



# Annual Report 2021

ABG Sundal Collier  
Independent Nordic investment bank



## As in art – in business, creativity is everything

The art in ABG Sundal Collier's offices is more than mere decoration.

Rather, it serves as inspiration. When we come into the office each day, we are greeted with a visual reminder of ingenuity, creativity and outside-the-box thinking. These are important qualities to be reminded of, especially for us. At ABGSC, we are proud to be independent. We strive to be creative. And our vision is to be the most agile and respected investment bank in the Nordic region. The art in our offices elevates the environment in which we work and inspires us to achieve this vision.

All of the pieces displayed in our offices are part of the Collier Collection and have been selected and placed by Jan Petter Collier. Among the pieces are some of the finest examples of contemporary Scandinavian and global art.

**To our clients, partners, visitors, and friends: we hope that, like us, you find inspiration in the art selected for our offices and this year's annual report.**



### List of Images:

#### **Olav Christopher Jenssen**

© Olav Christopher Jenssen / BONO 2022

Rubicon painting no. 4 (utsnitt),

2019/2020 .....s. 1

#### **Mikkel McAlinden**

© Mikkel McAlinden / BONO 2022

Desire Line, 2017 .....s. 2

#### **Jens Johannessen**

© Jens Johannessen / BONO 2022

Triptykon III "Min afrikanske reise fra Sir

William McDonald den yngres nedtegnelser.

Postkort til Madame Butterfly I", 2002 .....s. 20

#### **Håvard Homstvedt**

© Håvard Homstvedt / BONO 2022

Lakelight, 2007 .....s. 32

#### **Marijke van Warmerdam**

© Marijke van Warmerdam / BONO 2022

Don't walk, walk, 1997 .....s. 51

#### **Andreas Eriksson**

© Andreas Eriksson / BONO 2022

Trädstam (grå), 2010 .....s. 77

#### **Bjarne Melgaard**

© Bjarne Melgaard / BONO 2022

Untitled (Stress), 1998 .....s. 90

#### **Øyvind Sørfjordmo**

Photo © Øystein Thorvaldsen

Grøftekant Dalsåsvegen, 2021,

oil on linen .....s. 97

# Table of Contents

<b>04</b> Enabling businesses and capital to grow and perform.....	4-5	<b>33</b> Executive Committee .....	33-34
<b>06</b> Key Figures .....	6-8	<b>35</b> The Board of Directors .....	35
<b>09</b> Comment by CEO & Chairman .....	9-10	<b>36</b> Statutory Directors' Report .....	36-44
<b>11</b> Our Mission and Vision .....	11	<b>45</b> Consolidated Financial Statement.....	45-50
<b>12</b> ABGSC 20 years anniversary .....	12-14	<b>52</b> Notes to the Consolidated Financial Statement .....	52-77
<b>15</b> Cases .....	15-19	<b>78</b> Parent Company Financial Statement .....	78-82
<b>21</b> Macro backdrop .....	21-22	<b>83</b> Notes to the Parent Company Financial Statement .....	83-88
<b>23</b> Corporate Financing .....	23-24	<b>89</b> Responsibility Statement.....	89
<b>25</b> M&A and Advisory .....	25-26	<b>91</b> Auditor's Report.....	91-96
<b>27</b> Brokerage and Research .....	27-28	<b>97</b> Addresses.....	97
<b>29</b> Women in Finance .....	29-31		



# Enabling businesses and capital to grow and perform

ABG Sundal Collier is founded on an inclusive partnership culture and the ability to attract and develop top talent. 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 through 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.



# Key figures

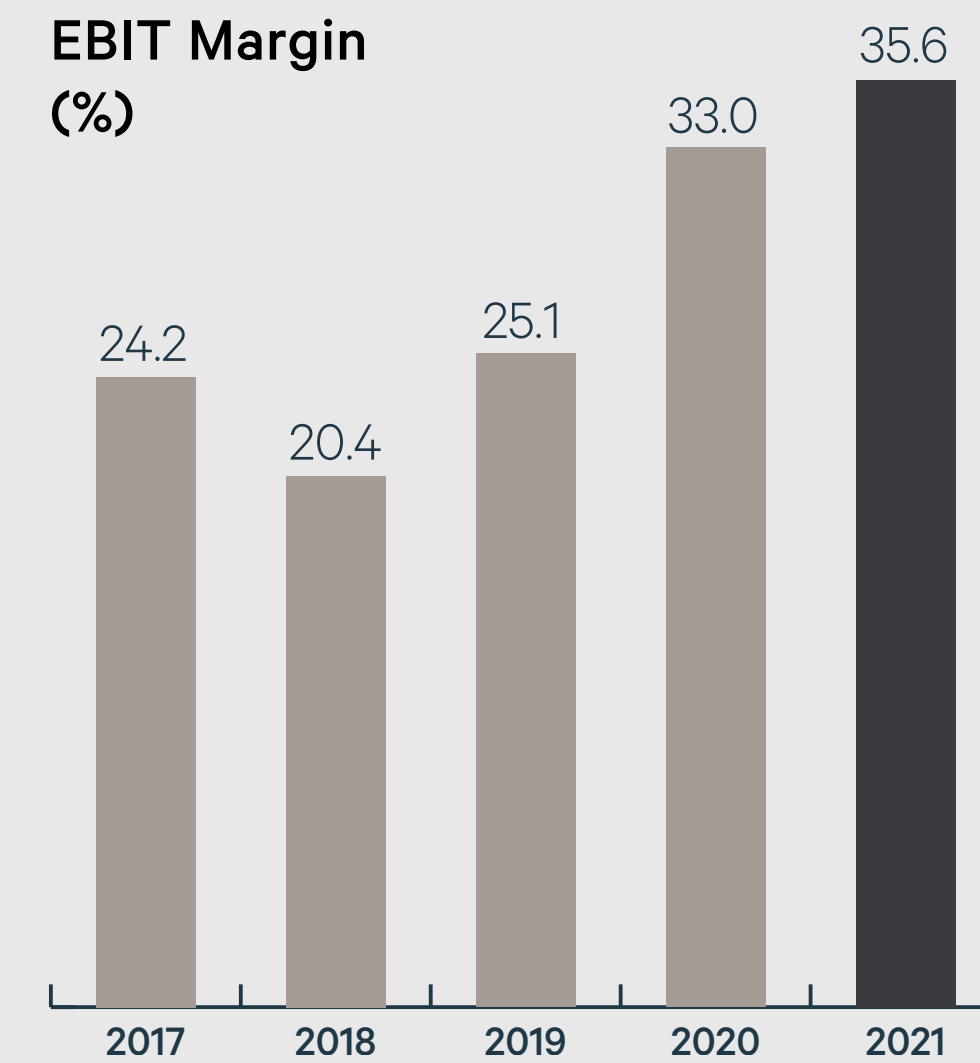
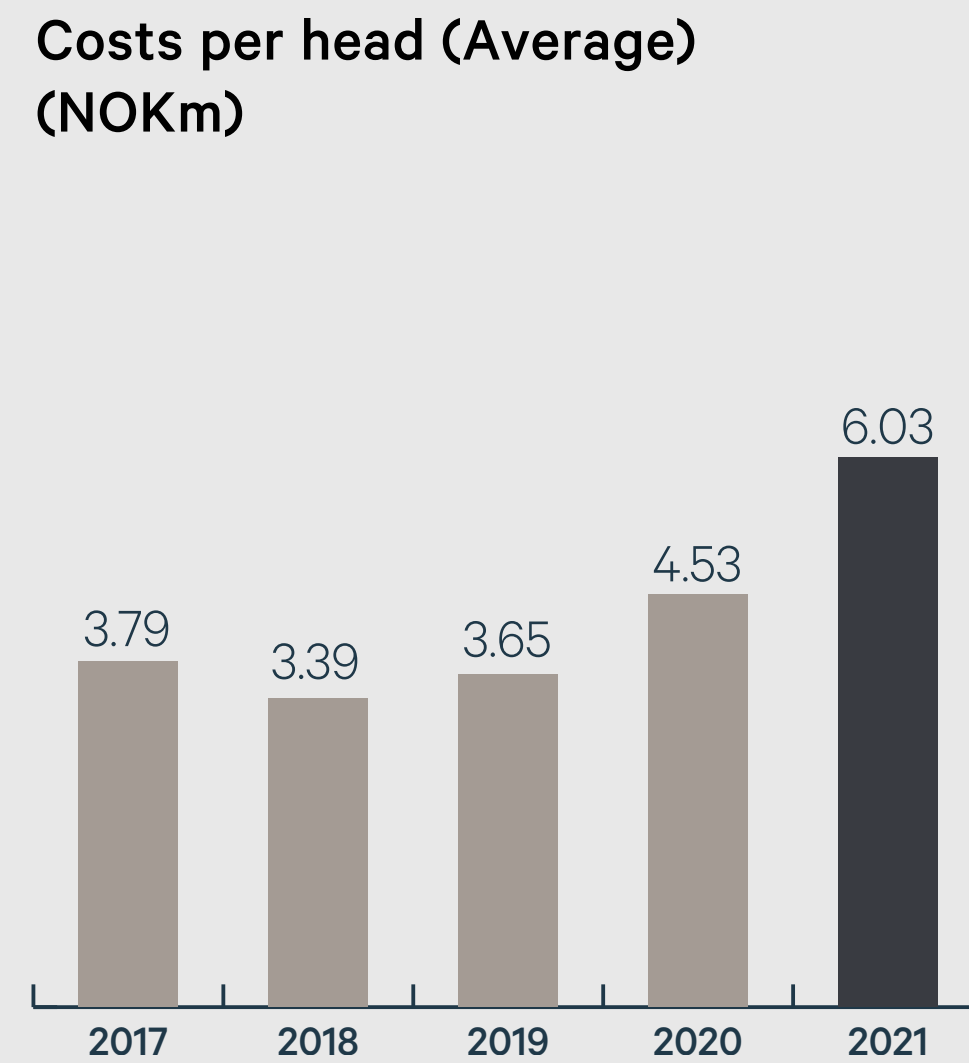
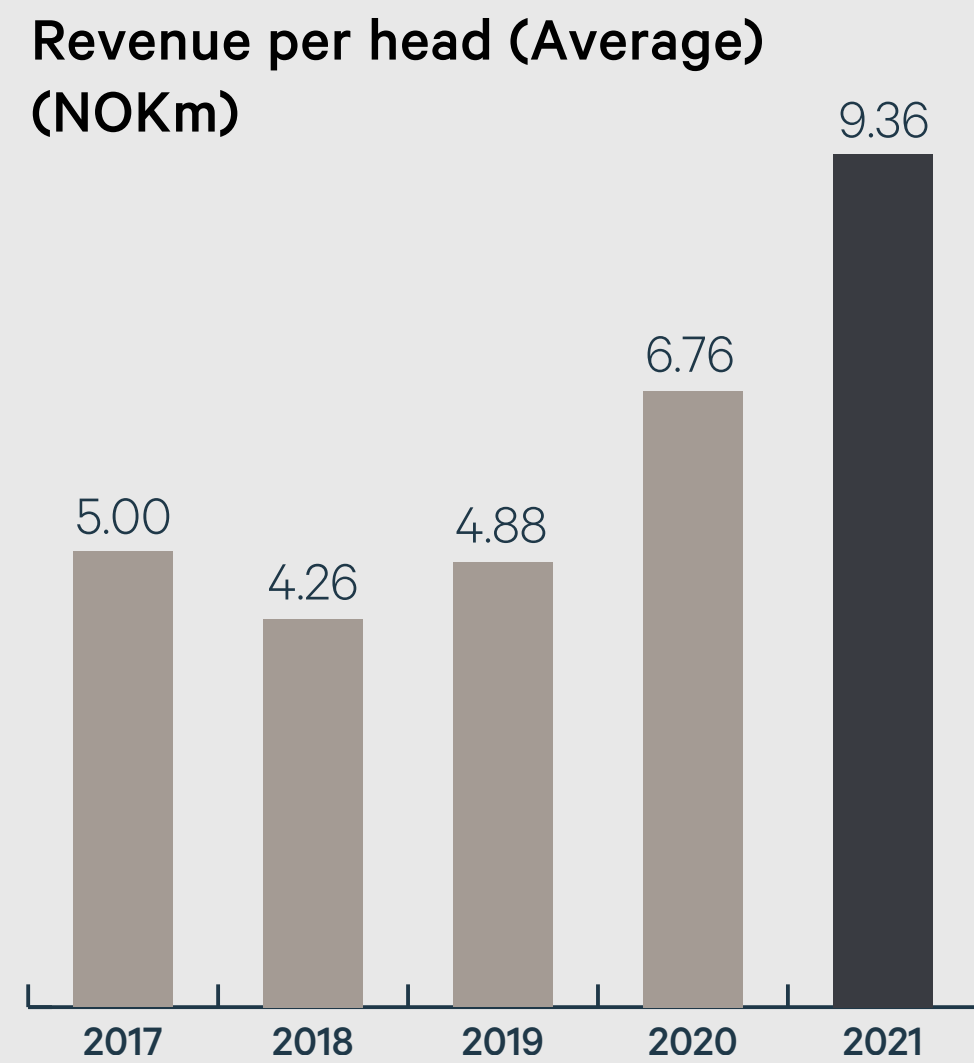
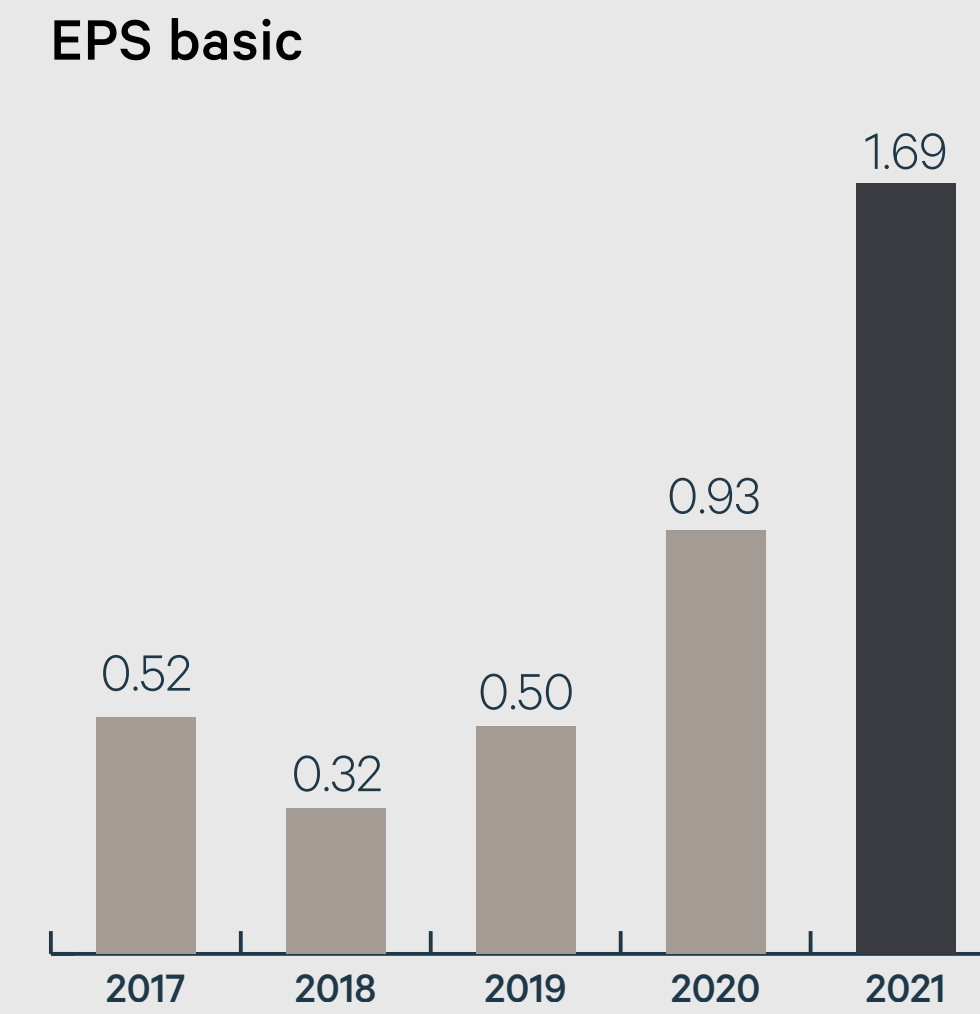
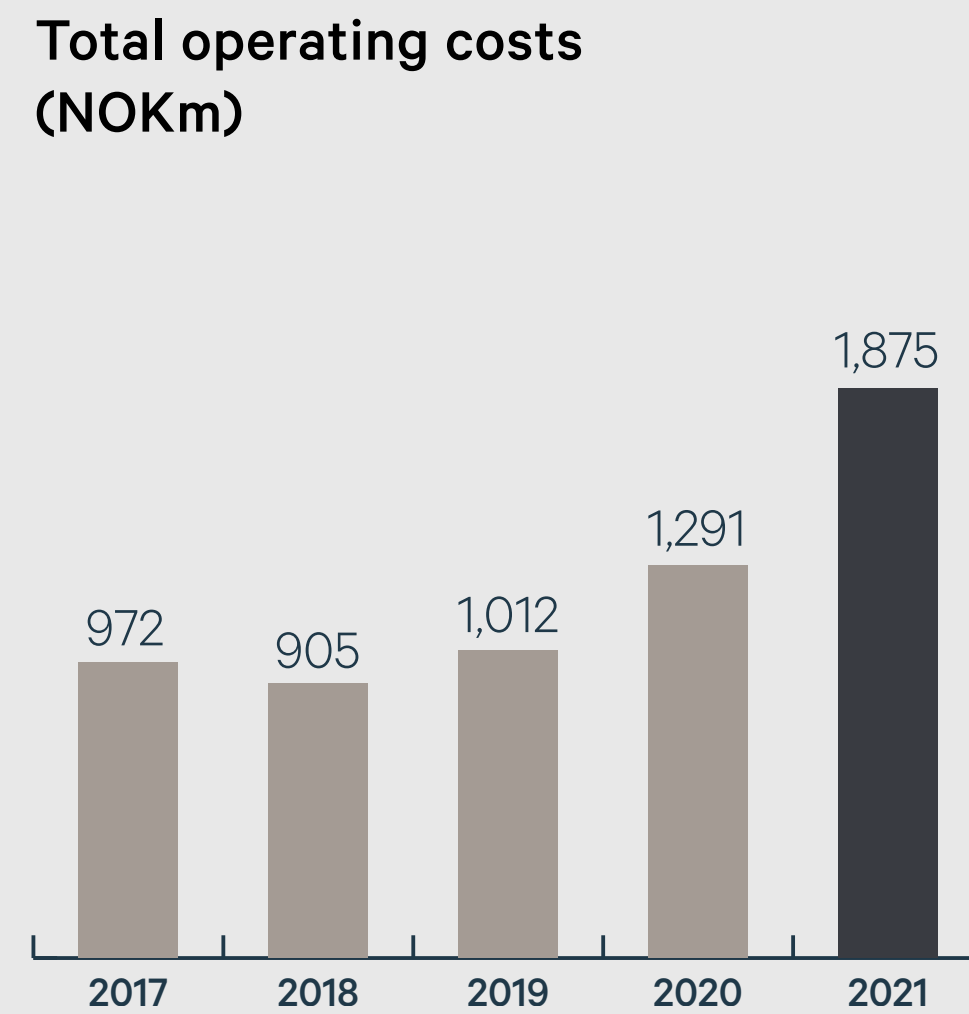
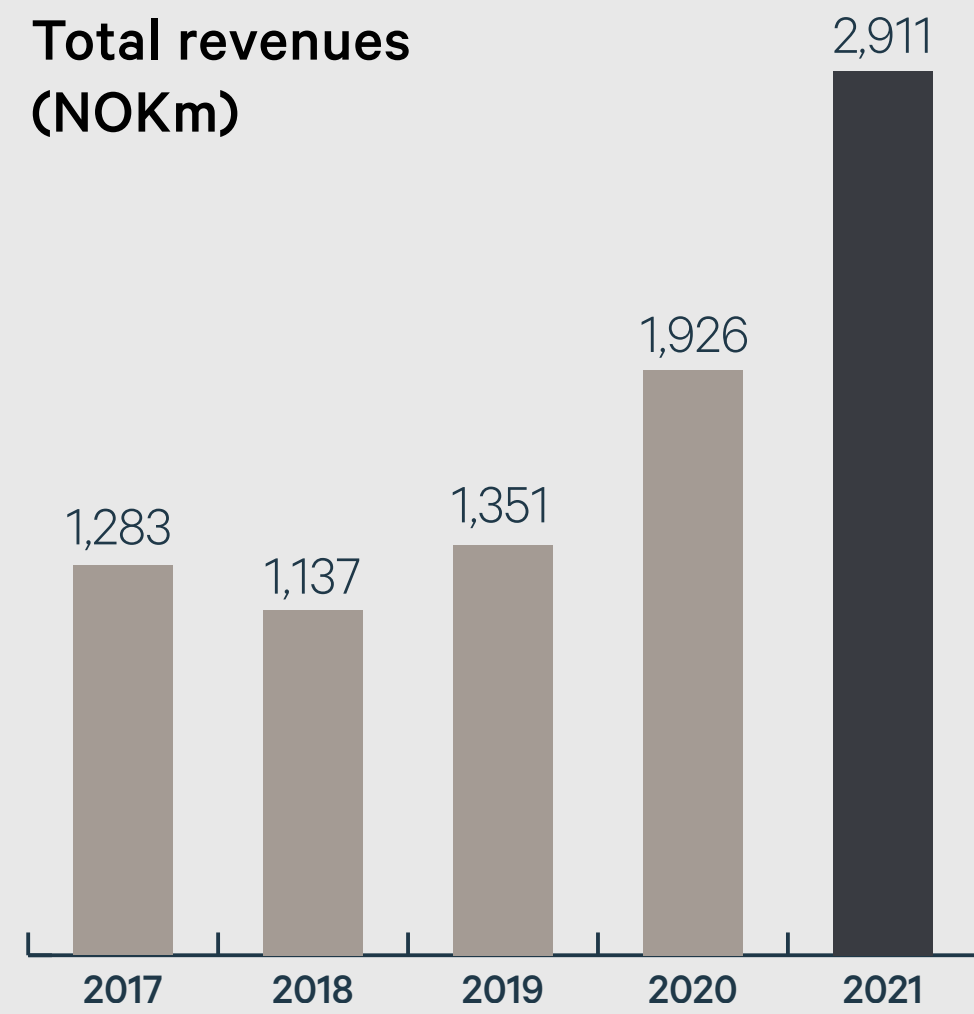
Group Key Figures (NOKm)	2017	2018	2019	2020	2021
<b>Total revenues</b>	<b>1,283</b>	<b>1,137</b>	<b>1,351</b>	<b>1,926</b>	<b>2,911</b>
Personnel costs	-711	-633	-730	-994	-1,563
Non-personell costs	-262	-273	-282	-297	-312
<b>Total operating costs</b>	<b>-972</b>	<b>-905</b>	<b>-1,012</b>	<b>-1,291</b>	<b>-1,875</b>
<b>Operating profit</b>	<b>311</b>	<b>232</b>	<b>339</b>	<b>635</b>	<b>1,036</b>
<b>Net profit</b>	<b>240</b>	<b>147</b>	<b>227</b>	<b>412</b>	<b>760</b>
Book value per share <sup>1)</sup>	1.86	1.39	1.51	2.01	2.69
Diluted average number of shares <sup>2)</sup>	494	495	525	537	550
EPS (basic)	0.52	0.32	0.50	0.93	1.69
EPS (diluted)	0.49	0.30	0.44	0.78	1.39
Payment to shareholders per share	0.50	0.40	0.39	1.00	1.00
Return on equity <sup>3)</sup>	28 %	20 %	34 %	52 %	72 %
Headcount (average)	257	267	277	285	311
Revenues per head (average)	5.00	4.26	4.88	6.76	9.36
Total costs per head (average)	-3.79	-3.39	-3.65	-4.53	-6.03
Total compensation / Revenues	55 %	56 %	54 %	52 %	54 %
Total costs/ Revenues	76 %	80 %	75 %	67 %	64 %
EBIT margin	24 %	20 %	25 %	33 %	36 %

