

# Annual Report 2018 \*) for RASMUSSENGRUPPEN AS

\*) This is a translation of the valid Norwegian annual report for the Rasmussen Group, and has been prepared for information purpose only.

RASMUSSENGRUPPEN AS is the ultimate parent company in the Rasmussen Group. An overview of the companies included in the Group corporate structure is presented in the financial statement.

The Group's business is organized into three business segments; financial investments, shipping/offshore, and real estate and property development.

The parent company, RASMUSSENGRUPPEN AS, conducts its operations from Kristiansand and Oslo. The company's registered office is located in Kristiansand.

## RESULTS AND COMMENTS ON THE ANNUAL REPORT

In 2018, the Rasmussen Group's profit before tax amounted to NOK 344 million (2017: NOK 1,189 million). The total profit for 2018 amounted to NOK 316 million (NOK 1,110 million).

The Group's total equity amounted to NOK 13,221 million as of 31 December 2018 (NOK 13,047 million). The Group's book equity ratio equalled 89.3% as of 31 December 2018 (84.1%). All liabilities to credit institutions in the Group are related to real-estate operations in AVANTOR AS and its subsidiaries.

In 2018, the parent company RASMUSSENGRUPPEN AS recorded a profit before tax (including dividends from AVANTOR AS) of NOK 775 million (NOK 992 million). The total profit amounted to NOK 781 million (NOK 939 million).

The parent company RASMUSSENGRUPPEN AS' total equity amounted to NOK 12,296 million as of 31 December 2018 (NOK 11,658 million).

## BUSINESS SEGMENTS

### Financial investments

The Rasmussen Group's financial investments are operated by the parent company RASMUSSENGRUPPEN AS and its wholly-owned subsidiaries PORTIA AS, VIOLA AS and CRESSIDA AS. The equity investment in Shearwater GeoServices Holding AS, which is part of the investment portfolio, is dealt with separately under shipping/offshore.

The Group invests globally, but has throughout 2018 had a primary focus on certain major investments in Norway. The investment decisions are based upon company analysis conducted by internal resources, and share price targets are set for the individual companies.

In 2018, the Group recorded a loss before tax on financial investment activities (including investments in equity funds) of NOK 927 million (NOK 950 million). The main positive profit contributors were Vaccibody AS with NOK 73 million and Kolonial.no AS with NOK 39 million. The negative profit contributors were mainly ICE Group ASA with NOK 567 million, B2Holding ASA with NOK 385 million and ARBEA Fund with NOK 121 million.

As of 31 December 2018, the Group's book value of financial investments, excluding Shearwater (incl. lending), amounted to NOK 5,185 million (NOK 7,011 million) and was distributed as follows:

	2018		2017	
Listed shares in Norway .....	NOK	1,814 million	NOK	1,695 million
Listed shares in the U.S. ....	"	39 million	"	1,441 million
Listed shares in other countries .....	"	142 million	"	206 million
Unlisted shares (incl. value of conversion rights).....	"	693 million	"	2,025 million
Equity funds .....	"	1,863 million	"	1,042 million
Lending .....	"	634 million	"	602 million
Book value .....	NOK	5,185 million	NOK	7,011 million

As of 31 December 2018, the Group's largest individual investments were NOK 1,058 million in ICE Group ASA (incl. lending), NOK 594 million in Kolonial.no AS (incl. convertible loan), NOK 571 million in B2Holding ASA and NOK 264 million in Nordic Aquafarms AS.

The net divestment in the business segment amounted to NOK 877 million in 2018. The main divestments were NOK 622 million from the disposal of Borr Drilling AS, NOK 490 million from Arctic Aurora LifeScience, NOK 395 million from AutoZone Inc and NOK 352 million from Ross Stores Inc. The main investments were NOK 971 million in ARBEA Fund, NOK 481 million in Victory Arcadia Fund and NOK 112 million in Nordic Aquafarms AS.

