

FEPD

2022

Annual Report

We will create enduring value and leave clear footprints

Our vision – to create enduring value and leave clear footprints – describes what all of us at Ferd strive to achieve. It articulates our commitment to creating value that is not just financial. Our ambition is to create and develop companies, investment teams, organisations and changes that leads to progress for both individuals and society as a whole.

Leaving clear footprints means that we want our activities to leave lasting, significant and visible results. This also acknowledges that a trail is clearest if many follow it – our ambition is for all our companies, business units and employees to be driven by the same overriding principles whilst retaining their particular identity and freedom of action.

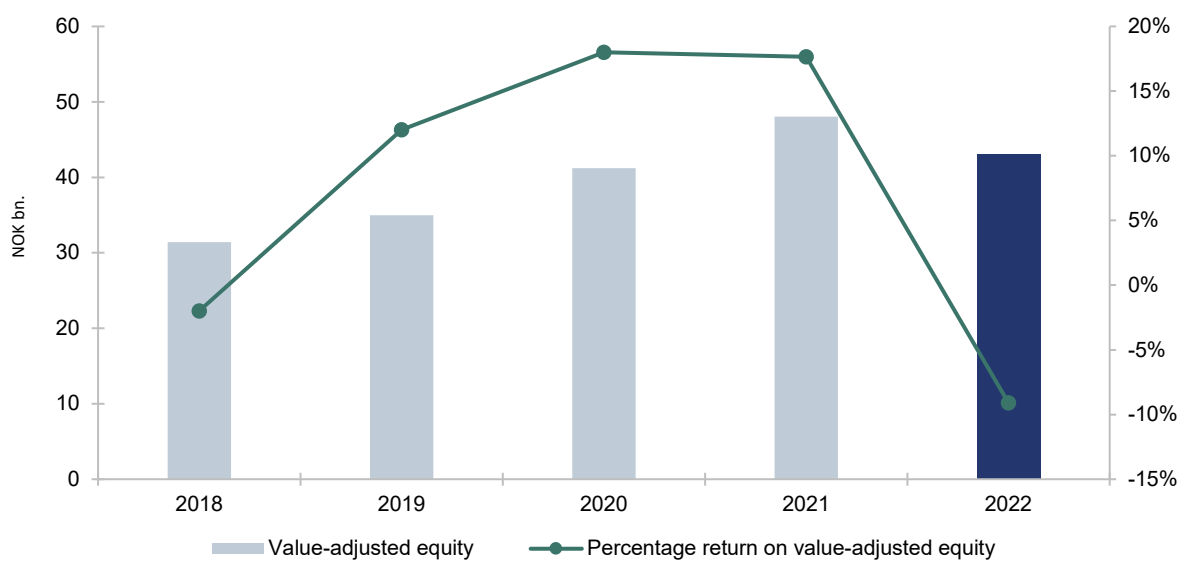


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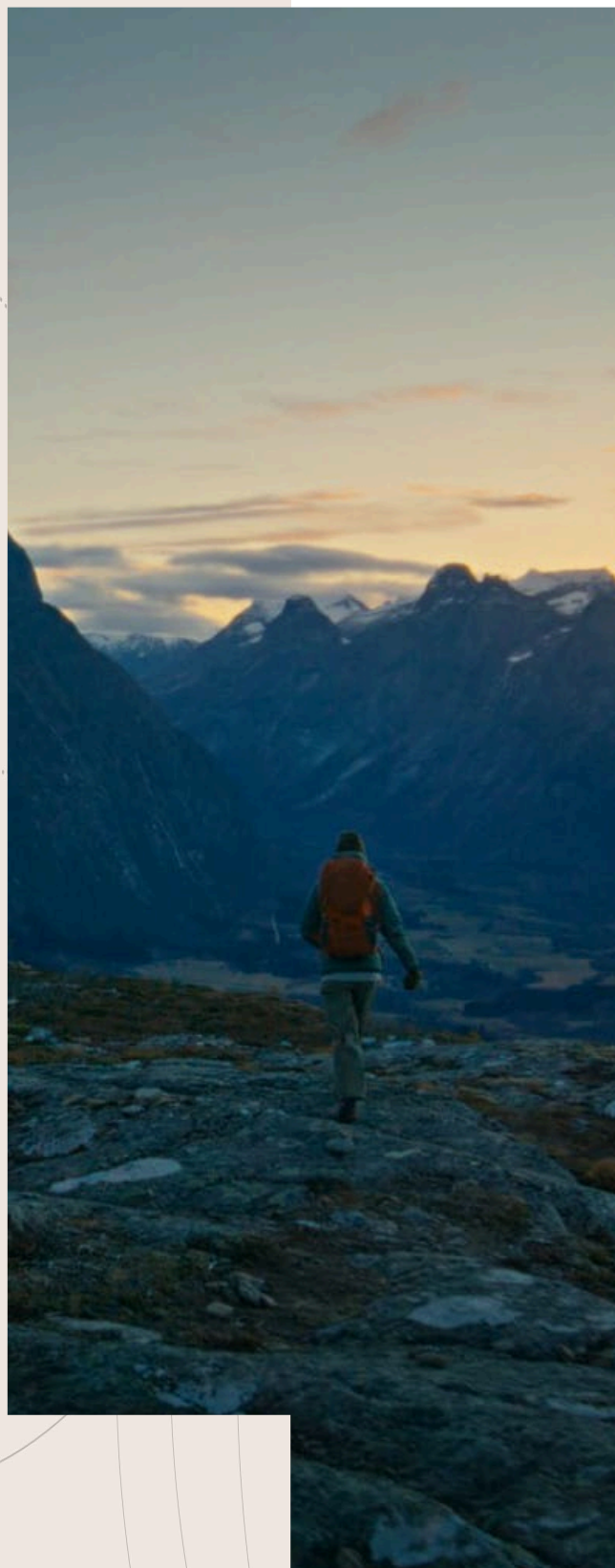
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KEY FIGURES

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------|------|------|------|------|------|
| <i>Figures in NOK billion</i> | | | | | |
| Value-adjusted equity | 31,4 | 35,0 | 41,2 | 48,0 | 43,0 |
| Return on value-adjusted equity | -2% | 12% | 18% | 18% | -9% |
| Liquidity | | | | | |
| Cash and cash equivalents | 12,1 | 12,8 | 13,2 | 21,4 | 16,5 |



**LETTER FROM
THE CEO**



LETTER FROM THE CEO

In 2022 the world again experienced upheavals that have left deep scars and have put values to the test. Not just financial values, but also fundamental universal values such as trust, collaboration, and security. This was particularly evident to the 151 employees at Elopak's production facility in Ukraine, and the 185 employees at Elopak's business in Russia which the company had to dispose of in 2022.

These bleak times affect all of us, and also challenge Ferd and our people. We can see examples of both small and major consequences of these uncertain times throughout the Ferd group. Our people at Fjord Line have seen the global pandemic succeeded by a global energy crisis which has multiplied fuel prices several times over. Uncertainty has also had an impact on Brav and Mesterguppen, where accelerating inflation and the outlook for slower economic growth mean that customers have to be more cautious in their spending priorities.

"Ferd is committed to ensuring we will always be able to support our companies through challenging periods"

Ferd is committed to ensuring we will always be able to support our companies through challenging periods. Following several years of positive development for the group, we now have the skilled people, robust systems and available capital that are needed to support and continue to develop both our companies and our people. Ferd's team of over 70 employees has played a crucial role in dealing with one of the most challenging periods we have seen in recent times.

Ferd is a major owner in over 18 leading Nordic companies that have over 20,000 employees in total. The overall return for 2022 was minus 9.1%. This was much better than had been feared in the extremely turbulent market conditions seen in 2022 in both the Nordic countries and internationally, and we are well equipped to cope with this outturn. The group's financial condition is solid.

"The strength we have seen in our employees and portfolio companies throughout the group, is being taken forward into 2023"

On the positive side, several parts of the group's activities did create significant value over the course of 2022. This was achieved through our ability and willingness to identify and take advantage of opportunities. We have supported the initiative of people and companies who in a bold way have dared to make use of uncertain times to strengthen long-term positions and competitiveness. Through the acquisition of PTC, Interwell gained an even stronger position as a technology supplier that offers both greater efficiency and reduced risk for dealing with damaging climate events in the energy sector. Aibel continues to expand with new green energy projects and has a record-high order book, particularly in offshore wind projects. Through Ferd Social Entrepreneurs we are creating social value, and we hope that



our Oslo Initiative will help to reduce social inequality in our capital city.

"For almost 175 years, Ferd and Ferd's owners have stood for long-term Norwegian ownership"

The strength we have seen in our employees and portfolio companies throughout the group, is being taken forward into 2023. We will continue to seek out opportunities for energy transformation, developing consumer-oriented companies and niche tech companies, as well as opportunities within real estate and the seafood industry. We believe that combined focus and collaboration between society, the authorities and business is absolutely crucial in order for Norway to protect its position in the industries where we are world leading and not to miss out on the ability and opportunities to develop new industries.

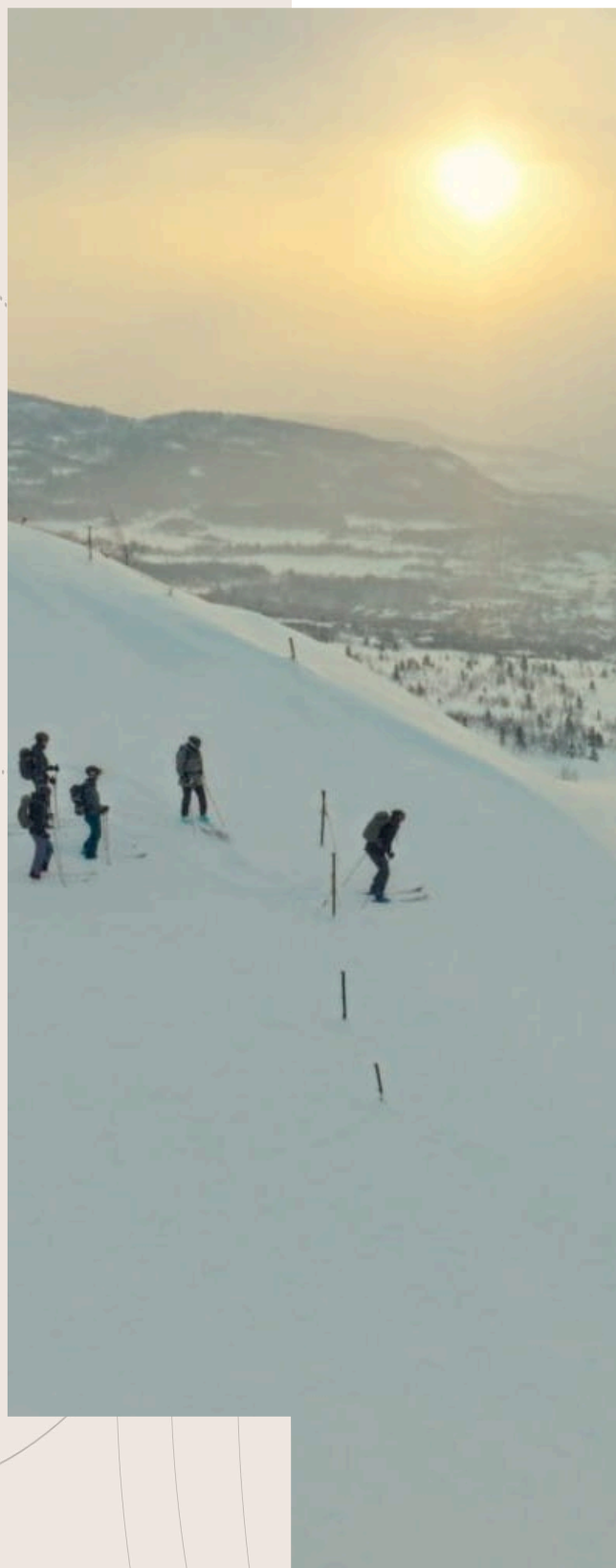
"... when we and the world are put to the test our vision is an unconditional guide: We will create enduring value and leave clear footprints"

For almost 175 years, Ferd and Ferd's owners have stood for long-term Norwegian ownership. It is particularly when the outlook is at its bleakest, and we and the world are put to the test, that our vision is an unconditional guide: We will create enduring value and leave clear footprints.

Best regards,

Morten Borge
CEO

FINANCIAL STATEMENTS
FERD HOLDING AS
2022



THE BOARD OF DIRECTORS' REPORT FERD HOLDING

The Company's business is to be a holding company and to invest in shares.

The Company's main office is in Oslo.

Pursuant to the Norwegian Accounting Act section 3-3a, we confirm that the financial statements have been prepared on the going concern assumption.

The Company has implemented a policy securing that there shall be no gender discrimination. There are no employees in the Company. The Company's Board comprises four men and one woman. See more information in the Board of Directors' report for Ferd AS.

The board members and the company's management are covered by liability insurance for the liability the persons may have towards the company and third parties. The insurance covers personal legal liability including expenses to legal counsels and other legal expenses.

The Company's effect on the external environment is considered insignificant.

For comments to Ferd's results, please refer to the Board of Directors' report for Ferd AS or to [Ferd.no](https://ferd.no)

This year's change in fair value of the shares in Ferd AS amounts to NOK -5 131 million. Additional dividends totalling NOK 670 million has been paid to Ferd JHA AS, Ferd KGA AS and Ferd AGA AS in 2022.

In the Board's opinion, the financial statements give a fair view of Ferd Holding AS' assets and liabilities, financial position, and result.

The Board proposes that the total comprehensive income of NOK -4 467 million is allocated to other equity.

Oslo, 18 April 2023

The Board of Directors of Ferd Holding AS

Johan H. Andresen (sign)
Chair of the Board

Henrik Brandt (sign)
Director

Petter Winther Borg (sign)
Director

Berit Ledel Henriksen (sign)
Director

Sven Nyman (sign)
Director

Morten Borge (sign)
CEO

THE BOARD OF DIRECTORS OF FERD HOLDING AS



Johan H Andresen
Chair

Johan H. Andresen is together with his two daughters Katharina and Alexandra fifth and sixth generations owners of Ferd. Johan H. Andresen became chair of the Board of Directors in October 2012 after 14 years as Chief Executive Officer. He is also the chair of Ferd Social Entrepreneurs AS. Johan is also a member of the boards of the Abler Nordic (former Nordic Microfinance Initiative), JA Europe, and Oslo Science City. In 2015 he was appointed as the chair of the Council of Ethics for the Norwegian Government Pension Fund Global (the "oil fund") and was reappointed in 2019.



Berit L. Henriksen
Director

Berit L. Henriksen has extensive experience within the banking and finance sector. She has held a range of management positions at DNB serving the large customers segment, including in energy (oil and gas, oil-service, power, and renewable energy), shipping and other international industries such as seafood, healthcare, manufacturing, and telecoms/media/technology. Henriksen was head of DNB America between 1998 and 2004. She has a

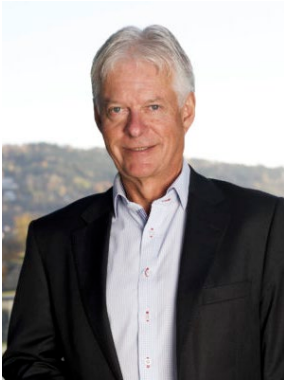
BSc and MBA from universities in Canada and has previously held various bank-related board positions. She is currently member of head of the Nomination Committee of Norsk Hydro ASA, a member of the Nomination Committees of Equinor ASA, and board member at Eneti Inc., Intranordic AS, Dextra Musica AS and Hemsingfestivalen AS. Berit has been member of the Board of Directors of Ferd Holding AS since September 2017.



Henrik Brandt
Director

Henrik Brandt, who is Danish, now works as a non-executive director at a range of companies. He has more than 30 years of experience as a CEO of international companies, including Royal Unibrew A/S, Unomedical A/S, Sophus Berendsen A/S, House of Prince/ Skandinavisk Tobakskompagni A/S and Fritz Hansen A/S. Henrik is chair of Toms Gruppen A/S, Danish Bake Holding ApS (Ole & Steen), nemlig.com A/S, Fritz Hansen A/S, and Scandinavian

Tobacco Group. He is also a member of the boards of Gerda & Victor B. Strands Fond and Gerda & Victor B. Strands Fond Holding A/S. Henrik has been a member of the Board of Directors of Ferd Holding since its launch in June 2004.



Petter W. Borg
Director

Petter W. Borg was the CEO until 31 December 2015 of Pareto Asset Management AS, which he was involved in setting up in 1998 as Pareto Forvaltning ASA. Petter led the company, which has become a leading player in the Norwegian asset management industry, from its foundation until 2015. Petter has also previously been the CEO of the insurance broker Dextra AS, and he has extensive experience of the financial sector from various senior

management positions at NEVI Finans / DnB Finans. Petter is currently the chair of Maverix AS and a member of the board of Cloudberry Clean Energy ASA, Attivo Eiendom AS, Grieg Investor AS, Nordic Aquafarms AS, Solfonn AS, Langfonn AS and Storstein AS. He is also the chair of the Nomination Committee of Pareto Bank ASA. Petter W. Borg has been a member of the Board of Directors of Ferd Holding since September 2015.



Sven Nyman
Director

Sven Nyman is Swedish. He was the chair and founder of RAM Rational Asset Management AB and was the Chief Investment Officer for the RAM ONE fund between 2002 and 2020. Between 1984 and 2002 Nyman worked at Investor AB or at one of its part-owned subsidiaries. Nyman has been Vice President of Investor AB and Head of Active Portfolio Management. He has worked with Investor AB's core holdings, and was on the boards of OM, Diligenta,

Gambro and Alecta. From 1995 to 1997 he was President of Investor AB's subsidiary in New York. Nyman founded and was CEO of Arbitech (1987) and Lancelot Asset Management (1989). Nyman is the deputy chair of the board of Skandinaviska Enskilda Banken, and a member of the boards of Investor AB, the Stockholm School of Economics Association, Axel and Margaret Ax:son Johnson Foundations as well as a member of the Nobel Foundation's investment committee. Sven has been a member of the board of directors of Ferd Holding since 2017.



Katharina G. Andresen
Board observer



Alexandra G. Andresen
Board observer

Income statement 1 January - 31 December

| NOK mill. | Note | 2022 | 2021 |
|---|----------|---------------|--------------|
| OPERATING INCOME AND EXPENSES | | | |
| Dividend and group contribution from subsidiaries | <u>3</u> | 670 | 947 |
| Fair value change of shares in subsidiaries | <u>3</u> | -5 131 | 6 225 |
| Operating income | | -4 461 | 7 172 |
| Salary expenses | <u>4</u> | 2 | 2 |
| Other operating expenses | <u>4</u> | 5 | 6 |
| Operating expenses | | 7 | 8 |
| Operating profit | | -4 468 | 7 164 |
| Profit before tax | | -4 467 | 7 164 |
| Income tax expense | <u>5</u> | - | - |
| PROFIT FOR THE YEAR | | -4 467 | 7 164 |

Total comprehensive income 1 January - 31 December

| NOK mill. | 2022 | 2021 |
|-----------------------------------|---------------|--------------|
| PROFIT FOR THE YEAR | -4 467 | 7 164 |
| TOTAL COMPREHENSIVE INCOME | -4 467 | 7 164 |

Balance sheet as at 31 December

| NOK mill. | Note | 2022 | 2021 |
|---|----------|---------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments in subsidiaries | <u>6</u> | 41 808 | 46 933 |
| Shares and investments in other companies | | 43 | 18 |
| Total non-current assets | | 41 851 | 46 951 |
| Current assets | | | |
| Receivables on group companies | <u>3</u> | 633 | 642 |
| Bank deposits | | 2 | 2 |
| Total current assets | | 635 | 644 |
| TOTAL ASSETS | | 42 486 | 47 595 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | <u>7</u> | 100 | 100 |
| Share premium | | 29 926 | 30 596 |
| Other equity | | 11 750 | 16 217 |
| Total equity | | 41 776 | 46 913 |
| Non-current liabilities | | | |
| Other non-current liabilities | | 99 | 47 |
| Total non-current liabilities | | 99 | 47 |
| Current liabilities | | | |
| Other current liabilities | | 2 | 1 |
| Debt to group companies | <u>3</u> | 124 | - |
| Debt to related parties | <u>3</u> | 485 | 634 |
| Total current liabilities | | 611 | 634 |
| Total liabilities | | 710 | 681 |
| TOTAL EQUITY AND LIABILITIES | | 42 486 | 47 595 |

Oslo, 18 April 2023

The Board of Directors of Ferd Holding AS

 Johan H. Andresen (sign)
 Chair of the Board

 Henrik Brandt (sign)
 Director

 Petter Winther Borg (sign)
 Director

 Berit Ledel Henriksen (sign)
 Director

 Sven Nyman (sign)
 Director

 Morten Borge (sign)
 CEO

Statement of changes in equity

2022

| NOK mill. | Share capital (Note 7) | Share premium | Total paid -in equity | Reserve for unrealized gains | Other equity | Total other equity | Total equity |
|-----------------------------------|---------------------------|---------------|-----------------------|------------------------------|--------------|--------------------|--------------|
| Equity at 1 January 2022 | 100 | 30 596 | 30 696 | 8 877 | 7 340 | 16 217 | 46 913 |
| Total compr. Income 2022 | - | - | - | 1 112 | -5 579 | -4 467 | -4 467 |
| Owner transactions | | | | | | | |
| Allocated dividend | - | -670 | -670 | - | - | - | -670 |
| Equity at 31 December 2022 | 100 | 29 926 | 30 026 | 9 989 | 1 761 | 11 750 | 41 776 |

*) The company has in 2022 paid additional dividends to Ferd JHA AS, Ferd KGA AS og Ferd AGA AS.

2021

| NOK mill. | Share capital (Note 7) | Share premium | Total paid -in equity | Reserve for unrealized gains | Other equity | Total other equity | Total equity |
|-----------------------------------|---------------------------|---------------|-----------------------|------------------------------|--------------|--------------------|--------------|
| Equity at 1 January 2021 | 100 | 31 543 | 31 643 | 8 877 | 176 | 9 053 | 40 696 |
| Total compr. Income 2021 | - | - | - | - | 7 164 | 7 164 | 7 164 |
| Owner transactions | | | | | | | |
| Allocated dividend | - | -947 | -947 | - | - | - | -947 |
| Equity at 31 December 2021 | 100 | 30 596 | 30 696 | 8 877 | 7 340 | 16 217 | 46 913 |

*) The company has in 2021 paid additional dividends to Ferd JHA AS, Ferd KGA AS og Ferd AGA AS.

Statement of cash flows 1 January - 31 December

The cash flow statement has been prepared using the indirect method, implying that the basis used is the Company's profit before tax to present cash flows generated by ordinary operating activities, investing activities and financing activities, respectively. Cash and cash equivalents include cash and bank deposits

| NOK mill. | 2022 | 2021 |
|---|-------------|-------------|
| Operating activities | | |
| Profit before tax | -4 467 | 7 164 |
| Dividend and group contribution | -670 | -947 |
| Write-down of shares in subsidiaries | 5 131 | -6 225 |
| Changes in other receivables | -22 | -511 |
| Changes in other current liabilities | 29 | 519 |
| Investing activities | | |
| Dividends received from subsidiaries | 670 | 947 |
| Net cash flow from investing activities | 670 | 947 |
| Financing activities | | |
| Paid dividend | -670 | -947 |
| Net cash flow from/-used in financing activities | -670 | -947 |
| Bank deposits at 1 January | 2 | 1 |
| Bank deposits at 31 December | 2 | 2 |

Note 1 General information and accounting principles

General information

Ferd is a family-owned Norwegian investment company committed to value-creating ownership of businesses and investments in financial assets. In addition, Ferd has an extensive involvement in social entrepreneurship.

Ferd Holding AS is wholly owned by Johan H. Andresen and his family. Johan H. Andresen is the chairman of the Board. The Company's financial statements for 2022 were approved by the Board of Directors on 18 April 2023.

Basis for the preparation of the consolidated financial statements

Ferd Holding AS' financial statements are prepared in accordance with the regulation on simplified use of international accounting standards.

Consolidated financial statements are not prepared, as a consequence of the exception for parent companies in subgroups, cf. the Norwegian Accounting Act section 3-7. The Company is included in the consolidated financial statements of Ferd JHA AS.

The most significant accounting principles applied in the preparation of the financial statements are described below. The accounting principles are consistent for similar transactions in the reporting periods presented, if not otherwise stated.

Receivables

Current receivables are initially recognised at fair value. At subsequent measurements, provisions for actual and possible losses are taken into account.

Current liabilities

Trade payables and other short-term liabilities are initially recognised at fair value and later at amortised cost. Trade payables and liabilities are classified as current if due within one year or being part of the ordinary operating cycle.

Dividends

Dividends proposed by the Board are classified as current liabilities in the financial statements, pursuant to the exception in the Accounting Act section 3-9's regulation about a simplified accounting standard section 3-1, first par. no. 4.

Note 2 Accounting estimates and judgemental considerations

Management has used estimates and assumptions in the preparation of the financial statements. This applies for assets, liabilities, expenses, and disclosures. The underlying estimates and assumptions for valuations are based on historical experience and other factors considered to be relevant for the estimate on the balance sheet date. Estimates can differ from actual results. Changes in accounting estimates are recognised in the period they arise.

The main balances where estimates have a significant impact on disclosed values are mentioned below. The methods for estimating fair value on financial assets are also described below.

In Ferd's opinion, the estimates of fair value reflect reasonable estimates and assumptions for all significant factors expected to be emphasised by the parties in an independent transaction, including those factors that have an impact on the expected cash flows, and by the degree of risk associated with them.

Determination of the fair value of financial assets

A large part of Ferd Holdings balance sheet comprises financial assets at fair value. The fair value assessment of financial assets will at varying degrees be influenced by estimates and assumptions related to factors like future cash flows, the required rate of return and interest rate level. The most significant uncertainty concerns the determination of fair value of the unlisted financial assets.

Ferd Holding AS owns investments indirectly through subsidiaries acting as holding companies for these investments. The fair value of these subsidiaries is set to the carrying value of equity, adjusted for non-recognised changes in value of the underlying investments. The underlying investments are valued according to the same principles and methods as Ferd Holding AS' direct investments.

Note 3 Related parties

Parties are considered to be related when one of the parties has the control, joint control or significant influence over another party. Parties are also related if they are subject to a third party's or enterprise's joint control, or one party can be subject to significant influence and the other joint control. A person or member of a person's family is related when he or she has control, joint control or significant influence over the business. Companies controlled by or being under joint control by key executives are also considered to be related parties. All related party transactions are completed in accordance with written agreements and established principles.

Transactions and balances with related parties:

| NOK mill. | 2022 | 2021 |
|---|------------|------------|
| Assets | | |
| Current receivables on Ferd AS | 633 | 642 |
| Total | 633 | 642 |
| Liabilities | | |
| Short-term debt to Ferd JHA AS | 124 | 110 |
| Short-term debt to Ferd KGA AS | 212 | 187 |
| Short-term debt to Ferd AGA AS | 273 | 337 |
| Total | 609 | 634 |
| Profit and loss | | |
| Dividend from subsidiary recognised as income | 670 | 947 |
| Total | 670 | 947 |

Note 4 Salaries and remuneration

| NOK1000 | 2022 | 2021 |
|--------------|--------------|--------------|
| Salaries | 1 610 | 1 610 |
| Social taxes | 200 | 201 |
| Total | 1 810 | 1 811 |

The company has no employees. Salary expenses consist primarily of remuneration to the board members. The CEO receives his salary from Ferd AS. The CEO is part of a long-term savings scheme for Ferd. The savings scheme has a lock-in period and Ferd Holding AS has financed parts of the scheme.

Auditor

Auditor fees constitute (all amounts including VAT):

| NOK1000 | 2022 | 2021 |
|---------------------------|-----------|-----------|
| Statutory audit | 40 | 56 |
| Total auditor fees | 40 | 56 |

Remuneration Board of Directors

The Board of Directors has received NOK 1,610,000 in board fees in 2022.

Note 5 Income taxes

The tax expense in the income statement includes tax payable and change in deferred tax. Tax on items recognised in other income and costs in other comprehensive income is also recognised in other income and costs in other comprehensive income, and tax on items related to equity transactions is recognised in equity.

The tax payable for the period is calculated according to the tax rates and regulations ruling at the end of the reporting period. Deferred tax is calculated on temporary differences between book and tax values of assets and liabilities and the tax effects of losses to carry forward at the balance sheet date.

Deferred tax assets are only recognised in the balance sheet to the extent that it is probable that there will be future taxable profits to utilise the benefits of the tax reducing temporary differences. Deferred tax liabilities and assets are calculated according to the tax rates and regulations ruling at the end of the reporting period and at nominal amounts. Deferred tax liabilities and assets are recognised net when the Company has a legal right to net assets and liabilities. The Company has no temporary differences for the time being.

Reconciliation of nominal to effective tax rate

| NOK mill. | 2022 | 2021 |
|---|--------------|--------------|
| Profit before tax | -4 467 | 7 164 |
| Expected tax expense at the nominal tax rate (22 percent) | -983 | 1 576 |
| Non-taxable gain/loss and distribution on securities | -147 | -208 |
| Unrealised changes in value of securities | 1 129 | -1 369 |
| Unrecognised deferred tax assets | - | 1 |
| Non-deductible expenses | 1 | 1 |
| Tax expense | - | - |
| Effective tax rate | 0,0 % | 0,0 % |

Deferred tax

The Company had no temporary differences as of 31 December 2021 or 31 December 2022.

Note 6 Subsidiaries and the use of fair value

Subsidiaries

Subsidiaries are companies where the parent company Ferd Holding AS has direct or indirect control. Ferd has control over an investment if Ferd has the decision power over the enterprise in which it has invested, is exposed to or entitled to a variable return from the enterprise, and at the same time has the opportunity to use this decision power over the enterprise to influence on the variable return

Subsidiaries are classified as tangible assets in the balance sheet and measured at fair value. Value changes on subsidiaries, current returns like dividend and gain or loss on the realisation of subsidiaries are recognised as net operating income in the income statement.

Ferd's principles in the measurement of fair value, in general

Ferd applies the valuation method that is considered to be the most representative estimate of an assumed sales value. Such a sale shall be carried out in an orderly transaction at the balance sheet date. As a consequence, all assets for which there is observable market information, or where a transaction recently has been carried out, these prices are applied (the market method). When a price for an identical asset is not observable, the fair value is calculated by another valuation method. In the valuations, Ferd applies relevant and observable data at the largest possible extent.

For all investments where the value is determined by another method than the market method, analyses of changes in value from period to period are carried out. Thorough analyses on several levels are made, both overall within the business area, by Ferd's group management and finally by Ferd's Board. Sensitivity analyses for the most central and critical input data in the valuation model are prepared, and in some instances recalculations of the valuation are made by using alternative valuation methods in order to confirm the calculated value.

Ferd is consistent in the application of valuation method and normally does not change the valuation principles. A change of principles will deteriorate the reliability of the reporting and weaken the comparability between periods. The principle for the valuation and use of method is determined for the investment before it is carried out and is changed only exceptionally and if the change results in a measurement that under the circumstances is more representative for the fair value.

Valuation methods

Investments in listed shares are valued by applying the market method. The quoted price for the most recent carried-out transaction on the marketplace is the basis.

Investments in unlisted shares managed in-house are normally valued on the basis of an earnings multiple. In calculating the value (Enterprise Value - EV), ratios like EV/EBITDA, EV/EBITA, EV/EBIT and EV / EBITDA-CAPEX) are applied. Ferd obtains relevant multiples for comparable companies. The multiples for the portfolio companies are adjusted if the assumptions are not the same as the peer group. Such assumptions can include a control premium, a liquidity discount, growth assumptions, margins or similar. The company's result applied in the valuation is normalised for one-off effects. Finally, the equity value is calculated by deducting net interest-bearing debt. In the event that an independent transaction in the market has taken place, this is normally used as a basis for our valuation.

The valuation of investments in externally managed private equity and hedge funds is based on value reports received from the funds (NAV).

Rental properties are valued by discounting future expected cash flows. The value of properties being part of building projects is valued at an assumed sales value on a continuous basis. There is often a shift in value at achieved milestones. Our calculated values are regularly compared to independent valuations.

Subsidiaries

| NOK mill. | Business office | Stake | Voting right | Profit for the year | Book value of equity | Carrying amount |
|--------------|-----------------|---------|--------------|---------------------|----------------------|-----------------|
| Ferd AS | Oslo | 100,0 % | 100,0 % | (4 469) | 41 808 | 41 808 |
| Total | | | | | | 41 808 |

Income from financial investments

| NOK mill. | Dividend and group contributions | Unrealised value changes | Net gains on sales | Total |
|-----------------------------|----------------------------------|--------------------------|--------------------|----------------|
| Investments in subsidiaries | 670 | (5 131) | - | (4 461) |
| Total 2022 | 670 | (5 131) | - | (4 461) |

| NOK mill. | Dividend and group contributions | Unrealised value changes | Net gains on sales | Total |
|-----------------------------|----------------------------------|--------------------------|--------------------|--------------|
| Investments in subsidiaries | 947 | 6 225 | - | 7 172 |
| Total 2021 | 947 | 6 225 | - | 7 172 |

Investments measured at fair value

| 2022 | | Cost price | Unrealised gains and losses | Carrying amount |
|-----------------------------|--|-------------------|------------------------------------|------------------------|
| NOK mill. | | | | |
| Investments in subsidiaries | | 31 819 | 9 989 | 41 808 |

| 2021 | | Cost price | Unrealised gains and losses | Carrying amount |
|-----------------------------|--|-------------------|------------------------------------|------------------------|
| NOK mill. | | | | |
| Investments in subsidiaries | | 31 819 | 15 114 | 46 933 |

Note 7 Share capital and shareholder information

The Company's share capital at 31 December 2022 comprises the following classes:

| | Number of shares | Nominal value | Carrying amount |
|--------------|-------------------------|----------------------|------------------------|
| A-shares | 15 204 072 | 1,00 | 15 204 072 |
| B-shares | 84 795 928 | 1,00 | 84 795 928 |
| Total | 100 000 000 | 0 | 100 000 000 |

Ownership structure

| Shareholders as of 31 December 2022 were: | Ordinary shares | Share class | Stake | Voting right |
|--|------------------------|--------------------|----------------|---------------------|
| Ferd JHA AS (100 percent owned by Johan H. Andresen) | 15 204 072 | A | 15,2 % | 70,0 % |
| Ferd KGA AS (100 percent owned by Katharina G. Andresen) | 42 397 964 | B | 42,4 % | 15,0 % |
| Ferd AGA AS (100 percent owned by Alexandra G. Andresen) | 42 397 964 | B | 42,4 % | 15,0 % |
| Total | 100 000 000 | | 100,0 % | 100,0 % |

The shares in class A have 13 votes each, whereas shares in class B have 1 vote. This has been considered in the column for voting rights.

