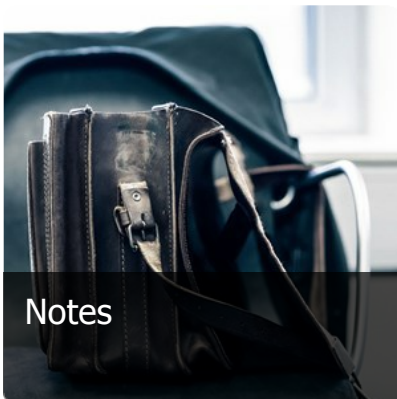
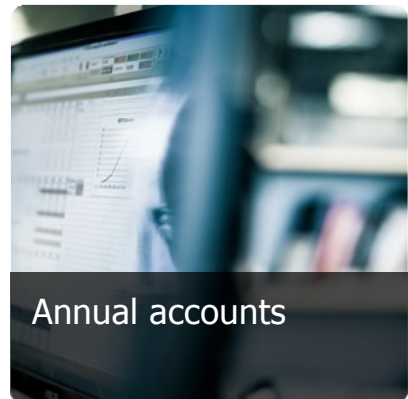
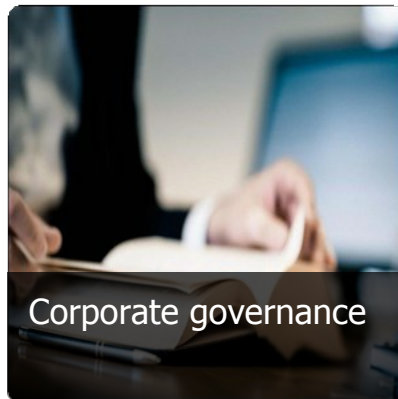


# Annual Report 2015



# Board of Directors report

*Argentum achieved a profit for the Group of NOK 401.0 million in 2015. The market value of the Group's investment portfolio in private equity funds was NOK 6.5 billion at the end of 2015. At year-end 2015, the company's private equity investment portfolio had an annual return of 15.6 per cent per since its inception in 2001. The Board proposes a dividend from the parent company of NOK 500 million for the 2015 financial year.*

## Business activities

Argentum Fondsinvesteringer as is the Norwegian state's asset manager for investments in private equity funds. Argentum is one of the leading fund investors in Northern Europe, with an investment portfolio that comprised 101 private equity funds at the end of 2015. In addition to investing in newly established private equity funds, the operations include investments in private equity funds via the secondary market and co-investments with private equity funds in Argentum's portfolio.

Argentum Asset Management is the Group's management company. The company's core field of expertise is the evaluation and selection of private equity funds and fund managers. The investments take place through investments in newly established funds (primary), through the purchase of shares in existing funds (secondary) or through co-investments together with the fund managers. Argentum Asset Management also manages capital for private investors.

Total committed capital in funds and structures managed by Argentum Asset Management at the end of 2015 amounted to NOK 18.6 billion, of which NOK 4.2 billion was from external investors. Since the first investment programmes were established in 2008, one-third of new capital committed through Argentum Asset Management has come from external investors.

Argentum Fondsinvesteringer as is wholly owned by the Ministry of Trade, Industry and Fisheries, and its head office is situated in Bergen. The company also has an office in Oslo.

## Objective and strategy

Argentum Fondsinvesteringer is the state's asset manager for private equity funds and has the ambition of contributing to a better functioning capital market for unlisted companies. Argentum aims to deliver returns on a par with the best European investors in private equity funds. At the end of 2015 the company's investment portfolio has generated an annual return of 15.6 per cent since the company was founded in 2001.

<b>Return, 31 December 2015</b>	<b>From 2002</b>	<b>From 2006</b>	<b>From 2009</b>
Argentum	15.60 %	14.00 %	16.90 %
Top quartile return for PE in Europe (1)	10.60 %	10.80 %	12.40 %
Average return for PE in Europe (1)	7.40 %	7.40 %	5.00 %
Oslo Stock Exchange with the same cash flow as Argentum (2)	9.60 %	7.40 %	10.30 %

[1] Source: Pevara. Benchmark data is until 30/09/2015. Upper quartile: The 25% best private equity funds in Europe have a return that is higher than this.

[2] Argentum has obtained capital in several rounds, the latest being in 2009. It is also the nature of private equity funds that a commitment is made to a fund and the subsequent investments are undertaken over a certain period of time, usually five years. The return that would have been achieved on Oslo Stock Exchange with the same cash flow as Argentum is therefore the comparable return for Argentum, where it is assumed that the capital is invested in Oslo Stock Exchange at the same time as it is invested in private equity by Argentum. The return for Oslo Stock Exchange assumes that all the capital is invested on the first day.

Asset management in private equity is about fund selection. In the opinion of the Board, Argentum has been highly successful in these areas. At the end of 2015, 64.6 per cent of Argentum's capital was invested in funds in the top quartile of returns for European private equity, i.e. the best 25 per cent of funds. Argentum also focuses on investing counter-cyclically. In periods of significant fundraising, Argentum aims to have a relatively low share of the market, and vice versa. To achieve these results, Argentum's strategy has been to build a systematic overview and knowledge of core markets, robust processes and a culture characterised by entrepreneurial spirit and dynamism. Argentum's position has given the company excellent access to information, influence on investment conditions and access to most funds in the market.

## Market Development

The Norwegian private equity sector has shown strong growth in the fifteen years in which Argentum has been in business. The number of private equity fund managers is now 42 teams that together manage NOK 102 billion<sup>[1]</sup>. The Swedish market is still the largest in the Nordic region, but Norway has had annual growth in capital under management of 19.8 per cent since 2004.

Over the last 10 years an integrated Nordic market has taken shape. In recent years we have also seen a development towards an integrated Northern European market, particularly with the Nordic region being integrated with the markets in the United Kingdom, German-speaking Europe and Benelux. This trend is also apparent on the investor side. In recent years, the Nordic market has appeared attractive to international investors. In 2015, Nordic funds raised a total of EUR 8.07 billion, 84 per cent of which was with the Swedish EQT which set a new Nordic record by raising EUR 6.75 billion.

A total of EUR 6.4 billion was invested in Nordic companies in 2015. Denmark and Sweden were the most attractive markets in the Nordic region and attracted 38 per cent and 35 per cent respectively of the invested amount. EUR 888 million was invested in Norwegian companies, 14 per cent of the Nordic total, while Finland accounted for the remaining 12 per cent.

A total of 343 investments were made in the Nordic region in 2015, which was at the same level as previous years. Just under 70 per cent of these were investments in venture capital companies. Private equity sold 167 companies in 2015, which is 5 per cent fewer than in 2014 (175 companies). 2015 was a record year for stock exchange listings, with a total of 18 Nordic listings, 11 of which were in Stockholm. In Norway, the two Norwegian companies, Europris and Nordic Nanovector, were listed.

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<sup>[1]</sup> Source: Invest Europe

## Future developments

The Board is focused on ensuring the company's future profitability and on Argentum contributing to a better functioning Norwegian and Northern European private equity market. This requires Argentum to continuously develop and adapt.

Argentum has an established and strong position in the Northern European market for private equity funds. At the same time, the Board sees that the private equity markets are becoming increasingly internationalised and integrated. In order for Argentum to maintain and strengthen its position, the company must adapt to these developments. It is vital that Argentum's investment universe is seen as being relevant by international investors and gives the company sufficient breadth of variation to maintain a high return. At the same time, Argentum must have credibility as a company operating in a market where the company is in a position to deliver a competitive return.

Over the next few years the aim is for Argentum to continue to strengthen its position as an asset manager that houses an international grouping of expertise in private equity and a preferred partner for players in Northern European private equity funds, as well as further develop the company's position as one of the leading asset managers of investments in private equity funds in the energy sector, including renewable energy. The energy sector is naturally an international market.

Cooperation with private investors is important for Argentum, but difficult to develop within the organisation and framework conditions the company currently operates under and will be something the Board shall continue to work with.

Argentum's operations are scalable and it is the Board's belief that the company can manage a significantly larger capital base than at present.

## Statement on the investments

The Group's investment portfolio at the end of the financial year consists of 101 private equity funds with a total market value of NOK 6.5 billion. The return on the investment portfolio amounted to 15.6 per cent per year at the end of 2015, measured since its inception in 2001. For 2015 seen in isolation the return on the investment portfolio was 7.2 per cent.

There were eight new primary commitments in private equity funds in 2015. Through investments in the secondary market, investments were made in seven private equity funds in 2015. Total distributions to Argentum in 2015 from realisations of the funds' underlying investments amounted to NOK 1,660 million, of which NOK 716.2 million represented net realised gains. Important realisations in 2015 included Northzone VI's sale of Avito, DKA II's realisation of Secunia, Verdane Capital V's realisation of Resman, Herkules III's sale of Espresso House and CapMan Buyout VIII and Litorina Kapital III's exit from Cederroth.

The negative development within the energy sector during 2015 has resulted in expected realisations from the energy part of the investment portfolio being postponed. In addition, the energy portfolio was written down by approximately NOK 180 million in 2015. The effect of the write-downs, when measured in Norwegian kroner, is mitigated by the krone weakening against the dollar during the year.

## Statement on the annual accounts

The consolidated financial statements and company accounts of Argentum Fondsinvesteringer as for the 2015 financial year have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and associated interpretations issued by the International Accounting Standards Board, as

well as other Norwegian disclosure requirements pursuant to the law and regulations.

In 2015, Argentum Fondsinvesteringer as changed the consolidated financial statements in line with requirements in IFRS 10, IFRS 12 and IAS 27. The company complies with specified requirements for an investment entity in accordance with IFRS 10, which prohibits consolidation of subsidiaries that do not perform investment-related services. This means that subsidiaries that were previously consolidated are now recognised at fair value through profit or loss. This accounting-related change has been applied with retroactive effect and therefore correspondingly applies for 2014, for which the profit and balance sheet for the parent company have been restated. For a more detailed description of the change to the consolidation principles and how changes appear in the 2014 financial statements, reference is made to the notes to the financial statements.

The consolidated financial statements for 2015 and the restated consolidated financial statements for 2014 therefore consist of Argentum Fondsinvesteringer as and Argentum Asset Management AS, who perform services relating to the company's investment activities and are therefore exempted from the prohibition against consolidation in IFRS 10. The other Group companies that were previously consolidated into the consolidated financial statements are Bradbenken Partner AS, Argentum Nordic PEP 1 AS, Argentum Nordic PEP HC AS, Argentum Secondary AS, Argentum Investment Partner AS, Argentum NPEP AS and Nordic Additional Funding AS. These companies are accounted for at fair value with changes in fair value through profit or loss. The business operations of Bradbenken Partner AS include equivalent investment activities as those undertaken by the parent company. The company has been founded as a co-investment scheme for employees in the Group, and the company has the right and duty to invest in parallel with the parent company.

In the opinion of the Board the annual financial statements give a true and fair view of Argentum Fondsinvesteringer AS and the Group's assets, liabilities, financial position and result of operations.

In accordance with the requirements of the Accounting Act (Norway) the Board confirms that the prerequisites for the going concern assumption exist and accordingly the financial statements have been prepared based on the going concern principle.

Argentum achieved a profit for the Group of NOK 401.0 million in 2015, and NOK 402.7 million for the parent company.

## Operating revenue

Total gains from the funds' realisations amounted to NOK 716.2 million for the Group and parent company in 2015.

Return, private equity funds	Parent		Group	
	2015	2014	2015	2014
(all amounts in NOK 1 000)				
Realised return	716 247	921 035	716 247	921 035
Unrealised change in value	(246 162)	(147 365)	(246 162)	(147 365)
<b>Net gain/loss private equity funds</b>	<b>470 084</b>	<b>773 670</b>	<b>470 084</b>	<b>773 670</b>
Other operating revenues	(1 034)	10 294	17 465	27 611
<b>Total operating revenues</b>	<b>469 050</b>	<b>783 964</b>	<b>487 550</b>	<b>801 281</b>

Total operating revenues for the Group amounted to NOK 487.5 million, while the parent company's operating revenues totalled NOK 469.1 million. Correspondingly, operating revenues for the Group and parent company in 2014 were NOK 801.3 million and NOK 784.0 million respectively. The decline in revenues was due to weaker financial markets and a fall in value of oil related investments.

At the end of 2015 the market value of investments in private equity funds came to NOK 6,503.4 million for the Group and parent company.

### Total comprehensive income

The Group's operating profit for 2015 was NOK 420.2 million, compared with NOK 739.2 million in 2014. The Group's profit before tax amounted to NOK 437.1 million, while the corresponding figure in 2014 was NOK 748.1 million. The Group's total comprehensive income after tax was positive at NOK 401.0 million, compared with a positive figure of NOK 772.9 million in 2014.

(all amounts in NOK 1 000)	Parent		Group	
	2015	2014	2015	2014
Operating revenues	469 050	783 964	487 550	801 281
Operating expenses	(54 961)	(49 173)	(67 230)	(62 096)
<b>Operating profit</b>	<b>414 090</b>	<b>734 790</b>	<b>420 230</b>	<b>739 185</b>
Net financial items	24 982	11 878	16 914	8 867
Profit before tax	439 072	746 668	437 144	748 051
Tax expenses	(36 334)	25 084	(36 099)	24 841
<b>Total comprehensive income</b>	<b>402 738</b>	<b>771 752</b>	<b>401 044</b>	<b>772 892</b>

The parent company Argentum Fondsinvesteringer as reported an operating profit of NOK 414.1 million in 2015, compared with NOK 734.8 million in 2014. Profit before tax was NOK 439.1 million in 2015, compared with NOK 746.7 million in 2014. Total comprehensive income after tax amounted to NOK 402.7 million compared with NOK 771.8 million in 2014.

The Group's tax expenses were NOK 36.1 million in 2015, compared with tax revenue of NOK 24.8 million in 2014. The reasons for the change in tax expenses were that there were multiple realisations in the underlying portfolio in 2015 which were not covered by the exemption method compared with 2014 and that the right to coordinate loss making shares from general partnership funds ceased from and including the 2015 financial year. Taxes for the year are less than 27 per cent. This is related to the Group's realised returns from PE investments largely being covered by the tax exemption method.

Net cash flow from operating activities in the Group consists largely of payments to and from the private equity funds in the portfolio. Net cash flow for the Group from operating activities was NOK 749.9 million in 2015, compared with positive cash flow of NOK 416.9 million in 2014. The increase in net cash flow from operating activities was largely due to changes in other accrual accounting items, for which realisations that were accrued to 2014 were first received in 2015. The Group operating profit was NOK 420.2 million. The difference between operating profit and the cash flow from operating activities is due to negative unrealised changes in value in the portfolio and that changes in other accrual accounting items also contributed to increasing the difference between cash flow from operating activities and the operating profit.

The portion of the Group's capital that is not invested in private equity funds is chiefly managed in the interest rate market with low credit risk and interest rate risk, as well as bank deposits. The return on the fixed-interest portfolio was NOK 1.4 million in 2015, compared with NOK 4.3 million in 2014. Short-term investments in the fixed-interest market were NOK 131.6 million at year-end, compared with NOK 130.2 million at the end of 2014.

The Group has solid liquidity with NOK 1,031.4 million of liquid assets as at 31 December 2015. Current liabilities in the Group amounted to NOK 44.3 million as at 31 December 2015.

The Group's total assets at year-end were NOK 8,001.1 million, compared with NOK 7,848.0 million in 2014.



# Corporate Governance

Among other things, management of Argentum is based on the Norwegian Accounting Act, Norwegian Limited Liability Companies Act and the Norwegian Code of Practice for Corporate Governance. Read more about the ESG report in a separate document to the annual report.

## Financial risk

Argentum has placed a great deal of emphasis on developing risk management tools. With forecasting models for liquidity management and an emphasis on strict investment criteria, as well as close monitoring of existing investments, the Board and management are comfortable with the present risk situation.