The main risk factors for financial investments are a highly priced stock market, a high investment and debt level in China, rising interest rates, declining global growth, oil-price developments and political uncertainty. The company-specific risk related to individual shares has been reduced through a diversified investment portfolio.

### Shipping/offshore

RASMUSSENGRUPPEN AS and GC Rieber Shipping ASA established in 2016 the Norwegian seismic company Shearwater GeoServices Holding AS. In November 2018, Shearwater acquired Schlumberger's offshore-related seismic activities, including 10 seismic vessels with streamer equipment. In addition, Shearwater took over an in-house developed streamer technology as well as a streamer-production plant in Malaysia. After the acquisition, Shearwater owns a total of 14 seismic vessels and is the world's largest seismic company measured in number of owned ships. The acquisition was partly financed through a cash issue of USD 325 million offered to existing owners, where RASMUSSENGRUPPEN AS participated with USD 296.5 million, and partly through a contribution in kind, where Schlumberger Norge AS was granted a 15.0% ownership in Shearwater. As of 31 December 2018, RASMUSSENGRUPPEN AS holds a 63.9% ownership in the company (GC Rieber Shipping ASA holds 19.6% and Schlumberger 15.0%). A shareholder agreement exists between the three main shareholders, and consequently, RASMUSSENGRUPPEN AS has a non-controlling interest in Shearwater.

Bergen-based Shearwater is a global supplier of marine geophysical services, mainly comprising the collection and processing of seismic data for oil/gas and multi-client companies. As of 31 December 2018, Shearwater had 550 employees, of which 287 were working offshore. Employees working onshore are located in Norway (at the head office in Bergen and a development department in Asker), the UK, the U.S., Malaysia and Singapore.

The seismic market continues to be challenging, but shows signs of improvement. The oil companies have seen increased activity towards the end of 2018 and the start of 2019, and the rates in the most recently signed contracts have increased in comparison to 2016 and 2017. The increasing activity in the market and the acquisition in November 2018 have led to a significant activity increase and order backlog for Shearwater. In 2019, Shearwater has won contracts with several important customers, including Shell, Equinor, Aker BP and TGS.

The main risk factor for Shearwater going forward is the oil price development. A significant fall in the oil price will probably result in a decline in offshore oil investments, thus leading to a weak seismic market.

As of 31 December 2018, the Group's book value of shipping/offshore assets was NOK 3,358 million (NOK 343 million) and consisted of the shares in Shearwater, recorded at the latest issue price.

In 2018, The Group recorded a profit before tax from its shipping/offshore operations of NOK 499 million (NOK 38 million).

## **Real estate and property development**

The real estate and property development business is mainly operated through RASMUSSENGRUPPEN AS' wholly-owned subsidiary AVANTOR AS, which has its registered office in Nydalen in Oslo, where the Avantor Group also conducts its operations.

As of 31 December 2018, the Avantor Group's property portfolio amounted to approximately 241,000 square metres of GFA with an annual rental value of NOK 412 million. The non-leased commercial space value was 2.9%, and the average remaining lease period was 5.7 years. The client portfolio is of high quality with lessees spread across several industries.

The Avantor Group's property development portfolio includes a regulated development potential of approximately 80,000 square metres GFA in Nydalen. Moreover, the Group has two development sites in Tønsberg and one in Kristiansand. The Masterplan Nydalen+, developed by Avantor, addresses topics included in Oslo Municipality's strategy for the city towards 2030; a safe, smart and green city. The plan shows a significant potential for further development in the area. The plan forms the basis for the Avantor Group's development activities in Nydalen.

The Avantor Group has constructed, owns and operates Nydalen Energi AS. The plant supplies heating and cooling to buildings totalling approximately 320,000 square metres south in Nydalen. Nydalen Energi uses geothermal wells with heat pump technology as well as pellets and gas for peak load, thus reducing the need for external energy supply to this part of Nydalen by approximately 65% and contributing to a significant reduction of the strain on the environment.

In initiated new regulation projects, a particular focus is put on sustainable urban development. For two of the projects, a cooperation agreement with FutureBuilt has been signed.

