



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	956 632 374
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	PARETO SECURITIES AS
Forretningsadresse:	Dronning Mauds gate 3 0250 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Roar Amundlien
Dato for fastsettelse av årsregnskapet:	10.03.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 23.05.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Andre renteinntekter og lignende inntekter		19 764 000	61 533 000
Sum renteinntekter og lignende inntekter		19 764 000	61 533 000
Rentekostnader og lignende kostnader			
Andre rentekostnader og lignende kostnader		34 708 000	12 832 000
Sum rentekostnader og lignende kostnader		34 708 000	12 832 000
Netto rente- og kredittprovisjonsinntekter		-14 944 000	48 701 000
Utbytte og andre inntekter av verdipapirer med variabel avkastning			
Inntekter av eierinteresser i konsernselskaper		476 544 000	244 507 000
Sum utbytte og andre inntekter av verdipapirer med variabel avkastning		476 544 000	244 507 000
Provisjonsinntekter og inntekter fra banktjenester			
Sum provisjonsinntekter og inntekter fra banktjenester		0	0
Provisjonskostnader og kostnader ved banktjenester			
Sum provisjonskostnader og kostnader ved banktjenester		0	0
Netto verdiendring og gevinst/tap på valuta og verdipapirer som er omløpsmidler			
Sum netto verdiendring og gevinst/tap på valuta og verdipapirer som er omløpsmidler		0	0
Andre driftsinntekter			
Andre driftsinntekter	2	1 969 500 000	1 229 700 000
Sum andre driftsinntekter		1 969 500 000	1 229 700 000
Lønn og generelle administrasjonskostnader			
Lønn	3	866 894 000	541 103 000
Pensjoner	3	49 976 000	34 674 000
Sosiale kostnader	3	4 342 000	3 581 000
Lønn m.v.	3	921 212 000	579 358 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Administrasjonskostnader	3	13 341 000	17 252 000
Sum lønn og generelle administrasjonskostnader	3	934 553 000	596 610 000
Avskrivninger m.v. av varige driftsmidler og immaterielle eiendeler			
Ordinære avskrivninger	6	7 505 000	6 794 000
Sum avskrivninger m.v. av varige driftsmidler og immaterielle eiendeler		7 505 000	6 794 000
Andre driftskostnader			
Andre driftskostnader		189 642 000	233 404 000
Sum andre driftskostnader		189 642 000	233 404 000
Tap på utlån, garantier m.v.			
Sum tap på utlån, garantier m.v.		0	0
Nedskrivning/reversering av nedskrivning og gevinst/tap på verdipapirer som er anleggsmidler			
Sum nedskrivning/reversering av nedskrivning og gevinst/tap på verdipapirer som er anleggsmidler		0	0
Resultat av ordinær drift			
Skatt på ordinært resultat	16	213 900 000	98 300 000
Resultat av ordinær drift etter skatt		1 085 500 000	587 800 000
Resultat av ekstraordinære poster			
Resultat for regnskapsåret		1 085 500 000	587 800 000
Overføringer og disponeringer			
Utbytte på aksjer/utbytte på grunnfondsbevis	14	976 043 000	562 631 000
Overført til annen egenkapital	14	109 457 000	25 169 000
Sum disponeringer og overføringer		1 085 500 000	587 800 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Kontanter og fordringer på sentralbanker	10	502 482 000	938 644 000
Utlån til og fordringer på kredittinstitusjoner			
Utlån til og fordringer på kredittinstitusjoner med avtalt løpetid eller oppsigelsesfrist		134 790 000	269 249 000
Sum netto utlån og fordringer på kredittinstitusjoner		134 790 000	269 249 000
Utlån til og fordringer på kunder			
Fordringer factoring	8	1 003 725 000	979 264 000
Factoring		1 003 725 000	979 264 000
Andre utlån		73 533 000	75 171 000
Sum netto utlån og fordringer på kunder		1 077 258 000	1 054 435 000
Sertifikater, obligasjoner og andre rentebærende verdipapirer med fast avkastning			
Utstedt av det offentlige		0	0
Sertifikater og obligasjoner	9	1 078 874 000	23 391 000
Utstedt av andre		1 078 874 000	23 391 000
Sum sertifikater, obligasjoner og andre rentebærende verdipapirer med fast avkastning		1 078 874 000	23 391 000
Aksjer, andeler og andre verdipapirer med variabel avkastning			
Aksjer, andeler og grunnfondsbevis	9	7 765 000	4 626 000
Sum aksjer, andeler og andre verdipapirer med variabel avkastning		7 765 000	4 626 000
Eierinteresser i tilknyttede selskaper			
Sum eierinteresser i tilknyttede selskaper		0	0
Eierinteresser i konsernselskaper			
Eierinteresser i andre konsernselskaper	7	293 628 000	269 972 000
Sum eierinteresser i konsernselskaper		293 628 000	269 972 000
Immaterielle eiendeler			



Balanse

Beløp i: NOK	Note	2021	2020
Utsatt skattefordel	16	41 398 000	65 808 000
Andre immaterielle eiendeler	6	4 147 000	3 193 000
Sum immaterielle eiendeler		45 545 000	69 001 000
Varige driftsmidler			
Andre varige driftsmidler	6	11 658 000	10 682 000
Sum varige driftsmidler		11 658 000	10 682 000
Andre eiendeler			
Sum andre eiendeler		0	0
Forskuddsbetalte ikke påløpte kostnader og opptjente ikke mottatte inntekter			
Sum forskuddsbetalte ikke påløpte kostnader og opptjente ikke mottatte inntekter		0	0
SUM EIENDELER		3 152 000 000	2 640 000 000
BALANSE - GJELD OG EGENKAPITAL			
GJELD			
Gjeld til kredittinstitusjoner			
Lån og innskudd fra kredittinstitusjoner med avtalt løpetid eller oppsigelsesfrist		128 901 000	486 201 000
Sum gjeld til kredittinstitusjoner		128 901 000	486 201 000
Innskudd fra og gjeld til kunder			
Innskudd fra og gjeld til kunder med avtalt løpetid	11	181 901 000	233 721 000
Sum innskudd fra og gjeld til kunder		181 901 000	233 721 000
Gjeld stiftet ved utstedelse av verdipapirer			
Sum gjeld stiftet ved utstedelse av verdipapirer		0	0
Annen gjeld			
Annen gjeld		2 235 070 000	1 422 241 000
Sum annen gjeld		2 235 070 000	1 422 241 000



