



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 889 158 212  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: SECTOR ALARM HOLDING AS  
Forretningsadresse: Vitaminveien 1A  
0485 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Kristine Eriksen  
Dato for fastsettelse av årsregnskapet: 22.04.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 26.07.2022



### Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenues	15,16	128 062 000	166 405 000
<b>Sum inntekter</b>		<b>128 062 000</b>	<b>166 405 000</b>
<b>Kostnader</b>			
Personell costs	8	55 830 000	75 707 000
Depreciations and write-downs	1,2	13 055 000	5 253 000
Other costs	9	91 797 000	76 981 000
<b>Sum kostnader</b>		<b>160 682 000</b>	<b>157 941 000</b>
<b>Driftsresultat</b>		<b>-32 620 000</b>	<b>8 464 000</b>
<b>Finansinntekter og finanskostnader</b>			
Income from investment in subsidiaries	14	1 410 499 000	836 552 000
Renteinntekt fra foretak i samme konsern	17	74 722 000	98 725 000
Financial revenues	17	100 901 000	2 062 000
<b>Sum finansinntekter</b>		<b>1 586 122 000</b>	<b>937 339 000</b>
Finance costs	7,17	703 688 000	209 621 000
Rentekostnad til foretak i samme konsern	17	84 326 000	115 000
<b>Sum finanskostnader</b>		<b>788 014 000</b>	<b>209 736 000</b>
<b>Netto finans</b>		<b>798 108 000</b>	<b>727 603 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>765 488 000</b>	<b>736 067 000</b>
Tax expense	4	-50 149 000	1 108 000
<b>Ordinært resultat etter skattekostnad</b>		<b>815 637 000</b>	<b>734 959 000</b>
<b>Årsresultat</b>		<b>815 637 000</b>	<b>734 959 000</b>
<b>Overføringer og disponeringer</b>			
Allocated to other equity	12	815 637 000	734 960 000
<b>Sum overføringer og disponeringer</b>		<b>815 637 000</b>	<b>734 960 000</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling	1		
Brand and software	2	15 603 000	11 329 000
Utsatt skattefordel	4	104 799 000	557 000
<b>Sum immaterielle eiendeler</b>		<b>120 402 000</b>	<b>11 886 000</b>
<b>Varige driftsmidler</b>			
equipment, movables and inventory	1	15 373 000	4 933 000
<b>Sum varige driftsmidler</b>		<b>15 373 000</b>	<b>4 933 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	14	9 602 787 000	5 805 826 000
Lån til foretak i samme konsern	3	231 121 000	3 391 410 000
<b>Sum finansielle anleggsmidler</b>		<b>9 833 908 000</b>	<b>9 197 236 000</b>
<b>Sum anleggsmidler</b>		<b>9 969 683 000</b>	<b>9 214 055 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Other short-term receivables		132 000	183 000
Prepayments		1 900 000	1 449 000
Konsernfordringer	3	611 002 000	151 079 000
<b>Sum fordringer</b>		<b>613 034 000</b>	<b>152 711 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	5	2 684 000	2 022 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 684 000</b>	<b>2 022 000</b>
<b>Sum omløpsmidler</b>		<b>615 718 000</b>	<b>154 733 000</b>
<b>SUM EIENDELER</b>		<b>10 585 401 000</b>	<b>9 368 788 000</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Shareholders equity	12,13	1 605 000	1 605 000
Beholdning av egne aksjer	12,13		
Overkurs	12	589 839 000	589 839 000
<b>Sum innskutt egenkapital</b>		<b>591 444 000</b>	<b>591 444 000</b>
<b>Opptjent egenkapital</b>			
Other equity	12	3 052 653 000	2 579 340 000
<b>Sum opptjent egenkapital</b>		<b>3 052 653 000</b>	<b>2 579 340 000</b>
<b>Sum egenkapital</b>		<b>3 644 097 000</b>	<b>3 170 784 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Konvertible lån	7		
Gjeld til kredittinstitusjoner	7	6 096 629 000	5 723 949 000
Other long term liabilities	7	5 473 000	
<b>Sum annen langsiktig gjeld</b>		<b>6 102 102 000</b>	<b>5 723 949 000</b>
<b>Sum langsiktig gjeld</b>		<b>6 102 102 000</b>	<b>5 723 949 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	3	8 904 000	2 452 000
Tax payable	4	54 312 000	
Accrued costs	6	49 138 000	28 912 000
Kortsiktig konserngjeld	3	726 848 000	442 692 000
<b>Sum kortsiktig gjeld</b>		<b>839 202 000</b>	<b>474 056 000</b>
<b>Sum gjeld</b>		<b>6 941 304 000</b>	<b>6 198 005 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>10 585 401 000</b>	<b>9 368 789 000</b>

**Konsernets resultatregnskap**

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenues from contracts with customers	5	2 704 074 000	2 448 571 000
<b>Sum inntekter</b>		<b>2 704 074 000</b>	<b>2 448 571 000</b>
<b>Kostnader</b>			
Personnel costs	15	1 084 682 000	977 105 000
Depreciation and amortization	6,7,19	379 149 000	345 015 000
Other operating costs	16,20	504 971 000	957 704 000
<b>Sum kostnader</b>		<b>1 968 802 000</b>	<b>2 279 824 000</b>
<b>Driftsresultat</b>		<b>735 272 000</b>	<b>168 747 000</b>
<b>Finansinntekter og finanskostnader</b>			
Finance income	14,17	142 876 000	43 636 000
<b>Sum finansinntekter</b>		<b>142 876 000</b>	<b>43 636 000</b>
Finance cost	14,17	757 660 000	320 812 000
<b>Sum finanskostnader</b>		<b>757 660 000</b>	<b>320 812 000</b>
<b>Netto finans</b>		<b>-614 784 000</b>	<b>-277 176 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>120 488 000</b>	<b>-108 429 000</b>
Income tax expense	13	13 881 000	86 180 000
<b>Ordinært resultat etter skattekostnad</b>		<b>106 607 000</b>	<b>-194 609 000</b>
profit (loss from discontinued operation)	25,26		512 449 000
<b>Årsresultat</b>		<b>106 607 000</b>	<b>317 840 000</b>
Minoritetsinteresser			-1 532 000
<b>Årsresultat etter minoritetsinteresser</b>			<b>319 372 000</b>
Remeasurement gain (loss) from net defined liability		-26 597 000	-20 464 000
*korrigerings minoriteter for skjemafeil			-1 532 000
Currency translation difference		236 943 000	14 768 000
Sum resultatkomponenter for IFRS-foretak		210 346 000	-7 228 000



## Konsernets resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Totalresultat</b>		<b>316 953 000</b>	<b>312 144 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		316 953 000	312 143 000
<b>Sum overføringer og disponeringer</b>		<b>316 953 000</b>	<b>312 143 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	13	121 361 000	12 836 000
Intangible assets and goodwill	7	4 137 006 000	3 781 159 000
<b>Sum immaterielle eiendeler</b>		<b>4 258 367 000</b>	<b>3 793 995 000</b>
<b>Varige driftsmidler</b>			
Property, plant and equipment	6,19	681 240 000	628 169 000
<b>Sum varige driftsmidler</b>		<b>681 240 000</b>	<b>628 169 000</b>
Andre fordringer	22		
<b>Sum anleggsmidler</b>		<b>4 939 607 000</b>	<b>4 422 164 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade and other receivables	8,22	196 533 000	232 785 000
Prepayments	8,22	94 162 000	84 454 000
<b>Sum fordringer</b>		<b>290 695 000</b>	<b>317 239 000</b>
<b>Investeringer</b>			
Derivative financial instruments	22	59 000	64 000
<b>Sum investeringer</b>		<b>59 000</b>	<b>64 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	9	610 256 000	270 298 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>610 256 000</b>	<b>270 298 000</b>
<b>Sum omløpsmidler</b>		<b>901 010 000</b>	<b>587 601 000</b>
<b>SUM EIENDELER</b>		<b>5 840 617 000</b>	<b>5 009 765 000</b>

### BALANSE - EGENKAPITAL OG GJELD



## Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	10,18	1 605 000	1 605 000
<b>Sum innskutt egenkapital</b>		<b>1 605 000</b>	<b>1 605 000</b>
<b>Opptjent egenkapital</b>			
Share premium	10,18	589 872 000	-613 360 000
Other equity	10,18	-2 376 139 000	-1 492 738 000
<b>Sum opptjent egenkapital</b>		<b>-1 786 267 000</b>	<b>-2 106 098 000</b>
<b>Sum egenkapital</b>		<b>-1 784 662 000</b>	<b>-2 104 493 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	15	98 748 000	68 534 000
Utsatt skatt	13	283 271 000	272 633 000
Other long-term liabilities	22	4 491 000	906 000
<b>Sum avsetninger for forpliktelser</b>		<b>386 510 000</b>	<b>342 073 000</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	12,22	6 108 518 000	5 737 295 000
Leasing liabilities	12,19, 22	289 255 000	288 295 000
<b>Sum annen langsiktig gjeld</b>		<b>6 397 773 000</b>	<b>6 025 590 000</b>
<b>Sum langsiktig gjeld</b>		<b>6 784 283 000</b>	<b>6 367 663 000</b>
<b>Kortsiktig gjeld</b>			
Loans and borrowings	22	2 277 000	9 184 000
Leverandørgjeld	11,22	421 658 000	353 128 000
Current tax liabilities	13	101 722 000	82 591 000
Contract liabilities	5,11	249 996 000	248 284 000
Leasing liabilities	12,19, 22	65 343 000	53 409 000
<b>Sum kortsiktig gjeld</b>		<b>840 996 000</b>	<b>746 596 000</b>
<b>Sum gjeld</b>		<b>7 625 279 000</b>	<b>7 114 259 000</b>



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>5 840 617 000</b>	<b>5 009 766 000</b>



# Annual Accounts 2020



# Content

## Sector Alarm Holding AS Consolidated (IFRS)

<b>04</b>	<b>10</b>
Directors Report	Cash Flow statement
<b>08</b>	<b>11</b>
Income statement	Statement of changes in equity
<b>08</b>	<b>12</b>
Statement of comprehensive income	Notes
<b>09</b>	
Balance sheet	

## Sector Alarm Holding AS (NGAAP)

<b>41</b>	<b>44</b>
Income statement	Cash Flow Statement
<b>42</b>	<b>45</b>
Balance sheet	Notes
Audit opinion	
<b>56</b>	
Audit opinion	

# Annual Accounts / 2020

Sector Alarm Holding AS Consolidated (IFRS)



# Directors Report 2020

Sector Alarm Holding AS, headquartered in Oslo, provide professionally monitored alarm services for about 560,000 residential households and small businesses (“Small Systems”) through its subsidiaries in Norway, Sweden, Finland, Ireland, Spain and France.

2020 was in many ways one of the most challenging years in the history of Sector Alarm Holding AS and its subsidiaries (“Sector Alarm” or “Group”) due to Covid-19. However, Sector Alarm managed to navigate the challenges with high customer satisfaction, improved attrition rates and positive net customer growth proving once again the resilience of the business model. Furthermore, the financial performance continued at a solid level on the back of solid growth in the customer base.

For the Group, revenues for 2020 were NOK 2,704 million. The earnings before tax were NOK 120 million. The annual profit was NOK 107 million. The Equity was NOK -1 785 million for 2020, but the value adjusted equity would be positive and considered sound. The consolidated interest-bearing debt was NOK 6,465 million at the end of 2020 and consisted mainly of the EUR 590 million Term Loan B and finance leases. The liquidity position is solid and the cashflow was NOK 323 million in 2020, which is up from MNOK -164 in 2019. The change from cashflow from operating activities of MNOK 1,069 to the total cashflow is mainly due to investment in new customers and interest payments. For Sector Alarm Holding AS (the parent), revenues were NOK 128 million in 2020. The

earnings before tax were NOK 765 million and the annual profit was NOK 816 million. The Equity was NOK 3,644 million. The parent company's profits of NOK 816 million will be allocated to other equity.

The main financial risk for Sector Alarm is currency exposure and relate to a mismatch between currencies for positive cash flows and outstanding debt. Currently the main sources for positive cash flows are NOK and SEK while outstanding debt is largely in EUR following the refinancing in the Term Loan B market in June 2019. Sector Alarm is therefore exposed to EUR appreciation that would imply higher NOK and/or SEK payments in the future to manage the debt. Reference is also made to the discussion of financial risk management in note 3.

In Sector Alarm Holding AS there was 35 employees at year end, of which 37% were women, while Sector Alarm in total had 2,345

employees with 37% women. In Sector Alarm Holding all employees are working full-time positions, and the average parental leave for women were 16 weeks and 15 weeks for men. In Norway, women represented 26% of the workforce, in Sweden 27%, in Ireland 33%, in Finland 26%, in Spain 45% and in France 29%. Sector Alarm endeavor equal gender distribution and has female employees in management positions in all countries. Total sick leave in Sector Alarm was 4.3% in 2020 compared to 4.4% in 2019. The Group had 60 reported incidents in 2020 compared to 74 incidents in 2019 (excluding AVARN).

