ANNUAL REPORT 2021

TOWARDS THE RAILWAY OF THE FUTURE

Mantena is helping to shape the railway of the future with innovation, digitisation and optimisation

Layout: FÆRD.no
Photo: Bård Gudim
iStockphoto
Flytoget
Rune Fossum

CONTENTS


Blommenholm
Sandvika
Høvik
Stabekk
Lysaker
Skøyen
Nationaltheatret
Stabekk
Lysaker
Skøyen
Nationaltheatret
4 Annual Report 2021

THIS IS MANTENA

History

Mantena was established in 2001 as a wholly-owned subsidiary of Norwegian State Railways (NSB AS). Mantena Sverige AB was established as a subsidiary of Mantena AS in 2007.

As part of the Norwegian railway reform, Mantena was transferred from NSB to the Norwegian State (Ministry of Transport and Communications) in April 2017. The Ministry of Trade, Industry and Fisheries took over the responsibility for administering the State's holding from 1 January 2020.

Mantena AS is the parent company of the Mantena Group; along with the business in Norway, this comprises Mantena Sverige AB, Mantena Finland OY and Mantena Danmark A/S.

Our business

Mantena is one of the largest providers of maintenance services for railway vehicles and equipment in the Nordic region. Mantena provides timely maintenance services tailored to the rail sector of today and tomorrow, while continuing a long tradition of rail operation.

Our expertise ranges from the largest and heaviest locomotives to the smallest and most advanced components.

Mantena carries out train maintenance during breaks in service at workshops in Norway and Sweden and also has workshops for maintenance of components and parts, as well as an extensive logistics function. The company also undertakes maintenance and repairs of railway machinery in Norway. Mantena handles maintenance activities in Sweden through its subsidiary Mantena Sverige AB.

Location

Mantena's head office is at Oslo Central Station, while maintenance is distributed across locations in Norway and Sweden. The company is strategically located to meet the need for maintenance where it is most appropriate.

End-to-end deliveries

Mantena has undergone major changes in recent years and is now equipped to face competition in the market in a very different way from before — both here at home and outside Norway. Our core activities have been expanded and a wider range of services is being delivered to customers than ever before.

Mantena no longer just carries out maintenance under the operators' plans and management; over the last few years, it has become a full-service supplier with the experience, expertise and resources to take overall responsibility for the condition of the trains.

Against the backdrop of the changes made in recent years, Mantena has evolved into one of the most significant players in maintenance services for the rail sector in the Nordic region.

Mantena is certified according to the following standards and requirements:

- Regulation (EU) No 517/2014 on fluorinated greenhouse gases, with Implementing Regulation 2015/2067
- NS-EN ISO 9001:2015 Quality management systems
- NS-EN ISO 14001:2015 Environmental management systems
- EN 15085-2 Welding of railway vehicles and components
- Mantena NTO Certificate 2018-2022
- ECM F IV - Maintenance delivery function, based on Regulation (EU) No 445/2011
- Regulation (EU) No 2019/779 (Entities in charge of maintenance) F I-III
- Safety certificate and licence parts A and B in Norway and Sweden to run trains on the rail network

A FULL-SERVICE SUPPLIER WITH THE EXPERIENCE, EXPERTISE AND RESOURCES TO TAKE OVERALL RESPONSIBILITY FOR THE TRAINS

OUR CORE VALUES

PURPOSE

SUSTAINABLE AND EFFICIENT TRANSPORTATION THROUGH OPTIMAL MAINTENANCE

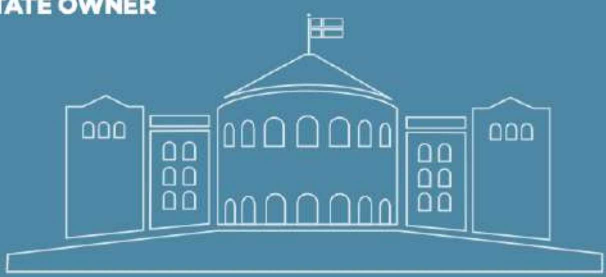
VALUES

TRUST, EFFICIENCY AND INNOVATION

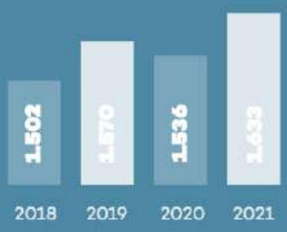
VISION

THE NORDIC REGION'S MOST INNOVATIVE TOTAL MAINTENANCE AND SERVICE PROVIDER

STATE OWNER



1.633 MNOK.
REVENUE



EMPLOYEES GROUP
967

EMPLOYEES MANTENA AS
752

WOMEN ON THE BOARD
25%

WOMEN IN MANAGEMENT
17%

ELECTRICITY

304 Train sets — 46 997 606 km/year

46 Locomotives — 5 699 609 km/year

DIESEL

29 Train set — 4 623 405 km/year

13 Locomotives — 2 276 101 km/year

WAGONS

156 Carriages — 21 836 206 km/year

934 Goods wagons — 103 234 714 km/year

20

LOCATIONS

14 NORWAY
4 SWEDEN
1 DENMARK
1 FINLAND

148.000 m²
WORKSHOPS

MANTENA
– ALWAYS MOVING FORWARD

Mantena is an essential part of a climate-friendly, efficient and safe mode of transport. Every year our employees carry out very important jobs for the railways and for our customers.

We help to ensure that millions of passengers and millions of tonnes of freight arrive safely at their destination. As well as passengers and freight arriving safely, we do our part to maintain the value of trains and other railway equipment over time. Through good and efficient maintenance, we help to keep trains in service for up to 30-40 years.

Mantena has a central role in development

The railways in Norway and the other Nordic countries are undergoing rapid development and digitisation. New equipment is being bought in, to provide for higher frequency and more trains to meet society's need for increasingly climate-friendly transport solutions.

Mantena is part of the development of the railways. One example of this is the rollout of ERTMS within Norwegian railways, which you can read about in this annual report. This is currently Norway's largest digitisation project and represents a technology boost for the whole of the rail sector in Norway.

Developing rail operation

We continued to win contracts against tough competition in 2021. However, we also saw a negative financial result for the year. This is mainly due to provisions for expected losses on contracts entered into previously, challenges related to the pandemic and a need for further streamlining of operations.

Measures were initiated through 2021 both to strengthen the company's financial position and to increase competitiveness. The measures include an efficiency improvement programme which will help to reduce costs and substantially improve competitiveness over the next two years.

We have also reviewed the contract portfolio and terminated several unprofitable agreements in 2021 and 2022.

Greater focus on HSE

As a responsible employer and provider of essential services to the rail sector, Mantena has a clear focus on HSE in all parts of the business. The HSE work in Mantena was stepped up during the year and will continue in 2022.

Always moving forward

We will also continue to develop our methodology for maintaining rail equipment. There is significant potential in the industry both to further reduce greenhouse gas emissions from rail operations and to increase efficiency in the value chain for customers.

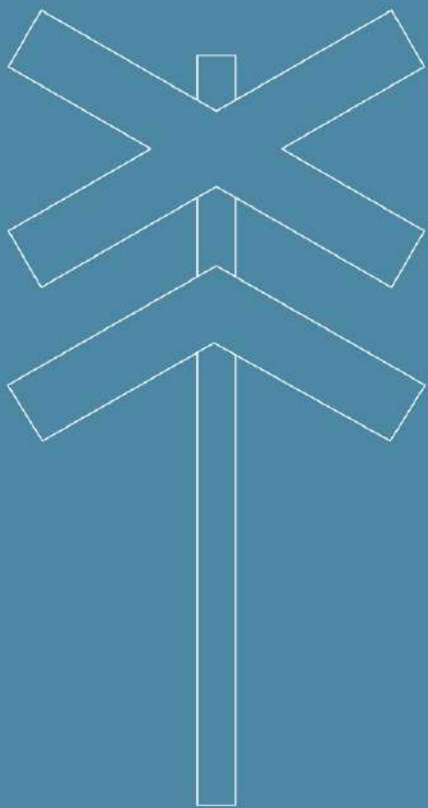
Mantena will always be moving forward, and we aim to be a driver for a climate-friendly, efficient and secure railway sector in the coming years.

Best wishes,

John Arne Ulvan, Managing Director/CEO

John Arne Ulvan


MANTENA IS
PART OF THE
DEVELOPMENT
OF RAILWAYS
Annual Report 2021 9



01

INNOVATION AND EFFICIENT TRANSPORT

FRESH IDEAS FOR OPTIMAL MAINTENANCE

Innovation is the foundation of our effort to become the most innovative full-service supplier of maintenance services in the Nordic region.

Mantena takes an innovative approach in adopting new technologies and developing processes. This should make us even more efficient and enable us to provide even better services and add value for our customers and partners.

Optimising maintenance programmes

An important part of our work to develop the maintenance services is constant optimisation of maintenance programmes. Optimisation will allow both Mantena and its customers to devote less resources to the maintenance of trains.

Condition-based maintenance

In the area of condition-based maintenance, Mantena is running research programmes together with the Research Council of Norway. Among other things, we investigate how data capture from the trains can be used as a basis for decisions on maintenance work. Newer train types now have systems installed to collect and transfer data.

Mantena is actively using some of these systems today, and sees it as a helpful step in the future to install systems for transmitting data on trains that do not have such systems on board.

Reliability-centred maintenance (RCM) analyses are used to develop maintenance programmes based on safety, reliability, low costs and efficient operation.

Automated maintenance is also being worked on. A wheel scanner has been

OPTIMISATION WILL ALLOW BOTH MANTENA AND ITS CUSTOMERS TO DEVOTE LESS RESOURCES TO THE WORK OF MAINTAINING THE TRAINS.

installed as part of the contract with Øresundtog. Automatic measurement of the profile of the wheels should reveal wear and damage at an early stage. The data collected is used to optimise maintenance, extend the life of the wheels, and to prevent worsening damage affecting operation.

In sum, these activities will help to reduce time spent in the workshops, while maintaining safety and high quality in the overall delivery of train sets.

Lifetime of old equipment

Trains have a long service life; in many cases they remain in operation for over 40 years. This can make it hard to procure spare parts, as parts go out of production before the trains have reached the end of their service lives. One way in which Mantena is meeting this challenge is the use of 3D scanning, so as to be able to produce its own replacement parts and repair damaged components.

This technology allows us to keep trains in operation for longer, as an affordable and efficient solution for customers. Mantena has partners in additive manufacturing and 3D printing, both to create new parts and to overhaul and repair existing parts.

By adopting new technology, Mantena sees great opportunities to reuse more of the materials used in overhaul work and so also reduce waste.

3D scanning for documentation

Visual inspection and mapping of damage and repairs can be a very complex and time-consuming job with conventional measurement methods. It is also difficult to assess and document deviations in geometric tolerances with manual measurements. 3D scanning allows us to do this job more accurately and efficiently.

By comparing scan and reference geometry in an application, a digital targeted deviation report can be generated. We define acceptance criteria ourselves on the basis of requirements from the manufacturer, train owner or customer. Having this expertise within the company allows any discrepancies to be detected at earlier times in the repair process. This results in efficient processes, cost-saving solutions and better quality.

New internal operating models

Mantena follows the Operational Excellence Programme (OEP) in its day-to-day work, which creates a common understanding and enables us to develop and implement a flow-oriented and self-improving business process. Operational Excellence is intended to support the whole organisation with knowledge and a common language to provide for an optimal flow throughout the value chain. Mantena has chosen to collaborate with the researcher Niklas Modig, who has extensive experience of change management.

In 2020, Group management and the main elected representatives went through the first part of the programme, the Foundation Course. The Foundation Course was given for all employees in 2021, and the Transformation Programme will be run in several parts of the Group in 2022.

New business models

Mantena's services are based on long experience of maintenance combined with a great capacity for innovation. A strong focus on new technologies, combined with a willingness to pick up knowledge and experience from other industries such as aerospace and defence, should provide a basis for new business models and services for our customers and partners.

Mantena will meet customer needs through partnerships where all products and services are delivered efficiently.

WEB-BASED SOLUTION FOR MAINTENANCE PLANNING

Mantena optimises maintenance planning.

The 'Mainman' project was completed in November 2021 in collaboration with SINTEF. The project was supported by the Norwegian Research Council and aimed to develop a prototype for a web-based solution to optimise maintenance planning.

The work on this project and the lessons learned from it form an important part of Mantena's ambition to become one of the most effective maintenance providers in the railway sector.

Planning based on more data

Once the solution is fully developed, it will be available on PC, mobile and tablet. Perhaps the biggest benefit of the solution is that it will provide a much better overview and greater efficiency in maintenance planning. This was previously a complex process, where planners went through the data manually and made plans based on just a few parameters.

With the new solution in place, planners can continuously optimise maintenance plans from a large amount of available data, including deadlines, available resources, staffing plans, maintenance intervals and access to parts.

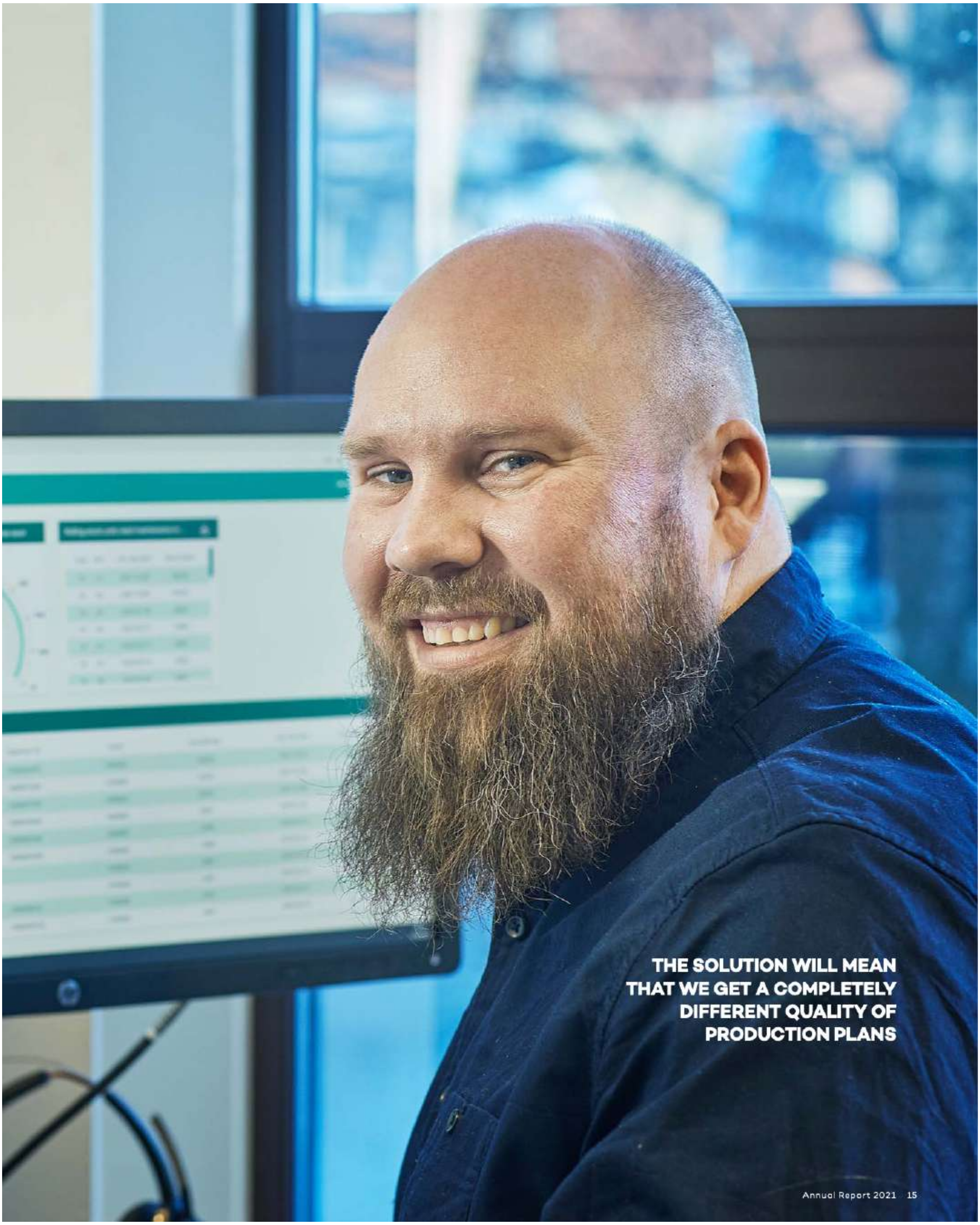
The solution will then offer more scope for last-minute changes to the plans, so unexpected events in production can be taken into account.

More precise work

Stig Rune Åsum is a strategic planner at Mantena. He explains that the web-based solution will allow them to work more precisely and accurately in their maintenance planning.

-This solution will mean that we get a completely different quality of production plans. We can more easily see how many people we need to do the maintenance at any given time, and with a better overview, we will also be able to arrange for a more even allocation of work and reduce the use of overtime, for example. More accurate plans will also help the heavy component overhaul unit with an even better supply of components and parts, and ensure that they pick up a shortage of parts at an early stage.

Strategic planner Stig Rune Åsum


THE SOLUTION WILL MEAN
THAT WE GET A COMPLETELY
DIFFERENT QUALITY OF
PRODUCTION PLANS
Annual Report 2021 15

MANTENA A KEY PLAYER IN NORWAY'S BIGGEST IT PROJECT

New signalling system means a lot of work for Mantena in the years ahead.

The signalling system in Norway is now being upgraded to provide greater punctuality, increased safety and more stable operation. The new signalling system is called ERTMS, which stands for European Railway Traffic Management System.

Bane NOR has contracts with three suppliers for the project. These are Siemens, which is supplying new signalling equipment; Alstom, which is converting the trains; and Thales, which is delivering the new traffic management system. Mantena is a sub-contractor to Alstom and was chosen for its expertise, capacity, competitive price and previous experience from similar projects.

Raymond Lysaker fitting a roof antenna as part of the ERTMS project

In service at Oslo Central in 2026

When the Nordlandsbanen line from Grong to Bodø starts using ERTMS in October 2022, followed by the Gjøvikbanen from Roa to Gjøvik a few weeks later, Mantena will have assisted in installing the equipment to be fitted on the trains.

The new signalling system is scheduled to go into service at Oslo Central station sometime in 2026. By then around 400 trains should have had the new digital signalling system installed.

Proof of capability

The ERTMS project is currently Norway's largest IT project. Mantena's project manager Bjørn Erik Hattrem enjoys helping to take the railways into a new and modern age.

-There is a lot of prestige and opportunity on such projects. The fact that Mantena is taking part in this project shows that we have the capability and are a professional operator in the field of project execution. This is going to be instructive, challenging, exciting and fun, says Hattrem.

He describes it as a complex project for Mantena too. The plan covers almost 200,000 man-hours, and at its busiest the project is likely to involve between 60 and 70 Mantena staff.

It will be busy

After a challenging year in 2021 when the project was hit by the problems affecting the different supply chains worldwide, there will be a lot of activity at the workshops at Marienborg and Grorud in the coming years - something Hattrem is looking forward to.

-It's incredibly exciting to be part of the future for train services in Norway, with fewer delays and better control. Today, there are more than fifteen different signalling systems, developed over eight decades. Now all of these are being replaced with a new system and, as far as I know, Norway is the only country doing it this way rather than one line at a time. Of course this is exciting to be part of, he says.

AT ITS BUSIEST, THE PROJECT IS LIKELY TO INVOLVE BETWEEN 60 AND 70 MANTENA STAFF

THE ERTMS PROJECT SHOWS THAT WE HAVE THE CAPABILITY AND ARE A PROFESSIONAL OPERATOR IN THE FIELD OF PROJECT EXECUTION

Project manager Bjorn Erik Hattrem

GOOD TEAMWORK MAINTAINING TYPE 74/75 BOGIES

Maintenance project to learn from.

The contract with Vy to maintain type 74/75 bogies on the Flirt trains is in its fifth year. After the pre-qualification was passed to NSB (now called Vy) at the end of September 2016, the contract itself was signed a little over a year later, on 5 December 2017 to be precise.

The contract to maintain the bogies is for a total of eight years, plus an option for four more. In other words, this is a large and prestigious contract of great importance to Mantena. According to forecasts, maintenance and overhaul work will be done on a total of 964 bogies from 2018 to 2029.

Good forecasts

Dario Barisic is planning manager in the Products and Projects division at Mantena. He talks about a successful ongoing project where the team has stuck to its tender estimates thanks to close monitoring and good teamwork.

-When we get as good a forecast as we have in this tender, everything points to success both for us and for our customer. With a good project forecast, we have control over the procurement and maintenance of components at all times. We knew early on in the project that if we just followed the procedures, then this would go well.

-One very important factor for the project has been that the tender manager also acted as project manager in the mobilisation and implementation phase. We know from experience that there can be problems when the person or people who sold the project are not involved in the actual implementation phase.

Close monitoring

Barisic, who drove the project forward until a new project manager took over, praises the team on the project.