Balanse

Beløp i: NOK	Note	2021	2020
Avsetninger for påløpte kostnader og forpliktelser			
Pensjonsforpliktelser	5	1 848 000	2 343 000
Sum avsetninger for påløpte kostnader og forpliktelser		1 848 000	2 343 000
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		0	0
Sum gjeld		2 547 720 000	2 144 506 000
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital/grunnfondsbeviskapital	14	90 000 000	90 000 000
Beholdning av egne aksjer/grunnfondsbevis	14	-170 000	-500 000
Selskapskapital		89 830 000	89 500 000
Overkursfond	14	66 400 000	66 400 000
Sum innskutt egenkapital		156 230 000	155 900 000
Opptjent egenkapital			
Annen egenkapital	14	448 050 000	339 594 000
Sum opptjent egenkapital		448 050 000	339 594 000
Sum egenkapital		604 280 000	495 494 000
SUM GJELD OG EGENKAPITAL		3 152 000 000	2 640 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Andre renteinntekter og lignende inntekter		22 799 000	36 247 000
Sum renteinntekter og lignende inntekter		22 799 000	36 247 000
Rentekostnader og lignende kostnader			
Andre rentekostnader og lignende kostnader		43 699 000	21 093 000
Sum rentekostnader og lignende kostnader		43 699 000	21 093 000
Netto rente- og kredittprovisjonsinntekter		-20 900 000	15 154 000
Utbytte og andre inntekter av verdipapirer med variabel avkastning			
Sum utbytte og andre inntekter av verdipapirer med variabel avkastning		0	0
Provisjonsinntekter og inntekter fra banktjenester			
Sum provisjonsinntekter og inntekter fra banktjenester		0	0
Provisjonskostnader og kostnader ved banktjenester			
Sum provisjonskostnader og kostnader ved banktjenester		0	0
Netto verdiendring og gevinst/tap på valuta og verdipapirer som er omløpsmidler			
Sum netto verdiendring og gevinst/tap på valuta og verdipapirer som er omløpsmidler		0	0
Andre driftsinntekter			
Driftsinntekter faste eiendommer	2	3 668 000 000	2 272 000 000
Sum andre driftsinntekter	2	3 668 000 000	2 272 000 000
Lønn og generelle administrasjonskostnader			
Lønn	3	1 423 631 000	933 491 000
Pensjoner	3	16 781 000	12 300 000
Sosiale kostnader	3	173 196 000	112 211 000
Lønn m.v.	3	1 613 608 000	1 058 002 000
Administrasjonskostnader	3	30 965 000	31 189 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Sum lønn og generelle administrasjonskostnader	3	1 644 573 000	1 089 191 000
Avskrivninger m.v. av varige driftsmidler og immaterielle eiendeler			
Ordinære avskrivninger	6	15 545 000	15 322 000
Sum avskrivninger m.v. av varige driftsmidler og immaterielle eiendeler	6	15 545 000	15 322 000
Andre driftskostnader			
Andre driftskostnader		397 882 000	398 141 000
Sum andre driftskostnader		397 882 000	398 141 000
Tap på utlån, garantier m.v.			
Sum tap på utlån, garantier m.v.		0	0
Nedskrivning/reversering av nedskrivning og gevinst/tap på verdipapirer som er anleggsmidler			
Sum nedskrivning/reversering av nedskrivning og gevinst/tap på verdipapirer som er anleggsmidler		0	0
Resultat av ordinær drift			
Skatt på ordinært resultat	16	367 000 000	175 600 000
Resultat av ordinær drift etter skatt		1 222 100 000	608 900 000
Resultat av ekstraordinære poster			
Resultat for regnskapsåret før minoritetsinteresser		1 222 100 000	608 900 000
Minoritetsinteresser	7	91 448 000	41 627 000
Resultat for regnskapsåret		1 130 652 000	567 273 000
Overføringer og disponeringer			
Sum disponeringer og overføringer		0	0



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Kontanter og fordringer på sentralbanker	10	1 317 217 000	2 017 356 000
Utlån til og fordringer på kredittinstitusjoner			
Utlån til og fordringer på kredittinstitusjoner med avtalt løpetid eller oppsigelsesfrist		134 790 000	269 249 000
Sum netto utlån og fordringer på kredittinstitusjoner		134 790 000	269 249 000
Utlån til og fordringer på kunder			
Fordringer factoring	8	2 587 256 000	2 330 143 000
Factoring		2 587 256 000	2 330 143 000
Sum netto utlån og fordringer på kunder		2 587 256 000	2 330 143 000
Sertifikater, obligasjoner og andre rentebærende verdipapirer med fast avkastning			
Utstedt av det offentlige		0	0
Sertifikater og obligasjoner	9	2 185 276 000	27 664 000
Utstedt av andre		2 185 276 000	27 664 000
Sum sertifikater, obligasjoner og andre rentebærende verdipapirer med fast avkastning		2 185 276 000	27 664 000
Aksjer, andeler og andre verdipapirer med variabel avkastning			
Aksjer, andeler og grunnfondsbevis	9	22 262 000	23 571 000
Sum aksjer, andeler og andre verdipapirer med variabel avkastning		22 262 000	23 571 000
Eierinteresser i tilknyttede selskaper			
Sum eierinteresser i tilknyttede selskaper		0	0
Eierinteresser i konsernselskaper			
Sum eierinteresser i konsernselskaper		0	0
Immaterielle eiendeler			
Utsatt skattefordel	16	49 063 000	68 680 000
Andre immaterielle eiendeler	6	19 612 000	12 257 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Sum immaterielle eiendeler		68 675 000	80 937 000
Varige driftsmidler			
Andre varige driftsmidler	6	15 624 000	16 080 000
Sum varige driftsmidler		15 624 000	16 080 000
Andre eiendeler			
Sum andre eiendeler		0	0
Forskuddsbetalte ikke påløpte kostnader og opptjente ikke mottatte inntekter			
Sum forskuddsbetalte ikke påløpte kostnader og opptjente ikke mottatte inntekter		0	0
SUM EIENDELER		6 331 100 000	4 765 000 000
BALANSE - GJELD OG EGENKAPITAL			
GJELD			
Gjeld til kredittinstitusjoner			
Lån og innskudd fra kredittinstitusjoner uten avtalt løpetid eller oppsigelsesfrist		128 901 000	486 201 000
Sum gjeld til kredittinstitusjoner		128 901 000	486 201 000
Innskudd fra og gjeld til kunder			
Innskudd fra og gjeld til kunder med avtalt løpetid	11	2 569 410 000	1 985 796 000
Sum innskudd fra og gjeld til kunder		2 569 410 000	1 985 796 000
Gjeld stiftet ved utstedelse av verdipapirer			
Sum gjeld stiftet ved utstedelse av verdipapirer		0	0
Annen gjeld			
Annen gjeld		2 864 625 000	1 675 043 000
Sum annen gjeld		2 864 625 000	1 675 043 000
Avsetninger for påløpte kostnader og forpliktelser			
Pensjonsforpliktelser	5	1 860 000	2 355 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Sum avsetninger for påløpte kostnader og forpliktelser		1 860 000	2 355 000
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		0	0
Sum gjeld		5 564 796 000	4 149 395 000
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital/grunnfondsbeviskapital	13	90 000 000	90 000 000
Beholdning av egne aksjer/grunnfondsbevis	14	-170 000	-500 000
Selskapskapital		89 830 000	89 500 000
Overkursfond	14	66 400 000	66 400 000
Sum innskutt egenkapital		156 230 000	155 900 000
Opptjent egenkapital			
Annen egenkapital	14	562 410 000	416 900 000
Minoritetsinteresser	14	47 664 000	42 805 000
Sum opptjent egenkapital		610 074 000	459 705 000
Sum egenkapital		766 304 000	615 605 000
SUM GJELD OG EGENKAPITAL		6 331 100 000	4 765 000 000



