



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	960 537 009
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	BREKKE INDUSTRIER AS
Forretningsadresse:	Schultz gate 1 7013 TRONDHEIM

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Ja
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:	Kjell Eriksen
Dato for fastsettelse av årsregnskapet:	19.08.2021

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, 07.08.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		92 400	94 500
Sum inntekter		92 400	94 500
Kostnader			
Lønnskostnad		358 953	884 728
Annen driftskostnad		334 080	276 799
Sum kostnader		693 033	1 161 527
Driftsresultat		-600 633	-1 067 027
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		0	0
Renteinntekt fra foretak i samme konsern			3 637
Annen finansinntekt		12 373 261	11 218 250
Sum finansinntekter		12 373 261	11 221 887
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi		-1 793 507	-1 663 795
Nedskrivning av finansielle eiendeler		-1 747 000	-1 374 540
Rentekostnad til foretak i samme konsern		362 384	404 621
Annen finanskostnad		1 923 070	2 441 025
Sum finanskostnader		-1 255 053	-192 689
Netto finans		13 628 314	11 414 576
Ordinært resultat før skattekostnad		13 027 681	10 347 549
Skattekostnad på ordinært resultat		-30 373	130 206
Ordinært resultat etter skattekostnad		13 058 054	10 217 343
Årsresultat		13 058 054	10 217 343
Overføringer og disponeringer			
Ordinært utbytte		6 000 000	6 000 000
Overføringer til/fra annen egenkapital		7 058 055	4 217 343



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Sum overføringer og disponeringer		13 058 055	10 217 343



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		823 807	793 434
Sum immaterielle eiendeler		823 807	793 434
Finansielle anleggsmidler			
Investering i datterselskap		17 397 526	17 397 526
Lån til foretak i samme konsern		952 860	153 871
Investments in shares		76 848 202	64 724 176
Other assets		5 288 506	5 386 118
Sum finansielle anleggsmidler		100 487 094	87 661 691
Sum anleggsmidler		101 310 901	88 455 125
Omløpsmidler			
Varer			
Varer		8 684 297	4 633 231
Sum varer		8 684 297	4 633 231
Fordringer			
Kundefordringer		1 071 482	303 654
Andre fordringer		7 399	5 271
Sum fordringer		1 078 881	308 925
Investeringer			
Marketable bonds		8 270 163	6 069 810
Sum investeringer		8 270 163	6 069 810
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		226 801	741 883
Sum bankinnskudd, kontanter og lignende		226 801	741 883
Sum omløpsmidler		18 260 142	11 753 849
SUM EIENDELER		119 571 043	100 208 974



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		15 000 000	15 000 000
Sum innskutt egenkapital		15 000 000	15 000 000
Opptjent egenkapital			
Fond		59 654 384	52 596 329
Sum opptjent egenkapital		59 654 384	52 596 329
Sum egenkapital		74 654 384	67 596 329
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser			772 148
Sum avsetninger for forpliktelser			772 148
Annen langsiktig gjeld			
Other non-current liabilities		5 643 771	5 643 771
Sum annen langsiktig gjeld		5 643 771	5 643 771
Sum langsiktig gjeld		5 643 771	6 415 919
Kortsiktig gjeld			
Accounts payable		16 617	15 300
proposed dividend			
Other taxes and withholdings		99 318	48 256
Utbytte		6 000 000	6 000 000
Annen kortsiktig gjeld		33 156 952	20 133 169
Sum kortsiktig gjeld		39 272 887	26 196 725
Sum gjeld		44 916 658	32 612 644
SUM EGENKAPITAL OG GJELD		119 571 042	100 208 973



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	5	3 770 000	3 650 000
Annen driftsinntekt	5	339 000	95 000
Sum inntekter		4 109 000	3 745 000
Kostnader			
Cost of sales		283 000	329 000
Lønnskostnad	6	1 558 000	1 575 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		-709 000	-1 645 000
Annen driftskostnad	7	1 028 000	706 000
Sum kostnader		2 160 000	965 000
Driftsresultat		1 949 000	2 780 000
Finansinntekter og finanskostnader			
Annen finansinntekt	8	62 485 000	19 168 000
Sum finansinntekter		62 485 000	19 168 000
Annen finanskostnad	8	2 375 000	2 938 000
Sum finanskostnader		2 375 000	2 938 000
Netto finans		60 110 000	16 230 000
Ordinært resultat før skattekostnad		62 059 000	19 010 000
Skattekostnad på ordinært resultat	9	380 000	710 000
Ordinært resultat etter skattekostnad		61 679 000	18 300 000
Årsresultat		61 679 000	18 300 000
Andre resultatkomponenter for IFRS-foretak		1 845 000	-794 000
Sum resultatkomponenter for IFRS-foretak		1 845 000	-794 000
Totalresultat		63 524 000	17 506 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Deferred tax assets	9	824 000	793 000
Investment property	11	108 682 000	105 523 000
Investment shares	16	147 495 000	88 800 000
Non-current financial assets	13	7 242 000	5 386 000
Sum finansielle anleggsmidler		264 243 000	200 502 000
Sum anleggsmidler		264 243 000	200 502 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	13	1 074 000	1 876 000
Andre fordringer	13	383 000	170 000
Sum fordringer		1 457 000	2 046 000
Investeringer			
Aksjer og andeler i foretak i samme konsern	16	8 684 000	4 633 000
Andre finansielle instrumenter	16	8 270 000	6 070 000
Sum investeringer		16 954 000	10 703 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	14	3 487 000	2 859 000
Sum bankinnskudd, kontanter og lignende		3 487 000	2 859 000
Sum omløpsmidler		21 898 000	15 608 000
SUM EIENDELER		286 141 000	216 110 000

BALANSE - EGENKAPITAL OG GJELD



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Selskapskapital	15	15 000 000	15 000 000
Sum innskutt egenkapital		15 000 000	15 000 000
Opptjent egenkapital			
Annen egenkapital		209 990 000	152 465 000
Sum opptjent egenkapital		209 990 000	152 465 000
Sum egenkapital		224 990 000	167 465 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser			772 000
Utsatt skatt	9	14 544 000	14 134 000
Sum avsetninger for forpliktelser		14 544 000	14 906 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	17,18	3 686 000	4 076 000
Øvrig langsiktig gjeld		5 644 000	5 644 000
Sum annen langsiktig gjeld		9 330 000	9 720 000
Sum langsiktig gjeld		23 874 000	24 626 000
Kortsiktig gjeld			
Borrowings	17	1 801 000	2 051 000
Trade payables	20	17 000	1 499 000
Annen kortsiktig gjeld	20	35 461 000	20 469 000
Sum kortsiktig gjeld		37 279 000	24 019 000
Sum gjeld		61 153 000	48 645 000
SUM EGENKAPITAL OG GJELD		286 143 000	216 110 000



Skatteetaten

Vår dato 12.07.2021	Din/Deres dato 22.06.2021	Saksbehandler Lars Waalorp
800 80 000 Skatteetaten.no	Din/Deres referanse AR435565266	Telefon 90833418
Org.nr 974761076	Vår referanse 2021/6046963	Postadresse Postboks 9200 Grønland 0134 OSLO

U.off.

