



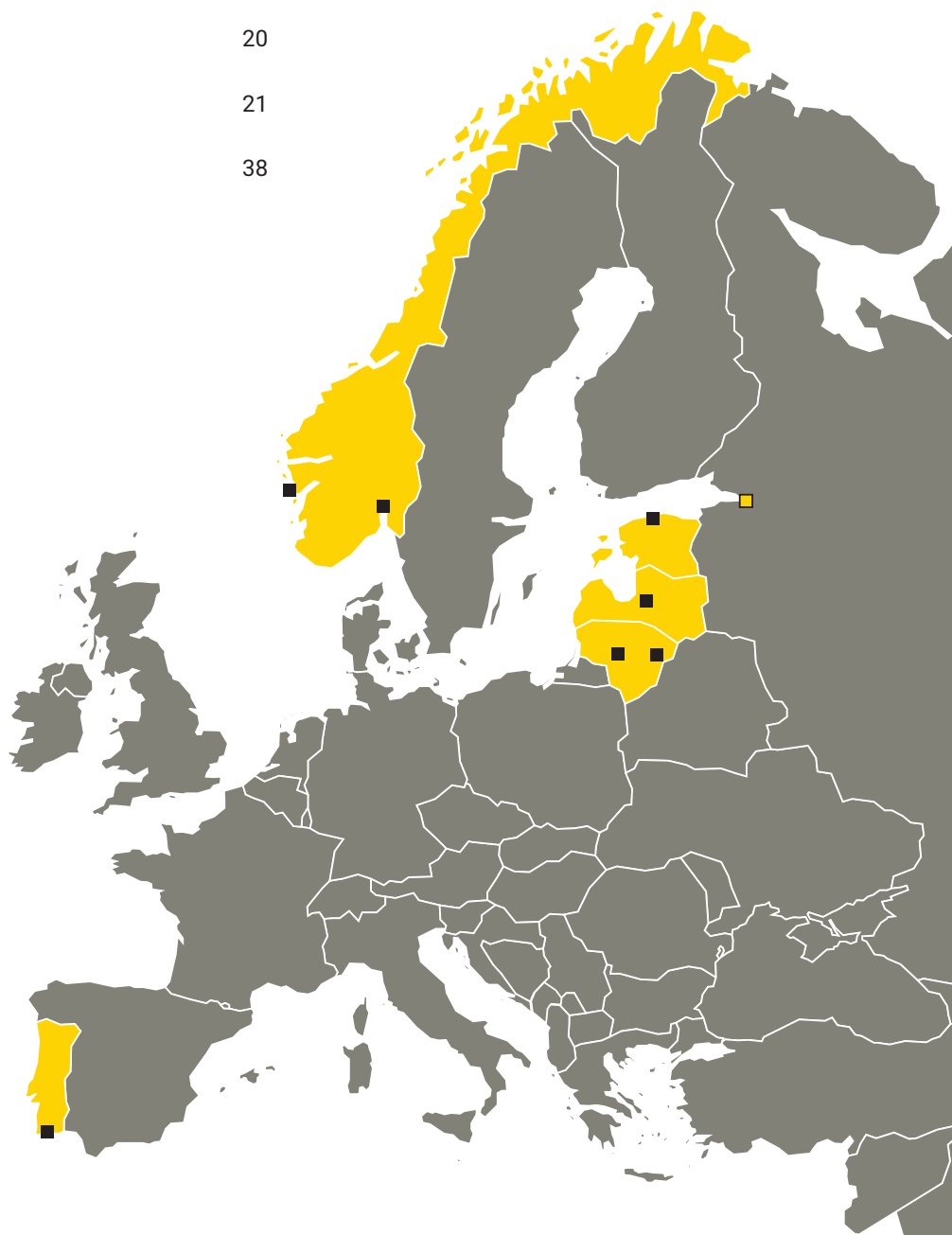
LINSTOW



Annual report 2022

Contents

LIST OF PROPERTIES	03
THE BOARD OF DIRECTORS' ANNUAL REPORT	04
INCOME STATEMENT 1 JAN–31 DEC	17
BALANCE SHEET AT 31 DEC	19
CASH FLOW STATEMENT	20
ACCOUNTING PRINCIPLES AND NOTES	21
AUDITOR'S REPORT	38



LIST OF PROPERTIES

(Square meters)		No of rooms	In operation	Under construction	Development possibilities	TOTAL SQM
Hotels	Hotels					
	Comfort Hotel Bergen Airport	304	15 477			15 477
	Radisson Blu Hotel Latvija, Riga	571	43 902			43 902
	Radisson Blu Elizabete Hotel, Riga	228	13 076		4 400	17 476
	Radisson Blu Hotel Lietuva, Vilnius	456	40 157			40 157
	Radisson Kaunas, Kaunas	206	13 018			13 018
	Radisson Blu Olümpia, Tallinn	390	30 854		7 000	37 854
	Park Inn by Radisson Central Tallinn	245	9 888			9 888
	Radisson Sonya Hotel, St. Petersburg	173	7 810			7 810
TOTAL HOTELS		2 573	175 461	-	12 779	188 240
Linstow Baltic	Shopping/Urban development					
	Ülemiste, Tallinn		125 000		50 000	175 000
	Origo, Riga		75 000			75 000
	Riga Retail Park				150 000	150 000
	Alfa Home Center, Riga				50 000	50 000
	Buone Block 1, Riga				18 000	18 000
	Sporta 2, Riga				60 000	60 000
	Satekles Business Centre, Riga				12 000	12 000
	Other					
	Elisabetes 75		4 400			4 400
	Bisumuizās Nami, Riga				100 000	100 000
	Jekaba Arcade, Riga		8 600			8 600
TOTAL LINSTOW BALTICS			213 000	-	440 000	653 000
Norway	Offices/Urban development					
	Damsgårdsveien 161-171		15 858		27 000	42 858
	Tollbugt 32, Oslo		6 007			6 007
	Brubakkveien 16, Oslo		4 000		55 000	59 000
	Veterinærhøgskolen, Adamstuen Oslo		30 672			30 672
	Oslo S. Utvikling AS (50%)			4 000	7 500	11 500
	Bergen Lufthavn Utvikling AS (50%)		7 263		94 460	101 723
	Agnes Utvikling AS (50%)		2 481		38 179	40 660
	Galleri Oslo Invest AS (33,33%)		1 617		1 288	2 905
	Furuset Utvikling AS (33,3%)		19 333		25 000	44 333
	Health					
	Romerike Helsebygg, Lillestrøm		31 009		25 000	56 009
	Helsehusene Fredrikstad AS (40,23%)		12 804			12 804
	Residential					
	Oslo S. Utvikling AS (50%)			23 800	28 700	52 500
	Agnes Utvikling AS (50%)			961	17 451	18 412
	Parking					
	Grønland Torg Parkering, Oslo		17 223		21 000	38 223
	Galleriet Parkering, Oslo		14 969			14 969
	Residential					
	Citadellet, Nesodden				25 000	25 000
TOTAL NORWAY			163 236	49 761	344 578	557 575
TOTAL LINSTOW GROUP		2 573	551 697	49 761	797 357	1 398 815

The board of directors' annual report 2022





ROMERIKE HELSEBYGG, LILLESTRØM

Annual Report 2022

At Linstow we are committed to creating places where people want to live, work and meet. Our ambition is to contribute to a good quality of life – and a good society. The company owns, develops and manages properties within 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 and 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 Baltics, Linstow is a significant player in the hotel and shopping

centre market, in addition to being an active urban developer in the capital cities. 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 Group owns a holiday resort in Portugal. Linstow's head office is located at Tjuvholmen in Oslo, Norway.