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 22.12.2015	Vår dato 17.02.2016
Telefon 22078139	Deres referanse Roar Amundlien	Vår referanse 2016/3517

PARETO SECURITIES AS
Postboks 1411 Vika
0115 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Pareto Securities AS, org. nr. 956 632 374

Vi viser til deres brev av 22. desember 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Pareto Securities AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Pareto Securities AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Pareto Securities AS har en begrenset eierkrets og alle eierne er tilknyttet Pareto-konsernet. Selskapets tjenester består i hovedsak av aksje- og obligasjonsmegling, rådgivning/tilrettelegging i forbindelse med selskapsfinansiering, prosjektfinansiering og corporate finance. Selskapet har i hovedsak utenlandske kunder på bedriftsmarkedet. Arbeidsspråket er engelsk. Selskapet driver i en internasjonal bransje. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som

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Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet har en begrenset eierkrets og alle eierne er tilknyttet konsernet. Arbeidsspråket er engelsk. Selskapet har i hovedsak utenlandske kunder på bedriftsmarkedet. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



ANNUAL REPORT 2021

Penneo Dokumentnøkkel: H3LHA-G70B0-J6GC5-76XIE-10351-V068J



PARETO SECURITIES

DIRECTORS' REPORT 2021

Business activities

Pareto Securities AS ("the company") is a regulated investment firm with business activities within primary and secondary brokerage of equities and fixed income instruments, investment banking services and project financing. The company has its head office in Oslo, a regional office in Stavanger, and branch offices in Denmark and Germany.

The company has licensed subsidiaries in Sweden (with a branch in Norway), Finland, UK, USA, Singapore and Australia and a representative office in Switzerland. Norwegian subsidiaries have activities in rig-brokering and business management of project finance companies.

The international presence secures our proximity both to the major capital centers of the world and to issuers within our core areas of expertise. The combination of a local presence and a network of international investor contacts form the foundations for the company's placement power in the equity and bond markets. The company was established in 1992 and is part of the Pareto group with Pareto AS as its parent company. The company and its subsidiaries ("the group") had 480 employees as of 31 December 2021.

Financial developments and profits

The group experienced high activity in all business segments in all four quarters of the extraordinary year 2021. The group contributed to raising approximately NOK 200 billion in debt and equity. Operating revenues from Investment Banking increased by 83% from NOK 1 594 million in 2021 to NOK 2 916 million in 2022. Approximately two-third of the operating revenues were generated from the sectors TMT, Renewables, Healthcare, and Real Estate.

The group's operating revenues increased by 61% from NOK 2 272 million in 2020 to NOK 3 668 million in 2021. Profit before taxes increased from NOK 785 million to NOK 1 589 million. The group's equity increased from NOK 616 million to NOK 766 million.

The company's operating revenues increased by 60% from NOK 1 230 million in 2020 to NOK 1 970 million in 2021. Profit before taxes increased from NOK 686 million in 2020 to NOK 1 299 in 2021. The company's equity increased from NOK 495 million to NOK 604 million.

Key risks factors, risk management and capital adequacy

The group is exposed to market risks related to its holding of financial instruments. The group is also indirectly exposed to fluctuation in the capital markets. Weak capital markets lead to fewer transactions and lower revenues. Furthermore, the group is exposed to settlement risk linked to unsettled transactions, securities financing, counterparty risk, currency exchange risk and litigation risk related to alleged errors in the facilitation of capital raisings and project financing projects.

The group does not trade in equities or bonds for its own account as part of its general investment management but may to a limited degree take positions in relation to capital raising projects. Surplus liquidity is deposited in financially sound banks and government bonds. These factors limit the company's financial risk.

The company's risk is managed in accordance with the provisions in the Norwegian Private Limited Companies Act and the Norwegian Securities Trading Act with appurtenant regulations, as well as risk management and internal directives. Corresponding risk management requirements apply to the regulated subsidiaries abroad, subject to and in accordance with the laws of the applicable jurisdiction.

Internal procedures have been established for compliance with applicable laws. The quality of deal facilitation work is ensured through teamwork under experienced project leaders and established capital raising project procedures, including a thorough assessment of potential new investment banking assignments in the internal "Deal Committee".

The company and the group complied with all applicable capital adequacy requirements throughout 2021.

Going concern

The annual financial statements have been prepared under the going concern assumption. This assumption is based on the financial situation at year-end 2021 and the forecast for 2022.

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PARETO SECURITIES

DIRECTORS' REPORT 2021

Outlook for 2022

The Russian invasion of Ukraine 24 February 2022 has led to market turbulence and soaring energy prices. The effect on the global economy will depend on several factors including length and scope of the conflict and severity of sanctions towards Russia.

The Covid-19 pandemic accelerated the shift towards more sustainable and resilient economies. Governments across the globe advocate for allocation of investments to companies and infrastructure projects that tackle climate risk, stimulate green innovation, reduce inequality and improve social cohesion.

The group's revenue base has over the last few years become more diversified, in terms of both products and industries, as well as geographically. Diversification has made the group less dependent on energy prices.

ESG

The group is committed to sustainable business and development by combining financial performance with environmental and social responsibility as well as sound governance practices (ESG). The group has adopted a Sustainability Policy which establishes standards and principles to ensure that the group operates in a sustainable manner and meets fundamental human rights, labor, environmental and anti-corruption responsibilities as set out in the UN Global Compact. The Sustainability Policy supplements our Ethical Principles and Anti-corruption Policy. The Sustainability Policy is intended to support the employees in decisions and daily work, as well as clarifying how sustainability work is integrated with the activities, management and control. The Sustainability Policy is supplemented by the Group's Ethical Principles and Anti-corruption Policy. The policy framework is available at www.paretosec.com.

The company manages and reports group-level threats and opportunities through risk management across the business units. ESG-related risks, including market risks, regulatory risks, physical risks and reputation risks, as well as opportunities, are identified, assessed and followed up as an integral part of the overall strategic processes and risk management system. ESG related risks and opportunities are discussed by both the board and the executive management on a regular basis. The board receives annually reports on the group's development and impact within ESG.

Measures will continuously be drawn up to strengthen the group's efforts towards achieving Paris-aligned strategies. These are measures that will both reduce the group's climate risk and contribute to exploiting the business opportunities inherent in the green shift.

The group has committed to report on its sustainability impact and how the adopted sustainability policy has been followed up. The key findings regarding the group's sustainability impact is described in the ESG Report available on www.paretosec.com.