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

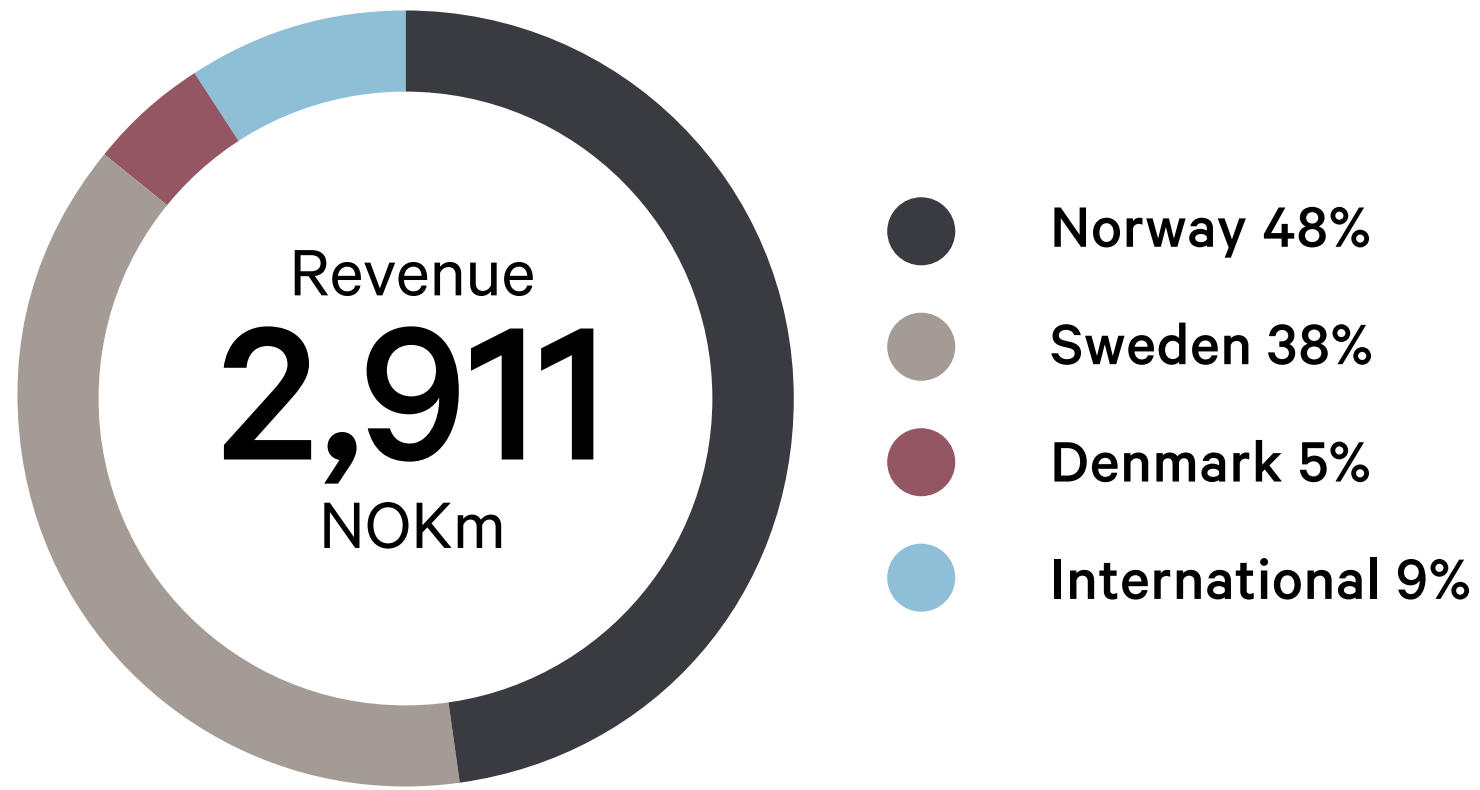
3) Net result for the period/Average equity for the period

# Key figures

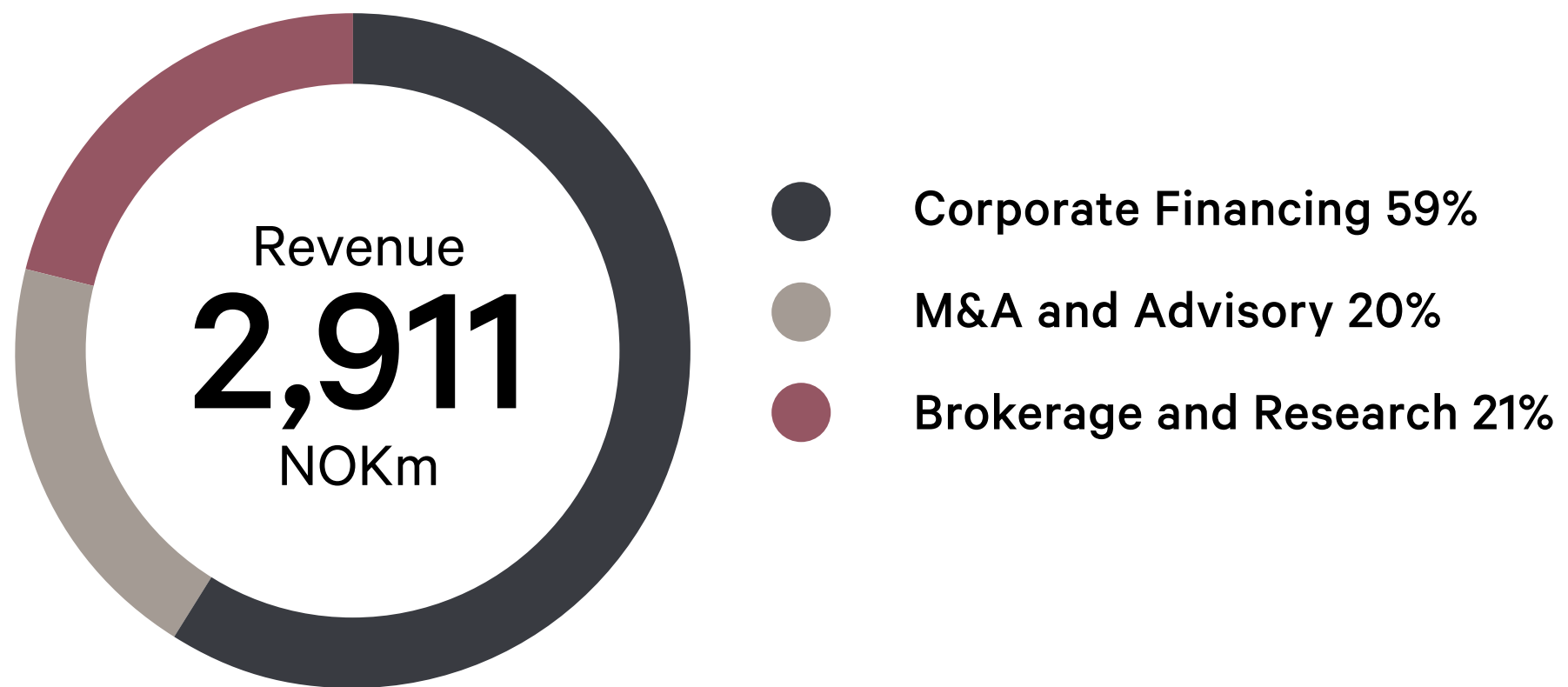


# Global reach

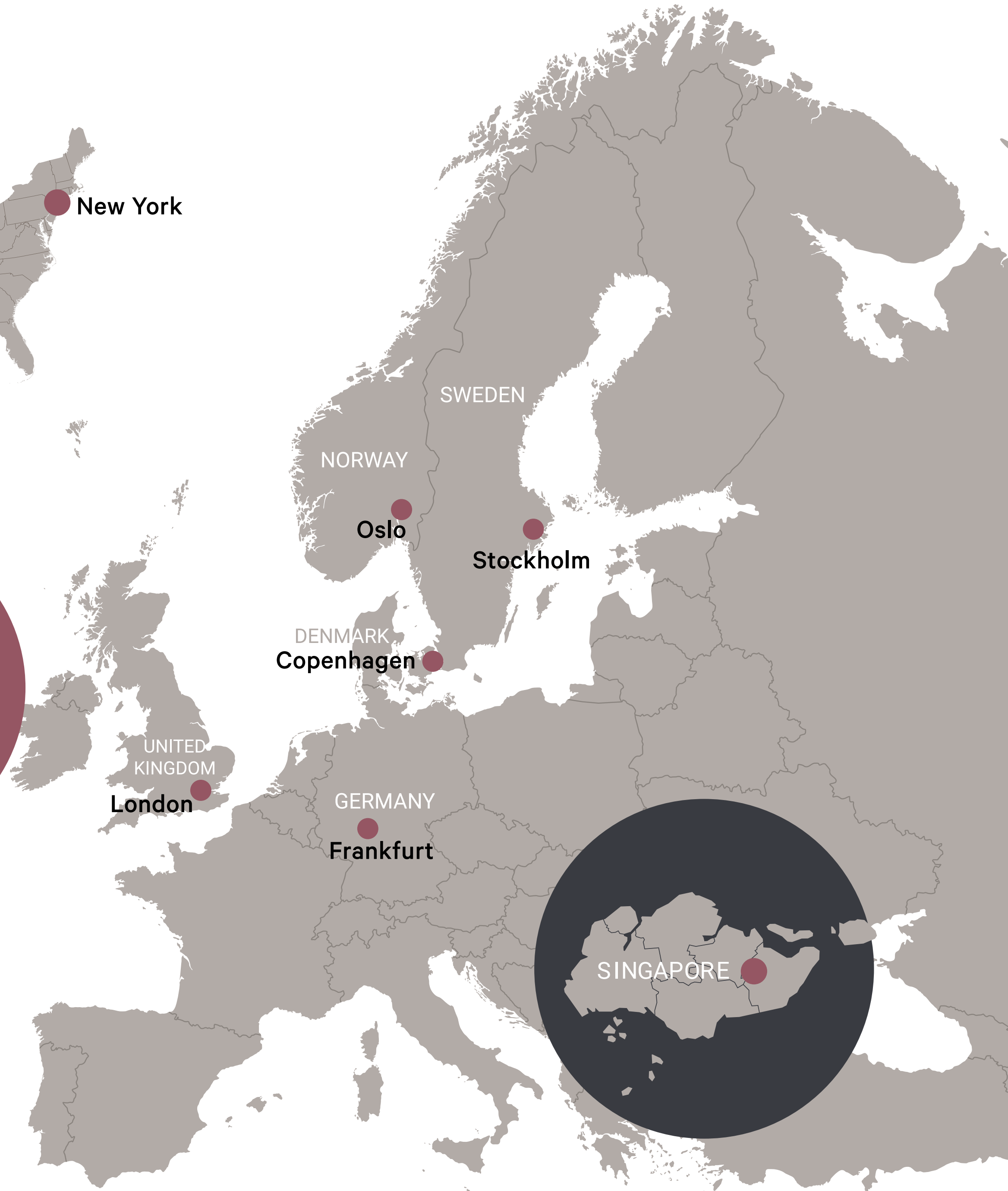
### Geographic Revenue Distribution 2021



### Functional Revenue Distribution 2021



**318**  
Staff as of  
31 December  
2021



# Comment by CEO & Chairman

Dear shareholders,

We had hoped to start this letter by simply stating how great 2021 was. However, the war in Ukraine is currently on all our minds. Our thoughts are first and foremost with the people of Ukraine for whom this war is a tragedy that no words can describe. Besides the human suffering, it is evident that the war will have a negative impact on international trade and on businesses. It is still too early to say how the situation will play out or how it will impact ABGSC. We will continue to follow the situation closely and assess future consequences.

2021 was a good year for us as the CEO and the Chairman of ABGSC. We have enjoyed leading an organisation having experienced tailwinds, strong momentum and growth, resulting in record revenues and profits. We were able to grasp this opportunity because of our strong market position, broad service offering and our partnership model, which aligns the interests of staff with those of the shareholders. We recorded revenues of NOK 2.9bn (+51%), the highest full-year revenues in the history of the firm, and a diluted EPS of NOK 1.39 (+78%), proving the leverage of our business model.

ABGSC executed several high-profile transactions in 2021. In total, we executed more than 170 transactions, including some 30 IPOs. We also initiated coverage on more than 70 Nordic stocks, and it is fair to say it was a busy year for our staff. While we were able to deliver at an intense pace, we still preserved the high quality that we have become known for. This was an impressive achievement, and we thank all our employees for their solid contributions during the year.

Our investment banking services continue to be the strongest contributing factor to our revenues. However, we would not be the leading Nordic investment bank that we are today without our full product range, including traditional brokerage services and our research team covering more Nordic equities than any other financial institution. It is this combination of



financial services that makes us strong, capable of delivering high quality advice and is enabling business and capital to grow and perform.

2021 was also a year that marked the 20-year anniversary of ABGSC. In 2001, Norwegian Sundal Collier and Swedish ABG Securities merged to create a pan-Nordic investment bank. Throughout the past 20 years, our core approach has remained the same: to place the needs of our clients above everything else, and to navigate the market based on those needs. In the past 20 years, we have advised some of the most important players in Nordic business, serving many of them throughout their business lifecycle. Today, our team of more than 300 staff in Oslo, Stockholm and Copenhagen – as well as those in our regional offices of London, New York, Frankfurt and Singapore – stand ready to meet the challenges of tomorrow, whether it is the move to a greener society, digitalisation or increasing globalisation.

Over the years, ABGSC has transformed from a highly specialized transaction advisor and brokerage firm into a full-service financial institution with a broad income base. Over the last four years, we have more than doubled our corporate client base that buys one or more of our services. The increasing number of recurring clients is a testament to our ability to add value and provide quality advice over time. With strong and steady income from equity and debt financing as well as advisory, traditional brokerage services and real estate financing, we have built a resilient and less cyclical business model.

From a geographical point of view, we have also broadened our income base. Although Norway still accounts for the largest portion of our income, Sweden is where we have experienced most growth recently and where we foresee the greatest expansion given the size of the market. While having strengthened our positions within several segments, we particularly expect more growth in DCM and M&A in the Swedish market. In 2021, we saw an impressive performance from our Danish operation, which delivered its best results ever, also with a broad contribution across products and with particularly strong growth in ECM.

Our vision is to be the most agile and respected Nordic investment bank, and we want to achieve that vision by attracting and developing the most talented people available. In recent years, we have grown the organisation rapidly, especially in Sweden, to keep up with the growing demand from clients. We believe we have more untapped potential and foresee that we will continue to grow and develop our organisation in the coming years.



Knut Brundtland, Chairman



Jonas Ström, CEO

It has been a fantastic journey and a true success story throughout these 20 years. But for us, it is only the beginning. We are convinced that the Nordic capital markets will continue to grow from an international perspective and that ABGSC will be an active force in that process. We hope to continue expanding our capabilities and developing our expertise, with the aim of making the next 20 years even better than the last.

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



## 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

# ABGSC 20 year anniversary

In 2021, ABG Sundal Collier (“ABGSC”) celebrated the 20-year anniversary of the merger of ABG Securities and Sundal Collier Holding, and the listing of ABGSC on the Oslo Børs.

Despite the challenges of the COVID-19 pandemic, 2021 was a year of record-breaking successes for ABGSC, in which we reaped the full benefits of both our business model and the business culture we have developed over the last 20 years.

Twenty years ago, ABGSC’s founding partners aimed to create something unique: an independent, partner-controlled, pan-Nordic investment bank grounded by solid research, global client reach, strong corporate finance skills and high ethical standards. The guiding slogan was “Nordic companies – Global money”, with a strategy of offering deep insight into Nordic markets and a broad sector competence.

The merger was underpinned by the two firms’ complimentary capabilities and shared values; both were committed to the partnership model, both had an entrepreneurial spirit and both put teamwork and integrity at the core of their ethos.



The Sundal Collier office in the late 1990s

Twenty years on, we can safely say that their vision has been realised. And as we look to the future and contemplate the challenges of the post-pandemic world, it is worthwhile to examine our history and extract from it as many lessons as possible.

## Establishing ABGSC

In 2001, the success of the newly formed ABGSC was not a foregone conclusion. The young firm emerged on the scene amidst the fallout of the dot-com crash. After years of uninterrupted growth, Nordic markets fell by 25 percent, corporate activity was dramatically reduced and IPOs had virtually stopped.

Nevertheless, the decision to merge would prove to be a sound one. Recognising that the industry was changing, both firms wanted to expand their regional footprints and increase their capabilities. It was a choice to compete with the “big players” in the industry, including the non-Nordic, international firms that at that time dominated investment banking in the Nordics.