SEB HEADQUARTER, RIGA

Market development

Hotel business segment

Linstow owns seven hotels in total, with a combined total of 2 269 rooms, in Tallinn, Riga, Vilnius, Kaunas and St. Petersburg. Hotel occupancy in the Baltics and St Petersburg was 52% in 2022 (2021: 32%), and revenue measured in EUR increased by 97% from the previous year. The hotels are based on international travel and tourism to a great extent. The first months of 2022 were still affected by the pandemic and related restrictions, but from May and for the rest of the year, demand increased significantly. First via increased demand from leisure travellers and then from individual business travellers. Tourist groups were more hesitant, due to the geopolitical situation and the geographical proximity of the Baltic states to the war in Ukraine. Even though demand increased during the year, the result is not yet quite at the normal level from before the 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 Norway, Linstow owns Comfort Hotel Bergen Airport, which is rented and operated by Nordic Choice Hotels. Comfort Hotel Bergen Airport performed relatively well during the pandemic and continued to perform well during 2022, with a 20% increase in room revenue from 2021.

In addition to the above hotels, Linstow owns the Dunas Douradas Beach Club (DDBC) holiday resort in the Algarve, Portugal. There was a sharp increase in holiday travel to warm, safe destinations such as the Algarve in 2022 and the resort achieved the best operating profit before sales gains since it opened in 2008. The resort's total revenue increased by 50% from 2021 to 2022.

Linstow Baltic business segment

Linstow Baltic has developed and manages two major shopping centres in the Baltics, a leading car-based centre in Tallinn, Estonia, and an urban office and shopping centre linked to the Central Railway Station in Riga, Latvia. The company also has a portfolio of development projects for, among other things, offices in Riga.

In 2022, the focus was on increasing earnings from the shopping centres while maintaining good cost control. Inflation close to 20% in both Estonia and Latvia led to uncertainty among consumers and tenants. Earnings and profits nevertheless developed positively.

Our two shopping centres achieved a turnover of EUR 280 million in 2022. This corresponds to annual growth of 34%. Rental income for 2022 totalled EUR 25.8 million. This corresponds to annual growth of 31%, while EBITDA was EUR 19.9 million, corresponding to annual growth of 38%. Ülemiste in



ORIGO SHOPPING CENTRE, RIGA

Tallinn continues to strengthen its position in the market and has almost no vacancies. At Origo in Riga, all office space is rented out, while there is still some vacant space in the commercial section.

The organisation has worked actively to further develop the project portfolio. In 2022, the main focus was on negotiation with the tenant and contractors for the Satekles Business Center project in Riga, with the aim of improving the economy and preparing for the start of construction. The project totals 13 600 square metres, of which SEB Latvia will lease 75% of the space, and will be completed in early 2025. We are also working actively on Sporta 2, a plot of 3 hectares, where a district of 60 000 square metres consisting of offices, housing, and cultural, commercial and catering venues will be developed. There is also active further development of the Ülemiste shopping centre in Tallinn, which is planned to be developed in parallel with the new Rail Baltica railway station next door.

Norway business segment

Engagement in urban development projects is a key aspect of Linstow's strategy. Linstow is working on the development of office, commercial and residential projects in Oslo through Oslo S. Utvikling AS (OSU) and Linstow Adamstuen AS (Adamstuen). OSU's total development potential, including properties already completed and sold, is 346 000 square metres above ground. At the end of 2022, 79 000 square metres remain to be developed in OSU.

OSU will develop 737 residential units in Bispevika Syd. More than 322 of the 358 units under construction have already been sold. In 2022, the focus was on the construction of Clemenskvartalet, sales start and ground works for Vannkunsten Syd, and project development and competitive tendering for Mariakvartalet. In 2023, important milestones will be the handover of Clemenskvartalet, the start of construction above ground for Vannkunsten Syd, and the start of sales of Mariakvartalet.

In 2022, Linstow bought large parts of the old veterinary college at Adamstuen. Here, we want to create an open and accessible place of great value for those who will live and work here, for the neighbouring area and for the city's population. We envisage exciting restaurants, grocery stores, art and cultural arenas, physical training facilities and activities for the family. We will also add health-promoting dimensions, as well as sustainable solutions, to the site development.

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 at Bergen Airport Flesland, Western Norway's largest transport hub. The site extends to around 12 hectares and is located close to the new terminal at Flesland, where the terminus of the Bergen Light Rail is also situated.



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 square metres 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 square metres.

Linstow owns 50% of Agnes Utvikling AS. This company owns properties and sites covering an area of around 25 hectares in Stavern, Larvik Municipality, where a completely new district is to be developed, with around 600 flats and around 60 000-80 000 square metres of commercial space. The first residential project with Linstow as part owner, consisting of 16 apartments, will be completed in autumn 2023.

Galleri Oslo is a large commercial building with a unique location in Oslo City Centre, close to Oslo Central Station. In collaboration with the other owners, Entra and Viken Pensjonskasse, Linstow is working to transform the property. In the work on the new zoning plan, the planning programme has been on public inquiry and submitted to the City of Oslo for their further consideration. The City of Oslo has set the condition for further processing that a solution is found for the ramping-down of the Nyland Bridge and the bus terminal. The Norwegian Public Roads Administration and relevant municipal agencies are involved in finding solutions to this.

Linstow owns a property portfolio in Norway totalling 178 000 square metres, with focus on good technical operation of the properties and excellent service for our tenants. The portfolio primarily consists of the properties Romerike Helsebygg, Damsgårdsveien 161-171, Comfort Hotel Bergen Airport, Tollbugaten 32, Brubakkveien 16, Veterinærhøgskolen (the veterinary college buildings) (Adamstuen) and the multi-storey car parks Galleriet and Grønland Torg in Oslo.

Health

Health is a long-term, high-priority focus area for Linstow. Our ambition is to contribute to better public health and improved quality of life. We develop and manage healthcare centers assembling both public and private health-related services for the benefit of users. In addition, we use our expertise in public health when developing communities. Linstow owns Romerike Helsebygg at Lillestrøm and is the largest owner (40%) of Helsehusene Fredrikstad. Romerike Helsebygg is subject to a joint regulatory process with Viken County Municipality and the healthcare building is planned to be expanded from 31 000 square metres to 56 000 square metres.

In 2022, the first phase (scoping review) of the "Building Health" research and innovation project was completed. In this project, in collaboration with SINTEF, Linstow will compile knowledge to achieve the development of health-promoting venues in the future. The project considers health-promoting venues which give each individual the



best opportunities to live a good, long life at a venue designed to include factors which stimulate physical activity, social inclusion and coping. The project runs until 2026 and is funded by the Research Council of Norway.

Through more comprehensive planning of construction and the local environment, where knowledge of what can improve public health standards for residents 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 the new solutions and health concepts that society needs.

In 2022, Linstow negotiated with Nes Municipality for the purchase of a municipally owned plot of land at Årnes. The site is sold with a clause that meets the municipality's need for supported-living housing units and the municipality will buy back 30 care homes for people with dementia. The purchase was politically approved in Q2 2023 with takeover in June 2023.

Health, safety and the environment

Linstow AS had 28 employees at year-end 2022, equivalent to 28 FTEs in 2022. The Group had 899 employees in total at year-end 2022 (2021: 716), equivalent to around 717 FTEs

(2021: 685). In 2022, the rate of absence due to illness at Linstow AS was 2.1% (2021: 0.6%). The company has a good working environment. There has been less travel activity since the coronavirus pandemic, and the increased use of Teams meetings is expected to reduce our travel activity permanently. The hotel segment reported two minor injury cases involving employees of the Group in 2022. No occupational accidents were registered at Linstow's construction sites in 2022.