Sector Alarm works on an ongoing basis to prevent discrimination that may be an obstacle to equality. Gender equality is part of the systematic HSE activities and takes place in collaboration with the employees, represented by the safety service and the working environment committee (AMU). Sector

Alarm's Code of Conduct states that efforts shall be made to ensure that all employees have a working environment that is free from discrimination, harassment and bullying.

Sector Alarm strives for equal employment opportunities and diversity in the workplace. This requirement applies in relation to all unequal treatment, exclusion, or preference of an individual or group, for example based on gender, race, disability, age, religion, sexual orientation, political views, national, ethnic or social origin. Sector Alarm follows these principles in all areas of employment, including when we recruit, hire, train, promote and reward our employees.

The work environment in Sector Alarm is good and the Employee Survey that is conducted every 18 months confirms that Sector Alarm is top in class in Europe when it comes to staff motivation, loyalty and satisfaction. The Employee Survey is also

<p>the basis for continuous improvements.</p> <p>The monitored alarm services that Sector Alarm provide, pollute the external environment to a minimum degree. All countries participate in recycling schemes for the handling of old and broken alarm hardware and strive to have a new and modern environmentally friendly fleet of vehicles. In 2020, Sector Alarm has not conducted any research activities, but is engaged in the continuous development of products and services for the home security space.</p> <p>The Board of Directors makes continues assessments of the market outlook in the countries that the Group operates in. The penetration for monitored alarms in Europe is only 3-4% and the Board of Directors sees signif-</p>	<p>icant growth potential across all European countries, also in the Nordics. Sector Alarm is the second largest provider of professionally monitored alarms for Small Systems in Europe and is well positioned to take advantage of the attractive market dynamics and growth opportunities in this space. Sector Alarm has a solid foundation in Northern Europe and the operations in Norway, Sweden and Ireland deliver solid financial results. The Finnish operation continues to show positive development and has become an important contributor to the growth. The newly established Southern Europe-an markets, Spain and France, are the most promising growth markets in Europe and has continued the positive development in 2020 despite the Covid-19 situation. In line with the expansion strategy, Sector Alarm has</p>	<p>recently initiated the process to enter the Italian market.</p> <p>The Board of Directors considers the outlook for Sector Alarm to be positive. For 2021, the Board of Directors expects only a small increase in cashflow and profit due to continued investments in growth. The balance sheet is expected to strengthen on the back of positive results.</p> <p>The Board of Directors are not aware of any matters after the end of the financial year that will have a material bearing on the company's position and earnings for 2020. Covid-19 will continue to impact Sector Alarm also in 2021.</p> <p>The safety of our employees, customers and other members of the public is a primary concern and the Group has initiated strict</p>	<p>health and safety routines in line with recommendations. Furthermore, the Group has completed risk assessments across the entire business and developed contingency planning to allow us to continue to deliver our services, and this assessment is continuously being updated. From a financial perspective the Group do not expect a significant</p>	<p>negative impact on the financial performance near term.</p> <p>The Board of Directors considers the presented Annual Accounts to give an accurate view of Sector Alarms financial position at year end and operations throughout the year. In accordance with section 3-3a of the Norwegian Accounting Act,</p>	<p>the Board of Directors confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis.</p>
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Oslo, 22 April 2021

Nils Viggo Skeisvoll  
Chairman of the board

Bjørnar Heiaas Bukholm  
Board member

Jørgen Dahl  
CEO



## Income statement

Amounts in TNOK	Note	2020	2019
Revenue from contracts with customers	5	2 704 074	2 448 571
<b>Total revenue</b>		<b>2 704 074</b>	<b>2 448 571</b>
Personnel costs	15	-1 084 682	-977 105
Other operating costs	16, 20	-504 971	-957 704
<b>Total operating costs</b>		<b>-1 589 653</b>	<b>-1 934 809</b>
<b>Operating profit before D&amp;A (EBITDA)</b>		<b>1 114 420</b>	<b>513 762</b>
Depreciation and amortization	6, 7, 19	-379 149	-345 015
<b>Operating profit</b>		<b>735 271</b>	<b>168 747</b>
Finance income	14, 17	142 876	43 636
Finance cost	14, 17	-757 660	-320 812
<b>Net finance cost</b>		<b>-614 784</b>	<b>-277 176</b>
<b>Profit before tax</b>		<b>120 486</b>	<b>-108 430</b>
Income tax expense	13	-13 881	-86 280
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>106 605</b>	<b>-194 610</b>
Profit (loss) from discontinued operation	25, 26	0	512 449
<b>PROFIT FOR THE PERIOD</b>		<b>106 605</b>	<b>317 839</b>
<b>Profit is attributable to:</b>			
Owners of Sector Alarm Holding AS		106 605	319 370
Non-controlling interests		0	-1 532

## Statement of comprehensive income

Amounts in TNOK	Note	2020	2019
<b>Profit for the period</b>		<b>106 605</b>	<b>317 839</b>
<i>Items that subsequently may be reclassified to profit or loss</i>			
Remeasurement gain (loss) from net defined benefit liability		-26 597	-20 464
Currency translation differences		236 943	14 768
<b>Other comprehensive income</b>		<b>210 345</b>	<b>-5 696</b>
Total comprehensive income for the year attributable to parent company shareholders		316 951	312 143
<b>Total comprehensive income for the period</b>		<b>316 951</b>	<b>312 143</b>

## Balance sheet

Amounts in TNOK	Note	31.12.2020	31.12.2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Deferred tax asset	13	121 361	12 836
Intangible assets and goodwill	7	4 137 006	3 781 159
Property, plant and equipment	6, 19	681 240	628 169
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4 939 607</b>	<b>4 422 164</b>
<b>CURRENT ASSETS</b>			
Derivative financial instruments	22	59	64
Trade and other receivables	8, 22	196 533	232 785
Prepayments	8, 22	94 162	84 454
Cash and cash equivalents	9	610 256	270 298
<b>TOTAL CURRENT ASSETS</b>		<b>901 010</b>	<b>587 602</b>
<b>TOTAL ASSETS</b>		<b>5 840 617</b>	<b>5 009 765</b>
<b>EQUITY</b>			
Share capital	10, 18	1 605	1 605
Share premium	10, 18	589 872	-613 360
Other equity		-2 376 139	-1 492 739
<b>TOTAL EQUITY</b>		<b>-1 784 661</b>	<b>-2 104 493</b>
<b>LONG-TERM LIABILITIES</b>			
Deferred tax	13	283 271	272 633
Loans and borrowings	12, 22	6 108 518	5 737 295
Leasing liabilities	12, 19, 22	289 255	288 295
Employee benefits	15	98 748	68 534
Other long-term liabilities	22	4 489	906
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>6 784 282</b>	<b>6 367 663</b>
<b>SHORT-TERM LIABILITIES</b>			
Loans and borrowings	22	2 277	9 184
Leasing liabilities	12, 19, 22	65 343	53 409
Current tax liabilities	13	101 722	82 591
Trade and other payables	11, 22	421 658	353 128
Contract liabilities	5, 11	249 996	248 284
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>840 996</b>	<b>746 596</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>5 840 617</b>	<b>5 009 765</b>

Oslo, 22. April 2021

Viggo Skjeivold

Nils Viggo Skjeivoll  
Chairman of the board

Jørgen Dahl  
CEO

Bjørnes Bukholm

Bjørnar Heiaas Bukholm  
Board member

## Cash flow statement

Amounts in TNOK	2020	2019
Earnings before tax	120 485	-108 430
Adjustments for net finance cost	614 784	277 176
Adjustments for depreciation and amortization	379 151	345 015
Change in accounts receivable	9 684	14 962
Change in accounts payable	18 975	-11 722
Change in other operating receivables/payables	40 217	59 292
Income taxes (refund) paid	-113 830	-136 483
<b>CASH FLOW OPERATING ACTIVITIES</b>	<b>1 069 666</b>	<b>439 811</b>
Proceeds from sales of investment in subsidiaries	2 122	0
Increase in investment in subsidiaries	52	0
Proceeds from sales of property, plant and equipment	-252	12 988
Acquisition of property, plant and equipment	-475 217	-694 200
Interests received	13 299	43 106
Other adjustments to investing activities	-2 491	-23 905
<b>CASH FLOW INVESTING ACTIVITIES</b>	<b>-462 486</b>	<b>-492 011</b>
Proceeds from issue of share capital	0	378 648
Change in other long term receivables and payables	3 583	-379 376
Change in long term loans from related parties	-6 671	-41 423
Proceeds from loans and borrowings	-52	5 665 970
Repayment of loans and borrowings	-9 982	-3 051 287
Payment of lease liabilities	-59 268	-35 695
Interests paid	-200 133	-188 619
Dividends paid	0	-3 069 405
Other adjustments to financing activities	-11 634	-3 473
<b>CASH FLOW FINANCING ACTIVITIES</b>	<b>-284 136</b>	<b>-774 662</b>
<b>CASH FLOW TOTAL FROM CONTINUED OPERATION</b>	<b>322 824</b>	<b>-776 862</b>
Cash flows of discontinued operation	0	612 701
<b>CASH FLOW TOTAL</b>	<b>322 824</b>	<b>-164 161</b>
Cash and cash equivalents at the beginning of the financial year	270 298	447 631
Effects of exchange rate changes on cash and cash equivalents	17 134	-13 172
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>610 256</b>	<b>270 298</b>

## Statement of changes in equity

Amounts in TNOK	Share capital	Other equity	Translation reserve	TOTAL	Non controlling interests	TOTAL EQUITY
<b>Balance at 1 January 2019</b>	<b>1 896</b>	<b>-95 765</b>	<b>130 423</b>	<b>36 555</b>	<b>240 983</b>	<b>277 538</b>
Profit for the period	0	319 370	0	319 370	-1 532	317 839
Other comprehensive income	0	-20 464	14 768	-5 696	0	-5 696
Transactions with non-controlling interests	0	239 451	0	239 451	-239 451	0
Treasury shares acquired	0	-88 595	0	-88 595	0	-88 595
Treasury shares cancelled	-324	324	0	0	0	0
Translation reserve discontinued operations	0	0	-5 638	-5 638	0	-5 638
Dividends	0	-3 069 405	0	-3 069 405	0	-3 069 405
Other changes	0	2 221	0	2 221	0	2 221
Issue of ordinary shares	33	467 210	0	467 243	0	467 243
<b>Balance at 31 December 2019</b>	<b>1 605</b>	<b>-2 245 652</b>	<b>139 554</b>	<b>-2 104 493</b>	<b>0</b>	<b>-2 104 493</b>
<b>Balance at 1 January 2020</b>	<b>1 605</b>	<b>-2 245 652</b>	<b>139 554</b>	<b>-2 104 493</b>	<b>0</b>	<b>-2 104 493</b>
Profit for the period	0	106 605	0	106 605	0	106 605
Other comprehensive income	0	-26 597	236 943	210 346	0	210 346
Dividends	0	0	0	0	0	0
Other changes	0	2 881	0	2 881	0	2 881
<b>Balance at 31 December 2020</b>	<b>1 605</b>	<b>-2 162 763</b>	<b>376 496</b>	<b>-1 784 661</b>	<b>0</b>	<b>-1 784 661</b>

## Notes

Amounts in TNOK

### Note 1 / General information

Sector Alarm Holding AS (the Company) and its subsidiaries (the Group) provide professionally monitored alarms for residential households and small businesses in Europe. The Group operates in Norway, Sweden, Ireland, Finland, Spain and France. Sector Alarm Holding AS is the parent company of the Group and provides centralized services and corporate governance on behalf of the Group. The principal activities of the Company and its subsidiaries are described in note 5 Revenue.

The registered headquarter of Sector Alarm Holding AS is located at: Vikarivågen 1A, Oslo in Norway.

These consolidated financial statements were approved by the Board of Directors on 22 April 2021 for adoption by the Annual General Meeting on 22 April 2021.

### Note 2 / Significant accounting principles

The following section describes the significant accounting principles applied when preparing these consolidated financial statements. These principles are consistently applied for all periods presented, unless otherwise stated.

#### 2.1 Framework for presentation of the financial statement

The consolidated financial statements for 2020 has been prepared according to International Financial Reporting Standards (IFRS) as adopted by The European Union (EU).

The consolidated financial statements are based on a historical cost principle, except for derivatives measured at fair value through profit or loss.

Preparation of financial statements in accordance with IFRS requires use of estimates. Furthermore, the application of the company's accounting principles requires management to exercise judgements. Significant estimates and judgements, are described in note 4.

#### 2.2 Consolidation principles

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The consideration transferred is measured at fair value, as are the identifiable net assets acquired. Included in the consideration is also the fair value of all assets or liabilities arising from an agreement of contingent consideration. Expenses related to the business combination are expensed as incurred. Any non-controlling interests are measured at their proportionate share of the acquired entity's net identifiable assets at the date of acquisition.

If the sum of the consideration, the carrying amount of non-controlling interests and the fair value at the acquisition date of previous ownership interests exceeds the fair value of net identifiable assets in the acquired company, the difference is recognized in the balance sheet as goodwill. Cf. note 2.5. If the sum is lower than the company's net assets, the difference is recognized immediately in the consolidated income statement.

