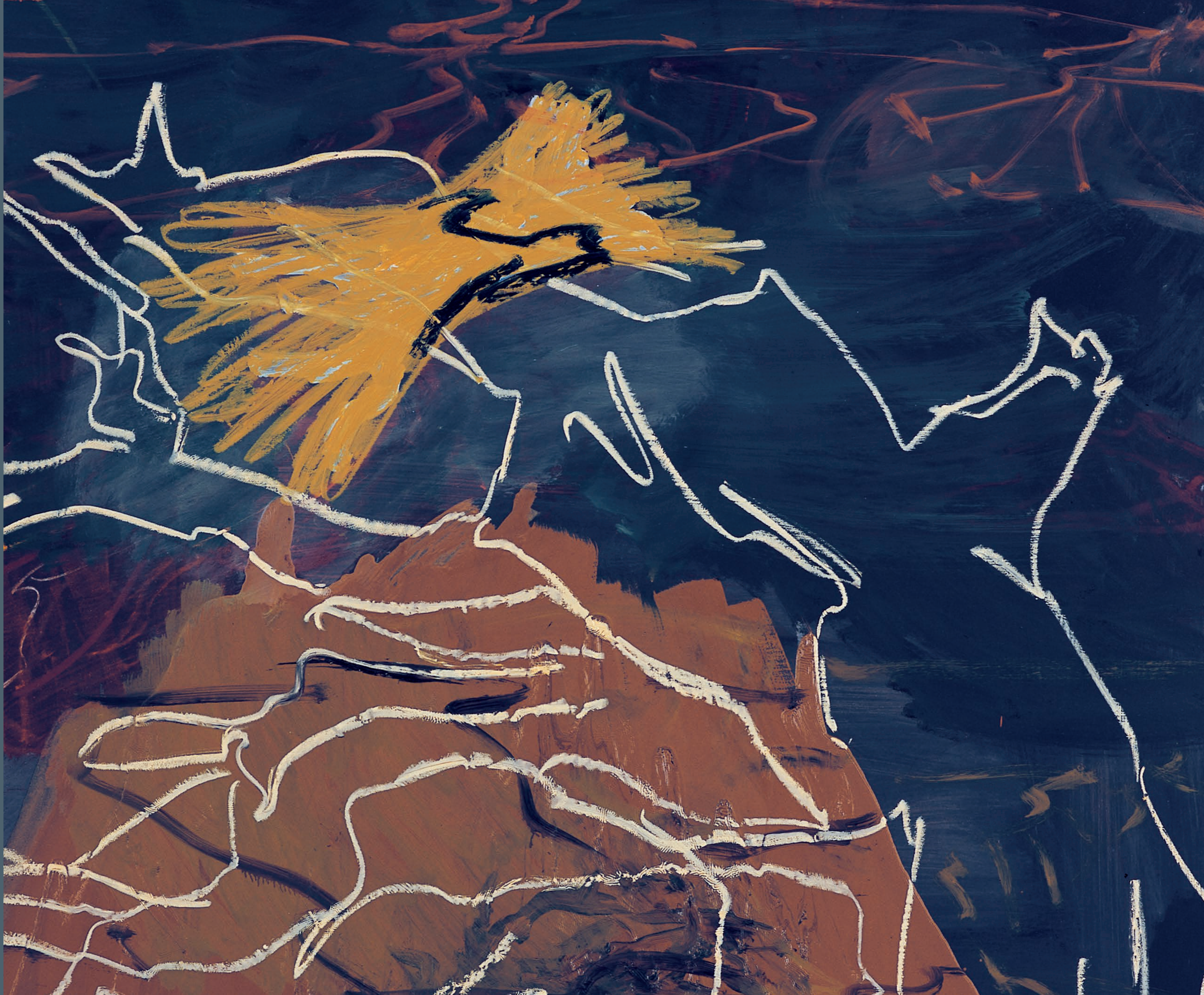
ABG SUNDAL COLLIER

# Annual Report 2020



**ABG Sundal Collier**
Independent Nordic investment bank

## ART IN THE ABGSC ANNUAL REPORT

Every year, ABG Sundal Collier features works by selected artists from the Collier Collection in its' annual report. Visitors to our offices in Oslo, Stockholm, Copenhagen, New York, London, Frankfurt and Singapore can experience international contemporary art in a wide range of media including painting, sculpture and photography.

This year we are pleased to focus on works by four leading Nordic artists featured in the collection: Per Kirkeby, Paul Osipow, Andreas Eriksson and Ida Ekblad.

Per Kirkeby (1938-2018) was arguably Denmark's best known artist in his generation, with his characteristic lush paintings, bronze sculptures and architectural brick sculptures. Paul Osipow (b. 1939) lives and works in Helsinki, Finland; his work has emphasized abstract and non-figurative painting and he has been a leading exponent of its development within the Nordic art scene. Andreas Eriksson (b. 1975) is based in Västergötland, Sweden; and is known for his conceptual approach to works in several media including painting, sculpture and tapestries. Ida Ekblad (b. 1980) lives and works in Oslo. Her practice comprises a variety of mediums such as painting, sculpture, performance, filmmaking, and poetry; and her work is inspired by sub-cultural and pop-cultural influences.



## List of Images:



# Enabling businesses and capital to grow and perform

ABG Sundal Collier (“ABGSC”) is founded on a hard-working partnership culture and the ability to attract top talent, developed over more than 30 years. The merger between Norwegian Sundal Collier and Swedish ABG in 2001 laid the foundation for today’s independent, full-service investment bank. We have a strong Nordic heritage, with operations in Norway, Sweden and Denmark and a global reach through our sales offices in Frankfurt, London, New York and Singapore.

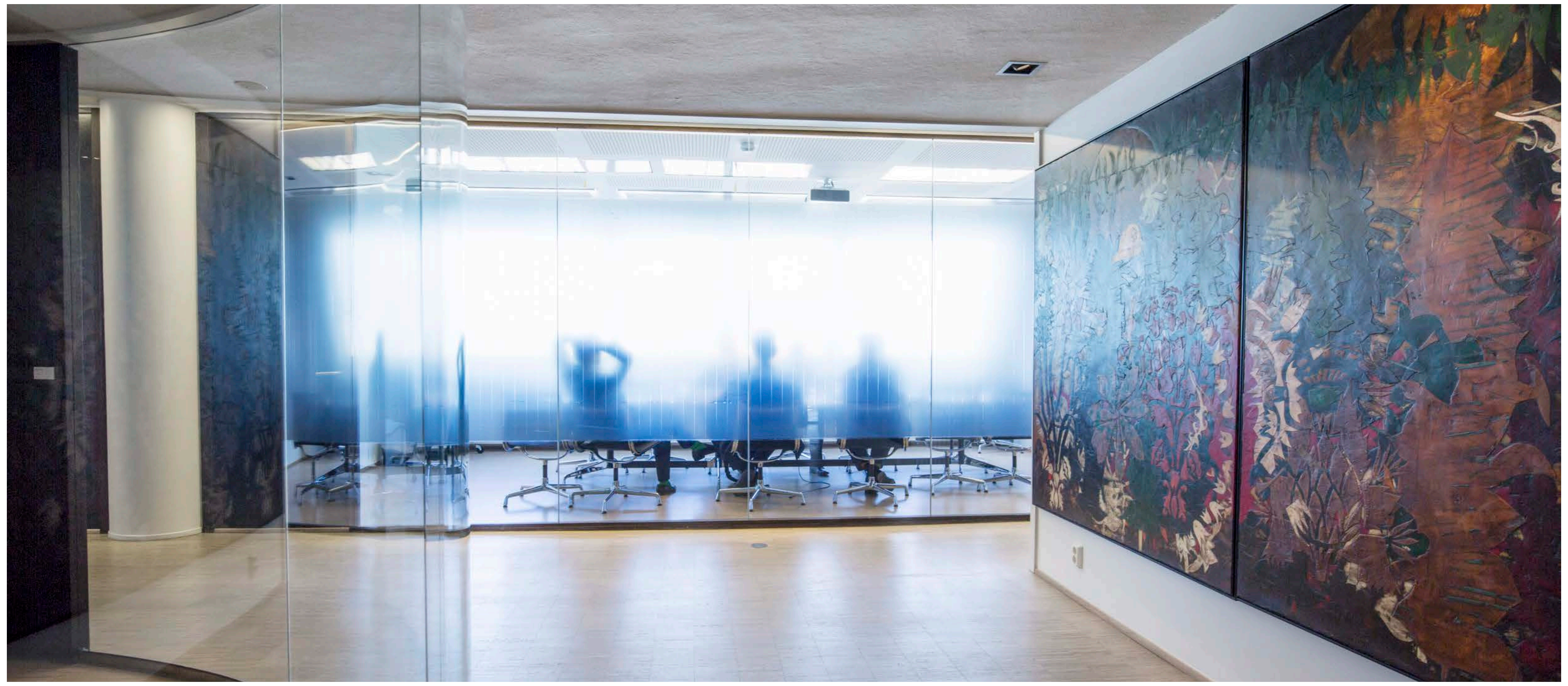
Relying on our superior transaction experience and network, we advise and guide clients when acquiring, consolidating or selling assets. With our outstanding investor access and placing power, we help corporations and entrepreneurs to finance their businesses. Through our high-quality research, we enable smarter investment decisions.

We are committed to excellence, and offer deep sector knowledge, extensive transaction experience and access to a large network of corporates and investors. We take great pride in always delivering first-class service, and we always seek to obtain a high degree of client satisfaction.

ABGSC demonstrates endurance as a financial partner. We work tirelessly to solve our clients' objectives, using a holistic approach. When taking on new clients, we commit to the long run, guiding the client though the different stages of a business life cycle. ABGSC's culture is defined by the fact that most of the employees are partners in the firm. This ownership component empowers employees and ensures a long-term commitment to the firm and to our clients.

As an independent investment bank, we always act in the best interest of our clients, with no second agenda. Our business is not about taking our own positions and our focus is 100 per cent on our clients. Because we are a leading investment bank within all relevant corporate finance disciplines (equity, debt and mergers & acquisitions), we have no product bias when advising our clients.

Globalisation, increasing regulation and disruptive technologies are transforming companies and industries. ABGSC is an agile and dynamic organisation, well respected in the industry, capable of adapting to changing environments and new situations. We are never satisfied with the status quo and are constantly developing our business and challenging our own way of working. This makes us well suited to advise and enable businesses and capital to grow and perform.

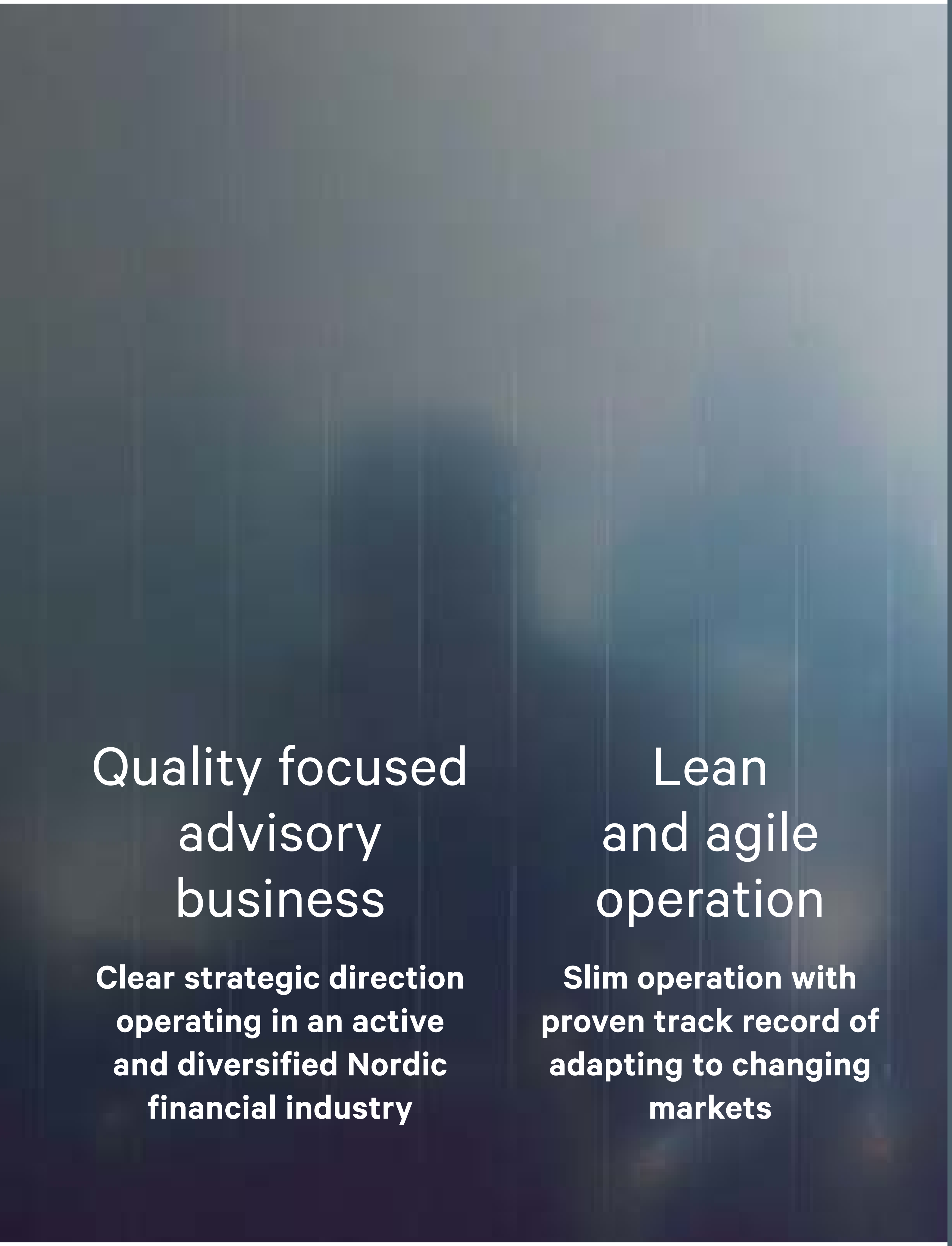


# Mission

To enable businesses and capital to grow and perform

# Vision

To be the most agile and respected investment bank in the Nordics



## Quality focused advisory business

**Clear strategic direction operating in an active and diversified Nordic financial industry**

## Lean and agile operation

**Slim operation with proven track record of adapting to changing markets**

## Solid and asset-light model

**Well capitalised asset-light business model with limited financial risk taking**

## Partnership model

**Significant staff ownership securing long-term commitment and alignment of interests**

## Profitable, sustainable and growing

**Dedication to delivering strong returns primarily through cash flow to shareholders**

# Table of Contents

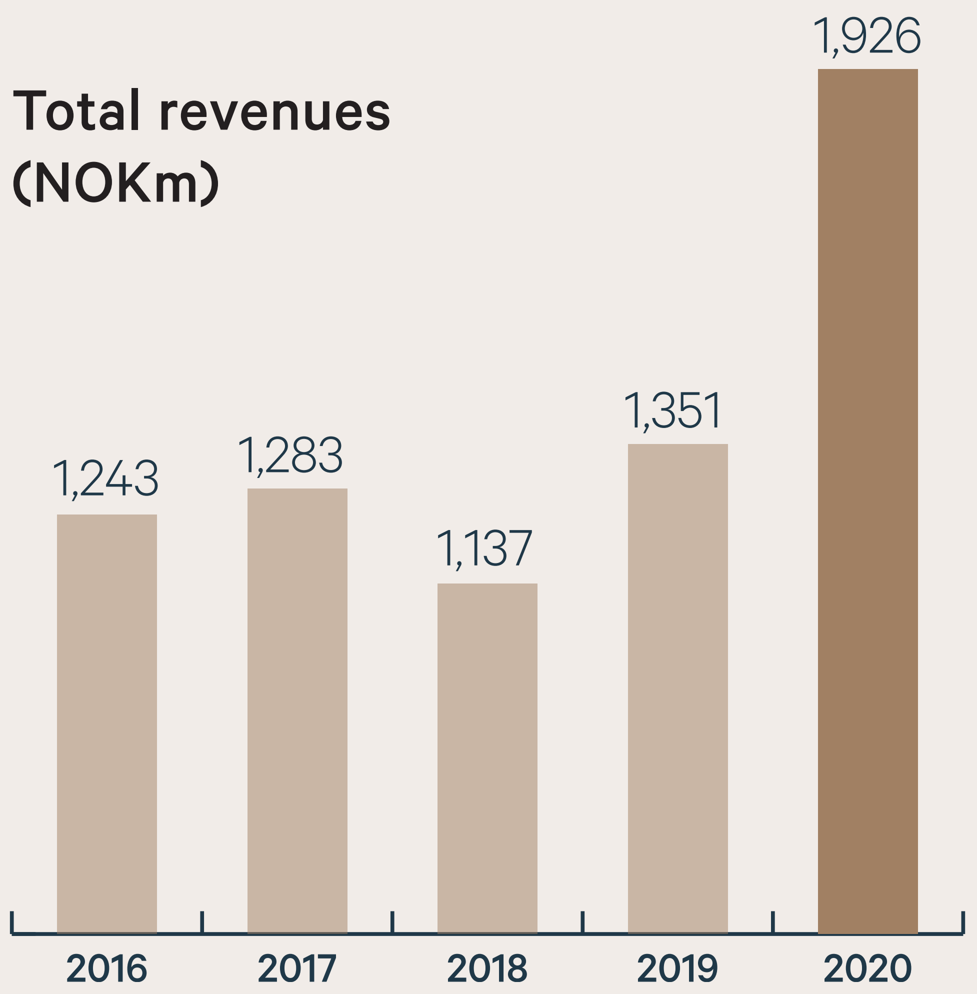
# Key figures

| Group Key Figures (NOKm) | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| **Total revenues** | **1,243** | **1,283** | **1,137** | **1,351** | **1,926** |
| Personnel costs | -724 | -711 | -633 | -730 | -994 |
| Non-personell costs | -252 | -262 | -273 | -282 | -297 |
| Total operating costs | -976 | -972 | -905 | -1,012 | -1,291 |
| **Operating profit** | **267** | **311** | **232** | **339** | **635** |
| **Net profit** | **211** | **240** | **147** | **227** | **412** |
| | | | | | |
| Book value per share [1] | 1.90 | 1.86 | 1.39 | 1.51 | 2.01 |
| Diluted average number of shares [2] | 497 | 494 | 495 | 525 | 537 |
| EPS (basic) | 0.45 | 0.52 | 0.32 | 0.50 | 0.93 |
| EPS (diluted) | 0.43 | 0.49 | 0.30 | 0.44 | 0.78 |
| Payment to shareholders per share | 0.50 | 0.50 | 0.40 | 0.39 | 1.00 |
| Return on equity [3] | 28 % | 29 % | 20 % | 35 % | 57 % |
| | | | | | |
| Headcount (average) | 253 | 257 | 267 | 277 | 285 |
| Revenues per head (average) | 4.91 | 5.00 | 4.26 | 4.88 | 6.76 |
| Total costs per head (average) | -3.85 | -3.79 | -3.39 | -3.65 | -4.53 |
| | | | | | |
| Total compensation / Revenues | 58 % | 55 % | 56 % | 54 % | 52 % |
| Total costs/ Revenues | 79 % | 76 % | 80 % | 75 % | 67 % |
| EBIT margin | 21 % | 24 % | 20 % | 25 % | 33 % |

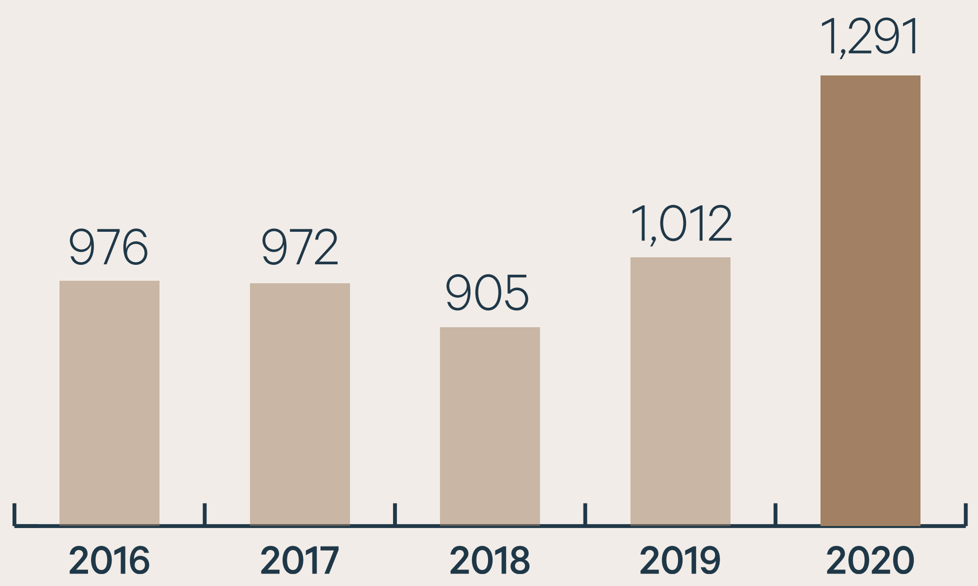
*1) Book equity at 31 December / (total number of shares – treasury shares) 2) Number of shares adjusted for treasury shares and shares on forward contracts 3) Net result for the period/Average equity for the period*

# Key figures

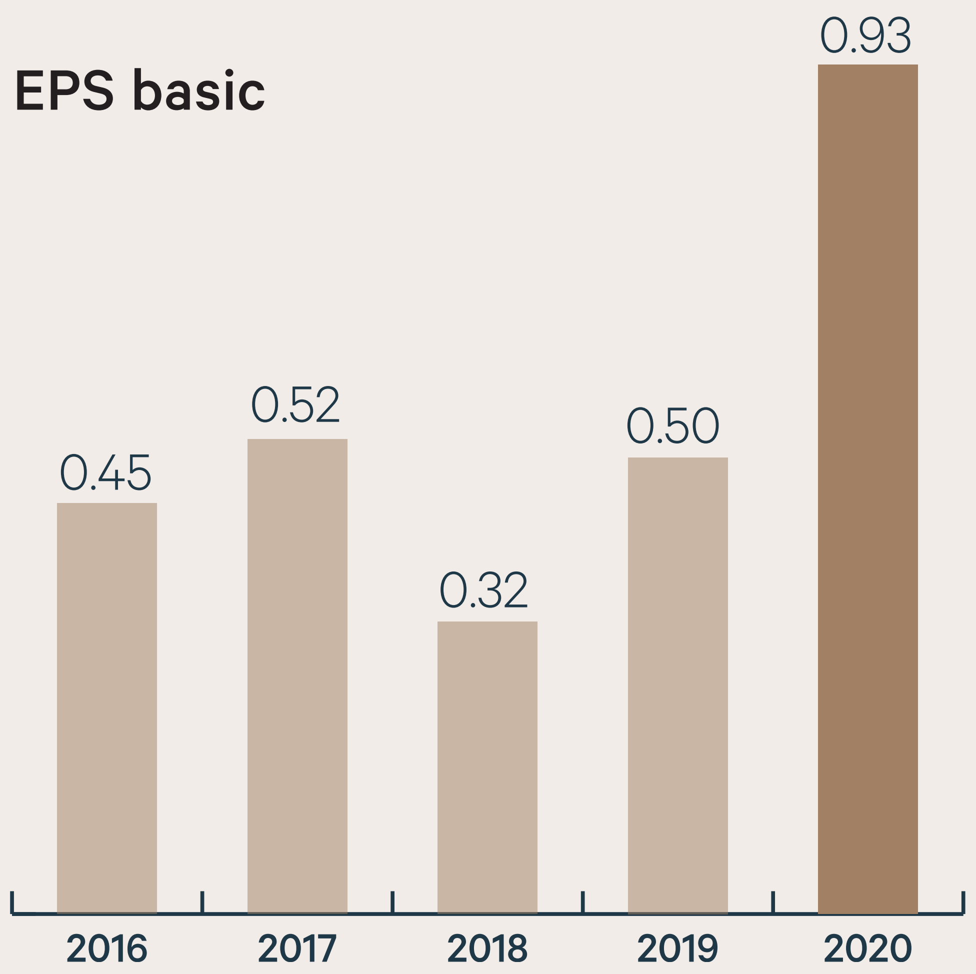
## Total revenues (NOKm)