On 30 March 2023, an older, uninhabited building collapsed in connection with a rehabilitation project in Riga. The project had been handed over to the contractor and there were no injuries as a result of the incident. Linstow takes the safety of society in general and our employees very seriously and intensive work is being done to identify the cause of the incident.

Women account for 32% of Linstow AS' employees. The company's owners and the Board of Directors wish to ensure equal rights and opportunities for all employees and can see the benefit of an even distribution between the genders, also at the 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. The Board of Directors of Linstow AS consists of five men, while Linstow's management team consists of one woman and six men.



RADISSON BLU LATVIJA, RIGA

Board liability insurance

Linstow has taken out Board and management 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 of corruption and is making an active effort to prevent financial irregularities. Linstow does not accept or make use of facilitation payments.

Sustainability reporting

Linstow's activities affect the external environment when waste from the demolition of old buildings, construction of

new properties, and operation of the company's properties. In every area of its activities, Linstow has a strong focus on complying with all public requirements and recommendations relating to the environment. Our projects have clear goals regarding energy consumption, pollution, use and reuse of materials, and the indoor climate, and also the development and use of space, which generally extend beyond the requirements set by public authorities. Linstow requires its contractors to adhere to a comprehensive programme for sorting at source of all building demolition waste.

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

- BREEAM certification of all wholly owned construction projects
- We have started a process of BREEAM In-Use certification of wholly owned properties
- Following the Property Sector's Roadmap Towards 2050
- Measuring our GHG footprint and working systematically with reduction measures

Further descriptions of Linstow's sustainability work are available on our website, [Linstow.no](https://linstow.no).



VETERINÆRHØGSKOLEN, ADAMSTUEN OSLO

Environmental certification

Linstow uses the BREEAM/BREEAM-NOR manual for environmental certification of all of our new buildings under construction. 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 Property Sector's Roadmap towards 2050

To further strengthen our commitment to sustainability, Linstow is affiliated with the "Property Sector's Roadmap Towards 2050". This entails, among other things, that Linstow's wholly owned companies in Norway have achieved Eco-Lighthouse certification. Eco-Lighthouse is associated with EMAS – The EU Eco-Management and Audit Scheme – so that this environmental certification is also applicable internationally, in relation to our activities outside Norway. In addition to environmental certification of the organisation, signing the Roadmap means that Linstow is committed to

following a further nine immediate measures related to project implementation and property management. Examples of measures are: planning for reuse, using roof surfaces (green, water, solar cells), fossil-free heating and fossil-free construction sites, etc.

GHG reporting

We have also implemented "Greenhouse Gas" reporting and now measure the GHG footprint of all of Linstow's properties. Throughout 2022, we worked to identify activities that can help reduce the GHG footprint. Linstow has set the baseline year at 2010, with the goal of reducing our GHG footprint by 60% towards 2030. For the figures to be as comparable as possible in a portfolio with purchase, sale and development, the GHG footprint is measured per square metre.

Year of volunteerism

2022 was the year of volunteerism, Rom for Frivillighet (Room for Volunteering), a tripartite collaboration between Lillestrøm Municipality, the Norwegian Red Cross and Linstow, further



developed the project together by also incorporating NAV Lillestrøm's health-promoting office premises into the project. Rom for Frivillighet facilitates a free activity programme run by volunteers outside office hours, whereby use of the premises is based on a co-use model.

The Norwegian Transparency Act

The report under the Transparency Act will be available on Linstow's website, Linstow.no before 30 June 2023.

Report on the annual financial statements (2021 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.

2022 was marked by international unrest. The war in Ukraine, the resulting energy crisis, strong inflation and higher interest rate levels dampened economic activity both in Norway and the rest of the world. On the other hand, the lifting of Covid-19 restrictions had a very positive effect on the earnings of our hotels and shopping centres. This is described in future detail under Outlook.

In 2022, the Group had rental income of NOK 432 million (348 million). Revenue from hotels and other operations was NOK 749 million (455 million). In 2022, gains from the sale of properties totalled NOK 2 million (21 million). There was no project revenue in 2022 (NOK 75 million).

Operating costs amounted to NOK 1,206 million (848 million). Payroll and administration costs totalled NOK 661 million (459 million). Net impairment of fixed assets amounted to NOK 166 million (1 million). Net impairment is calculated per property and is based on the average of two valuations made by independent appraisers. There were no project costs in 2022 (NOK 42 million). Losses on the sale of property totalled NOK 4 million (0 million). Depreciation amounted to NOK 245 million (245 million).



SEB HEADQUARTER, RIGA

Net financial items amounted to NOK -174 million (NOK -51 million). In 2022, the result attributable to associated companies was NOK -80 million (-10 million), of which NOK -51 million (27 million) concerned the result attributable to OSU.

The Group's result before tax was NOK -197 million (NOK -1 million). The net result after tax was NOK -179 million (NOK -6 million).

Linstow AS' result after tax amounted to NOK 71 million (283 million), and includes dividends from subsidiaries and associated companies amounting to NOK 275 million (NOK 317 million), net change in value of financial instruments of NOK 15 million (53 million), and net exchange rate gains of NOK -43 million (41 million).

Investments

The Group's investments in 2022 totalled NOK 1 529 million (319 million). Investments in the Adamstuen development

project amounted to NOK 1 401 million. Investments in hotels totalled NOK 47 million, while the Baltics accounted for NOK 54 million.

In 2023, Linstow bought Akersgata 13-15 in Oslo City from Innovation Norway for NOK 475 million plus stamp duty. The property is next door to Tollbugata 32, which the company also owns. In April 2023, 40% of both properties were sold.

Equity and cash flow

The Group's recognised equity amounted to NOK 2 542 million (2 189 million). In 2022, the share capital and share premium reserve were increased by NOK 500 million through a share issue to a sole shareholder. The net cash flow from operations was NOK 298 million (154 million). At year-end 2022, total bank deposits and cash equivalents on Group accounts amounted to NOK 937 million (642 million).



Financing and liquidity

At year-end 2022, the Group had non-current liabilities of NOK 6 092 million (5 053 million). NOK 895 million of the non-current debt (bank loans) falls due in 2023. Reference is made to Outlook for further information. The Group's solvency and liquidity are good. The book equity ratio was 28% (29%) at the close of 2022. 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. The risk of loss is considered to be greatest within the shopping centre activities. The Group follows up tenants proactively and seeks to identify and resolve any payment challenges as early as possible. 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, 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 revenue are the primary factors determining the rent that can be charged.



Outlook

The start of 2022 was still marked by the coronavirus situation, but optimism about an improvement in the course of the year proved to be justified. The first months were very weak for both our hotel activities and the shopping centres, but revenue gradually improved during the year. By the end of 2022, revenue was only little affected by the coronavirus situation, and no significant impact is expected in 2023.

Russia's invasion of Ukraine has resulted in a full-scale war in the country. This war has already lasted for one year, and the international community's response to the aggression has included the introduction of various sanctions against Russia. The considerable ongoing uncertainty concerning the geopolitical situation may still have many different impacts, affecting the company in different ways. The war has already had macroeconomic consequences globally and within Europe, and this may continue to 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 sales at our shopping centres. Travel activity in the Baltic countries could 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 any new consequences for the company of the war in Ukraine, unless a major escalation occurs.

