Pareto

Pareto Annual Report 2025

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Investments in shares, funds and other financial instruments and projects and individual assets will always involve a certain degree of uncertainty about future returns. Neither target returns nor historical returns provide a reliable indicator of future returns. Returns on investments depend on general developments in the market for securities, physical assets and foreign currencies, the risk profile of the investment, the associated expenses (including the costs of subscription, management and redemption) and the skilfulness of the fund manager/management, as well as on any changes in the applicable tax regulations and other framework conditions. Returns may be negative as a consequence of capital losses, reductions in value and/or losses. Returns on shipping projects are stated in the currency of the project and returns in NOK will accordingly vary in line with fluctuations in the foreign exchange market.
All information on, and assessments of, external conditions in this report are based on our own best estimates and on sources that we regard as credible and reliable. Nevertheless, Pareto cannot guarantee that the information is correct.

THIS IS THE PARETO GROUP

Pareto is a leading, independent operator in the Nordic market for financial services. The company has offices in Oslo, Stavanger, Trondheim, Kristiansand, Stockholm, Helsinki, Copenhagen, London, Zürich, Frankfurt, Singapore, Perth, New York and Houston. Pareto was founded in late 1985 and has since grown into a corporate group offering a wide array of products.

BUSINESS SECTORS

Through its subsidiaries, Pareto offers a broad range of services: brokerage of equities, bonds and partnership interests, facilitation of equity and debt capital issues, and direct investments. The group also provides project financing, business management services, valuations, financial advisory services, asset management services, and insurance and real estate brokerage services. Pareto's ship brokerage business is involved in chartering and sale and purchase of dry bulk tonnage and drilling rigs, as well as providing technical management services to the maritime market. In certain areas of business, the group works closely with Pareto Bank, in which Pareto is the largest shareholder.

DIVERSITY AND A STRONG LOCAL PRESENCE

The broad scope of Pareto's product range has provided the foundations for the group to grow and prosper and has given our clients a balanced and diversified product portfolio. Pareto's long-standing engagement with local markets and companies has equipped us with experience and skills, enabling us to treat each client individually and to safeguard and promote our clients' interests in the best way possible.

Pareto prioritises organic growth and the development of in-house competence. Acquisitions, mergers and collaborations are continuously under consideration, with the aim of complementing and developing the company still further.

PARETO'S GOALS AND STRATEGIES

Pareto's goal is to be the preferred Nordic supplier of financial services, based on a thorough and detailed knowledge of social conditions, industries and individual companies. Our aim is to create sound financial solutions for business and industry and to secure high returns for our clients. Pareto's strategy is based on maintaining our focus, in-depth knowledge, experience and long-term client relationships.

We are committed to continuous development and improvement. We invest our knowledge and financial resources for the long haul. We demand responsibility, integrity and a high ethical standard of our employees. Pareto is an independent operator and our aim is to be innovative, creative and different.

The Pareto group - what we do

Securities brokerage / capital raising / project financing	Asset management	Ship / offshore brokerage	Banking / insurance / real estate brokerage
Pareto Securities	Pareto Asset Management	Pareto Shipbrokers	Eiendomsmegler Krogsveen
Pareto Business Management	Pareto Alternative Investments	Pareto Offshore	Pareto Forsikringsmegling
		Pareto Dry Cargo	Pareto Bank

THE PARETO GROUP IN 2025

ANOTHER SOLID YEAR FOR PARETO

Despite significant geopolitical, economic, and political uncertainty resulting in market turbulence, 2025 turned out to be a positive year for most financial markets. Stock markets around the world, including Norway, ended 2025 at or near all-time highs. The Pareto group also delivered strong results. Consolidated revenues amounted to NOK 4.9 billion (2024: 4.7 billion). Operating profit increased by almost six per cent compared to the year before and ended the year at NOK 1.5 billion (1.4 billion). Mostly due to less realised gains from the parent company's financial investments compared to 2024, group profit decreased but was still the third best in the history of the group. Profit before tax totalled NOK 1 796 million (2 044 million). Profit for the year amounted to NOK 1 433 million (1 685 million).

Activity and productivity levels were high and the results for the group must be described as very satisfactory. At year-end, consolidated book equity amounted to NOK 3.4 billion. The average number of man-years for 2025 was 937.

SECURITIES BROKERAGE, CAPITAL RAISING AND PROJECT FINANCING

The majority of the group's revenues comes from investment banking, securities brokerage and project financing in Pareto Securities, which in 2025 registered revenues of approximately NOK 3.15 billion (2.9 billion) and a profit before tax of NOK 1 131 million (1 071 million).

The bond market was active, with Pareto Securities as the undisputed market leader in the Nordic high yield market with a market share of approximately 33 per cent. Pareto Securities was involved in 107 DCM transactions raising EUR 15 billion during 2025.

Pareto Securities was furthermore involved in 58 equity capital market transactions in 2025, with a combined value of NOK 21 billion. Pareto Securities also acted as advisor on several large and prominent M&A transactions in 2025, including acting as advisor in the Software One acquisition of Crayon and DNO's acquisition of Sval.

The Project Finance department also had a good year. The department was involved in shipping- and offshore-related transactions with a value of nearly NOK 6 billion and real estate transactions with a value of NOK 9.3 billion.

ASSET MANAGEMENT

For Pareto Asset Management, this was a year of strong growth. Including our Stockholm-based subsidiary Pareto Asset Management AB, total assets under management reached the equivalent of almost NOK 130 billion. The increase was due to both good returns and good net subscriptions. In consequence, the company's net profit increased further from the preceding years.

Our very first product, discretionary management of Norwegian equities, now has a track record of more than 30 years. Over these years, an average annual return of 12.8 per cent has compounded to a total return of 3 741 per cent, delivering an excess return of 3.3 percentage points annually and – through the powerful force of compounding – a total excess return of 2 279 percentage points (the 0.75 per cent fee class).

The related portfolio in Pareto Aksje Norge, our largest equity fund, recorded a return in 2025 of 24.5 per cent (share class I), well ahead of the Oslo Børs Mutual Fund Index (20.3 per cent). For this share class, 2025 was the fifth year in a row with excess return.

This year, the company also established a new AIF for high-yield bonds, Pareto Nordic Credit Opportunities. This fund made its first trades in the middle of June and managed to deliver a return after just over six months of 6.0 per cent (share class I).

Pareto Alternative Investments' (PAI) has its main exposure to the real estate sector, where PAI manages a range of investment strategies and funds. The logistics segment represents one such niche strategy, in which PAI has built long-standing and extensive experience. Since its inception in 2010, the logistics fund Pareto Eiendomsfellesskap has delivered an unleveraged yearly return (IRR) of 7.7 per cent.

PAI has also established a credit investment platform as a complement to its equity strategies. The credit team was established in 2016, and since then the company has originated and financed approximately NOK 25 billion in loans within the real estate and infrastructure sectors. To date, the credit platform has not experienced any realised credit losses. In 2025, the majority of the activity was related to real estate lending in the other Nordic countries.

PAI's focus on environmental, social and governance (ESG) considerations has continued to yield tangible results.

Through our solar programme implemented within PAI's real estate funds, as well as through the establishment of the alternative investment fund Pareto Solar Fund IS (PSF), PAI has installed photovoltaic production capacity totalling 85 MWp. This corresponds to an estimated annual production of approximately 70 GWh, equivalent to the annual electricity consumption of around 4 350 households.

At year-end, the firm managed NOK 26.5 billion allocated across real estate, credit, renewables, and infrastructure investments.

In total, operating revenues from asset management operations amounted to NOK 819 million (807 million) and the profit before tax was NOK 270 million (259 million). Net assets under management for these companies amounted to NOK 156.5 billion at year-end.

SHIP/RIG, REAL ESTATE AND INSURANCE BROKERAGE

The offshore and renewable energy markets showed continued strength in 2025. The offshore segments maintained confidence and good performance, resulting in solid vessel day rates and utilisation, particularly in the subsea sector. A new segment is the offshore accommodation market, which made a positive contribution with substantial activity. Newbuild projects were also developing across vessel classes. Pareto Shipbrokers AS and its subsidiary Pareto Shipbrokers Ltd. succeeded in reporting healthy revenues and profit margins.

The downturn in the freight market that commenced in the fourth quarter of 2024 persisted through the first half of 2025. During the summer months, however, the market experienced a notable shift, with freight rates increasing steadily, and the year concluded at solid levels. Overall, Pareto Dry Cargo achieved satisfactory results for the year. The company maintains a positive outlook for 2026 and expects freight rates to remain broadly in line with the levels observed at the end of 2025.

Real estate agent Krogsveen experienced a strong housing market in 2025. More than 110 000 used homes were sold in Norway during the year, which is a new record. Reduced interest rates were among the factors contributing to increased housing market activity. Norwegian housing prices rose by 5.0 per cent in 2025, with significant regional differences. Stavanger, Tromsø, and Bergen recorded double-digit price growth, while price growth in Norway's capital ended at just 3.4 per cent. Krogsveen reported strong activity and a significant improvement in results compared to 2024, with profit before tax increasing by almost 65 per cent. The real estate agent sold 7 470 properties for a total value of NOK 39 billion in 2025.

Pareto Forsikringsmegling delivered stable profits in the face of stiff competition in its market. The company purchased insurance cover on behalf of its clients worth NOK 2.5 billion in 2025.

Revenues from these companies amounted to NOK 969 million (963million). Profits before tax were NOK 209 million (137 million).

PARETO BANK

Pareto Bank's post-tax profits ended the year at NOK 675.6 million, down from the NOK 687.3 million reported in the previous year. Return on equity was 12.4 per cent (13.6 per cent). The cost/income ratio was 18.3 per cent, demonstrating a high level of cost efficiency. Total lending was reduced by 9.4 per cent during 2025 as the bank prioritised profitability over growth.

In sum, 2025 was a challenging year, but the profit was still close to the record year 2024. Appropriations were still high at NOK 14.6 billion (18.2 billion). Pareto Bank has secured a solid position in its market segments and sees profitable, long-term growth opportunities. The bank has adopted a long-term approach, prioritising credit quality above growth.

At year-end, Pareto AS owned 20.0 per cent of Pareto Bank ASA.

PARETO AS

The Pareto group is a decentralised organisation, operating through several fully independent legal entities. Pareto AS, the parent company, is a holding/investment company that holds shares in subsidiaries, strategic investments and financial investments primarily in the form of equity funds and listed shares.

Profit for the year for the parent company amounted to NOK 1 047 million (1 413 million). This includes distributions received from the subsidiaries. Retained earnings are applied to strategic investment opportunities or invested in the financial market.

At year-end, equity in the parent company stood at NOK 2.9 billion (6.1 billion). The decrease in equity in 2025 is due to Pareto AS transferring the company's financial investments to a company outside the Pareto group.

by Chief Economist & Strategist Finn Øystein Bergh

FINANCIAL MARKETS AND THE ECONOMY IN 2025

Risk, resilience and rallies

Another year, another set of surprises — and unscripted consequences.

On the face of it, 2025 was an uneventful year – at least in the real economy. Global growth was forecast at 3.2% and now appears to have landed right there. US growth was projected at 2.0% and probably reached, well, 2.0%. Euro area growth was predicted to be around 1.2%, which now looks like another rare forecasting success.

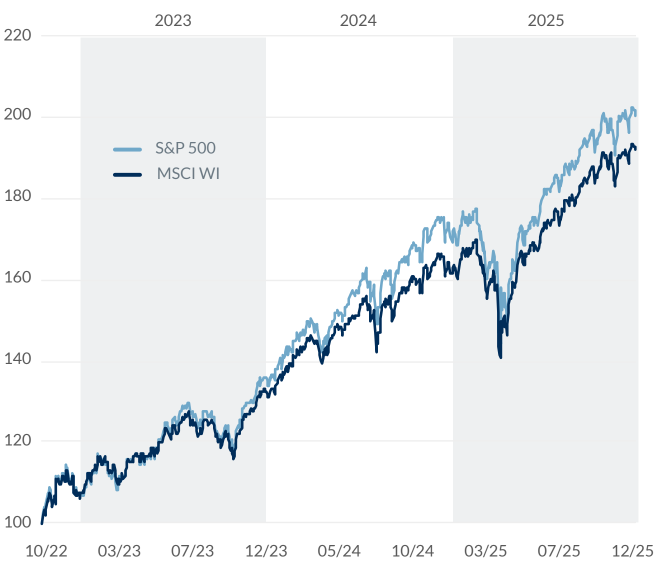
In the US, inflation was expected to hover around 2.4–2.7%, with expectations of 2.1–2.3% in the Euro area and 3.0–3.3% in Norway and 2.0–2.3% in Sweden. As predictions go, these qualify as spot on. While rates weren't cut exactly as expected going into the year, it seems these economies still developed as most forecasters envisioned.

The funny thing is that the year truly offered a series of economic shocks. The largest of these were, arguably, the tariff hikes first announced by US President Donald Trump on 2 April – his so-called Liberation Day. During the following days, we experienced the biggest stock market decline since the pandemic panic of 2020.

Of course, after only one week, Trump backtracked substantially. This in turn set the stage for a powerful rally. The S&P 500 ended 2025 with a total return of 17.9%, with the MSCI World Index a full percentage point higher. The Scandinavian markets followed suit, with Denmark a lone exception due to poor performance for heavyweight Novo Nordisk.

