

GRIEG FOUNDATION

# ANNUAL REPORT 2022

## Report for 2022 from

# THE BOARD OF TRUSTEES

Grieg Foundation receives its revenues from its 25% ownership in the Grieg Maturitas II AS.

Grieg Foundation was established on May 21, 2002. The main purpose of the Foundation is to support education for children and young people nationally and internationally. The foundation also supports music, culture, medical research, climate initiatives, and other charitable projects.

### Explanation of the annual accounts:

The recorded dividend from Grieg Maturitas II AS amounted to NOK 112,500,000 in 2022, which is an increase of NOK 26,250,000 compared to 2021. The total result of financial items was NOK 104,038,882, including a negative value adjustment on fund investments of NOK 9,990,472. The annual result

before distributions, was NOK 99,125,616, which is an increase of NOK 8,864,999 from 2021.

In 2022, it was decided to distribute a total of NOK 135,705,800. A total of 80 projects were supported in 2022, compared to 70 projects in 2021.

The Foundation's offices are located at C. Sundts gate 17 in Bergen. The Foundation is registered in the Foundation Register with the organization number 984 589 468. ViewLedger is the foundation's accountant. Grieg Foundation is audited by Bergen Revision AS.

**During 2022, the Foundation distributed NOK 135 705 800 mill. as follows:**

	<b>NOK</b>
Children and Youth	86 035 000
Music and Culture	31 720 800
Health and Research	9 490 000
Climate Action	8 460 000
<b>Total</b>	<b>135 705 800</b>

**Total distributions 2002-2022: NOK 870 962 600**

The Foundation does not operate any commercial activities, and all funds are distributed to socially beneficial projects in accordance with the Foundation's statutes. All projects are anchored in the Sustainability Goals. The Foundation has routines for reporting and monitoring the projects.

At the end of 2022, the Foundation had a total of NOK 182,060,100 in current assets, while short-term debt amounted to NOK 65,862,447. The booked equity totals NOK 1,515,297,068, which implies an equity ratio of 96%. The earned equity (buffer capital) amounted to NOK 158,454,588 at the end of 2022.

The board's assessment is that the annual accounts provide a fair representation of the foundation's assets and liabilities, financial position, and result.

#### **Development after the end of the year**

The Board is not aware of any events occurring after the accounting date that would affect the accounts in any significant manner.

#### **Future prospects**

Grieg Foundation's main income is the dividend from Grieg Maturitas II AS. The Grieg Group's companies have a strong financial position and recorded their highest-ever results in 2022. The same dividend level is expected in 2023 as in 2022.

The Foundation has liquidity and buffer capital which means that the Foundation can fulfill its obligations. The Foundation adjusts its distribution activity according to dividend yield and available funds. The Board has decided on an annual guiding distribution frame of NOK 100 million for the next three years. However, distributions will always be adjusted according to available

funds and annual dividends. The Foundation has low fixed costs and few employees. The return on financial investments is used for the purpose.

In 2022, the Board adopted a new strategy for impact investments as part of the Foundation's purpose attainment. Impact investments aim to create measurable social and environmental effects in addition to financial return. The impact investments have a higher risk profile and a longer time horizon, and are classified as financial fixed assets in the annual accounts.

#### **Management of financial risk**

The Grieg companies operate in a global market across various business areas and are exposed to different types and degrees of risk, from market operations and financial risk to compliance and regulatory frameworks. Risk management is a continuous process and an integral part of the Grieg Group's management model. The companies constantly focus on how they can identify and monitor risk areas in the group companies, as well as develop strategies to reduce such risk.

The Foundation's fund portfolio and impact investments are managed by Grieg Investor AS. The Board has adopted an investment strategy that forms the basis for capital management.

#### **Going Concern**

The Board confirms that the annual accounts have been prepared on a going concern basis, and that this assumption is valid.