During 2022, there were severe upheavals in the macro-economic situation, with high inflation, sharp increases in short- and long-term interest rates, high energy prices, wage increases and higher construction costs. As described above, this was a consequence of the war in Ukraine, but also a

result of the start-up after the coronavirus lockdown.

Throughout the coronavirus period, interest rates were set at record-low levels, to stimulate the economy, but this in turn led to high inflation and thereby a need for sharp interest rate increases to curb inflation. It is estimated that current interest rates will peak during 2023 and then fall back, although there is considerable volatility in long-term interest rates and it is uncertain when and where the current rates will peak. Whether the central banks will be able to overcome inflation without simultaneously sending economies into recession is uncertain. The sharp increase in interest rates has pushed up the required rate of return, which negatively affects any appreciation of the company's properties. Values were reduced somewhat in 2022 and how the fixed income market performs going forward will have a great impact on future value growth in 2023.

In the first quarter of 2023, turnover at our hotels has been higher than in 2019. The market is still somewhat affected by the geopolitical situation and the conference market in particular has still not fully recovered. Provided that we do not enter a recession, revenue is expected to continue to increase. Cost increases, particularly for energy and manpower, will put pressure on our hotels' margins going forward.

Our shopping centre in Tallinn is back in normal operation and with normal sales levels. Our shopping centre in Riga, which opened during the pandemic, still has some vacancy and we expect to rent out significant elements of this in the course of the year. Our tenants are affected by high wage pressure and high energy costs, which makes it uncertain how quickly premises can be rented out.



AGNES BRYGGE, SJØPARKEN

Construction costs increased sharply throughout 2022, as a consequence of price increases for most input factors. This had a negative impact on some of our projects. At the start of 2023, it seemed that declining activity was permitting construction costs to fall back again. It is expected that it will be possible to enter into construction agreements at acceptable levels during the year. Home sales under new residential projects in Oslo came to a halt at the end of 2022 and are still very low. The market for older housing, on the other hand, saw a relatively good sales rate, and prices rose significantly at the start of the year. It is uncertain when the market for new housing will open up again, but this is expected to take place during the year.

The market for office premises in Oslo was very strong in 2022 as a result of solid growth in office-based sectors and little new construction, which resulted in low vacancy rates and good rental price development. Provided that we do not slide into recession, the office market is expected to be strong again in 2023, as there is little new construction.

Refinancing of bank loans maturing in 2023 is ongoing, and binding agreements have been signed for the renewal of substantial elements of the loans maturing this year. The property portfolio furthermore represents significant added value and the Group's solvency is strong. At 31 December 2022, the average loan-to-value ratio was 54%. Linstow has no bond loans and only solid Nordic banks as lending counterparties. In Q4 2022, the company received NOK 500 million in equity from a capital increase on behalf of the owner and is well positioned and financially prepared for further growth.

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

Linstow AS' profit after tax amounts to NOK 71,1 million. The amount, together with NOK 78,0 million received in group contribution, is proposed to be allocated with NOK 100,0 million being distributed as dividends and NOK 49,1 million being credited to the company's equity.

Board of Directors of Linstow AS
Oslo, 25. April 2023


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

Income Statement



Linstow AS		(NOK 1 000)	Notes	Linstow Group	
2022	2021			2022	2021
		OPERATING INCOME			
		Rental income, properties		432 119	347 951
	380	Profit from sale of fixed assets	1	1 740	20 528
		Project income			74 609
26 388	24 865	Hotel revenues and other operating income	2	748 767	454 911
26 388	25 245	Total operating income		1 182 626	898 000
		OPERATING EXPENSES			
-90 521	-71 732	Wages, employer's national insurance contributions and pension costs	3	-305 135	-227 721
-22 405	-22 672	Other administrative expenses	2	-356 165	-231 562
		Cost of materials		-52 281	-31 756
-85		Operating costs for properties and bad debts		-77 044	-68 295
	149	Project expenses			-42 355
		Loss on the sale of fixed assets	1	-4 461	
-60 047	-6 869	Impairment/(reversal) of fixed assets	1,5	-165 731	-755
-187	-103	Amortisation	4	-244 921	-245 479
-173 246	-101 227	Total operating expenses		-1 205 738	-847 922
-146 858	-75 982	Operating profit		-23 113	50 078
		FINANCIAL ITEMS			
274 628	316 483	Profit/loss from Group companies and associates	5	-80 236	-10 146
46 511	126 481	Finance income	6	34 752	66 994
-131 710	-75 750	Financial expenses	6	-128 157	-108 275
189 430	367 215	Net financial items		-173 641	-51 427
42 573	291 233	Profit before tax		-196 754	-1 349
28 545	-8 695	Tax	7	17 281	-4 555
71 117	282 537	Profit for the year before minority interests	8	-179 472	-5 905
		Minority interests		5	
71 117	282 537	Profit for the year after minority interests		-179 467	-5 905
		APPROPRIATIONS			
-49 117	-282 537	Transferred to/from other equity			
-100 000		Accrued dividend			
78 000		Group contribution received after tax			
-71 117	-282 537	Total appropriations	8		

Linstow AS				Linstow Group	
2022	2021	(NOK 1 000)	Notes	2022	2021
		ASSETS			
		Fixed assets			
		Intangible assets			
29 501	19 088	Deferred tax assets	7	3 520	
		Tangible fixed assets			
1 500	1 500	Real property	4	6 408 761	5 127 724
		Projects in progress	4	60 305	36 072
568	648	Machinery, fixtures/fittings and vehicles	4	110 951	112 293
		Financial assets			
5 002 437	3 393 738	Shares in subsidiaries	5		
216 694	484 061	Receivables from Group companies			
1 300 977	1 299 390	Shares in associates	5	1 175 923	1 355 084
106 608	101 773	Receivables from associates		106 608	101 773
1 805	1 867	Other shares	5	1 818	1 867
39	2 034	Other long-term receivables	9	41 391	44 415
6 660 130	5 304 098	Total fixed assets		7 909 278	6 779 227
		Current assets			
6 802	5 743	Current receivables	9	129 626	76 612
100 000		Receivables from Group companies		100 000	
		Projects for sale	5	45 487	42 816
463 976	275 620	Bank deposits, Group account	12	936 648	642 054
570 777	281 362	Total current assets		1 211 762	761 482
7 230 907	5 585 461	Total assets		9 121 039	7 540 709
		EQUITY AND LIABILITIES			
		Equity			
822 864	821 600	Share capital (1,264,000 shares of NOK 651 at 31.12.22)		822 864	821 600
894 944	396 208	Share premium reserve		894 944	396 208
853 833	775 833	Other paid-in capital		853 833	775 833
1 101 307	1 130 190	Retained earnings		-33 138	195 242
		Minority interests		3 995	
3 672 949	3 123 831	Total equity	8	2 542 498	2 188 883
		Long-term liabilities			
		Provisions for liabilities			
		Deferred tax	7	186 109	238 517
39 773	51 358	Other commitments	10	130 992	118 429
		Other non-current liabilities			
963 935	942 238	Liabilities to Group companies			
2 398 600	1 421 479	Secured debt	10	5 799 302	4 748 099
3 402 308	2 415 075	Total long-term liabilities		6 092 478	5 052 637
		Current liabilities			
155 650	46 554	Current liabilities	11	486 063	299 188
155 650	46 554	Total current liabilities		486 063	299 188
7 230 907	5 585 461	Total equity and liabilities		9 121 039	7 540 709