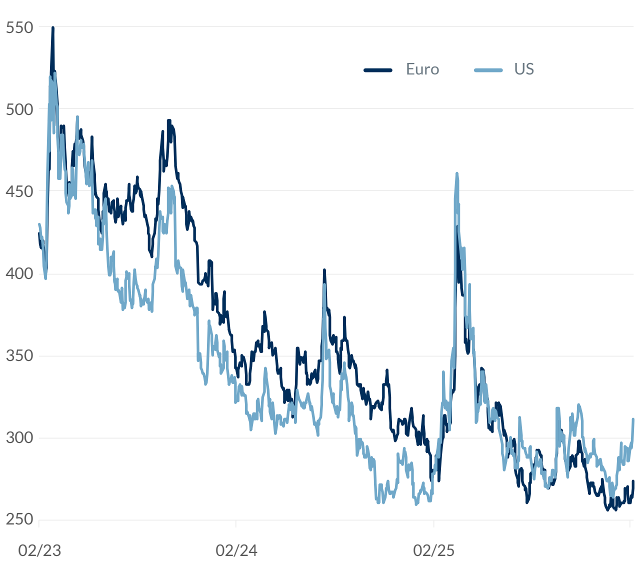
For once, European stock markets outpaced the US, with STOXX Europe 600 delivering 20.6%. Part of the reason was probably bad news from the US, which was becoming steadily less supportive of Ukraine. In realisation that Europe would have to shoulder more of the burden, many European countries decided to increase their defence spending. Germany, in particular, broke further with its typical fiscal austerity to increase defence and public spending. This reinforced belief in European economies and markets.
We have seen this before in financial markets: Seemingly bad news leads to a positive outcome.

Long-lasting bull run



Rebased, 14 October 2022 = 100, total return indices.
Source: FactSet, Pareto Asset Management

Three years of steadily falling risk aversion



ICE BofA High Yield - Option Adjusted Spread. Source: FactSet

THE TARIFF CONUNDRUM

While much political news may be considered noise in a longer-term perspective, there is no doubt that the shorter-term impact through 2025 was substantial. With every Trump announcement of harsher tariffs, the stock market seemed to cringe, only to rise in relief when these were fully or partially suspended (the famous TACO trades – "Trump Always Chickens Out"). Similarly, the Israeli and US strikes on Iran lifted the Brent Blend higher, only to see a later reversal as the dreaded escalation didn't happen.

In the real economy, however, political events may have consequences far beyond temporary noise. At the end of 2025, the average US tariff level had risen from 2-3% to some 16-18%, the highest level since the 1930s. According to every textbook I've read and, more importantly, every book that I've seen referenced, this constitutes a tough blow to the economy. It is effectively a consumption tax making prices higher and wallets slimmer.

As it happens, there is little or no trace of such an effect in final 2025 numbers. Judging by contemporary comments, the strong economic performance of both the US and its trading partners, plus not least the absence of an inflationary impulse, may seem like something of a surprise. There are, however, several reasons why the impact is deferred.

For one, the consumer price index, at least in the US, is dominated by services, which were sheltered from the tariff hikes. Their share is now around 64%, having risen for decades. Furthermore, high inventories and long contracts may have postponed necessary price increases. In addition, of course, companies in competitive businesses likely chose margin compression over price hikes.

Logically, then, the major impact should still be ahead of us. On the other hand, we don't know the final extent of these tariffs. Apart from the intermittent backtracking, we've seen a number of exceptions being introduced. And it may just be that the services share of the economy renders economic history anything but a blueprint.

WHOSE DEBT ARE YOU WORRIED ABOUT?

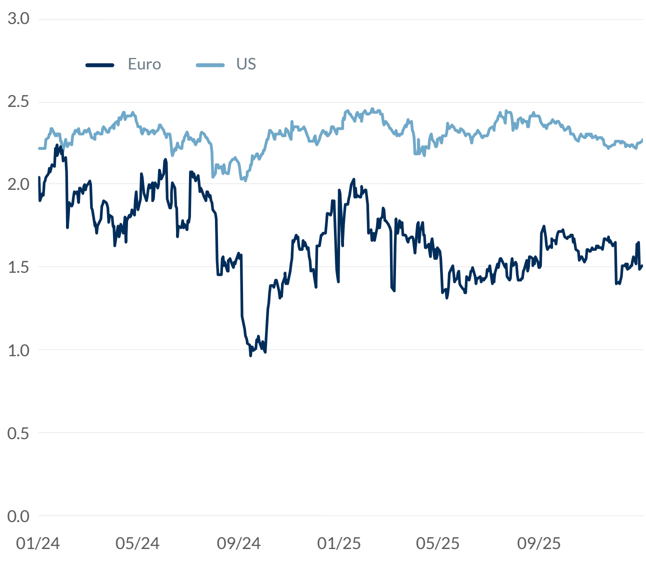
Another source of concern has been the high and rising government debt, again with the United States in the spotlight. With US public debt rising from 65 per cent in 2007 to more than 120 per cent of GDP, and a budget deficit approaching 6% for 2025, it does seem hard to reign in.

In part, this has been possible because of the US dollar's position as the global reserve currency, facilitating comparatively cheap government borrowing. This feature is often referred to as the "exorbitant privilege" – a term coined by France's then-finance minister Valéry Giscard d'Estaing some 55 plus years ago. The resulting yield reduction is often called a convenience yield.

Now, it seems, the convenience yield is shrinking. A working paper from the US National Bureau of Economic Research (NBER) estimates that a 5 percentage-point increase in long-term debt as a share of GDP slashes the convenience yield by a full 0.94 percentage points. The effect is smaller for short-term debt. Either way, this debt gets harder to handle. The "One Big Beautiful Bill", signed last summer and estimated to increase the deficit by $2.8 trillion by 2034, does not make it easier.

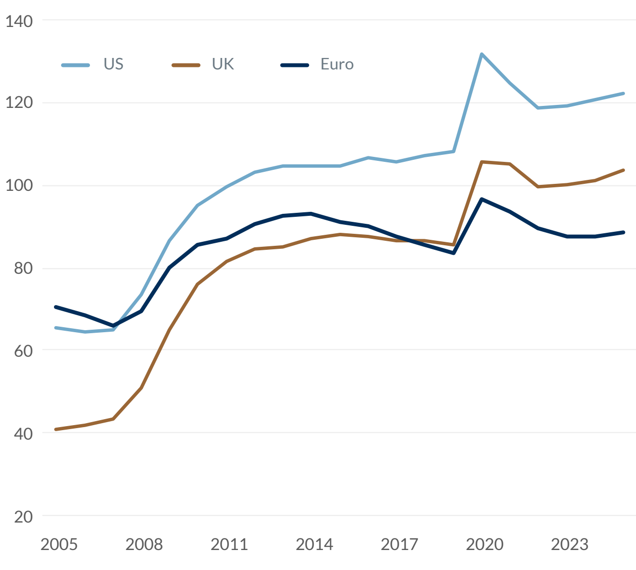
The United Kingdom is on a similar path, though their debt has only recently exceeded 100% of GDP. The Euro area is somewhat of a surprise here, with a deficit ratio roughly on par

Inflation expected to be muted



10-year expected inflation (nominal yields less real yields/TIPS). Source: FactSet, Pareto Asset Management

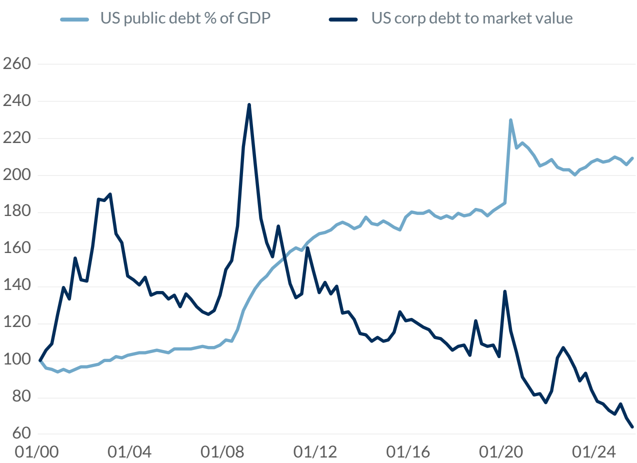
Indebted governments



General government gross debt as a percentage of GDP. Source: IMF with the peak of the debt crisis. At 90% it is nevertheless high for an economic area with, so far, modest growth.

Hidden from headlines, however, is the much brighter picture in the corporate sector. If we again measure debt as a percentage of GDP, US non-financial corporations have only seen a moderate increase since the start of the millennium – and since 2020, the level has fallen from 56 to 46 per cent of GDP. Furthermore, the average debt/equity ratio has been stable or slightly falling ever since the Great Financial Crisis. And using the market value of equity instead of the book value, the equity ratio has risen to as much as 86 per cent. You won't find this figure in the swarm of debt-concern headlines.

A tale of two debtors



Rebased, January 2000 = 100. Corporate debt refers to non-financial corporations. Source: FRED

To the extent that you worry about an impending recession, then, please note that the business sector is much better equipped than the public sector. It's also in better shape than it has been for many years.

The same applies in the UK, where corporate equity ratios have risen from below 50 per cent after the financial crisis to more than 70 per cent now. And that's using book equity. Figures for the eurozone are less abundant, but at least the corporate sector debt ratio has been fairly stable at around 75 per cent since 2008. And over the past four years, it has shown a clear downward trend.

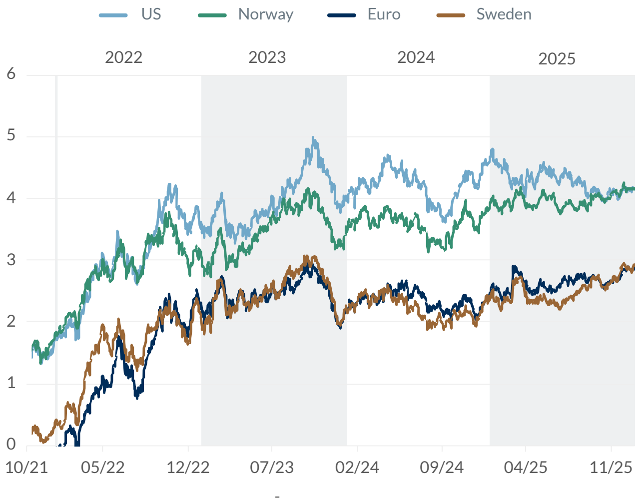
If these figures don't lift the weight off your shoulders, they should at least remind you that there are more well-run companies than governments – meaning lots of good investment opportunities for our clients.

LAGGING GROWTH STOCKS?

Of course, to the extent that government borrowing affects interest rates, they still weigh heavily on business conditions. During 2025, key interest rates were cut by 100 basis points (bps) in Europe and the UK, by 75 bps in the US and Sweden, and by 50 bps in Norway.

Not that market rates followed suit: Most European markets saw higher rates and a steeper yield curve, while US rates fell at both ends, especially the short end. This divergence through 2025 in fact brought about a bit more divergence, as the gap between US and Euro long rates was reduced by almost one percentage point. As usual, Norwegian rates moved more in tandem with US rates, while Swedish rates followed the Euro area.

Slightly converging market rates

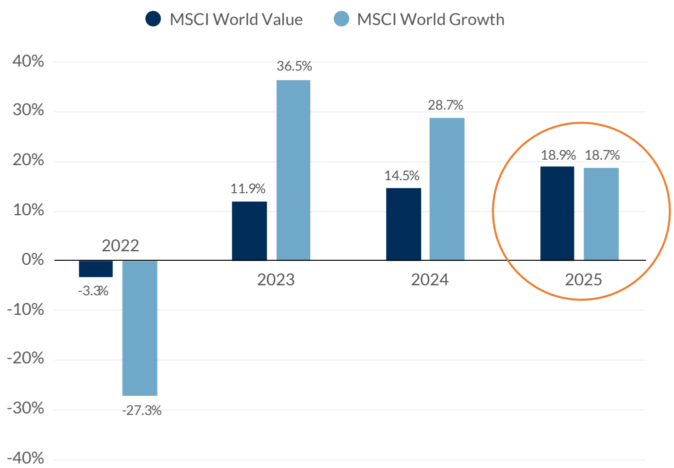


Yield to maturity, 10-year government bonds. Source: FactSet

As a general observation, rate movements were more subdued in 2025, as was the investor preoccupation with possible rate developments. Nevertheless, lower rates in the US propped up the stock market, with the S&P 500 returning 17.9%. As the two preceding years were even stronger, returning 26.3% and 25.0%, respectively, the S&P 500 has now posted a cumulative three-year return of 86% – the best three consecutive years in this millennium.

Once again, the "Magnificent Seven" punched above their weight – which, incidentally, has moved north of 1/3. In aggregate, they returned an estimated 23.3% in 2025, pushing their cumulative three-year return to an impressive 221%. This year, however, their contribution to the index return was a more modest 7.8 percentage points, or just below 44% of the total. Of course, this implies that the remaining 493 companies contributed a somewhat less impressive 10.1 percentage points.

Seemed like a draw in 2025



MSCI World Growth and World Value indices. Source: FactSet

All the more striking, then, that the MSCI World Growth Index and the MSCI World Value Index finished the year neck and neck, both returning just below 19%. As a rough estimate, the Magnificent Seven account for more than 40% of the former, but less than 10% of the latter – suggesting that many other growth stocks had a decidedly more mediocre performance. In other words, the growth stock universe outside of the Magnificent Seven actually lagged the market in 2025.

I dare say that's not the idea you got by reading comments on the stock market this year.

A QUESTION OF PRICING?

The distinction between growth and value is often framed as a question of pricing. For the broad market, pricing was little changed in 2025. However, the direction was clear – most multiples increased – on top of a steady and far more substantial rise since 2022. In consequence, valuations based on contemporaneous multiples – like forward P/E ratios – are considerably higher than they were five years ago. For the S&P 500, in particular, this multiple went from 16.9 to 22.2. For the European market, the multiple expansion was more moderate.

