



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

|                      |                              |
|----------------------|------------------------------|
| Organisasjonsnummer: | 989 153 269                  |
| Organisasjonsform:   | Aksjeselskap                 |
| Foretaksnavn:        | ISANOR INVEST AS             |
| Forretningsadresse:  | Vitaminveien 1A<br>0485 OSLO |

### Regnskapsår

|                         |                         |
|-------------------------|-------------------------|
| Årsregnskapets periode: | 01.01.2020 - 31.12.2020 |
|-------------------------|-------------------------|

### Konsern

|                           |    |
|---------------------------|----|
| Mørselskap i konsern:     | Ja |
| Konsernregnskap lagt ved: | Ja |

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

|  |                  |
|--|------------------|
| Bekreftet av representant for selskapet: | Kristine Eriksen |
| Dato for fastsettelse av årsregnskapet:  | 21.05.2021       |

### 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, 06.09.2022



### Resultatregnskap

| Beløp i: NOK                                 | Note | 2020                | 2019                 |
|--|------|---------------------|----------------------|
| <b>RESULTATREGNSKAP</b>                      |      |                     |                      |
| <b>Inntekter</b>                             |      |                     |                      |
| Gain on sale of assets                       | 13   | 934 000             | 8 158 177 000        |
| <b>Sum inntekter</b>                         |      | <b>934 000</b>      | <b>8 158 177 000</b> |
| <b>Kostnader</b>                             |      |                     |                      |
| Gifts  |      | 106 001 000         |                      |
| Other operating expense                      | 7    | 3 227 000           | 18 133 000           |
| <b>Sum kostnader</b>                         |      | <b>109 228 000</b>  | <b>18 133 000</b>    |
| <b>Driftsresultat</b>                        |      | <b>-108 294 000</b> | <b>8 140 044 000</b> |
| <b>Finansinntekter og finanskostnader</b>    |      |                     |                      |
| Finance income                               | 8    | 276 013 000         | 34 084 000           |
| <b>Sum finansinntekter</b>                   |      | <b>276 013 000</b>  | <b>34 084 000</b>    |
| Finance cost                                 | 8    | 72 134 000          | 1 299 000            |
| <b>Sum finanskostnader</b>                   |      | <b>72 134 000</b>   | <b>1 299 000</b>     |
| <b>Netto finans</b>                          |      | <b>203 879 000</b>  | <b>32 785 000</b>    |
| <b>Ordinært resultat før skattekostnad</b>   |      | <b>95 585 000</b>   | <b>8 172 829 000</b> |
| Taxes  | 2    | 46 299 000          | 5 024 000            |
| <b>Ordinært resultat etter skattekostnad</b> |      | <b>49 286 000</b>   | <b>8 167 805 000</b> |
| <b>Årsresultat</b>                           |      | <b>49 286 000</b>   | <b>8 167 805 000</b> |
| <b>Overføringer og disponeringer</b>         |      |                     |                      |
| Ordinært utbytte                             | 11   |                     | 49 998 000           |
| Allocated to other equity                    | 11   | 49 287 000          | 8 117 807 000        |
| <b>Sum overføringer og disponeringer</b>     |      | <b>49 287 000</b>   | <b>8 167 805 000</b> |



### Balanse

| Beløp i: NOK                                   | Note | 2020                  | 2019                 |
|--|------|-----------------------|----------------------|
| <b>BALANSE - EIENDELER</b>                     |      |                       |                      |
| <b>Anleggsmidler</b>                           |      |                       |                      |
| <b>Immaterielle eiendeler</b>                  |      |                       |                      |
| <b>Varige driftsmidler</b>                     |      |                       |                      |
| Plots  | 1    | 412 000               | 412 000              |
| <b>Sum varige driftsmidler</b>                 |      | <b>412 000</b>        | <b>412 000</b>       |
| <b>Finansielle anleggsmidler</b>               |      |                       |                      |
| Investering i datterselskap                    | 13   | 7 798 110 000         | 5 961 078 000        |
| Investment funds                               | 14   | 1 840 059 000         | 775 161 000          |
| Long-term receivables                          |      | 22 251 000            | 15 157 000           |
| <b>Sum finansielle anleggsmidler</b>           |      | <b>9 660 420 000</b>  | <b>6 751 396 000</b> |
| <b>Sum anleggsmidler</b>                       |      | <b>9 660 832 000</b>  | <b>6 751 808 000</b> |
| <b>Omløpsmidler</b>                            |      |                       |                      |
| <b>Varer</b>                                   |      |                       |                      |
| <b>Fordringer</b>                              |      |                       |                      |
| Short-term receivables                         | 3    | 314 109 000           | 10 643 000           |
| <b>Sum fordringer</b>                          |      | <b>314 109 000</b>    | <b>10 643 000</b>    |
| <b>Bankinnskudd, kontanter og lignende</b>     |      |                       |                      |
| Cash and cash equivalents                      | 4    | 2 050 759 000         | 2 302 306 000        |
| <b>Sum bankinnskudd, kontanter og lignende</b> |      | <b>2 050 759 000</b>  | <b>2 302 306 000</b> |
| <b>Sum omløpsmidler</b>                        |      | <b>2 364 868 000</b>  | <b>2 312 949 000</b> |
| <b>SUM EIENDELER</b>                           |      | <b>12 025 700 000</b> | <b>9 064 757 000</b> |

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital



## Balanse

| <b>Beløp i: NOK</b>             | <b>Note</b> | <b>2020</b>           | <b>2019</b>          |
|---------------------------------|-------------|-----------------------|----------------------|
| Share capital                   | 11,12       | 2 180 000             | 2 180 000            |
| Overkurs                        | 11          | 100 000               | 100 000              |
| <b>Sum innskutt egenkapital</b> |             | <b>2 280 000</b>      | <b>2 280 000</b>     |
| <b>Opptjent egenkapital</b>     |             |                       |                      |
| Other equity                    | 11          | 11 977 032 000        | 9 007 390 000        |
| <b>Sum opptjent egenkapital</b> |             | <b>11 977 032 000</b> | <b>9 007 390 000</b> |
| <b>Sum egenkapital</b>          |             | <b>11 979 312 000</b> | <b>9 009 670 000</b> |
| <b>Sum langsiktig gjeld</b>     |             | <b>0</b>              | <b>0</b>             |
| <b>Kortsiktig gjeld</b>         |             |                       |                      |
| Leverandørgjeld                 |             | 89 000                | 65 000               |
| Tax payable                     | 2           | 46 299 000            | 5 024 000            |
| Utbytte                         | 5,15        |                       | 49 998 000           |
| <b>Sum kortsiktig gjeld</b>     |             | <b>46 388 000</b>     | <b>55 087 000</b>    |
| <b>Sum gjeld</b>                |             | <b>46 388 000</b>     | <b>55 087 000</b>    |
| <b>SUM EGENKAPITAL OG GJELD</b> |             | <b>12 025 700 000</b> | <b>9 064 757 000</b> |



### Konsernets resultatregnskap

| Beløp i: NOK   | Note         | 2020                 | 2019                 |
|--|--------------|----------------------|----------------------|
| <b>RESULTATREGNSKAP</b>                                  |              |                      |                      |
| <b>Inntekter</b>   |              |                      |                      |
| Revenues from contracts with customers                   | 5            | 2 704 074 000        | 2 448 571 000        |
| <b>Sum inntekter</b>                                     |              | <b>2 704 074 000</b> | <b>2 448 571 000</b> |
| <b>Kostnader</b>   |              |                      |                      |
| Personnel costs  | 15           | 1 085 938 000        | 977 105 000          |
| Depreciation and amortization                            | 6,7,19       | 379 149 000          | 345 015 000          |
| Other operating costs                                    | 16,20        | 616 224 000          | 1 092 998 000        |
| <b>Sum kostnader</b>                                     |              | <b>2 081 311 000</b> | <b>2 415 118 000</b> |
| <b>Driftsresultat</b>                                    |              | <b>622 763 000</b>   | <b>33 453 000</b>    |
| <b>Finansinntekter og finanskostnader</b>                |              |                      |                      |
| Finance income   | 14,17        | 420 507 000          | 90 897 000           |
| <b>Sum finansinntekter</b>                               |              | <b>420 507 000</b>   | <b>90 897 000</b>    |
| Finance cost   | 14,17,<br>19 | 827 860 000          | 327 504 000          |
| Share of profit of equity-accounted investee, net of tax |              | 15 553 000           | 19 134 000           |
| <b>Sum finanskostnader</b>                               |              | <b>843 413 000</b>   | <b>346 638 000</b>   |
| <b>Netto finans</b>                                      |              | <b>-422 906 000</b>  | <b>-255 741 000</b>  |
| <b>Ordinært resultat før skattekostnad</b>               |              | <b>199 857 000</b>   | <b>-222 288 000</b>  |
| Income tax expense                                       | 13           | 59 739 000           | 92 301 000           |
| <b>Ordinært resultat etter skattekostnad</b>             |              | <b>140 118 000</b>   | <b>-314 589 000</b>  |
| profit (loss) from discontinued operation                | 25,26        |                      | 512 449 000          |
| <b>Årsresultat</b>                                       |              | <b>140 118 000</b>   | <b>197 860 000</b>   |
| Remeasurement gain (loss) from net defined liability     |              | -26 597 000          | -20 464 000          |
| Equity-accounted investees - share of OCI                |              | 7 746 000            | 5 384 000            |
| Currency translation differences                         |              | 236 943 000          | 14 768 000           |
| Sum resultatkomponenter for IFRS-foretak                 |              | 218 092 000          | -312 000             |
| <b>Totalresultat</b>                                     |              | <b>358 210 000</b>   | <b>197 548 000</b>   |