Avantor manages its own property portfolio in Nydalen. The company also manages public and private infrastructure in Nydalen on behalf of Nydalen Gårdeierforening.

Through determined and systematic work, Avantor has not only participated in creating a new city district, but also a brand. Nydalen has become an attractive area for business and residency, as well as a city centre for the district of Nordre Aker, which has approximately 50,000 inhabitants.

At the end of 2018, the Avantor Group had total assets of NOK 4,585 million (NOK 4,803 million). The book value of equity amounted to NOK 2,166 million (NOK 2,643 million) following the allocation of a dividend of NOK 1,200 million in 2018 paid in 2019 to RASMUSSENGRUPPEN AS. Total interest-bearing debt amounted to NOK 891 million (NOK 1,796 million). As of 31 December 2018, the Avantor Group had available liquidity of NOK 1,389 million through a credit agreement and an unused credit facility as well as significant values in non-pledged properties. The capital situation makes the Avantor Group well prepared for further development in Nydalen and in new areas.

In 2018, the Rasmussen Group recorded a profit before tax from its real estate and property business of NOK 773 million (NOK 201 million). The Rasmussen Group's total book value of real estate and properties totalled NOK 4,882 million (NOK 5,091 million) including developments in progress for sale.

Nydalen Upper Secondary School was sold and delivered to the buyer in 2017, but with accounting effect in 2018.

The real estate business is exposed to market risk, rental risk, project risk, financial risk, regulatory risk and accident risk, and procedures for handling these risks have been established. Details on the risks related to construction activities in connection with real estate and property business, such as demolition and excavation work, handling of possibly contaminated masses and major terrain work, are given in the AVANTOR AS' annual report. Most of the Avantor Group's debt is interest rate hedged.

## **Cash at bank**

The Rasmussen Group's total cash at bank was NOK 1,295 million as of 31 December 2018 (NOK 2,972 million). The cash at bank gives the Group considerable leverage to make new investments.

## **RISKS**

Commercial activities involve a trade-off between expected return and risk. It is therefore not an aim for the Group to minimize its overall risk. However, the Group sees the importance of conscious risk management and has established procedures for handling the types of risks to which it is exposed in order to ensure that the Group's overall risk is proportionate to the Group's risk-bearing capacity. Of importance to the Group in this context is to ensure a diversified investment portfolio.

Currency exposure is not desired and the Group therefore usually hedges against exchange rate fluctuations. Securities acquired in currencies other than NOK will generally be hedged.

## **EMPLOYEES**

The Group had 51 employees, corresponding to 50 full-time employees. Of the Group's employees 14 are women and 37 are men. At the turn of the year, RASMUSSENGRUPPEN AS had 5 employees (male), corresponding to 5 full-time employees. The company buys certain administrative services from POLYSERVICES AS.

The wage differences that exist are based on responsibility, competence, thoroughness and effort. When recruiting for vacant positions, the Group is conscious of the fact that there are both male and female candidates qualified for jobs, and equal opportunities are given regardless of ethnic origin and religion.

## **HEALTH, SAFETY, SECURITY, ETC.**

In 2018, absence due to illness was insignificant in RASMUSSENGRUPPEN AS. Absence due to illness in the Group in 2018 was 1%. The working environment in the Group is considered to be good. The working environment is characterized by motivated employees with solid performances.

In general, the Rasmussen Group places great emphasis on meeting all public environmental requirements. RASMUSSENGRUPPEN AS' own operations do not affect the external environment.

No particular research and development activities have been initiated.

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The financial statements for RASMUSSENGRUPPEN AS and for the Rasmussen Group are prepared under the going-concern assumption – and the conditions for this assumption are met.