BREKKE INDUSTRIER AS
Schultz gate 1
7013 TRONDHEIM

Att. Anniken Tiset, Deloitte AS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Brekke Industrier AS, org.nr. 960 537 009

Vi viser til deres brev av 22. juni 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning (inkl. konsernregnskap) på norsk for Brekke Industrier AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Brekke Industrier AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning (inkl. konsernregnskap) på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Majoritetseieren i Brekke Industrier AS er et norsk selskap. De øvrige aksjene er eid av en privatperson. Selskapet er en del av et konsern hvor morselskapet er norsk, mens datterselskapene er lokalisert i Estland og Finland. Selskapet i Norge har ingen drift og driver i hovedsak med investering i aksjer og andeler. All drift ligger i datterselskapene som driver utleie av eiendom. Konsernet har ingen norske kunder, kun utenlandske. Kommunikasjon innad i konsernet og med potensielle kjøpere, investorer, kunder og leverandører er på engelsk.

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 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.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at majoritetseieren er en profesjonell eier og at det er en begrenset eierkrets. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Deloitte.

Deloitte AS
Dyre Halses gate 1A
NO-7042 Trondheim
Norway

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To the General Meeting of Brekke Industrier AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Brekke Industrier AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Brekke Industrier AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

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Registrert i Foretaksregisteret Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

Penneo Dokumentnøkkel: ZEE38-EMS30-KKOEH-G0S8V-YCVAB-OGSAH



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Independent Auditor's Report -
Brekke Industrier AS

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company 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 those charged with governance 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 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.

Trondheim, 19 August 2021
Deloitte AS

Per Kr Forseth
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: ZEE38-EMS30-KKOEH-GOS8V-YCVAB-OGSAH



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Per Kristian Forseth

Statsautorisert revisor

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Financial Statements

Brekke Industrier AS

2020



Brekke Industrier AS Profit and loss statement

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2020	2019
2	Revenue	<u>92 400</u>	<u>94 500</u>
	Total operating revenue	<u>92 400</u>	<u>94 500</u>
3, 4	Payroll and related costs	358 953	884 728
3	Other operating expenses	<u>334 080</u>	<u>276 799</u>
	Total operating expenses	<u>693 033</u>	<u>1 161 528</u>
	Operating profit/(loss)	<u>-600 633</u>	<u>-1 067 028</u>
	FINANCIAL INCOME AND FINANCIAL EXPENSES		
	Interest received from group companies	0	3 637
	Other financial income	12 373 261	11 218 250
5	Change in fair value of financial assets	1 793 507	1 663 795
	Impairment of financial assets	1 747 000	1 374 540
	Interest paid to group companies	-362 384	-404 621
	Other financial expenses	<u>-1 923 070</u>	<u>-2 441 025</u>
	Financial items, net	<u>13 628 315</u>	<u>11 414 576</u>
	Profit/(loss)before taxation	<u>13 027 682</u>	<u>10 347 549</u>
12	Income tax	<u>-30 373</u>	<u>130 206</u>
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	<u>13 058 055</u>	<u>10 217 343</u>
	ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS		
8	Transferred to other equity	7 058 055	4 217 343
8	Proposed dividend	<u>6 000 000</u>	<u>6 000 000</u>
	Total allocations and equity transfers	<u>13 058 055</u>	<u>10 217 343</u>



Brekke Industrier AS
Balance sheet at 31 December

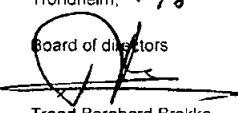
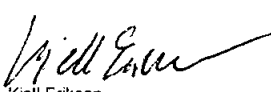

NOTE	ASSETS	2020	2019
	Non-current assets		
	Intangible assets		
12	Deferred tax assets	823 807	793 434
	Total intangible assets	823 807	793 434
	Financial non-current assets		
4	Investments in subsidiary companies	17 397 526	17 397 526
6	Loans to group companies	952 860	153 871
	Investments in shares	76 848 202	64 724 176
6	Other assets	5 288 506	5 386 118
	Total financial non-current assets	100 487 093	87 661 691
	Total non-current assets	101 310 900	88 455 125
	Current assets		
	Receivables		
	Accounts receivable	1 071 482	303 654
	Other receivables	7 399	5 271
	Total receivables	1 078 881	308 924
	Current investments		
5	Marketable equity securities	8 684 297	4 633 231
5	Marketable bonds	8 270 163	6 069 810
	Total current investments	16 954 460	10 703 041
13	Cash and cash equivalents	226 801	741 883
	Total current assets	18 260 142	11 753 848
	TOTAL ASSETS	119 571 042	100 208 973

**Brekke Industrier AS**
Balance sheet at 31 December

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	2020	2019
	Shareholders equity		
	Paid-in equity		
7	Share capital (75 shares at NOK 9000)	<u>15 000 000</u>	<u>15 000 000</u>
	Total paid-in equity	<u>15 000 000</u>	<u>15 000 000</u>
	Retained earnings		
8	Reserves	<u>59 654 384</u>	<u>52 596 329</u>
	Total retained earnings	<u>59 654 384</u>	<u>52 596 329</u>
	Total shareholders equity	<u>74 654 384</u>	<u>67 596 329</u>
	Liabilities		
	Provisions for liabilities and charges		
	Pension obligations	<u>0</u>	<u>772 148</u>
	Total provisions for liabilities and charges	<u>0</u>	<u>772 148</u>
	Other non-current liabilities		
6	Other non-current liabilities	<u>5 643 771</u>	<u>5 643 771</u>
	Total non-current liabilities	<u>5 643 771</u>	<u>5 643 771</u>
	Current liabilities		
	Accounts payable	16 617	15 300
	Proposed dividend	6 000 000	6 000 000
	Other taxes and withholdings	99 318	48 256
11	Other current liabilities	<u>33 156 952</u>	<u>20 133 169</u>
	Total current liabilities	<u>39 272 887</u>	<u>26 196 725</u>
	Total liabilities	<u>44 916 658</u>	<u>32 612 644</u>
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	<u>119 571 042</u>	<u>100 208 973</u>

Trondheim, 19/8 2021

Board of directors


Trond Bernhard Brekke
Chairman of the board
Kjell Eriksen
Board member/managing director
Svein Sivertsen
Board member



Brekke Industrier AS

Cash flow statement

	2020	2019
CASH FLOW FROM OPERATIONS:		
Profit/(loss) before taxation	13 027 682	10 347 549
Pension expenses without cash effect	-772 148	-250 131
Items classified as investment or financing activities	-5 428 284	-7 413 820
Change in trade receivables	-767 828	-16 122
Change in trade payables	1 317	0
Changes in other current assets and other liabilities	4 435 969	35 735 395
Net cash flow from operations	10 496 708	38 402 871
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Inflows due to sales of financial non-current assets	25 450 951	4 086 512
Outflows due to purchases of financial non-current assets	-35 526 030	-24 207 000
Inflows due to investments in financial non-current assets	5 063 289	7 588 617
Net cash flow from investment activities	-5 011 790	-12 531 871
CASH FLOW FROM FINANCING ACTIVITIES:		
Outflow due to downpayment of non-current liabilities	0	-372 389
Dividend payments	-6 000 000	-25 500 000
Net cash flow from financing activities	-6 000 000	-25 872 389
Net change in bank deposits, cash and equivalents	-515 082	-1 460
Bank deposits, cash and equivalents at 1 January	741 883	743 343
Bank deposits, cash and equivalents at 31 December	226 801	741 883



Brekke Industrier AS

Notes to the accounts, year ended 31 December 2020

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1996 and generally accepted accounting principles in Norway
Doubt about the going concern assumption

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

Currency forward contracts are valued in the balance sheet at fair value on the balance sheet date.