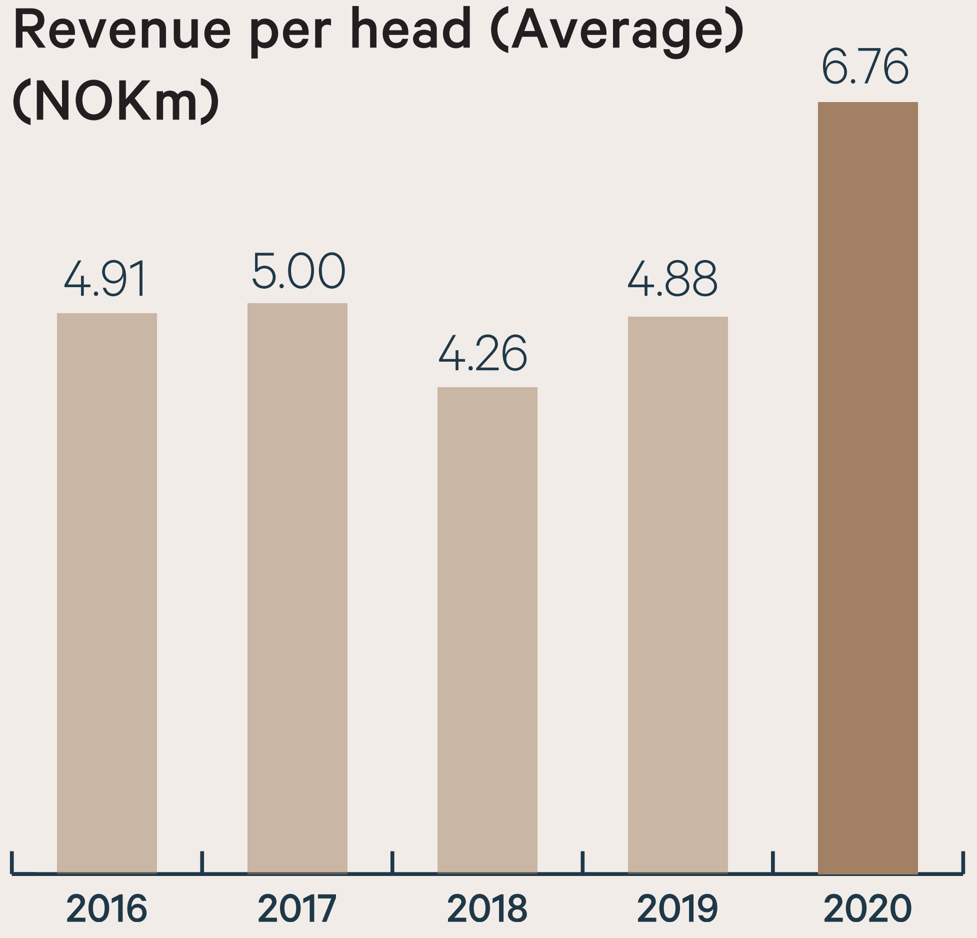

## Total operating costs (NOKm)



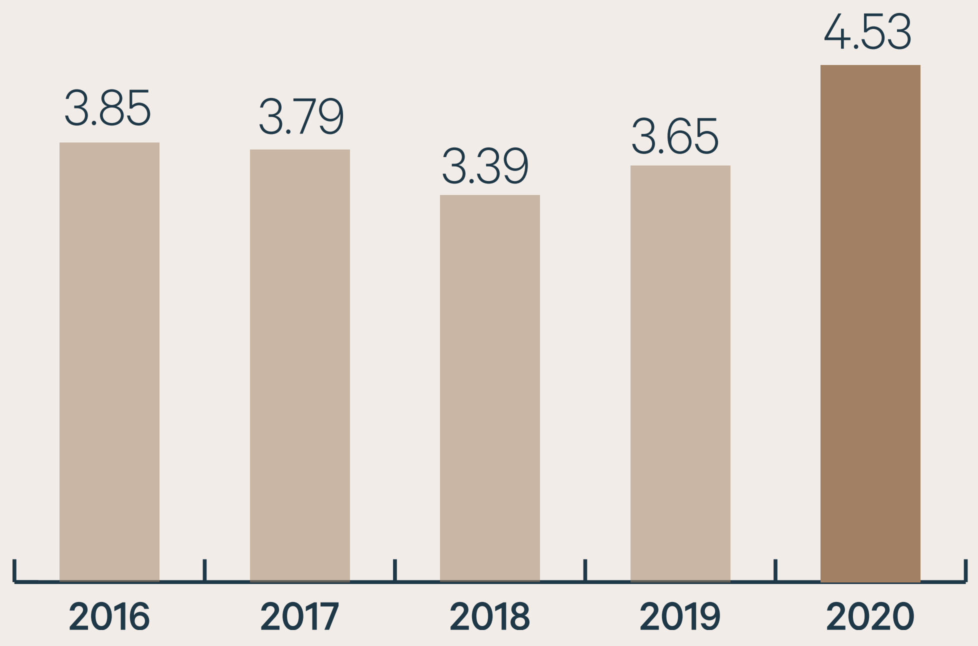

## EPS basic



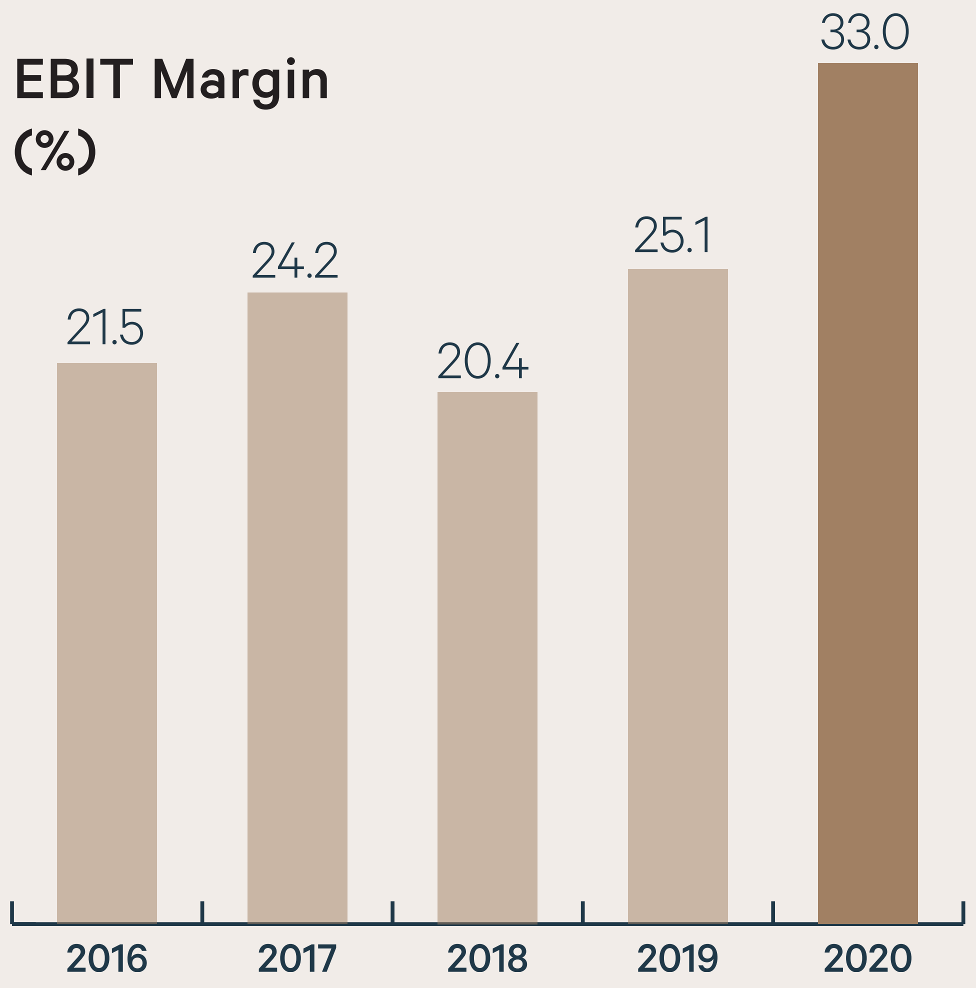

## Revenue per head (Average) (NOKm)



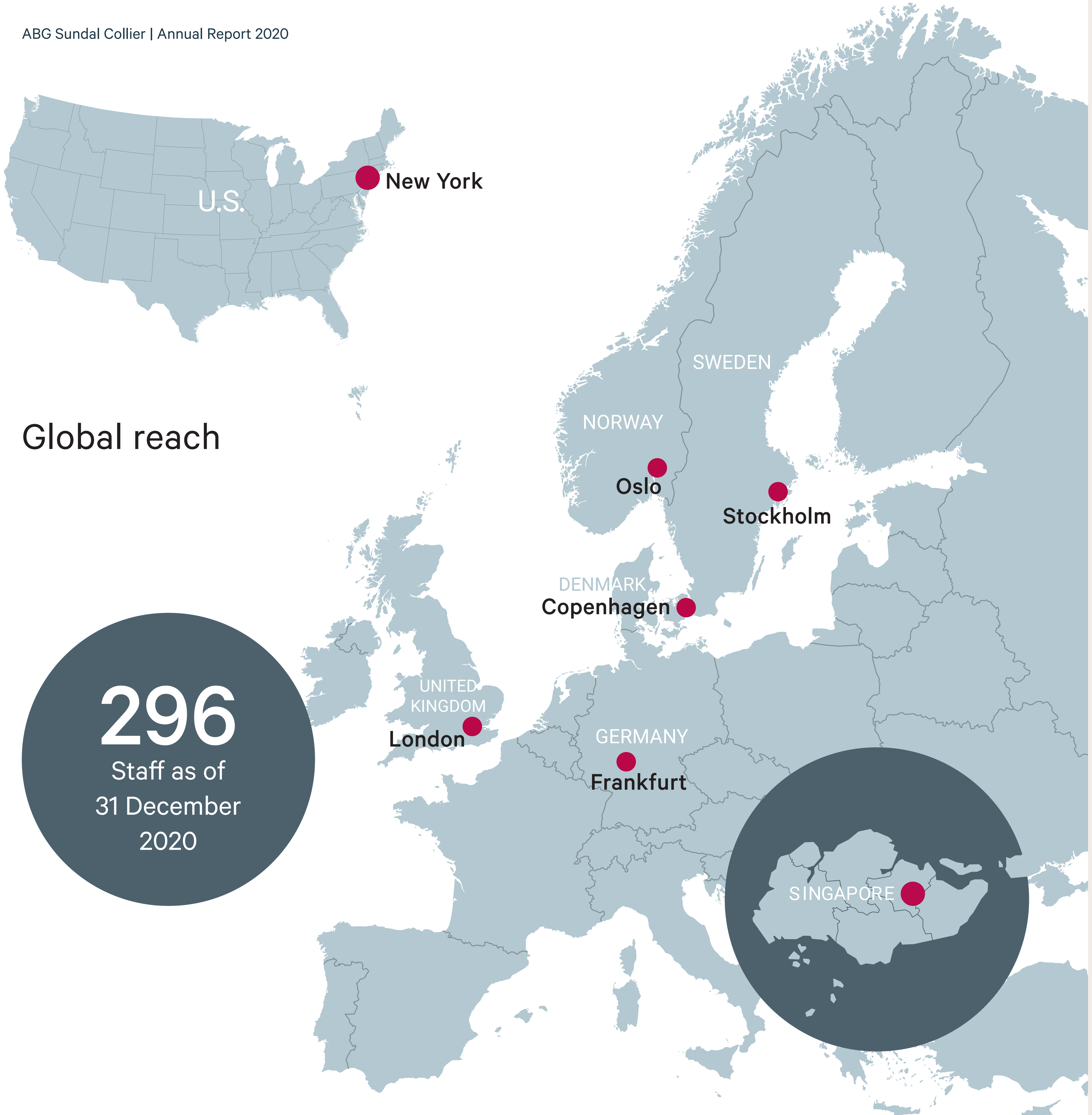

## Costs per head (Average) (NOKm)




## EBIT Margin (%)



# Global reach




**296**
Staff as of 31 December 2020

## Geographic Revenue Distribution 2020


- Norway 54%
- Sweden 30%
- Denmark 4%
- International 12%

## Functional Revenue Distribution 2020


- Corporate Financing 54%
- M&A and Advisory 20%
- Brokerage and Research 26%

# Comment by CEO & Chairman

Knut Brundtland, Chairman

Jonas Ström, CEO

Dear shareholders,
From a financial and an operational point of view, 2020 turned out to be a great year. However, we cannot comment on 2020 without mentioning the COVID-19 pandemic. Never in our careers has one specific event played such a significant role. It touched every part of society and affected politics on a global scale, as well as financial markets. The hardship and suffering of billions of people around the world must come to mind when we summarise 2020.

In a situation like this, we firmly believe it is important to acknowledge our role in society and our responsibility as a company, as human beings and as citizens. We quickly set up new policies and routines to follow the guidelines established by authorities. At the same time, we needed to evaluate how the pandemic would impact the markets and our customers. We concluded that much needed to change. We could not all come to the office, and our customers could not travel to meet investors. At the same time, we saw increased demand for corporate financing during the year, and risk appetite among investors quickly bounced back. As such, we had a lot of work to do, but we couldn't conduct it in the way that we were used to. Digitalisation and flexibility became the solution.

Over the year, we broke a company record by being involved in more than 70 ECM transactions. We conduced 19 IPOs, which was more than any other Nordic bank or financial advisor. In fact, no other European bank managed more IPOs in Europe than ABGSC, both in terms of the number of transactions and transaction volumes. When we closed the books for 2020, we reported revenues of more than NOK 1.9 billion, far better than anyone could have predicted. With such a strong performance, we were able to distribute a total combined cash dividend for the year of NOK 1.00 per share to our shareholders.

This could not have been done without our agile organisation, which combines great sector knowledge with flexible teams and a product-agnostic approach. As an independent investment bank, we can always put our customers' interests first, and advise and guide them to the best possible financing solution, whether it be debt or equity, for each given situation.

Also, a digital video meeting revolution came in handy and enabled more efficient company roadshow processes. We quickly embraced this change and quickly changed our structures to facilitate company and investor interactions as quickly and smoothly as possible.

In 2020, we had a focus on improving cross-function collaborations as well as adding more talent to our teams and further strengthening key positions. Furthermore, we invested in Fastena, an independent investment company, providing investors with access to Real Estate opportunities in Sweden and Finland with the ambition of generating persistent and competitive returns. We also entered a new partnership with Söderberg & Partners in 2020, offering its wealth management clients access to investment opportunities related to our equity capital market transactions. Through this co-operation, we further strengthened the already impressive placing power that has made us the leading investment bank in the Nordics.

One thing we learned from 2020 is that the future is hard to predict. However, we have so far gotten off to a good start to 2021, with an even stronger pipeline of transactions than last year. We continue to be well prepared to enable businesses and capital to grow and perform, thanks to an even stronger organisation and a sharpened business strategy, with focus on maximising revenue potential within our core operation.

*Yours sincerely, Knut Brundtland, Chairman & Jonas Ström, CEO*

# Cases

Sustainability and technology were two constant themes in society throughout 2020 as the pandemic made us adapt to a different way of life. Business flights were replaced by video meetings and theatre tickets replaced by streaming services. The same pattern could be detected for the financial market where tech pioneers and companies with a clear ESG tilt attracted an increasing interest from investors. ABGSC played an important role in the process of raising capital for these companies and facilitated a total of 19 IPO processes in the Nordics.

## ABGSC advises on first green listing

In 2020, ABGSC broke new grounds when advising **Scandinavian Biogas** in connection to its listing process on Nasdaq First North. Scandinavian Biogas was the first company to list shares that have received a 100 per cent 'Dark Green Shading' from Cicero, the leading provider of independent environmental assessments of corporations.

Göran Persson, Chairman of the Board of Directors at Scandinavian Biogas, commented on the listing process:

> *"The listing on the Nasdaq First North Premier Growth Market will enable a broader ownership base and access to the capital market. I am certain that the Dark Green Shading from Cicero contributed to the strong interest from investors in connection with the successful listing".*

ABGSC also served as advisor to Scandinavian Biogas in connection with the establishment of the Green Financing Framework.

## Readly listed on Nasdaq Stockholm

**Readly International AB**, the European category leader within digital subscription services for magazines, successfully completed its initial public offering on Nasdaq Stockholm in September 2020. ABGSC acted as sole global coordinator and sole bookrunner in the IPO, valued at SEK 828m.

The IPO attracted great interest from Nordic and international institutional investors, as well as the general public in Sweden. The IPO generated total demand in excess of SEK 5bn and was more than 10 times oversubscribed excluding shares acquired by cornerstone investors.

## Advising Kahoot through different stages

ABGSC has had the privilege to advise e-learning pioneer **Kahoot** throughout different stages of its business life. We acted as sole advisor in relation to the listing of Kahoot on the Euronext Growth Market (former Merkur Market) in 2019. In 2020, ABGSC advised Kahoot on several ECM transactions to a combined value of NOK 5.7bn.  In total, ABGSC has now advised on eight consecutive Kahoot transactions.

> *This is one of the best examples of how we stand by our clients throughout the business-cycle. For us, long-term relationships are an important part of our successful business model. This is how we create value for the clients and also evolve as a firm",*
> says Peter Straume, Managing Partner at ABGSC Oslo.


## Largest Nordic Software IPO ever


**LINK Mobility Group ASA** successfully completed its initial public offering in October on Oslo Børs. This was the largest Norwegian IPO in 2020, the largest Nordic software IPO ever and one of the three largest IPO's in Norway in the last 10 years, valued at NOK 6.9bn. ABGSC acted as Joint Global Coordinator and Joint Bookrunner in the IPO process.

The IPO will support LINK's strategy and growth plans, including acquisitions, investments in go-to-market initiatives and the continued expansion of the CPaaS platform. Furthermore, the IPO will allow the company, as a listed business, to increase its profile and build a new long-term shareholder base.

## The largest Nordic IPO


In 2020, **Nordnet** made a comeback on Nasdaq Stockholm after the 2017 buy-out. ABGSC acted as Joint Bookrunner in the SEK 10.4bn IPO. This was the largest Nordic IPO in 2020 and the 4th largest IPO ever in Sweden. The IPO attracted great interest from Nordic and international institutional investors, as well as the general public in Sweden. Nordnet will have approximately 32,000 shareholders as a result of the IPO.

## Media monitoring service listed on Euronext Growth

Several tech companies were listed in 2020 and an increasing number of issuers chose to list their shares on Euronext Growth (formerly Merkur Market). Media monitor **Mealtwater** was one of them. ABGSC acted as Joint Global Coordinator, Joint Bookrunner and Euronext Growth Advisor in the NOK 3.5bn private placement and subsequent listing process.

The private placement, which attracted strong interest from Norwegian, Nordic and international high-quality institutional investors, was significantly oversubscribed and included cornerstone investments from The Government Pension Fund of Norway, Folketrygdfondet, Handelsbanken Fonder and TIN Fonder.

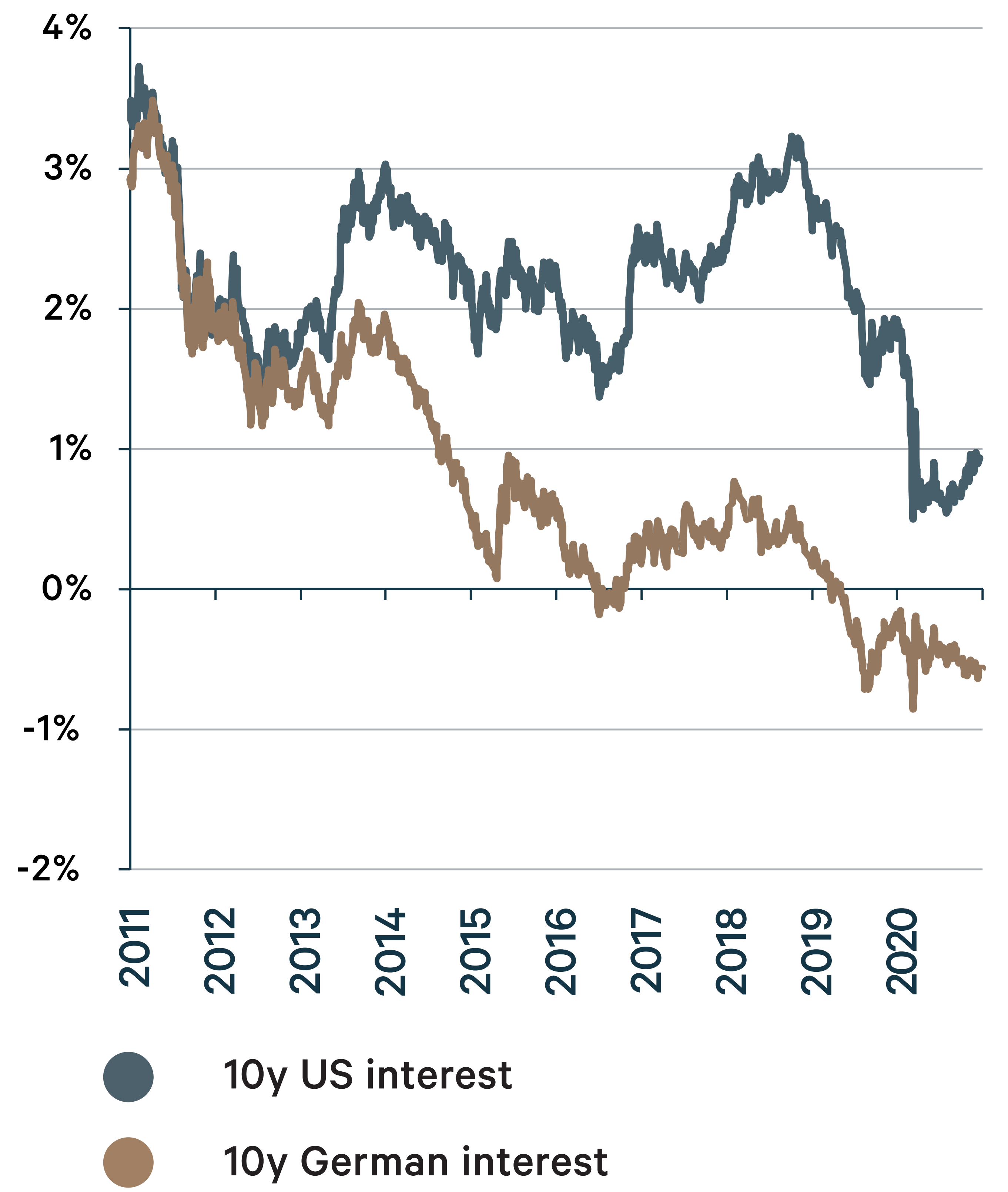

## Growth capital for Keepit - making the cloud secure

In Denmark, ABGSC acted as financial advisor to **Keepit**, the fast growing cloud-based Backup-as-a-Service innovator and challenger to the traditional backup providers, in connection with its Series A funding round backed by One Peak Partners, securing DKK 187m in growth capital.

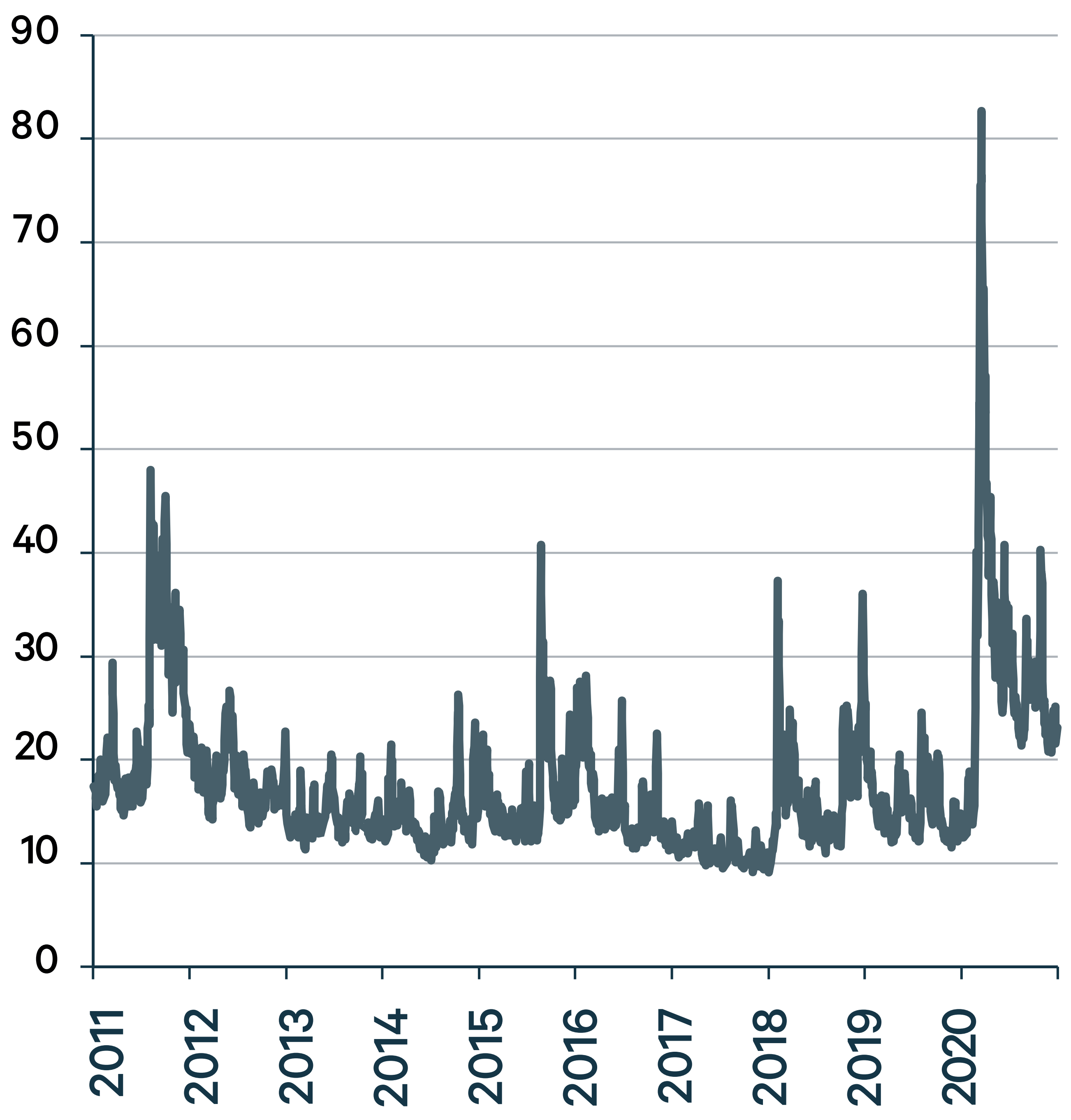
The funding round marks the beginning of a new chapter of Keepit's impressive growth story, with the European growth investor One Peak Partners entering as the first external equity investor, to support the global scale-up of Keepit's cloud data protection solutions.

