. The net loan balance was 4,674 MNOK, corresponding to a growth of 22.0%.

In 2022, Danish Lunar Bank A/S ("Lunar") made a bid on the bank at 3.75 NOK per share, a total purchase price of 1,290 MNOK. The offer was accepted by more than 90% of the shareholders, but Lunar was unable to complete the acquisition due to insufficient equity. This led to a legal process which is currently ongoing between Lunar and the shareholders of Instabank.

Siem Offshore (33.3 % ownership)

Kistefos purchased 33.3% of Siem Offshore in March 2022. Siem Offshore is a leading supplier of ships for the offshore oil & gas and renewable industry. The company operates a fleet of 31 ships consisting of modern and advanced subsea vessels, well intervention vessels, AHTSs, PSVs and other smaller vessel classes.

In 2022, the company reported revenues of 274 MUSD, which is an increase from 255 MUSD in 2021. EBITDA was 104 MUSD, an increase from 101 MUSD in 2021. Profit after tax was 28 MUSD, a decrease from 103 MUSD in 2021.

Oslo Airport City AS (30.4 % ownership)

Oslo Airport City saw positive development throughout 2022. Early 2022, the construction start of The World Seafood Center was announced, OAC's first construction project was handed over to Porsche during the summer, and in August the construction of a 15,000 square meter building for special logistics, began. The company has also made a sales agreement of a piece of land to a logistics operator. The company will strive for more contracts in the future, especially towards logistics operators, but also other industrial tenants. Through 2022, Kistefos has increased its ownership to 30.4%.

Organisation and environment

At the end of 2022, the Kistefos group, including associated companies, employed a total of 1,334 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 19.5. The working environment in Kistefos is good. In 2022, absence due to sickness was 41 days (1.2%) in the parent company. No injuries nor accidents have been reported in the Group or in the parent company in 2022.

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 environmentally polluting business 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.

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 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- 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 a 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 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. 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 2023

Advanzia expects to maintain the good customer and loan balance growth in the coming year, but due to continued increase of financing costs, both due to higher interest and diversification of financing sources in addition to normalized loan loss provisions, a decrease in result after tax is expected in 2023.

At the start of 2023 Western Bulk operated 108 ships. Compared to the two previous years, the market rates in 2023 are significantly lower, both in the spot market and in the forward market. The company does not own any vessels and has a flexible business model that can benefit from both growth and falls in the market, thus the weaker market sentiment also provides new opportunities. At the same time, it is expected that a nominally lower dry bulk market will lead to lower volatility and margins, which will lead to weaker results for Western Bulk in 2023.

VSS expects the activity in the North Sea to be significantly higher in 2023. This is primarily driven by an activity increase in the British sector. Increased activity is also expected in areas such as Brazil, West Africa and Australia which can absorb AHTS tonnage. Better market conditions are thus expected in 2023.

However, the AHTS segment is still characterized by overcapacity and low rates outside the summer season. A global recession with a drop in oil prices, will negatively affect an already fragile market balance.

After a series of acquisitions in recent years, 1881 Group has ambitions for strategic growth, and the company will continue to look for new acquisitions, particularly in sectors that touch on the Groups businesses. Significant organic growth is also expected in new business areas, such as Idium and Tjenestorget as well as from the establishment in Sweden and Denmark. Due to the establishment in new markets, some decrease in result from 1881 Group is expected going forward.

NextGenTel expects that more than 90% of the company's subscription revenue at the end of 2023 will be from future sales of fiber or wireless broadband. New IT platform and new websites will facilitate growth going forward, although the growth rate will be reduced to a more normal level during 2023 when the migration is completed.

Bitpro expects higher turnover and higher margins in 2023 compared to 2022. This is due to growth from new contracts, and that most of the migration of customers from copper to new and modern access products now is completed. Bitpro wants to be an active driver of consolidation in its relevant market and is in ongoing dialogue with exciting players about cooperation or acquisition opportunities.