The Group's valuation of investments in private equity funds is based on the values reported by the funds in accordance with International Private Equity and Venture Capital (IPEVC) Valuation Guidelines. Argentum's investment portfolio at the end of 2015 shows substantial added value relative to invested amounts, despite write-downs of the energy part of the portfolio during 2015. Total portfolio sales in 2015 were conducted at higher levels than the valuations prior to the sales. Realised losses in the underlying portfolio in 2014 were somewhat higher than the historical average but also lower than realised losses in previous years. The losses in 2015 were attributable to a small number of companies and the effect on income was largely absorbed in previous years through write-downs of the companies concerned. There will always be an element of uncertainty associated with the valuation of financial instruments that are not priced in an active market. The company bases its evaluations on the information that is available in the market. In 2015, Argentum focused on further strengthening routines for following up all private equity funds and underlying investment portfolios on an ongoing basis.

No new information has emerged concerning significant events that occurred or conditions already existing at the end of the reporting period as at 31 December 2015 and until the Board adopts the accounts on 27 May 2016.

The Group is exposed to financial market risk through investments in private equity funds and investments in the Norwegian money market.

The Group is exposed to exchange rate changes due to investments in private equity funds denominated in other currencies than Norwegian kroner. For future distributions from underlying private equity investments, the Group will continually assess whether currency hedging is appropriate. The Group is exposed to changes in the level of interest rates both for funds invested in the money market and investments in private equity funds. The maximum duration of the money market portfolio is 1 year. As at 31 December 2015 the actual duration of the portfolio, weighted by market values, was about 0.39 years. The Group is also exposed to interest rate risk as private equity funds are valued pursuant to International Private Equity and Venture Capital (IPEVC) Valuation Guidelines. The values of the funds' investments are affected by changes in market interest rates. Credit risk principally arises in connection with investments in interest rate instruments, as well as bank deposits. For investments in interest rate instruments, the credit risk is sought minimised through limits on exposure to issuer sectors and per issuer. Investments in money market instruments are restricted to the state, municipality/county and finance sectors.

The liquidity risk associated with the investments in funds will be related to the risk that the Group does not have the means to make ongoing payments to the funds within committed capital. These conditions are incorporated into the Group's investment plans and forecasts, and are managed through a liquidity control model that takes into account commitments to the current portfolio, future commitment programmes and

expected level of realisation. The liquidity risk is deemed to be low.

As regards assets managed in the money market, the liquidity risk is connected to whether the assets can be transformed to cash within a reasonable period of time, to secure financial flexibility for investment purposes. This risk is regulated through a framework on risk diversification and requirements for the composition of the portfolio, including the requirement to invest in paper with good liquidity. Investments in interest rate instruments are restricted to the state, municipality, county and finance sectors. Financial institutions shall be credit cleared as an Investment grade company.

The Argentum Group invests in unlisted shares via venture capital funds and buyout funds. For the venture capital segment in particular there is a high risk associated with individual investments, with the opportunity for high returns, but also a substantial loss. Argentum seeks to reduce risk concentration by diversifying the investment portfolio across a number of funds and managers and over different investment dates, as well as investing in funds with differing investment focuses as regards sectors, phases and regions.

## Environmental, social and governance factors (ESG)

As a leading investor in private equity funds, Argentum has placed its ESG work high on the agenda, and the consideration of ESG factors plays a key part in the company's investment processes, decisions and monitoring of the fund managers. In addition, Argentum has internal ESG guidelines and targets related to its own operations.

Argentum's ESG work is based on the UN's principles for responsible investment, the UN Global Compact. These principles address human rights, employee rights, anti-corruption and the environment. Argentum became a full member of the UN Global Compact in 2012. In addition, Argentum uses the UN PRI (UN Principles for Responsible Investing) as a basis for its ESG work.

The Board places emphasis on Argentum integrating consideration of good corporate governance, environmental and social matters into its investment activities, in line with internationally recognised principles for responsible investment businesses. In investment decisions, Argentum places particular emphasis on ensuring that the system of agreements reflects equal treatment and transparency. ESG principles are integrated into Argentum's investment analyses and decision-making processes through ownership of the funds and through transparency in the company's reporting. ESG-related issues are also included in Argentum's evaluation and monitoring of the managers and Argentum works continually to further develop this work.

Argentum prepares an environmental, social and governance report each year, in which the company reports on the status of activities relating to the portfolio managers' ESG. The report also contains an overview of Argentum's internal ESG work. Argentum also uses Norwegian and international investors as discussion partners in connection with the work in this area. Argentum is a member of Norsif, an independent association of asset owners and managers with an interest in responsible and sustainable management, and the company has been active in the association's efforts to build up expertise in ESG in investing activities.

For internal matters, Argentum bases its ESG reporting on selected indicators from the UN Global Reporting Initiative (GRI). This is a set of general reporting indicators for corporate social responsibility that is recognised as a global standard.

Gender equality and a good working environment are important for Argentum and the board is committed to this being reflected in the company. This includes equal opportunities for all employees. Argentum's business activities are within an industry that has traditionally been dominated by men. Argentum consciously uses both genders in the company's promotional materials and at recruitment arrangements directed at new employees.



Argentum continually works to promote gender equality and to strength the work in this area. In 2015, Argentum signed a declaration of support for "Women's Empowerment Principles", a UN initiative for promoting global gender equality work.

Due to the nature of its business activities, Argentum's direct impact on total climate emissions and the environment is minor, and is largely related to energy consumption, business travel and waste from office activities. In 2015, the company's travel activities generated 24.7 tonnes of CO2 equivalents, while the corresponding figure for 2014 was 53.1 tonnes of CO2 equivalents. The decrease is due to the company having less travel activity. The company's recycling rate was unchanged from previous years. In addition, an agreement has been signed with external parties to recycle discarded IT equipment, and the Group also requires suppliers to have environmental certification.

## Working environment and personnel

As at 31 December 2015, the Group had 22 employees. Sickness absence represented 2.6 per cent of total working hours in 2015.

There were no unreported or reported serious accidents at work or other accidents during the year resulting in personal injury or damage to property.

The Group strives for gender equality. As at 31 December 2015 the proportion of women was 32 per cent.

The Board comprises three women and two men.

## Proposed allocation of profits

The Board proposes that the profit for the year of NOK 402,738 million in Argentum Fondsinvesteringer AS be allocated as follows:

(all amounts in NOK 1 000)	2015	2014
<b>Total comprehensive income</b>	<b>402 738</b>	<b>771 752</b>
Other equity	402 738	771 752
<b>Total allocations</b>	<b>402 738</b>	<b>771 752</b>

The Board proposes that a dividend of NOK 500 million be distributed for the 2015 financial year.

27. mai 2016

Tom Knoff  
Styreleder

Grethe Høiland      Mari Thjømmøe

Tina Steinsvik Sund      Kjell Martin Grimeland

Nils E. Joachim Høegh-Krohn  
Administrerende direktør





## Corporate governance

From and including 2015, the Board of Argentum Fondsinvesteringer as will submit an annual report on compliance with the "Norwegian Code of Practice for Corporate Governance" (Norwegian Corporate Governance Board's (NUES) Code of Practice).

The Board of Argentum focusses on maintaining high standards for corporate governance. Therefore, Argentum complies with the Norwegian Code of Practice for Corporate Governance insofar as this is practically possible and, as part of this work, an overview has been provided below of how the 15 points in the Code of Practice have been followed-up by Argentum.

When relevant, deviations have been reported for points 4, 5, 6, 7, 8, 14 and 15. A common factor relating to

the deviations is that, in principle, the Code of Practice focusses on shares listed in regulated markets or unlisted companies with diverse ownership whose shares are traded on a regular basis. This does not apply for Argentum which is wholly owned by the Norwegian state. In addition, Argentum does not come under the Norwegian Securities Trading Act or the Norwegian Public Limited Liability Companies Act. However, the Board is of the view that the Code of Practice provides sound guidelines and principles for corporate governance and Argentum therefore follows the Code of Practice when this is relevant for the Group. This is also in accordance with the guidelines from Report No. 27 to the Storting (2013-2014) "Diverse and value-creating ownership"

## 1. Corporate governance report

Argentum is a limited liability company that is wholly owned by the Norwegian state. Corporate governance is based on and complies with Norwegian law and the ownership policy of the Norwegian State. The Board considers there to be a clear connection between good corporate governance and value creation for the company's owner.

Argentum has the vision of being a leading centre of excellence for international private equity and the preferred partner for private equity fund investments in Northern Europe and the energy sector. Furthermore, Argentum shall contribute to value creation through private equity investments. Argentum shall also be a professional manager of private equity investments and achieve returns that are on par with the best private equity investors. Argentum shall contribute to increasing the availability of capital for unlisted companies and contribute to the development of the Norwegian private equity industry. PE and active ownership are important for creating value in the economy.

This vision forms the basis of the Group's rules regarding ethics and corporate social responsibility. Our ethical guidelines are a means of ensuring that, by focussing on integrity and high ethical standards, we make good decisions. The guidelines shall be a dynamic means of avoiding undesirable conduct on the part of Argentum. Our ethical guidelines shall ensure that we do not make investments that constitute an unacceptable risk of us contributing to unethical acts or omissions. As a manager of assets on behalf of third parties, we will endeavour to maintain a high ethical standard in all of our work. All activities in which we are involved shall be legal where they are carried out and, to this end, we shall also comply with the principles in the UN Global Compact.

Argentum's ethical guidelines are periodically reviewed. The guidelines include the statement: "In its investment activity, Argentum shall integrate considerations targeted on good corporate governance, the environment and society at large". In addition, each year Argentum shall prepare a report on corporate social responsibility in respect of its own activities and specifically of the status at portfolio level.

In addition to strong results in the form of good returns, a clear awareness of corporate social responsibility and ESG (Environmental, Social and Corporate Governance) are prerequisites for Argentum being able to deliver on our secondary objectives of developing the industry and mobilising capital. Integrating questions relating to corporate social responsibility into the investment decisions, as well as having a clear awareness of the company's own impact on the environment are therefore strategically important to Argentum.

Argentum's ESG work involves:

- Argentum follows the UN principles for responsible investment (UN PRI), and the UN Global Compact, which we are a member of.
- Corporate social responsibility (ESG) is an integrated part of the Group's investment process.

Each year, Argentum publishes a report that summarises the follow-up of the funds' ESG work.

The Board is responsible for following up the corporate social responsibility work and ethical issues. The CEO reports the follow-up of this work at least once a year and Board arranges an annual discussion and evaluation of the work. All investment matters that are presented to the Board must disclose the assessments that have been made regarding corporate social responsibility.

All of our employees, board members at Argentum and employee representatives directly appointed by us in other business activities, are subject to the ethical guidelines. Breach of the ethical rules may result in consequences with regard to employment. The rules can be found in their entirety at the Group's website, [argentum.no](http://argentum.no).

Argentum follows OECD guidelines in the area of taxation, as well as the Global Forum standards and only invests in jurisdictions that have taxation agreements with Norway. Argentum presents information about the jurisdictions of the funds on the website and in the annual report.

## 2. Business activities

Argentum is the Norwegian state's asset manager for investments in private equity funds. In addition to investing in newly established private equity funds, the operations include investments in private equity funds via the secondary market and co-investments with private equity funds in Argentum's portfolio. The Group's business activities shall be managed on commercial terms.

The articles of association can be found in their entirety on the Group's website. For a more detailed overview of the business activities and the Group's goals and strategies, reference is made to the separate section for this in the report from the Board of Directors.

## 3. Nominal share capital and dividends

The Board conducts an ongoing assessment of the Group's goals, strategies and desired risk profile. As at 31 December 2015, the Group had equity of NOK 7,955 million, which constitutes an equity ratio of 99.4 per cent of the Group's combined assets.

When determining dividends, consideration is made to the expected profit growth and expected future cashflows that result from expected new investments and realisations from existing investments. The general meeting is not bound by the Board's proposals regarding dividends and Argentum is therefore subject to the Norwegian state's dividend policy.

The Board of Argentum is not authorised to increase share capital.

## 4. Equal treatment of shareholders and transactions with related parties

Argentum has only one class of shares. All shares are owned by the Norwegian state and managed by the Ministry of Trade, Industry and Fisheries (NFD). Therefore, it is not considered relevant to provide a more detailed overview of the equal treatment of shareholders.

In addition to the general meeting, Argentum also has regular ownership meetings with the NFD. Among other things, this includes regular quarterly meetings and an annual review of the company's ESG report.

Transactions with related parties must follow arm's-length principles. In the event of significant transactions between Argentum and related parties, the Board must ensure that an independent third party has conducted a valuation. There must also be an independent valuation for transactions between companies in the same group when there are minority shareholders. Transactions with related parties are referred to in a separate note to the annual financial statements.

## 5. Free transferability

Argentum shares are wholly-owned by the Norwegian state through the NFD and are not listed in a freely traded market. Due to the ownership arrangement, the NUES Code of Practice is not relevant for Argentum on this point.

## 6. General meeting

Argentum's general meeting is the Norwegian state, represented by the Minister of Trade and Industry. The ordinary general meeting is held before the end of June each year. The ordinary general meeting must address and decide on the following matters:

Approval of the annual financial statements and annual report, including distribution of dividends.

Election of board members, including the chairman and deputy chairman.

Other matters that must be transacted at the general meeting pursuant to law or the articles of association.

The ordinary or extraordinary general meeting shall be held in Bergen or Oslo.

The NUES Code of Practice lists a number of points that the Board should follow to ensure that as many shareholders as possible can exercise their right to attend the general meeting. Argentum deviates from the NUES Code of Practice on this point because it stipulates in Section 20-5 (1) of the Norwegian Limited Liability Companies Act that the NFD is responsible for convening both ordinary and extraordinary general meeting and decides how this will occur.

## 7. Nomination committee

Since Argentum only has one owner and is not listed, the company has no nomination committee. The Board is elected by the general meeting.

## 8. Corporate Assembly and Board of Directors - composition and independence

### **Corporate Assembly**

Argentum has no corporate assembly as this is not deemed to be necessary because the company only had 22 employees as of 31 December 2015. Pursuant to the Norwegian Limited Liability Companies Act, a corporate assembly must be elected when a company has more than 200 employees. This therefore does not apply to Argentum.

### **Board of Directors**

The Board of Directors has five members. Board members are elected for two year terms. At the end of



2015, three of the Board members were women.

## 9. The work of the Board

The Board must set instructions for the Board and the executive management with a particular emphasis on clear internal division of responsibilities and tasks.

The Board has principal responsibility for managing Argentum and, through the CEO, shall ensure that business activities are properly organised. Among other things, the Board determines plans and budgets for the business activities and keeps itself continually updated about Argentum's financial position and development by reviewing quarterly reports to the Board and approval of annual reports.

The Board's responsibility for reviewing and reporting risk management and internal controls is described in more detail under section 10.

The work and meetings of the Board are directed by the chairman. The deputy chairman will chair meetings in the event that the chairman cannot or should not direct the work of the Board. In consultation with the chairman, the CEO prepares items that shall be addressed by the Board. The company places emphasis on such items being prepared and presented such that the Board is provided with a good and satisfactory basis on which to make decisions.

The Board conducts an annual evaluation of its work and work methods that provides a basis for changes and initiatives.

### **The Board's audit committee**

A separate audit committee has not been established and, in accordance with statutory requirements and given the size of the company, there is no obligation to establish any such committee.

### **Compensation committee**

The Board has established a compensation committee consisting of the chairman, deputy chairman and one Board member. The CEO attends the committee meetings, except on those occasions when the committee considers matters concerning the CEO, or having consequences for the CEO.

For a more detailed description of the compensation committee's work with remuneration of executive management, reference is made to the statement concerning executive salaries in the notes to the financial statements.

## 10. Risk management and internal controls

The Board is responsible for ensuring that the company has good internal controls and appropriate systems for risk management in relation to the scope and nature of the company's business activities. Internal controls also include Argentum's guidelines for ethics and corporate social responsibility. More information on this can be found under section 1 concerning ethical guidelines for the Group.