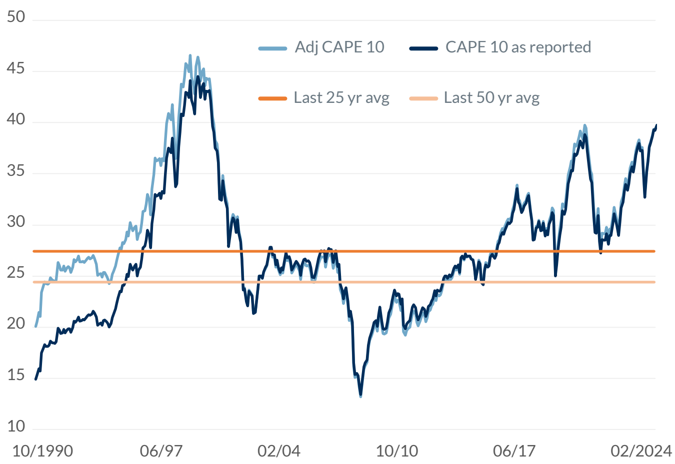
Larger pricing gap

P/E, 12 months forward. Source: FactSet

The picture looks different if we choose 2020 or 2021 as our starting point. Most multiples are still somewhat below their level five years ago. The Cyclically Adjusted Price/Earnings ratio (CAPE), adjusted for changing dividend payout ratios, is merely back to where it was at the end of 2021. And, more importantly, earnings have risen by almost 40% in the US and – perhaps a bit surprising – almost 80% in Europe (as represented by STOXX Europe 600). Hence, despite higher pricing, the bull market is by no means void of fundamental support.

Stronger earnings have both cyclical and structural causes. A surprisingly strong economy has supported the stock market and has in turn been fuelled by the wealth effect of higher market values. And then there is the AI effect, which has unleashed a wave of investments in this new technology. Such factors are probably best understood as cyclical.

Expensive? Perhaps. But it's been more expensive before



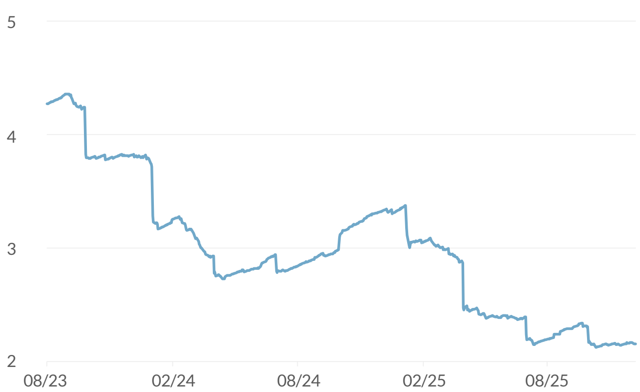
The Cyclically Adjusted Price Earnings ratio (CAPE) adjusted for changing dividend payout ratios. Source: Robert Shiller / S&P Dow Jones Indices / Pareto

That being said, there are some outstanding examples of lofty valuations. Take Tesla, which now makes up roughly 2.5% of the S&P 500. Its P/E multiple has risen from between 50 and 60 in 2023 to above 200 at the end of 2025. Such multiples normally signify exceptionally strong growth or expectations thereof. In the case of Tesla, however, earnings have halved since 2023. This puts it squarely in the expectations category.

High hopes among Tesla investors ...

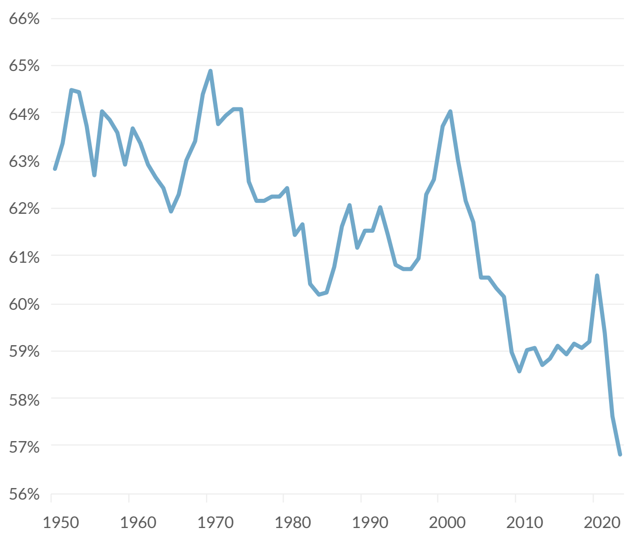
Forward P/E estimates Tesla. Source: FactSet

... yet to be fulfilled



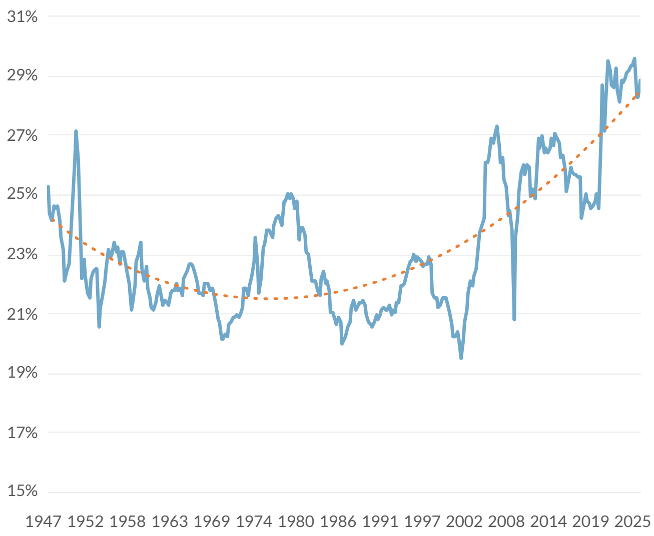
EPS estimates Tesla next 12 months. Source: FactSet

Shrinking labour share in the US



Labour compensation as a share of GDP in the United States. Source: FRED

Increasing share of profits in the US



US gross corporate profits (before depreciation / capital consumption) as a share of gross domestic income, with polynomial trendline. Source: FRED, Pareto Asset Management

A STRUCTURAL CASE

It is also true that there has been a structural shift in the way the economy works – in most of the advanced economies, and certainly in the United States, which still leads the way in financial markets. A recurring theme has been the eroding purchasing power of the middle class, due to stagnant wages and salaries. While it now seems that government transfers and other countervailing factors have been underestimated, it is indeed true that the labour share of the US economic pie (before transfers) has been shrinking for decades – from 65% in 1970 to 57% in 2023. A more recent estimate would probably be around or below 56%.

The flip side of this coin, of course, is that the share going to capital has been increasing. Similarly, gross corporate profits (including depreciation) in the United States have risen from 20% in 1970 to 29% now. (And in case you wondered, the missing 15% or so can be allocated to factors like unincorporated business, rental income and net interest income.)

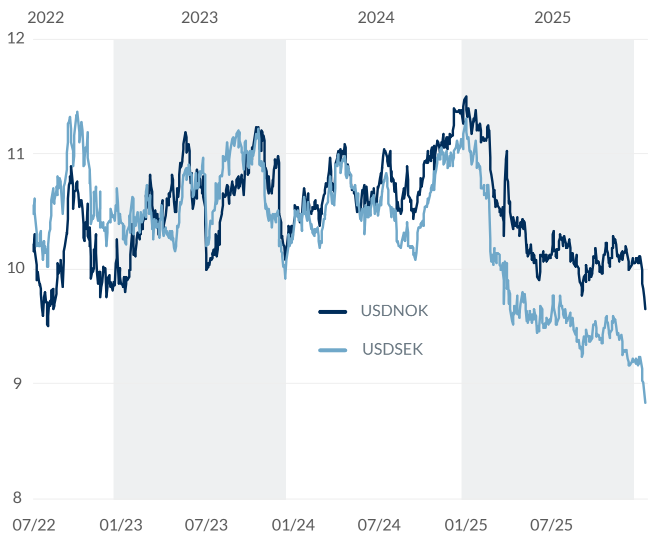
The declining labour share has been attributed to factors like weaker unions and economic policies. In my view, the changing characteristics of industry are no less important. Many of today's corporate giants have high fixed costs and low marginal costs, which translates to high barriers to entry and lower price pressure. This resulting pricing power increases profits, while reducing the labour share – although dividends received by employees are not counted as labour income.

In other words, if you read about the declining middle class, you may stop to reflect that you yourself, as an investor in these companies, benefit from this trend. What's more, you also have a strong reason to believe that much of the increase in profits will not necessarily be reversed.

LOST IN TRANSLATION

There is, however, more to this story. Let's loop back to equity returns. For European investors in US securities, the party was quite a bit more restrained this year. As the US dollar depreciated by 11–17% against our local currencies, most of these dollar returns were, well, lost in translation. US stocks delivered a lot less to investors on this side of the Atlantic Ocean.

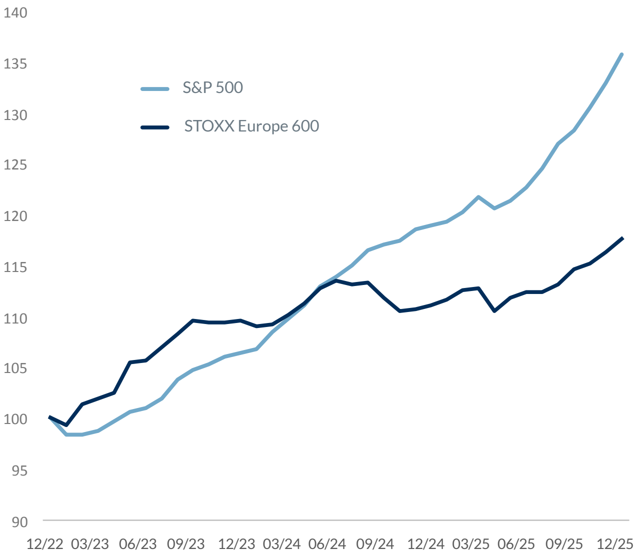
Not the whole story



Source: FactSet

On the other hand, the very weakness of the US dollar is another important reason why US stocks have been thundering on. In aggregate, revenues in currencies other than the US dollar account for more than 40% of S&P 500 revenues. In some sectors, like technology and consumer staples, it's in the range of 50–65%. And several companies, like Netflix, PepsiCo, and 3M, have already reported stronger revenues due to favourable currency translation.

The fundamental bull-market support



Next 12 months earnings estimates, 31.12.2022 = 100. Source: FactSet

During 2025, forward earnings estimates for the S&P 500 rose by some 14%. Part of this increase can undoubtedly be attributed to the weaker US dollar. Previous reports, from sources like WisdomTree and J.P. Morgan, indicate that a 10% decline in the US dollar is associated with a 6–8% boost to earnings. Of course, due to long-term contracts, inventories, and currency hedging, it takes time for this effect to filter through to the bottom line. Nevertheless, not least because this market is about forward earnings, if it weren't for the weak dollar, the US 2025 stock party might never have taken off.

As a more general observation, country and currency of domicile may tell you very little about financial sensitivities of larger corporations. Their revenues and costs often reflect a hodgepodge of countries and currencies, and the short-term impact may have the opposite sign of the long-term impact – like debt becoming more expensive while real revenues rise.

You might say that many large companies are in fact priced in international dollars – or whatever you would like to call their particular currency basket. What appears lost through currency moves may be offset by stronger earnings. Or vice versa. Once again, we see that investment is about second-level thinking – looking beyond the obvious effect to the full set of consequences. Intuition seldom gets you all the way.

STEADILY MORE PRECIOUS METALS

One obvious feature of 2025 was the strong performance of metals, with appreciation spanning from 18% for aluminium to a stunning 149% for silver. Gold, being a more common investment vehicle, attracted most of the attention, with a price rise of 67%. Needless to say, a number of all-time highs were recorded this year.

I haven't recommended investing in gold and probably never will. But let's look at how it behaves; this is where it gets interesting: While stocks and gold exhibit positive co-movement, in the sense that both have risen strongly over the past year, their 12-month correlation has been surprisingly and distinctly negative, at one point reaching -0.74. It hasn't been lower since 1978, when US inflation was getting ready to hit two decimals.

So, both have been rising – just not in tune, in fact very much not in tune. Bad months for stocks have been good months for gold, and vice versa. And yet they both end up notably higher. What's happening?

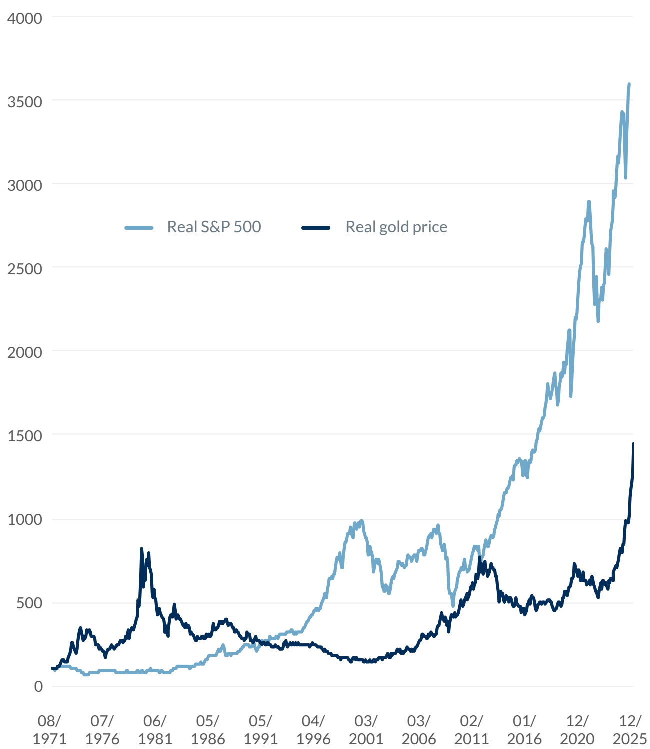
Here's one likely explanation: Maybe gold really caught on to the public apprehension, while inelastic demand for stocks kept pushing stock prices higher. Or maybe those headlines have more relevance for gold prices than for stocks.

