

FERD

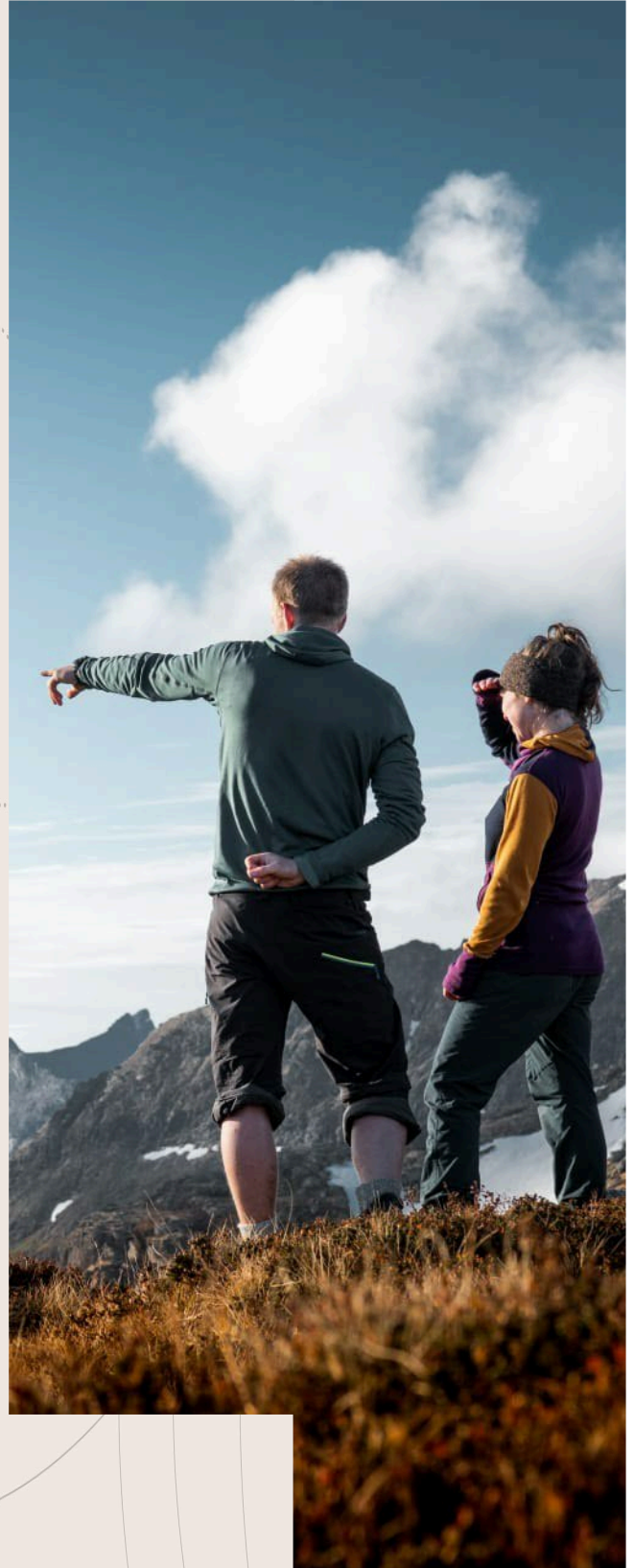
2021

Annual Report

We will create enduring value and leave clear footprints

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

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

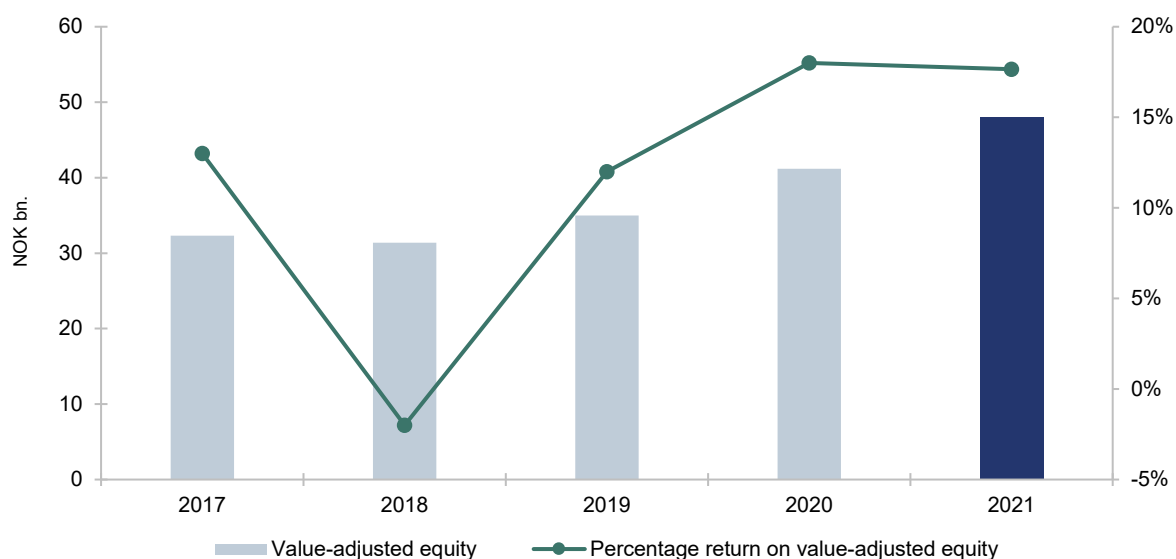


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KEY FIGURES

	2017	2018	2019	2020	2021
<i>Figures in NOK billion</i>					
Value-adjusted equity	32.3	31.4	35.0	41.2	48.0
Return on value-adjusted equity	13%	-2%	12%	18%	18%
Liquidity					
Cash and cash equivalents	11.5	12.1	12.8	13.2	21.4



**LETTER FROM
THE CEO**



LETTER FROM THE CEO

How can we create enduring value? And how do we leave clear footprints? These are questions that we ask ourselves every day at Ferd. Our vision is crucial to every judgment we make and every decision we take. We believe that there is a clear connection between value creation in the form of social results, climate and environmental improvements and absolute value creation. Making a contribution to sustainability is profitable, and this is also the case just in financial terms.

In a short time, we have experienced a pandemic, climate crisis, energy crisis and not least a devastating war in the middle of Europe. Russia's invasion of Ukraine has radically changed the geopolitical situation, and the humanitarian crisis that has arisen is unacceptable, frightening and almost unbelievable that is happening in Europe. The war is a gloomy example of the fact that change is happening faster than ever and that the pace is constantly increasing. Other examples are technological transformation, acute climate change, major differences and social challenges, and new expectations to employers and the business community. These are universal changes that create challenges that must be solved.

"We believe that there is a clear connection between value creation in the form of social results, climate and environmental improvements and absolute value creation. Making a contribution to sustainability is profitable, and this is also the case just in financial terms."

Rapid changes are also taking place at Ferd: In 2021 we carried out our first stock exchange listing, for Elopak, a company that we established back in 1957. Ferd Real Estate has set the bar high, and is committed to being a leading urban developer in the Oslo region, with the Marienlyst project as the foundation for this ambition. We have extended our involvement as an active owner to countries outside Norway, and we currently have active ownership interests in companies in Sweden, Denmark and England. We have invited many new companies into our portfolio, and have said farewell to some companies that are now better suited to a different owner. Ferd's value adjusted equity has increased by 55% in just three years, and now amounts to NOK 48 billion.

Internal and external changes put even greater demands on us as an organisation. The consequences of the crises we are facing will be large and long-lasting. It is our employees who have the courage and expertise to invest and create, and it is they who make it possible for us to be as good an owner as possible for our companies. Sustainability and climate have become an ever-more crucial part of how we evaluate new companies, and this also applies to our expectations for the companies that we already own. In order to evaluate how companies and industries can best contribute to solving global challenges, we need to have the best people we can possibly find. Enduring value is created by expertise and insight.

"It is our employees who have the courage and expertise to invest and create, and it is they who make it possible for us to be as good an owner as possible for our companies."

Over recent years we have increased the size of our organisation from 40 to 66 employees, and we expect this to continue. We want to build up even more industry-specific expertise in Ferd Real Estate, we intend to continue to increase capacity in Ferd Capital, we want to attract more people who are passionately devoted to creating positive results for both environmental and social challenges, and we want to strengthen what we offer as an owner by providing even more development resources to the companies that we own. We do not underestimate our



role as a long-term strategic owner: For us it is absolutely crucial that we set expectations and offer support, both to companies and to individuals. All of this means that our employees at Ferd and in the portfolio companies are our most important resource and are the key to our success.

"We want to attract more people who are passionately devoted to creating positive results for both environmental and social challenges, and we want to strengthen what we offer as an owner by providing even more development resources to the companies that we own."

The challenges we face demand active and long-term solutions, and this is something that a family-owned company is well equipped to provide. In the years ahead we will continue to invest in people and companies that have the drive and determination to make a difference. Digitalisation, energy transformation, seafood and healthcare are some of the areas where we will seek out opportunities both in Norway and internationally.

Even so, the crucial question that we will always ask is: Can we contribute to creating enduring value and leaving clear footprints? If the answer is yes to both, the decision becomes much easier.

Best regards,


Morten Borge
CEO

FINANCIAL STATEMENTS
FERD HOLDING AS
2021



THE BOARD OF DIRECTORS' REPORT FERD HOLDING

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

The Company's main office is in Oslo.

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

The Company has implemented a policy securing that there shall be no gender discrimination. There are no employees in the Company. The Company's Board comprises 4 men and 1 woman. See more information in the Board of Directors' report for Ferd AS.

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

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

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

This year's change in fair value of the shares in Ferd AS amounts to NOK 6,225 million. Additional dividends totaling NOK 947 million has been paid to Ferd JHA AS, Ferd KGA AS and Ferd AGA AS in 2021.

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

The Board proposes that the total comprehensive income of NOK 7,164 million is allocated to other equity.

Oslo, 19 April 2022

The Board of Directors of Ferd Holding AS

Johan H. Andresen (sign)
Chair of the Board

Henrik Brandt (sign)
Director

Petter Winther Borg (sign)
Director

Berit Ledel Henriksen (sign)
Director

Sven Nyman (sign)
Director

Morten Borge (sign)
CEO

THE BOARD OF DIRECTORS OF FERD HOLDING AS



Johan H Andresen
Chair

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



Berit L. Henriksen
Director

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

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



Henrik Brandt
Director

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

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



Petter W. Borg
Director

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

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



Sven Nyman
Director

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

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



Katharina G. Andresen
Board observer



Alexandra G. Andresen
Board observer

Income statement 1 January - 31 December

NOK mill.	Note	2021	2020
OPERATING INCOME AND EXPENSES			
Dividend and group contribution from subsidiaries	<u>7</u>	947	185
Fair value change of shares in subsidiaries	<u>7</u>	6,225	6,321
Operating income		7,172	6,506
Salary expenses	<u>3</u>	2	2
Other operating expenses	<u>3</u>	6	2
Operating expenses		8	4
Operating profit		7,164	6,502
Profit before tax		7,164	6,502
Income tax expense	<u>6</u>	-	-
PROFIT FOR THE YEAR		7,164	6,502

Total comprehensive income 1 January - 31 December

NOK mill.	2021	2020
PROFIT FOR THE YEAR	7,164	6,502
TOTAL COMPREHENSIVE INCOME	7,164	6,502

Balance sheet as at 31 December

NOK mill.	Note	2021	2020
ASSETS			
Non-current assets			
Investments in subsidiaries	<u>4</u>	46,933	40,696
Shares and investments in other companies		18	-
Total non-current assets		46,951	40,696
Current assets			
Receivables on group companies	<u>7</u>	642	114
Bank deposits		2	1
Total current assets		644	115
TOTAL ASSETS		47,595	40,812
EQUITY AND LIABILITIES			
Equity			
Share capital	<u>5</u>	100	100
Share premium		30,596	31,543
Other equity		16,217	9,053
Total equity		46,913	40,696
Non-current liabilities			
Other non-current liabilities		47	-
Total non-current liabilities		47	-
Current liabilities			
Other current liabilities		1	1
Debt to related parties	<u>7</u>	634	115
Total current liabilities		634	116
Total liabilities		681	116
TOTAL EQUITY AND LIABILITIES		47,595	40,812

Oslo, 19 April 2022

The Board of Directors of Ferd Holding AS

 Johan H. Andresen (sign)
 Chair of the Board

 Henrik Brandt (sign)
 Director

 Petter Winther Borg (sign)
 Director

 Berit Ledel Henriksen (sign)
 Director

 Sven Nyman (sign)
 Director

 Morten Borge (sign)
 CEO

Statement of changes in equity

2021

NOK mill.	Share capital (note 5)	Share premium	Total paid -in equity	Reserve for unrealized gains	Other equity	Total other equity	Total equity
Equity at 1 January 2021	100	31,543	31,643	8,877	176	9,053	40,696
Total compr. Income 2021	-	-	-	-	7,164	7,164	7,164
Owner transactions							
Allocated dividend	-	-947	-947	-	-	-	-947
Equity at 31 December 2021	100	30,596	30,696	8,877	7,340	16,217	46,913

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

2020

NOK mill.	Share capital (note 5)	Share premium	Total paid -in equity	Reserve for unrealized gains	Other equity	Total other equity	Total equity
Equity at 1 January 2020	100	31,725	31,825	2,551	-	2,551	34,376
Total compr. Income 2020	-	-	-	6,326	176	6,502	6,502
Owner transactions							
Allocated dividend	-	-182	-182	-	-	-	-182
Equity at 31 December 2020	100	31,543	31,643	8,877	176	9,053	40,696

*) The company has in 2020 paid additional dividends to Ferd JHA AS, Ferd KGA AS og Ferd AGA AS.

Statement of cash flows 1 January - 31 December

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

NOK mill.	2021	2020
Operating activities		
Profit before tax	7,164	6,502
Dividend and group contribution	-947	-185
Write-down of shares in subsidiaries	-6,225	-6,321
Changes in other receivables	-511	-37
Changes in other current liabilities	519	36
Net cash flow from/-used in operating activities	0	-5
Investing activities		
Dividends received from subsidiaries	947	182
Net cash flow from investing activities	947	182
Financing activities		
Paid dividend	-947	-182
Net cash flow from/-used in financing activities	-947	-182
Change in bank deposits	0	-5
Bank deposits at 1 January	1	7
Bank deposits at 31 December	2	1

Note 1 General information and accounting principles

General information

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

Ferd Holding AS is wholly owned by Johan H. Andresen and his family. Johan H. Andresen is the chairman of the Board. The Company's financial statements for 2021 were approved by the Board of Directors on 19 April 2022.

Basis for the preparation of the consolidated financial statements

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

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

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

Receivables

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

Current liabilities

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

Dividends

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

Note 2 Accounting estimates and judgemental considerations

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

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

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

Determination of the fair value of financial assets

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

Listed shares and bonds

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

Unlisted shares and bonds

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

Hedge funds

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

Liquidity fund investments

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

Derivatives

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

Determination of the fair value of subsidiaries with properties

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

Future cash flows are based on the following factors:

- Existing contracts
- Expected future rentals
- Expected vacancies

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

The risk premium is based on:

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

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

Commercial properties not let out and properties included in building projects are normally assessed at independent valuations.

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

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

Note 3 Salaries and remuneration

NOK1000	2021	2020
Salaries	1,610	1,580
Social taxes	201	156
Total	1,811	1,736

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

Auditor

Auditor fees constitute (all amounts including VAT):

NOK1000	2021	2020
Statutory audit	56	56
Total auditor fees	56	56

Remuneration Board of Directors

The Board of Directors has received NOK 1,610,000 in board fees in 2021.

Note 4 Subsidiaries and the use of fair value

Subsidiaries

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

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

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

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

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

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

Valuation methods

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

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

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

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

Subsidiaries

NOK mill.	Business office	Stake	Voting right	Profit for the year	Book value of equity	Carrying amount
Ferd AS	Oslo	100.0 %	100.0 %	7,178	46,933	46,933
Total						46,933

Income from financial investments

NOK mill.	Dividend and group contributions from financial investments	Urealised value changes on financial investments	Net gains on sales of financial investments	Total
Investments in subsidiaries	947	6,225	-	7,172
Total 2021	947	6,225	-	7,172

NOK mill.	Dividend and group contributions from financial investments	Urealised value changes on financial investments	Net gains on sales of financial investments	Total
Investments in subsidiaries	185	6,321	-	6,506
Total 2020	185	6,321	-	6,506

Investments measured at fair value

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

2020			Unrealised gains and losses	Carrying amount
NOK mill.	Cost price			
Investments in subsidiaries	31,819	8,877	40,696	

Note 5 Share capital and shareholder information

The Company's share capital at 31 December 2021 comprises the following classes:

	Number of shares	Nominal value	Carrying amount
A-shares	15,204,072	1.00	15,204,072
B-shares	84,795,928	1.00	84,795,928
Total	100,000,000	0	100,000,000

Ownership structure

Shareholders as of 31 December 2021 were:	Ordinary shares	Share class	Stake	Voting right
Ferd JHA AS (100 percent owned by Johan H. Andresen)	15,204,072	A	15.2 %	70.0 %
Ferd KGA AS (100 percent owned by Katharina G. Andresen)	42,397,964	B	42.4 %	15.0 %
Ferd AGA AS (100 percent owned by Alexandra G. Andresen)	42,397,964	B	42.4 %	15.0 %
Total	100,000,000		100.0 %	100.0 %

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

Note 6 Income taxes

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

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

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

The income tax expense comprises

NOK mill.	2021	2020
Change in deferred tax	-	-
Tax expense	-	-

Reconciliation of nominal to effective tax rate

NOK mill.	2021	2020
Profit before tax	7,023	6,502
Expected tax expense at the nominal tax rate (22 percent)	1,545	1,430
Non-taxable gain/loss and distribution on securities	-208	-40
Unrealised changes in value of securities	-1,338	-1,391
Ikke balanseført utsatt skattefordel	1	-
Non-deductible expenses	1	1
Tax expense	-	-

Effective tax rate	0.0 %	0.0 %
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Deferred tax

The Company had no temporary differences as of 31 December 2020 or 31 December 2021.

