



ANNUAL REPORT 2024

Business activities

Pareto Securities AS (the "Company") operates as a regulated investment firm. Its business activities encompass primary and secondary brokerage services for equities and fixed income instruments, investment banking, and project financing. The Company's headquarters are located in Oslo, with a regional office in Stavanger, and branch offices in Denmark and Germany.

The Company holds licenses for subsidiaries in Sweden (with a branch in Norway), Finland, the United Kingdom, the United States, Singapore, and Australia. Additionally, it maintains a representative office in Switzerland. The Norwegian subsidiaries are mainly engaged in business management of project finance companies and in rig-brokering.

The global presence ensures our proximity to major capital centers worldwide and to issuers operating within our core areas of expertise. The synergy between our local presence and an extensive network of international investor connections underpins the Company's placement power in both equity and bond markets. Founded in 1992, the Company is an integral part of the Pareto group with Pareto AS serving as its parent company.

As of 31 December 2024, the Company and its subsidiaries (the "Group") collectively employed 460 individuals equal to 442 man-years.

Financial developments and profits

Despite the considerable challenges faced in 2024 due to geopolitical uncertainty, and volatile financial markets, the Group delivered a solid profit.

The Group's operating revenues increased from NOK 2 267 million in 2023 to NOK 2 916 million in 2024. Profit before tax increased from NOK 813 million in 2023 to NOK 1 071 million in 2024. The Group's equity increased from NOK 757 million in 2023 to NOK 765 million in 2024.

The Company's operating revenues increased from NOK 1 275 million in 2023 to NOK 1 816 million in 2024. Profit before tax increased from NOK 702 million in 2023 to NOK 967 million in 2024. The Company's equity decreased from NOK 581 million in 2023 to NOK 573 million in 2024.

Key risks factors, risk management and capital adequacy

The Group's main risk is operational risk, including litigation risk related to alleged errors in facilitating capital raisings and project financing. The Group is exposed to risks associated with transactions and settlement of financial instruments, and credit- and liquidity risk related to securities financing. Furthermore, the Group is exposed to market risks due to its holding of financial instruments and currency exchange fluctuations. Additionally, it is also indirectly exposed to fluctuations in the capital markets. When capital markets are weak, transaction volumes decrease, resulting in lower revenues. The Group is also exposed to sustainability risks. Although sustainability risk is not considered a distinct risk category, we acknowledge that sustainability risk could potentially negatively impact all business areas and investments. Consequently, sustainability risk contributes to risk across various dimensions.

The Group refrains from trading equities or bonds for its own account as part of its general investment management. However, it may, to a limited degree, assume positions related to capital raising projects. Surplus liquidity is deposited in financially stable banks and government bonds. These measures effectively mitigate the Group's financial risk.

The Company's risk is managed in alignment with the provisions outlined in the Norwegian Private Limited Companies Act and the Norwegian Securities Trading Act, along with their associated regulations, as well as through sound risk management and internal directives. These risk management practices extend to the Company's regulated subsidiaries abroad, adhering to the relevant laws of each jurisdiction.

The Company has established procedures to ensure compliance with applicable legal requirements. Operational risk is managed daily by all parts of the organization, and through well-developed internal regulations and controls. The quality of deal facilitation work is upheld through collaborative efforts led by experienced project leaders. Additionally, the Company follows well-defined capital raising project procedures, including a thorough evaluation of potential new investment banking assignments within the internal "Deal Committee".

Throughout the year 2024, both the Company and the Group complied with all applicable capital adequacy requirements.

ESG

Sustainability and corporate social responsibility

The Group is committed to responsible business practices and development. This commitment involves combining financial solutions with environmental and social responsibility and sound governance practices (ESG). Sustainability is embedded in our business strategy and serves as a fundamental principle guiding the Group's efforts.

Our Code of Conduct, Sustainability Policy, Anti-corruption Policy, Human Rights Policy, Code of Conduct for Suppliers & Business Partners, and Diversity & Inclusion Policy reflect our commitment to responsible business conduct. The policy framework establishes fundamental principles as outlined in the UN Global Compact and is available at www.paretosec.com.

Within our organization, ESG related risks and opportunities are regularly addressed by both the board and executive management. Each year, the board receives a comprehensive report on the Group's ESG development and impact.

In accordance with the MIFID II sustainability amendments, the Company has incorporated clients' sustainability preferences into its investment advice. Additionally, the Company has integrated sustainability factors, risks, and preferences into its organizational requirements and embedded into the product governance process.