Kristiansand, 13 May 2019

SVEIN T. SØNNING  
(Chairman of the Board)

DAG RASMUSSEN  
(Member of the Board and CEO)

JULIE K.B. RASMUSSEN  
(Member of the Board)

PER OTTO RASMUSSEN DAHL  
(Member of the Board)

# RASMUSSENGRUPPEN AS

## Consolidated Statement of Income 2018

	Note	2018 NOK (IFRS)	2017 NOK (IFRS)
<i>OPERATING REVENUES AND OPERATING EXPENSES</i>			
Rental income, real estate .....		391,462,635	367,880,777
Gains on sale of real estate .....		603,378,000	43,729,000
Share dividends from short-term shareholdings .....		18,328,595	31,589,823
Other operating revenues .....		65,232,834	58,696,539
Profit from sale of securities .....		64,770,153	225,939,206
Share of profit from associated companies .....	1	3,038,500	4,830,000
Profit from shares in Dampskibsselskabet NORDEN A/S .....		0	79,897,949
Change in value of shares in Shearwater GeoServices Holding AS ..	1,2	498,988,265	+ 41,444,317
Change in value of other securities .....	2	+ 1,063,864,982	718,239,457
Payroll expenses, etc. ....	3	+ 82,172,360	+ 79,815,535
Other operating expenses .....	3	+ 101,111,298	+ 109,945,693
Ordinary depreciations .....	4	+ 114,434,023	+ 105,133,820
Impairment real estate .....	4	+ 25,178,000	0
OPERATING PROFIT .....		<u>258,438,319</u>	<u>1,194,463,386</u>
<i>FINANCIAL INCOME AND FINANCIAL EXPENSES</i>			
Interest income .....		70,116,801	53,146,877
Currency exchange gains/losses .....		33,642,414	+ 24,272,353
Interest expenses and other financial expenses .....		+ 17,808,847	+ 34,092,431
NET FINANCIAL INCOME/EXPENSES .....		<u>85,950,368</u>	<u>+ 5,217,907</u>
PROFIT BEFORE TAX .....	5	344,388,687	1,189,245,479
<i>TAX ON PROFIT</i>			
Tax on profit .....	6	+ 28,214,319	+ 79,147,276
PROFIT BEFORE OTHER COMPREHENSIVE ITEMS .....		316,174,368	1,110,098,204
Net other comprehensive items .....		0	0
TOTAL PROFIT FOR THE YEAR .....		<u>316,174,368</u>	<u>1,110,098,204</u>
Allocated:			
Shareholders in RASMUSSENGRUPPEN AS .....	7	<u>316,174,368</u>	<u>1,110,098,204</u>

# RASMUSSENGRUPPEN AS

## Consolidated Balance Sheet as of 31 December 2018

	Note	2018 NOK (IFRS)	2017 NOK (IFRS)
<b>ASSETS</b>			
<i>Fixed assets</i>			
<i>Tangible fixed assets</i>			
Investment properties (incl. land), developments in progress, etc. ....	4	4,406,570,000	4,490,597,500
Other real estates (incl. land) .....	4	51,472,539	52,626,421
Other assets .....	4	14,444,357	14,906,533
		4,472,486,896	4,558,130,454
<i>Financial assets</i>			
Shares in associated companies .....	1	15,261,790	14,723,292
Other long-term receivables .....		5,780,200	5,765,200
		21,041,990	20,488,492
<i>Total fixed assets</i> .....		4,493,528,886	4,578,618,946
<i>Current assets</i>			
<i>Investments</i>			
Investment property/developments in progress for sale .....	4	423,977,000	547,961,000
Shares in Shearwater GeoServices Holding AS .....	1,2	3,357,875,188	342,953,438
Other short-term shareholdings, etc. ....	2	4,550,242,018	6,409,801,914
Lending .....	2	634,293,588	601,522,344
		8,966,387,794	7,902,238,696
Short-term receivables .....		47,974,939	65,447,380
Cash at bank .....	9	1,294,524,488	2,972,266,787
<i>Total current assets</i> .....		10,308,887,221	10,939,952,863
<b>TOTAL ASSETS</b> .....		14,802,416,107	15,518,571,809
 <b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
<i>Paid-up equity:</i>			
Share capital (95,155,200 shares of NOK 11.50 nominal value) .....		1,094,284,800	1,094,284,800
Share premium .....		98,485,632	98,485,632
<i>Retained earnings:</i>			
Other equity .....		12,027,937,796	11,854,496,228
<i>Total equity</i> .....	7	13,220,708,228	13,047,266,660
<i>Provisions for liabilities</i>			
Deferred tax .....	6	181,925,822	253,414,854
<i>Long-term liabilities</i>			
Debt to financial institutions .....	8	800,000,000	1,580,000,000
<i>Short-term liabilities</i>			
Debt to financial institutions .....	8	90,523,000	216,048,000
Accounts payable .....		83,053,568	88,032,303
Tax payable for the fiscal year .....	6	89,885,351	70,555,181
Unpaid government charges and special taxes .....		12,225,675	15,771,902
Provisions for dividend payout to shareholders .....		142,732,800	133,217,280
Other short-term liabilities .....		181,361,662	114,265,628
<i>Total short-term liabilities</i> .....		599,782,056	637,890,294
<b>TOTAL EQUITY AND LIABILITIES</b> .....	9	14,802,416,107	15,518,571,809