Lumarine has secured the financing for 2023 by receiving compensation for the cancellation of the ballan wrasse contract. In the future the company will focus on the growth of cod, assuming that negotiations with the company's largest creditors are successful. The company's facilities are considered suitable for growth of cod, and the company expects profitability from the end of 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	576 081
Transferred to other equity	-176 081
Proposed Group Contribution	-392 917
Proposed dividend	-7 083
Total allocations	-576 081

The board proposes giving NOK 93,462 in group contributions to subsidiaries.

Oslo, 16th of March 2023,
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	
2021	**2022**	*Amounts in NOK 1,000*	**Note**	**2022**	**2021**
		OPERATING INCOME			
0	0	Freight revenues ships		16 023 485	13 062 665
0	0	Sales revenue		1 270 773	1 269 384
0	0	Interest income, bank activities		4 391 390	3 763 206
4 801	20 050	Other operating income		79 787	65 755
4 801	**20 050**	**Total operating income**	**1**	**21 765 435**	**18 161 011**
		OPERATING EXPENSES			
47	22	Cost of goods sold		634 663	601 017
0	0	Operating expenses ships		14 844 466	12 088 356
0	0	Interest expenses, bank activities		1 362 467	1 010 251
84 318	101 416	Wages and salaries	**2**	1 102 704	1 050 909
271	377	Depreciation and write-downs of fixed and intangible assets	**3**	576 065	348 677
208 100	190 074	Other operating expenses	**2**	1 731 875	1 520 487
292 736	**291 890**	**Total operating expenses**		**20 252 240**	**16 619 697**
-287 935	**-271 840**	**OPERATING RESULT**		**1 513 195**	**1 541 314**
		FINANCIAL INCOME AND EXPENSES			
1 215 779	1 319 412	Income / (expense) from group companies and associated companies		-3 407	-4 954
4 393	7 562	Interest received from group companies		0	0
10 968	12 868	Other interest received		25 034	14 452
198 230	410 506	Gain / (losses) on shares and other financial instruments		668 446	416 706
41 085	27 478	Other financial income	**4**	137 964	289 146
-113 410	-599 381	Change in value of shares and other financial instruments		-481 469	-113 410
-17 450	-11 933	Interest paid to group companies		0	0
-214 462	-274 673	Other interest expenses		-381 978	-293 233
-17 574	-45 126	Other financial expenses	**4**	-104 160	-74 042
1 107 558	**846 712**	**Net financial income / (expenses)**		**-139 569**	**234 666**
819 624	**574 872**	**Profit before tax**		**1 373 626**	**1 775 980**
-5 064	1 209	Taxes	**5**	-316 726	-259 979
814 560	**576 081**	**PROFIT AFTER TAX**		**1 056 901**	**1 516 001**
		Majority’s share of profit after tax		445 094	644 600
		Minority’s share of profit after tax		611 806	871 400

KISTEFOS AS

Parent company		BALANCE SHEET		Group	
31.12. 2021	31.12. 2022	*Amounts in NOK 1,000*	Note	31.12. 2022	31.12. 2021
		ASSETS			
		FIXED ASSETS			
12 528	8 606	Deferred tax assets	5	28 997	5 618
0	0	Goodwill		100 184	111 243
0	0	Other intangible assets		749 279	834 754
12 528	**8 606**	**Total intangible assets**	**3**	**878 459**	**951 615**
0	0	Property and real estate		89 687	148 010
0	0	Ships, PSV and AHTS		1 647 618	1 518 221
97 480	253 621	Operating equipment, FF&E, machines etc.		341 786	321 494
97 480	**253 621**	**Total tangible fixed assets**	**3**	**2 079 091**	**1 987 725**
3 845 911	3 868 054	Investments in subsidiaries	6	0	0
0	0	Investments in associated companies	6	82 290	69 735
136 717	133 927	Loans to group companies		0	0
4 462	14 805	Other long-term receivables		47 939	15 866
3 987 090	**4 016 786**	**Total financial fixed assets**		**130 229**	**85 601**
4 097 098	**4 279 014**	**Total fixed assets**		**3 087 779**	**3 024 941**
		CURRENT ASSETS			
0	0	Goods for sale and consumption		476 343	389 536
27	0	Accounts receivable		581 627	775 455
0	0	Loans and advances, bank activities		26 366 634	21 830 364
677 007	157 982	Receivables from group companies		923	894
0	0	Restricted bank deposits		115 759	122 268
122 640	82 030	Other receivables		556 746	127 418
799 673	**240 011**	**Total goods for sale and receivables**		**28 098 031**	**23 245 935**
1 021 772	1 454 780	Shares and other financial instruments	7	2 042 560	1 593 079
0	0	Cash balances, bank activites		7 309 068	8 965 734
204 374	426 977	Cash and cash equivalents	8	1 246 332	1 407 146
2 025 820	**2 121 768**	**Total current assets**		**38 695 991**	**35 211 894**
6 122 918	**6 400 782**	**TOTAL ASSETS**		**41 783 770**	**38 236 835**