### Administration and board

The Foundation had two employees in 2022, and three interns working on an hourly basis. Both employees are women. The Board consists of five members and one deputy member. On the Board, four out of six members are women. The Foundation has held 3 board meetings and one strategy seminar during the period. The Board has dealt with 30 cases.

### Work environment

The working environment is good. There has been no absence due to illness. The Foundation follows the Grieg Group's current policies on discrimination.

### External environment

The Foundation's operations do not pollute the external environment.

### Insurance for Board members and CEO

The Board members and the CEO have directors' and officers' liability insurance.

### The Transparency Act

The Foundation is considering whether it is subject to the Transparency Act and awaits the Consumer Authority's assessment related to this.

The Board of Grieg Foundation would like to thank all employees of the Grieg Group. It is their great efforts over the years that makes it possible for the Foundation to fulfill its purpose.

We wish to sincerely thank all employees of the Grieg Group. It is their hard work that enables the Foundation to continue to develop its charitable activities.

Bergen, 20 April 2023



Elna-Kathrine Grieg  
Chair



Cherin Vervik  
Varamedlem



Ingvild Hestad  
General Manager



Elisabeth Grieg  
Board Member



Gry Larsen  
Board Member



Per Grieg sr.  
Board Member



Nicolai H. Grieg  
Board Member

# REVENUE STATEMENT

All amounts in NOK

	Note	2022	2021
<b>Expenses</b>			
Employee benefits expenses	1	2 013 308	1 363 188
Depreciation and amortisation expenses	2	239 038	180 927
Other expenses	1,3,4	2 660 920	1 643 826
<b>Total expenses</b>		<b>4 913 266</b>	<b>3 187 941</b>
<b>Operating profit</b>			
		<b>-4 913 266</b>	<b>-3 187 941</b>
<b>Financial income and expenses</b>			
Other interest income		1 651 723	1 064 267
Other financial income	5	112 613 233	86 493 188
Change in value of market-based financial instruments	6	-9 990 472	5 946 356
Other financial expenses		235 601	55 253
<b>Net financial items</b>		<b>104 038 882</b>	<b>93 448 558</b>
<b>Net profit after tax</b>			
		<b>99 125 616</b>	<b>90 260 617</b>
<b>Net profit or loss</b>			
	<b>7</b>	<b>99 125 616</b>	<b>90 260 617</b>
<b>Attributable to</b>			
Distributions	7,8	135 705 800	47 859 800
Other equity		0	42 400 817
Transferred from other equity		36 580 184	0
<b>Total</b>		<b>99 125 616</b>	<b>90 260 617</b>

# BALANCE SHEET

All amounts in NOK

	Note	2022	2021
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Web	2	755 391	989 470
<b>Total intangible asset</b>		<b>755 391</b>	<b>989 470</b>
<b>Property, plant and equipment</b>			
Art Investments	2	32 327 446	25 585 848
Equipment, furniture, and fixtures	2	39 672	0
<b>Total property, plant and equipment</b>	<b>2</b>	<b>32 367 118</b>	<b>25 585 848</b>
<b>Non-current financial assets</b>			
Investments in shares	5,8	1 356 198 346	1 355 598 500
Bonds and other receivables	5,8	9 778 561	0
<b>Total non-current financial assets</b>		<b>1 365 976 906</b>	<b>1 355 598 500</b>
<b>Total non-current assets</b>		<b>1 399 099 415</b>	<b>1 382 173 818</b>
<b>Current Assets</b>			
Other short-term receivables		30 461	0
<b>Total investments</b>		<b>30 461</b>	<b>0</b>
<b>Investments</b>			
Market-based financial investment	6	95 461 742	104 956 201
<b>Total investments</b>		<b>95 461 742</b>	<b>104 956 201</b>
Cash and cash equivalents		86 567 897	69 768 731
<b>Total current assets</b>		<b>182 060 100</b>	<b>174 724 932</b>
<b>Total assets</b>		<b>1 581 159 515</b>	<b>1 556 898 750</b>