The Board of Argentum conducts an annual assessment of the Group's principal risks, internal controls and developments in these since the previous review. The process is based on COSO's (Committee of Sponsoring Organizations of the Treadway Commission) framework for risk management. The risk analysis is based on reporting from the management and documents Argentum's principal risks and the scope and quality of the management's control measures for managing risk. Strategic, operational, financial and knowledge-based risks are assessed, as well as risk to reputation. The results from this process are

consolidated into an assessment of the principal risks that the Group is exposed to. A review such as this is intended to ensure that changes in the risk profile are identified such that necessary improvement measures can be initiated to be able to manage the risks.

The consolidated financial statements for Argentum are submitted in accordance with IFRS. The accounting principles and principles for consolidation are described in more detail in the notes to the financial statements. In addition, the management presents reports to the board at least every quarter regarding the Group's profit and balance sheet developments based on consolidated figures. Accounting figures from the company accounts are exported directly from the Group's accounting system and the accounting department carries out consolidation by using manual controls to ensure complete and consistent accounting information. There are two company accounts that are consolidated, Argentum Fondsinvesteringer as and Argentum Asset Management AS. See the more detailed assessment of the Group's consolidation principles in the note to the financial statements.

The annual financial statements for all companies are audited by an external auditor. Each year, the external auditor attends a board meeting at which the result of the financial audit is reviewed.

## 11. Remuneration to the Board

Remuneration to the Board is not result-based and is stipulated by the general meeting each year. The Board does not undertake any tasks for Argentum that do not pertain to the position of Board member. Note 15 of the annual financial statements provides an overview of remuneration to executive management and the Board.

## 12. Remuneration to executive management

The Board has prepared a statement on determination of salaries and other remuneration for executive management. The statement appears in Article 8 of the Articles of Association and is based on principles and guidelines stipulated in Section 6-16 a of the Norwegian Public Limited Liability Companies Act and the Government's guidelines for salaries and other remuneration in enterprises and companies in which the Norwegian state has ownership interests. The statement is addressed at the ordinary general meeting.

Executive management's remuneration shall always reflect the individual executive's responsibilities for managing the company. Total remuneration for the CEO and other executives shall be competitive with similar companies in the asset management sector, although without taking the lead in a total remuneration context. Total remuneration for the CEO and other executives consists of base salary, other remuneration, pension and a profit-related component.

A more detailed description of remuneration to executive management can be found in Note 15 to the annual financial statements that shows the Board's statement on determination of salaries and other remuneration of executive management. The statement regarding pay to executive management is addressed as a separate item at the general meeting.

## 13. Information and communication

Argentum's reporting of financial and other information is based on the principle of transparency. Argentum's annual financial statements, market reports for private equity activity in the Nordic region, and Argentum's ESG report are available at the Group's website, [argentum.no](https://www.argentum.no). The company's website is actively used as an

information channel.

The Board emphasises having good communication with shareholders, including outside of the general meeting. The company and the Ministry have regular ownership meetings. The Board will assist in the owner receiving all relevant information in situations that impact on the owner's interests. See section 4 for more details.

## 14. Corporate takeovers

The Board will assist in the owner receiving all relevant information in situations that impact on the owner's interests. No explicit main principles have been prepared for how the Board will act in the event of a takeover bid because this is not considered particularly relevant due to Argentum being wholly-owned by the Norwegian state.

## 15. Auditor

An independent, external auditor is elected by the general meeting after a recommendation from the Board. Each year, the external auditor presents management with a plan for the audit work. Argentum does not have a separate audit committee because the company is not subject to the provisions in the Norwegian Public Limited Liability Companies Act. The Board and auditor have at least one meeting a year at which the CEO or others from the executive management are not in attendance. The Board informs the general meeting of the auditor's remuneration.

# Annual accounts

## Income statement

### Argentum Fondsinvesteringer as

#### Income Statement 1 January to 31 December

Parent				Group	
2015	Restated 2014	(amount in NOK 1000)	Note	2015	Restated 2014
<b>Operating revenues and operating expenses</b>					
470 084	773 670	Gains on private equity investments	3, 4, 6	470 084	773 670
(1 034)	10 294	Other operating revenues	11, 12, 23	17 465	27 611
<b>469 050</b>	<b>783 964</b>	<b>Total operating revenues</b>		<b>487 550</b>	<b>801 281</b>
(4 604)	(4 490)	Payroll expenses	14, 15	(34 236)	(35 440)
(50 357)	(44 684)	Other operating expenses	13, 15, 16	(33 084)	(26 656)
<b>414 090</b>	<b>734 790</b>	<b>Operating profit</b>		<b>420 230</b>	<b>739 185</b>
<b>Financial income and expenses</b>					
40 171	18 619	Return on market-based current financial assets and other financial income	7, 20	32 126	15 648
(15 189)	(6 741)	Other financial expenses	20	(15 212)	(6 781)
<b>24 982</b>	<b>11 878</b>	<b>Total financial items</b>		<b>16 914</b>	<b>8 867</b>
<b>439 072</b>	<b>746 668</b>	<b>Profit before tax</b>		<b>437 144</b>	<b>748 051</b>
(36 334)	25 084	Tax expenses	19	(36 099)	24 841
<b>402 738</b>	<b>771 752</b>	<b>Profit for the year</b>		<b>401 044</b>	<b>772 892</b>
<b>0</b>	<b>0</b>	<b>Other comprehensive income</b>		<b>0</b>	<b>0</b>
<b>402 738</b>	<b>771 752</b>	<b>Total comprehensive income</b>		<b>401 044</b>	<b>772 892</b>
<b>Total comprehensive income allocated</b>					
<b>Shareholders in the parent company</b>				401 044	772 892
<b>Information on transfers</b>					
402 738	771 752	Other equity			

## Balance

### Argentum Fondsinvesteringer as

#### Balance as of

Parent				Group			
31.12.2015	Restated 31.12.2014	Restated 01.01.2014	(amount in NOK 1000)	Note	31.12.2015	Restated 31.12.2014	Restated 01.01.2014

## Assets

Assets							
<b>Non-current assets</b>							
32 143	68 477	43 394	Deferred tax assets	3, 19	32 135	68 235	43 394
0	0	9 468	Operating equipment, fixtures and fittings, office equipment, etc.	21	6 948	8 924	9 468
<b>Financial assets</b>							
6 503 454	6 527 612	6 540 599	Investment in private equity funds	3, 4, 5, 6	6 503 454	6 527 612	6 540 599
100 309	100 309	30	Subsidiaries		0	0	0
56 136	56 797	135 916	Subsidiaries measured at fair value	11	147 717	146 548	135 916
<b>6 659 899</b>	<b>6 684 718</b>	<b>6 676 544</b>	<b>Total financial assets</b>		<b>6 651 171</b>	<b>6 674 160</b>	<b>6 676 515</b>
<b>6 692 042</b>	<b>6 753 195</b>	<b>6 729 406</b>	<b>Total non-current assets</b>		<b>6 690 254</b>	<b>6 751 319</b>	<b>6 729 377</b>
<b>Current assets</b>							
145 716	433 309	103 419	Other receivables	5, 8, 22	147 846	434 735	103 419
131 568	130 162	187 902	Market-based bonds and certificates	4, 7	131 568	130 162	187 902
1 003 880	503 124	304 473	Cash and cash equivalents	5, 9	1 031 439	531 776	304 504
<b>1 281 164</b>	<b>1 066 595</b>	<b>595 793</b>	<b>Total current assets</b>		<b>1 310 853</b>	<b>1 096 673</b>	<b>595 825</b>
<b>7 973 205</b>	<b>7 819 790</b>	<b>7 325 199</b>	<b>Total assets</b>		<b>8 001 107</b>	<b>7 847 992</b>	<b>7 325 200</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
<b>Paid-in capital</b>							
1 953 166	1 953 166	1 953 166	Share capital	10	1 953 166	1 953 166	1 953 166
2 696 706	2 696 706	2 696 706	Share premium	10	2 696 706	2 696 706	2 696 706
<b>4 649 872</b>	<b>4 649 872</b>	<b>4 649 872</b>	<b>Total paid-in capital</b>		<b>4 649 872</b>	<b>4 649 872</b>	<b>4 649 872</b>
<b>Retained earnings</b>							
3 305 649	3 152 912	2 631 160	Other equity		3 304 997	3 153 953	2 631 060
<b>3 305 649</b>	<b>3 152 912</b>	<b>2 631 160</b>	<b>Total retained earnings</b>		<b>3 304 997</b>	<b>3 153 953</b>	<b>2 631 060</b>
<b>7 955 521</b>	<b>7 802 784</b>	<b>7 281 032</b>	<b>Total equity</b>		<b>7 954 869</b>	<b>7 803 825</b>	<b>7 280 932</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
1 910	0	0	Other financial instruments	12	1 910	0	0
<b>1 910</b>	<b>0</b>	<b>0</b>	<b>Total non-current liabilities</b>		<b>1 910</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>							
0	0	0	Taxes payable	19	0	0	0
0	2 420	0	Other financial instruments	12	0	2 420	0
15 773	14 586	44 167	Other current liabilities	18	44 327	41 747	44 268
<b>15 773</b>	<b>17 006</b>	<b>44 167</b>	<b>Total current liabilities</b>		<b>44 327</b>	<b>44 167</b>	<b>44 268</b>
<b>17 683</b>	<b>17 006</b>	<b>44 167</b>	<b>Total liabilities</b>		<b>46 237</b>	<b>44 167</b>	<b>44 268</b>
<b>7 973 205</b>	<b>7 819 790</b>	<b>7 325 199</b>	<b>Total equity and liabilities</b>		<b>8 001 107</b>	<b>7 847 992</b>	<b>7 325 200</b>

27. mai 2016

Tom Knoff  
Styreleder

Grethe Høiland      Mari Thjømmøe

Tina Steinsvik Sund      Kjell Martin Grimeland

Nils E. Joachim Høegh-Krohn  
Administrerende direktør

## Statement of changes in equity

### Argentum Fondsinvesteringer as

#### Statement of changes in equity as at 31 December 2015

Group (NOK 1 000)	Share capital	Share premium	Other equity	Total equity
<b>Equity as at 01.01.2014(restated)</b>	<b>1 953 166</b>	<b>2 696 706</b>	<b>2 631 060</b>	<b>7 280 932</b>
Total comprehensive income	0	0	772 892	772 892
Dividend distributed in 2014	0	0	(250 000)	(250 000)
<b>Equity as at 31.12.2014(restated)</b>	<b>1 953 166</b>	<b>2 696 706</b>	<b>3 153 953</b>	<b>7 803 825</b>
Total comprehensive income	0	0	401 044	401 044
Dividend distributed in 2015	0	0	(250 000)	(250 000)
<b>Equity as at 31.12.2015</b>	<b>1 953 166</b>	<b>2 696 706</b>	<b>3 304 997</b>	<b>7 954 869</b>
<b>Parent (NOK 1 000)</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Other equity</b>	<b>Total equity</b>
<b>Equity as at 01.01.2014(restated)</b>	<b>1 953 166</b>	<b>2 696 706</b>	<b>2 631 160</b>	<b>7 281 032</b>
Total comprehensive income	0	0	771 752	771 752
Dividend distributed in 2014	0	0	(250 000)	(250 000)
<b>Equity as at 31.12.2014(restated)</b>	<b>1 953 166</b>	<b>2 696 706</b>	<b>3 152 912</b>	<b>7 802 784</b>
Total comprehensive income	0	0	402 738	402 738
Dividend distributed in 2015	0	0	(250 000)	(250 000)
<b>Equity as at 31.12.2015</b>	<b>1 953 166</b>	<b>2 696 706</b>	<b>3 305 649</b>	<b>7 955 521</b>

## Cash flow statement

### Argentum Fondsinvesteringer as



## Cash flow statement as at 31 December

Parent				Group	
2015	Restated 2014	(amount in NOK 1000)	Note	2015	Restated 2014
<b>Cash flow from operating activities</b>					
439 072	746 668	Profit before tax		437 144	748 051
0	0	Tax paid during period(-)	19	0	0
0	0	Depreciation and impairment	21	2 105	2 171
(1 427)	(4 263)	Change in value of market-based bonds and certificates		(1 427)	(4 263)
246 824	149 208	Unrealised gains/losses on PE portfolio	6	246 905	139 152
0	(9 699)	Realised gains/losses on shares and units		0	0
(1 161 759)	(946 058)	Cash paid on PE-investments		(1 161 759)	(946 058)
939 755	811 680	Cash receipts on realisations in PE portfolio		939 755	811 680
288 259	(360 109)	Change in trade receivables and other accruals		287 168	(333 868)
<b>750 724</b>	<b>387 426</b>	<b>Net cash flow from operating activities</b>		<b>749 890</b>	<b>416 865</b>
<b>Cash flow from investing activities</b>					
0	0	Cash paid on purchase of tangible fixed assets	21	(128)	(1 627)
0	62 000	Proceeds from market-based bonds and certificates	7	0	62 000
<b>0</b>	<b>62 000</b>	<b>Net cash flow from investing activities</b>		<b>(128)</b>	<b>60 373</b>
<b>Cash flow from financing activities</b>					
(250 000)	(250 000)	Dividends paid	23	(250 000)	(250 000)
<b>(250 000)</b>	<b>(250 000)</b>	<b>Net cash flow from financing activities</b>		<b>(250 000)</b>	<b>(250 000)</b>
<b>500 723</b>	<b>199 425</b>	<b>Net change in cash and cash equivalents</b>		<b>499 761</b>	<b>227 239</b>
502 569	303 143	Cash and cash equivalents as at 1 January	9	530 412	303 172
500 723	199 425	Net change in cash and cash equivalents		499 761	227 239
<b>1 003 293</b>	<b>502 569</b>	<b>Cash and cash equivalents as at 31 December</b>	9	<b>1 030 173</b>	<b>530 412</b>
<b>1 250 000</b>	<b>750 000</b>	<b>Credit facility</b>		<b>1 250 000</b>	<b>750 000</b>
<b>2 253 293</b>	<b>1 252 569</b>	<b>Available liquid assets as at 31 December</b>		<b>2 280 173</b>	<b>1 280 412</b>



# Notes

## Note 1-Accounting policies

### 1.1 Basis of preparation

Argentum Fondsinvesteringer as is a limited liability company registered in Norway, its head office is situated in Bergen and it has a branch office in Oslo. Argentum Fondsinvesteringer as and its subsidiaries are investment companies that participate with non-controlling interests in specialised, private equity funds. The company's head office is at Bradbenken 1, 5003 Bergen. The annual accounts for the 2015 financial year were approved by the company's Board of Directors on 27 May 2016 and will be presented for adoption by the general meeting on 22 June 2016.

The consolidated financial statements and company accounts of Argentum Fondsinvesteringer as for the

2015 financial year have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and associated interpretations issued by the International Accounting Standards Board, as well as other Norwegian disclosure requirements pursuant to the law and regulations.

Argentum uses the principles in a historical cost account, although as an investment company, the dominant part of the balance sheet is investments that are recorded at fair value. See note 1.8 and note 1.13 for a more detailed description of this.

The consolidated financial statements and company accounts have been prepared using uniform accounting policies for equivalent transactions and events under otherwise similar conditions.

Preparation of financial statements in accordance with IFRS requires the use of estimates. Furthermore, application of the company's accounting policies requires management to exercise judgement. Areas involving a large degree of such judgements and assessments, substantial complexity, or areas where assumptions and estimates are material to the consolidated financial statements and company accounts are described in note 3.

### **Changes in accounting policies and disclosures**

New standards and interpretations yet to be adopted.

At the end of 2015, IASB published a number of changes to the present rules which have not entered into force and for which Argentum has not planned early application. In the following, we will provide an overview of the changes that may be relevant for Argentum.