The Group aims to contribute to the objectives of the Paris Agreement by integrating responsible business practices into our operations. While we strive to make our operations as sustainable as possible, our most significant impact comes from our business activities. Since 2020, we have tracked, calculated, and offset greenhouse gas emissions under Scope 1, 2 and partially Scope 3. The Group's energy and climate accounts adhere to the international Corporate Accounting and Reporting Standard. We also set expectations for our organization, suppliers, and partners.

The key findings related to our sustainability efforts are detailed in the annual ESG report available at www.paretosec.com.

Human Rights

We are committed to upholding human rights and aim to integrate human rights diligence in our procedures. Our Human Rights Policy outlines our approach to managing human rights risk within our business operations and clarifies our expectations for conducting business in line with the principles described in the policy. Our Code of Conduct for Suppliers and Business Partners reflects our expectations to suppliers and business partners. We seek an open and transparent relationship with such third parties and strive to ensure that our commitment within business integrity, human rights and climate action are reflected in our dealings with all stakeholders.

In line with the Norwegian Transparency Act, the Company prepares a comprehensive annual risk assessment focused on human rights and decent working conditions. This due diligence process involves examining risk factors related to our organization, business operations, supply chains and business partners. Throughout the year, no direct links to actual negative impacts related to activities, products or services via business relationships were identified. The Company annually reports on the outcomes of the risk assessments, and the 2024 statement will be published at www.paretosec.com.

Working environment

Our employees are our most valuable assets. Competent and capable employees are essential for delivering complex financial services, driving innovation and technological advancement, ensuring safe and stable operations, and functioning in a regulated market.

We are committed to fostering a meaningful, robust, and healthy working environment. To achieve this, we have implemented policies and processes to manage potential negative impacts and risk, considering this a continuous area for improvement. We have various initiatives to boost our internal culture and promote a healthy and active lifestyle. All our employees receive general and department-specific training to enhance their professional and personal development. We offer a health insurance program that covers all employees, with health checks every two years.

Overall, the working environment is considered good. Sickness absence remains consistently low, with an absence rate of 0.5% in 2024 (Pareto Securities AS, Norway). There are no reports of work-related injuries or accidents among the Group employees in 2024.

The Company has established a working environment committee and has appointed safety representatives in Oslo and Stavanger. Throughout 2024, the working-environment convened two meetings, and safety inspections were conducted to uphold a healthy and safe working environment within the Company.

Diversity and equality

The Group is committed to the principles of non-discrimination and equal opportunity. We have established a Diversity and Inclusion Policy that outlines our key principles and procedures, including our zero tolerance for discrimination and harassment and a whistleblowing channel.

We recognize the importance of inclusion and gender-balance within our organization. We have implemented concrete measures in our recruitment processes and actively support initiatives to foster greater interest in the financial industry among women.

The Company annually reports on gender equality and anti-discrimination measures, and the 2024 Gender Equality and Anti-discrimination report will be published at www.paretosec.com.

Anti-corruption and anti-money laundering measures

The Group is firmly opposed to corruption in all forms. We have developed a strict framework to combat bribery, fraud and corruption, as well as money laundering and terrorist financing. Our employees and board members undergo regular anti-corruption and anti-money laundering training, and we conduct monitoring to uncover suspicious transactions. The Group's zero tolerance for corruption is reflected in our Anti-Corruption Policy, available on www.paretosec.com.

Furthermore, the Group adheres to relevant anti-money laundering and terrorism financing legislation within the respective jurisdictions. Our consistent efforts are directed at combating financial crime, prevent fraud, and safeguarding the Group from being exploited for illicit purposes.

We prepare a comprehensive annual assessment of the risk of money laundering and terrorist financing linked to our operations, along with associated risk-mitigating measures. The risk assessment serves as the foundation for implementing and complying with anti-money laundering regulations. It also guides our risk-based approach, encompassing identified risk factors description of mitigating actions.

In 2024, we continued to enhance efficiency and ensure good quality in our various AML processes.

DIRECTORS' REPORT 2024

D&O Insurance

The Pareto group maintains a Directors & Officers insurance. This coverage extends to board members, the CEO, and senior management, safeguarding them against personal liability arising from actual or alleged wrongful acts in the management of the Company and its subsidiaries. Additionally, the insurance includes coverage for legal expenses.

Going concern

The annual financial statements have been prepared under the assumption of going concern. This assumption is grounded in the financial position as of year-end 2024 and the projected outlook 2025.