Intra-group transactions, balances and unrealized profits and losses between group companies are eliminated. The financial statements of the subsidiaries are restated when necessary to achieve compliance with the Group's accounting principles.

#### 2.3 Foreign currency translation

Functional currency and presentation currency

Transactions in foreign currencies are translated into the respective functional currencies of the respective Group companies. The consolidated financial statements are presented in NOK, which is both the functional currency and the presentation currency of the parent company.

Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Currency gains and losses from translating monetary items (assets and liabilities) in foreign currency, are recognized in the consolidated income statement using the exchange rates at the reporting date.

Translation differences related to working capital are presented as other gains and losses. Translation differences related to loans are presented as a financial item.

Group companies

Income statements and balance sheets for Group entities (none with hyperinflation) with operational currencies that differ from the presentation currency are translated as follows:

- The balance sheet is translated at the final exchange rate on the balance sheet date
- The income statement is translated at the average exchange rate (if the average does not provide a reasonable estimate of the accumulated effects of using the transaction exchange rate, the transaction exchange rate is used)
- Translation differences are recognized in other comprehensive income and appear in the item currency translation differences.

On consolidation, the difference between translation of net investment in foreign companies is recognized in other comprehensive income (OCI) as a separate item in equity. When selling parts of foreign companies, the translation difference recognized in other comprehensive income is recognized in the profit and loss as a part of the gain or loss on the sale.

Assets and liabilities arising from business combinations are regarded as assets and liabilities in the acquired unit and are translated at the exchange rate on the balance sheet date.

#### 2.4 Property, plant and equipment

Property, plant and equipment are recognized at cost, less any accumulated depreciation or impairment losses. The costs include costs that are directly associated with the acquisition of the asset. Subsequent expenditures are added to the asset's carrying amount or are recognised separately in the balance sheet when it is probable that future financial benefits from the expense will flow to the Group and the expense can be measured reliably. The carrying amount of replaced parts are recognised on the income statement. Other repair and maintenance costs are recognized in the income statement during the period in which the expenses are incurred.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The useful lifetime of the assets, and their residual value, is assessed on each balance sheet date and are amended if necessary. When the carrying amount of an asset is higher than the estimated recoverable amount, the value is written down to the recoverable amount. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### 2.5 Intangible assets

Goodwill

Goodwill arising from the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Licenses

Licenses that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.



**Customer contracts**

Customer contracts that arises from business combinations or acquisition of alarm portfolios are recognized at fair value or cost at the time of acquisition. Acquired customer contracts are amortized and impairment tested using the same principles as for capitalised contract cost as presented in note 2.14. See also note 2.8 regarding impairment.

Customer contracts presented in the balance sheet and in note 7 consists of customer contracts arising from business combinations or acquisition of alarm portfolios, and customer contracts arising from organic sales. For the latter this consists of the capitalised cost to obtain and to fulfill contracts with customers. Principles for capitalising cost from organic sales are presented in note 2.14.

The amortisation period covers the expected useful life, which is based on churn per customer portfolio.

**Brand**

Brands that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

**2.6 Assets held for sale**

Non-current assets or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

**2.7 Financial instruments**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

**Financial assets**

On initial recognition, a financial asset is classified and measured at amortised cost, Fair Value Over Comprehensive Income (FVOCI) – debt investment, FVOCI – equity investment, or Fair Value Through Profit or Loss (FVTPL).

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. The Group currently holds derivatives that are classified as FVTPL. All other financial liabilities classified as financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group derecognises a financial asset or financial liability when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**Derivative financial instruments and hedge accounting**

The Group have in certain periods designated certain non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

When a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the change in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

**2.8 Impairment**

**Non-derivative financial assets**

The Group recognises loss allowances for Expected Credit Losses (ECL) on:

- financial assets measured at amortised cost
- debt investments measured at FVOCI
- contract assets

The Group measures loss allowances at an amount equal to lifetime ECLs for all financial assets, which includes loss allowances for trade receivables (including lease receivables) and contract assets. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**Non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.



An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

### 2.9 Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.10 Share capital and share premium

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

When shares are recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

### 2.11 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. If any, it is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment

property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

### 2.12 Pension obligations, bonus schemes and other compensation schemes for employees

The employees of the companies in the Group have defined contribution pension schemes or pension insurance policies in accordance with current collective agreements that correspond to defined contribution pensions depending on where they are employed. Employees in Ireland have a closed benefit scheme and a defined contribution scheme for new employees.

For defined contribution plans, the Group pays deposits to public or privately managed insurance plans for pensions on a mandatory contractual or voluntary basis. The Group has no further payment obligations after the deposits have been paid. Deposits are accounted for as labor costs when they fall due. Prepaid deposits are recognized as an asset to the extent that the deposit can be reimbursed or reduce future payments.

A defined benefit plan will typically define an amount that an employee will receive from the time of retirement, usually depending on age, number of years in work and salary. The obligation for the defined benefit plans is the present value of the liability at the balance sheet date, less the fair value of the pension assets. The gross liability is calculated by independent actuaries using the linear method by the calculation. Gross liability is discounted to present value by using the interest rate on high-quality corporate bonds issued in the currency to which the obligation is to be paid, and with approximately the same maturity as the payment horizon of the obligation. In countries that do not have a liquid market in their bonds, the market interest rate is applied to government bonds.

Gains and losses arising from the recalculation of the liability as a result of estimate deviations and changes in actuarial assumptions are recognized in the equity through other comprehensive income in the period in which they arise. Effect of changes in the scheme benefits are recognized in the income statement immediately.

### Severance pay

Severance pay is paid when the employment contract is terminated by the Group before the normal retirement date or when an employee voluntarily accepts to terminate such remuneration. The Group recognizes severance pay when it is demonstrably obliged to either terminate the employment contract with current employees in accordance with a formal, detailed plan that the Group cannot withdraw, or provide severance pay as a result of an offer made to encourage voluntary departure. Final payments due more than 12 months after the balance sheet date are discounted to present value. Final remuneration is recognized in the income statement over the notice period.

### Profit sharing and bonus schemes

The Group recognizes a provision where there are contractual obligations or where there is a past practice that creates a self-imposed obligation.

### 2.13 Provisions

The Group recognizes provisions on legal requirements when there is a legal or self-imposed obligation as a result of past events and there is a probability that the obligation will be settled in the form of a transfer of financial resources and the amount of the obligation can be estimated with a sufficient degree of reliability.

In cases where there are several obligations of the same nature, the probability that the obligation will be settled is determined by assessing the group as a whole. Provisions for the group are recognized even though the likelihood of settlement related to the group's individual elements may be low.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### 2.14 Revenue from contracts with customers

- Revenues from contracts with customers primarily comprise sale of
- Revenue recognised over time: Subscription revenue
- Revenue recognised at a point in time: Upgrades, Services, Installs & additional hardware and other revenue

### Recognition and measurement

When the Group enters into an agreement with a customer, the goods and services promised in the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services either on their own or together with other



resources that are readily available to the customer, and that the goods and services are separately identifiable from other promises in the contract. Goods and services that do not meet the criteria to be identified as separate performance obligations are aggregated with other goods and/or services in the agreement, until a separate performance obligation is identified. Examples of goods and services which are normally considered to be distinct performance obligations within the Group are sales of additional hardware to subscribers of alarm monitoring services.

The Group determines the transaction price to be the amount of consideration which it expects to be entitled in exchange for transferring the promised goods and services to the customer, net of discounts and sales related taxes. Sales related taxes are regarded as collected on behalf of the authorities. For corporate customers the Group adjusts the transaction price for a significant financing component if, at contract inception, the expected period between the transfer of a good or service to the customer and when the customer pays for that good or service is more than one year, unless the timing of the transfer of those goods or services is at the discretion of the customer (i.e. prepaid services).

For contracts with corporate customers the consideration promised in a contract can include a variable amount, if so the Group estimates the amount of consideration which it expects to be entitled. An amount of variable consideration is included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The transaction price is allocated to each performance obligation in the contract on a relative stand-alone selling price basis. The stand-alone selling price for each performance obligation is determined according to the prices that the Group would achieve by selling the same goods or services to a similar customer on a stand-alone basis. Except when the Group has observable evidence that the entire discount included in a contract relates to only one or more, but not all, performance obligations in a contract, the Group allocates the discount proportionately to all performance obligations in the contract.

Revenue is recognised when the respective performance obligations in the contract are satisfied and payment remains probable.

Revenue from alarm monitoring services is generally recognised over time during the period to which the service relates.

The effects of significant financing components are recognised over the payment period. Revenue from sales of customer equipment, such as additional hardware to subscribers of alarm monitoring, is normally recognised at the point in time when the equipment is transferred to customer.

#### Capitalised contract cost

Costs incurred that are incremental to obtaining a contract with a customer, and are expected to be recovered, are recognised as contract acquisition cost. Contract acquisition costs include, for example, certain commissions or bonuses to employees or dealers, directly related to the contracts obtained on behalf of the Group.

Costs directly related to fulfilling a specified contract with a customer, which generate or enhance resources that will be used in fulfilling the performance obligations in the contract, are recognised as contract fulfilment cost assets to the extent they are expected to be recovered. The costs are expensed in the period in which the related revenue is recognised. Contract fulfilment costs include equipment and costs incurred for connection and installation of equipment on customer premises, including direct labour and material costs.

Capitalised contract cost is presented as customer contracts in the consolidated balance sheet and in note 7. The transfer of goods and services is considered to be in accordance with the expected customer life, and amortisation is performed according to historical churn data consistent with the principle for customer contracts obtained through business combinations and portfolio acquisitions. In addition the capitalised contract cost is tested annually for impairment as part of the impairment testing of goodwill as presented in note 2.5.

#### Presentation and impairment

If recognised revenue exceeds amounts received or receivable from a customer, a contract asset is recognised. If amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer, a contract liability is recognised. Contract assets and contract liabilities are expected to be realised within the Group's normal operating cycle, and are classified as current within trade and other receivables and trade and other payables respectively. Contract assets are adjusted for provision for impairment in accordance with the expected credit loss model.

The Group applies the simplified approach for contract assets, measuring the loss allowance at an amount equal to lifetime expected credit losses. Impairment for expected credit losses is recognised in the income statement and updated at each reporting date. The impairment is

calculated by taking into account the historic evidence of the level of bad debt experienced for customer types. Contract assets are transferred to receivables when rights become unconditional. Receivables from contracts with customers are presented separately from contract assets. The effects of significant financing components are presented as interest income, separately from revenue from contracts with customers in the statement of comprehensive income.

The internal reporting of the Group does not differentiate customer contracts arising from business combinations or portfolio acquisitions and customer contracts arising from capitalised contract cost, and as a result, the two elements are presented aggregated in the consolidated balance sheet and note 7.

#### 2.15 Interest and dividend income

Interest income is accrued on a time proportionate basis that reflects an effective yield on the asset, and is included in financial income in the income statement. Dividend income from investments is recognised when the Group's rights to receive payment have been established (declared by the General Meeting or otherwise) and classified as financial income.

#### 2.16 Leases

The Group has applied IFRS 16 using the modified retrospective approach from 1 January 2018 without restating previous periods.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the lease of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle or remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depends on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group reasonably certain to exercise, lease payments in an option renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed asset lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and liabilities for leases of low-value assets and short-term leases, including IT-equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Note 3 / Financial risk management

#### 3.1 Credit risk

The Group manages credit risk by assessing the creditworthiness of customers at the time of sale. There are local variations in the countries in which the Group operates. The individual subsidiaries have established procedures for following up credit with the various customer groups. Pre-billing and increased use of direct contribute to increased security for timely payments. The Group has outsourced parts of billing management in Norway, Sweden and Finland, including issue of reminders and debt collection follow-up, which also contributes to minimising the credit risk. Historically, the Group has had very limited losses on accounts receivable and this trend seems to be continuing. The Group also performs ongoing assessment of new payment systems, such as payment using debit/payment/credit cards, which will also result in further reduction of credit risk.

#### 3.2 Liquidity risk

The Group's approach to managing liquidity risk is to secure access to sufficient liquidity to meet liabilities under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's relationships. The Group's liquidity risk is considered as a low due to the resilient business model with strong cash flow from the existing customer portfolio combined with flexible growth for new customer acquisition. At 31.12.2020 the Group has NOK 611 million in cash and cash equivalents and the EUR 100 million ICF was undrawn.

#### 3.3 Currency risk

The main currency exposure and risk relate to a mismatch between currencies for positive cash flows and outstanding debt. Currently the main sources for positive cash flows are NOK and SEK while outstanding debt is largely in EUR following the refinancing in the Term Loan B market in June 2019. Sector Alarm Holding AS is therefore exposed to EUR appreciation that would imply higher NOK and/or SEK payments in the future to manage the debt (interest cost and refinancing/repayment). Over time it is expected that the currency exposure will be reduced as cash flows in EUR will increase over time due to continued growth and expansion outside Norway and Sweden. Sector Alarm has decided not to hedge the exposure for the time being, but to rather monitor the development. In addition, Sector Alarm Holding AS is exposed to a strengthening of the USD against EUR, NOK and SEK as the prices for Hardware is in USD.