# BALANCE SHEET CONT.

All amounts in NOK

Equity and liabilities	Note	2022	2021
<b>Equity</b>			
<b>Paid-in capital</b>			
Base capital	7	1 243 980	1 243 980
Other paid-in equity		1 355 598 500	0
<b>Total paid-up equity</b>		<b>1 356 842 480</b>	<b>1 243 980</b>
<b>Retained earnings</b>			
Other equity	7	158 454 588	1 550 633 272
<b>Total retained earnings</b>		<b>158 454 588</b>	<b>1 550 633 272</b>
<b>Total equity</b>	<b>7</b>	<b>1 515 297 068</b>	<b>1 551 877 252</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		994 643	79 690
Public duties payable		162 570	87 827
Approved, unpaid distributions	8	64 522 500	4 680 000
Other current liabilities		182 734	173 980
<b>Total current liabilities</b>		<b>65 862 447</b>	<b>5 021 497</b>
<b>Total liabilities</b>		<b>65 862 447</b>	<b>5 021 497</b>
<b>Total equity and liabilities</b>		<b>1 581 159 515</b>	<b>1 556 898 750</b>

Bergen, 20 April 2023  
The Board of Grieg Foundation

  
Elna-Kathrine Grieg  
Chair

  
Elisabeth Grieg  
Board Member

  
Per Grieg sr.  
Board Member

  
Cherin Vervik  
Varamedlem

  
Gry Larsen  
Board Member

  
Nicolai H. Grieg  
Board Member

  
Ingvild Hestad  
General Manager

# CASH FLOW STATEMENT

All amounts in NOK

Equity and liabilities	Note	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit		99 125 616
Ordinary depreciation		239 038
Distributions		-75 863 300
Change in accounts payable		914 953
Items classified as investment or financing activities		-103 005 542
Change in other accrual items		53 036
<b>Net cash flows from operating activities</b>		<b>-78 536 199</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Payments for art		-6 741 599
Payments for other fixed assets		-44 631
Payments for purpose investments		-10 378 406
Received dividend from Grieg Maturitas II AS		112 500 000
<b>Net cash flows from investment activities</b>		<b>95 335 364</b>
Net change in cash and cash equivalents		16 799 165
Cash and cash equivalents at the start of the period		69 768 731
<b>Cash and cash equivalents at the end of the period</b>		<b>86 567 897</b>



### **Accounting principles**

The annual accounts have been prepared in accordance with the provisions of the Norwegian Accounting Act and generally accepted accounting principles. In previous years, the financial statements have been prepared in accordance with generally accepted accounting principles for small companies. From and including 2022, the threshold values for being considered a small company have been exceeded, and therefore the general rules of the Accounting Act must be applied when preparing the annual financial statements. This change does not constitute any change in principles in the annual accounts.

In accordance with NRS (Norwegian Accounting Standard) number 8, "Good accounting practice for small enterprises", no comparable figures for the cash flow statement have been prepared for the transition year 2022.

### **REVENUE**

Revenues consist of return on capital shares and market-based financial investments. This is registered as financial income in the annual account.

### **TAX**

Grieg Foundation is a foundation without earnings as the purpose and is thus exempt from income and wealth tax according to the Norwegian Tax Act § 2-32.

### **CLASSIFICATION AND VALUATION OF FIXED ASSETS**

Fixed assets include assets for permanent ownership and use. Fixed assets are entered in the balance sheet at acquisition cost, less accumulated depreciation. Intangible assets are depreciated over their economic life span.

### **CLASSIFICATION OF CURRENT ASSETS AND CURRENT LIABILITIES**

Current assets and short-term liabilities consist normally of items that fall due for payment within one year after the balance sheet date, as well as items related to the product cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

### **LONG-TERM INVESTMENTS**

Long-term investments are valued at acquisition cost unless a write-down has been necessary. Writedowns have been made to fair value when the decline in value is not considered to be temporary. Writedowns are reversed when the basis for write-down is no longer present. Dividends are recognized as financial income in the year of payment.