Just think about it. What would propel investors to look for a safe haven? Right – uncertainty and apprehension. There are fears they want to be safe from.

In contrast, what would lead investors to buy stocks? I truly hope the answer is something along the lines of long-term returns due to company earnings strength. That, at least, is what we tell our clients.

With stocks, you don't hide from nasty headlines. You ride it out. Keep that in mind if contemporary events make you wish you had indeed found a safe haven – and look instead for a smart haven. As an investor, you should be conscious of the kind of drivers you want your investments to have.

Glittering comeback



Deflated by US CPI figures. Rebased, August 1971 = 100.
Source: FactSet, Pareto Asset Management

NO CORPORATE SHUTDOWN

In 2025, we also witnessed the longest US federal shutdown in history. Besides reducing economic activity, it contributed to suspending or eliminating publication of a string of economic data. Federal Reserve Chair Jerome Powell likened it to "driving in the fog". Many investors voiced their concern.

We didn't invest in the dark, though. This period saw many quarterly reports being published, many of them quite encouraging too. Of course, there was no corporate shutdown. Our investees went about their business in the usual way, publishing their quarterly reports as they should and had promised their investors. Some inspired optimism, some disappointed – but the necessary information was there all along.

And this, remember, is the information that primarily guides our investments. We need to make sense of what's happening in the financial markets, and I did find an interested audience when I discussed some of the missing figures with my colleagues. But the guiding lights are to be found in the company-specific information that pours in.

I suppose the very contrast with the federal shutdown attests to the quality of corporate management, discipline and continuity. In short: Many a business is far better run than the average government, or above average ones for that matter. We find a large number of companies that are very well run indeed – and that's where we put your money.

That's also where we place our trust. There is no dearth of worries. Judging from the financial media, a potential AI bubble tops the list, followed by continued political uncertainty. The psychological challenge in this situation is to remind yourself that if you worry about this or that, you can be sure that millions of other investors do the same. If so, many of them will already have acted accordingly, meaning that this particular reason to worry is already discounted in the stock market. Or being addressed by strong companies which find a way out.

In short – I wouldn't worry about the things that everybody else worries about. Total surprises will be a lot scarier, whether or not they qualify as black swans. They might even provide after-the-fact justification for the things that people do worry about.

Obviously, however, I don't know what's going to surprise me in the coming months and years. And if I don't know what to worry about, I can't worry about that either.

2025 in a nutshell	
OSEBX	18.4%
S&P 500 return	17.9%
MSCI World net (USD)	18.9%
3-month NIBOR	from 4.68% to 4.07%
10-year Norwegian Treasury	from 3.86% to 4.15%
10-year Swedish Treasury	from 2.42% to 2.83%
10-year US Treasury	from 4.57% to 4.17%
10-year Euro Treasury	from 2.35% to 2.86%
Brent Blend	from USD 74.64 to USD 60.85
USD/NOK	from 11.36 to 10.09
EUR/NOK	from 11.76 to 11.85
USD/SEK	from 11.05 to 9.22
GDP growth, global	3.3%
GDP growth, Norway	1.1%
GDP growth, Sweden	1.5%
GDP growth, Mainland Norway	1.8%

Sources: Oslo Børs, S&P Dow Jones Indices, MSCI, Norges Bank, FactSet, IMF, SSB, SCB, Riksbanken, Pareto.

OPTIMISM AND RESILIENCE

The first Pareto company was founded on 9 December 1985. The company was bought from Oslobanken AS by four employees when the bank was liquidated in 1992/93. Since then, Pareto has not only recorded significant organic growth, but has also moved into new areas of business through acquisitions.

The table below summarises a rich history of innovation, growth and changing conditions, through market rises punctuated by intermittent financial crises. The figures in the table show that the company has developed a robust business model. Pareto has recorded a profit in every single year of its existence, with most being retained within the company to fuel future growth.

At the same time, the parent company has succeeded in building financial strength and liquidity, giving the company strategically valuable freedom of action and the ability to seize new opportunities as they arise.

A substantial proportion of the company's income has been channelled to the employees and partners. Pareto's success is predicated on its skilled and diligent personnel.

Year	Operating revenues	Profit for the year	Oslo Børs
1992	40	8	-10.0%
1993	90	23	64.8%
1994	82	15	7.1%
1995	83	22	11.6%
1996	160	50	32.1%
1997	364	115	31.5%
1998	232	46	-26.7%
1999	291	71	45.5%
2000	548	149	-1.7%
2001	507	79	-16.6%
2002	458	41	-31.1%
2003	517	139	48.4%
2004	964	239	38.4%
2005	2 044	681	40.5%
2006	3 277	1 099	32.4%
2007	3 470	1 126	11.5%
2008	1 755	2	-54.1%
2009	1 606	715	64.8%
2010	1 899	650	18.3%
2011	1 678	436	-12.5%
2012	1 869	536	15.4%
2013	2 485	940	23.6%
2014	2 512	895	5.0%
2015	2 038	1 032	5.9%
2016	1 940	742	12.1%
2017	2 719	1 071	19.1%
2018	2 857	662	-1.8%
2019	3 010	401	16.5%
2020	3 679	825	4.6%
2021	5 292	1 571	23.4%
2022	3 491	828	-1.0%
2023	3 798	1 099	9.9%
2024	4 686	1 685	9.1%
2025	4 936	1 433	18.4%

Consolidated figures expressed in millions of Norwegian kroner. Oslo Børs stock market returns are based on the Benchmark Index linked backwards to the former Total Index.

PARETO SECURITIES AS

Pareto Securities is an independent full-service investment bank with a leading position in the Nordic capital markets and a strong international presence and global distribution.

Headquartered in Oslo, Norway and with 11 offices in ten countries, Pareto Securities raises equity, debt and project financing for a wide range of industries in the international capital markets. Pareto Securities aims to be the preferred Nordic supplier of financial services, providing sound financing solutions and attractive investment opportunities for companies and investors in sectors and industries where our employees have first-hand knowledge and experience. Pareto Securities is founded on deep industry knowledge and a global investor network built over more than three decades. From its Nordic base, Pareto Securities has built global presence step-by-step, fuelled by transformational acquisitions of Öhman Fondkommission (Sweden/ Finland), Nordic Partners (US) and equinet Bank (Germany).

BROKERAGE AND INVESTMENT BANKING SERVICES BACKED UP BY IN-DEPTH RESEARCH

Pareto Securities provides financial advisory services in connection with corporate financing, mergers and acquisitions (investment banking), project financing and the management of real estate and vessels, as well as equity, bond and currency broking services. Pareto Securities believes Nordic companies have the necessary knowledge, support, and entrepreneurship to be frontrunners in the energy transition. We also offer rig brokerage and business management services through subsidiaries.

AN INTERNATIONAL PRESENCE

Pareto Securities has offices in Norway, Sweden, Finland, Denmark, the United Kingdom, Germany, Switzerland, the United States, Australia and Singapore. The international presence secures our proximity both to the major capital centres 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 Pareto Securities' placement power in the equity and bond markets.

EQUITY AND BOND BROKERAGE SERVICES

We provide equity and bond broking services from offices in Oslo, Stavanger, Stockholm, Helsinki, Copenhagen, Frankfurt, Zürich, Singapore, London and New York.

We offer investors a combination of:
- Regular dialogue with research analysts and brokers
- Extensive road shows and conferences

We are also a leading player within online trading in the Nordics and provide securities financing. Through the acquisition and integration of Pareto Wealth Management AS we have strengthened our offering within fund products.

CASE-BASED RESEARCH PRODUCTS

The bedrock of our research is thorough and detailed knowledge of and a long-term commitment to the industries we cover. Because of this approach, our research products have become valued by an international community of investors, in both equities and fixed income.

Our equity research team consists of research analysts in Norway, Sweden, Germany, and Switzerland. Our ability to serve our clients depends upon the research team having a thorough understanding of the industries in which they specialise.

The focus of the research department has shifted towards case studies and away from company reporting. This has increased the relevance of the research products to investors. Our analysts are continuously working on value-adding fundamental research to provide clients with investment ideas.

Pareto Securities' equity research team includes about 40 professionals covering a broad range of companies and industries, including technology, industrials, renewables, seafood, energy services, E&P, shipping/transportation, financials and telecoms. Our equity research has historically had a particular focus on industries and sectors where the Nordic countries have had a competitive edge, such as energy, industrials, seafood and transportation. Over the past few years this has evolved, with renewables and technology in particular becoming sectors of greater importance across our home countries. We have active coverage of most listed companies in Oslo and Stockholm, in addition to the most important international peers within core sectors. Additionally, our Frankfurt Branch covers some 100 German companies.

Our credit research team includes 17 analysts in Norway, Sweden, and Germany. This team covers all of Pareto Securities' high yield issues in detail, with ad-hoc credit reports and regular updates. The team also publishes the High Yield Weekly and Daily newsletters, in addition to Pareto Securities' annual 'High Yield Book' – an integral tool for all investors in the Nordic high yield market.

Accurate credit reports ensure that corporate bonds are correctly priced and enable investors to base their investment decisions on sound information. Because credit analysis forms an integral part of the research product, our credit analysts work closely with equity analysts at both the company and the industry level. First-hand knowledge of a company's ability to raise debt capital is a prerequisite for understanding its chances of success in the equity market.

CONFERENCES AND ROADSHOWS

An important aspect of our research work is arranging seminars and field trips for our investors.

Every autumn, Pareto Securities hosts a two-day energy conference in Oslo. This event is one of Europe's leading investment forums for energy-related companies and was held in 2025 for the 32nd time. The 2025 conference attracted over 2 000 participants and 160 presenting companies, while we scheduled over 1 800 investor meetings during the two conference days.

Other notable conferences include our 14th annual Nordic corporate bond conference in Stockholm, our 27th annual Power & Renewable Energy conference in Oslo, the Nordic TechSaas conference held in Stockholm and the North Atlantic Seafood Forum in Bergen.

Pareto Securities hosted in total 11 conferences and a record high 522 road shows in 2025.

A COMPREHENSIVE RANGE OF INVESTMENT BANKING SERVICES

Pareto Securities' Investment Banking division holds a leading position in the Nordics. We continuously develop together with our clients. As a full-service investment bank, Pareto Securities offers a complete range of financial services within Equity Capital Markets (ECM), Debt Capital Markets (DCM), Mergers & Acquisitions (M&A) and advisory, as well as project finance and asset syndication. Our presence across Europe, North America, Asia and Oceania provides unique proximity to and knowledge of key industry players and investors.

With a global organisation, Pareto Securities has developed an unmatched placing power and a significant ECM track record with more than NOK 320 billion in equity raised since 2015 and more than 800 ECM transactions executed since 2015.

Since 2015 we have completed more than 700 debt transactions and raised more than EUR 40 billion in high yield bonds globally. In 2025 alone, Pareto Securities was involved in 107 DCM transactions raising approximately EUR 15 billion.

The investment banking team is made up of more than 145 professionals with backgrounds from global capital markets, consultancy, and a variety of industries.

REAL ESTATE

With over 30 years of experience, Pareto Securities has a long and strong track record in real estate project finance and investment banking, and it is active in Norway, Sweden, Denmark and Finland. We raise capital and arrange debt financing for real estate projects, as well as arrange complex real estate transactions and club deals. We also act as advisors in corporate finance transactions like mergers, acquisitions, equity issues and block sales. The total value of the real estate portfolio is approximately NOK 41 billion.

SHIPPING

The Project Finance department has long experience of and extensive expertise in syndicating and managing shipping investment projects. In 2025 we carried out 29 transactions across several sectors with a total transaction value of approximately NOK 5.7 billion.

PARETO BUSINESS MANAGEMENT

Our subsidiary Pareto Business Management AS (PBM) manages the operational and accounting functions of our real estate and shipping/offshore projects. Swedish and Danish subsidiaries provide corresponding services to project companies in their respective markets.

PBM's activities in Norway, Sweden and Denmark have management responsibilities for approximately 100 investment companies with a combined value of about NOK 46 billion. PBM's team is made up of experienced professionals with expertise in the areas of accountancy, financing, taxation, corporate law and technical management.

PARETO OFFSHORE AS

Our subsidiary Pareto Offshore provides brokerage and advisory services to the global rig and drilling industry. The firm also undertakes valuations and market updates.

CURRENCY OPERATIONS

Currency operations form an integral part of our investment services.

STAFF GROWTH AND RECRUITMENT

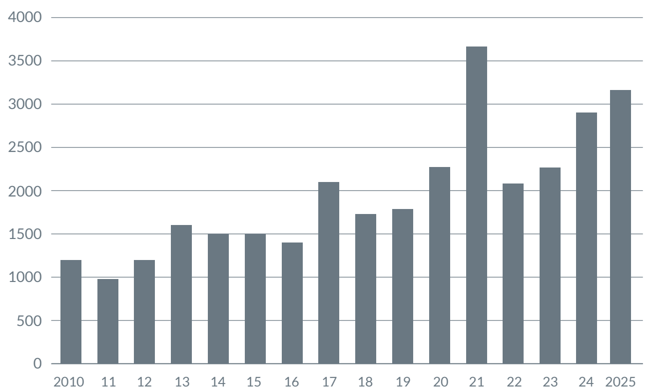
At the outset of the year, the personnel count was 460, compared with 489 at the end of the year.