#### 3.4 Financial risk

The primary source of interest rate risk is the EUR 590 million Term Loan B and EUR 100 million credit facility ("TLB") with floating interest rate. As a general principle, Sector Alarm Holding AS should aim to reduce a portion of the floating rate exposure through interest rate swaps. However, Sector Alarm Holding AS has decided not to hedge the exposure for the time being due to the negative EURIBOR in combination with the 0% interest rate floor in the TLB loan agreement, which means that to eliminate the negative EURIBOR Sector Alarm Holding AS would need to buy a floor with a cost of about 50 bps.

#### 3.5 Risk related to capital management

The goal of the Group with regard to capital management is to protect continued operations to ensure return for owners and other stakeholders, and maintain an optimal capital structure to reduce capital costs. The capital in Sector Alarm consists mainly of the customer portfolio which is managed with the intention of long-term return for the company's shareholders.

#### 3.6 Information on fair value

Financial assets measured at fair value are divided into the following levels:

- Level 1 price in active market (level 1)
- Valuation based on other observable factors (price) either directly or indirectly for the financial asset or liability (level 2)
- Valuation based on factors not derived from observable markets (level 3).

The fair value of financial instruments that are not traded in an active market is determined using valuation methods. These methods use observable data where available. If all the essential data required to fix the fair value of an instrument is observable data, the instrument is included in level 2.

As of December 31, 2020, the Group has no financial assets or liabilities at level 1 or 3 that are measured at fair value in the balance sheet. The only instrument in level 2 is the interest derivative as specified in note 22. The same applies for 2019.

### Note 4 / Important accounting estimates and judgmental items

Estimates and discretionary assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered likely under current circumstances. The Group prepares estimates and makes assumptions related to the future. The accounting estimates that result from this will per definition rarely be fully consistent with the final outcome. Estimates and assumptions that represent a significant risk of material changes in the carrying amount of assets and liabilities during the next financial year are discussed below.

Impairment of goodwill, other intangible assets and contract cost

The Group's recognised goodwill and other intangible assets are tested annually for impairment based on an estimation of value in use. See further details regarding impairment of goodwill and intangible assets in note 2.8 and note 7.

### Note 5 / Revenue recognition

In the following tables revenue from contracts with customers is disaggregated by major products and service lines and timing of revenue recognition.

Revenue from contracts with customers comprise of	2020		2019	
	Revenue per product/service line	Point in time	Over time	Point in time
Revenue from subscriptions	2 470 340	0	2 470 340	0
Revenue from Upgrades	23 564	23 564	0	33 308
Revenue from Services	75 880	75 880	0	74 016
Revenue from Installis & additional hardware	126 346	126 346	0	123 517
Other revenues	7 944	7 944	0	5 512
<b>Total Revenue from contracts with customers</b>	<b>2 704 074</b>	<b>233 734</b>	<b>2 470 340</b>	<b>236 333</b>
<b>Movement in contract liability</b>				
Contract liability opening balance				248 284
Reduction due to revenue being recognized				-265 808
Increase due to cash received and revenue deferred				249 996
<b>Contract liability closing balance</b>				<b>248 284</b>

Contract liabilities consists of prepayments from customers.

## Note 6 / Property, plant and equipment

Amounts in TNOK	Buildings	Computer equipment	Furnishing and fittings	Vehicles	Alarm systems not in use	Total
<b>Balance at 31 December 2018</b>	<b>71 485</b>	<b>36 170</b>	<b>78 109</b>	<b>1 850</b>	<b>78 328</b>	<b>265 941</b>
Translation differences	-587	-241	-737	-47	-863	-2 476
Acquisitions	23 617	25 232	35 790	592	28 259	113 488
Acquisitions through business combinations	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Depreciation for the year	-1 409	-22 614	-22 759	-648	0	-47 630
Reclassification	2 938	0	-3 101	0	0	-163
<b>Balance at 31 December 2019</b>	<b>97 043</b>	<b>38 547</b>	<b>87 302</b>	<b>1 545</b>	<b>102 723</b>	<b>327 160</b>
Acquisition cost	109 285	163 704	208 093	5 719	107 800	594 602
Accumulated depreciation and impairment	-12 242	-125 157	-120 792	-4 174	-5 077	-267 442
<b>Carrying amounts at 31 December 2019</b>	<b>97 043</b>	<b>38 547</b>	<b>87 302</b>	<b>1 545</b>	<b>102 723</b>	<b>327 160</b>
Depreciation and impairment for the year	-1 409	-22 614	-22 759	-648	0	-47 630
Useful life	30 years	3-5 years	3-5 years	3-5 years		

Amounts in TNOK	Buildings	Computer equipment	Furnishing and fittings	Vehicles	Alarm systems not in use	Total
<b>Balance at 31 December 2019</b>	<b>97 043</b>	<b>38 547</b>	<b>87 302</b>	<b>1 545</b>	<b>102 723</b>	<b>327 160</b>
Translation differences	5 707	1 680	3 461	147	5 070	16 065
Acquisitions	13 301	17 290	31 089	208	25 564	87 451
Acquisitions through business combinations	0	0	0	0	0	0
Disposals	0	-523	-465	0	0	-988
Depreciation for the year	-2 169	-21 854	-28 127	-777	0	-52 927
<b>Balance at 31 December 2020</b>	<b>113 881</b>	<b>35 141</b>	<b>93 260</b>	<b>1 113</b>	<b>133 357</b>	<b>376 762</b>
Acquisition cost	129 047	186 921	247 191	6 232	138 493	707 884
Accumulated depreciation and impairment	-15 165	-151 780	-153 931	-5 110	-5 136	-331 122
<b>Carrying amounts at 31 December 2020</b>	<b>113 881</b>	<b>35 141</b>	<b>93 260</b>	<b>1 113</b>	<b>133 357</b>	<b>376 762</b>
Depreciation and impairment for the year	-2 169	-21 854	-28 127	-777	0	-52 927
Useful life	30 years	3-5 years	3-5 years	3-5 years		

Alarm systems not in use applies to alarm systems purchased for installation. These are not depreciated until they are installed and then classified as capitalised customer contracts.

## Note 7 / Intangible assets and goodwill

Amounts in TNOK	Goodwill	Licenses, software, etc.	Brand	Customer contracts	Total
<b>Balance at 31 December 2018</b>	<b>1 154 160</b>	<b>46 022</b>	<b>89 535</b>	<b>2 393 587</b>	<b>3 683 284</b>
Translation differences	-15 790	-90	-761	-27 442	-43 983
Acquisitions	0	24 757	0	355 955	380 711
Acquisitions through business combinations	0	0	0	0	0
Disposals	0	0	0	0	0
Amortization for the year	0	-18 466	0	-220 816	-239 281
<b>Balance at 31 December 2019</b>	<b>1 138 870</b>	<b>52 223</b>	<b>88 774</b>	<b>2 502 264</b>	<b>3 781 132</b>
Acquisition cost	1 121 330	121 693	88 774	3 509 841	4 841 638
Accumulated amortization	17 540	-69 470	0	-1 008 577	-1 060 507
<b>Carrying amounts at 31 December 2019</b>	<b>1 138 870</b>	<b>52 223</b>	<b>88 774</b>	<b>2 502 264</b>	<b>3 781 132</b>
Amortization and impairment for the year	0	-18 466	0	-220 816	-239 281
Useful life	Indefinite	3-5 years	Indefinite	16 years	

Amounts in TNOK	Goodwill	Licenses, software, etc.	Brand	Customer contracts	Total
<b>Balance at 31 December 2019</b>	<b>1 138 870</b>	<b>52 223</b>	<b>88 774</b>	<b>2 501 264</b>	<b>3 781 132</b>
Translation differences	77 282	699	5 459	147 140	230 580
Acquisitions	0	9 406	0	374 709	384 115
Acquisitions through business combinations	0	0	0	0	0
Disposals	0	0	0	-180	-180
Amortization for the year	0	-20 754	0	-237 887	-258 641
<b>Balance at 31 December 2020</b>	<b>1 216 153</b>	<b>41 575</b>	<b>94 233</b>	<b>2 785 046</b>	<b>4 137 007</b>
Acquisition cost	1 216 153	132 013	94 233	4 005 426	5 447 824
Accumulated amortization	0	-90 438	0	-1 220 380	-1 310 818
<b>Carrying amounts at 31 December 2020</b>	<b>1 216 153</b>	<b>41 575</b>	<b>94 233</b>	<b>2 785 046</b>	<b>4 137 007</b>
Amortization and impairment for the year	0	-20 754	0	-237 887	-258 641
Useful life	Indefinite	3-5 years	Indefinite	17 years	

Customer contracts is amortised according churn data per customer portfolio. The customer portfolios varies in historical churn and between countries, but the average useful life for the Group was 17 years in 2020. Customer contracts as presented in the table above comprise of both customer contracts arising from business combinations or portfolio acquisitions and contracts arising from organic sales, where the latter comprise of the capitalised contract cost in accordance with cost to obtain and cost to fulfill contracts with customers. For further details see note 2.5 regarding business combinations and 2.14 regarding revenue from contracts with customers.

### Impairment test goodwill and intangible assets

All goodwill is acquired through purchases and has been of strategic importance in retaining and strengthening the market positions of the Group. The goodwill is linked to cost savings and economies of scale as a result of coordination with the Group's operations in the relevant markets and utilization of the Group's experience and industry knowledge. The goodwill is allocated to the portfolios in Norway, Sweden, Finland, Ireland, Spain and France.



Sector Alarm / Annual Report 2020

24 / 25

Goodwill is not amortised. However, goodwill is tested for impairment at least annually, or when there are identified impairment indicators. An impairment assessment was performed at 31 December 2020. The group use the estimated recoverable value of the customer portfolio as an indicator for the total value of the customer portfolio and goodwill combined. The recoverable value were calculated using a value in use approach were using recurring annual revenue and a multiple based on comparable market transactions adjusted for key assumptions on size and quality of the portfolio. The impairment tests results in a headroom of minimum 140% on all the portfolios. As such the impairment test did not reveal an indication of impairment.

Amounts in TNOK	Opening balance	Acquisition	Disposals	Translation differences	Closing balance
<b>2020</b>					
Norwegian portfolio	133 420	0	0	0	133 420
Irish portfolio	513 349	0	0	31 565	544 914
Swedish portfolio	353 961	0	0	37 225	391 186
Finnish portfolio	115 014	0	0	7 072	122 086
Spanish portfolio	4 093	0	0	252	4 345
French portfolio	19 029	0	0	1 170	20 199
<b>Total</b>	<b>1 138 866</b>	<b>0</b>	<b>0</b>	<b>77 284</b>	<b>1 216 150</b>

Amounts in TNOK	Opening balance	Acquisition	Disposals	Translation differences	Closing balance
<b>2019</b>					
Norwegian portfolio	133 420	0	0	0	133 420
Irish portfolio	517 747	0	0	-4 398	513 349
Swedish portfolio	363 670	0	0	-9 709	353 961
Finnish portfolio	115 999	0	0	-986	115 014
Spanish portfolio	4 128	0	0	-35	4 093
French portfolio	19 192	0	0	-163	19 029
<b>Total</b>	<b>1 154 157</b>	<b>0</b>	<b>0</b>	<b>-15 291</b>	<b>1 138 866</b>

Note 8 / Trade receivables and other receivables

Amounts in TNOK	2020	2019
Trade receivables	197 657	202 167
Allowance for impairment of trade receivables	-19 139	-14 073
<b>Trade receivables net</b>	<b>178 518</b>	<b>188 093</b>
Advance payments	94 162	84 454
Other receivables	18 015	44 692
<b>Total trade receivables and other receivables</b>	<b>290 695</b>	<b>317 239</b>

For short-term receivables, the carrying amount is considered to be a reasonable approximation of fair value.

Total overdue trade receivables in the Group are associated with a large number of independent customers. The age distribution of these receivables is:

Amounts in TNOK	2020	2019
Up to 60 days	23 618	36 117
More than 60 days	25 452	20 528
<b>Total overdue trade receivables</b>	<b>49 070</b>	<b>56 645</b>
Carrying amount of overdue trade receivables	29 932	42 572

Movement in bad debt allowance:	2020	2019
Balance at 1 January	-14 690	-12 498
Net remeasurement of loss allowance	-13 501	-5 030
Amounts written off	9 052	3 454
<b>Balance at 31 December</b>	<b>-19 139</b>	<b>-14 073</b>

Write down and reversal of write down on trade receivables are included in other operating costs.

The maximum exposure to credit risk at time of reporting is the fair value of each class of trade receivables stated above. Receivables consist of a large number of receivables from individual customers with no credit rating. The company uses external partners to recover the receivables and there are, historically, low levels of losses on receivables. All new customers undergo a credit check before installation.