## Konsernets resultatregnskap

| <b>Beløp i: NOK</b> | <b>Note</b> | <b>2020</b> | <b>2019</b> |
|---------------------|-------------|-------------|-------------|
|---------------------|-------------|-------------|-------------|

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### Konsernets balanse

| Beløp i: NOK                                   | Note  | 2020                 | 2019                 |
|--|-------|----------------------|----------------------|
| <b>BALANSE - EIENDELER</b>                     |       |                      |                      |
| <b>Anleggsmidler</b>                           |       |                      |                      |
| <b>Immaterielle eiendeler</b>                  |       |                      |                      |
| Utsatt skattefordel                            | 13    | 123 504 000          | 14 538 000           |
| Intangible assets and goodwill                 | 7     | 4 137 006 000        | 3 781 159 000        |
| <b>Sum immaterielle eiendeler</b>              |       | <b>4 260 510 000</b> | <b>3 795 697 000</b> |
| <b>Varige driftsmidler</b>                     |       |                      |                      |
| Property, plant and equipment                  | 6,19  | 681 652 000          | 628 580 000          |
| <b>Sum varige driftsmidler</b>                 |       | <b>681 652 000</b>   | <b>628 580 000</b>   |
| <b>Finansielle anleggsmidler</b>               |       |                      |                      |
| Equity-accounted investees                     | 22,27 | 213 168 000          | 94 733 000           |
| Other investments, including derivatives       | 22,28 | 2 594 193 000        | 1 529 294 000        |
| <b>Sum finansielle anleggsmidler</b>           |       | <b>2 807 361 000</b> | <b>1 624 027 000</b> |
| <b>Sum anleggsmidler</b>                       |       | <b>7 749 523 000</b> | <b>6 048 304 000</b> |
| <b>Omløpsmidler</b>                            |       |                      |                      |
| <b>Varer</b>                                   |       |                      |                      |
| <b>Fordringer</b>                              |       |                      |                      |
| Trade and other receivables                    | 8,22  | 545 949 000          | 260 173 000          |
| Prepayments                                    | 8,22  | 94 162 000           | 210 695 000          |
| <b>Sum fordringer</b>                          |       | <b>640 111 000</b>   | <b>470 868 000</b>   |
| <b>Investeringer</b>                           |       |                      |                      |
| Derivative financial instruments               | 22    | 59 000               | 64 000               |
| <b>Sum investeringer</b>                       |       | <b>59 000</b>        | <b>64 000</b>        |
| <b>Bankinnskudd, kontanter og lignende</b>     |       |                      |                      |
| Cash and cash equivalents                      | 9     | 2 723 258 000        | 3 787 809 000        |
| <b>Sum bankinnskudd, kontanter og lignende</b> |       | <b>2 723 258 000</b> | <b>3 787 809 000</b> |
| <b>Sum omløpsmidler</b>                        |       | <b>3 363 428 000</b> | <b>4 258 741 000</b> |



### Konsernets balanse

| Beløp i: NOK                             | Note  | 2020                  | 2019                  |
|--|-------|-----------------------|-----------------------|
| <b>SUM EIENDELER</b>                     |       | <b>11 112 951 000</b> | <b>10 307 045 000</b> |
| <b>BALANSE - EGENKAPITAL OG GJELD</b>    |       |                       |                       |
| <b>Egenkapital</b>                       |       |                       |                       |
| <b>Innskutt egenkapital</b>              |       |                       |                       |
| Shareholders equity                      | 10,18 | 2 180 000             | 2 180 000             |
| <b>Sum innskutt egenkapital</b>          |       | <b>2 180 000</b>      | <b>2 180 000</b>      |
| <b>Opptjent egenkapital</b>              |       |                       |                       |
| Other equity                             | 10,18 | 3 437 332 000         | 3 156 248 000         |
| <b>Sum opptjent egenkapital</b>          |       | <b>3 437 332 000</b>  | <b>3 156 248 000</b>  |
| <b>Sum egenkapital</b>                   |       | <b>3 439 512 000</b>  | <b>3 158 428 000</b>  |
| <b>Gjeld</b>                             |       |                       |                       |
| <b>Langsiktig gjeld</b>                  |       |                       |                       |
| Utsatt skatt                             | 13    | 283 271 000           | 272 633 000           |
| <b>Sum avsetninger for forpliktelser</b> |       | <b>283 271 000</b>    | <b>272 633 000</b>    |
| <b>Annen langsiktig gjeld</b>            |       |                       |                       |
| Gjeld til kredittinstitusjoner           | 12,22 | 6 108 518 000         | 5 737 295 000         |
| Leasing liabilities                      | 19    | 289 255 000           | 288 295 000           |
| Employee benefits                        | 15    | 98 748 000            | 68 534 000            |
| Other long-term liabilities              | 22    | 4 489 000             | 906 000               |
| <b>Sum annen langsiktig gjeld</b>        |       | <b>6 501 010 000</b>  | <b>6 095 030 000</b>  |
| <b>Sum langsiktig gjeld</b>              |       | <b>6 784 281 000</b>  | <b>6 367 663 000</b>  |
| <b>Kortsiktig gjeld</b>                  |       |                       |                       |
| Loans and borrowings                     | 22    | 2 277 000             | 9 184 000             |
| Current tax liabilities                  | 13    | 148 021 000           | 90 398 000            |
| Leasing liabilities                      | 12,22 | 65 343 000            | 53 409 000            |
| Contract liabilities                     | 5,11  | 249 996 000           | 248 284 000           |
| Trade and other payables                 | 11,22 | 423 521 000           | 379 683 000           |
| <b>Sum kortsiktig gjeld</b>              |       | <b>889 158 000</b>    | <b>780 958 000</b>    |
| <b>Sum gjeld</b>                         |       | <b>7 673 439 000</b>  | <b>7 148 621 000</b>  |



## Konsernets balanse

| <b>Beløp i: NOK</b>             | <b>Note</b> | <b>2020</b>           | <b>2019</b>           |
|---------------------------------|-------------|-----------------------|-----------------------|
| <b>SUM EGENKAPITAL OG GJELD</b> |             | <b>11 112 951 000</b> | <b>10 307 049 000</b> |



Skatteetaten

Vår dato  
20.02.2020

Din/Deres dato  
15.01.2020

Saksbehandler  
Joakim Engebretsen

800 80 000  
Skatteetaten.no

Din/Deres referanse

Telefon  
92251412

Org.nr  
974761076

Vår referanse  
2020/5058720

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

SECTOR ALARM HOLDING AS  
Postboks 113 Grefsen  
0409 OSLO

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

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

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

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

### Bakgrunn

Fra søknaden siteres:

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

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

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

**Skattekontorets vurdering**

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

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

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

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

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

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

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Roar Thorbjørnsen  
underdirektør  
Innsats, storbedrift  
Skatteetaten

Joakim Engebretsen

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

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## Isanor Invest AS consolidated Consolidated statement of profit or loss

| Amounts in TNOK   | Note       | 2020              | 2019              |
|---|------------|-------------------|-------------------|
| Revenue from contracts with customers                     | 5          | 2 704 074         | 2 448 571         |
| <b>Total revenue</b>                                      |            | <b>2 704 074</b>  | <b>2 448 571</b>  |
| Personnel costs   | 15         | -1 085 938        | -977 105          |
| Other operating costs                                     | 16, 20     | -616 224          | -1 092 998        |
| <b>Total operating costs</b>                              |            | <b>-1 702 162</b> | <b>-2 070 103</b> |
| <b>Operating profit before D&amp;A (EBITDA)</b>           |            | <b>1 001 912</b>  | <b>378 468</b>    |
| Depreciation and amortization                             | 6, 7, 19   | -379 149          | -345 015          |
| <b>Operating profit</b>                                   |            | <b>622 762</b>    | <b>33 453</b>     |
| Finance income  | 14, 17     | 420 507           | 90 897            |
| Finance cost  | 14, 17, 19 | -827 860          | -327 504          |
| <b>Net finance cost</b>                                   |            | <b>-407 353</b>   | <b>-236 607</b>   |
| Share of profit of equity-accounted investees, net of tax |            | -15 553           | -19 134           |
| <b>Profit before tax</b>                                  |            | <b>199 856</b>    | <b>-222 288</b>   |
| Income tax expense  | 13         | -59 739           | -92 301           |
| <b>PROFIT FROM CONTINUING OPERATIONS</b>                  |            | <b>140 117</b>    | <b>-314 589</b>   |
| Profit (loss) from discontinued operation                 | 25, 26     | 0                 | 512 449           |
| <b>PROFIT FOR THE PERIOD</b>                              |            | <b>140 117</b>    | <b>197 859</b>    |
| <b>Profit is attributable to:</b>                         |            |                   |                   |
| Owners of Sector Alarm Holding AS                         |            | 102 772           | 75 985            |
| Non-controlling interests                                 |            | 37 345            | 121 875           |

## Consolidated statement of comprehensive income

|   |                |                |
|---|----------------|----------------|
| <b>Profit for the period</b>  | <b>140 117</b> | <b>197 859</b> |
| <i>Items that subsequently may be reclassified to profit or loss</i>                |                |                |
| Remeasurement gain (loss) from net defined benefit liability                        | -26 597        | -20 464        |
| Equity-accounted investees – share of OCI   | 7 747          | 5 384          |
| Currency translation differences  | 236 943        | 14 768         |
| <b>Other comprehensive income</b>   | <b>218 092</b> | <b>-312</b>    |
| Total comprehensive income for the year attributable to parent company shareholders | 243 196        | 77 472         |
| Total comprehensive income for the year attributable to non-controlling interests   | 115 013        | 120 076        |
| <b>Total comprehensive income for the period</b>                                    | <b>358 209</b> | <b>197 548</b> |