Outlook for 2025

Entering 2025, high geopolitical and macroeconomic uncertainty continue to cause capital market volatility. Ongoing geopolitical tensions, trade disputes, and regional conflicts pose risk to economic stability. These uncertainties can impact investor confidence and business decisions.

Over the past years, the Group's revenue base has become more diversified. This diversification encompasses both product offerings and industry sectors, as well as geographical spread.

Oslo, 25 March 2025

Morten Goller
Chairman

Svein Støle
Board member

Siri Johanne Krafft
Board member

Mats Carlsson
Board member

Trine Charlotte Høgås-Ellingsen
Board member

Christian Jomaas
Chief Executive Officer

PARETO SECURITIES

COMPANY			INCOME STATEMENT	GROUP	
2024	2023	Note	Amounts in NOK 1 000	2024	2023
1 815 500	1 274 500	2	Operating revenues	2 915 500	2 267 000
878 032	617 683	3	Personnel expenses	1 445 336	1 149 165
8 207	6 466	6	Depreciation	14 726	14 266
280 061	243 851		Other operating expenses	495 938	455 369
1 166 300	868 000		Total operating expenses	1 956 000	1 618 800
649 200	406 500		Operating profit	959 500	648 200
63 627	52 349		Interest income	124 714	95 556
275 776	308 431		Other financial income	67 019	134 912
-1 095	-4 834		Interest expenses	-40 335	-34 817
-20 508	-60 346		Other financial expenses	-39 698	-31 151
317 800	295 600		Net financial result	111 700	164 500
967 000	702 100		PROFIT BEFORE TAXES	1 071 200	812 700
183 300	118 800	16	Tax expense	257 100	182 500
783 700	583 300		NET PROFIT FOR THE YEAR	814 100	630 200
			Net profit attributable to owners of parent	770 768	580 209
		7	Net profit attributable to non-controlling interests	43 332	49 991
			Allocation of net profit		
-798 562	-621 021		Proposed dividend		
14 862	37 721		Transferred to/from other equity		
-783 700	-583 300	14	Total allocations		

PARETO SECURITIES

COMPANY		BALANCE SHEET AS OF 31 DECEMBER		GROUP	
2024	2023	Note	Amounts in NOK 1 000	2024	2023
NON-CURRENT ASSETS					
21 562	22 762	16	Deferred tax assets	44 706	41 995
1 116	1 730	6	Software	3 840	4 563
22 678	24 492		Total intangible assets	48 546	46 558
5 856	6 767	6	Office equipment and fittings	10 710	11 558
281 668	286 165	7	Shares in subsidiaries	0	0
85 655	80 376		Loans to subsidiaries	0	0
367 323	366 541		Total financial assets	0	0
395 857	397 800		TOTAL NON-CURRENT ASSETS	59 256	58 116
CURRENT ASSETS					
861 676	1 065 250	8	Receivables from clients	2 063 444	2 068 749
61 200	142 360		Receivables from financial institutions	64 833	142 360
279 192	316 025		Receivables from group companies	0	0
211 572	161 519		Other receivables	370 031	315 205
1 413 640	1 685 154		Total receivables	2 498 308	2 526 314
21 790	13 777	9	Financial instruments	757 008	831 928
972 713	355 269	10	Bank deposits	1 659 428	1 118 642
2 408 143	2 054 200	20	TOTAL CURRENT ASSETS	4 914 744	4 476 884
2 804 000	2 452 000		TOTAL ASSETS	4 974 000	4 535 000

PARETO SECURITIES

COMPANY			BALANCE SHEET AS OF 31 DECEMBER		GROUP	
2024	2023	Note	Amounts in NOK 1 000		2024	2023
EQUITY						
90 000	90 000	13	Share capital		90 000	90 000
-635	-1 155		Own shares		-635	-1 155
66 400	66 400		Share premium		66 400	66 400
155 765	155 245		Total paid-in capital		155 765	155 245
416 866	425 982		Retained earnings		559 155	555 515
572 631	581 227		Equity attributable to owners of the parent		714 920	710 760
			Non-controlling interests		49 743	45 807
572 631	581 227	14	TOTAL EQUITY		764 663	756 567
LIABILITIES						
1 258	1 337	5	Pension liabilities		1 286	1 363
26 730	25 065		Deposits from silent partners		27 270	25 605
50 000	50 000		Other liabilities		62 500	62 500
77 988	76 402		Total long-term liabilities		91 056	89 468
235 120	192 275		Payables to financial institutions		235 120	192 275
120 963	327 872	11	Payables to clients		1 774 175	1 944 201
123 992	98 113		Payables to group companies		0	0
184 863	110 639	16	Income tax payable		237 650	138 058
11 521	9 472		Public dues payable		46 941	35 509
798 562	621 021		Proposed dividends		842 408	675 033
678 359	434 979	12	Other liabilities		981 987	703 889
2 153 381	1 794 371		Total short-term liabilities		4 118 281	3 688 965
2 231 369	1 870 773	20	TOTAL LIABILITIES		4 209 337	3 778 433
2 804 000	2 452 000		TOTAL EQUITY AND LIABILITIES		4 974 000	4 535 000