KISTEFOS AS

Parent company		BALANCE SHEET		Group	
31.12. 2021	31.12. 2022	*Amounts in NOK 1,000*		31.12. 2022	31.12. 2021
		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			
994 294	1 170 375	Other Equity		1 930 952	1 619 949
		Minority interests		1 742 269	1 402 885
1 382 630	**1 558 711**	**Total Equity**	**9**	**4 061 557**	**3 411 170**
		LONG TERM LIABILITIES			
0	0	Deferred taxes	**5**	44 806	312
0	0	Pension liabilities	**2**	4 909	10 405
1 603	1 251	Liabilities to financial institutions	**8**	745 877	767 163
472 556	522 099	Liabilities to group companies		0	(0)
3 324 500	3 698 500	Unsecured bond-loans	**8**	3 698 500	3 324 500
0	0	Subordinated loan, bank activities		1 203 259	1 174 384
697	301	Other long-term liabilities		5 036 452	4 102 351
3 799 356	**4 222 152**	**Total other long-term liabilities**		**10 733 802**	**9 379 115**
		SHORT TERM LIABILITIES			
0	0	Credit balances, bank activities		24 901 294	22 422 179
441	2 944	Trade creditors		256 782	167 923
0	0	Taxes payable	**5**	127 589	238 395
2 968	2 449	Government taxes, holiday pay, tax deductions		316 117	313 900
715 204	493 463	Dividend/group contribution		431 628	1 151 738
222 319	121 062	Other short-term liabilities		955 000	1 152 414
940 931	**619 919**	**Total short-term liabilities**		**26 988 410**	**25 446 549**
4 740 287	**4 842 070**	**Total liabilities**		**37 722 213**	**34 825 664**
6 122 918	**6 400 782**	**TOTAL EQUITY AND LIABILITIES**		**41 783 770**	**38 236 835**

