

ANNUAL REPORT 2017

STIFTELSEN KRISTIAN GERHARD JEBSEN, ORG. NO 993 962 724

I. About Stiftelsen Kristian Gerhard Jebsen

Stiftelsen Kristian Gerhard Jebsen (the Foundation) was established on 31 March 2009 in memory of ship-owner Kristian Gerhard Jebsen's life and work and as an extension of his contribution to positive social development. *The Foundation's object is to contribute to the furtherance of academic education, research, the arts, health and social projects and initiatives which further the development of society and the protection of the environment.*

The funds at the disposal of the Foundation are based on a donation received from Kristian Gerhard Jebsen's spouse, Aud Jebsen, on the establishment of the Foundation on 31 March 2009. The Foundation also received donations from the Kristian Gerhard Jebsen Foundation in 2011 and 2012.

Up until February 2013, the Foundation's main asset was a shareholding of eight per cent in Kristian Gerhard Jebsen Skipsrederi AS. This shareholding was sold to Kristian Gerhard Jebsen Group Ltd. (KGJG), and a loan agreement was entered into between the Foundation and KGJG that regulates settlement for the sale. The loan will be repaid in annual instalments up until 2025.

Pursuant to the Articles of Association, the intended duration of the Foundation is 30 years. The maximum duration of the Foundation will be 40 years.

II. The Foundation's activities and distributions in 2017

The Foundation has funded projects in the fields of marine/maritime research, culture, medical research and academic education. The Foundation focuses on supporting projects of a high international quality.

The income statement for 2017 show a loss of NOK 51 million, which is explained by the exchange rate adjustment on the Foundation's loan agreement with KGJG. The loan is in USD, and the value of the agreement has been reduced by NOK 56 million as a result of the decline in the exchange rate. In 2017, the interest income from the loan agreement amounted to NOK 11 million. Net interest income and return on liquid assets amounted to NOK 1 million, while administrative and operating costs amounted to NOK 7 million.

As of 31 December 2017, contractual distributions amounted to a total of NOK 530 million, NOK 390 million of which has been paid out, and the Foundation's project

debt thus amounts to NOK 140 million, NOK 73 million of which is expected to be paid out during 2018.

At the turn of the year, the Foundation's liquidity amounted to NOK 172 million, including bonds worth NOK 74 million. The Foundation's liquidity is considered good.

In 2017, the Foundation has distributed a total of NOK 59 million to medical research and culture:

- *The K. G. Jebsen Centre for Cardiac Research, University of Oslo, Ivar Sjaastad, NOK 18 million over four years.*

One of the main reasons for heart failure is deteriorated filling of the heart (diastolic dysfunction), and there is currently no effective treatment for this condition. The researchers at the centre will identify disease mechanisms behind the condition to be able diagnose it at an earlier stage and provide better treatment.

- *The K. G. Jebsen Center for Autoimmune Diseases, Eystein S. Husebye, University of Bergen, NOK 18 million over four years.*

Autoimmune diseases are conditions where the immune system attacks the body's own cells and organs. These diseases are very prevalent and affect many patients. The centre aims to find new disease genes that can form the basis for developing new forms of diagnosis and treatment.

- *Extension of K.G. Jebsen Centre for influenza Vaccine Research, Bjarne Bogen, NOK 9 million over two years.*

The centre conducts research on new vaccines against influenza, and focuses on developing a general influenza vaccine that will work for many years against all types of influenza virus. It also focuses on the rapid development of effective vaccines in dangerous pandemic situations.

- *Extension of K.G. Jebsen Centre for Cancer Immunotherapy, University of Oslo, Johanna Olweus, NOK 9 million over two years.*

The centre's objective is to manipulate the immune system to target cancer. In principle, the cells in the immune system can kill any type of cells in the body with great precision. To exploit this potential in cancer treatment, the mechanisms behind immunological tolerance must be overcome.

- *Rosendal Chamber Music Festival, the Barony Rosendal / the Weis-Rosenkroneske Foundation, NOK 1 million, Leif Ove Andsnes is the artistic director.*

In 2016, the Foundation distributed NOK 4 million to Rosendal Chamber Music Festival for 2016–2018, and it awarded a further NOK 1 million in 2017. The festival aims to establish itself as one of the foremost chamber music festivals in Norway and Europe. It shall give young Norwegian musicians the opportunity to

work in chamber music constellations at the festival, including to cooperate with top international musicians.