Oslo, 25 March 2025

Morten Goller
Chairman

Svein Støle
Board member

Mats Carlsson
Board member

Siri Johanne Krafft
Board member

Trine Charlotte Høgås-Ellingsen
Board member

Christian Jomaas
Chief Executive Officer

COMPANY		CASH FLOW STATEMENT	GROUP	
2024	2023	Amounts in NOK 1 000	2024	2023
967 000	702 100	Profit before tax	1 071 200	812 700
-110 810	-114 802	Tax paid	-161 937	-204 460
8 207	6 466	Depreciation	14 726	14 266
266 235	-236 654	Change in receivables	28 006	28 482
99 817	-106 157	Change in short-term and other liabilities	179 631	-530 850
1 230 450	250 953	Net cash flow from operating activities	1 131 626	120 138
-6 645	-4 073	Purchase of fixed assets	-12 840	-10 509
-3 516	35 026	Net cash flow from investments	74 920	306 598
-10 161	30 953	Net cash flow from investing activities	62 080	296 089
1 665	1 815	Change in deposits from silent partners	1 665	1 815
16 511	26 334	Purchase/sale of own shares	16 511	26 334
0	0	Capital investment from minority	3 936	-4 871
-621 021	-459 887	Dividend paid	-675 033	-472 753
-602 845	-431 738	Net cash flow from financing activities	-652 921	-449 475
617 444	-149 832	Net change in cash during the year	540 785	-33 248
355 269	505 101	Cash and cash equivalents 1.1	1 118 642	1 151 890
972 713	355 269	Cash and cash equivalents 31.12	1 659 428	1 118 642

NOTE 1 ACCOUNTING POLICIES**General information**

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

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

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

Basis of preparation

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

Consolidation principles

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

Accounting of partnership

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

Revenue recognition

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

Estimates

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

Tangible assets

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

NOTE 1 ACCOUNTING POLICIES CONT.**Receivables/write-downs of bad debts**

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

Financial investments

Surplus liquidity placed in financial instruments such as government bonds or covered bonds with minimum AAA-rating are classified in the banking book and carried at fair value. Such investments have short maturities. All other financial instruments apart from shares in subsidiaries are classified in the trading book and measured at fair value. Changes in fair value are recognised in the income statement. For financial instruments traded in active markets, the determination of fair values are based on quoted market prices or dealer price quotations. For all other financial instruments, fair value is determined using conservative valuation techniques and the principle of proportionality.

Financial derivatives

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

Tax

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

Liabilities

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

Foreign currency

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

NOTE 2 OPERATING REVENUES

	Company		Group	
	2024	2023	2024	2023
Investment banking	1 388 639	945 381	2 087 300	1 538 532
Secondary brokerage	426 861	329 119	638 900	568 368
Business management	0	0	94 300	82 900
Other operating revenues	0	0	95 000	77 200
Total operating revenues	1 815 500	1 274 500	2 915 500	2 267 000

	2024	2023
Capital raisings	1 149 957	771 436
Investment advice/order execution	365 152	273 067
Market making and own account trading	20 030	19 791
Related services (M&A, advisory, research and FX)	280 361	210 206
Total operating revenues	1 815 500	1 274 500

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

Investment banking and secondary brokerage establishments in the Group	Avg no of employees	Operating revenues	Profit before tax	Tax expense
Pareto Securities AS (Norway)	217	1 639 000	663 356	180 474
Pareto Securities AS, Frankfurt branch (Germany)	31	146 600	37 814	2 826
Pareto Securities AS, Copenhagen branch (Denmark)	3	29 900	11 961	0
Pareto Securities AB (Sweden)	112	618 200	248 184	49 624
Pareto Securities AB NUF (Norway)	2	32 400	24 400	6 031
Pareto Securities Oy (Finland)	9	36 300	3 043	744
Pareto Securities Ltd (UK)	7	31 400	-5 371	-14
Pareto Securities AG (Switzerland)	9	58 900	11 237	2 260
Pareto Securities Inc (USA)	11	61 900	-8 242	-2 288
Pareto Securities Pte Ltd (Singapore)	8	56 500	18 997	2 413
Pareto Securities Pty Ltd (Australia)	1	900	-1 880	0
Sub-total	410	2 712 000	1 003 499	242 070