The group's ambition is to contribute to achieving the Paris targets by reducing greenhouse gas emissions and more efficient use of natural resources in our business operations. As an office-based organization, the group's environmental footprint is relatively small. That said, the group is constantly taking measures to reduce the negative environmental impact, including reducing greenhouse gas emissions, tracking and calculating of greenhouse gas emissions throughout the operations and purchasing greenhouse gas offsets equaling the carbon emissions. The recent years, the group has also invested significantly in innovative and climate smart solutions and digital platforms to reduce our air travelling and other greenhouse gas emissions from our business operations. The group reports greenhouse gas emissions in line with the GHG Protocol.

Working environment

The working environment is considered to be good. There are no reports of work-related injuries or accidents among the group employees in 2021. The company has established a working environment committee and has appointed safety representatives in Oslo and Stavanger. The working-environment committee held one meeting in 2021, and safety inspections were conducted for the purpose of maintaining a healthy and safe working environment in the company. Sickness absence is consistently low.



PARETO SECURITIES

DIRECTORS' REPORT 2021

Diversity and equality

The group is committed to ensure that all employees are treated equally, including fair and unbiased remuneration decisions. The group has gender-neutral guidelines and offer equal opportunities to women and men. A Diversity and Inclusion Policy was implemented in 2019 and was updated in 2021. The policy sets out the following key principles:

- Zero tolerance for discrimination and harassment
- Treat colleagues with fairness and respect, irrespectively of background
- Keep internal dialogue open and safe
- Do what we can to make colleagues feel valuated and belonging to a community

The company's statement of equality and against discrimination for 2021 has been prepared in accordance with the Norwegian Equality and Anti-Discrimination Act (No: Lov om likestilling og forbud mot diskriminering) and is available on www.paretosec.com.

D&O Insurance

The group holds a Directors & Officers insurance. The cover provides board members, CEO and senior management with insurance against personal liability, for actual or alleged, wrongful acts in managing the company and subsidiaries. The insurance also covers legal expenses.

Oslo, 10 March 2022

Morten Goller
Chairman

Svein Støle
Board member

Tormod Høyby
Board member

Inge Edvardsen
Board member

Arild Hille
Board member

Eirik Haavaldsen
Board member

Hans Hilde
Board member

Mats Carlsson
Board member

Christian Jomaas
Chief Executive Officer

Penneo Dokumentnøkkel: H3LHA-G70B0-J6GC5-76XIE-10351-V068J



PARETO SECURITIES

COMPANY		INCOME STATEMENT		GROUP	
2021	2020	Note	Amounts in NOK 1 000	2021	2020
1 969 500	1 229 700	2	Operating revenues	3 668 000	2 272 000
934 553	596 610	3	Personnel expenses	1 644 573	1 089 191
7 505	6 794	6	Depreciation	15 545	15 322
189 642	233 404		Other operating expenses	397 882	398 141
1 131 700	836 808		Total operating expenses	2 058 000	1 502 654
837 800	392 892		Operating profit	1 610 000	769 346
4 109	5 110		Interest income	8 095	5 885
492 199	300 930		Other financial income	14 704	30 362
-2 194	-2 585		Interest expenses	-8 537	-6 025
-32 514	-10 247		Other financial expenses	-35 162	-15 068
461 600	293 208		Net financial result	-20 900	15 154
1 299 400	686 100		PROFIT BEFORE TAXES	1 589 100	784 500
213 900	98 300	16	Tax expense	367 000	175 600
1 085 500	587 800		NET PROFIT FOR THE YEAR	1 222 100	608 900
			Net profit attributable to owners of parent	1 130 652	567 273
		7	Net profit attributable to non-controlling interests	91 448	41 627
			Allocation of net profit		
-976 043	-562 631		Proposed dividend		
-109 457	-25 169		Transferred to/from other equity		
-1 085 500	-587 800	14	Total allocations		

Penneo Dokumentnr: H3LHA-G70B0-J6GC5-76XIE-10351-V068J



PARETO SECURITIES

COMPANY		BALANCE SHEET AS OF 31 DECEMBER		GROUP	
2021	2020	Note	Amounts in NOK 1 000	2021	2020
NON-CURRENT ASSETS					
41 398	65 808	16	Deferred tax assets	49 063	68 680
4 147	3 193	6	Software	19 612	12 257
45 545	69 001		Total intangible assets	68 675	80 937
11 658	10 682	6	Office equipment and fittings	15 624	16 080
293 628	269 972	7	Shares in subsidiaries	0	0
73 534	75 171		Loans to subsidiaries	0	0
367 162	345 143		Total financial assets	0	0
424 365	424 826		TOTAL NON-CURRENT ASSETS	84 299	97 017
CURRENT ASSETS					
149 902	499 251	8	Receivables from clients	1 934 980	1 955 494
134 790	269 249		Receivables from financial institutions	134 790	269 249
497 101	299 163		Receivables from group companies	0	0
356 722	180 850		Other receivables	652 275	374 649
1 138 515	1 248 513		Total receivables	2 722 045	2 599 392
1 086 638	28 017	9	Financial instruments	2 207 538	51 235
502 482	938 644	10	Bank deposits	1 317 217	2 017 356
2 727 635	2 215 174	20	TOTAL CURRENT ASSETS	6 246 800	4 667 983
3 152 000	2 640 000		TOTAL ASSETS	6 331 100	4 765 000

Penneo Dokumentnøkkel: H3LHA-G70B0-J6GC5-76XIE-10351-V068J



PARETO SECURITIES

COMPANY		BALANCE SHEET AS OF 31 DECEMBER		GROUP	
2021	2020	Note	Amounts in NOK 1 000	2021	2020
EQUITY					
90 000	90 000	13	Share capital	90 000	90 000
-170	-500		Own shares	-170	-500
66 400	66 400		Share premium	66 400	66 400
156 230	155 900		Total paid-in capital	156 230	155 900
448 050	339 594		Retained earnings	562 410	416 900
604 280	495 494		Equity attributable to owners of the parent	718 640	572 800
			Non-controlling interests	47 664	42 805
604 280	495 494	14	TOTAL EQUITY	766 304	615 605
LIABILITIES					
1 848	2 343	5	Pension liabilities	1 860	2 355
21 540	21 690		Deposits from silent partners	22 080	22 230
64 706	39 197		Other liabilities	64 706	63 032
88 094	63 230		Total long-term liabilities	88 646	87 617
128 901	486 201		Payables to financial institutions	128 901	486 201
181 901	233 721	11	Payables to clients	2 569 410	1 985 796
160 720	117 106		Payables to group companies	0	0
189 047	114 423	16	Income tax payable	313 802	143 422
8 717	8 873		Public dues payable	33 870	30 784
976 043	562 631		Proposed dividends	1 064 644	603 805
814 297	558 321	12	Other liabilities	1 365 523	811 770
2 459 626	2 081 276		Total short-term liabilities	5 476 150	4 061 778
2 547 720	2 144 506	20	TOTAL LIABILITIES	5 564 796	4 149 395
3 152 000	2 640 000		TOTAL EQUITY AND LIABILITIES	6 331 100	4 765 000