Note 7 Related parties

Parties are considered to be related when one of the parties has the control, joint control or significant influence over another party. Parties are also related if they are subject to a third party's or enterprise's joint control, or one party can be subject to significant influence and the other joint control. A person or member of a person's family is related when he or she has control, joint control or significant influence over the business. Companies controlled by or being under joint control by key executives are also considered to be related parties. All related party transactions are completed in accordance with written agreements and established principles.2

Transactions and balances with related parties:

NOK mill.	2021	2020
Assets		
Current receivables on Ferd AS	642	114
Total	642	114
Liabilities		
Short-term debt to Ferd JHA AS	110	45
Short-term debt to Ferd KGA AS	187	36
Short-term debt to Ferd AGA AS	337	34
Total	634	115
Profit and loss		
Dividend from subsidiary recognised as income	947	182
Group contribution recognised as income	-	3
Total	947	185

Note 8 Events after the balance sheet date

There have been no significant events after the balance sheet with a significant impact on the financial statements for 2021. See also Note 33 to Ferd AS' consolidated group accounts.



To the General Meeting of Ferd Holding AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Ferd Holding AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, total comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Oslo, 19 April 2022
PricewaterhouseCoopers AS

Geir Haglund
State Authorised Public Accountant

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

**BOARD OF
DIRECTORS'
REPORT
FERD AS**



BOARD OF DIRECTORS' REPORT

2021 was the busiest year ever in Ferd's history. Ferd made investments totalling NOK 7.3 billion – including its acquisitions of Norkart and TRY – and it received NOK 8.1 billion from asset realisations. Elopak was admitted to stock exchange listing, with Ferd continuing its 64 years of ownership as a majority shareholder in the company. The number of employees working at Ferd AS had increased from 56 to 66 by the end of 2021. We continue to recruit highly competent colleagues in order to further develop Ferd and to lay the foundation for a continuing high level of activity going forward. 2021 was a year of good financial results and high activity level for many of Ferd's portfolio companies, and most of Ferd's privately owned companies reported higher operating profit than in 2020. Ferd achieved an increase in value-adjusted equity of 17.7 percent in 2021, taking its total value adjusted equity to NOK 48 billion at the close of the year.

Ferd's business activities

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

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

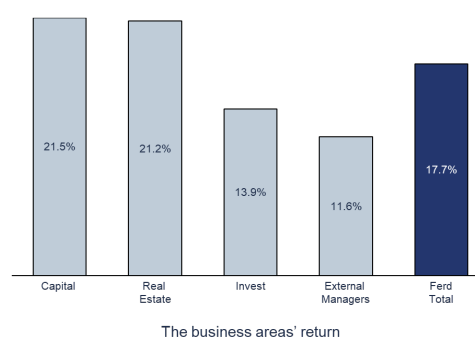
Ferd is an *active investor* in Nordic listed companies and international funds, and maintains close contact with companies and investment managers throughout the period of its investment.

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

Financial results

2021 was another very good year for Ferd in financial terms. The return on value-adjusted equity for Ferd as a whole was 17.7 percent in 2021. The return expressed in NOK, after adjusting for dividend payments to the company's owners, was NOK 7.3 billion. As in 2020, the measures implemented

by the authorities to control Covid-19 caused a sharp reduction in activity in some sectors for long periods in 2021. The financial measures implemented through both fiscal and monetary policy helped to maintain economic activity and purchasing power for households and companies. Ferd's business areas achieved returns in 2021 as follows:



Almost all the privately owned portfolio companies in the Ferd Capital portfolio and a number of the listed company investments saw a good increase in value in 2021. The return on Ferd Capital's combined portfolio was 21.5 percent, with the privately owned companies delivering a combined return of 32.5 percent. In 2021 almost all the privately owned portfolio companies in the Ferd Capital portfolio reported a good improvement in operating profit compared to 2020, and the highest percentage improvements were reported by the largest companies in the portfolio.

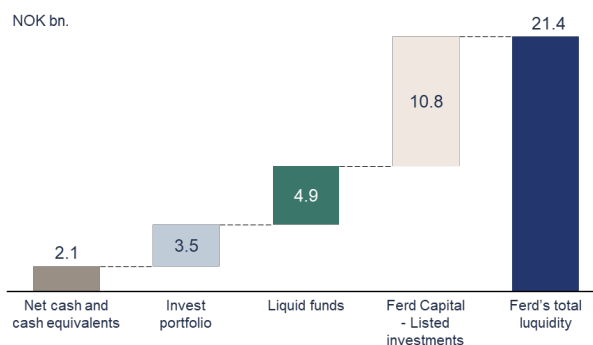
Ferd achieved a return of 21.2 percent on its real estate portfolio. The majority of residential and office premises saw good increases in their value, and Ferd Real Estate sold three properties in 2021 on good terms.

Ferd External Managers reported an aggregate return of 11.6 percent (in USD terms) on its investment mandates. Ferd Invest's portfolio of listed Nordic shares delivered a return of 13.9 percent.

Ferd received NOK 8.1 billion from asset realisations and dividends. The largest asset realisation was the result of Ferd's sale of part of its shareholding in Elopak in connection with the stock exchange listing of the company in June 2021. The sale of Ferd's investments in the listed companies Sbanken and NKT contributed NOK 0.7 billion, while Ferd Real Estate sold real estate assets totalling NOK 1.9 billion in the year. Ferd also allocated NOK 0.5 billion out of Ferd Invest's mandate in 2021.

New investments in 2021 amounted to NOK 7.3 billion. In mid-March 2021, Ferd added a new portfolio company by acquiring the entire share capital of Norkart, which is a market leader in technology for the municipality sector, mapping and real estate information. In autumn 2021 Ferd acquired a majority shareholding in the communications and consultancy company TRY. TRY is one of Norway's leading organisations for creativity, strategy and technology. Ferd invested NOK 2 billion in equity funds in 2021, and a number of investments were made as part of Ferd Capital's mandate for listed companies. The largest of these investments were in the Danish technology company Trifork, the windfarm and hydropower company Cloudberry Clean Energy, and the building materials and ecommerce company Bygghemma.

At the end of 2021, Ferd's net liquidity holdings (bank deposits and money market funds minus debt at the parent company level) totalled NOK 2.1 billion, which represented 4 percent of its value-adjusted equity. The value of Ferd's listed shares, equity funds and liquid hedge fund investments was NOK 19.2 billion at 31 December 2021. In total, the value of Ferd's liquidity holdings and liquid investments was NOK 21.4 billion at 31 December 2021. Ferd also had undrawn credit facilities of NOK 6.7 billion.

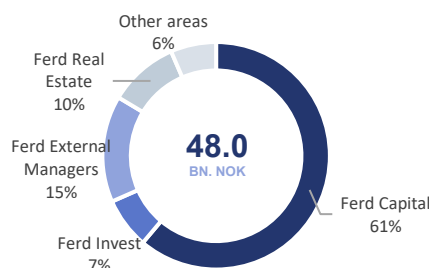


Value-adjusted equity and currency allocation

Ferd's value-adjusted equity at the end of 2021 was NOK 48.0 billion, following a return for the year of NOK 7.3 billion. Ferd holds a diversified portfolio of privately owned and listed equity investments, real estate and external funds.

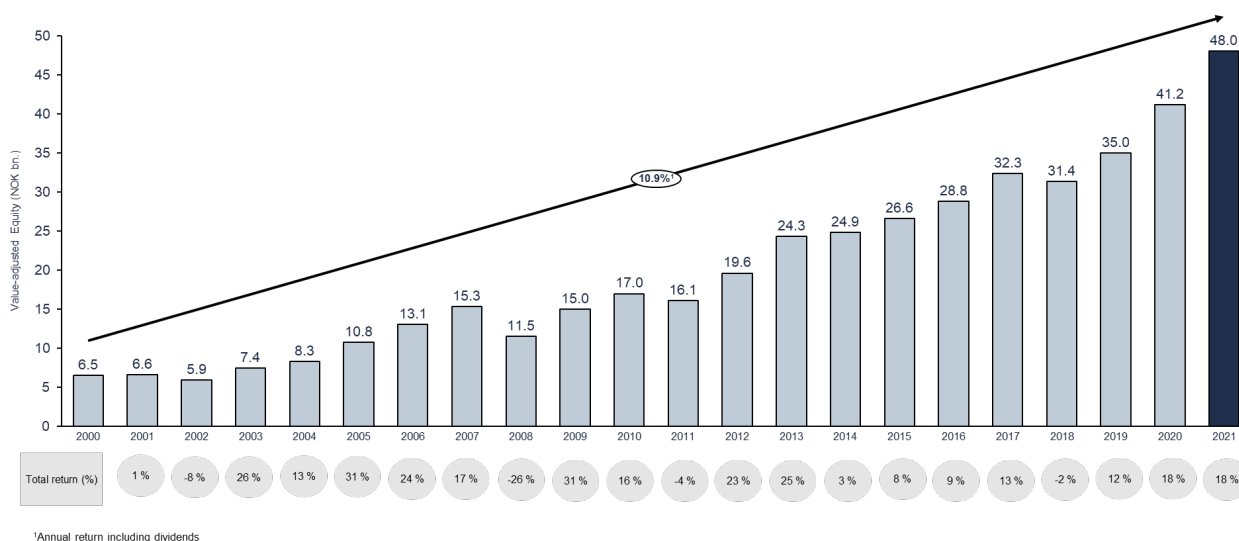
Ferd's equity investments provide good diversification between sectors and geographical markets. At the end of 2021, approximately 43 percent of Ferd's investments provided exposure to Norway, while no single sector represented more than 25 percent of its total exposure. 48 percent of Ferd's investments are in Norwegian krone, approximately 22 percent are in US dollar, approximately 18 percent are in euro and 12 percent are in other currencies. Ferd recognised a foreign exchange loss on its value-adjusted equity of under 0.5 percent in 2021.

Allocation of Ferd's value-adjusted equity at 31 December 2021 between the business areas:



Since its establishment in the spring of 2001, Ferd has generated a total return of NOK 45.0 billion, equivalent to an annual return of 10.9 percent. Ferd's return is assessed in the context of the absolute return achieved

over time and how this relates to the level of risk exposure in the portfolio. Ferd's value-adjusted equity since 31 December 2000:



Financial results for Ferd AS

Ferd AS reports an accounting result for the year of NOK 7,178 million, which is an increase of NOK 670 million from 2020. The table below shows the operating profit of each of Ferd's business areas. The returns delivered by Ferd Capital's portfolios of privately owned and listed companies made the most important contribution to the increase in the result for the year.

Operating profit by business area:

NOK million:	2021	2020
Ferd Capital	5,099	4,524
Ferd Real Estate	891	1,071
Ferd External Managers	797	753
Ferd Invest	424	630
Other activities	-118	-134
Total operating profit:	7,094	6,844

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

Net cash flow for 2021 was made up of NOK – 2,128 million from operating activities and NOK 1,271 million from investment activities. Ferd's cash flow from financing activities was NOK – 2,321 million. NOK – 1,995 million of Ferd's net cash flow of NOK – 3,162 million was due to

transfers to liquidity funds, which are not considered to be cash but can be converted into cash within the period of a few days. After adjusting for these transfers and the interest return on liquidity funds, Ferd reports a net reduction in cash equivalents of NOK 1,160 million in 2021.

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

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

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

Financial results and cash flow for the Ferd group

The group's sales revenue was NOK 22.6 billion in 2021, as compared to NOK 18.2 billion in 2020. Ferd acquired Norkart and TRY in 2021, and the majority of Ferd's portfolio companies reported higher revenues and increased operating profits in 2021. The income from Ferd's financial investments increased from NOK 3.1 billion in 2020 to NOK 3.3 billion in 2021.

The group's development activities are conducted at its subsidiaries. Development costs of NOK 188 million were expensed in 2021, an increase of NOK 38 million from 2020.

The group's tax expense for 2021 was NOK 425 million as compared to a tax expense of NOK 215 million in 2020.

Net cash flow for 2021 was made up of NOK 1,204 million from operating activities, NOK – 2,879 million from investment activities, and NOK 3,729 million from financing activities.

Outlook

Over the last two years, the Covid pandemic has had a major impact on most areas of society and the world economy. As the pandemic is now starting to come under control in several countries, the world is facing new overshadowing challenges in the form of war and geopolitical uncertainty, and a major polarisation of the relationship between Russia and Western countries. The economic sanctions imposed by the West on Russia are the most extensive that the world has ever seen and will have a major impact on Russian society and businesses. The lessons learned from crisis management during the pandemic will prove beneficial now that individuals, business and societies are having to deal with these new challenges.

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

Ferd Capital focused in 2021 on investment opportunities that reflect Ferd's ability to be flexible and take a long-term approach. In the private transaction market, we again experienced a high level of competition for new investment opportunities during 2021, and we expect this to continue into 2022.

Ferd Capital has a portfolio of companies in a range of sectors that we believe are well-positioned to create value in 2022 and beyond. Ferd also has sizeable unused investment capacity, and it will emphasise working proactively on new investment opportunities within the business areas. Ferd Capital's three investment mandates give it significant

flexibility in terms of the types of investment it can make, and it will focus again in 2022 on opportunities where it can make use of Ferd's competitive advantages, both in the form of add-on investments to existing portfolio companies and potential new portfolio companies.

Strategy

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

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

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

The Board and executive management keep Ferd's risk capacity under regular review. This is particularly important when there are significant falls in the equity markets. The allocation of new capital, as well as the reallocation of capital between business areas, represents a systematic approach to making use of the group's capital base. Capital allocation must be consistent with the owners' willingness and ability to

assume risk. Ferd's risk of fall in value is measured and monitored continually with the help of stress testing.

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

Ferd's sustainability efforts

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

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

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

1. Active owner

Ferd's role as an active owner gives us the influence to create sustainable change at the companies we own. Historically, strong corporate governance has been an important element in how we exercise active ownership, and we can see that our influence as an owner contributes to long-term value creation. Going forward, we will also implement a more systematic approach to how we integrate environmental and social considerations into our ownership agenda at our portfolio companies. We are committed to integrating environmental, social and governance (ESG) considerations into our investment analysis, decision-

making, ownership and reporting on all our activities.

2. Active investor

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

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

Ferd Capital carries out an ESG analysis in relation to all new investment opportunities it assesses. If a potential investment is not assessed to be satisfactory from an ESG perspective, or if it is not probable that the ESG challenges associated with it can be resolved, no further work will be done on the opportunity. With regard to privately owned companies, Ferd enters into a discussion with the management of each company through its involvement in the work of each company's board of directors regarding the targets on which the company will focus going forward. When sustainability targets are being selected, emphasis is put on identifying those targets that will have the biggest impact, e.g. on environmental challenges. The EU's sustainable finance taxonomy has attracted the attention of investors since 2020. The EU's taxonomy is a shared classification system that determines which activities can be defined as sustainable. Ferd Capital has worked on and assessed the question of what the taxonomy's implications could be in terms of the investment opportunities it assesses as well as its existing portfolio companies. In order to ensure Ferd Real Estate's sustainability work has a solid foundation, it endorses the UN's Sustainable Development Goals and has signed the Norwegian Property Federation's 'The Property Sector's Roadmap Towards 2050'. Constructing

energy-efficient office buildings and increasing the rate of recycling are two concrete examples of Ferd Real Estate's sustainability work. Ferd Real Estate seeks to complete its projects using as few resources as possible by focusing on using recycled materials and by reducing and actively sorting waste.

Ferd Invest has integrated ESG analysis into its assessments of all the Nordic listed companies which it considers. Ferd Invest strives to be a predictable and good owner and to engage in meaningful dialogue with the boards and executive management teams of the companies in which it invests. Ferd Invest votes at the general meetings of the companies in which it invests in accordance with its shareholdings. Ferd External Managers has ESG as a set agenda point when assessing all new and existing external managers. If a fund does not have a satisfactory ESG strategy, this will be followed up with the fund. The fund will be given some time to implement measures to improve on ESG factors. If Ferd External Managers finds that the fund is not working to resolve its ESG deficiencies, it will consider selling its investment in the fund.

Going forward, Ferd has a target of making more impact investments. The team working on this was increased to three at the start of 2022. Impact investments are investments made with a target of generating a social and/or environmental impact. Ferd Impact's investments span a range of geographies and industries, but common to them all is that they are intended to have a significant positive impact on the UN's Sustainable Development Goals.

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

Corporate Governance

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

A lean structure and an unbureaucratic approach are two of Ferd's important competitive advantages. To preserve these

advantages, it is important that the company has clearly defined limits and levels of authorisation to allow decisions to be delegated to a large extent.

There is therefore a clear division of roles between management, the Board of Directors and Ferd's owners. While at family-owned companies family members are often members of the board and executive management teams, Ferd has chosen a corporate governance model that is in line with recommended practice in Norway. One of the group's owners is the chair of the Board, but he is not a member of its management team. The other owners are observer members of the Board of Directors of Ferd Holding AS, which has substantially the same responsibilities and authority as the board of a public company. The Board of Ferd Holding AS held seven board meetings in 2021.

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

Ferd Capital

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

Ferd Capital again focused in 2021 on investment opportunities that reflect Ferd's ability to be flexible and take a long-term approach. In the private transaction market, we again experienced a high level of competition for new investment opportunities during 2021, and we expect this to continue into 2022.

Ferd Capital now has 12 privately owned companies in its portfolio following its acquisitions of Norkart and TRY in April and October 2021 respectively. Elopak was admitted to stock exchanging listing in June 2021. Ferd reduced its holding in connection with Elopak's admission to listing, but it remains a majority shareholder in the company after having owned the company privately for 64 years.

Ferd Capital's portfolio of privately owned companies consisted of the following at 31 December 2021:

- **Aibel**, which is a leading service company that works in oil, gas and offshore wind. Its 4,000 employees, who are located in Norway and internationally, work on fields and installations on land and offshore.
- **Interwell**, which is a leading Norwegian provider of high-tech well tools to national and international energy companies.
- **Mesterguppen**, which is one of Norway's largest groups in the building materials trade, sales chains for house builders, and real estate development.
- **Brav**, which is a global brand warehouse in the sports and outdoor industry and has a portfolio of leading brands: Swix, Toko, Lundhags, Ulvang and Helsport.
- **Servi**, which develops and manufactures customer-specific hydraulic systems, cylinders and valves for offshore, maritime and land-based industries.
- **Mnemonic**, which is a market leader in Norway and one of Europe's leading companies in information security.
- **Fjord Line**, which is a modern shipping company offering safe and environmentally friendly transport and experiences between Norway, Denmark and Sweden.
- **Dr. Fürst Medisinsk Laboratorium**, which is a privately owned laboratory specialising in medical biochemistry, clinical pharmacology, microbiology and pathology.
- **Broodstock Capital**, which focuses on small and medium-sized Nordic businesses in the seafood industry in general and in the aquaculture supplier industry in particular.
- **Simployer**, which provides organisations with tech and expertise in HR.
- **Norkart**, which provides market-leading solutions in municipal technology, mapping and real estate information to the private and public sectors. The company has Norway's most complete data warehouse for geographical information.
- **TRY**, which is Norway's leading full-service communications group for creativity, strategy and technology.