IFRS 9 *Financial Instruments* deals with classification, measurement and recognition of financial assets and liabilities, as well as hedge accounting. The complete version of IFRS 9 was published in July 2014. It replaces the parts of IAS 39 that address equivalent issues. Pursuant to IFRS 9, financial assets must be classified into three categories: fair value through other comprehensive income, fair value through profit or loss, and amortised cost. The measurement category is determined upon initial recognition of the asset. Classification depends on the entity's business model for managing its financial instruments and the cash flow characteristics of each instrument. As a starting point, equity instruments must be measured at fair value through profit or loss. The company can choose to present the changes in value through other comprehensive income, however the choice is binding and for future sales, the gain/loss cannot be reclassified through profit or loss. Impairment that is due to the credit risk must now be recognised based on expected loss instead of the present model in which loss has to be incurred. For financial liabilities, the standard largely continues the requirements found in ISA 39. The greatest change is that in instances in which the fair value option has been used for a financial liability, changes in fair value due to a change in own credit risk must be recognised in other comprehensive income. IFRS 9 simplifies the requirements for hedge accounting by the effect of hedging being more closely aligned to the management's risk management and gives greater scope for assessment. At the same time, hedging documentation is still required. The standard enters into force for the 2018 financial year, although early application is permitted. The Group has yet to fully assess the effect of IFRS 9.

IFRS 15 *Revenues from Contracts with Customers* deals with revenue recognition. The standard requires the division of the contract with the customer into the individual performance obligations. A performance obligation can be a good or service. Revenue is recognised when a customer obtains control of a good or service and thereby has the ability to direct the use of and obtain the benefits from the good or service. The new principles in IFRS 15 have a more structured approach to measuring and recognising revenues. The standard applies for all companies and will replace all applicable revenue recognition rules pursuant to IFRS. Contracts with customers that are recognised in accordance with the rules in IFRS 9 Financial Instruments, must still follow the rules in IFRS 9 because they are kept outside of the scope of IFRS 15.

IFRS 15 applies for periods that commence on 1 January 2018 or after. Early application is permitted. Our provisional assessment is that the standard is not expected to have a significant effect on the financial statements.

There are no other standards or interpretations that have not entered into force that are expected to have a material effect on Argentum's financial statements.

## **1.2 Functional currency and presentation currency**

The Group and the parent company present financial statements in Norwegian kroner (NOK). This is also the functional currency of the parent company and Group companies.

## **1.3 Basis of consolidation**

Argentum Fondsinvesteringer has used the rules for investment entities in accordance with IFRS 10, IFRS 12 and IAS 27, and the accompanying appendices to these standards. IFRS 10 defines an investment entity and introduces a mandatory exception to the consolidation requirements for investment entities.

Argentum has assessed the criteria and found that they meet the definition of an investment entity. As a result of this, the Group has changed the recognition of its investments in controlling subsidiaries. Subsidiaries that were previously consolidated are now recognised at fair value through profit or loss. This change has been applied with retrospective effect in accordance with the transitional rules in IFRS 10 and appendices to this standard. The transitional rules require retrospective application in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". However, it is specified that the company is only required to present the quantitative information required in accordance with paragraph 28(f) of IAS 8 for the period immediately preceding the date of initial application. Reference is made to note 23 for restated comparative figures for 2014.

IFRS 12 and accompanying appendices present note requirements for investment entities. Application of IFRS 12 influences the presentation in the notes in line with the change above, however has not had any effect on the profit/loss and balance sheet of the business. IAS 27 and accompanying appendices require that investment entities as defined in accordance with IFRS 10 shall only present separate financial statements as their sole financial statements if all subsidiaries are measured at fair value through profit or loss. However, Argentum has a subsidiary, Argentum Asset Management AS, that performs services relating to the company's investment activities and which is therefore exempt from the prohibition against consolidation in IFRS 10.31. Argentum Fondsinvesteringer therefore prepares consolidated financial statements in which Argentum Asset Management is consolidated together with the parent company.

### **Investment entities**

Argentum Fondsinvesteringer has assessed whether it complies with the criteria that define an investment entity in accordance with IFRS 10 because the following conditions are satisfied:

- a) Argentum Fondsinvesteringer obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services.
- b) Argentum Fondsinvesteringer commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both.
- c) Argentum Fondsinvesteringer measures and evaluates the performance of substantially all of its investments on a fair value basis.

Even though Argentum Fondsinvesteringer does not have all of the typical characteristics of an investment entity (including only one investor, through the Ministry of Trade, Industry and Fisheries, and associated industry policy objectives) it is the view of the management that the company is still an investment entity. This

is because Argentum is, in practice, viewed as an investment fund on behalf of the Norwegian people who benefit through annual dividends that are included as part of the financing of the national budget. Since 2009, Argentum has also permitted co-investors who are involved with fund structures or individual investments within primary, secondary and co-investments. Despite the fact that Argentum also has to satisfy industry policy objectives, Argentum must also be managed on commercial terms for which the principal objective is to deliver the highest possible return from investments in Northern European equity funds and the energy sector globally. The objective of the ownership of Argentum is affirmed in, among other things, the Report to the Storting (Norwegian Parliament) "Diversified and value-creating ownership" (Report no. 27 to the Storting 2013-2014).

## **Subsidiaries**

Subsidiaries are companies over which the Group exercises control. Control exists when the Group has variable returns from its involvement with the company and has the ability to influence these returns through its power over the entity. In the consolidated financial statements, subsidiaries are consolidated from the date that control is transferred to the Group and are omitted from consolidation when the control ceases.

Intra-group transactions and intra-group balances, including internal gains and unrealised gains and losses are eliminated. The subsidiaries' accounts are restated when it is necessary in order to accord with the Group's accounting policies.

Regardless of the requirement in IFRS 10.31, if an investment entity has a subsidiary that performs investment-related services in connection with the company's investment activities, it must consolidate this subsidiary in accordance with IFRS 10. The subsidiary, Argentum Asset Management AS, has the principal objective of performing investment-related services (for example, investment advice, investment management, investment support and administrative services) and is therefore deemed to satisfy the criteria for consolidation.

## **Subsidiaries at fair value**

Other investments in companies and structures in which the Group has control are not consolidated in accordance with IFRS 10, but are measured at fair value through profit or loss in accordance with IAS 39. These investments are presented in the balance sheet as subsidiaries at fair value. The fair value of investments in controlled subsidiaries is specified consistently with all other investments that are measured at fair value through profit or loss and is described under note 1.8 "Financial instruments".

## **Associates/joint ventures**

Investments in associates and joint ventures that are held as part of the company's investment portfolio are measured at fair value in the balance sheet even if Argentum has significant influence over such companies. This procedure is in line with IAS 28 "Investments in Associates and Joint Ventures" that permits investment entities (in accordance with IFRS 10) to measure investments in associates and joint ventures at fair value in accordance with IAS 39 with change in value through profit or loss. Fair value of investments in associates and joint ventures is stipulated consistently with all other investments that are measured at fair value through profit or loss and are described under note 1/8 "Financial Instruments".

## **Private equity investments**

Private equity investments of which the parent company owns more than 50 per cent are recognised as part of the ordinary private equity portfolio in accordance with IAS 28.

All other investments are accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement, and further information on this is presented in note 1.8.

## **1.4 Cash and cash equivalents**

Cash includes cash holdings and bank deposits. Cash and cash equivalents are initially recognised at fair value.

## **1.5 Current receivables**

Current receivables are initially recognised in the balance sheet at fair value. Upon subsequent measurement, current receivables are recorded at amortised cost using the effective interest rate method, less a provision for losses incurred.

## **1.6 Tangible Fixed assets**

Property, plant and equipment are carried at cost, less accumulated depreciation and impairment. When assets are sold or disposed of, the carrying amount is derecognised and any loss or gain is recognised in the income statement.

Acquisition cost for property, plant and equipment is the cost price, including fees/taxes and costs directly connected to readying the non-current asset for use. Expenses incurred after the asset is in use, such as ongoing maintenance, are expensed, while other expenses that are expected to generate future economic benefits are recognised in the statement of financial position.

Depreciation is determined using the straight line method with the following useful lives:

*Fixture and fittings, office equipment, equipment 3-5 years*

*Art is not depreciated*

The depreciation period and method are reviewed annually. The equivalent applies to the value of obsolete assets.

The carrying amount for property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount of the asset is not recoverable. The recoverable amount is the higher of value in use and net sales value. Assets under development are classified as non-current assets and are carried at cost until the process or development has been completed. Assets under development are not written off until the non-current asset has been in use.

## **1.7 Leases**

Leases for which most of the risks and returns associated with ownership of the asset are not transferred by the lessor are classified as operating leases. Lease payments on operating leases (less any financial incentives from the lessor) are expensed on a straight-line basis over the lease term.

A lease is classified as a finance lease if it transfers substantially all the risks and returns incidental to ownership. The Group does not have any finance leases.

## **1.8 Financial instruments**

Financial instruments are classified into the following categories:

- Fair value through profit or loss.
- Designated to be measured at fair value through profit or loss ("fair value option").
- Loans and receivables at amortised cost.
- Loans and liabilities at amortised cost.

The classification depends on the intended use of the asset. Management classifies the financial assets on acquisition.



## **Assets at fair value with change in value through profit or loss**

The following financial instruments are classified as measured at fair value with changes in fair value recognised in the income statement:

- Financial instruments held for the purpose of selling or buying back in the short term
- Financial instruments that are part of a portfolio of identified instruments, managed together, and for which there is evidence of an actual pattern of short-term profit-taking

Market-based (listed) bonds and certificates, listed shares and forward exchange contracts are classified as assets at fair value through profit or loss.

### **Fair value option**

Qualifying financial instruments are designated as measured at fair value through profit or loss ("fair value option") if this provides more relevant information. For a more detailed overview of the reason for this, see note 1.13 Revenue recognition.

The fair value option is used for investments in private equity funds. As a fund-in-fund investor, the PE investments are valued based on reported net asset values (NAV) from the fund managers pursuant to International Private Equity and Venture Capital Valuation guidelines.

Fair value is determined on the basis of valuation principles established by IFRS 13 and guidelines pursuant to IPEV. In ascertaining the value of the funds' investment portfolios, the market value at the reporting date is used as a basis for listed investments. For unlisted investments, with no observable market value, fair value is determined based on recently completed third party transactions or transactions between the funds and the underlying portfolio companies, or with reference to the market value of comparable instruments or based on the present value of future cash flows. The fair value of investments in private equity funds is determined based on the fund's fair value on the reporting date. The fair value of the fund corresponds to the investment portfolio assessed at fair value plus net other items from the statement of financial position.

Changes in the fair value of financial instruments designated at fair value through profit or loss are recognised in the income statement and presented as operating income/expenses or financial income/expenses depending on the purpose of the investment. See the more detailed comments in note 1.13 Revenue recognition.

### **Loans and receivables**

Financial assets with fixed or determinable cash flows that are not listed in an active market are classified as loans and receivables. They are classified as current assets, unless they are due more than 12 months after the reporting date. In which case they are classified as non-current assets (long term assets). Loans and receivables are reported under other receivables and cash and cash equivalents. Loans and receivables are recognised at amortised cost using the effective interest method.

### **Initial recognition and subsequent measurement of financial instruments**

Ordinary purchases and sales of investments are recognised on the transaction date, which is the day when the Group incurs the obligation to purchase or sell the asset. All financial assets that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs. Financial assets that are measured at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed. Investments are removed from the balance sheet when the rights to receive cash flows from the investment cease or when these rights are transferred and the Group has transferred substantially all the risks and rewards incidental to ownership. Financial assets at fair value through profit or loss are measured at

fair value subsequent to initial recognition.

Secondary investments in private equity funds through Argentum Secondary AS are normally measured using cost as the best estimate of fair value until the end of the quarter following acquisition. The investments are then normally accounted for at fair value through profit or loss. When a secondary investment is carried at cost, the other assets in the same fund will be equivalently valued.

### **Impairment of financial assets recognised at amortised cost**

At each reporting date the Group considers whether there are any objective indications that a financial asset or a group of financial assets has fallen in value. An impairment loss on a financial asset or a group of financial assets is only recognised if there are objective indications of the impairment as a result of one or more incidents that have occurred subsequent to initial recognition (a loss event) and this loss event (or events) affects future estimated cash flows in a way that can be reliably measured.

The Group initially assesses whether an objective indication of impairment exists.

The criteria that the Group uses in determining whether there are objective indications of impairment include:

- The issuer or the borrower is experiencing significant financial difficulties.
- An active market for the financial asset no longer exists due to financial difficulties.
- Observable information indicates that there has been a measurable decline in the estimated future cash flows from a group of financial assets subsequent to their initial recognition, even if the decline cannot yet be attributed to individual financial assets.

The amount of the loss is measured as the difference between the asset's carrying value and the present value of the estimated future cash flows discounted using the financial asset's original effective interest rate. The asset's carrying amount is reduced and the loss is recognised in the income statement. As a practical approach, impairment may also be measured based on the instrument's fair value through the use of an observable market price.

If the impairment is subsequently reduced, and the reduction can be objectively linked to an event that occurred after the impairment was recognised, the previous loss will be reversed in the income statement.

### **Derivatives and hedging**

Derivatives are recognised at fair value on the date the derivative contracts were entered into and thereafter on an ongoing basis at fair value. The recognition of associated gains and loss depends on whether the derivative has been designated as a hedging instrument and possibly the type of hedging. The Group earmarks certain derivatives for hedging of fair value of a reported asset or liability or a non-reported binding commitment (value hedging). Change in value and realised gains and losses are classified as operations in the income statement.

#### **Value hedging**

Changes in the fair value of derivatives that are earmarked and qualify for fair value hedging and which are effective, are recognised in the income statement together with the change in fair value relating to the hedged risk of the associated hedged asset or liability.

### **1.9 Provisions**

A provision is recognised when the Group has an obligation (legal or constructive) resulting from a past event, and it is probable (more likely than not) that an outflow of resources will be required to settle the obligation and the amount can be measured reliably. If the effect is material, the provision is determined by discounting

the expected future cash flows using a pre-tax discount rate that reflects the current market assessments of the time value of money and, if relevant, the risks specific to the liability.

## **1.10 Equity**

### **Share capital**

Ordinary shares are classified as share capital.

### **Costs associated with equity transactions**

Transaction costs directly connected to an equity transaction are directly recognised in equity after deduction of tax.

### **Other reserves**

Proposed dividends constitute part of other reserves until approved at the general meeting.

## **1.11 Non-controlling interests**

Argentum Fondsinvesteringer as owns 100 per cent of subsidiaries that are consolidated in the consolidated financial statements and there are therefore no non-controlling interests.

## **1.12 Trade receivables**

On initial recognition, trade receivables are measured at fair value and then subsequently at amortised cost using the effective interest method.

## **1.13 Revenue recognition**

Investing in private equity funds is the company's primary business activity. Accordingly, the revenues from the investments are classified as operating revenues in the income statement. Revenues from investments in private equity funds consist of realised and unrealised gains, as well as dividends or equivalent disbursements from the funds. Gains/losses on private equity funds investments in the income statement comprise the company's share of realised gains and losses as well as its share of the year's change in unrealised values in the funds' underlying investments.

In determining the realised gain/loss from the funds when the underlying portfolio company is realised, the capitalised management fees and other costs in connection with management of the individual private equity funds are taken into account. The capitalised costs are allocated based on the cost price of the individual underlying portfolio company. When the underlying portfolio company is exited, a portion of the capitalised costs is then reversed, and the realised gain recorded is reduced or the loss is increased.

Argentum's portfolio of fund investments is managed and the return is measured based on the fair value of the funds' underlying company investments. The management model is designed to measure returns based on estimated fair values, supplemented by qualitative analyses of value and risk developments in the portfolio on the grounds that this provides more relevant information. Internal reporting to the Board and management is based on the fair value of the fund investments. Consequently, Argentum has chosen to use the option to measure investments at fair value through profit or loss (fair value option). See also the comments in note 1.8 Financial instruments.

Interest income is recognised based on the effective interest method in the period in which it is earned. Dividends are recognised when the shareholders' rights to receive the dividends are established at the general meeting.

