LINSTOW

Annual Report 2021

Romerike Helsebygg, Lillestrøm

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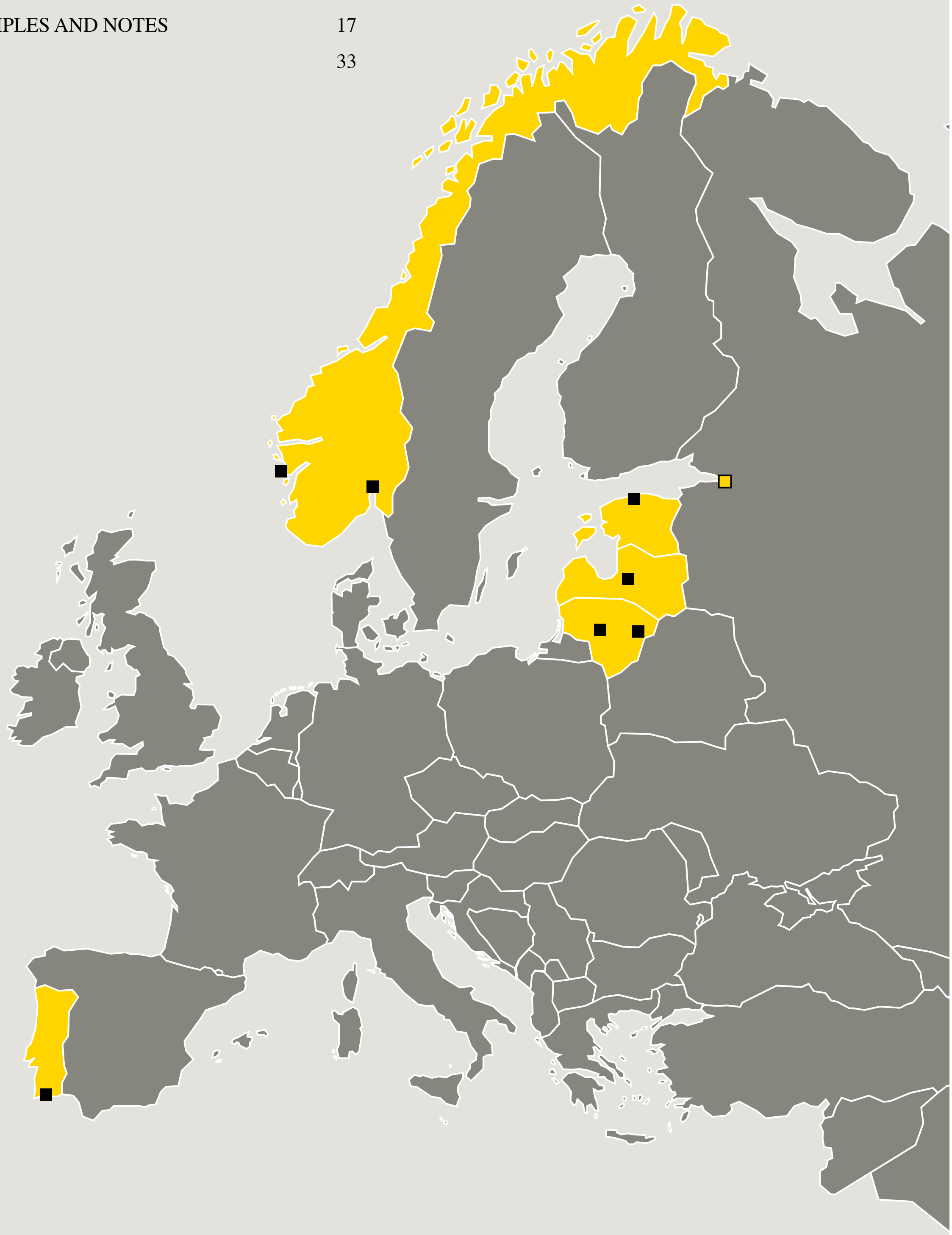

(Square meters)		No of rooms	In operation	Under construction	Development possibilities	TOTAL SQM
Norway	**Hotels**					
	Comfort Hotel Bergen Airport	304	15 477			15 477
	Offices/Urban development					
	Bergen Lufthavn Utvikling AS (50%)		7 263		94 460	101 723
	Brubakkveien 16, Oslo		4 000		55 000	59 000
	Furuset Utvikling AS (33,3%)		19 333		25 000	44 333
	Damsgårdsveien 161-171		15 858		27 000	42 858
	Agnes Utvikling AS (50%)		2 481		38 179	40 660
	Oslo S. Utvikling AS (50%)			2 500	9 000	11 500
	Tollbugt 32, Oslo		6 007			6 007
	Galleri Oslo Invest AS (33,33%)		1 617		1 356	2 973
	Health					
	Romerike Helsebygg, Lillestrøm		31 009		28 000	59 009
	Helsehusene Fredrikstad AS (39,7%)		12 641			12 641
	Residential					
	Oslo S. Utvikling AS (50%)			17 500	35 000	52 500
	Citadellet, Nesodden				25 000	25 000
	Agnes Utvikling AS (50%)				18 412	18 412
	Storetvedt, Bergen				3 041	3 041
	Parking					
	Galleriet Parkering, Oslo		14 969		4 369	19 338
	Grønland Torg Parkering, Oslo		17 223			17 223
TOTAL NORWAY		**304**	**147 878**	**20 000**	**363 817**	**531 695**
The Baltic`s/Russia	**Hotels**					
	Radisson Blu Hotel Latvija, Riga	571	43 902			43 902
	Radisson Blu Hotel Lietuva, Vilnius	456	40 157			40 157
	Radisson Blu Olümpia, Tallinn	390	30 854		7 000	42 854
	Radisson Blu Elizabete Hotel, Riga	228	13 076		4 400	17 476
	Park Inn by Radisson Kaunas	206	13 018			13 018
	Park Inn by Radisson Central Tallinn	245	9 888			9 888
	Radisson Sonya Hotel, St. Petersburg	173	7 810			7 810
	Shopping/Urban development					
	Ülemiste, Tallinn		125 000		50 000	175 000
	Riga Retail Park, Riga				150 000	150 000
	Origo, Riga		75 000			75 000
	Sporta 2, Riga				60 000	60 000
	Alfa Home Center, Riga				50 000	50 000
	Buone Block 1, Riga				18 000	18 000
	Satekles Business Center, Riga				14 000	14 000
	Other					
	Bisumuizas Nami, Riga				100 000	100 000
	Jekaba Arcade, Riga		8 600			8 600
	Elisabetes 75, Riga		4 400			4 400
TOTAL BALTIC`S/ RUSSIA		**2 269**	**371 705**	**-**	**453 400**	**830 105**
Portugal	**Resort**					
	Dunas Douradas		1 279		1 379	2 658
TOTAL LINSTOW GROUP		**2 573**	**520 862**	**20 000**	**818 596**	**1 364 458**

Galleri Oslo

Linstow AS is one of Norway's leading property companies. The company owns, develops and manages property in different segments in both Norway and abroad. The company is wholly-owned by Awilhelmsen AS, a privately-owned investment company with activities in the following business areas: cruise industry, property, shipping & offshore, retail sales and new industrial investments.

Linstow AS and its subsidiaries (hereinafter referred to as Linstow or the Group) play a key role in Norway, in several major development projects, and own and manage office, healthcare, hotel and parking properties. A large proportion of the company's activities take place abroad. In the Baltic countries, Linstow is a major player in the hotel, shopping centre and property development market. The Group owns a total of six hotels and two centrally located shopping centres in the largest cities in the Baltic countries. In addition, the company owns a holiday resort in Portugal and one hotel in St. Petersburg. Linstow's head office is located at Tjuvholmen in Oslo, Norway.

Market development

Linstow Baltic

The organisation changed its focus during 2021 from primary engagement in shopping centre operations to a diversified real estate development company. In 2021, a land plot was acquired in central Riga for the development of a new head office for SEB in Latvia. A 10-year lease agreement has been entered into with SEB for the planned property. Linstow also acquired Sporta 2, which is a mixed-use property development project in central Riga. The site comprises around 3 hectares, with development potential of 60 000 m^2.

Linstow owns two shopping centres totalling 200 000 m^2 in Riga and Tallinn. The shopping centres achieved a revenue increase of 15% (2020: reduction of 30%) in local currency terms, compared to the previous year. The rental income in local currency terms increased equivalently by 27% (2020: a 34% reduction). The change in revenue and rental income was affected by the closure of large parts of the Origo shopping centre for more than six months in 2021, due to the effects from Covid-19; while in 2020, in addition to the Covid-19 situation, renovation of parts of the centre was progressed, resulting in a partial shutdown. The Ülemiste shopping centre and the office premises in Origo are fully leased, while after the expansion completed in March 2020, the shopping centre part of Origo still has 26% vacant space.

Hotel activities in the Baltic region and Russia

Linstow owns seven hotels, with a total of 2 269 rooms, in Tallinn, Riga, Vilnius, Kaunas and St. Petersburg. The hotel occupancy rate was 32% in 2021 (2020: 23%), and revenue measured in EUR increased by 27% from the previous year. The hotels in the Baltic countries and Russia depend on international travel and tourism, which is the business area most severely affected by the Covid-19 pandemic. The hotels are operated by Radisson Hospitality AB, a subsidiary of Jin Jiang International, under the brand names Radisson Blu, Radisson and Park Inn by Radisson. In 2021, Hotel Ridzene in Riga, which has 95 rooms, was sold.

Galleri Oslo

Norway

Engagement in urban development projects is a key aspect of Linstow's strategy. Linstow is working on the development of office, retail and residential projects in Bjørvika through Oslo S. Utvikling AS (OSU). In 2021, Linstow increased its shareholding in OSU from 1/3 to 50%. The transaction took place by Entra ASA and Linstow each acquiring 50% of the shareholding owned by Bane NOR Eiendom AS. The price of the shares was NOK 476 million, which priced the entire company at NOK 2.85 billion. OSU's total development potential, including properties already completed and sold, is approximately 346 000 m^2 above ground. At end-2021, approximately 84 000 m^2 remained to be completed by OSU.

