

# Agasti Holding ASA (in liquidation) Interim report 2nd quarter 2016 1st half of 2016

24 August 2016



# Second quarter highlights

## Final closure of the restructuring of Agasti

In the second quarter of 2016, the Agasti Group (in liquidation) (in the following sections "Agasti" is used), had a net income of NOK -187 million, bringing net income for the first half of the year to NOK -182 million. The corresponding figures for 2015 were NOK 8 million and NOK 25 million, respectively. The financial results are affected by a loss of NOK 199 million following the sale of Agasti's 66 per cent share in Obligo Holding AS and other assets to Audrey Management Holdings S.á.r.l., a company controlled by Blackstone L.P (Blackstone Real Estate Funds), which already owned the other 34 per cent of Obligo. The booked loss represents the difference between the book value and the consideration received for the assets sold.

Following is a reconciliation of net income in the Obligo Group to net income in Agasti.

Bridging of net income (MNOK)	Second quarter		YTD		Year
	2016	2015	2016	2015	2015
Operating revenues Obligo Group	90	103	177	204	511
Operating expenses Obligo Group	49	82	104	155	322
<b>EBIT</b>	<b>42</b>	<b>21</b>	<b>73</b>	<b>50</b>	<b>189</b>
Net financial items	-3	-2	-6	-4	1
Tax expense	9	5	16	12	53
<b>Net income in Obligo Group</b>	<b>30</b>	<b>15</b>	<b>51</b>	<b>34</b>	<b>137</b>
Agasti Holding ASA's share of net income	20	15	34	34	108
Amortisation of intangible assets	-4	0	-8	0	-76
Gain (loss) from sale	-193	0	-193	0	539
Other operating expenses	6	8	10	17	18
<b>Operating income (EBIT)</b>	<b>-183</b>	<b>6</b>	<b>-177</b>	<b>17</b>	<b>553</b>
Net financial items	-4	0	-5	5	6
Tax expense	0	-2	0	-3	41
<b>Net income in Agasti Group</b>	<b>-187</b>	<b>8</b>	<b>-182</b>	<b>25</b>	<b>518</b>

Agasti's main source of income is its 66 per cent of net income after tax in the Obligo Group, adjusted for amortisations of intangible assets associated with its investment in the joint venture. Obligo generated operating revenues of NOK 90 million in the second quarter of 2016, while operating expenses totalled NOK 49 million. Operating income totalled NOK 42 million for the quarter, and Agasti's 66 per cent share of the net income after tax amounted to NOK 20 million.

On 22 August 2016, Agasti's general meeting resolved to sell the company's 66 per cent ownership interest in Obligo and financial assets consisting of shares in unlisted funds managed by Obligo and a USD 2.5 million convertible loan. The purchaser is Blackstone Real Estate Funds. The agreed purchase

price is NOK 215 million, to be paid in cash. This amount equates to NOK 0.73 per share in Agasti before transaction and liquidation costs. The transaction was completed 22 August 2016, and final settlement is expected to take place in September 2016.

Once the transaction was completed, Blackstone Real Estate Funds owns 100 per cent of Obligo, while Agasti no longer has any operations or assets other than the cash consideration received in connection with the transaction. On 22 August 2016, the general meeting also approved the board's proposal to liquidate Agasti and subsequently delist the company from the Oslo Stock Exchange, after which the company's assets, including the purchase price, net of transaction costs and the company's operational costs until distribution, will be distributed to the company's shareholders. A preliminary calculation suggests that a payment of NOK 0.53 per share will be paid to Agasti's shareholder by the end of September and an additional payment of approximately NOK 0.17 will be paid by the end of October.

Since December 2015, Agasti has made payments to shareholders amounting to almost twice its share price at the time the company initiated a dialogue with interested international parties in December 2014. The 2015 transaction with Blackstone Real Estate Funds alone has directly generated payments to shareholders totalling NOK 1.14 per share, comprising sale dividends of NOK 0.76 per share in December 2015 and an ordinary dividend of NOK 0.38 per share in June 2016. Following Blackstone Real Estate Funds' acquisition of the remaining 66 per cent of Obligo and other assets, Agasti will receive proceeds equivalent to NOK 0.73 per share before transaction and liquidation costs. During the restructuring process, Agasti has not only created shareholder value but also secured liquidity and exit opportunities for shareholders in Obligo managed funds in the form of payments totalling more than NOK 10 billion.

Looking forward, it is clear that Obligo's assets under management and management revenues will decline sharply in 2016 and 2017. This will restrict the company's dividend capacity in the years ahead, a development with clear implications for Agasti's profits.

As the transaction was completed in the third quarter of 2016, Agasti will initiate liquidation proceedings. Final liquidation of the company is expected to be completed within six months. On 22 August 2016, the general meeting decided that the liquidation board should comprise Kathryn Moore Baker (board chair), Live Haukvik Aker and Olav Skjervheim.

