

Board of Directors' Report 2022

The business

Stiftelsen NOVA Spektrum is a commercial foundation with roots dating back to 1920. The purpose of the foundation is to exist for the benefit of the business, cultural and organizational spheres of life, and its head office is located in Lillestrøm. Our mission is to facilitate good meeting places that contribute to increased trade, knowledge-sharing and inspiration.

The Group owns and operates NOVA Spektrum in Lillestrøm and Oslo Spektrum in Oslo, which are the country's largest and leading meeting places and arenas for holding trade fairs and exhibitions, congresses, concerts, sport and cultural arrangements, together with corporate and other events.

The activities of Oslo Spektrum mainly consist of renting out the arena to external organizers, while NOVA Spektrum has a significant element of its own events and events that are carried out in collaboration with various industry organizations.

NOVA Spektrum, Lillestrøm

In terms of events, normal activity was planned throughout 2022, but due to the pandemic all events were either postponed or cancelled in the first quarter. Activity returned to normal towards the end of March and, for the rest of the year, there has been good demand and interest for events. There were 29 events held during 2022 and attendance records were registered for several of them. Oslo Motorshow achieved an attendance record for the second consecutive year with 53,000 visitors.

NOVA Spektrum is focused on new development and strengthening of existing events. The company's development of its own digitalization tool for core business processes is mostly completed, though is under continuous development and improvement.

Oslo Spektrum, Oslo

Normal activity was also planned for 2022 at Oslo Spektrum, but like NOVA Spektrum the pandemic had a particularly hard impact in the first quarter when many events that should have been held were either moved or cancelled. However, 104 events were staged in 2022 with a total of 464,000 visitors. These events cover a broad spectrum from concerts, shows and sports to trade fairs, and corporate and other events.

The foundation has a vision to make Oslo an attractive destination for international congresses and thereby create even more activity at Oslo Spektrum and is working to gain regulation for a new cultural and congress centre in connection with the current arena. The new facilities will, among other things, house an auditorium that will accommodate over 3000 visitors, with associated meeting room capacity and restaurants. Central Oslo currently does not have facilities for large congresses, or a concert or cultural arena of this magnitude, which is perceived as a disadvantage especially in competition to attract international conferences. A new cultural and congress centre together with the current arena will help to create even greater positive growth impetus for the entire city, and not

least for the hotel and restaurant trades. In addition to a new cultural and congress centre, a high-rise office building is also planned with more than 1000 office workplaces. A cooperation with an external partner has been established in connection with further development of the office building. Realization of the project is dependent on political support and financing. The city council has endorsed the project, which is an important step forward, and it is seen as highly realistic that regulation can be finalized in 2023.

Since the pandemic, the Group has experienced a massive 'ketchup effect' where the events calendar has been tightly packed with large and small meeting places from April through the end of the year. Several events were moved one, two and three times during the period of the pandemic but finally took place in 2022. Our experience is that the need for physical meeting places, which give each individual participant a unique experience, remains relevant and more important than ever. Both industries and customers need physical meeting places and see the importance of meeting physically.

Financial results development

Total operating revenues in the Group ended at MNOK 545, compared with MNOK 245 in 2021.

The operating result before depreciation (EBITDA) for the Group shows a profit of MNOK 91, compared with a profit of MNOK 8 in 2021.

The Group's operating result after depreciation shows a profit for 2022 of MNOK 37, compared with a loss of MNOK 40 in 2021.

In the Group, net financial items show a cost of MNOK 8.1, versus a cost in 2021 of MNOK 5.3.

The ordinary result before tax for the Group shows a profit of MNOK 29, compared with a loss of MNOK 45 in 2021. The annual result after tax shows a profit of MNOK 21, compared with a loss in 2021 of MNOK 37.

There was positive cash flow from operating activities for the Group. The net cash reserve as of 31.12.2022 for the Group amounted to MNOK 164 (of which committed funds amount to MNOK 90), compared with MNOK 194 in 2021.

For the parent company, the operating result before tax shows a loss of MNOK 1.7, which is equivalent to the loss before tax in 2021. The loss after tax shows MNOK 2.5 compared with a loss after tax of MNOK 2.1 in 2021.

Disposition of the annual result

The Board proposes that the loss after tax in parent company NOVA Spektrum Foundation of MNOK 2.5 is covered through transfer from other equity. Total equity will subsequently amount to MNOK 784 for the parent company.

Group equity for NOVA Spektrum Foundation amounts to as of 31.12.2022 (NOK 1 000):

Capital base	4 000
Other equity	766 588
Total equity	770 588

Balance sheet

For Stiftelsen NOVA Spektrum Group, it is of great importance to have satisfactory solidity to drive innovation and further develop the business.

The Group's equity as of 31.12.2022 amounts to MNOK 771 which corresponds to an equity ratio of 56%. Equity has been affected by two demanding pandemic years, but the Board is of the opinion that the Group's equity is satisfactory.

The Group's liquidity was challenged throughout the pandemic but has returned to a more normal level and is considered satisfactory. The subsidiaries have a group account arrangement with an associated overdraft facility of MNOK 50 to ensure sufficient liquidity and optimisation of liquidity in the Group.