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## Isanor Invest AS

### Consolidated statement of financial position

| Amounts in TNOK                          | Note       | 2020              | 2019              |
|--|------------|-------------------|-------------------|
| <b>ASSETS</b>                            |            |                   |                   |
| <b>NON CURRENT ASSETS</b>                |            |                   |                   |
| Deferred tax asset                       | 13         | 123 504           | 14 538            |
| Intangible assets and goodwill           | 7          | 4 137 006         | 3 781 159         |
| Property, plant and equipment            | 6, 19      | 681 652           | 628 580           |
| Equity-accounted investees               | 22, 27     | 213 168           | 94 733            |
| Other investments, including derivatives | 22, 28     | 2 594 193         | 1 529 294         |
| <b>TOTAL NON CURRENT ASSETS</b>          |            | <b>7 749 522</b>  | <b>6 048 305</b>  |
| <b>CURRENT ASSETS</b>                    |            |                   |                   |
| Derivative financial instruments         | 22         | 59                | 64                |
| Trade and other receivables              | 8, 22      | 545 950           | 260 173           |
| Prepayments                              | 8, 22      | 94 162            | 210 695           |
| Cash and cash equivalents                | 9          | 2 723 258         | 3 787 809         |
| <b>TOTAL CURRENT ASSETS</b>              |            | <b>3 363 429</b>  | <b>4 258 742</b>  |
| <b>TOTAL ASSETS</b>                      |            | <b>11 112 951</b> | <b>10 307 047</b> |
| <b>EQUITY</b>                            |            |                   |                   |
| Shareholders equity                      | 10, 18     | 2 180             | 2 180             |
| Other equity                             |            | 3 437 332         | 3 156 248         |
| <b>TOTAL EQUITY</b>                      |            | <b>3 439 512</b>  | <b>3 158 427</b>  |
| <b>LONG-TERM LIABILITIES</b>             |            |                   |                   |
| Deferred tax                             | 13         | 283 271           | 272 633           |
| Loans and borrowings                     | 12, 22     | 6 108 518         | 5 737 295         |
| Leasing liabilities                      | 12,19,22   | 289 255           | 288 295           |
| Employee benefits                        | 15         | 98 748            | 68 534            |
| Other long-term liabilities              | 22         | 4 489             | 906               |
| <b>SUM LONG-TERM LIABILITIES</b>         |            | <b>6 784 282</b>  | <b>6 367 663</b>  |
| <b>SHORT-TERM LIABILITIES</b>            |            |                   |                   |
| Short-term loans                         | 22         | 2 277             | 9 184             |
| Leasing liabilities                      | 12, 19, 22 | 65 343            | 53 409            |
| Current tax liabilities                  | 13         | 148 021           | 90 398            |
| Trade and other payables                 | 11, 22     | 423 520           | 379 683           |
| Contract liabilities                     | 5, 11      | 249 996           | 248 284           |
| <b>SUM SHORT-TERM LIABILITIES</b>        |            | <b>889 158</b>    | <b>780 957</b>    |
| <b>SUM EQUITY &amp; LIABILITIES</b>      |            | <b>11 112 951</b> | <b>10 307 047</b> |

Oslo, 21 May 2021

DocuSigned by:

Jørgen Dahl

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Jørgen Dahl  
Chairman of the board



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## Isanor Invest AS consolidated Cash Flow statement

| Amounts in TNOK  | 2020              | 2019              |
|--|-------------------|-------------------|
| Earnings before tax  | 199 855           | -222 288          |
| Adjustments for finance costs                                    | 407 353           | 236 607           |
| Adjustments for depreciation and amortization                    | 379 151           | 345 015           |
| Change in accounts receivable                                    | 9 575             | 14 982            |
| Change in accounts payable                                       | 19 065            | -11 787           |
| Change in other operating receivables/payables                   | -141 570          | -119 521          |
| Income taxes (refund) paid                                       | -121 637          | -136 483          |
| <b>CASH FLOW OPERATING ACTIVITIES</b>                            | <b>751 792</b>    | <b>106 505</b>    |
| Proceeds from sales of investment in subsidiaries                | 9 056             | 0                 |
| Increase in investment in subsidiaries                           | 52                | 0                 |
| Proceeds from sales of property, plant and equipment             | 12 773            | 12 988            |
| Acquisition of property, plant and equipment                     | -475 217          | -494 200          |
| Acquisition of derivatives and other financial assets            | 0                 | -1 624 027        |
| Increase in investments in funds and associates                  | -1 457 717        | 0                 |
| Decrease investments in funds and associates                     | 314 109           | 0                 |
| Interests received   | 41 128            | 13 106            |
| Other adjustments to investing activities                        | -2 491            | -116 901          |
| <b>CASH FLOW INVESTING ACTIVITIES</b>                            | <b>-1 558 307</b> | <b>-2 209 035</b> |
| Proceeds from issue of share capital                             |                   |                   |
| Change in other long term rec/pay                                | 3 583             | -2 287            |
| Proceeds from loans and borrowings                               | -52               | 5 665 970         |
| Repayment of loans and borrowings                                | -9 982            | -3 051 287        |
| Payment of lease liabilities                                     | -59 268           | -35 695           |
| Interests paid   | -200 574          | -188 619          |
| Dividends paid   | -129 998          | -220 965          |
| Proceeds from minority interest                                  | 0                 | 3 183 648         |
| Other adjustments to financing activities                        | 117 596           | -3 473            |
| <b>CASH FLOW FINANCING ACTIVITIES</b>                            | <b>-278 694</b>   | <b>5 347 311</b>  |
| <b>CASH FLOW TOTAL FROM CONTINUED OPERATION</b>                  | <b>-1 085 209</b> | <b>3 244 781</b>  |
| Cash flows of discontinued operation                             | 0                 | 64 401            |
| <b>CASH FLOW TOTAL</b>   | <b>-1 085 209</b> | <b>3 309 182</b>  |
| Cash and cash equivalents at the beginning of the financial year | 3 787 809         | 491 799           |
| Effects of exchange rate changes on cash and cash equivalents    | 20 659            | -13 172           |
| <b>Cash and cash equivalents at end of year</b>                  | <b>2 723 258</b>  | <b>3 787 809</b>  |



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## Isanor Invest AS Consolidated statement of changes in equity

Amounts in TNOK

|   | Share capital | Other equity     | Translation reserve | Total            | Non-controlling interests | Total equity     |
|---|---------------|------------------|---------------------|------------------|---------------------------|------------------|
| <b>Balance at 1 January 2019</b>            | <b>2 180</b>  | <b>-107 652</b>  | <b>130 423</b>      | <b>24 952</b>    | <b>248 814</b>            | <b>273 766</b>   |
| Profit for the period                       | 0             | 75 985           | 0                   | 75 985           | 121 875                   | 197 859          |
| Other comprehensive income                  | 0             | -7 412           | 8 899               | 1 487            | -1 799                    | -312             |
| Transactions with non-controlling interests | 0             | 3 820 503        | 0                   | 3 820 503        | -958 291                  | 2 862 212        |
| Transactions with non-controlling interests | 0             | 0                | 0                   | 0                | 0                         | 0                |
| Treasury shares acquired                    | 0             | 50 501           | 0                   | 50 501           | 0                         | 50 501           |
| Treasury shares cancelled                   | 0             | 0                | 0                   | 0                | 0                         | 0                |
| Translation reserve discontinued operations | 0             | 0                | -5 638              | -5 638           | 0                         | -5 638           |
| Dividends                                   | 0             | -79 988          | 0                   | -79 988          | -140 977                  | -220 965         |
| Other changes                               | 0             | 289              | 0                   | 289              | 715                       | 1 004            |
| Issue of ordinary shares                    | 0             | 0                | 0                   | 0                | 0                         | 0                |
| <b>Balance at 31 December 2019</b>          | <b>2 180</b>  | <b>3 752 226</b> | <b>133 685</b>      | <b>3 888 091</b> | <b>-729 664</b>           | <b>3 158 428</b> |

|   |              |                  |                |                  |                 |                  |
|---|--------------|------------------|----------------|------------------|-----------------|------------------|
| <b>Balance at 1 January 2020</b>            | <b>2 180</b> | <b>3 752 226</b> | <b>133 685</b> | <b>3 888 091</b> | <b>-729 664</b> | <b>3 158 428</b> |
| Profit for the period                       | 0            | 102 772          | 0              | 102 772          | 37 345          | 140 117          |
| Other comprehensive income                  | 0            | -9 772           | 149 454        | 139 682          | 78 410          | 218 092          |
| Transactions with non-controlling interests | 0            | -71 728          | 0              | -71 728          | 71 728          | 0                |
| Treasury shares acquired                    | 0            | 0                | 0              | 0                | 0               | 0                |
| Translation reserve discontinued operations | 0            | 0                | 0              | 0                | 0               | 0                |
| Dividends                                   | 0            | -80 000          | 0              | -80 000          | 0               | -80 000          |
| Other changes                               | 0            | 1 765            | 0              | 1 765            | 1 110           | 2 875            |
| <b>Balance at 31 December 2020</b>          | <b>2 180</b> | <b>3 695 264</b> | <b>283 139</b> | <b>3 980 583</b> | <b>-541 070</b> | <b>3 439 512</b> |



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## Isanor Invest AS Consolidated notes 2020

### 1 General information

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

In addition to the subsidiaries, the Group also has investments in businesses that provide professionally monitored alarms for businesses in Europe and various funds. The registered headquarter of Isanor Invest AS is located at Vitaminveien 1A, Oslo in Norway.