Ferd Capital's summary of 2021 is available on Ferd's website on the following link:

<https://aarsrapport2021.ferd.no/en/capital/>

Ferd Capital seeks to contribute actively to the development of the stock exchange listed companies in which it has invested. In 2021 Ferd Capital increased its ownership

interest in several of its listed companies, and its biggest new investments were the technology company Trifork, the renewable energy company Cloudberry Clean Energy, and the building materials and e-commerce company Bygghemma.

Ferd Capital's four largest listed investments at 31 December 2021 were:

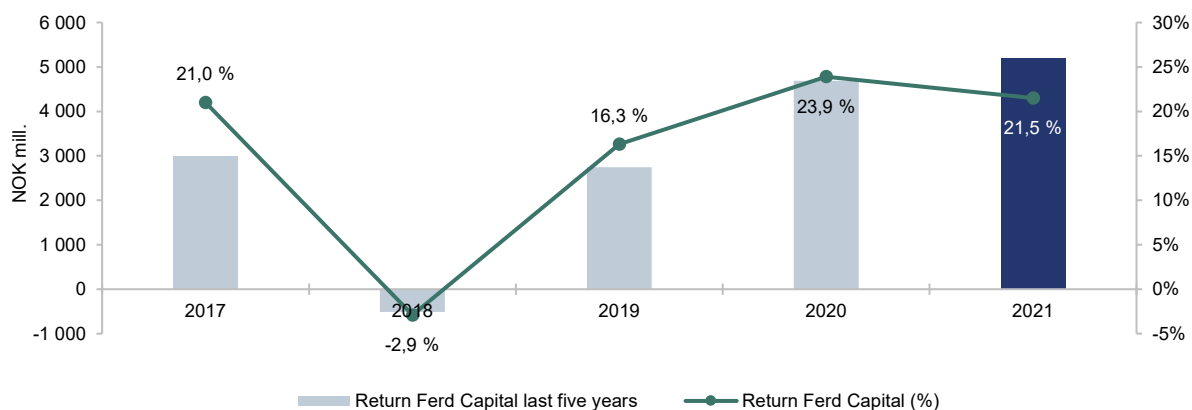
- **Elopak**, which is a leading supplier of packaging systems for liquid food products. The company's organisation and collaboration partners sell and market Elopak's products in more than 100 countries.
- **Benchmark Holdings**, which helps improve fish health and sustainability in the fish farming industry by selling specialist foods, breeding and genetics products, and medications. Benchmark is present in 20 countries and markets its products in more than 70 countries.
- **Nilfisk**, which is a leading global supplier of cleaning equipment and products for the professional and retail markets.
- **Boozt AB** (Boozt), which is a leading Nordic technology company that sells fashion and clothing online. Boozt.com is a multi-brand online store that offers more than 700 different brands for men, women and children.

The return from Ferd Capital's portfolio of listed investments was 9.7 percent in 2021. The best listed investments in 2021 were Trifork with a return of 217 percent, while the Nilfisk investment had a return of 56 percent. Ferd Capital's investment in Elopak represents a significant portion of the portfolio of listed investments and delivered a of 3.9 percent in 2021. This was one of the factors which held back the return on the listed portfolio last year.

Ferd Capital made a number of new investments through its Special Investments mandate in 2021. The portfolio delivered a good performance and a return of 12 percent.

The majority of Ferd Capital's privately owned companies reported an improvement in their operating profit compared to 2020. The return on Ferd Capital's combined portfolio was 21.5 percent in 2021. Ferd Capital's three portfolios were valued at NOK 29.4 billion at 31 December 2021.

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



Ferd Real Estate

Ferd Real Estate has an ambition of being a leading urban developer. Ferd Real Estate creates value that is more than just a financial return through its active development, implementation and management of environmentally friendly real estate projects.

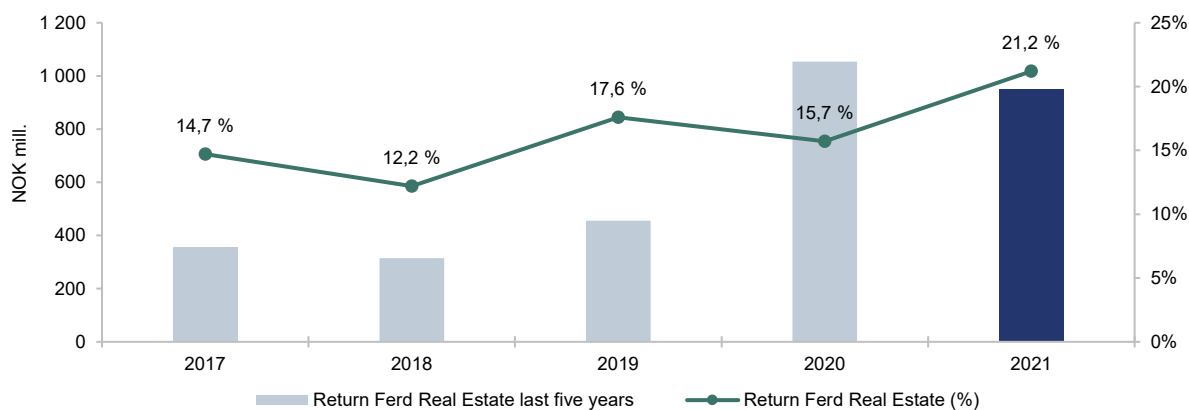
Ferd Real Estate achieved a good return on both its residential investments and its office properties in 2021. The reasons for this were the strong progress made at the majority of the business area's individual projects and the increase in the value of its properties. The portfolio generated a return for 2021 of 21.2 percent or NOK 949 million. At the end of 2021, the value of the business area's real estate holdings was NOK 13.0 billion and the equity value of the portfolio was NOK 4.8 billion. The equity value of the portfolio decreased by NOK 0.6 billion relative to the end of 2020 largely as a result of four major property disposals.

Ferd Real Estate's largest residential project is Tiedemannsbyen in Oslo's Ensjø district. The Tiedemannsbyen project is for around 1,400 units, and construction phase 1 was completed in the third quarter of 2021. 'Humblehagen' is the final part of Tiedemannsbyen and is the first residential development project to be completed by Ferd alone in recent times. Construction and sales for the project, which comprises 142 residential units, 9 of which are town houses, commenced in the first quarter of 2021. At 31 December 2021, a total of 72 out of 142 residential units in

Humblehagen had been sold, and the project is expected to be completed in the second quarter of 2022.

Ferd Real Estate has a number of ongoing office development projects, of which the two largest are Hieronymus Heyerdahls gate 1 and a plot known as Trekanttomten in Oslo's Vika neighbourhood, both of which were purchased in 2020. Hieronymus Heyerdahls gate 1 is a characterful building that is the closest neighbour to Oslo City Hall. The building has 4,500 m² of vacant space and will be renovated to a state-of-the-art standard. Trekanttomten was purchased in partnership with Vedal, a construction company, in December 2020, and the plan is for it to be an urban development project characterised by site-specific development, high architectural value and a strong environmental profile. The site currently has approval for a development with a total gross floor area of 24,000 m². A parallel project was carried out in 2021, which resulted in Oslo Works and Haugen Zohar architects being selected for the initial design and zoning plan based on their 'Underskog' project proposal.

Ferd Real Estate made a number of adjustments to its portfolio in 2021. It sold its last remaining residential plot in Oslo's Ensjø district to NRK for it to use as its new headquarters, and in June 2021 it sold the office building Asker Tek in Asker outside of Oslo. In 2021 Ferd Real Estate also sold a warehouse property in Langhus and a commercial property in Vestby. Proceeds from the mentioned divestments totalled NOK 1.5 billion.



Ferd External Managers

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

2021 was another good year for the world's equity markets, although there were significant differences between the regions. With an increase of 28.7 percent, the USA was the strongest market. The Asian stock markets fell 2.9 percent in 2021 after a strong year in 2020. This fall was due to the weak performance of the Chinese stock exchanges, fears about the real estate sector and increased regulation of companies in a number of sectors, including education, ecommerce, fintech and social media. The Indian stock market defied the higher price of oil and the pandemic and was able to notch up an increase of 26 percent.

Higher inflation and changing interest rate expectations characterised the equity markets. Following a weak first six months for growth companies' shares, these regained most of the lead from value shares in the second half of the year and ended 2021 with a moderate decrease for the year. From the end of November to the end of the year, however, highly valued high growth companies underperformed significantly, particularly companies without current earnings.

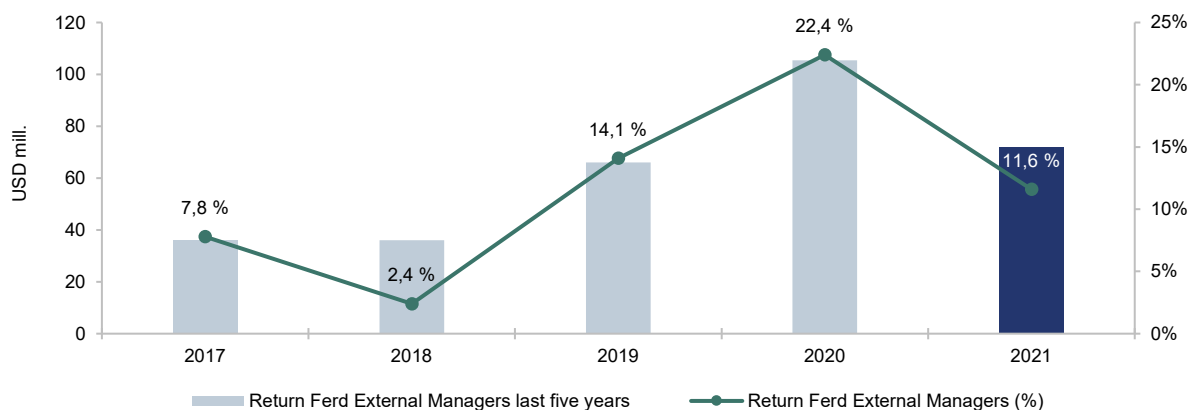
Ferd External Managers' portfolios, which are accounted for and managed in US dollars, produced an aggregate return of 11.6 percent in 2021.

The Global Equity mandate invests in equity funds that complement Ferd's direct investments. The Global Equity portfolio climbed 9.7 percent in the year, finishing 0.6 percentage points ahead of its benchmark index. The significant allocation to Asia reduced the mandate's absolute performance.

The Global Fund Opportunities mandate consists of various fund investments that are more or less liquid in nature and that offer an attractive absolute return with less correlation with the performance of equity markets. In 2021 the mandate climbed 13.8 percent. 2021 was a weaker year for the mandate's liquid equity investments (hedge funds with equity exposures) after a strong year in 2020.

2021 was a busy year for the business area. NOK 2 billion was allocated to the mandate in June 2021 in the wake of the listing of Elopak. At the end of 2021, the business area's total assets under management amounted to NOK 7.3 billion, NOK 4.1 billion of which was under the Global Equity mandate and NOK 3.2 billion under Global Fund Opportunities, with the funds invested with 16 different managers.

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



Ferd Invest

Ferd Invest invests in established, listed Nordic companies with strong market positions and good prospects. It holds a portfolio of investments in up to 25 companies, the majority of which have a market capitalisation of over NOK 15 billion. Its target is to generate a return that is higher than the return on a Nordic benchmark index.

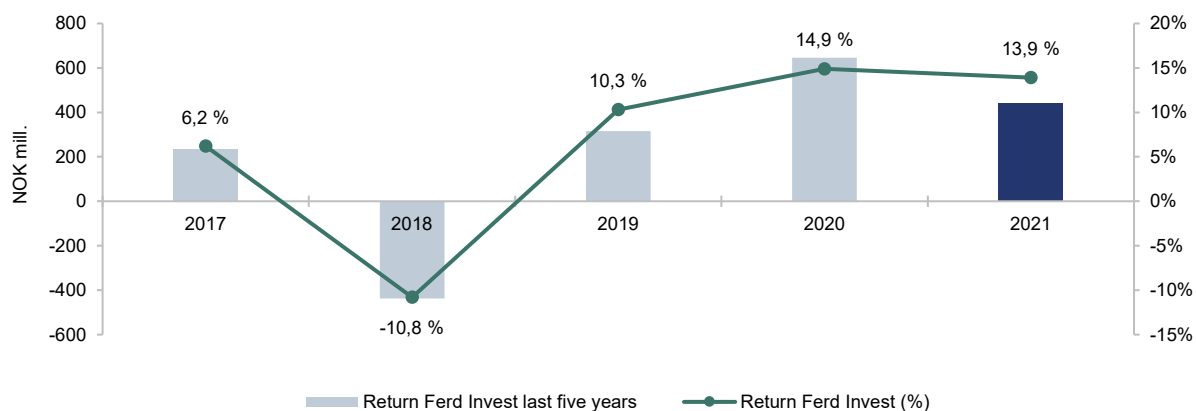
The scale of the economic recovery in the wake of the coronavirus shock in 2020 has been formidable, and led to significant growth in corporate earnings over the course of 2021. This drove the stock market higher last year. Many companies whose share prices performed very well as a result of the coronavirus lockdown in 2020 had weaker performance in 2021. Towards the end of 2021, there was also a significant increase in inflation, which created

uncertainty over the outlook for future increases in interest rates and for company profit margins.

Ferd Invest's portfolio produced a return of 13.9 percent in 2021. FERD Invest's portfolio of listed companies has generated a satisfactory absolute return in recent years, but its return has fallen short of the business area's reference index.

The largest investments at the close of 2021 were Novo Nordisk, Hexagon, Sampo, Lerøy Seafood and Swedbank. The value of FERD Invest's portfolio at 31 December 2021 was NOK 3.5 billion.

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



Ferd Impact Investing

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

In 2021 Ferd Impact Investing focused on the continuing development of the platform for its investment mandate. It invested in two new fund structures, including the venture capital fund 2150, which invests in companies that contribute to the development of "sustainable cities". It also set up the company Seagust in collaboration with Arendals Fossekompani. Seagust's objective is to develop Norwegian offshore wind power areas. As at 31 December 2021, Ferd Impact Investing had invested NOK 210 million and committed a further NOK 230 million.

At the end of Ferd Impact Investing's second full year of operations, its portfolio comprised nine investments.

Ferd Social Entrepreneurs

Ferd Social Entrepreneurs (FSE) invests in social entrepreneurs that can demonstrate measurable social results and the ability to become financially self-sustaining in the future, and FSE also works to facilitate their market access. FSE provides these companies with networking, expertise and capital in an active partnership with defined milestones and set social ambitions.

Like 2020, 2021 was shaped by Covid-19. The restrictions had a significant impact on many of FSE's portfolio companies and many of them had to change how they operate. However, FSE saw that the companies managed to adapt to the situation, and they are optimistic in regard to 2022.

In 2021 FSE continued and strengthened its collaborations with its innovative portfolio companies. It paid particular attention to close monitoring during the pandemic, and strived to help create synergies across the portfolio where it

was natural to do so. FSE was impressed with how the social entrepreneurs supported each other and shared information.

At the end of 2021, FSE had 10 companies in its portfolio, two fund investments and four active social impact contracts. In a social impact contract, a social investor contributes with pre-financing of a project which is then repaid by the public sector when agreed social results have been achieved. This means that the public sector can scale projects that prove to work well for the target group, and to end projects that do not work without large costs and with low risk.

For more information on FSE's portfolio companies, please follow this link: <https://ferd.no/en/sosiale-entreprenorer/portefolje/>

Equality, prevention of discrimination, headcount and sick leave

Ferd works to have an inclusive corporate culture. Our objective is to be a workplace in which men and women are treated equally. We have procedures that are intended to ensure that no-one is treated differently on the basis of their gender in matters such as pay, promotion and recruitment. At the end of 2021, 31 of Ferd AS' 66 employees were women, and 35 were men. The average salary of Ferd AS' female employees is 66 percent of the average salary of its male employees, and the reason for this is that the proportion of women is lower in some of the business areas than in Ferd's administration. The salary differences are due to what experience and education is required for the various positions, as well as how difficult it is to recruit to the positions.

Eight of the sixteen people Ferd AS recruited in 2021 were women, while in 2020 eight of the eleven new employees were women. Two of the women recruited in 2020 were recruited to senior management positions, namely the Head of Ferd Real Estate and a Co-Head of Ferd Capital. Three of Ferd's six business areas are managed by women. Ferd works actively to recruit more women to its business areas and in leading positions. In the last two years half of all new appointments to Ferd Capital, Ferd's largest business area, have been women.

We have looked at what can contribute to discrimination and prevent gender equality in Ferd AS and identified our recruitment processes and the criteria for internal

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

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

Ferd encourages parents of both genders to take parental leave in accordance with the norm established in Norwegian society, and strives to facilitate this. The average number of weeks of parental leave taken by employees over the last two years is 15 weeks for men and 34 weeks for women.

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

All of Ferd's employees are appointed to full-time positions. In instances where an employee wishes to work

part-time for personal reasons for a period, Ferd tries to facilitate this. None of Ferd's employees was working part-time at 31 December 2021.

The aim of the Norwegian Equality and Anti-Discrimination Act is to promote equality, to ensure everyone has the same rights and opportunities, and to prevent discrimination on the basis of ethnicity, national origin, descent, skin colour, language, functional disabilities, religion or belief. Ferd works actively and systematically to promote the aims of the Act within its organisation. This is done, among other things, through thorough job analyses before new job advertisements and the use of external recruitment companies in Ferd's recruitment processes. Our offices in Dronning Mauds gate 10 satisfy the requirements for universal design.

The Ferd group had an average of 5,961 employees in 2021, and, after including the employees of Aibel, Fjord Line, Fürst and Mnemonic, the number for 2021 was approximately 11,900. The proportion of female employees at the Ferd group was 25 percent at the end of 2021, and sick leave amounted to 3.7 percent in 2021. The working environment at Ferd AS is considered to be good. No serious accidents or injuries took place or were reported at Ferd AS in 2021. For the group as a whole, there were no accidents that led to loss of life.

Allocation of profit for the year

The profit for the year of NOK 7,178 million will be transferred to other equity.