Business management and other establishments in the Group	Avg no of employees	Operating revenues	Profit before tax	Tax expense
Pareto Business Management AS (Norway)	26	78 400	20 729	4 570
Pareto Business Management AB (Sweden)	14	22 400	354	0
Pareto Business Management A/S (Denmark)	2	4 600	-1 536	-338
Pareto Maritime Services AS (Norway)	3	23 400	16 900	3 721
Pareto Offshore AS (Norway)	4	71 600	30 855	7 054
North Atlantic Seafood Forum AS (Norway)	1	3 100	398	0
Pareto Project AS (Norway)	0	0	25	0
Pareto Eiendom AS (Norway)	0	0	-3	0
Pareto Investorservice AS (Norway)	0	0	-21	0
Sub-total	50	203 500	67 701	15 007
Total	460	2 915 500	1 071 200	257 100

None of the establishments have received any public subsidies.

NOTE 3 PERSONNEL EXPENSES

	Company		Group	
	2024	2023	2024	2023
Partner remuneration and salaries	805 428	554 966	1 250 232	963 860
Employer's national insurance contributions	43 169	39 150	132 770	125 660
Pension costs	6 660	5 988	20 421	20 554
Other personnel costs	22 775	17 579	41 911	39 091
Total personnel expenses	878 032	617 683	1 445 336	1 149 165
Average number of employees	158	131	363	354
Average number of partners	93	91	97	95
Sum average	251	222	460	448
Average number of man-years	239	211	442	431

NOTE 4 REMUNERATION

Fees to Deloitte AS for the statutory audit of the company were NOK 1 275 (2023: 858). Fees for other assurance services amounted to NOK 147 (2023: 129), fees for tax services amounted to NOK 338 (2023: 275) and other non-audit services fees amounted to NOK 48 (2023: 0). Corresponding fees for the group amounted to NOK 4 233 (2023: 3 627) for the statutory audit, NOK 211 (2023: 141) for other assurance services, NOK 528 (2023: 408) for tax-related services and NOK 111 (2023: 91) for other non-audit services. Fees to Deloitte Advokatfirma AS (law firm) amounted to NOK 638 (2023: 628). All amounts reported are exclusive of VAT.

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

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

Personnel identified as "material risk takers" pursuant to the qualitative or quantitative criteria as defined in Commission delegated regulation (EU) No 604/2014 of 4 March 2014 as amended by Commission delegated regulation (EU) 2016/861 are governed by the Norwegian Regulations on Remuneration in Investment Firms (No: Finansforetaksforskriften). For 2024, these partners have received NOK 34 850 as fixed remuneration. Final variable remuneration for these partners will be decided by the Board of Directors after the Annual Report has been approved. The aggregate remuneration for 2024 has been fully accrued in the financial statements for 2024. More detailed information will be published in the company's Pillar 3 reporting on www.paretosec.com. Pareto Securities AS is exempt from certain of the requirements pursuant to Finansforetaksforskriften, cf. section 15-5 (2) and the variable remuneration is comprised of 100% cash. Actual payment of the variable remuneration to material risk takers is however subject to an evaluation of several criteria, hereunder capital situation, liquidity need, business risks and business cycles.

Paid remuneration to CEO Christian Jomaas in 2024 amounted to NOK 16 305, consisting of fixed remuneration for 2024 and variable remuneration for 2023. Christian Jomaas participates in the company's remuneration scheme and he holds 2.44% of the shares of Pareto Securities AS through Klevsund AS.

NOTE 5 PENSIONS

The company has a defined contribution pension scheme as required under Mandatory Occupational Pensions Acts. The defined Norwegian contribution plan is managed by Sparebank 1 and Storebrand. Pension contributions for 2024 amount to NOK 7 416.

The company has two unfunded pension plans, and the liabilities under these are recognised in the balance sheet as of 31 December 2024 at NOK 1 258 through actuarial valuations based on commonly applied assumptions.