Oslo, 10 March 2022

Morten Goller
Chairman

Svein Støle
Board member

Tormod Høyby
Board member

Inge Edvardsen
Board member

Arild Hille
Board member

Eirik Haavaldsen
Board member

Hans Hilde
Board member

Mats Carlsson
Board member

Christian Jomaas
Chief Executive Officer



PARETO SECURITIES

COMPANY		CASH FLOW STATEMENT Amounts in NOK 1 000	GROUP	
2021	2020		2021	2020
1 299 400	686 100	Profit before tax	1 589 100	784 500
-115 919	-59 186	Tax paid	-184 995	-98 605
7 505	6 794	Depreciation	15 545	15 322
111 635	-330 325	Change in receivables	-122 653	-757 876
-84 890	299 686	Change in short-term and other liabilities	775 250	1 043 160
1 217 731	603 069	Net cash flow from operating activities	2 072 246	986 502
-9 551	-14 427	Purchase of fixed assets	-17 700	-26 407
-1 082 277	-14 493	Net cash flow from investments	-2 156 303	7 460
-1 091 828	-28 920	Net cash flow from investing activities	-2 174 003	-18 947
-150	-180	Change in deposits from silent partners	-150	-180
715	1 737	Purchase/sale of own shares	715	1 737
0	0	Capital investment from minority	4 859	19 640
-562 631	-248 190	Dividend paid	-603 805	-264 659
-562 066	-246 633	Net cash flow from financing activities	-598 381	-243 462
-436 162	327 516	Net change in cash during the year	-700 139	724 092
938 644	611 127	Cash and cash equivalents 1.1	2 017 356	1 293 264
502 482	938 644	Cash and cash equivalents 31.12	1 317 217	2 017 356

Penneo Dokumentnrøkket: H3LHA-G70B0-J6GC5-76XIE-10351-V068J



PARETO SECURITIES

NOTES TO THE FINANCIAL STATEMENTS 2021

NOTE 1 ACCOUNTING POLICIES

NOK 1 000

General information

Pareto Securities AS is a private limited company headquartered in Oslo, Norway ("the company"). The company together with its subsidiaries ("the group") is an independent full-service investment firm.

The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional currency of the company. Unless otherwise indicated, the amounts have been rounded to the nearest thousand.

Pareto Securities has been granted an exemption from the requirement under Section 3-4 of the Norwegian Accounting Act for financial statements and annual reports to be prepared in the Norwegian language.

Basis of preparation

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act, Norwegian Generally Accepted Accounting Principles and the Regulations on the Annual Financial Statements of Investment Firms in Norway.

Consolidation principles

Pareto Securities' consolidated financial statements comprise the parent company Pareto Securities AS with branches and companies in which Pareto Securities AS has a controlling interest. Investments in subsidiaries are carried at acquisition cost in the company's financial statements. If impairments are not expected to be temporary, write-downs to fair value will be carried out. Foreign branches are incorporated in the parent company's financial statements based on the same principles as other branches of the company. The acquisition cost of shares in subsidiaries are in the consolidated financial statements eliminated against the equity of the subsidiary at the date of acquisition. Internal transactions between the companies, as well as receivables and payables per 31 December, are eliminated in the consolidated financial statements. Foreign exchange loss and gain from currency translation of foreign subsidiaries is recorded to equity.

Accounting of partnership

Pareto Securities AS is the principal partner of Pareto Securities silent partnership established on 1 January 2018. The silent partnership's financial statements are fully incorporated in the financial statements of the principal partner. The partner's share of the profit of the silent partnership is classified as other financial expenses in the income statement, while undistributed profits to partners are classified as short-term liabilities. Capital contributions from partners are classified as long-term liabilities in the financial statements of the principal partner.

Revenue recognition

Revenues from investment banking engagements for which the company receives fees that are contingent upon the transaction outcome, are recognised upon transaction completion, or upon the right to such fee becoming unconditional. Secondary brokerage fees are recognised at the trade date.

Estimates

The financial statements are based on estimates and assumptions. Future events may cause a change in estimates. Changes in estimates are recognised for in the period in which they occur.

Tangible assets

Tangible assets are recognised at historical cost adjusted for accumulated depreciation. Fixed assets are depreciated on a straight-line basis, based on their estimated economic life.

Penneo Dokumentnøkkel: H3LHA-G70B0-J6GC5-76XIE-10351-V068J



PARETO SECURITIES

NOTES TO THE FINANCIAL STATEMENTS 2021

NOK 1 000

NOTE 1 ACCOUNTING POLICIES CONT.

Receivables/write-downs of bad debts

Receivables include balances outstanding from other financial institutions and other companies. Receivables and payables are reported on a gross basis in the balance sheet in accordance with the Regulations on the Financial Statements of Investment Firms in Norway. Trades that are closed at year-end with settlement after year-end are recognised as receivables from clients/receivables from financial institutions and payables to clients/payables to financial institutions. Receivables are carried at fair value at the transaction date. Earned, not paid, fees related to corporate finance engagements are included in other receivables. Provisions for bad debt are based on a case-by-case assessment.

Financial investments

Marketable financial instruments are carried at fair value on the balance sheet date. The fair value of quoted financial instruments is based on the latest transaction price. Other financial instruments are recognised using valuation techniques based on observable market values. When applying valuation techniques, the value is adjusted for credit- and liquidity risk.

Financial derivatives

Financial derivatives are recognised as assets if their value is positive and as liabilities if their value is negative.

Tax

Tax expenses are matched with profit before tax. Tax expenses consist of current income tax and change in deferred tax.

Liabilities

Liabilities are recognised at their nominal value at the time incurred.

Foreign currency

Monetary items in the balance sheet in foreign currency are translated into NOK at the exchange rate on the balance-sheet date.

Penneo Dokumentnrøkket: H3LHA-G70B0-J6GC5-76XIE-10351-V068J



PARETO SECURITIES

NOTES TO THE FINANCIAL STATEMENTS 2021

NOK 1 000

NOTE 2 OPERATING REVENUES

	Company		Group	
	2021	2020	2021	2020
Investment banking	1 632 696	929 540	2 915 612	1 594 461
Secondary brokerage	336 804	300 160	634 088	569 854
Business management	0	0	84 000	79 400
Other operating revenues	0	0	34 300	28 285
Total operating revenues	1 969 500	1 229 700	3 668 000	2 272 000

	2021	2020
Capital raisings	1 336 738	701 704
Investment advice/order execution	273 870	240 815
Market making and own account trading	21 299	11 373
Related services (M&A, advisory, research and FX)	337 593	275 808
Total operating revenues	1 969 500	1 229 700

Disclosure in accordance with Section 5-7 of the Regulations on the Annual Financial Statements of Investment Firms in Norway