## **1.14 Foreign currency**

### **Foreign currency translation**

Transactions in foreign currencies are translated at the foreign exchange rate at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Norwegian kroner at the foreign exchange rate at the date of the statement of financial position. Non-monetary items that are measured at historical cost in a foreign currency are translated to Norwegian kroner using the exchange rate on the transaction date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rate on the measurement date (the reporting date). Changes in exchange rates are recognised in the income statement.

## **1.15 Employee benefits**

### **Defined contribution pension benefits**

The Group has established a defined contribution pension scheme for all permanent employees in accordance with the requirement for mandatory occupational pensions. Contributions to the scheme are from 0 to 8 per cent of salary. The annual pension contribution is deferred over the insurance period.

Defined contribution pension schemes entail the Group making an annual payment to the employees' collective pension savings, but there is no promise of a future pension of a certain size. The individual employees' future pension is determined by the size of the annual payments and the return on the pension contributions paid in. The Group does not have any additional payment obligations after the contributions have been made.

## **1.16 Income taxes**

Taxes comprises taxes payable and changes in deferred tax. Deferred tax liabilities and assets are calculated on all differences between the carrying amounts of assets and liabilities and their respective tax bases with the exception of temporary differences related to investments in subsidiaries.

Management evaluates the tax positions in the Group for each period, taking into consideration situations where the relevant tax laws are subject to interpretation. Based on management's assessment, provisions are allocated for expected tax payments.

Deferred tax is determined using tax rates and tax laws enacted or substantively enacted on the reporting date, and which are expected to apply when the deferred tax asset is realised or when the deferred tax is settled.

Deferred tax assets are recognised only to the extent that it is probable that the company will have taxable profit available in later periods to utilise the tax assets. The company will reduce deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available in the company to allow the benefit of part or all of that deferred tax asset to be utilised.

Deferred tax and deferred tax assets are measured based on the tax rates for the companies in the Group where temporary differences have arisen.

Deferred tax assets and deferred tax liabilities are recognised at nominal value and classified respectively as non-current assets or liabilities in the balance sheet.

Taxes payable and deferred tax are recorded directly in equity to the extent that the tax items relate to equity transactions.

## **1.17 Dividend income**

Dividend income from subsidiaries is recognised when the right to receive payment is established and is classified as financial income in the parent company.

## **1.18 Segment**

The Group's business operations comprise investing in private equity funds. Based on the risk, return and investment profile of the operations, as well as market and product conditions, the Group is deemed to operate within one segment.

### **1.19 Events after the reporting period**

New information after the reporting period about the company's financial position on the reporting date is taken into account in the annual financial statements. Events after the reporting period that do not affect the financial position of the company on the reporting date, but that will affect the company's financial position in the future are disclosed if they are of material significance.

### **1.20 Critical accounting judgements in the preparation of the annual financial statements**

Judgements, estimates and assumptions are evaluated on an ongoing basis and are based on past experience and other factors, including expectations of future events that are deemed to be likely at the time the accounts are prepared.

Management has made judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the disclosures of contingent liabilities. This particularly applies to the valuation of investments in private equity funds and the estimated deferred tax assets. See Note 3 for additional information.

## **Note 2-Financial risk management and asset management**

The Group's aim in relation to asset management is to secure continuing operations in order to ensure returns for the owners and other stakeholders. Argentum is a professional asset manager which, via minority investments in private equity funds, aims over the long term to achieve a competitive return on invested capital in line with the best PE funds in Europe.

Returns within private equity are largely driven by the manager's position, processes and expertise, and there may be significant disparities in returns between comparable private equity funds. Argentum aims to invest in the best 25 per cent of PE funds (top quartile of returns). Prospective investments are evaluated in an extensive selection process that takes place in several stages. The stages in the selection process consist of the initial investment policy clarification, screening and top down assessment, extensive analyses of the manager's expertise and the composition of the team, prior results and investment strategy, including how the fund's strategy fits in with Argentum's overall portfolio. The Board of Argentum makes the final investment decision.

Diversification of risks in the PE portfolio is pursued through development of a balanced portfolio with regard to time (year), industries, phases, geography and managers. Argentum seeks an active role in the investments it has undertaken during the ownership period, which is served by representation on the Board of Directors or investment committees in the PE funds. The company has established systems for monitoring and following up the PE portfolio.

Capital that has been provided but not invested shall in the interim be managed in the Norwegian money market in accordance with the framework conditions for liquidity management issued by the Board. The purpose of the management is to ensure the best possible risk-adjusted return, with strict guidelines for good liquidity and low interest rate risk and credit risk.

Argentum is exposed to various types of risk through its private equity investments and through its investments in interest rate instruments and other financial instruments in the Norwegian securities market,

including credit risk, liquidity risk, currency risk, interest rate risk and other market risks.

### **Credit risk**

Credit risk principally arises in connection with investments in interest rate instruments, as well as bank deposits. For investments in interest rate instruments, the credit risk is sought minimised through limits on exposure to issuer sectors and per issuer. Investments in money market instruments are restricted to the state, municipality/county and finance sectors (note 7).

### **Liquidity risk**

The liquidity risk associated with the investments in funds will be related to the risk that the Group does not have the means to make ongoing payments to the funds within committed capital. These conditions are incorporated into the Group's investment plans and forecasts, and are managed through a liquidity control model that takes into account commitments to the current portfolio and the future commitment programme. In addition, a credit facility of NOK 1,250 million has been established. The facility was not drawn on in 2015. The liquidity risk is deemed to be low. Also see note 6 concerning committed capital in the PE portfolio.

As regards assets managed in the money market, the liquidity risk is connected to whether the assets can be converted to cash within a reasonable period of time, to secure financial flexibility for investment purposes. This risk is regulated through a framework on risk diversification and requirements for the composition of the portfolio, including the requirement to invest in paper with good liquidity.

### **Currency risk**

Argentum is exposed to currency risk due to the Group investing part of its capital in private equity funds denominated in other currencies than Norwegian kroner. Capital calls for the funds with a different base currency than Norwegian kroner could be affected by exchange rate fluctuations and thereby affect Argentum's realised or unrealised returns.

The funds' investments in underlying portfolio companies are often not in the funds' base currency. Exposure to the fund's functional currency may therefore last for only a short time, until the investments are undertaken. For known future distributions from underlying private equity investments, the Group will continually assess whether currency hedging is appropriate. Forward exchange contracts have been entered into as at 31 December 2015, see note 12.

Sensitivity analyses have been conducted, using the fair market value of all the portfolio companies in Argentum's portfolio as the starting point, measured in the underlying portfolio company's currency.

If NOK relative to EUR had been 5 per cent stronger/weaker as at 31 December 2015 and all other variables were kept constant, this would lead to a lower/higher profit after tax of NOK 28.5 million for the parent company and Group (NOK 60.1 million in 2014).

If NOK relative to USD had been 5 per cent stronger/weaker as at 31 December 2015 and all other variables were kept constant, this would lead to a lower/higher profit after tax of NOK 21.2 million for the parent company and Group (NOK 16.1 million in 2014).

If NOK relative to SEK had been 5 per cent stronger/weaker as at 31 December 2015 and all other variables were kept constant, this would lead to a lower/higher profit after tax of NOK 83.8 million for the parent company and Group (NOK 54.6 million in 2014).

If NOK relative to DKK had been 5 per cent stronger/weaker as at 31 December 2015 and all other variables were kept constant, this would lead to a lower/higher profit after tax of NOK 9.7 million for the parent company and Group (NOK 13.5 million in 2014).

If NOK relative to DKK had been 5 per cent stronger/weaker as at 31 December 2015 and all other variables were kept constant, this would lead to a lower/higher profit after tax of NOK 11.4 million for the parent company and Group (NOK 10.6 million in 2014).

### Interest rate risk

Capital that is managed in the Norwegian money market is exposed to interest rate risk. Interest rate risk is managed through limits on the duration of the total portfolio of money market instruments. The maximum duration of the portfolio is 1 year. As at 31 December 2015, the actual duration of the portfolio, weighted by market values, was about 0.39 years, compared with 0.40 years in 2014.

An increase/reduction in market interest rates of 1 per cent as at 31 December 2015 would reduce/increase the value of the money market portfolio by NOK 0.53 million compared with NOK 0.53 million in 2014. Net income and equity would be reduced/increased by NOK 0.39 million compared with NOK 0.38 million in 2014, given that all other variables are held constant.

### Other market price risk

Market price risk is related to the risk of a reduction in the Group's value due to an unexpected and unfavourable market movement. The Group invests in unlisted shares via venture funds and buyout funds. For the venture capital segment in particular, there is a high risk associated with individual investments, with the opportunity for high returns, but also a substantial loss.

Argentum seeks to reduce risk concentration in the investment portfolio by diversifying the investments across a number of funds and managers and over different investment dates, as well as investing in funds with differing investment focuses as regards sectors, phases and regions.

Argentum is exposed to interest rate risk on its investments that are valued pursuant to International Private Equity and Venture Capital (IPEV) Valuation Guidelines. The fair value of the funds' underlying portfolio investments can be affected by changes in market interest rates.

## Note 3-Accounting estimates and judgements

### Estimates and assumptions

Critical assumptions relating to future events and other important sources of estimate uncertainty at the reporting date, which entail a significant risk of a material change in the recognised values of assets and liabilities in the coming financial year, are commented on below:

Accounting item			2015	
(all amounts in NOK 1 000)	Note	Assumptions	Carrying amount, Parent	Carrying amount, Group
Private equity funds	6	Fair value option	6 503 454	6 503 454
Deferred tax assets	19	Estimate of future utilisation of tax position	32 143	32 135
Accounting item			2014	
(all amounts in NOK 1 000)	Note	Assumptions	Carrying amount, Parent	Carrying amount, Group
Private equity funds	6	Fair value option	6 527 612	6 527 612
Deferred tax assets	19	Estimate of future utilisation of tax position	68 477	68 235



## **Fair value option private equity funds**

There will be uncertainty associated with the pricing of financial instruments that are not priced in an active market. Any changes in the conditions could affect recognised values. The investments in private equity funds are valued based on the net asset

value (NAV) that is reported by the funds. As mentioned in note 1.8 Financial instruments, the Group applies the fair value option for investments in private equity funds. Fair value is determined based on the measurement principles laid down in IAS 39 and guidelines for valuation in accordance with International Private Equity and Venture Capital (IPEV), see [www.privateequityvaluation.com](http://www.privateequityvaluation.com).

Management has based its evaluations on the information that is available in the market in combination with best judgements. There has not been any new information concerning material events that have occurred or conditions already existing at the end of the reporting period as at 31 December 2015 and until the Board adopts the accounts on 27 May 2016. See note 6 for valuation of the PE portfolio.

## **Deferred tax assets**

Deferred tax assets are recognised for tax losses carried forward and other tax-reducing differences to the extent that it is probable that future taxable income will be available against which the tax losses can be utilised. Management is required to exercise considerable judgement in determining the amount of the deferred tax asset recognised in the statement of financial position based on the timing and size of future taxable profits and future strategies for tax planning.

# **Note 4-Financial instruments at fair value**

The various levels concerning financial instruments are defined as follows:

### **Level 1:**

Financial instruments that are valued using listed prices in active markets for identical assets and liabilities.

This category includes the Group's portfolio of market-based bonds and certificates, as well as listed shares.

### **Level 2:**

Financial instruments that are valued using information that is not listed prices, but where the prices are directly or indirectly observable for the asset or liability, including listed prices in inactive markets for identical assets or liabilities.

The Group's forward exchange contracts are included at this level.

### **Level 3:**

Financial instruments that are measured using unobservable market data. Financial instruments are considered to be measured based on unobservable market data if fair value is established without being based on quoted prices in active markets, nor based on observable market data.

The Group's private equity portfolio is placed in level 3. Measurement policies for the private equity portfolio are described in more detail in note 1.8 Financial Instruments.

The table below shows the distribution of financial instruments measured at fair value through profit and loss in three levels based on the valuation method.

**Parent and Group as at 31.12.2015**

(all amounts in NOK 1 000)	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Private equity funds	0	0	6 502 941	6 502 941
Listed shares	513	0	0	513
Financial assets at fair value through profit or loss	131 568	0	0	131 568
<b>Total</b>	<b>132 081</b>	<b>0</b>	<b>6 502 941</b>	<b>6 635 022</b>
<b>Liabilities</b>				
Forward exchange contracts	0	1 910	0	1 910
<b>Total</b>	<b>0</b>	<b>1 910</b>	<b>0</b>	<b>1 910</b>

**Parent and Group as at 31.12.2014**

(all amounts in NOK 1 000)	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Private equity funds	0	0	6 527 612	6 527 612
Financial assets at fair value through profit or loss	130 162	0	0	130 162
<b>Total</b>	<b>130 162</b>	<b>0</b>	<b>6 527 612</b>	<b>6 657 774</b>
<b>Liabilities</b>				
Forward exchange contracts	0	2 420	0	2 420
<b>Total</b>	<b>0</b>	<b>2 420</b>	<b>0</b>	<b>2 420</b>

The following table presents the changes in the instruments that are classified as level 3 as at 31 December 2015 and 2014.

**Parent and Group - Level 3**

(all amounts in NOK 1 000)	2015	2014
Opening balance	<b>6 527 612</b>	<b>6 540 599</b>
Investments during the period	1 161 759	944 183
Sales in the period	(939 755)	(809 805)
Transfer to Level 1	(4 892)	0
Unrealised gains recognised in the income statement	(241 783)	(147 365)
<b>Closing balance</b>	<b>6 502 941</b>	<b>6 527 612</b>

Transfer from level 3 to level 1 is due to the distribution of listed shares in Badger Explorer ASA in connection with the planned termination of the PE fund Convexa Capital IV AS in November 2015.

Total gains from level 3 financial instruments are specified in the table below.