Note 8 Events after the balance sheet date

There have been no significant events after the balance sheet with a significant impact on the financial statements for 2022.



To the General Meeting of Ferd Holding AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Ferd Holding AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, total comprehensive income, statement of changes in equity and statement of cash flows 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, and
- 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 simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

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 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 simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.

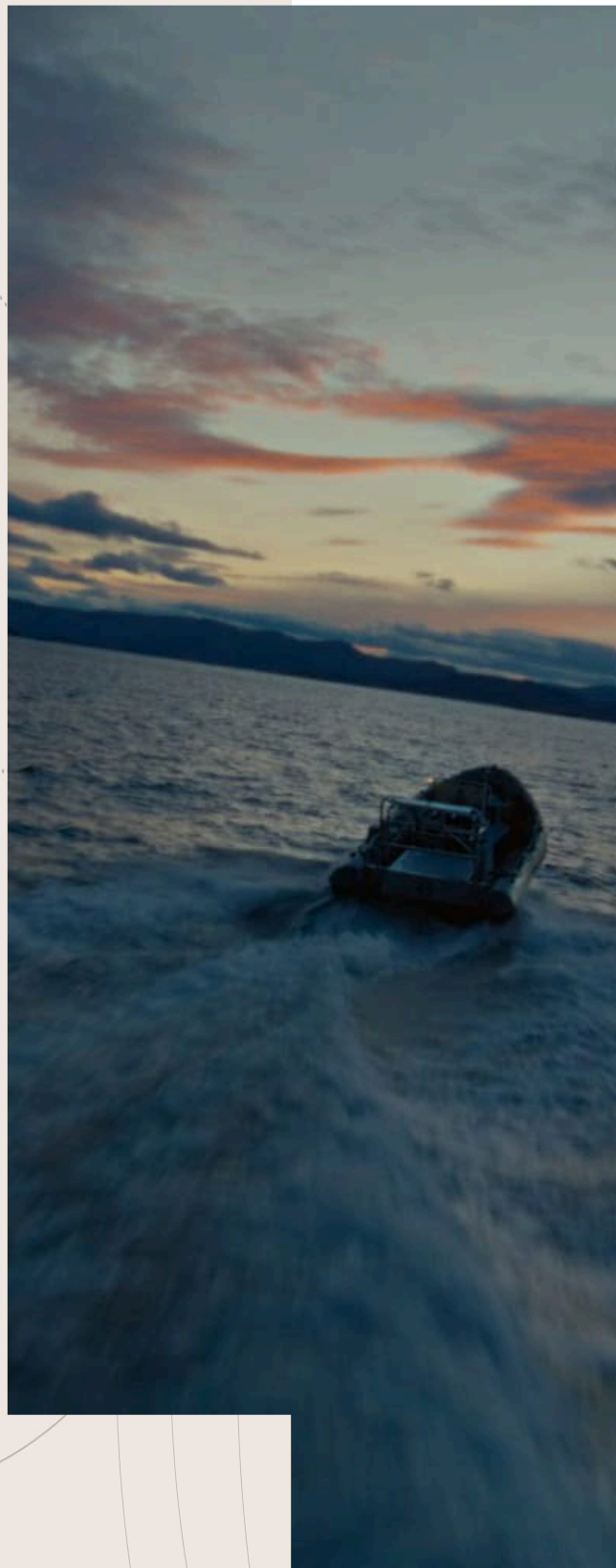
For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 18 April 2023
PricewaterhouseCoopers AS

Geir Haglund
State Authorised Public Accountant

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

**BOARD OF
DIRECTORS'
REPORT
FERD AS**



BOARD OF DIRECTORS' REPORT

2022 was characterized by the outbreak of war in Ukraine, escalating energy prices, rising inflation and volatile global stock markets. This also meant that several of Ferd's listed investments fell significantly in value in the first half of the year, while the second half was more stable and several of the investments then recovered some of the fall in value. For some of the investments that fell more than the underlying earnings would indicate, Ferd took the opportunity to increase its exposure. Several of Ferd's privately owned companies and property projects experienced more demanding market conditions in 2022. Other of our companies, and especially the investments within the energy sector, had a positive development during the year. Ferd had a reduction in value-adjusted equity of 9.1 per cent in 2022. This is better than feared in a turbulent market and demonstrates the value of having a diversified portfolio. In 2022, Ferd made investments for NOK 6.4 billion and realized values for NOK 6.2 billion. Value-adjusted equity at the end of the year was NOK 43.0 billion.

Ferd's business activities

Ferd is a family-owned investment company that is owned by the fifth and sixth generations of the Andresen family. Ferd's business activities can be divided into the areas Active owner, Active Investor and New solutions.

As an *active owner*, Ferd uses its influence to contribute to the development and growth of individual companies, always with the aim of achieving robust and sustainable value creation over time.

As an *active investor*, Ferd invests in international funds and maintains close contact with the investment managers throughout the period of its investment.

New solutions: Innovation and adventurous initiatives are a key part of Ferd's history and an important part of our vision. Ferd Impact Investing invests in early-phase companies with the potential both to have a positive impact in terms of the UN's Sustainable Development Goals and to generate a robust risk-adjusted return. Ferd Social Entrepreneurs seeks to deliver measurable social benefits by investing in social entrepreneurs and strengthening their market access.

Financial results

At the turn of the year, Ferd had value-adjusted equity of NOK 43.0 billion (NOK 48.0 billion as at 31 December 2021). The return on value-adjusted equity for Ferd as a whole was minus 9.1 percent in 2022. The return expressed in NOK, after adjusting for dividend payments to the owners, was minus NOK 4.4 billion. The return was distributed among the business areas as follows:

The business areas' return



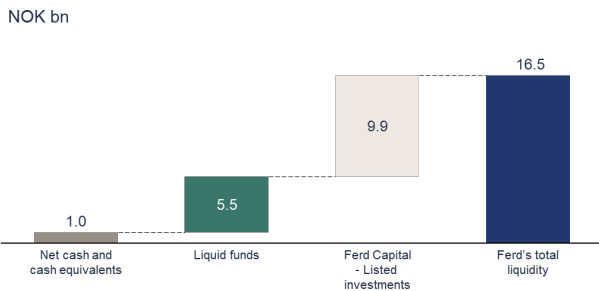
The return on Ferd Capital's combined portfolio was minus 9.7 percent for 2022. Overall, there was a positive return for the privately owned companies, but negative value development for the listed portfolio. The return for Ferd's real estate portfolio was minus 9.1 percent, as a result of rising yields, higher construction costs and a weaker residential market. Ferd External Managers had a total return of minus 15.3 percent (in USD terms) for its investment mandates. Measured in NOK, the return was better (minus 5.3 percent) as a result of the weakened NOK against the USD in 2022.

In 2022, Ferd received a total of NOK 6.2 billion from asset realisations and dividends. Of this, NOK 2.8 billion came from Ferd's liquidation of the Ferd Invest portfolio, when Ferd Invest's investments were either sold or transferred to Ferd Capital. Ferd received a total of NOK 1.2 billion in dividends from its investments in 2022.

New investments in 2022 amounted to NOK 6.4 billion. In April, Ferd invested in Aidian, a Finnish-based company that

develops and produces diagnostic tests for primary care providers and clinical laboratories. Within Ferd Capital's listed portfolio, investments were made for a total amount of NOK 2.8 billion in last year, of which the investments in BHG Group, Lerøy Seafood and Boozt were the three largest. Ferd allocated NOK 0.5 billion to equity funds during 2022.

At the end of 2022, Ferd's net liquidity holdings (bank deposits and money market funds minus debt at the parent company level) totalled NOK 1.0 billion. The value of Ferd's listed shares, equity funds and liquid hedge fund investments was NOK 15.5 billion at 31 December 2022. In total, the value of Ferd's liquidity holdings and liquid investments was NOK 16.5 billion at 31 December 2022, corresponding to 38 percent of the value-adjusted equity. Ferd also had undrawn credit facilities of NOK 6.7 billion.



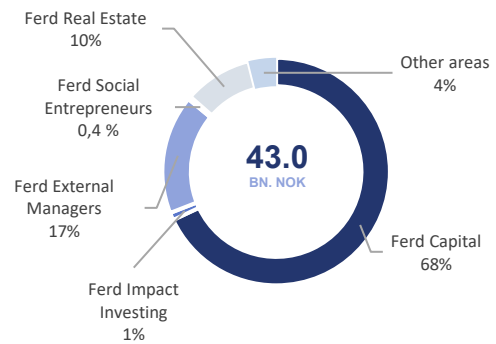
Value-adjusted equity and currency allocation

Ferd's value-adjusted equity at the end of 2022 was NOK 43.0 billion, following a return for the year of minus NOK 4.4 billion.

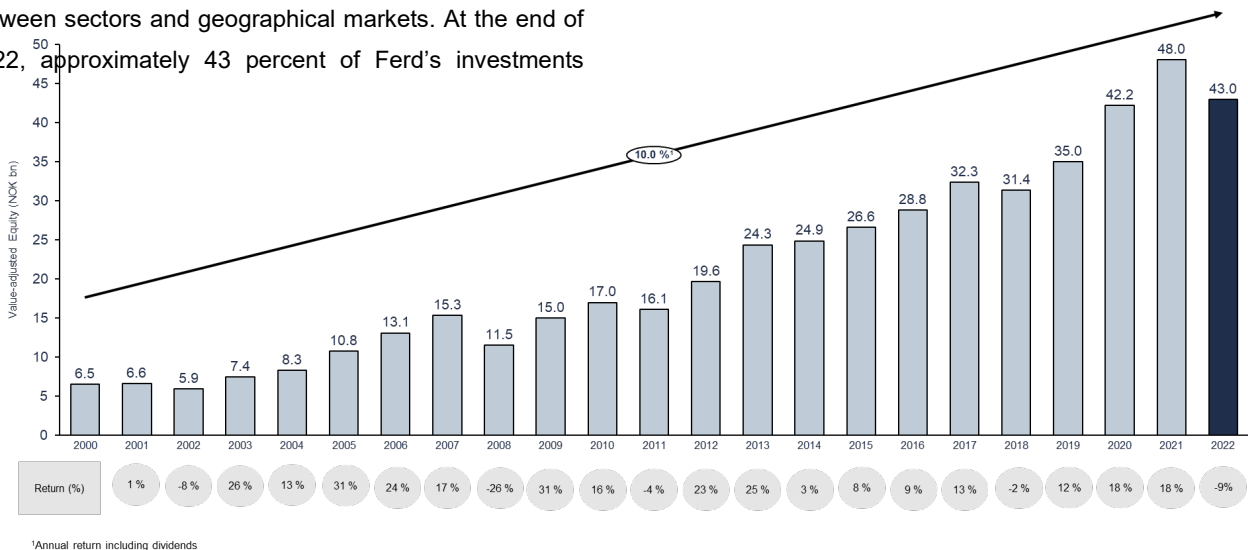
Ferd's equity investments provide good diversification between sectors and geographical markets. At the end of 2022, approximately 43 percent of Ferd's investments

provided exposure to Norway, while no single sector represented more than 20 percent of its total exposure. 49 percent of Ferd's investments are in Norwegian krone, approximately 21 percent are in US dollars, approximately 18 percent are in euro and 12 percent are in other currencies. Ferd recognised a foreign exchange gain on its value-adjusted equity of approximately 2.1 percent in 2022.

Allocation of Ferd's value-adjusted equity at 31 December 2022 between the business areas:



Since its establishment in the spring of 2001, Ferd has generated a total return of NOK 40.6 billion, equivalent to an annual return of 10.0 percent, with very low gearing on parent company level throughout the whole period. Ferd's return is assessed in the context of the absolute return achieved over time and how this relates to the level of risk exposure in the portfolio. Ferd's value-adjusted equity since 31 December 2000:



¹Annual return including dividends

Financial results for Ferd AS

Ferd AS reports an accounting loss for the year of NOK 4,469 million, compared to an accounting profit of NOK 7 178 million in 2021. The table below shows the operating profit of each of Ferd's business areas.

| NOK million: | 2022 | 2021 |
|--------------------------------|---------------|--------------|
| Ferd Capital | -3,211 | 5,099 |
| Ferd Real Estate | -490 | 891 |
| Ferd External Managers | -386 | 797 |
| Ferd Invest | -419 | 424 |
| Other activities | 32 | -118 |
| Total operating profit: | -4,474 | 7,094 |

For further commentary on the changes in operating profit achieved by Ferd's business areas, see separate sections for each area below.

Net cash flow for 2022 was made up of NOK -1,790 million from operating activities and NOK 1,239 million from investment activities. Ferd's cash flow from financing activities was NOK 488 million. Out of the net cash flow of minus NOK 63 million, plus NOK 1,200 million is explained by transfers from liquidity funds, which are not considered to be cash but can be converted into cash within the period of a few days. After adjusting for these transfers and the interest return on liquidity funds, Ferd reports a net reduction in cash equivalents of NOK 1,125 million in 2022.

The annual accounts have been prepared on the going concern assumption and, in accordance with Section 3- 3a of the Accounting Act, the Board confirms that the going concern assumption is appropriate.

The parent company did not carry out any research or development activities. The group's R&D activities are presented in the annual accounts of each operational portfolio company.

The registered address of Ferd AS is Dronning Mauds gate 10 in Oslo.

Financial results and cash flow for the Ferd group

The group's sales revenue was NOK 26.7 billion in 2022, as compared to NOK 22.6 billion in 2021. The increase in turnover came mainly from several acquisitions made in 2021 which had a full-year revenue effect in 2022, including the acquisitions of Try and Norkart as well as Mestergruppen's acquisition of Malorama. Interwell experienced

good organic growth in 2022 in addition to the increase in revenue from the acquisition of PTC. The operating result for the group, exclusive income from financial investments, was NOK 742 million in 2022, compared to NOK 2 034 million in 2021. The main explanation to the reduction is negative value development for commercial real estate in 2022 compared to positive value development in 2021.

Income from financial investments was minus NOK 3.5 billion in 2022, mainly explained by negative value development of listed investments throughout 2022. The corresponding figure for 2021 was plus NOK 3.3 billion.

The group's development activities are conducted at its subsidiaries. Development costs of NOK 194 million were expensed in 2022, an increase of NOK 6 million from 2021.

The group's tax expense for 2022 was NOK 339 million as compared to a tax expense of NOK 425 million in 2021.

Net cash flow for 2022 was made up of minus NOK 2,376 million from operating activities, minus NOK 4,594 million from investment activities, and NOK 199 million from financing activities.

Outlook

In the past three years, the Covid pandemic has had a major impact on most areas of society and the world economy. After the pandemic came under control in many countries in 2022, the world faced new overshadowing challenges through a war in Europe and geopolitical unrest, and a strong polarization of relations between Russia and Western countries. The lessons learned from crisis management during the pandemic already came in handy when individuals, companies and society had to deal with the new challenges. The challenges persist into 2023 with the war in Ukraine continuing, energy prices being volatile at high levels, and interest rates and inflation continuing to rise.

Ferd's investment decisions are based to only a limited extent on the overall outlook for the macroeconomy and general market developments. We are, rather, continually on the lookout for high-quality individual investment opportunities in all business areas. It is therefore factors specific to each investment opportunity that play the crucial role when deciding whether or not an investment is an attractive proposition.

Ferd has a portfolio of companies in a range of sectors that we believe are well-positioned to create value in 2023 and

beyond. Ferd also has unused investment capacity, and it will emphasise working proactively on new investment opportunities within the business areas. Ferd Capital's two investment mandates give it significant flexibility in terms of the types of investment it can make. In 2023, we will focus on opportunities where we can make use of Ferd's competitive advantages in the form of add-on investments to existing portfolio companies and new portfolio companies.

Strategy

The overall vision for Ferd's activities is to "create enduring value and leave clear footprints". Ferd strives to maximise its value-adjusted equity capital over time. The generational perspective inherent in the Andresen family's ownership provides Ferd with a flexibility and predictability that differentiates us from many other investment companies. As well as our strong capital base, we also contribute our extensive expertise and a willingness to invest to deliver value creation. Our wide-ranging activities encompass active ownership and corporate development at private and stock exchange listed companies, real estate development, investment via external managers, impact investing and social entrepreneurship.

As active owners, Ferd Capital and Ferd Real Estate use their influence to contribute to each company's development and growth, always with the objective of delivering robust and sustainable value creation over time. They work with others to achieve the long-term value creation potential of the companies and real estate projects we own. Ferd External Managers is an active investor in international funds. Their aim is to identify high-quality funds that will succeed in their respective markets over time. As an active investor, they follow their investments closely.

It is Ferd's intention that its allocation of capital should be characterised by a high equity exposure and good risk diversification. Ferd enjoys significant flexibility, does not necessarily have to hold a controlling interest, and can take a long-term approach to ownership. This flexibility can give a competitive advantage in comparison with other investment companies that depend on sources of capital with limited time horizons.

The Board and executive management keep Ferd's risk capacity under regular review. This is particularly important when there are significant falls in the equity markets. The allocation of new capital, as well as the reallocation of capital

between business areas, represents a systematic approach to making use of the group's capital base. Capital allocation must be consistent with the owners' willingness to assume risk. Ferd's risk of fall in value is measured and monitored continually with the help of stress testing.

Ferd aims to maintain sound creditworthiness at all times in order to ensure freedom of manoeuvre readily access to low-cost financing. In order to protect Ferd's equity from risk, Ferd Capital and Ferd Real Estate carry out their privately owned investments as stand-alone projects. Good liquidity is also important to ensuring freedom to manoeuvre. Ferd has always been well within these self-imposed requirements. Ferd has an active approach to currency exposure and follows developments in the group's levels of currency exposures. A certain proportion of the equity will always be invested in foreign currencies.

Ferd's sustainability efforts

Our vision, "create enduring value and leave clear footprints", is about creating a return from multiple perspectives – not just the financial. It is about developing companies and organisations and changes that lead to progress for both individuals and society as a whole.

Ferd has during the last years worked on how all parts of the organisation can work on sustainability in a more unified and systematic way. We have selected the United Nations' 17 Sustainable Development Goals, the Principles for Responsible Investment (PRI) and the UN Global Compact as the framework for Ferd's sustainability work. Ferd assesses all its investments against the [Government Pension Fund Global's Guidelines](#) for Observation and Exclusion from the Fund.

With regard to Ferd's activities, it is useful to distinguish between two perspectives in relation to sustainability.

1. Active owner

Ferd's role as an active owner gives us the influence to create sustainable change at the companies we own. Historically, strong corporate governance has been an important element in how we exercise active ownership, and we can see that our influence as an owner contributes to long-term value creation. We have a systematic approach to how we integrate environmental and social considerations into our ownership agenda at our portfolio companies. We

integrate environmental, social and governance (ESG) considerations into our investment analysis, decision-making and ownership agenda.

2. Active investor

Where we are invested without having direct influence, we will, as an active investor, seek to influence companies and external managers to work on sustainability in a way that is relevant to their activities. We will enter into dialogue with them to communicate our expectations on how they address sustainability and how we will monitor this over time. This engagement will potentially lead to us exiting our investment if the company or fund does not make progress on ESG matters to our satisfaction. Due to our position and size, we believe that our voice will be heard by external managers.

The investor perspective is relevant to all our business areas in different ways. With regard to Ferd's business areas, the active owner perspective is relevant to Ferd Capital, Ferd Real Estate and Ferd Social Entrepreneurs. Ferd's business areas have different strategies for their ESG work as a result of the two different perspectives.

Ferd Capital carries out an ESG analysis in relation to all new investment opportunities it assesses. If a potential investment is not assessed to be satisfactory from an ESG perspective, or if it is not probable that the ESG challenges associated with it can be resolved, no further work will be done on the opportunity. With regard to privately owned companies, Ferd enters into a discussion with the management of each company through its involvement in the work of each company's board of directors regarding the targets on which the company will focus going forward. When sustainability targets are being selected, emphasis is put on identifying those targets that will have the biggest impact, e.g. on environmental challenges. All the privately owned companies have defined or are in the process of defining which KPIs for ESG they shall measure and follow up going forward.

In order to ensure Ferd Real Estate's sustainability work has a solid foundation, it endorses the UN's Sustainable Development Goals and has signed the Norwegian Property Federation's 'The Property Sector's Roadmap Towards 2050'. Constructing energy-efficient office buildings and increasing the rate of recycling are two concrete examples of Ferd Real Estate's sustainability work. Ferd Real Estate seeks to

complete its projects using as few resources as possible by focusing on using recycled materials and by reducing and actively sorting waste.

Ferd External Managers has ESG as a set agenda point when assessing all new and existing external managers. If a fund does not have a satisfactory ESG strategy, this will be followed up with the fund. The fund will be given some time to implement measures to improve on ESG factors. If Ferd External Managers finds that the fund is not working to resolve its ESG deficiencies, it will consider selling its investment in the fund.

Going forward, Ferd has a target of making more impact investments, and established in 2020 the business area Ferd Impact Investing with a team of three individuals who works within this area. Impact investments are investments made with a target of generating a social and/or environmental impact. Ferd Impact's investments span a range of geographies and industries, but common to them all is that they are intended to have a significant positive impact on the UN's Sustainable Development Goals related to the environment. In 2022, Ferd Impact launched its first Impact Report, which gives an insight into how they work with impact and how the portfolio contributes to solving challenges related to the climate and the environment. The report is available on Ferd Impact Investing's website:

<https://ferd.no/en/impact-investing-2/>

Ferd Social Entrepreneurs (FSE) invests in social entrepreneurs both by taking equity stakes and by providing financial support. The primary aim of social entrepreneurship is to deliver social impact at the same time as helping organisations to become viable for the long term.

Also see Ferd AS's report on due diligence assessments concerning basic human rights and decent working conditions, available on Ferd's website:

<https://aarsrapport2022.ferd.no/en/>

Corporate Governance

The objective for our corporate governance work is to contribute to better results over time by facilitating better decision-making processes, more precise risk assessment and improved decisions. This will, in turn, ensure that we operate in accordance with approved strategies and risk limits, and that these are adapted to our owners' wishes.

A lean structure and an unbureaucratic approach are two of Ferd's important competitive advantages. To preserve these advantages, it is important that the company has clearly defined limits and levels of authorisation to allow decisions to be delegated to a large extent.

There is therefore a clear division of roles between management, the Board of Directors and Ferd's owners. While at family-owned companies family members are often members of the board and executive management teams, Ferd has chosen a corporate governance model that is in line with recommended practice in Norway. One of the group's owners is the chair of the Board, but he is not a member of its management team. The other owners are observing members of the Board of Directors of Ferd Holding AS, which has substantially the same responsibilities and authority as the board of a public company. The Board of Ferd Holding AS held seven board meetings in 2022.

Liability insurance is taken out for the Board of Directors and the company's management for the possible liability they may have in relation to the company and third parties. This insurance provides cover for personal legal liability, including the cost of legal representation and other litigation costs.

Ferd Capital

Ferd Capital is a long-term, flexible, and value-adding partner for Nordic companies. The business area has two investment mandates: private companies and listed companies.

Subsequent to the investment in Aidian in April 2022, Ferd Capital's portfolio of privately owned companies consisted of 12 investments at 31 December 2022:

- **Aibel** is a leading service company that works in oil, gas, and offshore wind. Its 4,700 employees, who are located in Norway and internationally, work on fields and installations on land and offshore.
- **Aidian** is a Finnish-based company that develops and manufactures diagnostic tests for primary care providers and clinical laboratories. Aidian has offices in 12 countries and a global presence covering over 70 countries.
- **Brav** is a brand warehouse in the sports and outdoor industry and has a portfolio of leading brands: Swix, Toko, Lundhags, Ulvang and Helsport.
- **Broodstock Capital** focuses on small and medium-sized Nordic businesses in the seafood industry in general and in the aquaculture supplier industry in particular.

- **Fjord Line** is a modern shipping company offering safe and environmentally friendly transport and experiences between Norway, Denmark, and Sweden.
- **Fürst** is a privately owned laboratory specialising in medical biochemistry, clinical pharmacology, microbiology, and pathology.
- **Interwell** is a leading Norwegian provider of high-tech well tools to national and international energy companies.
- **Mestergruppen** is one of Norway's largest groups in the building materials trade, sales chains for house builders, and real estate development.
- **Mnemonic** is a market leader in Norway and one of Europe's leading companies in information security.
- **Norkart** provides market-leading solutions in municipal technology, mapping, and real estate information to the private and public sectors. The company has Norway's most complete data warehouse for geographical information.
- **Employer** provides organisations with technology and expertise within the HR-area.
- **TRY** is Norway's leading full-service communications group for creativity, strategy, and technology.

Ferd Capital's summary of 2022 is available on Ferd's website on the following link:

<https://aarsrapport2022.ferd.no/en/capital/>

Ferd Capital seeks to contribute actively to the development of the listed companies in which it has invested. In 2022 Ferd Capital increased its ownership interest in several of its listed companies. The biggest investments in 2022 were made in BHG Group, Lerøy Seafood and Boozt.

Ferd Capital's six largest listed investments at 31 December 2022 were:

- **Benchmark Holdings** helps improve fish health and sustainability in the fish farming industry by selling specialist foods, breeding and genetics products, and medications. Benchmark is present in 26 countries and markets its products in more than 70 countries.
- **Boozt AB** (Boozt) is a leading Nordic technology company that sells fashion and clothing online. Boozt.com is a multi-brand online store that offers more than 600 different brands for men, women, and children.
- **BHG Group** is the largest European online retailer within "Home Improvement" with a focus on the two segments Do-It-Yourself (DIY) and Home Furnishing.
- **Elopak** is a leading supplier of packaging systems for liquid food products. The company's organisation and collaboration partners sell and market Elopak's products in more than 70 countries.

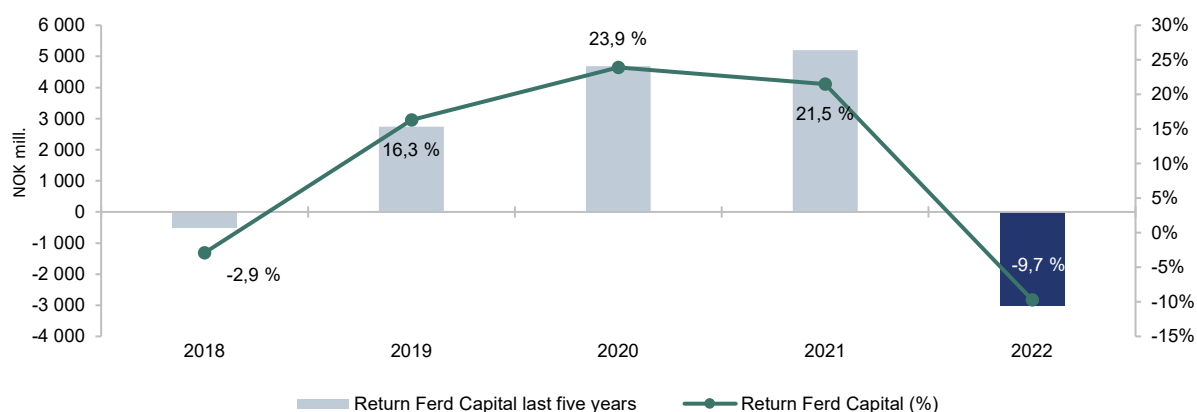
- **Lerøy Seafood** is a world-leading seafood company. The core business of the group is production of salmon and trout, wild catching of whitefish, processing, product development, marketing, sale, and distribution of seafood.
- **Nilfisk** is a leading global supplier of cleaning equipment and products for the professional and retail markets.

The return from Ferd Capital's portfolio of listed investments was minus 27 percent in 2022. Ferd Capital's investment in Elopak represents a significant portion of the portfolio of listed

investments and had a return of minus three percent 2022. Despite negative developments of share prices through the year, several of Ferd's listed investments could report positive developments to underlying operative results in 2022.

The return on Ferd Capital's combined portfolio was minus 9.7 percent in 2022. Ferd Capital's portfolio was valued at NOK 29.2 billion at 31 December 2022.

Ferd Capital's return in percentage and NOK terms over the past five years is showed below.



Ferd Real Estate

Ferd Real Estate is a responsible and long-term urban developer. With thoroughness, innovative thinking, and a great commitment to sustainability, they create value beyond financial return.

The 2022 return from Ferd Real Estate ended at minus NOK 415 million, corresponding to minus 9.1 percent. Residential prices in Oslo rose by 1.8 percent in 2022, while the yield for commercial property in central Oslo (the CBD area) increased significantly after the rise in interest rates last year. The decline in value for Ferd Real Estate's commercial properties is mainly due to a rise in yields and higher construction costs. For the Marienlyst project and one of the logistics properties, the return was good in 2022, while for the other residential projects the return was weaker primarily due to higher expected construction costs.

At the end of 2022, Ferd Real Estate's portfolio had a property value of NOK 12.2 billion and an equity value of NOK 4.1 billion.

Ferd Real Estate's largest residential project is Tiedemannsbyen in Oslo's Ensjø district. The Tiedemannsbyen project is for around 1,400 units. The project "Tiedemannsfabrikken" had final completion and was fully sold during summer 2022. "Humlehagen" is the final part of Tiedemannsbyen and comprises 133 apartments and 9 town houses. At 31 December 2022, a total of 103 out of 142 residential units in Humlehagen had been sold.

At Kleven Gård at Bekkestua outside Oslo, detailed regulation was approved in March 2022. An architect has been contracted and the preliminary project has begun, and sales are planned to start during 2023.

Ferd Real Estate has a large portfolio of both existing commercial properties and ongoing office development projects. The two largest are Hieronymus Heyerdahl's Street

1 and Trekanttomten in Vika (Oslo CBD), both of which were purchased in 2020. Hieronymus Heyerdahl's Street 1 is a distinctive building that is the closest neighbour to Oslo City Hall. The building has undergone extensive rehabilitation and remodelling throughout 2022.

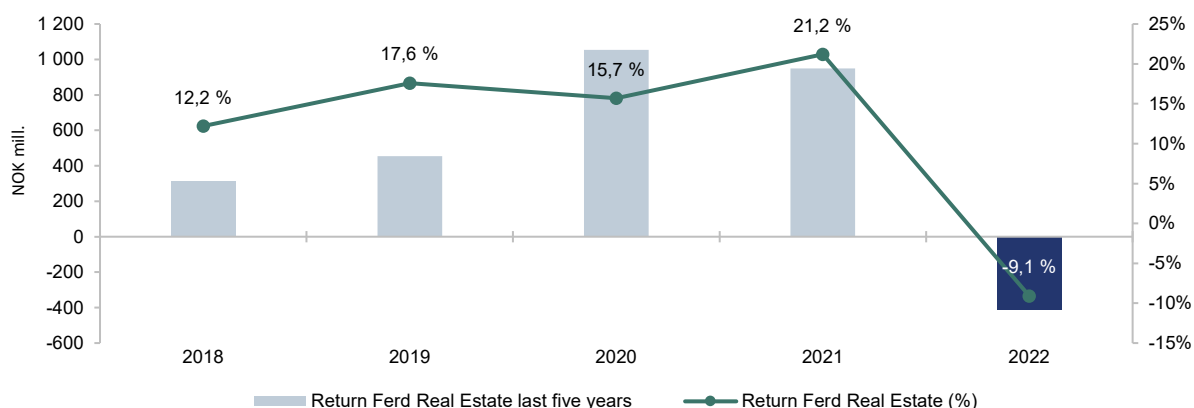
Trekanttomten ("The triangular site") in Vika was purchased in partnership with the contractor Vedal in December 2020 and is planned to be realized as an urban development project characterized, among other things, by location specific adaptations, high architectural qualities and a strong sustainability profile. The regulatory process is well under way, and the planning program has been submitted. An agreement was signed with company "Flott Gjort" regarding temporary activity on the site ("3KT") starting in the summer of 2022. 3KT was opened on 11 June with catering and various cultural

activities. Over 16,000 people visited 3KT in the summer of 2022.

In the Marienlyst project, a parallel assignment was carried out for the Broadcasting-building ("Kringkastingshuset") in spring 2022 and it was decided to go ahead with the proposal from KIMA architecture. A strategy for sustainable urban development for the project has been drafted and will be used as a basis for further work. KIMA has also been chosen as the new architect for the urban planning initiative at Marienlyst.

Ferd Real Estate made net realizations of NOK 454 million in 2022, mainly explained by the sale of an industrial property at Forus in Stavanger and dividends from the Tiedemannsfabrikken.

Ferd Real Estate's return for the past five years is shown below.



Ferd External Managers

Ferd External Managers is responsible for the group's investments with external managers. The business area focuses on markets that complement the areas where Ferd invests directly, and it invests in funds that will give attractive returns over time.

The war in Ukraine and fear of the consequences of high inflation contributed to the first half of 2022 being very weak for the stock markets, and at the end of June the MSCI World Index was down 20.5 percent measured in USD. The second half of 2022 was like a rollercoaster; after an upswing in July and August, the market bottomed out in October (MSCI World

down 25.7 percent) but had a strong end to the year and finished down 18.1 percent in 2022 measured in USD. Looking at the last two years as a whole, the return has been virtually flat (minus 0.3 percent). There have nevertheless been big variations. Growth stocks had a weak development in 2022, and the difference between growth and value stocks ended at 23 percent for the world index. Geographically, however, the differences were smaller; the S&P 500 in the US ended down 18.1 percent, MSCI Asia Pacific ex Japan fell 17.5 percent and MSCI Europe ended down 15 percent, all measured in USD.

Ferd External Manager's portfolios, which are measured and followed up in US dollars, had a total return of minus 15.3 percent in 2022.