# Interim report

## Financial summary

During the fourth quarter of 2015, the sale of 34 per cent of the operating business to Blackstone Real Estate Funds was in Agasti accounted for as a sale of the entire business. The remaining 66 per cent share is recognized at fair value and accounted for as an investment in a joint venture according to the equity method, and recognises its share as operating income.

The Obligo Group represents according to IFRS “discontinued operations”, and includes all operational business previously carried out by Agasti and its wholly-owned subsidiaries. All Obligo Group accounting figures are included herein to give the reader information on the underlying profitability. The numbers commented on are the same as the numbers reported to the management. For further details and reconciliations, we refer to note 2, 4 and 5.

Agasti's main source of income is its 66 per cent of net income after tax in the Obligo Group, adjusted for amortisations of intangible assets associated with its investment in the joint venture. The main underlying economics relate to the revenues and expenses in Obligo Group. The following is therefore an analysis of the Obligo Group.

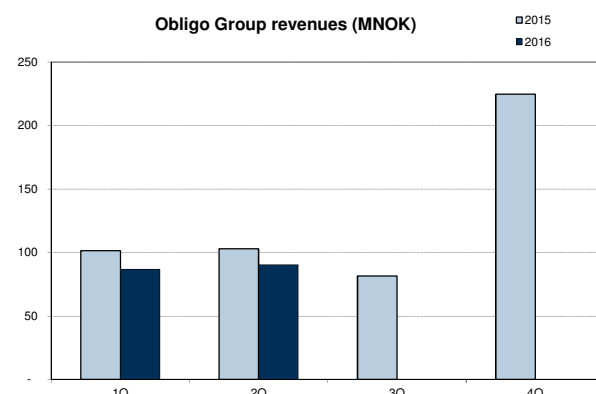
The net income in Obligo Group is exclusive of amortisation effects to the income recognised in Agasti's consolidated accounts.

Income summary for Obligo Group (MNOK)	Second quarter		YTD		Year
	2016	2015	2016	2015	2015
Transaction revenues	23	42	23	75	249
Management fees	67	61	154	130	261
Operating revenues	90	103	177	204	511
Variable operating costs	9	7	19	10	31
Activity-based costs	4	15	16	22	60
Fixed operating costs	33	58	66	118	220
<b>Operating expenses</b>	<b>47</b>	<b>80</b>	<b>101</b>	<b>150</b>	<b>311</b>
<b>EBITDA</b>	<b>43</b>	<b>23</b>	<b>76</b>	<b>55</b>	<b>200</b>
Depreciation	2	2	3	5	10
<b>Operating income (EBIT)</b>	<b>42</b>	<b>21</b>	<b>73</b>	<b>50</b>	<b>189</b>
Net financial items	-3	-2	-6	-4	1
<b>Net income before tax</b>	<b>39</b>	<b>19</b>	<b>67</b>	<b>46</b>	<b>190</b>
Tax	9	5	16	12	53
<b>Net income</b>	<b>30</b>	<b>15</b>	<b>51</b>	<b>34</b>	<b>137</b>

## Revenues (figures for 2015 in brackets)

Total revenues for the Obligo Group were NOK 90 million in the second quarter of 2016 (NOK 103 million). Transaction revenues were NOK 23 million (NOK 42 million).

Management fees in Obligo amounted to NOK 67 million in the second quarter of 2016 (NOK 61 million).



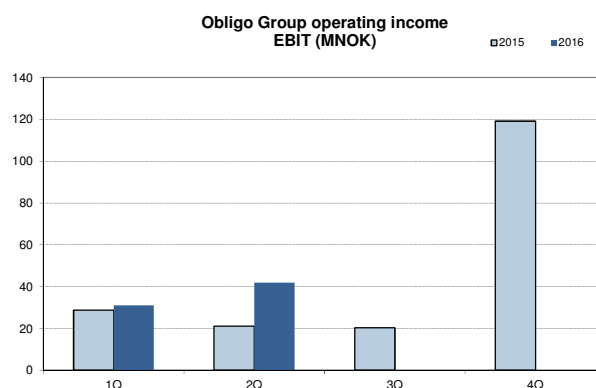
## Operating expenses (figures for 2015 in brackets)

Obligo Group's operating expenses excluding depreciation amounted to NOK 47 million in the second quarter of 2016 (NOK 80 million).

For a cost overview for the joint venture, please see note 5.

## Operating income (figures for 2015 in brackets)

EBIT in Obligo Group in the second quarter of 2016 ended at NOK 42 million (NOK 21 million).



## Net income (figures for 2015 in brackets)

Net income in Obligo Group in the second quarter of 2016 ended at NOK 30 million (NOK 15 million).