## Early growth of ABGSC

Despite a challenging market environment at the beginning of the century, ABGSC quickly found its footing, focusing on integrating our core operations and building on our joint strengths. In March 2003, ABGSC advised Gjensidige NOR on the merger with DnB. As the largest Norwegian merger at the time, this was a landmark transaction, solidifying our strong market position within M&A and kicking off what would become a five-year bull market.



From left: Are Andersen, Jan Petter Collier, Arild Engh and Roy Myklebust

The following year, ABGSC took a major leap within the Nordic IPO market, serving as Joint Global Coordinator in the de-merger and subsequent listing of Yara from Norsk Hydro; this was a watershed moment in Norwegian corporate finance and became the gold standard going forward. In the following years, we built on this success, advising on numerous IPOs in what turned out to be a booming IPO market.

Our firm grew steadily as we started building our presence within Swedish Corporate Finance and as we established our Danish operation. We were looking to achieve a truly pan-Nordic status and to diversify our Norwegian heritage and dependency.

### **Weathering the 2008 financial crisis**

When the 2008 financial crisis hit, nobody in our business emerged unscathed. ABGSC weathered the storm in a very complicated situation, in which several major industry players were severely distressed or went bankrupt. In fact, we managed to avoid any material losses and operated profitably throughout a period of turmoil and low market activity. This was a tribute to our sound business model, the resourcefulness of our team and a culture focused on a lean, agile operation, disciplined cost awareness and a conservative risk approach.

### **Transition and structural changes**

The following years were challenging for our industry as it took years for corporate activity to recover and as there was significant negative pressure on the brokerage services segment. Technological development, in combination with constant margin pressure, made us rethink and restructure our service offering.

We had an ambition of broadening our offering towards Nordic corporates while making the necessary adjustments to our research and brokerage operations. Where many faltered by too aggressively cutting down their secondary businesses, we chose to carefully adapt to the new realities and remained committed to maintaining a market-leading research product, and even strengthened our investor reach.

Consequently, we established a new sales office in Germany and set up an Investment Banking team in Denmark. Capturing a greater portion of the large Swedish market has been an ongoing ambition and we invested continuously in patiently developing our Swedish franchise into the powerhouse it is today.

With our traditional strengths within equities and M&A, ABGSC started to actively move into the bonds segment in the post-2008 era. First, by achieving a leading global position in the niche convertible bonds segment, which was very active in the early 2010s, and later by building a leading high-yield DCM and fixed income machinery during the latter half of the previous decade.

As we have been looking to further diversify our offering and revenue base, in recent years we have expanded into the market of direct real estate investments through our investments in Vika Project Finance and ABG Fastena.

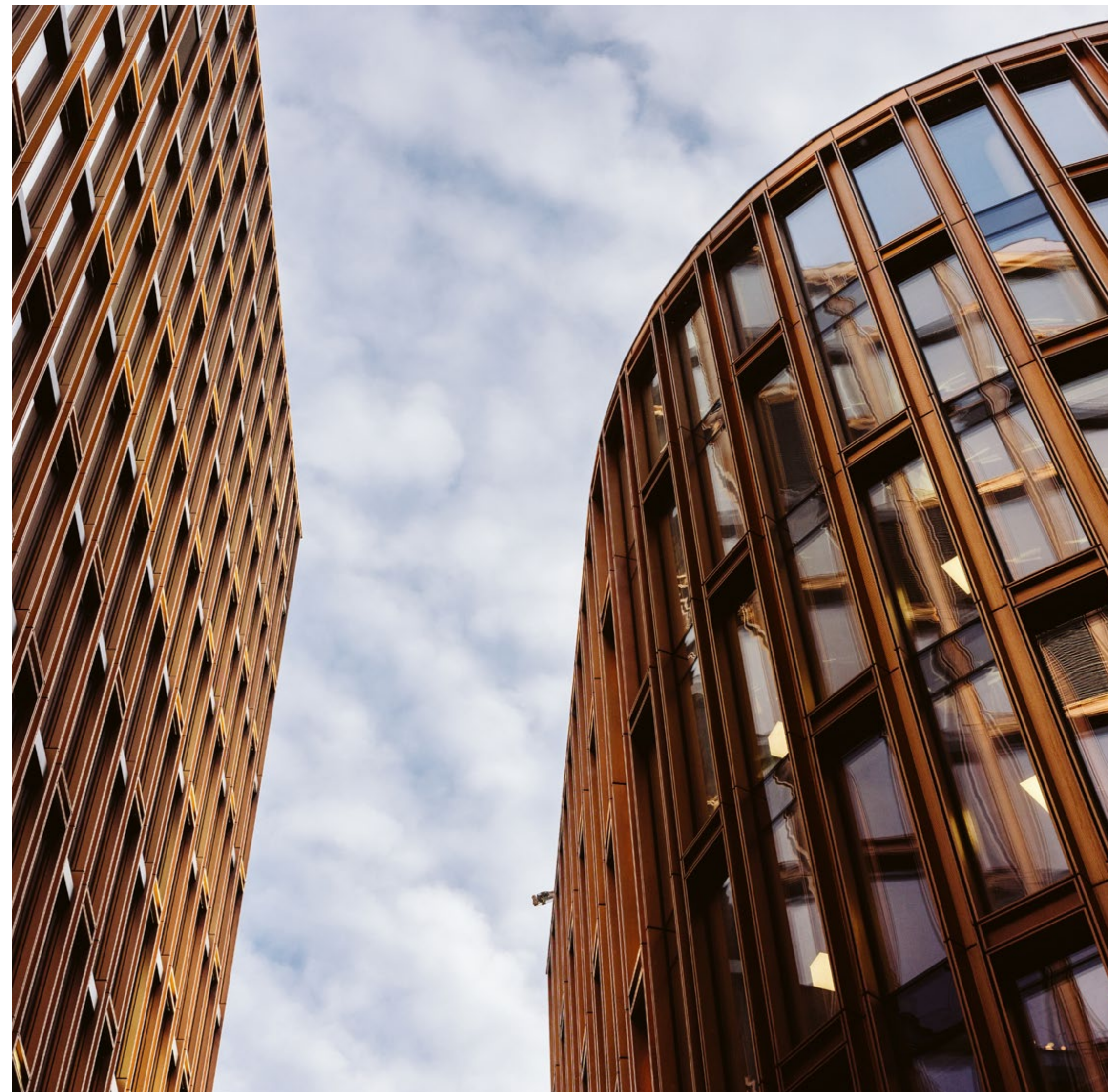
### **ABGSC today**

ABGSC has come far from where it was 20 years ago. Our product offering and revenue base have become significantly more diverse and we are less dependent on a single market, sector, or product. ABGSC has evolved from being primarily a brokerage firm, into being a full-service pan-Nordic financial institution.

But while our business has evolved, our core ethos remains the same and we are determined to protect the entrepreneurial spirit that has taken us to where we are today. The same agile structure and business culture that saw us through the fall-out of the dot-com crash and allowed us to weather the storms of 2008-2009, enabled us to tackle the challenges of the COVID-19 pandemic with considerable success. The shared values that brought ABG and Sundal Collier together – teamwork, integrity and the partnership model – will equip us to tackle the challenges and grasp the opportunities of the next 20 years to come.



The ABG Sundal Collier office in 2021



In December 2021 ABGSC's Oslo team moved into the brand new VIA building.

# Case Studies

Building on the themes of the previous year, 2021 once again featured an emphasis on technology and sustainability. ABGSC executed a number of high-profile transactions reflecting these two themes for companies focused on everything from renewable energy and sustainable packaging to robotics and digital entertainment. In total, ABGSC executed more than 170 corporate and project finance transactions in 2021.

NORWAY

## ABGSC advises Crayon on three separate transactions, spanning our product portfolio

In 2021 ABGSC advised leading IT advisory firm **Crayon** on three separate transactions, including M&A, ECM and DCM transactions.

In July, ABGSC served as Joint Lead Manager in Crayon's NOK 1.8bn senior unsecured bond issue, which was used to partly finance its acquisition of rhipe, a leading Australia-based wholesale provider of subscription-based cloud licences, infrastructure and services in the APAC region. The bond issue was substantially oversubscribed and received significant interest from local and international high-quality credit investors.

Also in July, ABGSC served as exclusive Financial Advisor to Crayon in relation to its acquisition of rhipe – a transaction valued at NOK 2.6bn that significantly advanced Crayon's position in the APAC region. Crayon paid a total cash consideration of AUD 2.50 per rhipe share, corresponding to an equity value of approx. NOK 2.6bn. The transaction closed in October 2021.

In November, ABGSC once again advised Crayon, this time serving as Joint Bookrunner in a NOK 1,001m private placement. The private placement was oversubscribed multiple times and attracted strong interest from existing shareholders as well as new Nordic and international institutional investors. The net proceeds from the sale of the new shares will be used for future acquisitions and general corporate purposes.



“

ABGSC's participation in these transactions for Crayon, in addition to the transactions we have advised on in previous years, demonstrates our commitment to building long-term relationships with our clients and advising them throughout their business cycles”, said Are Andersen, Head of Investment Banking.

## Nordax Bank acquires Bank Norwegian in one of the largest public-to-private acquisitions of the past 15 years

In November, ABGSC acted as Financial Advisor to **Nordax Bank**, **Nordic Capital** and **Sampo** in connection with Nordax Bank's NOK 19.6bn acquisition of Bank Norwegian – one of the largest public-to-private acquisitions of the past 15 years in Norway. The transaction involved Nordax Bank (a leading specialist bank in Northern Europe owned by Nordic Capital and Sampo) acquiring all outstanding shares in Bank Norwegian (a fully digital consumer bank, which offers easy-to-use and standardised instalment loans and credit cards branded together with Norwegian Air Shuttle's rewards program).

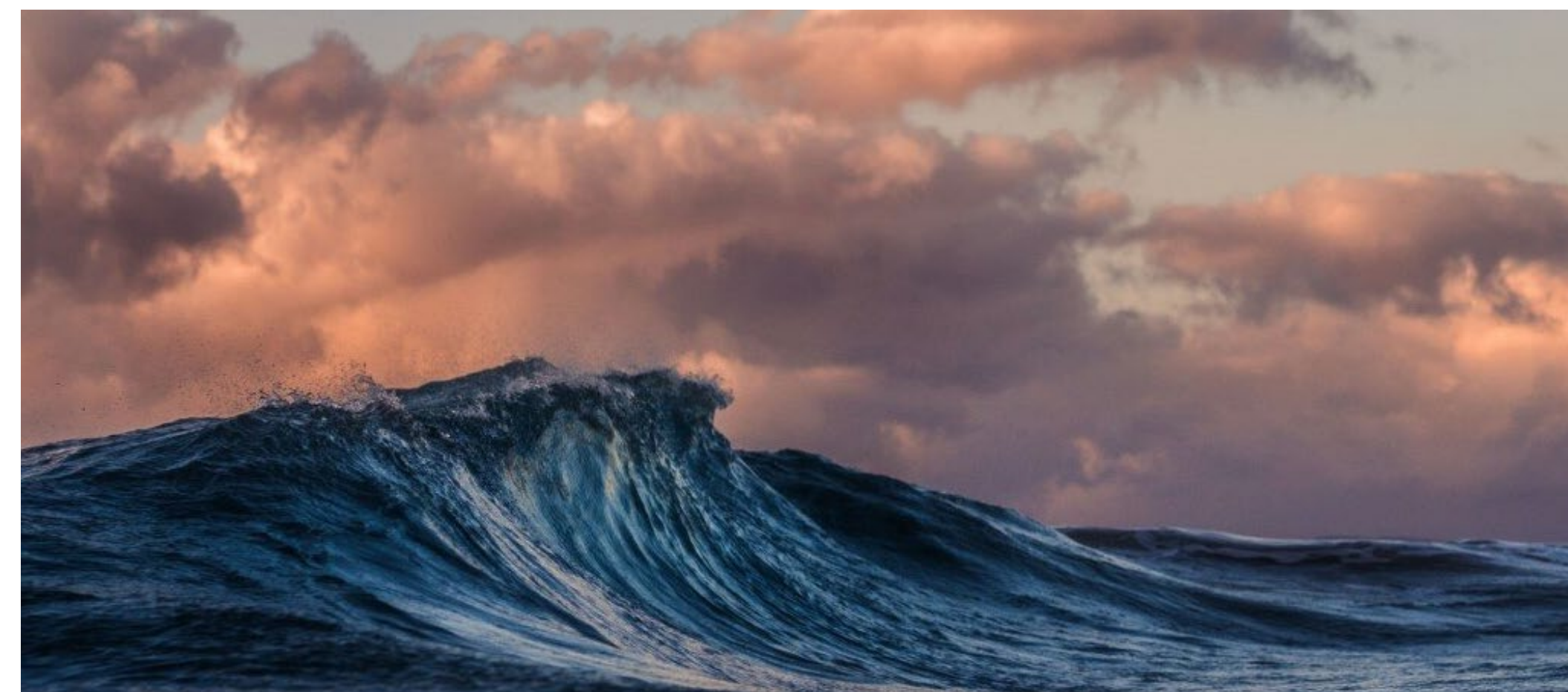
ABGSC also advised on two bond issues related to the transaction. The first was a senior secured bond issued by Cidron Romanov Ltd., a company owned and controlled by funds advised by Nordic Capital. The bond was the largest high yield bond ever issued in the Nordics, at a value of 5,050m (split into two tranches of NOK 2,500m and SEK 2,550m). The proceeds were used to partly finance the equity contribution from Nordic Capital to Nordax Bank in support of the Bank Norwegian acquisition. ABGSC acted as Sole Manager in the transaction.

The second was a bond issue by Nordax Bank, which had a value of SEK 2,050 (comprised of SEK 1,400m in AT1 and SEK 650m in Tier 2). The proceeds were used to partly finance the acquisition of Bank Norwegian. ABGSC acted as Joint Manager in the transaction.

Both bond issues received strong interest from a broad range of high-quality Nordic and international investors.



## Aker Horizons: record-large listing on Oslo growth exchange



In January, ABGSC acted as Joint Global Coordinator and Joint Bookrunner in the NOK 4,150m private placement and the NOK 1,500m convertible bond issue in **Aker Horizons**, in connection with its listing on Euronext Growth Oslo. Aker Horizons is an investment company dedicated to investments in low-carbon and renewable energy, with a portfolio consisting of solar, wind, hydropower, carbon capture, hydrogen and electrification technology. The private placement valued Aker Horizons at NOK 15.75bn on a pre-money basis (NOK 19.9 post-money), making it the largest transaction completed in conjunction with a listing on Euronext Growth Oslo to date.

The transaction, which attracted substantial interest from high-quality Nordic and international institutional investors, was oversubscribed multiple times and included cornerstone investments from DNB AM, The Government Pension Fund Norway, Handelsbanken Fonder, Swedbank Robur and NOK 500m from Aker Capital. In May, Aker Horizons transferred its listing to the main Oslo exchange.

## IPO of Fast-growing activewear brand RevolutionRace on Nasdaq Stockholm

Also in June, ABGSC acted as Joint Global Coordinator and Joint Bookrunner in the SEK 2,834m initial public offering in **RevolutionRace** on Nasdaq Stockholm. The company offers high-quality activewear apparel, which it sells directly to consumers. RevolutionRace's CEO Pernilla Nyrensten became the first-ever female founding CEO to lead a company through an IPO in the Stockholm Stock Exchange's 160-year history. The IPO was priced at SEK 75 per share, which corresponded to a total market value of all outstanding shares of SEK 8,469m after the completion of the Offering.

The IPO attracted very strong interest from Swedish and international institutional investors, as well as the general public in Sweden, and was heavily oversubscribed. Cornerstone investors included funds and accounts under management by direct and indirect investment subsidiaries of BlackRock, Inc., funds managed and advised by Capital World Investors, Handelsbanken Fonder AB on behalf of investment funds under management, Lancelot Asset Management AB, Ophir Asset Management Pty Ltd. and Swedbank Robur Fonder.



*The IPO on Stockholm Nasdaq marks the beginning of a new chapter in the story of RevolutionRace. We are grateful for the trust given by all new stakeholders that made us reach the milestone of 1 billion dollar valuation, thus giving us unicorn status. With the support and highly professional guidance from ABG Sundal Collier we gained strong interest from global institutional investors”, said RevolutionRace CEO Pernilla Nyrensten.*

## OX2: Largest-ever Swedish renewables IPO

In June, ABGSC acted as Joint Global Coordinator and Joint Bookrunner in the SEK 5bn initial public offering of leading renewables developer **OX2** on Nasdaq First North Premier Growth Market. OX2 develops and sells wind and solar farms. The company's IPO was the largest renewables IPO in Sweden to date, and the largest in the Nordics since 2006. The IPO was priced at SEK 60 per share, which corresponded to a total value of approx. SEK 16.4bn for all outstanding shares after the completion of the Offering.

The IPO attracted substantial interest from Nordic and international institutional investors, as well as the general public in Sweden, and was significantly oversubscribed. Cornerstone investors included Afa Försäkring, BNP Paribas Energy Transition Fund, Danica Pension – Livsforsikringsaktieselskab, Handelsbanken Fonder AB, Lannebo Fonder AB, Livförsäkringsbolaget Skandia, ömsesidigt, Länsförsäkringar Fondförvaltning and Skandia Fonder AB.



## ABGSC advises media investment company MTG on two key transactions in 2021

In 2021, ABGSC advised **MTG**, an e-sport and gaming investment company, in connection with two important transactions. In February, ABGSC served as Global Coordinator and Joint Bookrunner in MTG's SEK 2,549m rights issue, in conjunction with the acquisition of Hutch and the increased ownership in InnoGames. Following the acquisition of Hutch, MTG became a major player within game development, acquiring strategy, city builder and racing games for both browser and mobile. In March, ABGSC once again advised MTG, this time acting as Sole Global Coordinator and Sole Bookrunner in connection with a directed issue of approx. 9.7m new shares, raising gross proceeds of approx. SEK 1.1bn. Both transactions were substantially oversubscribed.

## Green Hydrogen Systems accelerates energy transition with IPO on Nasdaq Copenhagen

In June, ABGSC served as Joint Global Coordinator and Joint Bookrunner in the DKK 1,265m all primary IPO of **Green Hydrogen Systems** on Nasdaq Copenhagen. Green Hydrogen Systems is a leading provider of efficient, standardised and modular electrolysers used in on-site production of green hydrogen using renewable electricity. The IPO was priced at DKK 40 per share, corresponding to a total market value of DKK 3,279m after completion of the Offering.

The IPO attracted very strong interest from Danish and international institutional investors, as well as the Danish public, and was heavily oversubscribed. Cornerstone investors included ATP, Vækstfonden, Nordea Asset Management on behalf of certain clients, BankInvest on behalf of certain clients, Spar Nord and MK Ventures. The Company's three largest shareholders, Nordic Alpha Partners, A.P. Moller Holding and Norlys Holding A/S supported the transaction.

Following the IPO, the company's ambition is to ramp up production facilities and accelerate R&D efforts aimed at further reducing the costs of green hydrogen and making it a more attractive energy carrier in the future.





# Macro backdrop

2021 was a strong year for global stock markets and we saw intense capital market activity in the Nordics. The year started out with the Capitol riots in the United States and the obstruction of the Suez Canal caused by the container ship Ever Given, which exacerbated global supply chain issues. The stock market performed well, however: the MSCI Nordic gained ground every month until September, with strong macro data and continued monetary stimulus as supportive factors.