The notes are included as part of the financial statements.

Kristiansand, 13 May 2019

SVEIN T. SØNNING  
(Chairman of the Board)

DAG RASMUSSEN)  
(Member of the  
Board and CEO)

JULIE K. B. RASMUSSEN  
(Member of the Board)

PER OTTO RASMUSSEN DAHL  
(Member of the Board)

## Notes to the 2018 Consolidated Financial Statements of RASMUSSENGRUPPEN AS:

### Accounting principles

Simplified IFRS accounting rules have been applied in accordance with section 3-9 of the Norwegian Accounting Act so that the IFRS principles for recognition and measurement as stipulated by the EU are implemented. The annual report is otherwise prepared in accordance with the Norwegian Accounting Act. The accounting information is in accordance with the Norwegian Accounting Act chapters 6 and 7.

#### Main principles for classification and valuation of balance sheet items

Assets, including financial assets, for permanent ownership or use are classified as fixed assets including receivables due in more than one year. Receivables to be paid within a year and other assets are classified as current assets. Debt due within one year is classified as short-term liabilities. Other liabilities are classified as long-term liabilities.

Tangible assets are valued at acquisition cost plus any capitalized investment/premium and capitalized construction loan interest net of accumulated depreciation.

#### Investment properties

Investment properties, including investment properties under construction, are assets that are held either to obtain rental income and/or appreciation, and that are not mainly used by the Group companies. Investment properties are accounted for using the acquisition cost model (see above).

#### Revenue recognition

Rental income is recognized in parallel with the rental period, and sales of services are recognized when the service is provided.

#### Provisions

The Group recognizes provisions when there is a legal or self-imposed obligation as a result of past events when it is probable that the liability will be settled, and when the size of the obligation can be estimated with sufficient reliability.

#### Currency

Income, expenses, investments and sales in foreign currencies are recorded at the current exchange rates.

Monetary assets and securities denominated in foreign currencies are translated at the exchange rate at the balance sheet date.

#### Investment portfolio

The Group considers itself to be a venture capital organization and values its investment portfolio at fair value.

#### Principles of consolidation

Accounting items of subsidiaries are fully consolidated. Shares in associated companies not included in the investment portfolio are valued using the equity method.

The cost price of shares in subsidiaries are eliminated using the acquisition method - and overprice/underprice relative to book value is allocated to the assets where the overprice/underprice is identified. Net value added is depreciated over their estimated useful life.

Inter-company transactions, receivables and debt are eliminated.

#### Receivables

Receivables are recorded at nominal value less any expected losses.

#### Dividends

Proposed dividends to shareholders are classified as liabilities as of 31 December.

#### Taxes

Taxes are expensed as they incur.

Tax on profit comprises tax payable and changes in deferred tax. Deferred tax is calculated on the basis of the differences that exist between accounting values and tax values.