WE WOULD NEVER HAVE MANAGED THIS IF WE HADN'T BEEN A GOOD TEAM

-Right from day one, we have followed up on every single bogie, and this has given the team control over implementation and the costs of this project. This has allowed us to see exactly where we had problems and where things worked well. There were quite a few issues with the time spent on some activities at the start, but thanks to this close monitoring we were able to address and resolve these challenges right away.

A short walk from office to production

Barisic explains that, on this project, there are six employees overhauling the bogies at any time, who are monitored by the project manager from day to day. With the project office located 'right in the middle of production', the project manager can quickly get out to the line if problems arise, and discuss solutions with the team.

-The short distance between project management and production has enabled us to pick up and resolve issues quickly. When the dialogue is good and people get daily follow-up, it is easier for all involved to take ownership and pull in the same direction towards a common goal. We would never have managed this if we hadn't been a good team, says Barisic, who is aware that you sometimes need to think 'outside the box'.

Always possible to make improvements

-Existing procedures have not stopped us looking for and making improvements. In this project, we have found new ways for components maintained in other areas than the bogie department at Grorud to flow through. With a combined team effort from all disciplines, we have arrived at a new and improved internal logistics flow that now works in a more effective way.

Dario Barisic with some of the team overhauling the type 74/75 bogies: (from the left) Julia Wagner, Trond Andreassen, Dario Barisic, Bjørn Svendsen and Bjørn Egil Johansen.

Dario Barisic deep in concentration

Nine reasons for good project work on the maintenance of type 74/75 bogies

1. Project manager with primary responsibility for the tender, negotiation, mobilisation and implementation
2. Close monitoring in the mobilisation phase, involving all departments in Mantena
3. Teams that want to succeed, where everyone wants to contribute
4. Close follow-up in the delivery phase with dedicated personnel
5. Ownership and monitoring of costs in the contract
6. Focus on additional work
7. Innovation in internal processes. Daring to do things in a different way where appropriate
8. Good dialogue and exchange of information with the customer
9. Continuous evaluation

02

MARKETS AND STRATEGY

IF IT IS TO BE THE PREFERRED SUPPLIER IN THE INDUSTRY, MANTENA MUST CONTRIBUTE TO ADDED VALUE FOR ITS CUSTOMERS

ALWAYS MOVING FORWARD

The rail industry is constantly changing, and this also affects Mantena's choice of direction.

The ongoing competitive situation and developments in the industry mean that we need to work systematically on improvement activities in all sections of the company. In order to be the preferred supplier in the industry, Mantena must contribute to increased value creation for its customers and secure a sustainable profit for itself.

Internal competency raising

The competitive situation means that we have to adapt to the new market and that there will be increasing demands for efficiency and quality of delivery. With this in mind, Mantena ran a staff development initiative in 2021 with the spotlight on continuous improvement. The Operational Excellence Programme (OEP) is an internal development programme that contributes to improved efficiency and flow in internal work processes.

Added value for customers

We are constantly evolving to be able to deliver services to a larger part of the value chain. We do this by taking wider responsibility for the activities that customers require, thereby adding value for those customers. We aim not just to passively maintain trains and components under the operators' plans and management, but also to take overall responsibility for the trains in partnership with customers.

One example is driving trains so they can be picked up wherever they are and delivered where the customer wants them. Another example is the expansion of service provision to include advanced technical services. This is already being done for Sørtoget and Øresundstog.

The aim of taking a larger part of the value chain is to be the customer's preferred partner in the overall maintenance process. This will enhance our role as the leading player in the Nordic region.

Ready-made project execution

A training programme in project execution was also provided to many of the employees in 2021. The Sirius training programme is intended to ensure that we run projects in the best possible way at all levels of our business. This programme focuses on both commercial terms and agreed deliveries.

Aggressive attitude and clear direction

Mantena will continue to invest broadly, work to win new contracts, enter new markets and cover more and more of the value chain to generate new growth. A key part of this is to continue to develop our skills and service offerings, with the aim of delivering top-class maintenance services.

Strong competitiveness

In the face of new challenges, competitiveness will be crucial. Mantena has economies of scale to be exploited, experience to be used wisely and processes to be optimised. To maintain and strengthen our competitiveness, Mantena aims to remain a skills-based company with a proactive attitude to technology and new solutions.

This aggressive attitude and longstanding, conscious strategic work with a clear direction have made us ready to enter markets such as Denmark and Finland when they are opened up to competition.

There is no doubt about our competitiveness. This is demonstrated by the award of new contracts and the renewal of current ones, and the trust we enjoy from existing customers.


L3 Jæren
75159
Vy
Annual Report 2021 23

IMPROVED EFFICIENCY AND FLOW IN INTERNAL WORK PROCESSES

Work on internal skills development and continuous improvement continues.

In 2021, several successful improvement projects were launched and implemented around the Operational Excellence Programme (OEP) within Mantena.

The Director of the Products and Projects division, Jan-Tore Nicolai Iversen, explains that the aim of OEP and the internal improvement projects is to increase flow efficiency and create self-improving units. To succeed in this, it is essential for individual projects to work across functions and roles.

Director of the Products and Projects division, Jan-Tore Nicolai Iversen

-Cross-functional improvement work requires a high degree of involvement from our employees, not to mention transparency between departments. The key factor in all our improvement projects has been this close involvement of our own employees, the fact that all examples are taken directly from the business and that suggested improvements are implemented immediately.

Building culture

Iversen says that an important goal in the use of Operational Excellence as a business strategy and work methodology is to create a culture within the company with a focus on continuous improvement. And although it is not long since they started working with OEP as a 'tool', he is already seeing signs of improvement in various areas of the business.

-OEP helps us to systematise our work and makes it easier to focus on improved efficiency and flow in internal processes. Thanks to this targeted effort with OEP, we have already started to improve the situation in several areas in Mantena, Iversen says. He adds:

-The commitment our managers and employees have shown has enabled us to reduce lead times between our departments. These improvements now form the basis of our efforts in 2022.

The head of the wheel department in the workshop at Grorud, Bert Sterken

Improved production run

One of many groups within Mantena that have worked with OEP is the component overhaul team in the workshop at Grorud. The head of the wheel department, Bert Sterken, and his colleagues have worked on a cross-functional analysis to pick up where time is lost in production, as well as lead time issues with materials, logistics/facilities and deliveries to the workshop.

-We took a type 73 track wheel from when it was removed in Lodalen until it was placed in the clean stores at Grorud. What we thought was a regular production run turned out to be a project with great potential for improvement. To address the problem, we instituted weekly meetings where each unit defined different KPIs. As well as providing detailed reporting and logging, this improved the flow though the process, says Sterken, who notes that they have managed to halve the overall lead time from 31 to 14 days.

OEP MAKES IT EASIER TO FOCUS ON IMPROVED EFFICIENCY AND FLOW

NEW AND MODERN PAINT HALL IN PLACE

The new paint hall at Grorud was ready to go at the beginning of February 2022. Mantena now has one of the biggest paint halls in Europe, right in the middle of Oslo.

Project Manager Per Henning Torgersen

THE PAINT HALL OPENS UP BRAND NEW OPPORTUNITIES IN NEW MARKETS

The new paint hall opens up new opportunities. The paint hall is 113 metres long and can be divided into four equal sections of 28.25 metres each. This allows us to provide painting services to more players than just the train companies. In the new paint hall, high-quality paint jobs can be carried out on trucks, trailers, buses, construction and agricultural machinery, offshore components, cranes and masts.

Per Henning Torgersen has been Mantena's project manager for Bane NOR in the work on the new paint hall. He says that the hall will lead to far greater efficiency in production, and that this is important to Mantena's competitiveness.

Among the largest in Europe

-We're talking about one of the biggest paint halls in Europe. As well as making us more efficient, because we have a better place to work on the jobs we do, we gain a huge amount of flexibility because of the four sections that the hall can be divided into. When it comes to painting trains, it will be exciting to see how this affects efficiency. There used to be some dead time in this work, but now we have space for all types of trains and, in the case of carriages and locomotives, we can take four units into the paint box at the same time.

Torgersen says the new paint hall is also important to the HSE work. HSE was taken into account in planning the hall, and here everything is new in terms of extractors, lighting and other matters affecting safety and working conditions.

Detailed design work

Torgersen and his colleagues have had some busy days, but thankfully all of the work has gone according to plan, which is not a given with so many players involved, some outside of Norway, and so much to be coordinated.

-The project has stayed on track all the way through, in terms of both time and cost. Getting this done on schedule with regular border closures and harsh Covid restrictions has not been easy, but anything is possible when you have good people on the team. Along with good people at all stages, the reason why things have gone well is primarily good planning at the outset between Bane NOR, Norconsult and our own employees at Mantena. There has been a great determination to complete this project on time. Installing a 113-metre paint box inside an old building with all of its constraints is not a simple matter. That's why detailed design work was essential, says a proud and excited Torgersen, who is now looking forward to seizing the new opportunities that have opened up.

TRAIN DRIVING PROVIDES MORE COMPLETE DELIVERY

2021 was the year when Mantena started driving trains.

THE START OF TRAIN DRIVING SERVICES REPRESENTS AN IMPORTANT STEP IN THE DEVELOPMENT OF END-TO-END MAINTENANCE PROVISION

In 2020, Mantena was awarded licence and safety certificates A and B to drive trains without passengers or freight on the national rail network in Norway. Because of the coronavirus pandemic, train driving did not start until 2021.

First drive

After much preparation and planning, Mantena took its first independent drive on the national rail network in Norway in January 2021. This followed the completion of work on an Itino train set owned by Transitio in Sweden. The train set was delivered by Mantena to the border station at Charlottenberg, and a similar train set was taken back to Grorud for scheduled work.

Our first run was driven by Syed Hussain, who is a train driver and traffic safety training officer in Mantena's safety and quality department. Since this first trip, there have been many similar trips to and from the border.

Better end-to-end provision

Roy Sannerhaugen is Director of quality, health and safety and environment at Mantena. He explains that the start of train driving services represents an important step in the development of end-to-end maintenance provision.

-The fact that we can now drive trains means we can deliver a more complete product to customers, and together with the rail companies, we can offer more integrated service provision. For a railway company, there is a lot of train driving that is not commercial. This includes driving to and from workshops, positioning runs to get trains to the right place, and test driving after maintenance and repair work. Mantena wants to offer this sort of train driving to customers as part of its maintenance provision.

Aiming to expand the service

Sannerhaugen says Mantena is working to expand the train driving service for

customers who can see the advantage in a maintenance company providing delivery services.

-Right now, a significant proportion of our work is concerned with upgrades, painting and repair jobs, where the trains have to come into the workshops and stay there for a while. When we work on jobs like this, we also try to provide a more complete service which also includes delivery back to the customer. Another example is that we want to extend the service to include delivery to the platform after maintenance work, for the railway companies to take over from there.

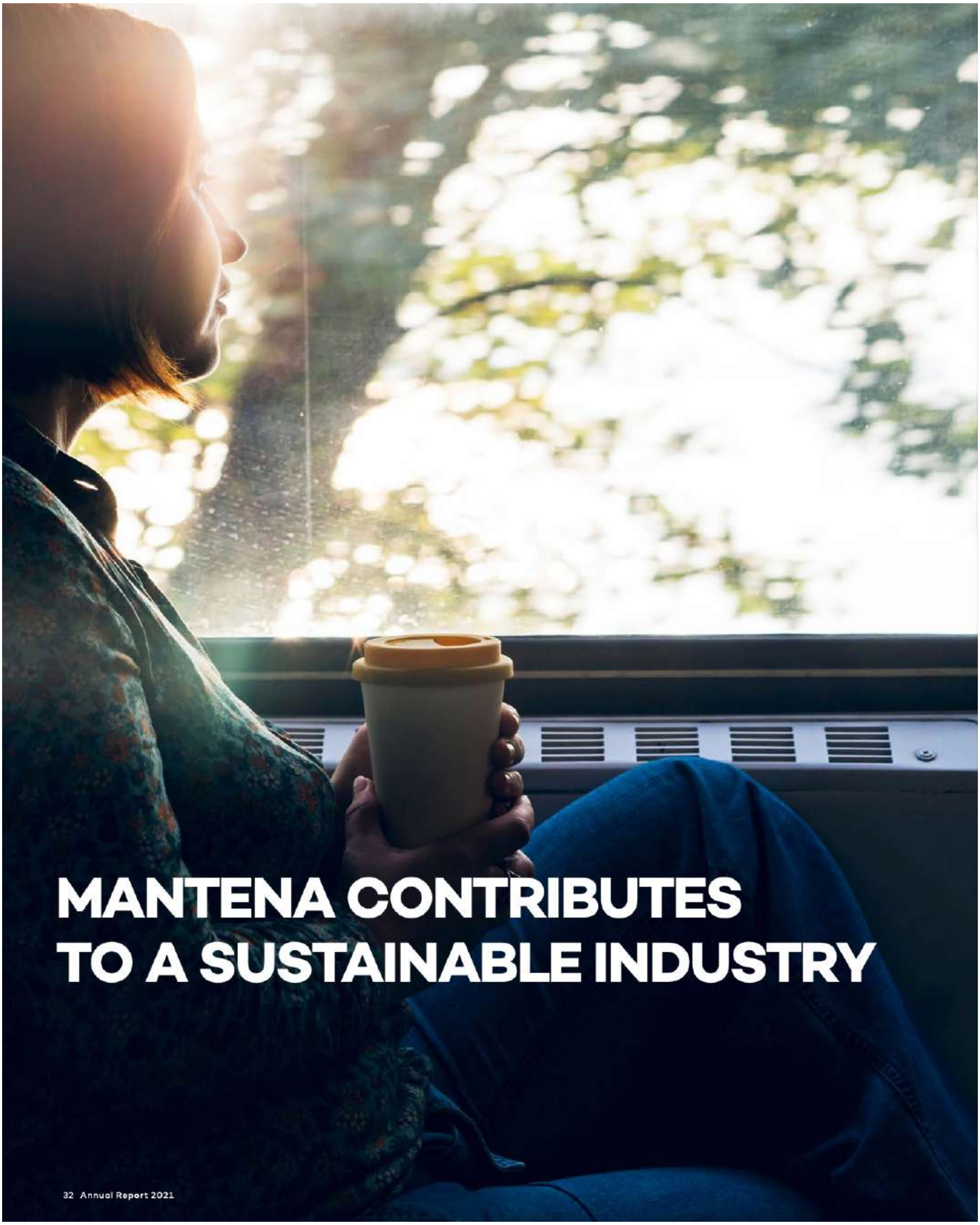
Driving in Sweden too

In Sweden, it is more common for maintenance firms to deliver the trains. Mantena in Sweden already has a safety certificate for shunting. In December 2020, this was extended to cover main lines. On 9 December 2020, Mantena drove its first train on the main line in Sweden, from Kärråkra depot to Hässleholm Central. Just a few days later, on 13 December, our delivery service started on this route, to coincide with the start of the maintenance contract in Øresund.

Syed Hussain in front of EL-18 2244 on the first train driving job for Mantena

03

SUSTAINABILITY, CSR AND HSE



MANTENA CONTRIBUTES TO A SUSTAINABLE INDUSTRY

Our greatest contribution to a sustainable society is to ensure good deliveries to our customers to enable them to achieve their goals.

Sustainability is fully integrated into Mantena's business operations. Along with good deliveries to customers, we aim to be a responsible operator which safeguards employees' rights, makes demands on its suppliers and follows up on its own climate targets to maintain a systematic approach to the UN's 17 Sustainable Development Goals[1].

We follow the 2021 guidelines from NUES (the Norwegian Corporate Governance Board). The whole of our declaration is included in this report. See page 90. Through the company's strategy process, an overall plan for sustainable value creation has been established, cf. Storting White Paper No 8 (2019-2020), section 10.

Mantena's contribution to the UN Sustainable Development Goals

We take the UN's 17 Sustainable Development Goals seriously in our plans, including eradicating poverty, combatting inequality and stopping climate change by 2030. The Sustainable Development Goals treat the environment, economy and social development as a single whole. They apply to all countries and are a roadmap for global efforts towards sustainable development.

Mantena contributes directly to the UN Sustainable Development Goals in various ways.

Goal 3: Good health and well-being
- Preventive health and safety work, support for SOS children's villages, focus on HSE, risk management
- Implement and follow up on measures in serious situations such as the Covid-19 pandemic

Goal 4: Quality education
- Support SOS children's villages, take on apprentices, promote equality and diversity
- Preventing discrimination

Goal 5: Gender equality
- Promote gender equality in recruitment and take account of gender equality work in HR and salary policy

Goal 8: Decent work and economic growth
- Ensure profitability, growth and innovation, adapt the company to a new reality
- Work to combat all forms of corruption

Goal 9: Innovation and infrastructure
- Adopt new technology, develop maintenance programmes for increased performance and longer life of vehicles and components, re-engineer parts
- Development of processes in collaboration with SINTEF and the Research Council of Norway

Goal 11: Sustainable cities and communities
- Contribute through our core business to sustainable transport systems, putting safety first

Goal 12: Responsible consumption and production
- Strong focus on HSE, chemicals management and waste management
- Help to develop maintenance processes for increased performance and lifetime
- Adapt the business in serious situations such as the COVID-19 pandemic

Mantena also contributes directly and indirectly to other goals, e.g. through a focus on innovation and responsible business and through the company's code of conduct and other governing documents.

[1] In 2015, the UN member states adopted 17 Sustainable Development Goals out to 2030

DUE DILIGENCE ASSESSMENTS AND RESPONSIBLE BUSINESS

The process for due diligence assessment

OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

Norwegian authorities expect Norwegian companies with international operations to know and comply with the OECD Guidelines for due diligence assessments and responsible business conduct. A key element of the OECD guidelines is an expectation that companies will make due diligence assessments to avoid harming people, society and the environment[2].

According to the OECD guidelines, companies should contribute to:

Safeguarding the environment
- An environmental policy has been established which forms the basis for our environmental work
- Systematic analyses of significant environmental aspects are carried out each year, and form the basis for our priority areas. Certified according to NS-EN ISO 14001:2015

Respect for human rights
- We have established governing documents based on the principles behind the UN Declaration of Human Rights and the ILO's fundamental conventions

Employment and relations between the parties in the labour market
- An HR policy has been drawn up which forms the basis for the work on workers' rights, human rights and protection against discrimination
- Routines have been established to prevent retaliation when reporting wrongdoing

Prevent corruption and bribery
- We work to combat all forms of corruption and for transparency in financial transactions
- A separate "Declaration on ethics and corporate social responsibility" has been produced
- An internal and external whistleblowing channel has been established to report instances of wrongdoing

A separate tax policy has also been drawn up and systematic stakeholder analyses are carried out in addition to the efforts described under "Sustainability in Mantena".

[2] OECD guidelines on due diligence and responsible business.

ETHICS AND CORPORATE SOCIAL RESPONSIBILITY

Ethics and our code of conduct are an important part of our work on corporate social responsibility. We are against all forms of corruption and for transparency in financial transactions.

A regulatory framework has been established that forms the basis for this work. The regulations are based on the UN Declaration of Human Rights and the ILO's core conventions, as well as the Ten Principles of the Global Compact.

A procurement policy that includes ethical requirements for suppliers is used as a basis for establishing agreements with new and existing suppliers. Our requirements for suppliers are systematically reviewed and checked before we enter into contracts, and we follow up our suppliers through the contract period.

Our code of conduct and procedures for whistleblowing are aligned with legal requirements. A whistleblowing channel has been established for employees and third parties, such as customers and suppliers, to report instances of wrongdoing.

The framework for our work on ethics and corporate social responsibility is set out in governing documents held in the Mantena Management System. The tasks involved are described in the managers' job descriptions.

External environment

Mantena recognises that its business affects the environment. That is why we are constantly working to improve the company's environmental performance and reduce our environmental footprint by satisfying our own requirements, customer and regulatory requirements and relevant standards. An environmental policy has been established which forms the basis and direction for our environmental work.

Mantena is certified according to NS-EN ISO 14001:2015, and is monitored through annual audits. Annual analyses of environmental aspects and identifying key environmental issues form the basis for the priority areas and the environmental programme.

Priority areas for 2021

- Chemicals management and reduction in the number of chemicals, specific focus on chemicals that could harm people and the environment
- Deal with waste, especially hazardous waste, and provide for correct storage and disposal
- Energy consumption
- Fuel consumption
- Handling of fluorinated greenhouse gases

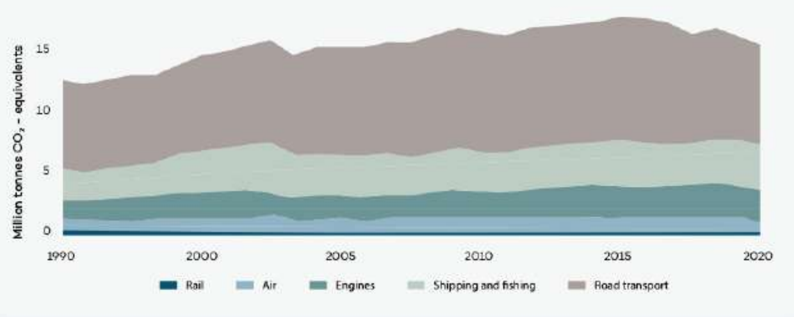
The operations use a number of chemicals, some of which can cause injury to personnel and damage to the environment if they are not handled in accordance with established procedures and requirements. The general objective of a five per cent reduction in the number of chemicals has been changed to a focus on hazardous chemicals, retention and use. Such chemicals have decreased significantly over time. The company handles waste that can cause environmental damage if it is not dealt with properly. No issues with the handling of hazardous waste have been reported in the period.