Oslo, 19 April 2022

The Board of Directors of Ferd AS

Johan H. Andresen (sign)
Chair of the Board

Morten Borge (sign)
Director / CEO

Tom Erik Myrland (sign)
Director

Erik Rosness (sign)
Director

**FINANCIAL
STATEMENTS
FERD AS**



Income statement 1 January - 31 December

NOK mill.	Note	2021	2020
OPERATING INCOME AND EXPENSES			
Dividend and group contribution from financial investments	<u>3,4</u>	1,152	343
Value changes on financial investments	<u>3,4</u>	6,337	6,873
Other income	<u>3</u>	50	30
Operating income	3	7,539	7,246
Salary expenses	<u>9,15</u>	348	248
Depreciation and impairment	<u>12,21</u>	21	18
Other operating expenses	<u>10,11</u>	76	135
Operating expenses	3	444	402
Operating profit	3	7,094	6,844
Interest income	<u>17,20</u>	32	46
Interest expenses	<u>17,20,21</u>	-24	-38
Net other financial items	<u>20</u>	-4	-412
Net financial result	20	4	-403
Profit before tax		7,098	6,441
Income tax expense	<u>8</u>	-80	-67
PROFIT FOR THE YEAR		7,178	6,508
Total comprehensive income 1 January - 31 December			
NOK1000		2021	2020
PROFIT OF THE YEAR		7,178	6,508
TOTAL COMPREHENSIVE INCOME		7,178	6,508

Balance sheet as at 31 December - Assets

NOK mill.	Note	2021	2020
ASSETS			
Non-current assets			
Tangible assets	12	37	37
Right of use assets	21	143	159
Investments in subsidiaries	3,5,7	27,623	23,331
Long-term receivables on group companies	5,17	79	123
Other receivables	5	63	65
Total non-current assets		27,945	23,716
Current assets			
Short-term receivables on group companies	5,17	16	44
Other short-term receivables	5	64	107
Listed shares and bonds	3,5	10,379	8,410
Unlisted shares and bonds	3,5,7	7,646	3,898
Hedge funds	3,5	1,585	3,508
Derivatives	3,5	-	7
Short-term liquidity fund investments (cash equivalents)	3,5	2,007	5
Bank deposits	3,5,13	368	2,434
Total current assets		22,065	18,413
TOTAL ASSETS		50,011	42,129

Balance sheet as at 31 December – Equity and Liabilities

NOK mill.	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Share capital	<u>14</u>	183	183
Share premium		3,057	3,057
Other paid-in equity		810	810
Other equity		42,883	36,646
Total equity		46,933	40,696
Non-current liabilities			
Pension liabilities	<u>15</u>	50	39
Deferred tax	<u>8</u>	90	174
Debt to group companies	<u>5,17</u>	51	-
Other long-term liabilities		151	-
Long-term interest-bearing debt	<u>22</u>	300	200
Non-current lease liabilities	<u>21</u>	130	144
Total non-current liabilities		770	557
Current liabilities			
Trade payables	<u>5</u>	4	5
Income tax payable	<u>8</u>	-	-
Public duties etc.	<u>5</u>	15	12
Cash pool overdraft	<u>5,16</u>	1,354	258
Debt to group companies	<u>5,17</u>	744	376
Current lease liabilities	<u>21</u>	18	18
Other current liabilities	<u>5</u>	171	208
Total current liabilities		2,307	876
Total liabilities		3,077	1,433
TOTAL EQUITY AND LIABILITIES		50,011	42,129

Oslo, 19 April 2022

The Board of Directors of Ferd AS

 Johan H. Andresen (sign)
 Chair of the Board

 Morten Borge (sign)
 Director / CEO

 Tom Erik Myrland (sign)
 Director

 Erik Rosness (sign)
 Director

Statement of changes in equity

2021

NOK mill.	Share capital (note 14)	Share premium	Other paid-in equity	Total paid-in equity	Reserve for Unrealized gains	Other equity	Total other equity	Total equity
Equity at 1 Jan. 2021	183	3,057	810	4,051	19,704	16,942	36,646	40,696
Profit for the year					2,050	5,128	7,178	7,178
Total comprehensive					2,050	5,128	7,178	7,178
Transactions with owners								
Additional dividend paid *)						-947	-947	-947
Other equity transactions						6	6	6
Total transactions with						-941	-941	-941
Equity at 31 Dec. 2021	183	3,057	810	4,051	21,754	21,129	42,883	46,933

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

2020

NOK mill.	Share capital (note 14)	Share premium	Other paid-in equity	Total paid-in equity	Reserve for Unrealized gains	Other equity	Total other equity	Total equity
Equity at 1 Jan. 2020	183	3,057	810	4,051	15,770	14,549	30,320	34,370
Profit for the year					3,934	2,574	6,508	6,508
Total comprehensive					3,934	2,574	6,508	6,508
Transactions with owners								
Additional dividend paid *)						-182	-182	-182
Total transactions with						-182	-182	-182
Equity at 31 Dec. 2020	183	3,057	810	4,051	19,704	16,942	36,646	40,696

*) Ferd AS distributed additional dividends totalling 182 million in June and October 2020.

Statement of cash flows 1 January - 31 December

Cash flow statement

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

Cash and cash equivalents

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

NOK mill.	Note	2021	2020
Operating activities			
Proceeds from realisations of financial assets	4	4,203	10,241
Dividends from financial assets	4	548	218
Purchases of financial assets	4	-6,556	-7,705
Proceeds and disbursements from realisations of currency futures	4	-	-241
Salaries and operating expenses	9, 10	-312	-292
Payments and disbursements of tax	8	-12	-22
Net cash flows from/ used in (-) operating activities		-2,128	2,198
Investing activities			
Payments from subsidiaries	4, 17	3,082	100
Disbursements to subsidiaries	17	-1,811	-681
Net cash flows used in investing activities		1,271	-581
Financing activities			
Proceeds to Ferd Holding	17	-399	-142
Payments and disbursements from external financing	16	100	100
Transfers to/from short-term liquidity fund investments		-1,995	-
Interest, financial and foreign currency items		-27	3
Net cash flows used in (-)/from financing activities		-2,321	-40
Effects of exchange rate changes cash and cash equivalents		17	-90
Change in net cash pool deposits		-3,162	1,488
Net cash pool deposits at 1 January		2,176	688
Net cash pool deposits at 31 December		-986	2,176
Bank deposits at 31 December		368	2,434
Cash pool overdraft 31 December		-1,354	-258
Short-term liquidity fund investments 31 December		2,007	5
Total cash and cash equivalents		1,021	2,181

Note 1 General information and accounting principles

General information

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

Ferd is owned by Johan H. Andresen and his family. Andresen is the Chair of the Board. The Company's financial statements for 2021 were approved by the Board of Directors on 19 April 2022.

Basis for the preparation of the financial statements

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

Investments in subsidiaries

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

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

Investments in associated companies and joint ventures

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

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

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

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

Foreign currency translation

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

Dividend

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

Note 2 Accounting estimates and judgemental considerations

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

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

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

Determination of the fair value of financial assets

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

Listed shares and bonds

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

Unlisted shares and bonds

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

Hedge funds

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

Liquidity fund investments

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

Derivatives

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

Determination of the fair value of subsidiaries with properties

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

Future cash flows are based on the following factors:

- Existing contracts
- Expected future rentals
- Expected vacancies

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

The risk premium is based on:

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

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

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

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

Note 3 Segment reporting

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

Ferd has four commercial business areas:

Ferd Capital is a long-term investor working actively with the companies during the period of ownership to secure the development in value to be the best possible. Ferd Capital comprises three mandates: non-listed companies, listed companies and Special Investment.

Ferd Capital's largest investments as of 31 December 2021 are:

- Aibel (49.4 percent ownership holding) is a leading supplier to the international upstream oil and gas industry and offshore wind industry. Has 4000 employees engaged in projects both onshore and offshore.
- Interwell (63.3 percent ownership holding) is a preeminent Norwegian supplier of high-tech well tools to the international oil and gas industry.
- Brav (100.0 percent ownership holding) is a global brand house within the sports and recreational market with a portfolio of leading brands: Swix, Toko, Lundhags, Ulvang and Helsport.
- Mestergruppen (72.2 percent ownership holding) is a leading player in the Norwegian building materials market concentrating on the professional part of the market. The company's operations include sales of building materials and developing land and projects, housing and cottage chains.
- Servi (99.7 percent ownership holding) develops and manufactures customer specific hydraulics systems, cylinders and vents to the offshore, maritime and land-based industries.
- Broodstock (93.9 percent ownership holding) focused on Nordic based small and medium sized businesses in the seafood industry in general and the aquaculture supplier industry in particular.
- Simployer (72.5 percent ownership holding) is a software-as-service company which delivers a range of services related to expertise, knowledge, digital solutions, as well as training for HR and financial professionals.
- Fjord Line (44.6 percent ownership holding) is a modern shipping company offering passenger and cargo transport between Norway, Denmark and Sweden.
- Fürst (40.0 percent ownership holding) is a privately owned laboratory in the fields of medical biochemistry, clinical pharmacology, microbiology and pathology.
- Mnemonic (41.8 percent ownership holding) is one of Europe's largest business within the cybersecurity industry.
- Norkart (96.5 percent ownership holding) offers market-leading solutions in municipal engineering, map and property information to the public and private sector. The company has Norway's most complete data warehouse for geographical information.
- Try (60.0 percent ownership holding) is Norway's leading full-service communications group in creativity, strategy and technology.
- Elopak (99.9 percent ownership holding) is one of the world's leading manufacturers of packaging systems for fluid food articles. With an organization and cooperating partners in more than 40 countries, the company's products are sold and marketed in more than 100 countries.
- Benchmark Holdings (26.3 percent ownership holding) contributes to improving fish health within fish farming by manufacturing special meal, roe and vaccines. Has presence in more than 20 countries and markets its products in more than 70 countries.
- Nilfisk (19.9 percent ownership holding) delivers washing equipment to the professional market as well as to consumers.
- Boozt (10.0 percent ownership holding) is a Nordic technology company selling fashion and lifestyle online.

Ferd Invest mainly invests in listed Nordic limited companies. They hold a portfolio of investments in up to 25 companies, the majority of which have a market capitalisation of over NOK 15 billion. The ambition is to beat a Nordic share index.

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

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

Other areas mainly comprise bank deposits, short term liquidity funds, Ferd Impact investments, equity investments in Ferd Social Entrepreneurs, investments in externally managed private equity funds and hedge funds acquired in the second-hand market. Other areas also comprise some financial instruments to be utilised by management to adjust the total risk exposure. Costs to the company's management, staff and in-house bank are also included.

NOK mill.	Ferd AS	Capital	Invest	External Managers	Real Estate	Other areas
Result 2021						
Operating income	7,539	5,253	439	826	939	82
Operating expenses	-444	-154	-15	-28	-48	-200
Operating result	7,094	5,099	424	797	891	-118
Balance sheet 31 December 2021						
Investments in subsidiaries	27,623	21,706	-	-	5,784	133
Investments classified as current assets	21,617	7,802	3,439	7,267	-	3,109
Bank deposits/drawings on group account	368	-	-	-	-	368
Other assets	403	144	6	-	10	242
Total assets	50,011	29,652	3,445	7,267	5,794	3,853

NOK mill.	Ferd AS	Capital	Invest	External Managers	Real Estate	Other areas
Result 2020						
Operating income	7,246	4,684	643	783	1,105	31
Operating expenses	-402	-161	-13	-30	-34	-165
Operating result	6,844	4,524	630	753	1,071	-134
Balance sheet 31 December 2020						
Investments in subsidiaries	23,331	18,252	-	-	4,934	145
Investments classified as current assets	15,828	6,226	3,711	4,734	-	1,157
Bank deposits/drawings on group account	2,434	-	-	-	-	2,434
Other assets	536	188	5	40	44	259
Total assets	42,129	24,666	3,716	4,775	4,978	3,995

Note 4 Income from financial investments

NOK mill.	Dividend and group contributions from financial investments	Value changes on financial investments	Total
Investments in subsidiaries	595	4,787	5,382
Listed shares and stakes	114	1,290	1,404
Unlisted shares and bonds	412	-173	239
Hedge funds	31	400	431
Liquidity fund investments	-	33	33
Total 2021	1,152	6,337	7,488

NOK mill.	Dividend and group contributions from financial investments	Value changes on financial investments	Total
Investments in subsidiaries	100	4,322	4,422
Listed shares and stakes	86	2,135	2,221
Unlisted shares and bonds	30	-213	-184
Hedge funds	127	566	693
Liquidity fund investments	-	63	63
Total 2021	343	6,873	7,216

Note 5 Financial instruments and the use of fair value

Classification of financial instruments

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

Financial assets:

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

Financial liabilities

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

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

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

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

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

Hedge accounting

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

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

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

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

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

Valuation methods

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

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

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

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

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

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

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

NOK mill.	Financial instruments at fair value over profit and loss	Financial instruments measured at amortised cost:	Total
Non-current assets			
Investments in subsidiaries	27,623	-	27,623
Long-term receivables on group companies	-	79	79
Other non-current receivables	-	63	63
Total 2021	27,623	143	27,766
Total 2020	23,331	348	23,679
Current assets			
Short-term receivables on group companies	-	16	16
Other short-term receivables	-	64	64
Listed shares and bonds	10,379	-	10,379
Unlisted shares and bonds	7,646	-	7,646
Hedge funds	1,585	-	1,585
Liquidity fund investments	2,007	-	2,007
Bank deposits	-	368	368
Total 2021	21,617	449	22,065
Total 2020	15,828	2,585	18,413
Long-term debt			
Debt to group companies	-	51	51
Long-term interest-bearing debt	-	300	300
Long-term lease liabilities	-	130	130
Total 2021	-	480	480
Total 2020	-	343	343
Short-term debt			
Trade accounts payable	-	4	4
Public duties etc.	-	15	15
Cash pool overdraft	-	1,354	1,354
Debt to group companies	-	744	744
Lease liabilities	-	18	18
Other short-term debt	-	171	171
Total 2021	-	2,307	2,307
Total 2020	-	876	876

Fair value hierarchy - financial assets and liabilities

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

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

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

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

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

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

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

NOK mill.	Level 1	Level 2	Level 3	Total 2020
Investments in subsidiaries	-	-	23,331	23,331
Listed shares and bonds	8,410	-	-	8,410
Unlisted shares and bonds	-	-	3,898	3,898
Hedge funds	-	3,132	375	3,508
Derivatives - assets	-	7	-	7
Liquidity fund investments	-	5	-	5
Total 2020	8,410	3,145	27,604	39,159

Reconciliation of movements in assets on level 3

NOK mill.	OB 1 Jan. 21	Reclassified out of level 3	Purchases/ share issues	Sales and proceeds from investments	Value changes recognised in the income statement	CB 31 Dec. 21
Investments in subsidiaries	23,331	-6,606	2,014	-19	4,691	23,411
Unlisted shares and bonds	3,898	-4,092	2,933	-475	-450	1,815
Hedge funds	375	-	-	-	-219	157
Total	27,604	-10,698	4,948	-494	3,466	25,383

NOK mill.	OB 1 Jan. 20	Reclassified out of level 3	Purchases/ share issues	Sales and proceeds from investments	Value changes recognised in the income statement	CB 31 Dec. 20
Investments in subsidiaries	17,869	-	1,118	-70	4,415	23,331
Unlisted shares and bonds	3,356	-	1,431	-1,020	132	3,898
Hedge funds	487	-	1	-158	45	375
Total	21,711	-	2,550	-1,249	4,592	27,604

Specification of applied input and sensitivity analysis

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

NOK mill.	Balance sheet value at 31 Dec. 2021	Applied and implicit EBITDA multiples	Value, if the multiple is reduced by 10 %	Value, if the multiple is increased by 10 %	Applied discount rate	Value, if the interest is increased by 1 percentage point	Value, if the interest is reduced by 1 percentage point
Investment in Ferd Real Estate	5,784	-	-	-	5.3 %-12.0 %	4,083	8,833
Other investments in subsidiaries sensitive to multiples	17,089	6.9- 25.0	15,182	18,996	-	-	-
Other subsidiaries and unlisted investments ¹⁾	2,510	-	-	-	-	-	-

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

Note 6 Risk management – investing activities

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

IMPAIRMENT RISK AND CAPITAL ALLOCATION

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

CATEGORIES OF FINANCIAL RISK

Liquidity risk

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

Foreign currency risk

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

Ferd has no outstanding currency derivatives on the parent company level as at 31 December 2021.