Investment banking and secondary brokerage establishments in the Group	Avg no of employees	Operating revenues	Profit before tax	Tax expense
Pareto Securities AS (Norway)	189	1 778 100	761 927	204 800
Pareto Securities AS, Frankfurt branch (Germany)	35	103 400	27 104	325
Pareto Securities AS, Copenhagen branch (Denmark)	4	88 000	44 857	8 775
Pareto Securities AB (Sweden)	115	1 143 000	609 365	127 435
Pareto Securities AB NUF (Norway)	2	26 800	15 000	3 966
Aktieinvest FK AB (Sweden)	37	75 500	-11 148	-2 225
Pareto Securities Oy (Finland)	10	47 000	13 056	2 633
Pareto Securities Ltd (UK)	6	42 600	14 243	2 826
Pareto Securities AG (Switzerland)	7	67 400	25 268	4 712
Pareto Securities Inc (USA)	9	82 500	24 990	5 796
Pareto Securities Pte Ltd (Singapore)	9	90 600	48 649	4 440
Pareto Securities Pty Ltd (Australia)	1	1 700	-970	0
Sub-total	424	3 546 600	1 572 339	363 483

Business management and other establishments in the Group	Avg no of employees	Operating revenues	Profit before tax	Tax expense
Pareto Business Management AS (Norway)	29	57 000	2 112	476
Pareto Business Management AB (Sweden)	12	20 300	1 243	33
Pareto Business Management A/S (Denmark)	3	6 700	-2 287	-503
Pareto Maritime Services AS (Norway)	2	16 500	11 400	2 433
Pareto Offshore AS (Norway)	4	19 000	5 564	1 224
North Atlantic Seafood Forum AS (Norway)	1	1 900	-960	-184
Pareto Project AS (Norway)	0	0	-283	0
Deponova AB	0	0	0	0
Pareto Eiendom AS (Norway)	0	0	-11	0
Pareto Investorservice AS (Norway)	0	0	-18	0
Sub-total	51	121 400	16 761	3 479
Total	475	3 668 000	1 589 100	367 000

None of the establishments have received any public subsidies.



PARETO SECURITIES

NOTES TO THE FINANCIAL STATEMENTS 2021

NOK 1 000

NOTE 3 PERSONNEL EXPENSES

	Company		Group	
	2021	2020	2021	2020
Partner remuneration and salaries	866 894	541 103	1 423 631	933 491
Employer's national insurance contributions	49 976	34 674	173 196	112 211
Pension costs	4 342	3 581	16 781	12 300
Other personnel costs	13 342	17 251	30 965	31 189
Total personnel expenses	934 553	596 610	1 644 573	1 089 191
Average number of employees	147	136	389	362
Average number of partners	82	81	86	84

NOTE 4 REMUNERATION

Fees to Deloitte AS for the statutory audit of the company were NOK 659 (2020: 658). Fees for other assurance services amounted to NOK 110 (2020: 102), fees for tax services amounted to NOK 275 (2020: 312) and other non-audit services fees amounted to NOK 10 (2020: 36). Corresponding fees for the group amounted to NOK 3 073 (2020: 3 012) for the statutory audit, NOK 130 (2020: 122) for other assurance services, NOK 616 (2020: 461) for tax-related services and NOK 72 (2020: 36) for other non-audit services. Fees to Deloitte Advokatfirma AS (law firm) amounted to NOK 599 (2020: 559). All amounts reported are exclusive of VAT.

Remuneration to the Chairman of the Board, Morten Goller amounted to NOK 475. Members of the Board who are partners in the group and owner of Pareto AS Svein Støle do not receive remuneration.

Under the remuneration scheme of the company, partners and employees receive a fixed remuneration and may in addition receive a discretionary remuneration. The discretionary remuneration is based on the earnings of the company as a whole, as well as within the department of the employee, participation in major acquisitions, externally or internally focused work of significant value to the company, extraordinary work effort, extensive client/employee responsibility or similar performance indicators.

Personnel identified as "material risk takers" pursuant to the qualitative or quantitative criteria as defined in Commission delegated regulation (EU) No 604/2014 of 4 March 2014 as amended by Commission delegated regulation (EU) 2016/861 are governed by the Norwegian Regulations on Remuneration in Investment Firms. For 2021, these partners have received NOK 41 500 as fixed remuneration. Final variable remuneration for these partners will be decided by the Board of Directors after the Annual Report has been approved. The aggregate remuneration for 2021 has been fully accrued in the financial statements for 2021. More detailed information will be published in the company's Pillar 3 reporting on www.paretosec.com. The variable remuneration is comprised of 50% cash and 50% contingent capital. The cash portion is paid after the financial statement has been approved. The contingent capital is withheld by the company in the form of a subordinated loan bearing a market interest rate. The contingent capital is risk adjusted yearly and is paid over a three-year period.

Paid remuneration to CEO Christian Jomaas in 2021 amounted to NOK 12 849, consisting of fixed remuneration for 2021, 50% bonus for 2020 and paid contingent remuneration from 2019, 2018 and 2017. Christian Jomaas participates in the company's remuneration scheme and he holds 2,44% of the shares of Pareto Securities AS through Klevsund AS.

NOTE 5 PENSIONS

The company has a defined contribution pension scheme as required under the Norwegian Mandatory Occupational Pensions Act. The defined contribution plan is managed by Sparebank 1 and Storebrand. Pension contributions for 2021 amount to NOK 2 733.

The company has two unfunded pension plans, and the liabilities under these are recognised in the balance sheet as of 31 December 2021 at NOK 1 848 through actuarial valuations based on commonly applied assumptions.



PARETO SECURITIES

NOTES TO THE FINANCIAL STATEMENTS 2021

NOK 1 000

NOTE 6 FIXED ASSETS	Office equipment and fittings		Software	
	Company	Group	Company	Group
Acquisition cost 1.1	23 530	88 068	10 078	100 442
Additions during the year	7 062	7 634	2 489	10 066
Disposals	-335	-574	-21	-21
Acquisition cost 31.12	30 257	95 127	12 546	110 487
Accumulated depreciation 1.1	12 848	71 988	6 886	88 184
Depreciation	5 991	7 581	1 514	7 964
Disposals	-240	-65	0	-5 274
Accumulated depreciation 31.12	18 599	79 503	8 400	90 875
Net carrying value 31.12	11 658	15 624	4 147	19 612
Economic life	3-10 years	3-10 years	3-10 years	3-10 years
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line

NOTE 7 SHARES IN SUBSIDIARIES

Consolidated companies

Company name	Equity	Registered Office	Holding
Pareto Securities Pte Ltd	26 150	Singapore	100,00 %
Pareto Securities Inc	52 052	New York	100,00 %
Pareto Securities AB	180 311	Stockholm	81,84 %
Pareto Securities Oy	15 622	Helsinki	100,00 %
Pareto Securities Ltd	39 978	London	100,00 %
Pareto Securities Pty Ltd	10 990	Perth	100,00 %
Pareto Securities AG	29 325	Zurich	100,00 %
Pareto Offshore AS	10 006	Oslo	87,01 %
Pareto Business Management AS	9 207	Oslo	100,00 %
Pareto Business Management AB	7 847	Stockholm	100,00 %
Pareto Business Management A/S	168	Copenhagen	100,00 %
Pareto Maritime Services AS	15 015	Oslo	100,00 %
North Atlantic Seafood Forum AS	1 442	Oslo	100,00 %
Aktieinvest FK AB	37 963	Stockholm	72,26 %
Deponova AB	59	Stockholm	72,26 %
Pareto Investorservice AS	903	Oslo	100,00 %
Pareto Eiendom AS	31	Oslo	100,00 %
Pareto Project AS	2 713	Oslo	100,00 %

Non-consolidated companies

Pareto Maritime Services AS holds 100% of the shares of Pipebarge 1 AS, Partankers XVII AS, Adriatic Tankers AS and Partankers IX AS (subsidiaries). The subsidiaries are the principal partners of Pipebarge 1 silent partnership, Partankers XVII silent partnership, Adriatic Tankers silent partnership and Partankers IX silent partnership, respectively. The four investments are project finance shipping/offshore companies syndicated by Pareto Securities AS.