- *Edvard Grieg Piano Competition 2018, Edvard Grieg Museum Troidhaugen/Kode – Art Museums in Bergen, NOK 4 million.*

The Foundation supports the 16th Edvard Grieg International Piano Competition, which will be held at Troidhaugen in the period 1–9 September 2018. SKGJ is the main sponsor and has been the exclusive private contributor to the competition since 2012. The object of the collaboration is to consolidate the International Edvard Grieg Piano Competition in Bergen as a competition of high international quality and to put Edvard Grieg, Norwegian music, Troidhaugen, Bergen and the Norwegian music scene on the map with regard to excellent young musicians.

- *Distribution to publication of anniversary book for Bergens Skipperforening (Bergen Merchant Captains' Association), NOK 50,000*

The Foundation awarded funding to the publication of Bergens Skipperforening's anniversary book *Byen, sjøfarten og skipperne*, by Dag Bakka jr. The book was published in December 2017.

In addition, the following distributions that will become contractual and recognised in the accounts in 2018, were made in 2017, totalling NOK 54 million:

- *Extension of K.G. Jebsen Colorectal Cancer Research Centre, Oslo University Hospital, Ragnhild Lothe, NOK 9 million over two years.*
- *Extension of K.G. Jebsen TREC – Thrombosis Research and Expertise Center, University of Tromsø – the Arctic University of Norway, John-Bjarne Hansen, NOK 9 million over two years.*
- *Two new centres for medical research, total NOK 36 million.*
 - The K.G. Jebsen Center for B-cell Malignancies, University of Oslo
 - The K.G. Jebsen Center for Genome-Directed Therapy in Cancer, University of Bergen.

Marine/maritime research

Since its establishment, the Foundation has distributed a total of NOK 102 million to marine and maritime research projects. The two largest projects in this area are the establishment of the following research centres:

- The K.G. Jebsen Centre for the Law of the Sea at the University of Tromsø – the Arctic University of Norway. The centre studies how the UN Convention on the Law of the Sea and other international legislation address old and new challenges and facilitate sustainable development. The centre is a collaborative project between Stiftelsen Kristian Gerhard Jebsen and the University of Tromsø, and the Foundation will provide NOK 36 million in funding in the period 2013–2019. In 2017, the centre underwent a midway

evaluation by three independent experts appointed by the Foundation.

- The K.G. Jebsen Centre for Deep Sea Research at the University of Bergen. This centre is also a collaborative project between the Foundation and the host institution. The centre will have a total of NOK 117 million at its disposal for the period 2017– 2020, NOK 32 million of which comes from Stiftelsen Kristian Gerhard Jebsen. Other resources come in addition to these funds in the form of scientific equipment and research vessel time slots. Norway's new icebreaking research vessel 'Kronprins Haakon' will be important for this centre. The vessel is specially equipped for deep sea operations.

In 2015, the Foundation distributed NOK 17 million kroner to the Norwegian Society for Sea Rescue to build a new Petter C.G. Sundt class (RS 163) rescue vessel. The vessel was named Kristian Gerhard Jebsen II in Bergen on 28 April 2017. It is stationed in Bergen. The Norwegian Society for Sea Rescue's statistics for 2017 show that it saved four lives and assisted 660 persons and 252 vessels.

Medical research

From 2011 to 2017, Stiftelsen Kristian Gerhard Jebsen has helped to establish 18 K.G. Jebsen centres for medical research at Norwegian faculties of medicine and affiliated university hospitals. The Foundation's financial contributions to these centres amount to NOK 348 million and constitute the Foundation's largest initiative. At the end of 2017, 13 centres remain active and five have been concluded. They all engage in translational medical research of a high international standard in areas prioritised by the Norwegian medical research communities themselves.

The objective of the centres is to ensure that new and important research results can enable improved patient treatment. All the centres were established in cooperation with the faculties of medicine and the respective health trusts and regional health authorities. In addition to the funding from the Foundation, the host institutions must contribute own funds and resources to the project that, as a minimum, match the Foundation's contribution. This gives the centres financial clout and ensures that the host institutions give priority to and focus on the centres.

The centres submit annual reports on their research and financial status to the Foundation. They are evaluated by the Foundation's advisory committee midway through the period, and the result of the evaluation forms the basis for the committee's recommendations regarding which centres are to be invited to apply for extended funding for a further two years. In 2017, none of the centres were due to undergo a midway evaluation because there was a break in the call for applications to the programme in 2014, which meant that no centres started up in 2015. There are thus no candidates for extended funding in 2018.