These consolidated financial statements were approved by the Board of Directors on 21 May 2021 for adoption by the Annual General Meeting on 21 May 2021.

### 2 Significant accounting principles

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

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

The consolidated financial statements for 2020 has been prepared according to International Financial Reporting Standards (IFRS) as adopted by The European Union (EU). The consolidated financial statements are based on a historical cost principle, except for derivatives measured at fair value through profit or loss. Preparation of financial statements in accordance with IFRS requires use of estimates. Furthermore, the application of the Company's accounting principles requires management to exercise judgements. Significant estimates and judgements, are described in note 4.

#### 2.2 Consolidation principles

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

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

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

The Group's interest in equity-accounted investees comprise interest in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the operating policies. Interest in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidation financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence ceases.

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

#### 2.3 Foreign currency translation

##### Functional currency and presentation currency

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

##### Transactions and Balance Sheet items

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

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

##### Group companies

Income Statements and Balance Sheets for Group entities (none with hyperinflation) with operational currencies that differ from the presentation currency are translated as follows:

- the Balance Sheet is translated at the final exchange rate on the Balance Sheet date
- the Income Statement is translated at the average exchange rate (if the average does not provide a reasonable estimate of the accumulated effects of using the transaction exchange rate, the transaction c. translation differences are recognized in the other comprehensive income and appear in the item "translation differences").

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

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

#### 2.4 Property, plant and equipment

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

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

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

#### 2.5 Intangible assets

##### Goodwill

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

##### Licenses

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



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## Isanor Invest AS Consolidated notes 2020

### *Customer contracts*

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

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

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

### *Brand*

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

### **2.6 Assets held for sale**

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

### **2.7 Financial instruments**

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

#### *Financial assets*

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

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

#### *Financial liabilities*

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

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

#### *Derivative financial instruments and hedge accounting*

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

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

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

### **2.8 Impairment**

#### *Non-derivative financial assets*

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

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

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

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

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

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets.

For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### *Non-financial assets*

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

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

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

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

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



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## Isanor Invest AS Consolidated notes 2020

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

### 2.9 Cash and cash equivalents

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

### 2.10 Share capital and share premium

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

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

### 2.11 Income tax

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

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

#### Current tax

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

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

#### Deferred tax

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

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

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

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

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

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

#### Pension obligations

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

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

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

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

#### Severance pay

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

#### Profit sharing and bonus schemes

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

### 2.13 Provisions

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

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

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

### 2.14 Revenue from contracts with customers

Revenues from contracts with customers primarily comprise sale of

- Revenue recognised over time: Subscription revenue
- Revenue recognised at a point in time: Upgrades, Services, Installs & additional hardware and other revenue



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### *Recognition and measurement*

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

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

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

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

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

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

### *Capitalised contract cost*

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

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

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

### *Presentation and impairment*

If recognised revenue exceeds amounts received or receivable from a customer, a contract asset is recognised. If amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer, a contract liability is recognised.

Contract assets and contract liabilities are expected to be realised within the Group's normal operating cycle, and are classified as current within trade and other receivables and trade and other payables respectively. Contract assets are adjusted for provision for impairment in accordance with the expected credit loss model. The Group applies the simplified approach for contract assets, measuring the loss allowance at an amount equal to lifetime expected credit losses. Impairment for expected credit losses is recognised in the income statement and updated at each reporting date. The impairment is calculated by taking into account the historic evidence of the level of bad debt experienced for customer types.

Contract assets are transferred to receivables when rights become unconditional. Receivables from contracts with customers are presented separately from contract assets. The effects of significant financing components are presented as interest income, separately from revenue from contracts with customers in the statement of comprehensive income.

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

### **2.15 Interest and dividend income**

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

### **2.16 Leases**

The Group applied IFRS 16 using the modified retrospective approach from 1 January 2019 without restating previous periods.

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

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

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

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

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

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

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

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

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

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



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### 3 Financial risk management

#### 3.1 Credit risk

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

#### 3.2 Liquidity risk

The Group's approach to managing liquidity risk is to secure access to sufficient liquidity to meet liabilities under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's relationships. The Group's liquidity risk is considered as a low due to the resilient business model with strong cash flow from the existing customer portfolio combined with flexible growth for new customer acquisition. At 31.12.2020 the Group has NOK 270 million in cash and cash equivalents and the EUR 100 million RCF was undrawn.

#### 3.3 Currency risk

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

#### 3.4 Financial risk

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

#### 3.5 Risk related to capital management

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

#### 3.6 Information on fair value

Financial assets measured at fair value are divided into the following levels:  
- Listed price in active market (level 1)  
- Valuation based on other observable factors (price) either directly or indirectly for the financial asset or liability (Level 2)  
- Valuation based on factors not derived from observable markets (Level 3).

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

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

### 4 Important accounting estimates and judgmental items

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

#### Impairment of goodwill, other intangible assets and contract cost

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

#### Equity-accounted investees

The Group is considered to have significant influence over AVARN Security AS in accordance with IAS 28, even though it holds less than 20 percent of the voting rights in the entity. See details regarding equity-accounted investees in note 2.2.2 and 28.



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### 5 Revenue recognition

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

| Revenue from contracts with customers comprise of<br>Amounts in TNOK | 2020                                 |                |                  | 2019                                 |                |                  |
|--|--------------------------------------|----------------|------------------|--------------------------------------|----------------|------------------|
|  | Revenue per product/<br>service line | Point in time  | Over time        | Revenue per product/<br>service line | Point in time  | Over time        |
| Revenue from subscriptions   | 2 470 340                            | 0              | 2 470 340        | 2 212 218                            | 0              | 2 212 218        |
| Revenue from Upgrades  | 23 564                               | 23 564         | 0                | 33 308                               | 33 308         | 0                |
| Revenue from Services  | 75 880                               | 75 880         | 0                | 74 016                               | 74 016         | 0                |
| Revenue from Installs & additional hardware                          | 126 346                              | 126 346        | 0                | 123 517                              | 123 517        | 0                |
| Other revenues   | 7 944                                | 7 944          | 0                | 5 512                                | 5 512          | 0                |
| <b>Total Revenue from contracts with customers</b>                   | <b>2 704 074</b>                     | <b>233 733</b> | <b>2 470 340</b> | <b>2 448 571</b>                     | <b>236 353</b> | <b>2 212 218</b> |

|  | 2020           | 2019           |
|--|----------------|----------------|
| <b>Movement in contract liability</b>              |                |                |
| Contract liability opening balance                 | 248 284        | 265 808        |
| Reduction due to revenue being recognised          | -248 284       | -265 808       |
| Increase due to cash received and revenue deferred | 249 996        | 248 284        |
| <b>Contract liability closing balance</b>          | <b>249 996</b> | <b>248 284</b> |

Contract liabilities consists of prepayments from customers.

### 6 Property, plant and equipment

| Amounts in TNOK                             | Buildings     | Computer<br>equipment | Furnishing<br>and fittings | Vehicles     | Alarm systems<br>not in use | Total          |
|---|---------------|-----------------------|----------------------------|--------------|-----------------------------|----------------|
| <b>Balance at 31 December 2018</b>          | <b>72 485</b> | <b>36 170</b>         | <b>78 109</b>              | <b>1 850</b> | <b>75 328</b>               | <b>263 941</b> |
| Translation differences                     | -587          | -241                  | -737                       | -47          | -863                        | -2 476         |
| Acquisitions                                | 23 617        | 25 232                | 35 790                     | 592          | 28 259                      | 113 488        |
| Depreciation for the year                   | -1 409        | -22 614               | -22 759                    | -848         | 0                           | -47 630        |
| Reclassification                            | 2 938         | 0                     | -3 101                     | 0            | 0                           | -163           |
| <b>Balance at 31 December 2019</b>          | <b>97 043</b> | <b>38 547</b>         | <b>87 302</b>              | <b>1 545</b> | <b>102 723</b>              | <b>327 160</b> |
| Acquisition cost                            | 109 285       | 163 704               | 208 093                    | 5 719        | 107 800                     | 594 602        |
| Accumulated depreciation and impairment     | -12 242       | -125 157              | -120 792                   | -4 174       | -5 077                      | -267 442       |
| <b>Carrying amounts at 31 December 2019</b> | <b>97 043</b> | <b>38 547</b>         | <b>87 302</b>              | <b>1 545</b> | <b>102 723</b>              | <b>327 160</b> |
| Depreciation and impairment for the year    | -1 409        | -22 614               | -22 759                    | -848         | 0                           | -47 630        |
| Useful life                                 | 30 years      | 3-5 years             | 3-5 years                  | 3-5 years    |                             |                |

| Amounts in TNOK                             | Buildings      | Computer<br>equipment | Furnishing<br>and fittings | Vehicles     | Alarm systems<br>not in use | Total          |
|---|----------------|-----------------------|----------------------------|--------------|-----------------------------|----------------|
| <b>Balance at 31 December 2019</b>          | <b>97 043</b>  | <b>38 547</b>         | <b>87 302</b>              | <b>1 545</b> | <b>102 723</b>              | <b>327 160</b> |
| Translation differences                     | 5 707          | 1 680                 | 3 461                      | 147          | 5 070                       | 16 065         |
| Acquisitions                                | 13 301         | 17 290                | 31 089                     | 298          | 25 564                      | 87 451         |
| Disposals                                   | 0              | -523                  | -465                       | 0            | 0                           | -988           |
| Depreciation for the year                   | -2 169         | -21 854               | -28 127                    | -777         | 0                           | -52 927        |
| <b>Balance at 31 December 2020</b>          | <b>113 881</b> | <b>35 141</b>         | <b>93 260</b>              | <b>1 123</b> | <b>133 357</b>              | <b>376 762</b> |
| Acquisition cost                            | 129 047        | 186 921               | 247 191                    | 6 232        | 138 493                     | 707 884        |
| Accumulated depreciation and impairment     | -15 165        | -151 780              | -153 931                   | -5 110       | -5 136                      | -331 122       |
| <b>Carrying amounts at 31 December 2020</b> | <b>113 881</b> | <b>35 141</b>         | <b>93 260</b>              | <b>1 123</b> | <b>133 357</b>              | <b>376 762</b> |
| Depreciation and impairment for the year    | -2 169         | -21 854               | -28 127                    | -777         | 0                           | -52 927        |
| Useful life                                 | 30 years       | 3-5 years             | 3-5 years                  | 3-5 years    |                             |                |