Emissions

Regular measurements of emissions into the air and water are carried out, and measures are taken where necessary. Three reported emission incidents, none of which had any lasting environmental impact.

Mantena is part of the rail industry, which accounts for the lowest proportion of emissions from the transport sector. Despite an ever-increasing proportion of electric cars and efforts to develop environmentally friendly modes of transport, the rail sector is holding its position as the industry with the lowest emissions in the transport sector.

The chart shows the trend in millions of tonnes of CO_2 equivalents from the sector.



[3] Source Statistics Norway (SSB) and the Norwegian Environment Agency

AN ATTRACTIVE WORKPLACE

Mantena's HR policy aims to provide attractive workplaces while also developing the company so we can achieve our vision of becoming the most innovative full supplier of maintenance services in the Nordic region.

The HR policy lays down standards for attitudes and interaction within the company. It aims to develop the workplace both professionally and socially. Based on both human needs and the Group's needs, Mantena aims to help develop the individuals, stimulate interaction and emphasise co-determination, innovation and competence. We value employees who show initiative and take responsibility.

We work to develop a workplace where employees are proud to work, and where we are all committed to the job, care for each other and help each other to improve.

Equality in Mantena

Our guidelines are intended to help us focus on maintaining equality in terms of pay, recruitment, promotions and education and training. The Group wants a wide and diverse range of managers and employees, where individual qualities are respected and valued.

We have a conscious strategy of encouraging women and people with immigrant backgrounds to apply for jobs.

We ensure that women and men are offered equal opportunities to work on the different tasks. In a male-dominated industry with little staff turnover, it is difficult to increase the proportion of women.

Unfortunately, there are few female applicants for operational positions. Most women are in management and administrative positions.

HSE and traffic safety in Mantena

We put safety first. By safety, Mantena mainly means avoiding injury to people and damage to equipment in the course of work on our own premises and preventing unwanted incidents resulting from work carried out on railway vehicles and from shunting and driving trains in our own business.

An established safety policy forms the basis for our HSE work.

Safety in Mantena falls into two categories:

- Traffic safety: the ability to avoid serious incidents while shunting and driving trains, including work on safety-critical systems and functions on trains and components
- Working environment and personal safety

The traffic safety work is mainly directed at shunting (moving rolling stock), driving trains and safety-critical tasks on vehicles and components. Separate procedures have been established to monitor the work. All events and incidents are recorded and followed up in our improvement and incident management system.

Some incidents were recorded in 2021 which, under other circumstances, could have had serious consequences. The cases have been followed up and dealt with according to the relevant procedures. These events are related to shunting and maintenance of trains and components.

Mantena drives trains

In 2020, Mantena was awarded licence and safety certificates A and B, to drive trains without passengers or freight on the national rail network in Norway. We started driving on our own account in 2021.

Mantena in Sweden already has a safety certificate for shunting, which was extended in December 2020 to cover main lines too.

Injuries, incidents and events are followed up through local working environment committees (LAMU) at the individual workshops and in the central working environment committee (HAMU) for the company. Mantena has zero tolerance for injuries to staff and damage to material assets. There is a particular focus on preventive measures to avoid personal injury. All injuries are closely monitored and measures are taken to prevent further accidents. Systematic safe job analyses and risk analyses are carried out, which form the basis for the preventive work.

68 injuries were reported in 2021, compared to 33 the year before. The number of personal injuries has seen a significant increase overall, while the number of H1 injuries is the same as the previous year; for the Group, this means a reduction in the H1 value. There is a strong focus on preventive measures and follow-up of all incidents that occur. HSE and personal safety are described in Mantena's management system and systematic safety inspections are conducted in all restricted areas.

All HSE issues are systematically followed up in departmental and management meetings. Several measures were defined and taken in the period to prevent serious incidents, and further actions have been described and entered into the HSE Plan for 2022. One of the key areas is to provide good reporting of incidents. This work has also yielded results.

The H1 factor for 2021 was measured at 9.0, against 11.8 in 2020 (a total of 15 injuries resulting in absence in 2021, which is the same level as in 2020).

An extended safety inspection is carried out once a year, with the plant owner and the occupational health service taking part. Issues from safety inspections are followed up in the LAMU. An action plan is drawn up after the inspection, and all issues are recorded and dealt with in our improvement and incident management system.

The rate of sickness absence was 7.5% in 2021 (6.4% in 2020) in the Mantena Group and 8.3% (6.9%) in Mantena AS. This is predominantly long-term absence. The proportion of Covid-related absence was 0.7% in 2021 (0.6% in 2020).

HSE work is a definite priority area for 2022 too.

Mantena during the coronavirus pandemic

The coronavirus pandemic gave rise to an extraordinary situation in 2021 too. Mantena launched various initiatives and transferred the responsibility for following up on the measures from a separate team in 2020 to the HSE manager and the line organisation. They have held regular status meetings.

With established measures and close monitoring, we have managed to maintain deliveries and have seen very few Covid cases among our employees. Infection cases that have arisen have been dealt with in accordance with established guidelines. Towards the end of the year, the number of cases of infection increased, as in the rest of society.

Our customers and suppliers have shown great patience with the actions we have taken. Feedback from Health and Safety and from employees is positive.

MANTENA HAS ZERO TOLERANCE FOR INJURIES TO STAFF AND DAMAGE TO MATERIAL ASSETS

IT'S NATURAL TO WANT TO PICK UP FRESH KNOWLEDGE

From the left: Gilbert Kabatanchi, Mathias Jonson, Madad Akbari and Luan Kaloshi

WILL MAKE OUR APPRENTICES PROUD TO WORK AT MANTENA

Good and close follow-up. This is the key to shaping the workforce of the future — our apprentices.

Mantena is an attractive place to train, because apprentices are offered a variety of tasks as they move between departments in their training period. Another benefit is that they have to learn how to collaborate with different people. The feedback from the apprentices is that they get plenty of help when they are not sure about something. -Mantena has extensive experience with apprenticeships, and they are good at looking after the young people and giving them good follow-up. These words are from Nikolai Johansen at the training office for mechanical trades, which monitors the apprentices at Grorud.

Elisabeth Grebstad Rødseth, who is an HR adviser at Mantena, is delighted with the positive comment from Johansen. She says that working on the railways is not such a well-trodden career path for young people, but collaboration with the various training offices and schools is just the way to change this.

Gaining wide experience

-Anyone doing an apprenticeship with Mantena will gain wide experience of component maintenance. Here they can try their hand on wheels, bogies, goods wagons, valves and many other exciting tasks. The various departments have built up a good culture for involving the apprentices in everything that goes on in their area. So when you have done your apprenticeship at Mantena, you will take away a good reference wherever you move on to. Companies will know that you have tried your hand at many different tasks and that you are very versatile.

Grebstad Rødseth says that they are working hard at Mantena to make the company known as a good place to train. Among other things, they are in close touch with the schools and training offices to talk about the vocational opportunities and about Mantena itself.

Good results

-At Mantena we are so lucky to have many capable young future tradespeople with a keen interest in the subject, says Grebstad Rødseth. The proof of this is that many of the apprentices get a 'Distinction' rather than the usual 'Pass'.

-I've been working in Mantena for almost ten years and there hasn't been a single year without at least one Distinction. I think the good results are due to the fact that we are genuinely concerned to ensure that our apprentices do the best they can, and we take our training role seriously. Because we hope they will stay with us after their apprenticeships, their time here is more than just a stopover, she says.

-Taking on apprentices is important because we pick up fresh ideas. We also find that our more established employees appreciate the chance to pass on their skills. It's natural to want to pick up fresh knowledge and to help to shape the young so that they are proud to work for Mantena.

Elisabeth Grebstad Rødseth. HR advisor in Mantena

WHEN YOU HAVE DONE YOUR APPRENTICESHIP AT MANTENA, YOU WILL TAKE AWAY A GOOD REFERENCE WHEREVER YOU MOVE ON TO

TARGETED HSE WORK YIELDS RESULTS

Mantena has long taken a systematic approach to HSE activities designed to reduce the number of injuries. The background to this effort is too many personal injuries in the past.

The number of injuries resulting in absence from work has been high, as is clear from the company's H1 value. H1 is an indicator of the frequency of work-related injuries resulting in absence per million hours of work. A targeted and systematic effort has been going on for some time and is now showing good results, especially for injuries resulting in absence.

The main focus of the HSE measures has been on the most serious events, to prevent them from occurring.

Although there is still a lot to do, Mantena's Director of quality, health and safety and environment, Roy Sannerhaugen, can point to a positive trend in the 'H1' measurements.

Preventive action

-We used to focus very much on addressing incidents as they happen. Of course that's important, but the main thing is to ensure that such incidents do not happen at all. We want to be ahead of the game, increase the amount of incident reporting and use the information and insight that we have to prevent serious incidents and injuries, not just to deal with them when they occur. The work we have started is therefore very much about strengthening proactive behaviour and working systematically on prevention; above all, this means increased reporting of incidents and ensuring that this information is used in preventive action. We also see that the proportion of incident reports has increased over the past year.

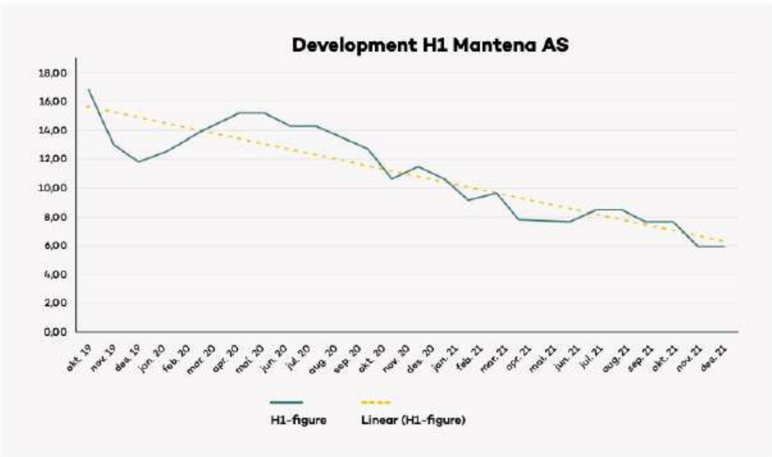
Sannerhaugen tells of a number of initiatives that have been ongoing, including:

- Dialogue and exchange of experience with other businesses
- Follow-up and assistance in handling events when injuries occur
- Holding safety meetings for all employees, focusing on reporting events and incidents
- Specific meetings focusing on HSE for managers with staff responsibilities
- Explaining requirements for the use of protective equipment
- Adjusted and simplified checklists for safety inspections
- Implementing new procedures for recording and following up on safety inspections

Bringing this experience into the Swedish operation

-It is hard to say which measures have had the biggest impact, but I am convinced that all of the measures taken together have contributed to the positive trend in the H1 measurements. Simply focusing on this, then undertaking a systematic review of all events to find the underlying causes, and making sure the same thing doesn't happen again, are important measures in themselves, says Sannerhaugen.

-An important point is that we will take the experience from our improvement work in Norway into the Swedish business and work in a similar way there, he concludes.




OUR PRIMARY OBJECTIVE IS TO ENSURE THAT SUCH INCIDENTS DO NOT HAPPEN AT ALL
Mantena
Roy Sannerhaugen
Annual Report 2021 41

BOARD OF DIRECTORS

Kari Broberg

Chair

Kari Broberg holds a master's degree in Economics. She has experience of telecommunications, logistics, restructuring and innovation. Broberg has board experience from Telenor, Norske Skog, Norconsult, Cargo Net and Felleskjøpet Agri, among others.
She is currently on the board of Cernova, Vaager Innovation and Mat fra Toten, as well as Mantena. Broberg runs a farm in Toten.

Ronny Solberg

Deputy chair

For the past five years, Ronny Solberg has worked as CEO of several companies in Georgia. There he headed development of a large hydroelectric power plant and developed a new deep water port with roads, railways and power lines. Solberg has a background from manufacturing companies such as ABB, Statnett, Clemens Kraft and ADtrans/Bombardier. Among other things, Flytog, Signaturtog and InterCity trains were supplied under his leadership at ADtrans/Bombardier. Solberg also has board experience from ABB and Motor & Generator Service as well as a number of energy production companies. Solberg holds a master's degree in civil engineering and finance from NTNU in Trondheim.

Marianne Kartum

Board member

Marianne Kartum is a lawyer and partner at Simonsen Vogt Wiig. She has specialist knowledge of employment law, and considerable experience of advising on lay-offs and changes of employment conditions, including downsizing and restructuring processes. Kartum has many years of experience from various directorships in private and public-sector businesses. She is currently on the board of Danica Pensjonsforsikring AS and Mercur Capital ASA, among others.

Stian Hårklau

Board member

Stian Hårklau holds a master's degree in logistics and supply chain management. For the past 15 years, he has held various management roles, all of them associated with logistics and transport-related businesses. Hårklau has worked with buses and freight in the Firda Billag Group, before moving to ferry and express boat operations in Fjord1 where he has been CFO, commercial director and operations director. In recent years he has spent time in the aviation business, as head of the helicopter company Airlift, with operations spread out across much of the country.

Tord Helland

Board member

Tord Helland holds a master's degree in business administration from the Norwegian School of Economics and Business Administration in Bergen. Helland works as CFO of the ferry and express boat operator Norled where he has been employed since 2010. He has previous experience from PWC (Oslo), Mesta AS (Lysaker) and Sandnes Sparebank. Helland has served on the board of Tide AS (2017 to March 2020), and has been a board member/chairman of the board of internal Norled companies.

Torbjørn Støre

Board member
(employee representative)

Torbjørn Støre is a qualified aircraft systems mechanic and worked for SAS at Gardermoen for five years. He started as a mechanic at Mantena Marienborg in 2003, and for the last 17 years has worked with light and heavy maintenance on BM93 trains. In the spring of 2020, Støre was elected chair of Statsbanenes Verkstedforening (the federation of Norwegian railway workshop technicians) in Trondheim and deputy chair of the national council of workshop technicians.

Nils Ole Morken

Board member
(employee representative)

Nils Ole Morken qualified as a sheet metal worker at KONE AS. Morken joined NSB in 1985 and currently works as a skilled worker in the carriage department in Lodalen. He is deputy chairman of Verkstedklubben Lodalen, sits as a board member of Statsbanenes Verkstedarbeiderforening (the federation of Norwegian railway workshop technicians) in Oslo and is treasurer of the national council of workshop technicians.

Petter Trønnes

Board member
(employee representative)

Petter Trønnes is a skilled worker at Mantena and chairs the national council of workshop technicians within the Norwegian Union of Railway Workers. Trønnes is also senior union representative, and has been an elected officer since 2003. He started as an apprentice plumber at the NSB workshop in Grorud in 1989, and has since worked there as a plumber and mechanic.


71114
Annual Report 2021


16
17
Halden
75556
70602
44 Annual Report 2021

BOARD OF DIRECTORS' REPORT FOR 2021

Apart from the operations in Norway, Mantena AS also comprises Mantena Sverige AB, Mantena Finland OY and Mantena Danmark A/S. Mantena's head office is at Jernbanetorget 1 in Oslo.

Mantena is the largest provider of maintenance services to train operators in Norway. The core activity is maintenance of locomotives, rolling stock and motor units during breaks in service.

Mantena also provides workshop services for maintenance of components and parts, and has an extensive logistics function. Mantena also carries out maintenance and repairs on track maintenance machinery in Norway.

Mantena provides maintenance services in Sweden through its subsidiary Mantena Sverige AB. It also has start-ups in Finland and Denmark.

Presentation of the financial statements

Mantena AS, Mantena Sverige AB, Mantena Finland OY and Mantena Danmark A/S are consolidated into the Group financial statements for Mantena.

Revenue for 2021 in the Mantena Group is MNOK 1,633 (MNOK 1,536 in 2020). Of this, Mantena AS accounts for MNOK 1,247 (MNOK 1,340 in 2020). This represents roughly the same level of activity in 2021 as in 2020.

The operating profit for the Group was MNOK -241 (MNOK 40 in 2020) and for Mantena AS, MNOK -177 (MNOK 50 in 2020).

Profit after tax for the Group is NOK -223 million (MNOK 38 in 2020) and for Mantena AS MNOK -262 (MNOK 46 in 2020). The change in operating profit and profit after tax, is mainly due to provisions for future losses on some contracts in the portfolio, which underlines the need for restructuring.

Investments in property, plant and equipment totalled MNOK 22 in 2021.

The provision for restructuring in Mantena AS is MNOK 25 million at the end of 2021.

Cash flow from operational activities was minus MNOK 246, investment activities stood at minus MNOK 5, and financing activities at plus MNOK 250 in 2021. The difference between cash flow from operating activities and operating profit is partly due to payments for accessories in the new contracts, receipts from customers, and write-offs and write-downs on capitalised operating equipment.

The Board proposes that the negative result for the year be transferred from other equity.

After year-end appropriations, the Group equity ratio is 17% (37% in 2020), while the equity ratio for Mantena AS is 20% (45%).

Going concern

The Group has equity of MNOK 204 at 31.12.2021. Mantena AS has equity of MNOK 205 at 31.12.2021. The year-end appropriation has been made on the assumption of a going concern.

Financial market risk

Foreign exchange risk

Mantena buys and sells mainly in Norwegian kroner. There is some currency exposure related to Swedish kroner through operations in Mantena Sverige AB. Mantena has exposure from purchases of parts in euros. Exposure to the euro has gradually increased with the launch of Traffic Package 1 in 2019 and Traffic Package 2 in Norway in 2020, as well as the Øresundstog contract in Sweden in December 2020. These contracts include a proportionately larger share of parts purchases than earlier contracts.

Interest rate risk

The Group is exposed to changes in interest rates, as the company has interest-bearing debt in the form of utilised drawing rights with a fixed credit limit.

Liquidity risk

There was little risk related to liquidity in 2021.

Credit risk

Mantena's principal customers are state-owned companies. In Mantena's judgment, these state-owned customers, even after restrictions on their business arising from the coronavirus pandemic, still have liquid funds available. The credit risk is therefore still considered low.

Market risk

We can expect to see stronger competition in the train maintenance market even though the Norwegian tendering procedure for passenger trains (Traffic Packages 4 and 5) has been shelved. The passenger train operators are still likely to put train maintenance out to competitive tender. This raises uncertainty as to whether Mantena will still be maintaining the trains under these two contracts from 2024.

In the freight train market in Norway, contracts are placed via open tenders. In Sweden, there are ongoing tendering procedures in a deregulated and open market. In Finland and Denmark, deregulation of the train maintenance market has not continued and the process has been deferred.

The future

Future competition will be met with high-quality services and efficiency. For several years, continuous efforts have been made to meet customer needs and to respond to increased efficiency and delivery requirements.

Mantena signed major contracts with Alstom and Baneservice in 2021. The company has also been retained by Flytoget, Transitio and Norske Tog.

In the course of 2021, Mantena won several contracts related to rebranding trainsets with SJ, Vy, Norske Tog, Go-Ahead, RailCare, Arctic Train, Sporveien and the Norwegian Railway Museum. A framework agreement has also been concluded with Euromaint.

In 2022, Mantena has had two multi-year contracts with Cargo Net renewed.

The 2021 operating year was tough, with weak results in some contracts. Provisions have also been raised for future operating losses in these contracts.

Mantena launched a restructuring programme in 2021 to significantly reduce cost levels and maintain competitiveness and profitability. In this connection, we also terminated two contracts in Sweden with effect from the end of January 2022.

Because of the war in Ukraine, there is uncertainty in relation to deliveries of some components. We are working to find alternative suppliers. High prices for electricity and metals will increase the price of parts for maintenance. High electricity prices bring significantly higher costs in the workshops.

The coronavirus pandemic

The coronavirus pandemic is causing continued uncertainty for the Group. Customers, particularly the passenger train operators, reduced their operations and hence the demand for maintenance services in 2021. Less demand and reduced earnings resulted in lower productivity.

The pandemic also affects Mantena's suppliers, increasing the risk of stoppages or delays in parts deliveries to the Group. Mantena is working closely with its customers and suppliers to find the best possible response to the situation.

Mantena has followed the official guidelines during the pandemic and has taken a number of measures to prevent infection, maintain production and contribute to social responsibility. When society reopened in the autumn of 2021, the organisation of the Group's efforts to combat the spread of infection changed from contingency planning to increased line management work.