## Agasti Holding ASA's share of net income (figures for 2015 in brackets)

Agasti Holding ASA receives NOK 20 million, or 66 per cent share of the net income of NOK 30 million described above. The net income is adjusted for a NOK 4 million amortisation net of tax of an intangible asset associated with the investment in the joint venture. The evaluation of the book value of Agasti

Holding ASA's 66 per cent share in Obligo is made on a current basis. Following the transaction where Blackstone Real Estate Funds acquired Agasti's 66 per cent ownership interest in Obligo, Agasti has booked a loss of NOK 193 million which represents the difference between the book value and the consideration received for the shares in Obligo.

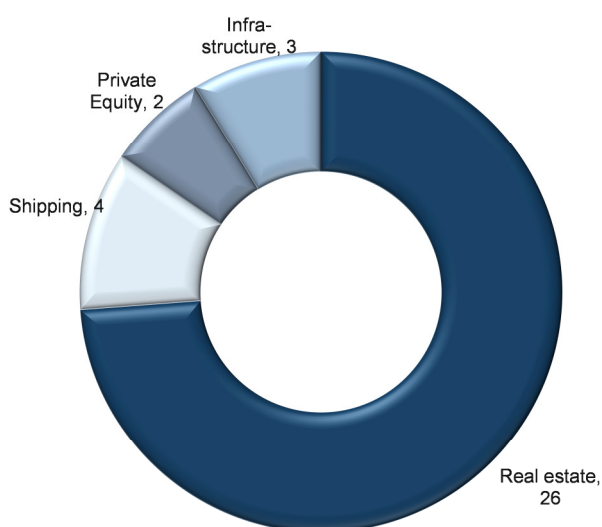
### Balance sheet

Total assets in the Agasti Group as at 30 June 2016 were NOK 228 million, compared to NOK 534 million as at 31 March 2016. Consolidated equity as at 30 June 2016 was NOK 225 million, compared to NOK 515 million as at 31 March 2016. The main reason for the decline in equity is the impairment of NOK 193 million made to the investment in Obligo.

In June 2016, dividends for the financial year 2015 were paid with NOK 0.38 per share.

As at 30 June 2016 Agasti had bank deposits totalling NOK 11 million. The Obligo Group had at the same time bank deposits totalling NOK 183 million. Obligo is subject to regulatory capital adequacy requirements on a consolidated basis.

### Assets under management



Assets under management in Obligo at the end of June 2016 totalled NOK 36 billion. Real estate is the largest asset class with assets totalling NOK 26 billion.

### Regulatory and legal matters

The Agasti Group's business in the Wealth Management business area has been closed down. The Agasti Group entered in June 2016 into settlements on all remaining claims against its subsidiary Acta Kapitalforvaltning AS and its Swedish branch. The settlements materially reduced the group's exposure and residual risks.

Although a large set of complaints and legal proceedings have been concluded, Acta Kapitalforvaltning AS still receives some complaints relating to investments clients made during the period prior to 2009, but these are regarded as statute-barred claims, which are supported by final and enforceable judgment from Stavanger District Court and Asker and Bærum District Court.

The remaining provisions in Acta Kapitalforvaltning AS at 30 June 2016 are NOK 1 million, which the Board of Directors considers to be sufficient to cover future payments.

### Outlook

As the general meeting held on 22 August 2016 resolved to sell Agasti's 66 per cent share in Obligo and other assets to Blackstone Real Estate Funds, Agasti will no longer have any operational activities left. The transaction was completed in August 2016, and final settlement is expected to take place in September 2016.

On 22 August 2016, the general meeting also approved the board's proposal to liquidate Agasti and subsequently delist the company from the Oslo Stock Exchange, after which the company's assets, including the purchase price, net of transaction costs and the company's operational costs until distribution, will be distributed to the company's shareholders. A preliminary calculation suggests that a sales dividend of NOK 0.53 per share will be paid by the end of September, and an additional dividend of approximately NOK 0.17 will be paid by the end of October.

The transaction with Blackstone Real Estate Funds was completed 22 August 2016, and Agasti will initiate liquidation proceedings. Final liquidation of the company is expected to be completed within six months.

**Oslo, 23 August 2016, Agasti Holding ASA (in liquidation)**

**The Board of Directors**

Kathryn Moore Baker (sign.)  
Chairman of the  
Liquidation Board

Olav Skjervheim (sign.)  
Member of the  
Liquidation Board

Live Haukvik Aker (sign.)  
Member of the  
Liquidation Board

**Statement from the Board of Directors and executive management**

This interim report has been prepared in accordance with the same accounting principles used for the annual reporting for 2015, except for the fact that the accounts no longer are based on the going concern assumption. Accounting principles are amended as disclosed in the notes to the interim condensed financial statements. We confirm that, to the best of our knowledge, the enclosed condensed set of financial statements for the first half of 2016, which has been prepared in accordance with IAS 34 Interim Financial Statements, gives a true and fair view of the group's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under Section 5-6, fourth paragraph, of the Norwegian Securities Trading Act.