**Parent and Group - Total gains level 3**

(all amounts in NOK 1 000)	2015	2014
Realised gains level 3	716 247	921 035
Unrealised gains level 3	(241 783)	(147 365)
<b>Total gains level 3</b>	<b>474 464</b>	<b>773 670</b>

## Note 5-Financial instruments by category

Financial instruments in the balance sheet are classified in the following categories:

**Parent as at 31.12.2015**

(all amounts in NOK 1 000)	Loans and receivables	Fair value through profit or loss	Fair value option	Total
<b>Assets</b>				
Private equity funds	0	0	6 502 941	6 502 941
Listed shares	0	513	0	513
Subsidiaries measured at fair value	0	56 136	0	56 136
Other receivables	145 716	0	0	145 716
Market-based bonds and certificates	0	131 568	0	131 568
Cash at bank	1 003 880	0	0	1 003 880
<b>Total</b>	<b>1 149 596</b>	<b>188 217</b>	<b>6 502 941</b>	<b>7 840 754</b>
<b>Liabilities</b>				
Forward exchange contracts	0	1 910	0	1 910
<b>Total</b>	<b>0</b>	<b>1 910</b>	<b>0</b>	<b>1 910</b>

**Parent as at 31.12.2014**

(all amounts in NOK 1 000)	Loans and receivables	Fair value through profit or loss	Fair value option	Total
<b>Assets</b>				
Private equity funds	0	0	6 527 612	6 527 612
Subsidiaries measured at fair value	0	56 798	0	56 798
Other receivables	433 309	0	0	433 309
Market-based bonds and certificates	0	130 162	0	130 162
Cash at bank	503 124	0	0	503 124
<b>Total</b>	<b>936 433</b>	<b>186 960</b>	<b>6 527 612</b>	<b>7 651 005</b>
<b>Liabilities</b>				
Forward exchange contracts	0	2 420	0	2 420
<b>Total</b>	<b>0</b>	<b>2 420</b>	<b>0</b>	<b>2 420</b>

**Group as at 31.12.2015**

(all amounts in NOK 1 000)	Loans and receivables	Fair value through profit or loss	Fair value option	Total
<b>Assets</b>				
Private equity funds	0	0	6 502 941	6 502 941
Listed shares	0	513	0	513
Subsidiaries measured at fair value	0	147 717	0	147 717
Other receivables	147 846	0	0	147 846
Market-based bonds and certificates	0	131 568	0	131 568
Cash at bank	1 031 439	0	0	1 031 439
<b>Total</b>	<b>1 179 285</b>	<b>279 798</b>	<b>6 502 941</b>	<b>7 962 024</b>

**Liabilities**

Forward exchange contracts	0	1 910	0	1 910
<b>Total</b>	<b>0</b>	<b>1 910</b>	<b>0</b>	<b>1 910</b>

**Group as at 31.12.2014**

(all amounts in NOK 1 000)

	Loans and receivables	Fair value through profit or loss	Fair value option	Total
<b>Assets</b>				
Private equity funds	0	0	6 527 612	6 527 612
Subsidiaries measured at fair value	0	146 548	0	146 548
Other receivables	434 735	0	0	434 735
Market-based bonds and certificates	0	130 162	0	130 162
Cash at bank	531 776	0	0	531 776
<b>Total</b>	<b>966 511</b>	<b>276 710</b>	<b>6 527 612</b>	<b>7 770 833</b>

**Liabilities**

Forward exchange contracts	0	2 420	0	2 420
<b>Total</b>	<b>0</b>	<b>2 420</b>	<b>0</b>	<b>2 420</b>

## Note 6-Investments in private equity funds

**Specification of investments in private equity funds parent company and Group****Parent and Group as at 31.12.2015**

(all amounts in NOK 1 000)

	Jurisdiction	Registered office	Holding	Currency	Remaining commitment (local currency)
Teknoinvest VIII KS	Norway	Oslo	32.11 %	EUR	0
Teknoinvest VIII B DIS	Norway	Oslo	32.11 %	EUR	0
Teknoinvest VIII C IS	Norway	Oslo	61.95 %	NOK	1 425
Northzone IV K/S	Denmark	Oslo	25.05 %	EUR	0
Northzone IV SPV	Jersey	Oslo	77.00 %	EUR	0
CapMan Equity VII LP	Guernsey	Helsinki	11.42 %	EUR	0
Argentum Secondary SPV IV AS	Norway	Bergen	16.19 %	NOK	0
Viking Venture II AS	Norway	Trondheim	13.75 %	NOK	3 610
Viking Venture II B IS	Norway	Trondheim	66.91 %	NOK	0
Norvestor IV LP	Guernsey	Oslo	14.20 %	EUR	2 657
NeoMed Innovation IV LP	Jersey	Oslo	11.46 %	EUR	238
FSN Capital LP II	Jersey	Oslo	11.46 %	EUR	0
Energy Ventures II KS	Norway	Stavanger	20.18 %	NOK	428
Energy Ventures II B IS	Norway	Stavanger	46.73 %	NOK	5 727
Verdane Capital V B K/S	Denmark	Oslo	28.29 %	SEK	23 100
CapMan Buyout VIII LP	Guernsey	Helsinki	9.63 %	EUR	8 167
HitecVision Private Equity IV LP	Guernsey	Stavanger	20.13 %	USD	11 353
Verdane ETF III SPV KS	Denmark	Oslo	14.05 %	EUR	162
Axcel III K/S	Denmark	København	2.46 %	DKK	6 650
Northzone V K/S	Denmark	Oslo	11.31 %	EUR	715

EQT V LP	Guernsey	Stockholm	0.58 %	EUR	651
Borea Opportunity II AS	Norway	Bergen	9.59 %	NOK	31 454
Verdane Capital VI K/S	Denmark	Oslo	9.90 %	SEK	37 249
Creandum II LP	Guernsey	Stockholm	12.07 %	SEK	6 121
Intera Fund I KY	Finland	Helsinki	11.88 %	EUR	2 005
Litorina Kapital III LP	Jersey	Stockholm	8.61 %	SEK	23 895
Norvestor V LP	Guernsey	Oslo	13.52 %	EUR	6 587
HitecVision V LP	Guernsey	Stavanger	9.40 %	USD	2 959
Viking Venture III IS	Norway	Trondheim	13.17 %	NOK	12 994
Nordic Capital VII LP	Jersey	Stockholm	0.81 %	EUR	3 351
Procuritas Capital Investors IV LP	Guernsey	Stockholm	22.46 %	EUR	4 466
Nordic PEP HC IS*	Jersey	Oslo	91.36 %	NOK	1 500
Nordic PEP 1 IS*	Jersey	Stockholm	70.08 %	EUR	6 150
CapMan Buyout IX LP	Guernsey	Helsinki	8.40 %	EUR	4 429
Verdane Capital VII K/S	Denmark	Oslo	11.55 %	SEK	0
Argentum Secondary I IS	Norway	Bergen	97.02 %	NOK	56 361
Argentum Secondary II IS	Norway	Bergen	79.37 %	NOK	194 232
Argentum Investment Partner IS	Norway	Bergen	47.05 %	NOK	65 116
Northzone VI LP	Jersey	Oslo	12.09 %	EUR	766
HitecVision Asset Solutions LP	Guernsey	Stavanger	14.10 %	USD	7 694
Energy Ventures IV LP	Guernsey	Stavanger	7.44 %	USD	6 685
Axcel IV K/S	Denmark	København	3.14 %	DKK	45 517
EQT VI LP	Guernsey	Stockholm	0.05 %	EUR	669
NPEP HitecVision VI IS*	Guernsey	Stavanger	58.88 %	USD	18 796
NPEP Norvestor VI IS*	Guernsey	Oslo	60.02 %	NOK	25 427
Norsk Holding IS	Norway	Bergen	99.00 %	NOK	4 950
NPEP Nord II IS*	Norway	Tromsø	60.33 %	NOK	15 908
NPEP NeoMed V IS*	Jersey	Oslo	37.33 %	EUR	3 060
NPEP Accent Equity 2012 IS*	England	Stockholm	49.20 %	NOK	13 662
Argentum Secondary III IS	Norway	Bergen	70.32 %	NOK	1 115 390
Nordic Additional Funding Programme IS	Norway	Bergen	61.53 %	NOK	358 442
NPEP Procuritas V IS*	Guernsey	Stockholm	74.78 %	EUR	10 412
Argentum Investment Partner II IS	Norway	Bergen	48.03 %	NOK	131 356
NPEP CapMan X IS*	Guernsey	Stockholm	70.46 %	EUR	4 182
NPEP Riverstone GE&P V IS*	Cayman Islands	New York	80.50 %	USD	4 518
NPEP Nordic Capital VIII*	Jersey	Stockholm	54.20 %	EUR	4 553
NPEP Triton IV IS*	Jersey	London	53.90 %	EUR	10 042
NPEP FSN IV IS*	Jersey	Oslo	67.12 %	SEK	59 440
NPEP Herkules IV IS*	Jersey	Oslo	84.20 %	NOK	43 757
NPEP Northzone VII IS*	Jersey	Oslo	92.79 %	EUR	6 873
NPEP HitecVision VII IS*	Guernsey	Stavanger	86.35 %	USD	55 639
NPEP Altor IV IS*	Sweden	Stockholm	60.23 %	EUR	16 759
NPEP Sovereign Capital IV IS*	England	London	98.00 %	GBP	8 583
Encap Energy Capital Fund X-C, LP	Cayman Island	Houston	0.72 %	USD	9 215
NPEP Inflexion IS*	Guernsey	London	98.00 %	GBP	4 672
NPEP EQT VII IS*	England	Stockholm	40.63 %	EUR	8 151
NPEP Longship I IS*	Guernsey	Oslo	79.73 %	NOK	90 236

ACA IS	Norway	Bergen	98.00 %	NOK	39 690
Norvestor VII LP	Guernsey	Oslo	3.11 %	NOK	152 053
Norvestor VII OS LP	Guernsey	Oslo	13.37 %	NOK	36 047
NPEP MB V IS*	Finland	Helsinki	44.75 %	EUR	10 544
NPEP Genui IS*	Germany	Hamburg	88.10 %	EUR	8 865

\* Argentum Fondsinvesteringer as has made investments in internal co-investment structures domiciled in Norway and Bergen. The jurisdictions and registered offices of these stated in the table above refer to underlying private equity funds.

#### Investments in private equity funds

(all amounts in NOK 1 000)	2015	2014
Carrying amount in NOK	6 503 454	6 527 612
Purchase price in NOK	5 433 435	5 211 430
<b>Excess value portfolio</b>	<b>1 070 019</b>	<b>1 316 182</b>

The residual liability as at 31 December 2015 represents NOK 5,058 million. The residual liability is gradually paid as the private equity funds make investments.

#### Listed shares, Parent and Group

(all amounts in NOK 1 000)	Number of shares	Purchase price	Previous change in value	Current change in value	Carrying amount
Badger Explorer ASA	523 145	4 892	0	(4 380)	513
<b>Total</b>		<b>4 892</b>	<b>0</b>	<b>(4 380)</b>	<b>513</b>

Listed shares in Badger Explorer ASA were distributed to the investors in November 2015 in connection with the termination of the PE fund Convexa Capital IV AS.

#### Summary of private equity investments - Parent and Group 2015

(all amounts in NOK 1 000)	Purchase price	Carrying amount	Excess value 2015	Excess value 2014
Investments in private equity funds	5 428 543	6 502 941	1 074 398	1 316 182
Investments in listed shares	4 892	513	(4 380)	0
<b>Total private equity investments</b>	<b>5 433 435</b>	<b>6 503 454</b>	<b>1 070 019</b>	<b>1 316 182</b>

#### Recognised changes in value and realised gains

Both realised and unrealised changes in value of private equity investments are reported under Gain/loss on private equity investments in the income statement.

#### Recognised changes in value and realised gains - Parent and Group

(all amounts in NOK 1 000)	2015	2014
Realised return	716 247	921 035
Unrealised change in value	(246 162)	(147 365)
<b>Net gain on private equity investments</b>	<b>470 084</b>	<b>773 670</b>

#### Estimating the fair value of investments

The fair value of investments in private equity funds is determined based on the fund's fair value on the

reporting date. The fair value of the fund corresponds to the investment portfolio assessed at fair value plus net other items from the statement of financial position.

See also note 3 for estimates and accounting judgements relating to the PE portfolio.

## Note 7-Market-based bonds and certificates

The Group's market-based financial bonds and certificates are owned by the parent company and managed by external asset managers.

The portfolio may be divided as follows:

(all amounts in NOK 1 000)	2015		2014	
	Carrying amount	Purchase price	Carrying amount	Purchase price
Accrued interest	568	568	895	895
Available funds	1 529	1 529	1 314	1 314
Certificates	35 894	35 807	25 822	25 733
Bonds	93 577	94 774	102 130	102 645
<b>Total</b>	<b>131 568</b>	<b>132 678</b>	<b>130 162</b>	<b>130 588</b>

(all amounts in NOK 1 000)	2015		2014	
	Carrying amount	Purchase price	Carrying amount	Purchase price
<b>Certificates</b>				
Government	35 894	35 807	25 822	25 733
Finance	0	0	0	0
<b>Total</b>	<b>35 894</b>	<b>35 807</b>	<b>25 822</b>	<b>25 733</b>

<b>Bonds</b>				
	2015	2014	2015	2014
	Carrying amount	Purchase price	Carrying amount	Purchase price
Government	5 967	5 966	4 056	4 166
Finance	87 610	88 808	98 074	98 479
<b>Total</b>	<b>93 577</b>	<b>94 774</b>	<b>102 130</b>	<b>102 645</b>

Unrealised changes in value for the parent company and the Group in 2015 were negative at NOK 0.7 million (negative change in value of NOK 0.2 million in 2014). These are included under Return on market-based current financial assets in the income statement. See note 20. As at 31 December 2015, the actual duration of the portfolio, weighted by market values, was about 0.39 years, compared with 0.4 years in 2014.

For investments in bonds and certificates at financial institutions the issuer must have equity of at least NOK 250 million or be credit cleared as an Investment grade company, i.e. a rating that is equivalent to or better than Baa3 from Moody's or BBB from Standard & Poor.

## Note 8-Trade receivables and other receivables



Fair value corresponds to the book value of trade receivables and other receivables.

(all amounts in NOK 1 000)	Parent		Group	
	2015	2014	2015	2014
Trade receivables	0	3	108	157
Prepaid rent	0	0	0	45
Other prepaid expenses	0	129	1 878	1 158
Other current receivables	145 716	433 177	145 860	433 375
<b>Total</b>	<b>145 716</b>	<b>433 309</b>	<b>147 846</b>	<b>434 735</b>

Other current receivables for the parent company in 2015 include NOK 122.6 million (NOK 425.2 million in 2014) relating to proceeds from realisations in the private equity portfolio accrued to 2015 (and 2014), but which are not disbursed to the investors until 2016 (and 2015).

2015 also includes loans to Argentum NPEP AS which amounted to NOK 6.1 million as of the end of 2015. Argentum NPEP AS is a wholly owned sub-subsidiary of Argentum Fondsinvesteringer as, see note 11. In 2015, the loan accrued interest at a rate of 3.5 per cent p.a. The term of the loan depends on capital flows from underlying PE investments in Argentum NPEP AS and is therefore not specified and the loan is classified as short-term.

## Note 9-Bank deposits, cash and cash equivalents

(all amounts in NOK 1 000)	Parent		Group	
	2015	2014	2015	2014
Cash at bank	1 003 293	502 569	1 030 173	530 412
Restricted tax withholdings	586	555	1 266	1 365
<b>Total</b>	<b>1 003 880</b>	<b>503 124</b>	<b>1 031 439</b>	<b>531 776</b>
<b>Cash and cash equivalents in the cash flow statement</b>	<b>1 003 293</b>	<b>502 569</b>	<b>1 030 173</b>	<b>530 412</b>
Credit rating bank deposits (Moody's)	2015	2014	2015	2014
A1	1 003 880	503 124	1 031 439	531 776

## Note 10-Share capital and share premium

	2015		2014	
Ordinary shares, nominal value at NOK 1 000	1 953 166		1 953 166	
<b>Changes in share capital and share premium:</b>				
Parent	Share capital		Share premium	
	(NOK 1 000)		(NOK 1 000)	
	2015	2014	2015	2014
Ordinary shares, issued and paid				
	Opening balance	1 953 166	1 953 166	2 696 706
	<b>Closing balance</b>	<b>1 953 166</b>	<b>1 953 166</b>	<b>2 696 706</b>

Argentum Fondsinvesteringer as is wholly owned by the Ministry of Trade, Industry and Fisheries.

## Note 11-Overview of subsidiaries

The following subsidiaries are consolidated into the consolidated financial statements for Argentum Fondsinvesteringer as:

Selskap	Hjemland	Hoved- virksomhet	Eierandel	Stemmeandel
Argentum Asset Management AS	Norge	Management	100.00 %	100.00 %

The parent company has the following subsidiaries:

Selskap	Hjemland	Hoved- virksomhet	Eierandel	Stemmeandel
Bradbenken Partner AS	Norge	Investering	90.00 %	90.00 %
Argentum Asset Management AS	Norge	Management	100.00 %	100.00 %

The carrying amount as at 31 December 2015 is as follows:

Selskap	Balanseført verdi
(alle tall i NOK 1 000)	
Bradbenken Partner AS	56 136
Argentum Asset Management AS	100 309
<b>Sum</b>	<b>156 445</b>
Balanseført verdi 1.1.2015	157 106
<b>Verdiendring 2015 ført over resultatet</b>	<b>(661)</b>

Argentum Asset Management is recognised in accordance with the cost method in the parent company and is consolidated in the consolidated financial statements. Bradbenken Partner AS is recognised at fair value through profit or loss. Change in value is classified as other operating revenues.