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

### 7 Intangible assets and goodwill

| Amounts in TNOK                             | Goodwill         | Licenses,<br>software, etc. | Brand         | Customer<br>contracts | Total            |
|---|------------------|-----------------------------|---------------|-----------------------|------------------|
| <b>Balance at 31 December 2018</b>          | <b>1 154 160</b> | <b>46 022</b>               | <b>89 535</b> | <b>2 393 567</b>      | <b>3 683 284</b> |
| Translation differences                     | -15 290          | -90                         | -761          | -27 442               | -43 583          |
| Acquisitions                                | 0                | 24 757                      | 0             | 355 955               | 380 711          |
| Acquisition on company purchase             | 0                | 0                           | 0             | 0                     | 0                |
| Amortization for the year                   | 0                | -18 466                     | 0             | -220 816              | -239 281         |
| <b>Balance at 31 December 2019</b>          | <b>1 138 870</b> | <b>52 223</b>               | <b>88 774</b> | <b>2 501 264</b>      | <b>3 781 132</b> |
| Acquisition cost                            | 1 121 330        | 121 693                     | 88 774        | 3 509 841             | 4 841 638        |
| Accumulated amortization                    | 17 540           | -69 470                     | 0             | -1 008 577            | -1 060 506       |
| <b>Carrying amounts at 31 December 2019</b> | <b>1 138 870</b> | <b>52 223</b>               | <b>88 774</b> | <b>2 501 264</b>      | <b>3 781 132</b> |
| Amortization and impairment for the year    | 0                | -18 466                     | 0             | -220 816              | -239 281         |
| Useful life                                 | Indefinite       | 3-5 years                   | Indefinite    | 16 years              |                  |



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| Amounts in TNOK                             | Goodwill         | Licenses,<br>software, etc. | Brand         | Customer<br>contracts | Total            |
|---|------------------|-----------------------------|---------------|-----------------------|------------------|
| <b>Balance at 31 December 2019</b>          | <b>1 138 870</b> | <b>52 223</b>               | <b>88 774</b> | <b>2 501 264</b>      | <b>3 781 132</b> |
| Translation differences                     | 77 282           | 699                         | 5 459         | 147 140               | 230 580          |
| Acquisitions                                | 0                | 9 406                       | 0             | 374 709               | 384 115          |
| Amortization for the year                   | 0                | -20 754                     | 0             | -237 887              | -258 641         |
| <b>Balance at 31 December 2020</b>          | <b>1 216 152</b> | <b>41 575</b>               | <b>94 233</b> | <b>2 785 226</b>      | <b>4 137 186</b> |
| Acquisition cost                            | 1 216 153        | 132 013                     | 94 233        | 4 005 426             | 5 447 824        |
| Accumulated amortization                    | 0                | -90 438                     | 0             | -1 220 380            | -1 310 818       |
| <b>Carrying amounts at 31 December 2020</b> | <b>1 216 153</b> | <b>41 575</b>               | <b>94 233</b> | <b>2 785 046</b>      | <b>4 137 007</b> |
| Amortization and impairment for the year    | 0                | -20 754                     | 0             | -237 887              | -258 641         |
| Useful life                                 | Indefinite       | 3-5 years                   | Indefinite    | 17 years              |                  |

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

| Amounts in TNOK                    | Undeveloped<br>pat |
|------------------------------------|--------------------|
| <b>Balance at 31 December 2018</b> | <b>412</b>         |
| Acquisitions                       | 0                  |
| Disposal                           | 0                  |
| <b>Balance at 31 December 2019</b> | <b>412</b>         |
| Acquisitions                       | 0                  |
| Disposal                           | 0                  |
| <b>Balance at 31 December 2020</b> | <b>412</b>         |

### Impairment test goodwill and intangible assets

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

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

| Amounts in TNOK     | Opening balance  | Acquisition | Disposals | Translation<br>differences | Closing<br>balance |
|---------------------|------------------|-------------|-----------|----------------------------|--------------------|
| <b>2020</b>         |                  |             |           |                            |                    |
| Norwegian portfolio | 133 420          | 0           | 0         | 0                          | 133 420            |
| Irish portfolio     | 513 349          | 0           | 0         | 31 565                     | 544 914            |
| Swedish portfolio   | 353 961          | 0           | 0         | 37 225                     | 391 186            |
| Finnish portfolio   | 115 014          | 0           | 0         | 7 072                      | 122 086            |
| Spanish portfolio   | 4 093            | 0           | 0         | 252                        | 4 345              |
| French portfolio    | 19 029           | 0           | 0         | 1 170                      | 20 200             |
| <b>Total</b>        | <b>1 138 866</b> | <b>0</b>    | <b>0</b>  | <b>77 284</b>              | <b>1 216 150</b>   |

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

## 8 Trade and other receivables

| Amounts in TNOK                                     | 2020           | 2019           |
|---|----------------|----------------|
| Trade receivable                                    | 197 657        | 202 167        |
| Allowance for impairment of trade receivables       | -19 139        | -14 073        |
| <b>Accounts receivable net</b>                      | <b>178 518</b> | <b>188 093</b> |
| Advance payments                                    | 220 403        | 210 695        |
| Other receivables                                   | 367 432        | 72 080         |
| <b>Total trade receivable and other receivables</b> | <b>766 353</b> | <b>470 868</b> |

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

Other receivables include a deposit to the Spanish authorities of EUR 1 million, associated with a dispute involving VAT, cf. note 23.

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

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

### Movement in impairment allowance:

|                               | 2020           | 2019           |
|-------------------------------|----------------|----------------|
| Balance at 1 January          | -14 690        | -12 498        |
| loss allowance                | -13 501        | -5 030         |
| Amounts written off           | 9 052          | 3 454          |
| <b>Balance at 31 December</b> | <b>-19 138</b> | <b>-14 073</b> |

Write down and reversal of write down on accounts receivable are included in other operating costs.

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



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### 9 Cash and cash equivalents

In the Cash Flow Statement, cash and cash equivalents encompasses the following:

| Amounts in TNOK                                      | 2020      | 2019      |
|--|-----------|-----------|
| Cash and bank deposits                               | 2 723 258 | 3 787 809 |
| Of which restricted funds (Tax withholding account): | 11 556    | 11 068    |

### 10 Share capital and share premium

| Amounts in TNOK             | Number of shares<br>(000) | Share capital | Share Premium | Total |
|-----------------------------|---------------------------|---------------|---------------|-------|
| Balance at 1 January 2020   | 4 359                     | 2 180         | 100           | 2 280 |
| Balance at 31 December 2020 | 4 359                     | 2 180         | 100           | 2 280 |

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

### 11 Other short-term liabilities

| Amounts in TNOK                           | 2020           | 2019           |
|---|----------------|----------------|
| Trade payables                            | 111 491        | 92 426         |
| Payable to authorities                    | 423 778        | 110 290        |
| Other short-term liabilities              | 188 251        | 176 987        |
| Prepaid from customers / deferred revenue | 249 996        | 248 284        |
| <b>Total</b>                              | <b>673 516</b> | <b>627 986</b> |

Other short term liabilities consists largely of accrued vacation pay in line with governmental requirements and accruals for vendor invoices not yet processed and little or no risk is associated. No liabilities above mature past 12 months. The carrying amount is considered to be a reasonable approximation of fair value.

### 12 Loans and borrowings

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

| Amounts in TNOK                                   | 2020             | 2019             |
|---|------------------|------------------|
| <b>Long-term liabilities</b>                      |                  |                  |
| Loans and borrowings                              | 6 108 518        | 5 737 295        |
| Leasing liabilities                               | 289 255          | 288 295          |
| <b>Total long-term loans</b>                      | <b>6 397 773</b> | <b>6 025 590</b> |
| <b>Short-term liabilities</b>                     |                  |                  |
| Loans and borrowings                              | 2 277            | 9 184            |
| Leasing liabilities                               | 65 343           | 53 409           |
| <b>Total short-term loans</b>                     | <b>67 621</b>    | <b>62 593</b>    |
| Bank overdraft facility                           | 0                | 0                |
| <b>Total short-term loans including overdraft</b> | <b>67 621</b>    | <b>62 593</b>    |

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

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

There are no fixed annual instalments for the EUR 590 million Term Loan B. However, Sector Alarm is required to prepay 50% of Excess Cash Flow (as defined in the Term Loan B Facility Agreement) if Net Debt Cover (as defined in the Term Loan B Facility Agreement) greater than 5.00:1 and 25% of Excess cash flow if Net Debt Cover is greater than 4.50:1 but less than or equal to 5.00:1 within 20 Business Days of delivery of Annual Financial Statements. The conditions regarding Excess Cash Flow and Net Debt Cover is applicable from the Annual Financial Statements for the financial year 2020.