Note 9 / Cash and cash equivalents

In the cash flow statement, cash and cash equivalents encompasses the following:

Amounts in TNOK	2020	2019
Cash and cash equivalents	610 563	270 298
Of which restricted funds (tax withholding account)	11 556	11 068

Note 10 / Share capital and share premium

Amounts in TNOK	Number of shares (000)	Share capital	Treasury shares	Share premium	Total
<b>Balance at 1 January 2020</b>	<b>4 863</b>	<b>1 605</b>	<b>0</b>	<b>589 872</b>	<b>591 477</b>
Capital increase	0	0	0	0	0
Treasury shares acquired	0	0	0	0	0
Treasury shares cancelled	0	0	0	0	0
<b>Balance at 31 December 2020</b>	<b>4 863</b>	<b>1 605</b>	<b>0</b>	<b>589 872</b>	<b>591 477</b>

In 2019, 126-312 shares from SAMIP AS were repurchased and all own shares deleted. The sale and purchase of own shares in Sector Alarm Holding AS takes place at market prices.

See note 18 for list of the Company's shareholders.

## 26 / 27

## Sector Alarm / Annual Report 2020

### Note 11 / Other short-term liabilities

	2020	2019
Amounts in TNOK		
Trade payables	111.401	92.426
Payable to authorities	123.778	110.290
Other short-term liabilities	186.478	150.413
Prepaid from customers / deferred revenue	249.996	248.284
<b>Total</b>	<b>671.653</b>	<b>601.412</b>

Other short-term liabilities consists largely of accrued vacation pay in line with governmental requirements and accruals for vendor invoices not yet processed and little or no risks is associated.

No liabilities above mature past 12 months. The carrying amount is considered to be a reasonable approximation of fair value.

### Note 12 / Loans and borrowings

The external financing in the group is mainly obtained by Sector Alarm Holding AS, which provides funding to the companies throughout the Group. Until the refinancing of the group in the Term Loan B market in June 2019 the external financing was accordingly arranged by Sector Alarm Group AS.

	2020	2019
Amounts in TNOK		
<b>Long-term liabilities</b>		
Loans and borrowings	6.108.518	5.737.295
Leasing liabilities	289.295	288.295
<b>Total long-term loans</b>	<b>6.397.773</b>	<b>6.025.590</b>
Loans and borrowings	2.277	9.184
Leasing liabilities	65.343	53.409
<b>Total short-term loans</b>	<b>67.620</b>	<b>62.593</b>
Bank overdraft facility	0	0
<b>Total short-term loans including overdraft</b>	<b>67.620</b>	<b>62.593</b>

In June 2019, Sector Alarm refinanced existing debt by successfully issuing a EUR 590 million 7-year senior secured Term Loan B and a EUR 100 million 6-year senior secured credit facility (unused). The Term Loan B was issued at EURIBOR +350 bps with a 0% floor at par. In February 2020, Sector Alarm successfully concluded a repricing of the EUR 590 million Term Loan B with the margin being reduced from 350 bps to 300 bps and was issued at par with a 0% floor.

The new loan agreement has a dividend limitation of 22,5 MEUR pr year. The EUR 100 million revolving credit facility has a gearing covenant of 9,2x Enterprise value/EBITDA if the facility is drawn 40% or more.

There are no fixed annual instalments for the EUR 590 million Term Loan B. However, Sector Alarm is required to prepay 50% of Excess Cash Flow (as defined in the Term Loan B Facility Agreement) if Net Debt Cover (as defined in the Term Loan B Facility Agreement) is greater than 5001 and 25% of Excess cash flow if Net Debt Cover is greater than 4.501 but less than or equal to 5001 within 20 Business Days of delivery of Annual Financial Statements. The conditions regarding Excess Cash Flow and Net Debt Cover is applicable from the Annual Financial Statements for the financial year 2020.

No breaches of covenants have occurred in 2019 or 2020.

	2020	2019
Amounts in TNOK		
Term loan B	6.177.477	5.819.642
Other minor bank loans	14.167	22.530
Amendment fee	80.848	95.693
<b>Total bank loans</b>	<b>6.110.796</b>	<b>5.746.479</b>

The maturities for the long-term bank loans and interests are as follows:

	2020	2019
Between 1 and 2 years	186.727	176.735
Between 2 and 5 years	745.645	702.386
More than 5 years	6.195.450	5.993.004
<b>Total</b>	<b>7.127.802</b>	<b>6.872.125</b>

	2020	2019
<b>Security</b>	<b>6.110.796</b>	<b>5.746.479</b>
<b>Carrying amount of assets pledged as security</b>		
Fixed assets	95.930	80.493
Customer contracts	0	0
Alarm systems not in use	0	0
Accounts receivable	0	0
<b>Total</b>	<b>95.930</b>	<b>80.493</b>

Office building, MNOK %, in General Services Sector Alarm SLU have been pledged to secure borrowings in General Services Sector Alarm SLU.

In addition shares in companies mentioned below, including intercompany loans and bank accounts in the companies have been pledged to secure borrowings of the group at 31/12/2020:

Sector Alarm Holding AS  
Sector Alarm Ireland AS  
PhoneWatch Ltd  
Sector Alarm AB  
Sector Alarm AS



### Note 13 / Income tax

Amounts in TNOK	2020	2019
<b>Tax expense</b>		
Current tax expense	109 954	62 529
Change in deferred tax - origination and reversal of temporary differences	-104 837	5 033
Change in deferred tax - reduction in tax rate	-12 191	-4 909
Change in deferred tax - other	35 150	2 746
Changes in estimates related to prior years	-215	3 271
Other	-13 981	17 510
<b>Tax expense continuing operations</b>	<b>13 881</b>	<b>86 180</b>

In other comprehensive income, the remeasurement gain (loss) from the net defined benefit liability has a tax effect included in tax expenses.

Tax expenses from continuing operations excludes the tax expenses from discontinued operations of NOK 150 009 in 2019.

Reconciliation of effective tax rate	2020	2019
Profit before tax from continuing operations	120 485	-108 430
Income tax using Norwegian tax rate (22%)	26 507	-23 787
Effect of tax rates in foreign jurisdictions	-27 734	-24 687
Tax effect non deductible expenses	-19 418	85 183
Tax effect current year losses for which no deferred tax asset is recognised	50 681	41 577
Utilized loss carried forward	-168	-2 748
Effect of changes in tax rate on deferred tax items	-12 191	-4 909
Changes in estimates related to prior years	-215	3 271
Other effects	-3 382	12 280
<b>Income tax</b>	<b>13 881</b>	<b>86 180</b>
Effective tax rate	12%	-7%

The Group's reconciliation of the effective tax rate is based on its domestic tax rate, with a reconciling item in respect of tax rates applied by Group companies in other jurisdictions.

Tax payable	2020	2019
Current tax of tax base before contribution	133 247	75 516
Prepaid taxes	-85 469	-29 531
Other including previous years tax payable	53 945	36 606
<b>Total tax payable</b>	<b>101 723</b>	<b>82 591</b>

**Deferred tax**  
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the Group's current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2020	2019
Deferred tax asset	121 361	12 836
Deferred tax liabilities	283 271	272 633
<b>Net deferred benefit/(liability) (&gt;) in the balance sheet</b>	<b>-161 910</b>	<b>-259 797</b>

The following information presents how deferred tax liability and deferred tax asset are before netting in the balance sheet:

Changes in deferred tax/deferred tax asset in the balance sheet:	2020	2019
<b>Balance at 1 January</b>	<b>-159 797</b>	<b>-262 239</b>
Currency translation	-19 413	3 467
Recognized in the period	1 04 837	-5 033
Changes in tax rate	12 191	4 909
Other	272	-901
<b>Balance at 31 December</b>	<b>-161 910</b>	<b>-259 797</b>

Specification of the tax effect of temporary differences and losses carried forward:

	2020	2019
Deferred tax assets	1 077	852 200
Deferred tax liabilities	229 963	1 078 727
<b>Property, plant and equipment</b>	<b>1 077</b>	<b>852 200</b>
Accounts receivables	859	0
Other provisions and accruals	79 431	676
Losses carried forward	137 590	114 726
Limitations of tax deductibility of interest expense	25 825	0
Other	1 100	1 644
Unrecognized deferred tax assets	245 883	303 071
<b>Total recognized deferred tax assets</b>	<b>245 883</b>	<b>303 071</b>
Deferred benefit/(liability) (>) in the balance sheet	161 461	867 586
<b>Net deferred benefit/(liability) (&gt;) in the balance sheet</b>	<b>-161 910</b>	<b>-259 797</b>

The deferred tax benefit is included in the balance sheet on the basis of future income.

The Group has losses carried forward of NOK 105 million in the Netherlands, France, Spain and Finland that was not recognized as at 31 December 2020.

A deferred tax asset will be available against unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

At the reporting date, the Group has unused tax losses of NOK 625.5 million (2019: NOK 521.1 million) available for offset against future profits. A deferred tax asset has been recognised in respect of NOK 32.9 million (2019: NOK 17 million) of such losses. No deferred tax asset has been recognised in respect of the remaining NOK 104.7 million (2019: NOK 101 million) as it is not considered probable that there will be future taxable profits available.

Included in unrecognized tax losses are losses of NOK 1.1 million that will expire in 2021, NOK 2.9 million in 2022, NOK 7 million in 2023, NOK 20 million in 2024, NOK 14 million in 2025 and NOK 295 million above 5 years. Other losses may be carried forward indefinitely.

## Note 14 / Other gains and losses

Amounts in TNOK	2020	2019
Realised currency derivatives in the year	0	8 806
Net currency gains and losses	-367 389	-91 549
<b>Other gains and losses</b>	<b>-367 389</b>	<b>-82 743</b>

## Note 15 / Personell costs

Amounts in TNOK	2020	2019
Wages and salaries	844 922	718 809
Social security contributions	171 755	155 083
Pension costs - defined contribution pension plans	32 180	26 742
Pension costs - defined benefit plans	5 135	4 148
Other benefits	30 690	72 322
<b>Total</b>	<b>1 084 682</b>	<b>977 105</b>

Number of FTEs excluding discontinued operations

	2 050	1 884
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## Pension costs - defined benefit plans

2020	2019
Current value of the year's pension payments	3 135
Interest costs from pension commitment	1 015
<b>Net pension costs including employees' contributions</b>	<b>4 148</b>

## Changes to the present value of the defined benefit obligation during the period under review

2020	2019
Opening defined benefit obligation	170 784
Current services cost	4 052
Interest cost	2 502
Employee contributions	482
Net benefit paid out	-806
Actuarial gains/losses - experience	-1 246
Other	6 290
Actuarial gains/losses - assumptions	42 572
<b>Closing defined benefit obligation</b>	<b>214 630</b>

## Changes to the fair value of assets during the period under review

2020	2019
Opening fair value of assets	102 250
Employer contributions	2 241
Employee contributions	482
Net benefits paid out	-806
Interest income on Plan Assets	1 539
Actuarial gains/(losses) on assets	20 176
<b>Closing fair value of assets</b>	<b>115 882</b>

## Financial assumptions:

	2020	2019
Discount rate	0,75 %	1,40%
Expected wage regulation	1,75 %	1,65%
Expected pension increase	1,50 %	1,4%

The actuarial assumptions are based on the commonly used assumptions within insurance with regard to demographic factors.

	2020		2019	
Employee benefit expenses	CEO	Board	CEO	Board
Wages and salaries	2 600	1 100	2 788	1 100
Bonuses	358	0	366	15 000
Pension benefits	22	0	22	0
Other benefits	0	0	0	0

No loans or securities have been provided to the CEO, Chairman of the Board or other related parties. There are no agreements on severance salaries to the Board or senior executives.

## Note 16 / Other operating costs

Amounts in TNOK	2020	2019
<b>Other operating costs</b>	<b>0</b>	<b>467 000</b>
Norwegian Competition Authority	0	8 728
Related parties	4 137	479 262
Other operating costs	497 079	2 714
Auditors' fees	3 755	
<b>Total</b>	<b>504 971</b>	<b>957 704</b>

Auditor's fees	2020	2019
Statutory audit	2 194	2 006
Other attestation services	128	476
Technical assistance and tax advice	1 401	146
Remuneration for other services	32	86
<b>Total</b>	<b>3 755</b>	<b>2 714</b>

## Note 17 / Financial income and costs

Amounts in TNOK	2020	2019
Interest income	16 579	18 114
Other finance revenues	1 469	5 638
Interest costs	-214 800	-125 673
Other finance costs	-50 643	-33 706
Net currency gains/losses	-367 389	-91 549
<b>Net financial costs</b>	<b>-654 784</b>	<b>-277 176</b>
Currency gains	123 180	17 280
Currency losses	-490 569	-108 829
<b>Sum net currency gains/losses</b>	<b>-367 389</b>	<b>-91 549</b>
Net currency gain/loss due to operations	-6 644	-3 339
Net currency gain/loss due to finance items (i.e. loans)	-360 745	-88 210
<b>Sum net currency finance/operations split</b>	<b>-367 389</b>	<b>-91 549</b>
Net currency gain/loss on external balances	-362 689	-75 441
Net currency gain/loss on intra-company balances	-4 700	-16 107
<b>Sum net currency external/intra-company /IC split</b>	<b>-367 389</b>	<b>-91 549</b>

## Note 18 / Shareholders and shareholder information

The Company's share capital at 31.12.2020 consists of 4,863,354 shares at NOK 0.33 per share. Each share has one vote. There was one shareholder as at 31 December 2020.