Oslo, 25. April 2023


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

CASH FLOW STATEMENT

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Profit before tax	42 573	291 233	-196 754	-1 349
- Tax payable	-2 825	-19 345	-30 995	-47 442
- Profit/loss on sale of fixed assets		-380	2 722	-20 528
+/- Net profit/loss on sale of projects		-149		-32 254
- Profit/loss from associates			80 236	10 146
+ Loss on sale of fixed assets			4 461	
+ Amortisation	187	103	244 921	245 479
+ Impairment/reversal of fixed assets	60 047	6 869	165 731	755
+/- Change in accounts receivable	828	-300	-4 374	-7 157
+/- Change in accounts payable	1 096	683	29 715	5 875
+/- Change in interest	95	393	8 157	-436
+/- Change in other accruals	6 350	161	-4 363	1 137
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	108 351	279 268	299 457	154 225
+ Sale of tangible assets and projects		380	20 090	115 447
- Investment in tangible assets and projects	-108	-315	-1 529 035	-318 766
+ Payments from investments in shares			142 801	150 000
- Investment in shares	-1 461 646	-683 089	-19 066	-528 014
+/- Changes in other receivables/intra-Group balances	76 223	-86 346	4 188	-9 431
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	-1 385 531	-769 371	-1 381 022	-590 764
+/- Change in external long-term liabilities	965 536	58 990	1 038 941	-138 266
+/- Exchange rate differences			-166 782	152 846
- Equity transactions and loans to parent company	500 000	500 000	500 000	500 000
+ Change in minority on acquisition			4 000	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	1 465 536	558 990	1 376 159	514 580
NET CHANGE IN CASH & CASH EQUIVALENTS DURING THE YEAR (A+B+C)	188 356	68 888	294 594	78 040
Cash & cash equivalents 1 January (*)	275 620	206 732	642 054	564 014
Cash & cash equivalents 31 December (*)	463 976	275 620	936 648	642 054

(*) 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 and notes



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 interests is set off against the subsidiaries' equity as at the date of acquisition. Any added/negative values of individual properties arising from this process are depreciated using the same principles as for the properties themselves. 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 shown 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 dividend received which lie inside and outside the subsidiaries' accrued earnings in the ownership period are respectively recognised in the parent company's income statement and recognised directly in the balance sheet as an investment. 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

In the consolidated accounts, the accounts of foreign subsidiaries and associates are aligned with the Group's accounting principles as far as possible. When these companies' accounts are translated from local currencies to Norwegian kroner (NOK), balance sheet items are translated using the exchange rate prevailing at the balance sheet date, while income statement items are translated using the average rate for each quarter. The difference arising when the company's opening equity is translated based on this method is recognised as a correction 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 external parties. Current payments are presented as interest cost. The effect of value changes is recognised in profit/loss. 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 provided. Income is presented after deduction of VAT, rebates and discounts. Costs are compared with accrued revenues.

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. If costs are partially covered, the buyout revenues are recognised as income proportionately.

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 expenses. Alterations for specific tenants and general work on the buildings which increase their rental value are depreciated over their expected useful life. The cost is included in amortisation. Rehabilitation expenditure raising the property standard from best state of repair during the Group's ownership and increasing future rental income is capitalised and depreciated with the building over its normal amortisation period.

Current/fixed assets

Current/long-term liabilities

Items are classified as fixed assets/long-term liabilities if they are intended for long-term ownership or use or their settlement date is 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 is the expected final result multiplied by the stage of completion of the contract and sale. Projects expected to make a loss are recognised as an expense. Accrued costs at the reporting date comprise recognised costs allowing for any invoicing lag. Income comprises accrued costs plus the project margin. Income is not recognised until a substantial part of the project has been sold and the construction is well in progress, making it possible to give a reliable estimate of profit. If in doubt, the project is booked without 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. Recoverable amount is the higher of fair value less costs to sell 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 cost of these projects, including interest on capital expenditure, is capitalised until the projects are completed/have full rental coverage. Interest on capital expenditure on projects acquired through the purchase of companies is capitalised.

For projects where a decision has been taken to delay/halt the construction process, the interest on capital expenditure is expensed as it arises. 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. The pension cost for the year is included in wages, salaries, etc. in the income statement, and comprises the current service cost, plus interest on pension liabilities less the return on pension funds. For unfunded pension liabilities the pension cost for the year is mainly interest on the accrued liabilities. Estimate discrepancies are accrued. When non-amortised estimate variances exceed 10% of the higher of obligations including employer's national insurance 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 value added 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 recorded. Deferred tax assets/liabilities are classified as fixed assets and provision for liabilities, respectively. Change in deferred tax for the year is entered as a tax expense in the income statement.

OTHER

Financial market risk

The Group's risk can be related to interest rate risk, currency risk and other risk. 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 2022 for each individual loan.

(NOK 1 000)

Year	Subtotal	Average interest rate	Share of portfolio	Accumulated percentage
1 year	3 293 114	4,9 %	57 %	57 %
2 years	439 652	3,9 %	8 %	64 %
3 years	290 166	3,6 %	5 %	69 %
4 years				69 %
5 years	1 776 369	4,2 %	31 %	100 %
Total	5 799 302	4,6 %		

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-holding %	Accumulated percentage
1 year				
2 years				
3 years	300 000	0,7 %	12 %	12 %
4 years	1 934 777	0,3 %	79 %	92 %
5 years	200 000	3,2 %	8 %	100 %
Total	2 434 777	0,6 %		

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 to the currency that best corresponds to the Group's future liquidity requirements.

Exchange gains of TNOK 51 087 on Linstow's international investments were carried to Group equity in 2022.

Exchange rates used at 31 December were:

	2022	2021
1 USD = NOK	9,8573	8,8194
1 EUR = NOK	10,5138	9,9888
1 RUB = NOK	0,1330	0,1171

Large individual transactions

In October, the company bought 11 buildings at Adamstuen in Oslo. The total purchase price was NOK 1.4 billion. Large parts of the building stock stood empty at the turn of the year. The acquisition is a long-term urban development project.

NOTE 1 PROFIT AND LOSS ON SALE OF FIXED ASSETS, IMPAIRMENT AND REVERSALS**Profit from sale of fixed assets**

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Profit from sale of properties			1 588	20 153
Profit from sale of fixtures, fittings and vehicles		380	152	375
Total	0	380	1 740	20 528

Loss on sale of fixed assets

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Loss on sale of properties/projects			-4 461	
Total	0	0	-4 461	0

Profit from sale of fixed assets

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Impairment/reversal of projects			-12 549	
Impairment/reversal of shares	-60 047	-6 869	-62	-95
Impairment/reversal of other assets			-4 249	
Impairment/reversal of properties			-148 872	-1 503
Total	-60 047	-6 869	-165 731	-1 598

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 2022, see Note 4 and development costs for the Condovita Long-Term Care Home.

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 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 therefore included.