Pareto Securities recruits young talent, primarily through our graduate recruitment programme, which targets students from top universities. The company offers new recruits a flat organisational structure, attractive incentive schemes and early responsibilities.

Pareto Securities AS

Dronning Mauds gate 3
P.O. Box 1411 Vika
Oslo, Norway
Telephone: +47 22 87 87 00
Turnover 2025: NOK 3 148 million
Income before tax 2025: NOK 1 131 million
Equity 2025: NOK 769 million
Number of employees: 489
CEO: Christian Jomaas
Christian.jomaas@paretosec.com
Chairman: Morten Goller
www.paretosec.com
www.paretosec.no

Pareto Securities - operating revenues NOK mill.



PARETO ASSET MANAGEMENT AS

Pareto Asset Management is an asset management group with a growing international presence as a Nordic specialist.

For Pareto Asset Management, 2025 was another year of strong growth. Including the subsidiary Pareto Asset Management AB in Stockholm, the company had total assets under management of almost NOK 130 billion at the end of 2025, compared with just over NOK 110 billion the previous year. The increase was due to both good returns and good net subscriptions.

At the end of the year, Pareto Asset Management had 83 employees at its head office in Oslo, the company's branches in Stockholm, Frankfurt, and Paris, and its subsidiaries in Stockholm and Zurich. The Paris branch was established during the year.

For the seventh year in a row, the company arranged an internship programme for students. This has proven to be a good channel for recruiting.

THE IN-HOUSE ASSET MANAGER

Our services are directed at large and medium-sized enterprises in the private and public sectors, banks, insurance companies, pension schemes, trusts and foundations and high-net-worth individuals. Our core values are trust and quality.

Taken as a whole, companies and personnel in the Pareto group, including retired partners, constitute our biggest "client", accounting for more than 20 per cent of our assets under management. Our willingness to invest extensively in our own products underscores our faith in our ability to invest wisely, our approach and our asset management philosophy. It also ensures that our interests are aligned with those of our clients.

AN EFFICIENT ASSET MANAGEMENT PHILOSOPHY

Our investment philosophy can be summarised in five bullet points:

• **We are active managers.** We seek to generate an attractive risk-adjusted return. For mandates with benchmark indices, this means outperforming the index, which requires independent security selection and a high active share.

• **We are company focused.** Our concern is the individual security, based on the properties of each company. In fixed income, our returns are primarily harvested from credit spreads rather than interest-rate risk.

• **Our approach is fundamental.** We look at such aspects as business model, operations, profitability, return on equity and invested capital, management, strategic challenges and, obviously, pricing.

• **Our approach is concentrated.** Our portfolios contain a limited number of companies, each of which we monitor closely and know well. In fixed income, traditional diversification is more important.

• **We have a long-term perspective.** Sooner or later, good management, efficient operations and high value creation will be reflected in the price. From a sufficiently long-term perspective, the profitability of the company is more important than key figures at the time of purchase.

INCREASED EMPHASIS ON SUSTAINABILITY

Across all asset classes and mandates, we place great emphasis on sustainability and integrating ESG considerations in our investment processes. This is a key consideration and a fundamental part of our asset management – and very well suited to an active management philosophy.

Pareto Asset Management AB, where this has long been a flagship issue, publishes four sustainability reports a year, describing how exclusions are made and how sustainability risk is included into the investment processes. Pareto Asset Management AS publishes a separate report on responsible investments. Both companies report to the PRI.

In adapting to the European regulation on sustainability-related disclosures in the financial services sector (SFDR), Pareto ESG Global Corporate Bond and Enter Klimatfokus Ränta are classified as Article 9 funds. The former was the first fixed income fund in Sweden and Norway to receive the Nordic Swan Ecolabel and in 2022 became the first fixed income fund to be awarded the new license approval for the Nordic Swan Ecolabel 2.0.

STRONG LONG-TERM EXCESS RETURNS

Our very first product, discretionary management of Norwegian equities, now has a track record of more than 30 years. Over these years, an average annual return of 12.8 per cent has compounded to a total return of 3 741 per cent, delivering an excess return of 3.3 percentage points annually and – through the powerful force of compounding – a total excess return of 2 279 percentage points (the 0.75 per cent fee class).

The related portfolio in Pareto Aksje Norge, our largest equity fund, recorded a return in 2025 of 24.5 per cent (share class I), well ahead of the Oslo Børs Mutual Fund Index (20.3 per cent). For this share class, 2025 was the fifth year in a row with excess return.

This year, the company also established a new AIF for high-yield bonds, Pareto Nordic Credit Opportunities. This fund made its first trades in the middle of June and managed to deliver a return after just over six months of 6.0 per cent (share class I).

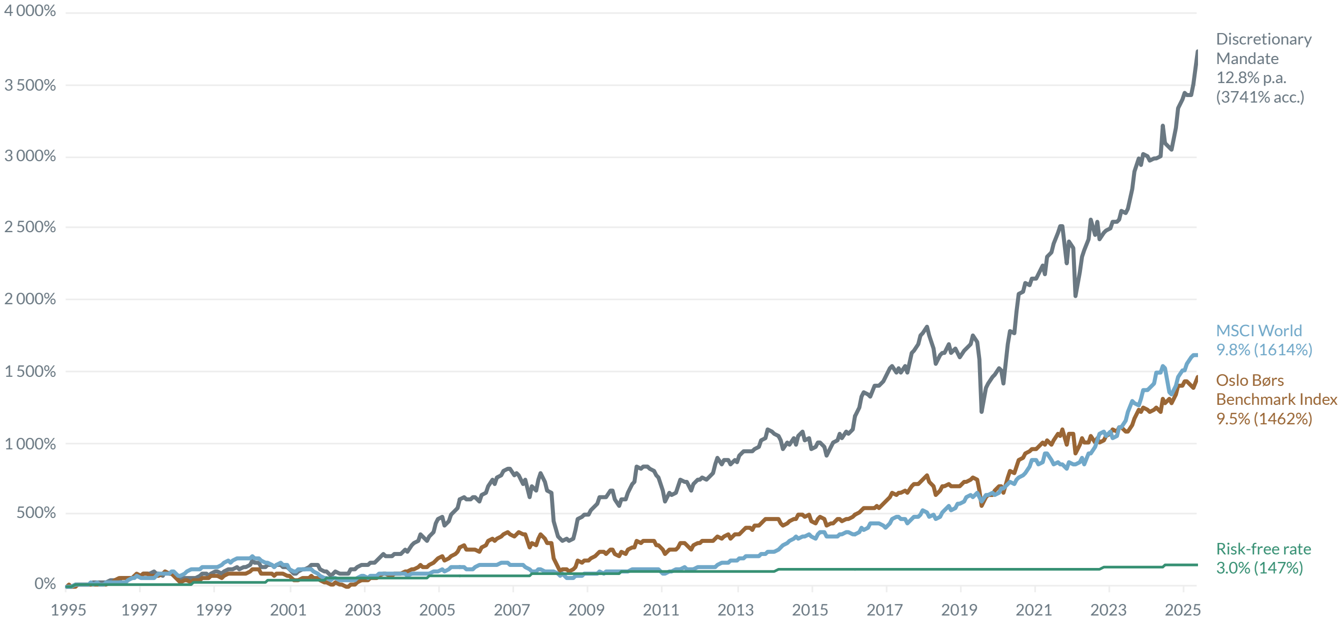
Our fixed-income funds all recorded satisfactory returns, with Pareto Nordic Corporate Bond at 8.3 per cent (share class B) providing the best absolute return. Pareto Obligasjon, alone amongst our Norwegian-managed fixed-income funds in having a benchmark, delivered a return (share class C) of 6.2 per cent, vs. 5.5 per cent for the NORM123FRN benchmark.

Our Swedish-registered mutual funds are managed by our subsidiary Pareto Asset Management AB. The largest of these funds is Pareto Räntefond, with assets under management of SEK 7.4 billion, corresponding to NOK 8.1 billion. The 2025 return in local currency was 4.2 per cent.

Pareto Asset Management AS

Dronning Mauds gate 3
P.O. Box 1810 Vika
0123 Oslo, Norway
Telephone: +47 22 87 87 00
Turnover 2025: NOK 703 million
Income before tax 2025: NOK 222 million
Equity 2025: NOK 53 million
Number of personnel: 83
CEO: Eric von Koss Torkildsen
Eric.Torkildsen@paretoam.com
Chairman: Rune Selmar
paretoam.com

Long-term excess return



**Before 31.12.01, OSEBX is chained with former TOTX. The graph shows return from discretionary mandate after 0.5 percent in annual management fee. Returns can differ as a result of individual fee structure. Historical returns are no guarantee for future returns, please see disclaimer p. 2.*

PARETO ALTERNATIVE INVESTMENT AS

Pareto Alternative Investment AS (PAI) is an independent alternative investment fund manager (AIFM). PAI focuses on illiquid investments in real assets across industries including real estate, infrastructure and renewables. At year-end, PAI had assets under management totalling NOK 26.5 billion.

The company was founded in 2015. However, the business conducted by the firm has a long history in the Pareto group. PAI's primary investment objective is to generate attractive returns through long-term and stable cash flows. The products offered by PAI consist of either equity or debt investments, mostly in the real estate sector.

The real estate market in 2025 continued to be characterised by relatively low transaction activity, with many market participants maintaining a cautious and wait-and-see approach. Despite this, property values showed signs of improvement over the course of the year. In particular, the logistics segment, to which the company has significant exposure, experienced improved market conditions.

Despite a continued subdued transaction market, the company delivered solid results in 2025. The company recorded its highest revenues to date, with total revenues amounting to NOK 123 million in 2025, up from NOK 98 million in 2024. The positive development reflects the company's long-term and conservative investment strategy, combined with increased activity in all segments.

The company had a total of 21 employees at year-end, one of whom works in the company's branch office in Stockholm.

CUSTOMERS AND SALES

PAI has maintained its focus on Norwegian institutional investors in recent years. Typical customers include public and private pension funds, life assurance and insurance companies. All funds and mandates are sold directly by the company's managers. PAI's ambition is to expand its client base over the coming years, not only by growing the individual client segments but also by expanding its presence in the other Nordic countries. In 2025, PAI raised close to NOK 2 billion in equity for its mandates.

RETURNS

Expected returns will depend to a considerable degree on the investment profiles of the funds/mandates, and accordingly returns will vary widely from product to product. PAI manages funds that invest in both leveraged and unleveraged project companies, as well as more conservative debt mandates.

In 2025 the credit mandates Pareto Obligasjonsfellesskap Eiendom, Pareto Eiendomskreditt and Pareto Real Estate Credit Fund SCSp delivered returns of 7.0 per cent, 8.4 per cent and 7.7 per cent, respectively, while our unleveraged real estate funds Pareto Eiendomsfellesskap og Pareto Eiendomsfellesskap II delivered returns of 10.6 per cent and 6.8 per cent, respectively.

Pareto Alternative Investments AS

Dronning Mauds gate 3
P.O. Box 1396 Vika
0114 Oslo, Norway
Telephone: +47 22 87 87 00
Turnover 2025: NOK 123 million
Income before tax 2025: NOK 48 million
Equity 2025: NOK 27 million
Number of employees: 21
CEO: Johan Anker-Rasch
johan.anker-rasch@pareto.no
Chairman: Elin Mack Løvdal
www.paretoai.no

PARETO SHIPBROKERS AS

Pareto Shipbrokers AS (PSAS) offers global brokerage services in the offshore, renewables and telecom markets, serving a wide range of shipowners, charterers, shipyards and operators worldwide. The company operates from three locations – Kristiansand, Norway; Guildford, England; and Singapore.

PSAS' history dates back to 1912, when the company started out in the lumber and shipbroking business. The company played a central role in establishing and building up many shipping companies in southern Norway in the late 1920s and 1930s. Until the 1980s, the company mainly acted as an exclusive broker for shipping companies located in southern Norway for chartering, contracting newbuilds, and buying and selling tonnage. The company has an unbroken history of shipbroking extending back 110 years. In 2006, the company joined the Pareto group.

Our offshore department was established in the mid-1970s, when the supply vessel sector started to expand. Over the years, the offshore brokerage business increased significantly, establishing PSAS as a market leader in this sector.

The core business is brokering of vessel charter contracts between the vessel owners and the operators/oil companies. Long-term contracts have a duration from one month to several years. Another important segment is spot market contracts, with a duration of 29 days or less. The offshore vessel contracts are mainly for supply vessels, anchor handling vessels and subsea support/installation vessels. Increased focus and resources aimed at vessels for the offshore wind energy sector is expanding our market presence in these markets. This includes brokering of maintenance and support vessels, crew change vessels and various service vessels. Brokering of newbuild vessel projects continues to be an important part of our business even in the current market. We have managed to conclude a significant number of sales of vessels during the year. Valuation of individual vessels and fleets in addition to market intelligence are also contributing business areas.

The company is represented in the UK by Pareto Shipbrokers Ltd, a wholly owned subsidiary which is headquartered in Guildford outside of London, and by a representative in Singapore. The UK business primarily comprises the broking of offshore units for the oil and gas industry and for the renewable energy sector. Acquisitions and sales of vessels and equipment of all types within the primary area of business also make up an important part of the business concept.

Over the years, PSAS has developed extensive expertise in specification analysis and design of future supply vessels and special units for offshore operations. Working in collaboration with marine architects, designers, and shipowners, we have been involved in a range of new vessel projects and contracted a number of newbuilds. Currently there are several newbuild projects under development.