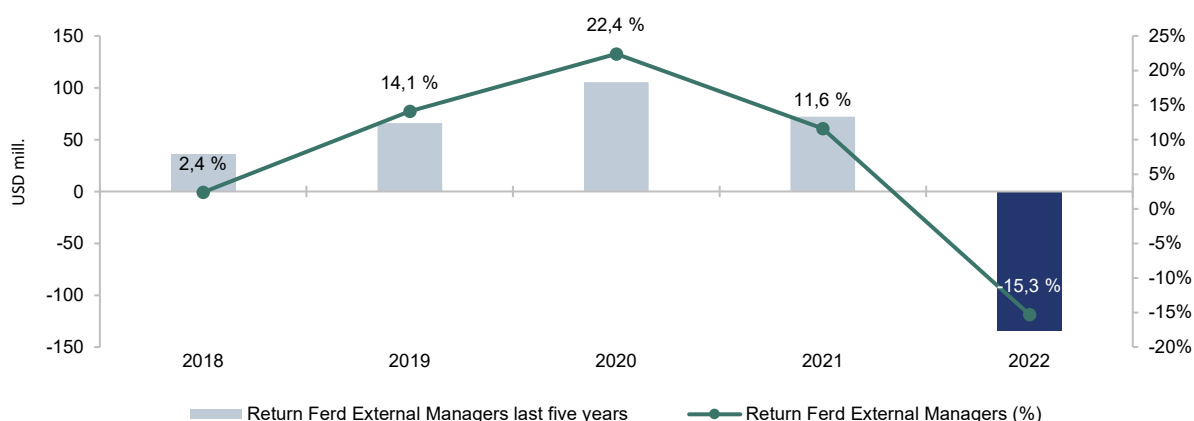
In the Global Equity mandate, investments are made in equity funds that complement Ferd's direct investments. Global Equity fell 22.6 per cent for the year measured in USD and ended 2.3 per cent behind the mandate's benchmark index. The Global Equity mandate's profile, with a focus on quality and growth companies, helps to explain the lower return for the year.

The Global Fund Opportunities mandate consists of fund investments that offer an attractive absolute return, and which have lower co-variation with developments in the equity

markets than ordinary equity funds. The mandate fell 4.9 percent in 2022. The mandate's illiquid investments fell 20.3 percent, mainly due to the U.S. investments, which had left behind a very strong year in 2021. The liquid investments, on the other hand, had an increase of a solid 13.8 percent, driven by the two multi-strategy funds which rose 32.2 percent.

NOK 0.5 billion was allocated to the Global Equity mandate in spring 2022. At the end of 2022, the assets under management totalled NOK 7.3 billion, of which NOK 4.0 billion in Global Equity and NOK 3.2 billion in Global Fund Opportunities, which was placed with 17 different external managers.

See below for the business area's return for the last five years.



Ferd Impact Investing

Ferd Impact Investing invests in early-phase companies with the potential both to have a positive impact in terms of the UN's Sustainable Development Goals and to generate a robust risk-adjusted return. Ferd Impact Investing primarily invests through funds and other forms of complementary and resource-efficient partnerships but may also perform direct investments in companies. It concentrates on three sectors, namely renewable energy, real estate technology and aquaculture. There is a high level of activity among early-stage environmentally friendly companies. Companies of this type have become more committed to communicating their positive impact, including by explaining which of the UN's Sustainable Development Goals they help address.

Ferd Impact has in 2022 continued to develop the platform for its investment mandate. It invested in two new funds (ArcTern Ventures and SWEN Blue Ocean), as well as three new co-investments (Nofence, Shoreline and 360 Logistics) and three follow-up investments (Seagust, Wind Catching Systems and Ignite Procurement).

In 2022, Ferd Impact launched its first Impact Report, which gives an insight into how they work with impact and how the portfolio contributes to solving challenges related to the climate and the environment. The report is available on Ferd Impact Investing's website:

<https://ferd.no/en/impact-investing-2/>

At 31 December 2022, Ferd Impact Investing had invested NOK 389 million and made commitments for an additional NOK 70 million. The portfolio comprised 15 investments.

Ferd Social Entrepreneurs

Ferd Social Entrepreneurs (FSE) invests in social entrepreneurs that deliver good social and financial results, and it improves their chances of success through a combination of capital, expertise, and networking. FSE also collaborates with the public sector to create the tools and frameworks it needs to collaborate with these innovative entrepreneurs.

At the end of 2022, FSE's portfolio included 12 social entrepreneurs (10 companies and two fund investments). During the year, FSE made two new investments. The first company, Ludenso, is a technology company that through the use of AR-enriched (Augmented Reality) schoolbooks, will provide increased engagement, sense of achievement and a customized learning journey for students. The second company, Lifetools Know Me, develops digital communication tools that help people who do not have the ability to verbal speech to be understood.

In 2022, FSE has followed up the three social impact contracts in which they have invested. In a social impact contract, a private sector investor finances a measure that has a predetermined objective, and the investment is repaid by the public sector if this objective is achieved. The public authorities only make payment if the agreed results are achieved, and investors only recover their investment if society benefits from the results of the investment.

In 2022, FSE also launched its "Oslo initiative". In the Oslo initiative, they bring together business and foundations for a joint effort for the more socially vulnerable areas in Oslo.

For more information on FSE's portfolio companies, please follow this link:

<https://ferd.no/en/sosiale-entreprenorer/portefolje/>

Equality, prevention of discrimination, headcount, and sick leave

Ferd works to have an inclusive corporate culture. Our objective is to be a workplace in which men and women are treated equally. We have procedures that are intended to ensure that no-one is treated differently on the basis of their gender in matters such as pay, promotion and recruitment. At the end of 2022, 33 of Ferd AS' 64 employees were women, and 31 were men. The average salary of Ferd AS' female employees was 65 percent of the average salary of its male employees, and the reason for this is that the

proportion of women is lower in some of the business areas than in Ferd's administration. The salary differences are due to what experience and education is required for the various positions, as well as how difficult it is to recruit to the positions.

Nine of the eleven people Ferd AS recruited in 2022 were women, while in 2021 eight of the sixteen new employees were women. Three of Ferd's five business areas are managed by women. Ferd works actively to recruit more women to its business areas and in leading positions. In the last two years half of all new appointments to Ferd Capital, Ferd's largest business area, have been women.

We have looked at what can contribute to discrimination and prevent gender equality in Ferd AS and identified our recruitment processes and the criteria for internal promotions as important areas in this work. Ferd is working to recruit more female employees to senior positions and to the business areas that historically have had a lower percentage of female employees. In recruitment and promotion processes, the company focuses on the candidates' qualifications for the role regardless ethnicity, religion, sexual orientation, pregnancy, caretaking responsibilities, functional disabilities, citizenship, or other criteria considered to be irrelevant to their work.

The company facilitates flexible working conditions and Ferd employees are provided with good opportunities in terms of work-life balance. The company's employees enjoy a significant amount of flexibility in terms of how their working day is organised. Ferd also provides equipment that makes it possible to work at home efficiently, which for example makes day-to-day life easier for parents of young children.

Ferd encourages parents of both genders to take parental leave in accordance with the norm established in Norwegian society and strives to facilitate this. The average number of weeks of parental leave taken by employees over the last two years is 15 weeks for men and 33 weeks for women.

Varied and challenging work tasks and good opportunities for career development, combined with job security and competitive remuneration, are other important contributors to Ferd's attractiveness as an employer.

All of Ferd's employees are appointed to full-time positions. In instances where an employee wishes to work part-time for personal reasons for a period, Ferd tries to facilitate this. None of Ferd's employees was working part-time at 31 December 2022.

The aim of the Norwegian Equality and Anti-Discrimination Act is to promote equality, to ensure everyone has the same rights and opportunities, and to prevent discrimination on the basis of ethnicity, national origin, descent, skin colour, language, functional disabilities, religion or belief. Ferd works actively and systematically to promote the aims of the Act within its organisation. This is done, among other things, through thorough job analyses before new job advertisements and the use of external recruitment companies in Ferd's recruitment processes.

Our offices in Dronning Mauds gate 10 satisfy the requirements for universal design.

The Ferd group had an average of 6,604 employees in 2022, and after including the employees of Aibel, Aidian, Fjord Line, Fürst and Mnemonic, the number for 2022 was approximately 13,100. The proportion of female employees in the Ferd group was 25 percent at the end of 2022, and sick leave amounted to 4.5 percent in 2022. The working environment at Ferd AS is considered to be good. No serious accidents or injuries took place or were reported at Ferd AS in 2022. For the group as a whole, there were no accidents that led to loss of life.

Coverage for the loss of the year

The loss for the year of NOK 4,469 million will be covered by other equity.

Oslo, 18 April 2023

The Board of Directors of Ferd AS

Johan H. Andresen (sign)
Chair of the Board

Morten Borge (sign)
Director / CEO

Tom Erik Myrland (sign)
Director

Erik Rosness (sign)
Director

**FINANCIAL
STATEMENTS
FERD AS**



Income statement 1 January - 31 December

| NOK mill. | Note | 2022 | 2021 |
|--|-------------------------|---------------|--------------|
| OPERATING INCOME AND EXPENSES | | | |
| Dividend and group contribution from financial investments | 3,4 | 2 466 | 1 152 |
| Value changes on financial investments | 3,4 | -6 776 | 6 337 |
| Other income | 3 | 52 | 50 |
| Operating income | 3 | -4 258 | 7 539 |
| Salary expenses | 5,6 | 80 | 348 |
| Depreciation and impairment | 7,8 | 25 | 21 |
| Other operating expenses | 9,10 | 111 | 76 |
| Operating expenses | 3 | 216 | 444 |
| Operating profit | 3 | -4 474 | 7 094 |
| Interest income | 11,12 | 22 | 32 |
| Interest expenses | 8,11,12 | -32 | -24 |
| Net other financial items | 12 | 104 | -4 |
| Net financial result | 12 | 95 | 4 |
| Profit before tax | | -4 379 | 7 098 |
| Income tax expense | 13 | 90 | -80 |
| PROFIT FOR THE YEAR | | -4 469 | 7 178 |
| Total comprehensive income 1 January - 31 December | | | |
| NOK mill. | | 2022 | 2021 |
| PROFIT OF THE YEAR | | -4 469 | 7 178 |
| TOTAL COMPREHENSIVE INCOME | | -4 469 | 7 178 |

Balance sheet as at 31 December - Assets

| NOK mill. | Note | 2022 | 2021 |
|--|----------------|---------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Tangible assets | <u>7</u> | 67 | 37 |
| Right of use assets | <u>8</u> | 178 | 143 |
| Investments in subsidiaries | <u>3,14,15</u> | 26 216 | 27 623 |
| Long-term receivables on group companies | <u>11,14</u> | 89 | 79 |
| Other receivables | <u>14</u> | 110 | 63 |
| Total non-current assets | | 26 660 | 27 945 |
| Current assets | | | |
| Short-term receivables on group companies | <u>11,14</u> | 112 | 504 |
| Other short-term receivables | <u>14</u> | 241 | 64 |
| Listed shares and bonds | <u>3,14</u> | 5 947 | 10 379 |
| Unlisted shares and bonds | <u>3,14,15</u> | 7 809 | 7 646 |
| Hedge funds | <u>3,14</u> | 1 882 | 1 585 |
| Short-term liquidity fund investments (cash equivalents) | <u>3,14</u> | 824 | 2 007 |
| Bank deposits | <u>3,14,16</u> | 854 | 1 205 |
| Total current assets | | 17 667 | 23 390 |
| TOTAL ASSETS | | 44 327 | 51 336 |

Balance sheet as at 31 December – Equity and Liabilities

| NOK mill. | Note | 2022 | 2021 |
|--------------------------------------|--------------|---------------|---------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | <u>17</u> | 183 | 183 |
| Share premium | | 3 057 | 3 057 |
| Other paid-in equity | | 810 | 810 |
| Other equity | | 37 758 | 42 883 |
| Total equity | | 41 808 | 46 933 |
| Non-current liabilities | | | |
| Pension liabilities | <u>6</u> | 46 | 50 |
| Deferred tax | <u>13</u> | 322 | 90 |
| Debt to group companies | <u>11,14</u> | 118 | 51 |
| Other long-term liabilities | | - | 151 |
| Long-term interest-bearing debt | <u>18</u> | 300 | 300 |
| Non-current lease liabilities | <u>8</u> | 160 | 130 |
| Total non-current liabilities | | 945 | 770 |
| Current liabilities | | | |
| Trade payables | <u>14</u> | 9 | 4 |
| Public duties etc. | <u>14</u> | 17 | 15 |
| Cash pool overdraft | <u>14,19</u> | 340 | 748 |
| Debt to group companies | <u>11,14</u> | 1 092 | 2 675 |
| Current lease liabilities | <u>8</u> | 26 | 18 |
| Other current liabilities | <u>14</u> | 91 | 171 |
| Total current liabilities | | 1 574 | 3 632 |
| Total liabilities | | 2 519 | 4 402 |
| TOTAL EQUITY AND LIABILITIES | | 44 327 | 51 336 |

Oslo, 18 April 2023

The Board of Directors of Ferd AS

 Johan H. Andresen (sign)
 Chair of the Board

 Morten Borge (sign)
 Director / CEO

 Tom Erik Myrland (sign)
 Director

 Erik Rosness (sign)
 Director

Statement of changes in equity

2022

| NOK mill. | Share capital (note 17) | Share premium | Other paid-in equity | Total paid-in equity | Reserve for Unrealized gains | Other equity | Total other equity | Total equity |
|---------------------------------|----------------------------|---------------|----------------------|----------------------|------------------------------|---------------|--------------------|---------------|
| Equity at 1 Jan. 2022 | 183 | 3 057 | 810 | 4 051 | 21 754 | 21 129 | 42 883 | 46 933 |
| Profit for the year | | | | | -2 566 | -1 903 | -4 469 | -4 469 |
| Total comprehensive | | | | | -2 566 | -1 903 | -4 469 | -4 469 |
| Transactions with owners | | | | | | | | |
| Additional dividend paid *) | | | | | | -670 | -670 | -670 |
| Other equity transactions | | | | | | 14 | 14 | 14 |
| Total transactions with | | | | | | -656 | -656 | -656 |
| Equity at 31 Dec. 2022 | 183 | 3 057 | 810 | 4 051 | 19 187 | 18 570 | 37 758 | 41 808 |

*) Ferd AS has in August and December 2022 distributed additional dividends to Ferd Holding AS totalling NOK 670 million.

2021

| NOK mill. | Share capital (note 17) | Share premium | Other paid-in equity | Total paid-in equity | Reserve for Unrealized gains | Other equity | Total other equity | Total equity |
|---------------------------------|----------------------------|---------------|----------------------|----------------------|------------------------------|--------------|--------------------|--------------|
| Equity at 1 Jan. 2021 | 183 | 3 057 | 810 | 4 051 | 19 704 | 16 942 | 36 646 | 40 696 |
| Profit for the year | | | | | 2 050 | 5 128 | 7 178 | 7 178 |
| Total comprehensive | | | | | 2 050 | 5 128 | 7 178 | 7 178 |
| Transactions with owners | | | | | | | | |
| Additional dividend paid *) | | | | | | -947 | -947 | -947 |
| Other equity transactions | | | | | | 6 | 6 | 6 |
| Total transactions with | | | | | | -941 | -941 | -941 |
| Equity at 31 Dec. 2021 | 183 | 3 057 | 810 | 4 051 | 21 754 | 21 129 | 42 883 | 46 933 |

*) Ferd AS has in May, June, November, and December 2021 distributed additional dividends to Ferd Holding AS totalling NOK 947 million.

Statement of cash flows 1 January - 31 December

Cash flow statement

The cash flow statement has been prepared using the indirect method, implying that the basis used is the Group's profit before tax to present cash flows generated by operating activities, investing activities and financing activities, respectively.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other short-term and easily realisable investments that will fall due within 3 months. Restricted funds are also included. Drawings on bank overdraft are presented as current liabilities to credit institutions in the balance sheet. In the statement of cash flows, the overdraft facility is included in cash and cash equivalents.

| NOK mill. | Note | 2022 | 2021 |
|---|-----------------------|---------------|---------------|
| Operating activities | | | |
| Proceeds from realisations of financial assets | 4 | 4 669 | 4 203 |
| Dividends from financial assets | 4 | 36 | 548 |
| Purchases of financial assets | 4 | -6 261 | -6 556 |
| Salaries and operating expenses | 5,9 | -423 | -312 |
| Payments and disbursements of tax | 13 | 189 | -12 |
| Net cash flows from/ used in (-) operating activities | | -1 790 | -2 128 |
| Investing activities | | | |
| Payments from subsidiaries | 4, 11 | 2 382 | 3 082 |
| Payments to/investments in subsidiaries | 11 | -105 | -1 811 |
| Disbursements to subsidiaries | 11 | -1 038 | 2 420 |
| Net cash flows used in investing activities | | 1 239 | 3 692 |
| Financing activities | | | |
| Proceeds to Ferd Holding | 11 | -682 | -399 |
| Payments and disbursements from external financing | 19 | - | 100 |
| Transfers to/from short-term liquidity fund investments | | 1 200 | -1 995 |
| Interest, financial and foreign currency items | | -30 | -27 |
| Net cash flows used in (-)/from financing activities | | 488 | -2 321 |
| Effects of exchange rate changes cash and cash equivalents | | 120 | 17 |
| Change in net cash pool deposits | | 58 | -741 |
| Net cash pool deposits at 1 January | | 456 | 1 198 |
| Net cash pool deposits at 31 December | | 514 | 456 |
| Bank deposits at 31 December | | 854 | 1 205 |
| Cash pool overdrafts 31 December | 19 | -340 | -748 |
| Net deposits in cash pool at 31 December | | 514 | 456 |
| Short-term liquidity fund investments 31 December | | 824 | 2 007 |
| Total cash and cash equivalents | | 1 338 | 2 463 |

Note 1 General information and accounting principles

General information

Ferd is a family-owned Norwegian investment-company committed to value-creating ownership of businesses and investments in financial assets. In addition, Ferd has an extensive involvement in social entrepreneurship. Ferd AS is located in Dronning Mauds gate 10, Oslo.

Ferd is owned by Johan H. Andresen and his family. Andresen is the Chair of the Board. The Company's financial statements for 2022 were approved by the Board of Directors on 18 April 2023.

Basis for the preparation of the financial statements

Ferd AS' financial statements are prepared in accordance with the Norwegian Accounting Act section 3-9 and regulation on simplified application of international accounting standards.

Investments in subsidiaries

Subsidiaries are companies where the parent company Ferd AS has direct or indirect control. Ferd has control over an investment if Ferd has the decision power over the enterprise in which it has invested, is exposed to or entitled to a variable return from the enterprise, and at the same time has the opportunity to use this decision power over the enterprise to influence on the variable return

Subsidiaries are classified as tangible assets in the balance sheet and measured at fair value. Value changes on subsidiaries, current returns like dividend and gain or loss on the realisation of subsidiaries are recognised as net operating income in the income statement.

Investments in associated companies and joint ventures

Associates are entities over which Ferd has significant influence, but not control. Significant influence implies that Ferd is involved in strategic decisions concerning the company's finances and operations without controlling these decisions.

Significant influence normally exists for investments where Ferd holds between 20 and 50 percent of the voting capital.

A joint venture is a contractual arrangement requiring unanimous agreement between the owners about strategic, financial and operational decisions.

Investments in associates and joint ventures are recognised at fair value with value changes through profit or loss and classified as current assets in the balance sheet. Value changes on the investments, current returns like dividend and gain or loss on the realisation of investments are recognised as net operating income in the income statement.

Foreign currency translation

The financial statements are presented in Norwegian kroner (NOK), which is the functional currency of Ferd AS. Transactions in foreign currency are recognised and measured in NOK at the date of the transaction. Monetary items in foreign currency are translated to NOK on the basis of the exchange rate at the date of the balance sheet. Gain and loss due to currency changes is recognised in the result.

Dividend

Dividend and group contribution proposed by the Board is recognised as current liabilities pursuant to the exemption in the regulation to the Norwegian Accounting Act section 3-9.

Note 2 Accounting estimates and judgemental considerations

Management has used estimates and assumptions in the preparation of the financial statements. This applies for assets, liabilities, expenses, and disclosures. The underlying estimates and assumptions for valuations are based on historical experience and other factors considered to be relevant for the estimate on the balance sheet date. Estimates can differ from actual results. Changes in accounting estimates are recognised in the period they arise.

The main balances where estimates have a significant impact on disclosed values are mentioned below. The methods for estimating fair value on financial assets are also described below.

In Ferd's opinion, the estimates of fair value reflect reasonable estimates and assumptions for all significant factors expected to be emphasised by the parties in an independent transaction, including those factors that have an impact on the expected cash flows, and by the degree of risk associated with them.

Determination of the fair value of financial assets

A large part of Ferd's balance sheet comprises financial assets at fair value. The fair value assessment of financial assets will at varying degrees be influenced by estimates and assumptions related to factors like future cash flows, the required rate of return and interest rate level. The most significant uncertainty concerns the determination of fair value of the unlisted financial assets.

Listed shares and bonds

The fair value of financial assets traded in active and liquid markets is determined at noted market prices on the balance sheet date (the official closing price of the market). Accordingly, the determination of the value implies limited estimation uncertainty.

Unlisted shares and bonds

The class "Unlisted shares and bonds" comprises private shares and investments in private equity funds. The fair value is determined by applying well-known valuation models. The use of these models requires input of data that partly constitutes listed market prices (like interest) and partly estimates on the future development, as well as assessments of a number of factors existing on the balance sheet date.

Hedge funds

The hedge funds are managed by external parties providing Ferd with monthly, quarterly, or half-yearly estimates of the fair value. The estimates are verified by independent administrators. In addition, the total return from the funds is assessed for reasonableness against benchmark indices.

Liquidity fund investments

The fair value of the liquidity fund investment is measured on the basis of quoted market prices. If market rates are not available, the investment is measured in compliance with pricing models based on the current yield curve and external credit ratings.

Derivatives

The fair value of derivatives is based on quoted market prices.

Determination of the fair value of subsidiaries with properties

Ferd has subsidiaries with properties recognised at fair value. The fair value is based on the discounted value of future cash flows, and the estimate will be impacted by estimated future cash flows and the required rate of return. The main principles for deciding the cash flows and required rates of return are described below.

Future cash flows are based on the following factors:

- Existing contracts
- Expected future rentals
- Expected vacancies

The required rate of return is based on a market-based rate of return for properties with the assumed best location (prime- yield CBD) with the addition of a risk premium for the property.

The risk premium is based on:

- Location
- Standard
- Expected market development
- Rent level compared to the rest of the market
- The tenant's financial strength
- Property specific knowledge

In the event that transactions concerning comparable properties close to the balance sheet date have taken place, these values are applied as a cross-reference for the valuation.

Determination of the fair value of financial subsidiaries and subsidiaries owned by the business area Ferd Capital

Ferd AS owns investments indirectly through subsidiaries acting as holding companies for these investments. The fair value of these subsidiaries is set to the carrying value of equity, adjusted for non-recognised changes in value of the underlying investments. The underlying investments are valued according to the same principles and methods as Ferd AS' direct investments.

Note 3 Segment reporting

Ferd reports business areas in line with IFRS 8. Ferd is an investment company, and management makes decisions, is following up and evaluates the decisions based on the development in value and fair value of the Company's investment. Ferd distinguishes between business areas based on investment type/mandate, capital allocation, resource allocation and risk assessment.

Ferd has the following segment areas:

Ferd Capital is a long-term investor working actively with the companies during the period of ownership to secure the development in value to be the best possible. Ferd Capital comprises two mandates: Private companies and Listed companies. See note 3 to the consolidated accounts for information regarding Ferd Capital's largest investments as of 31 December 2022.

Ferd External Managers is responsible for the company's investments with external managers. The business area focuses on markets that complement the areas where Ferd invests directly and invests in funds that are deemed to give attractive return over time.

Ferd Real Estate develops and operates high-quality, environmentally friendly real estate in Norway. We create value that is more than financial return through our development of sustainable communities, workplaces and apartments and projects.

Other areas mainly comprise Ferd Impact investments, bank deposits, investments in externally managed private equity funds and hedge funds acquired in the second-hand market, equity investments in Ferd Social Entrepreneurs, and various other assets and investments. Expenses for the company's management, staff and in-house bank are also included.

During 2022, Ferd Invest was discontinued and the business area's investments was either disposed or transferred to Ferd Capital.

| NOK mill. | Ferd AS | Capital | Invest | External Managers | Real Estate | Other areas |
|--|---------------|---------------|-------------|-------------------|--------------|--------------|
| Result 2022 | | | | | | |
| Operating income | -4 258 | -3 135 | -419 | -384 | -443 | 123 |
| Operating expenses | -216 | -75 | - | -2 | -47 | -92 |
| Operating result | -4 474 | -3 211 | -419 | -386 | -490 | 32 |
| Balance sheet 31 December 2022 | | | | | | |
| Investments in subsidiaries | 26 216 | 21 776 | - | - | 4 342 | 98 |
| Investments classified as current assets | 16 461 | 7 026 | - | 7 273 | - | 2 170 |
| Bank deposits/drawings on group account | 854 | - | - | - | - | 854 |
| Other assets | 796 | 387 | - | -1 | 84 | 320 |
| Total assets | 44 327 | 29 188 | - | 7 272 | 4 426 | 3 441 |

| NOK mill. | Ferd AS | Capital | Invest | External Managers | Real Estate | Other areas |
|--|---------------|---------------|--------------|-------------------|--------------|--------------|
| Result 2021 | | | | | | |
| Operating income | 7 539 | 5 253 | 439 | 826 | 939 | 82 |
| Operating expenses | -444 | -154 | -15 | -28 | -48 | -200 |
| Operating result | 7 094 | 5 099 | 424 | 797 | 891 | -118 |
| Balance sheet 31 December 2021 | | | | | | |
| Investments in subsidiaries | 27 623 | 21 706 | - | - | 5 784 | 133 |
| Investments classified as current assets | 21 617 | 7 802 | 3 439 | 7 267 | - | 3 109 |
| Bank deposits/drawings on group account | 1 205 | - | - | - | - | 1 205 |
| Other assets | 891 | 144 | 6 | - | 10 | 731 |
| Total assets | 51 336 | 29 652 | 3 445 | 7 267 | 5 794 | 5 178 |

Note 4 Income from financial investments

| NOK mill. | Dividend and group contributions | Value changes | Total |
|-----------------------------|----------------------------------|---------------|---------------|
| Investments in subsidiaries | 2 380 | -2 379 | 1 |
| Listed shares and stakes | 67 | -4 079 | -4 012 |
| Unlisted shares and bonds | 18 | -388 | -370 |
| Hedge funds | 1 | 47 | 48 |
| Liquidity fund investments | - | 22 | 22 |
| Total 2022 | 2 466 | -6 776 | -4 310 |

| NOK mill. | Dividend and group contributions | Value changes | Total |
|-----------------------------|----------------------------------|---------------|--------------|
| Investments in subsidiaries | 595 | 4 787 | 5 382 |
| Listed shares and stakes | 114 | 1 290 | 1 404 |
| Unlisted shares and bonds | 412 | -173 | 239 |
| Hedge funds | 31 | 400 | 431 |
| Liquidity fund investments | - | 33 | 33 |
| Total 2022 | 1 152 | 6 337 | 7 488 |

Note 5 Salaries and remuneration

| NOK mill. | 2022 | 2021 |
|---|-----------|------------|
| Salaries (including changes to accruals for bonus arrangements) | 22 | 298 |
| Social security tax | 18 | 17 |
| Pension costs (note 6) | 13 | 20 |
| Other benefits | 27 | 14 |
| Total | 80 | 348 |
| Average number of man-labour years | 67 | 60 |

Salary and remuneration to Group CEO

| NOK1000 | Salary and bonus | Benefits in kind | Pension |
|--------------|------------------|------------------|---------|
| Morten Borge | 33 068 | 317 | 1 061 |

The Group CEO participates in Ferd's long-term bonus scheme. Bonus is based on the results achieved in the Group.

The Group CEO participates in Ferd's collective pension schemes for salaries below 12 G. This is a contribution scheme (cf. note 6). The Group CEO also has a benefit scheme for a pension basis higher than 12 G, as well as an early retirement pension scheme giving him the opportunity to retire at 65 years.

The Group CEO is entitled to nine months severance pay if he must resign from his position.

The CEO is part of a long-term savings scheme for Ferd. The savings scheme has a lock-in period and Ferd Holding AS has financed parts of the scheme.

Fees to the Board

No specific fees have been paid for board positions in Ferd AS.

Note 6 Pension costs and liabilities

FERD'S PENSION PLANS

Defined Contribution scheme

Obligations to make contributions to contribution-based pension plans are recognised as costs in the income statement when the employees have rendered services entitling them to the contribution.

Defined benefit plan

For salaries exceeding 12 G, Ferd has established a pension scheme implying that the employees earn a pension right each year. The scheme was closed for new hires when established. The right comprises a share of the salary in excess of 12 G together with a return component depending on the employee's chosen risk profile. The pension plan has many similarities with a contribution scheme, but as Ferd is not making current payments to a fund, but has elected to take the risk of return itself, the scheme shall be classified as a benefit scheme for accounting purposes. Ferd has recognised the obligation as a pension liability and is expensing the current deposits and the current return as incurred.

In addition, Group management has an early retirement pension scheme giving them the opportunity to retire at 65 years. This is also a benefit scheme.

A defined benefit plan is a pension scheme defining the pension payment an employee will receive at the time of retirement. The pension is normally determined as a part of the employee's salary. The Company's net obligation from defined benefit pension plans is calculated separately for each scheme. The obligation is calculated by an actuary and represents an estimate of future retirement benefits that the employees have earned at the balance sheet date as a consequence of their service in the present and former period. The benefits are discounted to present value reduced by the fair value of the pension funds.

The portion of the period's net cost that comprises the current year's pension earnings, curtailment and settlement of pension schemes, plan changes and accrued social security tax is included in payroll costs in the period during which the employees have worked and thereby earned the pension rights. The net interest expense on the pension obligation less expected return on the pension funds is charged to the income statement as finance costs in the same period. Positive and negative estimate deviations are recognised as other income and costs in total comprehensive income in the period when they were identified.

Changes in defined benefit obligations due to changes in pension schemes are recognised over the estimated average remaining service period when the changes are not immediately recognised. Gain or loss on a curtailment or settlement of a plan is recognised in the result when the curtailment or settlement occurs. A curtailment occurs when the Company decides to significantly reduce the number of employees covered by a plan or amends the terms of a defined benefit plan to the effect that a significant part of the current employees' future earnings no longer qualify for benefits or will qualify for reduced benefits only.

Financial assumptions at 31 December

| | 2022 | 2021 |
|--|--------|--------|
| Discount interest rate | 2.00 % | 1.90 % |
| Expected wage growth | 2.50 % | 2.50 % |
| Future expected pension regulation | 1.75 % | 1.75 % |
| Expected regulation of base amount (G) | 2.25 % | 2.25 % |

DEFINED BENEFIT PLANS

Specification of the recognised liability

| NOK mill. | 2022 | 2021 |
|--|-----------|-----------|
| Present value of unfunded pension liabilities | 46 | 50 |
| Total defined benefit obligation recognised in the balance sheet at 31 Dec. | 46 | 50 |

Pension costs recognised in the income statement

| NOK mill. | 2022 | 2021 |
|---|-----------|-----------|
| Present value of this year's pension earnings | 7 | 11 |
| Pension costs on contribution schemes | 6 | 9 |
| Total pension costs recognised in the income statement | 13 | 20 |

Note 7 Tangible assets

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment. The cost includes expenses directly attributable to the acquisition of the asset. Expenses incurred after the acquisition are recognised as assets when future economic benefits are expected to arise from the asset and can be reliably measured, whereas current maintenance is expensed.

Tangible assets are depreciated systematically over their expected useful lives, normally on a straight-line basis. If indications of impairment exist, the asset is tested for impairment. Art (included within fixtures and equipment) is not depreciated.

Impairment

Tangible assets are considered for impairment when there are indications to the effect that future earnings cannot support the carrying amount.

In the assessment of a decline in value, the first step is to calculate or estimate the assets' recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to sell is the amount that can be achieved at a sale of an asset in a transaction performed at arm's length between well informed and voluntary parties, less costs to sell. The value in use is the present value of future cash flows expected to be generated by an asset or a cash-generating unit.

In the event that the carrying amount exceeds the recoverable amount, the difference is recognised as a write-down. Impairment losses are subsequently reversed when the impairment indicator no longer exists.

2022

| NOK mill. | Buildings and land | Fixtures and equipment | Total |
|--|-----------------------|---------------------------|-----------|
| Cost at 1 January | 5 | 57 | 62 |
| Additions | - | 35 | 36 |
| Disposals | - | -14 | -14 |
| Cost at 31 December | 5 | 79 | 84 |
| Accumulated depreciation and impairment at 1 January | | 25 | 25 |
| Depreciation of the year | | 5 | 5 |
| Disposal of depreciation | | -14 | -14 |
| Accumulated depreciation and impairment at 31 December | - | 16 | 16 |
| Carrying amount at 31 December | 5 | 62 | 67 |
| Estimated economic life of depreciable assets | - | 4-10 years | |
| Depreciation method | | Straight-line | |

2021

| NOK mill. | Buildings and land | Fixtures and equipment | Total |
|--|-----------------------|---------------------------|-----------|
| Cost at 1 January | 4 | 54 | 58 |
| Additions | - | 3 | 4 |
| Cost at 31 December | 5 | 57 | 62 |
| Accumulated depreciation and impairment at 1 January | | 21 | 21 |
| Depreciation of the year | | 4 | 4 |
| Accumulated depreciation and impairment at 31 December | - | 25 | 25 |
| Carrying amount at 31 December | 5 | 32 | 37 |
| Estimated economic life of depreciable assets | - | 4-10 years | |
| Depreciation method | | Straight-line | |

Note 8 Right of use assets and lease liabilities

Identification of a lease

When entering into a contract, Ferd assesses whether the contract is or contains a lease agreement. A contract is or contains a lease agreement if the contract transfers the right to control the use of an identified asset for a period in exchange for a consideration.