Shares in subsidiaries and associates

Subsidiaries and investments in associates are carried at cost. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Received dividends and group contributions are recognised as other financial income. The same applies for investments in associates.

Other shares classified as non-current assets

Other non-current investments in shares and in general and limited partnerships, in which the company does not have significant influence, are carried at cost. The investments are written down to fair value if a decline in the value is expected to be permanent. Dividends received from these companies are recognised as financial income.

Bonds classified as non-current assets

Bonds are carried at cost, corrected for premiums/discounts recognised in the profit and loss accounts. Premium/discount at acquisition is amortised over the remaining time to maturity, or alternatively until the first interest rate adjustment. Bonds are written down to fair value if a decline in the value is expected to be permanent.

Financial instruments and derivatives

Financial instruments, including shares and bonds, which

- are classified as current assets,
 - are included in a trading portfolio, and held with the intention to sell
 - are traded on a stock exchange, authorised market or equivalent regulated foreign market, and
 - have satisfactory diversity of ownership and liquidity
- are recognised at fair value on the balance sheet date. Other investments are recognised at the lower of average acquisition cost and fair value at the balance sheet date.

Revenue

Sale of services

Revenue is recognised when it is earned, i.e. when the claim to remuneration arises. This occurs when the service is performed, as the work is being done. The revenue is recognised with the value of the remuneration at the time of transaction.

Receivables

Trade receivables and other receivables are recognised at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.



Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase

Pensions

Defined contribution plans are accounted for according to the matching principle. Contributions to the pension plan are recorded as expenses

Cost of sales and other expenses

In principle, cost of sales and other expenses are recognised in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate

Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity

Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Note 2 Sales revenue

Per area of operation	2020	2019
Management fee	92 400	94 500
Total	92 400	94 500

Per geographic market	2020	2019
Norway	92 400	94 500
Total	92 400	94 500

Note 3 Payroll costs, number of employees, benefits, loans to employees etc.

Payroll costs	2020	2019
Wages and salaries	805 030	783 606
Social security tax	112 676	118 412
Pension costs (see note xx)	-576 001	-29 430
Other benefits	17 248	12 141
Total	358 953	884 728

Average number of employees during the year

1 1

Directors' remuneration	Salaries, fees	Pensions	Other benefits
Managing Director/Chief Executive Officer	802 030	.	9 955
Board of Directors	.	.	.

Auditor

Remuneration to Deloitte AS and their associates is as follows:

	2020	2019
Statutory audit	59 600	77 000
Other assurance services	39 500	30 500



Note 4 Investments in subsidiaries and associated companies

Company	Date of acquisition	Registered office	Voting share	Ownership share
Silverhill OY	2007	Rauma, Finland	100 %	100 %
OU Trigonest	2008	Tallinn, Estonia	100 %	100 %
Meerhof 82 Invest OU	2013	Tallinn, Estonia	100 %	100 %
OU Muuga Park	2015	Tallinn, Estonia	100 %	100 %

Company	Equity latest financial statements	Profit/loss latest financial statements
Silverhill OY	8 105 895	-165 828
OU Trigonest	25 331 247	1 028 874
Meerhof 82 Invest OU	-528 687	-492 429
OU Muuga Park	397 903	-217 238

The subsidiaries are recognized at cost in the company financial statement

Note 5 Other financial instruments

Non-current assets

The company has no financial non-currents assets where the carrying value is higher than fair value

Current assets

Financial instruments and commodity derivatives accounted for at fair value according to the Norwegian Accounting Act § 5-8

	Cost of acquisition	Fair value	Change in fair value during the period
Marketable equity securities	6 999 038	8 684 297	562 097
Marketable bonds	8 812 542	8 270 163	1 231 410
Total	13 811 580	16 954 460	1 793 507

Note 6 Receivables; amounts due after more than one year

	2020	2019
Accounts receivable	-	-
Other receivables	5 288 506	5 386 118
Inter-company loans	952 860	153 871

Note 7 Share capital and shareholder information

The share capital in the company at 31 December consists of the following classes:

	Number	Nominal amount	Carrying value
Ordinary shares	556	26 978	15 000 000
Total	556		15 000 000

Ownership structure

Largest shareholders as of 31 December 2019:

	Total	Ownership share	Voting share
Bemhd. Brække AS	511	91,9 %	92 %
Kjell Enksen	45	8,1 %	8 %
Total number of shares	556	100 %	100 %

Shares and options held by members of the board and the managing director/CEO:

Name	Title	Total number of shares
Trond Bernhard Brække	Chairman of the board	511
Kjell Enksen	Managing director	45



Note 8 Equity

Paid-in equity	Share capital	Share premium	Other paid-in equity
Equity at 1 January	15 000 000	-	-
Equity at 31 December 2019	15 000 000	-	-

Retained earnings	Reserves	Other equity	Total retained earnings
Equity at 1 January	52 596 329	-	52 596 329
<u>This year's change in equity:</u>			
Profit(loss) of the year	13 058 055	-	13 058 055
Received/given group contribution	-6 000 000	-	-6 000 000
Equity at 31 December 2019	59 654 384	-	59 654 384

Note 9 Pension costs, assets and liabilities

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon"). The company's pension plan meet the requirements of this legislation.

Defined contribution plan

The entity's defined contribution plan is organized in accordance with Norwegian legislation on defined contribution pensions ("lov om innskuddspensjon"). 1 employee are covered by the plan.

Defined benefit plan

The entity's defined benefit plan provides the right to defined future benefits. These are mainly dependent on the number of years of service, the level of salary at the retirement age and the level of the government funded pension benefits. The obligations are funded through an insurance company. Executive officers of the entity are included in a separate pension plan in addition to the general pension plan. This plan is unfunded.

Note 10 Other non-current liabilities

Liabilities that mature more than five years after year end:	2020	2019
Convertibles	-	-
Bonds	-	-
Borrowings from financial institutions	-	-
Other non-current liabilities	-	-
Total other non-current liabilities	-	-

Note 11 Related party transactions and balances

Related party balance items

Counterpart	Relationship to the counterpart	Accounts payable		Other current liabilities	
		2020	2019	2020	2019
Bornhø Brekke AS	Owner	-	-	33 056 564	19 569 639
Total		-	-	33 056 564	19 569 639



Note 12 Income tax expense

Specification of income tax expense:	2020	2019
Changes in deferred tax	-30 373	130 206
Tax on profit/(loss)	-30 373	130 206

Specification of current income tax payable:	2020	2019
This year's payable income tax expense	-	-
Income tax on given group contribution	-	-
Too little/much income tax allocation previous years	-	-
Current income tax payable in the balance sheet	-	-

Reconciliation from nominal to real income tax rate:	2020	2019
Profit/(loss) before taxation	13 027 682	10 347 549
Estimated income tax according to nominal tax rate (22%)	2 866 090	2 276 461
<i>The tax effect of the following items:</i>		
Tax-free dividends	-2 795 264	-1 696 000
Other permanent differences related to investments	-101 971	-450 255
Other non-deductible expenses	770	-
Income tax expense	-30 375	130 206
Effective income tax rate	0 %	1 %

The size of the current income tax payable and deferred tax related to items recorded directly against equity:

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

	2020		2019	
	Benefit	Liability	Benefit	Liability
Fixed assets	-	14 622	-	19 243
Receivables	-	48 553	-	-
Non-current liabilities	-	-	169 873	-
Losses carried forward	886 982	-	642 803	-
Total	886 982	63 175	812 676	19 243
Off-balance sheet deferred tax benefits	-	-	-	-
Net deferred benefit/liability in the balance sheet	823 807	-	793 433	-

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

Note 13 Bank deposits

Bank deposits, cash etc. include restricted tax deduction funds with NOK 58 3669.