# Macro backdrop

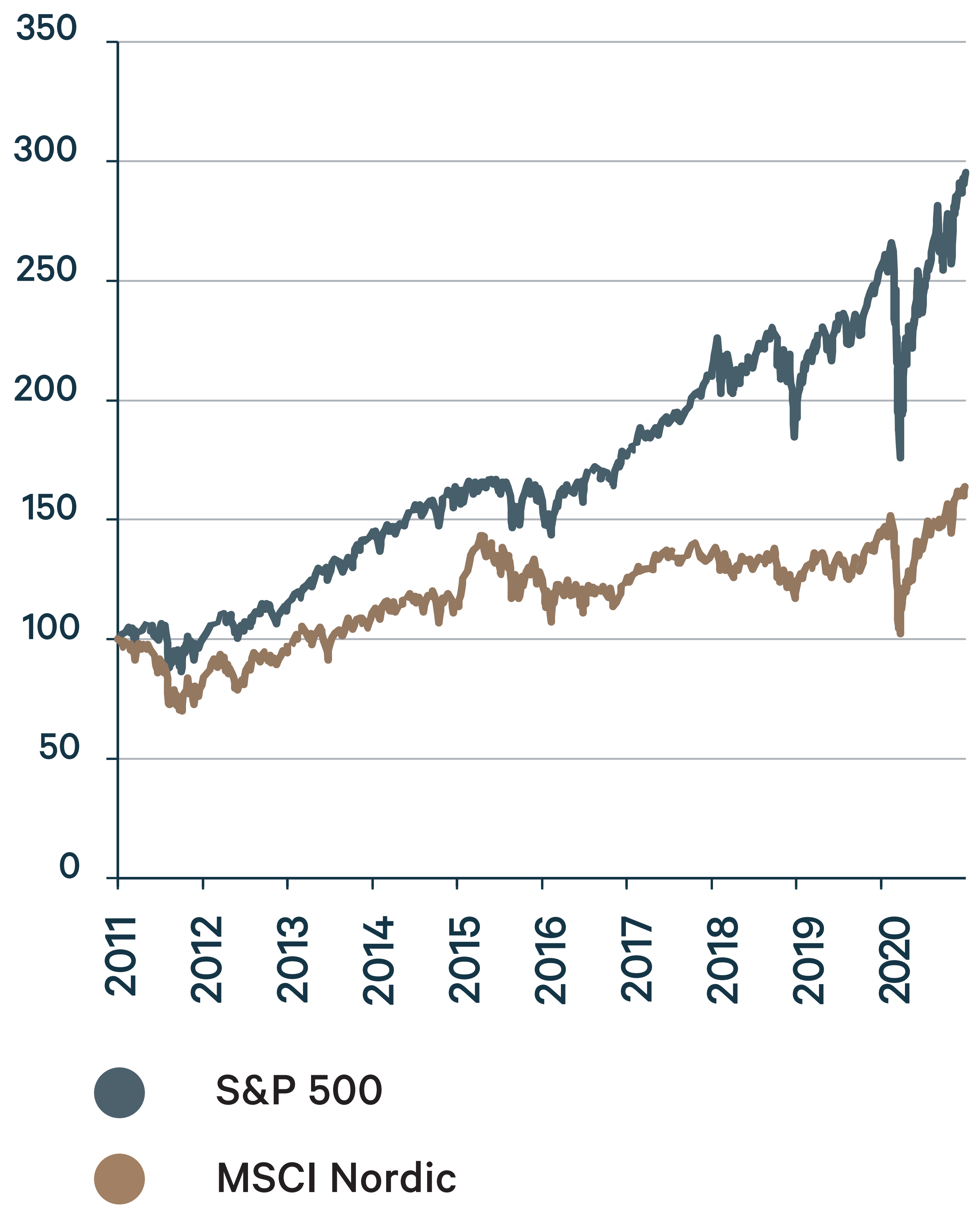
## Interest rates




## Equity market volatility (S&P VIX)



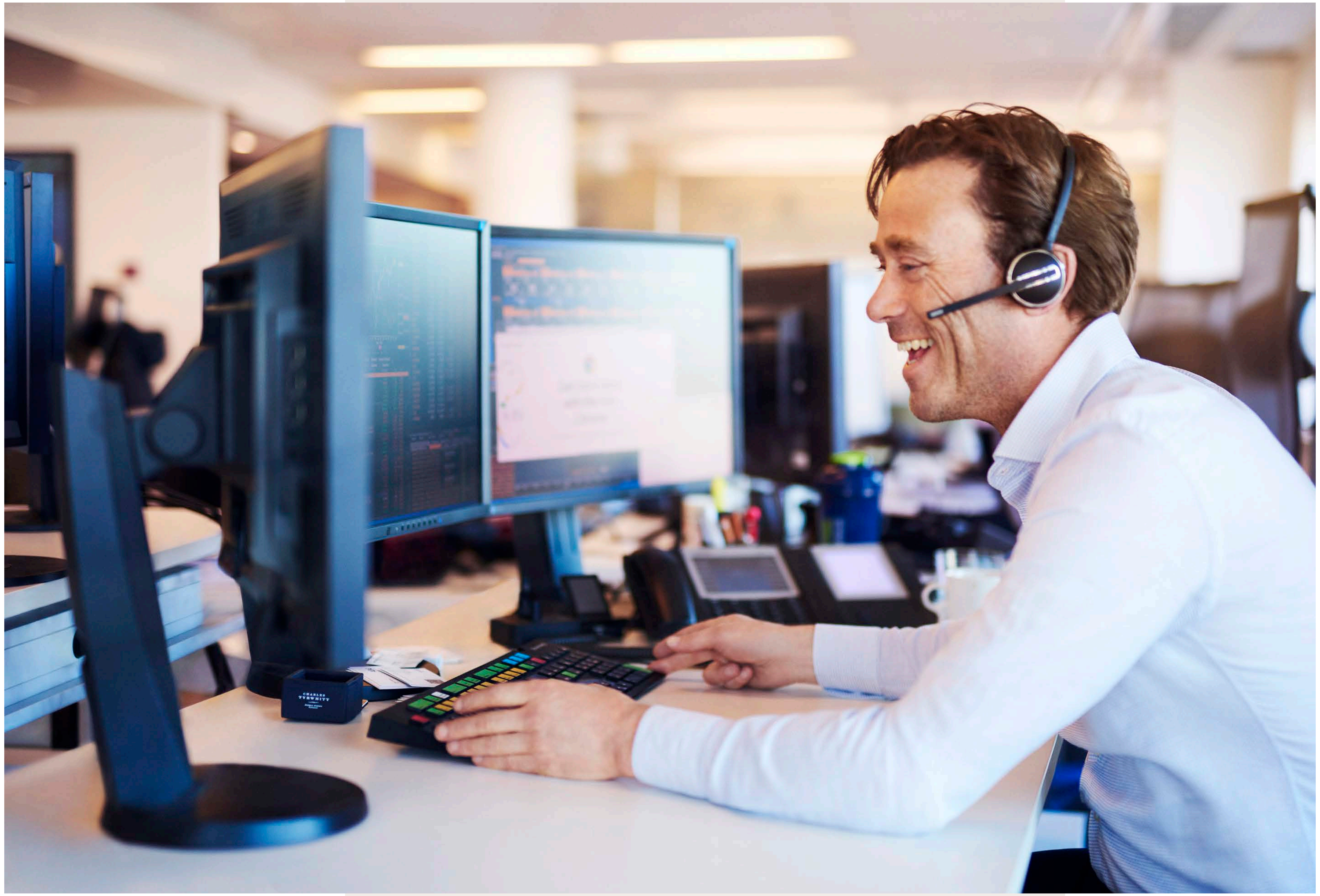

## Equity indices



2020 was an extraordinary year for the world economy and global stock markets. The year started with the full outbreak of Covid-19, which caused a sharp increase in market volatility. On 16 March, the S&P 500 volatility index (VIX) peaked above 82, the highest level since its inception in 1990. At the same time, the world's leading equity indices dropped significantly. Lockdowns and restrictions in society as well as fears of an economic slowdown were compensated for by quantitative easing and the largest stimulus packages seen in decades.

Short- and long-term interest rates fell quickly to historical lows and the amount of capital in the market increased. These circumstances led to higher demand for assets, a drop in the required yield, and sector rotation in the Nordic market. Growth companies, driven especially by the tech industry, became particularly attractive. Several companies took advantage of the opportunity to raise capital and become publicly listed companies, and equity trading markets like Euronext Growth Oslo (formerly Merkur Market) saw massive growth in new listings. Against this background, activity in the Nordic equity markets in 2020 was very high in an international context as well, with some 50% of all IPOs in Europe taking place in the Nordics.

The financial markets in general recovered strongly after Q1 and the market volatility dropped. In the second half of 2020 equity indices were back at all-time highs and VIX came down, stabilising around the mid-20s. Long-term interest rates remained historically low, resulting in very high activity in the capital markets during the second half of the year.



# Corporate Financing

ABGSC is a leading provider of corporate financing services, supporting corporate clients when raising debt or equity in the Nordic capital markets.

Equity Capital Markets (ECM) transactions typically comprise of initial public offerings (IPOs), private placements, rights issues and secondary block trades where ABGSC is a Nordic force, typically taking a leading role by acting as global coordinator or bookrunner in transactions across all sectors and sizes.

Within Debt Capital Markets (DCM) transactions, ABGSC has chosen to focus on the high-yield bond segment, raising debt capital for companies that are looking for alternative sources to traditional bank financing. In 2020, ABGSC further expanded its debt offering by providing independent debt advisory and sourcing services such as loans, factoring and leasing.

ABGSC is compensated through fees subject to a successful completion of the respective transactions. In 2020, revenues from corporate financing activities increased to NOK 1,045m, from NOK 503m in 2019.

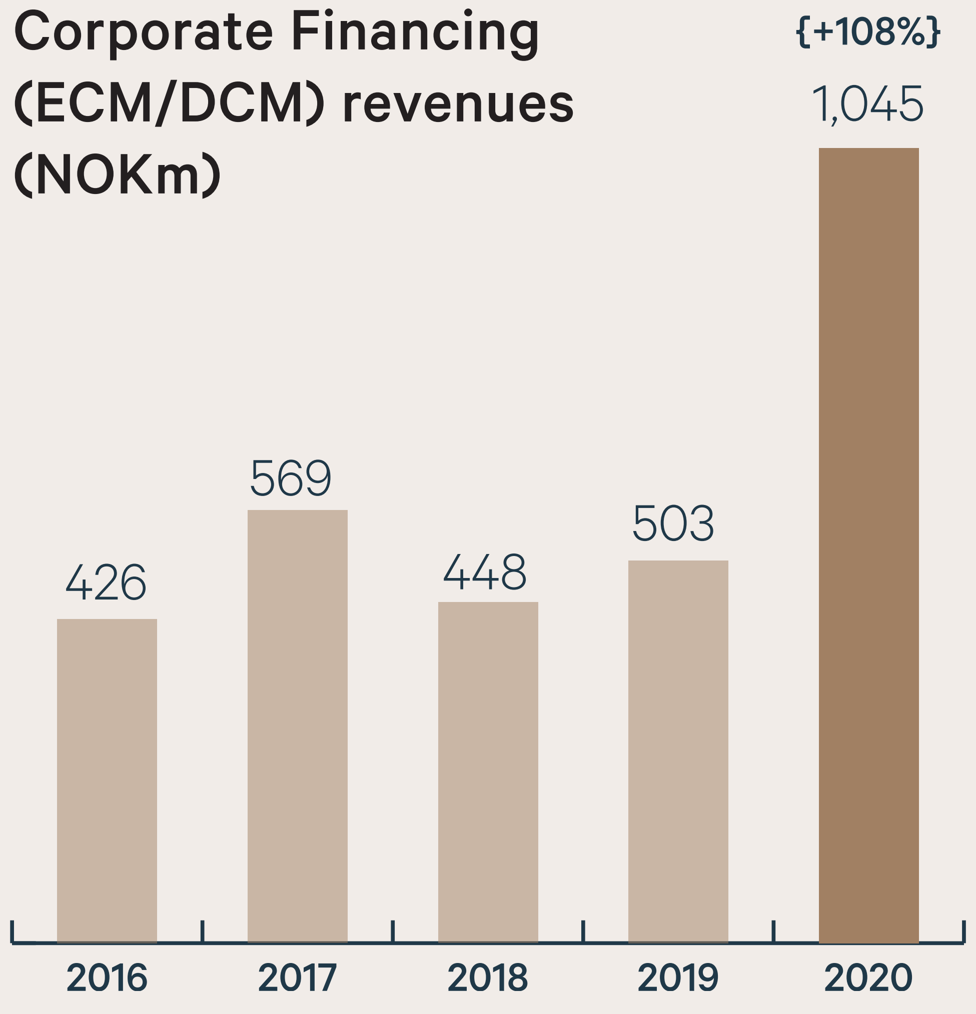
The significant uplift in revenues was to a large degree driven by a very strong ECM market. In total, more than 500 public ECM transactions were completed in Scandinavia in 2020, with a combined transaction value of NOK 137bn, roughly double the amount in 2019. A strong contributor to the growth was the high number of new IPOs on the Euronext Growth listing platform in Norway, but activity was also high in Sweden. In fact, there were as many listings in the Nordics in 2020 as in the rest of Europe combined. ABGSC advised clients on more than 70 ECM transactions in 2020, of which 19 were IPOs.

The Nordic high yield bond market turned out quite well for the year, despite being virtually closed for new issues in March and for most of the second quarter. The total issue volume was NOK 97bn, down from NOK 118bn in 2019. The drop was primarily explained by lower activity in Sweden.

*The Euronext Growth listing venue has proven to be transformative for growth companies in TMT and other sectors looking for an efficient entry to the capital markets",*
Magnus Kvinge,
Head of ECM Norway

**Highlights:**
Corporate financing revenues: NOK 1,045m

**Corporate Financing (ECM/DCM) revenues (NOKm)**



The Norwegian market showed close to record-high activity, with a volume of NOK 60bn, up 10% from 2019. The primary market has been more diverse than ever in terms of sectors, and software & technology was the third-largest sector in Norway after Real Estate and shipping. ABGSC advised clients on 23 DCM transactions.

Our standing among international and local corporate clients remains strong, and we are proud to be rated as one of the premier advisors in the industry. In the TNS SIFO Prospera ranking Corporate Finance Advisors for 2020, we achieved top positions in the ECM and DCM categories for the Nordic market.

**Selected Corporate Finance transactions**

| | | | |
|---|---|---|---|
| DESENIO | DCM - HY | SEK 1.1bn | Consumer |
| bulk | DCM - HY | NOK 1.1bn | TMT |
| KISTEFOS | DCM - HY | NOK 1.0bn | Financials |
| link mobility | ECM - IPO | NOK 6.9bn | TMT |
| Meltwater | ECM - IPO | NOK 3.5bn | TMT |
| Nordnet | ECM - IPO | SEK 10.4bn | Financials |
| Mercell | ECM - PP | NOK 850m | TMT |
| SBB | ECM / DCM | SEK 3.4bn | Real Estate |
| Too Good To Go | ECM - PP | EUR 25.7m | Consumer |
| Scandinavianbiogas | ECM - IPO | SEK 586m | Energy Utilities |
| NORDICPAPER | ECM - IPO | SEK 1.7bn | Industrials |
| ]pexip[ | ECM - IPO | NOK 2.4bn | TMT |
| storytel | ECM - PP | SEK 948m | TMT |
| Kahoot! | ECM - PP/SP | NOK 5.7bn | TMT |

*2020 was a great year for ABGSC concerning ECM transactions. We are very proud of the confidence given by our clients and the fact that no other European bank managed more IPOs than us last year",*
Erik Skog, Head of ECM Sweden

# M&A and Advisory

ABGSC has for several years been a Nordic market leader within M&A and advisory, participating in more transactions than any other financial advisor in the Nordics. Our M&A and advisory services product area primarily involves advising corporates in relation to mergers, acquisitions, and sales, in addition to various other corporate advisory services such as financial restructurings.

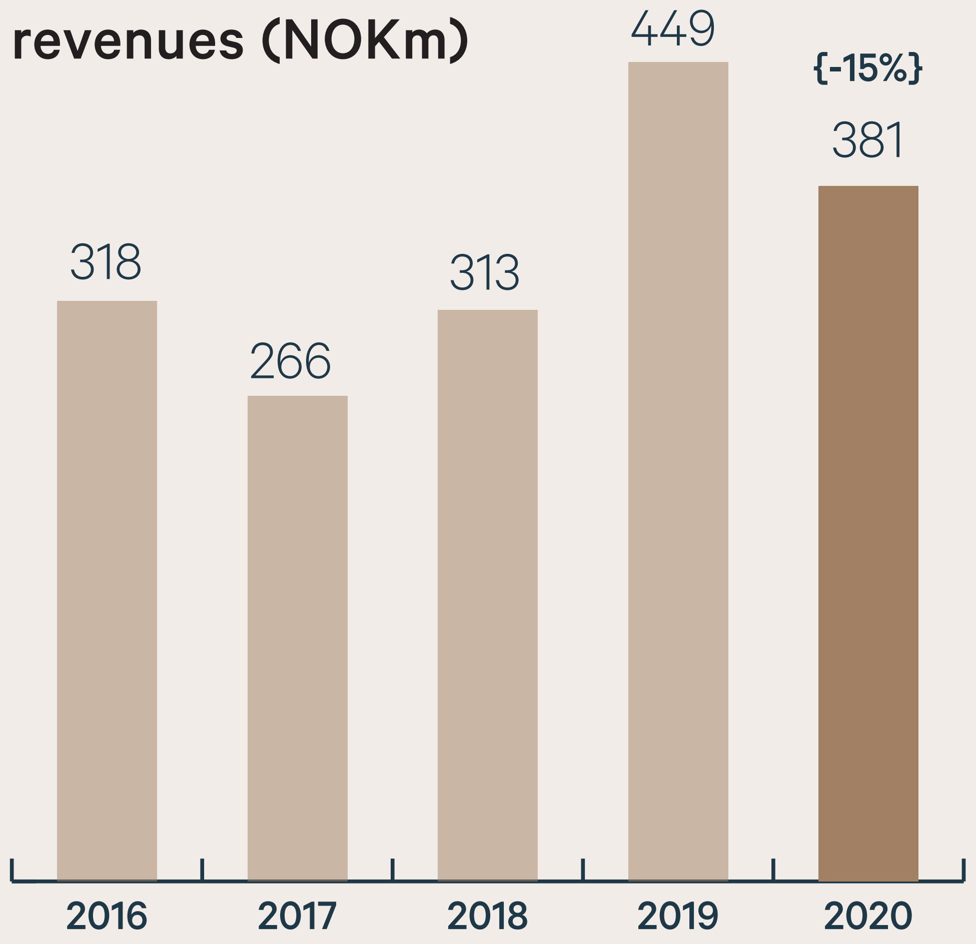
ABGSC is normally compensated by its clients through a combination of fixed retainers and fees related to the transaction value of the relevant deal.

Due to travel and meeting restrictions caused by the COVID-19 pandemic, several M&A processes were put on hold or delayed during 2020. Activity recovered significantly towards the end of the year, however. Despite the more challenging market conditions, ABGSC continued to build on its solid position in M&A, advising on deals across all our markets, including several high-profile transactions in Norway.

ABGSC also has a strong track record of advising clients through recapitalisation processes. In 2020, we acted as joint financial advisor to Norwegian Air Shuttle ASA in connection with its NOK 12.7bn recapitalisation.

**Highlights:**
M&A and advisory revenues: NOK 381m

**M&A and Advisory revenues (NOKm)**




| Selected M&A transactions and restructurings | | | |
|---|---|---|---|
| Marcell | Acquisition of Visma Commerce | SEK 2.0bn | TMT |
| Geomatikk | Sale to and partnership with HG | Undisclosed | Industrials |
| BabySam | Divestment of BabySam | Undisclosed | Consumer |
| Salling Bank | Merger with Sparekassen Vendsyssel | DKK 425m | Financials |
| Compact Carbon Capture | Sale to Baker Hughes | Undisclosed | Industrials |
| Amasten Fastighets AB | Public share offer to the shareholders of SSM | SEK 568m | Real Estate |
| Improsec | Sale to IT Relation | Undisclosed | TMT |
| storebrand | Acquisition of Insr portfolio | Undisclosed | Financials |
| Porterbuddy | Strategic partnership with Verdane and Canica | Undisclosed | Consumer |
| Distriktstandvården | Partnership with Polaris | Undisclosed | Health Care |
| Visma | Ownership transition | Undisclosed | TMT |
| Veidekke | Sale of Veidekke Eiendom to Residential Holding | NOK 8.75bn | Real Estate |
| data respons | Sale to AKKA Technologies SE | NOK 4.1bn | TMT |
| norwegian | Restructuring | NOK 12.7bn | Transportation |
| entra | Non-completed offer | NOK 34.6bn | Real Estate |

We were once again named best M&A Advisor in the annual Mergermarket awards for Norway in 2020. We also received top positions in the TNS SIFO Prospera ranking of Corporate Finance M&A Advisors in all our Nordic offices.

*We are pleased that we have maintained our strong position in the Nordic M&A market and that we continue to be a preferred advisor on mission-critical transactions for our clients",*
Are Andersen, Head of Investment Banking

# Brokerage and Research

ABGSC offers highly experienced brokerage, with market-leading placing power and a highly recognised research team covering more Nordic stocks than anyone else on the market. Our research and brokerage services product area comprises a range of secondary security brokerage and research, either subscribed to by investor clients or sponsored by corporates.

With sales offices in Oslo, Stockholm, Copenhagen, London, Frankfurt, New York and Singapore, we offer a powerful, integrated platform that is able to match client trading flows within equities, bonds, derivatives, structured products and FX. ABGSC has a very limited proprietary trading operation, primarily supporting our client trading and corporate market making activities.

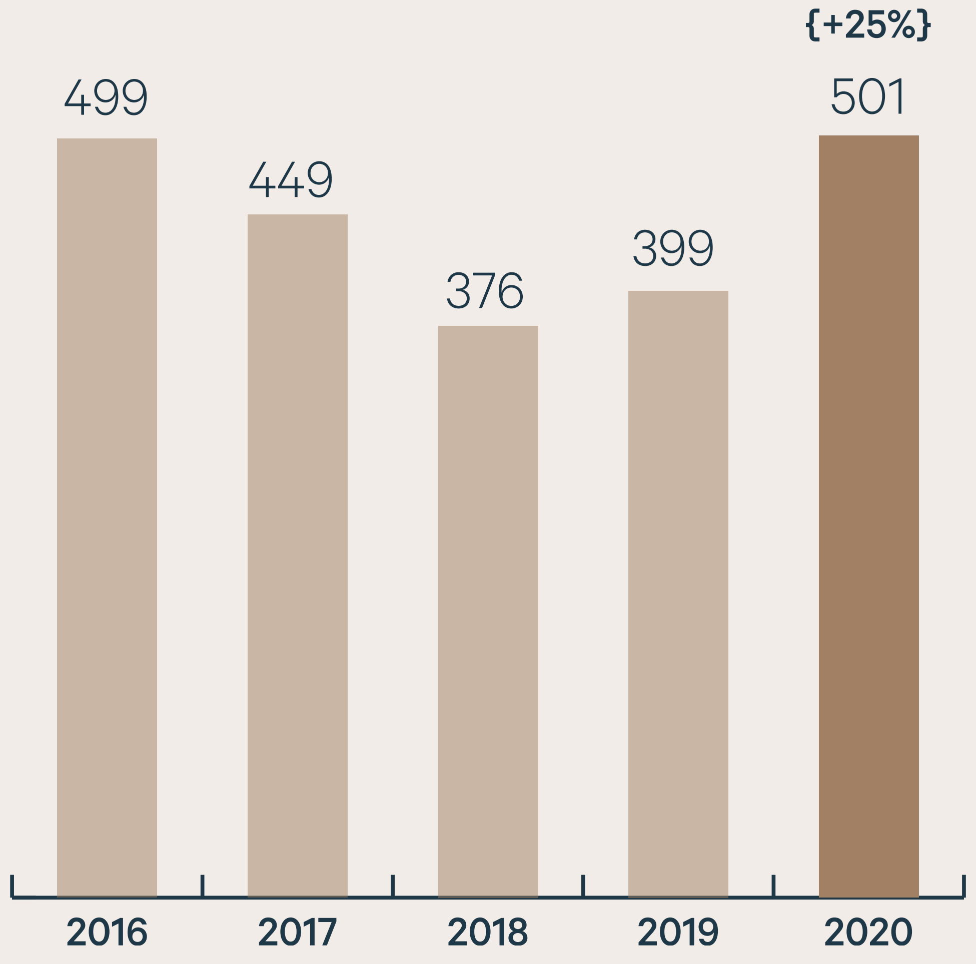
ABGSC is compensated through a combination of trading commissions and separate payments for either investment advisory and research services or by fixed payments for corporates for sponsored research or marketing services. In 2020, revenues from brokerage and research increased to NOK 501m, up 25% from NOK 399m in 2019.