SENSITIVITY ANALYSIS, IMPAIRMENT RISK IN INVESTMENT ACTIVITIES

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

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

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

NOK mill.	2021	2020
Price risk: Norwegian shares declined by 30 percent	-8,600	-8,300
Price risk: International shares decline by 20 percent	-4,100	-2,100
Price risk: Property declines by 10 percent	-900	-1,000
Currency risk: The Norwegian krone appreciates 10 percent	-2,700	-2,500
Total reductions in value-adjusted equity	-16,300	-13,900
Value reduction as a percentage of value-adjusted equity	34%	34%

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

Subsidiary	Segment	Business office	Stake
Elopak AS	Ferd Capital	Oslo	58.4 %
FC Well Invest AS - Holding company for the investment Interwell*	Ferd Capital	Oslo	100.0 %
Ferd Aibel Holding AS - Holding company for the investment Aibel*	Ferd Capital	Oslo	100.0 %
Ferd MG Holding AS - Holding company for the investment in Mestergruppen*	Ferd Capital	Oslo	98.8 %
1912 Top Holding AS - Holding company for the investment in Servi	Ferd Capital	Oslo	99.7 %
Ferd Lab Invest AS - Holding company for the investment in Fürst*	Ferd Capital	Oslo	100.0 %
Ferd Mnemonic Holding AS - Holding company for the investment in Mnemonic*	Ferd Capital	Oslo	100.0 %
FC-Invest AS	Ferd Capital	Oslo	100.0 %
Brav AS	Ferd Capital	Oslo	100.0 %
Ferd Simployer Holding AS - Holding company for the investment in Simployer*	Ferd Capital	Oslo	100.0 %
Broodstock Capital AS	Ferd Capital	Molde	93.9 %
Ferd Norkart Holding AS - Holding company for the investment in Norkart*	Ferd Capital	Oslo	100.0 %
FC Holding XVI AS - Holding company for the investment in Try*	Ferd Capital	Oslo	100.0 %
Eventyrlyst AS	Ferd Capital	Oslo	100.0 %
FC Holding XX AS	Ferd Capital	Oslo	100.0 %

FC Holding XXI AS	Ferd Capital	Oslo	100.0 %
FC Holding XXII AS	Ferd Capital	Oslo	100.0 %
FC Holding XXIII AS	Ferd Capital	Oslo	100.0 %
FC Holding XXIV AS	Ferd Capital	Oslo	100.0 %
Ferd Eiendom AS - Holding company for Ferd's real estate investments	Real Estate	Oslo	100.0 %
Ferd Sosiale Entreprenører AS	Other areas	Oslo	100.0 %
Debattene om Norges fremtid AS	Other areas	Oslo	100.0 %
Norse Crown Company Ltd. AS	Other areas	Oslo	100.0 %
Unicus Holding AS	Other areas	Bærum	70.0 %

*) See note 3 for direct ownership in the investments

Other investments with ownership interest greater than 10 percent

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

Listed companies and shares

Benchmark Holdings plc	Ferd Capital		26.3 %
Nilfisk A/S	Ferd Capital		19.9 %
Boozt AB	Ferd Capital		10.0 %

Unlisted companies and shares

Fjord Line AS	Ferd Capital		44.6 %
Credo Invest nr 10 AS	Ferd Capital		91.3 %
Credo Invest nr 14 AS	Ferd Capital		42.7 %
Rolighedsvej, 9990 Skagen ApS	Ferd Capital		50.0 %
SPV Verdane Winds	Ferd Capital		43.6 %
Verdane Capital 2020 AB	Ferd Capital		24.0 %
Cloudberry Clean Energy ASA	Ferd Capital		11.2 %
Trifork A/S	Ferd Capital		10.0 %
Founders Fund II AS	Other areas		13.5 %
Energy Ventures II AS	Other areas		26.0 %
Energy Ventures II KS	Other areas		13.2 %
Energy Ventures III AS	Other areas		25.0 %
Energy Ventures III GP LP	Other areas		25.0 %
Energy Ventures III LP	Other areas		18.7 %
Herkules Private Equity Fund III (LP-I) Limited	Other areas		25.1 %
Nordic Microfinance Initiative AS	Other areas		14.2 %
Norwegian Microfinance Initiative AS	Other areas		12.5 %
NMI Frontier	Other areas		11.3 %
NMI Fund III	Other areas		15.4 %
NMI Global	Other areas		11.3 %
NMI Fond IV KS	Other areas		11.2 %
NMI GP IV AS	Other areas		12.4 %
StartupLab Founders AS	Other areas		10.6 %
Momentum II	Other areas		13.3 %
Wind Catching Systems AS	Other areas		30.1 %

Note 8 Income taxes

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

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

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

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

The tax expense comprises:

NOK mill.	2021	2020
Income tax payable	-	97
Change in deferred tax	76	-163
Tax concerning prior periods	-168	-11
Withholding tax paid	12	10
Tax expense	-80	-67

Tax payable in balance sheet

NOK mill.	2021	2020
Tax payable of the year	-	97
Group contribution rendered	-	-97
Prepaid tax	6	-
Tax payable from prior years	-6	-
Tax payable in balance sheet	-	-

Reconciliation of nominal to effective tax rate

NOK mill.	2021	2020
Profit before tax	7,098	6,441
Expected tax expense according to nominal tax rate (22 percent)	1,562	1,417
Non-taxable gain/loss and return on securities	-543	-167
Unrealised changes in value of securities	-950	-1,334
Adjustment of tax from prior periods	-175	-11
Withholding tax paid	12	10
Tax effect of other permanent differences	14	17
Tax expense	-80	-67

Effective tax rate	-1.1 %	-1.0 %
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Deferred tax

NOK mill.	2021	2020
Receivables	-5	-5
Gain and loss account	1	1
Financial instruments	-5	2
Tangible assets	-1	1
Provisions	-33	-47
Net pensions	-11	-9
Shares and bonds	345	230
Tax loss to carry forward	-201	-
Balance sheet value at 31 Dec., deferred tax liability	89	174

Change in net deferred tax recognised in balance sheet

NOK mill.	2021	2020
Balance sheet value at 1 January	174	337
Charged in period	76	-163
Correction of tax losses carried forward from previous years	-161	-
Balance sheet value at 31 December	89	174

Note 9 Salaries and remuneration

NOK mill.	2021	2020
Salaries	298	221
Social security tax	17	11
Pension costs (note 15)	20	11
Other benefits	14	4
Total	348	248
Average number of man-labour years	60	52

Salary and remuneration to Group CEO

NOK1000	Salary and bonus	Benefits in kind	Pension
Morten Borge	16,505	281	985

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

The Group CEO participates in Ferd's collective pension schemes for salaries below 12 G. This is a contribution scheme (cf. note 15). The Group CEO also has a benefit scheme for a pension basis higher than 12 G, as well as an early retirement pension scheme giving him the opportunity to retire at 65 years.

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

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

Fees to the Board

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

Note 10 Other operating expenses

NOK mill.	2021	2020
Lease of buildings etc.	4	3
Fees to lawyers, consultants and auditors	35	86
Travel expenses	3	3
Other expenses	33	43
Total	76	135

Note 11 Audit fees charged to the income statement

Specification of fees to the Company's auditors PwC:

NOK mill.	2021	2020
Audit fees	1,418	811
Tax services	252	313
Other non-audit services	2,400	1,338
Total	4,070	2,462

Other non-audit services mainly comprise due diligence services. All amounts are exclusive of VAT.

Note 12 Tangible assets

Tangible assets

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

Tangible assets are depreciated systematically over their expected useful lives, normally on a straight-line basis. If indications of impairment exist, the asset is tested for impairment.

Impairment

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

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

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

2021

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

2020

NOK mill.	Buildings and land	Fixtures and equipment	Total
Cost at 1 January	4	21	25
Additions	-	33	33
Cost at 31 December	4	54	58
Accumulated depreciation and impairment at 1 January		18	18
Depreciation of the year		2	2
Accumulated depreciation and impairment at 31 December	-	21	21
Carrying amount at 31 December	4	33	37
Estimated economic life of depreciable assets	-	4-10 years	
Depreciation method		Straight-line	

Note 13 Bank deposits

The following amounts included in bank deposits concern restricted funds:

NOK mill.	2021	2020
Employees' tax withheld	6	6

Note 14 Share capital and shareholder information

The share capital of the Company consists of 183 267 630 shares at nominal value NOK 1, - at 31 December 2021.

Owner structure

The shareholder as at 31 December 2021 was:

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

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

Shares owned indirectly by the board members of Ferd AS:	Role	Voting rights	Stake
Johan H. Andresen (Ferd JHA AS)	Chair	69.98%	15.20%

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

Note 15 Pension costs and liabilities

FERD'S PENSION PLANS

Defined Contribution scheme

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

Defined benefit plan

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

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

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

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

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

Financial assumptions at 31 December

	2021	2020
Discount interest rate	2.00 %	1.90 %
Expected wage growth	2.50 %	2.50 %
Future expected pension regulation	1.75 %	1.75 %
Expected regulation of base amount (G)	2.25 %	2.25 %

DEFINED BENEFIT PLANS

Specification of the recognised liability

NOK mill.	2021	2020
Present value of unfunded pension liabilities	50	39
Fair value of pension funds	-	-
Total defined benefit obligation recognised in the balance sheet at 31 Dec.	50	39

Pension costs recognised in the income statement

NOK mill.	2021	2020
Present value of this year's pension earnings	11	3
Pension costs on contribution schemes	9	9
Total pension costs recognised in the income statement	20	11

Note 16 Short-term interest-bearing debt

NOK mill.	2021	2020
Cash pool overdraft	1,354	258
Short-term interest-bearing debt at 31 Dec. at nominal value	1,354	258
Capitalised drawing costs	-	-
Carrying amount at 31 December	1,354	258

Ferd AS has a multi-currency group cash pool agreement. Short-term interest-bearing debt at 31 December 2021 is a net overdraft on the group account arrangement for the Company against the other Group companies. The cash pool as a whole has positive net deposits as of 31 December 2021.

Note 17 Transactions and balances with group companies

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

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

NOK mill.	2021	2020
Receivables		
Long-term receivables on group companies	79	123
Short-term receivables on group companies	16	44
Total receivables	95	168
Debt		
Long-term debt to group companies	51	-
Short-term debt to group companies	744	376
Total debt	794	376

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

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

NOK mill.	2021	2020
Dividends and group contribution		
Dividends	538	100
Group contribution	57	-
Total income from financial investments	595	100

NOK mill.	2021	2020
Services billed to group companies		
Staff services	8	2
Property management	40	27
Total income	49	29

Interest income on intercompany loans and balances		
Interest income	4	8
Interest expense	-3	-7
Net interest income	-	1

Note 18 Contingent liabilities and obligations not recognised in balance sheet

Provisions

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

Guarantees and obligations not recognised in the balance sheet

NOK mill.	2021	2020
Other commitments to subsidiaries	3,550	3,550
Not paid, but committed capital to fund investments	1,069	1,174
Total	4,619	4,724

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

Contingent obligations and litigation

Ferd AS is presently not involved in any litigation.

Note 19 New accounting standards according to IFRS

The financial statements have been prepared in accordance with standards approved by the International Accounting Standards Board (IASB) and International Financial Reporting Standards - Interpretations Committee (IFRIC) effective for accounting years starting on 1 January 2021 or earlier.

New and amended standards applied by Ferd effective from the accounting year 2021:

There are no new standards in 2021 that will have a significant effect on the consolidated financial statements.

Note 20 Financial income and financial expenses

Interest income

Amounts in NOK mill.	2021	2020
Interest income from bank deposits	25	38
Internal interest income	4	8
Other interest income	3	-
Sum	32	46

Interest expense

Amounts in NOK mill.	2021	2020
Interest expense to banks	-24	-43
Interest expense to related parties	1	1
Internal interest expenses	3	7
Other interest expenses	-5	-2
Sum	-24	-38

Net other financial items

Amounts in NOK mill.	2021	2020
Currency gains	41	113
Other financial income	3	-
Currency losses	-24	-218
Other financial expenses	-23	-
Foreign exchange derivatives	-	-307
Sum	-4	-412

Note 21 Right of use assets and lease liabilities

Identification of a lease

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

Ferd as a lessee

Separation of the components of a lease

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

Recognition of leases

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

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

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

Lease liabilities

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

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

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

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

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

Right of use assets

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

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

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

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

Right of use assets

	Buildings
Amount in NOK mill.	
Cost at 1 January	182
Cost at 31 December	182
Accumulated depreciation and impairment at 1 January	-22
Depreciation of the year	-17
Accumulated depreciation and impairment at 31 December	-39
Carrying amount at 31 December	143

Lease liabilities

Amount in NOK mill.	
Undiscounted lease liabilities and payment	
Less than 1 year	18
1-2 years	19
2-3 years	19
3-4 years	20
4-5 years	41
More than 5 years	64
Total undiscounted lease liabilities 31 December	181

Changes in lease liabilities

Lease liabilities 1 January (implementation effect)	162
Current year lease payments	-9
Interest expense on lease liabilities	-5
Total lease liabilities 31 December	148

<i>whereof current lease liabilities < 1 year</i>	18
<i>whereof non-current lease liabilities > 1 year</i>	130

Variable lease payments expensed in the period	4
Total lease expenses included in operating expenses	4

Practical solutions applied

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

Options to extend a lease

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

Note 22 Non-current interest bearing debt

Amount in NOK mill.	2021	2020
Non-current interest-bearing debt to Den Nordiske Investeringsbanken	300	200
Non-current interest-bearing debt - carrying amount 31 December	300	200
Capitalised borrowing expenses	-	-
Carrying amount 31 December	300	200

Ferd AS has a loan facility of NOK 7 billion. As of 31 December 2021, a draw-down of NOK 200 million has been made on one of the loan facilities. Loan expenses are amortized over the loan term.

Ferd has financial covenants with requirements related to 1) Equity ratio, 2) Book equity and 3) Cash and cash equivalents. At 31 December 2021, Ferd had a good margin for these requirements.

Note 23 Events after the balance sheet date

There have been no significant events after the balance sheet date with impact on financial statements for 2021. See also note 33 to the consolidated group accounts.

**CONSOLIDATED
FINANCIAL
STATEMENTS
FERD AS GROUP**



Income statement 1 January - 31 December

NOK mill.	Note	2021	2020
OPERATING INCOME AND EXPENSES			
Sales income	<u>3,10</u>	22,597	18,204
Income from financial investments	<u>3,4</u>	3,259	3,142
Other income	<u>3,8</u>	787	787
Operating income	3	26,643	22,132
Cost of sales		12,839	10,341
Salary expenses	<u>11,19</u>	4,837	4,025
Depreciation and impairments	<u>3,12,13,14</u>	1,552	1,245
Other operating expenses	<u>15,16</u>	2,122	1,788
Operating expenses		21,350	17,400
Operating profit	3	5,293	4,732
Income on investments accounted for by the equity method	<u>3,17</u>	140	137
Finance income	<u>18</u>	200	275
Finance expenses	<u>18</u>	-419	-905
Net finance items		-80	-493
Profit before tax		5,213	4,239
Income tax expense	<u>9</u>	425	215
PROFIT FOR THE YEAR		4,788	4,024
Non-controlling interests' share of profit for the year		523	151
Parent company shareholders' share of profit for the year		4,266	3,873
Total comprehensive income 1 January - 31 December			
NOK mill.		2021	2020
PROFIT FOR THE YEAR		4,788	4,024
Other income and expenses that can be reclassified to the income statement at a later date:			
Currency conversion of foreign subsidiaries		-358	16
Effect of cash flow hedging	<u>28</u>	56	29
Tax on cash flow hedging	<u>9,28</u>	-12	-6
Other income and expenses that cannot be reclassified to the income statement at a later date:			
Estimate deviation on pensions	<u>19</u>	-5	1
Tax on estimate deviation on pensions	<u>9</u>	1	0
TOTAL COMPREHENSIVE INCOME		4,469	4,064
Non-controlling interests' share of total comprehensive income	<u>23</u>	367	174
Parent company shareholders' share of total comprehensive income		4,102	3,889

Balance sheet as at 31 December - Assets

NOK mill.	Note	2021	2020
ASSETS			
Non-current assets			
Intangible assets	<u>3,12,13</u>	8,784	6,157
Deferred tax assets	<u>9</u>	317	455
Tangible assets	<u>3,14</u>	3,035	3,112
Right of use assets	<u>32</u>	2,235	1,789
Investments accounted for by the equity method	<u>3,7,17</u>	583	546
Investment property	<u>3,5,8</u>	5,379	7,034
Pension funds	<u>19</u>	12	3
Other financial assets		1,031	665
Total non-current assets		21,375	19,761
Current assets			
Inventories	<u>20</u>	4,672	3,530
Short-term receivables	<u>5,21</u>	5,686	4,640
Listed shares and bonds	<u>3,5,7</u>	10,381	8,410
Unlisted shares and bonds	<u>3,5,7</u>	10,734	6,261
Hedge funds	<u>3,5</u>	1,585	3,508
Derivatives	<u>3,5</u>	57	21
Liquidity fund investments (cash equivalents)	<u>5</u>	2,007	5
Bank deposits	<u>3</u>	4,006	3,981
Total current assets		39,128	30,356
TOTAL ASSETS		60,504	50,117

Balance sheet as at 31 December – Equity and Liabilities

NOK mill.	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Paid-in equity	<u>22</u>	4,051	4,051
Other equity		30,942	25,474
Non-controlling interests	<u>23</u>	2,990	1,700
Total equity		37,983	31,225
Non-current liabilities			
Pension liabilities	<u>19</u>	106	67
Deferred tax	<u>9</u>	908	1,065
Long-term interest-bearing liabilities	<u>24</u>	8,873	6,495
Other long-term liabilities	<u>5,24</u>	234	168
Lease liabilities	<u>32</u>	1,969	1,628
Total non-current liabilities		12,089	9,422
Current liabilities			
Short-term interest-bearing liabilities	<u>0</u>	958	1,682
Income tax payable	<u>9</u>	420	227
Other current liabilities	<u>5,25</u>	8,534	7,139
Lease liabilities	<u>32</u>	492	409
Derivatives		27	13
Total current liabilities		10,432	9,470
Total liabilities		22,521	18,892
TOTAL EQUITY AND LIABILITIES		60,504	50,117

Oslo, 19 April 2022

The Board of Directors of Ferd AS

 Johan H. Andresen (sign)
 Chair of the Board

 Morten Borge (sign)
 Director / CEO

 Tom Erik Myrland (sign)
 Director

 Erik Rosness (sign)
 Director

Statement of changes in equity

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

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

2020	Share capital (Note 22)	Share premium	Other paid-in capital	Total paid-in equity	Currency conversion reserve	Cash-flow hedging (Note 28)	Retained earnings	Total other equity	Non-controlling interests	Total equity
NOK mill.										
Equity at 1 Jan. 2020	183	3,057	810	4,051	70	-5	21,715	21,779	1,184	27,014
Correction previous years	-	-	-	-	-	-	-26	-26	5	-21
Equity at 1 Jan. 2020	183	3,057	810	4,051	70	-5	21,689	21,753	1,188	26,992
Profit for the year	-	-	-	-	-	-	3,873	3,873	151	4,024
Profit from other income and expenses	-	-	-	-	-7	23	1	17	23	40
Total comprehensive income 2020	-	-	-	-	-7	23	3,874	3,890	174	4,064
Transactions with owners										
Transactions with non-controlling interests	-	-	-	-	-	-	11	11	458	469
Business combinations	-	-	-	-	-	-	7	7	-	7
Dividend paid *)	-	-	-	-	-	-	-182	-182	-121	-303
Other	-	-	-	-	-	-	-5	-5	-	-5
Total transactions with owners	-	-	-	-	-	-	-169	-169	337	168
Equity at 31 Dec. 2020	183	3,057	810	4,051	63	18	25,393	25,474	1,700	31,225

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

Statement of cash flows 1 January - 31 December

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

Cash and cash equivalents

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

NOK mill.	Note	2021	2020
Operating activities			
Profit before tax and minorities		5,213	4,240
Taxes paid	<u>9</u>	-445	-355
Depreciation and impairments	<u>12,13,14,32</u>	1,552	1,245
Value-change on investment property	<u>8</u>	-256	-347
Income on investments accounted for by the equity method	<u>17</u>	-129	-137
Pension costs without cash effects	<u>19</u>	12	-3
Gain and loss on securities, net		-4,432	-2,648
Net investment in securities		7	242
Net investment in investment property	<u>8</u>	-90	-1,645
Gain and loss on sale of tangible assets, net		111	128
Change in inventories		-641	-83
Change in short-term receivables and other current assets		-613	557
Change in trade payables and other current liabilities		804	30
Change in other long-term debt		-1	50
Other changes		110	-14
Net cash flows from operating activities		1,204	1,261
Investing activities			
Proceeds from sale of tangible and intangible assets	<u>12,13,14</u>	6	2
Purchases of tangible and intangible assets	<u>12,13,14</u>	-898	-962
Dividend received from companies accounted for by the equity method	<u>17</u>	121	153
Purchase of subsidiaries, net less bank deposits acquired	<u>13</u>	-2,953	-1,911
Proceeds from sale of subsidiaries, net less bank deposits transferred		1,088	-
Net other investments		-243	-158
Net cash flows used in investing activities		-2,879	-2,876
Financing activities			
Proceeds from interest-bearing debt	<u>29</u>	11,179	12,769
Repayment of interest-bearing debt	<u>29</u>	-9,336	-11,902
Repayment of leasing debt	<u>32</u>	-522	-471
Dividend paid		2,409	-142
Net transactions with non-controlling interests		-	374
Net cash flows from investing activities		3,729	627
Currency conversion of bank deposits		-33	6
Change in bank deposits and liquidity fund investment		2,022	-982
Bank deposits and liquidity fund investment at 1 January		3,991	4,968
Bank deposits and liquidity fund at 31 December		6,013	3,986

Note 1 General information and accounting principles

General information

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

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

The Company's financial statements for 2021 were approved by the Board of Directors on 19 April 2022

Basis for the preparation of the consolidated financial statements

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

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

Consolidation and consolidated financial statements

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

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

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

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

Foreign currency translation

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

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

Loan expenses

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

Provisions

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

Dividend

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

Note 2 Accounting estimates and judgemental considerations

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

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

Determination of the fair value of financial assets

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

Listed shares and bonds

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

Unlisted shares and bonds

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

Hedge funds

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

Liquidity fund investment

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

Derivatives

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

Determination of the fair value of investment properties

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

Future cash flows are based on the following factors:

- Existing contracts
- Expected future rentals
- Expected vacancies

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

The risk premium is based on:

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

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

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

Impairment considerations of goodwill

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

Note 13 has details on the impairment considerations for goodwill.