NOTE 3 WAGES, EMPLOYER'S NATIONAL INSURANCE CONTRIBUTIONS AND PENSION COSTS**Wages and employer's national insurance contributions**

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Wages and pensions	-79 670	-63 004	-268 516	-200 803
Public duties payable	-10 852	-8 728	-44 334	-33 554
Other			7 715	6 637
Total	-90 521	-71 732	-305 135	-227 721

Pension expense

	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Net pension expense				
Current service cost	-6 854	-6 605	-6 854	-6 605
Cost of interest on pension liabilities	-2 293	-1 865	-2 293	-1 865
Return on plan assets	2 166	1 693	2 166	1 693
Accrued employer contributions	-982	-953	-982	-953
Administration	-1 079	-987	-1 079	-987
Recognised actuarial gains/losses	-1 040	-1 021	-1 040	-1 021
Net pension expense	-10 082	-9 738	-10 082	-9 738

Net pension expense, inclusive of defined contribution pensions	-11 730	-10 991	-11 730	-10 991
--	----------------	----------------	----------------	----------------

Pension liabilities - funded pension plans

Calculated pension liabilities	90 903	90 561	90 903	90 561
Plan assets	-71 616	-68 144	-71 616	-68 144
Employer contributions	2 719	3 161	2 719	3 161
Unrecognised changes in plan	-15 545	-18 190	-15 545	-18 190
Net pension liabilities	6 462	7 388	6 462	7 388

Pension liabilities - unfunded pension plans

Calculated pension liabilities	32 225	30 155	32 225	30 155
Employer contributions	4 528	4 236	4 528	4 236
Unrecognised actuarial gains/losses	-4 750	-6 333	-4 750	-6 333
Net pension liabilities	32 003	28 059	32 003	28 059

Composition of pension fund assets	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Shares	5,0 %	12,0 %	5,0 %	12,0 %
Negotiable bonds	6,0 %	9,3 %	6,0 %	9,3 %
HTF bonds	43,0 %	39,4 %	43,0 %	39,4 %
Money market	15,0 %	7,4 %	15,0 %	7,4 %
Property	14,0 %	13,3 %	14,0 %	13,3 %
Loans	16,0 %	16,5 %	16,0 %	16,5 %
Other	1,0 %	2,1 %	1,0 %	2,1 %

Composition of the pension fund assets at 31 December 2021/30 June 2022

Financial assumptions:

Expected return on plan assets	4,70 %
Discount rate	3,00 %
Annual wage increases	3,50 %
Annual adjustment of G	3,25 %

The company's occupational pension scheme fulfils the 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. This scheme fulfils the requirements of the 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 2022, 14 persons were connected to 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 2022 was 899 (around 717 FTEs), compared with 716 (around 571 FTEs) in the Group in the previous year, excluding associated companies. The parent company employed 27.8 FTEs in 2022, compared to 26 FTEs in 2021. There were 28 employees at the end of 2022, compared with 29 for the previous year.

Remuneration of key management personnel - auditor's fees

Auditor's fees (NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Auditor's fees (including share of VAT)	-602	-611	-3 634	-3 308
Attestation and other fees - audit (incl. VAT)	-106	-43	-359	-157
Total	-708	-654	-3 993	-3 465

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

(NOK 1 000)	Linstow AS	
	2022	2021
Salary of Managing Director	-4 865	-4 286
Bonus scheme paid to Managing Director	-3 852	-3 561
Bonus scheme provision for the Managing Director	-18	1 268
Pension Managing Director	-1 520	-1 649
Total	-10 254	-8 228

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, 27 000 shares have been issued under the scheme and the accounting obligation including employer's national insurance contributions is TNOK 28 892 for 2022 and TNOK 24 737 for 2021. As at 31 December 2012 and for subsequent years, payment is made at 20% of any increase in value, while equivalent new synthetic shares are also awarded. It is a condition for payment and awarding of shares that the employee remains in the position. A net total of TNOK 16 692, including employer's national insurance contributions, was expensed for the scheme in 2022, compared with TNOK 8 473 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	1 567	1 500	3 067
Additions	108		108
Cost, 31 December	1 675	1 500	3 175
Accumulated amortisation and impairment, 1 January	-920		-920
Depreciation for the year	-187		-187
Accumulated depreciation and impairment, 31 December	-1 108	0	-1 108
Carrying amount, 31 December	567	1 500	2 067

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	480 568	7 401 613	1 491 574	36 451	9 410 206
Transferred from/to projects in progress	874	42 706	80	-43 660	0
Exchange differences	25 103	320 867	60 186	1 218	407 374
Additions	23 397	874 765	550 872	80 001	1 529 035
Disposals	-21 216	-17 188	-93 078	-757	-132 239
Cost, 31 December	508 726	8 622 762	2 009 635	73 253	11 214 376
Accumulated amortisation and impairment, 1 January	-368 275	-3 183 417	-582 047	-379	-4 134 118
Depreciation for the year	-31 045	-213 876			-244 921
Impairment/reversal for the year		-39 047	-110 240	-12 549	-161 837
Exchange differences	-19 619	-149 600	-31 041	-20	-200 280
Disposal of depreciation and impairment	21 164	15 314	70 318	0	106 796
Accumulated depreciation and impairment, 31 December	-397 775	-3 570 626	-653 011	-12 948	-4 634 360
Carrying amount, 31 December	110 951	5 052 136	1 356 624	60 305	6 580 016

Of which interest on capital expenditure in 2022 recognised in the balance sheet

Depreciation rates	20-30%	1-8%	0%	0%
--------------------	--------	------	----	----

Projects for sale

(NOK 1,000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Cost, 1 January	0	0	42 817	90 290
Write-down/reversal			416	843
Transferred from/to fixed assets				-35 982
Exchange differences			2 255	-2 792
Additions		-149		32 813
Disposals		149		-42 355
Carrying amount, 31 December	0	0	45 488	42 817

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 received and dividend from subsidiaries.

Shares in subsidiaries

Company (NOK 1 000)	Registered office	Linstow AS Number of shares	Linstow AS shares/votes %	Carrying amount
Linstow Adamstuen AS	Oslo	1 000	100,0 %	1 398 518
Linstow SIA	Riga	63 649 114	100,0 %	483 867
Romerike Helsebygg AS	Oslo	157 874	100,0 %	395 822
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
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 %	149 744
Sporta 2 SIA	Riga	12 900 000	100,0 %	126 979
Grønland Torg Parkering AS	Oslo	30 751	100,0 %	115 707
Liteiny 5 LLC	St. Petersburg	1	100,0 %	114 614
Saliena Retail SIA	Riga	3 666 456	100,0 %	104 680
Dunas Portugal – Sociedade de Gestão, SA	Loulé	50 000	100,0 %	97 573
Viesbutis "Lietuva" UAB	Vilnius	845 612	100,0 %	96 848
Brubakkveien 16 AS	Oslo	10 000	100,0 %	93 548
Hotel Neris UAB	Kaunas	1 000 000	100,0 %	91 980
Brivibas 382 SIA	Riga	12 945 823	100,0 %	85 231
Elizabetes Centrs SIA	Riga	66 099	100,0 %	65 721
Central Holding Nederland B.V.	Amsterdam	40 100	100,0 %	60 022
Satekles Business Center SIA	Riga	9 200 000	100,0 %	47 363
Attistibas E75 SIA	Riga	5 075 000	100,0 %	34 357
Jekaba Arcade SIA	Riga	121 249	100,0 %	33 153
Bisumuizas Nami SIA	Riga	19 191 600	100,0 %	30 252
Buone SIA	Riga	2 800 000	100,0 %	24 618
Linstow Airport Bratislava s.r.o.	Bratislava	1	100,0 %	16 267
A/S Storetvedt Utbyggingsselskap	Oslo	25 000	100,0 %	15 527
Linstow Baltic SIA	Riga	1 100 000	100,0 %	10 789
Platou Eiendomsinvest 206 AS (*)	Oslo	600	60,0 %	7 432
Linstow Eiendom AS	Oslo	1 000	100,0 %	1 832
Ülemiste Holding Nederland B.V.	Amsterdam	40 100	100,0 %	1 605
Linstow Tobre SIA	Riga	100 000	100,0 %	1 043
Reval Hotel Management OÜ	Tallinn	1	100,0 %	19
Condovita Langtidshjem AS (**)	Oslo	510	51,0 %	0
Total				5 002 437

(*) It has been agreed that in April 2023 the company will acquire Linstow's shares in Tollbugata 32 AS and KS Tollbugata 32. KS Tollbugata 32 will also acquire the neighbouring property to Tollbugata 32 in Akersgata.