NOTE 6 FIXED ASSETS

	Office equipment and fittings		Software	
	Company	Group	Company	Group
Acquisition cost 1.1	36 221	99 788	12 535	19 722
Additions during the year	3 286	5 097	3 359	7 743
Disposals	-35	-71	0	-35
Acquisition cost 31.12	39 472	104 814	15 894	27 429
Accumulated depreciation 1.1	29 454	88 230	10 805	15 158
Depreciation	4 232	6 266	3 975	8 460
Disposals	-70	-392	-2	-29
Accumulated depreciation 31.12	33 615	94 104	14 778	23 589
Net carrying value 31.12	5 856	10 710	1 116	3 840
Economic life	3-10 years	3-10 years	3-10 years	3-10 years
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line

NOTE 7 SHARES IN SUBSIDIARIES

Consolidated companies

Company name	Equity	Registered Office	Holding
Pareto Securities Pte Ltd	33 310	Singapore	100.00%
Pareto Securities Inc	41 542	New York	100.00%
Pareto Securities AB	211 854	Stockholm	81.45%
Pareto Securities Oy	22 269	Helsinki	100.00%
Pareto Securities Ltd	24 111	London	100.00%
Pareto Securities Pty Ltd	6 772	Perth	100.00%
Pareto Securities AG	47 859	Zurich	100.00%
Pareto Offshore AS	10 006	Oslo	87.01%
Pareto Business Management AS	4 426	Oslo	100.00%
Pareto Business Management AB	1 510	Stockholm	100.00%
Pareto Business Management A/S	815	Copenhagen	100.00%
Pareto Maritime Services AS	15 015	Oslo	100.00%
North Atlantic Seafood Forum AS	2 215	Oslo	100.00%
Pareto Investorservice AS	844	Oslo	100.00%
Pareto Eiendom AS	21	Oslo	100.00%
Pareto Project AS	2 688	Oslo	100.00%

Non-consolidated companies

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

The general partner's ownership interest in the underlying silent partnership is 1.5% of Pipebarge 1 silent partnership, 1.0% of Partankers XVII silent partnership, 1.0% of Adriatic Tankers silent partnership, respectively. The total carrying value after write-downs of these investments in Pareto Maritime Services AS and in the consolidated financial statement for the group is NOK 6 161. There is no uncalled committed capital in the three companies. Pareto Securities group has in accordance with Section 3-8 of the Norwegian Accounting Act not consolidated the subsidiaries owned through Pareto Maritime Services AS in the consolidated financial statements as these are of no significance for the assessment of the group's financial position and performance.

NOTE 8 RECEIVABLES FROM CLIENTS

	Company	Group
Receivables from securities financing clients	498 703	1 654 324
Receivables from secondary trading	362 973	409 121
Total receivables from clients	861 676	2 063 444

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

NOTE 9 FINANCIAL INSTRUMENTS

	Company		Group	
	Acquisition cost	Carrying value	Acquisition cost	Carrying value
Swedish government bonds	0	0	715 396	719 890
Other bonds	0	0	656	663
Shares	29 370	21 790	45 032	36 455
Total financial instruments	29 370	21 790	761 084	757 008

The average effective interest rate on Swedish government bonds owned in 2024 is 3.6%.

NOTE 10 BANK DEPOSITS

	Company	Group
Restricted in respect of payroll taxes deducted at source	5 531	7 186
Restricted in respect of margin security etc	274 735	274 735
Total restricted deposits	280 266	281 921

Funds in client accounts and equity proceeds accounts that belong to clients (client funds) amount to NOK 20 228 342 and are not recognized in the company's balance sheet. The corresponding client liabilities are NOK 20 191 376. The net balance of NOK 36 966 is the result of timing differences on transfers and interest on client deposits.

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

NOTE 11 PAYABLES TO CLIENTS

	Company	Group
Client deposits	0	1 633 339
Payables to clients from secondary trading	120 963	140 837
Total payables to clients	120 963	1 774 175

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

NOTE 12 OTHER LIABILITIES

	Company		Group	
	2024	2023	2024	2023
Remuneration to partners and bonus to employees	617 376	372 418	867 635	576 033
Accrued costs and other short-term liabilities	60 983	62 561	114 352	127 856
Total other liabilities	678 359	434 979	981 987	703 889

NOTE 13 SHAREHOLDER INFORMATION

The company has 900 000 shares with a nominal value of NOK 100 each, held as of 31.12.2024:

	Number of shares	Ownership
Pareto AS (owned 100% by Board member Svein Støle)	590 000	65.56%
Klevsund AS (owned 100% by CEO Christian Jomaas)	22 000	2.44%
Bakkejord Invest AS	15 000	1.67%
Emis AS	15 000	1.67%
Sempra AS	15 000	1.67%
Bielkevägeninvest AB (owned 100% by Board member Mats Carlsson)	12 000	1.33%
Veøy Invest AS	12 000	1.33%
Myrianda AB	10 500	1.17%
Dragesund Invest AS	10 000	1.11%
Own shares	6 350	0.71%
Other shareholders with holdings below 1%	192 150	21.35%
Total	900 000	100.00%