Ferd as a lessee

Separation of the components of a lease

For contracts that constitute or contain a lease, Ferd separates lease components if it can benefit from the use of an underlying asset either alone or together with other resources that are readily available to the company, and the underlying asset is neither highly dependent on nor closely linked to other underlying assets in the contract. Ferd then accounts for each individual rental component in the contract as a lease separately from non-leased components in the contract.

Recognition of leases

At the time of implementation of a lease, Ferd recognizes a lease obligation and a corresponding right of use for all its leases, with the exception of the following exceptions applied:

- Short-term leases (lease period of 12 months or less)
- Low value assets

For these leases, the company recognizes the lease payments as other operating expenses in the income statement when they incur.

Lease liabilities

Ferd measures lease obligations at the time of implementation at the present value of the lease payments that are not paid at this time. The lease period represents the non-cancellable period of the lease, in addition to periods covered by an option either to extend or terminate the lease if Ferd with reasonable certainty will exercise this option. The rental payments that are included in the measurement of the rental obligation consist of:

- Fixed rental payments minus any receivables in form of rental incentives
- Variable rental payments that depend on an index or an interest rate, first measured using the index or the interest rate at the time of implementation
- Amounts expected to be paid to the company in accordance with residual value guarantees
- The exercise price for a call option, if the company will exercise this option with reasonable certainty
- Payment of a fine for termination of the lease, if the lease period reflects that the company will exercise an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability, reducing the carrying amount to reflect lease payments and measuring the carrying amount again to reflect any revaluations or changes to the lease, or to reflect adjustments in lease payments such as follows from adjustments in indices or rates.

Ferd does not include variable rental payments in the rental obligation. Instead, the company recognizes these variable rental costs in the income statement.

Ferd presents its lease obligations on its own lines in the balance sheet.

Right of use assets

Ferd measures right-of-use assets at acquisition cost, less accumulated depreciation and impairment losses, adjusted for any new measurements of the lease obligation. Acquisition cost for the right of use assets includes:

- The amount from the initial measurement of the lease obligation
- All rental payments at or before the time of implementation, less any rental incentives received
- All direct expenses for entering into an agreement were incurred by the company
- An estimate of the expenses incurred by the tenant for the dismantling and removal of the underlying asset, the restoration of the place where the unit is located, or the restoration of the underlying asset to the condition required by the terms of the lease, unless these expenses are incurred during the production of the goods.

Ferd applies the depreciation requirements in IAS 16 Property, plant and equipment when depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the date of implementation until what occurs first of the end of the lease term and the end of the useful life of the right-of-use assets.

The company applies IAS 36 "Impairment of assets" to determine whether the usufruct asset has been impaired and to account for any proven impairment losses.

Right of use assets

| Amount in NOK mill. | Buildings |
|--|------------------|
| Cost at 1 January | 182 |
| Additions | 51 |
| Disposals | -12 |
| Transfer and reclassification | 3 |
| Cost at 31 December | 224 |
| Accumulated depreciation and impairment at 1 January | 39 |
| Depreciation of the year | 20 |
| Disposals of depreciation | -12 |
| Accumulated depreciation and impairment at 31 December | 46 |
| Carrying amount at 31 December | 178 |

Lease liabilities

| Amount in NOK mill. | |
|---|------------|
| Undiscounted lease liabilities and payment | |
| Less than 1 year | 26 |
| 1-2 years | 27 |
| 2-3 years | 27 |
| 3-4 years | 28 |
| 4-5 years | 29 |
| More than 5 years | 64 |
| Total undiscounted lease liabilities 31 December | 201 |

Changes in lease liabilities

| | |
|---|------------|
| Lease liabilities 1 January (implementation effect) | 148 |
| New / changed lease liabilities in the period | 55 |
| Current year lease payments | -17 |
| Total lease liabilities 31 December | 186 |

| | |
|--|------------|
| <i>whereof current lease liabilities < 1 year</i> | 26 |
| <i>whereof non-current lease liabilities > 1 year</i> | 160 |

Practical solutions applied

Ferd has decided not to recognize leases where the underlying asset has a low value (NOK 200,000), and thus does not recognize lease liability and right-to-use assets for any of these leases. Instead, the lease payments are expensed when they occur. The company also does not recognize lease obligations and right-to-use assets for short-term leases (less than 12 months), as presented in the table above.

Options to extend a lease

Ferd's lease agreements for buildings have lease periods that vary between one and ten years. Several of the agreements contain a right to extension that can be exercised during the last period of the agreement. When entering into an agreement, the company assesses whether the right to extension with reasonable security will be exercised.

Note 9 Other operating expenses

| NOK mill. | 2022 | 2021 |
|--|-------------|-------------|
| Lease of buildings etc. | 4 | 4 |
| Fees to lawyers, consultants, and auditors | 54 | 35 |
| Travel expenses | 2 | 3 |
| Other expenses | 51 | 33 |
| Total | 111 | 76 |

Note 10 Audit fees charged to the income statement

Specification of fees to the Company's auditors PwC:

| NOK mill. | 2022 | 2021 |
|--------------------------|--------------|--------------|
| Audit fees | 2 100 | 1 418 |
| Certification services | 60 | - |
| Tax services | 462 | 252 |
| Other non-audit services | 6 517 | 2 400 |
| Total | 9 139 | 4 070 |

Other non-audit services mainly comprise of an ESG project for the Ferd Group. All amounts are inclusive of VAT.

Note 11 Transactions and balances with group companies

Parties are considered to be related when one of the parties has the control, joint control or significant influence over another party. Parties are also related if they are subject to a third party's control, or one party can be subject to significant influence and the other to joint control. A person or member of a person's family is related when he or she has control, joint control or significant influence over the business. Companies controlled by or being under joint control by key executives are also considered to be related parties. All related party transactions are carried in accordance with written agreements and established principles.

Ferd AS has the following loans and balances with group companies:

| NOK mill. | 2022 | 2021 |
|---|--------------|--------------|
| Receivables | | |
| Long-term receivables on group companies | 89 | 79 |
| Short-term receivables on group companies - cash pool | 54 | 489 |
| Other short-term receivables on group companies | 58 | 16 |
| Total receivables | 200 | 584 |
| Debt | | |
| Long-term debt to group companies | 118 | 51 |
| Short-term debt to group companies - cash pool | 458 | 1 931 |
| Other short-term debt to group companies | 633 | 744 |
| Total debt | 1 209 | 2 725 |

All group balances bear an interest of 6 months NIBOR + 1,5 percentage points.

Long-term loans have interest rates at assumed market terms.

| NOK mill. | 2022 | 2021 |
|---|--------------|------------|
| Dividends and group contribution | | |
| Dividends | 2 343 | 538 |
| Group contribution | 37 | 57 |
| Total income from financial investments | 2 380 | 595 |
| Services billed to group companies | | |
| Staff services | 25 | 8 |
| Property management | 8 | 40 |
| Total income | 33 | 49 |
| Interest income on intercompany loans and balances | | |
| Interest income | 6 | 4 |
| Interest expense | 18 | -3 |
| Net interest income | -12 | - |

Note 12 Financial income and financial expenses

| Interest income | | |
|-------------------------------------|-------------|-------------|
| NOK mill. | 2022 | 2021 |
| Interest income from bank deposits | 9 | 25 |
| Internal interest income | 6 | 4 |
| Other interest income | 7 | 3 |
| Sum | 22 | 32 |
| Interest expense | | |
| NOK mill. | 2022 | 2021 |
| Interest expense to banks | -8 | -24 |
| Interest expense to related parties | - | 1 |
| Internal interest expenses | -18 | 3 |
| Other interest expenses | -5 | -5 |
| Sum | -32 | -24 |
| Net other financial items | | |
| NOK mill. | 2022 | 2021 |
| Currency gains | 183 | 41 |
| Other financial income | - | 3 |
| Currency losses | -61 | -24 |
| Other financial expenses | -18 | -23 |
| Sum | 104 | -4 |

Note 13 Income taxes

The income tax expense includes tax payable and changes in deferred tax. Income tax on other income and expense items in other comprehensive income is also recognised in total comprehensive income, and tax on balances related to equity transactions are set off against equity.

The tax payable for the period is calculated according to the tax rates and regulations ruling at the end of the reporting period. Tax payable for the period is calculated on the tax basis, which deviates from the "Profit before tax" as a consequence of amounts that shall be recognised as income or expense in another period (temporary differences) or income statement amounts never to be subject to tax (permanent differences).

Deferred tax is calculated on temporary differences between book and tax values of assets and liabilities in the financial statements and any tax effects of losses carried forward at the reporting date.

Deferred tax assets are only recognised in the balance sheet to the extent that it is probable that there will be sufficient taxable profits to utilise the benefits of the tax reducing temporary differences. Deferred tax liabilities and assets are calculated according to the tax rates and regulations ruling at the end of the reporting period and at nominal amounts. Deferred tax liabilities and assets are recognised net when the Company has a legal right to net assets and liabilities and is able to and intend to settle the tax obligation net.

The tax expense comprises:

| NOK mill. | 2022 | 2021 |
|------------------------------|-----------|------------|
| Change in deferred tax | 232 | 76 |
| Tax concerning prior periods | -142 | -168 |
| Withholding tax paid | - | 12 |
| Tax expense | 90 | -80 |

Tax payable in balance sheet

| NOK mill. | 2022 | 2021 |
|-------------------------------------|----------|----------|
| Prepaid tax | - | 6 |
| Tax payable from prior years | - | -6 |
| Tax payable in balance sheet | - | - |

Reconciliation of nominal to effective tax rate

| NOK mill. | 2022 | 2021 |
|---|-----------|------------|
| Profit before tax | -4 379 | 7 098 |
| Expected tax expense according to nominal tax rate (22 percent) | -963 | 1 562 |
| Non-taxable gain/loss and return on securities | -595 | -543 |
| Unrealised changes in value of securities | 1 577 | -950 |
| Adjustment of tax from prior periods | 31 | -175 |
| Withholding tax paid | - | 12 |
| Tax effect of other permanent differences | 40 | 14 |
| Tax expense | 90 | -80 |

| | | |
|---------------------------|---------------|---------------|
| Effective tax rate | -2,1 % | -1,1 % |
|---------------------------|---------------|---------------|

Deferred tax

| NOK mill. | 2022 | 2021 |
|---|------------|-----------|
| Receivables | 1 | -5 |
| Gain and loss account | - | 1 |
| Financial instruments | -2 | -5 |
| Tangible assets | - | -1 |
| Provisions | -14 | -33 |
| Net pensions | -10 | -11 |
| Shares and bonds | 380 | 345 |
| Tax loss to carry forward | -32 | -201 |
| Balance sheet value at 31 Dec., deferred tax liability | 322 | 89 |

Change in net deferred tax recognised in balance sheet

| NOK mill. | 2022 | 2021 |
|--|------------|-----------|
| Balance sheet value at 1 January | 90 | 174 |
| Charged in period | 232 | 76 |
| Correction of tax losses carried forward from previous years | - | -161 |
| Balance sheet value at 31 December | 322 | 89 |

Note 14 Financial instruments and the use of fair value

Classification of financial instruments

Financial instruments constitute a substantial part of Ferd's balance sheet and are of considerable significance for the Company's financial position and result. Financial assets and liabilities are recognised when the Company becomes a party to the contractual obligations and rights of the instrument.

Financial assets:

- Investments in equity instruments and derivatives are measured at fair value through profit or loss.
- Other financial assets, including accounts receivable, are held with the intention to receive contractual cash flows and are measured at amortized cost. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. They are classified as current assets, unless they are expected to be realised more than 12 months after the balance sheet date. Loans and receivables are presented as trade receivables, other receivables and bank deposits in the balance sheet.
- Derivatives are measured at fair value through profit or loss.

Financial liabilities

- Derivatives are measured at fair value through profit or loss with the exception of derivatives held for hedging purposes and meet the requirements for hedge accounting.
- Other financial liabilities are measured at amortized cost. Trade payable and other liabilities are classified as current liabilities if the payments fall due within one year or within the ordinary operating cycle. Debt that has been incurred through the use of Ferd's credit loan facility is presented as long-term debt if Ferd has both the opportunity and intention to repay the debt over a time period of more than 12 months after the end of the reporting period.

Purchases and sales of financial instrument transactions are recognised on the date of the contractual agreement, which is the day the Group commits itself to buy or sell the financial instrument. Financial instruments are derecognised when the contractual rights to receive the cash flows from the investment expire or have been transferred to another party. Correspondingly, financial instruments are derecognised when the Group on the whole has transferred the risks and rewards connected to ownership of the financial asset.

Financial instruments at "fair value over profit and loss" are initially measured at quoted prices at the balance sheet date or estimated on the basis of measurable market information available at the balance sheet date. Transaction costs are recognised in the income statement. In subsequent periods, the financial instruments are measured at fair value based on market values or generally accepted calculation methods. Changes in fair value are recognised in the income statement.

Loans and receivables are initially measured at fair value with the addition of direct transactions costs. In subsequent periods, the assets and liabilities are measured at amortised cost by using the effective interest method, less any decline in value. A provision for a decline in value is made for actual and possible losses on receivables. The Group regularly reviews receivables and prepares estimates for losses, as the basis for the provisions in the financial statements. When preparing the estimate, historical data is used for losses on receivables, which are classified according to the same risk characteristics that are used as a basis within the Group. Based on historical observable default rates, an expectation is made for future losses, for which a provision is recognized. Losses from declines in value are recognised in the income statement.

Gain and loss from the realisation of financial instruments, changes in fair values and interest income are recognised in the income statement in the reporting period as incurred. Dividend income is recognised when the Group has the legal right to receive payment. Net income related to financial instruments is classified as operating income and presented as "Income from financial investments" in the income statement.

Hedge accounting

Ferd can apply financial derivatives to reduce the financial loss from exposures to unfavourable changes in exchange rates or interest rates. Derivatives are recognized as financial instruments at fair value through profit or loss. Ferd does not have any hedge accounting in the parent company accounts.

Ferd's principles in the measurement of fair value, in general

Ferd applies the valuation method that is considered to be the most representative estimate of an assumed sales value. Such a sale shall be carried out in an orderly transaction at the balance sheet date. As a consequence, all assets for which there is observable market information, or where a transaction recently has been carried out, these prices are applied (the market method). When a price for an identical asset is not observable, the fair value is calculated by another valuation method. In the valuations, Ferd applies relevant and observable data at the largest possible extent.

For all investments where the value is determined by another method than the market method, analyses of changes in value from period to period are carried out. Thorough analyses on several levels are made, both overall within the business area, by Ferd's group management and finally by Ferd's Board. Sensitivity analyses for the most central and critical input data in the valuation model are prepared, and in some instances recalculations of the valuation are made by using alternative valuation methods in order to confirm the calculated value.

Ferd is consistent in the application of valuation method and normally does not change the valuation principles. A change of principles will deteriorate the reliability of the reporting and weaken the comparability between periods. The principle for the valuation and use of method is determined for the investment before it is carried out and is changed only exceptionally and if the change results in a measurement that under the circumstances is more representative for the fair value.

Valuation methods

The value of subsidiaries is determined on the basis of the companies' recorded equity and adjust for changes in value not recognised. Underlying investments are valued according to the same principles as investments directly owned by Ferd AS, as described below.

Investments in listed shares are valued by applying the market method. The quoted price for the most recent carried-out transaction on the marketplace is the basis.

Investments in unlisted shares managed in-house are normally valued on the basis of an earnings multiple. In calculating the value (Enterprise Value - EV), ratios like EV/EBITDA, EV/EBITA, EV/EBIT and EV / EBITDA-CAPEX) are applied. Ferd obtains relevant multiples for comparable companies. The multiples for the portfolio companies are adjusted if the assumptions are not the same as the peer group. Such assumptions can include a control premium, a liquidity discount, growth assumptions, margins or similar. The company's result applied in the valuation is normalised for one-off effects. Finally, the equity value is calculated by deducting net interest-bearing debt. In the event that an independent transaction in the market has taken place, this is normally used as a basis for our valuation.

The valuation of investments in externally managed private equity and hedge funds is based on value reports received from the funds (NAV).

The part of the hedge funds portfolio reported under Other areas is acquired in the second-hand market, often at a considerable discount compared to the reported value from the funds (NAV). In the measurement of these hedge funds, estimates from several external brokers are obtained to evaluate at which discount these hedge funds are traded, compared to the most recently reported NAV. Ferd makes an assessment of the broker estimates, makes a best estimate for discount and uses this estimate in the valuation of the hedge funds.

Rental properties are valued by discounting future expected cash flows. The value of properties being part of building projects is valued at an assumed sales value on a continuous basis. There is often a shift in value at achieved milestones. Our calculated values are regularly compared to independent valuations.

The table below is an overview of carrying and fair value of the Company's financial instruments and how they are recognised in the financial statements. It is the starting point for additional information on the Company's financial risk and refers to notes to follow.

| NOK mill. | Financial instruments at fair value over profit and loss | Financial instruments measured at amortised cost: | Total |
|---|---|--|---------------|
| Non-current assets | | | |
| Investments in subsidiaries | 26 216 | - | 26 216 |
| Long-term receivables on group companies | - | 89 | 89 |
| Other non-current receivables | 7 | 104 | 110 |
| Total 2022 | 26 222 | 192 | 26 415 |
| Total 2021 | 27 623 | 143 | 27 766 |
| Current assets | | | |
| Short-term receivables on group companies | - | 112 | 112 |
| Other short-term receivables | - | 241 | 241 |
| Listed shares and bonds | 5 947 | - | 5 947 |
| Unlisted shares and bonds | 7 809 | - | 7 809 |
| Hedge funds | 1 882 | - | 1 882 |
| Liquidity fund investments | 824 | - | 824 |
| Bank deposits | - | 854 | 854 |
| Total 2022 | 16 461 | 1 206 | 17 667 |
| Total 2021 | 21 617 | 1 774 | 23 390 |
| Long-term debt | | | |
| Debt to group companies | - | 118 | 118 |
| Long-term interest-bearing debt | - | 300 | 300 |
| Long-term lease liabilities | - | 160 | 160 |
| Total 2022 | - | 577 | 577 |
| Total 2021 | - | 480 | 480 |
| Short-term debt | | | |
| Trade accounts payable | - | 9 | 9 |
| Public duties etc. | - | 17 | 17 |
| Cash pool overdraft | - | 340 | 340 |
| Debt to group companies | - | 1 092 | 1 092 |
| Lease liabilities | - | 26 | 26 |
| Other short-term debt | - | 91 | 91 |
| Total 2022 | - | 1 574 | 1 574 |
| Total 2021 | - | 3 632 | 3 632 |

Fair value hierarchy - financial assets and liabilities

Ferd classifies assets and liabilities measured at fair value in the balance sheet by a hierarchy based on the underlying object for the valuation. The hierarchy has the following levels:

Level 1: Valuation based on quoted prices in active markets for identical assets without adjustments. An active market is characterised by the fact that the security is traded with adequate frequency and volume in the market. The price information shall be continuously updated and represent expected sales proceeds. Only listed shares are considered to be level 1 investments.

Level 2: Level 2 comprises investments where there are quoted prices, but the markets do not meet the requirements for being characterised as active. Also included are investments where the valuation can be fully derived from the value of other quoted prices, including the value of underlying securities, interest rate level, exchange rate etc. In addition, financial derivatives like interest rate swaps and currency futures are considered to be level 2 investments. Ferd's hedge fund portfolio is assessed to meet the requirements of level 2. These funds comprise composite portfolios of shares, interest securities, raw materials, and other negotiable derivatives. For such funds, the value (NAV) is reported on a continuous basis, and the reported NAV is applied on transactions in the fund.

Level 3: All Ferd's other securities are valued on level 3. This concerns investments where all or parts of the information about value cannot be observed in the market. Ferd is also applying valuation models for investments where the share has little or no trading. Securities valued on the basis of quoted prices or reported value (NAV), but where significant adjustments are required, are assessed on level 3. For Ferd this concerns all private equity investments and fund investments reported under Other areas, where reported NAV has to be adjusted for discounts. A reconciliation of the movements of assets on level 3 is shown in a separate table.

Ferd allocates each investment to its respective level in the hierarchy at the acquisition. Transfers from one level to another are made only exceptionally and only if there have been changes of significance for the level classification concerning the financial asset. This can be the case when an unlisted share has been listed or correspondingly. A transfer between levels will then take place when Ferd has become aware of the change.

The table shows at what level in the valuation hierarchy the different measurement methods for the Group's financial assets at fair value are considered to be:

| NOK mill. | Level 1 | Level 2 | Level 3 | Total 2022 |
|-----------------------------|--------------|--------------|---------------|---------------|
| Investments in subsidiaries | 4 027 | - | 22 189 | 26 216 |
| Other receivables | 7 | - | - | 7 |
| Listed shares and bonds | 5 947 | - | - | 5 947 |
| Unlisted shares and bonds | - | 5 508 | 2 301 | 7 809 |
| Hedge funds | - | 1 778 | 104 | 1 882 |
| Liquidity fund investments | - | 824 | - | 824 |
| Total 2022 | 9 981 | 8 109 | 24 594 | 42 684 |

| NOK mill. | Level 1 | Level 2 | Level 3 | Total 2021 |
|-----------------------------|---------------|--------------|---------------|---------------|
| Investments in subsidiaries | 4 212 | - | 23 411 | 27 623 |
| Listed shares and bonds | 10 379 | - | - | 10 379 |
| Unlisted shares and bonds | - | 5 831 | 1 815 | 7 646 |
| Hedge funds | - | 1 428 | 157 | 1 585 |
| Liquidity fund investments | - | 2 007 | - | 2 007 |
| Total 2021 | 14 591 | 9 266 | 25 383 | 49 240 |

Reconciliation of movements in assets on level 3

| NOK mill. | OB 1 Jan. 22 | Reclassified out of level 3 | Purchases/ share issues | Sales and proceeds from investments | Value changes recognised in the income statement | CB 31 Dec. 22 |
|-----------------------------|---------------|-----------------------------|-------------------------|-------------------------------------|--|---------------|
| Investments in subsidiaries | 23 411 | - | 1 014 | -59 | -2 178 | 22 189 |
| Unlisted shares and bonds | 1 815 | - | 905 | -112 | -308 | 2 301 |
| Hedge funds | 157 | - | - | -14 | -38 | 104 |
| Total | 25 383 | - | 1 920 | -185 | -2 524 | 24 594 |

| NOK mill. | OB 1 Jan. 21 | Reclassified out of level 3 | Purchases/ share issues | Sales and proceeds from investments | Value changes recognised in the income statement | CB 31 Dec. 21 |
|-----------------------------|---------------|-----------------------------|-------------------------|-------------------------------------|--|---------------|
| Investments in subsidiaries | 23 331 | -6 606 | 2 014 | -19 | 4 691 | 23 411 |
| Unlisted shares and bonds | 3 898 | -4 092 | 2 933 | -475 | -450 | 1 815 |
| Hedge funds | 375 | - | - | - | -219 | 157 |
| Total | 27 604 | -10 698 | 4 948 | -494 | 4 022 | 25 383 |

Specification of applied input and sensitivity analysis

The table below gives an overview over the most central assumptions used when measuring the fair value of Ferd's investments, allocated to level 3 in the hierarchy. We also show how sensitive the value of the investments is for changes in the assumptions.

| NOK mill. | Balance sheet value at 31 Dec. 2022 | Applied and implicit EBITDA multiples | Value, if the multiple is reduced by 10 % | Value, if the multiple is increased by 10 % | Applied discount rate | Value, if the interest is increased by 1 percentage point | Value, if the interest is reduced by 1 percentage point |
|---|-------------------------------------|---------------------------------------|---|---|-----------------------|---|---|
| Investment in Ferd Real Estate | 4 339 | - | - | - | 5.3 %-12.0 % | 3 155 | 6 321 |
| Other investments in subsidiaries sensitive to multiples | 17 560 | 6.9- 25.0 | 15 595 | 19 680 | - | - | - |
| Other subsidiaries and unlisted investments ¹⁾ | 2 694 | - | - | - | - | - | - |

¹⁾ Investments in companies with an ownership interest of less than 50 percent

Note 15 Shares and stakes in other companies with ownerships in excess of 10 percent

| Subsidiary | Segment | Business office | Stake |
|--|--------------|-----------------|---------|
| 1912 Top Holding AS - Holding company for the investment in Servi Brav AS | Ferd Capital | Oslo | 99,7 % |
| Broodstock Capital AS | Ferd Capital | Oslo | 100,0 % |
| Elopak ASA | Ferd Capital | Molde | 93,9 % |
| FC Holding XVI AS - Holding company for the investment in Try* | Ferd Capital | Oslo | 59,8 % |
| FC Well Invest AS - Holding company for the investment in Interwell* | Ferd Capital | Oslo | 100,0 % |
| FC-Invest AS | Ferd Capital | Oslo | 100,0 % |
| Ferd Aibel Holding AS - Holding company for the investment in Aibel* | Ferd Capital | Oslo | 100,0 % |
| Ferd Aidian Holding AS - Holding company for the investment in Aidian* | Ferd Capital | Oslo | 95,3 % |
| Ferd Lab Invest AS - Holding company for the investment in Fürst* | Ferd Capital | Oslo | 100,0 % |
| Ferd MG Holding AS - Holding company for the investment in Mestergruppen* | Ferd Capital | Oslo | 98,8 % |
| Ferd Mnemonic Holding AS - Holding company for the investment in Mnemonic* | Ferd Capital | Oslo | 100,0 % |
| Ferd Norkart Holding AS - Holding company for the investment in Norkart* | Ferd Capital | Oslo | 100,0 % |
| Ferd Simployer Holding AS - Holding company for the investment in Simployer* | Ferd Capital | Oslo | 100,0 % |
| FC Holding XXII AS | Ferd Capital | Oslo | 100,0 % |
| FC Holding XXIII AS | Ferd Capital | Oslo | 100,0 % |
| FC Holding XXIV AS | Ferd Capital | Oslo | 100,0 % |
| Ferd Eiendom AS - Holding company for Ferd's real estate investments | Real Estate | Oslo | 100,0 % |

| | | | |
|---|-------------|-------|---------|
| Debattene om Norges fremtid AS | Other areas | Oslo | 100,0 % |
| Eventyrlyst AS | Other areas | Oslo | 100,0 % |
| Ferd Seagust AS - Holding company for the investment in Seagust | Other areas | Oslo | 100,0 % |
| Ferd Sosiale Entreprenører AS | Other areas | Oslo | 100,0 % |
| Norse Crown Company Ltd. AS | Other areas | Oslo | 100,0 % |
| Unicus Holding AS | Other areas | Bærum | 70,0 % |

*) See note 3 to the group accounts for direct ownership in the investments.

Other investments with ownership interest greater than 10 percent

Several of the investments has a high ownership level but are pure financial investments. Investments are not classified as subsidiary or associates when we lack control over the investments. See note 1 for description of control.

Listed companies and shares

| | | | |
|-----------------------------|--------------|--|--------|
| Benchmark Holdings plc | Ferd Capital | | 26,0 % |
| BHG Group AB | Ferd Capital | | 17,8 % |
| Boozt AB | Ferd Capital | | 14,2 % |
| Cloudberry Clean Energy ASA | Ferd Capital | | 11,6 % |
| Nilfisk A/S | Ferd Capital | | 19,9 % |
| Trifork Holding AG | Ferd Capital | | 10,0 % |

Unlisted companies and shares

| | | | |
|---|--------------|--|--------|
| Credo Invest nr 10 AS | Ferd Capital | | 91,3 % |
| Fjord Line AS | Ferd Capital | | 44,6 % |
| Rolighedsvej, 9990 Skagen ApS | Ferd Capital | | 50,0 % |
| SPV Verdane Winds | Ferd Capital | | 43,6 % |
| Verdane Capital 2020 AB | Ferd Capital | | 24,0 % |
| Abler Nordic AS | Other areas | | 14,2 % |
| Auticon GmbH | Other areas | | 18,6 % |
| Energy Ventures II AS | Other areas | | 26,0 % |
| Energy Ventures III AS | Other areas | | 25,0 % |
| Energy Ventures III GP LP | Other areas | | 25,0 % |
| Energy Ventures III LP | Other areas | | 18,7 % |
| Fagskolen Diakonova Holding AS | Other areas | | 10,0 % |
| Founders Fund II | Other areas | | 13,5 % |
| Founders Fund III | Other areas | | 10,6 % |
| Gammel NOK Holding AS | Other areas | | 32,6 % |
| Herkules Private Equity Fund III (LP-I) Limited | Other areas | | 25,1 % |
| Momentum II | Other areas | | 13,1 % |
| Motitech AS | Other areas | | 21,3 % |
| NMI Frontier | Other areas | | 11,3 % |
| NMI Fund III | Other areas | | 15,4 % |
| NMI Global | Other areas | | 11,3 % |
| NMI GP IV AS | Other areas | | 11,0 % |
| Norwegian Microfinance Initiative AS | Other areas | | 12,5 % |
| Wind Catching Systems AS | Other areas | | 24,0 % |

Note 16 Bank deposits

The following amounts included in bank deposits concern restricted funds:

| NOK mill. | 2022 | 2021 |
|-------------------------|------|------|
| Employees' tax withheld | 7 | 6 |

Note 17 Share capital and shareholder information

As at 31 December 2022, the share capital of the Company consists of 183 267 630 shares at nominal value NOK 1.00.

Owner structure

The shareholder as at 31 December 2022 was:

| | Number of shares | Stake |
|-----------------|------------------|----------|
| Ferd Holding AS | 183 267 630 | 100.00 % |

Ferd AS is a subsidiary of Ferd Holding AS, being a subsidiary of Ferd JHA AS. Ferd shares offices with Ferd Holding AS and Ferd JHA AS in Oslo. Please contact Ferd for the consolidated financial statements of Ferd JHA AS.

| Shares owned indirectly by the board members of Ferd AS: | Role | Voting rights | Stake |
|--|-------|---------------|--------|
| Johan H. Andresen (Ferd JHA AS) | Chair | 69,98% | 15,20% |

Katharina G. Andresen and Alexandra G. Andresen have a combined indirect ownership holding of 84.8 percent of Ferd AS as a result of their share ownership in Ferd Holding AS through their holding companies Ferd KGA AS and Ferd AGA AS.

Note 18 Non-current interest bearing debt

| NOK mill. | 2022 | 2021 |
|--|------------|------------|
| Non-current interest-bearing debt to Den Nordiske Investeringsbanken | 300 | 300 |
| Non-current interest-bearing debt - carrying amount 31 December | 300 | 300 |
| Capitalised borrowing expenses | - | - |
| Carrying amount 31 December | 300 | 300 |

Ferd AS has a loan facility of NOK 7 billion. As of 31 December 2022, a draw-down of NOK 200 million has been made on one of the loan facilities. Loan expenses are amortized over the loan term.

Ferd has financial covenants with requirements related to 1) Equity ratio, 2) Book equity and 3) Cash and cash equivalents. At 31 December 2022, Ferd had a good margin for these requirements.

Note 19 Short-term interest-bearing debt

| NOK mill. | 2022 | 2021 |
|---|------------|------------|
| Cash pool overdraft | 340 | 748 |
| Short-term interest-bearing debt at 31 Dec. at nominal value | 340 | 748 |
| Capitalised drawing costs | - | - |
| Carrying amount at 31 December | 340 | 748 |

Ferd AS has a multi-currency group cash pool agreement. Overdraft positions and deposits then the same currency have been netted and presented either as bank deposits or cash pool overdrafts, but no netting is performed between different currencies. The cash pool as a whole has positive net deposits as of 31 December 2022.

Note 20 Risk management – investing activities

There have been no significant changes related to the Company's risk management in the period.

IMPAIRMENT RISK AND CAPITAL ALLOCATION

Ferd's allocation of capital shall be in line with the owner's risk tolerance. One measure of this risk tolerance is the size of the decline in value in kroner or percent that the owner accepts if any of the markets Ferd is exposed to should experience very heavy and quick downfalls. The impairment risk regulates how large part of equity that can be invested in assets with high risk for impairment. This is measured and followed up by stress tests. The loss risk is assessed as a possible total impairment expressed in kroner and as a percentage of equity. Due to Ferd's long-term approach, the owner can accept significant fluctuations in value-adjusted equity.

CATEGORIES OF FINANCIAL RISK

Liquidity risk

Ferd's current and estimated future liquidity needs are continuously analysed and assessed. Ferd requires that under normal market conditions at least NOK 4 billion of the financial investments consists of assets that can be realized within the next three months. This is primarily achieved through investments in listed shares and liquid fund investments.

Foreign currency risk

Ferd is well aware of foreign currency risks. We assume that Ferd always will have a certain part of equity invested in euro, USD, and Swedish kroner, and is therefore normally not hedging the currency exposure to Norwegian kroner.

Ferd has no outstanding currency derivatives on the parent company level as at 31 December 2022.

SENSITIVITY ANALYSIS, IMPAIRMENT RISK IN INVESTMENT ACTIVITIES

The stress test is based on a classification of Ferd's equity in different asset classes, exposed for impairment as follows:

- The Norwegian stock market declines by 30 percent
- International stock markets decline by 20 percent
- Property declines by 10 percent
- The Norwegian krone appreciates by 10 percent

In order to refine the calculations, it is considered whether Ferd's investments will decline more or less than the market. As an example, it is assumed that the unlisted investments in a stress test scenario have an impairment loss of 1.0-1.3 times the Norwegian market.

| NOK mill. | 2022 | 2021 |
|---|----------------|----------------|
| Price risk: Norwegian shares declined by 30 percent | -8 400 | -8 600 |
| Price risk: International shares decline by 20 percent | -3 450 | -4 100 |
| Price risk: Property declines by 10 percent | -850 | -900 |
| Total reductions in value-adjusted equity (excl. currency) | -12 700 | -13 600 |
| Value reduction as a percentage of value-adjusted equity (excl. currency) | 30% | 28% |
| Currency risk: The Norwegian krone appreciates 10 percent | -2 350 | -2 700 |
| Total reductions in value-adjusted equity (incl. currency) | -15 050 | -16 300 |
| Value reduction as a percentage of value-adjusted equity (incl. currency) | 35% | 34% |

Note 21 Contingent liabilities and obligations not recognised in balance sheet

Provisions

A provision is recognised when the Company has an obligation as a result of a previous event, it is probable that a financial settlement will take place and the amount can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, discounted at present value if the discount effect is significant.