Volatile markets in combination with massive sector rotation and several new companies being listed have increased the need for good fundamental research and reliable brokerage services. A core contributor to our success is our research department, consisting of almost 50 analysts that have a solid position and reputation with local and global clients alike. The ABGSC sales force, comprising some 60 individuals in eight countries, also had an active year in 2020. This was due in part to higher market trading volumes, as market turmoil led clients to reallocate their portfolios. In such a context, the sales team capitalised on its ability to generate trading and investment ideas to clients. Our trading operations leveraged our capability to naturally match client trading flows and thus deliver great client value.

*For the ABGSC research team, 2020 turned out to be a very active year. Our sponsored-research franchise passed a milestone, with 100 companies under coverage. Consequently, our total research coverage is now close to 400 companies in the Nordics – the most of any investment bank and the highest number in our history”,*
Christer Linde,
Co-Head of Research

**Highlights:**
Revenues: NOK 501m

**Brokerage and Research revenues (NOKm)**



# Women in Finance

The ABGSC Women in Finance Foundation is a non-profit foundation, founded in 2018, with the purpose of providing financial assistance to projects or measures promoting and sustaining equality for women in the Scandinavian financial sector. The foundation's capital is based on a donation of 3.8 million ABGSC shares donated by the company and current and former senior partners of the firm. The annual dividends from the shares provides funds to be used for purposes supported by the Foundation.

The Foundation focuses primarily on the issue of recruitment into entry-level positions within the industry, and applications should currently be within this scope to be considered for support. The current core focus is to support initiatives that stimulate an increase in the proportion of female students who study finance at universities in the Nordics. The relationship with Universities is key to establish a network of women with an interest in the financial industry.

Taking action together, for diversity and equality

In 2020, the ABGSC Women in Finance Foundation donated approx. NOK 180,000 to initiatives it found relevant for its purpose. In addition to supporting activities at the Nordic Universities and business schools, the Foundation supported the SHE community and FutureBoards. While activity was mainly focused in Norway, our ambition in 2021, is to increase activity in Sweden and Denmark and to establish a measurement tool together with other financial organizations.

**Women in Finance Foundation** invited female students from the Norwegian School of Economics and Femme Forvaltning to a lunch seminar in Bergen, where we addressed the important issue of Women in Finance.

ABGSC continues to support the **SHE invest** initiative. The goal is to motivate women to invest and encourage investors to invest in women-led startups. The Learn to invest program was developed by She Community in collaboration with Arkwright X and Bahr.


**Women's Finance day** at the Norwegian School of Economics is being held for the second time, and once again our ABGSC - Women in Finance Foundation is proud to be the main partner for this very successful event.

**Women in Finance NTNU** is a student organization at the Norwegian University of Science and Technology in Trondheim, which was established in 2019. The ABGSC Women in Finance Foundation has contributed as the main partner since it was established, with both financial and academic support, helping the organization to reach out to female students across studies at NTNU.

In 2020, The ABGSC Women in Finance Foundation supported the **Women's Finance Day** at NHH as main partner for the second time, and contributed with both academic content and financial support.

**Women in Finance NTNU** was this year held digitally. ABGSC and The Women in Finance Foundation representatives spent the morning talking to 70 female students about the importance of women in finance.

The foundations collaboration with **Futureboards Cross Boarder dialogue** contributed in 2020, for the third time in a row. The event was financially supported and CEO Jonas Strøm participated as a speaker.

# Executive Committee

## CEO
**Jonas Ström**

Jonas Ström joined the firm in 2011 and is the CEO. Prior to his position in ABGSC, he was head of debt capital markets with Öhman and he has also worked as portfolio manager at Swedbank Robur. Ström has a MSc in Economics from Gothenburg School of Economics.

## CFO
**Geir B. Olsen**

Geir Olsen joined the firm in 2002 and is the Chief Financial Officer. He was previously Head of Business Development and Projects and has also worked witihin Equity Sales and Investment Banking.

## Head of Group Legal
**Jessica Blink**

Jessica Blink joined the firm in 2006 and is Head of Group Legal. Blink has a Master of Laws (LL.M.) and a Master of Science in Business Administration and Economics from Stockholm University.

## Managing Partner & CEO ABGSC Norway
**Peter Straume**

Peter Straume joined the firm in 2000, where he predominantly has been working with corporate financing. He is today the Managing Partner and CEO of ABGSC Norway. Straume is “Siviløkonom” (MSc) from the Norwegian School of Management. Before joining ABGSC, Straume worked in Gjensidige NOR Securities as an equity analyst.

## Head of Investment Banking
**Are Andersen**

Are Andersen joined the firm in 1994 and is Head of Investment Banking. He started working in ABGSC right after his studies in the Norwegian School of Economics.

## Head of Investment Banking Sweden

**Johan Lindén**

Johan Linden joined the firm in 2009 and is Head of Investment Banking Sweden. He has previously worked at Lazard and Deutsche Bank. Lindén holds a BA (Hons) in International Business from European Business School, London.

## Co-head of Global Research

**John Olaisen**

John Olaisen joined the firm in 2012. He is "Siviløkonom" (MSc) from Fribourg University in Switzerland. He has previously worked in Carnegie, Terra and Abacus/ International Capital Growth.

## Head of Equity Sales Sweden & International

**Per Flostrand**

Flostrand joined the firm in 2009 and is Head of Equity Sales Sweden & International. He has previously worked at Credit Agricole Chevreux and JPMorgan. Flostrand holds a Ph.D in Accounting from Uppsala University.

## Head of DCM

**Tarjei Unneland**

Tarjei Unneland joined the firm in 2016 as Head of Debt Capital Markets. He has previously worked with Sales and Origination of high yield bonds in Pareto Securities. Unneland has a MSc from NTNU.

# The Board of Directors

## Chairman
**Knut Brundtland**

Knut Brundtland joined the firm as Group CEO in 2010, and is now the Executive Chairman of ABGSC. Prior to his position at ABGSC, he held several board positions and has also been the CEO of Voss of Norway ASA. Brundtland also has 15 years' experience as a lawyer and partner with the law firm BAHR in Oslo. He holds a law degree from the University of Oslo.

## Board Member
**Martina Klingvall**

Martina Klingvall is a startup profile known from challenging old business models, modern leadership and digital opportunities. She has extensive experience from the Telecom industry, both from working at Telenor in Sweden and Norway, but also from starting up and running a new mobile operator, Telness, in Sweden. Martina holds a degree in engineering from the Royal Institute of Technology, KTH.

## Board Member
**Adele Bugge Norman Pran**

Adele Bugge Norman Pran has extensive experience from board positions, developing companies and transactions, with experience from Herkules Capital and PWC Deals . Pran holds a degree in law from the University of Oslo, and a master in auditing and accounting from NHH. She has also studied advanced mathematics at Harvard University and has an International Baccalaureate from United World College, Atlantic. Pran extensive board experience are currently on the board of Yara ASA, B2Holding ASA, Hitec Vision AS and Motorgruppen AS, among others.

## Board Member
**Jan Petter Collier**

Jan Petter Collier was one of the two founders of Sundal Collier in 1984 and is currently a partner within Investment Banking. He has previously been the Executive Chairman from 1992 until 2004 and CEO from 2004 to 2010. Prior to founding Sundal Collier he was Chief Executive of Tennant and Deputy General Manager of Rogalandsbanken.

## Board Member
**Arild Engh**

Arild Engh joined the firm in 1993 and was head of the Investment Banking Division from 1999 to 2017. He is now a member of the Board of ABGSC. Before joining the firm, he was involved in the cruise and oil service sectors.

# Statutory Directors' Report

ABG Sundal Collier Holding ASA ("the Company") together with its subsidiaries ("ABGSC" or "the Group") is a Nordic investment bank listed on the Oslo Stock Exchange. The Group's headquarters are located in Oslo, with other offices in Stockholm, Copenhagen, London, Frankfurt, New York and Singapore.

ABGSC is an independent Nordic investment bank, established in 1984, founded on a hard-working partnership culture and the ability to attract and develop top talent. Our strategy is to be an advisor and an intermediary, and our core product offering comprises corporate advisory, corporate financing and investment research and brokerage services.

## COMMENTS TO THE ANNUAL ACCOUNTS

### Highlights

2020 was a very strong year for ABGSC with revenues of NOK 1,926m, up 43% compared to NOK 1,351 in 2019. Correspondingly, operating profit for 2020 increased by 87% to NOK 635m and diluted EPS for 2020 was NOK 0.78 compared to NOK 0.44 for 2019. Considering the Group's capital strength, the Board has decided to propose a final payment to shareholders of NOK 0.83 per share. This payment comes on top of the interim distribution of NOK 0.17 per share paid in October 2020, making a total cash distribution of NOK 1.00 per share for the accounting year 2020.

Pursuant to the Norwegian Accounting Act, the Company confirms that the parent company accounts, based on Norwegian GAAP, have been prepared on a going concern basis. Group accounts have also been prepared on a going concern basis, based on International Financial Reporting Standards (IFRS) as adopted by the EU.

### Income Statement

Revenues from Corporate Financing services increased from NOK 503m in 2019 to NOK 1,045m in 2020. Nordic primary ECM volumes were significantly higher in 2020 than in 2019 and Norway's Euronext Growth market attracted significant new issuers and capital, particularly in the TMT and green sectors. ABGSC was involved in more than 70 ECM transactions during the year, and no other bank or financial advisor managed more IPOs in the Nordics than ABGSC.

Revenues from M&A and Advisory services decreased from NOK 449m in 2019 to NOK 381m in 2020. The M&A activity in the Nordic was somewhat below that of 2019, but we saw positive development in the last quarter with higher deal activity after difficult market conditions in the first part of 2020.

Revenues from Brokerage and Research services increased from NOK 399m in 2019 to NOK 501m in 2020. After decreasing revenues in the years post-MIFID II, 2020 ended with a 25% increase in revenues, benefitting from a combination of our strong service offering, equity market volatility and sector rotation as well as a high-risk appetite among our investor clients. We believe ABGSC has strengthened its market position during the 2020.

Total operating costs for the year were NOK 1,291m compared to NOK 1,012m in 2019. The increase is mainly driven by higher variable compensation costs as a function of strong top line and profitability, and an approx. NOK 32m cost increase due to weakening of the Norwegian krone (NOK) relative to 2019.

Operating profit for 2020 was NOK 635m (NOK 339m in 2019), an increase of 87%. Net financial result was NOK -14m compared to NOK -5m in 2019. Net profit after tax was NOK 464m (NOK 254m in 2019), resulting in EPS of NOK 0.93 (NOK 0.50 in 2019).

### Balance Sheet and Liquidity

ABGSC maintained a strong balance sheet throughout 2020. Our asset base largely consists of short-term receivables and bank deposits.

The Group's capital adequacy following the proposed NOK 0.83 dividend payment to shareholders at the end of 2020 was 1.6x (2x in 2019) the requirement set by The Financial Supervisory Authority of Norway. The capital ratio before the proposed payment to shareholders was 3.2x for 2020 (2.5x in 2019).

ABGSC has positive cash flow from its operations, although due to the nature of our business, working capital requirements can be subject to significant daily fluctuations. To meet varying liquidity demands from Group operations, we have established overdraft facilities with our main banks. ABGSC's level of liquidity was solid throughout 2020.

### Financial Statement for the Parent Company

The parent company receives dividends or group contributions from subsidiaries in order to pay a dividend to the shareholders. In 2020, the parent company received NOK 496m in dividends and group contributions compared to NOK 246m in 2019. The balance sheet is good, with a book equity to total capital of 15% after dividend allocation.

### Allocation of Profit

The net profit of the Company was NOK 372m, and the Board proposes that the Annual General Meeting adopt the following allocation:

| NOKm | |
|---|---|
| **Payment to shareholders** | **NOK 391m** |
| From other equity | NOK (18)m |
| Total allocated | NOK 372m |

Following the allocation above, the Company will have share premium and other equity of NOK 87m.

### Shareholders

The Company's share price closed at NOK 6.38 on 31 December 2020 (NOK 3.99 on 31 December 2019). Shareholders received a total payment of NOK 0.39 per share during 2020, implying a total return of 70% in 2020. The Oslo Børs main index (OSEBX) increased by 4.6% in the same period.

At the end of 2020, ABGSC had 5,347 shareholders, and the Group's partners owned approximately 18% of the total shares outstanding and 34% of the total diluted shares. Although ABGSC is a publicly listed company, the Board believes in importance of preserving the company's partnership ethos. The Group's key staff are significant owners of the Company, providing a reassuring alignment of interests between shareholders and staff. We strongly believe that these coinciding interests help us reduce operational risk and ensure a long-term focus on providing the best possible advice to our clients while maintaining a clear understanding of the importance of the Group's financial performance.

### Other Conditions

Risk management is an integral part of ABGSC's core business activities. While conducting our business operations, ABGSC is exposed to a variety of risks. These include market, credit, liquidity, operational and currency risks that are material and require comprehensive controls and management. ABGSC aims to maintain a low risk profile. For a further description of the Group's risk profile and risk management policy, see Note 5 to the Consolidated Financial Statement.

A separate description pertaining to risk control in financial reporting is included in the Board's Corporate Governance report. The Board has approved the overall limits for market risk for equity trading, bond trading, securities financing and foreign exchange. ABGSC's main trading activities are carried out on a short-term basis with a low level of overnight exposure. Any breach of the defined limits is reported to the Board of Directors. The purpose of the trading activities is to facilitate client orders and profit from market arbitrage opportunities and market volatility.

The Executive Committee, together with the Chief Compliance Officer, act as the Group's Credit Committee, approving policies and limits for client financing, cash collateral and the pledging of shares, within the mandate approved by the Board of Directors. Changes in collateral value are monitored daily and adjustments are made by either reducing exposure or providing additional collateral. Regular stockbroking transactions are settled on a delivery versus payment basis, such that the credit risk is minimised to the difference between the unsettled amount and the market value of the shares.

The Board is not aware of any matters arising during the year that have had a materially negative effect on the Company's or the Group's business position.

## COMMENTS ON CORPORATE GOVERNANCE

### Implementation and Reporting on Corporate Governance

ABGSC is committed to the Norwegian code of practice for Corporate Governance as issued by NUES (the Norwegian Corporate Governance Board) and has implemented sound corporate governance regulations and practices for the Group. The ABGSC Corporate Governance Policy is published on the ABGSC website and should be read in combination with this statutory report to understand the overall compliance with the Code of Practice.

### Equity and Dividends

The Board is committed to returning excess capital to shareholders through cash and buy-backs of shares over time. Excess capital will be evaluated on a continuous basis, taking into consideration a number of factors including market conditions, regulatory requirements, counterparty and market perceptions and the nature of our business.

ABGSC's balance sheet and liquidity position are very solid relative to our capital requirements. Consequently, the Board will propose to the AGM a final payment to the shareholders of NOK 0.83 per share for the final six months of 2020. This payment comes on top of the interim distribution of NOK 0.17 per share paid in October 2020, making a total cash distribution of NOK 1.00 per share for the accounting year 2020 (NOK 0.39 in 2019).

Interim dividends have historically been paid based on available equity in the previous years' audited balance sheet. Following the decision to distribute excess capital through the proposed 0.83 dividend payment, ABGSC will not have available free equity to distribute a meaningful interim dividend without conducting a separate audit of the Q2 accounts and calling for an extraordinary general meeting. To avoid increasing costs and the administrative burden, the Board has decided to revert to annual dividend payments. Consequently, there will not be any mid-year interim dividend in 2021.

The Board currently has a mandate from the shareholders to acquire a number of ABG shares corresponding to approximately 10% of the share capital. The one-year mandate is valid until the end of June 2021. Under this mandate, ABGSC purchased 23,298,409 ABG shares in 2020.

The Board currently has a mandate from the shareholders to issue a number of new ABG shares corresponding to approximately 20% of the share capital. The one-year mandate is valid until the end of June 2021. ABGSC did not issue any new ABG shares in 2020.

### Equal Treatment of Shareholders and Transactions with Close Associates

Internal guidelines require that special approval given for any transactions whereby members of the Board or management might have conflicting interests with the Group. During 2020, there were no such transactions requiring special approval.

### General Meetings

The ordinary general meeting was held on 28 April 2020. Shareholders had the opportunity to participate in, and vote at, the general meeting without being present by giving proxy to the Company. Knut Brundtland represented the Board of Directors at the AGM. The Nomination Committee and the auditor did not attend the AGM.

No extraordinary general meeting was held in 2020.

### Nomination Committee

In 2020, the Nomination Committee consisted of Stein Aukner, Roy Myklebust and Jan Petter Collier. The majority of the committee is thereby independent of the Group's executive management and Board of Directors.

The Committee had one meeting in 2020 in relation to the nomination process, which was held before the AGM.

The shareholdings and fees of the members of the Nomination Committee are disclosed in Note 9 to the Consolidated Financial Statement.

### Board of Directors: Composition and Independence

The Board of Directors is of the opinion that, overall, it has sufficient expertise and capacity to carry out its duties in a satisfactory manner. The Board of Directors has five members, including three males and two females, and the composition represents sufficient diversity of background and expertise. The Board members serve for a period of one year unless re-elected.

Two of the current members are independent of the Company's main shareholders, the Company's executive personnel and material business contacts. No executive personnel are members of the Board.

Three out of five of the Board members own shares in the Company. Board member shareholdings are disclosed in Note 9 to the Consolidated Financial Statement.

### The Work of the Board of Directors

The Board held thirteen board meetings in 2020. Due to COVID-19 restrictions, only one meeting was a physical meeting and the rest were held as video conferences. Board members' total attendance in 2020 was 98%.

The Board of Directors has established the Compensation Committee and the Audit Committee as sub-committees.

In 2020, the Compensation Committee consisted of Knut Brundtland as chairperson and Arild A. Engh as a member. The Compensation Committee is thereby independent of the Group's executive management. The Compensation Committee met twice in 2020 in relation to the remuneration process in the Group.

In 2020, the Audit Committee consisted of Adele Norman Pran as chairperson and Arild A. Engh as a member. The Audit Committee is thereby independent of the Group's executive management. The Audit Committee had five meetings during 2020.

The Board of Directors evaluated its expertise and own performance on a regular basis.

### Risk Management and Internal Control

The Board of Directors has drawn up general policies and guidelines for management and control. These policies deal with the Board's responsibility for determining the Group's risk profile, approval of the organisation of the business, assignment of areas of responsibility and authority, requirements concerning reporting lines and information flow as well as management and internal control requirements. The Board and CEO's areas of responsibility are defined in the rules of procedure for the Board and instructions for the CEO, respectively.

The Audit Committee supervises the financial reporting process and ensures that the internal controls in relation to financial reporting function effectively. Among other things, the Audit Committee reviews the quarterly and annual accounts and reports.

The Group Finance team is headed by the CFO and is organised outside of the business areas. The Group financial controller reports to the CFO and is responsible for matters such as financial reporting, direct and indirect taxes and internal control over financial reporting. On behalf of the CFO, the Head of Group Accounting identifies, assesses and monitors the potential risk of errors in the group's financial reporting.

The Group Finance team prepares the financial reports of the Group and ensures that such reporting is in line with prevailing legislation, accounting standards, current accounting guidelines and other relevant external and internal regulations. Processes and several control measures have been prepared to ensure that the financial reporting is of high quality. These measures include rules concerning authorisations, reconciliations, IT controls and management reviews. The Group Finance team prepares a presentation to the Audit Committee every quarter with details of any questions to be discussed by the committee.

All quarterly and annual reports to the shareholders are reviewed by the Audit Committee with a special focus on correct revenue recognition, correct accrual for costs and the accounting treatment and presentation of any items of a non-recurring nature. The external auditor participates in the meetings of the Audit Committee.

The Group Compliance team is organised as an independent control function separate from the business areas and with established dual reporting lines to the CEO and the Chairman of the Board. The objectives of the function are to support and advise senior management in its work with internal steering and control and to ensure compliance with applicable securities laws and other relevant regulations for conducting the business, to advise senior management in its work with risk assessment, management and control of risks in the business and ensure that procedures, limits and guidelines are adhered to.

The Compliance function takes a risk-based approach in order to allocate the function's resources efficiently. A compliance risk assessment is used to determine the focus of the monitoring and advisory activities of the Compliance function. The risk assessment takes into account the applicable obligations under relevant international and national laws and regulations, relevant factors in the regulatory environment, the business structure, findings based on annual internal control assessments and ICAAPs, signals from the business and its key staff/managers, signals from the Executive Committee, the Board and relevant internal or external audit findings as well as alerts and findings from monitoring activities and surveillance systems. Based on the risk assessment and any other relevant signals, a high-level annual Group Compliance Plan and derived local monitoring plans are established to ensure that compliance risks are comprehensively monitored.

The Compliance function reports regularly to the Executive Committee and the Board. The Executive Committee receives written risk reports on a weekly basis, and the Board receives written compliance and risk control reports before every board meeting.

Risk management and internal control has been on the Board of Director's agenda at most board meetings for the Board to fully assess the Group's risk and internal control environment. The Board of Directors has received a summary of the annual internal risk and internal control assessment process, which also reflects the risk and control assessment performed at the business area level supplemented by an independent internal control assessment by the internal auditor.

### Remuneration of the Board of Directors

Jan Petter Collier received remuneration as partner of ABGSC for 2020. Arild A. Engh received TNOK 1,589 in 2020 for a paid assignment. Other than this, no members of the Board of Directors have undertaken additional paid assignments for the Company in 2020. Remuneration of the Board of Directors complies with the Code of Practice, and details are disclosed in Note 9 to the Consolidated Financial Statement.

### Remuneration of Executive Personnel

Remuneration of executive personnel complies with strict regulatory remuneration codes in the relevant countries in which the Group operates, as well as the Code of Practice as demonstrated in the Corporate Governance Policy. Remuneration to executive personnel is disclosed in Note 9 to the Consolidated Financial Statement.

### Auditor

The Group's auditor is Deloitte. Roger Furholm has been the responsible partner since 2014.

### Memberships, political donations and governmental support

There were no political contributions during the year, in line with our policy.

ABGSC has not received any financial assistance from any governments during the year.

ABGSC is a member of the Norwegian Securities Dealers Association, the Swedish Securities Dealers Association, AksjeNorge and the Norwegian Petroleum Society (NPF).

## COMMENTS ON SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

ABGSC is conscious of the sensitivities involved in operating an international business in an industry that is subject to increased regulatory scrutiny and change. For this reason, the firm undertakes to combine a culture of performance with a focus on responsibility in relation to its stakeholders and the broader environment.

ABGSC aims to run its business in accordance with the Ten Principles of the United Nations Global Compact (for more information regarding the different principles, visit www.unglobalcompact.org), which require businesses to be proactive in protecting human rights, labour rights, the environment and in promoting anti-corruption.

The ABGSC Corporate Social Responsibility Policy is published on our website.

### Corporate Responsibility

**Governance:** ABGSC is committed to ensuring its corporate governance structures remain robust and fit to face the requirements and challenges of the industry. ABGSC's Board is composed of individuals with strong business backgrounds, qualified to oversee and guide management on all matters. Different governance documents are in place to ensure both local and global practice for good corporate governance.