**Oslo, 23 August 2016, Agasti Holding ASA (in liquidation)**

**The Board of Directors**

Kathryn Moore Baker (sign.)  
Chairman of the  
Liquidation Board

Olav Skjervheim (sign.)  
Member of the  
Liquidation Board

Live Haukvik Aker (sign.)  
Member of the  
Liquidation Board

Agasti Holding ASA, NO 979 867 654, P.O. Box 1753 Vika, NO-0122 Oslo

Disclaimer: This interim report contains certain forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, and must not be understood as guarantees for the future.

# Financial statements Agasti Group – IFRS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MNOK)	Second quarter		YTD		Year
	2016	2015	2016	2015	2015
<b>From continuing operations</b>					
Operating revenues	0.0	-0.1	0.0	-0.1	0.4
Operating expenses	6.1	8.4	9.8	17.4	21.8
Income from Obligo joint venture (note 5)	-177.0	0.0	-167.5	0.0	-19.3
<b>Operating income (EBIT)</b>	<b>-183.1</b>	<b>-8.5</b>	<b>-177.3</b>	<b>-17.4</b>	<b>-40.7</b>
Net financial items	-3.7	0.0	-4.6	5.0	5.8
<b>Net income before tax</b>	<b>-186.8</b>	<b>-8.5</b>	<b>-181.9</b>	<b>-12.5</b>	<b>-34.9</b>
Tax	0.0	-2.0	0.0	-3.0	40.5
<b>Net income before other items</b>	<b>-186.8</b>	<b>-6.5</b>	<b>-186.8</b>	<b>-9.5</b>	<b>-75.4</b>
Other items	0.0	0.0	0.0	0.0	0.0
<b>Profit for the period from continuing operations</b>	<b>-186.8</b>	<b>-6.5</b>	<b>-181.9</b>	<b>-9.5</b>	<b>-75.4</b>
<b>Profit after tax from discontinued operations (note 4)</b>	<b>0.0</b>	<b>15.0</b>	<b>0.0</b>	<b>34.1</b>	<b>593.2</b>
<b>Profit for the period</b>	<b>-186.8</b>	<b>8.5</b>	<b>-181.9</b>	<b>24.6</b>	<b>517.8</b>
<b>Other comprehensive income</b>					
<i>Items to be reclassified to Profit and Loss</i>					
Foreign currency translation differences	0.0	-0.1	-0.4	-0.1	-0.4
<b>Total comprehensive income</b>	<b>-186.8</b>	<b>8.3</b>	<b>-182.2</b>	<b>24.5</b>	<b>517.4</b>
Earnings per share (NOK)	-0.63	0.03	-0.62	0.08	1.76
Earnings per share diluted (NOK)	na	0.03	na	0.08	1.76
Earnings per share (NOK) from continuing operations	-0.63	-0.02	-0.62	-0.03	-0.26
Earnings per share diluted (NOK) from continuing operations	na	na	na	na	na

CONDENSED CONSOLIDATED STATEMENT ON FINANCIAL POSITION (MNOK)	30.06.2016	31.12.2015
<b>Non-current assets</b>		
Investment in joint venture (note 3, 5)	0.0	437.4
Other financial investments (note 3)	0.0	22.0
<b>Total tangible assets</b>	<b>0.0</b>	<b>459.4</b>
<b>Total non-current assets</b>	<b>0.0</b>	<b>459.4</b>
<b>Current assets</b>		
Financial assets held for sale (note 3)	215.0	20.8
Other receivables	1.9	2.1
<b>Total receivables</b>	<b>216.9</b>	<b>22.9</b>
Bank deposits a.o.	11.2	53.5
<b>Total current assets</b>	<b>228.2</b>	<b>76.3</b>
<b>TOTAL ASSETS</b>	<b>228.2</b>	<b>535.7</b>
<b>Equity</b>		
Share capital	53.0	53.0
Share premium reserve	67.7	67.7
Paid in capital, other	18.5	18.5
<b>Total paid in equity</b>	<b>139.2</b>	<b>139.2</b>
Other equity	267.3	370.4
Retained earnings	-181.9	0.0
<b>Total equity</b>	<b>224.6</b>	<b>509.6</b>
<b>Short-term debt</b>		
Accounts payable	0.4	0.6
Taxes payable	0.1	0.5
Other taxes and duties payable	0.9	0.9
Other short-term debt (note 6)	2.2	24.1
<b>Total short-term debt</b>	<b>3.6</b>	<b>26.1</b>
<b>TOTAL EQUITY AND DEBT</b>	<b>228.2</b>	<b>535.7</b>