### Note 1. Shares in associated companies not included in the investment portfolio

	<u>Ownership</u>	<u>Acquisition cost</u>	<u>Share of profits 2018</u>	<u>Book value</u>
Arctic Asset Management AS *) .....	50 %	NOK 24,829,292	NOK 3,038,500	NOK 15,261,792

\*) parent company of Arctic Fund Management AS

The shares in Shearwater GeoServices Holding AS were not included in the investment portfolio in the 2017 consolidated financial statements. Due to this reclassification, the 2017 consolidated balance sheet has been revised.

**Note 2. Securities****Shares in Shearwater GeoServices Holding AS**

RASMUSSENGRUPPEN AS holds a 63.9% ownership in Shearwater GeoServices Holding AS. A shareholder agreement exists between the three main shareholders, and consequently, RASMUSSENGRUPPEN AS has a non-controlling interest in Shearwater. The shares are recognized in the statement of financial position using the latest transaction price. The acquisition cost of the shares amounts to NOK 2,900,331,238.

**Other short-term shareholdings, etc.**

Of the individual companies in which RASMUSSENGRUPPEN AS and subsidiaries have short-term shareholdings, the following hold a market value of more than NOK 100,000,000 as of 31 December 2018.

	<u>Number of shares</u>		<u>Book value (market value)</u>
<b>Norwegian listed shares</b>			
B2Holding ASA .....	46,406,586	NOK	570,801,008
<b>Norwegian shares listed on the NOTC list</b>			
ICE Group ASA .....	12,729,681	NOK	636,484,050
Net1 International Holdings AS .....	36,763,904	NOK	183,819,520
Vaccibody AS .....	3,295,000	NOK	131,800,000
<b>Norwegian unlisted shares</b>			
Kolonial.no AS (incl. value of conversion rights) .....	49,549	NOK	406,292,568
Nordic Aquafarms AS .....	8,802,754	NOK	264,062,620

The book value of the securities listed on the NOTC list is calculated on the basis of the Norwegian Securities Dealers Association's market price as of 31 December 2018.

Unlisted shares are carried at their fair value where this is estimated using recent transaction or issue price, otherwise at acquisition cost.

The Rasmussen Group holds a 10.1% ownership in ICE Group ASA, 23.8% in Net1 International Holdings AS, 11.3% in B2Holding ASA, 13.2% in TTS Group ASA, 20.1% in Kolonial.no AS, 21.6% in Tienda Group AS, 34.8% in Nordic Aquafarms AS, 23.3% in N2 Applied AS, 17.4% in Sem & Johnsen Næring AS and 12.5% in Torvbygget AS. Other shareholdings in individual companies represent less than a 10% ownership.

RASMUSSENGRUPPEN AS has granted a loan to ICE Group ASA of SEK 340,000,000 with an annual interest rate of 7.9%. The interest has been added to the loan amount. The loan has no specific maturity, but the annual interest rate will be increased to 20% from November 2024. In connection with the demerger of ICE Group ASA, warrants have been transferred to Net1 International Holdings AS.

In addition, RASMUSSENGRUPPEN AS has granted a convertible loan of NOK 200,000,000 to Kolonial.no AS with an annual interest rate of 6.0%. The interest has been added to the loan amount. The estimated value of conversion rights have been recognized as income.

RASMUSSENGRUPPEN AS also has assets invested in equity funds registered in the Cayman Islands, with a market price as of 31 December 2018 of NOK 1,862,524,234.

**Note 3. Payroll expenses and other operating expenses**

	<u>2018</u>		<u>2017</u>	
Salaries *) and Board Members' remuneration .....	NOK	55,867,540	NOK	48,000,193
Bonus for the period 2015-2018 to CEO .....	"	9,000,000	"	0
Reversed/accrued bonuses for officers of RASMUSSENGRUPPEN AS and POLYSERVICES AS .....	+	1,264,093	"	12,042,585
Employer's contribution (incl. for Board Members' remuneration) .....	"	11,853,254	"	11,926,934
Pension costs .....	"	3,495,424	"	4,307,570
Temporary personnel .....	"	168,600	"	207,600
Other expenses .....	"	3,051,635	"	3,330,653
	NOK	<u>82,172,360</u>	NOK	<u>79,815,535</u>

\*) incl. bonuses apart from bonuses to officers in  
RASMUSSENGRUPPEN AS and POLYSERVICES AS

Auditor's remuneration carried to expense in the Group (incl. subsidiaries) for 2018 amounts to: ..... NOK 1,228,241

In addition, the auditor is paid on an invoice basis for various consultancy services.