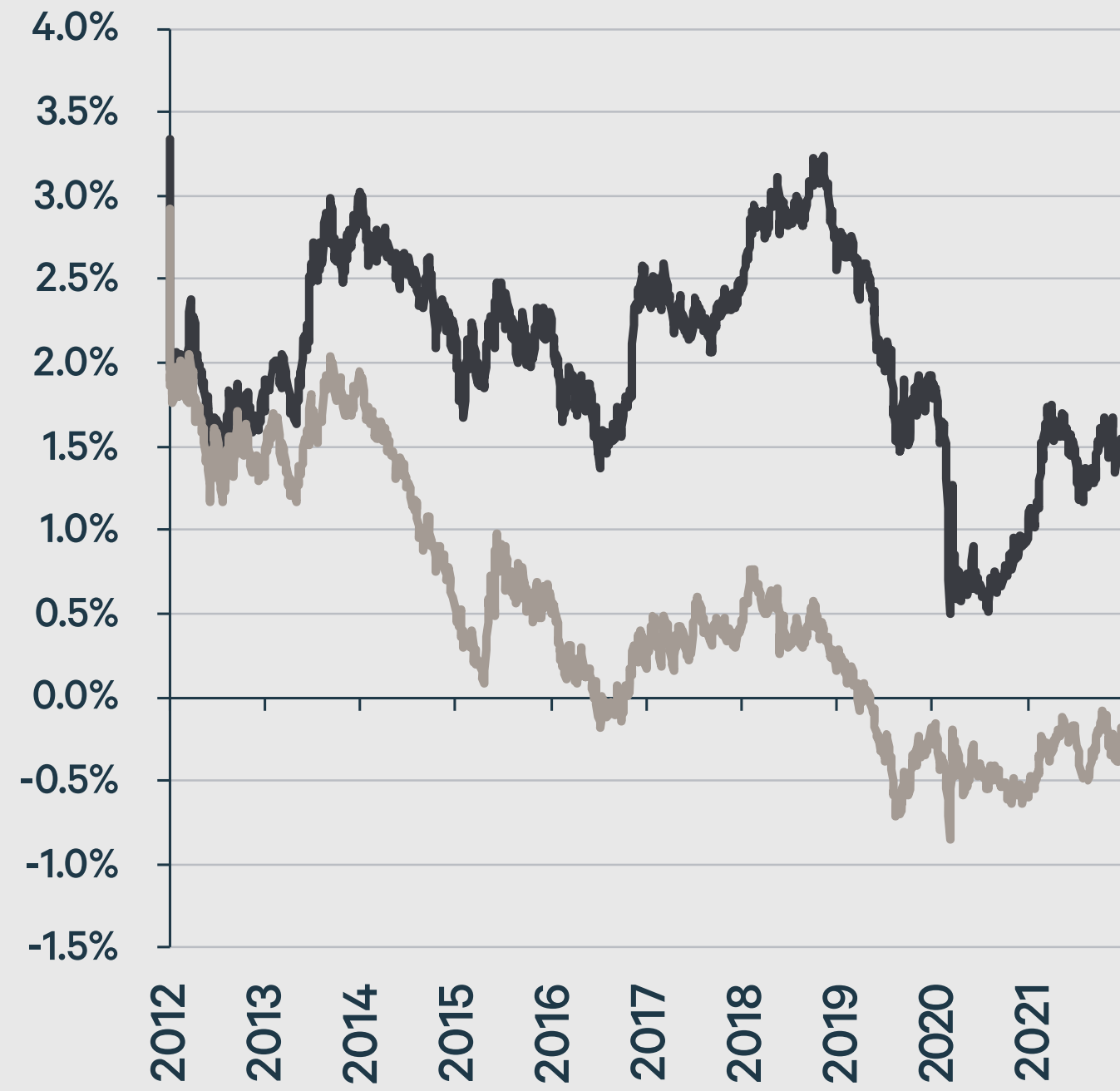
Meanwhile, investors remained focused on the COVID-19 pandemic. The virus continued to spread and mutate, but vaccinations triggered gradual re-openings of societies in many parts of the world. From September until year-end, the stock market fluctuated more, moving sideways overall. Investors started to focus more on the central banks' signalling of tapering and rate hikes amid rising inflation, in addition to increased Russian military activity along the Ukrainian border.

In 2021 the MSCI Nordic gained 30% and the S&P 500 29%. Treasury yields fluctuated throughout the year but rose on the whole, while remaining at low levels in absolute terms from a historical perspective. The VIX stayed at manageable levels over the course of the year, at 20 on average, which was supportive for capital markets albeit above pre-pandemic levels.

Leading macro indicators for the largest economies were supportive overall, with strong economic activity and decreasing unemployment rates. Growth stocks traded sideways vs. value stocks, following the significant outperformance in 2020. This was also reflected in the strong capital market activity in the Nordics: tech companies dominated in 2020, but the activity was spread across multiple sectors in 2021.

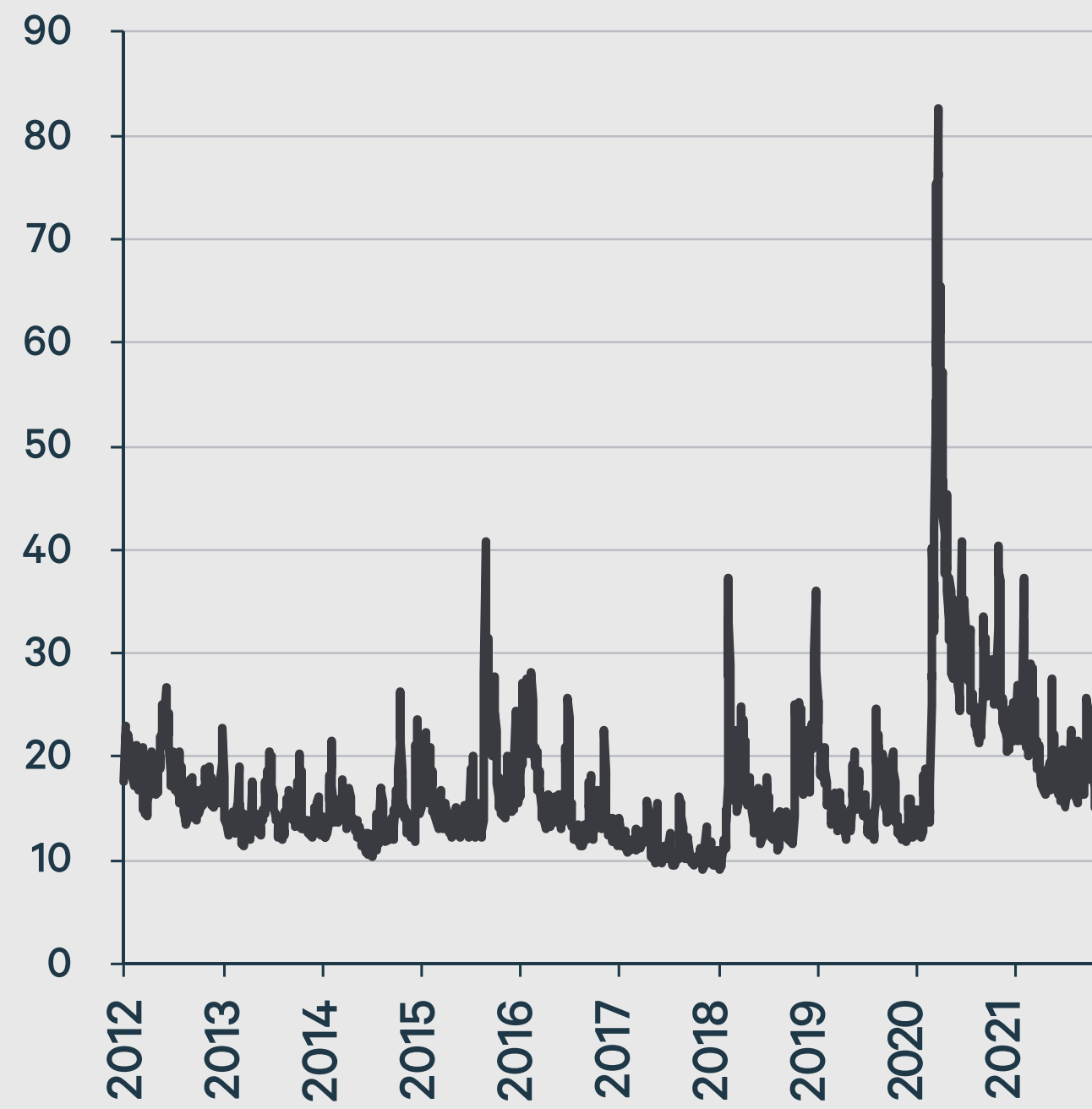


### Interest rates

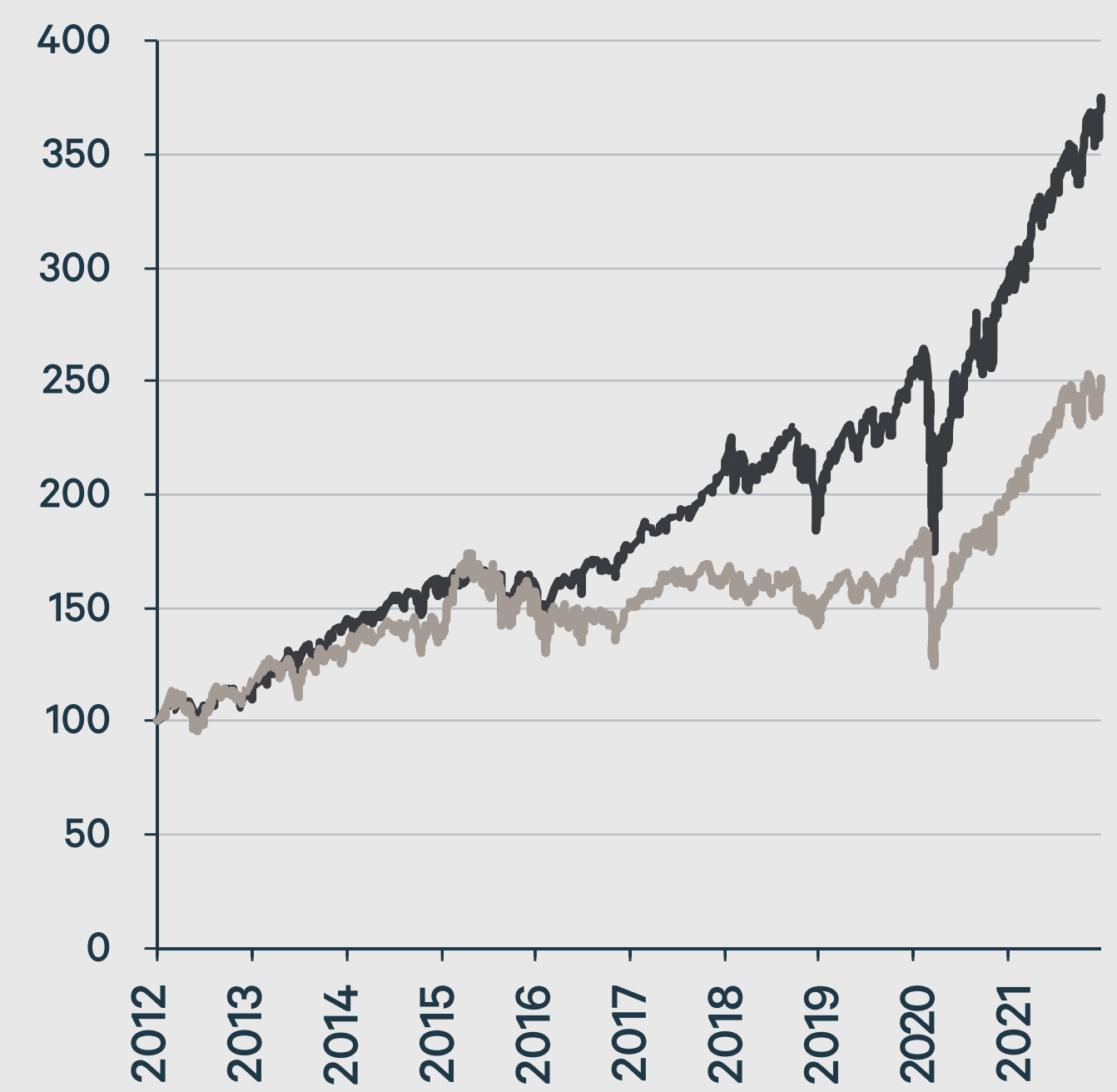


- 10y US interest
- 10y German interest

### Equity market volatility (S&P VIX)



### Equity indices



- S&P 500
- MSCI Nordic

# Corporate Financing

ABGSC is a leading provider of corporate financing services, supporting corporate clients when they wish to raise capital through either equity or debt financing within Nordic capital markets.

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

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

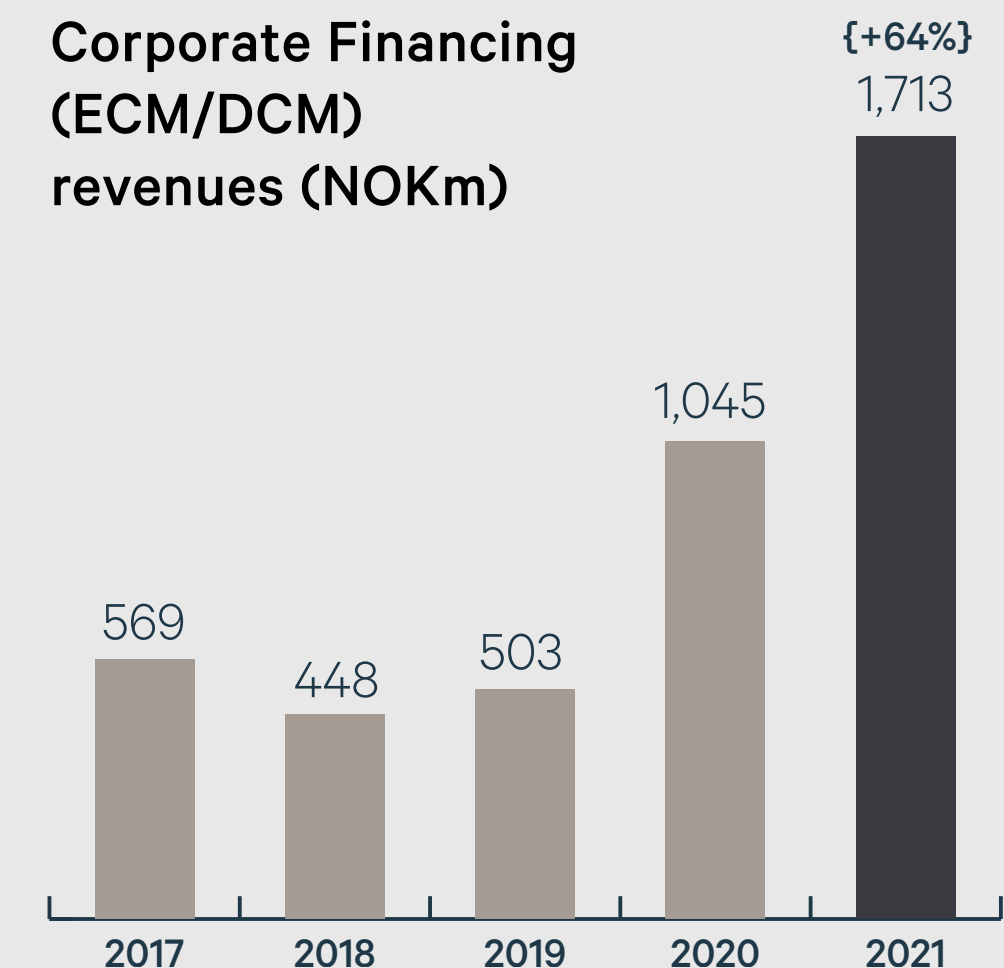
ABGSC is compensated through fees subject to a successful completion of the respective transactions. In 2021, revenues from corporate financing activities increased to NOK 1,713m, from NOK 1,045m in 2020.

The significant revenue growth was driven by a remarkably strong ECM market, especially in the first half of the year, followed by an upswing in DCM activity. Our strategic focus on DCM products has paid off as we saw a significant upswing in the demand for non-investment grade bonds in 2021. The growth has been particularly visible in the Swedish market. In the second half of the year, we experienced somewhat lower ECM activity in Norway, while the Swedish market remained steady. During the year, ABGSC conducted a total of 36 DCM transactions and 96 ECM transactions, including some 30 IPOs.

The high-yield bond issue of NOK 5bn in connection with Nordax Bank’s acquisition of Bank Norwegian was the largest ever in the Nordics. ABGSC acted as sole manager for the transaction.



*It has been a great year for ABGSC and I am proud to see how well we have grown our share of the market, especially in Sweden. It is our agile and pan-Nordic approach that makes us so attractive to Nordic companies seeking external financing”, said Johan Lindén, Head of Investment Banking Sweden.*



In general, the Nordic high-yield market experienced strong growth during 2021 and ABGSC was able to tap into the market growth due to our full-service, pan-Nordic platform and a highly experienced team.

ABGSC has taken a market leading position within the ESG space, raising almost NOK 17bn for ESG-oriented Nordic companies, ranging from renewable energy, electrification and water efficiency to food waste solutions. For example, ABGSC acted as Joint Global Coordinator in the SEK 5bn IPO of OX2, the largest-ever renewables IPO in Sweden.

#### Selected Corporate Finance transactions

 Crayon	DCM - HY	NOK 1.8bn	TMT
 norwegian	ECM - PP	NOK 883m	Transportation
 AutoStore	ECM - IPO	NOK 20.7bn	Industrials
 KLARABO	ECM - IPO	SEK 750m	Real Estate
 NORDIC CAPITAL Nordax Bank	DCM - HY	SEK ~7bn	Financials
 OX2	ECM - IPO	SEK 5.0bn	Renewables
 RevolutionRace	ECM - IPO	SEK 2.8bn	Consumer
 ELOPAK	ECM - IPO	NOK 3.5bn	Materials
 GREEN HYDROGEN SYSTEMS	ECM - IPO	DKK 1.3bn	Renewables
 Kahoot!	ECM - PP	NOK 1.7bn	TMT
 VIVA WINE GROUP	ECM - IPO	SEK 1.4bn	Consumer
 MTG	ECM - RI/PP	SEK 2.5bn SEK 1.1bn	TMT
 KOMPLETT GROUP	ECM - IPO	NOK 1.8bn	Consumer
 AKER HORIZONS	ECM - IPO	NOK 4.2bn	Renewables
 WALDORF	DCM - HY	USD 300m	Energy



*The reason why we see such a strong upswing in corporate debt financing is the high degree of flexibility offered to companies compared to traditional bank loans. In a Nordic context, the trend started in Norway several years ago, and we are now experiencing the same development in Sweden. We foresee the market continuing on a growth path”,* said Kristoffer Sletten, Head of DCM Sweden.

# M&A and Advisory

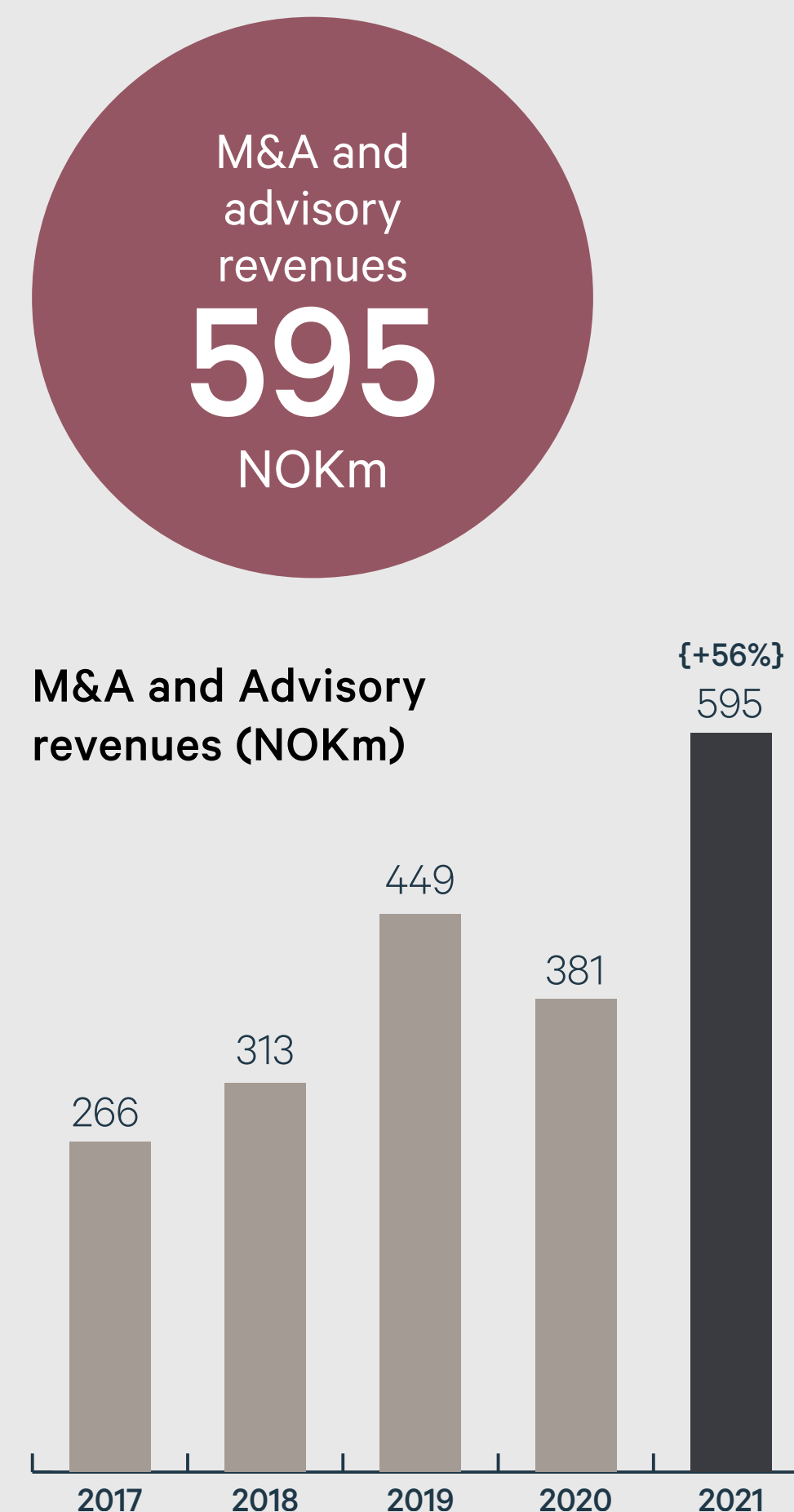
ABGSC has for several years been a Nordic market leader within M&A and advisory, participating in more transactions than any other financial advisor in the Nordics. Our M&A and advisory services product area primarily involves advising companies in relation to mergers, acquisitions and sales, in addition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

ABGSC is normally compensated by its clients through a combination of fixed retainers and transaction fees.