The general partner's ownership interest in the underlying silent partnership is 1.5% of Pipebarge 1 silent partnership, 1,0% of Partankers XVII silent partnership, 1,0% of Adriatic Tankers silent partnership and 1.0% of Partankers IX silent partnership, respectively. The total carrying value after write-downs of these investments in Pareto Maritime Investment AS and in the consolidated financial statement for the group is NOK 6 168. There is no uncalled committed capital in the four companies.

Pareto Securities group has in accordance with Section 3-8 of the Norwegian Accounting Act not consolidated the subsidiaries owned through Pareto Maritime Services AS in the consolidated financial statements as these are of no significance for the assessment of the group's financial position and performance.



PARETO SECURITIES

NOTES TO THE FINANCIAL STATEMENTS 2021

NOK 1 000

NOTE 8 RECEIVABLES FROM CLIENTS

	Company	Group
Receivables from securities financing clients	0	1 742 671
Receivables from secondary trading	149 902	192 309
Total receivables from clients	149 902	1 934 980

Loans to clients for securities financing are secured through securities in custody.

NOTE 9 FINANCIAL INSTRUMENTS

	Company		Group	
	Acquisition cost	Carrying value	Acquisition cost	Carrying value
Norwegian government bonds	1 072 907	1 072 907	1 072 907	1 072 907
Swedish government bonds	0	0	1 073 186	1 072 754
Other bonds	8 966	5 967	42 723	39 615
Shares	7 765	7 765	22 132	22 262
Total financial instruments	1 089 638	1 086 638	2 210 949	2 207 538

NOTE 10 BANK DEPOSITS

	Company	Group
Restricted in respect of payroll taxes deducted at source	4 363	6 405
Restricted in respect of margin security etc	122 737	122 737
Total restricted deposits	127 100	129 142

Funds in client accounts and equity proceeds accounts that belong to clients (client funds) amount to NOK 7 990 158 and are not recognised in the company's balance sheet. The corresponding client liabilities are NOK 7 985 895. The net balance of NOK 4 263 is the result of timing differences on transfers and interest on client deposits.

The company has a credit facility of NOK 700 000 and an intraday credit facility.

NOTE 11 PAYABLES TO CLIENTS

	Company	Group
Client deposits	0	2 360 867
Payables to clients from secondary trading	181 901	208 543
Total payables to clients	181 901	2 569 410

Client deposits are carried at acquisition cost. Received deposits are due on demand.

NOTE 12 OTHER LIABILITIES

	Company		Group	
	2021	2020	2021	2020
Remuneration to partners and bonus to employees	739 496	387 328	1 151 770	581 961
Accrued costs and other short-term liabilities	74 801	170 993	213 753	229 809
Total other liabilities	814 297	558 321	1 365 523	811 770

Penneo Dokumentnøkkel: H3LHA-G70B0-J6GC5-76XIE-10351-V068J



PARETO SECURITIES

NOTES TO THE FINANCIAL STATEMENTS 2021

NOK 1 000

NOTE 13 SHAREHOLDER INFORMATION

The company has 900 000 shares with a nominal value of NOK 100 each, held as of 31.12.2021:

	Number of shares	Ownership
Pareto AS (owned 100% directly and indirectly by Board member Svein Støle)	589 150	65,46 %
Klevsund AS (owned 100% by CEO Christian Jomaas)	22 000	2,44 %
Bakkejord Invest AS (owned 100% by Board member Inge Edvardsen)	15 000	1,67 %
Emis AS (owned 100% by Board member Arild Hille)	15 000	1,67 %
Sempra AS (owned 100% by Board member Tormod Høyby)	15 000	1,67 %
Bielkevågeninvest AB (owned 100% by Board member Mats Carlsson)	12 000	1,33 %
Veøy Invest AS (owned 100% by Board member Hans Hilde)	12 000	1,33 %
Nes Invest AS	10 850	1,21 %
Dragesund Invest AS	10 000	1,11 %
Myrianda AB	9 000	1,00 %
Own shares	1 700	0,19 %
Other shareholders with holdings below 1%	188 300	20,92 %
Total	900 000	100,00 %

NOTE 14 EQUITY

Company	Share capital	Own shares	Share premium	Other equity	Total equity
Equity 1.1	90 000	-500	66 400	339 594	495 494
Own shares	0	330	0	385	715
Currency translation	0	0	0	-1 387	-1 387
Net profit for the year	0	0	0	1 085 500	1 085 500
Proposed dividend	0	0	0	-976 043	-976 043
Total equity 31.12	90 000	-170	66 400	448 050	604 280

Group	Share capital	Own shares	Share premium	Other equity	Minority interest	Total equity
Equity 1.1	90 000	-500	66 400	416 900	42 805	615 605
Own shares	0	330	0	385	0	715
Currency translation	0	0	0	-9 484	-2 845	-12 329
Net profit for the year	0	0	0	1 130 652	91 448	1 222 100
Proposed dividend	0	0	0	-976 043	-88 603	-1 064 646
Non-controlling interests	0	0	0	0	4 859	4 859
Total equity 31.12	90 000	-170	66 400	562 410	47 664	766 304

NOTE 15 GUARANTEES

Guarantees furnished by DNB in favour of Norges Bank for participation in the Norwegian security settlement scheme amount to NOK 100 million. These guarantees are secured through a first factoring charge on the company's receivables and a charge on securities held as current assets.

The company is member of the Norwegian Investor Compensation Scheme and Norwegian Banks' Guarantee Fund.

The company has, in relation to the granting of a licence to its subsidiary Pareto Securities Pte Ltd, issued an undertaking to the Monetary Authority of Singapore that the company will cover any liability less than SGD 12 million.