Another market in which we are heavily involved is developing autonomous vessels, which has resulted in numerous newbuilds at Norwegian yards. Looking forward, we are focused on being a contributing party in developing new concepts for various technology advancements both in propulsion and offshore technology.
Recently the offshore accommodation market has also been a good contributor and looks strong going forward.

COLLABORATION

The Pareto group is providing opportunities to collaborate with other subsidiaries, which in turn enables us to offer package solutions that include buying and selling, full financing of equity and debt, as well as securing employment for vessels and rigs. In addition, we are working closely with international brokers in other regions of the world, enabling PSAS to provide a complete global vessel broker service.

The combined strengths of the PSAS companies make us a significant player in the offshore broking business.

Pareto Shipbrokers AS

Dronningens gate 3
4610 Kristiansand, Norway
Telephone: +47 38 12 31 11
Turnover 2025: NOK 104 million
Income before tax 2025: NOK 29 million
Equity 2025: NOK 23 million
Number of employees: 23
CEO: Karsten Christensen
karsten@paretoship.no
Chairman: John G. Bernander
www.paretoship.com

PARETO DRY CARGO AS

Pareto Dry Cargo are shipbrokers with a global network of shipowners and industrial clients.

We have a solid foothold in the dry bulk chartering business, with a particular focus on Ultramax, Supramax and Handysize tonnage. In addition to working actively in the spot market, our brokers focus on long-term freight contracts and charters. The company also works closely with industrial clients in the aluminium, cement and grain industries. Project and advisory services are also available.

Pareto Dry Cargo AS

Dronning Mauds gate 3
P.O. Box 1411 Vika
0115 Oslo, Norway
Telephone: +47 24 02 81 90
Turnover 2025: NOK 21 million
Income before tax 2025: NOK 6 million
Equity 2025: NOK 3 million
Number of employees: 5
CEO: Hans Martin Lie
dry@pareto.no
Chairman: Petter Dragesund
www.pareto.no

PARETO FORSIKRINGSMEGLING AS

Pareto Forsikringsmegling AS is an independent advisor and insurance broker offering bespoke non-life, life and pension insurance solutions and general insurance advice. We purchase insurance cover worth over NOK 2.5 billion annually on behalf of our clients.

INSURANCE BROKERAGE AND ADVISORY SERVICES

Pareto Forsikringsmegling offers brokerage and advisory services within non-marine insurance. Our clients are large and medium-sized enterprises in the private and public sectors. In addition, we offer group cover products (affinity) for non-profit organisations, as well as product insurance for the products and services offered by companies.

Drawing on in-depth risk analysis and industry knowledge, we advise our clients on the structure of the risks associated with their business and what we consider to be the correct level of cover. Based on this analysis, we draw up a general policy on insurance and an optimum insurance programme.

At the reporting date, the company has 27 employees: 21 in Oslo and 6 in Kristiansand. All our personnel have extensive experience and a high level of expertise in their respective specialist fields. Pareto Forsikringsmegling is a member of the GBN Worldwide network of independent insurance brokers.

NON-LIFE INSURANCE

As a result of the current tougher market, major insurance companies are increasing their commercial insurance pricing. It is therefore important for us to be active in the market in order to limit cost increases for our clients.

The international insurance industry has become more restrictive. Risk appetite has fallen and premiums are increasing for most lines of insurance. We have also experienced that insurance companies have withdrawn from certain segments of the insurance market.

The primary concern of our non-life department is that our clients have the appropriate level of cover. We use risk and vulnerability analyses to alert our clients and make them aware of areas of risk to their property, vehicles, liability and consequential loss. The insurance cover taken out by our brokers on behalf of clients is largely provided by A-rated insurers. As a result, our clients can be confident that the insurers will have the willingness and ability to meet their obliga¬tions in the event of a claim.

LIFE AND PENSION INSURANCE

The Life and Pension department at Pareto Forsikringsmegling arranges group life and pension insurance coverage in cooperation with clients and their employees. The life and pension insurance market is currently characterised by increased premium costs. Therefore, we need to actively use our bargaining power with providers to avoid cost increases for our clients. The market is well-functioning, with effective competition, and by working with our clients, we make it possible for them to secure more favourable terms. However, although there are still a number of semi-public organisations with defined benefit pension schemes, there are fewer projects with defined contribution pension schemes to replace these.

The pension market for the public sector has been influenced by Storebrand re-entering the market in 2019, but there is still very little activity, considering the number of municipalities and public sector entities that have government occupational pension solutions. We expect a significant increase in activity in this market in the coming years.

DAMAGE PREVENTION

As part of our overall range of services, we provide advice on damage prevention. Upon request, we can act as a collaboration partner in connection with risk assessment and evaluation, as well as define measures to improve risk management. This reduces risk and claims costs, and ensures optimal premium pricing for insurance solutions. Our damage prevention concept includes both general advice and services specifically related to life and pension insurance and non-life insurance. Our damage prevention advisory service encompasses risk assessment and damage prevention analyses related to risk management, safety culture and preparedness.

Pareto Forsikringsmegling AS

Dronning Mauds gate 3
P.O. Box 1527 Vika
0117 Oslo, Norway
Telephone: +47 22 87 87 00
Turnover 2025: NOK 88 million
Income before tax 2025: NOK 24 million
Equity 2025: NOK 24 million
Number of employees: 27
CEO: Vegard Mjelva Finsæther
vmf@pareto.no
Chairman: Trine Charlotte Høgås-Ellingsen
www.pareto.no

EIENDOMSMEGLER KROGSVEEN AS

Since its founding in 1975, real estate broker Eiendomsmegler Krogsveen AS (Krogsveen) has primarily operated as an intermediary of residential real estate in the Norwegian market. In 2025, Krogsveen sold 7 470 homes and vacation homes worth NOK 39 billion.

HISTORY

Krogsveen has a history that can be traced back to 1975, when Gunnar Krogsveen established his first agent office in Bærum. In 2005, Danske Bank acquired the company from key employees. After more than twelve years of growth and healthy economic development as part of the Danske Bank Group, the company was acquired by Pareto AS in 2018.

BRAND RECOGNITION

Krogsveen has been a leading innovator in the Norwegian real estate market. Consumers associate Krogsveen with security and trust. Brand surveys rate the company highly for quality and professional expertise, indicating that Krogsveen is perceived as a specialist real estate brokerage. The green Krogsveen colour has great brand recognition value, and market surveys indicate that the company has attractive housing ads.

A UNIQUE CUSTOMER EXPERIENCE

Krogsveen has always given priority to providing unique experiences to its customers. Through its focus on sound advice and personal service for people who are in the market for housing – right from the very first inquiry for a new home through to handing over the keys – a valued relationship is created based on mutual trust. The Krogsveen housing search and match engine has been an important service that has differentiated the company from its competitors.

BUSINESS TODAY

The company currently has 366 employees, most of whom work at one of the company's 48 brokerage offices. The organisation has departments for settlement, finance, marketing, trade and IT, all located at the company's headquarters at Fornebu in Bærum county.

Krogsveen's primary geographic market is Eastern Norway with 33 offices, 11 of which are located in Oslo. Additionally, the company has strong market positions in Western Norway, including the three largest cities Bergen, Stavanger and Ålesund, plus Trondheim and Kristiansand. Krogsveen has a 5.5 per cent share of all sales in the residential market for resale in Norway.

The main business is brokerage of resale homes and leisure properties. In the leisure market by the sea, from Oslo to Sørlandet, Krogsveen is among the market leaders. The company also facilitates sales of new developments of single-family homes and condominiums.

In addition, Krogsveen includes rentals, which operates through a separate company – Utleiemegler Krogsveen AS. This company operates from four offices co-located with the sales brokerage business.

Eiendomsmegler Krogsveen

Martin Linges vei 17
P.O. Box 1 Fornebu
Norway
Telephone: +47 67 52 95 50
Turnover 2025: NOK 756 million
Income before tax 2025: NOK 151 million
Equity 2025: NOK 103 million
Number of employees: 366
CEO: Stian Kløfta
Stian.klofta@krogsveen.no
Chairman: Elin Mack Løvdal
www.krogsveen.no

PARETO BANK ASA

NORWAY'S LEADING PROJECT BANK

Pareto Bank is a specialised commercial bank whose business is concentrated around real estate financing, corporate financing, and ship financing. Since its inception in 2008, the bank has established itself as a central player in the financing of small and medium-sized enterprises in south-eastern Norway, as well as in larger Norwegian and Swedish cities. An efficient organisation with a well-established corporate culture and a centralised credit process enables the bank to make credit decisions quickly and precisely, while offering customers solutions tailor-made to their needs.

OUTLOOK

Pareto Bank experienced its first drop in yearly profits in 2025 due to a combination of higher credit losses and lower loan growth. Profitability ended below the long-term ambition of 15 per cent, as the bank operated with more than targeted capital and higher than normal impairments.

The bank maintains a good overview of its credit portfolio and works closely with customers to find constructive solutions. Given a higher interest rate, inflation and ongoing economic uncertainty, impairments may be higher than they have been historically also in the coming year. Pareto Bank has a strong loss-absorbing capacity through a strong net interest margin and a stable cost base.

Pareto Bank has established a solid position in its market segments and sees profitable growth opportunities. The work with building a Swedish presence continues according to plan and in 2025 the exposure rose to above NOK 4 billion. The bank has 10 years of experience in Sweden and aims for profitability above its target in this market.

Moderate loan growth is expected in the areas of corporate financing going forward. The outlook for financing of residential property is somewhat uncertain, especially in the short term. In the long term, a positive turnaround in this market is expected due to population growth, the current low construction activity and reduced uncertainty. Pareto Bank is well-positioned to grow in this area when demand returns. The bank has adopted a long-term approach, prioritising credit quality over growth.

OPERATIONS IN 2025

Pareto Bank had after-tax profits in 2025 of NOK 675.6 million (NOK 687.3 million in 2024), down 1.7 per cent year-on-year and corresponding to a return on equity of 12.4 per cent (13.6 per cent).

The bank's net interest income decreased to NOK 1 214.5 million in 2025 (NOK 1 227.3 million), while the weighted interest margin was stable at 4.6 per cent for the year overall. Lending volume was reduced by 9.4 per cent during the year, as the bank prioritised profitability over growth. During 2025, the bank offered NOK 14.7 billion of credit, down from NOK 18.2 billion in 2024.

Despite the slightly lower net interest income, the total income grew to NOK 1 295.4 million (NOK 1 253.2 million).

Total operating costs amounted to NOK 237.6 million (NOK 225.4 million) in 2025, corresponding to a cost/income ratio of 18.3 per cent (18.0 per cent).

Impairments amounted to NOK 174.8 million (NOK 127.5 million), corresponding to 0.89 per cent (0.65 per cent) of net lending by yearend.

CET1 at year-end 2025 was 20.2 per cent (17.2 per cent). The bank's leverage ratio stood at 18.2 per cent (17.1 per cent). The bank's long-term capital target for CET1 is 16.0 per cent.

The Board has proposed a dividend of NOK 8.00 per share, corresponding to a payout ratio of 98.4 per cent and in line with the bank's dividend policy.

Pareto Bank ASA is listed on the Oslo Stock Exchange.

The largest shareholders of Pareto Bank as of 31 Dec 2025:

Name	Stake
Pareto AS	20.0%
Société Générale	8.0%
AWC AS	6.8%
Hjellegjerde Invest AS	5.0%
Salt Value AS	3.2%
Holberg Norge	3.1%
Landkreditt Utbytte	2.7%
Rune Bentsen AS	2.7%
Kolberg Motors AS	2.7%

Top management in Pareto Bank owns 1.1 per cent of the shares.

Pareto Bank ASA

Dronning Mauds gate 3
P.O. Box 1823 Vika
0123 Oslo, Norway
Telephone: +47 24 02 81 20
Total assets 2025: NOK 25 337 million
Equity 2025: NOK 5 691 million
Number of employees: 70
CEO: Tiril Haug Villum tiril.villum@paretobank.no
Chairman: Åsmund Skår
www.paretobank.no

FINANCIAL STATEMENTS 2025

THE DIRECTORS' REPORT 2025

OUR BUSINESS OBJECTIVES

We will continue to develop and strengthen Pareto as a financially sound and profitable group of highly focused and independent business units. Our work shall be based on high ethical standards and professionalism, respect and trust among the company's employees, partners, clients, competitors and public authorities.

OPERATIONS

The company's business comprises financial advisory services, brokerage in the field of securities, ships, rigs, real estate and insurance, as well as project financing and asset management. The group's business activities are primarily conducted through its operating companies: Pareto Securities AS and its subsidiaries, Pareto Asset Management AS and its subsidiaries, Pareto Alternative Investments AS, Pareto Shipbrokers AS, Pareto Dry Cargo AS, Pareto Forsikringsmegling AS and Eiendomsmegler Krogsveen AS. Pareto AS is the parent company of the group. Pareto's head office is located in Oslo. In addition, the subsidiaries have offices in Stavanger, Trondheim, Kristiansand, Stockholm, Helsinki, Copenhagen, London, Frankfurt, Zürich, Singapore, Perth, New York and Houston.

EARNINGS

Developments in the securities markets have a significant impact, directly and indirectly, on Pareto's income statement. Despite the challenges faced in 2025 due to continued geopolitical uncertainty and volatile financial markets, the group delivered a solid profit. Compared to the year before, group operating profit increased by approximately six per cent. Mostly due to less realised gains from the parent company's financial investments compared to 2024, group profit decreased but was still the third best in the history of the group. The income statement must be described as very satisfactory, both for the group as a whole and for the majority of its business activities.