The Nordic M&A market experienced a significant upswing in 2021. Several processes that were put on hold or delayed during 2020 came through in 2021, when pandemic-related travel and other restrictions were lifted. ABGSC continued to build on its solid position within M&A throughout the year, advising on deals across all our markets, including a number of high-profile transactions. The M&A market also benefited from two other trends: private equity firms' growing demand for investment opportunities, and the acceleration in deal activity from increased market valuations of successful M&A compounders.









Our revenues from M&A and advisory services increased to NOK 595m in 2021, up from NOK 381m in 2020. In total, ABGSC conducted 24 M&A transactions. ABGSC was also engaged in financial restructurings, including as financial advisor to Axcel in connection with the restructuring of Axcel's portfolio company, Delete Group Oy. In terms of deal value, the largest M&A transactions were Nordax Bank's acquisition of Bank Norwegian for NOK 19.6bn, a transaction in which ABGSC acted as financial advisor to Nordax and its owners, and Fastighets AB Balder's mandatory offer on Entra for NOK 24.5bn, a transaction in which ABGSC advised Entra.

ABGSC provides real estate investment opportunities through a pan-Nordic platform consisting of the fully owned subsidiary Vika Project Finance, covering Norway and Denmark, and the partly owned ABG Fastena, covering Sweden and Finland. In 2021, Vika Project Finance conducted 19 transactions for a total value of NOK 5bn. ABG Fastena conducted six transactions for a total value of SEK 1bn.



In 2021, ABGSC was once again named Best Investment Bank in Norway by international business magazine Euromoney. Euromoney's Awards for Excellence recognise the global and regional investment banks with the most outstanding performance over the past 12 months, based on capabilities within mergers and acquisitions, equity capital markets and debt capital markets.

#### Selected M&A transactions and restructurings

	Merger with Kuststaden	SEK 6bn	Real Estate
	Public cash offer to the shareholders of Tre Kronor	SEK 1.7bn	Real Estate
	Financial advisor to Crayon in acquisition of Rhippe Limited	NOK 2.6bn	TMT
	Financial advisor to the selling shareholders in SBB's acquisition of 63% of Solon Eiendom ASA	NOK 2.2bn	Real Estate
	Financial advisor to the shareholders of PriceRunner in the sale to Klarna	Undisclosed	TMT
	Sale to Nordic Capital	Undisclosed	Industrials
	Financial advisor to Nordax, Nordic Capital and Sampo in acquisition of Bank Norwegian	NOK 19.6bn	Financials
	Sale of Hansen Protection to Survitec	Undisclosed	Business Service
	Merger with SYSCO	Undisclosed	TMT
	Financial advisor to Entra on mandatory offer from Fastighets AB Balder	NOK 24.5bn	Real Estate
	Sale of HB-Care to Dantaxi (owned by Triton)	Undisclosed	Business Service
	Acquisition of Solera Beverage Group	NOK 1.1bn	Consumer
	Restructuring	Undisclosed	Consumer



*When the Nordic M&A activity level bounced back in 2021, ABGSC's various sector teams in Oslo, Stockholm and Copenhagen mobilised together with our clients, demonstrating that we continue to be a preferred advisor on mission-critical transactions for corporates, private equity and family offices", said Are Andersen, Head of Investment Banking.*

# Brokerage and Research

ABGSC offers highly experienced brokerage services, with market-leading placing power and a highly recognised research team covering more Nordic stocks than anyone else in the market: 415 as of year-end 2021. Our research and brokerage services product area comprises a range of secondary security brokerage and research services, either subscribed to by investor clients or sponsored by companies.

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 also 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 from companies for sponsored research or marketing services. In 2021, revenues from brokerage and research increased to NOK 603m, up by 21% from NOK 501m in 2020.

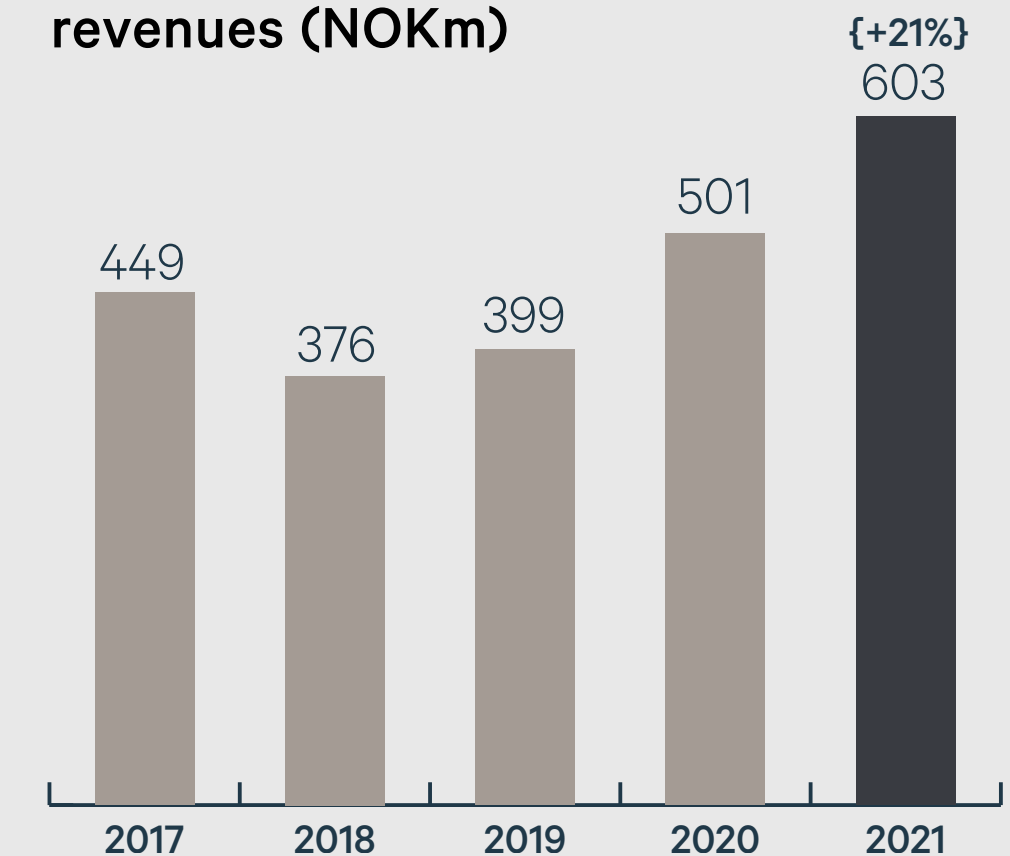
During 2021, global and Nordic stock markets performed extremely well. In combination with several new equity listings, the demand for high-quality fundamental research and reliable brokerage services continued to increase. In 2021 the ABGSC research team, consisting of about 55 analysts, took up coverage of 71 new Nordic stocks, of which 20 were commissioned research. The team received top rankings in a number of external surveys. For example, in the 2021 Prospera surveys for Norway and Sweden, ABGSC achieved top-three positions in 22 sectors; for Sweden, this included number one positions in important sectors such as Banks & Financial Services and Engineering, while in Norway this included number one positions in Real Estate & Construction, Industrials, and Materials.



*2021 was a very active year, both in terms of equity sales and bond sales, and we managed to deliver great results. This would not have been possible without the immense dedication and competence that the team showed every day. ABGSC enters 2022 with a stronger sales team than ever and we look forward to another interesting year in the markets”,* said Per Flostrand, Head of Equity Sales Sweden & International.

Brokerage and  
Research  
revenues  
**603**  
NOKm

Brokerage and Research  
revenues (NOKm)



The ABGSC sales team, comprising some 60 individuals in seven countries, was incredibly productive during 2021. The team successfully sold some 30 IPOs and 45 bond issues, simultaneously improving its market standing and client rankings. ABGSC added new talent to the team during the year with several new hires, who will further improve our service offering and strengthen our already superior placing power.

“

*Never in my time at ABG Sundal Collier have we initiated coverage of as many new companies as we did this year. Seventy-one new companies under coverage demanded a lot of hard work by our research team and I'm proud to see how well we rose to meet the challenge. During the year, the team grew by almost 10 per cent to meet the growing demand for our products”,* said John Olaisen, Co-head of Equity Research.



# 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 and initiatives that promote female equality in the Nordic financial industry. The Foundation's capital is based on 3.8 million ABGSC shares donated by the firm and by current and former senior partners of the firm. The annual dividends from the shares fund the work of the Foundation.

The Foundation focuses primarily on the issue of female recruitment into entry-level positions within the industry. Currently, the core focus is on supporting initiatives that stimulate an increase in the proportion of female students who study finance at universities in the Nordics. This is done by working closely with key Nordic universities to support a network of female students with an interest in the financial industry.

In 2021, the ABGSC Women in Finance Foundation donated about NOK 490,000 to initiatives relevant to this purpose.

Taking action together, for diversity and equality



## Norwegian School of Economics (NHH):

The Women in Finance Foundation continues to be the main sponsor for the successful Women in Finance Day at NHH. This year’s digital event included workshops, discussions and lectures. ABGSC chairman Knut Brundtland delivered a lecture to the participants, and the ABGSC recruitment team contributed by organising workshops. This is the third year in a row that the Foundation has contributed with both academic content and financial support.



## Norwegian University of Science and Technology (NTNU):

Women in Finance NTNU is a student organisation that was established in 2019 at the Norwegian University of Science and Technology in Trondheim. The ABGSC Women in Finance Foundation has been its main partner since its establishment, contributing with both financial and academic support

and helping the organisation to reach out to female students at NTNU. In 2021, the organisation held a digital event where Brundtland participated, together with ABGSC Equity Research Analyst Bengt Jonassen.



## Finansforbundet – CORE:

“Women, Men and Careers in Finance 2.0: Towards More Equal Opportunities?” is a research project conducted by the Center for Gender Equality Research (CORE), which builds upon the principal findings of a previous research project conducted by CORE. The Foundation supports CORE’s initiative and was also involved in the project.

## SASSE Women’s Network:

The SASSE Women’s Network is a female network at the Stockholm School of Economics; the group focuses on female careers, entrepreneurship and leadership. In 2021, ABGSC CEO Jonas Ström held a lecture for the Women’s network and students at the Stockholm School of Economics. The Foundation has supported the SASSE Women’s Network since 2019.



## FutureBoards:

The FutureBoards “*Cross Border Dialogue – Women in Finance*” event was held for a third time in 2021, and the Foundation once again supported it. The event featured a discussion about the state of play in the financial industry, exploring the similarities and differences experienced by women in finance in the UK and Norway. ABGSC’s CEO Jonas Ström participated in the discussion. This is the third time that ABGSC has contributed to this initiative with both academic content and financial support.



## SHE Community:

For the third year in a row, ABGSC contributed financially and academically to the SHE Community organisation. ABGSC also supported the SHE Conference, Europe’s largest gender diversity conference. The conference was held digitally and ABGSC representatives contributed with content. ABGSC also continues to participate in the SHE Index, which measures and compares the gender balance in organisations with the aim of increasing diversity and inclusion.



## BI Norwegian Business School – Female Business Forum:

In 2021, the Foundation supported the Female Business Forum, an initiative organised by BI Norwegian Business School. The goal of the Forum is to inspire young women to take chances in more male-dominated industries, such as the financial industry. At the Forum, Brundtland delivered a lecture on the importance of gender equality in the financial industry.



# 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 within 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 Lindén 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**

Per 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 BAHN in Oslo. He holds a law degree from the University of Oslo.



**Board Member**  
**Martina Klingvall**

Martina Klingvall has a startup background and is known for challenging old business models, and championing 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's 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 A. Engh**

Arild Abel Engh is an independent investor and board member of ABGSC. Since 2018 he has been operating Melesio AS, a partner owned private investment company. He has 30 years of experience within investment banking, financial analysis and investments. Arild Abel Engh joined ABGSC in 1993 and headed the Investment Banking Division of ABGSC from 1999 to 2018. Before joining ABGSC he was involved in the cruise, oil service, bulk shipping and TMT industries. Engh holds an MSc degree in Petroleum Engineering from Norwegian Institute of Technology (NTH-Trondheim) and also completed post graduate studies in Finance from Norwegian School of economics (NHH Bergen).

# 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, investment research and brokerage services.

## COMMENTS TO THE ANNUAL ACCOUNTS

### Highlights

2021 had the highest ever full-year recorded revenues for ABGSC with revenues of NOK 2,911m, up 51% compared to NOK 1,926m in 2020. Correspondingly, operating profit for 2021 increased by 63% to NOK 1,036m and diluted EPS for 2021 was NOK 1.39 compared to NOK 0.78 for 2019. The Board has decided to propose a payment to shareholders of NOK 1.00 per share for the accounting year 2021.

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 1,045m in 2020 to NOK 1,713m in 2021 (+64%). The significant revenue growth was driven by a remarkably strong ECM market, especially in the first half of the year, followed by an upswing in the DCM activity. During the year, ABGSC conducted a total of 36 DCM transactions and 96 ECM transactions, including some 30 IPOs.

Revenues from M&A and Advisory services increased from NOK 381m in 2020 to NOK 595m in 2021 (+56%). In total, ABGSC conducted 24 M&A transactions and 25 direct real estate investments.

Revenues from Brokerage and Research services increased from NOK 501m in 2020 to NOK 603m in 2021 (+21%). The global and Nordic stock markets performed extremely well in 2021. In combination with several new equity listings, the demand for high-quality fundamental research and reliable brokerage services continued to increase.

Total operating costs for the year were NOK 1,875m compared to NOK 1,291m in 2020 (+45%). The increase in compensation cost is mainly driven by higher variable compensation costs as a function of strong top line and profitability, and increased headcount off approx. 9%, reflecting our strategic decision to expand our investment banking operations. Non-compensation costs increased from NOK 297m to NOK 312m (+5%) and remained stable at approx. NOK 1m per head.

Operating profit for 2021 was NOK 1,036m (NOK 635m in 2020), an increase of 63%. Net financial result was NOK -11m compared to NOK -14m in 2020. Net profit after tax was NOK 777xm (NOK 464m in 2020), resulting in EPS (basic) of NOK 1.69 (NOK 0.93 in 2020).

### Balance Sheet and Liquidity

ABGSC maintained a strong balance sheet throughout 2021. Our asset base largely consists of short-term receivables and bank deposits.

The Group’s capital adequacy following the proposed NOK 1.00 dividend payment to shareholders at the end of 2021 was 1.7x (1.6x in 2020) the requirement set by The Financial Supervisory Authority of Norway. The capital ratio before the proposed payment to shareholders was 2.9x for 2021 (3.2x in 2020).

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 2021.

### 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 2021, the parent company received NOK 970m in dividends and group contributions compared to NOK 496m in 2020. The balance sheet is good, with a book equity to total capital of 29% after dividend allocation.

### Allocation of Profit

The net profit of the Company was NOK 771m, and the Board proposes that the Annual General Meeting adopt the following allocation:

NOKm	
Payment to shareholders	NOK 471m
To other equity	NOK 300m
Total allocated	NOK 771m

Following the allocation above, the Company will have a share premium and other equity of NOK 420m.

### Shareholders

The Company's share price closed at NOK 9.23 on 31 December 2021 (NOK 6.38 on 31 December 2020). Shareholders received a total payment of NOK 0.83 per share during 2021, implying a total return of 57.7% in 2021. The Oslo Børs main index (OSEBX) increased by 23.4% in the same period.

At the end of 2021, ABGSC had 6,204 shareholders, and the Group's partners owned approx. 20% of the total shares outstanding and 33% of the total diluted shares. Although ABGSC is a publicly listed company, the Board believes in the 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 payment to the shareholders of NOK 1.00 per share for the accounting year 2021 (NOK 1.00 in 2020). Prevailing regulatory core capital rules imply a need to increase our core capital as the operational risk determination is driven by our consolidated revenues. Norway is expected to implement the new EU capital regulations some time in 2022 or 2023. Although the final details remain to be clarified, our current interpretation indicated a lower minimum capital requirement after implementation.

The Board currently has a mandate from the shareholders to acquire a number of ABG shares corresponding to approx. 10% of the share capital. The one-year mandate is valid until the end of June 2022. Under this mandate, ABGSC purchased 9,317,301 ABG shares in 2021.

The Board currently has a mandate from the shareholders to issue a number of new ABG shares corresponding to approx. 20% of the share capital. The one-year mandate is valid until the end of June 2022. ABGSC did not issue any new ABG shares in 2021.

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

Internal guidelines require that special approval is given for any transactions whereby members

of the Board or management might have conflicting interests with the Group. During 2021, there were no such transactions requiring special approval.

### General Meetings

The ordinary general meeting was held on 20 April 2021. Shareholders had the opportunity to participate in, and vote at, the general meeting without being present by giving proxy to the Company. Jan Petter Collier 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 2021.

### Nomination Committee

In 2021, 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 2021 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 nine board meetings in 2021. 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 2021 was 100%.

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

In 2021, the Compensation Committee consisted of Knut Brundtland as chairperson and Arild A. Engh as a member together with a non-management staff representative. The Compensation Committee is thereby independent of the Group's executive management. The Compensation Committee met twice in 2021 in relation to the remuneration process in the Group.

In 2021, 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 2021.

### **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 financial internal controls. 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.

### **Liability insurance**

ABGSC has entered into liability insurance for members of the Board of Directors and the CEO for their potential liability towards the Company and third parties.

### **Remuneration of the Board of Directors**

Knut Brundtland has received NOK 850k as a board fee from the subsidiary ABG Sundal Collier ASA plus a variable compensation of NOK 850k. Jan Petter Collier received remuneration as a partner of ABGSC for 2021. Arild A. Engh received NOK 1,159k in 2021 for a paid assignment. Other than this, no members of the Board of Directors have undertaken additional paid assignments for the Company in 2021. 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. Henrik Woxholth became the new responsible partner in 2021.

### **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 aims to combine a culture of performance with a focus on responsibility in relation to its stakeholders and the broader environment.

ABGSC endeavours to run its business in accordance with the Ten Principles of the United Nations Global Compact (for information about the principles, visit [www.unglobalcompact.org](http://www.unglobalcompact.org)), which require businesses to be proactive in protecting human rights, labour rights and the environment, and in promoting anti-corruption.

The ABGSC Corporate Social Responsibility Policy was last updated in December 2021 and is available on our website.