Board Members' remuneration for the companies in the Group totalled NOK 1,692,000.



**Note 4. Investment properties, other real estate (incl. land), buildings under construction, etc.***Acquisition cost - Book value*

Acquisition cost as of 1 January 2018 .....	NOK	5,939,001,146
Acquisitions .....	"	210,479,584
Disposals (related to acquisition cost) .....	÷ "	279,360,127
Acquisition cost as of 31 December 2018 .....	NOK	5,870,120,603
Accumulated depreciations/impairments .....	÷ "	988,101,064
Carrying value as of 31 December 2018 .....	NOK	4,882,019,539
of which reclassified as investment properties/developments in progress for sale .....	NOK	423,977,000
This year's ordinary depreciations of real estate .....	NOK	113,646,373
This year's impairments of real estate .....	NOK	25,178,000
This year's ordinary depreciations of other assets .....	NOK	787,650

Ordinary depreciations are calculated linearly over the asset's economic life. Buildings are depreciated by between 1 and 2% of the acquisition cost. Technical installations acquired from 2009 and onwards are depreciated by 6.7%. Other assets are depreciated by between 20 and 30%. Land is not depreciated.

Estimated total value in excess of book value as of 31 December 2018 after deduction of deferred tax of 10% is estimated to be approximately NOK 1.5 billion, while the corresponding value as of 31 December 2017 was estimated to be approximately NOK 2.0 billion. The decrease in value is partly due to realized gains on sales in 2018. The valuation has been conducted by the company itself and is based on discounted future cash flows for all properties. In this connection, the basis is real rental income and realistic estimates for non-leased premises, taken into account the fact that the premises might stay vacant for a period of time. Furthermore, budgeted ownership costs have been deducted for each property. The yields reflect the market yield so that the valuation consequently is based on the discounting of the rental income for one year. The yield is determined for each property where lessee, rental period, location and standard of the property are taken into consideration. The yields applied vary between 5 and 8% and the average yield in the calculation is approximately 7%. A change in yield of 1/2 percentage point results in a change in added value of approximately NOK 400 million.

**Note 5. Distribution of profit before tax between business segments**

Profit before tax is distributed between the business segments as follows:

	2018		2017	
Financial investments .....	÷ NOK	927,442,087	NOK	950,126,583
Real estate and property development .....	"	772,842,509	"	200,665,264
Shipping/offshore .....	"	498,988,265	÷ "	38,453,632
	NOK	344,388,687	NOK	1,189,245,479

**Note 6. Tax on profit - deferred tax**

*Regarding deferred tax for RASMUSSENGRUPPEN AS and subsidiaries:*

	2018		2017	
Basis for calculation .....	NOK	826,935,554	NOK	1,101,803,713
22% (23%) calculated deferred tax .....	NOK	181,925,822	NOK	253,414,854

*Tax on profit is calculated as follows:*

Tax payable for the fiscal year .....	NOK	89,885,351	NOK	70,555,181
Withholding tax on foreign shares within the exemption method .....	"	0	"	78,254
Changes in deferred tax .....	÷ "	71,489,032	"	8,513,841
Changes in deferred tax regarding sales in the subsidiary AVANTOR AS .....	"	9,818,000	"	0
Tax on profit .....	NOK	28,214,319	NOK	79,147,276

**Note 7. Equity**

Equity as of 1 January 2018 .....	NOK	13,047,266,660
Profit for the year attributable to shareholders of RASMUSSENGRUPPEN AS .....	"	316,174,368
Provision for payment of dividends to shareholders .....	÷ "	142,732,800
Equity as of 31 December 2018 .....	NOK	13,220,708,228