Brekke Industrier AS
Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December

(Amounts in NOK'000)

	Note	Year ended 31 December 2020	Year ended 31 December 2019
Revenue	5	3 770	3 650
Other operating income	5	339	95
Operating revenue		4 109	3 745
Cost of sales		283	329
Salaries and personnel cost	6	1 558	1 575
Change in fair value of investment property		-709	-1 645
Depreciation and amortisation		-	-
Other operating expenses	7	1 028	706
<i>Operating expenses</i>		<i>2 160</i>	<i>965</i>
Operating profit (loss)		1 949	2 780
Income from investments in associates			
Finance income	8	62 485	19 168
Finance expense	8	2 375	2 938
Profit (loss) before tax		62 059	19 010
Income tax expense	9	380	710
Profit (loss) for the year		61 679	18 300
Other comprehensive income for the year			
Items that will not be reclassified subsequently through profit or loss:			
Remeasurement of net defined benefit pension liability, net of tax		-	-
Items that may be reclassified subsequently through profit or loss:			
Foreign currency translation		1 845	-794
Other comprehensive income for the year, net of tax		1 845	-794
Total comprehensive income for the year		63 524	17 506



BREKKE INDUSTRIER AS

~~Brønnøysundregistrene~~Consolidated statement of financial position
as at 31 December

(Amounts in NOK'000)

	Note	31 December 2020	31 December 2019	1 January 2019
ASSETS				
Non-current assets				
Deferred tax assets	9	824	793	922
Investment property	11	108 682	105 523	104 059
Property, plant and equipment	12	-	-	19
Investment in associates		-	-	-
Investment in shares	16	147 495	88 800	64 434
Non-current financial assets	13	7 242	5 386	5 168
Total non-current assets		264 243	200 502	174 602
Current assets				
Trade receivables	13	1 074	1 876	1 567
Other current receivables	13	383	170	4 924
Investment in shares	16	8 684	4 633	5 824
Other financial assets	16	8 270	6 070	15 710
Cash and cash equivalents	14	3 487	2 859	3 148
Total current assets		21 898	15 608	31 173
Total assets		286 141	216 110	205 775
EQUITY AND LIABILITIES				
Equity				
Share capital	15	15 000	15 000	15 000
Retained earnings		209 990	152 465	180 460
Total equity		224 990	167 465	175 460
Liabilities				
Non-current liabilities				
Deferred tax liability	9	14 544	14 134	13 554
Borrowings	17,18	3 686	4 076	-
Pension obligations		-	772	1 022
Other non-current liabilities		5 644	5 644	5 644
Total non-current liabilities		23 874	24 626	20 220
Current liabilities				
Borrowings	17	1 801	2 051	8 611
Trade payables	20	17	1 499	1 154
Income tax payable		-	-	-
Other current liabilities	20	35 461	20 469	330
Total current liabilities		37 278	24 019	10 095
Total liabilities		61 152	48 645	30 315
Total equity and liabilities		286 141	216 110	205 775

Board of directors

19/8-2021

Trond B. Brekke
Chairman of the boardKjell Eriksen
Board member/managing directorSvein Skjolden
Board director



Brekke Industrier AS Consolidated statement of changes in equity For the year ended 31 December

(Amounts in NOK'1000)

	Share capital	Foreign currency translation reserve	Retained earnings	Total equity attributable to the shareholders of the Company	Total equity
Balance at 1 January 2019	15 000	573	159 887	175 460	175 460
Profit (loss) for the year			18 300	18 300	18 300
Other comprehensive income for the year, net of income tax		-794		-794	-794
Total comprehensive income for the year	-	-794	18 300	17 506	17 506
Dividend paid to shareholders			-25 500	-25 500	-25 500
Balance at 31 December 2019	15 000	-221	152 687	167 466	167 466
Balance at 1 January 2020	15 000	-221	152 687	167 466	167 466
Profit (loss) for the year			61 679	61 679	61 679
Other comprehensive income for the year, net of income tax		1 845		1 845	1 845
Total comprehensive income for the year	-	1 845	61 679	63 524	63 524
Dividend paid to shareholders			-6 000	-6 000	-6 000
Balance at 31 December 2020	15 000	1 624	208 366	224 990	224 990

Refer to note 15 for information related to share capital.



Brekke Industrier AS Consolidated statement of cash flows for the year ended 31 December

(Amounts in NOK'000)

Note	Year Ended 31 December 2020	Year Ended 31 December 2019
Cash flows from operating activities		
Profit/(loss) before tax	62 059	19 010
Income tax paid	-	-
Gain (loss) from sale of assets	-	-
Income from investments	(5 428)	(7 414)
Fair value adjustments investment property	(709)	(1 645)
Fair value adjustments financial instruments	(46 571)	(4 420)
Net interest expense	(1 592)	(1 911)
Depreciation and amortisation	-	-
Pension cost	(772)	(250)
Interest paid	(365)	(417)
Interest received	1 957	2 328
Change in financial current assets	(6 251)	-
Change in trade receivables	802	(308)
Change in trade payables	(1 482)	345
Change in other receivables and payables	14 939	34 910
Net cash flow from operating activities	16 586	40 228
Cash flow from investing activities		
Receipts from sale of property, plant and equipment	-	-
Payments for property, plant and equipment	-2 450	-
Inflows due to sales of financial non-currents assets	25 451	4 087
Outflows due to sales of financial non-currents assets	-35 526	-24 207
Inflows due to investments in financial non-current assets	5 063	7 589
Net cash flow from investing activities	-7 461	-12 531
Cash flow from financing activities		
Receipts from borrowings	-1 856	4 076
Repayment of borrowings	-390	-
Change in bank overdraft and short-term borrowings	-250	-6 560
Dividends paid	-6 000	-25 500
Lease payments	-	-
Receipts from issuance of ordinary shares	-	-
Net cash flow from financing activities	-8 497	-27 984
Net change in cash and cash equivalents	628	-287
Net foreign currency translation difference	-	-
Cash and cash equivalents as at 1 January	2 859	3 148
Bank deposits, cash and equivalents as at 31 December	3 487	2 859



Brekke Industrier AS

Notes to the financial statements for the period ended 31 December 2020

Note #	Title
1	General information
2	Summary of significant accounting policies
3	Adoption of new and revised IFRSs and Interpretations
4	Critical accounting judgments and key sources of estimation uncertainty
5	Revenue
6	Payroll and related expenses
7	Other operating expenses
8	Finance income and finance expense
9	Income tax
10	Transactions with related parties
11	Investment property
12	Fixed assets
13	Trade and other receivables
14	Cash and cash equivalents
15	Share capital and shareholder information
16	Classes and categories of financial assets and liabilities
17	Interest bearing liabilities
18	Maturity analysis financial liabilities
19	Financial instruments risk management objectives and policies
20	Trade payables and other liabilities
21	Collateral and guarantees
22	Contingencies and legal clauses
23	Events after the reporting date
24	Transition to IFRS/first time adoption of IFRS



Note 1 – General information

Brekke Industrier AS ("the Company") is a limited liability company founded in 1991, which controls 100% of the shares in Silverhill OY, ÖU Trigonest, Meerhof 82 Invest ÖU and ÖU Muuga Park (together "the Group"). Brekke Industrier AS is incorporated and domiciled in Norway, and the address of the registered office is Schultz Gate 1, 7013 Trondheim, Norway. These consolidated financial statements were approved for issue by the Board of Directors on 19.08.2021.