The Group has the following subsidiaries that are not consolidated into the consolidated financial statements:

Selskap (alle tall i NOK 1 000)	Hjemland	Hoved- virksomhet	Eierandel og stemmeandel	Balanseført verdi	Egenkapital 100 %	Resultat 100 %
Bradbenken Partner AS	Norge	Investering	90.00 %	56 136	64 539	4 736
Argentum Nordic PEP 1 AS	Norge	Investering	100.00 %	6 614	154 607	(1 072)
Argentum Secondary AS	Norge	Investering	100.00 %	50 440	1 691 040	233 897
Argentum Nordic PEP HC AS	Norge	Investering	100.00 %	6 404	77 615	(5 951)
Argentum Investment Partner AS	Norge	Investering	100.00 %	13 415	496 341	24 508
Argentum NPEP AS	Norge	Investering	100.00 %	11 297	1 605 696	(85 974)
Nordic Additional Funding AS	Norge	Investering	100.00 %	3 413	216 966	(87 239)
<b>Sum</b>				<b>147 717</b>		
Balanseført verdi 1.1.2015				146 548		
<b>Verdiendring 2015 ført over resultatet</b>				<b>1 169</b>		

The subsidiaries that are not consolidated in accordance with IFRS 10 are measured at fair value with change in value through profit or loss in accordance with IAS 39 and are presented in the balance sheet as

subsidiaries at fair value. Change in value is classified as other operating revenues. When concerning consolidation of subsidiaries, reference is made to the note.

Equity and profit/loss in the table above are consolidated amounts based on the fair value of underlying PE investments for the respective investment structures. Argentum Asset Management AS owns 100 per cent of the principal in the subsidiaries Argentum Nordic PEP 1 AS, Argentum Secondary AS, Argentum Nordic PEP HC AS, Argentum Investment Partner AS, Argentum NPEP AS and Nordic Additional Funding AS. The principal in these companies has an ownership interest of between 1 and 2 per cent of underlying internal partnerships in which parts of Argentum Fondsinvesteringer as' PE portfolio are included. Argentum's share of the value of the investments in the internal partnerships is included under investments in private equity funds for the parent company and Group, ref. note 6.

The subsidiary Bradbenken Partner AS has the right and duty to invest in parallel with 1 per cent of Argentum's investments. 90 per cent of the company is owned by Argentum Fondsinvesteringer as through preference shares. This class of shares has preferential rights to a dividend up to a return equivalent to the risk free rate plus a risk premium. The remaining 10 per cent is owned by Argentum Fondsinvesteringer as and employees in the Group.

## Note 12-Forward exchange contracts

The specification of forward exchange contracts for the Group and parent company are presented in the following table:

### Forward exchange contracts entered into for the Parent and Group as at 31.12.2015

(all amounts in NOK 1 000)	Currency amount	Hedge rate	Net position 31.12.15	Maturity
Forward exchange contract - no hedging EUR	19 800	9.7165	(1 910)	22.12.2017
<b>Total</b>			<b>(1 910)</b>	

### Forward exchange contracts entered into for the Parent and Group as at 31.12.14

(all amounts in NOK 1 000)	Currency amount	Hedge rate	Net position 31.12.14	Maturity
Forward exchange contract - hedging SEK	116 881	0,9521	(887)	27.02.2015
Forward exchange contract - no hedging USD	10 000	7,3280	(1 052)	23.01.2015
Forward exchange contract - no hedging EUR	15 000	9,0044	(482)	23.01.2015
<b>Total</b>			<b>(2 420)</b>	

Fair value of hedging instruments is classified as a non-current asset or liability if the remaining term of the hedged item is more than 12 months and is classified as a current asset or liability if the remaining term for the hedged item is less than 12 months.

The fair value of forward exchange contracts is calculated by the Group's bank connection and represents the discounted difference between the agreed forward rate and the forward rate as of 31 December for a forward exchange contract with an equivalent duration.

Changes in fair value and realised gains and losses are classified as other operating revenues in the income statement.

For 2014, all hedging instruments had terms of less than 12 months. As at 31 December 2015, a forward contract was entered into with maturity in December 2017 and the contract is therefore classified as long-

term.

## Note 13-Other operating expenses

Specification of other operating expenses for the parent and Group companies.

### Other operating expenses

(all amounts in NOK 1 000)	Parent		Group	
	2015	2014	2015	2014
Depreciation tangible fixed assets	0	0	2 105	2 171
Auditors' fees	250	392	356	426
Lease expenses/joint expenses	0	0	5 404	4 920
IT expenses and software licenses	0	0	3 045	2 735
Various fees and services	301	144	16 397	10 664
Travel expenses	17	0	1 663	1 918
Management fee	49 629	43 855	0	0
Other expenses	160	294	4 113	3 823
<b>Total</b>	<b>50 357</b>	<b>44 684</b>	<b>33 084</b>	<b>26 656</b>

## Note 14-The Board's statement on determination of salaries and other remuneration of executive management

The statement regarding remuneration of the CEO and other executives has been prepared in accordance with regulations set out in the Norwegian Public Limited Liability Companies Act and the Accounting Act. The statement includes the parent company Argentum Fondsinvesteringer as and the subsidiary Argentum Asset Management AS. Other wholly owned subsidiaries have no employees.

### Remuneration guidelines

Argentum Fondsinvesteringer as has established guidelines for remuneration of executive management which are intended to ensure that we attract, develop and retain highly-qualified employees. The company's compensation schemes shall be competitive with similar companies in the asset management industry, although without taking the lead in a total remuneration context.

### Decision-making process

The Board has established a compensation committee consisting of the Chairman, Deputy Chairman and one member of the Board. The CEO attends the committee meetings, except on those occasions when the committee considers matters concerning

The committee is an advisory body to the Board and its tasks include:

- Preparing proposals for guidelines and the framework for establishing the salary and remuneration of executive management and following up their practice.
- Conducting an annual evaluation and presenting recommendations to the Board regarding the CEO's total remuneration.
- Being briefed and consulted by the CEO about remuneration of other executives

## **Main remuneration principles in the coming financial year**

The following statement on the remuneration of executive management will be presented for an advisory vote at the ordinary general meeting in June 2016. The Board proposes that guidelines described below are used as a basis for 2016 and the period up to the Annual General Meeting in 2017.

Executive management's remuneration shall always reflect the individual executive's responsibilities for managing the company. Total remuneration for the CEO and other executives shall be competitive with similar companies in the asset management sector, although without taking the lead in a total remuneration context.

Total remuneration to the CEO and other executive managers consists of a fixed salary, other remuneration, defined contribution pension restricted to 12G and a profit related component. The CEO also has an agreement on severance pay in the event that the company is wound up.

### **Fixed salaries and remuneration**

The granting of payments in kind must follow market practice and not be substantial in relation to the fixed salary. The fixed salary of each executive is reviewed annually in light of the responsibility and complexity of the position, the manager's contribution to the company's development, qualifications and experience and general salary trends in society in general. The manager's contribution is assessed each year against the attainment of predefined individual objectives.

### **Pension**

The company has a defined contribution pension scheme that applies for all employees. Contributions are paid in based on the individual's salary. Between 1 – 6 G an amount of 5 per cent of fixed salary is paid in. From 6 – 12 G an amount of 8 per cent of fixed salary is paid in. For fixed salary above 12 G no payments are made to the scheme. The company's pension scheme satisfies the requirements of the Act on mandatory occupational pensions.

### **Variable pay**

Argentum has linked part of the remuneration to the company's results and other objectives. A new agreement for variable pay was established with effect from 2013, which replaces previous agreements. The scheme works by making annual provisions that are equivalent to two per cent of the return on the private equity investments less a minimum return equivalent to three months' Nibor plus 75 basis points calculated on two per cent of the company's average invested capital during the year. The annual bonus provision is limited to a total figure that is equivalent to six months fixed salary for those persons who are covered by the scheme. The bonus for each participant consists of a result-based element and a discretionary element, of which the discretionary element is linked to the attainment of defined key performance indicators, which include different yield targets in accordance with established benchmarks, goals in relation to access to dealflow, the realisation level in the portfolio, cost targets and more qualitative targets in terms of the development of the organisation, expertise and market. The CEO's proportion of the element that depends on results constitutes thirty five per cent for 2016. The agreement is valid for a specific period and expires in 2017. In connection with the termination of prior variable pay agreements, a transition scheme has been established which applies up to and including 2016, and which means that the payments going forward will be able to reflect previously earned variable pay. Total annual variable pay may not exceed six months' fixed salary on the payment date.

### **Severance pay**

If the company is wound up by the Norwegian parliament or another public authority, the CEO is entitled to two years' severance pay and other remuneration. Other salary income, including the Board fee which the

CEO earns two years after resigning, will be deducted from the payments. This type of remuneration does not provide entitlement to holiday pay.

### Remuneration during the previous financial year

With effect from 13 February 2015, the State stipulated new guidelines for salaries and other remuneration to executive management in enterprises and companies in which the state has an ownership interest. Argentum has terminated the long-term incentive scheme that was established in 2013 with effect from 2015. At the same time, fixed remuneration to executive management relating to contractual pension exceeding contributions to defined contribution pension scheme and remuneration for company car scheme have been discontinued. The removal of these benefits is compensated by a corresponding increase in the fixed salary.

The Board confirms that the guidelines for executive compensation set out in 2015 have been followed. In December 2014, the Board decided to adjust the CEO's fixed remuneration by 3.5 per cent with effect from 1 January 2015. The fixed salary in 2015 was NOK 4,122,959. The fixed salary for other executives was increased by an average of 3.8 per cent in the annual salary adjustments.

## Note 15-Payroll expenses, number of employees, remuneration, loans to employees etc.

### Payroll expenses

(all amounts in NOK 1 000)	Parent		Group	
	2015	2014	2015	2014
Fixed salaries	5 837	5 310	20 684	21 638
Variable pay	0	0	6 598	6 017
Employer's national insurance contributions	984	901	4 224	4 335
Pension costs	129	338	1 113	1 475
Other benefits	991	926	1 618	1 976
Salary agreement AAM	(3 337)	(2 986)	0	0
<b>Total</b>	<b>4 604</b>	<b>4 490</b>	<b>34 236</b>	<b>35 440</b>

With effect from 1 January 2014, all employees at Argentum Fondsinvesteringer as were transferred to the wholly owned subsidiary Argentum Asset Management AS (AAM), with the exception of the CEO and Finance Director. They are employed at both the parent company Argentum Fondsinvesteringer as and Argentum Asset Management AS. Through the agreement, 50 per cent of the salary and remuneration to the CEO and Finance Director is covered by Argentum Asset Management AS. The Group employed 22.25 full-time equivalents in 2015 compared with 23.67 full-time equivalents in 2014.

### The table below shows the rights accrued during the period

#### Remuneration etc. in 2015 Group

(all amounts in NOK 1 000)	Salaries paid in 2015 1)	Accrued variable pay in 2015	Other remuneration in 2015	Total remuneration in 2015	Pension costs 2015	Fees paid and total remuneration 4)
CEO	4 392	2 122	12	6 526	65	
CFO	1 704	830	11	2 545	65	
CCO (until 01.11 2015) 2)	595	0	9	604	48	
Chairman of the Board						320
Deputy Chairman						180

Board member						168
Board member						153
Board member						153
<b>Total</b>	<b>6 692</b>	<b>2 952</b>	<b>32</b>	<b>9 675</b>	<b>178</b>	<b>974</b>

#### Remuneration etc. in 2014 Group

(all amounts in NOK 1 000)	Salaries paid in 2014 1)	Accrued variable pay in 2014	Other remuneration in 2014	Total remuneration in 2014	Pension costs 2014	Fees paid and total remuneration 4)
CEO	4 239	2 061	13	6 313	64	
CFO	1 639	798	10	2 447	64	
CCO 3)	1 730	600	110	2 440	164	
Chairman of the Board						284
Deputy Chairman						161
Board member						150
Board member						135
Board member						135
<b>Total</b>	<b>7 608</b>	<b>3 459</b>	<b>133</b>	<b>11 201</b>	<b>291</b>	<b>865</b>

1) oversetting til engelsk

2)

3)

4)

With effect from 13 February 2015, the State stipulated new guidelines for salaries and other remuneration to executive management in enterprises and companies in which the state has an ownership interest. From and including 2015, fixed remuneration to executive management relating to defined contribution pension scheme and remuneration for company car scheme have been discontinued. The removal of these benefits is compensated by a corresponding increase in the fixed salary. In the notes to the annual financial statements for 2014, the CEO's agreement for fixed remuneration relating to defined contribution pension scheme (NOK 338,240) is presented as a pension expense, while remuneration for the company car scheme (NOK 203,000) was included in other remuneration. To provide a comparison, for 2015 these benefits appear in the 2014 table above in salaries paid.

No loans or collateral have been provided for the CEO, other employees, Chairman or other related parties.

#### Variable pay

For the 2015 financial year, a provision of NOK 6,597,500 (NOK 6,016,655 in 2014) has been made for variable pay. The Board of the company has set the CEO's variable pay for 2015 at NOK 2,121,500 compared with NOK 2,061,480 in 2014. Variable pay for 2015 will be paid out in 2016.

#### Pension

The CEO has a defined contribution pension scheme with a total cost of NOK 65,342 in 2015 (NOK 63,760 in 2014). Reference is otherwise made to the statement concerning executive salaries for the change in pensions to executive managers.

#### Remuneration to the auditor (excluding VAT)

(all amounts in NOK 1 000)	Parent		Group	
	2015	2014	2015	2014
Statutory audit	200	260	285	288
Other certification services	0	4	0	4
Tax-related advice*	0	50	25	110
Other services	0	0	0	0
<b>Total</b>	<b>200</b>	<b>313</b>	<b>310</b>	<b>401</b>

\* In tax advisory services for the Group in 2014, NOK 60,000 was recorded for remuneration to companies with which the auditor has a special collaboration. The assistance was provided by Advokatfirmaet PricewaterhouseCoopers AS.

## Note 16-Lease agreements

The Group has signed leases on its offices in Bergen and Oslo.

For the Bergen office, a lease has been signed for a period of five years from 1 September 2015 to 31 August 2020, with an option to extend the lease by an additional five years. The annual rent for 2015 was NOK 2,032,077 (NOK 1,922,265 in 2014). The rent is adjusted for inflation during the period of the lease.

For the office in Oslo an agreement was signed to lease the premises for a five year period from 30 June 2015 to 30 June 2020. Total rental costs for 2015 were NOK 1,068,972 (NOK 1,040,250 in 2014). The rent is adjusted for inflation during the period of the lease.

## Note 17-Liabilities to credit institutions

### Parent and Group as at 31.12

(all amounts in NOK 1 000)	2015	2014
<b>Short-term loans</b>		
Bank overdraft	550	273
<b>Total loans</b>	<b>550</b>	<b>273</b>

## Note 18-Other current liabilities

### Annen kortsiktig gjeld

(alle tall i NOK 1 000)	Morselskap		Konsern	
	2015	2014	2015	2014
Leverandørgjeld	11	133	3 674	3 136
Offentlige avgifter	664	678	5 838	6 052
Kassekreditt	550	273	550	273
Avsetninger	840	581	840	581
Annen kortsiktig gjeld	13 707	12 921	33 425	31 705
<b>Sum</b>	<b>15 773</b>	<b>14 586</b>	<b>44 327</b>	<b>41 747</b>

Other current liabilities for the parent company in 2015 include Group liabilities of NOK 11.8 million (NOK 11.4 million in 2014).