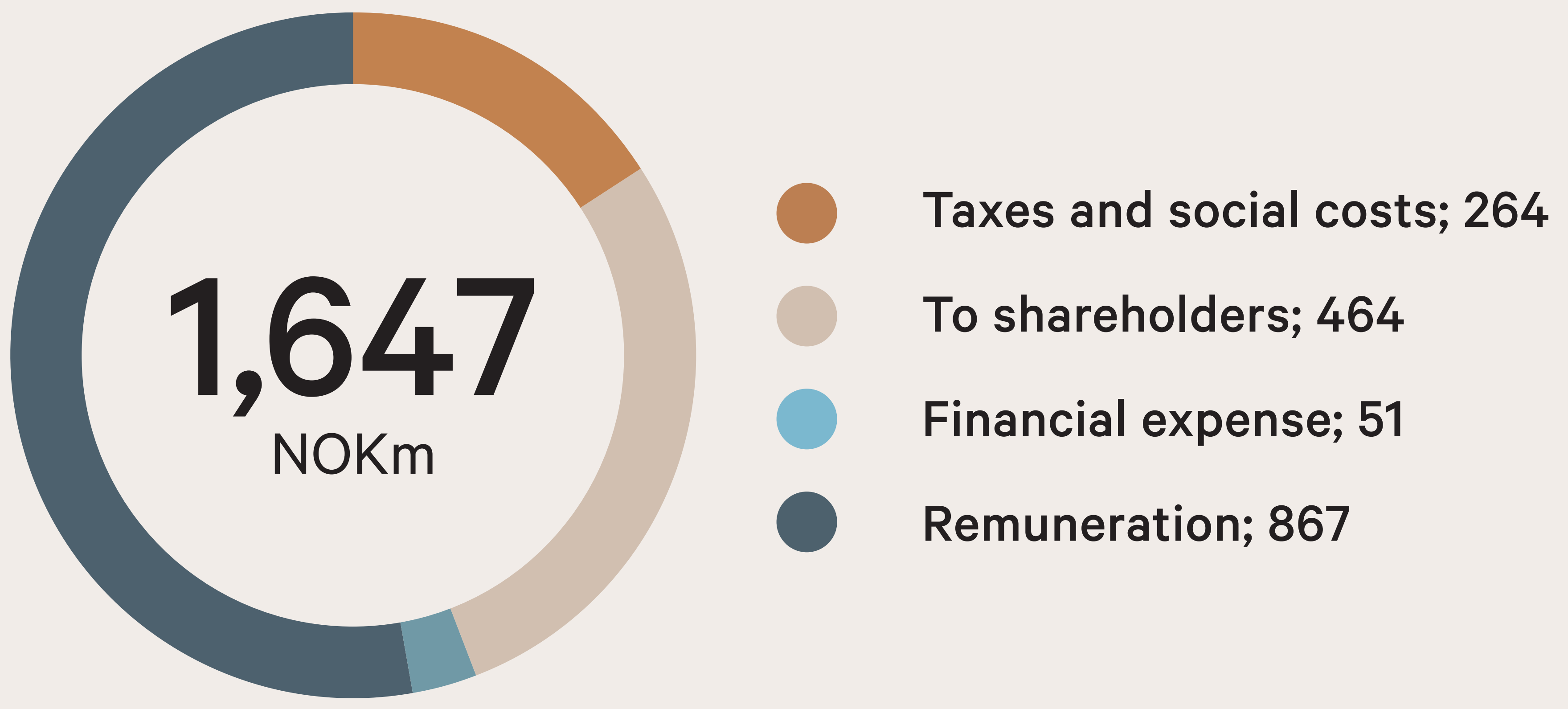
**Co-existence of performance with responsibility:** ABGSC has an established and transparent set of remuneration principles, which have been developed in response to new regulations, as well as in consideration of the firm's shareholders and partners.

ABGSC's remuneration policies are based on numerous factors, with long-term commitment, a risk-balanced attitude, client focus and teamwork at their core. ABGSC's remuneration policies are approved and overseen by the Board and require direct input from control departments, such as Compliance and Risk Control.

**Balancing stakeholder needs:** ABGSC's key stakeholders are its clients, employees and partners, shareholders and the general public. Balancing financial returns with the interests of these stakeholders is an important task, and we believe this can be achieved through careful planning and a responsible attitude.

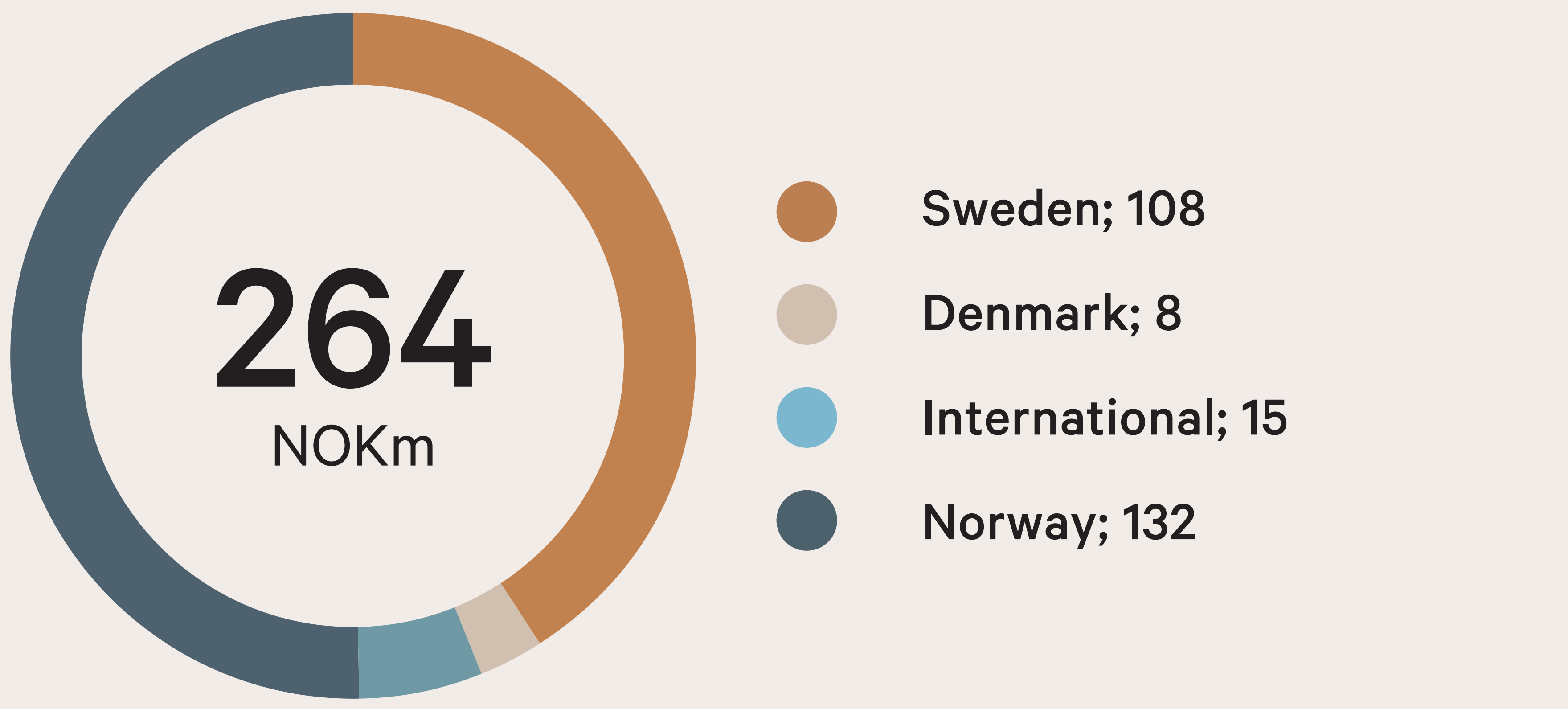
In 2020, ABGSC generated NOK 1,647m in economic value, which was distributed as follows:

Economic value distribution (NOKm)




Taxes and social costs of NOK 264m were as follows per country:

Taxes and social costs per country (NOKm)



**Acting in the client's best interests:** Acting in the best interests of our clients is the foundation on which we have built our business. A "tone from the top" approach is prevalent, and ABGSC's partnership model ensures a long-term focus and that ethical principles infiltrate all areas of the business.

## Human rights

ABGSC is concerned about human rights and seeks to deal with reputable counterparties, both in relation to our clients and suppliers. Given the nature and location of our business, we consider the risk of engaging with organisations subject to being in breach of human or labour rights to be limited. ABGSC is not aware of any of its counterparties having been involved in any breach of human or labour rights in 2020.

## Anti-discrimination and employee rights

Our longstanding anti-discrimination policy promotes equal opportunities in all areas, such as recruitment, promotion and remuneration. At ABGSC, we aim to create a diverse and inclusive working environment where everyone is valued for their differences and recognised for their talent and performance.

We seek to identify highly qualified candidates for all positions and maintain an environment that is "gender- and background-neutral". In our hiring process we seek to hire candidates that are considered to have the best future potential regardless of ethnic origin, religious beliefs or orientation, nationality or other criteria not relevant to their work. The Group does not classify its employees or partners based on such criteria nor does it consider them relevant in relation to careers within ABGSC.

A commitment to diversity is a top priority for ABGSC, and while women occupy important senior positions in the Group, we are not satisfied with our current overall gender balance. At the end of 2020, our workforce comprised 242 men and 54 women.

We are committed to creating an attractive working environment for female investment professionals and several measures have been implemented to increase interest in the financial industry among female talent in general and to improve the ratio of female staff and partners within our firm. In this context, we are pleased to note that 38% of the increase in workforce in 2020 were women.

## Working environment

The ABGSC workforce is the firm's most important asset and we strongly believe in the importance of a positive and stimulating working environment. 99% of ABGSC's staff are permanently employed, and 99% of ABGSC's total workforce are employed directly by ABGSC.

Self-development is strongly encouraged, and the firm believes that healthy staff means a healthy business.

Consequently, we offer a variety benefits to support the wellbeing of our staff, such as ergonomic workplaces, comprehensive medical insurance and the organisation of various physical exercise activities.

During 2020, our primary concern was to implement the measures possible to help secure the health and safety of our staff and their relatives and friends. Furthermore, we have complied with local regulations and established structures required to support our staff to function as well as possible when having to work from their respective home offices.

ABGSC has not had any work-related accidents or occupational illness in the last five years and absence due to illness continues to be low at approximately 1%.

ABGSC also believes in providing opportunities to talent in the starting phase of in their careers by offering a number of internships every year. In 2029 the firm took on a total of 29 interns in our Oslo, Stockholm and Copenhagen offices. Furthermore, several staff members have furthered their education with the support of the firm.

## Environmental impact

The activities carried out by ABGSC cause no pollution to the environment other than what is considered normal for office operations.

We aim to reduce business travel as much as practically possible and have invested in top-class solutions for video conferencing. Furthermore, the firm focuses on minimising printing and physical distribution of written material and has arrangements in place for glass and plastic bottle recycling as well as other waste recycling and handling.

At the start of 2020, we relocated our Swedish operations to the brand-new Urban Escape complex in Stockholm, one of the most modern and environmentally friendly office locations in the country. Similarly, our Oslo office will be relocated to the VIA building, which is currently in the final phase of construction. The VIA building complies with the highest environmental standards and has a BREEAM Excellent certification.

ABGSC supports the reporting of ESG data to facilitate investors' understanding of the environmental and social impact of their investments. Our vision is to see listed companies become more transparent and aligning with global norms. We anticipate that our research will become more granular over time, so we can evaluate and compare companies' actions with their policies and ambitions. We see data on emissions and waste as being key metrics, and we pay close attention to corporate governance standards and efforts to improve gender equality. Our ESG research also includes any previous ESG incidents, exposure to ESG trends, opportunities and risks.

During 2020, ABGSC hosted several virtual ESG events to contribute to increase awareness about the social and environmental impact of investments. The events were often theme-based and led by CSR experts and corporate leaders.

### Anti-corruption measures

ABGSC has designed a strict framework to combat bribery, fraud and corruption, as well as money laundering and terrorist financing. The firm is subject to the EU Money Laundering Directives, as well as national legislation in all its local offices.

### Focus areas and initiatives

CSR and sustainability have become an integral part of our society, and ABGSC is continuously considering alternative initiatives where we could utilise our resources and expertise to contribute to the greater society.

The ABGSC Women in Finance Foundation is a prioritised initiative by ABGSC. Since its inception in 2018, the Foundation has donated app. NOK 750,000 to initiatives that may stimulate an increase in the proportion of female students who study finance at universities in the Nordics.

Although the foundation is self-financed and run as a separate entity, ABGSC also provides operational support to the foundation by contributing in relation to various events and with our resources and network.

In 2020, the activities have mainly been focused on the relationship with Universities to establish a network of women with an interest in the financial industry. Some of the goals for 2021 are to arrange the Foundation's first own "Women in Finance" event, to continue to establish networks with students in the Nordics and to launch the foundation in Denmark.

## PROSPECTS FOR 2021

ABGSC is lean, well-capitalized and employs some of the best people in our industry. During 2020, we further strengthened our organisation and implemented a sharpened business strategy with focus on maximising revenue potential within our core operation. We are confident that we will continue to benefit from our diversified revenue base and the energetic partnership culture.

One of the key lessons learned from 2020 is that the future certainly is hard to predict. Still, we continue to what we do best: focus on enabling businesses and capital to grow and perform. We find ourselves to be off to a good start to 2021 and currently have an optimistic outlook for the year with an even stronger pipeline of transactions than we had 12 months ago.

Oslo, 17 March 2021
The Board of ABG Sundal Collier Holding ASA

| | | |
|---|---|---|
| *(sign)* | *(sign)* | *(sign)* |
| Knut Brundtland<br>Chairman | Martina Klingvall | Adele Norman Pran |
| *(sign)* | *(sign)* | *(sign)* |
| Jan Petter Collier | Arild A. Engh | Jonas Ström<br>CEO |

# CONSOLIDATED FINANCIAL STATEMENT

# Consolidated statement of comprehensive income

| | Notes | 2020 | 2019 |
|---|---|---|---|
| OPERATING REVENUES AND COSTS | | | |
| Corporate Financing | | 1,044,577 | 503,345 |
| M&A and Advisory | | 380,853 | 448,969 |
| Brokerage and Research | | 500,604 | 399,039 |
| **Total operating revenues** | *3* | **1,926,034** | **1,351,353** |
| | | | |
| Personnel costs | *9* | 994,060 | 729,824 |
| Other operating costs | *9* | 241,782 | 243,155 |
| Depreciation | *11 , 15* | 54,933 | 38,971 |
| **Total operating costs** | | **1,290,774** | **1,011,950** |
| | | | |
| **Operating profit** | | **635,261** | **339,403** |
| | | | |
| FINANCIAL INCOME AND COSTS | | | |
| Interest income | | 33,568 | 28,197 |
| Result from associated companies | *16* | -9,928 | -2,250 |
| Other financial income | | 3,925 | 2,523 |
| Interest costs | | -40,132 | -28,703 |
| Other financial costs | | -1,262 | -5,199 |
| **Net financial result** | | **-13,829** | **-5,432** |
| | | | |
| **Profit before taxes** | | **621,432** | **333,971** |
| Tax cost | *10* | 157,861 | 80,307 |
| | | | |
| NET RESULT FOR THE YEAR | | **463,571** | **253,664** |

| | Notes | 2020 | 2019 |
|---|---|---|---|
| **Profit / loss for the year attributable to:** | | | |
| Owners of the parent | | 411,762 | 227,443 |
| Non-controlling interests | | 51,808 | 26,221 |
| | | | |
| Diluted earnings per share | *21* | 0.78 | 0.44 |
| Basic earnings per share | *21* | 0.93 | 0.50 |
| | | | |
| **Consolidated statement of other comprehensive income** | | | |
| **Items that may be reclassified to profit or loss** | | | |
| Exchange differences on translating foreign operations | *13* | 6,594 | 6,340 |
| Loss on hedges of net assets of foreign operations | *13* | -6,846 | -6,086 |
| Income tax relating to items that may be reclassified | *13* | 1,711 | 1,521 |
| **Total other comprehensive income** | | **1,460** | **1,776** |
| | | | |
| **Total comprehensive income for the year** | | **465,031** | **255,440** |
| | | | |
| **Total comprehensive income for the year attributable to:** | | | |
| Owners of the parent | | 413,222 | 229,218 |
| Non-controlling interests | | 51,808 | 26,221 |

# Consolidated statement of financial position as of 31 December

| | Notes | 2020 | 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| | | | |
| **Intangible assets** | | | |
| Deferred tax assets | *10* | 33,888 | 22,284 |
| Goodwill | *14* | 93,308 | 93,308 |
| Other intangible assets | *15* | 37,414 | 43,769 |
| **Total intangible assets** | | **164,611** | **159,362** |
| | | | |
| **Tangible non-current assets** | | | |
| Office equipment and fittings | *15* | 39,081 | 8,472 |
| Right-of-use assets | *11* | 249,887 | 64,988 |
| **Total tangible non-current assets** | | **288,968** | **73,460** |
| | | | |
| **Financial non-current assets** | | | |
| Long-term receivables | *8* | 22,455 | 20,701 |
| Investments in associates | *16* | 51,953 | 28,880 |
| Other shares | *12* | 2,944 | 2,725 |
| **Total financial non-current assets** | | **77,352** | **52,306** |
| | | | |
| **Total non-current assets** | | **530,931** | **285,128** |

| | Notes | 2020 | 2019 |
|---|---|---|---|
| **Current assets** | | | |
| | | | |
| **Receivables** | | | |
| Accounts receivables | 6 - 8, 19 | 1,043,164 | 759,576 |
| Receivables from stockbrokers | 6 - 8 | 410,659 | 419,482 |
| Other receivables | 6, 8 , 17 | 168,975 | 177,204 |
| **Total receivables** | 12 | **1,622,798** | **1,356,262** |
| | | | |
| **Investments** | | | |
| Securities and financial instruments | 6, 12 | 65,108 | 59,166 |
| | | | |
| **Cash and bank deposits** | | | |
| Cash and bank deposits | 6, 12, 20 | 1,251,298 | 570,618 |
| | | | |
| **Total current assets** | | **2,939,204** | **1,986,047** |
| | | | |
| **TOTAL ASSETS** | | **3,470,134** | **2,271,175** |

# Consolidated statement of financial position as of 31 December

| | Notes | 2020 | 2019 |
|---|---|---|---|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| | | | |
| **Paid-in-capital** | | | |
| Share capital | *22* | 108,272 | 108,272 |
| Treasury shares at nominal value | *22* | -6,196 | -3,225 |
| Share premium | | 10,984 | 10,984 |
| **Total paid-in-capital** | | **113,060** | **116,031** |
| | | | |
| Retained earnings | | 780,864 | 575,063 |
| **Equity attributable to owners of the parent** | | **893,924** | **691,094** |
| | | | |
| **Non controlling interests** | | **89,920** | **62,183** |
| | | | |
| **Total equity** | *4* | **983,843** | **753,277** |
| | | | |
| **Liabilities** | | | |
| | | | |
| **Non-current liabilities** | | | |
| Deferred tax | *10* | 11,940 | 8,718 |
| Long-term provisions | *8* | 24,509 | 13,583 |
| Lease liabilities | *11* | 215,743 | 39,143 |
| Deposits from partners | | 4,190 | 4,190 |
| **Total non-current liabilities** | | **256,381** | **65,633** |

| | Notes | 2020 | 2019 |
|---|---|---|---|
| **Current liabilities** | | | |
| Accounts payable | *6, 8* | 66,780 | 31,464 |
| Liabilities payable to customers | *6 - 8, 12* | 858,608 | 678,160 |
| Securities and financial instruments (short positions) | *6, 12* | 38,038 | 40,856 |
| Liabilities payable to stockbrokers | *6 - 8, 12* | 442,246 | 225,403 |
| Income tax payable | *6, 8, 10* | 125,741 | 37,787 |
| Public dues payable | *6, 8* | 30,176 | 29,677 |
| Lease liabilities | *11* | 42,570 | 26,990 |
| Other liabilities | *6, 8, 17* | 625,749 | 381,928 |
| **Total current liabilities** | *12* | **2,229,909** | **1,452,265** |
| | | | |
| **Total liabilities** | | **2,486,290** | **1,517,899** |
| | | | |
| TOTAL EQUITY AND LIABILITIES | | **3,470,134** | **2,271,175** |

Oslo, 17 March 2021
The Board of ABG Sundal Collier Holding ASA

*(sign)*
Knut Brundtland
Chairman

*(sign)*
Martina Klingvall

*(sign)*
Adele Norman Pran

*(sign)*
Jan Petter Collier

*(sign)*
Arild A. Engh

*(sign)*
Jonas Ström
CEO

# Consolidated cash flow statement

| | 2020 | 2019 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxes | 621,432 | 333,971 |
| Interest income | -33,568 | -28,197 |
| Interest received | 28,155 | 28,197 |
| Interest costs | 40,132 | 28,703 |
| Interest paid | -30,451 | -26,027 |
| Total other comprehensive income before taxes | -251 | 254 |
| Taxes paid | -72,973 | -75,702 |
| Depreciation | 54,933 | 38,971 |
| Change in investments | -8,760 | 51,501 |
| Change in accounts receivables/receivables from other stockbrokers | -274,764 | 560,022 |
| Change in accounts payable/payable to customers and other stockbrokers | 432,608 | -424,918 |
| Change in other current assets/liabilities | 276,860 | -52,569 |
| **Net cash flow from operating activities** | **1,033,351** | **434,206** |
| | | |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets /intangible assets | -41,658 | -26,592 |
| Investments in financial non-current assets | -34,974 | -37,233 |
| **Net cash flow from investing activities** | **-76,632** | **-63,825** |

| | 2020 | 2019 |
|---|---|---|
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of loans | 0 | -450 |
| Repayment of lease liabilities | -41,575 | -27,199 |
| Change in own shares | -26,802 | -813 |
| Payment to shareholders | -207,663 | -198,981 |
| **Net cash flow from financing activities** | **-276,039** | **-227,444** |
| | | |
| Net increase/ (decrease) in bank deposits, cash and cash equivalents | 680,680 | 142,937 |
| Bank deposits, cash and cash equivalents as of 1 January | 570,618 | 427,681 |
| **Bank deposit, cash and cash equivalents as of 31 December** | **1,251,298** | **570,618** |

# Consolidated statement of changes in equity

| | Share capital | Own shares | Share premium | Retained earnings | Cumulative translation differences | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| **Shareholders' equity as of 1 January 2019** | 108,272 | -3,099 | 105,134 | 407,957 | 18,602 | 60,766 | 697,632 |
| Net result for the year | | | | 227,443 | | 26,221 | 253,664 |
| Other comprehensive income | | | | 1,521 | 254 | | 1,776 |
| Payment to shareholders | | | -94,149 | -80,027 | | -24,805 | -198,981 |
| Change in own shares | | -127 | | -687 | | | -813 |
| **Shareholders' equity as of 31 December 2019** | **108,272** | **-3,225** | **10,984** | **556,207** | **18,856** | **62,183** | **753,277** |
| | | | | | | | |
| Net result for the year | | | | 411,762 | | 51,808 | 463,571 |
| Other comprehensive income | | | | 1,711 | -251 | | 1,460 |
| Payment to shareholders | | | | -183,591 | | -24,071 | -207,663 |
| Change in own shares | | -2,971 | | -23,831 | | | -26,802 |
| **Shareholders' equity as of 31 December 2020** | **108,272** | **-6,196** | **10,984** | **762,258** | **18,604** | **89,920** | **983,843** |

# Notes to the Consolidated Financial Statement

# Note 1 – Accounting policies

**General information**

ABG Sundal Collier Holding ASA ("the Company") is a public limited company and its head office is located in Vika, Oslo in Norway. The Company together with is subsidiaries ("ABGSC" or "the Group") provides investment banking, stock broking and corporate advisory services that encompass the needs of both international investors and Nordic business clients. The Company's shares are listed on the Oslo Stock Exchange.

The consolidated financial statements comprise ABG Sundal Collier Holding ASA and its subsidiaries. The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional currency of the Company. Except as indicated, the amounts presented have been rounded to the nearest thousand.

The consolidated financial statements for the Group for the year 2020 were approved by the Board of Directors of ABG Sundal Collier Holding ASA on 17 March 2021.

*Basis of preparation*

The consolidated financial statements for the Group are prepared in accordance with the International Financial Reporting Standards (IFRS) published by International Accounting Standards Board (IASB) and all interpretations from the Financial Reporting Interpretations Committee (IFRIC), which have been endorsed by the EU commission for adoption within the EU.

The consolidated financial statements are prepared on the historical cost basis, except for certain financial assets. Shares and equity instruments, derivatives, short positions, bonds and other debt instruments designated at fair value through profit or loss are measured at fair value. Financial assets classified as available for sale are also measured at fair value.

*Changes in accounting policies*

New and amended IFRS Standards that are effective for the current year, including the Covid-19-Related rent concessions amendment to IFRS 16, amendments to References to the Conceptual Framework in IFRS Standards, amendments to IFRS 3 Definition of a business and amendments to IAS 1 and IAS 8 Definition of material, did not have a material effect on the accounting policies of the group.

**Basis of consolidation**

ABGSC's consolidated financial statements comprise the parent company ABG Sundal Collier Holding ASA and companies in which ABG Sundal Collier Holding ASA has a controlling interest.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over an investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers the all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- Potential voting rights held by the Group, other vote holders and other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder's meetings.

See Note 24 in the consolidated financial statement for a complete list of subsidiaries.

Associates are those entities for which the Group has significant influence, which is the power to participate in (but not control) the financial and operating policy decisions of the associates so as to obtain benefits from its activities. Significant influence generally exists when the Group controls between 20% and 50% of the voting power of the investee.