**Corporate Responsibility**

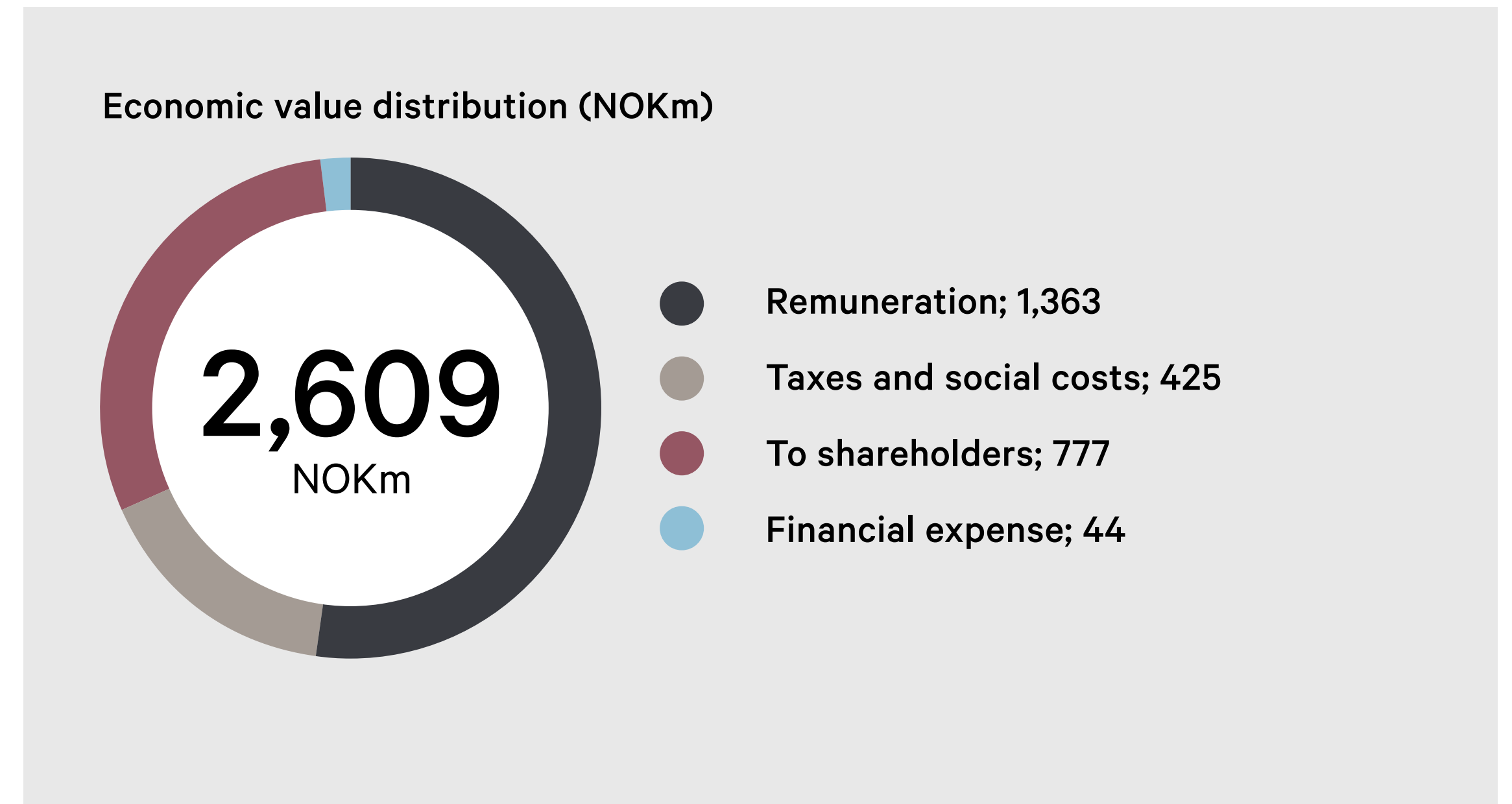
**Governance:** ABGSC is committed to ensuring its corporate governance structures remain robust and fit to face the requirements and challenges of our industry. ABGSC’s Board is composed of individuals with strong business backgrounds, qualified to oversee and guide management on all matters. Various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

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

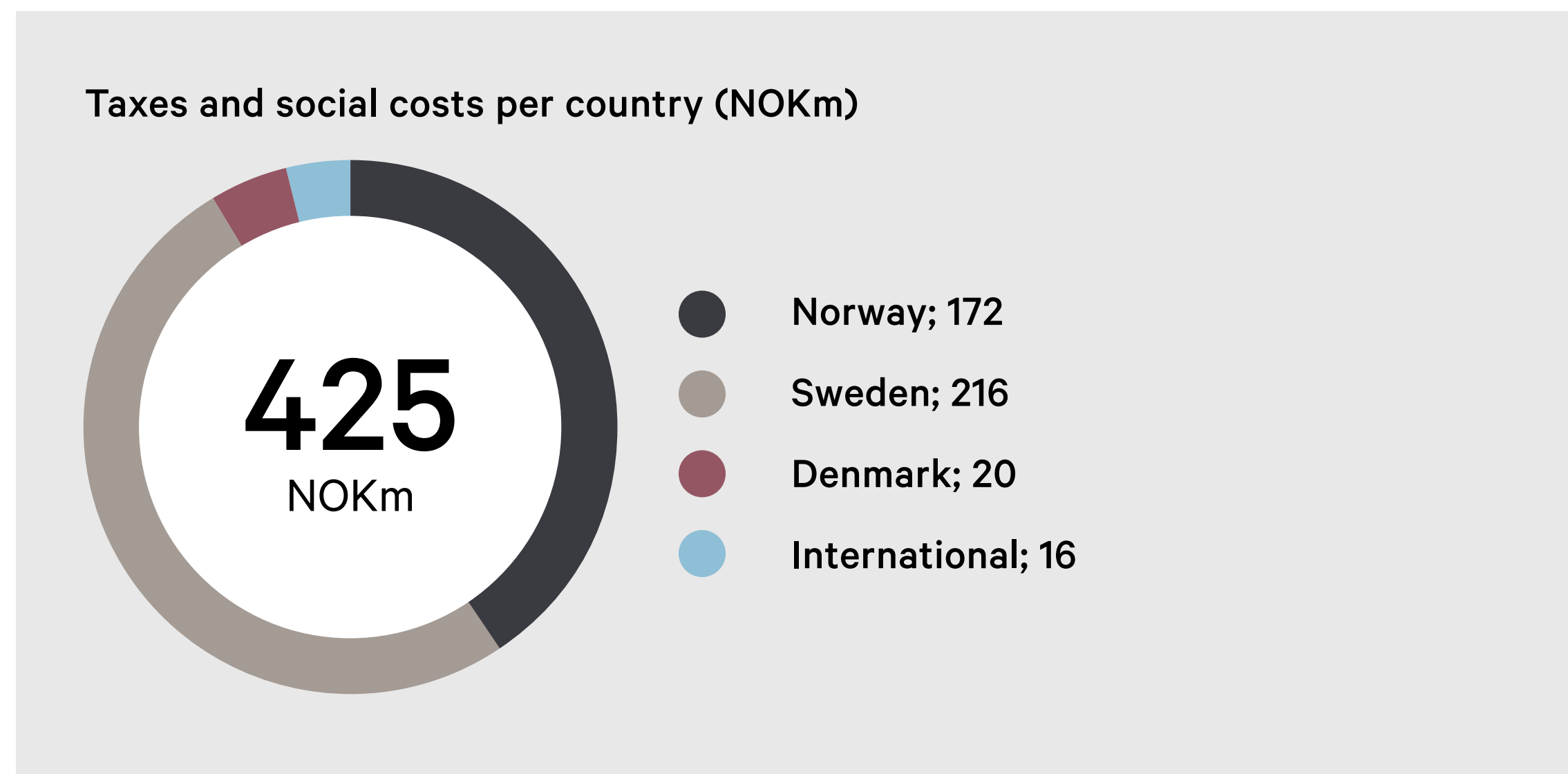
ABGSC’s remuneration policies are based on numerous factors, with long-term commitment, a risk-balanced attitude, client focus and teamwork at their core. ABGSC’s remuneration policies are approved and overseen by the Board and require direct input from control departments, such as Compliance and Risk 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, but we believe this can be achieved through careful planning and a responsible attitude.

In 2021, ABGSC generated NOK 2,609 in economic value, which was distributed as follows:



Taxes and social costs of NOK 425 were as follows per country:



**Acting in the client's best interests:** At the core of our business is our commitment to placing our client's interests above everything else. In serving our clients, we strive to cultivate a culture of integrity and believe in the importance of taking a "tone from the top" approach. Our partnership model furthermore ensures that our teams maintain a long-term focus and that our emphasis on integrity permeates every area of our 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 which are 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 2021.

### 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 in which everyone is valued for their unique contributions and recognised for their talent and performance.

When it comes to recruitment, we maintain an approach that is "gender- and background-neutral". In our hiring process, we seek out candidates whom we consider to have the best potential – regardless of gender, ethnic origin, religious beliefs, sexual orientation, or any other such criteria not relevant to their work. The Group does not classify its employees or partners based on such criteria, nor does it consider these criteria to be relevant to a career with ABGSC.

We are committed to creating an attractive and inclusive working environment for female staff and in the coming years will continue to support initiatives aimed at increasing female interest in the financial industry.

ABGSC is obligated to report on gender equality and anti-discrimination measures and associated staff data in compliance with Norwegian law, specifically the Act on Gender Equality and the Prohibition of Discrimination (Gender Equality and Discrimination Act) ("the Act") (Norwegian: "Lov om likestilling og forbud mot diskriminering (likestillings- og diskrimineringsloven)"). In line with this obligation, the 2021 Gender Equality & Anti-Discrimination Report will be published on ABGSC's website.

### 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. Ninety-nine percent of ABGSC's (full-time) staff are permanently employed, and 100% of ABGSC's total workforce are employed directly by ABGSC.

ABGSC also believes in providing opportunities to individuals at the start of their careers by offering a number of internships and part-time student positions each year. In 2021, the firm took on a total of 72 interns and part-time students in our Oslo, Stockholm and Copenhagen offices. Furthermore, we believe in the importance of employee self-development, and support staff who wish to pursue further education or training.

At ABGSC, we feel strongly about the importance of supporting our staff's physical health, and to that end we offer access to a number of fitness resources and facilities. ABGSC also provides staff with ergonomic workplaces, access to comprehensive medical insurance, and a number of other health and wellness benefits.

Throughout 2021, one of our primary concerns was the health and wellbeing of staff amidst the ongoing COVID-19 pandemic. ABGSC complied with all local and national regulations pertaining to the pandemic. Additionally, we provided staff with the tools and equipment necessary to ensure the best possible experience when working from home.

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 approx. 1%.

### **Environmental impact**

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

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

In 2021, we relocated our Oslo operations to the brand-new VIA complex in Oslo. VIA was built to the highest environmental standards; at every stage of the building's construction – from the demolition of the previous building on the site, to the construction and operation of the new building – environmental sustainability was the central focus. VIA is certified by Europe's leading environmental certification authority for buildings (achieving a BREEAM-NOR Excellent and Energy Class A rating). Additionally, the interior of our office was designed with sustainability as one of the core priorities. Recycled materials were used throughout and almost 90% of the furniture from our old office was re-used. Plus, the majority of new furniture was purchased second-hand.

The relocation of our Oslo operations builds on the successful relocation of our Swedish operations in 2020, to the brand-new, sustainability-focused Urban Escape complex in

Stockholm – one of the most modern and environmentally-friendly office locations in Sweden.

Together, the relocation of both our Norwegian and Swedish operations places the firm in a strong position as we aim to continue further enhancing our sustainability performance in the coming years.

### **ESG reporting**

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 about this over time. We anticipate that our research will continue to analyse ESG metrics in more detail, as we seek to evaluate companies' ESG performance in relation to their policies and ambitions. We believe that emissions and waste are key metrics to consider when analysing companies' performance, but we also pay close attention to corporate governance standards and efforts to improve gender equality. Our Research team also tracks companies' exposure to ESG trends, relevant ESG incidents and any ESG-related opportunities and/or risks.

In 2021, ABGSC hosted several virtual events to contribute to increased awareness of the social and environmental impact of investments. The events were often theme-based and led by ESG experts and corporate leaders. During the year we were also able to return to arranging physical investor trips to ESG-related conferences, such as the "WindEurope Electric City 2021" in Copenhagen.

In 2021 we also began a new initiative to increase the robustness of our own ESG policies and procedures, adopting new commitments and further defining existing commitments. As we look towards the coming years, our ambition is to further enhance our ESG performance, both with respect to our own operations, and the way we engage with clients.

### **Anti-corruption measures**

ABGSC has developed 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

In recent years, CSR issues have been at the forefront of discussions about the role of business in society. We are conscious of our responsibility to engage with these issues. ABGSC continuously considers the ways in which we might better utilise our resources and expertise to make positive social contributions.

In 2021, the Women in Finance Foundation continued to be a priority for ABGSC. Since its creation in 2018, the Foundation has donated approx. NOK 1.145m to support initiatives that stimulate an increase in the proportion of female students who study finance at universities in the Nordics, thereby hopefully increasing the proportion of women who consider careers in the financial industry.

Although the Foundation is self-financed and run as a separate entity, ABGSC provides operational support to the Foundation by contributing resources and manpower to both events and ongoing initiatives.

In 2021, the Foundation continued to focus on fostering a close relationship with key universities in the Nordics, in order to support a network of women with an interest in finance and our industry.

### Prospects for 2022

2021 was a record-breaking year for ABGSC with growth in all business areas. We have carefully grown our organisation and enhanced our product offering while maintaining an agile operation and a capital-light business model. In our opinion, we are better positioned than ever, and we believe we have untapped market potential within several business areas.

While executing a record number of transactions, we were still able to add to our pipeline, and we headed into 2022 with more mandated transactions and a more balanced pipeline than at the same time last year. Still, our ability to execute is, as always, subject to market conditions. We are positive and confident about our market position, but recognise that the recent geo-political events have a negative macro-economic impact and causes significant uncertainty at least in the short-term.

Oslo, 16 March 2022

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 FINANCIAL STATEMENT



## Consolidated statement of comprehensive income

	Notes	2021	2020
<b>OPERATING REVENUES AND COSTS</b>			
Corporate Financing		1,712,825	1,044,577
M&A and Advisory		594,699	380,853
Brokerage and Research		603,492	500,604
<b>Total operating revenues</b>	3	<b>2,911,016</b>	<b>1,926,034</b>
Personnel costs	9	1,563,313	994,060
Other operating costs	9	248,906	241,782
Depreciation	11, 15	62,990	54,933
<b>Total operating costs</b>		<b>1,875,209</b>	<b>1,290,774</b>
<b>Operating profit</b>		<b>1,035,807</b>	<b>635,261</b>
<b>FINANCIAL INCOME AND COSTS</b>			
Interest income		31,844	33,568
Result from associated companies	16	-3,900	-9,928
Other financial income		1,454	3,925
Interest costs		-37,874	-40,132
Other financial costs		-2,267	-1,262
<b>Net financial result</b>		<b>-10,743</b>	<b>-13,829</b>
<b>Profit before taxes</b>		<b>1,025,064</b>	<b>621,432</b>
Tax cost	10	247,952	157,861
<b>NET RESULT FOR THE YEAR</b>		<b>777,112</b>	<b>463,570</b>

	Notes	2021	2020
<b>Profit / loss for the year attributable to:</b>			
Owners of the parent		759,888	411,762
Non-controlling interests		17,224	51,808
Diluted earnings per share	21	1.39	0.78
Basic earnings per share	21	1.69	0.93
<b>Consolidated statement of other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>			
Exchange differences on translating foreign operations	13	-15,868	6,594
Profit/loss on hedges of net assets of foreign operations	13	18,963	-6,846
Income tax relating to items that may be reclassified	13	-4,741	1,711
<b>Total other comprehensive income</b>		<b>-1,646</b>	<b>1,460</b>
<b>Total comprehensive income for the year</b>		<b>775,466</b>	<b>465,030</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent		758,243	413,222
Non-controlling interests		17,224	51,808

## Consolidated statement of financial position as of 31 December

	Notes	2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Deferred tax assets	10	56,436	33,888
Goodwill	14	93,308	93,308
Other intangible assets	15	29,746	37,414
<b>Total intangible assets</b>		<b>179,491</b>	<b>164,610</b>
<b>Tangible non-current assets</b>			
Office equipment and fittings	15	56,896	39,081
Right-of-use assets	11	496,956	249,887
<b>Total tangible non-current assets</b>		<b>553,851</b>	<b>288,968</b>
<b>Financial non-current assets</b>			
Long-term receivables	8	28,298	22,455
Investments in associates	16	48,053	51,953
Other shares	12	2,789	2,944
<b>Total financial non-current assets</b>		<b>79,140</b>	<b>77,352</b>
<b>Total non-current assets</b>		<b>812,482</b>	<b>530,931</b>

	Notes	2021	2020
<b>Current assets</b>			
<b>Receivables</b>			
Accounts receivables	6 - 8, 19	916,957	1,043,164
Receivables from stockbrokers	6 - 8	354,393	410,659
Other receivables	6, 8, 17	120,946	168,975
<b>Total receivables</b>	<b>12</b>	<b>1,392,296</b>	<b>1,622,798</b>
<b>Investments</b>			
Securities and financial instruments	6, 12	541,194	65,108
<b>Cash and bank deposits</b>			
Cash and bank deposits	6, 12, 20	1,388,478	1,251,298
<b>Total current assets</b>		<b>3,321,967</b>	<b>2,939,204</b>
<b>TOTAL ASSETS</b>		<b>4,134,449</b>	<b>3,470,134</b>

## Consolidated statement of financial position as of 31 December

	Notes	2021	2020
<b>EQUITY AND LIABILITIES</b>			
Equity			
<b>Paid-in-capital</b>			
Share capital	22	108,272	108,272
Treasury shares at nominal value	22	-4,456	-6,196
Share premium		10,984	10,984
<b>Total paid-in-capital</b>		<b>114,801</b>	<b>113,060</b>
Retained earnings		1,099,074	780,864
<b>Equity attributable to owners of the parent</b>		<b>1,213,874</b>	<b>893,924</b>
Non controlling interests	14	19,764	89,920
<b>Total equity</b>	4	<b>1,233,639</b>	<b>983,843</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax	10	8,718	11,940
Long-term provisions	8	32,392	24,509
Lease liabilities	11	451,180	215,743
Deposits from partners		4,350	4,190
<b>Total non-current liabilities</b>		<b>496,639</b>	<b>256,381</b>

	Notes	2021	2020
<b>Current liabilities</b>			
Accounts payable	6, 8	13,306	66,780
Liabilities payable to customers	6 - 8, 12	535,915	858,608
Securities and financial instruments (short positions)	6, 12	12,951	38,038
Liabilities payable to stockbrokers	6 - 8, 12	373,393	442,246
Income tax payable	6, 8, 10	234,703	125,741
Public dues payable	6, 8	45,105	30,176
Lease liabilities	11	57,997	42,570
Other liabilities	6, 8, 17	1,130,801	625,750
<b>Total current liabilities</b>	12	<b>2,404,171</b>	<b>2,229,909</b>
<b>Total liabilities</b>		<b>2,900,810</b>	<b>2,486,290</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,134,449</b>	<b>3,470,134</b>

Oslo, 16 March 2022

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

	2021	2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxes	1,025,064	621,432
Interest income	-31,844	-33,568
Interest received	29,487	28,155
Interest costs	37,874	40,132
Interest paid	-28,750	-30,451
Total other comprehensive income before taxes	3,095	-251
Taxes paid	-168,250	-72,973
Depreciation	62,990	54,933
Result from associated companies	3,900	9,928
Change in investments	-501,173	-8,760
Change in accounts receivables/receivables from other stockbrokers	182,473	-274,764
Change in accounts payable/payable to customers and other stockbrokers	-445,020	432,607
Change in other current assets/liabilities	576,324	266,932
<b>Net cash flow from operating activities</b>	<b>746,170</b>	<b>1,033,351</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets /intangible assets	-32,351	-41,658
Investments in financial non-current assets	-7,161	-34,974
<b>Net cash flow from investing activities</b>	<b>-39,513</b>	<b>-76,632</b>

	2021	2020
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of loans	160	0
Repayment of lease liabilities	-43,966	-41,575
Change in own shares	34,973	-26,802
Payment to shareholders	-560,644	-207,663
<b>Net cash flow from financing activities</b>	<b>-569,478</b>	<b>-276,039</b>
Net increase/ (decrease) in bank deposits, cash and cash equivalents	137,180	680,680
Bank deposits, cash and cash equivalents as of 1 January	1,251,298	570,618
<b>Bank deposit, cash and cash equivalents as of 31 December</b>	<b>1,388,478</b>	<b>1,251,298</b>

## Consolidated statement of changes in equity

	Share capital	Own shares	Share premium	Retained earnings	Cumulative translation differences	Non-controlling interests	Total equity
<b>Shareholders' equity as of 1 January 2020</b>	<b>108,272</b>	<b>-3,225</b>	<b>10,984</b>	<b>556,207</b>	<b>18,856</b>	<b>62,183</b>	<b>753,277</b>
Net result for the year				411,762		51,808	463,570
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
<b>Shareholders' equity as of 31 December 2020</b>	<b>108,272</b>	<b>-6,196</b>	<b>10,984</b>	<b>762,259</b>	<b>18,604</b>	<b>89,920</b>	<b>983,843</b>
Net result for the year				759,889		17,224	777,112
Other comprehensive income				-4,741	3,095		-1,646
Payment to shareholders				-473,265		-87,379	-560,644
Change in own shares		1,740		33,232			34,973
<b>Shareholders' equity as of 31 December 2021</b>	<b>108,272</b>	<b>-4,456</b>	<b>10,984</b>	<b>1,077,374</b>	<b>21,699</b>	<b>19,764</b>	<b>1,233,639</b>



# Notes to the Consolidated Financial Statement

## Policies

- Note 1 – Accounting policies
- Note 2 – Significant accounting judgements and estimates

## Segments

- Note 3 – Information about segments and geographical markets

## Risks

- Note 4 – Capital ratio
- Note 5 – Risk management
- Note 6 – Market risk
- Note 7 – Credit risk
- Note 8 – Liquidity risk

## Income statement

- Note 9 – Wages and social costs
- Note 10 – Taxes
- Note 11 – Rental cost and lease commitments

## Statement of financial position

- Note 12 – Fair value measurement of financial assets and liabilities
- Note 13 – Hedging of net assets of foreign operations
- Note 14 – Goodwill, acquisitions and non-controlling interests
- Note 15 – Fixed assets
- Note 16 – Investments in associated companies
- Note 17 – Other receivables and liabilities
- Note 18 – Guarantees and mortgages
- Note 19 – Accounts receivables
- Note 20 – Cash and bank deposits and funds on client accounts

## Other

- Note 21 – Earnings per share
- Note 22 – Shareholder information
- Note 23 – Forward contracts for ABG shares held by partners of the Group
- Note 24 – Related parties
- Note 25 – Legal matters / disputes
- Note 26 – Significant subsequent events



## 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 its 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 2021 were approved by the Board of Directors of ABG Sundal Collier Holding ASA on 16 March 2022.