In 2014, an external evaluation was conducted of the Foundation's medical research centre initiative. A new evaluation of the initiative will be conducted in 2018. The Foundation has engaged Professor Bente Klarlund Pedersen of Rigshospitalet / University of Copenhagen, Professor Emeritus Olli Jänne of the University of Helsinki and Professor Mats Benner of Lund University to undertake this task. The committee is to submit its report to the Board in autumn 2018. As a result of the planned evaluation of the initiative, there was no call for applications for new centres in 2017. The Foundation will not announce a new call for applications until the committee's evaluation report has been considered.

In order to encourage cooperation between the K.G. Jebsen centres for medical research, the Foundation organises a joint annual meeting. This year's meeting was held at Stiklestad in Trøndelag. All of the centres were represented, and participants from the K.G. Jebsen Centre for the Law of the Sea, the Foundation's Board of Directors and its advisory committees and administration also attended. The K.G. Jebsen Centre for Genetic Epidemiology hosted the event and was also responsible for the programme. The topic of this year's meeting was 'How to build and develop excellent research communities'.

Culture

Since its start-up, the Foundation has distributed NOK 56 million to various cultural projects at cultural institutions in Bergen and Western Norway.

Bergen Philharmonic Orchestra receives the biggest single funding. An initial distribution of 12.1 million for the period 2012–2015 linked to the orchestra's 250th anniversary, and then NOK 11 million in funding for the orchestra's artistic and communication activities for the period 2017–2021. The Foundation's most recent contribution has, among other things, enabled the orchestra to re-appoint chief conductor Edward Gardner for the period 2019–2021. The Foundation is also the main partner of the orchestra's BergenPhilLive.no initiative, a streaming service for Bergen Philharmonic Orchestra concerts.

The Foundation has entered into an agreement for a total distribution of NOK 5 million to Rosendal Chamber Music Festival for the years 2016–2018. Leif Ove Andsnes is the artistic director of the festival, which is organised by the Barony Rosendal. After its second year, the festival can be deemed both an artistic and a commercial success. Leif Ove Andsnes has gathered some of the world's most famous musicians, and has also made room for young musicians and less-well known musicians with huge potential. Well-known speakers and exhibitions have helped to give the event greater breadth. The festival has attracted a great deal of international attention, and has helped to present Stiftelsen Kristian Gerhard Jebsen in a positive light.

The next Rosendal Chamber Music Festival is set to take place from 9–12 August 2018, and the theme of this year's event is 'in the shadow of war (1914-1918)'.

In 2016, Stiftelsen Kristian Gerhard Jebsen entered into a three-year cooperation agreement with the Prof. Jiri Hlinka Piano Academy on a total distribution of NOK 3.3 million. The academy holds up to three master classes per year for young, highly-talented international pianists and chamber musicians. The pianists Leif Ove Andsnes, Håvard Gimse, Christian Ihle Hadland and Geir Botnen form the artistic advisory committee and alternate teaching the master classes along with select international guest professors. The participants come from all over the world.

III. Administration and the Board of Directors' work

During 2017, the Board of Directors has held 14 meetings and considered 52 cases. The Foundation had no employees in 2017. The Foundation's administration has been performed through a business management agreement with the Bergen Research Foundation.

The Foundation has an advisory committee for medical research, comprising renowned experts from Norway, Sweden and Denmark. The committee assists the Foundation in its focus on translational medical research. It assesses the applications with the help of external reviewers and makes recommendations to the board of SKGJ pertaining to the centers to be selected and funded.

IV. Reference to Section 3-3 of the Accounting Act

Stiftelsen Kristian Gerhard Jebsen does not discriminate on grounds of gender when electing members of its Board of Directors. The Foundation does not pollute the natural environment.

The Board of Directors is not aware of any matters of relevance to the assessment of the Foundation's position and performance that are not presented in the balance sheet, income statement, notes and the Board of Directors' report.

The Foundation believes that the annual accounts provide a true and fair view of the Foundation's assets and liabilities, financial position and performance. In accordance with the Accounting Act, it is confirmed that the requirements for the going concern assumption are met. The loss for the year is settled against the corresponding change in other equity.

Bergen, 20 March 2018

Hans Peter Jebsen
chair

Aud Jebsen
director

Borger A. Lenth
director

Birger Magnus
director

Sveinung Hole
CEO