Amounts in TNOK	Number	Share
<b>Shareholders</b>	<b>4,863,354</b>	<b>100%</b>
Sector Alarm Midco AS		
Dividends recognized as distributions to owners during the period	0	
Dividends per share	0	

## Note 19 / Leasing

Amounts in TNOK	2020	2019
<b>Amounts recognized in profit and loss</b>		
Expenses related to contracts with exception for short term leases	573	321
Expenses related to contracts with exception for low value assets	10	56
Variable lease payments based on index or a rate	38 294	42 566
<b>Total</b>	<b>38 877</b>	<b>42 942</b>
Short term lease liabilities	65 343	53 409
Long term lease liabilities	289 255	288 295
<b>Total lease liabilities</b>	<b>354 598</b>	<b>341 704</b>
Potential lease payments not included in lease liabilities.	35 283	33 017
Interest cost	10 406	7 763
Total cash outflow	59 268	35 695
Incremental borrowing rate	3.00%	3.00%
<b>The maturities for the long-term leasing liabilities are as follows:</b>	<b>2020</b>	<b>2019</b>
Between 1 and 2 years	47 191	56 399
Between 2 and 5 years	119 512	79 023
More than 5 years	122 552	152 873
<b>Total</b>	<b>289 255</b>	<b>288 295</b>

Right of use assets	Cars	Office machines	Buildings	Total
<b>Balance at 01 January 2019</b>	<b>41 593</b>	<b>603</b>	<b>265 710</b>	<b>307 906</b>
Translation differences	-527	-3	-2 004	-2 534
Acquisitions	26 717	834	68 100	95 681
Disposals	-2 506	-114	-12 145	-14 765
Depreciation and impairment for the year	-21 622	-2 105	-34 377	-58 104
<b>Balance at 31 December 2019</b>	<b>43 550</b>	<b>991</b>	<b>256 467</b>	<b>301 008</b>

Right of use assets	Cars	Office machines	Buildings	Total
<b>Balance at 01 January 2020</b>	<b>43 550</b>	<b>991</b>	<b>256 467</b>	<b>301 008</b>
Translation differences	2 925	39	8 940	11 904
Acquisitions	15 042	1 307	59 473	75 822
Disposals	-9 928	-561	-6 186	-16 675
Depreciation and impairment for the year	-24 323	-2 775	-42 984	-67 582
<b>Balance at 31 December 2020</b>	<b>27 267</b>	<b>1 502</b>	<b>275 709</b>	<b>304 478</b>

### Note 20 / Related parties

Sector Alarm Holding AS is controlled by Isanor Invest AS (registered in Norway) which owns 63,04% of the Company's shares directly or indirectly. The shares in Isanor Invest AS are owned by Jørgen Dahl (CEO).

The Group has been involved in transactions with the following associated parties:

Amounts in TNOK

#### a) Sales of products and services

There have been no sales of products or services to associated parties in 2019 or 2020. Employees are offered alarm subscriptions at discounted rates.

#### b) Purchases of products and services

	2020	2019
From related parties (legal services)	4.137	8.728

Legal services are purchased from companies in which associated persons have ownership interests. The prices are set at market rates. The company purchases legal services from Advokatfirmaet Wisaholm AS, in which the Chairman of the Board of Sector Alarm TopCo AS, Nicolas Bruun-Lie, was one of the partners until January 2019.

#### c) Loans from associated parties

	2020	2019
Isanor Invest AS	0	5.568
Sector SPV AS	808	0

No other loans were provided by shareholders or their companies in 2019 or 2020.

#### d) Interests on loans from associated parties

	2020	2019
Isanor Invest AS	39	93

#### e) Loans to senior employees

No loans have been given to senior employees or Board members.

### Note 21 / Subsidiaries

The Group comprises the parent company, Sector Alarm Holding AS, and the following directly and indirectly owned subsidiaries:

Company	Country	Area of business	Ownership share	Share of Annual profit	Equity (000)
Sector Alarm AS	Norway	Monitored alarm services	100%	NOK 295 956	NOK 7 966
Sector Alarm Drift AS	Norway	Monitored alarm services	100%	NOK 3 158	NOK 144
Sector Alarm ALS AS	Norway	Monitored alarm services	100%	NOK 947	NOK 229
SA 53lg AS	Norway	Monitored alarm services	10%	NOK 2 900	NOK 21 744
Sector Alarm IT AS	Norway	Group services	100%	NOK 2 747	NOK 33 161
Sector Alarm AB	Sweden	Monitored alarm services	100%	SEK 334 090	SEK 1 315 352
SA Bevakning AB	Sweden	Monitored alarm services	100%	SEK 1 303	SEK 1 359
SA Forsøpling AB	Sweden	Monitored alarm services	100%	SEK 2 864	SEK 2 931
Sector Alarm Service AB	Sweden	Monitored alarm services	100%	SEK 3 722	SEK 42 761
Sector Alarm Ireland AS	Norway	Monitored alarm services	100%	-NOK 253	NOK 998 144
PhoneWatch Ltd	Ireland	Monitored alarm services	100%	EUR 18 724	EUR 75 561
Sector Alarm Europe AB	Spain	Monitored alarm services	100%	EUR 10 467	EUR 11 328
Sector Alarm Spain S.A.U	Spain	Monitored alarm services	100%	EUR 16	EUR 31 996
Sector Alarm France SARL	France	Monitored alarm services	100%	-EUR 5 687	EUR 6 328
Sector Alarm SAS	France	Monitored alarm services	100%	EUR 4 655	EUR 10 068
Sector Alarm Oy	Finland	Monitored alarm services	100%	EUR 16	EUR 10 068
Sector Alarm Spain AS	Norway	Monitored alarm services	100%	-NOK 16	NOK 13 314
General Services Sector Alarm SLU	Spain	Group services	100%	EUR 590	EUR 4 565
Sector Alarm Real Estate SLU	Spain	Property	100%	EUR 12	EUR 4 115
Sector Alarm Holland BV	Netherlands	Group services	100%	EUR 6	-EUR 1 913
Sector Alarm Italy SRL	Italy	Monitored alarm services	100%	0	EUR 10

See also note 25 and 26 regarding discontinuing operations and sold companies in 2019.

Effective 01.01.2020 Sector Alarm Holding AS merged with fully owned subsidiaries Sector Alarm Group Holding AS, Sector Alarm Group AS and Sector Alarm Sverige AS.

At 15.10.2020 The Group founded Sector Alarm Italy SRL. The company is fully owned by Sector Alarm Europe AB and was not operational for the financial year 2020.

#### Note 22 / Financial instruments

The Group has the following financial instruments:

*Financial assets/liabilities at amortised cost:*

Financial assets: trade receivables, other current receivables and cash and cash equivalents.  
Financial liabilities: includes most of the Group's financial liabilities including debt to credit institutions, trade payables and other current and non-current financial liabilities.

*Financial assets/liabilities at fair value through profit and loss (FVTPL):*

Derivative instruments - Interest swap

The table below shows the various financial assets and liabilities, grouped in the different categories of financial instruments according to IFRS 9.

Amounts in TNOK 31.12.2020	Amortised cost	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Total
<b>Financial assets</b>				
Trade receivables	178 518	0	0	178 518
Other receivables	112 177	0	0	112 177
Cash and cash equivalents	610 256	0	0	610 563
Derivative financial instruments	0	59	0	59
<b>Total financial assets</b>	<b>900 951</b>	<b>59</b>	<b>0</b>	<b>901 010</b>
<b>Financial liabilities (short and long term)</b>				
Loans external	6 110 796	0	0	6 110 796
Leasing liability	354 598	0	0	354 598
Account's payable	111 401	0	0	111 401
Other liabilities	661 975	0	0	661 975
<b>Total financial liabilities</b>	<b>7 238 769</b>	<b>0</b>	<b>0</b>	<b>7 238 769</b>

31.12.2019	Amortised cost	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Total
<b>Financial assets</b>				
Trade receivables	188 093	0	0	188 093
Other receivables	129 146	0	0	129 146
Cash and cash equivalents	270 298	0	0	270 298
Derivative financial instruments	0	64	0	64
<b>Total financial assets</b>	<b>587 537</b>	<b>64</b>	<b>0</b>	<b>587 602</b>
<b>Financial liabilities (short and long term)</b>				
Derivatives	0	0	0	0
Loans external	5 746 479	0	0	5 746 479
Leasing liability	341 704	0	0	341 704
Accounts payable	92 426	0	0	92 426
Other liabilities	591 578	0	0	591 578
<b>Total financial liabilities</b>	<b>6 772 186</b>	<b>0</b>	<b>0</b>	<b>6 772 186</b>

#### Note 23 / Hedge accounting

The Group is exposed to currency changes related to carrying amounts of equity in foreign subsidiaries. Changes in the value of equity of foreign subsidiaries are offset/hedged by loans and overdrafts in the same currency until the refinancing in June 2019. Subsequent to the repayment performed in June 2019, the Group's hedging of net investment in foreign operations were discontinued. The following tables demonstrates the Group hedging relationships related to its net debt and equity in foreign subsidiaries:

Currency (in currency million)	Net investment in subsidiaries	Net debt in foreign currency
EUR	14,06,2019	14,06,2019
SEK	188 966	135 275
	873 658	560 750

Subsequent to the divestment of AVARN Security Group, the associated hedging reserve of NOK 5.6 Million was reclassified to profit or loss in 2019, see further details in note 25 and 26.

Refer to note 27 regarding financial instruments and note 3.4 regarding financial risk management for further details related to hedge accounting.

#### Note 24 / Contingent assets and liabilities

Sector Alarm Spain S.A.U is involved in a dispute regarding the settlement for purchase of customers from two Spanish companies. The parties do agree on the amount to be settled, but the dispute is for when the settlement is to take place. Sector Alarm Spain S.A.U has filed a law suit to get a settlement for the total receivable of MEUR 5,6 (incl VAT). The probability of winning our case is considered by our advisors to be good.

#### Note 25 / Discontinued operations

In April 2019, Sector Alarm Holding AS sold AVARN Security Holding AS with Subsidiaries ("AVARN") to Nokas. The core business of AVARN was large systems while the focus for the Group are monitored alarms for households and small business. Up until the sale, AVARN functioned as an important strategic asset for the Group when consolidating the fragmented Nordic security market. Control of AVARN passed to Nokas to April 2019. Details of the sold assets and liabilities, and the calculation of the profit or loss are disclosed in note 26. AVARN is classified as held for sale in 2019 showing discontinued operation separately from continuing operations.

Intercompany transactions between AVARN and other group companies have been fully eliminated. As a result, only transactions with external parties of Avarn Security Holding AS with subsidiaries are presented as a discontinued operations. The results of the discontinued operations, which have been included in the profit for the year, were as follows:

Amounts in TNOK	2019
<b>P&amp;L</b>	<b>2019</b>
Revenue	909 947
Expenses	-935 672
<b>Profit before tax</b>	<b>-25 725</b>
Attributable tax expense	-10 126
Gain from disposal of discontinued operations	548 300
Attributable tax expense	0
<b>Net gain (loss) attributable to discontinued operations</b>	<b>512 448</b>
Net gain (loss) attributable to minority owners	528 112
Earnings per share	105.4

During the year 2019, Avarn Security Holding AS contributed NOK 198 million to the Group's net operating cash flows, paid NOK 14 million in respect of investing activities and paid NOK 25 million in respect of financing activities. A gain of NOK 548 million arose on the disposal, being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets and attributable goodwill.

## Note 26 / Disposal of subsidiary

**Avarn Security Holding AS**  
As referred to in note 25, on April 10 2019, the Group disposed of its interest in Avarn Security Holding AS. The net assets at the date of disposal were as follows:

Amounts in TNOK	April 10, 2019
Property, plant and equipment	83 946
Intangible assets	157 222
Trade receivables	338 752
Bank balances and cash	25 414
Deferred tax asset	-21 342
Loans external	-29 362
Trade payables	-67 472
Net other assets	-794 457
Attributable goodwill	293 999
<b>Net assets disposed of</b>	<b>-13 300</b>
Gain on disposal	548 300
<b>Total consideration</b>	<b>535 000</b>
Satisfied by:	
Cash and cash equivalents	535 000
<i>Net cash inflow arising on disposal:</i>	
Consideration received in cash and cash equivalents	535 000
Less: cash and cash equivalents disposed of	-25 414

There were no disposals of subsidiaries made in 2020.

The impact of Avarn Security Holding AS on the Group's results in the current and prior years is disclosed in note 25. The gain on disposal is included in the profit for the year from discontinued operations (see note 25).

## Note 27 / Business combinations

### Prevent

In April 2019, the Group entered into a sale agreement to dispose of Avarn Security Holding AS, see note 26. Financial performance subsequent to the acquisition is presented in note 26, where Prevent is included in the consolidated figures for Avarn Security Holding AS with subsidiaries. Since the entity is disposed in 2019, any separate disclosure of Prevent Group Oy is considered impracticable in accordance with IFRS 3.B6-4(q).