### 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 measured at fair value through profit or loss.

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 all the 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 at fair value through profit or loss, unrealised exchange differences are recognised in the income statement. For non-monetary financial investments, 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 component (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 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 through 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 practices 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 hedge. 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 is recognised upon completion of the transaction, or if 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.

<b>Geographical segment:</b>	<b>2021</b>	<b>2020</b>
Norway	1,393,317	1,038,785
Sweden	1,091,897	574,374
Denmark	156,954	79,059
International	268,848	233,816
<b>Total</b>	<b>2,911,016</b>	<b>1,926,034</b>

## 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:

	2021	2020
Capital adequacy of credit-, counterparty-, and business risk	836,396	559,574
Capital adequacy of position-, and currency risk	157,332	75,780
Capital adequacy of operational risk	3,849,000	2,750,602
<b>Total capital adequacy</b>	<b>4,842,728</b>	<b>3,385,956</b>
Booked equity	1,233,639	983,843
Proposed payment to shareholders and non controlling interests	-471,141	-420,168
Intangible assets	-114,898	-122,715
<b>Core capital</b>	<b>647,600</b>	<b>440,961</b>
<b>Total capital adequacy ratio</b>	<b>13.4%</b>	<b>13.0%</b>
<b>Number of times regulatory minimum</b>	<b>1.7x</b>	<b>1.6x</b>

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

Geographical segment:	2021	2020
2021	2,900,273	
2020	1,912,206	1,912,206
2019	1,345,922	1,345,922
2018		1,142,835
<b>Capital adequacy of operational risk</b>	<b>3,849,000</b>	<b>2,750,602</b>

## 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 hedges 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	9,854	11,717	-1,863	-18,611
GBP	12,659	11,709	951	11,302
USD	56,513	50,654	5,860	51,677
SEK	1,844,151	1,798,616	45,535	44,374
DKK	122,898	131,876	-8,978	-12,059
Other currencies				12,663
<b>Total net position currency 2021</b>				<b>89,345</b>
<b>Total net position currency 2020</b>				<b>-5,660</b>

## 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.

	2021	2020
Receivables from Securities Financing clients	153,494	216,516
Market value of collateral from Securities Financing clients	587,585	659,096
<b>Net exposure to Securities Financing clients</b>	<b>-</b>	<b>-</b>

### 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 2021.

	2021	2020
Accounts receivables	763,463	826,648
Receivables from broker firms	354,393	410,659
Liabilities payable to broker firms	-373,393	-442,246
Liabilities payable to customers	-535,915	-858,608
<b>Net exposure other accounts receivables / settlement risk</b>	<b>208,548</b>	<b>-63,548</b>

### 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 2021 ABGSC has outstanding FX contracts of NOK 22m. 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

	2021		2020	
	Book value	Net value	Book value	Net value
<b>Assets</b>				
Financial derivatives	21,536	15,634	21,176	6,993
Received collateral	19,371	19,371	15,310	15,310
<b>Net exposure</b>	<b>2,164</b>	<b>-</b>	<b>5,866</b>	<b>-</b>

	2021		2020	
	Book value	Net value	Book value	Net value
<b>Liabilities</b>				
Financial derivatives	9,858	3,957	27,114	12,931
Pledged collateral	198,876	198,876	79,725	79,725

All market risk in relation to equity derivative exposure toward clients is offset through equivalent contracts with counterparties. Credit risk exposure in connection with this activity is mitigated by daily exchange of collateral.

	Forward	Option
Positive market value	97,904	23,016
Negative market value	-97,904	-23,016
<b>Net value</b>	<b>-</b>	<b>-</b>

## Note 8 – Liquidity risk

Amounts included earned interest:

Agreed rest maturity assets	1-30 days	30 days -			Total value
		1 year	1-3 years	>3 years	
Long term receivables			28,298		28,298
Accounts receivables	881,360	35,597			916,957
Receivables from stockbrokers	354,393				354,393
Other current receivables	120,946				120,946
<b>Total 2021</b>	<b>1,356,699</b>	<b>35,597</b>	<b>28,298</b>	<b>-</b>	<b>1,420,594</b>
<b>Total 2020</b>	<b>1,622,798</b>	<b>-</b>	<b>22,455</b>	<b>-</b>	<b>1,645,253</b>

Agreed rest maturity liabilities	1-30 days	30 days -			Total value
		1 year	1-3 years	>3 years	
Long-term provisions			26,538	5,854	32,392
Lease liabilities		57,997	117,120	334,060	509,177
Accounts payable	13,306				13,306
Liabilities payable to customers	535,915				535,915
Liabilities payable to stockbrokers	373,393				373,393
Social and corporate taxes		279,809			279,809
Other liabilities		1,130,801			1,130,801
<b>Total 2021</b>	<b>922,614</b>	<b>1,468,606</b>	<b>143,658</b>	<b>339,914</b>	<b>2,874,792</b>
<b>Total 2020</b>	<b>1,367,635</b>	<b>824,236</b>	<b>71,223</b>	<b>169,029</b>	<b>2,432,123</b>

## Note 9 – Wages and social costs

	2021	2020
Wages/partner remuneration	1,331,413	838,633
Social security tax	176,735	102,918
Pension costs including social security tax	32,086	32,348
Other personnel costs	23,080	20,160
<b>Total wages and social costs</b>	<b>1,563,313</b>	<b>994,060</b>
Average number of man-labour years	311	285

### 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 report will be presented at the Annual General Meeting on 26 April 2022.

### Executive Committee Remuneration policy in 2021

The remuneration policy has been implemented in accordance with the guidelines adopted in 2021 and presented at the Annual General Meeting on 20 April 2021.

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 2021. Board fees paid in 2021 and outstanding numbers of shares as of 31 December 2021 are shown in the table below:

Board member	Board Fee	Other fee <sup>1)</sup>	Number of Shares
Knut Brundtland (Chairman) <sup>2)</sup>	700	1,725	5,333,000
Adele Norman Pran	270	100	0
Arild A. Engh <sup>3)</sup>	270	1,259	5,332,976
Jan Petter Collier <sup>4)</sup>	270	10	40,322,000
Martina Klingvall	270	100	0

Nomination Committee	Other fee	Number of Shares
Stein Aukner <sup>5)</sup>	40	75,429
Roy Myklebust	20	2,000,000
Jan Petter Collier <sup>4)</sup>	20	40,322,000

<sup>1)</sup> Other fee is fees related to Audit Committee, Compensation Committee, Board Fees for board membership in subsidiaries and remuneration for paid assignment

<sup>2)</sup> Knut Brundtland received in respect of calendar year 2021 in total NOK 1.700k as board fee and variable compensation from ABG Sundal Collier ASA. Knut Brundtland incl. the family owned company Giotto AS also owns 8,750,000 ABG shares on forward contracts.

<sup>3)</sup> Arild A. Engh received in respect of calendar year 2021 NOK 1,159k as remuneration for a paid assignment

<sup>4)</sup> Jan Petter Collier has through his partnership in ABGSC received a fixed compensation of NOK 6,500k, a variable compensation in respect of calendar year 2021 of NOK 12,400k, pension contribution of NOK 72k and benefits in kind of NOK 26k

<sup>5)</sup> 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 individuals' remuneration and shareholding as of 31 December 2021 and 31 December 2020 are shown in the tables below:

Name	Position	2021					Number of shares	Number of shares on forward contracts <sup>3)</sup>
		Fixed compensation <sup>1)</sup>	Variable compensation <sup>1) &amp; 2)</sup>	Pension contribution	Benefits in kind			
Jonas Ström	CEO	10,043	10,075	220	18	1,600,000	4,275,000	
Are Andersen	Head of IB	10,000	18,900	72	26	3,690,184	2,000,000	
Geir B. Olsen	CFO	2,200	3,700	72	26	900,000	700,000	
Jessica Blink	Head of Legal	1,839	989	215	18	190,000	60,000	
John Olaisen	Co-head of Global Research	6,500	13,000	72	26	1,430,000	2,950,000	
Per Flostrand	Head of Equity Sales International	10,049	10,075	155	18	865,000	3,850,000	
Peter Straume	Managing Partner Norway	10,000	18,900	72	67	1,232,500	3,425,000	

<sup>1)</sup> 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.

<sup>2)</sup> Variable compensation in respect of calendar year 2021.

<sup>3)</sup> The forward contracts have settlement in 2022-2026.

		2020					
<b>Name</b>	<b>Position</b>	<b>Fixed compensation <sup>1)</sup></b>	<b>Variable compensation <sup>1) &amp; 2)</sup></b>	<b>Pension contribution</b>	<b>Benefits in kind</b>	<b>Number of shares</b>	<b>Number of shares on forward contracts <sup>3)</sup></b>
Jonas Ström	CEO	6,160	6,316	217	34	1,128,000	4,247,000
Are Andersen	Head of IB	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 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 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

<sup>1)</sup> 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.

<sup>2)</sup> Variable compensation in respect of calendar year 2020.

<sup>3)</sup> The forward contracts have settlement in 2021-2025.

### 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.

	Audit fee	Assurance services	Tax services <sup>1)</sup>	Other non-audit services	Total
<b>2021</b>					
Deloitte Norway	1,115	118	440	-	1,672
Deloitte Abroad	852	-	16	-	868
<b>Total Deloitte</b>	<b>1,967</b>	<b>118</b>	<b>456</b>	<b>-</b>	<b>2,540</b>
Others	777	-	79	-	856
<b>Total</b>	<b>2,744</b>	<b>118</b>	<b>535</b>	<b>-</b>	<b>3,396</b>
<b>2020</b>					
Deloitte Norway	1,238	93	458	127	1,915
Deloitte Abroad	667	-	-	-	667
<b>Total Deloitte</b>	<b>1,905</b>	<b>93</b>	<b>458</b>	<b>127</b>	<b>2,582</b>
Others	1,173	-	178	-	1,351
<b>Total</b>	<b>3,078</b>	<b>93</b>	<b>636</b>	<b>127</b>	<b>3,933</b>

<sup>1)</sup> Tax services consists of technical support regarding preparation of tax papers.



## Note 10 – Taxes

<b>Tax cost in the income statement</b>	<b>2021</b>	<b>2020</b>
Tax payable in Norway	179,602	131,836
Tax payable outside Norway	94,662	37,507
<b>Total tax payable</b>	<b>274,264</b>	<b>169,343</b>
Change in deferred tax in Norway	-22,486	-15,643
Change in deferred tax outside Norway	-3,826	4,161
<b>Total change in deferred tax</b>	<b>-26,312</b>	<b>-11,482</b>
<b>Tax cost</b>	<b>247,952</b>	<b>157,861</b>
<b>Reconciliation from nominal to effective tax rate</b>		
Profit before taxes	1,025,064	621,432
Expected tax cost based on nominal tax rate (22%)	225,514	136,715
Net tax free gain/loss and other income	6,800	1,109
Non deductible costs	5,259	4,366
Prior year adjustment	1,410	-5,089
Loss carried forward	0	-33
Effect on finance tax in Norway	18,365	14,345
Differences in tax rates outside Norway and FX-effects	-9,397	6,448
<b>Tax cost on ordinary profit</b>	<b>247,952</b>	<b>157,861</b>
Effective tax rate	24.2 %	25.4 %
<b>Tax payable in the balance sheet</b>		
Total tax payable	274,264	169,343
Tax on comprehensive income	4,803	-5,820
Tax paid in advance	-41,099	-40,275
FX effects	-1,855	-2,566
Prior year adjustment	-1,410	5,060
<b>Tax payable at year end</b>	<b>234,703</b>	<b>125,741</b>

<b>Tax effect on temporary differences at year end</b>	<b>2021</b>	<b>2020</b>
<b>Current items</b>		
Receivables	2,290	2,919
Provisions	58,066	5,400
Shares	354	-1,640
Other current items	-2,816	22,805
<b>Total current items</b>	<b>57,894</b>	<b>29,484</b>
<b>Non current items</b>		
Fixed assets	-1,457	-2,029
Other non current items	-8,718	-5,507
<b>Total non current items</b>	<b>-10,175</b>	<b>-7,536</b>
<b>Total deferred tax asset</b>	<b>47,719</b>	<b>21,949</b>
Recognized deferred tax asset	56,436	33,888
Recognized deferred tax liability	8,718	11,940
<b>Net deferred tax asset</b>	<b>47,719</b>	<b>21,949</b>
<b>Reconciliation of changes in deferred tax asset</b>		
Net tax asset at 1 January	21,949	13,567
Total change in deferred tax	26,312	11,482
FX-effect	62	1,009
Income tax relating to other comprehensive income	-604	-4,109
<b>Total deferred tax asset as of 31 December</b>	<b>47,719</b>	<b>21,949</b>

## Note 11 – Rental costs and lease commitments

<b>Right-of-use assets</b>	<b>2021</b>	<b>2020</b>
Right-of-use assets as of 1 January	249,887	64,988
Additions	294,274	199,795
Depreciation of the year	-43,602	-36,022
Revaluation	9,488	-463
FX-effects	-13,091	21,588
<b>Right-of-use assets as of 31 December</b>	<b>496,956</b>	<b>249,887</b>
Remaining lease-term	1-10 years	1-7 years
Depreciation method	Linear	Linear
<b>Lease liabilities</b>		
<b>Undiscounted lease liabilities and maturity of cash outflow</b>	<b>2021</b>	<b>2020</b>
< 1 year	57,997	42,570
1-2 years	95,091	37,553
2-3 years	65,386	33,460
3-4 years	66,046	32,586
4-5 years	64,734	32,586
> 5 years	285,989	119,638
<b>Total undiscounted lease liabilities as of 31 December</b>	<b>635,242</b>	<b>298,392</b>
Discount element	-126,065	-40,079
<b>Total discounted lease liabilities as of 31 December</b>	<b>509,177</b>	<b>258,313</b>
Interest expense on lease liabilities	9,124	9,681
Income from subleasing right-of-use assets	6,356	6,308

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

<b>Financial assets</b>	<b>2021</b>	<b>2020</b>
Financial instruments at fair value through profit and loss	543,983	68,052
Receivables	1,392,296	1,622,798
Cash and bank deposits	1,388,478	1,251,298
<b>Total financial assets</b>	<b>3,324,756</b>	<b>2,942,148</b>
<b>Financial liabilities</b>		
Financial instruments at fair value through profit and loss	12,951	38,038
Liabilities to customers and stockbrokers	909,308	1,300,854
Other current liabilities	1,481,912	891,017
<b>Total financial liabilities</b>	<b>2,404,171</b>	<b>2,229,909</b>

### 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 assets, if any.

## Specification of financial instruments divided by valuation techniques

	2021			
Assets	Level 1	Level 2	Level 3	Total
Securities and financial trading instruments	541,194	-	2,789	543,983
<b>Total</b>	<b>541,194</b>	<b>-</b>	<b>2,789</b>	<b>543,983</b>
<b>Liabilities</b>				
Securities and financial trading instruments (short positions)	12,951	-	-	12,951
<b>Total</b>	<b>12,951</b>	<b>-</b>	<b>-</b>	<b>12,951</b>

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

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

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

	2021	2020
<b>Balance as of 1 January</b>	<b>2,944</b>	<b>2,725</b>
Additions/purchase of shares	-155	219
Disposal of shares	-	-
<b>Balance as of 31 December</b>	<b>2,789</b>	<b>2,944</b>

## Note 13 – Hedging of net assets of foreign operations

As of 31 December 2021 the Group had the following amounts in hedging instruments:

Currency	Bank accounts	FX-forwards	in NOK
DKK	24,420	-	32,800
EUR	-1,274	-	-12,721
GBP	-320	-8,000	-98,902
SEK	-85,994	-400,000	-473,602
SGD	-182	-1,400	-10,344
USD	-617	-23,000	-208,289

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 2021, the hedging instruments had a profit of NOK 14.3m 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 2021 (2020: 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 2021 (2020: No impairment charge). The goodwill originates from the ABG merger in 2001 and the acquisition of Vika Project Finance AS in 2017.

	2021			2020		
	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
<b>Balance at end of year</b>	<b>34,870</b>	<b>58,438</b>	<b>93,308</b>	<b>34,870</b>	<b>58,438</b>	<b>93,308</b>

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
<b>Balance at end of year</b>	<b>34,870</b>	<b>58,438</b>	<b>93,308</b>	<b>34,870</b>	<b>58,438</b>	<b>93,308</b>

Equity attributable to non-controlling interests	2021	2020
Balance at beginning of year	89,920	62,183
Comprehensive income to non-controlling interests	17,224	51,808
Payment to shareholders	-87,379	-24,071
<b>Balance at end of year</b>	<b>19,764</b>	<b>89,920</b>

Total revenues, profit before tax and net cash flow for ABG Sundal Collier Fastena AB was in 2021 respectively 35m NOK, 20m NOK and 30m NOK, whereas total assets and equity was 32m NOK and 44m NOK.