OSU is developing 1500 residential units in Bispevika, of which 662 have been completed, and 660 have been sold. Another 267 units are under construction, of which 256 have already been sold. In 2021, the focus was the construction of Clemenskvartalet and start-up of the groundwork for Vannkunsten Syd. Important milestones in 2022 are the commencement of sale and construction start-up of Vannkunsten Syd, as well as the start-up of groundwork and commencement of sale of field B8b, located next to Vannkunsten/Clemenskvartalet.

Bergen Lufthavn Utvikling AS (BLU) (50% owned by Linstow) is a long-term cooperation project with Flesland Holding AS for the development of Bergen Business Park. Bergen Business Park is an innovative, new business park located at Bergen Airport Flesland, Western Norway's largest transport hub. The site is around 12 hectares and is located close to the new terminal at Flesland, where the end station of the Bergen Light Rail is also located.

In total, approximately 200 000 m^2 of commercial space is planned for Bergen Business Park. The first development stage is for around 35 000 m^2. As of today, a hotel and two office buildings, Expo- and Midtbygget, with a total area of around 26 000 m^2, have been built. The third office building, Veksthuset, is planned to be built as a solid-wood building of around 8 000 m^2. Commencement of this construction work is awaiting an improvement in the market situation.

Linstow owns a total property portfolio in Norway of 148 000 m^2, and focuses on the sound technical operation of the properties and excellent service for our tenants. The portfolio consists primarily of the properties Romerike Helsebygg, Damsgårdsveien 161-171, Comfort Hotel Bergen Airport, Tollbugaten 32, Brubakkveien 16 and the multi-storey car parks Galleriet and Grønland Torg in Oslo. The Group also owns 1/3 of Furuset Utvikling AS. This company has a large property portfolio centrally located at Furuset in the Alna district of Oslo. The portfolio includes approximately 58 000 m^2 of office, commercial and logistics property. In addition, several sites are included, and the portfolio's total long-term residential and commercial development potential, in addition to the current area, totals around 75 000 m^2.

Linstow owns 50% of Agnes Utvikling AS. This company owns properties and sites covering an area of around 25 hectares in Stavern, in Larvik Municipality, where a completely new district is to be developed, with around 600 homes and around 60 000-

Sjøparken, Stavern

80 000 m^2 of commercial space. The first residential project with Linstow as part owner, consisting of 16 apartments, has been put up for sale, with construction starting in 2022.

Galleri Oslo is a large commercial property located in Oslo City Centre. During 2020 and 2021, the largest owners of the building, Oslo Areal (subsidiary of Entra), Viken County Municipality/ Viken pensjonskasse and Linstow bought out all the other unit owners with the intention of developing the property. Work on the planning program has commenced. A planning initiative has been submitted to the City of Oslo as the commencement of a land zoning process. The planning initiative outlines a replacement of the current building stock, with increased utilisation of the site, and with commercial buildings west of Akerselven and mainly residential units to the east.

Health

Health is a long-term, high-priority focus area for Linstow. The targeted health focus includes projects in the main areas of health-promoting site development, and combined health centres and housing of different types.

Linstow owns Romerike Helsebygg at Lillestrøm and is the largest owner (39.7%) of Helsehusene Fredrikstad. These are combined health centres where services from a wide range of public, private and voluntary health providers are co-located. Romerike Helsebygg is in a joint regulatory process with Viken County Municipality and the health building is planned to be expanded from 31 000 m^2 to 59 000 m^2 (including basement and parking areas).

In 2022, Linstow entered into an agreement with CondoVita AS for the acquisition of a nursing home project at Nedre Rommen in connection with the City of Oslo's competition for the procurement of 800 accommodations in long-term nursing homes.

Linstow received funding from the Research Council of Norway in 2021 for the "Building Health – health-promoting site development" project. Building Health is a research and innovation project under the auspices of Linstow Helse and Sintef. The project spans four years, with a cost framework of NOK 32 million, of which NOK 16 million is funding from the Research Council of Norway.

Through more comprehensive planning of properties and the local environment, where knowledge of what can improve residents' public health is integrated into the development process, Linstow will contribute to a better society in the long term. The aim of the initiative is for Linstow to take a central position in the market as a professional property developer offering new solutions and health concepts that society needs.

Other activities

Linstow operates a holiday and leisure complex in Portugal, and owns several development sites for the construction of holiday homes adjacent to the complex.

Health, safety and the environment

Linstow AS had 29 employees at year-end 2021, which corresponded to 26 FTEs in 2021. The Group had a total of 716 employees at year-end 2021 (2020: 685), equivalent

Vannkunsten Syd, Oslo

to approximately 685 FTEs (2020: 569). In 2021, the rate of absence due to illness at Linstow AS was 0.6% (2020: 1%). The company has a good working environment. Even though our employees were required to work from home for large parts of the year, they contributed to almost normal operation. Travel restrictions resulted in minimal travel activity in 2021. Increased use of Teams meetings is expected to permanently reduce our travel activity. In connection with our hotel business, four minor injuries concerning the Group's employees were reported in 2021. No occupational injuries were registered at Linstow's construction sites in 2021.

Women account for 31% of Linstow AS' employees. The company's owners and the Board of Directors wish to ensure equal rights and opportunities for all employees and see the benefit of an even distribution between the genders, also at management level. The Board of Directors' goal is to eliminate all forms of discrimination related to gender or any other factors. Linstow will ensure good working conditions in all countries in which the Group operates. As from 1 December, Ole Christian Hvidsten joined the Board of Directors of Linstow AS, so that the Board now comprises five men. Linstow's management team consists of one woman and five men.

Directors and Officers liability insurance

Linstow has taken out Directors and Officers liability insurance for Linstow's Board of Directors and CEO. The insurance also covers senior executives and Board members of companies of which the ownership interest exceeds 50%. The insurance is covered by reputable insurance companies with good ratings.

Preventing economic crime and corruption

Linstow has zero tolerance against corruption and is making an active effort to prevent financial irregularities. Linstow does not accept or make use of facilitation payments.

Sustainability reporting

Development projects and property management

Linstow's activities affect the external environment through waste handling in connection with the demolition of old and the construction of new properties, as well as the operation of the company's properties. In every part of the organisation, Linstow has a strong focus on complying with all public requirements and recommendations relating to the environment. Our projects also have clear goals regarding energy consumption, pollution, use and reuse of materials, indoor climate, development and use of space, which generally extend further than public requirements. Linstow requires that all contractors follow a comprehensive programme for sorting demolition waste for recycling.

Linstow is an advocate of sustainable social development and promotes long-term quality and environmental work in all our activities. We do so by:

- Working in a systematic and focused manner to reduce our environmental impact.
- Erecting buildings with sound environmental solutions.
- Constructing space-efficient buildings in order to reduce land requirements.

Vannkunsten Syd, Oslo

- Focusing on properties at central locations close to public transport hubs in order to reduce transport requirements and thereby achieve indirect positive environmental impacts.

Linstow has decided to use the BREEAM/BREEAM-NOR Manual for environmental certification of all new buildings that will be constructed.

The criteria in the BREEAM Manual are generally stricter than the minimum standards in building regulations and other regulatory provisions. The criteria and performance levels represent good or best practice within sustainable design and procurement.

The new building at Origo in Riga has achieved "BREEAM Excellent" rating. Within OSU, all ongoing construction projects in Bispevika South are subject to BREEAM certification. BREEAM Excellent was achieved for BLU's first office building at Flesland, the Expo building. Midtbygget is also set to achieve BREEAM Excellent. For Bergen Business Park at Flesland, BLU has also decided to apply BREEAM Communities to the environmental certification of the entire site development project. This is a pilot project for BREEAM Communities and is one of three projects in Norway to achieve certification for the design phase. Registration and data collection have been initiated for BREEAM In Use certification of Comfort Hotel Bergen Airport and we expect the hotel to achieve certification in 2022.

To further strengthen our commitment to sustainability, in 2021 Linstow became affiliated with the "Property Sector Roadmap Towards 2050". This entails, among other things, that in 2021 Linstow's wholly owned companies in Norway achieved Eco-Lighthouse certification. Eco-Lighthouse is associated with EMAS – The EU Eco-Management and Audit Scheme – which means that this environmental certification is also applicable internationally, in relation to our activities outside Norway. We have also implemented "Greenhouse Gas" reporting and have started measuring the GHG footprint for all of Linstow's properties. Throughout 2021, we worked on a template/model for unified reporting for all wholly owned properties. We collected data from the properties for 2020 and 2021, and also worked with historical data from the properties dating back to 2010. We have now set the baseline year at 2010, with the goal of reducing our GHG footprint by 60% towards 2030. To ensure that the figures are as comparable as possible in a portfolio with purchases, sales and development, the GHG footprint is measured per m^2. We will use 2022 to achieve a fixed reporting procedure and calibrate the model so that, for 2022, we can present our GHG footprint on a comparable basis.

Hotels

Linstow conducts an active energy follow-up programme for all of our hotels in the Baltic countries, Russia and Norway. Both 2020 and 2021 were marked by the Covid-19 situation and a significantly lower level of activity, with intermittent hotel closures, sharply reduced room occupancy and the partial discontinuation of catering services. It is therefore difficult to make appropriate year-by-year comparisons of energy consumption. Our hotels in the Baltic countries and Russia had a total energy consumption of 37 GWh in 2021, compared to 32 GWH in 2020 and 47 GWh in 2019. This is a reduction by

SEB Headquarter, Riga

21% compared to 2019 (last normal year), and an increase of 16% from 2020.

Linstow's foreign hotels are members of "GREEN KEY", an international organisation that undertakes certification of environmentally-friendly hotels. This requires that the hotels adhere to specific guidelines on energy consumption, waste sorting and staff training. Through Nordic Choice Hotels, Linstow's Norwegian hotel, Comfort Hotel Bergen Airport, has implemented the internationally recognised environmental standard, ISO 14001, and is working diligently to continuously reduce our environmental impact. All of Linstow's hotels are certified by "Safehotels", an international organisation that among other things assesses infection prevention routines and procedures on the basis of "best practice" for hotels and conference venues.