(**) Linstow has a purchase obligation for the remaining 49% of the company and the company is thereby fully consolidated.

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	491 389	40,2 %	122 980
Agnes Utvikling AS	Larvik	566 896	50,0 %	103 527
Galleri Oslo Invest AS	Oslo	10 000	33,3 %	100 010
Bergen Lufthavn Utvikling AS	Oslo	1 200	50,0 %	5 461
Total				1 300 977

Company (NOK 1 000)	Linstow Group Carrying amount 2021	Linstow Group Profit/loss	Linstow Group Assets and other	Linstow Group Carrying amount 2022
Oslo S. Utvikling AS	847 450	-50 852	-125 000)	671 597
Furuset Utvikling AS	185 938	3 314		189 252
Helsehusene Fredrikstad AS	139 172	-4 702	-13 038)	121 432
Agnes Utvikling AS	80 651	-3 758	16 000	92 893
Galleri Oslo Invest AS	100 146	603		100 749
Baltic Park AS	1 727	-17	-1 710)	0
Bergen Lufthavn Utvikling AS		-24 824		
Total	1 355 085	-80 237	-123 748	1 175 924

The equity ratio 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 89.85 million, compared to NOK 65.03 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 %	1 805
Norefjell Golfbane AS	Krødsherad	311	31,2 %	
Total Linstow AS				1 805
Galleriet Drift AS			11,0 %	13
Total Linstow Group				1 818

Shares in companies

Linstow AS directly owns 99% of ANS Linvest 1 and KS Tollbugaten 32. Through indirect ownership, Linstow owns 100% of the companies. The companies are without operations and equity.

NOTE 6 FINANCIAL ITEMS

Finance income

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Finance income from Group companies	10 428	15 797		
Finance income from Group account arrangement	5 955	-135	6 791	-59
Finance income from associates	5 836	4 066	5 836	4 066
Currency gains	9 661	54 194	5 995	8 769
Adjustment to value of financial instruments	14 603	52 562	15 301	53 905
Other finance income	28	-3	829	313
Total	46 511	126 481	34 752	66 994

Finance expense

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Finance costs - Group companies	-23 540	-22 028		-1 757
Currency losses	-52 729	-13 291	-5 948	-9 871
Adjustment to value of financial instruments				516
Other finance expense	-55 441	-40 431	-122 209	-97 164
Total	-131 710	-75 750	-128 157	-108 275

NOTE 7 TAX EXPENSE

Tax expense for the year consists of:

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Income tax payable	-3 868	-2 825	-31 472	-56 339
Change in deferred tax	32 413	-5 871	48 753	51 783
Total tax expense	28 545	-8 695	17 281	-4 555

Tax impact of temporary differences:

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Current assets			-373	-228
Tangible fixed assets	-599	-671	71 053	73 978
Profit and loss account	2 794	3 493	3 433	4 328
Pensions	-8 462	-7 798	-8 462	-7 798
Other temporary items	-6 644	-8 943	134 395	146 283
Tax loss carryforwards			-24 101	-24 807
Tax loss carryforwards, interest limitation	-16 589	-5 168	-17 280	-5 646
Differences not offset				
Deferred tax/tax benefit	-29 501	-19 088	158 665	186 109

Tax rate at the end of the year	22 %	22 %
---------------------------------	------	------

Of which Norwegian business	-29 501	-19 088	-3 520	19 199
Of which foreign business			162 185	166 910
<i>Change in deferred tax</i>				
Change in deferred tax	10 413	-5 871	27 444	52 408
Group contributions, currency gains/losses and other	22 000		21 309	-624
Change in deferred tax in income statement	32 413	-5 871	48 753	51 784

Explanation of the Group's tax expense

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Profit before tax	42 573	291 233	-196 754	-1 349
22% tax	-9 366	-64 071	43 286	297
Tax effect of:				
Permanent differences and differences in tax rates	37 911	55 376	-26 004	-4 852
Calculated tax expense	28 545	-8 695	17 281	-4 555
Effective tax rate for the Group	-67 %	3 %	9 %	-338 %

NOTE 8 CHANGES IN EQUITY

Changes in equity - Linstow AS	Paid-in capital		Retained earnings		Total equity
	Share capital	Share premium reserve	Other paid-in capital	Retained equity	
(NOK 1 000)					
Balance, 1 January	821 600	396 208	775 833	1 130 190	3 123 831
Issue	1 264	498 736			500 000
Accrued dividend				-100 000	-100 000
Group contribution received after tax			78 000		78 000
Profit for the year				71 117	71 117
Balance sheet as at 31 December	822 864	894 944	853 833	1 101 307	3 672 949

Changes in equity - Linstow Group	Share capital	Share premium reserve	Other paid-in capital	Retained equity	Minority interests	Total equity
(NOK 1 000)						
Balance, 1 January	821 600	396 208	775 833	195 243		2 188 884
Issue	1 264	498 736				500 000
Additions					4 000	4 000
Accrued dividend				-100 000		-100 000
Group contribution received after tax			78 000			78 000
Translation effects (*)				51 087		51 087
Profit for the year				-179 467	-5	-179 472
Balance sheet as at 31 December	822 864	894 944	853 833	-33 138	3 995	2 542 498

(*) Accumulated translation effect included in retained earnings 70 883

NOTE 9 OTHER RECEIVABLES

Current receivables

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Accounts receivable	3 574	4 402	43 705	39 331
Inventories			9 223	7 085
Accruals and other receivables	3 228	1 341	76 699	30 196
Total	6 802	5 743	129 626	76 612

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

Long-term receivables

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Advance payments, etc. the Baltics			41 352	42 381
Other receivables	39	2 034	39	2 034
Total	39	2 034	41 391	44 415

NOTE 10 MORTGAGES

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

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Mortgage liabilities	2 398 600	1 421 479	5 799 302	4 748 099

Carrying amounts of assets pledged as collateral for liabilities:

Shares (*)	3 051 001	1 631 704		
Real property and projects in progress			5 910 477	4 703 732
Fixtures & fittings			109 198	101 581
Other			39 974	59 323
Total	3 051 001	1 631 704	6 059 649	4 864 636

(*) Linstow AS has taken out several loans secured on property owned by subsidiaries. For two 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 5 799 302, 59% is denominated in EUR and the remainder in NOK.

There are requirements concerning the financial ratios for the secured debt. The requirements mainly concern the loan-to-value ratio (LTV), and the debt-service coverage ratio (DSCR), as well as value-adjusted equity and value-adjusted equity ratio. At the end of 2022, the Group was not in breach of any financial ratio requirements. Nor are any violations expected for loan agreements with principals greater than NOK 20 million in 2023. 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 2.2 billion.

Repayment schedule for secured debt and credit facilities

Long-term liabilities due within:	Linstow AS		Linstow Group	
	2022	2021	2022	2021
1 year		665 279	894 514	949 377
2 years	1 498 600		1 938 252	2 604 782
3 years	900 000	756 200	1 190 166	1 193 940
4 years				
5 years			1 776 369	
Total	2 398 600	1 421 479	5 799 302	4 748 099

Other liabilities/Other long-term liabilities

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Plan liabilities (see Note 3)	38 465	35 447	38 465	35 447
Other liabilities and provisions	1 308	15 912	92 527	82 983
Total	39 773	51 358	130 992	118 429

Other debt in the Group principally represents negative equity in the associated company Bergen Lufthavn Utvikling AS.