Investments in associates are accounted for using the equity method and are initially recognised at cost. The investments include goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates, from the date that significant influence commences until the date that significant influence ceases. If the Group's share of losses exceeds its interest in an associate, the carrying amount of that associate is valued at zero and recognition of further losses is ceased. If the associate subsequently reports profits, the Group resumes recognizing its share of profits only after its share of profits equals the share of losses not recognised.

See Note 16 in the consolidated financial statement for a reconciliation of investments in associated companies.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

All Group-internal transactions and intercompany balances, including internal profits and unrealised gains and losses, have been eliminated.

### Accounting of partnership

Some of the subsidiaries in the Group are the principal partners in silent partnerships. The relations are as follows:

- ABG Sundal Collier ASA is the principal partner in ABG Sundal Collier silent partnership
- ABG Sundal Collier Eiendom AS is the principal partner in ABG Sundal Collier Eiendom silent partnership
- Sundal Collier & Co AS is the principal partner in the Sundal Collier & Co silent partnership

The silent partnership's accounts are fully incorporated in the financial statements of the principal partner. The partner's share of the profit are classified as variable personnel cost in the income statement, while unpaid profits to partners are classified as current liabilities. Capital contributions from partners are classified as long-term liabilities in the accounts of the principal partner.

### Foreign currency

*Transactions and balance sheet items in foreign currency*
Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate applicable on the balance sheet date. Unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the income statement. Unrealised exchange differences on non-monetary financial assets (typically investments in equity instruments) are a component of the change in the instrument's entire fair value.

For a non-monetary financial asset held for trading and for non-monetary financial assets designated at fair value through profit or loss, unrealised exchange differences are recognised in the income statement.

For non-monetary financial investments available-for-sale, unrealised exchange differences are recorded directly in equity until the asset is sold or becomes impaired.

*Net assets in foreign operations*
Foreign subsidiaries' assets and liabilities have been translated into functional currency at the exchange rates on the balance sheet date. Revenues and expenses from foreign subsidiaries have been translated using the monthly average exchange rates during the year. Translation gains and losses on both foreign operations and related hedging instruments are recognised in equity as a separate components (cumulative translation differences). When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve (both foreign operation and related hedging instrument) is transferred from equity and recognised in the income statement as part of the gain or loss.

### Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Furthermore, the entity's component's operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and thus separate financial information is available. In 2020 the segment reporting has been changed to the three product levels; Corporate Financing, M&A and Advisory and Brokerage and Research.

See Note 3 for financial segment reporting.

### Revenue recognition

Revenue is recognised when it is probable that transactions will generate future economic benefits that will flow to the company and the amount can be reliably estimated.

*Brokerage and Research*
Commissions from trades are recognised at the trade date.

Fixed-priced research services are typically billed periodically. Discretionary fees from research are recognised where there is deemed to be no uncertainty related to ABGSC's right to claim compensation for a research provided.

*Corporate Financing / M&A and Advisory*
Revenue from service delivery is recognised in conjunction with the execution of the services used to complete an engagement. Revenue from performance fees are recognised upon completion of the transaction, or there is deemed to be no uncertainty related to ABGSC's right to claim compensation for

a transaction. Fixed fees (contractual sign-on fees or periodical fees) are recognised at the time they are earned.

*Leases*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an administration costs on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described under the Impairment of financial assets. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in administration costs in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

*Financial instruments*
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss

The Group classifies its financial assets in the following categories: financial assets and liabilities at fair value through profit and loss, and financial assets and liabilities at amortized cost. Management determines the classification of financial instruments at initial recognition. Financial assets and liabilities measured at fair value are presented in the balance sheet as "Securities and financial instruments" and "Securities and financial instruments (short positions)" and consist of derivatives, short positions, fixed income and equity securities.

**Financial assets and liabilities**

*Classification and measurement of financial assets*
Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Receivables from transactions with other stockbrokers and counterparties are measured subsequently at amortised cost. Unsettled security trades transacted prior to the year-end for which settlement does not occur until after year-end are recorded under accounts receivable and accounts payable to customers / stockbrokers. These financial assets are measured at fair value on initial recognition, and subsequently they are measured at amortized cost using the effective interest method, less allowance for impairment. As the receivables are generally short term, the effects of amortization is minimal. The losses arising from impairment are recognised in the income statement in "administration costs".

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Financial assets and liabilities measured at fair value are presented in the balance sheet as "Securities and financial instruments" and "Securities and financial instruments (short positions)" and consist of derivatives, short positions, fixed income and equity securities.

Financial assets FVTPL are initially recognised and subsequently measured at fair value in the balance sheet. Transaction costs are taken directly to profit or loss. Changes in fair value are recognised in the income statement in "brokerage and research revenue.

*Financial liabilities*
Short positions in shares are carried at fair value. All other liabilities are carried at amortized cost.

Financial liabilities measured at amortised cost are recognised initially at fair value net of transaction costs incurred, and subsequently are carried at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on the issue and fees and costs that are an integral part of the effective interest rate. Accrued interest is included in the carrying amount of the liabilities in the balance sheet.

**Determination of fair value**

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method and valuation models. The Group uses widely recognised valuation models for determining fair values of financial instruments.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions The Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value and the related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value on the balance sheet.

### Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on:

- Debt investments measured subsequently at amortised cost or at FVTOCI;
- Lease receivables;
- Trade receivables and contract assets; and
- Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

As impairment of financial assets is only applicable to the Group's receivables, the Group applies the simplified approach and recognizes lifetime ECL for these assets, measuring the loss allowance at an amount equal to lifetime ECL. The assessment is performed on a receivable by receivable basis.

*Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

*Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

*Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on past experience adjusted by forward-looking information, primarily publicly available information regarding the financial status of the debtor and the industry it operates within. As for the exposure at default this is represented by the assets' gross carrying amount at the reporting date. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The losses arising from impairment are recognized in the income statement in "Operating expenses".

### Hedge accounting

The Group uses derivatives and other financial instruments for trading purposes and to hedge its exposure to market price risk and currency risk. These derivatives are classified as financial assets or financial liabilities depending on whether their fair value at the balance sheet date is positive (assets) or negative (liabilities). The derivatives are measured at fair value.

In accordance with the Group's risk management objectives and strategies, The Group enters into hedging transactions to ensure that it is economically hedged. However, as most of the hedged items which are exposed to market price risk are carried at fair value though profit and loss, hedge accounting would have no effect, as the hedging instrument also is carried at fair value through profit and loss. Therefore, the Group only practice hedge accounting for net investments in foreign subsidiaries.

Where hedge accounting is applied, the Group documents, at the inception of the hedge, the relationship between the hedged items and the hedging instruments, as well as the Group's risk management objective and strategy for undertaking the hedges. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Hedges of net investments in foreign operations seek to eliminate the currency exposure on the carrying amount of the Group's net investments in foreign subsidiaries in the consolidated financial statements. The exchange differences arising from the translation of net investments in foreign subsidiaries into the presentation currency are recognised directly in other comprehensive income. The effective portion of the gains or losses on hedging instruments is also recognised within other comprehensive income, net of tax. Any ineffective portion of changes in the fair value of hedging instruments is recognised immediately in the income statement in the Net Financial Result. The amounts recognised in other comprehensive income are transferred to the income statement upon disposals of hedged foreign subsidiaries. See Note 13 for further information.

### Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of all identifiable assets and liabilities acquired.

Goodwill is not amortised, but tested yearly for impairment. Goodwill is allocated to the relevant cash-generating unit, and if the related discounted cash flow does not exceed the carrying amount of goodwill, the goodwill will be written down to its fair value.

### Fixed assets and depreciation

Fixed assets are carried at original cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of equipment.

The carrying amount of the Group's equipment is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount (the greater of its net selling price and value in use) is estimated. An impairment loss is recognised in the income statement whenever the carrying amount of an asset or of a cash-generating unit exceeds its recoverable amount. The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### Cash and bank deposits

Cash and bank deposits include cash, bank deposits and other monetary instruments where the maturity is less than three months from the date of purchase. Client funds are not included in the balance.

### Income taxes

The income tax expense consists of the aggregate of current taxes payable and changes in deferred tax. Current and deferred tax are recognised as expense or income in the income statement, except when they relate to items recognised directly to equity, in which case the tax is also recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the period.

Deferred tax liabilities and assets are recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used in the tax returns. Deferred tax liabilities and assets are generally recognised for all taxable temporary differences. Deferred tax and deferred tax assets are only off-set as far as this is possible under taxation legislation and regulations.

### Pensions

The Group's subsidiaries now have pension schemes where the company's commitment is to contribute to the individual employee's pension scheme (defined contribution plans). Contributions to defined contribution plans are expensed when employees have rendered services in exchange for such contributions, generally in the year of contribution.

# Note 2 – Significant accounting judgements and estimates

Financial statement preparation requires estimates and assumptions that affect the application of accounting policies and the amounts recognised in the consolidated financial statements. Actual results may differ from these estimates. As the accounting estimates and underlying assumptions are reviewed on an ongoing basis, the judgements, estimates and assumptions are based on the best assessment present at the time of the rendering of the accounts.

The most significant accounting judgements and estimates are the following:

### Revenue recognition

*Corporate Financing / M&A and Advisory*
Revenue from service delivery is recognised in conjunction with the execution of the services used to complete an engagement. Revenue from performance fees are recognised upon completion of the transaction, or there is deemed to be no uncertainty related to ABGSC's right to claim compensation for a transaction. Accruing for performance fees requires management judgment of both the probability of future events and the performance fee amount that the group is entitled to. See note 17 for further information. The accruals are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. Fixed fees (contractual sign-on fees or periodical fees) are recognised at the time they are earned.

### Determination of fair value of financial instruments

Most of the Group's financial instruments are quoted in active markets, but determination of fair value of financial assets and financial liabilities that are not quoted in active markets will have to be performed by using valuation techniques. These valuation techniques are validated by qualified personnel and all valuations are also performed by qualified personnel. To the extent practical, the valuation models use only observable or known data, however as future cash flows and events are unknown, valuation will require management to make estimates.

### Income taxes

The Group is subject to income taxes in several tax jurisdictions. The use of silent partnerships in the Norwegian subsidiaries is also affecting the calculation of the tax accruals. Estimates are required in determining the Group's provision for income taxes. The Group recognises liabilities for anticipated tax using historical experience and estimates for taxable income. Where the final tax assessment is different from the initially recorded accruals, such differences will impact the income tax cost and the deferred tax provisions in the period the assessment is made.

Deferred tax assets are continuously assessed and are only recognised to the extent that is probable that future taxable profit will be large enough for the deferred tax asset to be utilised.

# Note 3 – Information about segments and geographical markets

The Group segments its business primarily on a product level as this provides the best understanding of the Group's integrated operation. The Group does not allocate profits or split the balance sheet per product. The revenues from the product level is shown in the Income Statement. Revenues are also split at an overall geographical level as shown below.

| Geographical segment: | 2020 | 2019 |
|---|---|---|
| Norway | 1,038,785 | 620,236 |
| Sweden | 574,374 | 506,625 |
| Denmark | 79,059 | 85,160 |
| International | 233,816 | 139,332 |
| **Total** | **1,926,034** | **1,351,353** |

# Note 4 – Capital ratio

ABGSC is required to have a capital ratio of a minimum 8% of total capital adequacy. The capital ratio is calculated as core capital divided by capital adequacy. The capital ratio at year-end is:

| | 2020 | 2019 |
|---|---|---|
| Capital adequacy of credit-, counterparty-, and business risk | 559,574 | 694,097 |
| Capital adequacy of position-, and currency risk | 75,780 | 128,580 |
| Capital adequacy of operational risk | 2,750,602 | 2,369,988 |
| **Total capital adequacy** | **3,385,956** | **3,192,664** |
| | | |
| Booked equity | 983,843 | 753,277 |
| Proposed payment to shareholders and non controlling interests | -420,168 | -126,679 |
| Intangible assets | -122,715 | -122,602 |
| **Core capital** | **440,961** | **503,996** |
| | | |
| **Total capital adequacy ratio** | **13.0%** | **15.8%** |
| | | |
| **Number of times regulatory minimum** | **1.6x** | **2.0x** |

The operational risk is calculated using the following amounts (revenues and net financials):

| **Geographical segment:** | 2020 | 2019 |
|---|---|---|
| 2020 | 1,912,206 | |
| 2019 | 1,345,922 | 1,345,922 |
| 2018 | 1,142,835 | 1,142,835 |
| 2017 | | 1,303,224 |
| | | |
| **Capital adequacy of operational risk** | **2,750,602** | **2,369,988** |

# Note 5 – Risk management

Risk management is an integral part of ABGSC*s core business activities. In the course of conducting our business operations, ABGSC is exposed to a variety of risks. These risks include market, credit, liquidity, operational and currency risks that are material and require comprehensive controls and management. The responsibility and accountability for these risks remain primarily within each business area. ABGSC aims to maintain a low risk profile. Risk is managed through clearly defined decision making processes, authorisation systems and exposure limits. The Group's accounting for and reporting of transactions as well as information in disclosures are heavily dependent on IT systems. The IT systems are standardized and parts of system development and operations are outsourced. Effective internal controls related to IT are important for ensuring accurate, complete and reliable financial reporting.

# Note 6 – Market risk

### Market risk

ABGSC is exposed to fluctuations in the value of its own investments, market-making and settlement from customers. Financial market risk is managed under rules established in the Norwegian Companies Act and internal control regulations. The Board has established procedures for internal control designed to monitor financial market risk and ensure a robust control discipline. In order to facilitate settlement on ABGSC's agency business, ABGSC may borrow securities or fund the purchase of securities, leaving ABGSC with a risk that the buyer or seller may not be able to complete their obligation under the trade. Settlement risk is mitigated by only trading with good-quality, credit worthy clients that are institutional investors or high net-worth individuals. Generally, the underlying securities are liquid securities for which there is a transparent and liquid market.

### Interest rate risk

ABGSC's interest rate risk is limited due to the modest volume of long-term balance sheet investments.

### Foreign currency risk

ABGSC's foreign currency exposure is linked to future cash flow and balance-sheet items in all operations. The foreign currency risk is mitigated by use of drawing rights and currency derivatives in the respective currencies.

Exchange rate risk is predominantly short term related to settlement of customer trades, where settlement is executed at trade date plus two business days. The sensitivity to currency effects on these trades is limited. Long-term exchange-rate risk is related to net investments in foreign operations where accumulated profit and loss is kept in local currency. The Group hedge its exchange-rate risk related to net investments in foreign operations.

ABGSC is also exposed to FX rate risk through positions in FX forwards.

The Group is only exposed to foreign currency risk for the net exposure, see below:

### Financial assets and liabilities in foreign currencies

| | Assets | Liabilities | Net position in foreign currency | NOK |
|---|---|---|---|---|
| EUR | 22,292 | 20,325 | 1,967 | 20,590 |
| GBP | 9,120 | 8,804 | 316 | 3,678 |
| USD | 29,503 | 29,267 | 236 | 2,013 |
| SEK | 1,473,361 | 1,488,920 | -15,559 | -16,236 |
| DKK | 250,532 | 262,460 | -11,928 | -16,784 |
| Other currencies | | | | 1,078 |
| **Total net position currency 2020** | | | | **-5,660** |
| **Total net position currency 2019** | | | | **47,209** |

# Note 7 – Credit risk

Credit risk is the risk of losses due to failure from counterparties or clients to meet their payment obligations, and adverse credit quality migration of financial instruments. The main categories are:

### Securities Financing

Key features describing the credit risk in securities financing are:

- Financing system based on securities as collateral (not based on credit capacity in general)
- Daily margin calculations based on real time market value, stock liquidity, volatility and risk

Changes in the value of collateral are followed up on a daily basis and are compensated for by reduction in exposure or with additional collateral. Credit losses have been moderate in previous years. Legal and/or financial recovery is an everyday ongoing process.

| | 2020 | 2019 |
|---|---|---|
| Receivables from Securities Financing clients | 216,516 | 93,885 |
| Market value of collateral from Securities Financing clients | 659,096 | 271,785 |
| **Net exposure to Securities Financing clients** | **-** | **-** |

### Other accounts receivable/settlement risk

Regular stock broking trades are settled with exchange of cash and shares (delivery versus payments) and the credit risk is thereby reduced to the difference between the unsettled amount and the market value of the shares. Credit risk is considered low, and no loss has been booked in 2020.

When trading derivatives through Oslo Clearing, the clearing party retains the risk of settlement from the customer until maturity. ABGSC has had limited derivative trading where we have been the clearing party towards Oslo Clearing in 2020.

| | 2020 | 2019 |
|---|---|---|
| Accounts receivables | 826,648 | 665,691 |
| Receivables from broker firms | 410,659 | 419,482 |
| Liabilities payable to broker firms | -442,246 | -225,403 |
| Liabilities payable to customers | -858,608 | -678,160 |
| **Net exposure other accounts receivables / settlement risk** | **-63,548** | **181,611** |

### Derivatives and FX contracts

ABGSC is exposed to counterparty risk in relation to derivatives. ISDA contracts and Credit Support Annex (CSA) have been established with major counterparties, and changes in market value are settled on a daily basis. Counterparty risk is largely eliminated by collateral and daily margin calculations, but still considered as medium risk.

As of 31 December 2020 ABGSC has outstanding FX contracts of NOK 21m. That number will be reduced in a possible default situation since ABGSC has netting agreements with the counterparties. In addition it is mainly received 10% collateral from customers.

*Counterparty exposure related to derivative contracts*

| | 2020 | | 2019 | |
|---|---|---|---|---|
| **Assets** | **Book value** | **Net value** | **Book value** | **Net value** |
| Financial derivatives | 21,176 | 6,993 | 14,490 | 3,588 |
| Received collateral | 15,310 | 15,310 | 5,555 | 5,555 |
| **Net exposure** | **5,866** | **-** | **8,935** | **-** |

| | 2020 | | 2019 | |
|---|---|---|---|---|
| **Liabilities** | **Book value** | **Net value** | **Book value** | **Net value** |
| Financial derivatives | 27,114 | 12,931 | 18,840 | 7,577 |
| Pledged collateral | 79,725 | 79,725 | 200,406 | 200,406 |

# Note 8 – Liquidity risk

Amounts included earned interest:

| **Agreed rest maturity assets** | **1-30 days** | **30 days - 1 year** | **1-3 years** | **>3 years** | **Total value** |
|---|---|---|---|---|---|
| Long term receivables | | | 22,455 | | 22,455 |
| Accounts receivables | 1,043,164 | | | | 1,043,164 |
| Receivables from stockbrokers | 410,659 | | | | 410,659 |
| Other current receivables | 168,975 | | | | 168,975 |
| **Total 2020** | **1,622,798** | **-** | **22,455** | **-** | **1,645,253** |
| **Total 2019** | **1,348,262** | **8,000** | **20,701** | **-** | **1,376,964** |

| **Agreed rest maturity liabilities** | **1-30 days** | **30 days - 1 year** | **1-3 years** | **>3 years** | **Total value** |
|---|---|---|---|---|---|
| Long-term provisions | | | 15,467 | 9,043 | 24,509 |
| Lease liabilities | | 42,570 | 55,757 | 159,986 | 258,313 |
| Accounts payable | 66,780 | | | | 66,780 |
| Liabilities payable to customers | 858,608 | | | | 858,608 |
| Liabilities payable to stockbrokers | 442,246 | | | | 442,246 |
| Social and corporate taxes | | 155,917 | | | 155,917 |
| Other liabilities | | 625,749 | | | 625,749 |
| **Total 2020** | **1,367,635** | **824,236** | **71,223** | **169,029** | **2,432,123** |
| **Total 2019** | **935,027** | **476,383** | **38,127** | **14,599** | **1,464,135** |

# Note 9 – Wages and social costs

| | 2020 | 2019 |
|---|---|---|
| Wages/partner remuneration | 838,633 | 594,411 |
| Social security tax | 102,918 | 82,929 |
| Pension costs including social security tax | 32,348 | 29,814 |
| Other personnel costs | 20,160 | 22,669 |
| **Total wages and social costs** | **994,060** | **729,824** |
| Average number of man-labour years | 285 | 277 |

### Board of Directors' statement on Executive Committee Remuneration

The Board of Directors has prepared a separate statement regarding the remuneration of the Executive Committee in accordance with the Norwegian Public Limited Companies Act, § 6-16 (a). Following amendments to the Public Limited Liability Companies Act, i.e amendment of section 6-16 (a), addition of a new section 6-16 (b), and associated new regulations, the statements is now subject to new and more detailed requirements for determining salaries and other remuneration. From 1 January 2021, the board is required to prepare both guidelines for such determination and a report that provides an overview of paid and outstanding remuneration. The guidelines will be forward-looking and will be adopted by the Annual General Meeting through a binding vote, while the report will be retrospective and will be subject to an advisory vote at the Annual General Meeting. The new guidelines for the company will be presented at the Annual General Meeting on 20 April 2021, while the deadline for the first presentation of the report is the Annual General meeting in 2022.

### Executive Committee Remuneration policy in 2020

The remuneration policy has been implemented in accordance with the guidelines adopted in 2020 and presented at the Annual General Meeting on 28 April 2020.

The remuneration to senior management is based on the same principles for remuneration that are applied for all partners of the Group. Compensation to partners and employees consists of a fixed salary or compensation and a variable discretionary compensation, the amount of which is dependent on a combination of Group results and individual performance. Principles for the allocation of variable compensation are decided by the Board after recommendations from the Compensation Committee. The preliminary variable compensation is decided by the Executive Committee and finally approved by the CEO. Variable compensation to individual members of senior management is decided by the CEO after taking advice from the Compensation Committee. The compensation of the CEO is proposed by the Compensation Committee and approved by the Board. Members of the Executive Committee are all defined as specifically identified staff ("SIS"). Variable compensation to SIS is subject to various deferral mechanisms, determined by the local regulations governing the legal entity at which the SIS is employed.

There are no specific agreements regarding remuneration at termination of employment for the CEO or members of the Executive Committee.

The CEO and members of the Executive Committee participate in pension schemes according to the same conditions as other partners and employees.

### Board of Directors Remuneration

The highest governing body of the Group is its Board of Directors. The Board has a majority of Non-Executive Directors. Remuneration to Board members consists of payment of fees, and is based on the position of the Board member. There are no specific agreements regarding fees at termination for the Chairman of the Board or other members of the Board. ABGSC did not have any outstanding loans to, or guarantees made on behalf of, any Board member during 2020. Board fees paid in 2020 and outstanding numbers of shares as of 31 December 2020 are shown in the table below:

| Board member | Board Fee | Other fee [1] | Number of Shares |
|---|---|---|---|
| Knut Brundtland (Chairman) | 700 | 35 | 4,083,000 |
| Adele Norman Pran | 270 | 100 | 0 |
| Arild A. Engh [2] | 270 | 1,689 | 5,332,976 |
| Jan Petter Collier [3] | 270 | 10 | 40,322,000 |
| Martina Klingvall | 270 | 102 | 0 |

| Nomination Committee | Other fee | Number of Shares |
|---|---|---|
| Stein Aukner [4] | 40 | 75,429 |
| Roy Myklebust | 20 | 2,000,000 |
| Jan Petter Collier [5] | 20 | 40,322,000 |

[1] *Other fee is fees related to Audit Committee, Compensation Committee, Board Fees for board membership in subsidaries and remuneration for paid assignment*

[2] *Arild A. Engh received in respect of calendar year 2020 TNOK 1,589 as remuneration for a paid assignment*

[3] *Jan Petter Collier has through his partnership in ABGSC received a fixed compensation of TNOK 2,500, a variable compensation in respect of calendar year 2020 of TNOK 5,100, pension contribution of TNOK 56 and benefits in kind of TNOK 23*

[4] *75,000 of the shares are controlled through proxies*

## Executive management remuneration

Executive committee members reporting directly to the CEO are defined as executive management. Remuneration to executive management consists of a fixed payment as well as a variable element, plus pension contribution and other remuneration in-kind. There are no specific agreements regarding salary at termination or change of conditions of employment for any executive management individual.