Due to the extensive negative consequences of the pandemic and the lack of opportunities for social contact, new sustainability measures have been postponed. However, the low level of activity contributed to a significant reduction in the environmental impact of our activities. During 2022, however, activities are expected to gradually return to previous activity levels, and the hotel operators and Linstow will continue to focus on sustainability.

Shopping centres

2020 and 2021 were affected by the Covid-19 situation and major redevelopment projects that significantly affected the shopping centres. It is therefore difficult to make appropriate year-by-year comparisons of energy consumption. In 2021, Origo's consumption totalled 12.6 GWh, compared to 9.1 GWh the year before. Ülemiste had consumption totalling 25.6 GWh, compared to 21.7 GWh the year before. The change is mainly explained by increased energy demand due to temperature changes. The focus on energy efficiency will continue in the years ahead.

Norway

For our properties in Norway, the energy consumption is combined for the properties Romerike Helsebygg, Tollbugaten 32, Damsgårdsveien and Comfort Hotel Bergen Airport. For these wholly owned properties, the energy consumption in 2021 was 10.8 GWh, compared to 9.5 GWh in 2020.

Report on the annual financial statements (2020 figures in parenthesis)

Pursuant to Section 3-3a of the Norwegian Accounting Act, we confirm that the financial statements have been prepared on the basis of the going concern assumption. The annual report includes statements about future operations that are associated with risks and uncertainties. These statements about the future reflect the current view on future conditions and are by nature subject to risks and uncertainties because they are tied to events and depend on conditions that will occur in the future. For many reasons, the actual results may diverge significantly from the expectations expressed in the statements concerning the future outlook.

In 2021, Norway and the rest of the world were affected by the consequences of the coronavirus. This affected the annual financial statements for 2021 and will also have significant effects going forward, as described under Outlook.

SEB Headquarter, Riga

In 2021, the Group had rental income of NOK 348 million (NOK 315 million). Revenue from hotels and other operations was NOK 455 million (NOK 392 million). In 2021, gains from the sale of properties totalled NOK 21 million (NOK 0 million). Project revenue amounted to NOK 75 million (NOK 99 million).

Operating costs were NOK 848 million (NOK 835 million). Payroll and administration costs amounted to NOK 459 million (NOK 441 million). Net impairment of fixed assets amounted to NOK 1 million (reversal of impairment of NOK 11 million). Impairment write-downs and reversals are calculated for each property, based on the average of two valuations made by independent appraisers. Project costs totalled NOK 42 million (NOK 73 million). Depreciation amounted to NOK 245 million (NOK 249 million).

Net financial items amounted to NOK -51 million (NOK -38 million). In 2021, the profit/loss from associates was NOK -10 million (NOK 83 million), of which the result from OSU amounted to NOK 27 million (NOK 96 million).

The Group's result before tax was NOK -1 million (NOK -67 million). After tax, the net result was NOK -6 million (NOK -38 million).

Linstow AS' profit after tax amounted to NOK 283 million (NOK -89 million) and included dividend from subsidiaries and associates of NOK 317 million (NOK 87 million), net change in the value of financial instruments of NOK 53 million (NOK -41 million), and a net exchange rate gain of NOK 41 million (NOK -61 million).

Investments

The Group's investments in 2021 amounted to NOK 319 million (NOK 458 million). Investments in the Riga development sites Sporta 2 at NOK 109 million and Satekles Business Center at NOK 63 million were the largest items. There was also investment in the Origo shopping centre in Riga at NOK 51 million (NOK 213 million), the Zone 8 real estate project in Dunas Douradas, Portugal, at NOK 34 million (NOK 74 million) and Romerike Helsebygg at NOK 23 million (61 million). Furthermore, equity investments in associates amounted to NOK 528 million (NOK 339 million), where the purchase of an additional 1/6 of Oslo S Utvikling AS at NOK 476 million was the largest item.

Equity and cash flow

The Group's recognised equity amounts to NOK 2 189 million (NOK 1 817 million). In 2021, share capital and the share premium fund were increased by NOK 400 million from an share issue towards the sole shareholder. The net cash flow from operations was NOK 154 million (NOK -88 million). At year-end 2021, total bank deposits and cash equivalents on Group accounts amounted to NOK 642 million (NOK 564 million).

Financing and liquidity

At year-end 2021, the Group had long-term debt of NOK 5 053 million (NOK 5 223 million). NOK 949 million of the long-term debt (bank loans) falls due in 2022. Reference is made to Outlook

Romerike Helsebygg and bus station development project, Lillestrøm.

for further information. The Group's solvency and liquidity are good, but are dependent on the ongoing refinancing of bank loans falling due in 2022. The book equity ratio was 29% (24%) at the close of 2021. The Group's property portfolio is valued annually by two independent appraisers. The valuations indicate that the market value of the Group's property portfolio is significantly higher than its carrying amount.

Risk

Financial risk

Linstow is exposed to currency fluctuations, as the Group's activities abroad are primarily in euro-area countries. To reduce currency risk, all external loans are raised in the same currency as the associated assets and revenue.

Linstow is also exposed to a refinancing risk and the risk of changes in the interest rate level. The Group seeks to reduce these risks by entering into fixed-interest-rate swap agreements with varying terms and by entering into long-term loan agreements with a diversified maturity structure. Linstow is also exposed to changes in properties' market values. Market values are highly dependent on earnings, interest rate levels and the attractiveness of the properties.

The risk that counterparties do not have the financial ability to fulfil their obligations is considered to be low for all business areas, except the shopping centre business in Linstow Baltic. The risk affecting the shopping centre business in the Baltic countries is considered to be moderate. This is because many tenants have been required to remain closed for some periods in connection with local Covid-19 measures. Most shopping centre leases are covered by bank guarantees or cash deposits equivalent to an amount of between one- and three-months' rent. The Board of Directors assesses the liquidity of the Group to be good.

Project risk

Contracts for the Group's projects have been entered into with large, well-established contractors. Standard performance bonds have been provided for these projects.

Other risk

The financial results of our hotel activities are highly dependent on the occupancy rate and the room prices that can be charged in the market. This applies particularly to the hotels in the Baltic countries and St. Petersburg, where there is no minimum rent level in the agreement with the hotel operator, Radisson Hotel Group.

For the shopping centre activities, the number of visiting customers and the centre's turnover are the primary factors determining the rent that can be charged. For the shopping centre activities, there are additional risks associated with the increased prevalence of e-commerce. For both the hotel and shopping centre activities, the financial result will improve as restrictions related to Covid-19 are lifted.

Outlook

2021 was significantly affected by the coronavirus in all the countries in which the company operates, and by more than expected at the beginning of the year. The picture is the same at the beginning of 2022, but a substantial improvement is expected

Romerike Helsebygg, Lillestrøm

towards the summer. The roll-out of vaccines in Europe is far advanced, despite variations between countries, primarily due to varying degrees of resistance to vaccination. One uncertainty factor is that today's vaccines do not seem to protect so well from infection with mutations of the virus, although they do seem to give good protection from serious illness. The Omicron variant is highly contagious and currently spreads very quickly, but appears to be less severe, with the possible effect of general immunity for the population, particulary in combination with vaccination. Any new mutations of the virus could present new challenges. In summary, the coronavirus situation at the beginning of 2022 appears to be more positive, although still subject to uncertainty.

Russia's invasion of Ukraine has resulted in a full-scale war in the country and the international community's response to the aggression has included the introduction of various sanctions against Russia. The considerable uncertainty concerning the geopolitical situation may have many different impacts, affecting the company in different ways. The war may have macroeconomic consequences globally and within Europe, and this might affect interest rates, required rates of return, inflation and growth. The uncertainty could also have negative effects on consumption in the markets in which we are represented, and could, among other things, affect turnover at our shopping centres. Travel activity in the Baltic countries will be affected particularly negatively, thereby delaying the expected increase in travel activity as the coronavirus situation improves. As of today, however, it is difficult to assess the consequences of the war in Ukraine for the company.

At the beginning of 2022, the revenue of most of the company's hotels remained very low as a consequence of the lack of travel activity, including both tourists and business travellers, but was still somewhat better than the equivalent period in 2021. We expect that as soon as travel restrictions are lifted, tourism will be able to pick up relatively quickly, depending on the geopolitical situation. It is expected that it will take more time for business travel and large conferences to return to previous levels.
We experience good underlying demand for hotel rooms, so that it is the travel restrictions, and now also the geopolitical situation, that appear to present the greatest challenges. Over the past two years, the company has implemented many cost-reduction measures, but also sought to balance this against being prepared to restart normal hotel business operations. We therefore expect to be back to almost normal operation relatively quickly as soon as demand picks up again, but in the event of a rapid recovery, access to personnel could be a bottleneck. The recent outbreak of war in Ukraine will adversely affect our hotel in St. Petersburg and travel activities in the Baltic region.

Concerning our shopping centre activities in the Baltic countries, one of the two shopping centres is still subject to tight restrictions imposed by the authorities, but these are expected to be lifted soon. Whether there will be new lockdowns will depend on future infection levels in Latvia and Estonia. This will directly affect our rental income.

Ongoing projects have mainly been continued and executed without significant problems. The start-up of new projects is assessed on an ongoing basis, according to the market situation for each project. Residential property sales under OSU were very favourable in 2021 and were not adversely affected by the coronavirus situation, even though home prices in the Oslo market fell slightly at the end of last year, after a very strong 2020 and start to 2021. Demand is currently high in the Oslo housing market, and OSU will soon be launching new sales stages and projects in the market.

The office property market in Oslo is not particularly affected by the coronavirus situation and the requirements to work from home. Whether the fact that many people have got used to working from home and making greater use of digital tools has led to a significant reduction in demand for office space, or whether the altered nature and use of offices actually increases the space requirement, is uncertain, but so far there is no sign of any reduction in demand for office space or in office rental prices.

The required rates of return for good office properties remained low during the past year and at the start of 2022, based on the low interest rate levels, expected growth in rental price levels, and high demand for what are perceived as safe investments. The recent increase in long-term interest rates has not yet had any impact on the required rates of return.