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in MNOK

	Share capital	Share premium account	Other paid-in equity	Currency translation difference	Other equity	Total equity
<b>Balance sheet as at 1 January 2015</b>	<b>53.0</b>	<b>67.6</b>	<b>18.2</b>	<b>6.3</b>	<b>70.2</b>	<b>215.2</b>
<b>Total comprehensive income for the period</b>						
Net income from continuing and discontinued operations					517.8	517.8
<b>Other comprehensive income for the period</b>						0.0
Foreign currency translation differences				-0.4		-0.4
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.4</b>	<b>517.8</b>	<b>517.4</b>
<b>Contributions by and distributions to owners</b>						
Issue of ordinary shares	0.0	0.2				0.2
Dividends paid					-223.5	-223.5
Share-based payments			0.3			0.3
<b>Balance sheet as at 31 December 2015</b>	<b>53.0</b>	<b>67.7</b>	<b>18.5</b>	<b>5.9</b>	<b>364.4</b>	<b>509.6</b>
<b>Balance sheet as at 1 January 2016</b>	<b>53.0</b>	<b>67.7</b>	<b>18.5</b>	<b>5.9</b>	<b>364.4</b>	<b>509.6</b>
<b>Total comprehensive income for the period</b>						
Net income from continuing and discontinued operations					-173.2	-173.2
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-173.2</b>	<b>-173.2</b>
<b>Contributions by and distributions to owners</b>						
Dividends paid					-111.9	-111.9
<b>Balance sheet as at 30 June 2016</b>	<b>53.0</b>	<b>67.7</b>	<b>18.5</b>	<b>5.9</b>	<b>79.5</b>	<b>224.6</b>

The currency translation difference is attributed to the translation from SEK to NOK of assets and liabilities in Swedish subsidiaries and branches, to the translation from USD to NOK of assets and liabilities in Obligo Real Estate, Inc., and to the translation from EUR to NOK of assets and liabilities belonging to HBS AM Germany GmbH.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (MNOK)	Second quarter		Year to date		Year
	2016	2015	2016	2015	2015
<b>Operating activities</b>					
Profit (loss) before tax from continuing operations	-186.8	-8.5	-181.9	33.7	-34.9
Profit (loss) before tax from discontinued operations	0.0	0.0	0.0	0.0	593.2
Taxes paid	0.0	0.0	0.0	0.0	0.0
Depreciation a.o.	0.0	2.7	0.7	5.4	0.7
Gains, impairments and other non-cash items	180.7	0.0	172.1	0.0	-542.8
Share based payments	0.0	0.1	0.0	0.1	-0.2
Net change in accounts receivable	0.2	15.5	0.2	-12.2	92.6
Net change in accounts payable	0.2	-6.8	0.2	-8.3	-12.3
Net change in other balance sheet items	-13.0	-13.5	-10.0	-25.9	-191.3
<b>Net cash flow from operating activities</b>	<b>-18.7</b>	<b>-10.6</b>	<b>-18.7</b>	<b>-7.1</b>	<b>-95.0</b>
<b>Investing activities</b>					
Investments in tangible fixed assets	0.0	-0.9	0.0	-1.7	-5.2
Net change from other investments	0.0	10.3	0.0	10.3	235.3
Dividends from investment in Joint Venture	88.4	0.0	88.4	0.0	24.2
<b>Net cash flow from investing activities</b>	<b>88.4</b>	<b>9.4</b>	<b>88.4</b>	<b>8.6</b>	<b>254.3</b>
<b>Financing activities</b>					
Net change in long-term debt	0.0	-5.0	0.0	-7.5	11.2
Increase in equity	0.0	0.0	0.0	0.0	0.2
Dividends paid	-111.9	0.0	-111.9	0.0	-223.5
<b>Net cash flow from financing activities</b>	<b>-111.9</b>	<b>-5.0</b>	<b>-111.9</b>	<b>-7.5</b>	<b>-212.1</b>
<b>Net cash flow for the reporting period</b>	<b>-42.1</b>	<b>-6.2</b>	<b>-42.2</b>	<b>-6.1</b>	<b>-52.8</b>
Net cash opening balance	53.5	106.3	53.5	106.5	106.3
Effect from exchange rate changes to cash and cash equivalents	0.0	0.1	0.0	0.0	0.0
Net cash closing balance, including discontinued operations*	11.2	100.2	11.2	100.2	53.5
<b>Net change in cash</b>	<b>-42.2</b>	<b>-6.2</b>	<b>-42.2</b>	<b>-6.3</b>	<b>-52.8</b>

\* Net cash associated with discontinued operations amounted to NOK 335 million as per 31 December 2015 and NOK 60 million as per 31. March 2015. Reference is made to note 4 for balance sheet details.

# NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE PERIOD ENDED 30 JUNE 2016

## Note 1 Accounting policies

### General information

The Agasti Group consists of the parent company Agasti Holding ASA and its 66 per cent share of the joint venture Obligo Holding AS, as well as the wholly-owned subsidiaries Acta Asset Management AS and Acta Kapitalforvaltning AS, including Acta Kapitalforvaltning AS' Swedish branch. Obligo Holding AS consists of the subsidiaries Obligo Investment Management AS, Obligo Real Estate, Inc., RealKapital Partners Luxembourg SA, HBS Asset Management Germany GmbH, Obligo Real Estate AB and Obligo Business Services AS, including Obligo Business Services AS' Swedish branch.

### Basis of preparation for the consolidated accounts

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting. The company has agreed to sell all assets and will be liquidated. The financial statements are therefore not based on the assumption of going concern, but rather on the estimated net sales value of assets.

### Accounting principles

Other than the departure from the assumption of going concern, the same accounting policies and methods of computation have been followed in these condensed financial statements as those that were applied in the preparation of the group's consolidated financial statement for the year ended 31 December 2015.

### Discontinued operations

The business contained within the previously reporting segments Capital Markets and Investment Management, as well as the activities and net assets of Obligo Business Services AS (previously reported as part of the "Other" segment), were contributed into Obligo Holding AS in September 2015. On 20 October 2015 the Agasti Group sold 34 per cent of its shares in Obligo Holding AS. The activities organised within Obligo Holding AS are accounted for as a joint venture after the transaction date.

### Use of equity method for investment in joint venture

The agreement to sell 34 per cent of the shares in Obligo Holding AS to Blackstone Real Estate Funds includes a shareholders' agreement whereby certain major decisions, e.g. approval of business plan, annual budgets and hiring and firing of management and senior employees shall only be taken if both parties consent. Due to this sharing of control, the investment is considered to be an investment in a joint venture, and is accounted for pursuant to the equity method.

### Assets held for sale

Agasti Holding's General Meeting resolved on 22 August 2016 to sell its share of the joint venture with a Blackstone affiliated entity and its main financial assets. The net book value of the affected assets reflect this sales price. Assets, liabilities and equity are considered held for sale.

### Use of estimates

The same use of estimates has been applied as in the consolidated financial statements for 2015. The investment in the joint venture is carried at fair value, including allocated values of intangible assets and goodwill. The allocation of these values as well as impairment assessment of the overall investment value require significant degrees of judgements about current and expected financial, operational and extraneous conditions. The agreement to sell the share of the Joint Venture has resulted in an impairment of the investment, now valued at the agreed sales price.

## Note 2 Segments

Up until 30 September 2015 management reporting was along two segments; Capital Markets and Investment Management. The "Other" segment consisted of the non-operating activities in the group, including the parent company, Obligo Business Services AS and other dormant companies.

Following the restructuring of the group companies described in note 1, the two operating segments plus the Obligo Business Services entity were transferred to a new holding company; Obligo Holding AS. On 20 October 2015, Agasti Holding ASA sold 34 per cent of its shares in this new entity to an affiliate of Blackstone. Consequently, the business was classified as held for sale as at 30 September 2015, and the two segments and Obligo Business

Services AS - a part of "Other", were classified as discontinued operations. Agasti Capital Markets AS was sold 29 February 2016, and the Capital Markets activities in Sweden were closed down in February 2016.

As from October 2015, the historic revenues, expenses and operating income of the Obligo activities have been classified as discontinued, and are therefore not included in the tables below. Continuing operations are now represented by the investment in the joint venture and operating expenses in the holding company and its dormant subsidiaries.

As from October 2015, management reporting is focused on the investment in the joint venture, which has now become the main segment. Other activities include the holding company, its dormant subsidiaries, and effects of eliminations.

SEGMENT INFORMATION (MNOK)	Investment in JV		Other		Agasti Group	
	2Q 16	2Q 15	2Q 16	2Q 15	2Q 16	2Q 15
Operating revenues	-177	0	0	0	-177	0
Operating expenses	0	0	6	8	6	8
<b>Operating income by segment</b>	<b>-177</b>	<b>0</b>	<b>-6</b>	<b>-9</b>	<b>-183</b>	<b>-9</b>
<b>Operating income from continued operations</b>					<b>-183</b>	<b>-9</b>
Net financials					-4	0
Tax expense					0	2
Net income from discontinued operations					0	34
<b>Net income for the group</b>					<b>-187</b>	<b>28</b>

SEGMENT INFORMATION (MNOK)	Investment in JV		Other		Agasti Group	
	YTD 16	YTD 15	YTD 16	YTD 15	YTD 16	YTD 15
Operating revenues	-168	-	-	-0	-168	0
Operating expenses	-	-	10	17	10	17
<b>Operating income by segment</b>	<b>-168</b>	<b>-</b>	<b>-10</b>	<b>-18</b>	<b>-177</b>	<b>-18</b>
<b>Operating income from continued operations</b>					<b>-177</b>	<b>-18</b>
Net financials					-5	5
Tax expense					0	3
Net income from discontinued operations					0	34
<b>Net income for the group</b>					<b>-182</b>	<b>25</b>