The Group has had relatively little Covid-related absence. As the official restrictions are removed, we may expect increased sickness absence among our employees. Mantena is working preemptively to plan for situations with significantly more Covid-related absence.

Mantena has not been eligible for public financial support schemes during the coronavirus pandemic, so has not received any such funding.

Personnel and expertise

At the end of the year there were 967 employees in Mantena (1,031 in 2020), which represents an average of 969 full-time equivalents (945 in 2020). At the end of the year there were 752 employees in Mantena AS (829 in 2020), which represents an average of 750 full-time equivalents (799 in 2020).

Mantena is an inclusive (IA) employer. Good and targeted work has been done by managers and elected officials to meet the objectives in the IA agreement. Mantena aims to be an attractive workplace, with a working environment characterised by openness and trust.

Mantena takes responsibility for bringing apprentices into the company to ensure future access to skills. All employees must go through a training programme, and certifications as required to carry out current and future contracts. Employees are also put into a broad training programme related to project management and productivity-promoting measures.

Equality and diversity

Mantena aims to maintain equality and equal opportunities in terms of pay, employment, promotion and education and training. The company is concerned with equal treatment, in which individual attributes are respected and valued.

Mantena has a conscious strategy of promoting equality of opportunity when recruiting new employees for the company. It ensures that women and men are offered equal opportunities to take on the different tasks within the company. Most women in the company are in management or administrative positions.

In Mantena's management team, there is one woman (17 per cent). There are 72 women in the Mantena Group (7.7 per cent), and 54 in Mantena AS (7.4 per cent, against 8.1 per cent in 2020).

On the Board of Mantena there are two women and six men.

In Mantena AS there are 7 women employed in temporary positions, representing 37% out of a total of 19 temporary employees. There are four women employed in temporary positions, representing 24% out of a total of 10 temporary employees. The average amount of parental leave is 1 week for women and 14 weeks for men.

Corporate governance

Mantena follows the Norwegian Code of Practice for Corporate Governance and the Government's corporate governance policy and national principles enshrined in Storting White Paper No 8-2019-2020. This ensures good interaction between the owners, the Board of Directors and the management of the company. Mantena strives for end-to-end management to achieve the goals set by the owner for the business, broken down into the targets and policies adopted by the Board and management.

The Corporate Governance Statement is published on www.mantena.org.

The work of the Board

During the year, the Board of Directors held 19 meetings.

In 2021, the Board of Directors formed a board committee for finance and tendering processes. One meeting was held.
In 2021, the Board of Directors established a board committee to hire a new CEO. There were 10 meetings.

Directors' liability insurance has been taken out for the members of the Board and the CEO.

HSE and traffic safety

Mantena puts safety first. Serious incidents were recorded in 2021 which, under other circumstances, could have had serious consequences. The cases have been followed up and dealt with in accordance with Mantena's management system.

Systematic safe job analyses and risk analyses are carried out, which form the basis for the preventive work. 68 injuries were reported in 2021, compared to 33 the year before. In 2021, 43 personal injuries were reported in Mantena AS against 27 personal injuries the previous year.

The working environment is considered to be good with high job satisfaction.

Sickness absence in Mantena Group in 2021 was 7.5% (6.4% in 2020) and in Mantena AS, 8.3% (6.9% in 2020).

The H1 factor was measured at 9.0 in the Mantena Group (11.8 in 2020).
The H1 factor was measured at 7.0 in Mantena AS (11.2 in 2020).

External environment

Mantena recognises that its business affects the environment. This is why continuous efforts are being made to improve the company's environmental performance and cut pollution, by setting its own requirements as well as meeting regulatory requirements and standards.

No issues have been reported with the handling of hazardous waste.

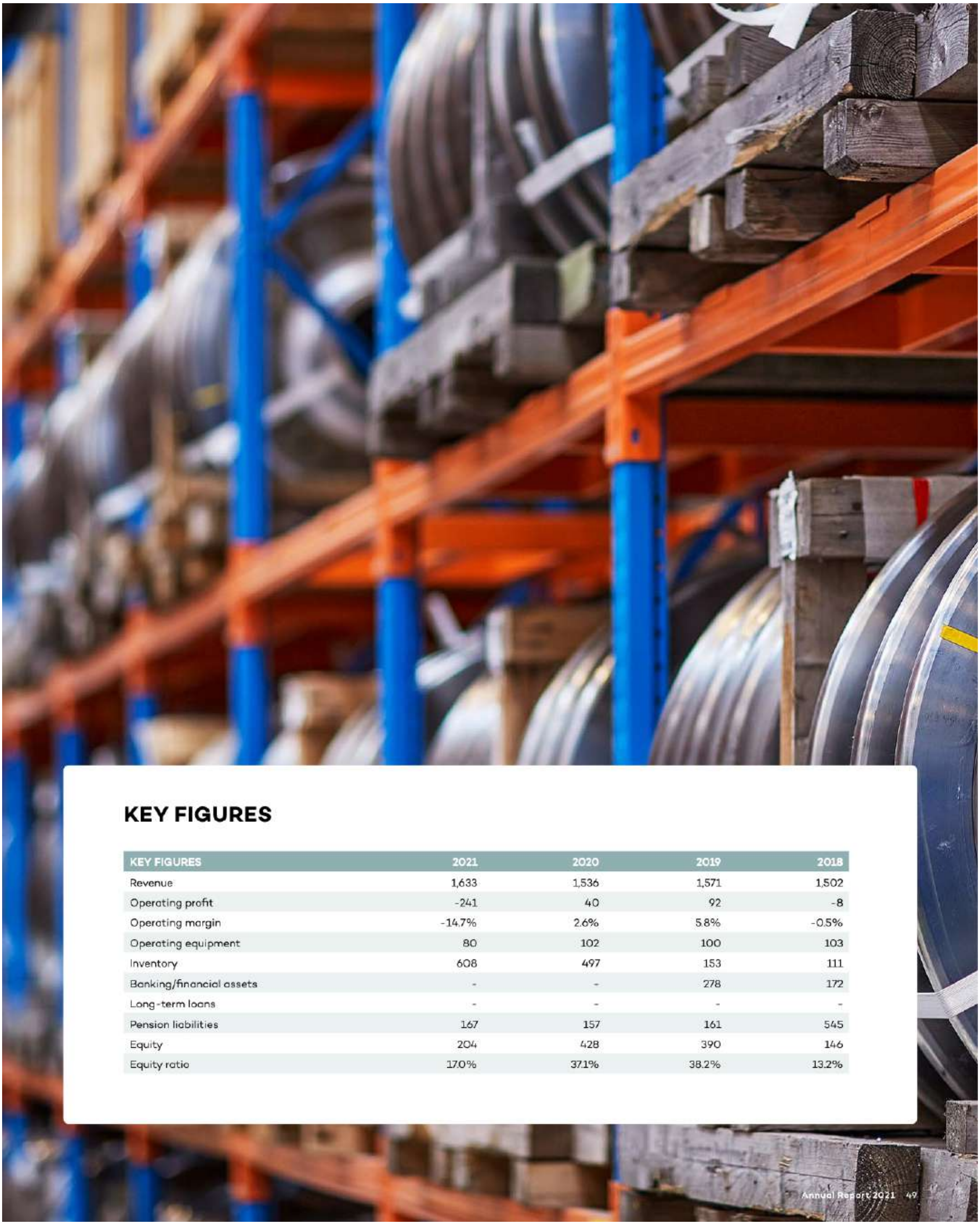
In 2021, three environmental emissions (3 emissions in 2020) were reported in the Mantena Group and 1 in Mantena AS (3 in 2020). None had any serious environmental consequences.

Oslo, 24.03.2022

Kari Broberg Chair (Sign.)	Ronny Solberg Deputy chair (Sign.)	John Arne Ulvan ADM.DIR/CEO (Sign.)
Marianne Kartum (Sign.)	Stian Hårklau (Sign.)	Tord Helland (Sign.)
Petter Trønnes (Sign.)	Nils Ole Morken (Sign.)	Torbjørn Støre (Sign.)

AMBITIONS

	Value driver	Ambition	Activity
Growth	New contracts New customers Customer satisfaction	Significant growth in the period 2021-2025	Selecting the right contracts through good tendering procedures. Securing assignments in addition to public tendering procedures.
	Best at innovation New growth areas	Train performance ECM Engineering Infrastructure	Becoming a full-service supplier to the rail market requires more sources of revenue and will result in greater growth. Healthy growth may provide economies of scale.
Profit	EBIT Operating margin	Satisfactory operating margin	Unified project and contract management. Equal training and equal implementation. Focus on flow in work processes and extensive use of the MIMS production system. Good provision of workshop facilities.
	Stable return to owner over time	Prudent returns	Long-term return, provides sustainable business, secure jobs and good general conditions.
People and the environment	Sustainability	Increased trainset life	Adopt new technology, develop new maintenance programmes for increased performance and longer life of vehicles and components, re-engineer parts.
		No damage to the environment from own operations	Establish and follow up an environmental programme with annual mapping of the environmental aspects of the business. Regular follow-up and annual review before setting fresh targets.
	People	Sickness absence < 6.0%	Increased engagement and well-being in the workplace. Involve staff to ensure a shared view of goals and productivity.
	The Mantena way Uniqueness	Project management Improvement work	To ensure consistent project execution. Continue the newly-launched Operational Excellence programme to improve workflows with increased productivity as a year-over-year goal.
		Unified leadership	Conduct monthly management courses according to a plan for ensuring unified management.
Security	Safe workplace and rail traffic	H1 < 6.0	Further focus on safety with an emphasis on finding new tools, work processes and safety equipment.
		Avoid unwanted incidents resulting from working on and running trains	Emphasis on competence and skills development, continuous improvement through systematic efforts, and follow-up of incident reports. Good processes and causal analyses when incidents occur. Determine goals and KPIs and ensure continuous follow-up.



KEY FIGURES

KEY FIGURES	2021	2020	2019	2018
Revenue	1,633	1,536	1,571	1,502
Operating profit	-241	40	92	-8
Operating margin	-14.7%	2.6%	5.8%	-0.5%
Operating equipment	80	102	100	103
Inventory	608	497	153	111
Banking/financial assets	-	-	278	172
Long-term loans	-	-	-	-
Pension liabilities	167	157	161	545
Equity	204	428	390	146
Equity ratio	17.0%	37.1%	38.2%	13.2%


50 Annual Report 2021

FINANCIAL STATEMENTS
MANTENA AS


WALL-MAN

INCOME STATEMENT

All figures in TNOK

Note	OPERATING INCOME AND EXPENSES	2021	2020
12, 20	Operating income	1,247,365	1,339,742
	Total operating income	**1,247,365**	**1,339,742**
12	Cost of goods sold	336,189	238,877
2, 22	Payroll costs	613,613	645,807
4	Depreciation of property, plant and equipment and intangible assets	31,821	15,447
3, 12. 19	Other operating expenses	442,657	389,726
	Total operating expenses	**1,424,279**	**1,289,857**
	Operating profit	**-176,915**	**49,885**

Note	FINANCIAL INCOME AND EXPENSES	2021	2020
12	Interest income from enterprises in the same group	-	-
	Other financial income	5,707	8,993
	Change in value of financial instruments measured at fair value	-	-
	Net financial expenses, pensions	-	-
	Other financial expenses	-131,384	-364
16	**Net financial income**	**-125,677**	**8,629**

	PROFIT FOR THE YEAR BEFORE TAX	**-302,592**	**58,515**

	TAX EXPENSES	2021	2020
13	**Tax expenses**	**-40,920**	**12,878**
	PROFIT FOR THE YEAR	**-261,672**	**45,637**

Note	TRANSFERS	2021	2020
10	Transferred to/from other equity	-261,672	45,637
	TOTAL TRANSFERS	**-261,672**	**45,637**

BALANCE SHEET

All figures in TNOK

Note	ASSETS	2021	2020
	Fixed assets		
Note	**Intangible assets**	**2021**	**2020**
13	Deferred tax assets	119,941	79,021
	Total intangible assets	**119,941**	**79,021**
Note	**Property, plant and equipment**	**2021**	**2020**
	Machinery and equipment	21,661	20,051
	Operational control systems	25,074	22,137
	Operating equipment, fixtures, tools, office machinery etc.	24,860	53,312
4	**Total property, plant and equipment**	**71,595**	**95,500**
Note	**Financial fixed assets**	**2021**	**2020**
5, 12	Investment in subsidiaries	677	57,196
8, 12	Loans to enterprises in the same group	395	395
8	Other receivables	78,320	99,674
	Total financial fixed assets	**79,391**	**157,265**
	TOTAL FIXED ASSETS	**270,927**	**331,785**
	Current assets		
Note	**Goods**	**2021**	**2020**
7	**Goods**	**503,493**	**414,660**
Note	**Receivables**	**2021**	**2020**
12	Trade accounts receivable	190,996	184,528
12	Other receivables	63,884	110 473
	Total receivables	**254,880**	**295,001**
Note	**Investments**	**2021**	**2020**
6	Other market-based financial instruments	-	-
	Total investments	**-**	**-**
Note	**Bank deposits**	**2021**	**2020**
17	**Cash in hand and at bank**	-	-
	TOTAL CURRENT ASSETS	**758,372**	**709,661**
	TOTAL ASSETS	**1,029,299**	**1,041,446**

All figures in TNOK

EQUITY AND LIABILITIES

Equity

Note	Paid-up equity	2021	2020
9	Share capital (100,000 shares @ NOK 1,100)	270,000	270,000
	Other paid-up equity	273,474	273,474
10	**Total paid-up equity**	**543,474**	**543,474**

Note	Retained earnings	2021	2020
10	Other equity	-338,972	-77,300
	Total retained earnings	-338,972	-77,300
10	**TOTAL EQUITY**	**204,502**	**466,173**

Noncurrent liabilities

Note	Provision for liabilities	2021	2020
11	Pension liabilities	167,300	157,300
	TOTAL NONCURRENT LIABILITIES	**167,300**	**157,300**

Current liabilities

Note	Current liabilities	2021	2020
	Accounts payable	30,028	47,357
13	Tax payable	-	-
	Social security and other charges	135,466	139,834
12, 14	Other current liabilities	492,004	230,782
	TOTAL CURRENT LIABILITIES	**657,498**	**417,973**
	TOTAL LIABILITIES	**824,798**	**575 273**
	TOTAL EQUITY AND LIABILITIES	**1,029,299**	**1,041,446**

Oslo, 24.03.2021

Kari Broberg Chair (Sign.)	Ronny Solberg Deputy chair (Sign.)	John Arne Ulvan ADM.DIR/CEO (Sign.)
Marianne Kartum (Sign.)	Stian Hårklau (Sign.)	Tord Helland (Sign.)
Petter Trønnes (Sign.)	Nils Ole Morken (Sign.)	Torbjørn Støre (Sign.)

CASHFLOW STATEMENT

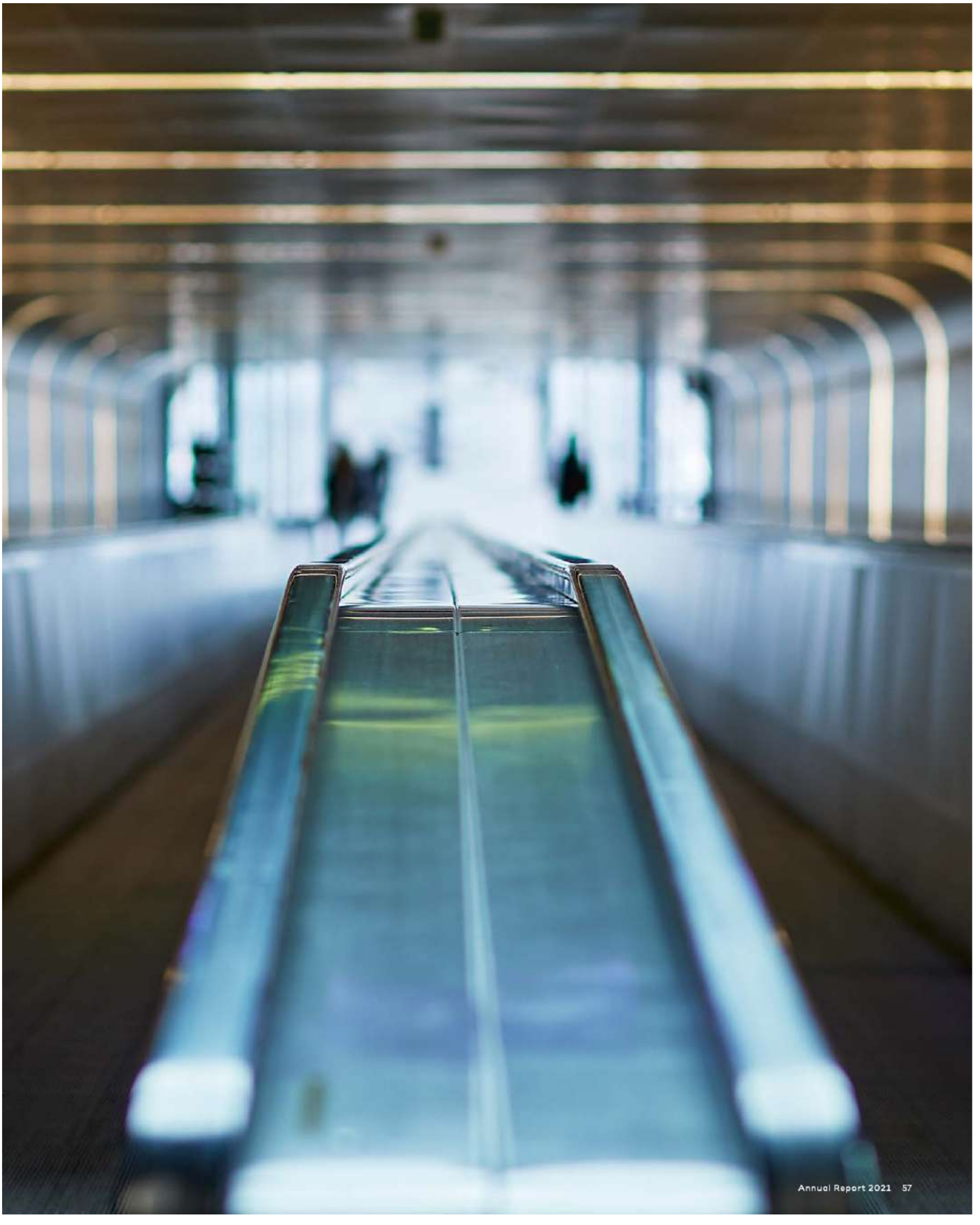
All figures in TNOK

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
Profit for the year before tax	-302,592	58,515
Tax paid in the period	-	-
Ordinary depreciation	17,821	15,447
Impairment of property, plant and equipment	14,000	-
Pension costs with (-) / without (+) cash effect	10,000	-3,560
Gains from sales of financial assets	-	-
Financial items with no liquidity effect	-	-2,780
Unrealised foreign exchange gain/loss on receivables	3,776	-3,453
Change in stocks of goods	-88,833	-315,064
Change in receivables and prepaid expenses	40,516	-32,607
Change in accounts payable	-17,329	11,519
Change in other liabilities	27,698	-35,156
Net cash flows from operating activities	**-294,941**	**-307,139**

CASH FLOWS FROM INVESTMENT ACTIVITIES	2021	2020
Purchase of property, plant and equipment	-16,772	-20,767
Proceeds from long-term receivables	17,183	17,565
Deposits/loans to subsidiaries	-	-
Proceeds from sales of financial current assets	-	-
Net cash flow from investment activities	**411**	**-3,202**

CASH FLOWS FROM FINANCING ACTIVITIES	2021	2020
Paid-up equity	-	-
Financial items with no liquidity effect	56,519	-
Credit facility	**238,011**	**27,268**
Net cash flow from financing activities	294,530	27,268

Net change in cash in hand and at bank	-	-283,073
Cash in hand and at bank at 01.01	-	283,073
Cash in hand and at bank at 31.12	**-**	**-**


Annual Report 2021 57

NOTES

NOTE 1 - ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and good accounting practice in Norway.

General rule for valuing and classifying assets and liabilities

Assets intended for long-term ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables to be repaid within a year are classified as current assets.

Similar criteria are used to classify current and noncurrent liabilities.

Current assets are valued at the lower of acquisition cost and fair value.

Fixed assets are valued at acquisition cost, but are written down to the recoverable amount if this is lower than the book value and the impairment is not expected to be transient. Fixed assets with a limited useful life are depreciated over the expected period of use.

Other current and noncurrent liabilities are valued at face value.

Assets and liabilities in foreign currency

Receivables and liabilities in foreign currency are converted at the rate in place on the balance sheet date.

Intangible assets

Expenses for own production of intangible assets, including expenses for internal research and development, are recognised when it is likely that the future financial benefits associated with the assets will fall to the company and the acquisition cost can be reliably measured.

Intangible assets purchased individually are recognised at acquisition cost. Intangible assets taken over as part of the acquisition of a company are recognised at acquisition cost when the criteria for recognition are met.