As a consequence of the outbreak of war in Ukraine and the continued presence of the coronavirus, the start of 2022 indicates that, in revenue terms, 2022 will not be a normal year for Linstow. Currently it is not possible to estimate the full effect on the results for 2022. Nevertheless, a gradual improvement is expected in the course of the year, which will then have a positive effect on the company's financial position.

Despite a challenging 2021, and a rather demanding start to 2022, Linstow still has a sound liquidity position, provided that bank loans falling due in 2022 are continuously refinanced. The refinancing of bank loans falling due in 2022 has been initiated, and the response from the current lenders, with which Linstow has a longstanding relationship, has been positive. Some of the debt has already been refinanced, while the rest is expected to be renewed during Q2. The property portfolio furthermore represents significant added value and the Group's solvency is strong. At 31 December 2021, the average loan-to-value ratio was 51%. Linstow has no bond loans and only solid Nordic banks as lending counterparties. The company plans and is staffed for growth through new acquisitions, as well as investments in the existing portfolio. In 2021, the company received NOK 400 million in equity through a capital increase on behalf of the owner and is well positioned and financially prepared for planned growth.

The Board of Directors' proposal for allocation of the profit for the year

Linstow AS' profit after tax amounts to NOK 282.5 million, which is proposed to be transferred to other equity.

Board of Directors of Linstow AS
Oslo, 11 March 2022

Sigurd E. Thorvildsen Chair of the Board	**Henrik Fougner** Board Member	**Knut I. Nossen** Board Member
Arve Ree Board Member	**Ole Christian Hvidsten** Board Member	**Per Tore Mortensen** CEO

Linstow AS 2021	Linstow AS 2020	(NOK 1 000)	Notes	Linstow Group 2021	Linstow Group 2020
		OPERATING INCOME			
		Rental income, properties		347 951	314 666
380		Profit from sale of fixed assets	1	20 528	8
		Project income		74 609	98 685
24 865	20 333	Hotel revenues and other operating income	2	454 911	391 843
25 245	**20 333**	**Total operating income**		**898 000**	**805 202**
		OPERATING EXPENSES			
-71 732	-61 699	Wages, employer's national insurance contributions and pension costs	3	-227 721	-234 290
-22 672	-20 774	Other administrative expenses	2	-231 562	-206 708
		Cost of materials		-31 756	-26 581
	-13	Operating costs for properties and bad debts		-68 295	-55 974
149	-388	Project expenses		-42 355	-72 939
-6 869	-8 600	Impairment and reversal of fixed assets	1,5	-755	11 112
-103	-68	Amortisation	4	-245 479	-249 310
-101 227	**-91 543**	**Total operating expenses**		**-847 922**	**-834 691**
-75 982	**-71 210**	**Operating profit**		**50 078**	**-29 489**
		FINANCIAL ITEMS			
316 483	86 921	Profit/loss from Group companies and associates	5	-10 146	83 003
126 481	56 852	Finance income	6	66 994	41 965
-75 750	-199 594	Financial expenses	6	-108 275	-162 811
367 215	**-55 822**	**Net financial items**		**-51 427**	**-37 843**
291 233	**-127 031**	**Profit before tax**		**-1 349**	**-67 332**
-8 695	38 218	Tax	7	-4 555	28 913
282 537	**-88 814**	**Profit for the year**	8	**-5 905**	**-38 419**
		APPROPRIATIONS			
-282 537	41 614	Transferred to/from other equity			
	-140 000	Accrued dividend			
	187 200	Group contribution received after tax			
-282 537	**88 814**	**Total appropriations**	8		

Linstow AS				Linstow Group	
2021	2020	(NOK 1 000)	Notes	2021	2020
		ASSETS			
		Fixed assets			
		Intangible assets			
19 088	24 959	Deferred tax assets	7		
		Tangible fixed assets			
1 500	1 500	Real property	4	5 127 724	5 238 058
		Projects in progress	4	36 072	24 528
648	916	Machinery,fixtures/fittings and vehicles	4	112 293	129 395
		Financial assets			
3 393 738	3 245 437	Shares in subsidiaries	5		
484 061	472 318	Receivables from Group companies			
1 299 390	771 375	Shares in associates	5	1 355 084	967 158
101 773	87 707	Receivables from associates		101 773	87 707
1 867	1 962	Other shares	5	1 867	1 962
2 034	39	Other long-term receivables	9	44 415	49 050
5 304 098	**4 606 213**	**Total fixed assets**		**6 779 227**	**6 497 857**
		Current assets			
5 743	5 458	Current receivables	9	76 612	67 849
	240 000	Receivables from Group companies			240 000
		Projects for sale	5	42 816	90 289
275 620	206 732	Bank deposits, Group account	12	642 054	564 014
281 362	**452 190**	**Total current assets**		**761 482**	**962 153**
5 585 461	**5 058 403**	**Total assets**		**7 540 709**	**7 460 010**
		EQUITY AND LIABILITIES			
		Equity			
821 600	817 808	Share capital (1 264 000 shares of NOK 650 at 31.12.21)		821 600	817 808
396 208		Share premium reserve		396 208	
775 833	775 833	Other paid-in capital		775 833	775 833
1 130 190	847 653	Retained earnings		195 242	223 060
3 123 831	**2 441 294**	**Total equity**	8	**2 188 883**	**1 816 701**
		Long-term liabilities			
		Provisions for liabilities			
		Deferred tax	7	186 109	238 517
51 358	101 689	Other commitments	10	118 429	149 461
		Other non-current liabilities			
942 238	1 000 780	Liabilities to Group companies			
1 421 479	1 312 158	Secured debt	10	4 748 099	4 835 275
2 415 075	**2 414 627**	**Total long-term liabilities**		**5 052 637**	**5 223 254**
		Current liabilities			
46 554	202 482	Other current liabilities	11	299 188	420 056
46 554	**202 482**	**Total current liabilities**		**299 188**	**420 056**
5 585 461	**5 058 403**	**Total equity and liabilities**		**7 540 709**	**7 460 010**

Oslo, 11 March 2021

Sigurd E. Thorvildsen
Chair of the Board

Henrik Fougner
Board Member

Knut I. Nossen
Board Member

Arve Ree
Board Member

Ole Christian Hvidsten
Board Member

Per Tore Mortensen
CEO

(NOK 1 000)	Linstow AS 2021	Linstow AS 2020	Linstow Group 2021	Linstow Group 2020
Profit before tax	291 233	-127 031	-1 349	-67 332
- Tax payable	-19 345	-24 333	-47 442	-37 238
- Profit from sale of fixed assets	-380		-20 528	-8
+/- Net loss/profit from sale of projects	-149	388	-32 254	-25 746
- Profit/loss from associates			10 146	-83 003
+ Amortisation	103	68	245 479	249 310
+ Impairment/reversal of fixed assets	6 869	8 600	755	-11 112
+/- Change in accounts receivable	-300	-2 343	-7 157	-3 925
+/- Change in accounts payable	683	841	5 875	-46 228
+/- Change in interest	393	-2 501	-436	-1 866
+/- Change in other accruals	161	-16 301	1 137	-60 933
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**279 268**	**-162 612**	**154 225**	**-88 082**
+ Sale of tangible assets and projects	380		115 447	99 407
- Investment in tangible assets and projects	-315	-436	-318 766	-458 137
+ Payments from investments in shares			150 000	
- Investment in shares	-683 089	-338 803	-528 014	-338 793
+/- Changes in other receivables/intra-Group balances	-86 346	-230 571	-9 431	21 291
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**-769 371**	**-569 810**	**-590 764**	**-676 232**
+/- Change in external long-term liabilities	58 990	7 745	-138 266	300 834
+/- Exchange rate differences			152 846	-208 185
- Equity transactions and loans to parent company	500 000	-250 000	500 000	-250 000
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**558 990**	**-242 255**	**514 580**	**-157 351**
NET CHANGE IN CASH & CASH EQUIVALENTS DURING THE YEAR (A+B+C)	**68 888**	**-974 676**	**78 040**	**-921 665**
Cash & cash equivalents 1 January (*)	206 732	1 181 408	564 014	1 485 679
Cash & cash equivalents 31 December (*)	**275 620**	**206 732**	**642 054**	**564 014**

(*) Cash and cash equivalents are largely related to the Group account and thus represent a receivable with the parent company under the Group banking scheme.

ACCOUNTING PRINCIPLES

General

The annual financial statements have been prepared in accordance with current legislation and generally accepted accounting principles. Accounting standards for “other” enterprises have been used.

Consolidation and equity investments

Shares and participating interests in subsidiaries are eliminated in accordance with the purchase method. This means that the cost price of the shares and participating interests is compared with the subsidiaries’ equity at the time of purchase. Any higher/lower values of the individual properties which thereby arise are depreciated according to the same principles as the associated properties. Profit/loss from the purchase/sale of subsidiaries and associates is included from/to the date of acquisition/disposal. For gradual investment in/acquisition of subsidiaries, values at the date of consolidation are generally used. The minority interests’ share of income and equity is show as a separate line on the income statement and balance sheet. Internal receivables, liabilities and profit/loss items are eliminated in the consolidated accounts.

In the parent company accounts, the cost method is used for all companies, regardless of structure and ownership share. Group contributions and dividends received respectively within and outside the accrued results in the subsidiaries during the ownership period are respectively included in the parent company’s income statement and charged directly to the investment in the balance sheet.

Group contributions from the parent company to a subsidiary are considered as investments in subsidiaries and are capitalised as part of the cost of the shares. Group companies are fully consolidated in the accounts, while associates are accounted for using the equity method. More information can be found in Note 4 where shares and ownership interests are specified.

Translation of foreign companies

At the time of consolidation, the accounts of foreign subsidiaries and associates are harmonised in accordance with the Group’s accounting principles. On translation of these companies’ accounts from foreign currency to NOK, balance sheet items are translated at the exchange rate on the date of closing of the accounts and income statement items are translated at the average exchange rate for each quarter.