## Note 15 – Fixed assets

	Other intangible assets	Office equipment and fittings
Acquisition cost as of 1 January 2021	61,326	99,115
FX-adjustment	-2,429	-2,989
Additions	2,823	29,528
<b>Acquisition cost as of 31 December 2021</b>	<b>61,720</b>	<b>125,654</b>
Accumulated depreciation as of 1 January 2021	23,911	60,033
FX-adjustment	-1,542	-1,047
Depreciation	9,605	9,772
<b>Accumulated depreciation as of 31 December 2021</b>	<b>31,974</b>	<b>68,758</b>
<b>Carrying amount as of 1 January 2021</b>	<b>37,414</b>	<b>39,081</b>
<b>Carrying amount as of 31 December 2021</b>	<b>29,746</b>	<b>56,896</b>
Depreciation rates (linear method)	12.5 - 20%	12.5 - 33%

	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
<b>Acquisition cost as of 31 December 2020</b>	<b>61,326</b>	<b>99,115</b>
Accumulated depreciation as of 1 January 2020	11,923	50,959
FX-adjustment	1,325	828
Depreciation	10,664	8,247
<b>Accumulated depreciation as of 31 December 2020</b>	<b>23,911</b>	<b>60,033</b>
<b>Carrying amount as of 1 January 2020</b>	<b>43,769</b>	<b>8,472</b>
<b>Carrying amount as of 31 December 2020</b>	<b>37,414</b>	<b>39,081</b>
Depreciation rates (linear method)	12.5 - 20%	12.5 - 33%

## Note 16 – Investments in associated companies

2021						
Entity	Industry	Ownership interest	Carrying amount 01.01.2021	Investment in 2021	Net result 2021	Carrying amount 31.12.2021
Kameo AS	Crowdfunding	27.74 %	41,606	0	-6,000	35,606
Nordier Property Group AB, Sweden	Property	38.56 %	10,348	0	2,100	12,448
<b>Total</b>			<b>51,953</b>	<b>0</b>	<b>-3,900</b>	<b>48,053</b>

2020						
Entity	Industry	Ownership interest	Carrying amount 01.01.2020	Investment in 2020	Net result 2020	Carrying amount 31.12.20
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
<b>Total</b>			<b>28,880</b>	<b>33,002</b>	<b>-9,928</b>	<b>51,953</b>

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

2021					
	Assets	Liabilities	Equity	Revenues	Result for the year
Kameo AS	71,275	6,013	65,261	30,490	-21,837
Nordier Property Group AB, Sweden	34,131	16,341	15,981	64,899	5,547

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

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

Nordier has in 2021 repaid a loan of TSEK 3.856 granted by ABGSC in 2019. ABGSC has received revenue from Kameo for services in 2021 of TNOK 823 (TNOK 5,142 in 2020). Kameo has in 2021 repaid a NOK 5m granted by ABGSC in 2020. ABGSC has not booked any interest income on this loan (TNOK 75 in 2020).

## Note 17 – Other receivables and liabilities

	2021	2020
Prepaid costs	46,207	42,762
Not yet invoiced revenues and project-costs	61,057	99,877
Other receivables	13,682	26,336
<b>Total other receivables</b>	<b>120,946</b>	<b>168,975</b>
Amounts due to partners/employees (incl. national insurance contribution)	1,094,832	580,329
Accrued costs and other short-term liabilities	35,969	45,421
<b>Total other liabilities</b>	<b>1,130,801</b>	<b>625,750</b>

## Note 18 – Guarantees and mortgages

	2021	2020
Shares	579,086	81,968
Net receivables	362,042	152,969
<b>Total assets pledged as collateral</b>	<b>941,128</b>	<b>234,936</b>
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 2021 the Group has no bank overdraft.

## Note 19 – Accounts receivables

	2021	2020
Gross accounts receivables	918,520	1,045,863
Allowance for doubtful accounts	-1,562	-2,699
<b>Net accounts receivables</b>	<b>916,957</b>	<b>1,043,164</b>

## 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 310m (NOK 202m in 2020). ABGSC has bank overdraft facilities with a total limit of NOK 1,000m (NOK 1,000m in 2020). 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.

	2021	2020
Client funds	920,069	555,834
Client debt	911,163	539,525
<b>Net funds on client accounts</b>	<b>8,906</b>	<b>16,309</b>

## Note 21 – Earnings per share

<b>Basic earnings per share</b>		<b>2021</b>	<b>2020</b>
Profit for the year attributable to the owners of the parent		759,888	411,762
Average number of outstanding shares less own shares	Numbers in 1,000	449,024	444,007
<b>Basic earnings per share</b>		<b>1.69</b>	<b>0.93</b>
<b>Diluted earnings per share</b>			
Profit for the year attributable to the owners of the parent		759,888	411,762
Interest on forward contracts		4,160	5,381
Numerator diluted EPS		764,048	417,143
Average number of outstanding shares	Numbers in 1,000	470,747	470,747
Average number of own shares	Numbers in 1,000	-21,723	-26,740
Average number of shares on forward contracts	Numbers in 1,000	101,334	93,061
Diluted average number of shares	Numbers in 1,000	550,358	537,068
<b>Diluted earnings per share</b>		<b>1.39</b>	<b>0.78</b>



## Note 22 – Shareholder information

As of 31 December 2021 there are a total of 470,747,095 (470,747,095 as of 31 December 2020) 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 101,510,600 (94,482,800 as of 31 December 2020) shares from the company with settlement in 2022-2026. The Company owns 19,370,972 treasury shares at year-end, a decrease of 7,569,099 shares from the beginning of the year. The Company has authorisation to repurchase its shares in the market or to issue new shares. In 2021, the Company purchased 1,352,500 shares from departing partners at a total of NOK 7,999,011 and sold 16,886,400 shares to partners at NOK 90,850,462 either cash purchase or 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 7,964,801 shares in structured buy-back offers at NOK 70,180,882.

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 2021 (registered in VPS as of 4 January 2022)

Shareholder	Number of shares	Share
Sanden Equity AS *	39,082,233	8.3%
ABG Sundal Collier Holding ASA (own shares)	19,370,972	4.1%
Landkreditt Utbytte	15,000,000	3.2%
Erling Neby AS	12,600,000	2.7%
State Street Bank (nominee)	10,152,025	2.2%
Verdipapirfondet First Veritas	6,883,806	1.5%
Skandinaviska Enskilda Banken AB	6,684,551	1.4%
Avanza Bank AB (nominee)	6,428,013	1.4%
Citibank (nominee)	6,235,797	1.3%
Skandinaviska Enskilda Banken AB (nominee)	6,150,000	1.3%
Brown Brother Harriman (nominee)	5,824,908	1.2%
State Street Bank (nominee)	5,648,013	1.2%
A/S Skarv	5,500,000	1.2%
Hausta Investor AS	5,500,000	1.2%
Skandinaviska Enskilda Banken AB (nominee)	5,154,929	1.1%
Brown Brother Harriman (nominee)	5,002,191	1.1%
Peter Schofield	4,623,000	1.0%
KLP AksjeNorge Indeks	4,286,519	0.9%
Nordnet Bank AB (nominee)	4,145,485	0.9%
Kilen AS **	3,824,376	0.8%
<b>Total top 20</b>	<b>178,096,818</b>	<b>37.8%</b>
Other	292,650,277	62.2%
<b>Total</b>	<b>470,747,095</b>	<b>100.0%</b>

\* 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 Equity 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 101,510,600 shares as of 31 December 2021. The forward contracts are for settlement in 2022 – 2026. 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)	Volume weighted average exercise price (NOK per share)
2022	11,211,300	2.15	2.78	2.37
2023	10,390,000	2.75	3.71	3.53
2024	40,384,500	1.96	2.64	2.22
2025	26,590,800	1.35	3.76	1.44
2026	12,934,000	6.86	9.37	7.00
<b>Total</b>	<b>101,510,600</b>			

The exercise price is adjusted for paid dividend after the partners purchased the shares on forward contracts. The stated high/low and average prices have not been adjusted for the proposed final payment to shareholders of NOK 1.00 per share.

### Restrictions on shares

As of 31 December 2021, partners of ABGSC held a total of 92,282,105 shares (registered in VPS) in the Company. These shares are subject to certain material restrictions. A total of 18,309,986 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
- Vika Business Management AS

## 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 470.7m.



# ABG SUNDAL COLLIER HOLDING ASA - FINANCIAL STATEMENT



## ABG Sundal Collier Holding ASA - Income statement

	Notes	2021	2020
<b>OPERATING REVENUES AND COSTS</b>			
Revenues		0	0
<b>Total operating revenues</b>		<b>0</b>	<b>0</b>
Wages and social costs	8	2,493	2,749
Administration costs	8	2,574	2,226
<b>Total operating costs</b>		<b>5,067</b>	<b>4,975</b>
<b>Operating loss</b>		<b>-5,067</b>	<b>-4,975</b>
<b>FINANCIAL INCOME AND COSTS</b>			
Interest income from group companies	7	1,041	1,771
Other interest income		9	6
Dividend/contribution from group companies	7	970,310	496,400
Other financial income	7	2,106	0
Write-down of shares	4	0	-3,775
Interest costs to group companies	7	-9,893	-10,157
Other interest costs		-7	-147
Other financial costs		-6,000	-9,942
<b>Net financial result</b>		<b>957,565</b>	<b>474,156</b>
<b>Profit before taxes</b>		<b>952,499</b>	<b>469,181</b>
Tax cost	3	181,819	96,921

	Notes	2021	2020
<b>NET RESULT FOR THE YEAR</b>		<b>770,679</b>	<b>372,261</b>
<b>ALLOCATIONS AND TRANSFERS</b>			
To/From other equity		299,932	-18,460
Proposed payment to shareholders		470,747	390,720
<b>Total allocations and transfers</b>	2	<b>770,679</b>	<b>372,261</b>

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

ASSETS	Notes	2021	2020
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Deferred tax asset	3	2,472	2,518
<b>Financial non-current assets</b>			
Shares in subsidiaries	4	777,613	630,883
Investments in associates	5	48,054	51,953
Long-term receivables		0	4,024
<b>Total financial non-current assets</b>	6	<b>825,666</b>	<b>686,860</b>
<b>Total non-current assets</b>		<b>828,139</b>	<b>689,378</b>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group companies	7	980,180	533,451
Other receivables		168	5,117
<b>Total receivables</b>	6	<b>980,348</b>	<b>538,568</b>
<b>Cash and bank deposits</b>			
Cash and bank deposits		1,013	0
<b>Total current assets</b>		<b>981,362</b>	<b>538,568</b>
<b>TOTAL ASSETS</b>		<b>1,809,500</b>	<b>1,227,946</b>

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

<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>Equity</b>			
<b>Paid-in-capital</b>			
Share capital	2, 9-10	108,272	108,272
Treasury shares at nominal value	2	-4,456	-6,196
Share premium	2	10,984	10,984
<b>Total paid-in-capital</b>		<b>114,801</b>	<b>113,060</b>
<b>Other equity</b>			
Retained earnings	2	409,069	75,904
<b>Total equity</b>		<b>523,869</b>	<b>188,964</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Liabilities payable to group companies	7	634,448	543,736
Income tax payable	3	171,194	98,445
Payment to shareholders		470,747	390,720
Public dues payable		7,223	5,967
Other current liabilities		2,019	114
<b>Total current liabilities</b>		<b>1,285,631</b>	<b>1,038,982</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,809,500</b>	<b>1,227,946</b>

Oslo, 16 March 2022

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

	2021	2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxes	952,499	469,181
Result from associated companies	3,900	9,928
Taxes paid	-109,025	-31,550
Change in intercompany accounts	-356,017	-198,649
Change in other current assets/liabilities	8,110	-17,694
<b>Net cash flow from operating activities</b>	<b>499,467</b>	<b>231,216</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net sale / purchase of financial non-current assets	-142,706	-23,160
<b>Net cash flow from investing activities</b>	<b>-142,706</b>	<b>-23,160</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Change in own shares	34,973	-24,465
Payment to shareholders	-390,720	-183,591
<b>Net cash flow from financing activities</b>	<b>-355,747</b>	<b>-208,056</b>
Net increase in bank deposits, cash and cash equivalents	1,013	0
Bank deposits, cash and cash equivalents at beginning of year	0	0
<b>Bank deposit, cash and cash equivalents as of 31 December</b>	<b>1,013</b>	<b>0</b>

# ABG Sundal Collier Holding ASA - Notes to Financial Statement

## Index

- Note 1 – Accounting policies
- Note 2 – Shareholders' equity
- Note 3 – Taxes
- Note 4 – Financial assets
- Note 5 – Investments in associated companies
- Note 6 – Guarantees and mortgages
- Note 7 – Related parties
- Note 8 – Wages and social costs
- Note 9 – Shareholder information
- Note 10 – Forward contracts for ABG shares held by partners of the Group



## 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 2021 were approved by the Board of Directors of the company on 16 March 2022.

### 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 2020	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
<b>Total equity as of 31 December 2020</b>	<b>108,272</b>	<b>-6,196</b>	<b>10,984</b>	<b>75,905</b>	<b>188,964</b>
Net profit for the year				770,679	770,679
Proposed payment to shareholders				-470,747	-470,747
Change in own shares		1,741		33,232	34,973
<b>Total equity as of 31 December 2021</b>	<b>108,272</b>	<b>-4,456</b>	<b>10,984</b>	<b>409,069</b>	<b>523,869</b>

## Note 3 – Taxes

Tax cost in the income statement	2021	2020
Tax payable	171,194	98,870
Change in deferred tax	46	57
Prior year adjustment	10,580	-2,006
<b>Total tax cost</b>	<b>181,819</b>	<b>96,921</b>
<b>Reconciliation from nominal to effective tax rate</b>		
Profit before taxes	952,499	469,181
Expected tax cost based on nominal tax rate (22%)	209,550	103,220
Tax-free income/costs	-4,436	-1,579
Non deductible costs	858	3,015
Group contribution with no tax effect	-55,000	-17,600
Effect on finance tax in Norway (3%)	20,268	11,871
Prior year adjustment	10,580	-2,006
<b>Tax cost on ordinary profit</b>	<b>181,819</b>	<b>96,921</b>
Effective tax rate	19.1 %	20.7 %
<b>Tax effect on temporary differences at year end</b>		
<b>Non current items</b>		
Receivables	2,290	2,290
Other non current items	182	228
<b>Total non current items</b>	<b>2,472</b>	<b>2,518</b>
<b>Total deferred tax asset</b>	<b>2,472</b>	<b>2,518</b>

## Note 4 – Financial assets

### Shares in subsidiaries

Company name	Registered office	Number	Ownership / Voting rights	Booked equity	Net result 2021	Book value
ABG Sundal Collier ASA	Oslo, Norway	1,200,000	100 %	890,983	736,764	600,070
ABG Sundal Collier Crowd AB	Stockholm, Sweden	50,000	100 %	3,580	1,328	46
ABG Sundal Collier Eiendom AS	Oslo, Norway	30,000	100 %	3,148	7,118	3,020
ABG Sundal Collier Fastena AB	Stockholm, Sweden	1,001	50 %	43,717	16,055	25,196
ABG Sundal Collier Finance & Advisory AB	Stockholm, Sweden	50,000	100 %	18,502	15,734	2,101
ABG Sundal Collier Finance & Advisory AS	Oslo, Norway	30,000	100 %	506	482	30
Sundal Collier & Co AS	Oslo, Norway	256,000	100 %	2,843	-102	589
Vika Project Finance AS	Oslo, Norway	9,700	100 %	3,674	39,090	146,560
<b>Book value of shares in subsidiaries as of 31 December 2021</b>						<b>777,613</b>

## Note 5 – Investments in associated companies

Entity	Ownership / Voting rights	Head office	Book value 01.01.2021	Investment in 2021	Profit for the year	Received dividend	Book value 31.12.2021
Kameo AS	27.74 %	Oslo	41,606	0	-6,000	0	35,606
Nordier Property Group AB, Sweden	38.56%	Stockholm	10,348	0	2,100	0	12,448
<b>Total</b>			<b>51,953</b>	<b>0</b>	<b>-3,900</b>	<b>0</b>	<b>48,054</b>

See Note 16 to the consolidated financial statement.

## Note 6 – Guarantees and mortgages

	2021	2020
Book value of assets pledged as collateral		
Shares	825,666	686,860
Net receivables	980,348	538,568
<b>Total assets pledged as collateral</b>	<b>1,806,015</b>	<b>1,225,429</b>
Carrying amount of mortgaged liabilities	0	0

The company has pledged shares and receivables (net for corresponding debt) as collateral for the Group bank overdraft facility. All companies participating in the Group bank overdraft facility are responsible towards the bank for use of the facility. As of 31 December 2021 the Group has no bank overdraft. The Group has a bank overdraft limit of NOK 1,000m.



## Note 7 – Related parties

Details of transactions with subsidiaries as of 31 December 2021 are as follows:

Company	Liabilities	Receivables	Interest	Dividend/Group contributions
ABG Sundal Collier AB	2,933	0	0	0
ABG Sundal Collier ASA	610,063	883,104	-8,990	875,000
ABG Sundal Collier Crowd AB	0	22,948	157	2,924
ABG Sundal Collier Eiendom AS	0	10,258	17	10,000
ABG Sundal Collier Fastena AB	18,516	0	0	0
ABG Sundal Collier Finance & Advisory AB	0	14,623	0	14,618
ABG Sundal Collier Finance & Advisory AS	0	12	0	0
Lagerselskapet Holding AS	48	0	0	0
Sundal Collier & Co AS	2,889	0	-19	0
Vika Business Management AS	0	112	0	0
Vika Project Finance AS	0	49,125	-17	67,769
<b>Total intercompany balance transactions</b>	<b>634,448</b>	<b>980,180</b>	<b>-8,852</b>	<b>970,310</b>

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

	2021	2020
Fees to external board and committee members	2,065	2,065
Social Security Tax	428	678
Other costs	0	6
<b>Total wages and social costs</b>	<b>2,493</b>	<b>2,749</b>

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 388,000 (2020: 473,000), no fees for assurance services (2020: 0) and fee for technical support regarding preparation of tax papers NOK 85,000 (2020: 24,000). No non-audit services in 2021 (2020: 126,800).

## 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 2021 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 2021 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, 16 March 2022

*(sign)*  
Knut Brundtland  
Chairman

*(sign)*  
Martina Klingvall

*(sign)*  
Adele Norman Pran

*(sign)*  
Jan Petter Collier

*(sign)*  
Arild A. Engh

*(sign)*  
Jonas Ström  
CEO





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 2021, 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 balance sheet as at 31 December 2021, the income statement, 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

### Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for more than 20 years.

### 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.

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

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

## Revenue recognition; Corporate Financing/ M&A and Advisory

Key audit matter	How the matter was addressed in our audit
<p>Revenues for the Group consist of Corporate Financing, M&amp;A and Advisory and Brokerage and Research revenues. See the revenue recognition section in the Accounting Policies and note 2 for further information.</p> <p>Corporate Financing and M&amp;A and Advisory revenues account for approximately 79% of operating revenues. The majority of the Corporate Financing and M&amp;A and Advisory engagements are settled before year-end. There are however ongoing engagements per 31. December which have an increased inherent risk of error due to the judgement involved related to recognition of performance fees.</p> <p>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.</p>	<p>The Group has established control activities regarding recognition of revenue from Corporate Financing and M&amp;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 control activities, 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.</p> <p>On a sample basis, we tested that the accrued Corporate Financing and M&amp;A and Advisory revenue was calculated in accordance with the engagement contract. We considered the adequacy of the Groups' disclosures related to revenue recognition for Corporate Financing and M&amp;A and Advisory revenues.</p>

### Other information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

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

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

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

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards

as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. 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 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 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 a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee 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 the Board of Directors, 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

### *Report on compliance with Regulation on European Single Electronic Format (ESEF)*

#### Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name abgsundalcollier-2021-12-31-en.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

#### Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

#### Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform

procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 16 March 2022  
Deloitte AS

**Henrik Woxholt**  
State Authorised Public Accountant

This document is signed electronically

**Norway**

ABG Sundal Collier ASA  
Ruseløkkveien 26, 8th floor  
NO-0251 Oslo  
NORWAY  
Tel +47 22 01 60 00

**Sweden**

ABG Sundal Collier AB  
Regeringsgatan 25,  
8th floor  
SE-111 53 Stockholm  
SWEDEN  
Tel +46 8 566 28 600

**Denmark**

ABG Sundal Collier ASA  
Copenhagen Branch  
Forbindelsesvej 12  
DK-2100  
Copenhagen Ø  
DENMARK  
Tel + 45 3546 3000

**United Kingdom**

ABG Sundal Collier Ltd  
St. Martins Court  
25 Newgate St.  
London EC4M 7EJ  
UK  
Tel +44 (0) 20 7905 5600

**Germany**

ABG Sundal Collier ASA  
Frankfurt Branch  
Schillerstr. 2,  
5. Obergeschoss  
DE - 60313 Frankfurt/Main  
Germany  
Tel +49 69 96 86 96 0

**USA**

ABG Sundal Collier Inc  
850 Third Avenue,  
Suite 9-c  
New York, NY 10022  
USA  
Tel +1 212 605 38 00

**Singapore**

ABG Sundal Collier Pte. Ltd  
10 Collyer Quay,  
Ocean Financial Center  
# 40-07  
049315  
SINGAPORE