No breaches of covenants have occurred in 2019 or 2020.

| Amounts in TNOK         | 2020             | 2019             |
|-------------------------|------------------|------------------|
| Term loan B             | 6 177 477        | 5 819 642        |
| Other minor bank loans  | 14 167           | 22 530           |
| Amendment fee           | -80 848          | -95 693          |
| <b>Total bank loans</b> | <b>6 110 796</b> | <b>5 746 479</b> |

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

|                       | 2020             | 2019             |
|-----------------------|------------------|------------------|
| Between 1 and 2 years | 186 727          | 176 735          |
| Between 2 and 5 years | 745 645          | 702 386          |
| More than 5 years     | 6 195 430        | 5 993 004        |
| <b>Total</b>          | <b>7 127 802</b> | <b>6 872 125</b> |

| Amounts in TNOK                                      | 2020             | 2019             |
|--|------------------|------------------|
| <b>Security</b>                                      | <b>6 110 796</b> | <b>5 746 479</b> |
| <b>Carrying amount of assets pledged as security</b> |                  |                  |
| Fixed assets   | 95 930           | 80 493           |
| Customer contracts                                   | 0                | 0                |
| Alarm systems not in use                             | 0                | 0                |
| Accounts receivable                                  | 0                | 0                |
| <b>Total</b>   | <b>95 930</b>    | <b>80 493</b>    |

Office building, NOK 96 million, in General Services Sector Alarm SLU have been pledged to secure borrowings in General Services Sector Alarm SLU.

In addition shares in companies mentioned below, including intercompany loans and bank accounts in the companies have been pledged to secure borrowings of the Group at 31.12.2020:

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



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## Isanor Invest AS Consolidated notes 2020

### 13 Income tax

| Amounts in TNOK  | 2020          | 2019          |
|--|---------------|---------------|
| <b>Tax expense</b>   |               |               |
| Current tax expense  | 155 812       | 70 352        |
| Change in deferred tax - origination and reversal of temporary differences | -105 302      | 3 330         |
| Change in deferred tax - reduction in tax rate                             | -12 191       | -4 909        |
| Change in deferred tax - other   | 35 616        | 2 746         |
| Changes in estimates related to prior years                                | -215          | 3 271         |
| Other  | -13 981       | 17 510        |
| <b>Tax expense continuing operations</b>                                   | <b>59 739</b> | <b>92 301</b> |

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

| Reconciliation of effective tax rate   | 2020           | 2019            |
|--|----------------|-----------------|
| <b>Profit before tax from continuing operations</b>                          | <b>199 656</b> | <b>-222 288</b> |
| Income tax using Norwegian tax rate (22%)                                    | 43 968         | -48 836         |
| Effect of tax rates in foreign jurisdictions                                 | -27 734        | -24 687         |
| Tax effect non deductible expenses   | 8 779          | 114 304         |
| Tax effect current-year losses for which no deferred tax asset is recognised | 50 681         | 43 702          |
| Utilized loss carried forward  | -168           | -2 793          |
| Effect of changes in tax rate on deferred tax items                          | -12 191        | -4 909          |
| Changes in estimates related to prior years                                  | -215           | 3 271           |
| Other effects  | -3 382         | 12 248          |
| <b>Income tax</b>  | <b>59 739</b>  | <b>92 301</b>   |
| <b>Effective tax rate</b>  | <b>30 %</b>    | <b>-42 %</b>    |

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

| Tax payable                                 | 2020           | 2019          |
|---|----------------|---------------|
| Current tax of tax base before contribution | 179 545        | 83 323        |
| Prepaid taxes                               | -85 469        | -29 531       |
| Other including previous years tax payable  | 53 945         | 36 606        |
| <b>Total tax payable</b>                    | <b>148 021</b> | <b>90 398</b> |

#### Deferred tax

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

| Amounts in TNOK   | 2020            | 2019            |
|---|-----------------|-----------------|
| Deferred tax asset  | 123 504         | 14 538          |
| Deferred tax liabilities                                      | 283 271         | 272 633         |
| <b>Net deferred benefit/liability(-) in the balance sheet</b> | <b>-159 767</b> | <b>-258 095</b> |

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

| Changes in deferred tax/deferred tax asset in the balance sheet: | 2020            | 2019            |
|--|-----------------|-----------------|
| <b>Balance at 1 January</b>                                      | <b>-258 095</b> | <b>-262 239</b> |
| Currency translation   | -19 413         | 3 467           |
| Recognised in the period   | 105 302         | -3 330          |
| Changes in tax rate  | 12 191          | 4 909           |
| Other  | 249             | -901            |
| <b>Balance at 31 December</b>                                    | <b>-159 767</b> | <b>-258 095</b> |

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

| Amounts in TNOK   | 2020                |                          | 2019                |                          |
|---|---------------------|--------------------------|---------------------|--------------------------|
|   | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| Property, plant and equipment                                     | 1 077               | 229 963                  | 852 200             | 1 078 727                |
| Accounts receivables  | 859                 | 0                        | 833                 | 0                        |
| Other provisions and accruals                                     | 79 431              | 0                        | 676                 | 0                        |
| Losses carried forward  | 139 733             | 0                        | 116 428             | 0                        |
| Limitations of tax deductibility of interest expense              | 25 825              | 0                        | 0                   | 0                        |
| Other   | 1 100               | 73 108                   | 1 644               | 48 656                   |
| <b>Total recognised deferred tax assets</b>                       | <b>248 026</b>      | <b>303 071</b>           | <b>971 781</b>      | <b>1 127 383</b>         |
| Unrecognised deferred tax assets                                  | -104 722            | 0                        | -102 493            | 0                        |
| <b>Deferred benefit/liability</b>                                 | <b>143 304</b>      | <b>303 071</b>           | <b>869 289</b>      | <b>1 127 383</b>         |
| <b>Net Deferred tax benefit/liability(-) in the balance sheet</b> | <b>-159 767</b>     | <b>0</b>                 | <b>-258 095</b>     | <b>0</b>                 |

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

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

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

At the reporting date, the Group has unused tax losses of NOK 635,3 million (2019: NOK 521,1 million) available for offset against future profits. A deferred tax asset has been recognised in respect of NOK 35 million (2019: NOK 17 million) of such losses. No deferred tax asset has been recognised in respect of the remaining NOK 104,7 million (2019: NOK 101 million) as it is not considered probable that there will be future taxable profits available.

Included in unrecognised tax losses are losses of NOK 11 million that will expire in 2021, NOK 29 million in 2022, NOK 7 million in 2023, NOK 20 million in 2024, NOK 14 million in 2025 and NOK 295 million above 5 years. Other losses may be carried forward indefinitely.



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## Isanor Invest AS Consolidated notes 2020

### 14 Other gains and losses

| Amounts in TNOK                           | 2020            | 2019           |
|---|-----------------|----------------|
| Realised currency derivatives in the year | 0               | 8 806          |
| Net currency gains and losses             | -208 452        | -66 060        |
| <b>Other gains and losses</b>             | <b>-208 452</b> | <b>-57 254</b> |

### 15 Employee benefits

| Amounts in TNOK                                    | 2020             | 2019           |
|--|------------------|----------------|
| Wages and salaries                                 | 846 178          | 718 809        |
| Social security contributions                      | 171 755          | 155 083        |
| Pension costs - defined contribution pension plans | 32 180           | 26 742         |
| Pension costs - defined benefit plans              | 5 135            | 4 148          |
| Other benefits                                     | 30 692           | 72 322         |
| <b>Total</b>                                       | <b>1 085 940</b> | <b>977 105</b> |

|  |       |       |
|--|-------|-------|
| Number of FTEs excluding discontinued operations | 2 050 | 1 884 |
|--|-------|-------|

#### Pension costs - defined benefit plans

|   | 2020         | 2019         |
|---|--------------|--------------|
| Current value of the year's pension payments                | 4 149        | 3 133        |
| Interest costs from pension commitment                      | 986          | 1 015        |
| <b>Net pension costs including employers' contributions</b> | <b>5 135</b> | <b>4 148</b> |

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

|   | 2020           | 2019           |
|---|----------------|----------------|
| Opening defined benefit obligation        | 170 784        | 134 499        |
| Current service cost                      | 4 052          | 3 137          |
| Interest cost                             | 2 502          | 2 989          |
| Employee contributions                    | 482            | 454            |
| Net benefit paid out                      | -806           | -1 726         |
| Actuarial (gains)/losses – experience     | -1 246         | -355           |
| Other                                     | 6 290          | 864            |
| Actuarial (gains)/losses – assumptions    | 42 572         | 30 923         |
| <b>Closing defined benefit obligation</b> | <b>224 630</b> | <b>170 784</b> |

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

|                                     | 2020           | 2019           |
|-------------------------------------|----------------|----------------|
| Opening fair value of assets        | 102 250        | 86 176         |
| Employer contributions              | 2 241          | 1 923          |
| Employee contributions              | 482            | 454            |
| Net benefits paid out               | -806           | -1 726         |
| Interest Income on Plan Assets      | 1 539          | 1 973          |
| Actuarial gains/(losses) on assets  | 20 176         | 13 450         |
| <b>Closing fair value of assets</b> | <b>125 882</b> | <b>102 250</b> |

#### Financial assumptions:

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

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

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

No loans or securities have been provided to the CEO, Chairman of the Board or other related parties.  
There are not any agreements on severance salaries to the Board or senior executives.