**Note 8. Debt to financial institutions as of 31 December 2018**

	<u>2018</u>		<u>2017</u>	
Avantor Group .....	NOK	890,523,000	NOK	1,796,048,000
<i>Book value of pledged assets:</i>				
Avantor Group .....	NOK	2,385,000,000	NOK	2,231,000,000

At the turn of the year, AVANTOR AS had 3 bank loan facilities, an unused credit facility of NOK 980 million, a credit agreement linked to a cash-pool account of NOK 500 million and a bullet loan of NOK 800 million. Withdrawals on the credit agreement linked to the cash-pool account, NOK 90.5 million, are classified as short-term liabilities, while other loans are classified as long-term liabilities.

**Note 9.** RASMUSSENGRUPPEN AS has provided a counter guarantee in favour of GC Rieber Shipping ASA related to guarantees in favour of Shearwater GeoServices Holding AS' creditors for a total of 63.9% of USD 109,250,000.

Additionally, RASMUSSENGRUPPEN AS has provided a cash deposit of USD 7,500,000 as collateral until 30 June 2019, related to the instalment payment from Shearwater GeoServices Holding AS.

AVANTOR AS has guarantee liabilities to certain of its subsidiaries and charges on some of the properties of subsidiaries in AVANTOR AS and on shares in certain subsidiaries of AVANTOR AS.

**2018 Consolidated Cash-flow Statement for RASMUSSENGRUPPEN AS:**

	2018 NOK	2017 NOK
<i>CASH FLOWS FROM GROUP OPERATING ACTIVITIES</i>		
Profit before tax .....	344,388,687	1,189,245,479
Gains on sales of real estate .....	+ 603,378,000	+ 43,729,000
Ordinary depreciations .....	114,434,023	105,133,820
Impairment of real estate .....	25,178,000	0
Interest received .....	37,330,557	22,951,428
Interest paid .....	+ 17,808,847	+ 34,092,431
Cash-flow adjustments regarding securities .....	564,876,717	+ 1,140,553,838
Cash-flow adjustments regarding associated companies .....	+ 3,038,500	+ 4,830,000
Taxes paid for the preceding year .....	+ 70,555,181	+ 77,312,238
Changes in accounts receivable and short-term liabilities .....	15,379,678	+ 60,505,516
<b>NET CASH FLOW FROM GROUP OPERATING ACTIVITIES .....</b>	<b><u>406,807,134</u></b>	<b><u>+ 43,692,296</u></b>
<i>CASH FLOWS FROM INVESTMENT ACTIVITIES</i>		
Investments (net) in associated companies .....	2,500,000	4,135,000
Sale of shares in Dampskibsselskabet NORDEN A/S .....	0	737,557,927
Sale of real estate (sales totals) .....	932,767,000	280,551,000
Net investments/sales in short-term shareholdings, etc. ....	+ 1,720,238,569	+ 1,135,873,151
Investments in real estate .....	+ 260,510,110	+ 485,445,000
Investments in other tangible fixed assets (net) .....	+ 325,474	+ 753,431
Investments in convertible loan .....	+ 0	+ 200,000,000
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES .....</b>	<b><u>+ 1,045,807,153</u></b>	<b><u>+ 799,827,655</u></b>
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>		
Dividend payments .....	+ 133,217,280	+ 129,411,072
Repayment/uptake debt to financial institutions .....	+ 905,525,000	2,715,000
<b>NET CASH FLOW FROM FINANCING ACTIVITIES .....</b>	<b><u>+ 1,038,742,280</u></b>	<b><u>+ 126,696,072</u></b>
Net change in cash and cash equivalents throughout the year .....	+ 1,677,742,299	+ 970,216,023
Cash at bank as of 1 January .....	<u>2,972,266,787</u>	<u>3,942,482,810</u>
<b>CASH AT BANK AS OF 31 DECEMBER .....</b>	<b><u>1,294,524,488</u></b>	<b><u>2,972,266,787</u></b>