## Note 19-Income taxes

(all amounts in NOK 1 000)	Parent		Group	
<b>Tax expense</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current taxes	0	0	0	0
Changes in deferred taxes	36 334	(25 084)	36 099	(24 841)
<b>Total</b>	<b>36 334</b>	<b>(25 084)</b>	<b>36 099</b>	<b>(24 841)</b>

### Reconciliation of tax basis

Profit before tax	439 072	746 668	437 144	748 051
Permanent differences	(313 093)	(839 141)	(312 034)	(839 526)
Changes in temporary differences	(466)	881	403	(18)
Tax basis	125 513	(91 592)	125 513	(91 493)
Utilised tax loss carry forward	(125 513)	0	(125 513)	0
Taxable income	0	(91 592)	0	(91 493)
<b>Tax payable 27 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(all amounts in NOK 1 000)	Parent		Group	
<b>Deferred tax assets in the balance sheet relate to the following temporary differences</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Tangible fixed assets	116	0	124	243
Financial instruments	(135)	105	(135)	105
Tax loss carryforward	(32 124)	(68 582)	(32 124)	(68 582)
Tax loss carryforward, not capitalised 1)	0	0	0	0
<b>Total deferred tax assets</b>	<b>(32 143)</b>	<b>(68 477)</b>	<b>(32 135)</b>	<b>(68 235)</b>

(all amounts in NOK 1 000)	Parent		Group	
<b>Reconciliation of tax expense</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
27 % tax on profit before tax	118 549	201 600	118 029	201 974
Tax effect of permanent differences	(84 535)	(226 568)	(84 249)	(226 672)
Tax effect - temporary differences in financial instruments	(251)	(116)	(251)	(116)
Change in tax loss carryforward - not capitalised 1)	0	0	0	(27)
Tax effect of changed tax rate 2)	2 571	0	2 571	0
<b>Tax expense</b>	<b>36 334</b>	<b>(25 084)</b>	<b>36 099</b>	<b>(24 841)</b>

1) Deferred tax for tax-reducing differences (mainly tax loss carryforwards) in subsidiaries is not capitalised unless the Group can substantiate future utilisation of these tax positions.

2) The rate for income tax was 27 per cent in 2015. A change in the tax rate to 25 per cent was approved with effect from and including the 2016 financial year. Since temporary differences at the end of 2015 are expected to be reversed in a tax basis subject to 25 per cent income tax, the deferred tax asset in the balance sheet at the end of 2015 is calculated based on 25 per cent tax.

## Note 20-Financial items

### Financial items

(all amounts in NOK 1 000)	Parent		Group	
	2015	2014	2015	2014
<b>Financial income</b>				
Interest income	9 572	5 720	9 819	6 112
Exchange gains	15 959	2 673	15 979	2 673
Other financial income	13 214	5 963	4 901	2 601
Gross return market-based bonds and certificates	1 427	4 263	1 427	4 263
<b>Total financial income</b>	<b>40 171</b>	<b>18 619</b>	<b>32 126</b>	<b>15 648</b>
<b>Financial expenses</b>				
Interest expenses	(1 727)	(1 105)	(1 735)	(1 105)
Exchange losses	(9 091)	(2 643)	(9 105)	(2 643)
Other financial expenses	(4 372)	(2 993)	(4 372)	(3 033)
<b>Total financial expenses</b>	<b>(15 189)</b>	<b>(6 741)</b>	<b>(15 212)</b>	<b>(6 781)</b>
<b>Total financial items</b>	<b>24 982</b>	<b>11 878</b>	<b>16 914</b>	<b>8 867</b>

Realised returns and unrealised changes in the value of market-based bonds and certificates at fair value through profit or loss are included in the gross return on market-based current financial assets. Nominal yield on such instruments is shown as interest income.

In 2015, the credit facility was increased from NOK 750 million to NOK 1,250 million, and other financial expenses include establishment fees, commissions and interest on the credit facility. The credit facility was not used in 2014 or in 2015.

## Note 21-Tangible Fixed Assets (Group)

### Tangible fixed assets

(all amounts in NOK 1 000)	Art	Fixture and fittings, office equipment	Construction in progress	Total
Carrying amount as at 31.12.13	1 578	4 917	2 973	9 468
Additions	0	4 600	0	4 600
Depreciation	0	(2 171)	0	(2 171)
Write-downs	0	0	0	0
Disposals	0	0	(2 973)	(2 973)
<b>Carrying amount as at 31.12.14</b>	<b>1 578</b>	<b>7 346</b>	<b>0</b>	<b>8 924</b>
Original purchase price	1 578	14 242	0	15 820
Accumulated depreciation and write-downs	0	(6 896)	0	(6 896)
<b>Carrying amount as at 31.12.14</b>	<b>1 578</b>	<b>7 346</b>	<b>0</b>	<b>8 924</b>
Additions	0	128	0	128
Depreciation	0	(2 105)	0	(2 105)
Write-downs	0	0	0	0
Disposals	0	0	0	0
<b>Carrying amount as at 31.12.15</b>	<b>1 578</b>	<b>5 369</b>	<b>0</b>	<b>6 948</b>

Original purchase price	1 578	14 370	0	15 948
Accumulated depreciation and write-downs	0	(9 001)	0	(9 001)
<b>Carrying amount as at 31.12.15</b>	<b>1 578</b>	<b>5 369</b>	<b>0</b>	<b>6 948</b>

As part of the management business being transferred to Argentum Asset Management AS from 1 January 2014, all operating assets were also transferred. There were therefore no operating assets in the parent company in 2014 or 2015.

## Note 22-Transactions and outstanding accounts with associated companies

As of 31 December 2015, Argentum Fondsinvesteringer as had outstanding receivables on internal investment structures amounting to NOK 122.6 million (NOK 286.6 million in 2014). These are mainly related to distributions from Argentum Secondary AS, Argentum Investment Partner AS and Argentum NPEP 1 AS accrued to 2015 (and 2014) and which were paid early in 2016 (and 2015).

At the end of December 2015, Argentum Fondsinvesteringer as had outstanding liabilities to Bradbenken Partner AS of NOK 683,056 (claim of NOK 26,823 in 2014), outstanding claim on Argentum Investment Partner AS of NOK 9,555,998 (NOK 0 in 2014), outstanding claim on Argentum NPEP AS of NOK 6,107,685 (NOK 0 in 2014) and outstanding claim on Argentum Secondary AS of NOK 5,982,624 (NOK 3,286,827 in 2014). Outstanding accounts are accrued on market conditions.

Intra-group balances as at 31 December 2015 are included in Other current receivables (note 8) and Other current liabilities (note 18).

The principles stipulated in Section 38 and 39 of the Limited Liability Companies Act form the basis for transactions between related parties and Group companies. This means that these transactions are conducted on ordinary commercial terms in accordance with the arm's length principle.

Argentum Fondsinvesteringer as participated in equity issues in the following subsidiaries in 2014:

Argentum Asset Management AS, non-cash contribution NOK 100,278,817

In connection with the introduction of the EU Alternative Investment Fund Managers Directive (AIFMD) in Norway, Argentum Fondsinvesteringer as decided to reposition the asset management business into a separate subsidiary, Argentum Asset Management AS, which will provide asset management for Argentum Fondsinvesteringer as and other investors. With effect from 1 January 2014, all rights, assets and liabilities related to the company's management activities were transferred to Argentum Asset Management AS, through a non-cash contribution from Argentum Fondsinvesteringer as. The total value of the non-cash contribution was NOK 100,278,817.

Argentum Asset Management AS manages assets on behalf of Argentum Fondsinvesteringer as, and in 2015 invoiced NOK 49,629,000 for services rendered (NOK 43,855,000). The management fee is eliminated in the Consolidated financial statements.

### Income from investments in subsidiaries

The overview below shows a summary of group contributions and dividends from subsidiaries:

	2015		2014	
(all amounts in NOK 1 000)	Received	Paid	Received	Paid

### Group contributions

Argentum Asset Management AS	8 316	0	3 370	0
Argentum Secondary AS	2 580	0	124	0
Argentum Nordic PEP 1 AS	132	0	1 035	0
Nordic Additional Funding AS	8	0	10	0

### Dividends

Bradbenken Partner AS	2 178	0	1 435	0
<b>Total Group contributions and dividends</b>	<b>13 213</b>	<b>0</b>	<b>5 974</b>	<b>0</b>

### Advisory agreements

Argentum Asset Management AS has, as advisor, entered into consultancy agreements (management agreements) with the following Group companies: Argentum Secondary AS, Argentum Investment Painvestment companies that are organised as internal partnerships. The principal makes all the investment and realisation decisions for the investment companies, while Argentum Asset Management AS provides investment advice and carries out related duties for the principal.

### Income from advisory agreements

(all amounts in NOK 1 000)	2015		2014	
	Parent	Group	Parent	Group
<b>Advisory agreements</b>				
NPEP	0	3 192	0	3 236
Argentum Secondary AS	0	8 637	0	8 892
Argentum Investment Partner AS	0	2 181	0	2 168
Nordic Additional Funding AS	0	2 653	0	2 653
<b>Total</b>	<b>0</b>	<b>16 663</b>	<b>0</b>	<b>16 950</b>

### Parent company dividend

Argentum Fondsinvesteringer as is wholly owned by the Ministry of Trade, Industry and Fisheries. Dividends distributed in 2015 for the 2014 financial year amounted to NOK 250 million.

### Parent company guarantee

The subsidiary Argentum NPEP AS has entered into a forward exchange contract with the sale of USD 36 million, with maturity on 11 June 2018. In connection with this transaction, Argentum Fondsinvesteringer as has provided a guarantee of NOK 100 million.

## Note 23-Changes in accounting principles and transition to new accounting statement

Due to Argentum Fondsinvesteringer as being defined as an investment entity and the application of appurtenant provisions in IFRS 10, the Group has changed accounting principles when concerning investments in subsidiaries. This applies for the subsidiaries Bradbenken Partner AS, Argentum NPEP AS, Argentum Secondary AS, Argentum Investment Partner AS, Nordic Additional Funding AS, Argentum NPEP 1 AS and Argentum NPEP HC AS. The above-mentioned subsidiaries that were previously consolidated are

now recognised at fair value through profit or loss. In order for there to be consistency between the parent company and the Group, subsidiaries are therefore entered at fair value through profit or loss in the parent company (previously recognised according to the cost method). The transitional rules require retrospective application in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". However, it is specified that the company is only required to present the quantitative information required in accordance with paragraph 28(f) of IAS 8 for the period immediately preceding the date of initial application. The table below shows the adjustments for each accounting item for 2014 in the parent company and the Group.

Adjustments in the balance sheet for the parent company:

#### Adjustments in the balance for the Parent

(amounts in NOK 1 000)	2014 Parent	Adjustment	2014 (Restated)
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax assets	68 477	0	68 477
Investment in private equity funds	6 527 612	0	6 527 612
Subsidiaries	100 309	0	100 309
Subsidiaries measured at fair value	51 609	5 188	56 797
<b>Total non-current assets</b>	<b>6 748 008</b>	<b>5 188</b>	<b>6 753 195</b>
<b>Current assets</b>			
Other receivables	437 613	(4 304)	433 309
Market-based bonds and certificates	130 162	0	130 162
Cash and cash equivalents	503 124	0	503 124
<b>Total current assets</b>	<b>1 070 899</b>	<b>(4 304)</b>	<b>1 066 595</b>
<b>Total assets</b>	<b>7 818 907</b>	<b>884</b>	<b>7 819 790</b>
<b>Equity</b>			
Share capital	1 953 166	0	1 953 166
Share premium	2 696 706	0	2 696 706
Other equity	3 147 724	5 188	3 152 912
<b>Total equity</b>	<b>7 797 596</b>	<b>5 188</b>	<b>7 802 784</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other financial instruments	2 420	0	2 420
Other current liabilities	18 890	(4 304)	14 586
<b>Total current liabilities</b>	<b>21 310</b>	<b>(4 304)</b>	<b>17 006</b>
<b>Total liabilities</b>	<b>21 310</b>	<b>(4 304)</b>	<b>17 006</b>
<b>Total equity and liabilities</b>	<b>7 818 907</b>	<b>884</b>	<b>7 819 790</b>

#### Adjustments in the income statement for the Parent:

(amounts in NOK 1 000)	2014 Parent	Adjustment	2014 (Restated)
<b>Operating revenues and operating expenses</b>			
Gains on private equity investments	773 670	0	773 670
Other operating revenues	30 450	(20 156)	10 294
<b>Total operating revenues</b>	<b>804 120</b>	<b>(20 156)</b>	<b>783 964</b>

Payroll expenses	(4 490)	0	(4 490)
Other operating expenses	(44 684)	0	(44 684)
<b>Operating profit</b>	<b>754 946</b>	<b>(20 156)</b>	<b>734 790</b>
<b>Financial income and expenses</b>			
Return on market-based current financial assets and other financial income	18 619	0	18 619
Other financial expenses	(6 741)	0	(6 741)
<b>Total financial items</b>	<b>11 878</b>	<b>0</b>	<b>11 878</b>
<b>Profit before tax</b>	<b>766 824</b>	<b>(20 156)</b>	<b>746 668</b>
Tax expenses	25 084	0	25 084
<b>Profit for the year</b>	<b>791 908</b>	<b>(20 156)</b>	<b>771 752</b>

#### Adjustments in the balance for the Group

(amounts in NOK 1 000)	2014 (Consolidated)	Adjustment	2014 (Restated)
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax assets	68 235	0	68 235
Operating equipment, inventory, office machinery etc.	8 924	0	8 924
Investment in private equity funds	7 679 313	(1 151 701)	6 527 612
Subsidiaries measured at fair value	0	146 548	146 548
<b>Total non-current assets</b>	<b>7 756 472</b>	<b>(1 005 153)</b>	<b>6 751 319</b>
<b>Current assets</b>			
Other receivables	492 621	(57 886)	434 735
Market-based bonds and certificates	130 162	0	130 162
Other financial instruments	5 771	(5 771)	0
Cash and cash equivalents	674 762	(142 986)	531 776
<b>Total current assets</b>	<b>1 303 316</b>	<b>(206 643)</b>	<b>1 096 673</b>
<b>Total assets</b>	<b>9 059 787</b>	<b>(1 211 795)</b>	<b>7 847 992</b>
<b>Equity</b>			
Share capital	1 953 166	0	1 953 166
Share premium	2 696 706	0	2 696 706
Other equity	3 152 992	961	3 153 953
Minority interests	923 371	(923 371)	0
<b>Total equity</b>	<b>8 726 235</b>	<b>(922 410)</b>	<b>7 803 825</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans to credit institutions	185 990	(185 990)	0
<b>Total non-current liabilities</b>	<b>185 990</b>	<b>(185 990)</b>	<b>0</b>
<b>Current liabilities</b>			
Other financial instruments	2 512	(92)	2 420
Other current liabilities	145 049	(103 302)	41 747
<b>Total current liabilities</b>	<b>147 561</b>	<b>(103 394)</b>	<b>44 167</b>
<b>Total liabilities</b>	<b>333 551</b>	<b>(289 384)</b>	<b>44 167</b>
<b>Total equity and liabilities</b>	<b>9 059 787</b>	<b>(1 211 795)</b>	<b>7 847 992</b>

#### Adjustments in the income statement for the Group

(amounts in NOK 1 000)

	2014 (Consolidated)	Adjustment	2014 (Restated)
<b>Operating revenues and operating expenses</b>			
Gains on private equity investments	981 904	(208 234)	773 670
Other operating revenues	5 433	22 178	27 611
<b>Total operating revenues</b>	<b>987 337</b>	<b>(186 056)</b>	<b>801 281</b>
Payroll expenses	(35 440)	0	(35 440)
Other operating expenses	(40 468)	13 812	(26 656)
<b>Operating profit</b>	<b>911 429</b>	<b>(172 244)</b>	<b>739 185</b>
<b>Financial income and expenses</b>			
Return on market-based current financial assets and other financial income	35 493	(19 845)	15 648
Other financial expenses	(45 385)	38 604	(6 781)
<b>Total financial items</b>	<b>(9 892)</b>	<b>18 759</b>	<b>8 867</b>
<b>Profit before tax</b>	<b>901 537</b>	<b>(153 485)</b>	<b>748 052</b>
Tax expenses	24 841	0	24 841
<b>Profit for the year</b>	<b>926 378</b>	<b>(153 485)</b>	<b>772 892</b>
Minority share of the profit	152 731	(152 731)	0
Profit allocated to shareholders in the parent company	773 647	(755)	772 892

## Note 24-Events after the reporting period

No new information has emerged concerning significant events that occurred or conditions already existing at the end of the reporting period, 31 December 2015, and in the period up to the Board's adoption of the accounts on 27 May 2016.

The proposed dividend from the parent company for the 2015 financial year is NOK 500 million, although no associated provision has been recognised.