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### 16 Other operating costs

| Amounts in TNOK                 | 2020           | 2019             |
|---------------------------------|----------------|------------------|
| <b>Other operating costs</b>    |                |                  |
| Norwegian Competition Authority | 0              | 467 000          |
| Related parties                 | 4 536          | 8 728            |
| Other operating costs           | 606 811        | 613 933          |
| Auditors fees                   | 4 878          | 3 337            |
| <b>Total</b>                    | <b>616 224</b> | <b>1 092 998</b> |

| Auditor's fees                      | 2020         | 2019         |
|-------------------------------------|--------------|--------------|
| Statutory audit                     | 3 941        | 2 265        |
| Other attestation services          | 128          | 476          |
| Technical assistance and tax advice | 372          | 146          |
| Remuneration for other services     | 437          | 450          |
| <b>Total</b>                        | <b>4 878</b> | <b>3 337</b> |

Included in other operating cost for 2020 is a gift of NOK 100 million to an independent foundation "Let's Build" which purpose is to help more children and youth in developing countries having an education.



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## Isanor Invest AS Consolidated notes 2020

### 17 Financial income and costs

| Amounts in TNOK  | 2020            | 2019            |
|--|-----------------|-----------------|
| Interest income  | 72 079          | 42 074          |
| Other finance revenues                                   | 44 741          | 5 638           |
| Interest costs   | -215 298        | -177 471        |
| Other finance costs                                      | -100 421        | -40 788         |
| Net currency gains/losses                                | -208 453        | -66 060         |
| <b>Net financial costs</b>                               | <b>-407 353</b> | <b>-236 607</b> |
| Currency gains   | 302 039         | 42 769          |
| Currency losses  | -510 491        | -108 829        |
| <b>Sum net currency gains/losses</b>                     | <b>-208 452</b> | <b>-66 060</b>  |
| Net currency gain/loss due to operations                 | -6 644          | -3 339          |
| Net currency gain/loss due to finance items (i.e. loans) | -201 808        | -62 721         |
| <b>Sum net currency finance/operations split</b>         | <b>-208 452</b> | <b>-66 060</b>  |
| Net currency gain/loss on external balances              | -203 752        | -49 352         |
| Net currency gain/loss on intercompany balances          | -4 700          | -16 107         |
| <b>Sum net currency external/C split</b>                 | <b>-208 452</b> | <b>-66 060</b>  |

### 18 Shareholders and shareholder information

The Company's share capital at 31.12.2020 consists of 4 359 354 shares at NOK 0,5 per share. Each share has one vote. There was one shareholder as at 31 December 2020.

| Shareholders  | Number    | Share |
|---|-----------|-------|
| Jørgen Dahl   | 4 359 000 | 100 % |
| Amounts in TNOK   |           |       |
| Dividends recognised as distributions to owners during the period | 80 000    |       |
| Dividends per share   | 18        |       |

### 19 Leasing

| Amounts in TNOK   | 2020           | 2019           |
|---|----------------|----------------|
| <b>Amounts recognized in profit and loss</b>                                |                |                |
| Expenses related to contracts with exception for short term leases          | 573            | 321            |
| Expenses related to contracts with exception for low value assets           | 10             | 56             |
| Variable lease payments based on index or a rate                            | 38 294         | 42 566         |
| <b>Total</b>  | <b>38 877</b>  | <b>42 942</b>  |
| Short term lease liabilities  | 65 343         | 53 409         |
| Long term lease liabilities   | 289 255        | 288 295        |
| <b>Total lease liabilities</b>  | <b>354 598</b> | <b>341 704</b> |
| Potential lease payments not included in lease liabilities.                 | 35 283         | 33 017         |
| Interest cost   | 10 406         | 7 763          |
| Total cash outflow  | 59 268         | 35 695         |
| Incremental borrowing rate  | 3,00 %         | 3,00 %         |
| <b>The maturities for the long-term leasing liabilities are as follows:</b> | <b>2020</b>    | <b>2019</b>    |
| Between 1 and 2 years   | 47 191         | 56 399         |
| Between 2 and 5 years   | 119 512        | 79 023         |
| More than 5 years   | 122 552        | 152 873        |
| <b>Total</b>  | <b>289 255</b> | <b>288 120</b> |

### Right of use assets

|  | Cars          | Office machines | Buildings        | Total          |
|--|---------------|-----------------|------------------|----------------|
| <b>Balance at 01 January 2019</b>        | <b>41 583</b> | <b>603</b>      | <b>265 710</b>   | <b>307 896</b> |
| Translation differences                  | -527          | -3              | -2 004           | -2 534         |
| Acquisitions                             | 26 717        | 834             | 68 130           | 95 681         |
| Disposals                                | -2 506        | -114            | -12 145          | -14 765        |
| Depreciation and impairment for the year | -21 622       | -2 105          | -34 377          | -58 104        |
| Reclassification                         | 0             | 0               | 0                | 0              |
| <b>Balance at 31 December 2019</b>       | <b>43 550</b> | <b>991</b>      | <b>256 467</b>   | <b>301 008</b> |
| <b>Right of use assets</b>               | <b>Cars</b>   | <b>machines</b> | <b>Buildings</b> | <b>Total</b>   |
| <b>Balance at 01 January 2020</b>        | <b>43 550</b> | <b>991</b>      | <b>256 467</b>   | <b>301 008</b> |
| Translation differences                  | 2 925         | 39              | 8 940            | 11 904         |
| Acquisitions                             | 15 042        | 1 307           | 59 473           | 75 822         |
| Disposals                                | -9 928        | -561            | -6 186           | -16 675        |
| Depreciation and impairment for the year | -24 323       | -275            | -42 384          | -67 582        |
| <b>Balance at 31 December 2020</b>       | <b>27 267</b> | <b>1 502</b>    | <b>275 709</b>   | <b>304 478</b> |



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## Isanor Invest AS Consolidated notes 2020

### 20 Related parties

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

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

Amounts in TNOK

#### a) Sales of products and services

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

#### b) Purchases of products and services

|                                       | 2020  | 2019  |
|---------------------------------------|-------|-------|
| From related parties (legal services) | 4 536 | 8 728 |

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

#### c) Loans from associated parties

There have been no loans from related parties.

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

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

There have been no interest expenses on loans from related parties.

#### d) Loans to senior employees

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

### 21 Subsidiaries

The Group comprises the parent company, Isanor Invest AS, and the following directly and indirectly owned subsidiaries:

| Company                           | Country     | Area of business         | Ownership share | Share of votes | Annual profit ('000) | Equity ('000)  |
|-----------------------------------|-------------|--------------------------|-----------------|----------------|----------------------|----------------|
| SANOK Invest AS                   | Norway      | Holding company          | 90,42 %         | 90,42 %        | -NOK 16 547          | NOK 976 063    |
| Sector SPV AS                     | Norway      | Holding company          | 90,69 %         | 90,69 %        | -NOK 238             | NOK 7 594 732  |
| Sector Alarm Manco AS             | Norway      | Holding company          | 8,46 %          | 63,48 %        | -NOK 58              | NOK 76 403     |
| Sector Alarm TopCo AS             | Norway      | Holding company          | 63,48 %         | 63,48 %        | -NOK 935             | NOK 10 741 875 |
| Sector Alarm MidCo AS             | Norway      | Holding company          | 63,04 %         | 63,04 %        | -NOK 41              | NOK 9 978 344  |
| Sector Alarm Holding AS           | Norway      | Group services           | 63,04 %         | 63,04 %        | NOK 815 637          | NOK 3 644 097  |
| Sector Alarm AS                   | Norway      | Monitored alarm services | 63,04 %         | 63,04 %        | NOK 295 956          | NOK 7 966      |
| Sector Alarm Drift AS             | Norway      | Monitored alarm services | 63,04 %         | 63,04 %        | NOK 3 158            | NOK 144        |
| Sector Alarm ALS AS               | Norway      | Monitored alarm services | 63,04 %         | 63,04 %        | NOK 947              | NOK 229        |
| SA Saig AS                        | Norway      | Monitored alarm services | 63,04 %         | 63,04 %        | NOK 2 900            | NOK 21 744     |
| Sector Alarm IT AS                | Norway      | Group services           | 63,04 %         | 63,04 %        | NOK 2 747            | NOK 33 161     |
| Sector Alarm AB                   | Sweden      | Monitored alarm services | 63,04 %         | 63,04 %        | SEK 334 090          | SEK 1 315 352  |
| SA Bevakning AB                   | Sweden      | Monitored alarm services | 63,04 %         | 63,04 %        | SEK 1 303            | SEK 1 359      |
| SA Försäkring AB                  | Sweden      | Monitored alarm services | 63,04 %         | 63,04 %        | SEK 2 864            | SEK 2 931      |
| Sector Alarm Service AB           | Sweden      | Monitored alarm services | 63,04 %         | 63,04 %        | SEK 3 732            | SEK 42 761     |
| Sector Alarm Ireland AS           | Norway      | Monitored alarm services | 63,04 %         | 63,04 %        | -NOK 253             | NOK 998 144    |
| PhoneWatch Ltd                    | Ireland     | Monitored alarm services | 63,04 %         | 63,04 %        | EUR 18 734           | EUR 75 561     |
| Sector Alarm Europe AB            | Sweden      | Monitored alarm services | 63,04 %         | 63,04 %        | SEK 905              | SEK 4 585 500  |
| Sector Alarm Spain S.A.U          | Spain       | Monitored alarm services | 63,04 %         | 63,04 %        | -EUR 10 467          | EUR 11 328     |
| Sector Alarm France SARL          | France      | Monitored alarm services | 63,04 %         | 63,04 %        | EUR 16               | EUR 31 996     |
| Sector Alarm SAS                  | France      | Monitored alarm services | 63,04 %         | 63,04 %        | -EUR 5 687           | EUR 8 328      |
| Sector Alarm Oy                   | Finland     | Monitored alarm services | 63,04 %         | 63,04 %        | -EUR 4 655           | EUR 10 068     |
| Sector Alarm Spain AS             | Norway      | Monitored alarm services | 63,04 %         | 63,04 %        | -NOK 16              | NOK 13 314     |
| General Services Sector Alarm SLU | Spain       | Group services           | 63,04 %         | 63,04 %        | EUR 590              | EUR 4 565      |
| Sector Alarm Real Estate SLU      | Spain       | Property                 | 63,04 %         | 63,04 %        | EUR 12               | EUR 4 115      |
| Sector Alarm Holland B.V.         | Netherlands | Group services           | 63,04 %         | 63,04 %        | EUR 6                | -EUR 1 913     |
| Sector Alarm Italy                | Italy       | Monitored alarm services | 63,04 %         | 63,04 %        | EUR 0                | EUR 0          |