Oslo, 16th of March 2023,
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. 2021	Parent Company 31.12 2022	CASHFLOW STATEMENT *Amounts in NOK 1,000*	Group 31.12 2022	Group 31.12. 2021
		CASH FLOW FROM OPERATIONAL ACTIVITIES		
819 624	574 872	Profit before tax	1 373 626	1 775 980
0	0	Taxes (paid) / repaid during the year	-403 314	-259 115
271	377	Depreciations	576 065	348 677
-198 230	-410 506	Net (gain) / loss on sale of shares and other financial instruments	-668 446	-416 706
50	27	Change in accounts receivables and loans/advances in bank activities	-4 342 441	-2 342 574
-15 507	2 503	Change in accounts payables and credit balances in bank activities	2 567 975	-1 433 931
0	0	Net FX on changes in accounts receviables/payables in foreign currency	-122 298	200 240
0	0	Change in goods for sale and consumption	-86 807	-116 661
-1 215 779	-1 319 412	Income from subsidiaries and associated companies	0	0
113 410	599 381	Change in value of shares and other financial instruments	481 469	113 410
91 312	139 482	Change in other receivables and other liabilities	-245 758	28 538
-404 850	**-413 276**	**A = Net cash flow from operating activities**	**-869 929**	**-2 102 141**
		CASH FLOW FROM INVESTMENT ACTIVITIES		
-13 458	-156 141	Reduction/ (increase) in operating equipment, FF&E, buildings/real estate etc.	-278 633	-98 643
0	0	Reduction/(increase) ships	-25 475	-17 142
0	0	Reduction/(increase) other immaterial assets	-17 134	-110 572
0	0	Reduction/(increase) investments in subsidiaries/associated companies	-6 159	-39 099
54 529	-732 285	Reduction/(increase) shares and other financial instruments	-918 856	186 872
0	0	Change in restricted bank deposits	6 509	-18 803
0	76 592	Change in other receivables	-21 930	-10 122
580 706	1 743 250	Dividens received	0	0
-151 579	-185 441	Change in receivables to group companies	0	0
470 197	**745 975**	**B = Net cash flow from investment activities**	**-1 261 678**	**-107 509**
		CASH FLOW FROM FINANCING ACTIVITIES		
1 603	-352	Increase/(reduction) liabilities to financial institutions	43 696	-309 078
-305 000	374 000	Increase/(reduction) unsecured bond loan	374 000	-305 000
-316 600	0	Increase/(reduction) other liabilities	747 816	4 717 800
-290 100	-600 000	Capital increase/(dividend)	-1 024 951	-576 166
-197 376	116 256	Reduction / (Increase) in loan to group companies	0	0
-1 107 473	**-110 097**	**C = Net cash flow from financing activities**	**140 561**	**3 527 556**
		Other Changes		
0	0	Cash in new subsidiaries in the Group	0	0
0	0	Other changes, accounting principles, and currency fluctuations	173 565	-63 679
0	**0**	**D = Net other changes**	**173 565**	**-63 679**
-1 042 126	222 603	A+B+C+D = Net change in bank deposits and cash	-1 817 481	1 254 227
1 246 500	204 374	Bank deposits and cash as per 1 January	10 372 880	9 118 654
204 374	**426 977**	**Bank deposits and cash as per 31 December**	**8 555 400**	**10 372 880**
		Balance of bank deposits and cash consists of:		
		Deposits bank activities	7 309 068	8 965 734
		Other bank deposits and cash	1 246 332	1 407 146

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 2021	3 812 198	12 781 319	295 349
Operating Income 2022	4 391 390	15 533 355	548 458

	IT / Telecom	Real Estate	Other	Group
Operating Income 2021	1 134 647	50	137 448	18 161 011
Operating Income 2022	1 165 189	0	127 042	21 765 434

Operating Income by geographical areas	2022	2021
Nordic region	2 128 702	1 951 590
Rest of Europe	8 935 230	8 388 403
North America	1 776 691	1 141 808
Rest of the world	8 924 812	6 679 209
Total	**21 765 434**	18 161 011

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

	Parent Company		Group	
	2022	2021	**2022**	2021
Wages and salaries, holiday pay, fees etc	87 780	71 863	944 473	910 903
Employer's tax	11 934	9 086	68 938	69 448
Pension expenses benefit-based pensions	0	0	17 498	15 460
Pension expenses contribution-based pensions	2 431	1 663	42 177	21 336
Other personnell expenses	(730)	1 705	29 627	33 762
Total wages and salaries	**101 416**	**84 318**	**1 102 704**	**1 050 909**
Full time equivalents	19,5	15,5	1 333,7	1 308,5

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 11 859 in 2022. 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.