NOTE 11 CURRENT INTEREST-FREE LIABILITIES

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Trade payables	2 892	1 796	89 657	59 942
Accrued interest	2 938	2 842	18 054	9 896
Income tax payable	3 868	2 825	29 389	28 913
Dividends	100 000		100 000	
Advances from tenants and customers			80 222	76 422
Public duties payable, holiday pay etc.	7 880	7 580	37 520	24 911
Other accruals	38 073	31 511	131 221	99 104
Total	155 650	46 554	486 063	299 188

NOTE 12 BANK DEPOSITS, GROUP ACCOUNT

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Cash and bank deposits	5 163	21 044	401 514	338 330
Group account	458 812	254 575	535 134	303 724
Total	463 976	275 620	936 648	642 054

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

(NOK 1 000)	Linstow AS		Linstow Group	
	2022	2021	2022	2021
Guarantee commitments	1 012 783	659 515		

The guarantee commitment 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.

NOTE 14 SHAREHOLDER INFORMATION

Shareholders at 31 December 2022

	Number of shares	Nominal	Shareholding %
Møllegaarden AS	1 264 000	651	100,0%

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:

2022 (NOK 1 000)	Shareholders	Group companies	Associates	Total
Fee income	1 631	9 838	12 074	23 542
Administrative costs		-1 880		-1 880
Finance income	-	10 428	5 836	16 264
Finance income Group banking system		5 955		5 955
Finance expenses	-550	-22 990		-23 540
Intra-Group contributions	78 000	37 666		115 666
Dividends	-100 000	-	125 000	25 000
Issue	500 000			500 000
Total	479 081	39 018	142 909	661 008

Lending	100 000	216 694	106 608	423 303
Borrowing	100 000	963 935		1 063 935
Group account		535 134		535 134

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
Intra-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

NOTE 15 SEGMENT INFORMATION LINSTOW AS GROUP

Income statement 1 January - 31 December

	Hotels		The Baltics		Norway		Total	
(NOK 1 000)	2022	2021	2022	2021	2022	2021	2022	2021
OPERATING INCOME								
Rental income, properties	34 143	28 892	271 608	203 912	126 368	115 148	432 119	347 951
Profit from sale of fixed assets	20	20 130	2 917	18	-1 198	380	1 739	20 528
Project income		74 609					-	74 609
Hotel revenues and other operating income	720 329	428 090	7 363	8 318	21 075	18 504	748 767	454 912
Total operating income	754 492	551 721	281 889	212 248	146 244	134 031	1 182 625	898 000
OPERATING EXPENSES								
Wages, employer's national insurance contributions and pension costs	-181 767	-122 392	-32 824	-33 575	-90 544	-71 753	-305 135	-227 721
Other administrative expenses	-314 665	-199 005	-16 256	-9 976	-25 244	-22 581	-356 165	-231 562
Cost of materials	-52 281	-31 756					-52 281	-31 756
Operating costs for properties and bad debts	-2 506	-2 269	-44 069	-39 243	-30 468	-26 782	-77 044	-68 295
Project expenses		-42 505				149		-42 355
Impairment of fixed assets	-36 569	451	-44 249	-1 111	-84 914	-95	-165 731	-755
Amortisation	-122 995	-124 391	-73 060	-72 706	-48 866	-48 382	-244 921	-245 479
Total operating expenses	-715 243	-521 867	-210 459	-156 611	-280 036	-169 445	-1 205 738	-847 923
Operating profit	39 249	29 855	71 430	55 637	-133 792	-35 414	-23 113	50 078
FINANCIAL ITEMS								
Profit/loss from Group companies and associates					-80 236	-10 146	-80 236	-10 146
Finance income	809	226	104	107	12 542	3 988	13 455	4 321
Finance expenses	-31 194	-25 547	-35 551	-31 169	-55 464	-42 205	-122 209	-98 921
Net financial instruments		510	698	1 350	14 603	52 562	15 301	54 421
Net currency gains/losses	-347	-199	132	-282	263	-622	47	-1 103
Net financial items	-30 732	-25 011	-34 617	-29 994	-108 293	3 577	-173 641	-51 428
Profit before tax	8 518	4 844	36 813	25 642	-242 084	-31 836	-196 754	-1 350
Investments, not incl. associates	47 058	48 241	54 242	242 624	1 427 734	27 900	1 529 035	318 766
Sale of fixed assets and projects, not incl. associates	16 770	40 086	3 320	371		380	20 090	40 837

Balance sheet at 31 December

	Hotels		The Baltics		Norway		Total	
(NOK 1 000)	2022	2021	2022	2021	2022	2021	2022	2021
ASSETS								
Intangible assets					3 519		3 519	
Real property	1 861 369	1 907 865	2 161 698	2 130 684	2 385 694	1 089 175	6 408 761	5 127 724
Projects in progress	11 151	4 025	34 738	19 106	14 415	12 941	60 305	36 072
Machinery, fixtures/fittings and vehicles	88 063	89 040	20 557	20 447	2 331	2 806	110 951	112 293
Other shares					1 818	1 867	1 818	1 867
Receivables from Group companies and associates					106 609	101 773	106 609	101 773
Interests in associates					1 175 923	1 355 084	1 175 923	1 355 084
Other long-term receivables	635	629	40 717	41 369	39	2 416	41 391	44 415
Total fixed assets	1 961 219	2 001 559	2 257 710	2 211 606	3 690 349	2 566 062	7 909 277	6 779 227
Current receivables	45 003	36 322	43 075	30 414	141 548	9 876	229 626	76 612
Projects for sale	17 257	16 396	28 230	26 420			45 487	42 816
Bank deposits, Group account	259 619	178 646	134 013	153 191	543 016	310 216	936 648	642 054
Total current assets	321 880	231 364	205 318	210 026	684 564	320 092	1 211 762	761 482
Total assets	2 283 099	2 232 923	2 463 028	2 421 633	4 374 913	2 886 154	9 121 039	7 540 709
EQUITY AND LIABILITIES								
Share capital (1,264,000 shares of NOK 651)					822 864	821 600	822 864	821 600
Other equity	435 650	463 280	428 515	435 906	851 474	468 097	1 715 638	1 367 283
Minority interests					3 995		3 995	
Total equity	435 650	463 280	428 515	435 906	1 678 333	1 289 697	2 542 497	2 188 883
Deferred tax	100 229	96 440	77 243	86 586	-15 287	3 083	162 184	186 109
Secured debt	1 590 440	1 557 470	1 810 261	1 769 150	2 398 600	1 421 479	5 799 302	4 748 099
Other non-current liabilities	1 009	310	356	1 732	129 626	116 388	130 992	118 429
Total long-term liabilities	1 691 678	1 654 220	1 887 860	1 857 467	2 512 939	1 540 950	6 092 477	5 052 637
Other current liabilities	1 009	310	356	1 732	129 626	116 388	130 992	118 429
Total current liabilities	155 771	115 423	146 652	128 260	183 640	55 506	486 064	299 189
Total equity and liabilities	2 283 099	2 232 923	2 463 028	2 421 633	4 374 913	2 886 153	9 121 039	7 540 709

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

In 2022, the company made changes to its segmentation. The most important changes are that the "Other incl. Portugal" segment is merged with other segments and that the company's hotel in Bergen is included in Hotels together with the holiday resort in Portugal. The shopping centre activity, which also accounts for most of the segment's profits and assets, is included in the Baltics. Figures for 2021 have been revised according to the new segmentation.

Auditor's Report 2022





Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

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 2022, 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 2022 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

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, 2. May 2023
ERNST & YOUNG AS

Finn Ole Edstrøm
State Authorised Public Accountant (Norway)

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