The difference that arises from the translation of the company’s opening equity at a different exchange rate to the current exchange rate, and the translation of the income statement items at an average exchange rate, is recognised as an adjustment to the Group’s equity.

Financial instruments

The Group hedges the majority of its variable interest rates by entering into forward rate agreements. The agreements are valued at fair value by an external party. Current payments are presented as interest cost. The effect of value changes is recognised in the income statement. Unrealised gains are not recognised. See below for further details, as well as Note 6.

Revenue recognition

Transactions are recognised at the value of the compensation at the time of delivery. Income is recognised when it is accrued, i.e. when the service is delivered. Income is presented after deduction of VAT, rebates and discounts. Costs are compared with earned income.

Redemption amounts from leases are recognised as income when the premises are leased and the rent covers costs. If the premises remain leased continuously, the income is accrued over the original lease term. In the event of partial coverage of the costs, the redemption amount is recognised on a proportional basis.

Gains/losses/impairment losses on fixed assets

Profit/loss and impairment losses on fixed assets are classified as ordinary operating income/expenses in the income statement.

Maintenance and improvements

Ongoing maintenance costs to keep the properties in the “best state of repair” during the Group’s ownership are included in operating costs. Alterations for specific tenants and general adaptations of the buildings to increase the rental value of the buildings are depreciated over the expected economic life. The cost is included in amortisation. Rehabilitation costs that return the property to a higher standard than it has been in during the Group’s ownership, and which increase the future rental level, are capitalised and depreciated together with the building at the building’s ordinary depreciation rate.

Current/fixed assets
Current/long-term liabilities

The items are classified as fixed assets/long-term debt if it is assumed that these assets are for permanent ownership or use, or are to be redeemed after the end of the next accounting period. The first year’s instalments for long-term liabilities are accounted for as long-term liabilities. Other items are classified as current assets/current liabilities. Current assets are recognised in the balance sheet at the lower of cost and fair value. See separate note on the valuation of fixed assets. The Group account arrangement is classified as a bank deposit.

Projects for sale
Projects defined as being for sale are treated in accordance with Norwegian accounting standard NRS 2, construction contracts. Linstow utilises current revenue recognition based on expected final result. Revenue is recognised in step with the performance of the work, based on the stage of completion of the contract and sale. The result for the period will be the expected final result multiplied by completion rate and sales level. Projects expected to make a loss are recognised as an expense. Accrued costs at the reporting date comprise recognised costs with accrual for any invoicing lag. Income comprises accrued costs plus the project margin. No revenue recognition is made until a substantial part of the project has been sold, a significant proportion has been produced and the profit can be reliably estimated. In the event of uncertainty, the project is recognised in the income statement without any profit. The same principle is applied, where natural, in the parent company accounts.

Fixed assets
Fixed assets are recognised at cost less accumulated depreciation and impairment losses. Leased assets which qualify as finance leases are capitalised and depreciated with other fixed assets. In general, fixed assets are written down if their fair value as defined in the Norwegian Accounting Act is lower than their carrying amount. If the recoverable amount of an asset is lower than the carrying value, the asset will be written down to the recoverable amount. The recoverable amount is the highest of the net sales value and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Fixed assets for which a decision to sell has been made are not reclassified as a rule, and the estimated sales value is used as the fair value.

At some of the Group's properties, new rental projects are subject to project design/construction. The costs of these projects, including interest on capital expenditure, are capitalised until the projects are completed/leased out. Interest on capital expenditure for projects acquired through company purchases are capitalised in the consolidated financial statements. For projects for which deferral/interruption of the development work has been adopted, the interest on capital expenditure is expensed on an ongoing basis. Development projects and major conversions are transferred to properties and depreciated from the time the premises have been put into use.

Pensions
Pension costs are accounted for in accordance with NRS 6. Gross earned pension liabilities, less pension funds, are booked as a liability at the start of the year based on actuarial calculations. Changes in the underlying economic and actuarial assumptions are systematically distributed over the remaining service period. Linstow also has unfunded pension liabilities, and their present value is entered on the balance sheet in the same way. This year's pension cost is included as salary, etc. in the income statement and consists of the present value of this year's earnings, with addition of interest on pension liabilities and deduction of the return on pension funds. For unfunded pension liabilities, the cost for the year in principle amounts to interest on accrued liabilities. Estimate discrepancies are accrued. When non-amortised estimate variances exceed 10% of the higher of obligations including employer's contributions and pension fund assets, the excess amount is amortised over the average remaining earning period.

Deferred tax
Deferred tax is calculated on the basis of the temporary differences that exist at the end of the financial year between accounting and taxable values. Temporary differences which reverse or may reverse in the same period are offset.

Deferred tax is generally recognised at nominal value using the enacted tax rate on the balance sheet date. Deferred tax on added values arising from acquisitions is valued at the present value, due to the long reversal time. Deferred tax liabilities and assets abroad are not offset against deferred tax benefits in Norway. In accordance with the exemption model, tax on temporary differences in share values is not listed. Deferred tax assets/liabilities are classified as fixed assets and provision for liabilities, respectively. The change in deferred tax for the year is entered as a tax expense in the income statement.

OTHER

Financial market risk
The Group's market risk can be related to interest rate risk, currency risk and other risk. Please also see the Board of Directors' Annual Report for further comments

Interest rate risk
See also Note 10, where the repayment schedule for long-term liabilities is described. The principals for the mortgage debt owed by the Group and the dates of margin adjustment thereof are listed below: The average interest rates presented in the table are equivalent to the sum of the margin and reference interest rate as at 31 December 2021 for each individual loan.

(NOK 1 000)

Year	Subtotal	Average interest rate	Share of portfolio	Accumulated percentage
1 year	1 724 537	2,1 %	36 %	36 %
2 years	2 604 782	1,6 %	55 %	91 %
3 years	418 780	2,0 %	9 %	100 %
Total	**4 748 099**	**1,8 %**		

In order to reduce interest rate risk, the Group has entered into fixed interest rate swap agreements. Below, the redemption structure for fixed interest rate swap agreements in the Group is presented.

(NOK 1 000)

Year	Amount	Fixed rate (average)	Share of portfolio	Accumulated percentage
1 year	185 109	0,2 %	8 %	8 %
2 years				8 %
3 years				8 %
4 years	300 000	0,7 %	13 %	21 %
5 years	1 848 152	0,3 %	79 %	100 %
Total	**2 333 261**	**0,3 %**		

Currency risk

The Group uses Norwegian kroner (NOK) as its base and presentation currency, but through its activities outside Norway is also exposed to fluctuations in other countries' currencies, mainly euro. The Group has currency risks related to both recognised monetary items and shares in foreign companies. Investments in foreign companies are made in a long-term perspective and do not have currency hedging. Monetary items are exchanged continuously for the currency that best matches the Group's future liquidity needs.

Exchange losses of TNOK 21 913 on Linstow's international investments were carried to Group equity in 2021.

Exchange rates used at 31 December were:

	2021	2020
1 USD = NOK	8,8194	8,5326
1 EUR = NOK	9,9888	10,4703
1 RUB = NOK	0,1171	0,1145

Large individual transactions

In 2021, the company sold the hotel company "Park Hotel Ridzene" in Riga for a sales price of NOK 40 million. The largest investments comprise the purchase of the Sporta 2 urban development project in Riga and the purchase of another site in Riga that will be developed into a new head office for SEB Latvia. These two investments account for around 50% of the total real estate investments of NOK 319 million. In July, the company increased its shareholding from 33.33% to 50% in Oslo S Utvikling AS. The purchase price was NOK 475.5 million.

NOTE 1 PROFIT AND LOSS ON SALE OF FIXED ASSETS, IMPAIRMENT AND REVERSALS

Profit from sale of fixed assets

	Linstow AS		Linstow Group	
(NOK 1 000)	2021	2020	2021	2020
Profit from sale of properties			20 153	
Profit from sale of fixtures, fittings and vehicles	380		375	8
Total	**380**	**0**	**20 528**	**8**

Impairment of fixed assets and reversals

	Linstow AS		Linstow Group	
(NOK 1 000)	2021	2020	2021	2020
Impairment/reversal of shares	-6 869	-8 600	-95	-310
Impairment/reversal of fixed assets, etc.				38 138
Impairment/reversal of properties			-1 503	-25 210
Total	**-6 869**	**-8 600**	**-1 598**	**12 618**

Impairment/reversal are shown as net values in the Group above. Reference is made to the segment information in Note 15 for further specification. In addition to the write-down and reversal of fixed assets, write-downs of projects for sale were reversed in 2021, see Note 5.

NOTE 2 HOTEL REVENUES AND OTHER OPERATING INCOME - OTHER ADMINISTRATIVE EXPENSES

Hotel revenues and other operating income
This includes income from the Group's international hotel operations, with the main items being restaurant and room revenues. The Group also receives fees for the management of properties in Portugal, Latvia and Norway. See also the distribution of Group income by segment.

Other administrative expenses
International operations also include costs related to the running of the Group's hotels. Costs such as maintenance, marketing and cleaning are thus also included.