Guarantees and obligations not recognised in the balance sheet

| NOK mill. | 2022 | 2021 |
|---|--------------|--------------|
| Other commitments to subsidiaries | 3 550 | 3 550 |
| Not paid, but committed capital to fund investments | 960 | 1 069 |
| Total | 4 510 | 4 619 |

On 26 February 2020, Ferd entered into an agreement to acquire NRK's property at Marienlyst, where Ferd is expected to develop apartments and workplaces in line with the adopted prospects of the property. The regulatory work is in progress where Ferd is in dialogue with the agency for planning and building services in Oslo municipality, where the final decision will be made by the politicians in Oslo municipality. The agreement gives NRK a minimum price of NOK 3.75 billion, but the final price depends on which regulation is adopted for the area. Settlement and takeover give NRK sufficient time to find a new and modern headquarters and NRK is now in the process of finding a new site for relocating its business.

Contingent obligations and litigation

Ferd AS is presently not involved in any litigation.

Note 22 New accounting standards according to IFRS

The financial statements have been prepared in accordance with standards approved by the International Accounting Standards Board (IASB) and International Financial Reporting Standards - Interpretations Committee (IFRIC) effective for accounting years starting on 1 January 2022 or earlier.

New and amended standards applied by Ferd effective from the accounting year 2022

There are no new standards in 2022 that will have a significant effect on the consolidated financial statements.

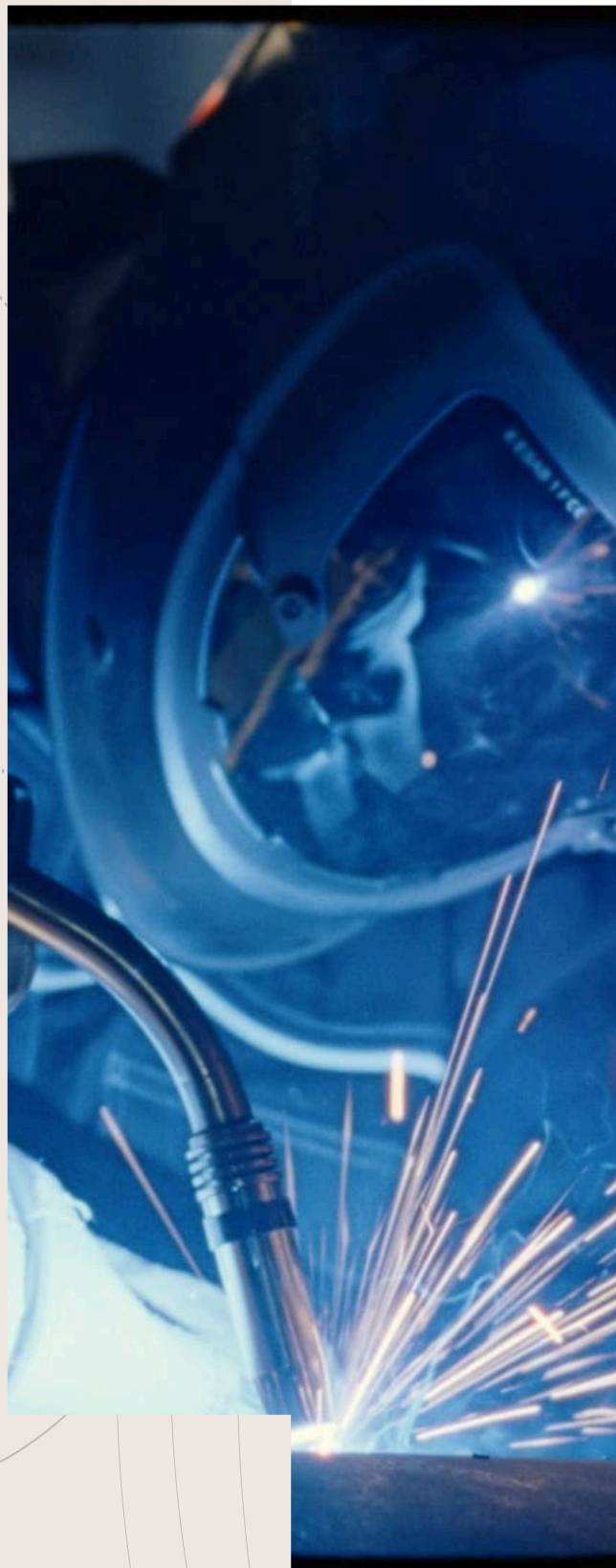
New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the year ending 31 December 2022. The company has chosen not to early adopt any new or amended standards in preparing the consolidated financial statements for 2022. None of these standards are expected to have a material impact on the financial statements at implementation.

Note 23 Events after the balance sheet date

There have been no significant events after the balance sheet date with impact on financial statements for 2022.

**CONSOLIDATED
FINANCIAL
STATEMENTS
FERD AS GROUP**



Income statement 1 January - 31 December

| NOK mill. | Note | 2022 | 2021 |
|--|-------------------|---------------|---------------|
| OPERATING INCOME AND EXPENSES | | | |
| Sales income | <u>3.10</u> | 26 701 | 22 597 |
| Income from financial investments | <u>3.4</u> | -3 549 | 3 259 |
| Other income | <u>3.8</u> | -244 | 787 |
| Operating income | 3 | 22 908 | 26 643 |
| Cost of sales | | 15 160 | 12 839 |
| Salary expenses | <u>11.19</u> | 5 607 | 4 837 |
| Depreciation and impairments | <u>3.12,13,14</u> | 1 936 | 1 552 |
| Other operating expenses | <u>15.16</u> | 3 012 | 2 122 |
| Operating expenses | | 25 715 | 21 350 |
| Operating profit | 3 | -2 807 | 5 293 |
| Income on investments accounted for by the equity method | <u>3.17</u> | 89 | 140 |
| Finance income | <u>18</u> | 527 | 200 |
| Finance expenses | <u>18</u> | -652 | -419 |
| Net finance items | | -35 | -80 |
| Profit before tax | | -2 843 | 5 213 |
| Income tax expense | <u>9</u> | 339 | 425 |
| PROFIT FOR THE YEAR | | -3 181 | 4 788 |
| Non-controlling interests' share of profit for the year | | 368 | 523 |
| Parent company shareholders' share of profit for the year | | -3 549 | 4 266 |
| Total comprehensive income 1 January - 31 December | | | |
| NOK mill. | | 2022 | 2021 |
| PROFIT FOR THE YEAR | | -3 181 | 4 788 |
| Other income and expenses that can be reclassified to the income statement at a later date: | | | |
| Currency conversion of foreign subsidiaries | | 212 | -358 |
| Effect of cash flow hedging | <u>28</u> | -91 | 56 |
| Tax on cash flow hedging | <u>9.28</u> | 20 | -12 |
| Other income and expenses that cannot be reclassified to the income statement at a later date: | | | |
| Estimate deviation on pensions | <u>19</u> | -1 | -5 |
| Tax on estimate deviation on pensions | <u>9</u> | - | 1 |
| TOTAL COMPREHENSIVE INCOME | | -3 041 | 4 469 |
| Non-controlling interests' share of total comprehensive income | <u>23</u> | 374 | 367 |
| Parent company shareholders' share of total comprehensive income | | -3 415 | 4 102 |

Balance sheet as at 31 December - Assets

| NOK mill. | Note | 2022 | 2021 |
|--|----------------|---------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | <u>3,12,13</u> | 10 608 | 8 784 |
| Deferred tax assets | <u>9</u> | 368 | 317 |
| Tangible assets | <u>3,14</u> | 3 559 | 3 035 |
| Right of use assets | <u>32</u> | 2 934 | 2 235 |
| Investments accounted for by the equity method | <u>3,7,17</u> | 955 | 583 |
| Investment property | <u>3,5,8</u> | 4 660 | 5 379 |
| Pension funds | <u>19</u> | 15 | 12 |
| Other financial assets | | 1 198 | 1 031 |
| Total non-current assets | | 24 298 | 21 375 |
| Current assets | | | |
| Inventories | <u>20</u> | 5 804 | 4 672 |
| Short-term receivables | <u>5,21</u> | 6 916 | 5 686 |
| Listed shares and bonds | <u>3,5,7</u> | 5 949 | 10 381 |
| Unlisted shares and bonds | <u>3,5,7</u> | 12 492 | 10 734 |
| Hedge funds | <u>3,5</u> | 1 882 | 1 585 |
| Derivatives | <u>3,5</u> | 11 | 57 |
| Liquidity fund investments (cash equivalents) | <u>5</u> | 824 | 2 007 |
| Bank deposits | <u>3</u> | 3 278 | 4 006 |
| Total current assets | | 37 156 | 39 128 |
| TOTAL ASSETS | | 61 454 | 60 504 |

Balance sheet as at 31 December – Equity and Liabilities

| NOK mill. | Note | 2022 | 2021 |
|---|-------------|---------------|---------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Paid-in equity | <u>22</u> | 4 051 | 4 051 |
| Other equity | | 26 970 | 30 942 |
| Non-controlling interests | <u>23</u> | 2 996 | 2 990 |
| Total equity | | 34 017 | 37 983 |
| Non-current liabilities | | | |
| Pension liabilities | <u>19</u> | 107 | 106 |
| Deferred tax | <u>9</u> | 1 066 | 908 |
| Long-term interest-bearing liabilities | <u>24</u> | 10 764 | 8 873 |
| Other long-term liabilities | <u>5,24</u> | 134 | 234 |
| Lease liabilities | <u>32</u> | 2 566 | 1 969 |
| Total non-current liabilities | | 14 636 | 12 089 |
| Current liabilities | | | |
| Short-term interest-bearing liabilities | <u>0</u> | 1 548 | 958 |
| Income tax payable | <u>9</u> | 335 | 420 |
| Other current liabilities | <u>5,25</u> | 10 285 | 8 534 |
| Lease liabilities | <u>32</u> | 583 | 492 |
| Derivatives | | 49 | 27 |
| Total current liabilities | | 12 800 | 10 432 |
| Total liabilities | | 27 437 | 22 521 |
| TOTAL EQUITY AND LIABILITIES | | 61 454 | 60 504 |

Oslo, 18 April 2023

The Board of Directors of Ferd AS

 Johan H. Andresen (sign)
 Chair of the Board

 Morten Borge (sign)
 Director / CEO

 Tom Erik Myrland (sign)
 Director

 Erik Rosness (sign)
 Director

Statement of changes in equity

| 2022 | Share capital (Note 22) | Share premium | Other paid-in capital | Total paid-in equity | Currency conversion reserve | Cash-flow hedging (Note 28) | Retained earnings | Total other equity | Non-controlling interests | Total equity |
|---|----------------------------|---------------|-----------------------|----------------------|-----------------------------|-----------------------------|-------------------|--------------------|---------------------------|--------------|
| NOK mill. | | | | | | | | | | |
| Equity at 1 Jan. 2022 | 183 | 3 057 | 810 | 4 051 | -164 | 85 | 31 022 | 30 942 | 2 990 | 37 983 |
| Correction previous years | - | - | - | - | - | - | - | - | 10 | 9 |
| Equity at 1 Jan. 2022 | 183 | 3 057 | 810 | 4 050 | -164 | 85 | 31 022 | 30 942 | 2 999 | 37 992 |
| Profit for the year | - | - | - | - | - | - | -3 549 | -3 549 | 368 | -3 181 |
| Profit from other income and expenses | - | - | - | - | 182 | -42 | - | 139 | 1 | 140 |
| Total comprehensive income 2022 | - | - | - | - | 182 | -42 | -3 550 | -3 410 | 370 | -3 041 |
| Transactions with owners | | | | | | | | | | |
| Transactions with non-controlling interests | - | - | - | - | - | - | 91 | 91 | 159 | 250 |
| Business combinations | - | - | - | - | - | - | - | - | - | - |
| Dividend paid *) | - | - | - | - | - | - | -670 | -670 | -529 | -1 199 |
| Other | - | - | - | - | - | - | 17 | 17 | -3 | 14 |
| Total transactions with owners | - | - | - | - | - | - | -562 | -562 | -373 | -934 |
| Equity at 31 Dec. 2022 | 183 | 3 057 | 810 | 4 050 | 17 | 42 | 26 910 | 26 970 | 2 996 | 34 017 |

*) Ferd AS has in 2021 declared additional dividends totalling NOK 947 million to Ferd Holding AS.

| 2021 | Share capital (Note 22) | Share premium | Other paid-in capital | Total paid-in equity | Currency conversion reserve | Cash-flow hedging (Note 28) | Retained earnings | Total other equity | Non-controlling interests | Total equity |
|---|----------------------------|---------------|-----------------------|----------------------|-----------------------------|-----------------------------|-------------------|--------------------|---------------------------|--------------|
| NOK mill. | | | | | | | | | | |
| Equity at 1 Jan. 2021 | 183 | 3 057 | 810 | 4 051 | 63 | 18 | 25 393 | 25 474 | 1 700 | 31 225 |
| Correction previous years | - | - | - | - | - | - | 47 | 47 | 173 | 220 |
| Equity at 1 Jan. 2021 | 183 | 3 057 | 810 | 4 051 | 63 | 18 | 25 440 | 25 521 | 1 873 | 31 445 |
| Profit for the year | - | - | - | - | - | - | 4 266 | 4 266 | 523 | 4 788 |
| Profit from other income and expenses | - | - | - | - | -228 | 67 | -3 | -163 | -156 | -319 |
| Total comprehensive income 2021 | - | - | - | - | -228 | 67 | 4 263 | 4 103 | 366 | 4 469 |
| Transactions with owners | | | | | | | | | | |
| Transactions with non-controlling interests | - | - | - | - | - | - | 2 144 | 2 144 | 987 | 3 131 |
| Dividend paid *) | - | - | - | - | - | - | -947 | -947 | -160 | -1 107 |
| Other | - | - | - | - | - | - | 122 | 122 | -76 | 45 |
| Total transactions with owners | - | - | - | - | - | - | 1 318 | 1 318 | 750 | 2 069 |
| Equity at 31 Dec. 2021 | 183 | 3 057 | 810 | 4 051 | -164 | 85 | 31 022 | 30 942 | 2 990 | 37 983 |

*) Ferd AS declared in 2020 an additional dividend of NOK 182 million to Ferd Holding AS.

Statement of cash flows 1 January - 31 December

Cash flow statement

The cash flow statement has been prepared using the direct method, i.e., the statement presents the Company's actual payments and disbursements in order to show the cash flows from ordinary operations, investing and financing activities, respectively.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other short-term and easily realisable investments that will fall due within 3 months, also including restricted funds. Bank overdraft is presented as short-term debt to finance institutions in the balance sheet. In the statement of cash flows, the overdraft facility is included in cash and cash equivalents.

| NOK mill. | Note | 2022 | 2021 |
|--|--------------------|---------------|---------------|
| Operating activities | | | |
| Profit before tax and minorities | | -2 843 | 5 213 |
| Taxes paid | <u>9</u> | -222 | -445 |
| Depreciation and impairments | <u>12,13,14,32</u> | 1 936 | 1 552 |
| Value-change on investment property | <u>8</u> | 565 | -256 |
| Income on investments accounted for by the equity method | <u>17</u> | -89 | -129 |
| Pension costs without cash effects | <u>19</u> | -4 | 12 |
| Gain and loss on securities, net | | 2 780 | -4 432 |
| Net investment in securities | | 309 | 7 |
| Net investment in investment property | <u>8</u> | -390 | -90 |
| Gain and loss on sale of tangible assets, net | | 4 | 111 |
| Change in inventories | | -754 | -641 |
| Change in short-term receivables and other current assets | | -843 | -613 |
| Change in trade payables and other current liabilities | | 1 427 | 804 |
| Change in other long-term debt | | -37 | -1 |
| Other changes | | 537 | 3 626 |
| Net cash flows from operating activities | | 2 376 | 4 720 |
| Investing activities | | | |
| Proceeds from sale of tangible and intangible assets | <u>12,13,14</u> | - | 6 |
| Purchases of tangible and intangible assets | <u>12,13,14</u> | -1 971 | -898 |
| Dividend received from companies accounted for by the equity method | <u>17</u> | 2 | 121 |
| Purchase of subsidiaries, net less bank deposits acquired | <u>13</u> | -2 037 | -2 953 |
| Proceeds from sale of subsidiaries, net less bank deposits transferred | | 518 | 1 088 |
| Net other investments | | -1 105 | -243 |
| Net cash flows used in investing activities | | -4 594 | -2 879 |
| Financing activities | | | |
| Proceeds from interest-bearing debt | <u>29</u> | 13 443 | 11 179 |
| Repayment of interest-bearing debt | <u>29</u> | -11 829 | -9 336 |
| Repayment of leasing debt | <u>32</u> | -216 | -522 |
| Dividend paid | | -1 199 | -1 107 |
| Net cash flows from investing activities | | 199 | 213 |
| Currency conversion of bank deposits | | 108 | -33 |
| Change in bank deposits and liquidity fund investment | | -1 910 | 2 022 |
| Bank deposits and liquidity fund investment at 1 January | | 6 012 | 3 991 |
| Bank deposits and liquidity fund at 31 December | | 4 102 | 6 012 |

Note 1 General information and accounting principles

General information

Ferd is a family-owned Norwegian investment-company committed to value-creating ownership of businesses and investments in financial assets. In addition, the Group has an extensive involvement in social entrepreneurship. Ferd AS is located in Dronning Mauds gate 10, Oslo.

Ferd is owned by Johan H. Andresen and his family. Andresen is the Chair of the Board.

The Company's financial statements for 2022 were approved by the Board of Directors on 18 April 2023

Basis for the preparation of the consolidated financial statements

Ferd AS' consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU.

The most significant accounting principles applied in the preparation of the financial statements are described below. Specific accounting principles are disclosed under the relevant notes. The accounting principles are consistent for similar transactions in the reporting periods presented, if not otherwise stated.

Consolidation and consolidated financial statements

The consolidated financial statements show the overall financial results and the overall financial position for the parent company Ferd AS and entities where Ferd has direct or indirect control. Ferd has control over an investment if Ferd has the decision power over the enterprise in which it has been invested, is exposed to or is entitled to a variable return from the enterprise, and at the same time has the opportunity to use this decision power over the enterprise to influence on the variable return.

Non-controlling interests in subsidiaries are disclosed as part of equity, but separated from the equity that can be attributed to the shareholders of Ferd AS. The non-controlling interests are either measured at fair value or at the proportionate share of identified net assets and liabilities. The principle for measuring non-controlling interests is determined separately for each business combination.

Subsidiaries are consolidated from the date when the Group achieves control and are excluded when such control ceases. Should there be a change in ownership in a subsidiary without any change of control, the change is accounted for as an equity transaction. The difference between the compensation and the carrying value of the non-controlling interests is recognised directly in equity and allocated to the shareholders of Ferd AS. At a loss of control, the subsidiary's assets, liabilities, non-controlling interests and any accumulated currency differences are derecognised. Any remaining owner interests at the date of the loss of control are measured at fair value and gain or loss is recognised in the income statement.

Inter-company transactions, balances and unrealised internal gains are eliminated. When required, adjustments are made to the financial statements of subsidiaries to bring their accounting principles in line with those used by the Group.

Foreign currency translation

Transactions in foreign currency in the individual Group entities are recognised and measured in the functional currency of the entity at the transaction date. Monetary items in foreign currency are translated into the functional currency at the exchange rate prevailing at the balance sheet date. Gain and loss arising from changes in foreign currency is recognised in the income statement with the exception of currency differences on loans in foreign currencies hedging a net investment, and inter-company balances considered to be part of the net investment. These differences are recognised as other income in total comprehensive income until the investment is disposed of.

The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional currency of the parent company. When a subsidiary in foreign currency is consolidated, income and expense items are translated into Norwegian kroner at an average weighted exchange rate throughout the year. For balance sheet items, including excess values and goodwill, the exchange rate prevailing at the balance sheet date is used. Exchange differences arising when consolidating foreign subsidiaries are recognised in total comprehensive income until the subsidiary is disposed of.

Loan expenses

Loan expenses that are directly attributable to the acquisition, manufacturing or production of an asset requiring a long time to be completed before it can be used, are added to the acquisition cost for the asset. For investment properties measured at fair value, Ferd is also capitalising loan expenses incurred in the development period. Ferd is capitalising loan expenses from the starting date for the preparation of the asset for its intended use and the loan expenses begin to incur. The capitalisation continues until these activities have been completed. Should the development be put temporarily on hold, the loan expenses are not capitalised during this period.

Provisions

A provision is recognised when the Group has an obligation as a result of previous events, it is probable that a financial settlement will take place and the amount can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, discounted at present value if the discount effect is significant.

Dividend

Dividend proposed by the Board is classified as equity in the financial statements and recognised as a liability only when it has been approved by the shareholders in a Shareholders' Meeting.

Note 2 Accounting estimates and judgemental considerations

Management has used estimates and assumptions in the preparation of the consolidated financial statements. This applies for assets, liabilities, expenses, and disclosures. The underlying estimates and assumptions for valuations are based on historical experience and other factors considered to be relevant for the estimate on the balance sheet date. Estimates can differ from actual results. Changes in accounting estimates are recognised in the period they arise. The main balances where estimates have a significant impact on disclosed values are mentioned below. The methods for estimating fair value on financial assets are also described below.

In Ferd's opinion, the estimates of fair value reflect reasonable estimates and assumptions for all significant factors expected to be emphasised by the parties in an independent transaction, including those factors that have an impact on the expected cash flows, and by the degree of risk associated with them.

Determination of the fair value of financial assets

A large part of the Ferd Group's balance sheet comprises financial assets at fair value. The fair value assessment of financial assets will to varying degrees be influenced by estimates and assumptions related to factors like future cash flows, the required rate of return and interest rate level. The most significant uncertainty concerns the determination of fair value of the unlisted financial assets.

Listed shares and bonds

The fair value of financial assets traded in active and liquid markets is determined at noted market prices on the balance sheet date (the official closing price of the market). Accordingly, the determination of the value implies limited estimation uncertainty.

Unlisted shares and bonds

The class "Unlisted shares and bonds" comprises private shares and investments in private equity funds. The fair value is determined by applying well-known valuation models. The use of these models requires input of data that partly constitutes listed market prices and partly estimates on the future development, as well as assessments of a number of factors existing on the balance sheet date.

Hedge funds

The hedge funds are managed by external parties providing Ferd with monthly, quarterly, or half-yearly estimates of the fair value. The estimates are verified by independent administrators. In addition, the total return from the funds is assessed for reasonableness against benchmark indices.

Liquidity fund investment

The fair value of the liquidity funds is valued on the basis of quoted market prices. If market rates are not available, the funds are valued in compliance with pricing models based on the current yield curve and external credit ratings

Derivatives

The fair value of derivatives is based on quoted market prices.

Determination of the fair value of investment properties

The Ferd Group has several investment properties recognised at fair value. The fair value is based on the discounted value of future cash flows, and the estimate will be impacted by expected future cash flows and the required rate of return. The main principles for determining the cash flows and required rates of return are described below.

Future cash flows are based on the following factors:

- Existing contracts
- Expected future rentals
- Expected vacancies

The required rate of return is based on a market-based rate of return for properties with the assumed best location (prime- yield CBD) with the addition of a risk premium for the property.

The risk premium is based on:

- Location
- Standard
- Expected market development
- Rent level compared to the rest of the market The tenant's financial strength
- Property specific knowledge

In the event of transactions concerning comparable properties close to the balance sheet date, these values are applied as a cross-reference for the valuation.

Properties that are part of development projects are valued by applying the same method, but the uncertainty of the estimates is larger. For development projects, the value of the project is increased in line with achieved milestones.

Impairment considerations of goodwill

Goodwill is tested annually for impairment by discounting expected future cash flows of the cash-generating unit to which goodwill is allocated. If the discounted value of future cash flows is lower than the carrying value, goodwill is written down to the recoverable amount. The impairment tests are based on assumptions of future expected cash flows and estimates of the discount interest rate. Note 13 has details on the impairment considerations for goodwill.

Depreciation and impairment of tangible and intangible assets

Tangible and intangible assets with definite lives are recognised at cost. The acquisition cost less the residual value is depreciated over the expected useful economic life. The carrying values will depend on the Group's estimates on useful lives and residual values. These assumptions are estimated on the basis of experience, history and judgemental considerations. The estimates are adjusted if the expectations change.

Testing for impairment is undertaken when indicators of a permanent decline in value of tangible or intangible assets are identified. These tests are based on estimates and assumptions on future cash flows and discount interest rate.

Pension funds and obligations

The calculation of pension obligations implies the use of judgement and estimates on a number of financial and demographical assumptions. Note 19 has details on the assumptions used. Changes in assumptions can result in significant changes in pension obligations and funds in the balance sheet.

Deferred tax assets

Deferred tax assets of tax losses to carry forward and other tax-reducing differences are recognised in the balance sheet to the extent that it is probable that the deferred tax assets can be utilised against future taxable income. Management is required to use significant judgement to determine the size of the deferred tax assets recognised in the balance sheet. The disclosed value shall be based on expectations of future taxable income, the points in time for utilising the deferred tax asset and future tax planning strategies.

Provision for losses on receivables

The provision for losses on receivables is estimated on the probability for not recovering the outstanding amounts due. The assessment is based on historical experience, the aging of the receivable and the counterparty's financial situation.

Lease liabilities

Capitalized lease obligations are discounted values that involve estimates of a number of financial assumptions for calculating the discount rate. It also involves estimates related to when extension options on the individual leases occur.

Note 3 Segment reporting

Ferd reports segments in line with IFRS 8. Ferd is an investment company, and management makes decisions, is following up and evaluates the decisions based on the development in value and fair value of the Company's investment. Ferd distinguishes between business areas based on investment type/mandate, capital allocation, resource allocation and risk assessment.

Ferd has the following segment areas:

Ferd Capital is a long-term investor working actively with the companies during the period of ownership to secure the development in value to be the best possible. Ferd Capital comprises two mandates: Private companies and Listed companies.

Those companies where Ferd Capital has control, are consolidated into the group accounts, and the segment reporting in the consolidated financial statements consequently comprises the consolidated results from these companies, in addition to value changes and management costs on non-consolidated companies and other investments. The value of the investments and the value changes are included in Ferd AS' company accounts, where Ferd Capital reports MNOK 3 112 in operating loss. The value of Ferd Capital's portfolio constitutes MNOK 29 287 at 31 December 2022 and MNOK 29 652 at 31.12.2021 measured at fair value.

Ferd Capital's largest investments as of 31 December 2022 are:

- Aibel (49.4 percent ownership holding) is a leading supplier to the international upstream oil and gas industry and offshore wind industry. Has 4 700 employees engaged in projects both onshore and offshore.
- Aidian (31.5 percent ownership) is a Finnish based company that develop and manufacture diagnostic tests especially for primary care and clinical laboratories. Aidian has offices in 12 countries and a global presence covering more than 70 countries.
- Brav (100.0 percent ownership holding) is a brand house within the sports and recreational market with a portfolio of leading brands: Swix, Toko, Lundhags, Ulvang and Helsport.
- Broodstock Capital (93.9 percent ownership holding) focused on Nordic based small and medium sized businesses in the seafood industry in general and the aquaculture supplier industry in particular.
- Fjord Line (44.6 percent ownership holding) is a modern shipping company offering passenger and cargo transport between Norway, Denmark and Sweden.
- Fürst (40 percent ownership holding) is a privately owned laboratory in the fields of medical biochemistry, clinical pharmacology, microbiology and pathology.
- Interwell (63.1 percent ownership holding) is a preeminent Norwegian supplier of high-tech well tools to the international oil and gas industry.
- Mestergruppen (70.8 percent ownership holding) is a leading player in the Norwegian building materials market concentrating on the professional part of the market. The company's operations include sales of building materials and developing land and projects, housing and cottage chains.
- Mnemonic (41.8 percent ownership holding) is one of Europe's largest businesses within the cybersecurity industry.
- Norkart (96.5 percent ownership holding) offers market-leading solutions in municipal engineering, map and property information to the public and private sector. The company has Norway's most complete data warehouse for geographical information.
- Simployer (74.1 percent ownership holding) is a software-as-service company which delivers a range of services related to expertise, knowledge, digital solutions, as well as training for HR and financial professionals.
- Try (60.0 percent ownership holding) is Norway's leading full-service communications group in creativity, strategy and technology.
- Benchmark Holdings (26.3 percent ownership holding) contributes to improving fish health within fish farming by manufacturing special meal, roe and vaccines. Has presence in 26 countries and markets its products in 70 countries.
- Boozt (10.0 percent ownership holding) is a Nordic technology company selling fashion and lifestyle online.
- BHG Group (17.7 percent ownership holding) is the largest European e-commerce company within "Home Improvement" with focus on the two segments Do-It-Yourself (DIY) and Home Furnishing.
- Elopak (59.8 percent ownership holding) is one of the world's leading manufacturers of packaging systems for fluid food articles. With an organization and cooperating partners in more than 40 countries, the company's products are sold and marketed in more than 70 countries.
- Lerøy Seafood (2.27 percent ownership holding) is a world-leading seafood corporation. The Group's core business is the production of salmon and trout, catches of whitefish, processing, product development, marketing, sale and distribution of seafood.
- Nilfisk (19.9 percent ownership holding) delivers washing equipment to the professional market as well as to consumers.

Ferd External Managers is responsible for the company's investments with external managers. The business area focuses on markets that complement the areas where Ferd invests directly and invests in funds that are deemed to give attractive return over time.

Ferd Real Estate develops and operates high-quality, environmentally friendly real estate in Norway. We create value that is more than financial return through our development of sustainable communities, workplaces and apartments and projects.

Other areas mainly comprise Ferd Impact investments, bank deposits, short term liquidity funds, equity investments in Ferd Social Entrepreneurs, investments in externally managed private equity funds and hedge funds acquired in the second-hand market. Expenses for the company's management, staff and in-house bank are also included.

During 2022, Ferd Invest was discontinued and the business area's investments was either disposed or transferred to Ferd Capital.

| NOK mill. | Ferd AS Group | Capital | Invest | External Managers | Real Estate | Other areas |
|---|------------------|---------------|-------------|----------------------|----------------|----------------|
| Result 2022 | | | | | | |
| Sales income | 26 701 | 26 007 | - | - | 632 | 62 |
| Income from financial investments | -3 549 | -2 970 | -419 | -384 | 123 | 101 |
| Other income | -244 | 187 | - | -1 | -439 | 9 |
| Operating income | 22 908 | 23 224 | -419 | -384 | 315 | 171 |
| Operating expenses excl. Depreciation and impairment | 23 779 | 22 882 | - | 1 | 748 | 148 |
| EBITDA | -871 | 342 | -419 | -385 | -433 | 23 |
| Depreciation and impairment | 1 936 | 1 867 | - | 1 | 55 | 12 |
| Operating profit | -2 807 | -1 525 | -419 | -386 | -488 | 11 |
| Income on investments accounted for by the equity method | 89 | 47 | - | - | 43 | - |
| Result before finance items and income tax expense | -2 718 | -1 478 | -419 | -386 | -445 | 11 |

Balance sheet as at 31 December 2022

| | | | | | | |
|--|---------------|---------------|----------|--------------|--------------|--------------|
| Intangible assets | 10 608 | 10 591 | - | - | - | 17 |
| Tangible assets and investment properties | 8 220 | 3 318 | - | - | 4 841 | 60 |
| Investments accounted for by the equity method | 955 | 659 | - | - | 296 | - |
| Investments classified as current assets | 21 147 | 11 564 | - | 7 273 | 124 | 2 187 |
| Bank deposits ¹⁾ | 3 278 | 2 155 | - | - | 755 | 369 |
| Other assets | 17 245 | 15 485 | - | - | 1 185 | 576 |
| Total assets | 61 454 | 43 771 | - | 7 273 | 7 201 | 3 209 |

¹⁾ The business area's net withdrawals from the bank accounts are included here.

| NOK mill. | Ferd AS Group | Capital | Invest | External Managers | Real Estate | Other areas |
|---|------------------|---------------|--------------|----------------------|----------------|----------------|
| Result 2021 | | | | | | |
| Sales income | 22 597 | 22 542 | - | - | 11 | 44 |
| Income from financial investments | 3 259 | 1 496 | 439 | 826 | 410 | 88 |
| Other income | 787 | 339 | - | - | 442 | 6 |
| Operating income | 26 643 | 24 377 | 439 | 826 | 864 | 138 |
| Operating expenses excl. Depreciation and impairment | 19 798 | 19 413 | 14 | 28 | 101 | 243 |
| EBITDA | 6 845 | 4 964 | 425 | 798 | 763 | -105 |
| Depreciation and impairment | 1 552 | 1 525 | 1 | 1 | 14 | 12 |
| Operating profit | 5 293 | 3 439 | 424 | 797 | 750 | -117 |
| Income on investments accounted for by the equity method | 140 | 53 | - | - | 87 | - |
| Result before finance items and income tax expense | 5 433 | 3 493 | 424 | 797 | 836 | -117 |
| Balance sheet as at 31 December 2021 | | | | | | |
| Intangible assets | 8 784 | 8 767 | - | - | - | 17 |
| Tangible assets and investment properties | 8 414 | 2 819 | - | - | 5 560 | 35 |
| Investments accounted for by the equity method | 583 | 342 | - | - | 241 | - |
| Investments classified as current assets | 24 707 | 10 745 | 3 439 | 7 267 | 147 | 3 109 |
| Bank deposits ¹⁾ | 4 006 | 3 562 | 45 | 23 | 1 647 | -1 272 |
| Other assets | 14 010 | 12 241 | 7 | - | 1 520 | 242 |
| Total assets | 60 504 | 38 477 | 3 491 | 7 290 | 9 114 | 2 131 |

¹⁾ The business area's net withdrawals from the bank accounts are included here.

Note 4 Income from financial investments

Income from financial investments by the various asset classes:

| NOK mill. | 2022 | 2021 |
|--|---------------|--------------|
| Listed shares and bonds | -4 028 | 1 700 |
| Unlisted shares and bonds | 396 | 1 095 |
| Hedge funds | 61 | 431 |
| Liquidity fund investments | 22 | 33 |
| Total income from financial investments | -3 549 | 3 259 |

Note 5 Financial instruments and the use of fair value

Classification of financial instruments

Financial instruments constitute a substantial part of Ferd's consolidated accounts and are of considerable significance for the overall financial standing and result of the Group. Financial assets and liabilities are recognised when the Group becomes a party to the contractual obligations and rights of the instrument.