The Group mainly invest in shares and investment property.

The Group's subsidiaries as at 31 December 2020 are listed below:

<u>Company name</u>	<u>Date of acquisition</u>	<u>Location</u>	<u>Ownership and voting share interest</u>
Silverhill Oy	2007	Rauma, Finland	100,0 %
ÖU Trigonest	2008	Tallinn, Estonia	100,0 %
Meerhof 82 Invest ÖU	2013	Tallinn, Estonia	100,0 %
ÖU Muuga Park	2015	Tallinn, Estonia	100,0 %

Note 2 – Summary of significant accounting policies

2.1 Basis for preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The consolidated financial statements have been prepared on the historical cost basis, except for investment property measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

The preparation of financial statements in accordance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the Group's accounting policies. Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The consolidated financial statements have been prepared on a going concern basis. The COVID-19 pandemic continues to cause increased risk, but has thus far not had any significant negative impact on the business.

The presentation currency for the consolidated financial statements is NOK, which is also the functional currency of the Company.

2.2 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved when the Group has power over the investee, is exposed, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are



changes to one or more of the three elements of control noted above. The financial statements of the subsidiaries are prepared for the same reporting periods as the parent company and consistent accounting policies are applied. The results of subsidiaries acquired or disposed of during the year are included in the income statement from the date when control is obtained and until control ceases, respectively. Intercompany transactions, balances, revenues, expenses and unrealised Group internal gains or losses are eliminated on consolidation.

When the group ceases to consolidate an investee because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in the carrying amount recognised in profit or loss. The fair value of the retained interest becomes the initial carrying amount for the purposes of subsequent accounting for the investment.

2.3 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.4 Revenue recognition

Revenue is recognised when goods and services are rendered and measured based on the consideration to which the Group expects to be entitled in a contract with a customer net of discounts and sales related taxes. The Group recognises revenue when it transfers control of a product or service to a customer. The group mainly render rental income from investment property in Estonie and Finland.

Contract liabilities

When a customer pays consideration in advance, or an amount of consideration is due contractually before transferring of the services, the amount received in advance is presented as a liability. Contract liabilities represent prepayment from clients for partially satisfied performance obligation in relation to subscription and maintenance services.

2.6 Foreign currency translation

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

2.7 Employee benefits

The Group operates defined contribution plans for the majority of the group companies. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity (insurance company). The Group has no legal or constructive obligations to pay further contributions to the pension plan for benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Prepaid



contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.8 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of the investment properties as the Group is subject to income taxes on the fair value changes of the investment properties on disposal.



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.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.9 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised

2.10 Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost, which includes the purchase price (including duties and non-refundable purchase taxes) and any directly attributable costs of bringing the asset to the location and condition necessary for it to be able to operate in the intended manner. Property, plant and equipment are subsequently recognised at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognised so as to reduce the cost of assets less their residual values over their useful lives, using the straight-line method. Depreciation commences when the assets are ready for their intended use.

Estimated useful life, depreciation method and residual values are reviewed at least annually. The straight-line depreciation method is used as this best reflects the consumption of the assets, which often is the passage of time. Residual value is estimated to be zero for all assets.

Repair and maintenance are expensed as incurred. If new parts are capitalised, replaced parts are derecognised and any remaining net carrying amount is recognised in operating profit (loss) as loss on disposal.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is presented as other income or other expenses in the income statement.

2.11 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.



The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to the assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.12 Financial Instruments

Financial assets and financial liabilities are initially measured at fair value except for trade receivables that do not have a significant financing component, and which are measured at their transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The categorisation of financial instruments (financial assets and liabilities) for measurement purposes is based on the nature and purpose of the financial instrument and is determined on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial asset. Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade receivables and other current receivables are measured at amortised cost.

Financial assets held by the Group that do not meet the criteria for being measured at amortised cost are measured at fair value through profit or loss (FVTPL). This includes investments in equity instruments.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The Group does not apply hedging to its investments. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the Finance income or Finance expense line item.

Impairment of financial assets

The Group always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.



Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

The Group does not have financial liabilities held-for-trading or liabilities designated as at fair value through profit or loss.

Trade and other payables include trade payables and other current and non-current financial liabilities. Borrowings (long term and short term) include loans from financial institutions and bank overdrafts. These liabilities are initially recognised in the statement of financial position at fair value (net of any transaction costs), and subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. Any difference between the carrying amount of the financial liability derecognised, and the consideration paid and payable is recognised in profit or loss.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits.

2.14 Cash Flow statement

The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Value Added Tax and other similar taxes are regarded as collection of tax on behalf of authorities.



Note 3 – Adoption of new and revised International Financial Reporting Standards and Interpretations

3.1 Standards and Interpretations affecting amounts reported in the current period

These consolidated financial statements are the first consolidated financial statements issued by the Group. All relevant new and revised IFRSs and IFRIC interpretations that are mandatory for periods commencing 1 January 2020 and earlier have been adopted for all periods presented in these consolidated financial statements.

3.2 Standards and Interpretations in issue but not yet adopted

At the date of authorisation of these financial statements, a number of Standards and Interpretations had been issued by the IASB but were not effective for the financial year ended 31 December 2020.

Management anticipates that these Standards and Interpretations will be adopted in the Group's financial statements for the period beginning 1 January 2021 or later. Management considers, however, that the impact of the adoption of these new and revised/amended Standards and Interpretations on the Group will not be significant.

Note 4 - Critical accounting judgments and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant including expectations of future events that are deemed to be reasonable under the current circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates, assumptions and management judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Investment property

Investment property is acquired with the aim of achieving a long-term return from rental income and increase in value. Investment property is recognised at fair value, based on market values identified by independent valuers. Gains or losses as a result of changes in the market value of freehold investment property is recognised in profit or loss as they arise and are presented on a separate line "Change in fair value of investment property". Investment property is measured initially at cost, including transaction costs. Subsequent expenditure is added to the freehold investment property's carrying amount, if it is probable that future financial benefits associated with the expenditure will flow to the Group and the expense can be measured reliably. Other maintenance costs are recorded through the income statement in the period in which they are incurred. Investment property is valued at each reporting date. The values are estimated by independent appraisers. The valuation is based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return. The required rate of return for each property is defined as being a long-term risk-free interest rate and a property-specific risk adjustment. The latter is based on the location, standard, and occupancy rate. Known market transactions with similar properties in the same geographical area are also taken into consideration. Refer to note 12 for further information.

Determination of fair value of financial assets

Some of the Group's assets are measured at fair value for financial reporting purposes. Management has determined the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The valuations of private



equity investments and non-derivative financial assets held for trading are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on the carrying amounts of these assets and the sensitivity of those amounts to changes in unobservable inputs are provided in note 18.



Note 5 - Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services as described in the table provided in note 2 to the financial statements.