Intangible assets with a limited useful life are depreciated over the expected period of use. Intangible assets are written down to the recoverable amount if the expected financial benefits do not cover the carrying amount and any remaining production costs.

Shares and shares in associated companies and subsidiaries

Investments in subsidiaries are valued by the cost method. Where an impairment is not considered to be transient, and it is considered necessary according to good accounting practice, investments are written down to fair value. Dividends received and group contributions from the subsidiaries are recognised as other financial income. The same applies to investments in associated companies.

Financial instruments, including fixed income funds, which

- are classified as current assets,
- are included in the company's liquidity,
- are traded on a stock exchange, authorised marketplace or similarly regulated market abroad, and
- have good ownership spread and liquidity
- are measured at fair value on the balance sheet date.

Goods

Goods are valued at the weighted average purchase price. For raw materials and work in progress, the net sales value is calculated as the market value of finished goods minus any remaining manufacturing costs and sales costs. Goods from own production are valued at the lower of full manufacturing cost and fair value.

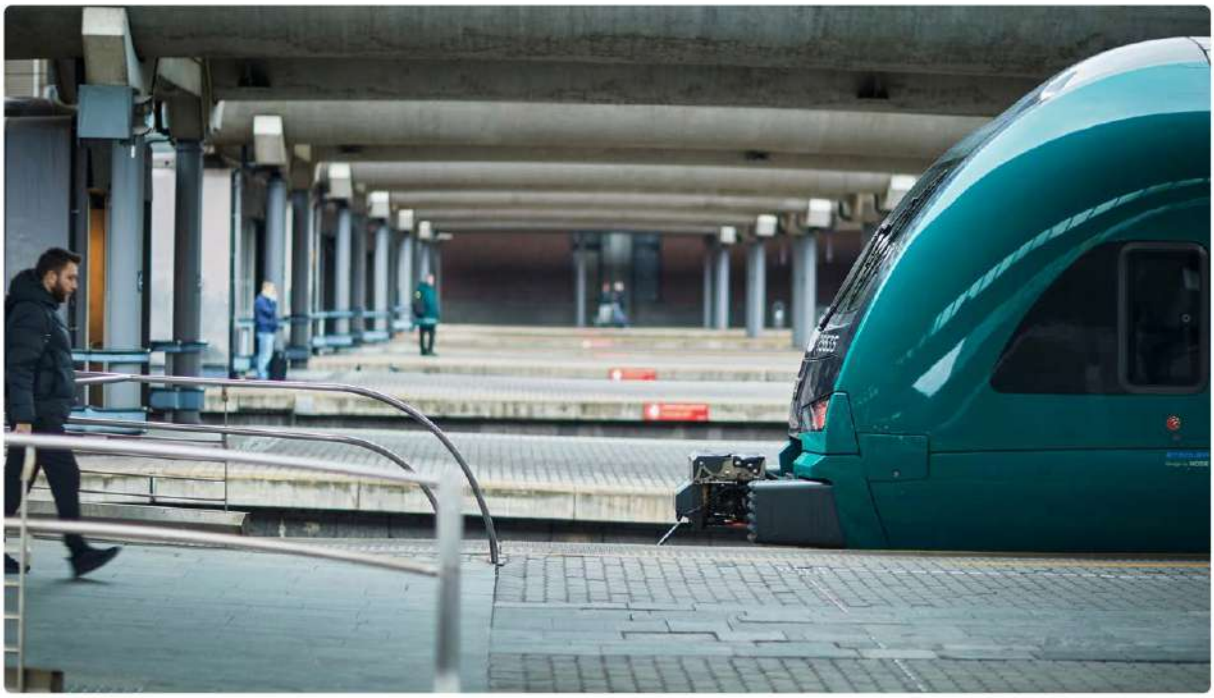
Revenue

From sales of services:

Income is recognised when it is earned, i.e. when claims for payment (consideration) arise. This happens when the service is provided, as and when the work is carried out. The income is recognised at the value of the consideration at the time of the transaction. For contracts with defined income over the contract period which are expected to result in net losses because the cost of provision exceeds the income, a provision is made for the best estimate of the net cost over the remaining contract period. Where the contract includes an option for the customer to extend the agreement, there is an assessment of the probability of the option being exercised.

Receivables

Trade accounts receivable and other claims are reported at face value minus any provision for expected losses. Loss provisions are made on the basis of an individual assessment of the specific receivables.



Cash in hand and at bank
Cash in hand and at bank includes cash, bank deposits and other means of payment with due dates less than three months from acquisition.

Warranties and service work
For sales, the whole of the sale price, including the part relating to future warranty and service work, is taken to income at the time of the sale.

A provision is made for future warranty and service work.

Pensions
As from 01.01.2019, a defined-contribution pension scheme has been implemented in the company. The company's defined-contribution scheme is organised in accordance with the Norwegian Act on Defined-Contribution Pensions.

On 31.12.2018, the company implemented an occupational pension scheme for older employees who could not be enrolled in a private AFP scheme. This relates to employees born before 1964. The occupational pension has a fixed term for the company, with payments due in the period 2019-2030. The effect of this was recognised on implementation at 31.12 2018.

Costs
As a general rule, costs are recognised in the same period as the corresponding income. In cases where there is no clear relationship between expenditure and income, the allocation is determined according to discretionary criteria. Other exceptions to the matching principle are indicated where applicable.

Taxes
The tax expense is matched against the accounting profit before tax. Tax related to equity transactions is recognised in equity. The tax expense consists of tax payable (tax on the year's direct taxable income) and changes in net deferred tax. Deferred tax and deferred tax assets are presented net in the balance sheet.

Accounting currency and presentation currency
All figures are reported in thousands of Norwegian kroner (TNOK).

NOTE 2 - PAYROLL COSTS, NUMBER OF EMPLOYEES, REMUNERATION, LOANS TO EMPLOYEES ETC.

Payroll costs	2021	2020
Salaries, incl. employer's national insurance contributions	567,413	600,585
Pension costs - defined-benefit scheme	7,000	7,400
Pension costs - defined-contribution scheme	33,135	29,653
Other benefits, incl. provision for restructuring costs	6,065	8,168
Total	**613,613**	**645,807**
Number of full-time equivalents employed in the financial year	750	799

Payments to senior executives		Fixed salary	Variable pay	Pensions	Other benefits
Managing Director	John Arne Ulvan	1,074	-	95	-
Managing Director	Kjetil Hovland	1,563	-	63	-
CFO	Vidar Leirvik	1,504	638	151	
Director, Products and Projects	Jan Tore Iversen	1,371	75	161	-
Director Fleet Service	Knut Arild Johannesen	1,152	-	138	-
Director HR and Group HSE	Tone Sande	1,131	-	141	-
Head of Technology	Terje Hullstein	500	-	65	-
Board of Directors		1,825	-	-	-

The Managing Director is a member of the company's defined-contribution pension scheme, which covers all employees. The premium for this has not been identified and so is not included in the figures above. In the Managing Director's contract of employment, a mutual notice period of 6 months has been agreed, from the first day of the month after notice was given.

Payroll costs are related to each person's salary in their time as Managing Director in 2021.
Other remuneration includes costs related to the company's defined-contribution pension scheme.

Auditor - Remuneration to Deloitte AS and partner companies is as follows:	2021	2020
Statutory audit	435	269
Other services than regular audits	94	149
Total	**529**	**418**

NOTE 3 - OPERATING EXPENSES

Breakdown of other operating expenses	2021	2020
Sales and administration costs	1,024	1,013
Cost of premises, leased machinery and energy	199,491	226,480
Other operating expenses	242,141	162,233
Total	**442,657**	**389,726**

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment	Operational control systems	Transport	Facilities under construction	Total
Acquisition cost 01.01.21	200,747	64,806	18,447	2,148	286,148
Purchase of operating equipment	133	11,507	400	16,772	28,812
Disposals	-	-	-	-12,040	-12,040
Acquisition cost 31.12.21	**200,880**	**76,313**	**18,847**	**6,879**	**302,920**
Cum. depreciation 31.12.21	162,548	37,240	17,537	-	217,326
Write-downs 31.12.21	-	14,000	-	-	14,000
Cum. depreciation, impairment and write-downs 31.12.21	**162,548**	**51,240**	**17,537**	**-**	**231,326**
Book value as of 31.12.21	**38,332**	**25,073**	**1,310**	**6,879**	**71,596**

Depreciation for the year	**3,122**	**9,239**	**5,461**	**-**	**17,821**
Write-downs for the year		**14,000**	**-**	**-**	**14,000**

Operational control systems have been written off to the value of NOK 8,856. The cost is covered by funds for restructuring; see Note 14.

Depreciation for the year in the income statement	**31,821**

Useful life	5-30 years	5 years	5-30 years	-
Depreciation plan	linear	linear	linear	

Rental of operating equipment and premises	2021	2020
Annual rental of unrecognised operating equipment	9,069	5,868
Rental of property	114,404	113,446
Total	**123,473**	**119,314**

NOTE 5 - SUBSIDIARIES, ASSOCIATED COMPANIES ETC.

Company	Acquisition date	Registered office	Share of votes	Holding	Book value
Mantena Sverige AB	01.07.07	Oslo	100%	100%	-
Mantena Danmark A/S	05.02.18	Copenhagen	100%	100%	652
Mantena Finland OY	09.05.18	Helsinki	100%	100%	24

Company	Currency	Exchange rate	Equity according to last financial statements	Net profit according to last financial statements
Mantena Sverige AB	SEK	0.97	3,252	-78,235
Mantena Danmark A/S	DKK	1.39	488	-90
Mantena Finland OY	Euro	9.85	-230	-92

Figures represent 100% of the book equity in the companies as at 31.12.2021.

NOTE 6 - OTHER FINANCIAL INSTRUMENTS

Current assets

Financial instruments and commodity derivatives measured at fair value according to Section 5-8 of the Norwegian Accounting Act	Acquisition cost	Fair value	Change in value in the period
Norwegian fixed income funds	-	-	-
Total	**-**	**-**	**-**

NOTE 7 - GOODS

Goods	2021	2020
Components	503,493	414,660
Other inventories	-	-
Total	**503,493**	**414,660**

NOTE 8 - RECEIVABLES DUE AFTER MORE THAN ONE YEAR

Receivables due after more than one year	2021	2020
Other receivables	78,320	99,674
Loans to enterprises in the same group	395	395
Total	**78,715**	**100,069**

NOTE 9 - SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital in the company at 31.12.21 consists of the following share classes:	Number	Par value	Book value
Ordinary shares	100,000	11	110,000
Total	**100,000**		**110,000**

Owner structure

The shareholder in the company at 31.12.21 was:	Ordinary shares	Holding	Share of votes
The Norwegian State (Ministry of Trade, Industry and Fisheries)	100,000	100%	100%
Total number of shares	**100,000**	**100%**	**100%**

As from 1 January 2020, the Norwegian Ministry of Trade, Industry and Fisheries is the owner and sole shareholder in the company.

NOTE 10 - EQUITY

Paid-up equity	Share capital	Other paid-up equity	Other equity	Total equity
Equity at 01.01.21	110,000	433,474	-77,301	466,173
Other equity	-	-	-261,672	-261,672
Equity at 31.12.21	**110,000**	**433,474**	**-338,972**	**204,502**

NOTE 11 - PENSION COSTS, ASSETS AND LIABILITIES

Dissolution of defined-benefit plan

The company has withdrawn its employees from the defined-benefit pension scheme in the Norwegian Public Service Pension Fund (SPK) as of 31.12.2018, except for persons receiving disability and sickness payments. All employees will have deferred entitlements in the SPK when they leave the scheme, and will enter a new defined-contribution scheme from 2019.

The balance in the Norwegian Public Service Pension Fund was calculated in 2019 and the sum of MNOK 491.3 paid out, excluding employer's national insurance contributions.

Persons receiving disability and sickness payments will remain in the Norwegian Public Service Pension Fund, and the scheme has been closed. Based on actuarial calculations, a liability equal to MNOK 37.5 has been posted for these employees at 31.12.2021. There will be some uncertainty as to the liability at the time when they are eventually withdrawn from the SPK. The remaining members of the defined-benefit pension schemes in the Norwegian Public Service Pension Fund have been granted the right to defined future benefits. These are mainly dependent on the number of qualifying years, the salary on retirement and the amount of the benefits from the National Insurance scheme.

Defined-contribution pension scheme

Since 01.01.2019, a defined-contribution pension scheme has been implemented in the company.

The company's defined-contribution scheme is organised in accordance with the Norwegian Act on Defined-Contribution Pensions. The scheme covers all employees.

Accounting for the AFP scheme

When the pension scheme in the Norwegian Public Pension Fund was closed, the company also withdrew from the contractual early retirement pension scheme (AFP) from 31.12.2018. On the same date, the company entered into the private AFP scheme. The scheme is therefore recognised as a defined-benefit scheme.

Occupational pension

On 31.12.2018, the company implemented an occupational pension scheme for older employees who could not be enrolled in a private AFP scheme. This relates to employees born before 1964, and assumes a future early retirement rate of 72.0% at 31.12.2021. In the financial statements as at 31.12.2021, MNOK 210.1 has been allocated for future payments related to the occupational pension scheme. The occupational pension has a fixed term for the company, with payments due in the period 2019-2030.

Support to meet the regulatory obligation from closing the pension scheme in the Norwegian Public Service Pension Fund

The company received grants in 2019 from the Ministry of Transport and Communications to meet its regulatory obligations from the Norwegian Public Service Pension Fund. Payments received in 2019 were equal to MNOK 213.9. No payments received in 2020 and 2021.

Support for transitional arrangements for older employees after the closure of pension scheme in the Norwegian Public Service Pension Fund

The company is entitles to government support from the Ministry of Transport and Communications for a transitional scheme for older employees following the dissolution of the pension scheme in the Norwegian Public Service Pension Fund and transition to the occupational pension and private AFP scheme. Approved funding amounted to MNOK 320, of which MNOK 290.5 has been taken to profit/loss in connection with the winding-up of defined-benefit schemes in the Norwegian Public Service Pension Fund as of 31.12.2018. while MNOK 29.5 of approved funding is linked to a compensation scheme which was not recognised in profit/loss in 2018. This will be recognised in the future, while employees who are still in work accrue entitlements.

Breakdown of net pension liabilities and support received	2021	2020
The Norwegian Public Service Pension Fund, net liability related to closed scheme with settlement in 2019	-	-
The Norwegian Public Service Pension Fund, net liability for persons receiving disability/sickness benefits remaining in the scheme	37,500	30,500
Occupational pension scheme implemented 31.12.2018	210,200	283,100
Support to meet regulatory obligations in the Norwegian Public Service Pension Fund	-	-
Support for transitional scheme for older employees on withdrawal from the Norwegian Public Service Pension Fund	-80,400	-156,300
Net pension liability on the balance sheet	**167,300**	**157,300**

Pension costs recognised in the income statement	2021	2020
Present value of accrued pension entitlements in the year - SPK	7,000	7,400
Estimate difference, pensions - SPK	-	-
Pension costs - defined-benefit scheme - SPK	7,000	7,400
Pension-related financial items for the year - defined-benefit scheme - SPK	-	-
Increased support to meet regulatory obligations in the Norwegian Public Service Pension Fund	-	-
Occupational pension scheme - change in assessment of early retirement rate	-602	-18,809
Defined-contribution pension scheme	33,135	29,653
Private AFP scheme	9,028	9,346
Net pension costs	**48,561**	**27,590**

The following parameters have been used in the calculations for the defined-benefit scheme in Norway	2021	2020
Discount rate	1.9%	1.5%
Expected return on pension assets	3.1%	1.5%
Annual expected wage growth	2.8%	2.0%
Expected annual adjustment of old-age and survivor's pensions during payment period, over 67 years	2.5%	1,0%
Annual expected G-adjustment, adjustment of AFP, disability and survivor's pensions, under 67 years	1.8%	1.8%
Average employer's contribution factor	14.1%	14.1%

NOTE 12 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Owner
As the owner of Mantena AS, the Norwegian State, through the Ministry of Trade, Industry and Fisheries, is a related party. Other enterprises owned by the State will also be related parties to Mantena AS.

The Board of Directors and senior executives
Members of the company's management or Board of Directors are also related parties with Mantena AS.

Companies in the same group
Mantena Sverige AB, Mantena Danmark A/S and Mantena Finland OY are in the same group as Mantena AS.

Transactions with related parties:

Transaction/transaction group	2021	2020
Sale of goods and services to companies in the same group	72,543	40,014
Sale of goods and services to other related parties	628,685	946,756
Total	**701,228**	**986,770**

Transaction/transaction group	2021	2020
Purchase of goods and services from companies in the same group	7,681	10,012
Purchase of goods and services from other related parties	300,621	560,220
Total	**308,302**	**570,232**

Outstanding balances with related parties:

Receivables and liabilities:

Counterparty	Liabilities 2021	Liabilities 2020	Receivables 2021	Receivables 2020
Companies in the same group	948	1,773	25,630	23,067
Other related parties	30,017	47,064	62,643	118,139
Total	**30,965**	**48,837**	**88,273**	**141,206**

Receivables from the State of TNOK 80,400, see Note 11.

Loans

Counterparty	2021	2020
Mantena Finland OY	395	395
Mantena Sverige AB	-	-
Total	**395**	**395**

NOTE 13 - TAX EXPENSES

Tax expenses for the year are as follows	2021	2020
Tax payable	-	-
Change in deferred tax	-40,920	12,878
Effect of change in tax rules	-	-
Tax expenses	**-40,920**	**12,878**

Tax payable in the balance sheet is as follows	2021	2020
Tax payable for the year	-	-
Tax payable on the balance sheet	**-**	**-**

Reconciliation from nominal to actual tax rate	2021	2020
Profit before tax	-302,592	58,515
Expected income tax at nominal tax rate	-66,570	12,874

Tax effect of the following items	2021	2020
Other non-deductible costs	16	5
Effect of differences not included in temporary differences	25,634	-
Other items	-	-1
Tax expenses	**-40,920**	**12,878**
Effective tax rate	14%	22%

Breakdown of the tax effect of temporary differences and loss carry-forwards	2021		2020	
	Asset	Liability	Asset	Liability
Operating equipment	-	20,479	-	44,058
Goods	32,815	-	25,015	-
Receivables	1,500	-	1,500	-
Pension liability	167,300	-	157,300	-
Provision for liability	135,816	-	53,183	-
Loss carried forward	228,233	-	166,245	-
Total gross temporary differences	**565,663**	**20,479**	**403,244**	**44,058**
Net temporary differences	**545,184**	**-**	**359,185**	**-**
Net deferred tax assets (22%)	119,941	-	79,021	-
Reversal of assessed deferred tax	-	-	-	-
Net recognised tax assets	**119,941**	**-**	**79,021**	**-**

Deferred tax assets are posted on the basis of future income.

NOTE 14 - OTHER CURRENT LIABILITIES

Other current liabilities	2021	2020
Allocated for restructuring	24,518	21,974
Unearned income	25,916	27,967
Allotted holiday money	53,545	57,114
Drawing rights used	265,279	27,268
Other short-term provisions	122,765	96,459
Total	**492,024**	**230,782**

The limit for the drawing rights is TNOK 600,000.

NOTE 15 - PLEDGES AND GUARANTEES ETC.

Guarantee liability		Guarantee amount	Expiry date
Vy AS	Overhaul, Flirt Boggi	20,000	20.11.2025
SJ AB	Maintenance contract X40	36,418	01.02.2022
SJ AB	Maintenance contract X55	52,026	01.02.2022
Total guarantees		**108,444**	

NOTE 16 - TOTAL FINANCIAL ITEMS

Financial items	2021	2020
Net interest income and expenses	81	1,452
Net other financial income and expenses	-1,821	-363
Net foreign exchange gains/losses	-7,418	7,539
Net impairment on investments	-116,519	-
Total financial items	**-125,677**	**8,629**

NOTE 17 - BANK DEPOSITS

Cash in hand and at bank includes restricted withholding tax of TNOK 21 508.

NOTE 18 - EVENTS AFTER THE BALANCE SHEET DATE

The financial statements for 2021 have been drawn up on the assumption of a going concern. The company has budgeted for a positive operating profit for 2022.

The coronavirus pandemic and the far-reaching infection control measures ordered by the authorities led to an extraordinary situation in 2021 too, which is continuing to some extent into 2022.

Mantena's customers have been affected by fewer passengers and hence reduced traffic volumes. In Norway, the State has provided support schemes to Mantena's customers in Norway. Less of this support was provided in 2021 than in 2020. In Sweden, there is a complex picture, where Mantena's customers do not have support schemes in some contracts, and receive a guaranteed gross income in others. Mantena's assessment is that customers have the liquidity and ability to pay Mantena's trade accounts receivables in 2022 too.

Changed customer behaviour has resulted in somewhat less demand for Mantena's maintenance services, and there will be temporary lay-offs in some contracts in 2022.