### Note 3 Fair value hierarchy

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the input that is used in the preparation of the measurements. The fair value hierarchy has the following levels:

- Level 1: Input is listed prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Input is other than listed prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
- Level 3: Input for the asset or liability which is not based on observable market data (non-observable input)

Assets recognised at fair value on 30.06.16	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value with changes in value through profit or loss</b>				
Shares			14	14
Investment in a Joint Venture			183	183
Bonds			19	19
<b>Total</b>	<b>0</b>	<b>0</b>	<b>215</b>	<b>215</b>

There have been no changes in fair value measurements which resulted in transfers between Level 1 and Level 2 in the reporting period.

## Note 4 Discontinued operations

The business that is now contained within the joint venture with affiliates of Blackstone is considered a discontinued operation. Following is the condensed consolidated statement of income for the discontinued operations.

<b>DISCONTINUED OPERATIONS (Transferred to the Obligo JV)</b>		
<b>PRO FORMA STATEMENT ON FINANCIAL POSITION (MNOK)</b>	<b>30.06.16</b>	<b>31.12.15</b>
<b>Non-current assets</b>		
Goodwill	44	44
Other intangible assets	1	4
Deferred tax assets	11	11
Tangible fixed assets	4	4
<b>Total non-current assets</b>	<b>60</b>	<b>62</b>
<b>Current assets</b>		
Financial assets	1	4
Trade receivables	62	18
Other receivables	34	13
Bank deposits a.o.	183	335
<b>Total current assets</b>	<b>280</b>	<b>369</b>
<b>Long-term debt</b>		
Other long term debt	10	14
<b>Total long term debt</b>	<b>10</b>	<b>14</b>
<b>Short-term debt</b>		
Accounts payable	2	10
Taxes payable	61	50
Other taxes and duties payable	13	39
Other short-term debt	89	69
<b>Total short-term debt</b>	<b>165</b>	<b>168</b>
<b>Net assets associated with discontinued operations</b>	<b>164</b>	<b>249</b>

DISCONTINUED OPERATIONS PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME (MNOK) *	Second quarter		Year-to-date		
	2016	2015	2016	2015	2015
Operating revenues	90	103	177	204	511
Operating expenses	49	82	104	155	322
<b>Operating income (EBIT)</b>	<b>42</b>	<b>21</b>	<b>73</b>	<b>50</b>	<b>189</b>
Net financial items	-3	-2	-6	-4	1
<b>Net income before tax</b>	<b>39</b>	<b>19</b>	<b>67</b>	<b>46</b>	<b>190</b>
Tax	9	5	16	12	53
<b>Net income from discontinued operations</b>	<b>30</b>	<b>15</b>	<b>51</b>	<b>34</b>	<b>137</b>
Gain from sale of business	0	0	0	0	456
<b>Net income for the period</b>	<b>30</b>	<b>15</b>	<b>51</b>	<b>34</b>	<b>593</b>
Contribution to earnings per share (NOK)	0.10	0.05	0.17	0.12	2.02
Contribution to earnings per share diluted (NOK)	0.10	0.05	0.17	0.12	2.01

\* The discontinued operations produced operating revenues and expenses that were included in Agasti's consolidated statements up until the third quarter of 2015. As from the fourth quarter of 2015, there are no operating revenues, expenses or financial items from discontinued operations, except the tax free gain from selling the business and the amortisation (net of tax) of intangible assets associated with the net book value of the investment in the joint venture.

## Note 5 Investment in joint venture

Following is a reconciliation of Agasti's net income in the period from its investment in the joint venture. Agasti recognises its 66 per cent of net income in the Obligo group.

The joint venture was established in October 2015, so Agasti's share of income corresponds to 66 per cent of net income.

Agasti has recognised its investment in the joint venture at fair value, and this fair value contains elements of intangible assets which are amortised over the life of the underlying contracts. The net effect in the consolidated accounts is therefore the sum of 66 per cent of net income in Obligo Group, less amortisations of intangible assets and reversal of corresponding deferred taxes. The second table illustrates this adjustment being made in the consolidated statement of income and how it affects the consolidated balance sheet.