Executive management individual's remuneration and shareholding as of 31 December 2020 and 31 December 2019 are shown in the tables below:

| | | 2020 | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Position** | **Fixed compensation** [1] | **Variable compensation** [1] & [2] | **Pension contribution** | **Benefits in kind** | **Number of shares** | **Number of shares on forward contracts** [3] |
| Jonas Ström | CEO | 6,160 | 6,316 | 217 | 34 | 1,128,000 | 4,247,000 |
| Are Andersen | Head of Investment Banking | 6,000 | 11,350 | 56 | 23 | 3,690,184 | 2,000,000 |
| Geir B. Olsen | CFO | 2,200 | 2,550 | 56 | 23 | 900,000 | 700,000 |
| Jessica Blink | Head of Group Legal | 1,877 | 533 | 219 | 18 | 190,000 | 60,000 |
| John Olaisen | Co-head of Global Research | 4,500 | 6,900 | 56 | 23 | 1,430,000 | 2,950,000 |
| Per Flostrand | Head of Equity Sales Sweden & International | 6,166 | 6,087 | 159 | 18 | 865,000 | 3,800,000 |
| Peter Straume | Managing Partner Norway | 6,000 | 11,470 | 56 | 23 | 1,232,500 | 3,425,000 |

[1] *Norwegian Executive management members are part of a silent partnership, and receive fixed and variable compensation through participation of the profit distribution from the silent partnership.*
[2] *Variable compensation in respect of calendar year 2020.*
[3] *The forward contracts have settlement in 2021-2025*

| | | 2019 | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Position** | **Fixed compensation [1]** | **Variable compensation [1] & [2]** | **Pension contribution** | **Benefits in kind** | **Number of shares** | **Number of shares on forward contracts [3]** |
| Knut Brundtland | CEO [4] | 1,867 | 1,750 | 23 | 8 | 5,083,000 | 5,000,000 |
| Jonas Ström | CEO [5] | 4,986 | 4,870 | 199 | 5 | 263,000 | 3,962,000 |
| Are Andersen | Head of Investment Banking | 3,000 | 5,295 | 68 | 25 | 3,190,184 | 2,000,000 |
| Geir B. Olsen | CFO | 2,200 | 1,750 | 68 | 25 | 900,000 | 600,000 |
| Hans Øyvind Haukeli | Head of Markets Norway | 3,000 | 4,550 | 68 | 25 | 2,650,000 | 2,350,000 |
| Jessica Blink | Head of Group Legal | 1,522 | 495 | 201 | 4 | 190,000 | 0 |
| John Olaisen | Co-head of Global Research | 3,000 | 4,550 | 68 | 25 | 1,430,000 | 2,450,000 |
| Per Flostrand | Head of Equity Sales Sweden & International | 3,750 | 3,652 | 146 | 6 | 865,000 | 2,800,000 |

*[1] Norwegian Executive management members are part of a silent partnership, and receive fixed and variable compensation through participation of the profit distribution from the silent partnership.*
*[2] Variable compensation in respect of calendar year 2019.*
*[3] The forward contracts have settlement in 2020-2024*
*[4] Knut Brundtland was CEO until 30 April 2019*
*[5] Jonas Ström became CEO 1 May 2019, but compensation is for the whole year 2019*

### Remuneration to auditors

The following table shows total audit and other services delivered to the Group by the appointed auditor. Amounts do not include VAT.

| 2020 | Audit fee | Assurance services | Tax services | Other non-audit services | Total |
|---|---|---|---|---|---|
| Deloitte Norway | 1,238 | 93 | 458 | - | 1,915 |
| Deloitte Abroad | 667 | - | - | - | 667 |
| **Total Deloitte** | **1,905** | **93** | **458** | **-** | **2,582** |
| | | | | | |
| Others | 1,173 | - | 178 | | 1,351 |
| **Total** | **3,078** | **93** | **636** | **-** | **3,933** |
| | | | | | |
| **2019** | | | | | |
| Deloitte Norway | 1,226 | 106 | 324 | 20 | 1,677 |
| Deloitte Abroad | 1,091 | 1 | 94 | - | 1,186 |
| **Total Deloitte** | **2,317** | **107** | **418** | **20** | **2,863** |
| | | | | | |
| Others | 570 | - | 105 | | 675 |
| **Total** | **2,887** | **107** | **523** | **20** | **3,538** |

# Note 10 – Taxes

| Tax cost in the income statement | 2020 | 2019 |
|---|---|---|
| Tax payable in Norway | 131,836 | 51,738 |
| Tax payable outside Norway | 37,507 | 28,527 |
| **Total tax payable** | **169,343** | **80,265** |
| | | |
| Change in deferred tax in Norway | -15,643 | 1,357 |
| Change in deferred tax outside Norway | 4,161 | -1,314 |
| **Total change in deferred tax** | **-11,482** | **43** |
| | | |
| **Tax cost** | **157,861** | **80,307** |
| | | |
| **Reconciliation from nominal to effective tax rate** | | |
| Profit before taxes | 621,432 | 333,971 |
| Expected tax cost based on nominal tax rate (22%) | 136,715 | 73,474 |
| | | |
| Net tax free gain/loss and other income | 1,109 | -1,143 |
| Non deductible costs | 4,366 | 3,013 |
| Prior year adjustment | -5,089 | 881 |
| Loss carried forward | -33 | -1,475 |
| Effect on finance tax in Norway | 14,345 | 6,319 |
| Differences in tax rates outside Norway and FX-effects | 6,448 | -763 |
| **Tax cost on ordinary profit** | **157,861** | **80,307** |
| | | |
| Effective tax rate | 25.4 % | 24.0 % |
| | | |
| **Tax payable in the balance sheet** | | |
| Total tax payable | 169,343 | 80,265 |
| Tax on comprehensive income | -5,820 | -4,910 |
| Tax paid in advance | -40,275 | -35,600 |
| FX effects | -2,566 | -1,087 |
| Prior year adjustment | 5,060 | -881 |
| **Tax payable at year end** | **125,741** | **37,787** |

| Tax effect on temporary differences at year end | 2020 | 2019 |
|---|---|---|
| **Current items** | | |
| Receivables | 2,919 | 2,919 |
| Provisions | 5,400 | 675 |
| Shares | -1,640 | 1,283 |
| Other current items | 22,805 | 15,179 |
| **Total current items** | **29,484** | **20,055** |
| | | |
| Non current items | | |
| Fixed assets | -2,029 | 1,945 |
| Other non current items | -5,507 | -8,433 |
| **Total non current items** | **-7,536** | **-6,488** |
| | | |
| **Total deferred tax asset** | **21,949** | **13,567** |
| | | |
| Recognized deferred tax asset | 33,888 | 22,284 |
| Recognized deferred tax liability | 11,940 | 8,718 |
| **Net deferred tax asset** | **21,949** | **13,567** |
| | | |
| **Reconciliation of changes in deferred tax asset** | | |
| Net tax asset at 1 January | 13,567 | 17,019 |
| Total change in deferred tax | 11,482 | -43 |
| FX-effect | 1,009 | -21 |
| Income tax relating to other comprehensive income | -4,109 | -3,388 |
| **Total deferred tax asset as of 31 December** | **21,949** | **13,567** |

# Note 11 – Rental costs and lease commitments

| Right-of-use assets | 2020 | 2019 |
|---|---|---|
| Right-of-use assets as of 1 January | 64,988 | 89,742 |
| Additions | 199,795 | - |
| Depreciation of the year | -36,022 | -25,663 |
| Revaluation | -463 | 1,070 |
| FX-effects | 21,588 | -160 |
| **Right-of-use assets as of 31 December** | **249,887** | **64,988** |

| | | |
|---|---|---|
| Remaining lease-term | 1-10 years | 1-7 years |
| Depreciation method | Linear | Linear |

**Lease liabilities**

| Undiscounted lease liabilities and maturity of cash outflow | 2020 | 2019 |
|---|---|---|
| < 1 year | 42,570 | 27,800 |
| 1-2 years | 37,553 | 15,192 |
| 2-3 years | 33,460 | 15,192 |
| 3-4 years | 32,586 | 4,433 |
| 4-5 years | 32,586 | 3,424 |
| > 5 years | 119,638 | 4,851 |
| **Total undiscounted lease liabilities as of 31 December** | **298,392** | **70,892** |
| Discount element | -40,079 | -4,759 |
| **Total discounted lease liabilities as of 31 December** | **258,313** | **66,133** |

| | | |
|---|---|---|
| Interest expense on lease liabilites | 9,681 | 2,676 |
| Income from subleasing right-of-use assets | 6,308 | 2,127 |

# Note 12 – Fair value measurement of financial assets and liabilities

| Financial assets | 2020 | 2019 |
|---|---|---|
| Financial instruments at fair value through profit and loss | 68,052 | 61,892 |
| Receivables | 1,622,798 | 1,356,262 |
| Cash and bank deposits | 1,251,298 | 570,618 |
| **Total financial assets** | **2,942,148** | **1,988,773** |
| | | |
| **Financial liabilities** | | |
| Financial instruments at fair value through profit and loss | 38,038 | 40,856 |
| Liabilities to customers and stockbrokers | 1,300,854 | 903,563 |
| Other current liabilities | 891,017 | 472,720 |
| **Total financal liabilities** | **2,229,909** | **1,417,139** |

### Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method and valuation models. The Group uses widely recognised valuation models for determining fair values of financial instruments.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value and the related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value on the balance sheet.

## Fair value measurement method

*Level 1: Quoted marked prices*

For financial instruments traded in active markets, fair values are based on quoted market prices or dealer price quotations. All shares and bonds at this level are held as part of bonds and risk trading and are all made within large volume and high liquidity markets and objects. Only those positions with high volumes and high liquidity will be placed at this level.

*Level 2: Valuation techniques with market observable input*

For financial instruments where fair value measurement inputs are other than quoted prices included within level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

*Level 3: Valuation techniques with non-market observable input*

Financial assets valued without access to market observable input is generally valued at acquisition cost as these assets are derived through our ordinary business. The assets are valued for impairment based on assumptions for the timing and probability of the asset being exchanged for cash or being repaid in full. Impaired assets are written down to expected net present realisable value based on debt servicing ability and value estimates for collateral, if any. Assets which, at the choice of the debtor, can be exchanged for cash within short notice, are never valued above the nominal repayment value. Investments in equities and other investments where there are no market observable input are valued based on gathered information related to the financial status of the assets, the value of the underlying assets of the company and recent transactions in the market or for comparable assists, if any.

## Specification of financial instruments divided by valuation techniques

| | 2020 | | | |
|---|---|---|---|---|
| **Assets** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Securities and financial trading instruments | 65,108 | - | 2,944 | 68,052 |
| **Total** | **65,108** | **-** | **2,944** | **68,052** |
| | | | | |
| **Liabilities** | | | | |
| Securities and financial trading instruments (short positions) | 38,038 | - | - | 38,038 |
| **Total** | **38,038** | **-** | **-** | **38,038** |

| | 2019 | | | |
|---|---|---|---|---|
| **Assets** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Securities and financial trading instruments | 59,166 | - | 2,725 | 61,892 |
| **Total** | **59,166** | **-** | **2,725** | **61,892** |
| | | | | |
| **Liabilities** | | | | |
| Securities and financial trading instruments (short positions) | 40,856 | - | - | 40,856 |
| **Total** | **40,856** | **-** | **-** | **40,856** |

## Level 3 financial instruments (non-current assets)

The table below show a more detailed description of level 3 financial instruments.

| | 2020 | 2019 |
|---|---|---|
| **Balance as of 1 January** | **2,725** | **1,699** |
| Additions/purchase of shares | 219 | 1,027 |
| Disposal of shares | - | - |
| **Balance as of 31 December** | **2,944** | **2,725** |

# Note 13 – Hedging of net assets of foreign operations

As of 31 December 2020 the Group had the following amounts in hedging instruments:

| Currency | Bank accounts | FX-forwards | in NOK |
|---|---|---|---|
| DKK | 49,020 | - | 68,975 |
| EUR | -674 | - | -7,052 |
| GBP | 80 | -6,000 | -68,943 |
| SEK | -46,994 | -250,000 | -309,914 |
| SGD | 118 | -1,400 | -8,278 |
| USD | -317 | -23,000 | -198,956 |

The Group hedges the carrying amount of net assets of the foreign operations by use of bank accounts and FX forward contracts. It is the FX risk of the carrying amount of equity values that is hedged.

In 2020, the hedging instruments had a loss of NOK 5.1m net of tax, which is recognised in other comprehensive income.

# Note 14 – Goodwill, acquisitions and non-controlling interests

The carrying amount of goodwill was NOK 93,308 as of 31 December 2020 (2019: NOK 93,308). The goodwill has been tested for impairment in line with the policy set out in Note 1. No impairment charge has been booked in 2020 (2019: No impairment charge). The goodwill originates from the ABG merger in 2001 and the acquisition of Vika Project Finance AS in 2017.

| | 2020 | | | 2019 | | |
|---|---|---|---|---|---|---|
| | ABG | VPF | Sum | ABG | VPF | Sum |
| Cost | 34,870 | 58,438 | 93,308 | 34,870 | 58,438 | 93,308 |
| Accumulated impairment losses | 0 | 0 | 0 | 0 | 0 | 0 |
| **Balance at end of year** | **34,870** | **58,438** | **93,308** | **34,870** | **58,438** | **93,308** |

| **Cost** | **ABG** | **VPF** | **Sum** | **ABG** | **VPF** | **Sum** |
|---|---|---|---|---|---|---|
| Balance at beginning of year | 34,870 | 58,438 | 93,308 | 34,870 | 58,438 | 93,308 |
| Addition amounts recognised from business combinations during the year | 0 | 0 | 0 | 0 | 0 | 0 |
| **Balance at end of year** | **34,870** | **58,438** | **93,308** | **34,870** | **58,438** | **93,308** |

| **Equity attributable to non-controlling interests** | **2020** | **2019** |
|---|---|---|
| Balance at beginning of year | 62,183 | 60,766 |
| Comphrensive income to non-controlling interests | 51,808 | 26,221 |
| Payment to shareholders | -24,071 | -24,805 |
| **Balance at end of year** | **89,920** | **62,183** |

Total revenues, profit before tax and net cash flow for Vika Project Finance AS was in 2020 respectively 103m NOK, 87m NOK and 15m NOK, whereas total assets and equity was 93m NOK and 67m NOK. Total revenues, profit before tax and net cash flow for ABG Sundal Collier Fastena AB was in 2020 respectively 12m NOK, 5m NOK and 1m NOK, whereas total assets and equity was 13m NOK and 3m NOK.

# Note 15 – Fixed assets

| | Other intangible assets | Office equipment and fittings |
|---|---|---|
| Acquisition cost as of 1 January 2020 | 55,692 | 59,431 |
| FX-adjustment | 3,465 | 194 |
| Additions | 2,168 | 39,490 |
| **Acquisition cost as of 31 December 2020** | **61,326** | **99,115** |
| | | |
| Accumulated depreciation as of 1 January 2020 | 11,923 | 50,959 |
| FX-adjustment | 1,325 | 828 |
| Depreciation | 10,664 | 8,247 |
| **Accumulated depreciation as of 31 December 2020** | **23,911** | **60,033** |
| | | |
| **Carrying amount as of 1 January 2020** | **43,769** | **8,472** |
| | | |
| **Carrying amount as of 31 December 2020** | **37,414** | **39,081** |
| | | |
| Depreciation rates (linear method) | 12.5 - 20% | 12.5 - 33% |

| | Other intangible assets | Office equipment and fittings |
|---|---|---|
| Acquisition cost as of 1 January 2019 | 38,149 | 74,129 |
| FX-adjustment | -1,006 | -248 |
| Disposals at cost | -4,487 | -18,006 |
| Additions | 23,036 | 3,556 |
| **Acquisition cost as of 31 December 2019** | **55,692** | **59,431** |
| | | |
| Accumulated depreciation as of 1 January 2019 | 8,397 | 64,029 |
| FX-adjustment | -223 | -135 |
| Depreciation | 8,236 | 5,073 |
| Disposals | -4,487 | -18,008 |
| **Accumulated depreciation as of 31 December 2019** | **11,923** | **50,959** |
| | | |
| **Carrying amount as of 1 January 2019** | **29,752** | **10,101** |
| | | |
| **Carrying amount as of 31 December 2019** | **43,769** | **8,472** |
| | | |
| Depreciation rates (linear method) | 12.5 - 20% | 12.5 - 33% |

# Note 16 – Investments in associated companies

| 2020 | | | | | | |
|---|---|---|---|---|---|---|
| **Entity** | **Industry** | **Ownership interest** | **Carrying amount 01.01.2020** | **Investment in 2020** | **Net result 2020** | **Carrying amount 31.12.2020** |
| Kameo AS | Crowdfunding | 38.29 % | 15,604 | 33,002 | -7,000 | 41,606 |
| Nordier Property Group AB, Sweden | Property | 38.56 % | 13,276 | 0 | -2,928 | 10,348 |
| **Total** | | | **28,880** | **33,002** | **-9,928** | **51,953** |

| 2019 | | | | | | |
|---|---|---|---|---|---|---|
| **Entity** | **Industry** | **Ownership interest** | **Carrying amount 01.01.2019** | **Investment in 2019** | **Net result 2019** | **Carrying amount 31.12.19** |
| Kameo AS | Crowdfunding | 20.00 % | 0 | 20,004 | -4,400 | 15,604 |
| Nordier Property Group AB, Sweden | Property | 38.56 % | 11,126 | 0 | 2,150 | 13,276 |
| **Total** | | | **11,126** | **20,004** | **-2,250** | **28,880** |

A summary of the financial information of Kameo and Nordier Property Group AB:

| 2020 | | | | | |
|---|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Equity** | **Revenues** | **Result for the year** |
| Kameo AS | 92,598 | 19,770 | 72,828 | 17,414 | -22,933 |
| Nordier Property Group AB, Sweden | 45,097 | 18,984 | 26,112 | 55,569 | -7,240 |

| 2019 | | | | | |
|---|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Equity** | **Revenues** | **Result for the year** |
| Kameo AS | 17,450 | 13,371 | 4,079 | 5,488 | -25,464 |
| Nordier Property Group AB, Sweden | 51,584 | 19,463 | 32,121 | 54,196 | 5,767 |

Kameo AS and Nordier Property Group AB is unlisted companies and is recognised within the Group accounts using the equity method.

ABGSC granted Nordier a loan of TSEK 3.856 in 2019. ABGSC has received revenue from Kameo for services in 2020 of TNOK 5,142 (TNOK 2,800 in 2019). ABGSC has granted Kameo a short-term loan of TNOK 5.000 and ABGSC has booked TNOK 75 (TNOK 39 in 2019) as interest income on this loan.

## Note 17 – Other receivables and liabilities

| | 2020 | 2019 |
|---|---|---|
| Prepaid costs | 42,762 | 22,235 |
| Not yet invoiced revenues and project-costs | 99,877 | 122,166 |
| Other receivables | 26,336 | 32,803 |
| **Total other receivables** | **168,975** | **177,204** |
| | | |
| Amounts due to partners/employees (incl. national insurance contribution) | 580,329 | 344,768 |
| Accrued costs and other short-term liabilities | 45,420 | 37,160 |
| **Total other liabilities** | **625,749** | **381,928** |

## Note 18 – Guarantees and mortgages

| | 2020 | 2019 |
|---|---|---|
| Shares | 81,968 | 49,915 |
| Net receivables | 152,969 | 275,496 |
| **Total assets pledged as collateral** | **234,936** | **325,411** |
| | | |
| Carrying amount of mortgaged liabilities | 0 | 0 |

The Group has pledged shares and receivables (net of corresponding debt) as collateral for the bank overdraft liability. As of 31 December 2020 the Group has no bank overdraft.

## Note 19 – Accounts receivables

| | 2020 | 2019 |
|---|---|---|
| Gross accounts receivables | 1,045,862 | 764,165 |
| Allowance for doubtful accounts | -2,699 | -4,589 |
| **Net accounts receivables** | **1,043,164** | **759,576** |

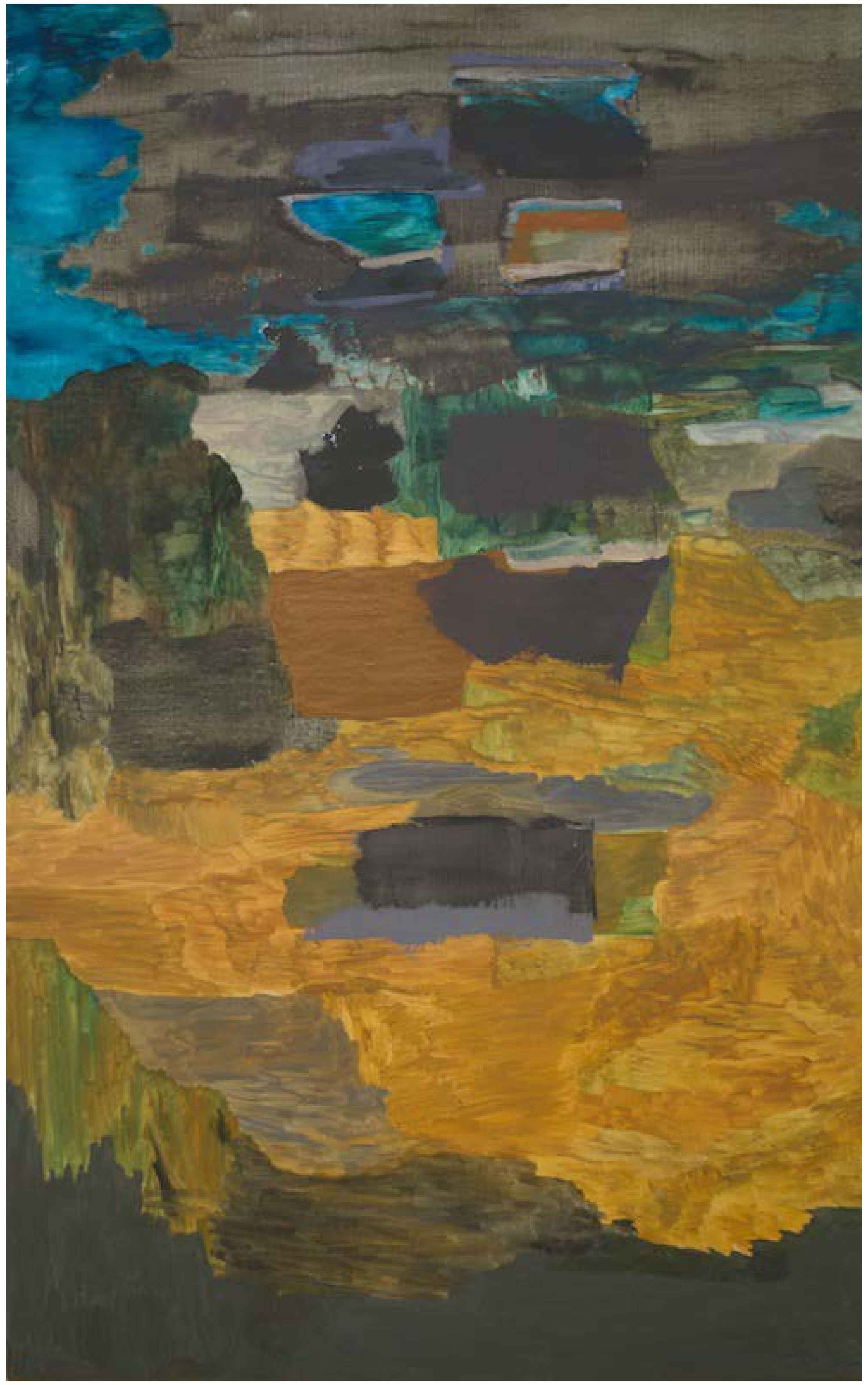
## Note 20 – Cash and bank deposits and funds on client accounts

Foreign currency holdings have been valued at the exchange rate as of 31 December. Included in the balance of cash and bank deposits are amounts of restricted cash of NOK 202m (NOK 221m in 2019). ABGSC has bank overdraft facilities with a total limit of NOK 1,000m (NOK 1,000m in 2019). Funds on client accounts and corresponding client debt are not included in the balance sheet. These are included in the cash and bank deposits in the financial statement.

| | 2020 | 2019 |
|---|---|---|
| Client funds | 555,834 | 519,493 |
| Client debt | 539,525 | 473,882 |
| **Net funds on client accounts** | **16,309** | **45,611** |

# Note 21 – Earnings per share

| **Basic earnings per share** | | **2020** | **2019** |
|---|---|---|---|
| Profit for the year attributable to the owners of the parent | | 411,762 | 227,443 |
| Average number of outstanding shares less own shares | Numbers in 1,000 | 444,007 | 455,182 |
| **Basic earnings per share** | | **0.93** | **0.50** |
| | | | |
| **Diluted earnings per share** | | | |
| Profit for the year attributable to the owners of the parent | | 411,762 | 227,443 |
| Interest on forward contracts | | 5,381 | 6,385 |
| Numerator diluted EPS | | 417,143 | 233,827 |
| | | | |
| Average number of outstanding shares | Numbers in 1,000 | 470,747 | 470,747 |
| Average number of own shares | Numbers in 1,000 | -26,740 | -15,565 |
| Average number of shares on forward contracts | Numbers in 1,000 | 93,061 | 69,969 |
| Diluted average number of shares | Numbers in 1,000 | 537,068 | 525,151 |
| | | | |
| **Diluted earnings per share** | | **0.78** | **0.44** |



# Note 22 – Shareholder information

As of 31 December 2020 there are a total of 470,747,095 (470,747,095 as of 31 December 2019) shares outstanding at a face value of NOK 0.23 in the Company. All shares have equal voting rights and all shares have the same right to dividends. The Company has forward agreements with partners purchasing a total of 94,482,800 (75,611,300 as of 31 December 2019) shares from the company with settlement in 2021-2025. The Company owns 26,940,071 treasury shares at year-end, an increase of 12,916,909 shares from the beginning of the year. The Company has authorisation to repurchase its shares in the market or to issue new shares. In 2020, the Company purchased 1,505,000 shares from departing partners at a total of NOK 4,098,795 and sold 10,381,500 shares to partners at NOK 30,148,005 related to previous forward agreements and to specially identified staff who according to local regulations have to purchase shares as part of their variable compensation. The Company purchased 21,793,409 shares in a structured buy-back offer and in the market at NOK 62,761,394.