Mantena follows the authorities' recommendations. A number of measures have been implemented to prevent infection, maintain production and contribute to corporate social responsibility. Shift arrangements have been adjusted to reduce contact between employees. Administrative staff have worked from home for much of the period. Good compliance with the infection control measures has made it possible to maintain production. Very little infection has been recorded among employees, and individual cases have been handled in accordance with the corporate governance document.

Mantena has not been eligible for any public support schemes, and has therefore not received any such funding.

The coronavirus pandemic and the far-reaching infection control measures ordered by the authorities place demands on the Group's services and restructuring. The consequences of the coronavirus pandemic for Mantena are expected to continue until the national vaccination programme has been completed with the expected effect. Until then, appropriate infection control measures and production changes will be maintained.

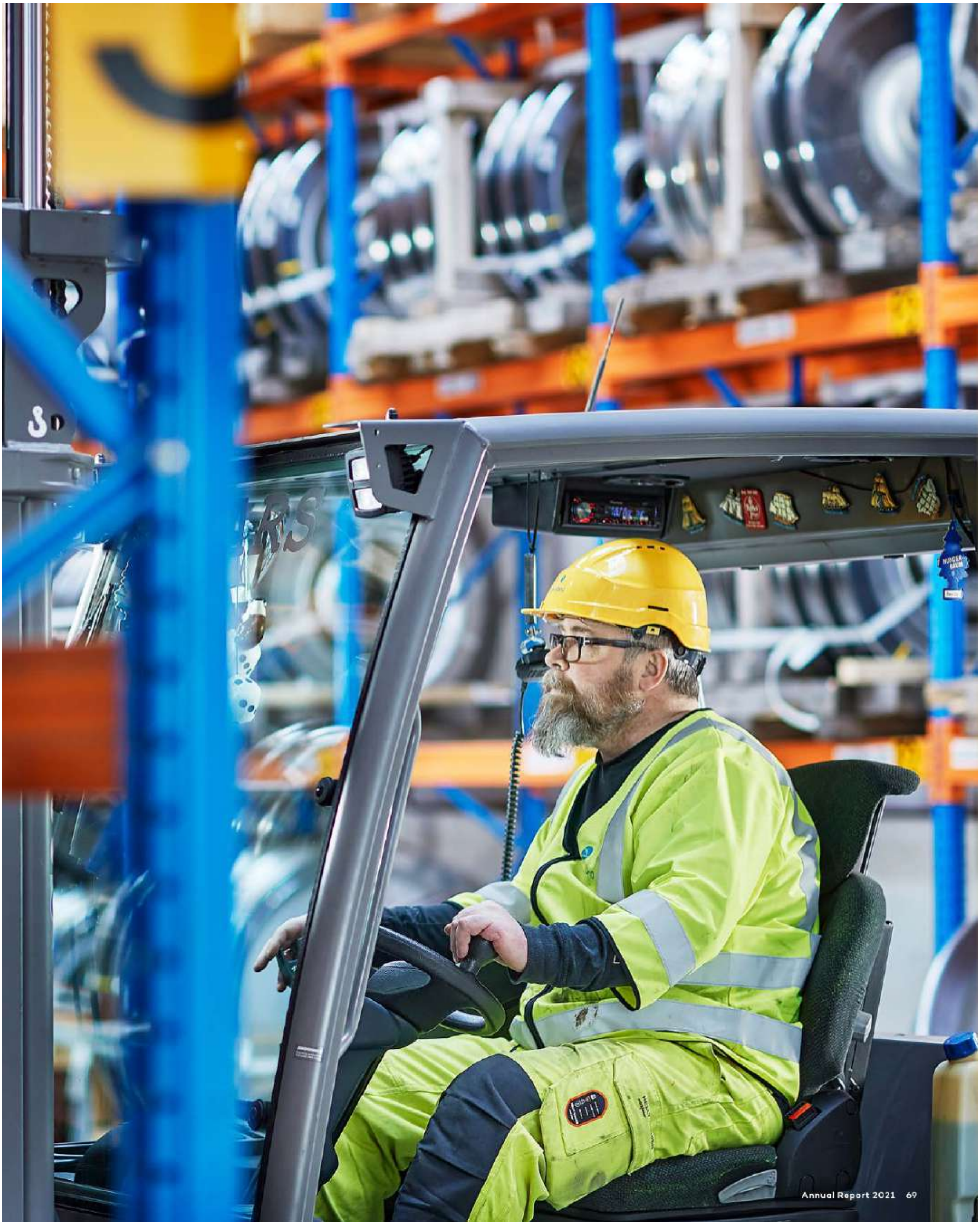
Because of the war in Ukraine, there is uncertainty in relation to deliveries of some components. We are working to find alternative suppliers. High prices for electricity and metals will increase the price of parts for maintenance. High electricity prices incur significantly higher costs in the workshops.

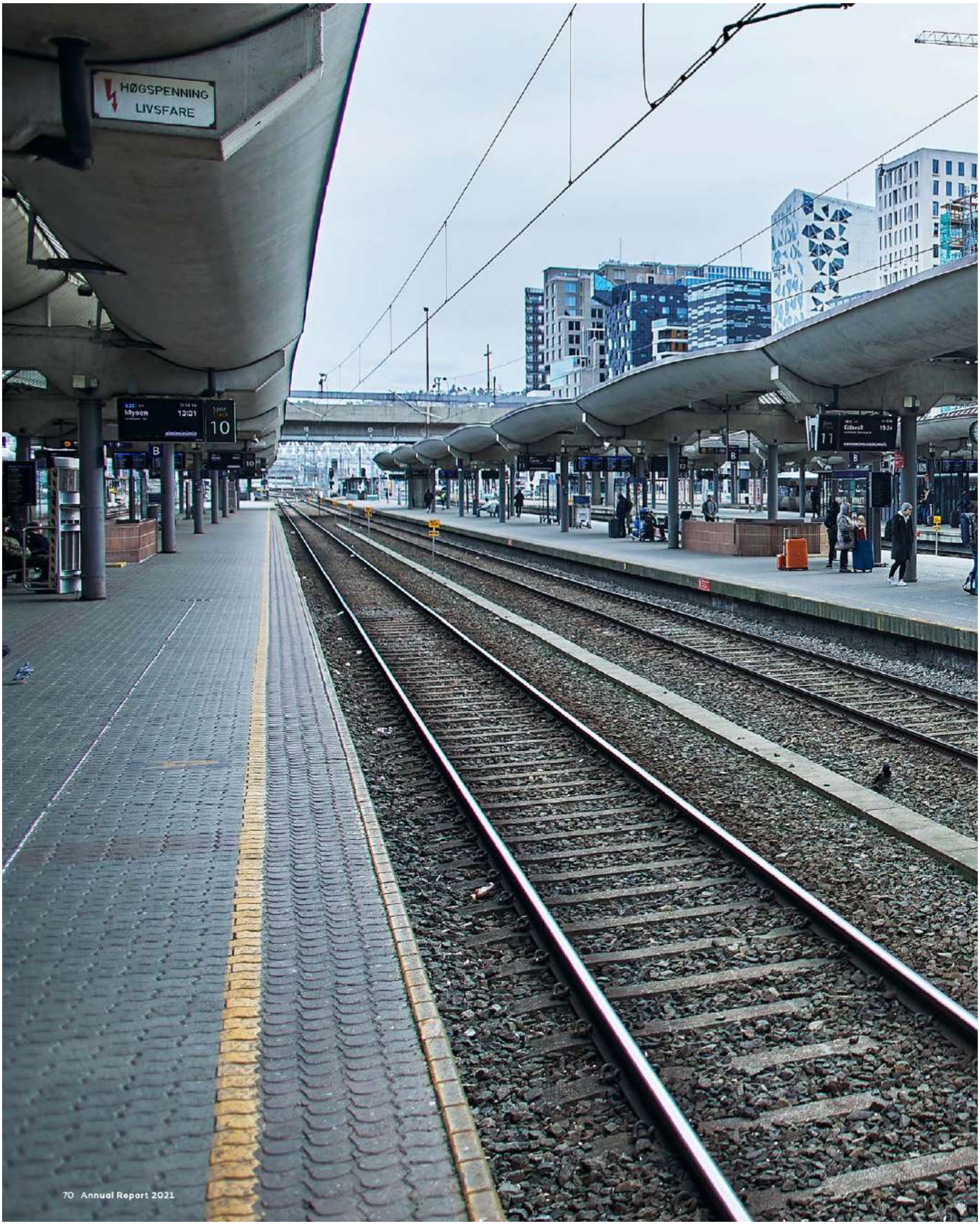
NOTE 19 - LOSSES ON CONTRACTS

A total of MNOK 88 (MNOK 0) has been posted to expenses for future losses on contracts related to train maintenance tenders in Norway and Sweden. This is a net expense for future contracts, taking into account of reversals of earlier loss provisions. These are long-term contracts and small changes in assumptions can produce a big change in values. There is high risk and a large outcome space. The cost estimate is the most significant parameter, and the uncertainty is high. A change of +/- 1% in costs each year would translate into around MNOK 4 in value. The bulk of the payment flows are expected to occur in the next three years.

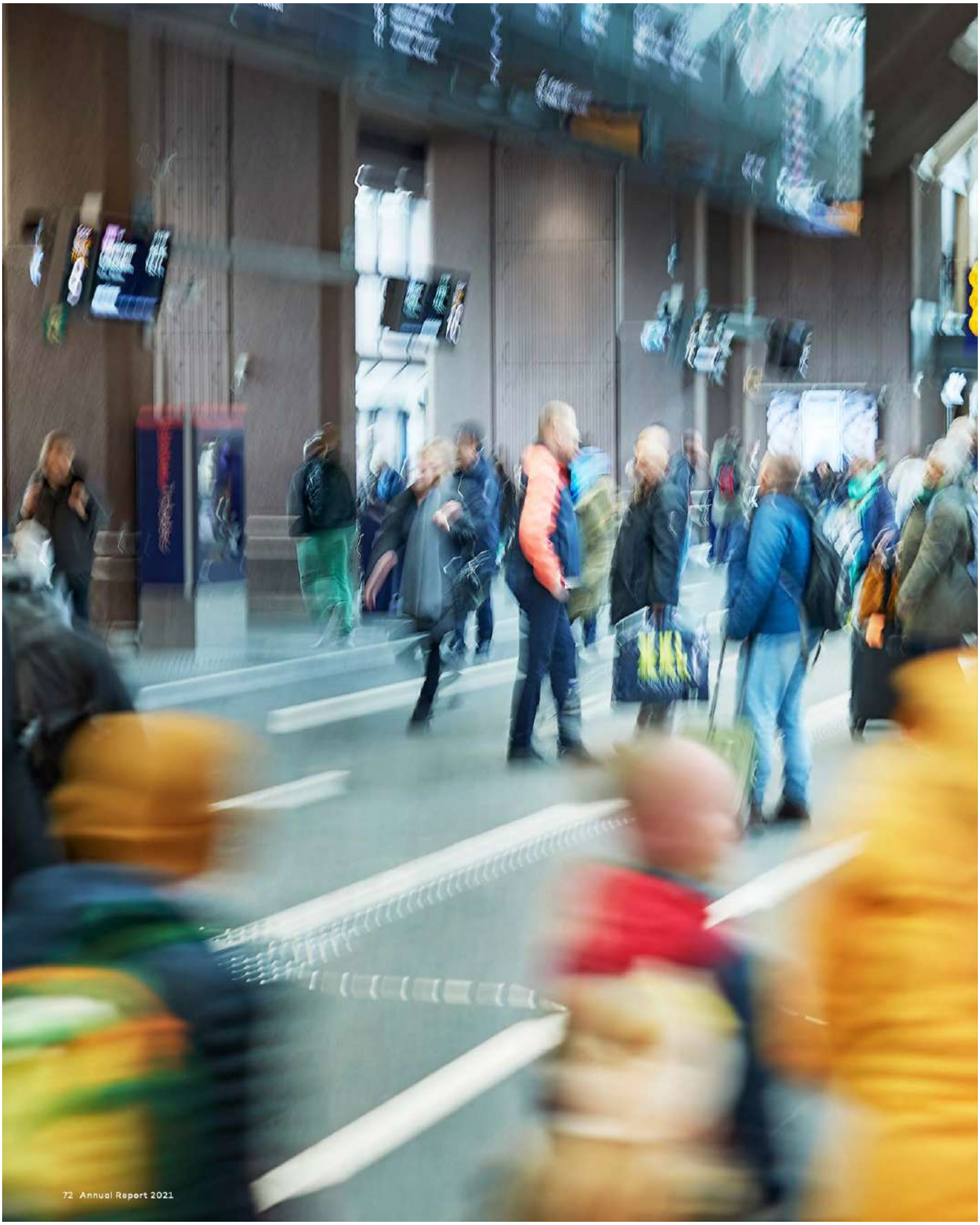
NOTE 20 - SALES REVENUE

Sales revenue by geographic market	2021	2020
Norway	1,174,822	1,299,718
Sweden	72,443	39,924
Finland	50	50
Denmark	50	50
Total	**1,247,365**	**1,339,742**




HØGSPENNING
LIVSFARE
Mysen
10
11
Eidsvoll
70 Annual Report 2021

FINANCIAL STATEMENTS
MANTENA GROUP



CONSOLIDATED RESULTS

All figures in TNOK

Note	OPERATING INCOME AND EXPENSES	2021	2020
12, 20	Operating income	1,632,921	1,535,646
	Total operating income	**1,632,921**	**1,535,646**
	Cost of goods sold	497,471	293,405
2, 11	Salaries and other payroll costs	771,522	741,920
4	Depreciation and impairment	35,622	16,278
3, 12, 19	Other operating expenses	569,099	443,883
	Total operating expenses	**1,873,714**	**1,495 485**
	Operating profit	**-240,793**	**40,162**

Note	FINANCIAL INCOME AND EXPENSES	2021	2020
	Financial income	5,707	8,956
	Financial expenses	-16,116	-797
	Unrealised changes in value	-	-
	Net financial expenses, pensions	-	-
16	**Net financial income**	**-10,410**	**8 159**

	PROFIT FOR THE YEAR BEFORE TAX	**-251,203**	**48,320**

	TAX EXPENSES	2021	2020
13	**Tax expenses**	**-27,816**	**10,768**
	PROFIT FOR THE YEAR	**-223,387**	**37,552**
	The profit for the period is allocated to the shareholders in the parent company	**-223,387**	**37,552**

CONSOLIDATED BALANCE SHEET

All figures in TNOK

	ASSETS		
Note	**Fixed assets**	**2021**	**2020**
13	Intangible assets	138,804	113,808
4	Property, plant and equipment	79,985	102,467
8	Noncurrent receivables	78,320	99,674
	Total fixed assets	**297,108**	**315,949**
Note	**Current assets**	**2021**	**2020**
7	Stocks of goods and components	607,708	497,157
12	Trade accounts receivable and other claims	294,288	340,940
6	Financial assets	-	-
17	Cash and bank deposits	-	-
	Total receivables	**901,997**	**838,097**
	TOTAL ASSETS	**1,199,105**	**1,154,046**
Note	**EQUITY AND LIABILITIES**	**2021**	**2020**
9	Share capital	110,000	110,000
	Other paid-up equity	433,474	433,474
	Other equity	-339,243	-115,856
10	**Total equity**	**204,231**	**427,618**
Note	**Provision for liabilities**	**2021**	**2020**
11	Pension liabilities	167,300	157,300
	Total noncurrent liabilities	**167,300**	**157,300**
Note	**Current liabilities**	**2021**	**2020**
12, 14, 17, 19	Accounts payable and other current liabilities	827,574	569,128
13	Tax payable	-	-
	Total current liabilities	**827,574**	569,128
	Total liabilities	**994,874**	**726,428**
	TOTAL EQUITY AND LIABILITIES	**1,199,105**	**1,154,046**

Oslo, 24.03.2021

Kari Broberg Chair (Sign.)	Ronny Solberg Deputy chair (Sign.)	John Arne Ulvan ADM.DIR/CEO (Sign.)
Marianne Kartum (Sign.)	Stian Hårklau (Sign.)	Tord Helland (Sign.)
Petter Trønnes (Sign.)	Nils Ole Morken (Sign.)	Torbjørn Støre (Sign.)

CONSOLIDATED CASH FLOW STATEMENT

All figures in TNOK

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
Profit for the year before tax	-251,203	48,320
Tax paid in the period	-	-
Depreciation and impairment in the income statement	21,622	16,278
Pension costs without cash effect	10,000	-3,560
Impairment of property, plant and equipment	14,000	-
Gains from sales of financial assets	-	-
Accrued interest	-	-
Financial items with no liquidity effect	-	-2,780
Unrealised foreign exchange gain/loss on receivables	3,776	-3,984
Change in stocks of goods	-110,552	-344,657
Change in receivables and prepaid expenses	46,652	-56,631
Change in accounts payable	-18,839	-7,024
Change in other assets and other liabilities	38,702	-21,844
Net cash flows from operating activities	**-245,841**	**-375,881**

CASH FLOWS FROM INVESTMENT ACTIVITIES	2021	2020
Proceeds from sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	-21,817	-26,989
Proceeds from long-term receivables	17,183	17,565
Proceeds from sales of financial current assets	-	-
Net cash flow from investment activities	**-4,634**	**-9,424**

CASH FLOWS FROM FINANCING ACTIVITIES	2021	2020
Paid-up equity	-	-
Credit facility	250,476	107,243
Net cash flow from financing activities	**250,476**	**107,243**

Net change in cash in hand and at bank	-	-278,963
Cash in hand and at bank at 01.01	-	278,063
Cash in hand and at bank at 31.12	**-**	**-**

NOTES

NOTE 1 - ACCOUNTING POLICIES

General information

Mantena AS and its subsidiaries are active within train and component maintenance. The company has its head office at Jernbanetorget 1 in Oslo.

- All shares in Mantena AS are owned by the Norwegian State (Ministry of Trade, Industry and Fisheries) as of 31.12.2020.
- All shares in Mantena Sverige AB are owned by Mantena AS.
- All shares in Mantena Danmark A/S are owned by Mantena AS.
- All shares in Mantena Finland OY are owned by Mantena AS.

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and good accounting practice in Norway.

General rule for valuing and classifying assets and liabilities

Assets intended for long-term ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables to be repaid within a year are classified as current assets.

Similar criteria are used to classify current and noncurrent liabilities.

Current assets are valued at the lower of acquisition cost and fair value.

Fixed assets are valued at acquisition cost, but are written down to the recoverable amount if this is lower than the book value and the impairment is not expected to be transient. Fixed assets with a limited useful life are depreciated over the expected period of use.

Other current and noncurrent liabilities are valued at face value.

Assets and liabilities in foreign currency

Receivables and liabilities in foreign currency are converted at the rate in place on the balance sheet date.

Intangible assets

Expenses for own production of intangible assets, including expenses for internal research and development, are recognised when it is likely that the future financial benefits associated with the assets will fall to the company and the acquisition cost can be reliably measured.

Intangible assets purchased individually are recognised at acquisition cost. Intangible assets taken over as part of the acquisition of a company are recognised at acquisition cost when the criteria for recognition are met.

Intangible assets with a limited useful life are depreciated over the expected period of use. Intangible assets are written down to the recoverable amount if the expected financial benefits do not cover the carrying amount and any remaining production costs.

Shares and shares in associated companies and subsidiaries

Investments in subsidiaries are valued by the cost method. Where an impairment is not considered to be transient, and it is considered necessary according to good accounting practice, investments are written down to fair value. Dividends received and group contributions from the subsidiaries are recognised as other financial income. The same applies to investments in associated companies.

Financial instruments, including fixed income funds, which

- are classified as current assets,
- are included in the company's liquidity,
- are traded on a stock exchange, authorised marketplace or similarly regulated market abroad, and
- have diverse ownership and good liquidity, are measured at fair value on the balance sheet date.

Goods

Goods are valued at the weighted average purchase price. For raw materials and work in progress, the net sales value is calculated as the market value of finished goods minus any remaining manufacturing costs and sales costs. Goods from own production are valued at the lower of full manufacturing cost and fair value.

Revenue

From sales of services:

Income is recognised when it is earned, i.e. when claims for payment (consideration) arise. This happens when the service is provided, as and when the work is carried out. The income is recognised at the value of the consideration at the time of the transaction. For contracts with defined income over the contract period which are expected to result in net losses because the cost of provision exceeds the income, a provision is made for the best estimate of the net cost over the remaining contract period. Where the contract includes an option for the customer to extend the agreement, there is an assessment of the probability of the option being exercised.

Receivables

Trade accounts receivable and other claims are reported at face value minus any provision for expected losses. Loss provisions are made on the basis of an individual assessment of the specific receivables.

Cash in hand and at bank

Cash in hand and at bank includes cash, bank deposits and other means of payment with due dates less than three months from acquisition.

Warranties and service work

For sales, the whole of the sale price, including the part relating to future warranty and service work, is taken to income at the time of the sale. A provision is made for future warranty and service work.

Pensions

As from 01.01.2019, a defined-contribution pension scheme has been implemented in the company. The company's defined-contribution scheme is organised in accordance with the Norwegian Act on Defined-Contribution Pensions.