Financial assets:

- Investments in equity instruments and derivatives are measured at fair value through profit or loss.
- Other financial assets, including accounts receivable, are intended to receive contractual cash flows and are measured at amortized cost. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. They are classified as current assets, unless they are expected to be realised more than 12 months after the balance sheet date. Loans and receivables are presented as trade receivables, other receivables and bank deposits in the balance sheet.
- Derivatives are initially measured at fair value through profit or loss with the exception of derivatives which are held for hedging purposes and meet the requirements for hedge accounting.

Financial liabilities:

- Derivatives are measured at fair value through profit or loss with the exception of derivatives held for hedging purposes and which meet the requirements for hedge accounting.
- Other financial liabilities are measured at amortized cost. Trade payables and other liabilities are classified as current liabilities if the payments fall due within one year or within the ordinary operating cycle. Debt that has been incurred through the use of Ferd's loan facility is presented as long-term debt if Ferd has both the opportunity and intention to postpone repayment of the debt to more than 12 months in the future.

Purchases and sales of financial instrument transactions are recognised on the date of the agreement, which is the date the Group makes the commitment to buy or sell the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or have been transferred to another party. Correspondingly, financial assets are derecognised when the Group on the whole has transferred the risk and reward of the ownership.

Financial instruments at "fair value over profit and loss" are initially measured at quoted prices at the balance sheet date or estimated on the basis of measurable market information available at the balance sheet date. Transaction costs are recognised in the income statement. In subsequent periods, the financial instruments are presented at fair value based on market values or generally accepted calculation methods. Changes in value are recognised in the income statement.

Loans and receivables are initially measured at fair value with the addition of direct transactions costs. In subsequent periods, the assets and liabilities are measured at amortised cost by using the effective interest method, less any decline in value. A provision for a decline in value is made for actual and possible losses on receivables. The Group regularly reviews receivables and prepares estimates for losses, as the basis for the provisions in the financial statements. When preparing the estimate, historical data is used for losses on receivables, which are classified according to the same risk characteristics that are used as a basis within the Group. Based on historical observable default rates, an expectation is made for future losses, for which a provision is recognized. Losses from declines in value are recognised in the income statement.

Gain and loss from the realisation of financial instruments, changes in fair values and interest income are recognised in the income statement in the period they arise. Dividend income is recognised when the Group has the legal right to receive payment. Net income related to financial instruments is classified as operating income and presented as "Income from financial investments" in the income statement.

Hedge accounting

The Group applies financial derivatives to reduce the financial loss from exposures to unfavourable changes in exchange rates or interest rates. Financial derivatives related to a highly probable planned transaction (cash flow hedges) are recognised in accordance with the principles for hedge accounting when the hedge has been documented and meets the relevant requirements for effectiveness. Ferd is not applying hedge accounting using derivatives acquired to reduce the risks of owning assets or liabilities recognised in the balance sheet. Derivatives not qualifying for hedge accounting are classified as financial instruments at fair value, and changes in the fair value are recognised in the income statement.

Cash flow hedging is presented by recognising a change in fair value of the derivative designated as the hedging instrument for the cash flow hedge in other income and expenses in total comprehensive income until the underlying transaction has taken place. The ineffective portion of the hedge is recognised immediately in profit or loss.

When the hedging instrument reaches maturity or is disposed of, or when the planned transaction has occurred or when the hedge no longer meets the criteria for hedge accounting, the accumulated effect of the hedge is recognised in the income statement.

Ferd's principles in the measurement of fair value, generally

Ferd applies the valuation method that is considered to be the most representative estimate of an assumed sales value. Such a sale shall be carried out in an orderly transaction at the balance sheet date. As a consequence, all assets for which there is observable market information, or where a transaction recently has been carried out, these prices are applied (the market method). When a price for an identical asset is not observable, the fair value is calculated by another valuation method. In the valuations, Ferd applies relevant and observable data to the largest possible extent.

For all investments where the value is determined by another method than the market method, analyses of changes in value from period to period are carried out. Thorough analyses on several levels are made, both overall within the business area, by Ferd's group management and finally by Ferd's Board. Sensitivity analyses for the most central and critical input data in the valuation model are prepared, and in some instances recalculations of the valuation are made by using alternative valuation methods in order to confirm the calculated value.

Ferd is consistent in the application of valuation method and normally does not change the valuation principles. A change of principles will deteriorate the reliability of the reporting and weaken the comparability between periods. The principle for the valuation and use of method is determined for the investment before it is carried out and is changed only exceptionally and if the change results in a measurement that under the circumstances is more representative for the fair value.

Valuation methods

Investments in listed shares are valued by applying the market method. The quoted price for the most recent carried-out transaction on the marketplace is the basis.

Investments in unlisted shares managed in-house are normally valued on the basis of an earnings multiple. In calculating the value (Enterprise Value - EV), ratios like EV/EBITDA, EV/EBITA, EV/EBIT and EV / EBITDA-CAPEX are applied. Ferd obtains relevant multiples for comparable companies. The multiples for the portfolio companies are adjusted if the assumptions are not the same as for peer groups. Such assumptions can include a control premium, a liquidity discount, growth assumptions, margins or similar. The company's result applied in the valuation is normalised for one-off effects.

Finally, the equity value is calculated by deducting net interest-bearing debt. In the event that an independent transaction has taken place in the security, this is normally used as a basis for our valuation

The valuation of investments in externally managed private equity and hedge funds is based on value reports received from the funds (NAV).

Rental properties are valued by discounting future expected cash flows. The value of properties being part of building projects is valued at an assumed sales value on a continuous basis. There is often a shift in value at achieved milestones. Our calculated values are regularly compared to independent valuations.

The table on the next page is an overview of carrying and fair value of the Group's assets and liabilities and how they are valued in the financial statements. It is the starting point for additional information on the Company's financial risk.

| NOK mill. | Investments at fair value over profit and loss | Investments held for hedging purposes | Financial Instruments measured at amortised cost | Other valuation methods | TOTAL |
|--|---|--|--|-------------------------------|---------------|
| Non-current assets | | | | | |
| Intangible assets | - | - | - | 10 608 | 10 608 |
| Deferred tax assets | - | - | - | 368 | 368 |
| Tangible assets | - | - | - | 3 559 | 3 559 |
| Right of use assets | - | - | - | 2 934 | 2 934 |
| Investments accounted for by the equity method | - | - | - | 955 | 955 |
| Investment property | 4 660 | - | - | - | 4 660 |
| Pension funds | - | - | - | 15 | 15 |
| Other financial non-current assets | 491 | - | 731 | -24 | 1 198 |
| Total 2022 | 5 151 | - | 731 | 18 415 | 24 298 |
| Total 2021 | 5 763 | 7 | 601 | 15 005 | 21 375 |
| Current assets | | | | | |
| Inventories | - | - | - | 5 804 | 5 804 |
| Short-term receivables | - | - | 3 499 | 3 417 | 6 916 |
| Listed shares and bonds | 5 949 | - | - | - | 5 949 |
| Unlisted shares and bonds | 12 442 | - | - | 51 | 12 492 |
| Hedge funds | 1 882 | - | - | - | 1 882 |
| Investment in interest-bearing debt | 11 | - | - | - | 11 |
| Liquidity fund investments | 824 | - | - | - | 824 |
| Bank deposits | - | - | 3 278 | - | 3 278 |
| Total 2022 | 21 107 | - | 6 777 | 9 272 | 37 156 |
| Total 2021 | 24 707 | 57 | 7 015 | 7 349 | 39 128 |
| Non-current liabilities | | | | | |
| Pension obligation | - | - | - | 107 | 107 |
| Deferred tax | - | - | - | 1 066 | 1 066 |
| Long-term interest-bearing debt | - | - | 10 750 | 14 | 10 764 |
| Other long-term liabilities | 57 | - | 508 | -431 | 134 |
| Lease liabilities | - | - | 1 520 | 1 046 | 2 566 |
| Total 2022 | 57 | - | 12 778 | 1 801 | 14 636 |
| Total 2021 | 49 | - | 10 049 | 1 992 | 12 089 |
| Current liabilities | | | | | |
| Short-term interest-bearing debt | - | - | 1 306 | 241 | 1 548 |
| Tax payable | - | - | 26 | 309 | 335 |
| Derivatives | 50 | - | -1 | - | 49 |
| Lease liabilities | - | - | 355 | 228 | 583 |
| Other short-term liabilities | - | - | 6 303 | 3 983 | 10 285 |
| Total 2022 | 50 | - | 7 990 | 4 761 | 12 800 |
| Total 2021 | 7 | 21 | 7 250 | 3 155 | 10 432 |

Fair value hierarchy - financial assets and liabilities

Ferd classifies assets and liabilities measured at fair value in the balance sheet by a hierarchy based on the underlying object for the valuation. The hierarchy has the following levels:

Level 1: Valuation based on quoted prices in active markets for identical assets without adjustments. An active market is characterised by the fact that the security is traded with adequate frequency and volume in the market. The price information shall be continuously updated and represent expected sales proceeds. Only listed shares are considered to be level 1 investments.

Level 2: Level 2 comprises investments where there are quoted prices, but the markets do not meet the requirements for being characterised as active. Also included are investments where the valuation can be fully derived from the value of other quoted prices, including the value of underlying securities, interest rate level, exchange rate etc. In addition, financial derivatives like interest rate swaps and currency futures are considered to be level 2 investments. Ferd's hedge fund portfolio is considered to meet the requirements of level 2. These funds comprise composite portfolios of shares, interest securities, raw materials, and other negotiable derivatives. For such funds, the value (NAV) is reported on a continuous basis, and the reported NAV is applied on transactions in the fund.

Level 3: All Ferd's other securities are valued on level 3. This concerns investments where all or parts of the information about value cannot be observed in the market. Ferd is also applying valuation models for investments where the share has little or no trading. Securities valued on the basis of quoted prices or reported value (NAV), but where significant adjustments are required, are assessed on level 3. For Ferd this concerns all private equity investments and fund investments made in the second-hand market, where reported NAV has to be adjusted for discounts. A reconciliation of the movements of assets on level 3 is shown in a separate table.

Ferd allocates each investment to its respective level in the hierarchy at the acquisition. Transfers from one level to another are made only exceptionally and only if there have been changes of significance for the level classification concerning the financial asset. This can be the case when an unlisted share has been listed or correspondingly. A transfer between levels will then take place when the change has been known to Ferd.

The table shows at what level in the valuation hierarchy the different measurement methods for the Group's financial instruments at fair value is considered to be:

| NOK mill. | Level 1 | Level 2 | Level 3 | Total 2022 |
|------------------------------------|--------------|--------------|---------------|---------------|
| Assets | | | | |
| Investment property | - | - | 4 660 | 4 660 |
| Other financial non-current assets | - | 72 | 419 | 491 |
| Current receivables | - | - | - | - |
| Listed shares and bonds | 5 949 | - | - | 5 949 |
| Unlisted shares and bonds | - | 5 495 | 6 947 | 12 442 |
| Hedge funds | - | 1 778 | 104 | 1 882 |
| Liquidity fund investments | - | 824 | - | 824 |
| Derivatives | - | 11 | - | 11 |
| Liabilities | | | | |
| Other long-term debt | - | -57 | - | -57 |
| Derivatives | - | -50 | - | -50 |
| Other short-term debt | - | - | - | - |
| Total 2022 | 5 949 | 8 072 | 12 130 | 26 151 |

| NOK mill. | Level 1 | Level 2 | Level 3 | Total 2021 |
|------------------------------------|---------------|--------------|---------------|---------------|
| Assets | | | | |
| Investment property | - | - | 5 379 | 5 379 |
| Other financial non-current assets | - | 390 | - | 390 |
| Listed shares and bonds | 10 381 | - | - | 10 381 |
| Unlisted shares and bonds | - | 5 831 | 4 903 | 10 734 |
| Hedge funds | - | 1 428 | 157 | 1 585 |
| Liquidity fund investments | - | 2 007 | - | 2 007 |
| Derivatives | - | 57 | - | 57 |
| Liabilities | | | | |
| Other long-term debt | - | -49 | - | -49 |
| Derivatives | - | -27 | - | -27 |
| Total 2021 | 10 381 | 9 637 | 10 439 | 30 458 |

Reconciliation of movements in assets on level 3

| NOK mill. | Opening balance on 1 Jan. 2022 | Purchase/ share issues | Sales and proceeds from investments* | Reclassified | Value changes recognised the income statement | Closing balance on 31 Dec. 2022 |
|-----------------------------|--------------------------------|------------------------|--------------------------------------|--------------|---|---------------------------------|
| Investment property | 5 379 | 390 | -544 | - | -565 | 4 660 |
| Other financial non-current | - | - | - | 374 | 45 | 419 |
| Unlisted shares and bonds | 4 903 | 1 783 | -188 | - | 449 | 6 947 |
| Hedge funds | 157 | - | -14 | - | -38 | 104 |
| Total 2022 | 10 439 | 2 173 | -747 | 374 | -110 | 12 130 |

| NOK mill. | Opening balance on 1 Jan. 2021 | Purchase/ share issues | Sales and proceeds from investments* | Reclassified | Value changes recognised the income statement | Closing balance on 31 Dec. 2021 |
|---------------------------|--------------------------------|------------------------|--------------------------------------|---------------|---|---------------------------------|
| Investment property | 7 034 | 170 | -1 744 | -337 | 256 | 5 379 |
| Unlisted shares and bonds | 6 261 | 3 997 | -473 | -4 092 | -790 | 4 903 |
| Hedge funds | 375 | - | - | - | -219 | 157 |
| Total 2021 | 13 670 | 4 168 | -2 217 | -4 429 | -753 | 10 439 |

Overview of applied input and sensitivity analyses

The table below gives an overview over the most central assumptions used when measuring the fair value of Ferd's investments, allocated to level 3 in the hierarchy. We also show how sensitive the value of the investments is for changes in the assumptions.

| NOK mill. | Balance sheet value at 31 Dec. 2022 | Applied and implicit EBITDA multiples | Value, if multiple reduced by 10 % | Value, if multiple increased by 10 % | Applied discount rate | Value, if interest rate increased by 1 percentage point | Value, if interest rate reduced by 1 percentage point |
|---|-------------------------------------|---------------------------------------|------------------------------------|--------------------------------------|-----------------------|---|---|
| Investment property | 4 660 | - | - | - | 6.0 % - 10.7 % | 3 388 | 6 788 |
| Unlisted shares and bonds sensitive for multiples | 4 772 | 7.0 - 49.8 | 4 087 | 5 458 | - | - | - |
| Other unlisted shares, bonds and hedge funds | 2 698 | | | | | | |

Note 6 Risk management – investing activities

There have been no significant changes related to the Company's risk management in the period.

IMPAIRMENT RISK AND CAPITAL ALLOCATION

Ferd's allocation of capital shall be in line with the owner's risk tolerance. One measure of this risk tolerance is the size of the decline in value in kroner or percent that the owner accepts if any of the markets Ferd is exposed to should experience very heavy and quick downfalls. The impairment risk regulates how large part of equity that can be invested in assets with high risk for impairment. This is measured and followed up by stress tests. The loss risk is assessed as a possible total impairment expressed in kroner and as a percentage of equity. Due to Ferd's long-term approach, the owner can accept significant fluctuations in value-adjusted equity.

CATEGORIES OF FINANCIAL RISK

Liquidity risk

Ferd's current and estimated future liquidity is continuously analysed and assessed. Ferd requires that under normal market conditions at least NOK 4 billion of their financial investments consist of assets that can be realized within the next quarter. This is done primarily through investments in listed shares and liquid fund investments. Reference is also made to information on Ferd's loan facilities, including an overview of the maturity structure of the debt in note 24.

Foreign currency risk

Ferd is well aware of foreign currency risks. We assume that Ferd always will have a certain part of equity invested in euro, USD and Swedish kroner, and is therefore normally not hedging the currency exposure to Norwegian kroner.

Ferd has no outstanding currency derivatives on the parent company level as at 31 December 2022.

SENSITIVITY ANALYSIS, IMPAIRMENT RISK IN INVESTMENT ACTIVITIES

The stress test is based on a classification of Ferd's equity in different asset classes, exposed for impairment as follows:

- The Norwegian stock market declines by 30 percent
- International stock markets decline by 20 percent
- Property declines by 10 percent
- The Norwegian krone appreciates by 10 percent

In order to refine the calculations, it is considered whether Ferd's investments will decline more or less than the market. As an example, it is assumed that the unlisted investments in a stress test scenario have an impairment loss of 1.0 -1.3 times the Norwegian market.

| NOK mill. | 2022 | 2021 |
|--|----------------|----------------|
| Price risk: Norwegian shares decline by 30 percent | -8 400 | -8 600 |
| Price risk: International shares decline by 20 percent | -3 450 | -4 100 |
| Price risk: Property declines by 10 percent | -850 | -900 |
| Total reductions in value-adjusted equity (excl. currency risk) | -12 700 | -13 600 |
| Value reduction as a percentage of value-adjusted equity (excl. | 30% | 28% |
| Currency risk: The Norwegian krone appreciates 10 percent | -2 350 | -2 700 |
| Total reductions in value-adjusted equity (incl. currency risk) | -15 050 | -16 300 |
| Value reduction as a percentage of value-adjusted equity (incl. currency | 35% | 34% |

Note 7 Shares and stakes in other companies with ownerships in excess of 10 percent

| | Segment | Business office | Stake | Measurement method |
|---|------------------|-----------------|---------|--------------------|
| Subsidiaries | | | | |
| Brav Norway AS with subsidiaries | Ferd Capital | Lørenskog | 100,0 % | Consolidated |
| Broodstock Capital AS with subsidiaries | Ferd Capital | Molde | 93,9 % | Consolidated |
| Elopak ASA with subsidiaries | Ferd Capital | Oslo | 59,8 % | Consolidated |
| Interwell AS with subsidiaries | Ferd Capital | Stavanger | 65,1 % | Consolidated |
| Mestergruppen AS with subsidiaries | Ferd Capital | Oslo | 70,8 % | Consolidated |
| Norkart AS with subsidiaries | Ferd Capital | Oslo | 96,5 % | Consolidated |
| Servi Group AS with subsidiaries | Ferd Capital | Ås | 99,7 % | Consolidated |
| Simplyer Group Holding AS with subsidiaries | Ferd Capital | Sarpsborg | 74,1 % | Consolidated |
| Try AS with subsidiaries | Ferd Capital | Oslo | 55,4 % | Consolidated |
| Ferd Eiendom AS with subsidiaries | Ferd Real Estate | Oslo | 100,0 % | Consolidated |
| Ferd Sosiale Entreprenører AS | Other areas | Oslo | 100,0 % | Consolidated |
| Norse Crown Company LTD. AS | Other areas | Oslo | 100,0 % | Consolidated |
| Unicus AS with subsidiaries | Other areas | Oslo | 70,0 % | Consolidated |

Other investments with ownership interest above 10 percent

Several of the investments have a high ownership share but are pure financial investments. Investments are not classified as subsidiaries or associates if the Company does not have control of the investment holdings. See note 1 for a discussion of control.

Listed shares and security fund holdings

| | | | | |
|-----------------------------|--------------|--|--------|------------|
| Benchmark Holdings plc | Ferd Capital | | 26,0 % | Fair value |
| BHG Group AB | Ferd Capital | | 17,8 % | Fair value |
| Boozt AB | Ferd Capital | | 14,2 % | Fair value |
| Cloudberry Clean Energy ASA | Ferd Capital | | 11,6 % | Fair value |
| Nilfisk A/S | Ferd Capital | | 19,9 % | Fair value |
| Trifork Holding AG | Ferd Capital | | 10,0 % | Fair value |

Non-listed shares and security fund holdings

| | | | | |
|---|------------------|--|--------|------------|
| Aibel ASA | Ferd Capital | | 49,4 % | Fair value |
| Aidian OY | Ferd Capital | | 31,5 % | Fair value |
| Credo Invest nr 10 AS | Ferd Capital | | 91,3 % | Fair value |
| Fjord Line AS | Ferd Capital | | 44,6 % | Fair value |
| Fürst Holding AS | Ferd Capital | | 40,0 % | Fair value |
| Mnemonic AS | Ferd Capital | | 41,8 % | Fair value |
| Rolighedsvej, 9990 Skagen ApS | Ferd Capital | | 50,0 % | Fair value |
| Verdane Capital 2020 (E) AB | Ferd Capital | | 24,0 % | Fair value |
| Ellertsdal Bostäder Holding AB | Ferd Real Estate | | 61,8 % | Fair value |
| Harbert European Real Estate Fund II | Ferd Real Estate | | 25,9 % | Fair value |
| Abler Nordic AS | Other areas | | 14,2 % | Fair value |
| Auticon GmbH | Other areas | | 18,6 % | Fair value |
| Energy Ventures II AS | Other areas | | 26,0 % | Fair value |
| Energy Ventures III AS | Other areas | | 25,0 % | Fair value |
| Energy Ventures III GP LP | Other areas | | 25,0 % | Fair value |
| Energy Ventures III LP | Other areas | | 18,7 % | Fair value |
| Fagskolen Diakonova Holding AS | Other areas | | 10,0 % | Fair value |
| Founders Fund II | Other areas | | 13,5 % | Fair value |
| Founders Fund III | Other areas | | 10,6 % | Fair value |
| Gammel NOK Holding AS | Other areas | | 32,6 % | Fair value |
| Herkules Private Equity Fund III (LP-I) Limited | Other areas | | 25,1 % | Fair value |
| Momentum II | Other areas | | 13,1 % | Fair value |
| Motitech AS | Other areas | | 21,3 % | Fair value |

| | | | |
|--------------------------------------|-------------|--------|------------|
| Nextwind | Other areas | 10,7 % | Fair value |
| NMI Frontier | Other areas | 11,3 % | Fair value |
| NMI Fund III | Other areas | 15,4 % | Fair value |
| NMI Global | Other areas | 11,3 % | Fair value |
| NMI GP IV AS | Other areas | 11,0 % | Fair value |
| Norwegian Microfinance Initiative AS | Other areas | 12,5 % | Fair value |
| Seagust AS | Other areas | 48,1 % | Fair value |
| Wind Catching Systems | Other areas | 24,0 % | Fair value |

Investments accounted for using the equity method

| | | | |
|---------------------------------|------------------|--------|---------------|
| Boreal GmbH | Ferd Capital | 20,0 % | Equity Method |
| Elopak Nampak Africa Ltd | Ferd Capital | 50,0 % | Equity Method |
| Hafslund AS | Ferd Capital | 21,8 % | Equity Method |
| Husjordet AS | Ferd Capital | 50,0 % | Equity Method |
| Impresora Del Yaque | Ferd Capital | 51,0 % | Equity Method |
| Knatterudfjellet Trelast AS | Ferd Capital | 37,1 % | Equity Method |
| Lala Elopak S.A. de C.V. | Ferd Capital | 49,0 % | Equity Method |
| Madla Byutvikling AS | Ferd Capital | 33,3 % | Equity Method |
| Siriskjær Utbyggingsselskap AS | Ferd Capital | 50,0 % | Equity Method |
| Sporafjell Utviklingsselskap AS | Ferd Capital | 50,0 % | Equity Method |
| Tastarustå Byutvikling AS | Ferd Capital | 33,3 % | Equity Method |
| Tibro Byggvaror AB | Ferd Capital | 44,0 % | Equity Method |
| Voksenkollen Fortau AS | Ferd Capital | 56,0 % | Equity Method |
| XL - Bygg Nordic I/S | Ferd Capital | 33,3 % | Equity Method |
| FFV Gardermoen AS | | 33,3 % | Equity Method |
| Frogn Næringspark AS | Ferd Real Estate | 25,0 % | Equity Method |
| Måna Syd AS | Ferd Real Estate | 25,0 % | Equity Method |
| Sanderveien 18 AS | Ferd Real Estate | 50,0 % | Equity Method |
| Tiedemannsbyen DA | Ferd Real Estate | 50,0 % | Equity Method |
| Tiedemannsfabrikken AS | Ferd Real Estate | 50,0 % | Equity Method |
| Tiedemannsfabrikken AS | Ferd Real Estate | 50,0 % | Equity Method |

Note 8 Investment property

Investment properties are acquired to achieve a long-term return on letting out or an increase in value, or both. Investment properties are measured at cost at the acquisition date, including transaction costs. In subsequent periods, investment properties are measured at their assumed fair value.

Fair value is the price we would have achieved at a sale of the property in a well organised transaction to an external party, carried out on the balance sheet date. Fair value is either based on observable market values, which in reality requires a bid on the property, or a calculation considering rental income from closed lease contracts, an assumption of the future lease level based on the market situation on the balance sheet date and also all available information about the property and the market on which it will be sold, based on market prices. An assumption at the calculation is that the property is utilised in the best possible manner, i.e. in a manner achieving most profit.

Revenue from investment properties includes the period's net change in value of the properties together with rental income of the period less property related costs in the same period. Such revenue is classified as other operating income.

Note 2 has details on the assumptions used in the calculation of fair value.

Investment property

| NOK mill. | 2022 | 2021 |
|--|--------------|--------------|
| Balance at 1 January | 5 379 | 7 034 |
| Acquisitions | 383 | 170 |
| Acquisitions through improvements | 7 | - |
| Disposals | -544 | -1 744 |
| Reclassifications | - | -337 |
| Net change in value of investment property | -565 | 256 |
| Carrying amount at 31 December | 4 660 | 5 379 |

Income from investment property

| NOK mill. | 2022 | 2021 |
|--|-------------|------------|
| Rental income from properties | 109 | 186 |
| Net change in value of investment property | -565 | 256 |
| Total | -456 | 442 |

Note 9 Income taxes

The income tax expense includes tax payable and changes in deferred tax. Income tax on other income and expenses items in total comprehensive income is also recognised in total comprehensive income, and tax on balances related to equity transactions are set off against equity.

The tax payable for the period is calculated according to the tax rates and regulations ruling at the end of the reporting period. Tax payable for the period is calculated on the tax basis deviating from profit before tax as a consequence of amounts that shall be recognised as income or expense in another period (temporary differences) or balances never to be subject to tax (permanent differences).

Deferred tax is calculated on temporary differences between book and tax values of assets and liabilities and the tax effects of losses to carry forward in the consolidated financial statements at the reporting date. Deferred tax liabilities associated with the initial recognition of goodwill in business combinations are not carried in the balance sheet, nor is deferred tax recognised in the balance sheet on the initial recognition of the acquisition of investment properties, if the purchase of a subsidiary with an investment property is considered as an acquisition of a separate asset.

Deferred tax assets are only recognised in the balance sheet to the extent that it is probable that there will be future taxable profits to utilise the benefits of the tax reducing temporary differences. Deferred tax liabilities and assets are calculated according to the tax rates and regulations ruling at the end of the reporting period and at nominal amounts. Deferred tax liabilities and assets are recognised net when the Group has a legal right to net assets and liabilities.

Specification of income tax expenses

| NOK mill. | 2022 | 2021 |
|---|------------|------------|
| Tax payable of net profit | | |
| Income tax payable for the year | 626 | 542 |
| Adjustments of prior periods | -205 | -57 |
| Total tax payable | 420 | 485 |
| Deferred tax expense | | |
| Change in deferred tax recognised in the income statement | -259 | 110 |
| Effects of changes in tax rates and prior years' taxes | 178 | -169 |
| Total deferred tax | -82 | -60 |
| Income tax expense | 339 | 425 |

Tax payable in the balance sheet

| NOK mill. | 2022 | 2021 |
|---|------------|------------|
| Tax payable of the year | 626 | 542 |
| Tax liability from prior years | -47 | 37 |
| Advance tax paid | -206 | -227 |
| Tax receivable related to tax paid outside Norway | -8 | 66 |
| Translation differences | -30 | 2 |
| Tax payable | 335 | 420 |

Reconciliation of nominal to effective tax rate

| NOK mill. | 2022 | 2021 |
|---|------------|------------|
| Profit before tax | -2 843 | 5 213 |
| Estimated income tax expense at nominal tax rate (22 percent) | -625 | 1 147 |
| Losses and other deductions without any net tax effect | -31 | 3 |
| Unrecognised change in deferred tax assets | -2 | -3 |
| Changes from equity method accounting investments | -11 | -42 |
| Non-taxable net income (-) / costs (+) from securities | 802 | -566 |
| Impairment of goodwill | -1 | -1 |
| Adjustments of prior periods | -25 | -216 |
| Tax effect of other permanent differences | 231 | 102 |
| Income tax expense | 339 | 425 |

| | | |
|---------------------------|----------|--------------|
| Effective tax rate | - | 8,2 % |
|---------------------------|----------|--------------|

Tax recognised directly in equity

| NOK mill. | 2022 | 2021 |
|---|-----------|------------|
| Actuarial loss on pension obligations (note 19) | - | -1 |
| Cash flow hedges (note 28) | 20 | -12 |
| Total tax recognised in total comprehensive income | 20 | -13 |

Deferred tax asset and deferred tax liability

| NOK mill. | 2022 | 2021 |
|---|-------------|-------------|
| Inventories | 5 | -14 |
| Receivables | 141 | 189 |
| Stocks and bonds | -380 | -345 |
| Other differences | -12 | 62 |
| Tangible assets | -299 | -407 |
| Intangible assets | -451 | -375 |
| Net pensions | 15 | 14 |
| Tax losses to carry forward | 290 | 294 |
| Total | -692 | -581 |
| Reassessment of deferred tax assets | -6 | -9 |
| Net carrying value at 31 December of deferred tax assets (+)/liabilities (-) | -698 | -590 |

| | | |
|---|-------------|-------------|
| Deferred tax assets recognised in balance sheet | 368 | 317 |
| Deferred tax liabilities recognised in balance sheet | -1 066 | -908 |
| Net carrying value at 31 December of deferred tax assets (+)/liabilities (-) | -698 | -590 |

Gross tax losses to carry forward with expiration years

| NOK mill. | 2022 |
|--|------------|
| After 2025 | 22 |
| Without expiration | 268 |
| Total tax losses to carry forward | 290 |

Change in net deferred tax in balance sheet

| NOK mill. | 2022 | 2021 |
|--|-------------|-------------|
| Net carrying value at 1 January | -590 | -610 |
| Translation differences | 7 | -2 |
| Acquisition and disposal of subsidiary | -246 | -89 |
| Recognised in income statement during the period | 82 | 60 |
| Tax recognised in other comprehensive income | 20 | -13 |
| Other changes | 30 | 64 |
| Net carrying value at 31 December | -698 | -590 |

Note 10 Geographical allocation of revenue

IFRS 15 requires that all different performance obligations in a contract with a customer are identified and that expected consideration is recognized as revenue in a pattern that reflects the transfer of the delivery, goods or service to the customer.

The Group's consolidated sales revenues derive from the sale of a wide range of goods both to other businesses and to private consumers, deliveries of services to the oil sector and deliveries of packaging and systems. Most of the Group's revenue comes from performance obligations delivered over time.

Revenue from sales of goods and services are recognized when control has passed to the customer, defined as when the customer has the ability to manage the use of the asset and receive the benefits of ownership. Contracts for the sale of filling machines and packaging are commercially related and therefore those contracts are combined for the purposes of revenue recognition.

Sales revenues are valued at the fair value of the consideration and are presented net after deductions for discounts, VAT and other types of public taxes. Discounts are allocated proportionally to performance obligations in a contract.

| NOK mill. | 2022 | 2021 |
|----------------------|---------------|---------------|
| Norway | 12 794 | 10 118 |
| USA | 2 318 | 1 617 |
| Germany | 1 774 | 1 608 |
| Sweden | 1 717 | 1 598 |
| Canada | 746 | 549 |
| Netherlands | 635 | 585 |
| United Kingdom | 529 | 510 |
| Spain | 501 | 456 |
| Austria | 491 | 475 |
| Finland | 462 | 486 |
| Denmark | 395 | 368 |
| Saudi Arabia | 378 | 390 |
| Belgium | 276 | 302 |
| France | 254 | 241 |
| Russia | 197 | 794 |
| Rest of the world | 3 234 | 2 498 |
| Total revenue | 26 701 | 22 597 |

Sales revenues are allocated on the basis of the customer's locations.

| | | |
|---|---------------|---------------|
| Revenue from contracts with customers | 26 701 | 22 597 |
| Total revenue | 26 701 | 22 597 |
| Revenue from performance obligations fulfilled at a point in time | 17 631 | 12 763 |
| Revenue from performance obligations fulfilled over time | 9 069 | 9 834 |
| Total revenue from contracts with customers | 26 701 | 22 597 |

Revenue from performance obligations fulfilled over time is mainly generated in the subgroups Elopak and Simplyer.

Note 11 Salaries

| | | |
|-----------------------------|--------------|--------------|
| NOK mill. | 2022 | 2021 |
| Salaries | 4 504 | 3 928 |
| Social security tax | 666 | 548 |
| Pension costs | 283 | 244 |
| Other benefits | 153 | 117 |
| Total | 5 607 | 4 837 |
| Average number of employees | 6 629 | 5 961 |

Salary and remuneration to Group management

| NOK1000 | 2022 | | | 2021 | | |
|-----------------------------------|---------------------|----------------------|--------------|---------------------|----------------------|--------------|
| | Salary and bonus | Benefits in kinds | Pension | Salary and bonus | Benefits in kinds | Pension |
| Group CEO, Morten Borge | 33 068 | 317 | 1 061 | 16 505 | 281 | 985 |
| Other members of Group management | 34 955 | 618 | 700 | 18 182 | 603 | 624 |
| Total | 68 024 | 935 | 1 761 | 34 687 | 884 | 1 609 |

The Group CEO participates in Ferd's long-term bonus scheme. Bonus is based on the results achieved in the Group.

The Group CEO participates in Ferd's collective pension schemes for salaries below 12 G. This is a contribution scheme (cf. also note 19). The Group CEO also has a benefit scheme for a pension basis higher than 12 G, as well as an early retirement pension scheme giving him the opportunity to retire at 65 years.

The Group CEO is entitled to 9 months' severance pay if he has to resign from his position.