Auditor's fee (ex. VAT)	Parent Company	Group: Parent company's auditor	Group: Other auditors
Statutory audit	668	3 371	5 110
Assistance with preparing annual financial statements, tax returns and other tax services	341	1 006	2 267
Services other than audit	9	323	2 561
Total	1 018	4 700	9 938

Some of the subsidiaries have a defined benefit pension scheme that covers a total 316 (325) employees in the Group at 31 December 2022, of which 291 (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:	**2022**	2018
Current value of this year's pension contributions	-515	-484
Interest cost of accrued pension liability	2 752	2 671
Expected return on pension assets	-2 749	-2 574
Amortisation	0	0
National insurance contribution and administration expenses	-327	-95
Changes in pension scheme	-10	95
Net pension expenses, contribution plans	18 352	15 850
Year's pension expenses/(income)	**17 498**	**15 460**

Pension assets/(liabilities):	**2022**	2021
Estimated pension liabilities	-150 131	-163 743
Pension assets (at market value)	157 562	156 814
Unrecognised actuarial differences	0	0
Estimated national insurance contribution	-1 566	-2 121
Adjustment IFRS to NGAAP	0	0
Net book value, pension liabilities	**5 233**	**-9 576**
Pension scheme with net liability classified as an accrual	**-4 909**	**-10 405**
Pension assets included in other receivables	**10 142**	**829**

NOTES TO THE ACCOUNTS

Amounts in NOK 1,000

Estimate assumptions:

Discount rate	1,5 % - 3,4 %
Expected returns	2,4 % - 3,4 %
Wage and salary adjustment rate	2,00 % - 3,50 %
National Insurance Scheme's basic pension adjusmtent rate	3,25 %
Pension regulation	1,5%

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	12 182	95 054	518 859	183 550
Reclassification	0	0	-30 608	8 197
Foreign currency translation differences	0	0	8 629	0
Additions during the year	236	231 478	83 042	1 528
Disposals during the year	0	-75 196	-9 161	0
Acquisition cost as per 31 December	**12 418**	**251 337**	**570 760**	**193 275**
Depreciations and amortisations as per 1 January	9 755	0	292 124	35 540
Reclassification	0	0	0	0
Foreign currency translation	0	0	2 217	0
This year's depreciations	377	0	83 384	10 154
This year's writedowns	0	0	107 695	57 894
Additions during the year	0	0	0	0
Disposals during the year	0	0	-5 109	0
Accumulated depreciations and amortisations	10 132	0	480 311	103 588
Book value as per 31 December	**2 285**	**251 337**	**90 442**	**89 687**
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	95 054	2 172 018	1 852 830	-30 218	4 792 093
Reclassification	0	3 361	-207	0	-19 256
Foreign currency translation differences	0	259 984	35 647	0	304 260
Additions during the year	231 478	25 476	90 231	20 018	451 773
Disposals during the year	-75 196	0	-2 585	0	-86 942
Acquisition cost as per 31 December	**251 337**	**2 460 839**	**1 975 915**	**-10 201**	**5 441 924**
Depreciations and amortisations as per 1 January	0	653 797	1 017 801	-141 461	1 857 800
Reclassification	0	3 009	27 437	0	30 446
Foreign currency translation	0	37 954	13 997	0	54 168
This year's depreciations	0	118 462	166 552	27 525	406 075
This year's writedowns	0	0	849	3 552	169 990
Additions during the year	0	0	0	0	0
Disposals during the year	0	0	0	0	-5 109
Accumulated depreciations and amortisations	0	813 222	1 226 634	-110 386	2 513 369
Book value as per 31 December	**251 337**	**1 647 618**	**749 278**	**100 184**	**2 928 554**
Economic life	Not depreciated	20-25 years	2 - 99 years	5-10 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 2021 (NOK -10 680), goodwill from acquisitions / issues in Western Bulk Chartering AS (NOK 10 567), goodwill in O1881 Group (NOK 85 469), goodwill in Lumarine (NOK 5 174) and NextGenTel (NOK 9 654). 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 127,464 USD, excluding options. In addition, Bulk Invest has entered into some long-term T/C agreements as charterer. These represent a lease receivables of 22,734 USD.