	<u>Year ended 31 December 2020</u>	<u>Year ended 31 December 2019</u>
Revenue per business line		
Rental income	3 770	3 650
Other operating income	339	95
Total	<u>4 109</u>	<u>3 745</u>

	<u>Year ended 31 December 2020</u>	<u>Year ended 31 December 2019</u>
Revenue by geographical distribution based on location of operations		
Norway	92	95
Finland	348	0
Estonia	3 448	3 650
Total	<u>3 889</u>	<u>3 745</u>

Note 6 - Payroll and related expenses

	<u>Year Ended 31 December 2020</u>	<u>Year Ended 31 December 2019</u>
Salaries and personnel costs		
Salaries	2 004	1 475
Social security tax	113	118
Pension costs	(576)	(30)
Other employee benefits	17	12
Total	<u>1 558</u>	<u>1 575</u>

Average number of FTE

	3	3
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The pension plans in the Group comply with the pension legislation enacted in the respective countries. The pension plans require that the Group pays premiums to public or private administrative pension plans on a mandatory, contractual or voluntary basis. There are no further obligations once the annual premiums are paid. The premiums are accounted for as personnel expenses as soon as they are incurred. Pre-paid premiums are accounted for as an asset to the extent that future benefits can be determined as plausible.

The pension income is related to the reversal of the pension liability to the former director.

Remuneration to key group employees during the year ended 31 December 2020

Key group employees are defined as employees who are part of Group management.

<u>CEO</u>	<u>Salary</u>	<u>Pension contribution</u>	<u>Other benefits</u>
Kjell Eriksen	802 400		9 955
Total	<u>802 400</u>	<u>-</u>	<u>9 955</u>

Remuneration to board of directors during the year ended 31 December 2020

The board directors received the following remuneration for their services in 2020:

Salary	0
Pension contribution	0
Other benefits	0



Note 7 - Other operating expenses

Auditor's fees

Fees (excl. VAT) paid to the Group's external auditor is as follows:

	<u>Year ended 31 December 2020</u>	<u>Year ended 31 December 2019</u>
Statutory audit services	89	66
Other services	41	44
Total fee to auditor	<u>129</u>	<u>110</u>

Note 8 - Finance income and finance expense

The Group's finance income and finance expense mainly relates to gains and losses from holding shares

	<u>Year Ended 31 December 2020</u>	<u>Year Ended 31 December 2019</u>
Finance income		
Interest income	1 957	2 328
Gains on financial assets at fair value through profit or loss	50 112	7 459
Currency gains	38	45
Other financial income	10 379	9 337
Total	<u>62 485</u>	<u>19 168</u>
Finance expense		
Interest expenses	365	417
loss		
Currency losses	157	32
Other financial expenses	1 853	2 490
Total	<u>2 375</u>	<u>2 938</u>



Note 9 - Income tax

Specification of income tax expense

The tax benefit/(expense) is calculated based on profit (loss) before tax and consists of current tax and deferred tax.

	Year ended 31 December 2020	Year ended 31 December 2019
Current tax expense		
Deferred tax expense	380	710
Income tax expense	380	710

	31 December 2020	31 December 2019	1 January 2019
Income tax payable (statement of financial position)			
Income tax payable (statement of financial position)	-	-	-

Effective Tax Rate

The difference between income tax calculated at the applicable income tax rate and the income tax expense attributable to loss before income tax was as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
Profit/(loss) before income tax	62 059	19 010
Statutory income tax rate (Norway)	22 %	22 %
Expected income tax expense/(benefit)	13 653	4 182
Tax effect non deductible expenses	1	
Deduction dividend	-2 795	-1 696
Gain/loss and income/expense from shares	-9 104	-2 002
Other items	-229	-209
Income tax expense for the year	380	710
Effective tax rate	1 %	4 %

Deferred tax assets are not recognised for unused tax losses carried forward when the Group cannot demonstrate that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Tax losses carried forward

Tax losses carried forward in countries where amounts are significant expire as follows:

	31 December 2020	Expiry
Norway		
Finland	4 910	
Estonia	9 634	

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

The tax effects of temporary differences and tax losses carried forward at 31 December are as follows:

	31 December 2020	31 December 2019	1 January 2019
Property, plant and equipment	-5	-6	-10
Investment property	-14 544	-14 134	-13 554
Gains/losses	-10	-15	-15
Receivables	-49	-	-68
Pension obligation		170	225
Tax losses carried forward	887	645	790
Net deferred tax liability	-13 720	-13 340	-12 632

Deferred tax assets	824	794	922
Deferred tax liabilities	-14 544	-14 134	-13 554

Deferred tax liabilities is connected to the value of the investment property in Finland and Estonia



Note 10 - Related parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

During the year, the Group did not entered into the trading transactions with related parties.

At 31 December, the Company had the following outstanding balances with related parties:

Loans from related parties	Loans to related parties		
	31 December 2020	31 December 2019	1 January 2019
Bernhd Brekke AS	-	-	4 873,00

The group has no loans to key management personell

Borrowings from related parties	Borrowings from related parties		
	31 December 2020	31 December 2019	1 January 2019
Bernhd Brekke AS	33 056 564	19 735	



Note 11 Investment property

(Amounts in NOK 1000)

Investment property is measured at fair value. Gains and losses arising from a change in the fair value of investment property are included in profit or loss in the period in which they arise. The company's valuation process is based on valuations performed by an independent external party, supplemented by internal analysis and assessments.

Properties are valued by discounting future cash flows. Both contractual and expected future cash flows are included in the calculations. Fair value assessments depend largely on assumptions related to market rent, discount rates and inflation. Market rent is based on individual assessments for each property.

Carrying value of investment property

Changes in the carrying amount of investment property are specified in the table below.

	For the year ended 31 December 2020	For the year ended 31 December 2019
Balance at beginning of the period	105 523	104 059
Additions	2 450	-181
Acquisitions through business combinations		
Gain/loss on property revaluation	709	1 644
Balance at end of the period	108 682	105 522

Rental income amounting to NOK 3 770 for the year ended 31 December 2020 (2019: NOK 3 650) are recognised in Revenue (note Property-related expenses relating to investment properties are recognised in profit or loss.

At the end of 2020, 100 per cent of total available property space (lettable area) in Muuga Park is vacant. Remaining property is

The group had no significant contractual obligations for construction contracts related to investment properties at 31 December 2020 or 31 December 2019.

Fair value assessment

Changes in fair value of investment property are specified in the table below

	Determination of fair value using			
	Observable market value for corresponding assets and liabilities (level 1)	Other significant observable input (level 2)	Other significant unobservable input (level 3)	Total estimated fair value
Lao Str 17/3, Maardu, Harju County, Estonia	-	-	26 176	26 176
Peterburi Road 48A, 48E, 48C, Kantsi Str 12, Tallinn Estonia			28 060	28 060
Ratavahe 5, 26100 Rauma, Finland			34 552	34 552
Pirita tee 26-82, 10127 Tallinn, Estonia			19 894	19 894
Total investment property as at 31 December 2020	-	-	108 682	26 176
Lao Str 17/3, Maardu, Harju County, Estonia			24 660	24 660
Peterburi Road 48A, 48E, 48C, Kantsi Str 12, Tallinn Estonia			30 775	30 775
Ratavahe 5, 26100 Rauma, Finland			32 551	32 551
Pirita tee 26-82, 10127 Tallinn, Estonia	-	-	17 538	17 538
Total investment property as at 31 December 2019	-	-	105 523	105 523

Level 1: Investment property valued based on quoted prices in active markets for identical assets.