NOTE 3 WAGES, EMPLOYER'S NATIONAL INSURANCE CONTRIBUTIONS AND PENSION COSTS

Wages and employer's national insurance contributions

	Linstow AS		Linstow Group	
	2021	2020	2021	2020
Wages and pensions	-63 004	-54 666	-200 803	-208 782
Public duties payable	-8 728	-7 033	-33 554	-28 651
Other			6 637	3 143
Total	**-71 732**	**-61 699**	**-227 721**	**-234 290**

Pension expense

	Linstow AS		Linstow Group	
Net pension expense	**2021**	**2020**	**2021**	**2020**
Current service cost	-6 605	-5 390	-6 605	-5 390
Cost of interest on pension liabilities	-1 865	-2 265	-1 865	-2 265
Return on plan assets	1 693	2 168	1 693	2 168
Accrued employer contributions	-953	-771	-953	-771
Administration	-987	-825	-987	-825
Recognised actuarial gains/losses	-1 021	-1 793	-1 021	-1 793
Net pension expense	**-9 738**	**-8 876**	**-9 738**	**-8 876**
Net pension expense, inclusive of defined contribution pensions	**-10 991**	**-9 470**	**-10 991**	**-9 470**
Pension liabilities - funded pension plans				
Calculated pension liabilities	90 561	80 798	90 561	80 798
Plan assets	-68 144	-61 204	-68 144	-61 204
Employer contributions	3 161	2 763	3 161	2 763
Unrecognised changes in plan	-18 190	-12 730	-18 190	-12 730
Net pension liabilities	**7 388**	**9 627**	**7 388**	**9 627**
Pension liabilities - unfunded pension plans				
Calculated pension liabilities	30 155	29 346	30 155	29 346
Employer contributions	4 236	4 122	4 236	4 122
Unrecognised actuarial gains/losses	-6 333	-9 880	-6 333	-9 880
Net pension liabilities	**28 059**	**23 589**	**28 059**	**23 589**
Composition of pension fund assets				
Shares	9,7 %	8,3 %	9,7 %	8,3 %
Negotiable bonds	19,6 %	20,2 %	19,6 %	20,2 %
HTF bonds	26,7 %	29,4 %	26,7 %	29,4 %
Money market	10,6 %	9,1 %	10,6 %	9,1 %
Property	13,6 %	14,8 %	13,6 %	14,8 %
Loans	19,1 %	17,1 %	19,1 %	17,1 %
Other	0,7 %	1,1 %	0,7 %	1,1 %

Composition of the pension fund assets at 30 September 2021/31 December 2020

Financial assumptions:				
Expected return on plan assets	3,10 %	2,70 %	3,10 %	2,70 %
Discount rate	1,90 %	1,70 %	1,90 %	1,70 %
Annual wage increases	2,75 %	2,25 %	2,75 %	2,25 %
Annual adjustment of G	2,50 %	2,00 %	2,50 %	2,00 %
Annual pension increases	1,73 %	1,24 %	1,73 %	1,24 %
Mortality table	K2013	K2013	K2013	K2013

The company's occupational pension scheme fulfils legal requirements.
Linstow AS has a defined benefit pension scheme for most employees in Norway in the form of a collective pension insurance scheme for pay up to 12 G (G = the National Insurance scheme's basic amount). Full pension requires an earning period of 30 years and gives the right to a retirement pension of the difference between 70% of pay and calculated National Insurance benefits. The scheme meets the requirements of the Norwegian Occupational Pensions Act. The company's defined-benefit pension scheme was closed as of 1 January 2012. People employed after this date have a fixed-contribution pension scheme. In 2021, 12 people were included in this scheme.

Linstow AS also has obligations related to salaries above 12 G. Pension liabilities related to salaries above 12 G are financed via the company's operations. Subsidiaries outside Norway only have pension schemes for their employees to a limited degree. Such schemes are≈mainly defined contribution.

Number of employees
The number of employees in the Group at year-end 2021 was 716 (around 571 FTEs), compared with 685 (around 569 FTEs) in the Group in the previous year, excluding associated companies. The parent company employed 26 FTEs in 2021, compared to 23 FTEs in 2020. There were 29 employees at the end of 2021 compared to 24 for the previous year.

Remuneration of key management personnel - auditor's fees

Auditor's fees	**Linstow AS**		**Linstow Group**	
(NOK 1 000)	**2021**	**2020**	**2021**	**2020**
Auditor's fees (incl. VAT)	-611	-463	-3 308	-2 872
Attestation and other fees - audit (incl. VAT)	-43	-251	-157	-599
Total	**-654**	**-714**	**-3 465**	**-3 471**

Remuneration of key management personnel and/or the Board of Directors

	Linstow AS	
(NOK 1 000)	**2021**	**2020**
Salary of Managing Director	-4 286	-4 535
Bonus scheme paid to Managing Director	-3 561	-4 532
Bonus scheme provision for the Managing Director	1 268	2 390
Pension Managing Director	-1 649	-1 344
Total	**-8 228**	**-8 021**

There are no agreements for the Board or Managing Director with regard to special compensation on termination of employment.

There is a bonus scheme for the company's Managing Director and other key management personnel based on the growth of the Linstow Group. Payment of the accrued bonus scheme is dependent on future growth for the Group. Payment is based on value-adjusted equity at 31 December 2009 and on future growth in this exceeding the return on five-year government bonds. For the parent company, 24 400 shares have been issued under the scheme and the accounting obligation including employer's national insurance contributions is TNOK 24 737 for 2021 and TNOK 27 690 for 2020. As at 31 December 2012 and for subsequent years, payment is made of 20% of any increase in value, while equivalent new shares are also awarded. It is a condition for payment and award of shares that the employee remains in the position. A net total of TNOK 8 473, including employer's national insurance contributions, was expensed for the scheme in 2021, compared with TNOK 7 666 for the previous year. The bonus scheme is valued in accordance with NRS 15A.

NOTE 4 FIXED ASSETS

Fixed assets - Linstow AS

(NOK 1 000)	Machinery, fixtures and vehicles	Land	Total
Cost, 1 January	3 237	1 500	4 737
Additions	315		315
Disposals	-1 985		-1 985
Cost, 31 December	**1 567**	**1 500**	**3 067**
Accumulated amortisation and impairment, 1 January	-2 321		-2 321
Depreciation for the year	-103		-103
Disposal of depreciation and impairment	1 504		1 504
Accumulated depreciation and impairment, 31 December	**-920**	**0**	**-920**
Carrying amount, 31 December	**647**	**1 500**	**2 147**
Interest on capital expenditure in 2021 recognised in the balance sheet			0
Depreciation rates	20-30%		0%

Fixed assets - Linstow Group

(NOK 1 000)	Machinery, fixtures and vehicles	Properties	Land	Projects in progress	Total
Cost, 1 January	549 779	7 470 144	1 382 614	24 528	9 427 064
Transferred from/to projects in progress and for sale	3 844	97 382	8 437	-73 681	35 982
Exchange differences	-23 393	-189 606	-50 243	-1 018	-264 260
Additions	21 660	19 606	158 043	86 644	285 953
Disposals	-71 321	4 087	-7 277	-21	-74 532
Cost, 31 December	**480 568**	**7 401 613**	**1 491 574**	**36 451**	**9 410 206**
Accumulated amortisation and impairment, 1 January	-420 383	-3 002 170	-612 530		-4 035 083
Depreciation for the year	-34 250	-211 229			-245 479
Impairment/reversal for the year		-3 360	2 237	-379	-1 503
Exchange differences	16 403	49 553	28 246		94 202
Disposal of depreciation and impairment	69 955	-16 211			53 744
Accumulated depreciation and impairment, 31 December	-368 275	-3 183 417	-582 047	-379	-4 134 118
Carrying amount, 31 December	**112 293**	**4 218 196**	**909 527**	**36 072**	**5 276 088**
Depreciation rates	20-30%	1-8%	0%	0%	

Projects for sale

	Linstow AS		Linstow Group	
(NOK 1 000)	**2021**	2020	**2021**	2020
Cost, 1 January			90 290	83 743
Write-down/reversal			843	-1 506
Transferred from/to fixed assets			-35 982	
Exchange differences			-2 792	7 086
Additions	-149	388	32 813	73 906
Disposals	149	-388	-42 355	-72 939
Carrying amount, 31 December	**0**	**0**	**42 817**	**90 290**

NOTE 5 RESULTS AND INVESTMENTS IN ASSOCIATES - INVESTMENTS IN GROUP COMPANIES

Profit/loss from associated companies can be found below under shares in associated companies.
The parent company's profit represents Group contributions and dividends received from subsidiaries.

Shares in subsidiaries

Company (NOK 1 000)	**Registered office**	**Linstow AS Number of shares**	**Linstow AS shares/votes %**	**Carrying amount**
Linstow SIA	Riga	68 149 114	100,0 %	531 053
Flesland 110/15 and 22 AS	Oslo	3 000 000	100,0 %	373 036
Viesnica Latvija SIA	Riga	18 212 759	100,0 %	333 461
Romerike Helsebygg AS	Oslo	157 874	100,0 %	275 822
Damsgårdsveien 161-171 AS	Oslo	40 000	100,0 %	249 476
Olümpia Holding Nederland B.V.	Amsterdam	40 100	100,0 %	183 191
Tollbugaten 32 AS	Oslo	7 000	100,0 %	158 166
Galleriet Parkering AS	Oslo	25 658	100,0 %	124 744
Liteiny 5 LLC	St. Petersburg	1	100,0 %	120 185
Sporta 2 SIA	Riga	11 400 000	100,0 %	111 725
Grønland Torg Parkering AS	Oslo	30 751	100,0 %	108 390
Saliena Retail SIA	Riga	3 586 456	100,0 %	103 258
Dunas Portugal – Sociedade de Gestão, SA	Loulé	50 000	100,0 %	97 573
Viesbutis "Lietuva" UAB	Vilnius	845 612	100,0 %	96 848
Hotel Neris UAB	Kaunas	1 000 000	100,0 %	77 839
Elizabetes Centrs SIA	Riga	66 099	100,0 %	65 721
Central Holding Nederland B.V.	Amsterdam	40 100	100,0 %	59 125
Satekles Business Center SIA	Riga	6 900 000	100,0 %	45 262
Brivibas 382 SIA	Riga	9 280 139	100,0 %	41 869
Attistibas ADX SIA	Riga	4 350 000	100,0 %	34 643
Attistibas E75 SIA	Riga	4 525 000	100,0 %	33 964
Jekaba Arcade SIA	Riga	121 249	100,0 %	33 153
Bisumuizas Nami SIA	Riga	19 191 600	100,0 %	30 252
Brubakkveien 16 AS	Oslo	10 000	100,0 %	28 548
Buone SIA	Riga	2 650 000	100,0 %	25 409
Linstow Airport Bratislava s.r.o.	Bratislava	1	100,0 %	20 848
A/S Storetvedt Utbyggingsselskap	Oslo	25 000	100,0 %	15 527
Linstow Baltic SIA	Riga	1 100 000	100,0 %	10 789
Linstow Eiendom AS	Oslo	1 000	100,0 %	2 240
Ülemiste Holding Nederland B.V.	Amsterdam	40 100	100,0 %	1 605
Reval Hotel Management OÜ	Tallinn	1	100,0 %	19
Total				**3 393 738**