Partners of the Group may purchase partner shares, which are settled in cash or financed up to a 5-year period carried through by using a forward contract. Partner shares are offered at market price, with a 15% price adjustment reflecting several severe restrictions with regards to the selling (or purchasing) of these shares.

*Overview of shareholders as of 31 December 2020 (registered in VPS as of 5 January 2021)*

| Shareholder | Number of shares | Share |
|---|---|---|
| Sanden AS * | 39,082,233 | 8.3% |
| ABG Sundal Collier Holding ASA (own shares) | 26,940,071 | 5.7% |
| Erling Neby AS | 12,600,000 | 2.7% |
| Salt Value AS | 11,076,116 | 2.4% |
| SEB Prime Solutions | 11,000,000 | 2.3% |
| Brown Brothers Harriman (nominee) | 10,021,788 | 2.1% |
| Landkreditt Utbytte | 8,500,000 | 1.8% |
| Watrium AS | 7,000,000 | 1.5% |
| State Street Bank (nominee) | 6,871,708 | 1.5% |
| Citibank (nominee) | 6,793,542 | 1.4% |
| Verdipapirfondet First Veritas | 6,565,000 | 1.4% |
| A/S Skarv | 5,500,000 | 1.2% |
| Hausta Investor AS | 5,200,000 | 1.1% |
| Avanza Bank AB (nominee) | 4,836,138 | 1.0% |
| Peter Schofield | 4,623,000 | 1.0% |
| DnB Markets | 4,601,647 | 1.0% |
| KLP AksjeNorge Indeks | 4,229,284 | 0.9% |
| Nordnet Bank AB (nominee) | 3,941,469 | 0.8% |
| Sole Active AS | 3,873,436 | 0.8% |
| Kilen AS ** | 3,824,376 | 0.8% |
| **Total top 20** | **187,079,808** | **39.7%** |
| Other | 283,667,287 | 60.3% |
| **Total** | **470,747,095** | **100.0%** |

* *Jan Petter Collier, who is a board member in ABG Sundal Collier Holding ASA, and family own a total of 40,322,000 shares including shares owned by Sanden AS.*

** *Arild A. Engh, who is a board member in ABG Sundal Collier Holding ASA, owns a total of 5,332,976 shares including shares owned by Kilen AS.*

# Note 23 – Forward contracts for ABG shares held by partners of the Group

Partners of the Group held forward contracts for 94,482,800 shares by 31 December 2020. The forward contracts are for settlement in 2021 – 2025. Based on settlement on the termination date, the number of shares under these contracts that will be issued in the following years, and the lowest and highest settlement price for the shares, are noted below. The settlement price will be adjusted to reflect any dividends paid prior to settlement. The interest element of the forward contract will also lead to an adjustment of the settlement price in cases where the contract is settled prior to the original expiry date.

| Expiry year | Number of shares | Lowest exercise price (NOK per share) | Highest exercise price (NOK per share) | Highest exercise price (NOK per share) |
|---|---|---|---|---|
| 2021 | 2,537,000 | 2.33 | 2.95 | 2.77 |
| 2022 | 11,411,300 | 3.11 | 3.62 | 3.21 |
| 2023 | 10,915,000 | 3.60 | 4.55 | 4.37 |
| 2024 | 41,279,500 | 2.82 | 3.49 | 3.08 |
| 2025 | 28,340,000 | 2.21 | 4.61 | 2.30 |
| Total | 94,482,800 | | | |

The exercise price is based on the weighted average market price for shares at the initial contract date. The stated high/low and average prices have not been adjusted for the proposed final payment to shareholders of NOK 0.83 per share.

### Restrictions on shares

As of 31 December 2020, partners of ABGSC held a total of 83,057,838 shares (registered in VPS) in the Company. These shares are subject to certain material restrictions. A total of 10,276,769 shares are held as “Partner Shares” and regulated by the Partnership Agreement. In addition all shares on forward contracts are defined as “Partner Shares”.

# Note 24 – Related parties

The Group’s ultimate parent company is ABG Sundal Collier Holding ASA. Subsidiaries, 100% controlled unless stated otherwise, are listed in the following table:

- ABG Sundal Collier ASA
- ABG Sundal Collier AB
- ABG Sundal Collier Crowd AB
- ABG Sundal Collier Eiendom AS
- ABG Sundal Collier Fastena AB (50% ownership)
- ABG Sundal Collier Fastena Asset Management AB (50% ownership)
- ABG Sundal Collier Finance & Advisory AB
- ABG Sundal Collier Finance & Advisory AS
- ABG Sundal Collier Holdings Inc.
- ABG Sundal Collier Inc.
- ABG Sundal Collier LLP
- ABG Sundal Collier Ltd
- ABG Sundal Collier Pte. Ltd.
- Lagerselskapet Holding AS and subsidiaries
- Sundal Collier & Co AS
- Vika Project Finance AS (50% ownership)
- Vika Business Management AS (50% ownership)

# Note 25 – Legal matters / disputes

In 2014, ABGSC acted as co-lead manager in connection with the IPO of OW Bunker A/S ("OWB"). OWB went bankrupt in November 2014. A group of institutional investors have issued a writ of summons against the OWB bankruptcy estate and several other co-defendants. The OWB bankruptcy estate as well as other parties in the complexes have as a precaution submitted a series of conditioned recourse claims against the joint lead managers, ABGSC, a law firm and the auditor indemnifying the OWB bankruptcy estate for any loss they may suffer if the prospectus is not deemed to be true and fair and the OWB bankruptcy estate is found to be liable in this respect. ABGSC's part of any claim is estimated to a maximum of DKK 37m. ABGSC considers the claim to be unfounded and has not made any provisions.

In the normal course of business the Group will from time to time be involved in minor complaints with various parties that will have no material impact on the Group's overall financial position.

# Note 26 – Significant subsequent events

In February, the Board of Directors proposed a payment to the shareholders of NOK 390.7m.

# ABG SUNDAL COLLIER HOLDING ASA - FINANCIAL STATEMENT

# ABG Sundal Collier Holding ASA - Income statement

| | Notes | 2020 | 2019 |
|---|---|---|---|
| OPERATING REVENUES AND COSTS | | | |
| Revenues | | 0 | 0 |
| **Total operating revenues** | | **0** | **0** |
| | | | |
| Wages and social costs | 8 | 2,749 | 2,170 |
| Administration costs | 8 | 2,226 | 4,179 |
| **Total operating costs** | | **4,975** | **6,349** |
| | | | |
| **Operating loss** | | **-4,975** | **-6,349** |
| | | | |
| FINANCIAL INCOME AND COSTS | | | |
| Interest income from group companies | 7 | 1,771 | 2,972 |
| Other interest income | | 6 | 279 |
| Dividend/contribution from group companies | 7 | 496,400 | 246,175 |
| Other financial income | | 0 | 3,622 |
| Write-down of shares | 4 | -3,775 | -817 |
| Interest costs to group companies | 7 | -19 | -64 |
| Other interest costs | | -10,285 | -14,794 |
| Other financial costs | | -9,942 | -4,400 |
| **Net financial result** | | **474,156** | **232,973** |
| | | | |
| **Profit before taxes** | | **469,181** | **226,624** |
| | | | |
| Tax cost | 3 | 96,921 | 33,045 |

| | Notes | 2020 | 2019 |
|---|---|---|---|
| **NET RESULT FOR THE YEAR** | | **372,261** | **193,579** |
| | | | |
| ALLOCATIONS AND TRANSFERS | | | |
| To/From other equity | | -18,460 | 90,015 |
| Proposed payment to shareholders | | 390,720 | 103,564 |
| **Total allocations and transfers** | 2 | **372,261** | **193,579** |

# ABG Sundal Collier Holding ASA - Balance sheet as of 31 December

| ASSETS | Notes | 2020 | 2019 |
|---|---|---|---|
| **Non-current assets** | | | |
| **Intangible assets** | | | |
| Deferred tax asset | 3 | **2,518** | **2,575** |
| **Financial non-current assets** | | | |
| Shares in subsidiaries | 4 | 630,883 | 631,312 |
| Investments in associates | 5 | 51,953 | 28,880 |
| Long-term receivables | | 4,024 | 3,641 |
| **Total financial non-current assets** | 6 | **686,860** | **663,833** |
| **Total non-current assets** | | **689,378** | **666,408** |
| **Current assets** | | | |
| **Receivables** | | | |
| Receivables from group companies | 7 | 533,451 | 271,424 |
| Other receivables | | 5,117 | 5,146 |
| **Total receivables** | 6 | **538,568** | **276,570** |
| **Cash and bank deposits** | | | |
| Cash and bank deposits | | 0 | 0 |
| **Total current assets** | | | |
| **TOTAL ASSETS** | | **1,227,946** | **942,977** |

# ABG Sundal Collier Holding ASA - Balance sheet as of 31 December

| EQUITY AND LIABILITIES | Notes | 2020 | 2019 |
|---|---|---|---|
| **Equity** | | | |
| **Paid-in-capital** | | | |
| Share capital | *2, 9-10* | 108,272 | 108,272 |
| Treasury shares at nominal value | *2* | -6,196 | -3,225 |
| Share premium | *2* | 10,984 | 10,984 |
| **Total paid-in-capital** | | **113,060** | **116,031** |
| **Other equity** | | | |
| Retained earnings | *2* | 75,904 | 195,884 |
| **Total equity** | | **188,964** | **311,915** |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Bank overdraft facility | *6* | 536,376 | 477,435 |
| Liabilities payable to group companies | *7* | 7,360 | 2,923 |
| Income tax payable | *3* | 98,445 | 33,556 |
| Payment to shareholders | | 390,720 | 103,564 |
| Public dues payable | | 5,967 | 12,930 |
| Other current liabilities | | 114 | 654 |
| **Total current liabilities** | | **1,038,982** | **631,062** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,227,946** | **942,977** |

Oslo, 17 March 2021
The Board of ABG Sundal Collier Holding ASA

*(sign)*
Knut Brundtland
Chairman

*(sign)*
Martina Klingvall

*(sign)*
Adele Norman Pran

*(sign)*
Jan Petter Collier

*(sign)*
Arild A. Engh

*(sign)*
Jonas Ström
CEO

# ABG Sundal Collier Holding ASA - Cash flow statement as of 31 December

| | 2020 | 2019 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxes | 469,181 | 226,624 |
| Taxes paid | -31,550 | -35,573 |
| Change in intercompany accounts | -257,590 | -50,236 |
| Change in other current assets/liabilities | -7,766 | 2,715 |
| **Net cash flow from operating activities** | **172,275** | **143,530** |
| | | |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Net sale / purchase of financial non-current assets | -23,160 | -21,854 |
| **Net cash flow from investing activities** | **-23,160** | **-21,854** |
| | | |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from short term loan | 58,941 | 53,314 |
| Change in own shares | -24,465 | -813 |
| Payment to shareholders | -183,591 | -174,176 |
| **Net cash flow from financing activities** | **-149,115** | **-121,676** |
| | | |
| Net increase in bank deposits, cash and cash equivalents | 0 | 0 |
| Bank deposits, cash and cash equivalents at beginning of year | 0 | 0 |
| **Bank deposit, cash and cash equivalents as of 31 December** | **0** | **0** |

# ABG Sundal Collier Holding ASA - Notes to Financial Statement

## Index



# Note 1 – Accounting policies

### General information

ABG Sundal Collier Holding ASA is a public limited company and its head office is located in Vika, Oslo, in Norway. The Group provides investment banking, stock broking and corporate advisory services that encompass the needs of both international investors and Nordic business clients. The company's shares are listed on the Oslo Stock Exchange.

The financial statements for the company, including notes, for the year 2020 were approved by the Board of Directors of the company on 17 March 2021.

### Basis of preparation

The accounts are prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP).

### Classification of assets and liabilities

Receivables that are to be repaid within one year and assets that are not of a permanent nature or used in the business are classified as current assets. Other assets are classified as long-term assets.

Liabilities are classified as a long-term liability if the liability is due to be repaid more than one year after the balance sheet date. All other liabilities are classified as current liabilities.

Current assets are valued at the lower of cost and net realisable value.

### Goodwill

When a business is acquired, a purchase price in excess of the identified fair value of assets and liabilities is accounted for as goodwill. Goodwill is amortised using a straight-line method over the expected economic life of the asset, not exceeding 10 years.

### Financial non-current and current assets

Other non-current shareholdings, minor investments where the company does not hold substantial influence and investments in subsidiaries, are in general carried at original cost. If a decline in fair value below the carrying amount is expected to be permanent, the investments are written down. Dividends received and other surplus distributions from these companies are recognised as financial income.

An investment in associates is recognised within the P&L and balance sheet as Equity Investments.

### Receivables

Receivables are carried at face value less provisions for expected losses. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Losses on receivables are written off in the year in which they are identified.

### Cash and bank deposits

Cash and bank deposits include cash, bank deposits and other monetary instruments where the maturity is less than three months from the date of purchase. Client accounts are not included in the balance.

### Assets and liabilities in foreign currency

Realised and unrealised profit or losses arising from transactions, assets or liabilities denominated in foreign currencies are included in the net result for the year. Exchange rates at year-end are used to convert foreign currency amounts to NOK.

### Income taxes

The income tax cost consists of the aggregate of current taxes payable and changes in deferred tax. Current and deferred tax are recognised as cost or income in the income statement, except when they relate to items recognised directly to equity, in which case the tax is also recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the period.

Deferred tax liabilities and assets are recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used in the tax returns. Deferred tax liabilities and assets are generally recognised for all taxable temporary differences. Deferred tax and deferred tax assets are only off-set as far as this is possible under taxation legislation and regulations. Deferred tax assets are continuously assessed and are only recognised to the extent that is probable that future taxable profit will be large enough for the deferred tax asset to be utilised.

# Note 2 – Shareholders' equity

| | Share capital | Own shares | Share premium | Retained earnings | Total equity |
|---|---|---|---|---|---|
| Shareholders' equity as of 1 January 2019 | 108,272 | -3,099 | 10,984 | 186,583 | 302,740 |
| Net profit for the year | | | | 193,579 | 193,579 |
| Proposed payment to shareholders | | | | -103,564 | -103,564 |
| Paid dividend during the year | | | | -80,027 | -80,027 |
| Change in own shares | | -127 | | -687 | -813 |
| **Total equity as of 31 December 2019** | **108,272** | **-3,225** | **10,984** | **195,885** | **311,915** |
| Net profit for the year | | | | 372,261 | 372,261 |
| Proposed payment to shareholders | | | | -390,720 | -390,720 |
| Paid dividend during the year | | | | -80,027 | -80,027 |
| Change in own shares | | -2,971 | | -21,494 | -24,465 |
| **Total equity as of 31 December 2020** | **108,272** | **-6,196** | **10,984** | **75,904** | **188,964** |

# Note 3 – Taxes

| **Tax cost in the income statement** | **2020** | **2019** |
|---|---|---|
| Tax payable | 98,870 | 33,556 |
| Change in deferred tax | 57 | 73 |
| Prior year adjustment | -2,006 | -584 |
| **Total tax cost** | **96,921** | **33,045** |
| | | |
| **Reconciliation from nominal to effective tax rate** | | |
| Profit before taxes | 469,181 | 226,624 |
| Expected tax cost based on nominal tax rate (22%) | 103,220 | 49,857 |
| | | |
| Tax-free income/costs | -1,579 | -1,800 |
| Non deductible costs | 3,015 | 677 |
| Group contribution with no tax effect | -17,600 | -19,140 |
| Effect on finance tax in Norway (3%) | 11,871 | 4,035 |
| Prior year adjustment | -2,006 | -584 |
| **Tax cost on ordinary profit** | **96,921** | **33,045** |
| | | |
| Effective tax rate | 20.7 % | 14.6 % |
| | | |
| **Tax effect on temporary differences at year end** | | |
| | | |
| **Non current items** | | |
| Receivables | 2,290 | 2,290 |
| Other non current items | 228 | 285 |
| **Total non current items** | **2,518** | **2,575** |
| | | |
| **Total deferred tax asset** | **2,518** | **2,575** |

# Note 4 – Financial assets

*Shares in subsidiaries*

| Company name | Registered office | Number | Ownership / Voting rights | Booked equity | Net result 2020 | Book value |
|---|---|---|---|---|---|---|
| ABG Sundal Collier ASA | Oslo, Norway | 1,200,000 | 100 % | 872,427 | 406,147 | 600,070 |
| ABG Sundal Collier Crowd AB | Stockholm, Sweden | 50,000 | 100 % | 2,452 | 2,001 | 46 |
| ABG Sundal Collier Eiendom AS | Oslo, Norway | 30,000 | 100 % | 3,530 | 6,984 | 3,020 |
| ABG Sundal Collier Finance & Advisory AB | Stockholm, Sweden | 50,000 | 100 % | 3,496 | 1,592 | 2,101 |
| ABG Sundal Collier Finance & Advisory AS | Oslo, Norway | 30,000 | 100 % | 24 | -1,043 | 30 |
| Sundal Collier & Co AS | Oslo, Norway | 256,000 | 100 % | 2,945 | -295 | 589 |
| ABG Sundal Collier Fastena AB | Stockholm, Sweden | 1,001 | 50 % | 3,419 | 3,388 | 26 |
| Vika Project Finance AS | Oslo, Norway | 5,000 | 50 % | 67,464 | 65,690 | 25,000 |
| **Book value of shares in subsidiaries as of 31 December 2020** | | | | | | **630,883** |

# Note 5 – Investments in associated companies

| Entity | Ownership / Voting rights | Head office | Book value 01.01.2020 | Investment in 2020 | Profit for the year | Received dividend | Book value 31.12.2020 |
|---|---|---|---|---|---|---|---|
| Kameo AS | 20.00 % | Oslo | 15,604 | 33,002 | -7,000 | 0 | 41,606 |
| Nordier Property Group AB, Sweden | 38.56% | Stockholm | 13,276 | 0 | -2,928 | 0 | 10,348 |
| **Total** | | | **28,880** | **33,002** | **-9,928** | **0** | **51,953** |

See Note 16 to the consolidated financial statement.

# Note 6 – Guarantees and mortgages

| | 2020 | 2019 |
|---|---|---|
| Book value of assets pledged as collateral | | |
| Shares | 686,860 | 663,833 |
| Net receivables | 538,568 | 276,570 |
| **Total assets pledged as collateral** | **1,225,429** | **940,403** |
| | | |
| Carrying amount of mortgaged liabilities | 536,376 | 477,435 |

The company has pledged shares and receivables (net for corresponding debt) as collateral for the bank overdraft liability. As of 31 December 2020 the company has a bank overdraft of NOK 536m.

# Note 7 – Related parties

Details of transactions with subsidiaries as of 31 December 2020 are as follows:

| Company | Liabilities | Receivables | Interest | Dividend/Group contributions |
|---|---|---|---|---|
| ABG Sundal Collier AB | 2,954 | 0 | 0 | 0 |
| ABG Sundal Collier ASA | 0 | 485,170 | 1,429 | 480,000 |
| ABG Sundal Collier Crowd AB | 0 | 31,682 | 274 | 0 |
| ABG Sundal Collier Eiendom AS | 0 | 9,276 | 68 | 9,000 |
| ABG Sundal Collier Fastena AB | 0 | 6,261 | 0 | 0 |
| ABG Sundal Collier Finance & Advisory AB | 0 | 1,049 | 0 | 0 |
| ABG Sundal Collier Finance & Advisory AS | 1,488 | 0 | 0 | 0 |
| Lagerselskapet Holding AS | 48 | 0 | 0 | 0 |
| Sundal Collier & Co AS | 2,870 | 0 | -19 | 0 |
| Vika Project Finance AS | 0 | 14 | 0 | 7,400 |
| **Total intercompany balance transactions** | **7,360** | **533,451** | **1,753** | **496,400** |

The Group has no other related parties than mentioned above, in Note 8 - wages and social costs, or Note 9 - shareholder information. All transactions between related parties are carried out on an arms-length basis.

# Note 8 - Wages and social costs

| | 2020 | 2019 |
|---|---|---|
| Fees to external board and committee members | 2,065 | 1,815 |
| Social Security Tax | 678 | 347 |
| Other costs | 6 | 8 |
| **Total wages and social costs** | **2,749** | **2,170** |

The company has no employees.

There are no specific agreements regarding salary on termination or a change of conditions of employment for the Chairman of the Board, other members of the Board or the management. One board member (Jan Petter Collier) is partner in ABGSC and receive remuneration and profit participation through this engagement.

The Board of directors' remuneration and shares can be found in the consolidated statements to ABGSC.

The accounts include audit fees to Deloitte and associated companies as follows:

ABGSC's fee to Deloitte AS (Norway) for ordinary audit was NOK 473,000 (2019: 467,000), no fees for assurance services (2019: 0) and fee for tax services NOK 24,000 (2019: 24,000). Non-audit services amounted to NOK 126,800 in 2019 (2019: 20,375).

# Note 9 - Shareholder information

See Note 22 to the consolidated financial statement.

# Note 10 - Forward contracts for ABG shares held by partners of the Group

See Note 23 to the consolidated financial statement.

# Responsibility Statement

We confirm to the best of our knowledge that:

- the consolidated financial statements for 2020 have been prepared in accordance with IFRS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that
- the financial statements for the parent company for 2020 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that
- the information presented in the financial statements gives a true and fair view of the Company's and the Group's assets, liabilities, financial position and results for the period viewed in their entirety, and that
- the Board of Directors' report gives a true and fair view of the development, performance and financial position of the Company and the Group, and includes a description of the material risks that the Board of Directors, at the time of this report, deem might have a significant impact on the financial performance of the Group.

Oslo, 17 March 2021

| | | |
|---|---|---|
| *(sign)* | *(sign)* | *(sign)* |
| Knut Brundtland<br>Chairman | Martina Klingvall | Adele Norman Pran |
| *(sign)* | *(sign)* | *(sign)* |
| Jan Petter Collier | Arild A. Engh | Jonas Ström<br>CEO |

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To the General Meeting of ABG Sundal Collier Holding ASA

# Independent Auditor's Report

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of ABG Sundal Collier Holding ASA, which comprise:

- The financial statements of the parent company ABG Sundal Collier Holding ASA (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of ABG Sundal Collier Holding ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2020, the statement of 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 are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Post-trade IT system; control activities relevant to financial reporting

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| The Groups accounting for and reporting of transactions as well as information in disclosures are heavily dependent on IT systems.<br><br>The IT systems are standardized and parts of system development and operations are outsourced. See note 5 for further information regarding development, management and operations of IT systems.<br><br>Effective internal controls related to IT are important to ensure accurate, complete and reliable financial reporting and is therefore a key audit matter. | The Group has established an overall governance model and control activities related to its IT-systems. We have gained an understanding of the overall governance model for the IT-systems relevant to financial reporting.<br><br>We assessed and tested the design of selected control activities that are relevant to financial reporting related to IT operations, change management and information security. For a sample of these control activities, we tested if they operated effectively in the reporting period.<br><br>We assessed and tested the design of selected automated control activities for the IT systems related to recording of transactions, calculations, reconciliations and transaction settlement. For a sample of these control activities, we tested if they operated effectively in the reporting period.<br><br>We assessed the third party confirmation (SOC 2 Type II) from the service provider of the brokerage application, to assess whether the service provider had adequate internal controls in areas that are important for the Group’s financial reporting. In addition, we assessed the Group’s monitoring of the service provider.<br>We used our own IT specialists to understand the overall governance model for IT and in the assessment and testing of the control activities related to IT. |

## Revenue recognition

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| Revenues for the Group consist of Corporate Financing, M&A and Advisory and Brokerage and Research revenues. See the revenue recognition section in the Accounting Policies and note 2 for further information.<br><br>Corporate Financing and M&A and Advisory revenues account for approximately 74% of operating revenues. The majority of the Corporate Financing and M&A and Advisory engagements are settled before year-end. There are however ongoing engagements which warrant additional audit focus and have an increased inherent risk of error due to the judgement involved related to recognition of performance fees. Accruing for performance fees requires management judgment of both the probability of future events occurring and the performance fee amount that the Group is entitled to, and is therefore a key audit matter. | The Group has established controls regarding recognition of revenue from Corporate Financing and M&A and Advisory engagements. We assessed and tested the design and implementation of selected control activities relevant to financial reporting. For a sample of these controls, we tested if they operated effectively in the reporting period. The control activities tested were related to both the Group's assessment of the probability of the future event occurring and the performance fee amount that the Group is entitled to.<br><br>On a sample basis, we tested that the accrued Corporate Financing and M&A and Advisory revenue was calculated in accordance with the engagement contract. Where available, we also tested that publicly available transaction information were accurately and correctly applied in the calculation or reconciled the accrual to cash receipts post year-end.<br><br>We considered the adequacy of the Groups' disclosures related to revenue recognition for Corporate Financing and M&A and Advisory revenues. |

## Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation 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. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

### Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway

Oslo, 17 March 2021
Deloitte AS

**Roger Furholm**
State Authorised Public Accountant (Norway)

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