NOTE 14 EQUITY

Company	Share capital	Own shares	Share premium	Other equity	Total equity
Equity 1.1	90 000	-1 155	66 400	425 982	581 227
Merger with PWM 1.7	0	0	0	-10 529	-10 529
Own shares	0	520	0	15 991	16 511
Currency translation	0	0	0	284	284
Net profit for the year	0	0	0	783 700	783 700
Proposed dividend	0	0	0	-798 562	-798 562
Total equity 31.12	90 000	-635	66 400	416 866	572 631

Group	Share capital	Own shares	Share premium	Other equity	Minority interest	Total equity
Equity 1.1	90 000	-1 155	66 400	555 515	45 807	756 567
Merger with PWM 1.7	0	0	0	-10 529	0	-10 529
Own shares	0	520	0	15 991	0	16 511
Currency translation	0	0	0	25 973	513	26 486
Net profit for the year	0	0	0	770 768	43 332	814 100
Proposed dividend	0	0	0	-798 562	-43 845	-842 408
Non-controlling interests	0	0	0	0	3 936	3 936
Total equity 31.12	90 000	-635	66 400	559 155	49 743	764 663

The completion of merger between Pareto Securities AS and Pareto Wealth Management AS (PWM) took place 1 July 2024.

NOTE 15 GUARANTEES

The company is member of the Norwegian Investor Compensation Scheme.

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

NOTE 16 TAX

	Company		Group	
	2024	2023	2024	2023
Tax payable				
Profit before tax	967 000	702 100	1 071 200	812 700
Permanent differences	-231 740	-229 617	4 834	-9 243
Change in temporary differences	-4 800	-29 927	10 831	-7 239
Loss carried forward	0	0	16 750	25 331
Taxable income for the year	730 460	442 556	1 103 615	821 549
Tax payable for the year	182 615	110 639	259 281	174 134
Prepaid tax for the year	0	0	-23 879	-36 076
Tax payable 1H24 merger with PWM	2 248	0	2 248	0
Current income tax payable in the balance sheet	184 863	110 639	237 650	138 058
Specification of temporary differences				
Fixed assets	8 752	6 580	11 222	9 297
Shares and bonds	42 981	44 605	42 981	44 605
Receivables	-24 055	-18 776	-6 888	-737
Provisions	58 570	58 639	58 570	58 639
Loss carried forward	0	0	87 327	70 577
Basis for calculation of deferred tax	86 248	91 048	193 212	182 381
Net deferred tax asset	21 562	22 762	44 706	41 995
Tax expense				
Tax payable for the year	182 615	110 639	259 281	174 134
Change in deferred tax	1 200	7 482	-2 711	318
Adjustments tax payable from previous years	-546	-361	-879	-361
Other items	31	1 040	1 410	8 409
Tax expense on ordinary profit	183 300	118 800	257 100	182 500
Reconciliation from nominal to actual tax rate				
Expected tax expense based on nominal tax rate (22%)	212 740	154 462	235 664	178 794
Permanent differences	-50 983	-50 516	1 063	-2 033
Finance tax effect Norway (25% vs 22%)	22 058	14 174	22 791	14 558
Differences in tax rates outside Norway	0	0	-2 723	-2 019
Adjustments from previous years	-546	-361	-879	0
Other items	31	1 040	1 184	-6 800
Tax expense	183 300	118 800	257 100	182 500

NOTE 17 RISK MANAGEMENT AND INTERNAL CONTROLS

The group is exposed to market-related risks in respect of own-account securities holdings, counterparty risk and foreign currency risk. The company's interest risk is limited. Furthermore, the company is exposed to credit risk and operational risk. 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 main categories of credit risk are securities financing (note 8) and settlement risk. The settlement risk is considered low, and no significant loss has been recorded in 2024.

The company works systematically to identify, analyze, measure, monitor, prevent and limit risks associated with the business. The Board of Directors ensures that the company has appropriate risk management systems and internal controls in accordance with Norwegian Regulations on Risk Management and Internal Controls in Investment Firms. PWC is appointed as internal auditor. The Chief Executive Officer provides an annual report with an overall assessment and confirmation of the groups internal control and risk situation which is presented to the Board of Directors. The report is reviewed by the internal auditor who has confirmed that the internal control assessment in 2024 is compliant with the requirements in the relevant regulations. A more comprehensive description of risk management and internal controls can be found in the Pillar 3 report on the website.