Shares and interests in associated companies

Company (NOK 1 000)	Registered office	Linstow Group Number of shares	Linstow Group Shares/votes %	Linstow AS Carrying amount
Oslo S. Utvikling AS	Oslo	4 500	50,0 %	770 932
Furuset Utvikling AS	Oslo	100	33,3 %	198 067
Helsehusene Fredrikstad AS	Oslo	485 281	39,7 %	136 018
Agnes Utvikling AS	Larvik	566 896	50,0 %	87 527
Galleri Oslo Invest AS	Oslo	10 000	33,3 %	100 010
Bergen Lufthavn Utvikling AS	Oslo	1 200	50,0 %	5 461
Baltic Park AS	Oslo	1 375	50,0 %	1 375
Total				**1 299 390**

Company (NOK 1 000)	Linstow Group Carrying amount 2020	Linstow Group Profit/loss	Linstow Group Acquisitions and other	Linstow Group Carrying amount 2021
Oslo S. Utvikling AS	494 667	27 183	325 599	847 450
Furuset Utvikling AS	196 667	-12 116	1 387	185 938
Helsehusene Fredrikstad AS	120 882	-2 671	20 961	139 172
Agnes Utvikling AS	83 287	-2 703	67	80 651
Galleri Oslo Invest AS	69 906	240	30 000	100 146
Baltic Park AS	1 748	-21		1 727
Bergen Lufthavn Utvikling AS		-20 058		
Total	**967 158**	**-10 146**	**378 014**	**1 355 085**

The equity part of the shares in Bergen Lufthavn Utvikling AS is presented as part of the long-term debt in accordance with NRS(F) on investments in associated companies. In the consolidated accounts, the amount was NOK 65.03 million, compared to NOK 44.97 million for the previous year.

Other shares

Company (NOK 1 000)	Registered office	Linstow AS Number of shares	Linstow AS Shares/votes %	Linstow Group Carrying amount
Koksa Eiendom AS	Oslo	16 146 670	12,5 %	1 867
Norefjell Golfbane AS	Krødsherad	311	31,2 %	
Total Linstow AS				**1 867**

NOTE 6 FINANCIAL ITEMS

Finance income

	Linstow AS		Linstow Group	
(NOK 1 000)	**2021**	2020	**2021**	2020
Finance income from Group companies	15 797	16 829		
Finance income from Group account arrangement	-135	3 053	-59	3 114
Finance income from associates	4 066	4 214	4 066	4 214
Currency gains	54 194	32 740	8 769	32 316
Adjustment to value of financial instruments	52 562		53 905	2 009
Other finance income	-3	16	313	312
Total	**126 481**	**56 852**	**66 994**	**41 965**

Finance expense

(NOK 1 000)	Linstow AS 2021	Linstow AS 2020	Linstow Group 2021	Linstow Group 2020
Finance costs - Group companies	-22 028	-24 440	-1 757	
Currency losses	-13 291	-93 652	-9 871	-24 449
Adjustment to value of financial instruments		-40 577	516	-40 544
Other finance expense	-40 431	-40 924	-97 164	-97 818
Total	**-75 750**	**-199 594**	**-108 275**	**-162 811**

NOTE 7 TAX EXPENSE

Tax expense for the year consists of:

(NOK 1 000)	Linstow AS 2021	Linstow AS 2020	Linstow Group 2021	Linstow Group 2020
Income tax payable	-2 825	-19 345	-56 339	-25 060
Change in deferred tax	-5 871	57 563	51 783	53 972
Total tax expense	**-8 695**	**38 218**	**-4 555**	**28 913**

Tax impact of temporary differences:

(NOK 1 000)	Linstow AS 2021	Linstow AS 2020	Linstow Group 2021	Linstow Group 2020
Current assets			-228	-23
Tangible fixed assets	-671	-861	73 978	72 242
Profit and loss account	3 493	4 366	4 328	5 364
Pensions	-7 798	-7 308	-7 798	-7 308
Other temporary items	-8 943	-21 156	146 283	189 750
Tax loss carry forwards			-24 807	-21 508
Tax loss carry forwards, interest limitation	-5 168		-5 646	
Deferred tax/tax benefit	**-19 088**	**-24 959**	**186 109**	**238 517**
Tax rate at the end of the year	22 %	22 %		
Of which Norwegian business	-19 088	-24 959	19 199	17 099
Of which foreign business			166 910	221 418
Change in deferred tax				
Change in deferred tax	-5 871	4 763	52 408	9 147
Group contributions, currency gains/losses and other		52 800	-624	44 826
Change in deferred tax in income statement	**-5 871**	**57 563**	**51 783**	**53 973**

Explanation of the Group’s tax expense

	Linstow AS		Linstow Group	
(NOK 1 000)	**2021**	2020	**2021**	2020
Profit before tax	291 233	-127 031	-1 349	-67 332
22% tax	-64 071	27 947	297	14 813
Tax effect of:				
Permanent differences and differences in tax rates	55 376	10 271	-4 852	14 100
Calculated tax expense	-8 695	38 218	-4 555	28 913
Effective tax rate for the Group	3 %	30 %	-338 %	43 %

NOTE 8 CHANGES IN EQUITY

Changes in equity - Linstow AS	**Paid-in capital**			**Retained earnings**	
(NOK 1 000)	**Share capital**	**Share premium reserve**	**Other paid-in capital**	**Retained earnings**	**Total equity**
Balance, 1 January	817 808		775 833	847 653	2 441 294
Issue	3 792	396 208			400 000
Profit for the year				282 537	282 537
Balance sheet as at 31 December	**821 600**	**396 208**	**775 833**	**1 130 190**	**3 123 831**

Changes in equity - Linstow Group

(NOK 1 000)	**Share capital**	**Share premium reserve**	**Other paid-in capital**	**Retained earnings**	**Total equity**
Balance, 1 January	817 808		775 833	223 060	1 816 701
Issue	3 792	396 208			400 000
Translation effects (*)				-21 913	-21 913
Profit for the year				-5 905	-5 905
Balance sheet as at 31 December	**821 600**	**396 208**	**775 833**	**195 243**	**2 188 884**
(*) Accumulated translation effect included in retained earnings			19 796	19 796	

NOTE 9 OTHER RECEIVABLES

Current receivables

	Linstow AS		Linstow Group	
(NOK 1 000)	**2021**	**2020**	**2021**	**2020**
Accounts receivable	4 402	4 102	39 331	32 174
Inventories			7 085	6 119
Accruals and other receivables	1 341	1 356	30 196	29 556
Total	**5 743**	**5 458**	**76 612**	**67 849**

Accounts receivable are measured at their nominal value, less provisions for expected losses.

Long-term receivables

	Linstow AS		Linstow Group	
(NOK 1 000)	**2021**	**2020**	**2021**	**2020**
Advance payments, etc. the Baltics			42 381	49 011
Other receivables	2 034	39	2 034	39
Total	**2 034**	**39**	**44 415**	**49 050**

NOTE 10 MORTGAGES

Carrying amounts of assets provided as collateral for mortgage liabilities are:

	Linstow AS		Linstow Group	
(NOK 1 000)	**2021**	**2020**	**2021**	**2020**
Mortgage liabilities	1 421 479	1 312 158	4 748 099	4 835 275
Carrying amounts of assets pledged as collateral for liabilities:				
Shares (*)	1 631 704	1 619 735		
Real property and projects in progress			4 703 732	4 977 310
Fixtures & fittings			101 581	98 644
Other			59 323	83 438
Total	**1 631 704**	**1 619 735**	**4 864 636**	**5 159 391**

(*) Linstow AS has taken out several loans secured on property owned by subsidiaries. For one of the loans, shares have also been pledged as security.

All secured debt is deducted in the currency in which the corresponding/mortgaged property has income and costs. Of the total secured debt, translated into NOK at 4 748 099, 70% is denominated in EUR and the remainder in NOK. There are requirements concerning the financial ratios for the secured debt. The requirements mainly include LTV, interest rate and instalment ratio (DSCR), and value-adjusted equity and value-adjusted equity ratio. For further comments, reference is made to the annual report and the description of the future outlook.

Guarantees for parent company
Linstow AS is wholly owned by Møllegaarden AS. Møllegaarden AS is wholly owned by AS Investa, and the latter is wholly owned by Awilhelmsen AS. Møllegaarden AS has provided 1st priority collateral in all of its shares in Linstow AS as security for a syndicated loan raised by AWilhelmsen AS. The guarantee has an upper limit of NOK 2 billion.

Repayment schedule for secured debt and credit facilities

	Linstow AS		Linstow Group	
Long-term liabilities due within:	**2021**	**2020**	**2021**	**2020**
1 year	665 279	606 400	949 377	1 041 040
2 years		705 758	2 604 782	1 004 597
3 years	756 200		1 193 940	2 768 651
4 years				20 988
Total	**1 421 479**	**1 312 158**	**4 748 099**	**4 835 275**

Other liabilities/Other long-term liabilities	Linstow AS		Linstow Group	
(NOK 1 000)	**2021**	**2020**	**2021**	**2020**
Plan liabilities (see Note 3)	35 447	33 216	35 447	33 216
Other liabilities and provisions	15 912	68 473	82 983	116 245
Total	**51 358**	**101 689**	**118 429**	**149 461**

Other liabilities were primarily losses on swap contracts.