Depreciation and impairment of tangible and intangible assets

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

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

Pension funds and obligations

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

Deferred tax assets

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

Provision for losses on receivables

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

Lease liabilities

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

Note 3 Segment reporting

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

Ferd has four commercial business areas:

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

Those companies where Ferd Capital has control, are consolidated into the group accounts, and the segment reporting in the consolidated financial statements consequently comprises the consolidated results from these companies, in addition to value changes and management costs on non-consolidated companies and other investments. The value of the investments and the value changes are included in Ferd AS' company accounts, where Ferd Capital reports MNOK 5,099 in operating profit. The value of Ferd Capital's portfolio constitutes MNOK 29,652 at 31 December 2021 and MNOK 24,666 at 31.12.2020 measured at fair value.

Ferd Capital's largest investments as of 31 December 2021 are:

- Aibel (49.4 percent ownership holding) is a leading supplier to the international upstream oil and gas industry and offshore wind industry. Has 4000 employees engaged in projects both onshore and offshore.
- Interwell (63.3 percent ownership holding) is a preeminent Norwegian supplier of high-tech well tools to the international oil and gas industry.
- Brav (100.0 percent ownership holding) is a global brand house within the sports and recreational market with a portfolio of leading brands: Swix, Toko, Lundhags, Ulvang and Helsport.
- Mesterguppen (72.2 percent ownership holding) is a leading player in the Norwegian building materials market concentrating on the professional part of the market. The company's operations include sales of building materials and developing land and projects, housing and cottage chains.
- Servi (99.7 percent ownership holding) develops and manufactures customer specific hydraulics systems, cylinders and vents to the offshore, maritime and land-based industries.
- Broodstock (93.9 percent ownership holding) focused on Nordic based small and medium sized businesses in the seafood industry in general and the aquaculture supplier industry in particular.
- Simployer (72.5 percent ownership holding) is a software-as-service company which delivers a range of services related to expertise, knowledge, digital solutions, as well as training for HR and financial professionals.
- Fjord Line (44.6 percent ownership holding) is a modern shipping company offering passenger and cargo transport between Norway, Denmark and Sweden.
- Fürst (40.0 percent ownership holding) is a privately owned laboratory in the fields of medical biochemistry, clinical pharmacology, microbiology and pathology.
- Mnemonic (41.8 percent ownership holding) is one of Europe's largest business within the cybersecurity industry.
- Norkart (96.5 percent ownership holding) offers market-leading solutions in municipal engineering, map and property information to the public and private sector. The company has Norway's most complete data warehouse for geographical information.
- Try (60.0 percent ownership holding) is Norway's leading full-service communications group in creativity, strategy and technology.
- Elopak (99.9 percent ownership holding) is one of the world's leading manufacturers of packaging systems for fluid food articles. With an organization and cooperating partners in more than 40 countries, the company's products are sold and marketed in more than 100 countries.
- Benchmark Holdings (26.3 percent ownership holding) contributes to improving fish health within fish farming by manufacturing special meal, roe and vaccines. Has presence in more than 20 countries and markets its products in more than 70 countries.
- Nilfisk (19.9 percent ownership holding) delivers washing equipment to the professional market as well as to consumers.
- Boozt (10.0 percent ownership holding) is a Nordic technology company selling fashion and lifestyle online.

Ferd Invest mainly invests in listed Nordic limited companies. They hold a portfolio of investments in up to 25 companies, the majority of which have a market capitalisation of over NOK 15 billion. The ambition is to beat a Nordic share index.

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

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

Other areas mainly comprise bank deposits, short term liquidity funds, Ferd Impact investments, equity investments in Ferd Social Entrepreneurs, investments in externally managed private equity funds and hedge funds acquired in the second-hand market. Other areas also comprise some financial instruments to be utilised by management to adjust the total risk exposure. Costs to the company's management, staff and in-house bank are also included.

NOK mill.	Ferd AS Group	Capital	Invest	External Managers	Real Estate	Other areas
Result 2021						
Sales income	22,597	22,542	-	-	11	44
Income from financial investments	3,259	1,496	439	826	410	88
Other income	787	339	-	-	442	6
Operating income	26,643	24,377	439	826	864	138
Operating expenses excl. Depreciation and impairment	19,798	19,413	14	28	101	243
EBITDA	6,845	4,964	425	798	763	-105
Depreciation and impairment	1,552	1,525	1	1	14	12
Operating profit	5,293	3,439	424	797	750	-117
Income on investments accounted for by the equity method	140	53	-	-	87	-
Result before finance items and income tax expense	5,433	3,493	424	797	836	-117

Balance sheet as at 31 December 2021

Intangible assets	8,784	8,767	-	-	-	17
Tangible assets and investment properties	8,414	2,819	-	-	5,560	35
Investments accounted for by the equity method	583	342	-	-	241	-
Investments classified as current assets	24,707	10,745	3,439	7,267	147	3,109
Bank deposits ¹⁾	4,006	3,562	45	23	1,647	-1,272
Other assets	14,010	12,241	7	-	1,520	242
Total assets	60,504	38,477	3,491	7,290	9,114	2,131

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

NOK mill.	Ferd AS Group	Capital	Invest	External Managers	Real Estate	Other areas
Result 2020						
Sales income	18,204	18,119	-	-	54	31
Income from financial investments	3,142	1,637	643	783	68	11
Other income	787	225	-	-	558	4
Operating income	22,132	19,981	643	783	680	45
Operating expenses excl. Depreciation and impairment	16,155	15,759	12	29	157	197
EBITDA	5,977	4,222	631	754	522	-152
Depreciation and impairment	1,245	1,220	1	1	13	10
Operating profit	4,732	3,002	630	753	509	-162
Income on investments accounted for by the equity method	137	37	-	-	100	-
Result before finance items and income tax expense	4,869	3,039	630	753	609	-162

Balance sheet as at 31 December 2020

Intangible assets	6,157	6,140	-	-	-	17
Tangible assets and investment properties	10,146	2,883	-	-	7,228	35
Investments accounted for by the equity method	546	328	-	-	219	-
Investments classified as current assets	18,183	8,357	3,711	4,734	232	1,149
Bank deposits ¹⁾	3,981	1,591	-66	-10	224	2,242
Other assets	11,103	9,846	5	41	941	270
Total assets	50,117	29,145	3,650	4,765	8,844	3,713

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

Note 4 Income from financial investments

Income from financial investments by the various asset classes:

NOK mill.	2021	2020
Listed shares and bonds	1,700	1,946
Unlisted shares and bonds	1,095	477
Hedge funds	431	693
Liquidity fund investments	33	25
Total income from financial investments	3,259	3,142

Note 5 Financial instruments and the use of fair value

Classification of financial instruments

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

Financial assets:

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

Financial liabilities:

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

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

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

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

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

Hedge accounting

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

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

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

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

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

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

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

Valuation methods

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

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

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

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

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

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

NOK mill.	Investments at fair value over profit and loss	Investments held for hedging purposes	Financial Instruments measured at amortised cost	Other valuation methods	TOTAL
Non-current assets					
Intangible assets	-	-	-	8,784	8,784
Deferred tax assets	-	-	-	317	317
Tangible assets	-	-	-	3,035	3,035
Right of use assets	-	-	-	2,235	2,235
Investments accounted for by the equity method	-	-	-	583	583
Investment property	5,379	-	-	-	5,379
Pension funds	-	-	-	12	12
Other financial non-current assets	383	7	601	40	1,031
Total 2021	5,763	7	601	15,005	21,375
Total 2020	7,128	1	537	12,095	19,761
Current assets					
Inventories	-	-	-	4,672	4,672
Short-term receivables	-	-	3,252	2,434	5,686
Listed shares and bonds	10,381	-	-	-	10,381
Unlisted shares and bonds	10,734	-	-	-	10,734
Hedge funds	1,585	-	-	-	1,585
Investment in interest-bearing debt	-	57	-	-	57
Liquidity fund investments	2,007	-	-	-	2,007
Bank deposits	-	-	3,763	242	4,006
Total 2021	24,707	57	7,015	7,349	39,128
Total 2020	18,183	21	7,101	5,050	30,356
Non-current liabilities					
Pension obligation	-	-	-	106	106
Deferred tax	-	-	-	908	908
Long-term interest-bearing debt	-	-	8,859	14	8,873
Other long-term liabilities	49	-	66	120	235
Lease liabilities	-	-	1,124	845	1,969
Total 2021	49	-	10,049	1,992	12,089
Total 2020	45	7	8,252	1,118	9,422
Current liabilities					
Short-term interest-bearing debt	-	-	740	217	958
Tax payable	-	-	-	420	420
Derivatives	6	21	-	-	27
Lease liabilities	-	-	266	226	492
Other short-term liabilities	-	-	6,243	2,291	8,534
Total 2021	7	21	7,250	3,155	10,432
Total 2020	17	13	6,595	2,845	9,470

Fair value hierarchy - financial assets and liabilities

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

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

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

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

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

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

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

NOK mill.	Level 1	Level 2	Level 3	Total 2020
Assets				
Investment property	-	-	7,034	7,034
Other financial non-current assets	-	95	-	95
Listed shares and bonds	8,410	-	-	8,410
Unlisted shares and bonds	-	-	6,261	6,261
Hedge funds	-	3,132	375	3,508
Liquidity fund investments	-	5	-	5
Derivatives	-	21	-	21
Liabilities				
Other long-term debt	-	-52	-	-52
Derivatives	-	-13	-	-13
Other short-term debt	-	-17	-	-17
Total 2020	8,410	3,171	13,670	25,252

Reconciliation of movements in assets on level 3

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

NOK mill.	Opening balance on 1 Jan. 2020	Purchase/ share issues	Sales and proceeds from investments*	Reclassified	Value changes recognised the income statement	Closing balance on 31 Dec. 2020
Investment property	3,648	3,097	-57	-	347	7,034
Unlisted shares and bonds	5,500	1,431	-1,020	-	350	6,261
Hedge funds	426	1	-158	-	106	375
Total 2020	9,574	4,529	-1,235	-	803	13,670

Overview of applied input and sensitivity analyses

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

NOK mill.	Balance sheet value at 31 Dec. 2021	Applied and implicit EBITDA multiples	Value, if multiple reduced by 10 %	Value, if multiple increased by 10 %	Applied discount rate	Value, if interest rate increased by 1 percentage point	Value, if interest rate reduced by 1 percentage point
Investment property	5,379	-	-	-	5.3 % - 12 %	3,797	8,215
Unlisted shares and bonds sensitive for multiples	3,170	9.9 - 34.6	2,373	3,183	-	-	-
Other unlisted shares, bonds and hedge funds	7,721						

Note 6 Risk management – investing activities

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

IMPAIRMENT RISK AND CAPITAL ALLOCATION

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

CATEGORIES OF FINANCIAL RISK

Liquidity risk

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

Foreign currency risk

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

Ferd has no outstanding currency derivatives on the parent company level as at 31 December 2021.

SENSITIVITY ANALYSIS, IMPAIRMENT RISK IN INVESTMENT ACTIVITIES

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

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

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

NOK mill.	2021	2020
Price risk: Norwegian shares decline by 30 percent	-8,600	-8,300
Price risk: International shares decline by 20 percent	-4,100	-2,100
Price risk: Property declines by 10 percent	-900	-1,000
Currency risk: The Norwegian krone appreciates 10 percent	-2,700	-2,500
Total impairment in value-adjusted equity	-16,300	-13,900
Impairment as a percentage of value-adjusted equity	34%	34%

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

Subsidiaries	Segment	Business office	Stake	Measurement method
Elopak AS with subsidiaries	Ferd Capital	Oslo	58.4 %	Consolidated
Servi AS with subsidiaries	Ferd Capital	Oslo	99.7 %	Consolidated
Brav Norway with subsidiaries	Ferd Capital	Oslo	100.0 %	Consolidated
Interwell AS with subsidiaries	Ferd Capital	Oslo	63.3 %	Consolidated
Mestergruppen with subsidiaries	Ferd Capital	Oslo	72.2 %	Consolidated
Broodstock Capital AS with subsidiaries	Ferd Capital	Molde	93.9 %	Consolidated
Simployer Group Holding AS with subsidiaries	Ferd Capital	Sarpsborg	72.5 %	Consolidated
Norkart AS with subsidiaries	Ferd Capital	Sandvika	96.5 %	Consolidated
Try AS with subsidiaries	Ferd Capital	Oslo	60.0 %	Consolidated
Ferd Eiendom AS with subsidiaries	Ferd Real Estate	Oslo	100.0 %	Consolidated
Ferd Sosiale Entreprenører AS	Other areas	Oslo	100.0 %	Consolidated
Norse Crown Company LTD. AS	Other areas	Oslo	100.0 %	Consolidated
Unicus AS with subsidiaries	Other areas	Oslo	70.0 %	Consolidated

Other investments with ownership interest above 10 percent

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

Listed shares and security fund holdings

Benchmark Holdings plc	Ferd Capital	26.3 %	Fair value
Nilfisk A/S	Ferd Capital	19.9 %	Fair value
Boozt AB	Ferd Capital	10.0 %	Fair value

Non-listed shares and security fund holdings

Fjord Line AS	Ferd Capital	44.6 %	Fair value
Aibel Holding I AS	Ferd Capital	49.4 %	Fair value
Dr. Fürst Medisinsk Laboratorium AS	Ferd Capital	40.0 %	Fair value
Mnemonic AS	Ferd Capital	41.8 %	Fair value
Credo Invest nr 10 AS	Ferd Capital	91.3 %	Fair value
Credo Invest nr 14 AS	Ferd Capital	42.7 %	Fair value
Rolighedsvej, 9990 Skagen ApS	Ferd Capital	50.0 %	Fair value
SPV Verdane Winds	Ferd Capital	43.6 %	Fair value
Verdane Capital 2020 AB	Ferd Capital	24.0 %	Fair value
Cloudberry Clean Energy ASA	Ferd Capital	11.2 %	Fair value
Trifork A/S	Ferd Capital	10.0 %	Fair value
Ellertsdal Bostäder Holding AB	Ferd Real Estate	61.8 %	Fair value
SPG Bostad Vega AB	Ferd Real Estate	29.4 %	Fair value
Founders Fund II AS	Other areas	13.5 %	Fair value
Energy Ventures II AS	Other areas	26.0 %	Fair value
Energy Ventures II KS	Other areas	13.2 %	Fair value
Energy Ventures III AS	Other areas	25.0 %	Fair value
Energy Ventures III GP LP	Other areas	25.0 %	Fair value
Energy Ventures III LP	Other areas	18.7 %	Fair value
Herkules Private Equity Fund III (LP-I) Limited	Other areas	25.1 %	Fair value
Nordic Microfinance Initiative AS	Other areas	14.2 %	Fair value
Norwegian Microfinance Initiative AS	Other areas	12.5 %	Fair value
NMI Frontier	Other areas	11.3 %	Fair value
NMI Fund III	Other areas	15.4 %	Fair value
NMI Global	Other areas	11.3 %	Fair value
NMI Fond IV KS	Other areas	11.2 %	Fair value
NMI GP IV AS	Other areas	12.4 %	Fair value

StartupLab Founders AS	Other areas		10.6 %	Fair value
Momentum II	Other areas		13.3 %	Fair value
Wind Catching Systems AS	Other areas		30.1 %	Fair value
<u>Investments accounted for using the equity method</u>				
Impresora Del Yaque	Ferd Capital	Dominican Rep.	51.0 %	Equity Method
Lala Elopak S.A. de C.V.	Ferd Capital	Mexico	49.0 %	Equity Method
Elopak Nampak Africa Ltd	Ferd Capital	Kenya	50.0 %	Equity Method
Boreal GmbH	Ferd Capital	Germany	20.0 %	Equity Method
Hafsrby AS	Ferd Capital	Stavanger	21.8 %	Equity Method
Husjordet AS	Ferd Capital	Oslo	50.0 %	Equity Method
Knatterudfjellet Trelast AS	Ferd Capital	Sarpsborg	37.1 %	Equity Method
Madla Byutvikling AS	Ferd Capital	Stavanger	33.3 %	Equity Method
Siriskjær Utbyggingsselskap AS	Ferd Capital	Stavanger	50.0 %	Equity Method
Sporafjell Utviklingsselskap AS	Ferd Capital	Stavanger	50.0 %	Equity Method
Tastarustå Byutvikling AS	Ferd Capital	Stavanger	33.3 %	Equity Method
XL - Bygg Nordic I/S	Ferd Capital	Braband, Denmark	33.3 %	Equity Method
Tibro Byggvaror AB	Ferd Capital	Tibro, Sweden	44.0 %	Equity Method
Voksenkollen Fortau AS	Ferd Capital	Oslo	56.0 %	Equity Method
FFV Gardermoen AS	Ferd Real Estate	Oslo	33.3 %	Equity Method
Frogn Næringspark AS	Ferd Real Estate	Trondheim	25.0 %	Equity Method
Tiedemannsbyen DA	Ferd Real Estate	Oslo	50.0 %	Equity Method
Tiedemannsfabrikken AS	Ferd Real Estate	Oslo	50.0 %	Equity Method
Måna Syd AS	Ferd Real Estate	Trondheim	25.0 %	Equity Method
Sanderveien 18 AS	Ferd Real Estate	Ski	50.0 %	Equity Method