Group operating revenues in 2025 amounted to NOK 4 936 million, compared with NOK 4 686 million in 2024. Pre-tax profit totalled NOK 1 796 million, NOK 2 044 million in 2024. Profit after tax amounted to NOK 1 433 million in 2025, versus NOK 1 685 million in 2024.

The financial strength and liquidity of the group are good. Book equity at year-end stood at NOK 3 375 million, while bank deposits totalled NOK 3 056 million.

The parent company's profit after tax was NOK 1 047 million (NOK 1 413 million in 2024). At year-end 2025, equity in the parent company amounted to NOK 2 877 million, down from NOK 6 108 million in 2024. The decrease in equity in 2025 is due to Pareto AS transferring the company's financial investments to a company outside the Pareto group.

Pareto's decentralised operating model once again played its part in fostering engagement and commitment among our partners and employees, and in ensuring that attention was focused on maintaining high client activity, sensible cost levels and low risk.

The Board of Directors is very satisfied with the performance of the subsidiaries and will continue the long-term investment strategy of the parent company. Distributions received from the subsidiaries will be applied in the development of new ventures under the group's own umbrella or invested in other well-run companies, primarily in the form of equities.

PARETO'S STRATEGY

Pareto's strategy is to be a leading, independent Nordic investment company in which the individual subsidiaries have a decentralised and focused strategy.

Although priority is given to organic growth and the development of in-house expertise, acquisitions and mergers will be considered if they serve to develop and complement the company and extend the product range. Pareto will cooperate with other companies if appropriate and whenever doing so will offer our clients the best product.

Pareto's aim is to be a preferred provider of financial services, reflecting the company's thorough and detailed knowledge of social conditions, industries and individual companies. The Directors believe that, based on the group's proven ability to adapt and evolve, Pareto has considerable potential for further improvement and growth. One example of this is provided by the way in which Pareto has used its core expertise in selected industries as a platform for international expansion.

OUTLOOK

In addition to the company's own efforts and development, Pareto's earnings are affected by the general levels of activity in the financial markets.

Entering 2026, elevated geopolitical and macroeconomic uncertainty continues to contribute to market volatility. Geopolitical tensions, trade disputes, and regional conflicts pose risks to global economic stability and may affect investor confidence and corporate decision-making.

Over the years, the group has expanded internationally and built multiple sources of revenue – including energy transition and renewables – that offer a greater level of stability.

Even so, we remain vulnerable to major, long-term fluctuations in oil prices and to the development of the Scandinavian economies in general.

While fully aware of these challenges, the Directors maintain a fundamentally optimistic outlook and a positive view of Pareto's prospects, not only in the coming year, but also in the longer term. Pareto has a modest cost structure and a sound balance sheet and is thus well equipped to tackle challenges in the market.

KEY RISK FACTORS AND OTHER MATTERS

The group is exposed to operational risk, including litigation risk arising from alleged errors in the facilitation of capital raisings and project financing. The group is also exposed to market-related risks in respect of own account holdings in securities, counterparty risk, settlement risk, foreign currency risk, credit and liquidity risk. The risks relating to the business of the subsidiaries are managed according to the rules of the Norwegian Private Limited Companies Act, the Norwegian Securities Trading Act, the Securities Funds Act and the Risk Management and Internal Control Regulations supervised by Finanstilsynet (The Financial Supervisory Authority of Norway).

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

The working environment in group companies is good. Work commitment and productivity remained high throughout the year. The level of sickness-related absence within the group is low and no injuries or accidents were reported during the reporting period.

The group upholds the principle of equal opportunity between men and women. In its recruitment policy, the company makes a deliberate effort to attract the ablest candidates without discriminating based on gender, ethnicity, or other factors.

Group companies subject to the Norwegian Transparency Act (Norwegian: Åpenhetsloven), will conduct an annual due diligence assessment, which will be published on the websites of the respective group companies by 30 June.

The company is not involved in R&D activities. Except for emissions resulting from travel activities and office use, the nature of the group's operations does not pose any direct environmental pollution.

The Annual Report and Accounts are prepared on the going-concern assumption, which assumption still applies. The Directors consider that the accounts provide an accurate representation of the Pareto group's assets and liabilities, financial position, and profits.

The Board of Directors wishes to thank our partners and employees for their dedication and excellent work in the past year and the group's clients for the trust they have continued to place in us.

Oslo, 26 March 2026

Sign.
Svein Støle
(Chair)

Sign.
Bjørn Gabriel Reed

Sign.
Christian Jomaas

Sign.
Elin Mack Løvdal

Sign.
Siri Johanne Krafft

Sign.
Trine C. Høgås-Ellingsen
(CEO)

INCOME STATEMENT

Parent company (NOK '000)				Group (NOK '000)	
2024	2025		Notes	2025	2024
		OPERATING REVENUES			
184	-	Operating revenues	2	4 936 293	4 685 715
184	**-**	**Total operating revenues**		4 936 293	**4 685 715**
		OPERATING EXPENSES			
-11 771	-12 091	Personnel costs	3	-2 415 953	-2 295 999
-2 517	-4 450	Sundry other operating costs		-1 006 718	-954 186
-24	-24	Ordinary depreciation & amortisation	4	-16 026	-21 516
-14 313	**-16 565**	**Total operating expenses**		**-3 438 697**	**-3 271 701**
-14 129	**-16 565**	**Operating profit/loss**		**1 497 596**	**1 414 014**
		FINANCIAL INCOME/EXPENSES			
628 324	222 618	Financial income		366 321	738 254
763 818	737 065	Share dividends		1 825	23 650
-	-	Adjustments, securities	5	69	-635
152 340	136 441	Share of associated companies	6	136 441	152 340
-2	-5	Interest paid		-41 208	-41 718
-87 742	-231	Other financial expenses		-164 674	-241 842
1 456 739	**1 095 889**	**Total financial income/expenses**		**298 774**	**630 049**
1 442 610	**1 079 324**	**Income before tax**		**1 796 371**	**2 044 063**
-29 513	-32 316	Tax expense	7	-362 898	-358 885
1 413 097	**1 047 008**	**Profit for year**		**1 433 473**	**1 685 177**
		Net profit attributable to owners of parent		1 035 053	1 356 056
		Net profit attributable to non-controlling interests		398 420	329 121
		Allocation of net profit:			
		- Provision for dividend			
-1 413 097	-1 047 008	- Transferred to other equity			
-1 413 097	**-1 047 008**	**Total allocations**			

BALANCE SHEET

ASSETS

Parent company (NOK '000)				Group (NOK '000)	
31.12.2024	31.12.2025		Notes	31.12.2025	31.12.2024
		FIXED ASSETS			
		Intangible assets			
-	-	Goodwill acquired	4	752	1 052
-	-	Deferred tax assets	7	53 358	60 273
-	**-**	**Total intangible assets**		**54 109**	**61 325**
		Property, plant & equipment			
699	674	Fixtures, fittings, machinery etc.	4	38 311	35 137
		Financial fixed assets			
509 799	509 799	Shares in subsidiaries	6	-	-
1 021 303	1 081 468	Shares in associated companies	6	1 081 468	1 021 303
211 479	2 228	Other securities	8	27 866	238 847
-	-	Other non-current receivables		286	286
38	16	Premium fund	9	277	297
1 742 618	**1 593 509**	**Total financial fixed assets**		**1 109 897**	**1 260 733**
1 743 317	**1 594 184**	**Total fixed assets**		**1 202 317**	**1 357 196**
		CURRENT ASSETS			
		Receivables			
-	-	Trade receivables		1 900 357	2 409 703
865 751	921 373	Other receivables	10 , 11	622 468	675 986
865 751	**921 373**	**Total receivables**		**2 522 825**	**3 085 689**
		Investments			
3 352 424	143 092	Securities	5	1 240 619	4 197 419
3 352 424	**143 092**	**Total investments**		**1 240 619**	**4 197 419**
183 777	**261 046**	**Bank deposits**	12	**3 056 063**	**2 378 415**
4 401 951	**1 325 511**	**Total current assets**		**6 819 507**	**9 661 523**
6 145 268	**2 919 695**	**Total assets**		**8 021 823**	**11 018 719**

BALANCE SHEET

EQUITY AND LIABILITIES

Parent company (NOK '000)				Group (NOK '000)	
31.12.2024	31.12.2025		Notes	31.12.2025	31.12.2024
		EQUITY			
		Paid-in capital			
5 548	5 548	Share capital		5 548	5 548
7 096	7 096	Share premium reserve		-	-
12 644	**12 644**	**Total paid-in capital**		**5 548**	**5 548**
		Retained earnings			
591 926	654 825	Reserve for valuation variations		654 825	591 926
5 503 461	2 209 898	Other equity		2 407 530	5 702 442
6 095 386	**2 864 723**	**Total retained earnings**		**3 062 355**	**6 294 368**
		Non-controlling interests		**307 363**	**304 205**
6 108 030	**2 877 367**	**Total equity**	13	**3 375 266**	**6 604 121**
		LIABILITIES			
		Provision for commitments			
-	-	Pension liabilities	9	653	1 286
141	147	Deferred tax	7	204	158
141	**147**	**Total provision for commitments**		**857**	**1 445**
		Non-current liabilities			
-	-	Other non-current liabilities		47 680	62 673
-	-	Deposits from silent partners		45 153	43 148
-	**-**	**Total non-current liabilities**		**92 833**	**105 821**
		Current liabilities			
8 371	9 513	Other current liabilities	11	3 756 210	3 543 955
28 166	32 025	Tax payable	7	327 537	329 623
-	-	Dividends		358 949	335 267
560	643	Government charges and special taxes payable		110 170	98 487
37 096	**42 181**	**Total current liabilities**		**4 552 867**	**4 307 332**
37 238	**42 328**	**Total liabilities**		**4 646 557**	**4 414 598**
6 145 268	**2 919 695**	**Total liabilities and equity**		**8 021 823**	**11 018 719**

Oslo, 26 March 2026

Sign.
Svein Støle
(Chair)

Sign.
Bjørn Gabriel Reed

Sign.
Elin Mack Løvdal

Sign.
Christian Jomaas

Sign.
Siri Johanne Krafft

Sign.
Trine C. Høgås-Ellingsen
(CEO)

CASH FLOW STATEMENT

Parent company (NOK '000)			Group (NOK '000)	
2024	2025		2025	2024
		CASH FLOW FROM OPERATING ACTIVITIES		
1 442 610	1 079 324	Ordinary profit before tax expense	1 796 371	2 044 063
-16 656	-28 452	Tax paid in period	-364 984	-235 305
24	24	Ordinary depreciation and amortisation	15 726	23 347
-	-	Securities adjustments	-69	635
16	22	Net change in pensions without cash effect	-614	-62
-	-	Other items without cash effect	13 348	21 572
-152 340	-136 441	Share of profits of associated company	-136 441	-152 340
-259 984	-55 622	Change in receivables	562 864	-59 096
1 557	1 226	Change in other liability items	223 938	253 646
1 015 227	**860 081**	**Net cash flow from operating activities**	**2 110 139**	**1 896 458**
		CASH FLOW FROM INVESTMENT ACTIVITIES		
-	-	Net cash from purchases/disposals/sale of tangible assets	-18 899	-11 434
-1 259 001	-395 306	Net cash flow, short-term investments	-647 769	-1 194 952
-146 456	-1 524	Purchase/sale of financial fixed assets	206	-215 278
66 187	-378 562	Net cash flow, financial fixed assets	-378 562	66 187
-1 339 270	**-775 392**	**Net cash flow from investment activities**	**-1 045 024**	**-1 355 478**
		CASH FLOW FROM FINANCING ACTIVITIES		
-	-7 420	Dividend paid	-393 379	-275 869
-	-	Reduction of share capital	-	-
-	-	Purchase/sale of treasury shares	-	-
-	-	Change non-current commitments and liabilities	-12 988	2 457
-	-	Payments of equity to/from minority interests	18 899	33 888
-	**-7 420**	**Net cash flow from financing activities**	**-387 467**	**-239 524**
-324 043	77 269	Net change in bank deposits	677 648	301 457
507 820	183 777	Bank deposits in hand at 1 Jan.	2 378 415	2 076 958
183 777	**261 046**	**Bank deposits in hand at 31 Dec.**	**3 056 063**	**2 378 415**

NOTES TO THE ACCOUNTS

NOTE 1 | General

Group structure

Pareto AS owns 65.56% of Pareto Securities AS, 87.3% of Pareto Asset management AS, 100% of Pareto Bassøe Shipbrokers AS, 100% of Pareto Shipbrokers AS, 100% of Pareto Forsikringsmegling AS, 97.5% of Pareto Alternative Investments AS and 100 % of Pareto Bolig AS.

Pareto Securities AS owns 100% of Pareto Securities Pte Ltd, 100% of Pareto Securities Inc., 80.76% of Pareto Securities AB, 100% of Pareto Securities Oy, 100% of Pareto Securities Ltd, 100% of Pareto Securities Pty Ltd, 100% of Pareto Securities AG, 87.01% of Pareto Offshore AS, 100% of North Atlantic Seafood Forum AS, 100% of Pareto Business Management AS, 100% of Pareto Business Management AB, 100% of Pareto Business Management A/S, 100% of Pareto Maritime Services AS, 100% of Pareto Eiendom AS, 100% Pareto Project AS and 100% of Pareto Investorservice AS.

Pareto Asset Management AS owns 100% of Pareto Asset Management AB and 100% of Pareto Asset Management AG.

Pareto Bassøe Shipbrokers AS owns 100% of P.F. Bassøe AS and Pareto Dry Cargo AS.

Pareto Shipbrokers AS owns 100% of Pareto Shipbrokers Ltd.