NOTE 11 CURRENT INTEREST-FREE LIABILITIES

	Linstow AS		Linstow Group	
(NOK 1 000)	**2021**	**2020**	**2021**	**2020**
Trade payables	1 796	1 113	59 942	54 067
Accrued interest	2 842	2 449	9 896	10 333
Income tax payable	2 825	19 345	28 913	20 016
Dividends		140 000		140 000
Advances from tenants and customers			76 422	79 951
Public duties payable, holiday pay etc.	7 580	6 135	24 911	20 780
Other accruals	31 511	33 440	99 104	94 908
Total	**46 554**	**202 482**	**299 188**	**420 056**

NOTE 12 BANK DEPOSITS, GROUP ACCOUNT

	Linstow AS		Linstow Group	
(NOK 1 000)	**2021**	**2020**	**2021**	**2020**
Cash and bank deposits	21 044	19 916	338 330	322 711
Group account	254 575	186 815	303 724	241 303
Total	**275 620**	**206 732**	**642 054**	**564 014**

Linstow AS and some of its subsidiaries form a Group banking system with Awilhelmsengruppen. The balance in the Group banking system thus represents a receivable from the parent company of the Group. Only an insignificant amount of bank deposits in the Group are related to frozen tax deductions.

NOTE 13 GUARANTEE LIABILITIES AND OTHER COMMITMENTS

	Linstow AS		Linstow Group	
(NOK 1 000)	**2021**	**2020**	**2021**	**2020**
Guarantee commitments	659 515	467 350		

The guarantee liability for the parent company is related to loans raised by foreign subsidiaries and loans raised by partly-owned Norwegian companies, as well as guarantees provided in connection with the sale of partly-owned Norwegian companies. In February 2022, Linstow AS guaranteed interest and instalments for loans taken out by subsidiaries in Estonia. The principal of the loan was EUR 26.7 million at February 2022.

NOTE 14 SHAREHOLDER INFORMATION

Shareholders at 31 December 2021

	Number of shares	Nominal	Shareholding %
Møllegaarden AS	1 264 000	650	100%

All the company's shares carry one vote.

Related parties
Linstow AS also contributes to the management of wholly and partly owned companies in Norway and abroad. Loans and interest have been given to and received from wholly and partly owned companies. Fees are paid at market prices. Linstow AS' transactions with related parties can be grouped as follows:

2021 (NOK 1 000)	**Shareholders**	**Group companies**	**Associates**	**Total**
Fee income	1 466	11 295	10 841	23 601
Administrative costs		-2 040		-2 040
Finance income		15 797	4 066	19 864
Finance income Group banking system		-135		-135
Finance expenses	-1 757	-20 271		-22 028
Group contributions		49 646		49 646
Dividends			150 000	150 000
Issue	400 000			400 000
Total	**399 709**	**54 291**	**164 907**	**618 908**
Lending		484 061	101 773	585 834
Borrowing		942 238		942 238
Group account		303 724		303 724

2020 (NOK 1 000)	**Shareholders**	**Group companies**	**Associates**	**Total**
Fee income		12 216	8 095	20 311
Administrative costs		-2 368		-2 368
Finance income		16 829	4 214	21 043
Finance income Group banking system		3 053		3 053
Finance expenses		-24 440		-24 440
Group contributions	187 200	29 690		216 890
Dividends	-140 000			-140 000
Total	**47 200**	**34 981**	**12 309**	**94 489**
Lending	240 000	472 318	87 707	800 025
Borrowing		1 000 780		1 000 780
Group account		241 303		241 303

NOTE 15 SEGMENT INFORMATION LINSTOW AS GROUP

Income statement 1 January - 31 December

(NOK 1 000)	Hotels Baltics/Eastern Europe 2021	Hotels Baltics/Eastern Europe 2020	Shopping centres Baltics 2021	Shopping centres Baltics 2020	Other including Portugal 2021	Other including Portugal 2020	Investments Norway 2021	Investments Norway 2020	Total 2021	Total 2020
OPERATING INCOME										
Rental income, properties			198 711	165 633	8 140	9 975	141 100	139 059	347 951	314 666
Profit from sale of fixed assets	20 130	-70	18	77		1	380		20 528	8
Project income					74 609	98 685			74 609	98 685
Hotel revenues and other operating income	341 381	284 158	20 302	33 861	74 725	60 291	18 504	13 533	454 912	391 843
Total operating income	**361 511**	**284 088**	**219 031**	**199 571**	**157 475**	**168 952**	**159 984**	**152 592**	**898 000**	**805 203**
OPERATING EXPENSES										
Wages, employer's national insurance contributions and pension costs	-103 491	-113 747	-33 504	-40 242	-18 972	-18 146	-71 753	-62 154	-227 721	-234 290
Other administrative expenses	-143 028	-128 792	-10 426	-15 893	-54 828	-40 815	-23 280	-21 208	-231 562	-206 709
Cost of materials	-25 958	-22 029			-5 797	-4 553			-31 756	-26 581
Operating costs for properties and bad debts		-9	-34 667	-27 990	-4 582	-2 205	-29 046	-25 771	-68 295	-55 974
Project expenses					-42 505	-72 551	149	-388	-42 355	-72 939
Impairment of fixed assets	451	-58 781	-753	73 962	-358	-3 759	-95	-310	-755	11 112
Amortisation	-102 757	-111 912	-68 746	-63 488	-7 217	-6 278	-66 759	-67 633	-245 479	-249 310
Total operating expenses	**-374 784**	**-435 270**	**-148 096**	**-73 652**	**-134 259**	**-148 307**	**-190 783**	**-177 463**	**-847 923**	**-834 692**
Operating profit	**-13 273**	**-151 182**	**70 935**	**125 920**	**23 216**	**20 645**	**-30 799**	**-24 871**	**50 078**	**-29 489**
FINANCIAL ITEMS										
Profit/loss from Group companies and associates						393	-10 146	82 610	-10 146	83 003
Finance income	145	47	171	242			4 005	7 351	4 321	7 639
Finance expenses	-25 540	-25 815	-30 259	-29 858	-916	-1 017	-42 206	-41 129	-98 921	-97 818
Net financial instruments	510	1 615	1 350	428			52 562	-40 577	54 421	-38 535
Net currency gains/losses	-199	-217	-281	544	-1		-622	7 540	-1 103	7 867
Net financial items	**-25 084**	**-24 370**	**-29 019**	**-28 645**	**-917**	**-624**	**3 593**	**15 795**	**-51 428**	**-37 844**
Profit before tax	**-38 357**	**-175 553**	**41 915**	**97 275**	**22 299**	**20 021**	**-27 207**	**-9 076**	**-1 350**	**-67 333**
Investments, not incl. associates	24 764	69 238	58 267	229 096	207 834	78 367	27 900	81 436	318 766	458 137
Sale of fixed assets and projects, not incl. associates	40 086	722	371				380		40 837	722

SEGMENT INFORMATION LINSTOW AS GROUP

Balance sheet at 31 December

(NOK 1 000)	Hotels Baltics/Eastern Europe 2021	Hotels Baltics/Eastern Europe 2020	Shopping centres Baltics 2021	Shopping centres Baltics 2020	Other including Portugal 2021	Other including Portugal 2020	Investments Norway 2021	Investments Norway 2020	Total 2021	Total 2020
ASSETS										
Real property	1 474 764	1 628 669	1 877 443	1 983 519	311 542	120 596	1 463 976	1 505 273	5 127 724	5 238 058
Projects in progress	4 025	6 311	15 194	9 257	3 912	1 320	12 941	7 640	36 072	24 528
Machinery, fixtures/fittings and vehicles	83 165	93 397	20 447	23 937	2 548	2 736	6 133	9 325	112 293	129 395
Other shares							1 867	1 962	1 867	1 962
Receivables from associates							101 773	87 706	101 773	87 706
Shares in associates							1 355 084	967 158	1 355 084	967 158
Other long-term receivables	629	1 024	41 185	47 409	184	195	2 416	422	44 415	49 050
Total fixed assets	**1 562 583**	**1 729 401**	**1 954 269**	**2 064 122**	**318 186**	**124 847**	**2 944 190**	**2 579 487**	**6 779 227**	**6 497 857**
Current receivables	21 089	17 547	28 934	32 145	16 239	10 486	10 349	247 671	76 612	307 849
Projects for sale					42 816	90 289			42 816	90 289
Bank deposits, Group account	98 681	46 515	139 832	191 680	78 761	64 586	324 781	261 234	642 054	564 014
Total current assets	**119 770**	**64 062**	**168 766**	**223 825**	**137 816**	**165 361**	**335 130**	**508 905**	**761 482**	**962 153**
Total assets	**1 682 353**	**1 793 463**	**2 123 035**	**2 287 947**	**456 001**	**290 208**	**3 279 320**	**3 088 392**	**7 540 709**	**7 460 010**
EQUITY AND LIABILITIES										
Share capital (1 264 000 shares of NOK 650 at 31.12.21)			-		-		821 600	817 808	821 600	817 808
Other equity	-17 049	2 483	172 359	216 284	367 992	200 559	843 981	579 566	1 367 283	998 892
Total equity	**-17 049**	**2 483**	**172 359**	**216 284**	**367 992**	**200 559**	**1 665 581**	**1 397 374**	**2 188 883**	**1 816 700**
Deferred tax	80 324	96 683	89 690	125 664	-3 104	-930	19 199	17 100	186 109	238 517
Secured debt	1 557 470	1 643 924	1 732 460	1 838 574	36 690	40 620	1 421 479	1 312 158	4 748 099	4 835 275
Other non-current liabilities	310		862	2 139	870	661	116 388	146 661	118 429	149 461
Total long-term liabilities	**1 638 104**	**1 740 608**	**1 823 012**	**1 966 377**	**34 455**	**40 351**	**1 557 066**	**1 475 918**	**5 052 637**	**5 223 254**
Other current liabilities	61 298	50 372	127 664	105 286	53 554	49 298	56 673	215 099	299 189	420 056
Total current liabilities	**61 298**	**50 372**	**127 664**	**105 286**	**53 554**	**49 298**	**56 673**	**215 099**	**299 189**	**420 056**
Total equity and liabilities	**1 682 353**	**1 793 463**	**2 123 035**	**2 287 947**	**456 001**	**290 208**	**3 279 320**	**3 088 392**	**7 540 709**	**7 460 010**

Segment information is subject to a higher degree of uncertainty than non-segment data.

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Linstow AS

Opinion

We have audited the financial statements of Linstow AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2021, the income statement 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 legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with the the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the 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

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

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Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Oslo, 11. March 2022
ERNST & YOUNG AS

Finn Ole Edstrøm
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)

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