Note 8 Investment property

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

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

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

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

Investment property

NOK mill.	2021	2020
Balance at 1 January	7,034	3,648
Acquisitions	170	3,097
Disposals	-1,744	-57
Reclassifications	-337	-
Net change in value of investment property	256	347
Carrying amount at 31 December	5,379	7,034

Income from investment property

NOK mill.	2021	2020
Rental income from properties	186	196
Net change in value of investment property	256	347
Total	442	543

Note 9 Income taxes

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

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

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

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

Specification of income tax expenses

NOK mill.	2021	2020
Tax payable of net profit		
Income tax payable for the year	542	381
Adjustments of prior periods	-57	-3
Total tax payable	485	378
Deferred tax expense		
Change in deferred tax recognised in the income statement	110	-181
Effects of changes in tax rates and prior years' taxes	-169	19
Total deferred tax	-60	-163
Income tax expense	425	215
Tax payable in the balance sheet		
NOK mill.	2021	2020
Tax payable of the year	542	381
Tax liability from prior years	37	29
Advance tax paid	-227	-183
Tax receivable related to tax paid outside Norway	66	-
Translation differences	2	-
Tax payable	420	227
Reconciliation of nominal to effective tax rate		
NOK mill.	2021	2020
Profit before tax	5,213	4,239
Estimated income tax expense at nominal tax rate (22 percent)	1,147	978
Losses and other deductions without any net tax effect	3	2
Unrecognised change in deferred tax assets	-3	-56
Changes from equity method accounting investments	-42	-21
Non-taxable net income (-) / costs (+) from securities	-566	-654
Impairment of goodwill	-1	-3
Adjustments of prior periods	-216	16
Tax effect of other permanent differences	102	-47
Income tax expense	425	215
Effective tax rate	8.2 %	5.1 %

Tax recognised directly in equity

NOK mill.	2021	2020
Actuarial loss on pension obligations (note 19)	-1	-
Cash flow hedges (note 28)	-12	-6
Total tax recognised in total comprehensive income	-13	-7

Deferred tax asset and deferred tax liability

NOK mill.	2021	2020
Inventories	-14	121
Receivables	189	106
Stocks and bonds	-345	-230
Other differences	62	75
Tangible assets	-407	-205
Investment properties	-	-356
Intangible assets	-375	-192
Net pensions	14	16
Tax losses to carry forward	294	65
Total	-581	-599
Reassessment of deferred tax assets	-9	-11
Net carrying value at 31 December of deferred tax assets (+)/liabilities (-)	-590	-610
Deferred tax assets recognised in balance sheet	317	455
Deferred tax liabilities recognised in balance sheet	-908	-1,065
Net carrying value at 31 December of deferred tax assets (+)/liabilities (-)	-590	-610

Gross tax losses to carry forward with expiration years

NOK mill.	2021
After 2024	35
Without expiration	259
Total tax losses to carry forward	294

Change in net deferred tax in balance sheet

NOK mill.	2021	2020
Net carrying value at 1 January	-610	-665
Translation differences	-2	9
Acquisition and disposal of subsidiary	-89	-61
Recognised in income statement during the period	60	163
Tax recognised in other comprehensive income	-13	-7
Other changes	64	-49
Net carrying value at 31 December	-590	-610

Note 10 Geographical allocation of revenue

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

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

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

Sales revenues are valued at the fair value of the consideration and are presented net after deductions for discounts, VAT and other types of public taxes. Discounts are allocated proportionally to performance obligations in a contract.²⁴

NOK mill.	2021	2020
Norway	10,118	5,622
Germany	1,608	1,746
Sweden	1,598	1,665
USA	1,617	1,626
Netherlands	585	547
Russia	794	865
Canada	549	545
Denmark	368	353
Great Britain	510	393
Spain	456	428
Austria	475	513
Finland	486	396
France	241	247
Rest of the world	3,190	3,259
Total revenue	22,597	18,204

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

Revenue from contracts with customers	22,597	18,204
Total revenue	22,597	18,204
Revenue from performance obligations fulfilled at a point in time	12,763	9,165
Revenue from performance obligations fulfilled over time	9,834	9,039
Total revenue from contracts with customers	22,597	18,204

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

Note 11 Salaries

NOK mill.	2021	2020
Salaries	3,928	3,287
Social security tax	548	463
Pension costs	244	200
Other benefits	117	75
Total	4,837	4,025

Average number of employees	5,961	5,005
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Salary and remuneration to Group management

NOK1000	2021			2020		
	Salary and bonus	Benefits in kinds	Pension	Salary and bonus	Benefits in kinds	Pension
Group CEO, Morten Borge	16,505	281	985	10,583	280	872
Other members of Group management	18,182	603	624	11,355	636	612
Total	34,687	884	1,609	21,938	916	1,484

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

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

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

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

Fees to the Board

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

Note 12 Intangible assets

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

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

Impairment

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

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

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

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

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

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

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

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

NOK mill.	2021	2020
Goodwill (note 13)	5,744	3,972
Other intangible assets	3,040	2,184
Carrying amount at 31 December	8,784	6,157

2021

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

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

2020

NOK mill.	Capitalised					Total
	Software	Brands	Patents and rights	develop- ment costs	Customer relations	
Cost at 1 January	909	529	700	586	907	3,632
Ordinary additions	379	29	4	153	362	927
Disposals	-45	-	-	-	-	-45
Transfers between asset groups	-	-	-	-	-	-
Exchange differences	46	-	17	23	-	86
Cost at 31 December	1,290	559	721	763	1,269	4,601
Acc. Amortisation and impairment at 1 January	487	31	615	266	602	2,002
Additions of amortisations at acquisitions	72	5	-	9	-4	82
Current year depreciation charge	113	-1	20	43	135	311
Current year amortisation charge	13	11	-	-	-	25
Disposals	-49	-	-	-	-	-49
Exchange differences	22	-	17	8	-	47
Accumulated amortisation at 31 December	658	47	652	327	733	2,417
Accumulated impairment at 31 December	16	36	11	32	-	95
Carrying amount at 31 December	632	511	69	436	535	2,184

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

Research and development

Costs expensed to research and development in fiscal year 2021 totalled MNOK 188. The corresponding cost for 2020 was MNOK 150.

Note 13 Goodwill and information on business combinations

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

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

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

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

Business combinations

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

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

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

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

2021

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

Changes in 2021:

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

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

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

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

2020

NOK mill.	Interwell	Servi	Elopak	Mester- gruppen	Simployer	Other	Total
Cost at 1 January	1,212	397	568	867	-	29	3,073
Additions	-	-	-	81	891	139	1,110
Reclassification	-	-	-	23	-	-23	-
Exchange differences	-	-	45	-	-	-	45
Cost at 31 December	1,212	397	613	971	891	144	4,228
Accumulated impairment at 1 January	4	201	61	-	-	2	268
Write-downs	-	-	-	-16	-	-	-16
Reclassification	-	-	-	2	-	-2	-
Exchange differences	-	-	4	-	-	-	4
Accumulated impairment at 31 December	4	201	65	-14	-	-	256
Carrying amount at 31 December	1,208	197	547	985	891	144	3,972

Changes in 2020:

Simployer: Ferd acquired 72.5 percent of the shares in Simployer Group AS on 27 January 2020. A goodwill of NOK 890.6 million was identified. Included in the value of goodwill are employees with special expertise and expected synergies.

Other: Ferd increased its ownership in Broodstock Capital AS (formerly Broodstock Capital Partners AS) from 40 to 93.6 percent in December 2020. With this acquisition, the Group achieved control of the subsidiaries BC SPV II AS, BC SPV III and BC SPV VI B AS. A goodwill of NOK 121.9 million was identified. Included in goodwill are employees with special expertise and expected synergies.

Ferd also increased its ownership in Unicus Holding AS from 36 to 70 percent in 2020. A goodwill of NOK 16.6 million was identified. Included in the goodwill are expected synergies and the competence of the employees.

Impairment testing for goodwill

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

Cash generating units:

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

Cash flows:

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

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

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

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

Discount rates:

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

The rate applied and other assumptions are shown below.

	Discount rate after tax (WACC)		Growth rate 2-5 years		Long-term growth rate	
	2021	2020	2021	2020	2021	2020
Interwell	9.0 %	9.0 %	5.0 %	5.0 %	2.0 %	2.0 %
Servi	12.0 %	9.8 %	2.0 %	5.1 %	2.0 %	2.0 %
Elopak	3.6 %	5.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Mestergruppen	10.0 %	13.0 %	2.0 %	2.5 %	2.0 %	2.0 %
Simployer	10.0 %		4.0 %		2.0 %	

No impairment tests have been performed for Norkart and Try as these companies were acquired in 2021.

Interwell

The acquisition of Interwell in 2014 resulted in a recognition of goodwill of MNOK 345 for Ferd. In the Interwell group, however, there are an additional MNOK 863 in goodwill from acquisitions carried out by Interwell. This goodwill is allocated to the whole of Interwell as one joint cash-generating unit, which is the level on which Ferd is following up Interwell.

Servi

Goodwill identified at the acquisition of Servi is allocated to Servi in total as the cash generating unit. This is a consequence of Servi's coordinated and well-integrated activities. The carrying value at 2021 is MNOK 50 following an impairment of NOK 146 million in 2021, in addition to an earlier impairment of NOK 200 million from 2015.

Elopak

Goodwill concerning Elopak is allocated to the cash generating unit Europa, which consists of Elopak's European markets, including the in-house production and supply organisation. This goodwill has a carrying value of MNOK 548 at 2021. The rationale for determining Europe as one cash-generating unit is the dynamics of this market. The trend is that customers are merging, and have easy access to the supplies all over Europe. Elopak adapts to its customers by distributing the production of cartons for the various markets according to the optimal production efficiency in Europe. The historical geographical criteria for production and demands from customers are no longer as important. As a consequence of this development, the split of margins along Elopak's value chain will be subject to change from one year to another. Hence, one European business unit will be the best indicator for assessing any impairment of goodwill.

Mestergruppen

Goodwill concerning Mestergruppen is allocated to Mestergruppen as a whole as one cash-generating unit, the level on which Ferd is following up Mestergruppen. In connection with the purchase of Nordek and Byggtorget in 2016, goodwill amounting to MNOK 426 was recognised. In 2017, an additional goodwill of MNOK 228 was recognised as a consequence of the acquisition of Salttdalsbygg. In 2018 goodwill of MNOK 88 has been recognized related to the acquisition of Pretre AS and Jæren Treteknikk AS. In 2019, goodwill of MNOK 155 has been recognized related to the acquisition of XL-BYGG AB and LA Bygg AS. In 2021, 502 million goodwill was recognized, of which the acquisition of Malorama accounted for NOK 500 million. Total goodwill related to the Mestergruppen is MNOK 1 486 at 31 December 2021.

Simployer Group

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

Acquisition of Norkart

Ferd acquired 100 percent of the shares in Norkart AS on 13 April 2021. Norkart is a Norwegian technology company that offers market-leading solutions in municipal engineering, map and property information to the public and private sectors. A goodwill of NOK 983 million was identified at acquisition. Included in the value of goodwill is the company's strong market position and development opportunities, as well as the employees' competence. The purchase was financed in its entirety with cash of NOK 1,547 million.

Acquisition of Try (included in "Other")

Ferd acquired 57 percent of the shares in Try AS on 31 October 2021. Try is Norway's leading full-service communications group in creativity, strategy and technology. A goodwill of NOK 335 million was identified at acquisition. Included in the value of goodwill is the company's strong market position and development opportunities, as well as the employees' competence. The purchase was financed in its entirety with cash of NOK 386 million.

Broodstock Capital (included in "Other")

Ferd increased its ownership in Broodstock Capital from 40 per cent to 100 per cent in 2020. A goodwill of NOK 121 million was identified at acquisition. During 2021, Broodstock Capital sold Therma Industri AS (one of the companies in the Broodstock portfolio). This has resulted in a decrease in goodwill of NOK 34 million. Included in the value of goodwill are employees' competence and expected synergies. Goodwill is allocated in its entirety to the companies included in the Capital segment.

Conclusion

For all cash-generating units, the estimated recoverable amount in the impairment tests is positive and with the exception of Servi, where goodwill was written down by NOK 146 million in 2021, it is concluded based on the tests that there is no need for impairment in 2021. The uncertainty connected with the assumptions on which the impairment testing is based is illustrated by sensitivity analyses. The conclusions are tested for changes in discount and growth rates.

Specification of business combinations in 2021

Amounts in NOK mill.	Norkart AS	Try AS	Malorama AS	&Frankly AB	Edge HR AB
Acquisition date	13/04/2021	31/10/2021	01/07/2021	07/01/2021	03/11/2021
Total consideration for the acquired business	1,547	386	1,201	112	41
of which cash	1,547	386	1,201	90	41
Ownership- and voting share after acquisition	100%	57%	100%	100%	100%
Ownership before acquisition	0%	0%	0%	0%	0%
Voting share before acquisition	0%	0%	0%	0%	0%
Fair value of assets	956	116	1,207	66	20
Fair value of liabilities	392	87	506	27	19
Fair value of net identifiable assets	564	29	701	40	1
Non-controlling interests measured at fair value of net identifiable assets	-	22	-	-	-
Goodwill	983	335	500	72	39
Transaction price	1,547	342	1,201	112	41
Cash paid	1,547	386	1,201	90	41
Cash in the acquired business at acquisition date	336	188	70	12	11
Net cash outflow	1,211	198	1,131	78	30
EBITDA for the period 01.01 - 31.12	95	66	180	54	-2
EBITDA for the period from acquisition date - 31.12	69	16	81	54	2
Revenue for the period 01.01 - 31.12	366	1,144	2,259	79	34
Revenue for the period from the acquisition date - 31.12	271	537	969	79	5

Note 14 Tangible assets

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

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

Impairment

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

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

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

2021

NOK mill.	Buildings and land	Machines and installations	Fixtures and equipment	Total
Cost at 1 January	1,224	6,756	706	8,687
Additions on acquisitions	49	21	47	117
Ordinary additions	38	462	69	569
Disposals	-95	-325	-95	-515
Transfer between asset groups	7	-53	22	-24
Exchange differences	-21	-196	-10	-228
Cost at 31 December	1,201	6,666	739	8,606
Accumulated depreciation and impairment at 1 January	542	4,536	496	5,575
Accumulated depreciation on acquisitions	-	-	17	17
Depreciation of the year	41	406	78	524
Impairment of the year	-	35	-	35
Derecognised depreciation	-67	-266	-83	-416
Transfer between asset groups	-7	9	-2	-
Exchange differences	-8	-146	-11	-164
Accumulated depreciation at 31 December	501	4,575	495	5,571
Accumulated impairment at 31 December	-	92	1	93
Carrying amount at 31 December	700	2,091	244	3,035
Estimated economic life of depreciable assets	5-50 years	5-15 years	3-13 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	
Land is not depreciated				

2020

NOK mill.	Buildings and land	Machines and installations	Fixtures and equipment	Total
Cost at 1 January	1,198	6,236	593	8,027
Additions on acquisitions	37	54	64	155
Ordinary additions	37	582	64	683
Disposals	-553	-39	92	-501
Transfer between asset groups	418	-305	-115	-2
Exchange differences	87	228	8	324
Cost at 31 December	1,224	6,756	706	8,687
Accumulated depreciation and impairment at 1 January	542	4,176	419	5,137
Accumulated depreciation on acquisitions	19	29	29	77
Depreciation of the year	46	384	79	509
Impairment of the year	1	25	-	26
Disposals	-196	-171	-	-366
Transfer between asset groups	99	-64	-36	-1
Exchange differences	30	158	6	194
Accumulated depreciation at 31 December	542	4,536	496	5,575
Accumulated impairment at 31 December	-	67	1	68
Carrying amount at 31 December	682	2,220	210	3,112

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

Note 15 Other operating expenses

NOK mill.	2021	2020
Sales and administration costs	667	356
Lease of buildings etc.	145	146
Fees to auditors, lawyers, consultants	393	420
Travel expenses	120	110
Loss and change in write-downs of receivables	26	34
Other expenses	771	722
Total	2,122	1,788

Note 16 Expensed audit fees

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

NOK1000	Audit fees	Other attestation services	Tax services	Other non-audit services	Total
2021					
PwC	19,115	4,479	1,795	7,454	32,843
Others	6,611	132	1,222	1,346	9,311
Total	25,726	4,611	3,017	8,800	42,155
2020					
PwC	13,716	74	1,436	4,013	19,239
Others	5,119	14	325	2,035	7,493
Total	18,835	88	1,761	6,048	26,732

Other non-audit services mainly concern due diligence services. All amounts are exclusive of VAT.

Note 17 Investments accounted for by the equity method

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

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

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

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

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

2021	Lala		Tiede-	Oslo		Total
	Elopak S.A. de C.V.	Impresora Del Yaque		manns- fabrikken AS	Logistikkpark Gardermoen AS	
NOK mill.						
Ownership and voting share	49%	51%	50%	33%		
Cost at 1 January	194	43	7	98	202	544
Share of result at 1 January	169	87	222	-25	174	627
Accumulated impairment of goodwill at 1 January	-	-	-	-	-171	-171
Transfer from the company	-79	-17	-148	-	-75	-319
Recognised directly in equity	-1	-	-	-	2	1
Exchange differences/eliminations	-86	-28	-	-	-22	-136
Carrying amount at 1 January	197	85	82	72	109	546
Additions of the year	-	-	-	7	29	36
Share of the result of the year	26	11	84	2	6	129
Transfers from the company	-32	-18	-75	-	-18	-143
Recognised directly in equity	-	-	-	-	-	-
Exchange differences/eliminations	2	4	-	-	6	13
Carrying amount at 31 December	194	83	91	82	134	583
2020						
NOK mill.						
Ownership and voting share	49%	51%	50%	33%		
Cost at 1 January	194	43	7	70	211	524
Share of result at 1 January	141	65	148	-23	159	490
Accumulated impairment of goodwill at 1 January	-	-	-	-	-18	-18
Transfer from the company	-79	-17	-148	-	-75	-319
Recognised directly in equity	-	-	-	-	3	2
Exchange differences/eliminations	-70	-16	-	-	-15	-101
Carrying amount at 1 January	186	75	7	47	264	578
Additions of the year	-	-	-	28	-3	25
Sales during the year	-	-	-	-	-5	-5
Share of the result of the year	28	22	75	-2	15	137
Write-down of goodwill	-	-	-	-	-153	-153
Recognised directly in equity	-	-	-	-	-1	-1
Exchange differences/eliminations	-16	-11	-	-	-7	-35
Carrying amount at 31 December	197	85	82	72	109	546

The table below shows a summary of financial information related to Ferd's largest investments in associates and joint ventures on a 100 percent basis. The stated figures represent fiscal year 2021. The figures are unaudited.