The CEO is part of a long-term savings scheme for Ferd. The savings scheme has a lock-in period and Ferd Holding AS has financed parts of the scheme.

Fees to the Board

No specific fees have been paid for board positions in Ferd AS.

Note 12 Intangible assets

Intangible assets acquired separately are initially carried at cost. Intangible assets acquired in a business combination are recognised at their fair value at the time of the combination. In subsequent periods, intangible costs are recognised at cost less accumulated depreciation and impairment.

Intangible assets with a definite economic life are depreciated over their expected useful life. Normally, straight-line depreciation methods are applied, as this generally reflects the use of the assets in the most appropriate manner. This applies for intangible assets like software, customer relations, patents and rights and capitalised development costs. Intangible assets with an indefinite life are not depreciated, but tested for impairment annually. Some of the Group's capitalised brands have indefinite economic lives.

Impairment

Tangible and intangible assets that are depreciated are considered for impairment when there are indications to the effect that future earnings cannot support the carrying amount. If there are indicators on a possible decline in value, an evaluation of impairment is made. Intangible assets with undefined useful lives and goodwill are not depreciated, but evaluated annually for impairment.

In the assessment of a decline in value, the first step is to calculate or estimate the assets' recoverable amount. Should it not be possible to calculate the recoverable amount for an individual asset, the recoverable amount for the cash-generating unit of which the asset is part, is calculated. A cash-generating unit is the smallest identifiable group of assets generating incoming cash-flows not depending on incoming cash-flows from other assets or groups of assets.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to sell is the amount that can be recovered at a sale of an asset in a transaction performed at arm's length between well informed and voluntary parties, less costs to sell. The value in use is the present value of future cash flows expected to be generated by an asset or a cash-generating unit. In the event that the carrying amount exceeds the recoverable amount, the difference is recognised as a write-down. Write-downs are subsequently reversed when the impairment indicator no longer exists.

Research, development, and other in-house generated intangible assets

Expenses relating to research activities are recognised in the income statement as they arise.

In-house generated intangible assets arising from development are recognised in the balance sheet only if all the following conditions are met:

- 1) The asset can be identified.
- 2) Ferd intends to, and has the ability to, complete the intangible asset, including the fact that Ferd has adequate technical, financial and other resources to finalise the development and to use or sell the intangible asset.
- 3) The technical assumptions for completing the intangible asset are known.
- 4) It is probable that the asset will generate future cash flows.
- 5) The development costs can be reliably measured.

In-house generated intangible assets are amortised over their estimated useful lives from the date when the assets are available for use. When the requirements for capitalisation no longer exist, the expenses are recognised in the income statement as incurred.

| NOK mill. | 2022 | 2021 |
|---------------------------------------|---------------|--------------|
| Goodwill (note 13) | 6 876 | 5 744 |
| Other intangible assets | 3 732 | 3 040 |
| Carrying amount at 31 December | 10 608 | 8 784 |

2022

| NOK mill. | Capitalised | | | | | Total |
|---|--------------|------------|-----------------------|------------------------|-----------------------|--------------|
| | Software | Brands | Patents and rights | develop- ment costs | Customer relations | |
| Cost at 1 January | 1 347 | 706 | 464 | 873 | 1 865 | 5 255 |
| Additions on acquisitions | 15 | 2 | 42 | 154 | 390 | 603 |
| Ordinary additions | 106 | 9 | 161 | 197 | 419 | 892 |
| Disposals | -16 | -36 | 17 | -81 | -2 | -117 |
| Transfers between asset groups | -34 | 1 | -7 | 58 | -93 | -75 |
| Exchange differences | 42 | - | - | 23 | -10 | 54 |
| Cost at 31 December | 1 460 | 682 | 677 | 1 223 | 2 569 | 6 612 |
| Acc. Amortisation and impairment at 1 January | 621 | 40 | 410 | 371 | 773 | 2 215 |
| Additions of amortisations at acquisitions | 6 | - | 28 | 116 | - | 149 |
| Current year depreciation charge | 179 | 2 | 49 | 98 | 298 | 627 |
| Current year amortisation charge | 3 | - | - | - | - | 3 |
| Disposals | -41 | - | - | 9 | - | -32 |
| Transfers between asset groups | 27 | -26 | 3 | - | -127 | -122 |
| Exchange differences | 29 | - | - | 13 | -1 | 40 |
| Accumulated amortisation at 31 December | 823 | 17 | 490 | 606 | 943 | 2 880 |
| Accumulated impairment at 31 December | 6 | 23 | 10 | 32 | - | 71 |
| Carrying amount at 31 December | 636 | 665 | 187 | 617 | 1 626 | 3 732 |

| | | | | | |
|---------------------|---------------|-----------------------------|---------------|---------------|---------------|
| Economic life | 3-5 years | > 20 years to indefinite | 3-10 years | 10 years | 10-15 years |
| Amortisation method | Straight-line | Straight-line | Straight-line | Straight-line | Straight-line |

2021

| NOK mill. | Capitalised | | | | | Total |
|---|--------------|------------|-----------------------|------------------------|-----------------------|--------------|
| | Software | Brands | Patents and rights | develop- ment costs | Customer relations | |
| Cost at 1 January | 1 290 | 559 | 721 | 763 | 1 269 | 4 601 |
| Additions on acquisitions | 148 | 167 | - | 28 | 673 | 1 017 |
| Ordinary additions | 127 | 5 | 4 | 118 | 25 | 279 |
| Disposals | -127 | -3 | - | -3 | -23 | -156 |
| Transfers between asset groups | -2 | 2 | - | - | - | - |
| Exchange differences | -41 | -3 | - | -22 | -3 | -69 |
| Cost at 31 December | 1 395 | 726 | 724 | 884 | 1 941 | 5 671 |
| Acc. Amortisation and impairment at 1 January | 658 | 47 | 652 | 327 | 733 | 2 417 |
| Current year depreciation charge | 164 | 5 | 19 | 64 | 139 | 390 |
| Current year amortisation charge | - | 7 | - | 2 | - | 9 |
| Disposals | -126 | - | - | -1 | -23 | -150 |
| Transfers between asset groups | -4 | 4 | - | - | - | - |
| Exchange differences | -23 | -3 | - | -9 | - | -35 |
| Accumulated amortisation at 31 December | 669 | 61 | 670 | 382 | 849 | 2 631 |
| Accumulated impairment at 31 December | 3 | 43 | 11 | 34 | - | 91 |
| Carrying amount at 31 December | 726 | 666 | 54 | 502 | 1 092 | 3 040 |

| | | | | | |
|---------------------|---------------|-----------------------------|---------------|---------------|---------------|
| Economic life | 3-5 years | > 20 years to indefinite | 3-10 years | 10 years | 10-15 years |
| Amortisation method | Straight-line | Straight-line | Straight-line | Straight-line | Straight-line |

Research and development

Costs expensed to research and development in fiscal year 2022 totalled MNOK 194. The corresponding expense for 2021 was MNOK 188.

Note 13 Goodwill and information on business combinations

Pursuant to IFRS 3 Business combinations, the net assets of acquired companies have been assessed at fair value at the acquisition date. The remaining part of the consideration after allocating the consideration to identifiable assets and liabilities, is recognised as goodwill. The tables below show the values and movements in the various goodwill items in the Group.

Goodwill is tested for impairment annually, or more often if there are indications of impairment, and carried at cost less accumulated depreciation. Impairment losses on goodwill are not reversed.

Goodwill arising on the acquisition of a share in an associate is included in the carrying amount of the investment and tested for impairment as part of the carrying amount of the investment. Gain or loss arising from the realisation of a business includes goodwill allocated to the business sold.

For the purpose of impairment testing, goodwill is allocated to the relevant cash-generating units. The allocation is made to the cash-generating units or groups of units expected to benefit from the synergies of the combination.

Business combinations

Business combinations are accounted for by the acquisition method. This implies the identification of the acquiring company, the determination of the date for the take-over, the recognition and measurement of identifiable acquired assets, liabilities and any non-controlling interests in the acquired company taken over, and the recognition and measurement of goodwill or gain from an acquisition made on favourable terms.

Assets, liabilities and contingent liabilities taken over or incurred are measured at fair value at the acquisition date. Goodwill is recognised as the total of the fair value of the consideration, including the value of the non-controlling interests and the fair value of former owner shares, less net identifiable assets in the business combination. Direct costs connected with the acquisition are recognised in the income statement.

Any contingent consideration from the Group is recognised at fair value at the acquisition date. Changes in the value of the contingent consideration considered to be a financial liability pursuant to IAS 39, are recognised in the income statement when incurred. In step-by-step business combinations, the Group's former stake is measured at fair value at the date of the take-over. Any adjustments in value are recognised in the income statement.

The tables below show the values and movements in the various goodwill items in the Group.

2022

| NOK mill. | Interwell | Try | Elopak | Mester- gruppen | Simployer | Norkart | Other | Total |
|---------------------------------------|--------------|------------|--------------|--------------------|--------------|------------|------------|--------------|
| Cost at 1 January | 1 212 | 385 | 580 | 1 472 | 1 002 | 983 | 509 | 6 143 |
| Additions | 180 | 15 | 600 | 262 | - | - | 90 | 1 147 |
| Exchange differences | - | - | -12 | - | - | - | - | -12 |
| Cost at 31 December | 1 392 | 400 | 1 169 | 1 734 | 1 002 | 983 | 598 | 7 279 |
| Accumulated impairment at 1 January | 4 | - | 62 | -15 | - | - | 347 | 399 |
| Reclassifications | - | - | - | 1 | - | - | - | 1 |
| Exchange differences | - | - | 3 | - | - | - | - | 3 |
| Accumulated impairment at 31 December | 4 | - | 65 | -14 | - | - | 347 | 402 |
| Carrying amount at 31 December | 1 388 | 400 | 1 104 | 1 748 | 1 002 | 983 | 251 | 6 876 |

Changes in 2022:

Elopak: Elopak carried out the two acquisitions of Naturepak and Elopak GLS on 29 March 2022 and 13 May 2022, respectively. Goodwill of NOK 562 million was identified in connection with the Naturepak acquisition and NOK 38 million in connection with the Elopak GLS acquisition. The goodwill is linked to the assembled workforce in the acquired companies and synergies with Elopak's existing operations.

Interwell: Interwell acquired Petroleum Technology Company Holding AS (PTC) with accounting effect from 01.06.2022. Goodwill of NOK 180 million was identified, which is linked to PTC's market position, assembled workforce, and synergies with Interwell's other operations.

Mestergruppen: In 2022, Mestergruppen completed the acquisitions of VVS Norge and Dale Malo with acquisition dates of 1 August 2022 and 1 May 2022, respectively. Goodwill of NOK 135 million was identified related to the acquisition of VVS Norge, and NOK 72 million related to Dale Malo. The goodwill is linked to the companies' market position and expected synergies with Mestergruppen's other operations. In addition, Mestergruppen made a few smaller acquisitions in 2022 where a total of NOK 55 million in goodwill was identified.

2021

| NOK mill. | Interwell | Try | Elopak | Mester- gruppen | Simplyer | Norkart | Other | Total |
|---------------------------------------|--------------|------------|------------|--------------------|--------------|------------|------------|--------------|
| Cost at 1 January | 1 212 | - | 613 | 971 | 891 | - | 542 | 4 228 |
| Additions | - | 385 | - | 502 | 112 | 983 | 1 | 1 983 |
| Disposals | - | - | - | - | - | - | -34 | -34 |
| Exchange differences | - | - | -32 | -1 | - | - | - | -33 |
| Cost at 31 December | 1 212 | 385 | 580 | 1 472 | 1 002 | 983 | 509 | 6 143 |
| Accumulated impairment at 1 January | 4 | - | 65 | -14 | - | - | 201 | 256 |
| Write-downs | - | - | - | - | - | - | 146 | 146 |
| Exchange differences | - | - | -3 | - | - | - | - | -3 |
| Accumulated impairment at 31 December | 4 | - | 62 | -14 | - | - | 347 | 399 |
| Carrying amount at 31 December | 1 208 | 385 | 518 | 1 486 | 1 002 | 983 | 162 | 5 744 |

Changes in 2021:

Mestergruppen: Mestergruppen acquired in 2021 Malorama with effective date 1 July 2021. Goodwill was identified with NOK 500 million related to Malorama's market position and expected synergies with Mestergruppen's existing businesses.

Simplyer: Simplyer acquired in 2021 the Swedish companies &Frankly and Edge HR. Goodwill was identified for a total of NOK 112 million, which relates to expected synergies with Simplyer's existing business.

Norkart: Ferd acquired 100 percent of the shares in Norkart AS on 13 April 2021. Goodwill was identified on acquisition of NOK 983 million. The goodwill includes the company's strong market position and development potential, as well as the employees' expertise.

Try: Ferd completed the acquisition of 60 percent of the shares in Try in October 2021. Goodwill was identified of NOK 335 million, which relates to Try's strong market position as well as the employees' expertise. Subsequent to Ferd's acquisition, Try has completed additional smaller acquisitions which have generated further goodwill.

Impairment testing for goodwill

Goodwill is allocated to the Group's cash generating units and is tested for impairment annually or more frequently if there are indications of impairment. Testing for impairment implies determining the recoverable amount of the cash generating unit. The recoverable amount is determined by discounting future expected cash flows, based on the cash generating unit's business plans. The discount rate applied to the future cash flows is based on the Group's weighted average cost of capital (WACC), adjusted to the market's appreciation of the risk factors for each cash generating unit. Growth rates are used to project cash flows beyond the periods covered by the business plans.

Cash generating units:

The goodwill items specified above relate to Ferd Capital's investments in the group companies Elopak, Interwell, Mestergruppen and Servi, in addition to some minor goodwill items.

Cash flows:

The cash flows are based on assumptions about future sales volumes, selling prices and direct costs. The background for these assumptions is historical experience from the market, adopted budgets and the Group's expectations of market changes. Having carried out impairment testing, the Group does not expect significant changes in current trade. This implies that expected future cash flows mainly are a continuation of observed trends.

The average growth rate in the period 2 to 5 years is based on Ferd's expectations for the development in the market in which the business operates. Ferd uses a stable growth rate to extrapolate the cash flows beyond 5 years.

EBITDA represents operating profit before depreciation and is based on the expected future market development. Committed operating efficiency improvement measures are taken into account. Changes in the outcomes for these initiatives may influence future estimated EBITDA.

Investment costs necessary to meet expected future growth are taken into account. Based on management's assessment, the estimated investment costs do not include investments that improve the current assets' performance. The related cash flows are treated correspondingly.

Discount rates:

Determined cash flows are discounted at a discount interest rate. The discount rate reflects the market's assessment of the risk specific to the cash generating unit. The rate is based on the weighted average cost of capital for the industry. This rate has been further adjusted to reflect the specific risk factors related to the cash generating unit, which has not been reflected in the cash flows. As Elopak's functional currency is euro, the basis has also been a euro interest significantly lower than NOK interest rates.

The rate applied and other assumptions are shown below.

| | Discount rate after tax (WACC) | | Discount rate before tax | | Growth rate 2-5 years | | Long-term growth rate | |
|---------------|-----------------------------------|--------|--------------------------|--------|-----------------------|-------|-----------------------|-------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Interwell | 9,0 % | 9,0 % | 11,0 % | 11,0 % | 5,0 % | 5,0 % | 2,0 % | 2,0 % |
| Elopak | 7,7 % | 3,6 % | 11,0 % | 5,2 % | 0,0 % | 0,0 % | 0,0 % | 0,0 % |
| Mestergruppen | 12,0 % | 10,0 % | 15,0 % | 13,0 % | 2,0 % | 2,0 % | 2,0 % | 2,0 % |

For Try, Norkart and Simployer, an impairment assessment has been made at Ferd Group level based on Ferd AS's valuation of the fair value of the equity in the respective companies (sales value consideration). This valuation is carried out through a multiple-based method against comparable listed companies. The assessment has not provided indicators for impairment of goodwill linked to any of these investments as of the end of 2022.

Interwell

The acquisition of Interwell in 2014 resulted in a recognition of goodwill of MNOK 345 for Ferd. In the Interwell group, however, there is an additional MNOK 1 043 in goodwill from acquisitions carried out by Interwell. This goodwill is allocated to the whole of Interwell as one joint cash-generating unit, which is the level on which Ferd is following up Interwell.

Try

Ferd completed the acquisition of Try in October 2021, and a goodwill of MNOK 335 was identified from the acquisition. In the Try group, there is an additional MNOK 65 in goodwill from acquisitions carried out by Try. Included in the value of goodwill is the company's strong market position and development opportunities, as well as the employees' expertise.

Elopak

Goodwill relating to Elopak of MNOK 1 104 as at 31 December 2022 is mainly allocated to the EMEA cash-generating unit, which consists of Elopak's markets in Europe, the Middle East and Africa, as well as the in-house production and supply organisation. Goodwill from the acquisition of Naturepak in 2022 is also included in this cash-generating unit. The rationale for defining EMEA as a cash-generating unit is the dynamics of the market in the region. The trend is that customers are merging and have easy access to the supplies throughout the region. Elopak adapts to customers by distributing the production of cartons for the various markets according to optimal production efficiency in EMEA. Historical geographical criteria for production and demand from customers are no longer so important. As a result of the development, the split of margins along Elopak's value chain will be able to change from one year to the next, leading to overall business in EMEA becoming the best indicator for assessing any impairment of goodwill.

Mestergruppen

Goodwill concerning Mestergruppen is allocated to Mestergruppen as a whole as one cash-generating unit, the level on which Ferd is following up Mestergruppen. In connection with the purchase of Nordek and Byggorget in 2016, goodwill amounting to MNOK 426 was recognised. In 2017, an additional goodwill of MNOK 228 was recognised as a consequence of the acquisition of Saltdalsbygg. In 2018 goodwill of MNOK 88 has been recognized related to the acquisition of Pretre AS and Jæren Treteknikk AS. In 2019, goodwill of MNOK 155 was recognized related to the acquisition of XL-BYGG AB and LA Bygg AS. In 2021, 502 million goodwill was recognized, of which the acquisition of Malorama accounted for MNOK 500. In 2022, a total goodwill of MNOK 262 was recognized, of which the acquisition of VVS Norge accounted for MNOK 135 and the Dale Malo acquisition accounted for MNOK 72. Total goodwill related to the Mestergruppen is MNOK 1 748 at 31 December 2022.

Simployer

Ferd acquired the Simployer Group in 2020. A goodwill of MNOK 890 was identified. Included in the value of goodwill are employees with special expertise and expected synergies. In 2021, additional goodwill of MNOK 112 was recognized for the acquisitions of &Frankly AB and Edge HR AB in Sweden. Goodwill is allocated to the cash-generating unit Simployer as a whole, which is the level at which Ferd follows up Simployer.

Norkart

Ferd acquired Norkart AS in April 2021. A goodwill of MNOK 983 was identified during the acquisition. Included in the value of goodwill is the company's strong market position and development opportunities, as well as the employees' expertise. The goodwill is allocated to the cash-generating unit Norkart as a whole, which is the level at which Ferd follows up Norkart.

Conclusion

For all cash-generating units, the estimated recoverable amount in the impairment tests is positive and it is concluded based on the tests that there is no need for impairment in 2022. The uncertainty connected with the assumptions on which the impairment testing is based is illustrated by sensitivity analyses. The conclusions are tested for changes in discount and growth rates.

Specification of business combinations in 2022

| NOK mill. | Naturepak | Elopak GLS | PTC | VVS Norge | Dale Malo |
|---|------------|------------|------------|------------|------------|
| Acquisition date | 29.03.2022 | 13.05.2022 | 31.05.2022 | 01.08.2022 | 01.05.2022 |
| Total consideration for the acquired business | 898 | 134 | 856 | 282 | 155 |
| of which cash | 898 | 134 | 526 | 282 | 155 |
| Ownership- and voting share after acquisition | 100% | 50% | 100% | 100% | 100% |
| Fair value of assets | 530 | 213 | 942 | 377 | 130 |
| Fair value of liabilities | 195 | 19 | 267 | 230 | 47 |
| Fair value of net identifiable assets | 335 | 193 | 676 | 147 | 83 |
| Non-controlling interests measured at fair value of net identifiable assets | - | 97 | - | - | - |
| Goodwill | 562 | 38 | 180 | 135 | 72 |
| Transaction price | 898 | 134 | 856 | 282 | 155 |
| Cash paid | 898 | 134 | 526 | 282 | 155 |
| Cash in the acquired business at acquisition date | 16 | 89 | 64 | 90 | 2 |
| Net cash outflow | 882 | 46 | 462 | 192 | 153 |
| EBITDA for the period 01.01 - 31.12 | 34 | -7 | 141 | 27 | 14 |
| EBITDA for the period from acquisition date - 31.12 | 60 | -5 | 117 | -3 | 8 |
| Revenue for the period 01.01 - 31.12 | 416 | 53 | 536 | 1 636 | 291 |
| Revenue for the period from the acquisition date - 31.12 | 338 | 53 | 388 | 589 | 276 |

Note 14 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment. The cost includes expenses directly attributable to the acquisition of the asset, including loan costs. Expenses incurred after the acquisition are recognised as assets when future economic benefits are expected to arise from the asset and can be reliably measured. Current maintenance is expensed.

Tangible assets are depreciated systematically over their expected useful lives, normally on a straight-line basis. When such assets have been capitalised under financial leasing, they are depreciated over the shorter of useful life and agreed lease period. If indications of impairment exist, the asset is tested for impairment.

Impairment

Tangible and intangible assets that are depreciated are considered for impairment when there are indications to the effect that future earnings cannot support the carrying amount. If there are indicators on a possible decline in value, an evaluation of impairment is made. Intangible assets with undefined useful lives and goodwill are not depreciated, but evaluated annually for impairment.

In the assessment of a decline in value, the first step is to calculate or estimate the assets' recoverable amount. Should it not be possible to calculate the recoverable amount for an individual asset, the recoverable amount for the cash-generating unit of which the asset is part, is calculated. A cash-generating unit is the smallest identifiable group of assets generating incoming cash-flows not depending on incoming cash-flows from other assets or groups of assets.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to sell is the amount that can be recovered at a sale of an asset in a transaction performed at arm's length between well informed and voluntary parties, less costs to sell. The value in use is the present value of future cash flows expected to be generated by an asset or a cash-generating unit. In the event that the carrying amount exceeds the recoverable amount, the difference is recognised as a write-down. Write-downs are subsequently reversed when the impairment indicator no longer exists.

2022

| NOK mill. | Buildings and land | Machines and installations | Fixtures and equipment | Total |
|--|-------------------------------|---------------------------------------|-----------------------------------|--------------|
| Cost at 1 January | 1 201 | 6 666 | 739 | 8 606 |
| Additions on acquisitions | 148 | 137 | 162 | 447 |
| Ordinary additions | 108 | 547 | 171 | 826 |
| Disposals | -14 | -548 | 61 | -501 |
| Transfer between asset groups | 96 | 16 | -6 | 106 |
| Reclassification to assets held for sale | - | - | - | - |
| Exchange differences | 21 | 413 | 20 | 454 |
| Cost at 31 December | 1 560 | 7 230 | 1 147 | 9 937 |
| Accumulated depreciation and impairment at 1 January | 501 | 4 575 | 495 | 5 571 |
| Accumulated depreciation on acquisitions | 7 | 10 | 104 | 121 |
| Depreciation of the year | 88 | 543 | 97 | 728 |
| Impairment of the year | 9 | 98 | 2 | 109 |
| Derecognised depreciation | -10 | -409 | -58 | -477 |
| Transfer between asset groups | -20 | 4 | -6 | -22 |
| Reclassification to assets held for sale | - | - | - | - |
| Exchange differences | 16 | 313 | 19 | 348 |
| Accumulated depreciation at 31 December | 591 | 5 134 | 653 | 6 378 |
| Accumulated impairment at 31 December | 9 | 174 | 2 | 185 |
| Carrying amount at 31 December | 969 | 2 096 | 494 | 3 559 |
| Estimated economic life of depreciable assets | 5-50 years | 5-15 years | 3-13 years | |
| Depreciation plan | Straight-line | Straight-line | Straight-line | |
| Land is not depreciated | | | | |

2021

| NOK mill. | Buildings and land | Machines and installations | Fixtures and equipment | Total |
|--|-----------------------|-------------------------------|---------------------------|--------------|
| Cost at 1 January | 1 224 | 6 756 | 706 | 8 687 |
| Additions on acquisitions | 49 | 21 | 47 | 117 |
| Ordinary additions | 38 | 462 | 69 | 569 |
| Disposals | -95 | -325 | -95 | -515 |
| Transfer between asset groups | 7 | -53 | 22 | -24 |
| Exchange differences | -21 | -196 | -10 | -228 |
| Cost at 31 December | 1 201 | 6 666 | 739 | 8 606 |
| Accumulated depreciation and impairment at 1 January | 542 | 4 536 | 496 | 5 575 |
| Accumulated depreciation on acquisitions | - | - | 17 | 17 |
| Depreciation of the year | 41 | 406 | 78 | 524 |
| Impairment of the year | - | 35 | - | 35 |
| Disposals | -67 | -266 | -83 | -416 |
| Transfer between asset groups | -7 | 9 | -2 | - |
| Exchange differences | -8 | -146 | -11 | -164 |
| Accumulated depreciation at 31 December | 501 | 4 575 | 495 | 5 571 |
| Accumulated impairment at 31 December | - | 92 | 1 | 93 |
| Carrying amount at 31 December | 700 | 2 091 | 244 | 3 035 |

| | | | |
|---|---------------|---------------|---------------|
| Estimated economic life of depreciable assets | 5-50 years | 5-15 years | 3-13 years |
| Depreciation plan | Straight-line | Straight-line | Straight-line |
| Land is not depreciated | | | |

Note 15 Other operating expenses

| NOK mill. | 2022 | 2021 |
|---|--------------|--------------|
| Sales and administration costs | 603 | 667 |
| Lease of buildings etc. | 204 | 145 |
| Fees to auditors, lawyers, consultants | 559 | 393 |
| Travel expenses | 204 | 120 |
| Loss and change in write-downs of receivables | 84 | 26 |
| Other expenses | 1 357 | 771 |
| Total | 3 012 | 2 122 |

Note 16 Expensed audit fees

PwC is Ferd's Group auditor. Some Group companies are audited by other audit firms.

| NOK1000 | Audit fees | Other attestation services | Tax services | Other non-audit services | Total |
|--------------|---------------|-------------------------------|-----------------|-----------------------------|---------------|
| 2022 | | | | | |
| PwC | 21 741 | 1 529 | 2 277 | 11 012 | 36 559 |
| Others | 6 864 | 30 | 1 595 | 1 452 | 9 941 |
| Total | 28 606 | 1 559 | 3 872 | 12 464 | 46 501 |
| 2021 | | | | | |
| PwC | 19 115 | 4 479 | 1 795 | 7 454 | 32 843 |
| Others | 6 611 | 132 | 1 222 | 1 346 | 9 311 |
| Total | 25 726 | 4 611 | 3 017 | 8 800 | 42 155 |

Other non-audit services mainly concern due diligence services and assistance on ESG-projects. All amounts are exclusive of VAT.

Note 17 Investments accounted for by the equity method

Associates are entities over which the Group has significant influence, but not control. Significant influence implies that the Group is involved in strategic decisions concerning the company's finances and operations without controlling these decisions. Significant influence normally exists for investments where the Group holds between 20 and 50 percent of the voting capital.

A joint venture is a contractual arrangement requiring unanimous agreement between the owners about strategic, financial and operational decisions.

For associated companies owned directly by the investment company Ferd AS, the exception to the use of the equity method in accordance with IAS 28 is applied as the basis for the presentation of the investments in the Ferd Capital business area. These investments are recognized at fair value through profit and loss and are classified as current assets in the balance sheet.

Associates and joint ventures owned through the consolidated investments are recognized using the equity method and are classified as a non-current asset in the balance sheet. The equity method means that the Group's percentage share in the year's profit or loss of the investment is presented as a separate line item in the income statement. The carrying amount of the investment is added to Ferd's share in the comprehensive income of the investment. Corrections are made to adapt the accounting policies of the associates to the Group's policies. The carrying amount of investments in associates is classified as "Investments accounted for by the equity method" and includes goodwill identified at the acquisition date, reduced by any subsequent impairment losses.

A specification of companies and shares is given in the statement of investments in associates and joint ventures in note 7.

| 2022 | Lala | | Tiede- | Oslo | | Total |
|---|------------------------|------------------------|------------|------------------------|--------------------------------|------------|
| | Elopak S.A. de C.V. | Impresora Del Yaque | | manns- fabrikken AS | Logistikkpark Gardermoen AS | |
| NOK mill. | | | | | | |
| Ownership and voting share | 49% | 51% | 50% | 33% | | |
| Cost at 1 January | 194 | 43 | 7 | 105 | 233 | 582 |
| Share of result at 1 January | 196 | 98 | 306 | -23 | 180 | 757 |
| Accumulated impairment of goodwill at 1 January | - | - | - | - | -171 | -171 |
| Transfer from the company | -112 | -35 | -223 | - | -93 | -463 |
| Recognised directly in equity | - | - | - | - | 2 | 1 |
| Exchange differences/eliminations | -84 | -24 | - | - | -16 | -123 |
| Carrying amount at 1 January | 194 | 83 | 91 | 82 | 134 | 583 |
| Additions of the year | - | - | - | - | 227 | 227 |
| Share of the result of the year | 27 | 18 | 32 | 10 | 2 | 89 |
| Transfers from the company | - | - | - | - | -2 | -2 |
| Recognised directly in equity | - | - | - | - | - | - |
| Exchange differences/eliminations | 34 | 12 | - | - | 13 | 58 |
| Carrying amount at 31 December | 255 | 113 | 123 | 91 | 374 | 955 |
| 2021 | | | | | | |
| NOK mill. | | | | | | |
| Ownership and voting share | 49% | 51% | 50% | 33% | | |
| Cost at 1 January | 194 | 43 | 7 | 98 | 202 | 544 |
| Share of result at 1 January | 169 | 87 | 222 | -25 | 174 | 627 |
| Accumulated impairment of goodwill at 1 January | - | - | - | - | -171 | -171 |
| Transfer from the company | -79 | -17 | -148 | - | -75 | -319 |
| Recognised directly in equity | -1 | - | - | - | 2 | 1 |
| Exchange differences/eliminations | -86 | -28 | - | - | -22 | -136 |
| Carrying amount at 1 January | 197 | 85 | 82 | 72 | 109 | 546 |
| Additions of the year | - | - | - | 7 | 29 | 36 |
| Disposals of the year | - | - | - | - | - | - |
| Reclassifications | - | - | - | - | 1 | 1 |
| Share of the result of the year | 26 | 11 | 84 | 2 | 6 | 129 |
| Transfers from the company | -32 | -18 | -75 | - | -18 | -143 |
| Recognised directly in equity | - | - | - | - | - | - |
| Exchange differences/eliminations | 2 | 4 | - | - | 6 | 13 |
| Carrying amount at 31 December | 194 | 83 | 91 | 82 | 134 | 583 |

The table below shows a summary of financial information related to Ferd's largest investments in associates and joint ventures on a 100 percent basis. The stated figures represent fiscal year 2022. The figures are unaudited.

| NOK mill. | Lala | Impresora Del Yaque | Tiede- | Oslo |
|-------------------------------|------------------------|------------------------|------------------------|--------------------------------|
| | Elopak S.A. de C.V. | | manns- fabrikken AS | Logistikkpark Gardermoen AS |
| Operating revenue | 797 | 257 | 906 | 30 |
| Profit after tax and minority | 55 | 36 | 283 | 29 |
| Total assets | 585 | 263 | 94 | 447 |
| Total liabilities | 136 | 34 | 94 | 173 |

- Lala Elopak is a cardboard manufacturer with a plant in Mexico selling cardboard to the market in North and South America.
- Impresora Del Yaque is a cardboard manufacturer with a plant in the Dominican Republic selling cardboard to the market in Mid and South America.
- Tiedemannsfabrikken AS is owned by Ferd and Selvaag Homes and has developed residential housing on the old manufacturing site of Tiedemann's tobacco plant at Ensjø in Oslo. The project was fully sold and handed over to the buyers during summer 2022.
- Oslo Logistikkpark Gardermoen AS is owned by Ferd, Fabritius Gruppen and Nordr with equal stakes. The company owns a plot of land at Gardermoen outside Oslo which is being developed for business purposes.

Stake, transactions and balances with enterprises accounted for by the equity method:

| NOK mill. | Ownership/voting share 2022 | Sales from associated companies and joint ventures to Ferd | | Ferd's net receivables(payables) to associated companies and joint ventures | |
|--------------------------|-----------------------------------|---|------------|---|------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Impresora Del Yaque | 51,0 % | 14 | 1 | 3 | 4 |
| Lala Elopak S.A. de C.V. | 50,0 % | 346 | 242 | 17 | -21 |
| Total | | 360 | 242 | 20 | -16 |

Note 18 Specification of finance income and expense

Finance income

| NOK mill. | 2022 | 2021 |
|--|------------|------------|
| Interest income from bank deposits | 9 | 36 |
| Interest income from related parties | 3 | 5 |
| Other interest income | 155 | 15 |
| Foreign exchange gain and other finance income | 361 | 144 |
| Total | 527 | 200 |

Finance expense

| NOK mill. | 2022 | 2021 |
|--|------------|------------|
| Interest expense to finance institutions | 229 | 107 |
| Interest expense to related parties | 2 | 49 |
| Other interest expense | 83 | 19 |
| Foreign exchange loss and other finance expenses | 233 | 149 |
| Interest expense from lease liabilities | 104 | 96 |
| Total | 652 | 419 |

Note 19 Pension costs and liabilities

Defined contribution plans

Obligations to make contributions to contribution based pension plans are recognised as costs in the income statement when the employees have rendered services entitling them to the contribution.

Defined benefit plans

The defined benefit pension plans consist of group schemes as well as some additional arrangements, including employees with a retirement basis over 12 G, and AFP. Ferd have defined benefit plans in Norway, USA and Switzerland.