PARETO SECURITIES

NOTES TO THE FINANCIAL STATEMENTS 2021

NOK 1 000

NOTE 16 TAX

	Company		Group	
	2021	2020	2021	2020
Tax payable				
Profit before tax	1 299 400	686 100	1 589 100	784 500
Permanent differences	-445 574	-293 014	34 017	-17 412
Change in temporary differences	-97 637	80 145	-74 274	71 897
Adj. tax payable previous year with effect to temp. diff.	0	-15 541	0	52 171
Loss carried forward	0	0	10 509	-54 640
Taxable income for the year	756 190	457 690	1 559 352	836 516
Tax payable	189 047	114 423	345 018	198 261
Prepaid tax	0	0	-31 216	-54 839
Current income tax payable in the balance sheet	189 047	114 423	313 802	143 422
Specification of temporary differences				
Fixed assets	4 629	4 908	6 331	6 771
Shares and bonds	2 990	4 887	2 990	5 537
Receivables	-11 935	-13 571	-1 940	-3 028
Provisions	169 909	267 006	184 122	267 006
Loss carried forward	0	0	10 509	0
Basis for calculation of deferred tax	165 593	263 230	202 012	276 286
Net deferred tax asset	41 398	65 807	49 063	68 680
Tax expense				
Tax payable for the year	189 047	114 423	345 018	198 261
Change in deferred tax	24 409	-20 036	19 616	-7 960
Adjustments tax payable from previous years	486	3 857	486	-9 142
Other items	-43	57	1 879	-5 559
Tax expense on ordinary profit	213 900	98 300	367 000	175 600
Reconciliation from nominal to actual tax rate				
Expected tax expense based on nominal tax rate (22%)	285 868	150 942	349 602	172 590
Permanent differences	-98 026	-64 463	7 484	-3 831
Finance tax effect Norway (25% vs 22%)	25 615	11 793	25 615	11 793
Differences in tax rates outside Norway	0	0	-15 332	-2 239
Changes (%) in deferred tax asset	0	0	0	0
Adjustments from previous years	486	0		-3 212
Other items	-43	28	-368	499
Tax expense	213 900	98 300	367 000	175 600

NOTE 17 RISK MANAGEMENT AND INTERNAL CONTROLS

The group is exposed to market-related risks in respect of own-account securities holdings, counterparty risk and foreign currency risk. The company's interest risk is limited. Furthermore, the company is exposed to credit risk and operational risk. The main categories of credit risk are securities financing (note 8) and settlement risk. The settlement risk is considered low, and no significant loss has been recorded in 2021.

The company works systematically to identify, analyze, measure, monitor, prevent and limit risks associated with the business. The Board of Directors ensures that the company has appropriate risk management systems and internal controls in accordance with Norwegian Regulations on Risk Management and Internal Controls in Investment Firms. PWC is appointed as internal auditor. The Chief Executive Officer provides an annual report with an overall assessment and confirmation of the groups internal control and risk situation which is presented to the Board of Directors. The report is reviewed by the internal auditor who has confirmed that the internal control assessment in 2021 is compliant with the requirements in the relevant regulations.



PARETO SECURITIES

NOTES TO THE FINANCIAL STATEMENTS 2021

NOK 1 000

NOTE 18 REPORTED CAPITAL RATIO

Capital adequacy is calculated on the basis of the provisions in the Norwegian Securities Trading Act with regulations based on Directive 2013/36/EU of 26 June 2013 and Regulation 575/2013 of 26 June 2013 of the European Parliament and of the Council.

Specification of tier 1 capital (CET1)	Company		Group	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Total equity	604 280	495 494	766 304	615 605
Adjustments to CET1 due to prudential filters:				
Minority interests	0	0	-4 228	-14 982
Deferred tax assets	0	-16 581	0	-9 882
Intangible assets	-4 147	-3 193	-19 612	-12 257
Value adjustments (prudent valuation)	-1 088	-30	-1 107	-384
Own funds	599 045	475 690	741 357	578 100
Initial capital requirement (EUR 730 000)	7 292	7 643	7 292	7 643
Specification of capital adequacy				
Capital adequacy of credit- and counterparty risk	983 143	1 033 908	1 075 394	1 182 689
Capital adequacy of position- and currency risk	534 722	529 537	1 193 746	1 019 052
Capital adequacy operational risk	2 621 232	2 007 847	4 834 285	3 665 318
Total capital adequacy	4 139 096	3 571 292	7 103 426	5 867 059
Total capital adequacy ratio	14,47 %	13,32 %	10,44 %	9,85 %
Number of times regulatory minimum (8 %)	1.8x	1.7x	1.3x	1.2x

Operational risk is calculated using the following figures (operating revenues and net financials):

	Company		Group	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
2021	1 951 793		3 647 100	
2020	1 253 734	1 253 734	2 287 154	2 287 154
2019	988 444	988 444	1 800 602	1 800 602
2018		970 377		1 776 753
Capital adequacy of operational risk	2 621 232	2 007 847	4 834 285	3 665 318

NOTE 19 RELATED PARTIES

The company is a part of the Pareto Group. Transactions with related parties are based on market terms and conditions. Pareto AS holds 65.46 % of the shares of the company. Svein Støle is the 100% owner of Pareto AS. There are no transactions with the controlling owner Svein Støle.

The company's transactions with related parties:	2021	2020
Parent company (Pareto AS)	393	483
Other group companies	127 445	103 346
Total allocation of external costs and sale of internal services	127 838	103 829
Parent company (Pareto AS)	3 615	2 697
Other group companies	11 800	11 355
Total allocation of external costs and purchase of internal services	15 415	14 052



PARETO SECURITIES

NOTES TO THE FINANCIAL STATEMENTS 2021

NOK 1 000

NOTE 20 LIQUIDITY RISK (GROUP)

Agreed residual maturity of assets	1-30 days	30 days-1 year	1-5 years	Total value
Receivables from clients	1 934 980			1 934 980
Receivables from financial institutions	134 790			134 790
Other receivables	421 971	230 304		652 275
Financial instruments	2 204 043	3 495		2 207 538
Bank deposits	1 317 217			1 317 217
Total	6 013 001	233 799	0	6 246 800

Agreed residual maturity of liabilities	1-30 days	30 days-1 year	1-5 years	Total value
Pension liabilities	40	440	1 380	1 860
Deposits from silent partners			22 080	22 080
Payables to financial institutions	128 901			128 901
Payables to clients	2 569 410			2 569 410
Income tax payable		313 802		313 802
Public dues payable		33 870		33 870
Proposed dividends		1 064 644		1 064 644
Other liabilities	333 441	1 032 082	64 706	1 430 229
Total	3 031 792	2 444 838	88 166	5 564 796

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Hans Martinsen Hilde

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To the General Meeting of Pareto Securities AS

INDEPENDENT AUDITOR'S REPORT

Opinion

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

- The financial statements of the parent company Pareto Securities 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 Pareto Securities 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.

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Independent Auditor's Report -
Pareto Securities AS

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

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

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

Responsibilities of Management for the Financial Statements

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

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Independent Auditor's Report -
Pareto Securities AS

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, 10 March 2022
Deloitte AS

Roger Furholm
State Authorised Public Accountant

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"By my signature I confirm all dates and content in this document."

Roger Furholm

State Authorised Public Accountant (Norway)

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