Level 2: Investment property valued based on observable market information not covered by level 1.

Level 3: Investment property valued based on information that is not observable under level 2.

The fair value of the Group's investment property at 31 December 2020 has been arrived at on the basis of a valuation carried out at that date by Colliers, independent valuers not connected with the Group. The valuation conforms to International Valuation Standards. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value of each investment property is determined in accordance with the appropriate methodology as applied in the local market and the national valuation standards which is based on international valuation standards.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair value is estimated using the income approach, which is applied through the discounted cash flow method. Sales comparison method is used as a back up method.



Note 12 - Property, plant and equipment

31 December 2020	Land and buildings	Fixtures, tools etc.	Total
Cost at 1 January 2020	76 293		76 293
Additions in the year	2 450		2 450
Disposals in the year			0
Cost at 31 December 2020	78 743	0	78 743
Accumulated depreciation at 1 January 2020	41 441		41 441
Depreciation in the year	1 341		1 341
Disposals			0
Accumulated depreciation at 31 December 2020	42 782	0	42 782
Net carrying amount at 31 December 2020	35 961	0	35 961

31 December 2019	Land and buildings	Fixtures and office machinery	Total
Cost at 1 January 2019	76 550	385	76 935
Additions in the year			0
Disposals in the year	257		257
Cost at 31 December 2019	76 293	385	76 678
Accumulated depreciation at 1 January 2019	40 262	309	40 571
Depreciation in the year	1 179	76	1 255
Disposals			0
Accumulated depreciation at 31 December 2019	41 441	385	41 826
Net carrying amount at 31 December 2019	34 852	0	34 852

Estimated useful life and depreciation plan is as follows:

Useful life (years)	20-50	3-7
Depreciation plan	Straight-line	Straight-line

The group does not have any right of use assets.

Land, property, plant and equipment is pledged as security for liabilities, refer to note 23 - Collateral and guarantees



Note 13 - Trade and other receivables

(Amounts in NOK'000)

	31 December 2020	31 December 2019	1 January 2019
Trade receivables	1 074	1 876	1 567
Allowances for impairment (analysed below)	0	0	0
Total trade receivables	1 074	1 876	1 567
Other receivables	383	170	4 924
Total trade and other receivables	1 457	2 046	6 491

Ageing of trade receivables	31 December 2020	31 December 2019	1 January 2019
Not past due date	881 656	1 876	1 567
0-30 days	189 826		
31-60 days			
61-90 days			
Over 90 days			
Total	1 071 482	1 876	1 567

Movements in the allowances for impairment of trade receivables	31 December 2020	31 December 2019
Opening balance provision for allowances for impairment as at 1 January		
Change in allowance during the year		
Receivables written off during the year		
Currency translation differences		
Closing balance provision for allowances for impairment as at 31 December	0	0

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL). To estimate the expected credit losses, trade receivables were grouped based on credit risk characteristics and the days past due, and the historical loss rate has been adjusted to reflect current and forward-looking information that will affect the ability of customers to settle the receivables. In addition, the Group has made individual assessments of trade receivables. The amount of expected credit loss is updated at each reporting date. The group has rarely experienced loss on trade receivables and has not booked allowances for doubtful accounts in the financial year ending 31.12.2020.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings



Note 14 - Cash and equivalents

(Amounts in NOK'000)

Cash and equivalents	31 December 2020	31 December 2019	1 January 2019
Bank deposits, cash and cash equivalents	1 074	1 876	1 567
of which restricted cash	58	46	45

Restricted cash relates to withheld employee tax deductions (statutory requirement).

Note 15 - Share capital and shareholders

The share capital of 15 000 consists of 556 shares, each with a nominal value of NOK 26 978 at the end of 2020. All shares have equal voting rights.

The movement in the number of shares during the year was as follows:

	31 December 2020	31 December 2019
Ordinary shares at beginning of period	556	556
Issue of ordinary shares	-	-
Ordinary shares at end of period	556	556

Shareholders	Ordinary	Owner share	Voting share
Bernhd Brekke AS	511	92 %	92 %
Kjeil Eriksen	45	8 %	8 %



Note 16 - Classes and categories of financial assets and liabilities

(Amounts in NOK'000)

Financial assets	31 December 2020	31 December 2019	1 January 2019
Financial assets at fair value through profit or loss			
Investments in shares (non-current)	147 495	88 800	64 434
Investments in shares (current)	8 684	4 633	5 824
Other financial instruments (current)	8 270	6 070	15 710
Total	164 450	99 503	85 968
Financial assets at amortised cost			
Cash and equivalents	3 487	2 859	3 148
Trade receivables and other receivables	1 457	2 046	6 491
Total	4 944	4 905	9 639
Financial liabilities			
Financial liabilities at amortised cost			
Borrowings from financial institutions	5 487	6 127	8 611
Borrowings from shareholders	33 057	19 735	0
Trade payables	17	1 499	1 154
Other liabilities	2 404	734	330
Total	40 964	28 095	10 095

Cash and cash equivalents and trade receivables held by the Group are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances. The Group classifies investments in shares (equity instruments) at fair value through profit or loss. The Group does not have financial assets that are designated at fair value through other comprehensive income.

All financial liabilities are measured at amortised cost. The Group does not have financial liabilities held-for-trading or designated at fair value through profit or loss.



The carrying amounts of financial liabilities approximate their fair value as at 31 December 2020. Arrangements with financial institutions and other lenders are entered into on market terms, and the carrying value at the reporting date has been assessed as approximating fair value.

The levels in the fair value hierarchy are based on the extent to which fair values are observable:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable input).

Fair value of the arrangements with financial institutions and other lenders fall within level 3 of the fair value hierarchy.

2020	Level 1	Level 2	Level 3
Investment in shares (non-current)			147 495
Investment in shares (current)	8 684		
Other financial instruments		8 270	
	<u>8 684</u>	<u>8 270</u>	<u>147 495</u>

Sensitivity analysis for investments in level 3

Change in value 2020	<u>46 571</u>	
	37 257	-20 %
	41 914	-10 %
	51 228	10 %
	55 885	20 %



Note 17 - Borrowings

(Amounts in NOK'000)

Interest bearing liabilities are measured at amortised cost.

	31 December 2020	31 December 2019	1 January 2019
Non-current financial liabilities			
Borrowings from financial institutions	3 686	4 076	
Borrowings from shareholders			
Total	3 686	4 076	0
Current liabilities			
Borrowings from financial institutions	1 801	2 051	8 611
Borrowings from shareholders	33 057	19 735	
Total	34 857	21 786	8 611

*Instalments falling due within 12 months after the reporting date are classified as current. This includes capitalised interest.

The Group's non-current interest bearing liabilities consist of:

	Curre ncy	Interest	Due date	31 December 2020	31 December 2019	1 January 2019
AS Swedbank	EUR	6M Euribor+	aug.22	413 194	473208	
Unamortised portion of loan fee		1,85%				
Net non-current borrowings				413 194	473 208	0



Note 18 - Maturity analysis financial liabilities

(Amounts in NOK'000)

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flows and include interest p.