On 31.12.2018, the company implemented an occupational pension scheme for older employees who could not be enrolled in a private AFP scheme. This relates to employees born before 1964. The occupational pension has a fixed term for the company, with payments due in the period 2019-2030. The effect of this was recognised on implementation at 31.12 2018.

Costs

As a general rule, costs are recognised in the same period as the corresponding income. In cases where there is no clear relationship between expenditure and income, the allocation is determined according to discretionary criteria. Other exceptions to the matching principle are indicated where applicable.

Taxes

The tax expense is matched against the accounting profit before tax. Tax related to equity transactions is recognised in equity. The tax expense consists of tax payable (tax on the year's direct taxable income) and changes in net deferred tax. Deferred tax and deferred tax assets are presented net in the balance sheet.

Accounting currency and presentation currency

All figures are reported thousands of Norwegian kroner (TNOK).

NOTE 2 - PAYROLL COSTS, NUMBER OF EMPLOYEES, REMUNERATION, LOANS TO EMPLOYEES ETC.

Payroll costs	2021	2020
Salaries, incl. employer's national insurance contributions	715,581	690,953
Pension costs - defined-benefit scheme	7,000	7,400
Pension costs - defined-contribution scheme	41,070	33,882
Other benefits	7,870	9,685
Total	771,522	741,920

	2021	2020
Number of full-time equivalents employed in the financial year	969	945

Payments to senior executives		Fixed salary	Variable pay	Pensions	Other benefits
Managing Director	John Arne Ulvan	1,074	-	95	-
Managing Director	Kjetil Hovland	1,563	-	63	-
CFO	Vidar Leirvik	1,504	638	151	-
Director, Products and Projects	Jan Tore Iversen	1,371	75	161	-
Director Fleet Service	Knut Arild Johannesen	1,152	-	138	-
Director HR and Group HSE	Tone Sande	1,131	-	141	-
Head of Technology	Terje Hullstein	500	-	65	-
Board of Directors		1,825	-	-	-

The Managing Director is a member of the company's defined-contribution pension scheme, which covers all employees. The premium for this has not been identified and so is not included in the figures above. In the Managing Director's contract of employment, a mutual notice period of 6 months has been agreed, from the first day of the month after notice was given.

Payroll costs are related to each person's salary in their time as Managing Director in 2021.
Other remuneration includes costs related to the company's defined-contribution pension scheme.

Auditor - Remuneration to Deloitte AS and partner companies is as follows:	2021	2020
Statutory audit	523	431
Other services than regular audits	94	209
Total	617	640

NOTE 3 - OPERATING EXPENSES

Breakdown of other operating expenses	2021	2020
Sales and administration costs	1,025	1,016
Cost of premises, leased machinery, repairs and maintenance	253,040	282,232
Other operating expenses	315,033	160,635
Total	569,099	443,883

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment	Operational control systems	Transport	Facilities under construction	Total
Acquisition cost 01.01.21	212,555	64,807	18,532	2,147	298,040
Purchase of operating equipment	3,936	11,507	400	16,772	32,615
Disposals	-462	-	-	-12,040	-12,502
Acquisition cost 31.12.21	**216,029**	**76,314**	**18,932**	**6,879**	**318,153**
Cum. depreciation 31.12.21	167,946	37,241	18,981	-	224,168
Write-downs 31.12.21	-	14,000	-	-	14,000
Cum. depreciation, impairment and reversals 31.12.21	167,946	51,241	18,981	-	238,168
Book value as of 31.12.21	**48,083**	**25,073**	**-50**	**6,879**	**79,985**
Depreciation for the year	4,790	9,239	5,461	-	19,490
Write-downs for the year	-	14,000	-	-	14,000
Depreciation for the year on capitalised costs	-	-	-	-	2,132
Operational control systems have been written off to the value of NOK 8,856. The cost is covered by funds for restructuring; see Note 14.					-
Depreciation for the year in the annual accounts					**35,622**
Useful life	5-30 years	5 years	5-30 years	-	
Depreciation plan	linear	linear	linear		

Rental of fixed assets and premises	2021	2020
Annual rental of unrecognised operating equipment	10,644	6,457
Rental of property	159,947	159,924
Total	**170,591**	**166 382**

NOTE 5 - SUBSIDIARIES, ASSOCIATED COMPANIES ETC.

Company	Acquisition date	Registered office	Share of votes	Holding	Book value
Mantena Sverige AB	01.07.07	Oslo	100%	100%	-
Mantena Danmark A/S	05.02.18	Copenhagen	100%	100%	652
Mantena Finland OY	09.05.18	Helsinki	100%	100%	24

Company	Currency	Exchange rate	Equity according to last financial statements	Net profit according to last financial statements
Mantena Sverige AB	SEK	0.97	3,252	-78,235
Mantena Danmark A/S	DKK	1.39	488	-90
Mantena Finland OY	Euro	9.85	-230	-92

Figures represent 100% of the book equity in the companies as at 31.12.2021.

NOTE 6 - OTHER FINANCIAL INSTRUMENTS

Current assets

Financial instruments and commodity derivatives measured at fair value according to Section 5-8 of the Norwegian Accounting Act	Acquisition cost	Fair value	Period recognised change in value
Norwegian fixed income funds	-	-	-
Total	-	-	-

NOTE 7 - GOODS

Goods	2021	2020
Components	607,708	497,157
Other inventories	-	-
Total	607,708	497,157

NOTE 8 - RECEIVABLES DUE AFTER MORE THAN ONE YEAR

Receivables due after more than one year	2021	2020
Other receivables	78,320	99,674
Total	78,320	99,674

NOTE 9 - SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital in the company at 31.12.21 comprises the following share classes:	Number	Par value	Book value
Ordinary shares	100,000	1.1	110,000
Total	100,000	1.1	110,000

Owner structure

The shareholder in the company at 31.12.20 was:	Ordinary shares	Holding	Share of votes
The Norwegian State (Ministry of Trade, Industry and Fisheries)	100,000	100%	100%
Total number of shares	100,000	100%	100%

As from 1 January 2020, the Norwegian Ministry of Trade, Industry and Fisheries is the owner and sole shareholder in the company.

NOTE 10 - EQUITY

Paid-up equity	Share capital	Other paid-up equity	Other equity	Total equity
Equity at 01.01.19	110,000	433,474	-115,876	427,597
Share capital	-	-	-	-
Share capital	-	-	-	-
Other equity	-	-	-223,387	-223,387
Equity at 31.12.20	110,000	433,474	-339,263	204,210

In 'Other equity' at 01.01.2020, the opening balance has been adjusted by TNOK 3,140.

NOTE 11 - PENSION COSTS, ASSETS AND LIABILITIES

General
The Group has pension schemes for its employees. The following is a more detailed description of the type of schemes the companies in Norway and Sweden have, and how these are organised.

Pension scheme Sweden
All of the Group's employees in Sweden have pension rights as described below and the company's liabilities are financed in multi-enterprise plans.

The scheme is a multi-enterprise plan, and the employer is responsible for the benefits until they are covered by payments. According to the Swedish Financial Accounting Standards Council, this is a defined-benefit scheme.

PENSION SCHEME, NORWAY

Dissolution of defined-benefit plan
The company has withdrawn its employees from the defined-benefit pension scheme in the Norwegian Public Service Pension Fund (SPK) as of 31.12.2018, except for persons receiving disability and sickness payments. All employees will have deferred entitlements in the SPK when they leave the scheme, and will enter a new defined-contribution scheme from 2019.

The balance in the Norwegian Public Service Pension Fund was calculated in 2019 and the sum of MNOK 491.3 paid out, excluding employer's national insurance contributions.

Persons receiving disability and sickness payments will remain in the Norwegian Public Service Pension Fund, and the scheme has been closed. Based on actuarial calculations, a liability equal to MNOK 37.5 has been posted for these employees at 31.12.2021. There will be some uncertainty as to the liability at the time when they are eventually withdrawn from the SPK. The remaining members of the defined-benefit pension schemes in the Norwegian Public Service Pension Fund have been granted the right to defined future benefits. These are mainly dependent on the number of qualifying years, the salary on retirement and the amount of the benefits from the National Insurance scheme.

Defined-contribution pension scheme
Since 01.01.2019, a defined-contribution pension scheme has been implemented in the company. The company's defined-contribution scheme is organised in accordance with the Norwegian Act on Defined-Contribution Pensions. The scheme covers all employees.

Accounting for the AFP scheme
When the pension scheme in the Norwegian Public Pension Fund was closed, the company also withdrew from the contractual early retirement pension scheme (AFP) from 31.12.2018. On the same date, the company entered into the private AFP scheme. The scheme is therefore recognised as a defined-benefit scheme.

Occupational pension
On 31.12.2018, the company implemented an occupational pension scheme for older employees who could not be enrolled in a private AFP scheme. This relates to employees born before 1964, and assumes a future early retirement rate of 72.0% at 31.12.2021. In the financial statements as at 31.12.2021, MNOK 210.1 has been allocated for future payments related to the occupational pension scheme. The occupational pension has a fixed term for the company, with payments due in the period 2019-2030.

Support to meet the regulatory obligation from closing the pension scheme in the Norwegian Public Service Pension Fund
The company received grants in 2019 from the Ministry of Transport and Communications to meet its regulatory obligations from the Norwegian Public Service Pension Fund. Payments received in 2019 were equal to MNOK 213.9. No payments received in 2020 and 2021.

Support for transitional arrangements for older employees after the closure of pension scheme in the Norwegian Public Service Pension Fund
The company is entitles to government support from the Ministry of Transport and Communications for a transitional scheme for older employees following the dissolution of the pension scheme in the Norwegian Public Service Pension Fund and transition to the occupational pension and private AFP scheme. Approved funding amounted to MNOK 320, of which MNOK 290.5 has been taken to profit/loss in connection with the winding-up of defined-benefit schemes in the Norwegian Public Service Pension Fund as of 31.12.2018. while MNOK 29.5 of approved funding is linked to a compensation scheme which was not recognised in profit/loss in 2018. This will be recognised in the future, while employees who are still in work accrue entitlements.

Breakdown of net pension liabilities and support received for the Mantena Group	2021	2020
The Norwegian Public Service Pension Fund, net liability related to closed scheme with settlement in 2019	-	-
The Norwegian Public Service Pension Fund, net liability for persons receiving disability/sickness benefits remaining in the scheme	37,500	30,500
Occupational pension scheme implemented 31.12.2018	210,200	283,100
Support to meet regulatory obligations in the Norwegian Public Service Pension Fund	-	-
Support for transitional scheme older workers when closing the Norwegian Public Service Pension Fund	-80,400	-156,300
Net pension liability on the balance sheet	**167,300**	**157,300**

Pension costs in the income statement for the Mantena Group	2021	2020
Present value of accrued pension entitlements in the year - defined-benefit scheme	7,000	7,400
Estimate difference, pensions	-	-
Financial items for the year, pensions	-	-
Pension costs - defined-contribution scheme	7,935	4,229
Pension costs - defined-contribution scheme	33,135	29,653
Private AFP scheme	9,028	9,346
Occupational pension scheme - change in assessment of early retirement rate	-602	-18,809
Increased support to meet regulatory obligations in the Norwegian Public Service Pension Fund	-	-
Net pension costs	**56,497**	**31,819**

The following parameters have been used in the calculations for the defined-benefit scheme in Norway	2021	2020
Discount rate	1.9%	1.5%
Expected return on pension assets	3.1%	1.5%
Annual expected wage growth	2.8%	2.0%
Expected annual adjustment of old-age and survivor's pensions during payment period, over 67 years	2.5%	1,0 %
Annual expected G-adjustment, adjustment of AFP, disability and survivor's pensions, under 67 years	1.8%	1.8%
Average employer's contribution factor	14.1%	14.1%

NOTE 12 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Owner
As the owner of Mantena AS, the Norwegian State, through the Ministry of Trade, Industry and Fisheries, is a related party. Other enterprises owned by the State will also be related parties to Mantena AS.

The Board of Directors and senior executives
Members of the company's management or Board of Directors are also related parties with Mantena AS.

Companies in the same group
Mantena Sverige AB, Mantena Danmark A/S and Mantena Finland OY are in the same group as Mantena AS.

Transactions with related parties:

Transaction/transaction group	2021	2020
Sale of goods and services to other related parties	628,685	946,756
Total	**628,685**	**946,756**

Transaction/transaction group	2021	2020
Purchase of goods and services from other related parties	300,621	560,220
Total	**300,621**	**560,220**

Outstanding balances with related parties:

Receivables and liabilities:

Counterparty	Liabilities 2021	Liabilities 2020	Receivables 2021	Receivables 2020
Other related parties	30,017	47,064	62,643	118,139
Total	**30,017**	**47,064**	**62,643**	**118,139**

Receivables from the State of TNOK 80,400, see Note 11.

NOTE 13 - TAX EXPENSES

Tax expenses for the year are as follows	2021	2020
Tax payable	-	-
Change in deferred tax	-27,816	10,768
Effect of change in tax rules	-	-
Tax expenses	**-27,816**	**10,768**

Tax payable in the balance sheet is as follows	2021	2020
Tax payable for the year	-	-
Prepaid tax Sweden	-	-
Tax payable on the balance sheet	**-**	**-**

Reconciliation from nominal to actual tax rate	2021	2020
Profit before tax	-251,203	48,320
Expected income tax at nominal tax rate	-55,265	10,630

Tax effect of the following items	2021	2020
Other non-deductible costs	16	35
Effect of changes in tax rules and rates		104
Effect of differences not included in temporary differences	25,634	
Other items	1,798	-1
Tax expenses	**-27,816**	**10,768**
Effective tax rate	11%	22%

Breakdown of the tax effect of temporary differences and losses carried forward	2021		2020	
	Asset	Liability	Asset	Liability
Operating equipment	-	20,479	-	44,058
Goods	32,815	-	25,015	-
Receivables	1,500	-	1,500	-
Pension liability	167,300	-	157,300	-
Provision for liability	135,816	-	53,183	-
Loss carried forward	228,233	-	228,234	-
Total gross temporary differences	**565,663**	**20,479**	**465,232**	**44,058**
Net temporary differences	**545,184**	**-**	**421,174**	**-**
Net deferred tax assets (22%)	119,941	-	92,658	-
Effect of changed tax rate	-	-		-
Net recognised tax assets	**119,941**	**-**	**92,658**	**-**

Deferred tax assets are posted on the basis of future income for Mantena AS.
For Mantena Sverige AB, deferred tax assets is written down to zero.

NOTE 14 - ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

Other current liabilities	2021	2020
Accounts payable	47,969	66,808
Social security and other charges	160,035	157,352
Other current liabilities	619,589	344,988
Total	**827,594**	**569,148**

Breakdown of other current liabilities	2021	2020
Allocated for restructuring	24,518	21,974
Unearned income	12,662	27,967
Allotted holiday money	61,421	57,114
Drawing rights used	357,719	107,243
Other short-term provisions	163,270	130,690
Total	**619,589**	**344,988**

The limit for the drawing rights has been raised to TNOK 600,000.

NOTE 15 - PLEDGES AND GUARANTEES ETC.

Guarantee liability		Guarantee amount	Expiry date
Vy AS	Overhaul, Flirt Boggi	20,000	20.11.2025
SJ AB	Maintenance contract X40	36,418	01.02.2022
SJ AB	Maintenance contract X55	52,026	01.02.2022
Total guarantees		**108,444**	

NOTE 16 - TOTAL FINANCIAL ITEMS

Financial items	2021	2020
Net interest income and expenses	-439	1,452
Net other financial income and expenses	-1,883	-833
Net foreign exchange gains/losses	-8,088	7,539
Total financial items	**-10,410**	**8,159**

NOTE 17 - BANK DEPOSITS

Cash in hand and at bank includes restricted withholding tax of TNOK 21 508.

NOTE 18 - EVENTS AFTER THE BALANCE SHEET DATE

The financial statements for 2021 have been drawn up on the assumption of a going concern. The company has budgeted for a positive operating profit for 2022.

The coronavirus pandemic and the far-reaching infection control measures ordered by the authorities led to an extraordinary situation in 2021 too, which is continuing to some extent into 2022.

Mantena's customers have been affected by fewer passengers and hence reduced traffic volumes. In Norway, the State has provided support schemes to Mantena's customers in Norway. Less of this support was provided in 2021 than in 2020. In Sweden, there is a complex picture, where Mantena's customers do not have support schemes in some contracts, and receive a guaranteed gross income in others. Mantena's assessment is that customers have the liquidity and ability to pay Mantena's trade accounts receivables in 2022 too.

Changed customer behaviour has resulted in somewhat less demand for Mantena's maintenance services, and there will be temporary lay-offs in some contracts in 2022.

Mantena follows the authorities' recommendations. A number of measures have been implemented to prevent infection, maintain production and contribute to corporate social responsibility. Shift arrangements have been adjusted to reduce contact between employees. Administrative staff have worked from home for much of the period. Good compliance with the infection control measures has made it possible to maintain production. Very little infection has been recorded among employees, and individual cases have been handled in accordance with the corporate governance document.

Mantena has not been eligible for any public support schemes, and has therefore not received any such funding.

The coronavirus pandemic and the far-reaching infection control measures ordered by the authorities place demands on the Group's services and restructuring. The consequences of the coronavirus pandemic for Mantena are expected to continue until the national vaccination programme has been completed with the expected effect. Until then, appropriate infection control measures and production changes will be maintained.

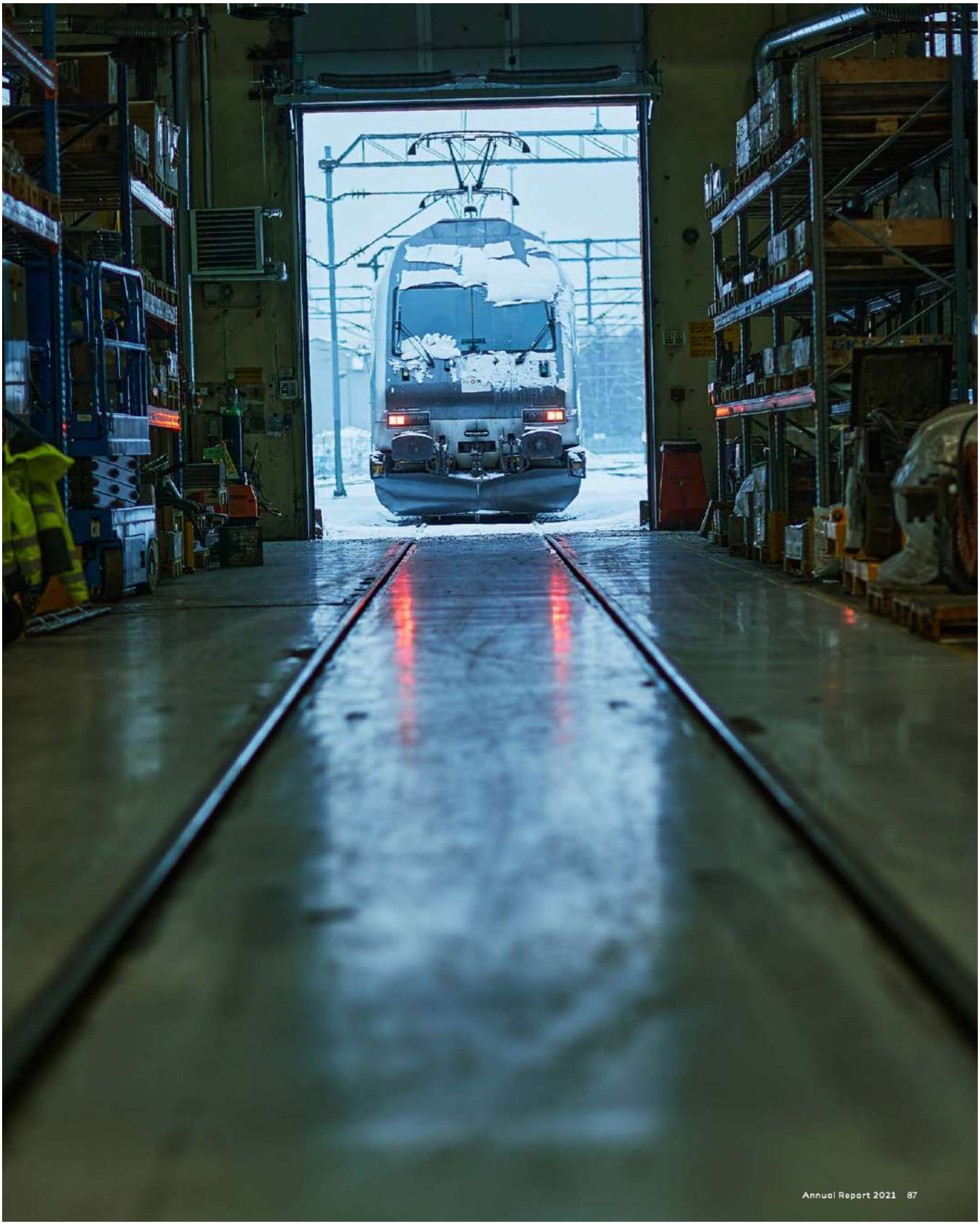
Because of the war in Ukraine, there is uncertainty in relation to deliveries of some components. We are working to find alternative suppliers. High prices for electricity and metals will increase the price of parts for maintenance. High electricity prices incur significantly higher costs in the workshops.