The Group's current liabilities consist of advances from customers for trade fairs and concerts to be held in 2023, together with accounts payable to suppliers and official fees/taxes.

Investments

Investments in property and fixed assets amounted in 2022 to a total of MNOK 163, including facilities under construction, changes to inventory and rental assets.

Information on financial risk

The Group's customer base is broad and diverse, and it is the Board's opinion that there is limited market and loss risk, but the Board is also aware of the demanding market being experienced by many businesses. The Group has low exposure to foreign currency receivables and liabilities, and the Board perceives the foreign currency risk as minimal.

The Group has a low debt ratio and the Board considers the financial market risk is also low based on an overall assessment of assets, liabilities, financial position and results. The strategy is that the Group shall not be significantly exposed to financial risk, and that items that may be affected shall not be of a magnitude that exchange rate/interest rate changes and the like can have a significant impact.

Going concern assumptions

The annual accounts have been prepared on the assumption of a going concern and, in the Board's opinion, give a true and fair picture of the Group's assets and liabilities, financial position and results. The Board is of the opinion that no circumstances have arisen after the end of the financial year that are of significance for the assessment of the parent company's accounts or the Group as of 31.12.2022. The annual accounts are presented based on the underlying assumption of a going concern.

The Board, organization and working environment

Due to the pandemic and the need for continuity, it was decided in 2021 that the chairman Jan Halstensen will continue until the election in 2023. Director Ole Anders Engebretsen left the Board in 2022 and was replaced by Egil Olsvik. None of the remaining Board members were up for election in 2022.

The working environment in the Group is considered good with motivated employees who perform well. Openness, cooperation and trust are important factors for the environment and we are working actively on measures to maintain a good and inclusive working environment. Short-term

absenteeism was at 2.8% in 2022 and total absenteeism was at 13.7%. Active efforts are being made to reduce absences due to sickness. No accidents were registered in the Group in 2022.

The Group strives for a balanced distribution between the genders. The Group has a total of 156 permanent employees including 10 on long-term contracts, of whom 60 (38%) are women and 96 (62%) are men. The Board consists of three women and five men. There are three women and five men in the management team. The organization works actively, purposefully and systematically for equality and, when recruiting both internally and externally, personal qualifications are prioritized over gender. Women and men are given equal opportunities, and there are no significant differences in the pay of female and male employees in comparable positions.

The Group works to promote the objectives of the Anti-Discrimination Act within its business. The activities include recruitment, pay and working conditions, promotion, development opportunities and measures to avoid harassment. Reference is made to reporting of activity and declaration obligation on our website.

The Group works actively to safeguard fundamental human rights and decent working conditions, and refers to the Group's statement on due diligence in accordance with the requirements and provisions of the Transparency Act. The statement will be made available on the Group's website, novaspektrum.no, by 30 June in connection with the annual report.

Liability insurance has been taken out for the Board's members and managing director covering their possible liability towards the enterprise, its subsidiaries and third parties.

Environmental and social responsibility

It is a goal to use the Group's collective knowledge and resources to contribute to sustainable development economically, socially and environmentally, and act responsibly in line with its own and internationally recognized principles for social responsibility and sustainability.

NOVA Spektrum has been certified Eco-Lighthouse since 2012. This is Norway's most widely used certification for businesses to document their environmental efforts and show social responsibility. As a certified company, it is required that measures are continuously implemented for a more environment-friendly operation and a good working environment.

Business activities affect the external environment through operation and implementation of events at NOVA Spektrum and Oslo Spektrum. The Group works actively to mitigate the impact as much as possible, among other things through energy-efficient operations and responsible waste management.

Outlook going forward

NOVA Spektrum and Oslo Spektrum are among the country's largest and leading arenas and the Group experiences good demand and interest for events at both arenas despite more challenging

times in the market. The year 2023 has a tight events calendar and will be an active year for events from an overall perspective.

The organization has a high focus on investment in innovation through development of new concepts and strengthening of existing events. Innovation and further development represent a long-term and demanding work with the overall goal to maintain the Group's position as a leading player in the provision and arrangement of meeting places that contribute to increased trade, knowledge-sharing and inspiration.

Despite the fact the Group has been hit by two challenging years through the pandemic, the Group is solid and the Board sees great development opportunities at both arenas going forward.

In the longer term, the Board's ambition is that further development of the arenas will contribute to positive growth, not only for the Group but also for business and society in general in and around both arenas. Against this background, the Board takes a positive view of the Group's future opportunities over the coming years.

The Board would like to thank employees and management for very good work and a very constructive cooperation in 2022.

Lillestrom, 30 March 2023
Board of Stiftelsen NOVA Spektrum

Jan Halstensen
Chairman
(electronic sign)

Paul Harv
Deputy chairman
(electronic sign)

Nina Solli
Board member
(electronic sign)

Egil Magne Olsvik
Board member
(electronic sign)

Hilde Merethe Kristoffersen
Board member
(electronic sign)

Liv Kari Skudal Hansteen
Board member
(electronic sign)

Robert Funkqvist
Employee representative
(electronic sign)

Svein Solberg
Employee representative
(electronic sign)

Gunn Helen Hagen
Managing director
(electronic sign)