NOK mill.	Lala		Tiede-	Oslo
	Elopak S.A. de C.V.	Impresora Del Yaque	manns- fabrikken AS	Logistikkpark Gardermoen AS
Operating revenue	600	164	927	1
Profit after tax and minority	54	22	167	-
Total assets	459	182	509	484
Total liabilities	118	20	328	239

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

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

NOK mill.	Ownership/v oting share 2021	Sales from associated companies and joint ventures to Ferd		Ferd's net receivables(payables) to associated companies and joint ventures		Ferd's guarantees for associated companies and joint ventures	
		2021	2020	2021	2020	2021	2020
Al-Obeikan Elopak factory for Packaging Co	0.0 %	-	-	-	11	-	-
Impresora Del Yaque	51.0 %	1	-	4	1	-	-
Lala Elopak S.A. de C.V.	50.0 %	242	186	-21	-8	-	-
Tiedemannsbyen DA	50.0 %	-	-	1	10	-	-
Total		242	187	-16	14	-	-

Note 18 Specification of finance income and expense

Finance income

NOK mill.	2021	2020
Interest income from bank deposits	36	53
Interest income from related parties	5	4
Other interest income	15	7
Foreign exchange gain and other finance income	144	212
Total	200	275

Finance expense

NOK mill.	2021	2020
Interest expense to finance institutions	107	151
Interest expense to related parties	49	46
Other interest expense	19	25
Foreign exchange loss and other finance expenses	149	601
Interest expense from lease liabilities	96	83
Total	419	905

Note 19 Pension costs and liabilities

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

Economic assumptions in Norwegian companies at 31 December

	2021	2020
Discount rate	2.00%	2.00%
Expected wage growth	2.50%	2.75%
Future expected pension regulation	1.50%	1.75%
Expected regulation at base amount (G)	2.25%	2.50%

PENSION OBLIGATIONS

Reconciliation of net liability against balance sheet

NOK mill.	2021	2020
Pension liabilities for defined benefit pension plans	-106	-67
Pension assets for defined benefit pension plans	12	3
Total defined benefit obligation recognised in the Group's balance sheet	-94	-65

DEFINED BENEFIT PLANS**Specification of recognised liability**

NOK mill.	2021	2020
Present value of unfunded pension liabilities	-90	-63
Present value of wholly or partly funded obligations	-29	-19
Total present value of defined benefit obligations	-119	-83
Fair value of pension assets	26	18
Total defined benefit obligation recognised in the Group's balance sheet	-94	-65

Movements in liabilities for defined benefit pension plans

NOK mill.	2021	2020
Liability for defined benefit pension plans at 1 January	83	126
Present value of current service cost	15	3
Interest expenses on the pension liability	1	1
Demographic estimate deviation on the pension liability	2	-
Financial estimate deviation on the pension liability	-	2
Settlement of pension plans	-2	-49
Curtailement of pension plans	-3	-
Change in liability due to acquisition/sale of subsidiaries	25	-
Benefits paid	-2	-3
Social security tax	-	-
Exchange differences on foreign plans	-	1
Liability for defined benefit pension plans at 31 December	119	83

Expected payments of defined pension liabilities

NOK1000	2021
Defined benefit pension expected to fall due year 1-5	18
Defined benefit pension expected to fall due year 6-10	38
Defined benefit pension expected to fall due year 11-20	12
Defined benefit pension expected to fall due year 21-30	51
Total benefit pension due	119

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

NOK mill.	2021	2020
Fair value of pension assets at 1 January	18	57
Expected return from pension assets	-	1
Financial estimate deviation on the pension assets	-2	4
Contributions from employer	1	1
Increase in pension funds due to the acquisition of subsidiaries	11	1
Settlements	-	-11
Benefits paid	-1	-34
Exchange difference on foreign plans	-1	1
Fair value of pension assets at 31 December	26	18

Actuarial deviations recognised in other comprehensive income

NOK mill.	2021	2020
Current year actuarial deviation on pension liabilities (defined benefit schemes)	-3	-2
Current year actuarial deviation on pension funds (defined benefit schemes)	-2	4
Tax effect (note 9)	1	-
Net actuarial deviation on defined benefit schemes	-4	2

PENSION COSTS

NOK mill.	2021	2020
Defined benefit plans	15	1
Defined contribution plans	229	199
Total pension costs recognised in current year payroll costs	244	200

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

NOK mill.	2021	2020
Present value of this year's pension earned	15	3
Curtailment of pension schemes and plan changes	-	-2
Social security tax	-	-
Total pension costs from benefit schemes recognised in salary costs	15	1

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

Note 20 Inventories

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

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

2020 NOK mill.	Raw materials	Work in progress	Finished goods	Total
Cost at 31 December	511	1,745	1,435	3,691
Provisions for obsolescence at 1 January	-41	-	-110	-152
Write-down	-38	-	-39	-77
Reversal of write-down	39	-5	38	72
Currency translation	-2	-	-3	-5
Provisions for obsolescence at 31 December	-42	-5	-114	-161
Carrying value at 31 December	469	1,739	1,321	3,530

Note 21 Short-term receivables

NOK mill.	2021	2020
Trade receivables gross	4,016	3,278
Loss allowance	-113	-89
Total trade receivables at 31.12	3,903	3,189
Non-invoiced revenue	78	78
Total other trade receivables at 31.12	78	78
VAT and tax claims	270	216
Current interest-bearing assets	91	56
Other current receivables	1,344	1,100
Total other receivables at 31.12	1,705	1,373
Total short-term receivables at 31.12	5,686	4,640
Overdue accounts receivable by age		
NOK mill.	2021	2020
Up to 30 days	414	388
30-60 days	125	76
60-90 days	48	40
Over 90 days	171	191
Total	758	694

Note 22 Share capital and shareholder information

The share capital of the Company as at 31 December 2021 consists of 183 267 630 shares at a nominal value of NOK 1.-.

Ownership structure

The shareholder as at 31 December 2021 was:

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

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

Shares indirectly owned by the board

members in Ferd AS	Position	Voting rights	Stake
Johan H. Andresen (Ferd JHA AS)	Chair of the Board	69.98%	15.20%

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

Note 23 Non-controlling interests

Subsidiary	Interwell	Mestergruppen	Simplyer	Elopak	Others	Total
Business office	Stavanger	Oslo	Sarpsborg	Oslo		
Ferd's stake and voting share	63.3 %	72.2 %	72.5 %	58.4 %		
Non-controlling share	36.7 %	27.8 %	27.5 %	41.6 %		
NOK mill.						
Non-controlling interest 1 January 2021	632	675	265	39	90	1,700
Corrections from previous periods	-	-39	-	80	132	173
Capital changes	-	44	23	3	15	85
Dividends	-53	-106	-	-1	-	-160
Other transactions with non-controlling interests	17	-283	12	982	97	825
Profit after tax attributable to non-controlling interests	134	176	-	146	66	523
Other comprehensive income attributable to non-controlling interests	-20	-18	-8	-110	-1	-156
Reclassifications	-	-	-	-	-	-
Non-controlling interest at 31 December 2021	711	450	291	1,139	398	2,990

Summary of financial information from subsidiaries

NOK mill.	Interwell	Mestergruppen	Simplyer	Elopak
Operating income	1,555	7,251	479	9,627
Operating profit	449	754	12	558
Profit after tax	376	565	2	350
Non-current assets	1,884	3,984	1,531	4,151
Current assets	2,084	4,497	180	3,673
Non-current liabilities	1,056	2,729	425	2,484
Current liabilities	306	4,558	339	2,652

Note 24 Non-current liabilities

NOK mill.	Loan amount in currency 2021	Loan amount in NOK 2021	Loan amount in NOK 2020
NOK	-	7,184	4,466
EUR	170	1,698	2,042
SEK	8	8	-
Other	-	1	3
Carrying value of loan expenses		-18	-16
Carrying value at 31 December		8,873	6,495
Other long-term debt		234	168
Total non-current liabilities		9,107	6,663

Instalments determined in contracts

NOK mill.	2021
2022	3,176
2023	2,521
2024	727
2025 or later	2,700
Total	9,125
Carrying value of loan expenses	-18
Total balance at 31.12	9,107

The first year's instalment of long-term debt is presented as part of the short-term interest-bearing debt. Non-current lease liabilities are described in note 32.

Note 25 Other current liabilities

NOK mill.	2021	2020
Trade payables	4,043	3,668
Public duties etc.	697	496
Other short-term liabilities	3,794	2,974
Total	8,534	7,139

Note 26 Assets pledged as security, guarantees and contingent liabilities

Secured borrowings

NOK mill.	2021	2020
Loan facilities	4,824	3,733
Total	4,824	3,733

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

Carrying amounts of pledged assets

NOK mill.	2021	2020
Investment property	4,116	4,116
Other tangible assets	746	741
Inventories	915	1,070
Receivables	1,141	1,172
Other assets	2,171	997
Total	9,088	8,096

Maximum exposure to the above assets	9,088	8,096
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Guarantees and off-balance sheet liabilities

NOK mill.	2021	2020
Committed capital to fund investments	1,069	1,174
Guarantees without security	13	64
Clauses on minimum purchases in agreements	93	76
Other obligations ¹⁾	429	47
Total	1,604	1,362

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

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

Note 27 Risk management - operations

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

Currency risk

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

Outstanding foreign exchange forward contracts related to operations:

NOK mill.	Purchase of currency		Sale of currency	
	Currency	Amount	Currency	Amount
	JPY	5,191	JPN	1,263
	NOK	256		-
	EUR	10	EUR	150
	USD	95		-

All foreign exchange contracts mature during 2022 and 2023.

Interest rate risk

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

Outstanding interest rate swaps

NOK mill.	Currency	Amount	Receives	Pays	Time remaining
					to maturity
	EUR	140	3M EURIBOR	Fixed 0.36 - 0.7 %	0 - 5 years

The table includes derivatives for hedging.

Credit risk

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

Note 28 Hedge accounting - operations

Ferd has cash flow hedges related to the hedging of currency transactions and commodity prices. Hedging related to interest payments was terminated on 1 July 2017. Remaining hedging reserves are transferred to profit in line with interest payments on the loans that had qualified for hedge accounting. The hedging reserve consist of the effective part of the accumulated net changes in the fair value of cash flow hedges related to the hedged transaction which have not yet taken place. Movements in the hedge accounting reserve are described in the table below.

NOK mill.	2021			2020		
	Opening balance	Change during the year	Closing balance	Opening balance	Change during the year	Closing balance
Commodity swaps	-	53	54	-29	30	-
Currency futures	-	1	2	3	-3	-
Interest rate swaps	-	-	-	-	-	-
Currency translation	-	-	-	-2	2	-
Deferred tax	-1	-12	-13	7	-8	-1
Total	-	43	43	-22	22	-

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

NOK mill.	2021	2020
Commodity costs	81	35
Other operating expenses	12	12
Total	94	48

Note 29 Liquidity risk

Financing and financial covenants

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

Ferd AS has a loan facility of NOK 7 billion. As of 31 December 2021, a draw-down of NOK 200 million has been made on one of the loan facilities. Ferd has financial covenants with requirements related to 1) Equity ratio, 2) Book equity and 3) Cash and cash equivalents. At 31 December 2021, Ferd had a good margin for these requirements.

All of the subsidiaries / sub-groups that Ferd has invested in have their own banking connections, group accounts and financing. The sub-groups have their own financial covenant requirements adapted to their specific businesses. As of 31 December 2021, none of the companies are in breach of the covenant requirements.

Liquidity risk – operational business

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

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

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

31.12.20 NOK mill.	Less than 1	1-3 years	3-5 years	Total
Finance institutions	1,682	6,133	378	8,193
Accounts payable	3,668	-	-	3,668
Other non-current liabilities	-	136	31	168
Public taxes and other current liabilities	2,829	-	-	2,829
Total ¹⁾	8,179	6,269	410	14,858

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

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

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

31.12.20 NOK mill.	Less than 1	1-3 years	More than 3	Total
Interest rate swaps	-14	-13	-32	-58
Currency futures	1	-7	-	-6
Commodity derivatives	-2	-3	-	-5
Total	-15	-23	-32	-70

Credit facilities

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

	2021		2020	
	Used	Unused	Used	Unused
<u>Overdraft</u>				
Secured	84	561	220	662
Unsecured	150	1,112	163	431
<u>Credit facilities</u>				
Secured	888	690	365	270
Unsecured	1,692	2,303	2,232	1,957
<u>Factoring</u>				
Unsecured	400	900	394	969
Total secured	972	1,251	585	932
Total unsecured	2,242	4,316	2,788	3,356

Change in obligations from financial activities

	Long-term loans	Short-term loans	Derivatives	Total
Balance at 1 January 2021	6,495	1,682	13	8,190
<i>Changes with effect on cash flows:</i>				
Proceeds from new loans	11,180	-1	-	11,179
Repayments	-8,034	-1,302	-	-9,336
<i>Changes without any effect on cash flows:</i>				
Additions from acquisitions	21	70	-	91
Disposal from sale	-0	-182	-	-182
Reclassifications	-696	696	-	-
Fair value changes	4	1	14	20
Currency changes	-97	-7	-	-104
Balance at 31 December 2021	8,873	958	27	9,858

	Long-term loans	Short-term loans	Derivatives	Total
Balance at 1 January 2020	4,929	1,864	24	6,818
<i>Changes with effect on cash flows:</i>				
Proceeds from new loans	12,573	197	-	12,769
Repayments	-10,700	-1,191	-12	-11,902
<i>Changes without any effect on cash flows:</i>				
Additions from acquisitions	60	107	-	167
Reclassifications	-685	685	-	-
Fair value changes	6	-	-	6
Currency changes	312	20	-	332
Balance at 31 December 2020	6,495	1,682	13	8,190

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

Note 30 Related parties

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

Associated companies and joint ventures

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

The Board and executives

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

Note 31 New accounting standards according to IFRS

The financial statements have been prepared in accordance with standards issued by the International Accounting Standards Board (IASB) and International Financial Reporting Standards - Interpretations Committee (IFRIC), effective for accounting years starting on 1 January 2021 or earlier.

New and amended standards implemented by Ferd effective from the accounting year 2021.

There are no new standards in 2021 that will have a significant effect on the consolidated financial statements.

Note 32 Right of use assets and lease liabilities

Identification of a lease

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

Ferd as a lessee

Separation of the components of a lease

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

Recognition of leases

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

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

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

Lease liabilities

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

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

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

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

Right of use assets

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

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

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

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

Right of use assets

2021

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

2020

Amounts in NOK mill.	Buildings	Machines & Equipment	Vehicles	Total
Cost at 1 January	1,755	303	162	2,220
Additions	191	40	56	286
Disposals	-54	-2	-2	-58
Transfer and reclassification	21	-18	-2	1
Currency exchange differences	34	15	8	57
Cost at 31 December	1,947	337	222	2,507
Accumulated depreciation and impairment at 1 January	-205	-73	-44	-323
Depreciation of the year	-261	-81	-49	-391
Transfer and reclassification	-9	7	4	1
Currency exchange differences	-2	-2	-1	-5
Accumulated depreciation and impairment at 31 December	-477	-149	-91	-717
Carrying amount at 31 December	1,470	188	131	1,789

Lease liabilities

Amounts in NOK mill.	2021
Undiscounted lease liabilities and payment	
Less than 1 year	534
1-2 years	457
2-3 years	392
3-4 years	277
4-5 years	250
More than 5 years	1,061
Total undiscounted lease liabilities 31 December	2,970

Changes in lease liabilities

Amounts in NOK mill.	2021
Lease liabilities 1 January	2,037
New / changed lease liabilities in the period	898
Current year lease payments	-522
Interest expense on lease liabilities	91
Currency exchange differences	-43
Total lease liabilities 31 December	2,461

Discount rate used in the calculation is between 5 and 6 percent.

<i>whereof current lease liabilities < 1 year</i>	492
<i>whereof non-current lease liabilities > 1 year</i>	1,969

Other lease expenses in profit & loss

Amounts in NOK mill.	2021
Variable lease payments expensed in the period	16
Operating costs in the period related to short-term leases	8
Operating expenses in the period related to assets of low value	1
Total lease expenses included in operating expenses	25

Note 33 Events subsequent to the balance sheet date

Ferd is deeply concerned by the war in Ukraine and fully stand behind the international communities' reactions. In the Ferd Group it is mainly Elopak that has business operations within Russia and Ukraine. Due to the war, Elopak's Board of Directors decided on 4 March 2022 to temporarily suspend all business activities in Russia. This includes import, export, production and sales in Russia.

Elopak's crisis response team is constantly monitoring the development in both Ukraine and Russia and assessing the impact on Elopak's business, people and assets.

Update on Elopak's business operations in Russia and Ukraine

Elopak's plant in St Petersburg primarily delivers to the Russian market. The book value of fixed assets in the Russian operations was EUR 7 million as of year-end 2021. Elopak has 185 employees in Russia, placed in the company's plant in St Petersburg and office location in Moscow. The annual sales revenue for Elopak's Russian business in 2021 was EUR 73 million to Russian customers and EUR 3 million to other smaller countries in the region.

Elopak's plant in Fastiv, Ukraine, is presently not operating, but is currently intact. The book value of fixed assets in the Ukrainian operations was EUR 8 million as of year-end 2021. The plant primarily produces for delivery to the Russian market, and therefore the operation of the plant is closely related to the situation in Russia. The 2021 sales revenue is EUR 11 million from Ukrainian customers and EUR 3 million from other customers in the region.

Elopak's business operations in Russia and Ukraine combined delivered around 10% EBITDA margin in 2021 (on a revenue of around EUR 90 million).

AUDITOR'S REPORT





To the General Meeting of Ferd AS

Independent Auditor's Report

Opinion

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

- The financial statements of the parent company Ferd AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, total comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Ferd AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, total comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does



not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Oslo, 19 April 2022
PricewaterhouseCoopers AS

Geir Haglund
State Authorised Public Accountant

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

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