NOTE 4 - OTHER FINANCIAL INCOME AND EXPENSES

	Parent Company		Group	
	2022	2021	**2022**	**2021**
Share dividends	20 742	0	0	0
Gains on foreign exchange	2 301	0	70 319	3 642
Other financial income	4 435	41 085	67 645	46 732
Total other financial income	**27 478**	**41 085**	**137 964**	**50 374**

	2022	2021	**2022**	**2021**
Loss on foreign exchange	-30 224	0	-74 922	-34 544
Other financial expense	-14 902	-17 574	-29 238	-41 277
Total other financial expenses	**-45 126**	**-17 574**	**-104 160**	**-75 822**

NOTES TO THE ACCOUNTS

Amounts in NOK 1,000

NOTE 5 – TAXES

Tax expenses for the year:	Parent Company 2022	Parent Company 2021	Group 2022	Group 2021
Change in deferred tax/deferred tax assets*	-1 209	11 470	5 899	-10 366
Tax payable	0	0	298 275	293 621
Tax on group contribution in P&L	0	-6 406	0	-3 578
Other changes	0	0	12 553	-19 698
Year's tax expense/(income)	**-1 209**	**5 064**	**316 726**	**259 979**

**: 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:	2022	2021
Operating result before tax	574 872	259 354
Permanent differences	-751 022	-556 056
Change in temporary differences	-8 117	16 611
Basis for tax payable	**-184 268**	**-280 091**
Tax (22 %)	0	0

Specification of the basis for deferred tax:

Offsetting differences	Parent Company 2022	Parent Company 2021	Group 2022	Group 2021
Temporary differences, current receivables/debt	33 764	24 339	-71 122	-39 799
Temporary differences, fixed assets/long term debt	-480	-596	162 281	367 970
Temporary differences, others	5 692	7 115	-201 396	-205 838
carried forward	-457 680	-364 862	-738 209	-532 937
Change in deferred tax/(deferred tax assets)	**-418 703**	**-334 003**	**-848 447**	**-410 604**
	0	*0*	*22% - 23%*	*22% - 23%*
Estimated deferred tax/(deferred tax assets)	**-92 115**	**-73 481**	**-187 373**	**-90 342**
			0	0
Deferred tax - not recognized on balance sheet	**-83 509**	**-60 953**	**-203 182**	**-85 036**
Net deferred tax / (deferred tax asset)	**-8 606**	**-12 528**	**15 809**	**-5 306**
Deferred tax on balance sheet	**0**	**0**	**44 806**	**312**
Deferred tax asset on balance sheet	**-8 606**	**-12 528**	**-28 997**	**-5 618**

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 3 868 054

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 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

NOTES TO THE ACCOUNTS

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		79 585 160	33,3 %	585 988
Komplett Bank ASA (in addition to 2,860,000 shares in forward contracts)		35 747 285	19,1 %	312 789
Instabank ASA		83 126 568	25,0 %	137 264
Diffia AS		118 526	42,1 %	76 392
Nordic Corporate Bank ASA		517 061	10,0 %	62 656
Seram Coatings AS		2 391 424	28,2 %	28 908
Hjemmelegene AS		157 326	27,8 %	27 000
Argeo AS (in addition to 8,100,000 shares in forward contracts)		10 917 292	21,4 %	23 136
Ostomycure AS*		116 652 832	73,9 %	0
Other shares and financial instruments				100 644
Total shares and other financial instruments – parent company				**1 454 780**

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 %	93 010
Rødhallen AS*	0	100,0 %	47 818
Previwo AS*	1 611 235	60,2 %	45 289
Semine AS**	739 337	52,7 %	40 278
Other shares and financial instruments			65 700
Total shares and other financial instruments – Subsidiaries			587 783
Total shares and other financial instruments – Group			**2 042 561**

** Not consolidated due to temporary ownership.*

***: Not consolidated due to temporary ownership.Accounting figures apply for 2021 as 2022 was not ready when Kistefos's annual accounts were submitted.*

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

The parent company has at year-end 2022 and 2021 no secured debt.
The Group has debt of 5 738 828 NOK (2021: 4 764 664 NOK) that is pledged in assets with a book value of 7 713 134 NOK (2021: 6 392 883 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, 625,000 NOK 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 28 500 NOK which falls due after 2027. 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

Of the parent company's and the Group's bank deposits, 350 362 NOK (2021: 174 236 NOK) are in deposit accounts as collateral for forward funded shares. This can be freed when the instalments are realised. In addition to this, 1 525 NOK (2021: 1 809 NOK) is deposited in tax withholding account for the parent company.