A defined benefit plan is a pension scheme defining the pension payment that an employee will receive at the time of retirement. The pension is normally determined as a part of the employee's salary. The Group's net obligation from defined benefit pension plans is calculated separately for each scheme. The obligation is calculated by an actuary and represents an estimate of future retirement benefits that the employees have earned at the balance sheet date as a consequence of their service in the present and former periods. The benefits are discounted to present value reduced by the fair value of the pension funds.

The portion of the period's net cost that comprises the current year's pension earnings, curtailment and settlement of pension schemes, plan changes and accrued social security tax is included in payroll costs in the period during which the employee has worked and thereby earned the pension rights. The net interest expense on the pension obligation less expected return on the pension funds is charged to the income statement as finance costs in the same period. Positive and negative estimate deviations are recognised as other income and costs in total comprehensive income in the period when they were identified.

Changes in defined benefit obligations due to changes in pension schemes are recognised over the estimated average remaining service period when the changes are not immediately recognised. Gain or loss on a curtailment or settlement of a benefit plan is recognised in the result when the curtailment or settlement occurs. A curtailment occurs when the Group decides to reduce significantly the number of employees covered by a plan or amends the terms of a defined benefit plan to the effect that a significant part of the current employees' future earnings no longer qualify for benefits or will qualify for reduced benefits only.

Ferd has defined benefit plans in several countries with varying economic conditions affecting the assumptions that are the basis for calculating pension obligations. The parameters are adapted to conditions in each country. The discount rate is determined as a weighted average of the yields at the reporting date on at least AA rated corporate bonds, or government bonds in cases where there is no market for AA rated corporate bonds. The government bond interest rate is applied for Norwegian schemes. To the extent that the bond does not have the same maturity as the obligation, the discount rate is adjusted. Actuarial assumptions for demographic factors and retirement are based on generally accepted principles in the insurance business. Future mortality rates are based on statistics and mortality tables (K2013).

Economic assumptions in Norwegian companies at 31 December

| | 2022 | 2021 |
|--|-------|-------|
| Discount rate | 3,00% | 2,00% |
| Expected wage growth | 3,50% | 2,50% |
| Future expected pension regulation | 2,00% | 1,50% |
| Expected regulation at base amount (G) | 3,25% | 2,25% |

PENSION OBLIGATIONS

Reconciliation of net liability against balance sheet

| NOK mill. | 2022 | 2021 |
|---|------------|------------|
| Pension liabilities for defined benefit pension plans | -107 | -106 |
| Pension assets for defined benefit pension plans | 15 | 12 |
| Total defined benefit obligation recognised in the Group's balance sheet | -92 | -94 |

DEFINED BENEFIT PLANS

Specification of recognised liability

| NOK mill. | 2022 | 2021 |
|---|-------------|-------------|
| Present value of unfunded pension liabilities | -78 | -90 |
| Present value of wholly or partly funded obligations | -38 | -29 |
| Total present value of defined benefit obligations | -115 | -119 |
| Fair value of pension assets | 24 | 26 |
| Total defined benefit obligation recognised in the Group's balance sheet | -92 | -94 |

Movements in liabilities for defined benefit pension plans

| NOK mill. | 2022 | 2021 |
|---|------------|------------|
| Liability for defined benefit pension plans at 1 January | 119 | 83 |
| Present value of current service cost | 8 | 15 |
| Interest expenses on the pension liability | 1 | 1 |
| Demographic estimate deviation on the pension liability | - | 2 |
| Settlement of pension plans | -4 | -2 |
| Curtailment of pension plans | -1 | -3 |
| Change in liability due to acquisition/sale of subsidiaries | - | 25 |
| Benefits paid | -8 | -2 |
| Liability for defined benefit pension plans at 31 December | 115 | 119 |

Expected payments of defined pension liabilities

| NOK1000 | 2022 |
|---|------------|
| Defined benefit pension expected to fall due year 1-5 | 28 |
| Defined benefit pension expected to fall due year 6-10 | 25 |
| Defined benefit pension expected to fall due year 11-20 | 17 |
| Defined benefit pension expected to fall due year 21-30 | 46 |
| Total benefit pension due | 115 |

Movement in fair value of pension assets for defined benefit pension plans

| NOK mill. | 2022 | 2021 |
|--|-----------|-----------|
| Fair value of pension assets at 1 January | 26 | 18 |
| Financial estimate deviation on the pension assets | -1 | -2 |
| Contributions from employer | - | 1 |
| Increase in pension funds due to the acquisition of subsidiaries | - | 11 |
| Settlements | 1 | - |
| Benefits paid | -2 | -1 |
| Exchange difference on foreign plans | - | -1 |
| Fair value of pension assets at 31 December | 24 | 26 |

Actuarial deviations recognised in other comprehensive income

| NOK mill. | 2022 | 2021 |
|---|----------|-----------|
| Current year actuarial deviation on pension liabilities (defined benefit schemes) | - | -3 |
| Current year actuarial deviation on pension funds (defined benefit schemes) | -1 | -2 |
| Tax effect (note 9) | - | 1 |
| Net actuarial deviation on defined benefit schemes | - | -4 |

PENSION COSTS

| NOK mill. | 2022 | 2021 |
|---|------------|------------|
| Defined benefit plans | 13 | 15 |
| Defined contribution plans | 270 | 229 |
| Total pension costs recognised in current year payroll costs | 283 | 244 |

DEFINED BENEFIT PLAN PENSION COSTS**Pension costs recognised in income statement**

| NOK mill. | 2022 | 2021 |
|--|-----------|-----------|
| Present value of this year's pension earned | 8 | 15 |
| Curtailment of pension schemes and plan changes | 5 | - |
| Total pension costs from benefit schemes recognised in salary costs | 13 | 15 |

| | | |
|---|----------|----------|
| Interest expense on the pension liability | 1 | 1 |
| Total pension costs from benefit schemes recognised in finance costs | 1 | 1 |

Note 20 Inventories

Inventories are stated at the lower of cost and net realisable value. The costs of inventories are determined on a first-in- first-out basis. The cost of finished goods and goods in progress consists of costs related to product design, consumption of materials, direct wages and other direct costs. The net realisable value is the estimated selling price less estimated variable expenses for completion and sale.

| 2022 | | Work | | |
|--|----------------------|--------------------|-----------------------|--------------|
| NOK mill. | Raw materials | in progress | Finished goods | Total |
| Cost at 31 December | 915 | 2 492 | 2 654 | 6 061 |
| Provisions for obsolescence at 1 January | -8 | -43 | -120 | -170 |
| Write-down | -41 | 8 | -49 | -82 |
| Reversal of write-down | -3 | - | 8 | 6 |
| Currency translation | -1 | - | -9 | -9 |
| Provisions for obsolescence at 31 December | -52 | -35 | -170 | -256 |
| Carrying value at 31 December | 863 | 2 458 | 2 484 | 5 804 |

| 2021 | | Work | | |
|--|----------------------|--------------------|-----------------------|--------------|
| NOK mill. | Raw materials | in progress | Finished goods | Total |
| Cost at 31 December | 599 | 2 477 | 1 766 | 4 843 |
| Provisions for obsolescence at 1 January | -42 | -5 | -114 | -161 |
| Write-down | 2 | -43 | -24 | -65 |
| Reversal of write-down | 32 | 5 | 15 | 52 |
| Currency translation | 1 | - | 2 | 3 |
| Provisions for obsolescence at 31 December | -8 | -43 | -120 | -170 |
| Carrying value at 31 December | 591 | 2 435 | 1 646 | 4 672 |

Note 21 Short-term receivables

| NOK mill. | 2022 | 2021 |
|---|--------------|--------------|
| Trade receivables gross | 4 873 | 4 016 |
| Loss allowance | -128 | -113 |
| Total trade receivables at 31.12 | 4 745 | 3 903 |
| Non-invoiced revenue | 296 | 78 |
| Total other trade receivables at 31.12 | 296 | 78 |
| VAT and tax claims | 340 | 270 |
| Current interest-bearing assets | 25 | 91 |
| Other current receivables | 1 509 | 1 344 |
| Total other receivables at 31.12 | 1 875 | 1 705 |
| Total short-term receivables at 31.12 | 6 916 | 5 686 |
| Overdue accounts receivable by age | | |
| NOK mill. | 2022 | 2021 |
| Up to 30 days | 911 | 414 |
| 30-60 days | 231 | 125 |
| 60-90 days | 40 | 48 |
| Over 90 days | 313 | 171 |
| Total | 1 496 | 758 |

Note 22 Share capital and shareholder information

The share capital of the Company as at 31 December 2022 consists of 183 267 630 shares at a nominal value of NOK 1.00.

Ownership structure

The shareholder as at 31 December 2022 was:

| | Number of shares | Stake |
|-------------------------------|--------------------|-----------------|
| Ferd Holding AS | 183 267 630 | 100.00 % |
| Total number of shares | 183 267 630 | 100.00 % |

Ferd AS is a subsidiary of Ferd Holding AS, being a subsidiary of Ferd JHA AS. Ferd shares offices with its parent companies in Dronning Mauds gate 10, Oslo. For the consolidated financial statements of Ferd JHA AS, please contact Ferd.

Shares indirectly owned by the board members in Ferd AS

| | Position | Voting rights | Stake |
|---------------------------------|--------------------|---------------|--------|
| Johan H. Andresen (Ferd JHA AS) | Chair of the Board | 69,98% | 15,20% |

Katharina G. Andresen and Alexandra G. Andresen have a combined indirect ownership holding of 84,4 percent of Ferd AS as a result of their share ownership in Ferd Holding AS through their holding companies Ferd KGA AS and Ferd AGA AS.

Note 23 Non-controlling interests

| Subsidiary | Interwell | Mesterguppen | Simployer | Elopak | Others | Total |
|-------------------------------|-----------|--------------|-----------|--------|--------|-------|
| Business office | Stavanger | Oslo | Sarpsborg | Oslo | | |
| Ferd's stake and voting share | 65,1 % | 70,8 % | 74,1 % | 59,8 % | | |
| Non-controlling share | 34,9 % | 29,2 % | 25,9 % | 40,2 % | | |

NOK mill.

| | | | | | | |
|--|------------|------------|------------|--------------|------------|--------------|
| Non-controlling interest 1 January 2022 | 711 | 450 | 291 | 1 153 | 384 | 2 990 |
| Corrections from previous periods | - | - | - | - | 8 | 8 |
| Dividends | -292 | -126 | - | -80 | -29 | -527 |
| Other transactions with non-controlling interests | 8 | 56 | -12 | 18 | 81 | 152 |
| Profit after tax attributable to non-controlling interests | 133 | 189 | 1 | 44 | 1 | 368 |
| Other comprehensive income attributable to non-controlling interests | 4 | 4 | -2 | -5 | 5 | 5 |
| Reclassifications | - | - | - | - | - | - |
| Non-controlling interest at 31 December 2022 | 565 | 573 | 278 | 1 131 | 450 | 2 996 |

Summary of financial information from subsidiaries

| NOK mill. | Interwell | Mesterguppen | Simployer | Elopak |
|-------------------------|-----------|--------------|-----------|--------|
| Operating income | 2 156 | 8 840 | 535 | 10 305 |
| Operating profit | 457 | 812 | 10 | 435 |
| Profit after tax | 381 | 546 | 3 | 113 |
| Non-current assets | 2 748 | 5 147 | 1 498 | 5 553 |
| Current assets | 1 622 | 4 556 | 166 | 4 503 |
| Non-current liabilities | 1 597 | 3 148 | 403 | 4 199 |
| Current liabilities | 729 | 5 136 | 310 | 3 040 |

Note 24 Non-current liabilities

| NOK mill. | Loan amount in currency 2022 | Loan amount in NOK 2022 | Loan amount in NOK 2021 |
|--------------------------------------|---------------------------------|----------------------------|----------------------------|
| NOK | - | 7 553 | 7 184 |
| EUR | 305 | 3 207 | 1 698 |
| SEK | 17 | 16 | 8 |
| Other | - | - | 1 |
| Carrying value of loan expenses | | -13 | -18 |
| Carrying value at 31 December | | 10 764 | 8 873 |
| Other long-term debt | | 134 | 234 |
| Total non-current liabilities | | 10 898 | 9 107 |

Instalments determined in contracts

| NOK mill. | 2022 |
|---------------------------------|---------------|
| 2023 | 2 614 |
| 2024 | 4 514 |
| 2025 | 717 |
| 2026 or later | 3 182 |
| Total | 11 027 |
| Carrying value of loan expenses | -13 |
| Total balance at 31.12 | 11 015 |

The first year's instalment of long-term debt is presented as part of the short-term interest-bearing debt.

Non-current lease liabilities are described in note 32.

Note 25 Other current liabilities

| NOK mill. | 2022 | 2021 |
|------------------------------|---------------|--------------|
| Trade payables | 4 606 | 4 043 |
| Public duties etc. | 728 | 697 |
| Other short-term liabilities | 4 952 | 3 794 |
| Total | 10 285 | 8 534 |

Note 26 Assets pledged as security, guarantees and contingent liabilities

| Secured borrowings | | |
|---------------------------|--------------|--------------|
| NOK mill. | 2022 | 2021 |
| Loan facilities | 4 518 | 4 824 |
| Total | 4 518 | 4 824 |

Loan facilities comprise various credit facilities in the Group, normally secured by receivables, inventories, tangible assets and investment property. Interest terms are floating interest rates.

| Carrying amounts of pledged assets | | |
|---|--------------|--------------|
| NOK mill. | 2022 | 2021 |
| Investment property | 2 962 | 4 116 |
| Other tangible assets | 580 | 746 |
| Inventories | 1 505 | 915 |
| Receivables | 1 206 | 1 141 |
| Other assets | 2 433 | 2 171 |
| Total | 8 687 | 9 088 |

| | | |
|--------------------------------------|-------|-------|
| Maximum exposure to the above assets | 8 687 | 9 088 |
|--------------------------------------|-------|-------|

| Guarantees and off-balance sheet liabilities | | |
|---|--------------|--------------|
| NOK mill. | 2022 | 2021 |
| Committed capital to fund investments | 960 | 1 069 |
| Guarantees without security | 59 | 13 |
| Clauses on minimum purchases in agreements | 23 | 93 |
| Other obligations ¹⁾ | 27 | 429 |
| Total | 1 068 | 1 604 |

¹⁾ Other obligations mainly concern repurchase commitments on sales of machines and investment obligations relating to developing investment property and the building of manufacturing plants.

On 26 February 2020, Ferd entered into an agreement to acquire NRK's property at Marienlyst, where Ferd is expected to develop apartments and workplaces in line with the adopted prospects of the property. The regulatory work is in progress where Ferd is in dialogue with the agency for planning and building services in Oslo municipality, where the final decision will be made by the politicians in Oslo municipality. The agreement gives NRK a minimum price of NOK 3.75 billion, but the final price depends on which regulation is adopted for the area. Settlement and takeover give NRK sufficient time to find a new and modern headquarters and NRK is now in the process of finding a new site for relocating its business.

Note 27 Risk management - operations

Risk management relating to the investment activities of Ferd is described in note 6.

Currency risk

Contracted currency flows from operations are normally secured in their entirety, while projected cash flows are hedged to a certain extent. Interest payments related to the Group's foreign currency loans are mostly secured by corresponding cash flows from the Group's activities. Instruments such as currency forward contracts, currency swaps and options can be used to manage the Group's currency exposure.

Outstanding foreign exchange forward contracts related to operations:

| Currency (amounts in mill.) | 2022 | | 2021 | |
|-----------------------------|----------|------------|-----------------|------------|
| | Currency | NOK amount | Currency amount | NOK amount |
| NOK | 355 | 355 | 256 | 256 |
| EUR | -72 | -753 | -140 | -1 400 |
| USD | -35 | -348 | 95 | 838 |
| JPY | 9 462 | 707 | 3 928 | 301 |
| Total nominal value | | -39 | | -5 |

Positive figures represent net purchase of currency, while negative amounts represent net sales.

Interest rate risk

The Group has short-term fixed interest rates on long-term funding in accordance with internal guidelines. This applies for loans in Norwegian kroner, as well as in foreign currency. The Group uses interest rate swaps to reduce interest rate exposure by switching from floating rates to fixed rates for a portion of the loans.

Outstanding interest rate swaps

| NOK mill. | Currency | 2022 | | 2021 | |
|---------------------|----------|----------------|------------|----------------|------------|
| | | Nominal amount | NOK amount | Nominal amount | NOK amount |
| Interest rate swaps | EUR | 1 262 | 74 | 1 398 | -18 |

Positive amounts represent derivative assets.

Credit risk

Credit risk is the risk that a counterparty will default on his/her contractual obligations resulting in a financial loss to the Group. Ferd has adopted a policy implying that the Group shall be exposed only to credit-worthy counterparties, and independent credit analyses are obtained for all counterparties when such analyses are available. If not, the Group uses other publicly available financial information and its own trade to assess creditworthiness.

Note 28 Hedge accounting - operations

Ferd has cash flow hedges related to the hedging of currency transactions and commodity prices. The hedging reserve consist of the effective part of the accumulated net changes in the fair value of cash flow hedges related to the hedged transaction which have not yet taken place. Movements in the hedge reserve are described in the table below.

| NOK mill. | 2022 | | | 2021 | | |
|------------------|-----------------|------------------------|-----------------|-----------------|------------------------|-----------------|
| | Opening balance | Change during the year | Closing balance | Opening balance | Change during the year | Closing balance |
| Commodity swaps | 54 | -89 | -35 | - | 53 | 54 |
| Currency futures | 2 | -3 | -2 | - | 1 | 2 |
| Deferred tax | -13 | 20 | 8 | - | -12 | -13 |
| Total | 43 | -72 | -29 | - | 43 | 43 |

Gain/loss transferred from other income and expenses of the period is included in the following items in the income statement:

| NOK mill. | 2022 | 2021 |
|--------------------------|------------|-----------|
| Commodity costs | -79 | 81 |
| Other operating expenses | -6 | -12 |
| Total | -84 | 70 |

Note 29 Liquidity risk

Financing and financial covenants

Ferd AS has a multi-currency cash pool agreement for some subsidiaries that are managed from Oslo. Most of the subsidiaries of Ferd Real Estate are not included within this agreement. The multi-currency cash pool agreement includes the currencies NOK, USD, EUR, DKK, SEK and CHF and is presented net in the Group financial statements.

Ferd AS has loan facilities totalling NOK 7 billion. As of 31 December 2022, a draw-down of NOK 300 million has been made on one of the loan facilities. Ferd has financial covenants with requirements related to 1) Equity ratio, 2) Book equity and 3) Cash and cash equivalents. At 31 December 2022, Ferd had a good margin for these requirements.

All of the subsidiaries / sub-groups that Ferd has invested in have their own banking connections, group accounts and financing. The sub-groups have their own financial covenant requirements adapted to their specific businesses. As of 31 December 2022, none of the companies are in breach of the covenant requirements.

Liquidity risk – operational business

Liquidity risk in the operational business is mainly related to the risk that subsidiaries with operations will not be able to service their financial obligations on their maturity date. Operational liquidity risk is managed by having sufficient liquidity reserves and available borrowing capacity through bank and credit facilities, as well as by continuous monitoring of expected future and actual cash flows.

The following tables provide an overview of the Group's contractual maturities of financial liabilities after maturity. The tables are prepared based on the earliest date the Group can be required to pay.

| 31.12.22 NOK mill. | Less than 1 | 1-3 years | 3-5 years | Total |
|--|---------------|--------------|--------------|---------------|
| Finance institutions | 1 548 | 7 580 | 3 182 | 12 310 |
| Accounts payable | 4 606 | - | - | 4 606 |
| Other non-current liabilities | - | 134 | - | 134 |
| Public taxes and other current liabilities | 3 853 | - | - | 3 853 |
| Total ¹⁾ | 10 006 | 7 714 | 3 182 | 20 903 |

| 31.12.21 NOK mill. | Less than 1 | 1-3 years | 3-5 years | Total |
|--|--------------|--------------|--------------|---------------|
| Finance institutions | 958 | 6 203 | 2 687 | 9 848 |
| Accounts payable | 4 043 | - | - | 4 043 |
| Other non-current liabilities | - | 71 | 13 | 84 |
| Public taxes and other current liabilities | 3 153 | - | - | 3 153 |
| Total ¹⁾ | 8 154 | 6 274 | 2 700 | 17 128 |

¹⁾ The table does not include lease obligations, guarantees and off-balance sheet liabilities, cf. notes 26 and 32 respectively.

The table below shows the anticipated receipts and payments on derivatives:

| 31.12.22 NOK mill. | Less than 1 | 1-3 years | More than 3 | Total |
|-----------------------|-------------|-----------|-------------|-----------|
| Interest rate swaps | 39 | - | - | 39 |
| Currency futures | 1 | 3 | - | 5 |
| Total | 40 | 3 | - | 43 |

| 31.12.21 NOK mill. | Less than 1 | 1-3 years | More than 3 | Total |
|-----------------------|-------------|-----------|-------------|-----------|
| Interest rate swaps | -7 | -8 | -9 | -24 |
| Currency futures | -19 | 1 | - | -18 |
| Commodity derivatives | 53 | - | - | 53 |
| Total | 27 | -7 | -9 | 11 |

Credit facilities

The table below shows a summary of used and unused credit facilities at 31 December:

| | 2022 | | 2021 | |
|--------------------------|--------------|--------------|--------------|--------------|
| | Used | Unused | Used | Unused |
| <u>Overdraft</u> | | | | |
| Secured | 159 | 376 | 84 | 561 |
| Unsecured | 228 | 1 107 | 150 | 1 112 |
| <u>Credit facilities</u> | | | | |
| Secured | 300 | 140 | 888 | 690 |
| Unsecured | 3 197 | 1 009 | 1 692 | 2 303 |
| <u>Factoring</u> | | | | |
| Unsecured | 440 | 929 | 400 | 900 |
| Total secured | 459 | 516 | 972 | 1 251 |
| Total unsecured | 3 864 | 3 045 | 2 242 | 4 316 |

Change in obligations from financial activities

| | Long-term loans | Short-term loans | Derivatives | Total |
|--|--------------------|---------------------|-------------|---------------|
| Balance at 1 January 2022 | 8 873 | 958 | 27 | 9 858 |
| <i>Changes with effect on cash flows:</i> | | | | |
| Proceeds from new loans | 12 801 | 642 | - | 13 443 |
| Repayments | -11 280 | -549 | - | -11 829 |
| <i>Changes without any effect on cash flows:</i> | | | | |
| Additions from acquisitions | 2 | 789 | - | 791 |
| Disposal from sale | -1 | - | - | -1 |
| Reclassifications | 300 | -300 | - | - |
| Fair value changes | - | - | 22 | 22 |
| Currency changes | 69 | 7 | - | 76 |
| Balance at 31 December 2022 | 10 764 | 1 548 | 49 | 12 360 |

| | Long-term loans | Short-term loans | Derivatives | Total |
|--|--------------------|---------------------|-------------|--------------|
| Balance at 1 January 2021 | 6 495 | 1 682 | 13 | 8 190 |
| <i>Changes with effect on cash flows:</i> | | | | |
| Proceeds from new loans | 11 180 | -1 | - | 11 179 |
| Repayments | -8 034 | -1 302 | - | -9 336 |
| <i>Changes without any effect on cash flows:</i> | | | | |
| Additions from acquisitions | 21 | 70 | - | 91 |
| Disposal from sale | - | -182 | - | -182 |
| Reclassifications | -696 | 696 | - | - |
| Fair value changes | 4 | 1 | 14 | 20 |
| Currency changes | -97 | -7 | - | -104 |
| Balance at 31 December 2021 | 8 873 | 958 | 27 | 9 858 |

Lease liabilities related to right-of-use assets are disclosed in note 32.

Note 30 Related parties

Parties are considered to be related when one of the parties has the control, joint control or significant influence over another party. Parties are also related if they are subject to a third party's joint control, or one party can be subject to significant influence and the other joint control. A person or member of a person's family is related when he or she has control, joint control or significant influence over the business. Companies controlled by or being under joint control by key executives are also considered to be related parties. All related party transactions are completed in accordance with written agreements and established principles.

Associated companies and joint ventures

Transactions with associated companies and joint ventures are accounted for in note 17.

The Board and executives

The board members' rights and obligations are determined in the Company's Articles of Association and Norwegian legislation. There are no significant agreements with enterprises where a board member has significant interest. Ownership in Ferd AS by board members is shown in note 22, and information on fees to board members and executives in note 11.

Note 31 New accounting standards according to IFRS

The financial statements have been prepared in accordance with standards issued by the International Accounting Standards Board (IASB) and International Financial Reporting Standards - Interpretations Committee (IFRIC), effective for accounting years starting on 1 January 2022 or earlier.

New and amended standards implemented by Ferd effective from the accounting year 2022

There are no new standards in 2022 that will have a significant effect on the consolidated financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the year ending 31 December 2022. The group has chosen not to early adopt any new or amended standards in preparing the consolidated financial statements for 2022. None of these standards are expected to have a material impact on the consolidated accounts at implementation.

Note 32 Right of use assets and lease liabilities

Identification of a lease

When entering into a contract, the Group assesses whether the contract is or contains a lease agreement. A contract is or contains a lease agreement if the contract transfers the right to control the use of an identified asset for a period in exchange for a consideration.

Ferd as a lessee

Separation of the components of a lease

For contracts that constitute or contain a lease, Ferd separates lease components if it can benefit from the use of an underlying asset either alone or together with other resources that are readily available to the company, and the underlying asset is neither highly dependent on nor closely linked to other underlying assets in the contract. The Group then accounts for each individual rental component in the contract as a lease separately from non-leased components in the contract.

Recognition of leases

At the time of implementation of a lease, the Group recognizes a lease obligation and a corresponding right of use for all its leases, with the exception of the following exceptions applied:

- Short-term leases (lease period of 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the income statement when they incur.

Lease liabilities

The Group measures lease obligations at the time of implementation at the present value of the lease payments that are not paid at this time. The lease period represents the non-cancellable period of the lease, in addition to periods covered by an option either to extend or terminate the lease if the Group with reasonable certainty will exercise this option. The rental payments that are included in the measurement of the rental obligation consist of:

- Fixed rental payments minus any receivables in form of rental incentives
- Variable rental payments that depend on an index or an interest rate, first measured using the index or the interest rate at the time of implementation
- Amounts expected to be paid to the company in accordance with residual value guarantees
- The exercise price for a call option, if the company will exercise this option with reasonable certainty
- Payment of a fine for termination of the lease, if the lease period reflects that the company will exercise an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability, reducing the carrying amount to reflect lease payments and measuring the carrying amount again to reflect any revaluations or changes to the lease, or to reflect adjustments in lease payments such as follows from adjustments in indices or rates.

The Group does not include variable rental payments in the rental obligation. Instead, the Group recognizes these variable rental costs in the income statement. The Group presents its lease obligations on its own lines in the balance sheet.

Right of use assets

The Group measures right-of-use assets at acquisition cost, less accumulated depreciation and impairment losses, adjusted for any new measurements of the lease obligation. Acquisition cost for the right of use assets includes:

- The amount from the initial measurement of the lease obligation
- All rental payments at or before the time of implementation, less any rental incentives received
- All direct expenses for entering into an agreement were incurred by the company
- An estimate of the expenses incurred by the tenant for the dismantling and removal of the underlying asset, the restoration of the place where the unit is located, or the restoration of the underlying asset to the condition required by the terms of the lease, unless these expenses are incurred during the production of the goods.

The Group applies the depreciation requirements in IAS 16 Property, plant and equipment when depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the date of implementation until what occurs first of the end of the lease term and the end of the useful life of the right-of-use assets.

The Group applies IAS 36 "Impairment of assets" to determine whether the usufruct asset has been impaired and to account for any proven impairment losses.

Right of use assets

2022

| NOK mill. | Buildings | Machines & Equipment | Vehicles | Total |
|--|--------------|----------------------|------------|--------------|
| Cost at 1 January | 2 660 | 396 | 325 | 3 381 |
| Additions | 1 066 | 65 | 83 | 1 215 |
| Disposals | -74 | -1 | -5 | -80 |
| Transfer and reclassification | -16 | - | - | -16 |
| Currency exchange differences | 38 | 19 | 13 | 71 |
| Cost at 31 December | 3 674 | 480 | 416 | 4 571 |
| Accumulated depreciation and impairment at 1 January | -789 | -208 | -149 | -1 146 |
| Depreciation of the year | -337 | -60 | -73 | -470 |
| Transfer and reclassification | - | 3 | - | 3 |
| Currency exchange differences | -38 | -11 | -9 | -58 |
| Accumulated depreciation and impairment at 31 December | -1 130 | -275 | -231 | -1 637 |
| Carrying amount at 31 December | 2 544 | 205 | 185 | 2 934 |

2021

| NOK mill. | Buildings | Machines & Equipment | Vehicles | Total |
|--|--------------|----------------------|------------|--------------|
| Cost at 1 January | 1 947 | 337 | 222 | 2 507 |
| Additions | 749 | 48 | 112 | 909 |
| Disposals | -11 | - | - | -11 |
| Transfer and reclassification | - | 24 | - | 24 |
| Currency exchange differences | -25 | -13 | -9 | -48 |
| Cost at 31 December | 2 660 | 396 | 325 | 3 381 |
| Accumulated depreciation and impairment at 1 January | -477 | -150 | -91 | -717 |
| Depreciation of the year | -320 | -65 | -62 | -447 |
| Disposals of depreciation | - | - | - | - |
| Currency exchange differences | 7 | 7 | 4 | 18 |
| Accumulated depreciation and impairment at 31 December | -789 | -208 | -149 | -1 146 |
| Carrying amount at 31 December | 1 871 | 188 | 176 | 2 235 |

Lease liabilities

| NOK mill. | 2022 |
|---|--------------|
| Undiscounted lease liabilities and payment | |
| Less than 1 year | 627 |
| 1-2 years | 538 |
| 2-3 years | 408 |
| 3-4 years | 319 |
| 4-5 years | 262 |
| More than 5 years | 1 671 |
| Total undiscounted lease liabilities 31 December | 3 825 |

Changes in lease liabilities

| NOK mill. | 2022 |
|--|--------------|
| Lease liabilities 1 January | 2 461 |
| New / changed lease liabilities in the period | 1 196 |
| Current year lease payments | -574 |
| Interest expense on lease liabilities | 20 |
| Currency exchange differences | 47 |
| Total lease liabilities 31 December | 3 149 |
| <i>whereof current lease liabilities < 1 year</i> | 583 |
| <i>whereof non-current lease liabilities > 1 year</i> | 2 566 |

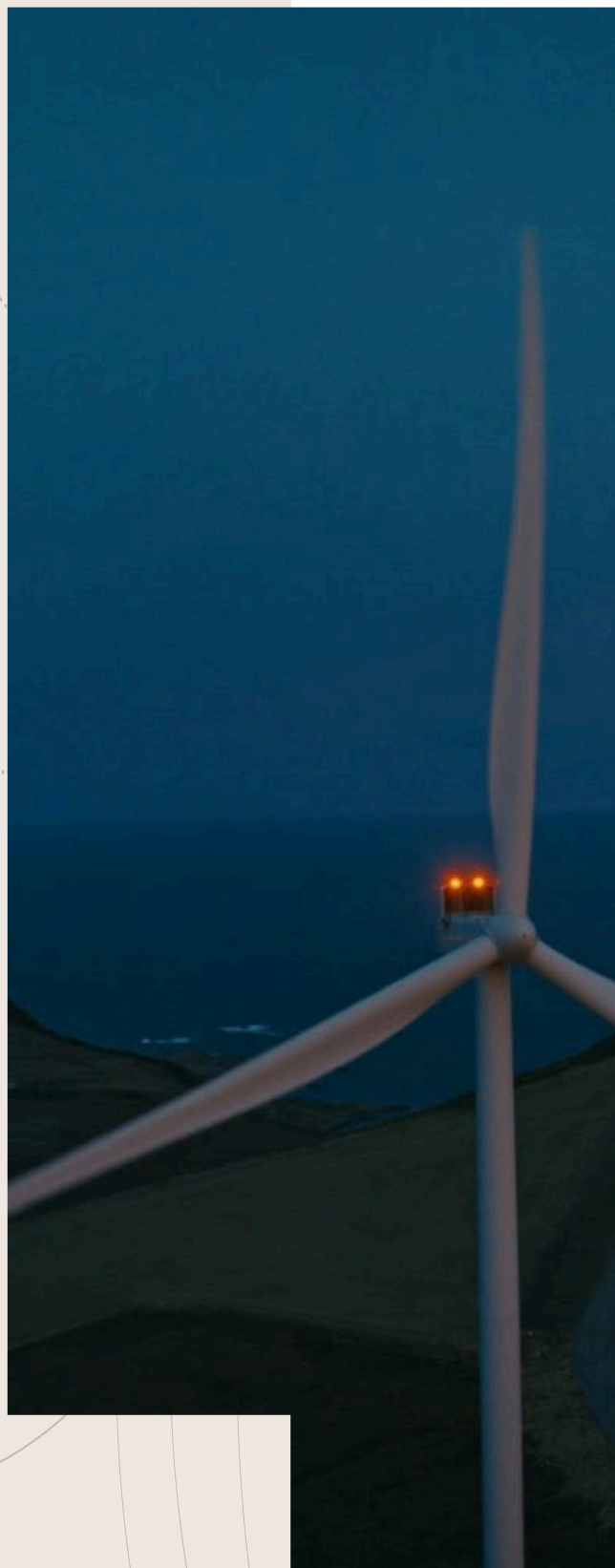
Other lease expenses in profit & loss

| NOK mill. | 2022 |
|---|-------------|
| Variable lease payments expensed in the period | 18 |
| Operating costs in the period related to short-term leases | 21 |
| Operating expenses in the period related to assets of low value | 4 |
| Total lease expenses included in operating expenses | 43 |

Note 33 Events subsequent to the balance sheet date

There have been no material events subsequent to the balance sheet date with impact to the financial statements for 2022.

**AUDITOR'S
REPORT**





To the General Meeting of Ferd AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Ferd AS, which comprise:

- the financial statements of the parent company Ferd AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, total comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Ferd AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, total comprehensive income, statement of changes in equity and statement of cash flows 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 simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, 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 International Financial Reporting Standards as adopted by the EU.

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 simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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, 18 April 2023
PricewaterhouseCoopers AS

Geir Haglund
State Authorised Public Accountant

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

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FERD