### **INVESTMENTS IN MARKET-BASED FINANCIAL INSTRUMENTS**

For short-term investments in market-based financial instruments, the market value principle is used. The value in the balance sheet corresponds to the market value of the investments as of 31 December. Dividends received and realized/unrealized gains or losses are recognized in the income statement as financial items.

**RECEIVABLES**

Receivables from customers and other receivables are valued at par value after deducting a provision for expected losses. The provision for losses is made based on an individual assessment of the respective receivables. In addition, for the remaining accounts receivable, an unspecified provision is made to cover expected losses.

**PENSIONS – CONTRIBUTION PLAN**

The cost of a contribution pension plan corresponds to the premium to the insurance company for the period.

**DISTRIBUTIONS**

Distributions of funds are recorded in the year in which the board has decided on the distribution, given that it is preponderance of probability that the conditions will be met, and that payment will take place. Unpaid distributions are recorded as short-term liabilities in the accounts

**CASH FLOW STATEMENT**

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1 Wage cost

All amounts in NOK

<b>Wage COST</b>	<b>2022</b>	<b>2021</b>
Salaries	1 553 148	1 084 357
Employer's tax	242 210	167 910
Pension costs	147 183	91 162
Other benefits	70 767	19 760
<b>Total</b>	<b>2 013 308</b>	<b>1 363 188</b>

The foundation has in 2022 employed 1,5 FTE (full-time equivalent).

### PENSION LIABILITIES

The company is obliged to maintain a mandatory occupational pension scheme under the Mandatory

### REMUNERATION TO MANAGEMENT

	<b>Managing director</b>
Salary	1 123 380
Pension	106 450
Other benefits	3 516
<b>Total</b>	<b>1 233 346</b>

Management do not have any bonus agreement or performance-based remuneration. No board fees have been paid in 2022.

## NOTE 2 Fixed assets

All amounts in NOK

	Eqipm. fixtures & fittings	Website and application portal	Art	Total
Acquisitions cost 01.01.22	-	1 170 397	25 585 848	26 756 245
+ Additions	44 631	-	6 741 599	6 786 230
<b>= Total acquisition cost 31.12.22</b>	<b>44 631</b>	<b>1 170 397</b>	<b>32 327 446</b>	<b>33 542 474</b>
Accumulated depreciation 31.12.22	4 959	415 006	-	419 965
<b>= Total book value 31.12.22</b>	<b>39 672</b>	<b>755 391</b>	<b>32 327 446</b>	<b>33 122 509</b>
Depreciation for the year	4 959	234 079	-	239 038
Economic life	3 years	5 years	No depreciation	
Depreciation plan	Linear	Linear	No depreciation	

## NOTE 3 Other operating costs

The increase in other operating expenses is primarily due to the restoration of art and legal expenses related to revision of the articles of association.

## NOTE 4 Transactions with related parties

All amounts in NOK

Expenses	2022
Premises	108 692
Office supplies, IT, licenses etc.	367 547
Legal services	275 625
Asset management	224 096
<b>Total</b>	<b>975 960</b>

Transactions with related parties include the purchase of services from companies in the Grieg Group. All transactions are carried out on market terms. The amounts are stated including VAT.

## NOTE 5 Long-term investments

All amounts in NOK

	<b>Ownership</b>	<b>Voting rights</b>	<b>Acquisition value</b>	<b>Book value</b>
Grieg Maturitas II AS	25,0%	0%	1 355 598 500	1 355 598 500
<b>Total</b>			<b>1 355 598 500</b>	<b>1 355 598 500</b>
<b>Purpose investments</b>			<b>10 378 406</b>	<b>10 378 406</b>
<b>Total long-term investments</b>			<b>1 365 976 906</b>	<b>1 365 976 906</b>

In 2022, the Grieg Foundation has received NOK 112 500 000 in dividends from Grieg Maturitas II AS. The shares in Grieg Maturitas II AS are B shares without voting rights.