NOTE 18 REPORTED CAPITAL RATIO

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

Specification of tier 1 capital (CET1)	Company		Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Total equity	572 631	581 227	764 663	756 567
Adjustments to CET1 due to prudential filters:				
Minority interests	0	0	-11 981	-4 688
Intangible assets	-870	-1 349	-2 995	-3 559
Value adjustments (prudent valuation)	-112	-14	-950	-827
Own funds	571 649	579 864	748 737	747 493
Initial capital requirement (EUR 730 000)	8 610	8 206	8 610	8 206
Spesification of capital adequacy (risk weighted exposure amounts)				
Capital adequacy of credit- and counterparty risk	1 082 586	828 757	899 371	687 917
Capital adequacy of position risk trading book	10 100	24 278	23 610	49 816
Capital adequacy of currency risk	653 311	761 398	844 008	928 622
Capital adequacy of operational risk	2 881 696	2 806 261	4 703 273	4 921 013
Total capital adequacy	4 627 693	4 420 694	6 470 262	6 587 368
Total capital adequacy ratio	12.35%	13.12%	11.57%	11.35%
Number of times regulatory minimum (8 %)	1.5x	1.6x	1.4x	1.4x

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

	31.12.2024	31.12.2023	31.12.2022	Total
Company				
Operating revenues	1 815 500	1 274 500	1 216 500	4 306 500
Net financial result	317 800	295 600	113 300	726 700
Adjustments to the relevant indicator ¹	-213 000	-153 629	-55 857	-422 486
Sum/Capital adequacy of operational risk	1 920 300	1 416 471	1 273 943	2 881 696
Group				
Operating revenues	2 915 500	2 267 000	2 080 000	7 262 500
Net financial result	111 700	164 500	-30 000	246 200
Adjustments to the relevant indicator ¹	42 000	-22 329	-3 134	16 537
Sum/Capital adequacy of operational risk	3 069 200	2 409 171	2 046 866	4 703 273

¹Due to merger on July 1 2024, the amounts are not comparable with previous annual reports. For the merged company, full three years of operating revenues are included in the calculating operational risk. Other adjustments are in accordance with Regulation 575/2013 article 316.

NOTE 19 RELATED PARTIES

The company is a part of the Pareto Group. Transactions with related parties are based on market terms and conditions. Pareto AS holds 65.56% of the shares of the company. Svein Støle is the 100% owner of Pareto AS. There are no transactions with the controlling owner Svein Støle.

The company's transactions with related parties:	2024	2023
Parent company (Pareto AS)	342	424
Other group companies	138 928	142 947
Total allocation of external costs and sale of internal services	139 270	143 371
Parent company (Pareto AS)	4 290	4 080
Other group companies	26 490	13 568
Total allocation of external costs and purchase of internal services	30 780	17 648

NOTE 20 LIQUIDITY RISK (GROUP)

Agreed residual maturity of assets	1-30 days	30 days-1 year	1-5 years	Total value
Receivables from clients	2 063 444			2 063 444
Receivables from financial institutions	64 833			64 833
Other receivables	197 040	171 205	1 786	370 031
Financial instruments	741 770		15 238	757 008
Bank deposits	1 659 428			1 659 428
Total	4 726 515	171 205	17 024	4 914 744

Agreed residual maturity of liabilities	1-30 days	30 days-1 year	1-5 years	Total value
Pension liabilities	77	539	670	1 286
Deposits from silent partners	0		27 270	27 270
Payables to financial institutions	235 120			235 120
Payables to clients	1 774 175			1 774 175
Income tax payable		237 650		237 650
Public dues payable		46 941		46 941
Proposed dividends		842 408		842 408
Other liabilities	98 709	883 278	62 500	1 044 487
Total	2 108 082	2 010 815	90 440	4 209 337

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Daglig leder

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To the General Meeting of Pareto Securities AS

INDEPENDENT AUDITOR'S REPORT

Opinion

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

- The financial statements of the parent company Pareto Securities AS (the Company), which comprise the balance sheet as at 31 December 2024, 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 consolidated financial statements of Pareto Securities AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, 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 give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by 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, 25 March 2025
Deloitte AS

Roger Furholm
State Authorised Public Accountant
(electronically signed)

Independent auditor's report - Pareto Securities

Name

Furholm, Roger

Date

2025-03-27

Identification

 **bankID™** Furholm, Roger



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