As at 31 December 2020

	Current		Non-current	
	1-6 months	6-12 months	1-5 years	Later than 5 years
Liabilities to financial institutions	1 801	640	3 696	-
Accounts payable and other payables	17			
Total liabilities	1 817	640	3 696	-

As at 31 December 2019

	Current		Non-current	
	1-6 months	6-12 months	1-5 years	Later than 5 years
Liabilities to financial institutions	2 051	592	4 076	
Accounts payable and other payables	1 499			
Total liabilities	3 550	592	4 076	-



Note 19 - Financial instruments risk management objectives and policies

This note explains the Group's exposure to financial risks and how these risks could affect the group's future financial performance. Through its operations the most significant risks that the Group is exposed to are liquidity risk and market risk as it relates to interest rate risk and foreign exchange risk. Management evaluates these risks and related risk management processes on an on-going basis.

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group seeks to manage liquidity to ensure that it has sufficient liquidity to meet its financial obligations under any circumstances without incurring unacceptable losses or risk damage to its reputation.

Foreign exchange rate risk

The Group undertakes business across the globe in foreign currencies and is consequently exposed to fluctuations in exchange rates, particularly between Euro and Norwegian krone. Foreign exchange risk arises from transactions related to operations conducted, and financial assets and financial liabilities arising in foreign currencies. Revenue and cost transactions within foreign subsidiaries are normally carried out in the same currency, which reduces the currency risk.

As the Group's overall financial reporting is presented in NOK, changes in the value of foreign currencies in relation to NOK affect the Group's overall revenue, profit or loss and financial position. Based on exposure throughout the year and balances at the year-end, the Group assesses that fluctuations in NOK/Euro have the most significant impact on the financial reporting of borrowings, loans and investment property.

Other price risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is exposed to this type of risk through its investments in equity instruments (shares) in other entities.

Capital management

The Group's objectives for capital management is to ensure that it maintains sufficient free liquidity with regards to cash and cash equivalents in order to support its business and obligations as well as having sufficient flexibility to invest in attractive investment opportunities. The Group manages its capital in light of changes in the economic conditions and developments in the underlying business.

There were no changes to objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2020.



Note 20 - Trade payables and other liabilities

(Amounts in NOK'000)

	31 December 2020	31 December 2019	1 January 2019
Trade payables	17	1 499	1 154
Tax payable	-	-	-
Payroll tax, social security, VAT	85	34	64
Other current and non-current liabilities	35 375	20 435	266
Total	35 477	21 968	1 484

Note 21 - Collateral and guarantees

(Amounts in NOK'000)

	31 December 2020	31 December 2019	1 January 2019
Liabilities secured by mortgages etc.			
Non current liabilities to financial institutions	3 686	4 076	
Current liabilities to financial institutions	1 801	2 051	8 611
Total	5 487	6 127	8 611

	31 December 2020	31 December 2019	1 January 2019
Book value of assets that form the basis of issue			
Land and buildings	28 060	30 775	

Note 22 - Contingencies and legal clauses

The Group is not involved in any disputes og trials as the reporting date or as the date of approval of these financial statements that would lead to recognition of a provision or require disclosure.



Note 23 - Events after the reporting date

No events have occurred after the reporting date that have significantly affected or may affect the financial statements of the Group as of 31 December 2020 or require disclosure.

The Covid-19 situation has had limited effect on revenues to date. The pandemic does, however, continue to be a source of risk and uncertainty to the operations of the Group.



Note 24 - Transition to IFRS

The financial statements for the year ended 31 December 2020 are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2019, the Group prepared its financial statements in accordance with generally accepted accounting principles in Norway (NGAAP).

Accordingly, the Group has prepared financial statements that comply with IFRS, applicable as of 31 December 2020, together with the comparative period data for the year ended 31 December 2019. In preparing the financial statements, the Group's opening statement of financial position was prepared as of 1 January 2019, the Group's date of transition to IFRS. This note explains the principal adjustments made by the group in restating its NGAAP financial statements, including the statement of financial position as of 1 January 2019 and the income statement for the year ended 31 December 2019.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The group has applied the following exemptions:

The Group has assessed whether a contract existing at the date of transition to IFRSs contains a lease by applying paragraphs 9–11 of IFRS 16 to those contracts on the basis of facts and circumstances existing at that date. The Group has applied the following exemptions at the date of transition to IFRS:

- 1) The Group has elected to use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.
- 2) The Group has excluded initial direct costs from the measurement of the right-of-use asset.

The Group has applied the transition provision in IFRS 15:C15. The date of initial application is interpreted as 1 January 2019 according to IFRS 1 D34.

Cumulative currency translation differences for all foreign operations are deemed to be zero at 1 January 2019.

	as of 1 January 2019 (date of transition to IFRS)			as of 31 December 2019		
	NGAAP	Effect of transition to IFRS	IFRS	NGAAP	Effect of transition to IFRS	IFRS
ASSETS						
Non-current assets						
Investment property		104 059	104 059		105 523	105 523
Deferred tax assets	922		922	793		793
Property, plant and equipment	36 307	-36 288	19	34 852	-34 852	-
Right-of-use assets			-			-
Investment in associate			-			-
Investment in shares	44 778	19 656	64 434	64 724	24 076	88 800
Non-current financial assets	5 168		5 168	5 386		5 386
Total non-current assets	87 175	87 427	174 602	105 755	94 747	200 502
Current assets						
Trade receivables	1 567		1 567	1 876		1 876
Other current receivables	4 924			170		
Investment in shares	5 824			4 633		
Other current financial assets	15 710		15 710	6 070		6 070
Cash and cash equivalents	3 148		3 148	2 859		2 859
Total current assets	31 173	-	31 173	15 608	-	15 608
Total assets	118 348	87 427	205 775	121 363	94 747	216 110
EQUITY AND LIABILITIES						
Equity						
Share capital	15 000		15 000	15 000		15 000
Reserves	86 587	73 873	160 460	65 852	86 613	152 465
Retained earnings			-			-
Total equity	101 587	73 873	175 460	80 852	86 613	167 465
Liabilities						
Non-current liabilities						
Deferred tax liability		13 554	13 554		14 134	14 134
Borrowings			-	4 076		4 076
Pension obligation	1 022		1 022	772		772
Other non-current liabilities	5 644		5 644	5 644		5 644
Total non-current liabilities	6 666	13 554	20 220	10 492	14 134	24 626
Current liabilities						
Borrowings	8 611		8 611	2 051		2 051
Trade payables	1 154		1 154	1 499		1 499
Income tax payable			-			-
Lease liability			-			-
Other current liabilities	330		330	26 469	-6 000	20 469
Total current liabilities	10 095	-	10 095	30 019	-6 000	24 019
Total liabilities	16 761	13 554	30 315	40 511	8 134	48 645



Total equity and liabilities	<u>118 348</u>	<u>87 427</u>	<u>205 775</u>	<u>121 363</u>	<u>94 747</u>	<u>216 110</u>
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Reconciliation of comprehensive income 2019 (NGAAP amounts are reclassified to reflect IFRS line items)

	transition to		
	NGAAP	IFRS	IFRS
	3 745		3 745
Operating revenue			
Cost of sales	329		329
Salaries and personnel cost	1 575		1 575
Change in fair value of investment property		-1 645	
Depreciation and amortisation	1 255	-1 255	-
Other operating expenses	706		706
Operating expenses	3 865	-2 900	965
Operating profit (loss)	-120	2 900	2 780
Finance income	14 748	4 420	19 168
Finance expense	2 938		2 938
Profit before tax	11 690	7 320	19 010
Income tax expense	130	580	710
Net profit (loss)	11 560	6 740	18 300
Other comprehensive income			
Total comprehensive income	11 560	6 740	18 300