The investment period is 4-5 years. A total of NOK 2 million USD has been committed to future purpose investments.

## NOTE 6 Market-based financial instruments

All amounts in NOK

	<b>Acquisition cost</b>	<b>Market value</b>	<b>Book value</b>	<b>Change in value</b>
Equity fund	38 816 939	40 179 707	40 179 707	-7 033 680
Bonds	38 781 620	35 657 260	35 657 260	-2 894 031
Money market fund	19 669 877	19 624 775	19 624 775	-62 762
<b>Total</b>	<b>97 268 436</b>	<b>95 461 742</b>	<b>95 461 742</b>	<b>-9 990 472</b>

The accumulated change in value as of 31.12.2022 is NOK -1 806 694..

Market-based financial instruments are valued at fair value. Fair value is determined according to the value that is observable in the market on the balance sheet date.

## NOTE 7 Equity Capital

All amounts in NOK

	Base Capital	Other paid-in equity capital	Other equity capital	Total equity capital
Equity at 31.12.2021	1 243 980	-	1 550 633 272	1 551 877 252
Reclassification	-	1 355 598 500	- 1 355 598 500	-
Result for the year	-	-	99 125 616	99 125 616
Distributions 2022	-	-	-135 705 800	-135 705 800
<b>Equity at 31.12.2022</b>	<b>1 243 980</b>	<b>1 355 598 500</b>	<b>158 454 588</b>	<b>1 515 297 068</b>

Reclassification relates to previous year's deposit in kind from shares in Grieg Maturitas II AS.

## NOTE 8 Distributions

All amounts in NOK

	Distributions not paid at 01.01.22	Approved distributions in 2022	Payments in 2022	Distributions not paid at 31.12.22
Children and Youth	3 300 000	86 035 000	44 635 000	44 700 000
Music and Culture	1 380 000	31 720 800	18 570 800	14 530 000
Health and Research	-	9 490 000	6 440 000	3 050 000
Climate Action	-	8 460 000	6 217 500	2 242 500
<b>Total</b>	<b>4 680 000</b>	<b>135 705 800</b>	<b>75 863 300</b>	<b>64 522 500</b>

In 2022, the board adopted a new strategy for purpose investments as part of the foundation's achievement of its objectives. Purpose investments are intended to create measurable social and environmental effects in addition to financial yield. Purpose investments are accounted for as financial fixed assets in the accounts (cf. note 5) and are not included in the table above.

# INDEPENDENT AUDITOR'S REPORT

BERGEN REVISJON

Bergen Revisjon AS  
Strandgaten 9  
5013 Bergen  
Org.nr: NO 994 724 010 MVA

To the Board of Trustees of Grieg Foundation

## Independent auditor's report

### Statement on the annual accounts

#### Opinion

We have audited the financial statements of Grieg Foundation showing a profit before distributions of NOK 99 125 616. The financial statements comprise the balance sheet as at December 31, 2022, the statement of income and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Foundation as at December 31, 2022 and of 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 Foundation as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' Code of International 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 Trustees and the Managing Director (management) are responsible for the information in the Board of Trustees' report and the other information presented with the financial statements. The other information comprises the Foundation's annual report for the year 2022. Our opinion on the financial statements does not cover the information in the Board of Trustees' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Trustees' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Trustees' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or the information in the Board of Trustees' report and for the other information presented with the financial statements otherwise

appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, in our opinion the Board of Trustees' report

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

### **Responsibilities of the management for the Financial Statements**

Management are 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

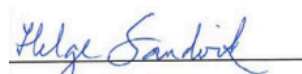
### **Statement on other legal requirements**

#### **Conclusion on distribution and management**

Based on our audit of the financial statements as described above, and control actions we have found necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance engagements other than audits or reviews of historical financial information", it is our opinion that the Foundation is managed and distributions has been made in accordance with law, the Foundation's purpose and the articles of association in general.

Bergen, 02.05.2023

Bergen Revisjon AS



Helge Sandvik

State Authorised Public Accountant





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