Western Bulk Chartering has restricted cash deposits of 11,743 USD related to obligations to brokers, guarantees and bunker facilities.

As of 31/12/22, Lumarine has drawn NOK 56,126 from an overdraft facility with a limit of NOK 55,000. On 2 February 2023, the company received a waiver from Sparebank 1 SR-Bank for covenants for Q3 and Q4 2022 on both the overdraft facility and the company's mortgage loan.

The parent company and Group are subject to covenant requirements concerning a minimum level of available liquidity.
The parent company and Group (except Lumarine as mentioned above) were in compliance with these requirements as per 31 December 2022.

Guarantees, etc.

Kistefos AS has provided a guarentee for the 400,000 NOK drawdown facility in Kistefos Equity Holdings AS (327 818 NOK drawn as of 31.12.22) and for the 40 000 USD drawndown facility in Viking Supply Ships Holdings AS (undrawn as of 31.12.22) . Kistefos's guarantees were not exposed to losses at the time the financial statements were presented.

Western Bulk Chartering AS has provided guarantee for a revolving credit facility of 20,000 USD and bunker facilities of 10,000 USD. As of 31.12.22, none of the facilities have been drawn upon. 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 13,600 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 13 900 USD as of 31.12.2022, compared to 9 600 USD as of 31.12.2021.

China Investments AS (a wholly-owned subsidiary of Kistefos AS) has appealed a decision from the tax authorities on increased taxable income in connection with the sale of fund shares in 2015. The Tax Appeal Board has upheld the tax authorities' assessment, and China Investment will not pursue the case further. A tax cost of a total of NOK 8 million has been booked in the accounts for 2022 related to this case.

NOTES TO 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	994 294	1 382 630
Profit/(loss) for the year	0	0	576 081	576 081
Group contribution	0	0	-392 917	-392 917
Dividend	0	0	-7 083	-7 083
Other changes and conversion differences	0	0	0	0
Equity as per 31 December	**310 828**	**77 508**	**1 170 376**	**1 558 712**

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	1 619 949	1 402 885	3 411 170
Profit/(loss) for the year	0	0	445 094	611 806	1 056 901
Group contribution	0	0	-392 917	0	-392 917
Dividend	0	0	-7 083	-424 590	-431 673
Other changes and conversion differences	0	0	265 908	152 167	418 076
Purchase of subsidiaries	0	0	0	0	0
Equity as per 31 December	**310 828**	**77 508**	**1 930 952**	**1 742 269**	**4 061 557**

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 January 2022, Kistefos sold all shares in Promon AS (28.8%) and recorded a gain of 273,000 NOK.

In June 2022, Kistefos AS sold art for a total of 85,338 NOK to related parties.

In July 2022, Kistefos received 151,166 NOK in additional settlement for the sale of Kappa Bioscience AS in 2019.

In September 2022, Kistefos AS bought art from related parties for 22,000 USD.

In February 2023, Marco Polo Network filed for bankruptcy, the investment is written down to 0 in the accounts for 2022.

During the year, Kistefos AS sold shares for a total of 92,000 NOK to and bought shares for a total of 81,700 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 576 081 000 in the financial statements of the parent company and a profit of NOK 1 056 901 000 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 2022, 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 2022, 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 2022, and its financial performance and its cash flows for the year then ended in accordance with 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 2022, and its financial performance and its cash flows for the year then ended in accordance with 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, 16 March 2023
RSM Norge AS

Translation, not to be signed

Per-Henning Lie
State Authorised Public Accountant