## Note 28 / Events after the reporting date

There are no known events after the balance sheet date that would have significant effect of the financial effect for 2020.



## Income statement

Amounts in THOK	Note	2020	2019
Revenues	15, 16	128 062	166 405
Other operating income	15, 16	0	0
Cost of goods sold		0	0
Personnel costs	8	55 830	75 707
Depreciations and write-downs	12	13 055	5 253
Other costs	9	91 797	76 981
<b>EBIT</b>		<b>-32 621</b>	<b>8 466</b>
Income from investments in subsidiaries	14	1 410 499	836 552
Finance revenues	17	100 901	2 062
Finance revenues from group companies	17	74 722	98 725
Finance costs	7, 17	-703 688	-209 621
Finance costs from group companies	17	-84 326	-115
<b>Net finance costs</b>		<b>798 108</b>	<b>717 603</b>
<b>Profit before tax</b>		<b>785 487</b>	<b>736 687</b>
Tax expense	4	50 149	-1 108
<b>Profit for the period</b>		<b>815 637</b>	<b>734 960</b>
<i>Allocations</i>			
Dividends	14	0	0
Allocated to other equity	12	815 637	734 960
<b>Total allocated</b>		<b>815 637</b>	<b>734 960</b>

## Annual Accounts / 2020

Sector Alarm Holding AS (NGAAP)



## Balance sheet

Amounts in TNOK	Note	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Equipment, movables and inventory	1	15 373	4 933
Brand and software	2	15 603	11 329
Deferred tax asset	4	104 799	557
Investments in group companies	14	9 602 787	5 805 826
Long term receivables from group companies	3	231 121	3 391 410
<b>Total non-current assets</b>		<b>9 969 683</b>	<b>9 214 055</b>
<b>Current assets</b>			
Trade receivables		0	0
Account's receivable, group companies	3	66 759	11 169
Other short-term receivables		132	183
Other short-term receivables from group companies	3	544 242	139 910
Prepayments		1 900	1 449
Cash and cash equivalents	5	2 684	2 022
<b>Total current assets</b>		<b>615 718</b>	<b>154 733</b>
<b>TOTAL ASSETS</b>		<b>10 585 401</b>	<b>9 368 788</b>

Amounts in TNOK	Note	2020	2019
<b>EQUITY</b>			
<b>Contributed equity</b>			
Shareholders equity	12, 13	1 605	1 605
Share premium	12	589 839	589 839
<b>Total contributed equity</b>		<b>591 444</b>	<b>591 444</b>
<b>Earned equity</b>			
Other equity	12	3 052 653	2 579 340
<b>Total earned equity</b>		<b>3 052 653</b>	<b>2 579 340</b>
<b>TOTAL EQUITY</b>		<b>3 644 097</b>	<b>3 170 784</b>
<b>LIABILITIES</b>			
<b>Long term liabilities</b>			
Other long term liabilities	7	5 473	0
Liabilities to financial institutions	7	6 096 629	5 723 949
<b>Total long-term liabilities</b>		<b>6 102 102</b>	<b>5 723 949</b>
<b>Short term liabilities</b>			
Account's payable		1 822	2 457
Account's payable, group companies	3	7 082	-5
Tax payable	4	54 312	0
Accrued costs	6	49 138	28 912
Other short-term liabilities to group companies	3	726 848	442 692
<b>Total short-term liabilities</b>		<b>839 202</b>	<b>474 056</b>
<b>TOTAL LIABILITIES</b>		<b>6 941 304</b>	<b>6 198 005</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10 585 401</b>	<b>9 368 788</b>

Oslo, 22 April 2021

*Viggo Skjeivoll*

Nils Viggo Skjeivoll  
Chairman of the board

*Bjørnar Heiaas Bukholm*

Bjørnar Heiaas Bukholm  
Board member

*Jørgen Dahl*

Jørgen Dahl  
CEO

## Cash flow statement

Amounts in TNOK	Note	2020	2019
<b>Cash flow from operating activities</b>			
Profit/Loss before tax		765 487	736 067
Tax paid		0	-3 068
Net financial items		-798 334	0
Depreciations		13 055	5 253
Change in trade receivables		0	79
Change in receivables on Group companies		-269 883	-3 338 797
Change in accounts payables		-635	-954
Change in liabilities to Group companies		519 033	430 270
Change in other accrual items		19 826	200 083
<b>Net cash from operating activities</b>		<b>248 550</b>	<b>-1 971 067</b>
<b>Cash flow from investing activities</b>			
Acquisition of equipment		-14 673	-10 731
Payment of capital increase in subsidiaries		-304 723	-502 670
Cash from merger		-190 577	0
Payment of group contribution		200 000	0
<b>Net cash from investing activities</b>		<b>-309 974</b>	<b>-513 401</b>
<b>Cash flow from financing activities</b>			
Proceeds from loans and borrowings		0	5 665 923
Capital increase		0	467 300
Proceeds from increase in other liabilities		0	-362 834
Acquisition of own shares		0	-88 259
Dividends paid		0	-3 069 405
Interest paid		-186 792	-114 100
Interest received		6 234	416
Currency effect on cash in foreign currency		-8 216	0
Change in group cash pool		250 859	-15 380
<b>Net cash flow from financing activities</b>		<b>61 086</b>	<b>2 445 645</b>
Net change in cash and cash equivalents		662	-805
Cash and cash equivalents at the start of the period		2 072	2 827
<b>Cash and cash equivalents at end of period</b>		<b>2 684</b>	<b>2 022</b>
Cash and cash equivalents		2 684	2 022
Overdraft facility		0	0

## Notes

Amounts in TNOK

### Accounting principles

The financial statement is prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway.

### Revenue recognition

Revenues from sale of services is recognized when delivered. All revenues are related to sale of services to subsidiaries.

### Balance sheet items

Current assets and current liabilities comprise items related to purchase and sale of goods. For items other than accounts receivable items that fall due within one year of the transaction date are included. Fixed assets are assets intended for permanent ownership and use. Long-term debt is debt that matures later than one year after the transaction date.

Current assets are valued at the lower of cost and fair value. Short-term debt is capitalized at the nominal amount at the time of establishment.

Fixed assets are valued at cost. Fixed assets are depreciated according to a reasonable depreciation plan. Fixed assets are written down to fair value in the event of impairment that is not expected to be temporary. Long-term debt with the exception of other provisions is capitalized at nominal amount at the time of establishment.

### Receivables

Accounts receivables and other receivables are recognized at denominated value.

### Intangible assets

Intangible assets (brand names and licenses / software) are capitalized at cost and amortized on a straight-line basis over their expected useful lives.

### Fixed assets

Tangible fixed assets are capitalized and depreciated over the useful life of the fixed assets if they have assumed a useful life of more than 3 years and have a cost price exceeding NOK 15.000. Maintenance of fixed assets is expensed as operating costs on an ongoing basis, while costs or improvements are added to the acquisition cost of the fixed asset and depreciated in line with the fixed asset.

### Pension

The employees of the company have a defined contribution pension schemes that meet the requirements for compulsory occupational pension (OTP) according to Norwegian law.

### Currency items

Foreign currency items are valued at the exchange rate at the end of the financial year.

### Financial market risk

The company has only intra-group customers and has historically not had any losses on claims. Investments in subsidiaries are monitored on an ongoing basis, and corrective measures are implemented if operations deviate from the plan. As of 31.12.2020, the company has cash and unused credit facilities that are sufficient in relation to expected payments and expected organic growth.

### Cash flow

The cash flow statement has been prepared using the indirect method. Bank accounts that is part of the Groups cash pool scheme is presented as cash in the balance sheet and cash flow statement.

### Income tax

The tax expense in the income statement includes both the tax payable for the period and the change in deferred tax. Deferred tax is calculated at 22% on the basis of the temporary differences that exist between accounting and tax values, as well as tax loss carryforwards at the end of the financial year. Tax increasing and tax reducing temporary differences that reverse or can reverse in the same period are offset and the tax effect is calculated on the net basis.

**Subsidiaries**  
Subsidiaries are assessed according to the cost method in the financial statement. The investment is valued at the acquisition cost of the shares unless an impairment has occurred. Group contributions to subsidiaries, less tax deductions, are recognized as an increased cost price for the shares. Dividends / group contributions are recognized in the same year as they are allocated in the subsidiary. When dividends / group contributions significantly exceed the share of retained earnings after the acquisition, the excess part is considered repayment of invested capital and the value of the investment is deducted from the balance sheet.

#### Note 1 / Fixed assets

Amounts in TNOK	Computer equipment 3 years	Fixtures 5 years	Total
<b>Expected lifetime</b>			
<b>Acquisition cost 01.01</b>	<b>0</b>	<b>10 112</b>	<b>10 112</b>
Additions	9 815	4,955	14,770
Disposals	0	0	0
<b>Acquisition cost 31.12</b>	<b>9 815</b>	<b>15 077</b>	<b>24 892</b>
<b>Accumulated depreciations 01.01</b>	<b>0</b>	<b>-5 189</b>	<b>-5 189</b>
Depreciation and impairment for the year	-2,362	-1,968	-4,330
Depreciations on disposals	0	0	0
<b>Accumulated depreciations 31.12</b>	<b>-2,362</b>	<b>-7,156</b>	<b>-9 519</b>
Net book value 01.01	0	4,923	4,923
<b>Net book value 31.12</b>	<b>7 452</b>	<b>7 921</b>	<b>15 373</b>
The year's depreciation	-2,362	-1,968	-4,330
Impairment for the year	0	0	0
<b>Leasing</b>			
This year's rental / leasing costs machines	115		115
This year's rental costs for premises	3 974		3 974

#### Note 2 / Intangible assets

Amounts in TNOK	Software 5 years	Total
<b>Expected lifetime</b>		
<b>Acquisition cost 01.01</b>	<b>29 436</b>	<b>29 436</b>
Additions	12 999	12 999
Disposals	0	0
<b>Acquisition cost 31.12</b>	<b>42 436</b>	<b>42 436</b>
<b>Accumulated depreciations 01.01</b>	<b>-18 107</b>	<b>-18 107</b>
Depreciation and impairment for the year	-8,725	-8,725
Depreciations on disposals	0	0
<b>Accumulated depreciations 31.12</b>	<b>-26 832</b>	<b>-26 832</b>
Net book value 01.01	11,329	11,329
<b>Net book value 31.12</b>	<b>15 603</b>	<b>15 603</b>
Depreciations for the year	-8,725	-8,725
Impairment for the year	0	0

#### Note 3 / Intercompany balances

Amounts in TNOK	Liabilities		Receivables	
	2020	2019	2020	2019
<b>Short-term items</b>				
Liabilities and receivables on group companies	733 930	342 066	202 856	151 079
Group contribution made / received	0	100 620	408 146	0
<b>Total</b>	<b>733 930</b>	<b>442 686</b>	<b>611 002</b>	<b>151 079</b>
<b>Long-term items</b>				
Liabilities and receivables on group companies	0	0	231 121	3 391 410
<b>Total</b>	<b>0</b>	<b>0</b>	<b>231 121</b>	<b>3 391 410</b>

Liabilities and receivables on group companies include draw of the group cashpool amounting to TNOK -206 569 for 31.12.2020.

Dividend receivable from Sector Alarm Ireland AS of TNOK 124,354 was reversed 01.01.2020. This dividend was related to dividend from PhoneWatch Ltd to Sector Alarm Ireland AS for the financial year 2018. The dividend from PhoneWatch Ltd never received a written approval by the Board in PhoneWatch Ltd, and dividends in both Sector Alarm Ireland AS and Sector Alarm Holding AS have been reversed.