NOTE 19 - LOSSES ON CONTRACTS

A total of MNOK 129 (MNOK 0) has been posted to expenses for future losses on contracts related to train maintenance tenders in Norway and Sweden. This is a net expense for future contracts, taking into account of reversals of earlier loss provisions. These are long-term contracts and small changes in assumptions can produce a big change in values. There is high risk and a large outcome space. The cost estimate is the most significant parameter, and the uncertainty is high. A change of +/- 1% in costs each year would translate into around MNOK 6 in value. The bulk of the payment flows are expected to occur in the next three years.

NOTE 20 - SALES REVENUE

Sales revenue by geographic market	2021	2020
Norway	1,174,964	1,299,995
Sweden	457,957	235,652
Finland	-	-
Denmark	-	-
Total	**1,632,921**	**1,535,646**



GUIDELINES FOR DETERMINING SALARIES AND OTHER REMUNERATION TO SENIOR EXECUTIVES AND MEMBERS OF THE BOARD OF MANTENA AS.

Adopted; 17.02.2022

These policies are in line with "Guidelines for salary and other remuneration to senior executives of enterprises and companies with a state ownership interest (Ministry of Trade, Industry and Fisheries 30.04.2021)" and the expectations expressed in Storting White Paper No 8 (2019-2020) "Direct State ownership of companies - Sustainable value creation", and have been prepared in accordance with Section 6-16a of the Norwegian Public Limited Companies Act and related regulations. The expectation of moderation in the remuneration paid to senior executives is given great weight.

The guidelines are drawn up by Mantena's Board of Directors, and approved by the general meeting when there is any material change, and at least every four years.

General

Mantena's competitiveness, continued growth and profitability depend on motivated employees and capable managers. For this, it is important that individuals' salary and compensation should be perceived as predictable and fair, but this is not the only consideration. Salary and other compensation should be a motivating factor to produce the highest possible returns over time, and this should be reflected in the criteria applied to ensure that long-term objectives are prioritised over short-term. Underlying operations should take precedence over short-term gains. Mantena has a uniform pay policy and a salary system that aims to promote results and to be attractive, but not to lead the market. When a senior executive is employed in Mantena, it is on competitive terms, and any supplements paid in subsequent years should in principle use the same percentage applied to all employees of the company. Mantena's remuneration policy is rooted in the company's goals, values and strategy.

These guidelines apply to the managing director and directors who report to the managing director of Mantena AS. This group is referred to as senior executives. All senior executives are employed by Mantena AS; the subsidiaries have no senior executives. The guidelines also apply to the Board. The remuneration of the Board is determined by the general meeting.

Decision-making process

The compensation scheme for senior executives consists of basic salary, pension and benefits in kind. The Managing Director's compensation package is determined by the Board of Directors. The Board of Directors approves the principles behind the compensation scheme for other senior executives based on the recommendations of the Managing Director. The assessments are usually made in the first quarter of each year, subject to agreement between the management and the trade unions on the pay settlement.
In 2021, a 2.7% pay rise was agreed with the trade unions. This percentage was then applied to the pay of all senior executives.

For 2022 the same procedure will be followed.

Within the total salary budget for senior executives, the compensation may vary at the individual level, and this has to be justified to the Board by the CEO on the basis of agreed objectives and results achieved.

Guidelines for salaries and benefits in kind

The compensation of the Managing Director and senior executives must reflect the responsibilities and complexity of the job and the need to be attractive in the labour market. The compensation must be transparent and consistent with the principles of good corporate governance.

The main element is the basic salary which should in principle rise in step with the pay of all employees in the company, i.e. the same percentage increase should be used for senior executives as for all other employees. If there is a need for a greater or lesser adjustment of salary for some people, where their responsibilities change or for competitive reasons, this must be justified separately and discussed with the Board. The basic salary is adjusted each year. There is also a car allowance which follows the government regulations.

Senior executives in Mantena AS have benefits in kind in the form of mobile phones and a newspaper.

Bonus scheme

In 2021, no one had a bonus scheme in Mantena.

Pensions

A new pension scheme was implemented from 01.01.2019. The new scheme is a defined-contribution scheme in accordance with he Norwegian Act on Defined-Contribution Pensions:

- Contributions, 0 G –7.1 G: 5.5% (without deductible)
- Contributions, 7.1 G –12 G: 15% (without deductible)
- The defined-contribution scheme includes permanent and temporary employees filling at least 20% of a full-time position in accordance with Section 4-2 of the Act on Defined-Contribution Pensions.

There is also an AFP scheme in the private sector and an occupational pension for employees who were 55 or older on the transition date of 01.01.2019 and do not fall within the scheme for private AFP.

The retirement age for the Managing Director and senior executives is 67 years. All employees of Mantena AS can choose to retire at the age of 62 with AFP. No pension costs are incurred for senior executives when they are no longer employed by the company.

Severance, directors' fees and loans

Mantena does not have any agreements on severance pay to senior executives except with the Managing Director. Senior executives are paid during their notice period, which is 3 months.

In the Managing Director's contract of employment, a mutual notice period of 6 months has been agreed, from the first day of the month after notice was given. The Managing Director has waived his employment protection p under Chapter 15 of the Working Environment Act; cf. Section 15-16, second paragraph, of the Act. If the Board of Directors serves notice of termination, the Managing Director is entitled to 6 months' severance pay based on the base salary in addition to fixed pay and other benefits during the notice period. Departure before the end of the notice period does not limit the right to salary and additional benefits during the notice period. If the Managing Director has other income in the period covered by severance pay, the salary will be reduced accordingly. The salary will be reduced in proportion to the share of income from other positions. Only salary paid after the end of the notice period (the severance period) will be subject to any reduction. The right to severance pay will not apply if the Managing Director himself resigns his position. The right to severance pay will also lapse if the Managing Director has committed acts that meet the substantive conditions for dismissal pursuant to the provisions of the Working Environment Act.

Senior executives in Mantena do not receive any remuneration for Board positions in the Group. Employee-elected board representatives are excepted from this rule.

No senior executives have loans, options or share option programmes in Mantena.

STATEMENT ON CORPORATE GOVERNANCE

Mantena AS, which is 100 per cent owned by the State (Ministry of Trade, Industry and Fisheries), follows the current Norwegian Code of Practice for Corporate Governance from NUES within the limits and restrictions set by its legal form and ownership.

This statement on corporate governance has been issued by the Board of Directors of Mantena. The statement contains an overall account of compliance with the NUES Code of Practice. Compliance is based on a "follow or explain" principle in accordance with the 15 sections in the Code of Practice as set out below.

SECTION 1 REPORTING ON CORPORATE GOVERNANCE

According to the national principles for good corporate governance (cf. Storting White Paper No 8 (2019-2020), The State's direct ownership of companies – Sustainable value creation), there must be transparency regarding the exercise of State ownership and the activities of state-owned companies. As owner, the State manages large assets on behalf of the community. Transparency has an bearing on trust in State ownership and also addresses democratic considerations by giving the public access to information. The responsibility for transparency falls on both the State as owner and on the companies, and the State as owner expects that companies with a State ownership interest will be open about important matters related to the company so that shareholders and other stakeholders can continuously assess the companies' activities, results, development and target attainment.

Mantena's principles for corporate governance essentially match those in the Norwegian Code of Practice for Corporate Governance of 14 October 2021. Deviations from the Code of Practice are discussed under each section.

Deviation from the Code: None

SECTION 2 BUSINESS

Mantena's purpose as stated in its articles of association is to provide "maintenance and workshop services to transport companies in the Nordic countries and similar activities".

Mantena has defined three fundamental values that characterise the company. Mantena's values are trust, efficiency and innovation. Together with Mantena's business idea and vision, these values are intended to underpin goals and strategies and are used throughout the company.

In the course of their work, employees in Mantena have contact with customers, suppliers and colleagues. To maintain a uniform and professional impression, a code of conduct has been drawn up which supports a sustainable business. This applies to all employees. The Code of Conduct, including guidelines for procurement, the company's safety and environmental policy, and the policy for an open corporate culture (guidelines on whistleblowing) have been approved by the Board and made available in the company's management system via the company's intranet pages.

Mantena has established guidelines for the company's work on corporate social responsibility in accordance with Storting White Paper No 8 (2019-2020), "The State's direct ownership of companies – Sustainable value creation". The guidelines describe how the company works in the areas of human rights, workers' rights, the environment/climate and in efforts against corruption.

Deviation from the recommendation: None

SECTION 3 EQUITY AND DIVIDENDS

As of 31.12.2021, Mantena AS has share capital of NOK 110,000,000.00 divided into 100,000 shares with a face value of NOK 1,100 each. All shares are owned by the State, through the Ministry of Trade, Industry and Fisheries.

In Storting White Paper No 8 (2019–2020), "The State's direct ownership of companies — Sustainable value creation", the State has defined Mantena as a category 2 company.

The Group's equity at 31.12.2021 was MNOK 204, giving an equity ratio of 17.0 per cent. The company focuses at all times on ensuring that the equity is commensurate with the company's objectives, strategy and risk profile. The Board of Directors monitors the company's equity and liquidity situation at all time. In the opinion of the Board, the company's equity is sufficient to realise the current strategies and objectives.

Mantena is 100 per cent owned by the State through the Ministry of Trade, Industry and Fisheries. The State as shareholder defines the level of dividends in its wholly-owned companies. Under Section 20-4 of the Norwegian Limited Liability Companies Act, in companies where the State owns all of the shares, the owner is not bound by the Board's proposal to the general meeting on the distribution of dividends.

No authorisations have been granted to the Board of Directors to increase the share capital. There is no option programme for employees of the company. Mantena does not have any treasury shares as at 31.12.2021. The general meeting has not authorised the acquisition of own shares.

Deviation from the Code: None

[1] Category 2 covers the companies where the State aims to realise the highest possible return over time, and where the State has special reasons for its ownership. State ownership of each company is safeguarded takes the form of the State owning a specific share in the company, generally laid down in provisions in the articles of association.
Source: Storting White Paper 8 (2019–2020) State direct ownership of companies — Sustainable value creation

SECTION 4 EQUAL TREATMENT AND DIVIDENDS

Equal treatment of shareholders
Mantena AS is 100 per cent owned by the Norwegian State through the Ministry of Trade, Industry and Fisheries. The recommendations for equal treatment of shareholders are therefore not considered relevant to Mantena.

Transactions with close associates
Mantena has transactions with companies or bodies that are closely associated with the company's owner, the Norwegian State. Among others, Vygruppen AS and Flytoget AS are major customers for Mantena, and Bane NOR is another key customer and supplier to Mantena. The agreements with these companies are considered to be on normal business terms. There are no significant transactions with their directors, senior executives or close associates.

Deviations from the Code: None

SECTION 5 SHARES AND NEGOTIABILITY

The company's articles of association do not contain any provisions limiting the negotiability of its shares.

Mantena AS is 100 per cent owned by the Norwegian State through the Ministry of Trade, Industry and Fisheries. Shares in Mantena are not traded on or outside the public marketplaces.

Deviation from the Code: None

SECTION 6 GENERAL MEETINGS

The general meeting is the company's supreme authority. The State as owner exercises its ownership influence at the company's general meeting.

Notice
The annual general meeting is held every year before the end of June. Notice of the general meeting is sent out no later than 14 days before the general meeting. The Board of Directors is responsible for giving notice of the general meeting.

Because Mantena is 100 per cent owned by the State, through the Ministry of Trade, Industry and Fisheries, the NUES Code of Practice relating to the publication of notices and briefing documents on the company's website is not considered relevant.

Participation
Along with representatives from the Ministry of Trade, Industry and Fisheries, the general meeting is attended by the Chairman of the Board and the Managing Director/CEO. Mantena's external auditor also attends.

The Auditor General of Norway is notified of the general meeting and has the right to be present. The company does not require all of the directors to be present at the general meeting, but the whole of the Board including employee representatives are invited and have the opportunity to attend.

Conduct of the meeting
The general meeting is opened by the Chairman of the Board. The general meeting elects a chairperson for the meeting.

Minutes of the general meeting are made available on the company's website.

Deviation from the Code: Because of the type of ownership, several of the sections in the NUES Code of Practice are not considered relevant to this point. Nor is there any requirement has been made for all Board members to be present at the general meeting.

SECTION 7 NOMINATION COMMITTEE

The State as sole owner has the right to elect the shareholder-elected board members. The company therefore does not have a nomination committee.

Deviation from the Code: The company does not have a nomination committee.

SECTION 8 BOARD OF DIRECTORS – COMPOSITION AND INDEPENDENCE

The State as owner is not represented in Mantena's governing bodies. One of the most important tasks for the State as owner is therefore to ensure that the company has a competent board of directors with the right expertise, which is also able to handle the strategic challenges facing the company at all times.

As of 31.12.2021, Mantena has a total of eight Board members, of whom five are chosen by the shareholders and three by employees. The Ministry of Trade, Industry and Fisheries chooses the shareholder-elected Board members. Board members are normally elected for two years. Elections for employee representatives are held every 2 years.

The employees have three representatives on the Board. Five deputies to these representatives have also been elected. In response to recent demands from the trade unions, employee representatives have been elected by proportional representation, where lists are voted on instead of individual candidates.

The Board members elected by the employees become full directors with the same rights and responsibilities as the shareholder-elected Board members. The employee representatives represent all employees of the company and are elected for two years.

Senior executives are not members of the Board of Directors. All members of the Board are independent of senior executives and significant business associates. The recommendation that two directors should be independent of the main shareholder is not considered relevant.

The company's annual report states the number of board meetings held during the financial year and the competence of the board members.

Deviation from the Code: Because the company is wholly-owned by the State, there are sections in the Code of Practice that are not considered relevant to Mantena. It is not stated how many board meetings each board member has attended. Otherwise, there are no deviations.

SECTION 9 WORK OF THE BOARD OF DIRECTORS

In accordance with the Norwegian Limited Liability Companies Act, there is a clear division of roles between the owner, the Board of Directors and the general manager.

The Board of Directors has overall responsibility for the management of the company. This means, among other things, that the Board of Directors establishes the Group's overall objectives and strategy and ensures that the company's activities are properly organised at all times by establishing the main principles for its this organisation, including ensuring that the administration has sufficient funds and sufficiently qualified personnel to ensure proper management. Matters of significant strategic or financial importance are dealt with by the Board of Directors. The Board of Directors must ensure that the Group has sufficient equity at all times to cover the risk and the size of the company within the Group.

The Board of Directors appoints and dismisses the Managing Director/CEO and determines his/her remuneration.

The instructions adopted for the Board provide more detailed rules on the Board's work and procedures within the framework of the Norwegian Limited Liability Companies Act and the company's articles of association. The Board instructions include provisions regulating the Board's work and procedural rules.

The Board of Directors has issued a separate instruction on the Managing Director/CEO's duties and obligations to the Board.

It is the responsibility of the person elected to chair the general meeting to ensure that all relevant matters incumbent on the Board are dealt with at the appropriate time. A Board member or the Managing Director/CEO may ask for the Board to consider certain matters.

The Chairman of the Board, in consultation with the Managing Director/CEO, will prepares the matters to be submitted to the Board.

A minimum of six Board meetings must be held each year. In 2021, 19 Board meetings were held.

The Board of Directors checks for possible conflicts of interest at the start of each Board meeting.

According to the Board instructions, a Board member may not participate in discussions or decisions on questions of importance to him/herself or to any close associate of the member who may be deemed to have a strong personal or financial interest in the matter. The Board of Directors has a particular focus on following up possible conflicts of interest.

The Board of Directors carries out an annual evaluation of its work and competence.

A board committee for hiring of new Managing Director/CEO and a board committee for finance were established in 2021.

Deviations from the Code: None

SECTION 10 RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and good control systems are an integral part of Mantena's business. The company's internal control routines should make it possible to identify and manage risk, provide for effective and targeted management of operations, and ensure good quality of the Group's external and internal financial reporting. Improving internal control routines is a continuous process.

The company has common processes and procedures documented in Mantena's management system. For each process, a process owner has been identified, who is responsible for documentation of the processes, ongoing improvement work and anchoring.

It is the responsibility of the Board to ensure that the company has satisfactory control procedures and systems in place for risk management in light of the scope and nature of the company's activities. In this connection, the Board of Directors receives an annual review of the company's most important risk areas and internal control procedures.

Mantena is certified according to NS-EN ISO 14001:2015 Environmental Management Systems. All activities in Mantena must be carried out with a view to protecting the environment and preventing or mitigating adverse environmental impacts. Mantena is also certified according to NS-EN ISO 9001:2015 Quality Management Systems, and meets international requirements for good quality management. The company's management system for quality and environmental management is process-oriented and emphasises ongoing improvements and customer satisfaction. It is adapted to all business processes that affect quality and environmental management. Mantena's ISO certifications include all business areas and apply to the entire company.

Risk management in Mantena

Mantena's risk management aims to help optimise the company's value creation and growth. Risk assessments should capture a comprehensive picture of risk related both to changes in external conditions and to the internal operation and development of the company.

Financial reporting

Mantena has decided on uniform accounting principles for every business area. The reporting complies with the standards laid down by the Norwegian Accounting Standards Board (NRS). Mantena is also guided by the approved tax policy published on the company's website.

Responsibility for Mantena's financial reporting is split between the central Finance department, separate finance functions in the business areas and the Accounting department. Central Finance decides and follows up on common accounting principles, receives reports and handles consolidation. The business areas prepare monthly written reports with comments.

Monthly consolidated financial statements are prepared, with income statement, annual forecast, balance sheet and cash flow analysis for the Group, and presented to Group management and the Board of Directors.

Deviation from the Code: None

SECTION 11 REMUNERATION OF THE BOARD OF DIRECTORS

The general meeting determines the remuneration of the members of the Board of Directors. Remuneration of Board members is not performance-based. There are no share option schemes for Board members or anyone else in Mantena.

Deviations from the Code: None

SECTION 12 REMUNERATION OF EXECUTIVE PERSONNEL

Mantena follows the government's guidelines in determining compensation to senior executives.

The Board's statement on the determination of salaries and other remuneration to senior executives is shown in a note to the consolidated financial statements, which are available on the company's website.

The main objective of the company's executive pay policy is that management salaries in the company should be competitive but tend towards moderation in not being a leader in terms of pay compared to similar companies.

Remuneration to senior executives mainly comprises a fixed salary which is normally adjusted once a year. Mantena has a bonus scheme for the Managing Director/CEO. There are no option schemes or programmes for distributing shares to employees in Mantena.

Benefits to the Managing Director/CEO and senior executives are itemised and quantified in a note to the consolidated financial statements.

Deviations from the Code: None

SECTION 13 INFORMATION AND COMMUNICATIONS

Mantena publishes annual accounts on the company's website www.mantena.org.

Mantena does not have securities traded on a stock exchange or other public marketplace and is thus not subject to the requirements for information and communication in the Securities Trading Act and the Stock Exchange Regulations. The Board of Directors has therefore judged that there is no need for guidelines for reporting the company's results and other information or for contact with shareholders outside the general meeting.

Deviation from the Code: In view of its ownership and the fact that the company is not subject to the requirements of the Securities Trading Act and the Stock Exchange Regulations, this section is not considered relevant to Mantena.

SECTION 14 TAKE-OVERS

Because the company is 100 per cent owned by the Norwegian State, the Board of Directors of Mantena has not yet found it necessary to draw up any guiding principles for how it should act in the event of a takeover bid.

Deviations from the Code: The Board of Directors has not yet found it necessary to draw up any guiding principles for how it will act in the event of a takeover bid.

SECTION 15 AUDITOR

The general meeting elects the company's auditor. To appoint the company's auditor, the administration makes a recommendation to the Board of Directors, and the resolution of the Board forms the basis for decision by the general meeting. The company's appointed auditor is Deloitte AS.

The auditor holds a meeting with the Board of Directors at least once a year to review the company's financial situation. The auditor attends the company's general meeting.

Each year, the auditor provides the Board of Directors with written confirmation that the auditor meets the requirements for independence. It is stated in a note to the accounts how the auditor's remuneration is broken down between regular audits and various additional services.

Guidelines have been laid down for the general manager to make use of other services from the auditor.

Deviation from the Code: None.

Deloitte.

Deloitte AS
Dronning Eufemias gate 14
Postboks 221 Sentrum
NO-0103 Oslo
Norway

Tel: +47 23 27 90 00
www.deloitte.no

Opinion

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

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

In our opinion:

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

Basis for Opinion

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

Other Information

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

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

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

Deloitte.

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

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Deloitte.

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

Oslo, 25 March 2022
Deloitte AS

Eivind Skaug
State Authorised Public Accountant

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

Mantena

Always moving forward

mantena.org