Income summary for Obligo Group at 100% (MNOK)	Second quarter		Year-to-date		
	2016	2015	2016	2015	2015
Transaction revenues	23	42	23	75	249
Management fees	67	61	154	130	261
Operating revenues	90	103	177	204	511
Variable operating costs	9	7	19	10	31
Activity-based costs	4	15	16	22	60
Fixed operating costs	33	58	66	118	220
Operating expenses	47	80	101	150	311
<b>EBITDA</b>	<b>43</b>	<b>23</b>	<b>76</b>	<b>55</b>	<b>200</b>
Depreciation	2	2	3	5	10
<b>Operating income (EBIT)</b>	<b>42</b>	<b>21</b>	<b>73</b>	<b>50</b>	<b>189</b>
Net financial items	-3	-2	-6	-4	1
<b>Net income before tax</b>	<b>39</b>	<b>19</b>	<b>67</b>	<b>46</b>	<b>190</b>
Tax	9	5	16	12	53
<b>Net income</b>	<b>30</b>	<b>15</b>	<b>51</b>	<b>34</b>	<b>137</b>

Changes in fair value of investment in JV	Obligo JV
Opening balance 1.1.2016	437
Changes in book value in the period	
* 66% share of net income from JV in the period	34
* Amortisation of intangible assets	-11
* Change in deferred tax on intangible assets	3
Net consolidated income from the JV in the period	25
Received dividends in the period	-88
Expected loss on sale of business	-191
Closing balance 30.06.2016	183

## Note 6 Other matters and subsequent events

The general meeting resolved on 22 August 2016 to sell Agasti's share of the joint venture with Blackstone Real Estate affiliates and certain financial assets for a total consideration of NOK 215 million. The Agasti Group will subsequently be liquidated. The net proceeds of the transaction, less estimated costs to wind down the business, will be distributed to the Agasti shareholders. The financial statements as per 30 June 2016 reflect the agreed sales prices of the shares in the joint venture and the financial assets.

## Note 7 Shareholders

#	Shareholders as at 16 August 2016	Shares	In per cent
1	Perestroika AS	55,105,640	18.7 %
2	Tenold Gruppen AS	44,848,997	15.2 %
3	Base Gruppen AS	12,812,129	4.4 %
4	Best Invest AS	12,808,707	4.4 %
5	IKM Industri-Invest AS	11,190,000	3.8 %
6	Bjelland Invest AS	10,785,000	3.7 %
7	Mons Holding AS	10,766,620	3.7 %
8	Coldevin Invest AS	6,963,538	2.4 %
9	Nordnet Livsforsikring AS	3,558,380	1.2 %
10	Modell og Metall AS	3,500,000	1.2 %
11	Vollstad, Dag Kristian	2,831,400	1.0 %
12	Heden Holding AS	2,640,245	0.9 %
13	International Oilfield Services AS	2,500,000	0.8 %
14	JAG Holding AS	2,200,000	0.7 %
15	Steinar Lindberg AS	2,100,000	0.7 %
16	DP Holding AS	2,028,498	0.7 %
17	Ringern Invest AS	2,000,000	0.7 %
18	Brattetveit AS	1,833,022	0.6 %
19	Lokenmoen Invest AS	1,822,917	0.6 %
20	Holms Holding AS	1,819,000	0.6 %
	20 largest shareholders	194,114,093	65.9 %
	Remaining shareholders	100,291,555	34.1 %
	<b>Total</b>	<b>294,405,648</b>	<b>100%</b>

### Alternative Performance Measures

In the table below, the following Alternative Performance Measures are derived from accounting figures for the period or the balance sheet date:

- “Return on equity, annualized” is the sum of Net income plus depreciation in the period, divided by net book value of equity at period end. The annualisation is computed by multiplying quarterly figures by four and year-to-date figures by two.
- “Equity ratio” is the net book value of equity in percent of total assets.

### Key figures

	Second quarter		Year to date		Year
	2016	2015	2016	2015	2015
<b>Key financial figures</b>					
EBITDA per share (NOK)	-0.62	-0.02	-0.60	0.08	0.13
EBITDA per share diluted (NOK)	-0.62	-0.02	-0.60	0.08	0.13
Earnings per share (NOK)	-0.63	0.09	-0.62	0.06	1.76
Earnings per share diluted (NOK)	-0.63	0.09	-0.62	0.06	1.76
Paid dividend per share (NOK)	0.38	0.00	0.38	0.00	0.76
Paid and proposed dividend per share (NOK)	1.08	0.00	1.08	0.00	1.14
Cash flow (net income + depreciations) per share (NOK)	-0.63	0.10	-0.62	0.07	1.79
Equity per share (NOK)	0.76	0.78	0.76	0.78	1.73
Return on equity, annualised (%)	-333%	31%	-162%	30%	140%
Equity ratio (%)	98%	59%	98%	59%	95%
Number of shares by end of period	294,405,648	294,235,817	294,405,648	294,235,817	294,405,648
Number of shares fully diluted by end of period	294,405,648	294,235,817	294,997,881	294,235,817	294,997,881
Average number of shares in reporting period	294,405,648	294,235,817	294,405,648	294,235,817	294,264,122
Average number of shares fully diluted in reporting period	294,701,765	294,235,817	294,997,881	294,235,817	294,368,814