## Note 4 / Income tax expense and deferred tax

Amounts in TNOK	2020	2019	
<b>Calculation of this year's tax base:</b>			
Result before tax	<b>765 487</b>	<b>736 067</b>	
Permanent differences	-1 407 405	4 867	
Dividend	0	-735 932	
Change in temporary differences	355 961	-5 002	
Group contribution received	408 146	0	
Interest limitation on tax deduction	117 841	0	
<b>This year's tax base</b>	<b>240 030</b>	<b>0</b>	
<b>Basis for tax payable</b>	<b>240 030</b>	<b>0</b>	
<b>This year's tax expense divides into:</b>			
Tax payable on this year's tax base	<b>2020</b>	<b>2019</b>	
Change in temporary differences	57 807	0	
Too much/little allocated previous years	-78 311	1 100	
Deferred taxes on cur interest deduction	1 280	0	
Change in the disengagement of the deferred tax benefit	-25 925	0	
<b>Total tax charge</b>	<b>-50 149</b>	<b>1 108</b>	
<b>Payable tax in the balance:</b>			
Payable tax on this year's result	-35 480	0	
Payable tax on received Group contribution	89 792	0	
<b>Total payable tax in the balance</b>	<b>54 312</b>	<b>0</b>	
<b>Temporary differences</b>	<b>2020</b>	<b>2019</b>	<b>Change</b>
Tangible fixed assets	-1 109	-3 097	-1 988
Long term liabilities	-357 835	0	357 835
Gains and losses account	453	566	113
<b>Net temporary differences</b>	<b>-358 491</b>	<b>-2 530</b>	<b>355 961</b>
Cur interest deduction	-117 841	0	117 841
<b>Basis for net deferred benefit/liability</b>	<b>-476 332</b>	<b>-2 530</b>	<b>473 802</b>
22% deferred tax	-104 793	-557	104 236
<b>Net deferred benefit/liability in the balance sheet</b>	<b>-104 793</b>	<b>-557</b>	<b>104 236</b>

Explanation as to why the tax charge for the year does not amount to 22 % of the result before tax:	2020	2019
Result before tax	765 487	736 067
Estimated income tax according to nominal tax rate (22%)	168 407	161 935
Other non-deductible expenses	-309 629	-160 634
Tax on received (recognized) group contribution	89 792	0
Correction tax payable previous years	1 280	0
Other items	0	7
<b>Calculated tax charge</b>	<b>-50 149</b>	<b>1 108</b>

## Note 5 / Cash and cash equivalents

Amounts in TNOK	2020	2019
Cash and cash equivalents	2 684	2 022
Of which restricted funds (tax withholding account)	2 684	2 022

## Note 6 / Other short-term liabilities

Amounts in TNOK	2020	2019
Public taxes	3 432	324
Other provisions	45 706	28 588
<b>Total</b>	<b>49 138</b>	<b>28 912</b>

## Note 7 / Loan

Amounts in TNOK	2020	2019
Term loan B	6 096 629	5 723 949
<b>Total long-term loan</b>	<b>6 096 629</b>	<b>5 723 949</b>
Term loan B	0	0
<b>Total short-term loan</b>	<b>0</b>	<b>0</b>
Bank overdraft facility	0	0
<b>Total loans including overdraft facility</b>	<b>6 096 629</b>	<b>5 723 949</b>

In June 2019, Sector Alarm refinanced existing debt by successfully issuing a EUR 590 million 7-year senior secured Term Loan B and a EUR 100 million 6-year senior secured credit facility (omitted). The Term Loan B was issued at EIRIBOR +350 bps with a 0% floor at par. In February 2020, Sector Alarm successfully concluded a repricing of the EUR 590 million Term Loan B with the margin being reduced from 350 bps to 300 bps and was issued at par with a 0% floor.

The new loan agreement has a dividend limitation of 22.5 MEUR pr year. The EUR 100 million revolving credit facility has a gearing covenant of 9.2x Enterprise Value/EBITDA if the Revolving Credit Facility is drawn 40% or more.

There are no fixed annual instalments for the EUR 590 million Term Loan B. However, Sector Alarm is required to prepay 50% of Excess Cash Flow (as defined in the Term Loan B Facility Agreement) if Net Debt Cover (as defined in the Term Loan B Facility Agreement) is greater than 5.001 and 25% of Excess cash flow if Net Debt Cover is greater than 4.501 but less than or equal to 5.001 within 20 Business Days of delivery of Annual Financial Statements. The conditions regarding Excess Cash Flow and Net Debt Cover is applicable from the Annual Financial Statements for the financial year commencing on 1 January 2020.

Amounts in TNOK	2020	2019
<b>The maturity of long-term loans is as follows:</b>		
More than 5 years	6 177 477	5 819 642
<b>Total</b>	<b>6 177 477</b>	<b>5 819 642</b>
Other long-term debt	5 473	8
<b>Total</b>	<b>5 473</b>	<b>8</b>

### Note 8 / Personell costs

Amounts in TNOK	2020	2019
<b>Salary costs</b>	<b>47 656</b>	<b>27 673</b>
Salaries	6 557	9 028
Employers contribution	606	527
Pension costs	1 010	38 479
Other benefits	<b>55 830</b>	<b>75 707</b>
<b>Total</b>	<b>35</b>	<b>31</b>

	CEO		Board of directors	
	2020	2019	2020	2019
Employee benefit expenses	2 600	2 788	1 100	1 100
Salaries	358	366	0	15 000
Bonuses	22	22	0	0
Pension	0	0	0	0
Other benefits	0	0	0	0

No loans or securities have been provided to the CEO, Chairman of the Board or other related parties. There are no agreements on severance salaries to the Board or senior executives.

### Note 9 / Auditors fees

Amounts in TNOK	2020	2019
<b>Expensed fees to auditors (excl VAT)</b>	<b>409</b>	<b>540</b>
Statutory audit	1 029	427
Other attestation services	0	0
Technical assistance and tax advice	0	0
Remuneration for other services	0	0
<b>Total</b>	<b>1 438</b>	<b>967</b>

### Note 10 / Pledges

Amounts in TNOK	2020	2019
Bank overdraft facility	0	0
Term loan B	6 096 629	5 723 949

Shares in companies mentioned below, including intercompany loans and bank accounts in the companies have been pledged to secure borrowings of the Group at 31.12.2020:  
Sector Alarm Ireland AS  
PhoneWatch Ltd  
Sector Alarm AB  
Sector Alarm AS

### Note 11 / Commitments

Amounts in TNOK	2020	2019
<b>Operational lease</b>	<b>5 340</b>	<b>1 635</b>
Maturity within 1 year	20 850	19 900
Maturity within 1 and 5 years	34 798	39 939
Maturity beyond 5 years	<b>60 988</b>	<b>61 674</b>
<b>Total</b>	<b>60 988</b>	<b>61 674</b>

### Note 12 / Equity

Amounts in TNOK	Share capital	Own shares	Share premium	Retained earnings	Total
<b>Equity as of 01.01.2019</b>	<b>1 605</b>	<b>0</b>	<b>589 859</b>	<b>2 579 340</b>	<b>3 170 784</b>
Result of the year			815 637	815 637	
Merger			-217 970	-217 970	
Reversal dividends receivable*		0	-124 354	-124 354	
<b>Equity as of 31.12.2020</b>	<b>1 605</b>	<b>0</b>	<b>589 859</b>	<b>3 052 653</b>	<b>3 644 097</b>

\*See note 14 for further information

\*See note 4 for further information regarding the reversed dividend receivable from Sector Alarm Ireland AS.

### Note 13 / Share capital and shareholder information

The Company's share capital as of 31.12.2020 consists of 4,863,354 shares of NOK 0.33 each. Each share has one vote. The Company is controlled by Isator Invest AS (registered in Norway), which controls 63.04% of the Company's shares.

The shares in Isator Invest AS are owned by Jørgen Dahl (CEO).

Shareholder overview as at 31.12.2020:	Number	Share
Sector Alarm Midco AS	4 863 354	100,00%
<b>Total</b>	<b>4 863 354</b>	<b>100,00%</b>

### Own shares

In 2019, 126,312 shares from SAMIP AS were repurchased and all own shares deleted.

The sale and purchase of own shares in Sector Alarm Holding AS takes place at market prices.

### Note 14 / Subsidiaries

Subsidiary	Business office	Share	Percentage of votes	Profit after tax	Equity	Net book value
						NOK
Sector Alarm IT AS	Oslo, Norway	100%	100%	NOK 2 747	NOK 33 161	35 474
Sector Alarm AS	Oslo, Norway	100%	100%	NOK 295 956	NOK 7 966	3 075 221
Sector Alarm Spain AS	Oslo, Norway	100%	100%	NOK -16	NOK 13 314	43 512
Sector Alarm Holland BV, Netherlands	Rotterdam, Netherlands	100%	100%	EUR 6	EUR -1 913	0
Sector Alarm Ireland AS	Oslo, Norway	100%	100%	NOK -253	NOK 998 144	1 425 064
Sector Alarm Oy Europe AB	Helsinki, Finland	100%	100%	EUR -4 655	EUR 10 068	322 286
	Oslo, Norway	100%	100%	SEK 824	SEK 4 585 419	4 701 231
<b>Total</b>						<b>9 602 787</b>

Investments in subsidiaries are recognised according to the cost method in the company's financial statements. For changes in ownership in subsidiaries please see note 18.

### Note 15 / Related party transactions

The Company is controlled by Isator Invest AS (registered in Norway), which directly and indirectly owns 63.04% of the Company's shares. The shares in Isator Invest AS are owned by Jørgen Dahl (CEO).

The Company has been involved in transactions with the following related parties:

Amounts in TNOK

a) Purchase of goods and services	2020	2019
Attorney services	3 403	8 728

Goods and services are purchased from companies where related persons have ownership interests. Prices are determined on market terms. The Company purchases legal services from the law firm Wierholm AS, where the shareholder Nicolas Bruene-Lie was one of the partners until January 2019.

The Company has had the following transactions with group companies:

	2020	2019
Sale of HR-services	24 794	24 169
Sale of management services	103 268	142 235
Interest income	74 722	98 725
Interest costs	-84 326	-115

### b) Remuneration to senior executives

See note 8

### c) Loans from related parties

No loans have been granted to senior executives or board members.

### Note 16 / Revenues

Amounts in TNOK

Income specified by business area	2020	2019
HR-services	24 794	24 169
Management fee	103 268	142 235
<b>Total</b>	<b>128 062</b>	<b>166 405</b>

Geographical breakdown of income

	2020	2019
Norway	36 662	166 405
Sweden	44 072	0
Ireland	23 290	0
France	5 116	0
Spain	9 092	0
Finland	9 830	0
<b>Total</b>	<b>128 062</b>	<b>166 405</b>

**Note 17 / Financial income and financial expenses**

Amounts in TNOK	2020	2019
Interest income	6 234	487
Other financial income	0	735 932
Interest expense	-199 504	-121 869
Other financial costs	-40 512	-15 744
Foreign exchange gain	94 666	1 575
Foreign exchange loss	-463 671	-72 008
Financial income from group companies	74 722	98 725
Financial expenses from group companies	-84 326	-115
Income from investments in subsidiaries	1 410 499	100 620
<b>Net finance costs</b>	<b>798 108</b>	<b>727 603</b>

**Note 18 / Merger, acquisitions and divestments**

Effective 01/01/2020 Sector Alarm Holding AS merged with fully owned subsidiaries Sector Alarm Group Holding AS, Sector Alarm Group AS and Sector Alarm Sverige AS. The transaction has been booked using continuity method as all were controlled and owned by Sector Alarm Holding. Tax positions in the merged companies are transferred in their entirety to Sector Alarm Holding AS. 100% of the shares in Sector Alarm AB were sold to Sector Alarm Europe AB subsequent of the merger. The transaction resulted in recognition of a MNOK 1 002 gain in Sector Alarm Holding AS and was financed with a loan from Sector Alarm Holding AS to Sector Alarm Europe AB.

Amounts in TNOK	2020
Sales price shares in Sector Alarm AB	3 920 986
Book value of shares in Sector Alarm AB	2 918 633
Gain on sale of shares	1 002 353

**Note 19 / Events following the balance sheet date**

There are no known events after the balance sheet date that would have significant effect of the financial effect for 2020.

# Annual Accounts / 2020

- Audit Opinion





Sector Alarm Holding AS

- 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 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.

#### Report on Other Legal and Regulatory Requirements

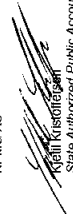
##### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

##### Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 23 April 2021  
KPMG AS

  
Kjell Kristoffersen  
State Authorized Public Accountant



Investor Relations contacts

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Skatteetaten

Vår dato  
20.02.2020

Din/Deres dato  
15.01.2020

Saksbehandler  
Joakim Engebretsen

800 80 000  
Skatteetaten.no

Din/Deres referanse

Telefon  
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Org.nr  
974761076

Vår referanse  
2020/5058720

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SECTOR ALARM HOLDING AS  
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0409 OSLO

## Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for Isanor Invest AS, org.nr. 989 153 269.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Fra søknaden siteres:

Isanor Invest AS (org nr 989 153 269) er morselskap for blant annet det norske Sector Alarm konsernet. Sector Alarm Holding AS (org.nr 889 158 212, morselskap i Sector Alarm konsernet) vil som følge av ny ekstern finansiering via Wilmington Trust som er basert i London være pliktig å levere revidert årsregnskap til långiver og har derfor fått dispensasjon til å levere regnskap og årsregnskap på engelsk.

Siden Isanor Invest AS's konsernregnskap i stor grad består av konsernregnskapet til Sector Alarm Holding AS gjenbrukes det meste av regnskapsinformasjon og noter når man utarbeider konsernregnskap for Isanor Invest AS. Det vil derfor være praktisk både for selskapet og revisor at begge selskaper rapporterer på engelsk. Selskapet ønsker derfor å søke om å få levere årsregnskap og årsberetning på engelsk.

Isanor Invest AS har en aksjonær som har gitt sitt samtykke (Jørgen Dahl som også er CEO i Sector Alarm konsernet) og det er vurdert slik at det ikke finnes andre regnskapsbrukere som negativt vil påvirkes av at årsregnskap og årsberetning utarbeides på engelsk språk.



### Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at selskapet er morselskap til et selskap som har fått dispensasjon til å levere årsregnskap og årsberetning på engelsk. Det er vurdert slik at det ikke finnes andre regnskapsbrukere som vil påvirkes negativt av at årsberetning og årsregnskap utarbeides på engelsk språk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Roar Thorbjørnsen  
underdirektør  
Innsats, storbedrift  
Skatteetaten

Joakim Engebretsen

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*

Side 2 / 2