Pareto Bolig AS owns 100% of Eiendomsmegler Krogsveen AS (Krogsveen). Krogsveen owns 100% of Utleiemegler Krogsveen AS and 56.3% of KE Forsikring AS.

General info

Pareto AS has been granted an exemption from the provisions in the Norwegian Accounting Act § 3-4 in preparing financial statements and annual report in the Norwegian language.

Consolidation principles

Investments in subsidiaries are valued at acquisition cost. If impairments are not expected to be temporary, write downs to fair value will be carried out. In the consolidated accounts, the cost price of shares in the subsidiaries is eliminated against the share capital in the subsidiaries at the time of purchase. Inter-company transactions, receivables and debts as of 31 December are eliminated in the consolidated accounts. Exchange differences in connection with the translation of the financial statements of foreign subsidiaries are charged to group equity.

Accounting policies

The annual financial statements are prepared in accordance with the rules provided for in the Norwegian Accountancy Act.

Income items are recognised as they are earned and when claims for payment arise. Income is recognised at the value of the payment at the time of the transaction.

Assets intended for permanent ownership or use are classified as non-current. Other assets are classified as current assets.

Receivables payable within one year are classified as current assets. Corresponding criteria are applied for classifying current and non-current liabilities.

Fixed assets are valued at acquisition cost, but are written down to their real value when a drop in value is not expected to be temporary. Assets with a limited economic life are depreciated systematically. Long-term loans are recorded in the balance sheet at the nominal sum received at the time of the establishment of the loan.

Investments in companies in which the company owns between 20 and 50 per cent and has a significant influence, are reported according to the equity method.

Current assets are valued at whichever is the lower of acquisition cost and fair value. Current liabilities are entered in the balance sheet at the nominal sum received at the time of establishment. Current liabilities are not written up to their fair value as a consequence of changes in interest rates.

Some items are valued according to other principles, as explained below.

Some of the operational subsidiaries are principals in their respective internal partnerships. The accounts for the internal partnerships are incorporated in the principals' accounts, based on gross values. Silent partners' shares of the internal partnerships' profits are debited as personnel costs and other financial expenses, respectively. Debts to silent partners are recorded under other current liabilities.

Provisions for bad debts are based on an assessment of the individual receivable. In addition, a provision is made to cover estimated losses on other trade receivables.

Financial instruments in the trading portfolio that are traded on an efficient market are valued at their fair value as of the balance sheet date. Other financial instruments are valued at whichever is the lower of the average acquisition cost and fair value as of the balance sheet date. Shares are valued in accordance with the policies for valuing portfolios.

The companies in the group put in place a defined contribution pension scheme in 2006. Contribution plans are accrued according to the matching principle.

Tax expense is matched with profit before tax. Tax related to equity transactions is offset against equity. Tax expense consists of tax payable, change in deferred tax and reimbursements pursuant to the Tax Act.

Monetary items in foreign currencies are translated at the rate of exchange applicable on the balance sheet date.

NOK '000

NOTE 2 | Operating revenues, consolidated

Operating revenues	2025	2024
Brokerage/Corporate finance	4 026 915	3 793 754
Management/Business management	909 378	891 961
Total operating revenues	4 936 293	4 685 715

NOTE 3 | Salaries, number of employees, remuneration etc.

	Parent company		Consolidated	
	2025	2024	2025	2024
Wages and salaries, holiday pay, nat. insurance	11 917	11 613	2 301 172	2 194 637
Pensions and other personnel costs	173	158	114 781	101 362
Total	12 091	11 771	2 415 953	2 295 999
Number of man-years	2	2	937	944

Paid remuneration to the CEO in 2025 amounted to NOK 5 916, including bonus. Remuneration to the directors of the parent company amounted to NOK 950. A provision of NOK 3 544 has been made for fees for the directors of the group.

Deloitte AS received fees of NOK 134 (2024: 240) for auditing the parent company and NOK 6 309 (2024: 7 222) for the group. Payment for other assurance engagements totalled NOK 406 (2024: 0) for the parent company and NOK 2 929 (2024: 2 390) for the group. Payments to other auditors to the group amount to NOK 284. These figures are exclusive of VAT.

Payments to Deloitte Advokatfirma DA for legal services amount to NOK 0 (2024: 0) for the parent company and NOK 810 (2024: 638) for the group. These figures are exclusive of VAT.

NOTE 4 | Tangible fixed assets

	Parent company	Group	
	Fixtures & fittings, IT	Fixtures & fittings, IT	Goodwill
Acquisition cost 01.01.	2 279	257 308	223 178
Additions in year	-	18 989	-
Disposals/sale	-	75 515	-
Acquisition cost 31.12.	2 279	200 781	223 178
Acc. depreciation 01.01.	1 580	222 217	222 125
Disposals/sale	-	75 471	-
Depreciation this year	24	15 726	301
Acc. depreciation 31.12.	1 605	162 471	222 426
Book value 31.12.	674	38 311	752
Economic life	3-6 years	2-7 years	3-5 years
Depreciation plan	Straight-line	Straight-line	Straight-line

The Pareto group has a lease on the premises at Dronning Mauds gate 1-3, which expires in 2031. The annual rent excluding common expenses was approximately NOK 55 million in 2025.

NOK '000

NOTE 5 | Securities

	Parent company		Group	
	Acquisition cost	Book value	Acquisition cost	Book value
Shares and partnership interests	143 092	143 092	158 860	163 831
Bonds and certificates			979 821	985 371
Fixed income funds			30 958	36 698
Equity funds			44 962	54 720
Total securities	143 092	143 092	1 214 601	1 240 619

NOTE 6 | Shares in subsidiaries

Subsidiary	Office	% stake and votes	Book value 31.12
Pareto Securities AS	Oslo	65.6 %	77 986
Pareto Asset Management AS	Oslo	87.3 %	24 433
Pareto Bassøe Shipbrokers AS	Oslo	100%	29 000
Pareto Shipbrokers AS	Kristiansand	100%	108 500
Pareto Forsikringsmegling AS	Oslo	100%	20 423
Pareto Alternative Investments AS	Oslo	97.5 %	73 543
Pareto Bolig	Oslo	100%	175 914
			509 799

Shares in associated companies

Company Office in Pareto's stake	Fondsforvaltning Oslo 35.0%	Odin Marine New York 27.5/50%	Pareto Bank Oslo 20.0%	Total associated companies
Acquisition cost	40 001	30 906	308 114	
Equity at time of acquisition	23 939	10 540	400 810	
Goodwill at time of purchase	16 062	20 366	-92 696	
Opening balance 1 Jan.	7 588	43 675	970 040	1 021 303
Share of year's profit	1 412	-1 999	134 961	134 375
Equity adjustments	-	-	-10 399	-10 399
Write-down goodwill	-	-	2 066	2 066
Dividends received	-1 219	-930	-63 729	-65 878
Closing balance 31 Dec.	7 781	40 747	1 032 939	**1 081 468**

NOK '000

NOTE 7 | Taxes

Parent company			Group	
2024	2025		2025	2024
1 442 610	1 079 324	Profit before income tax	1 796 371	2 044 063
-	-	Group contribution	52 615	20 900
-1 325 596	-951 204	Permanent differences	-266 365	-594 083
-302	-21	Change in temporary differences	-55 108	27 848
-	-	Change in deficits carried forward	-53 227	-18 144
116 712	128 098	Year's tax base	1 474 285	1 480 584
29 178	32 025	Tax payable	373 479	356 117
-1 012	-	Tax payable, withholding	-45 941	-26 494
28 166	32 025	Total tax payable	327 537	329 623
		Specification of temporary differences		
-	-	Current assets	-8 808	1 549
50	26	Tangible fixed assets	-21 177	-24 051
-	-	Intangible assets	-145	-181
515	561	Other items	-141 437	-151 053
-	-	Remaining loss for carrying forward	-34 121	-87 327
565	587	Basis for calculating deferred tax benefit/tax	-205 688	-261 062
141	147	22 - 25% deferred tax benefit (-)/tax(+)	-53 153	-60 115
		Year's tax expense		
29 178	32 025	Tax payable	373 479	356 117
240	222	Tax correction for earlier years	-2 569	-640
76	5	Change in deferred tax benefit/tax	-8 076	3 389
29 493	32 252	Tax expense	362 834	358 866
19	63	Paid withholding tax	63	19
29 513	32 316	Total tax expense	362 898	358 885
2 %	3 %	Effective rate of taxation	20 %	17 %
		Reconciliation from nominal to true tax expense		
360 652	269 831	Anticipated tax expense at nominal rate	426 533	485 843
-331 399	-237 801	Permanent differences	-76 624	-148 089
-	-	Change in tax rates	14 363	20 348
240	222	Correction previous year(s)	-2 569	-640
-	-	Other items	1 131	1 403
29 493	32 252	Tax expense	362 835	358 866
19	63	Paid withholding tax	63	19
29 513	32 316	Total tax expense	362 898	358 885

NOK '000

NOTE 8 | Other shares/bonds

	Acquisition cost	Book value
Other securities, parent company	2 228	2 228
Other securities, subsidiaries	25 638	25 638
Total other securities, group	27 866	27 866

NOTE 9 | Pensions

The group has a defined contribution pension scheme as required under the Norwegian Mandatory Occupational Pensions Act. Premium paid in 2025 totalled NOK 90 for the parent company and NOK 19 482 for the group.

One subsidiary has two unfunded pension plans, and the liabilities under these are recognised in the balance sheet as of 31 December 2025 at NOK 653 through valuations based on commonly applied assumptions.

NOTE 10 |

The parent company has granted employees/partners of the subsidiaries interest-bearing loans on which the outstanding balance as of 31 December 2025 is NOK 8 316.

NOTE 11 |

Receivables from group companies amounted to NOK 906 604 as at 31 December 2025.

Other current liabilities to group companies as at 31 December 2025 amounted to NOK 18.

NOTE 12 | Bank deposits

The parent company has a non-distributable deposit of NOK 367 lodged in an account for tax withholdings. The group's bank deposits include NOK 345 666 in non-distributable accounts, of which NOK 11 583 in accounts for tax withholdings.

Sums lodged in client accounts belonging to clients (client funds) are not recorded in the balance sheets of the companies.

NOTE 13 | Equity

Parent company	Share capital	Share premium account	Reserve for valuation variations	Other equity	Total
Equity at 1 Jan.	5 548	7 096	591 926	5 503 461	6 108 030
Distribution of additional dividends				-4 267 273	-4 267 273
Year's profit			73 298	973 710	1 047 008
Other adjustments			-10 399		-10 399
Total equity as of 31 Dec.	5 548	7 096	654 825	2 209 898	2 877 367

NOK '000

NOTE 13 | Equity, continued

Group	Share capital	Share premium account	Reserve for valuation variations	Other equity	Non-controlling interests	Total
Equity at 1 Jan.	5 548	-	591 926	5 702 442	304 205	6 604 121
Distribution of additional dividends				-4 267 273	-50 692	-4 317 965
Other adjustments			-10 399	-13 157		-23 556
Currency translation				12 420	6 823	19 243
Year's profit after tax			73 298	961 754	398 420	1 433 473
Provision for dividends				-	-358 949	-358 949
Non-controlling interests				11 343	7 556	18 899
Total equity as of 31 Dec.	5 548		654 825	2 407 530	307 363	3 375 266

The decrease in equity in 2025 is due to Pareto AS transferring the company's financial investments to a company outside the Pareto group.

The share capital as of 31 Dec. is NOK 5 548, divided into 38 000 shares with a nominal value of NOK 146 each.

		Number of shares	Stake and voting %
Vilfredo AS, org. no. 935 302 552	A shares	35 000	92.1%
Vilfredo AS, org. no. 935 302 552	B shares	3 000	7.9%
		38 000	100.0%

There are two classes of shares. B shares carry a preferential right to dividends as determined by the General Meeting.

NOTE 14 |

Pareto Securities AS 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.

Eiendomsmegler Krogsveen has pledged receivables and fixed assets, with a value of 80 million, as collateral for bank overdraft facilities.

NOTE 15 |

The group is exposed to market related risks in respect of own account holdings in securities, counterparty risk, settlement risk and forreign currency risk. The group's interest risk is limited. Operational risk is the group's biggest risk and is handled daily by all parts of the organization, and through well-developed internal regulations and controls.

The financial market risk relating to the business of the subsidiaries is managed according to the rules of the Companies Act, the Securities Trading Act, the Securities Funds Act and the Risk Management and Internal Control Regulations issued by Finanstilsynet (The Financial Supervisory Authority of Norway).

NOTE 16 | Related-party transactions

Svein Støle is the beneficial owner of the parent company, Pareto AS. No transactions were conducted with the controlling interest.

Sales of services to other group companies	7 972
Purchases of services from other group companies	9 168

Transactions with related parties are on arm's length prices and terms.
The amounts include costs invoiced by external suppliers passed on between group companies.

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To the General Meeting of Pareto AS

INDEPENDENT AUDITOR'S REPORT

Opinion

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

- The financial statements of the parent company Pareto AS (the Company), which comprise the balance sheet as at 31 December 2025, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The financial statements of Pareto AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2025, the income statement, 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,
- the financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2025, and its financial performanceand 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 of the Group give a true and fair view of the financial position of the Group as at 31 December 2025, and its financial performanceand 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 relevant laws and regulations in Norway 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. Our opinion on the financial statements does not cover the information in the Board of Directors’ report.

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

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

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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 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 and 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's 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.

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, 26. mars 2026
Deloitte AS

Roger Furholm
State Authorised Public Accountant
(electronically signed)

Independent auditor's report - Pareto AS

Name	Date
Furholm, Roger	2026-03-26

Identification

bankID Furholm, Roger

Annual Report 2025

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