Effective 1st of January Sector Alarm Holding AS merged with fully owned subsidiaries Sector Alarm Group Holding AS, Sector Alarm Group AS and Sector Alarm Sverige AS. In addition effective from 1 January 2020 Isanor Invest AS merged with Isanor Impact AS.

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



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## Isanor Invest AS Consolidated notes 2020

### 22 Financial instruments

The Group has the following financial instruments:

*Financial assets/liabilities at amortised cost:*

Financial assets: Accounts receivables, other current receivables and cash and cash equivalents.

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

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

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in fair value

**Level 1:** Quoted prices (unadjusted) in active markets for identical financial instruments

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, wither directly or indirectly

**Level 3:** Inputs for assets or liabilities that are not based on observable inputs.

The Groups subscription rights are valued based on level 2 inputs received from Nokas related to the companys financial performane and shareholder transactions.

Equity Securities are valued based on level 1 inputs at year-end.

Derivative instruments – Interest swap

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

| 31.12.2020   | Amortised cost   | Fair value through profit or loss (FVTPL) | Fair value through other comprehensive income (FVOCI) | Total            |
|--|------------------|---|---|------------------|
| <b>Amounts in TNOK</b>                             |                  |   |   |                  |
| <b>Financial assets</b>                            |                  |   |   |                  |
| Accounts receivable                                | 178 518          | 0   | 0   | 178 518          |
| Other receivables                                  | 461 594          | 0   | 0   | 461 594          |
| Cash and cash equivalents                          | 2 723 258        | 0   | 0   | 2 723 258        |
| Subscription rights                                | 0                | 754 133                                   | 0   | 754 133          |
| Equity securities                                  | 0                | 1 840 059                                 | 0   | 1 840 059        |
| Derivative financial instruments                   | 0                | 59  | 0   | 59               |
| <b>Total financial assets</b>                      | <b>3 363 370</b> | <b>2 594 252</b>                          | <b>0</b>  | <b>5 957 622</b> |
| <b>Financial liabilities (short and long term)</b> |                  |   |   |                  |
| Loans external                                     | 6 110 796        | 0   | 0   | 6 110 796        |
| Leasing liability                                  | 354 598          | 0   | 0   | 354 598          |
| Accounts payable                                   | 111 491          | 0   | 0   | 111 491          |
| Other liabilities                                  | 714 536          | 0   | 0   | 714 536          |
| <b>Total financial liabilities</b>                 | <b>7 291 420</b> | <b>0</b>                                  | <b>0</b>  | <b>7 291 420</b> |
| <b>31.12.2019</b>                                  |                  |   |   |                  |
| <b>Financial assets</b>                            |                  |   |   |                  |
| Accounts receivable                                | 188 093          | 0   | 0   | 188 093          |
| Other receivables                                  | 282 775          | 0   | 0   | 282 775          |
| Cash and cash equivalents                          | 3 787 809        | 0   | 0   | 3 787 809        |
| Subscription rights                                | 0                | 754 133                                   | 0   | 754 133          |
| Equity securities                                  | 0                | 775 161                                   | 0   | 775 161          |
| Derivative financial instruments                   | 0                | 64  | 0   | 64               |
| <b>Total financial assets</b>                      | <b>4 258 678</b> | <b>1 529 359</b>                          | <b>0</b>  | <b>5 788 037</b> |
| <b>Financial liabilities (short and long term)</b> |                  |   |   |                  |
| Loans external                                     | 5 746 479        | 0   | 0   | 5 746 479        |
| Accounts payable                                   | 341 704          | 0   | 0   | 341 704          |
| Leasing liability                                  | 92 426           | 0   | 0   | 92 426           |
| Other liabilities                                  | 625 939          | 0   | 0   | 625 939          |
| <b>Total financial liabilities</b>                 | <b>6 806 547</b> | <b>0</b>                                  | <b>0</b>  | <b>6 806 547</b> |

### 23 Hedge accounting

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

|                                       | Net investment in subsidiaries | Net debt in foreign currency |
|---------------------------------------|--------------------------------|------------------------------|
| <b>Currency (in currency million)</b> | <b>14.06.2019</b>              | <b>14.06.2019</b>            |
| EUR                                   | 188 966                        | 135 275                      |
| SEK                                   | 873 658                        | 560 750                      |

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

Refer to note 2.7 regarding financial instruments and note 3.4 regarding financial risk management for further details related to hedge accounting.

### 24 Contingent assets and liabilities

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

The Group is involved in a dispute with the Spanish authorities concerning VAT. The outcome of the case could affect the profit of the company and equity by EUR 1 million. A deposit of an equivalent amount has been paid in pending the outcome of the case. This is regarded as being a security related to a contingent liability and recognized as a receivable. The probability of winning our case is considered by our advisors to be good.



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## Isanor Invest AS Consolidated notes 2020

### 25 Discontinued operations

In April 2019, Sector Alarm Holding AS sold AVARN Security Holding AS with Subsidiaries ("AVARN") to Nokas. The core business of AVARN was large systems while the focus for the Group are monitored alarms for households and small business. Up until the sale, AVARN functioned as an important strategic asset for the Group when consolidating the fragmented Nordic security market. Control of AVARN passed to Nokas 10 April 2019. Details of the sold assets and liabilities and the calculation of the profit or loss are disclosed in note 26. AVARN is classified as held for sale in 2019 showing discontinued operation separately from continuing operations.

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

| Amounts in TNOK  | 2019           |
|--|----------------|
| <b>P&amp;L</b>   |                |
| Revenue  | 909 947        |
| Expenses   | -935 672       |
| <b>Profit before tax</b>                                       | <b>-25 725</b> |
| Attributable tax expense                                       | -10 126        |
| Gain from disposal of discontinued operations                  | 548 300        |
| Attributable tax expense                                       |                |
| <b>Net gain (loss) attributable to discontinued operations</b> | <b>512 448</b> |
| <b>Net gain (loss) attributable to majority owners</b>         | <b>-15 663</b> |
| <b>Net gain (loss) attributable to minority owners</b>         | <b>528 112</b> |
| Earnings per share   | 105,4          |

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

### 26 Disposal of subsidiary

#### Avam Security Holding AS

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

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

There were no disposals of subsidiaries made in 2020.

The impact of Avam Security Holding AS on the Group's results in the current and prior years is disclosed in note 25.

The gain on disposal is included in the profit for the year from discontinued operations (see note 25).

### 27 Equity-accounted investees

See accounting policies in Note 2.2.

| Amounts in TNOK               | 2020           | 2019          |
|-------------------------------|----------------|---------------|
| Interest in associates        | 213 168        | 94 733        |
| <b>Balance at 31 December</b> | <b>213 168</b> | <b>94 733</b> |

#### Associate

On April 10th 2019 the Group acquired 9,99% of Avam Security AS (formerly known as NOKAS AS). Avam provide professionally monitored alarms for businesses in Europe. According to a merger review decision adopted by the Norwegian Competition Authority 28 March 2019, Sector Alarm Group including any related party according to section 1-5 of the Norwegian Company Act or any one acting on behalf of such related party is restricted from holding more than 25% of the outstanding shares in Avam. Avam is not publicly listed.

In addition to purchasing 9,99% of the shares, the Group also purchased 312.671 subscription rights and it was made a prepayment for 40.723 shares to the seller pending the Group being authorized as an owner of a Finance company in Sweden ("Finansföretag"). The transaction of the additional 40.723 shares was completed following the divestment of the Finance company in 2020 resulting in a share ownership of 19,92%. If the Norwegian Competition Authority prolongs the restriction on the right to exercise the subscription rights post the initial five years period, the Group will likely sell the subscription rights at market price unless Avam consents to the prolongation of the subscription rights.

#### Considerations over association with Avam

Based on a broad assessment of inter alia the shareholder composition and the Group's right to acquire up to 25% of the shares in Avam Security AS, and even though it holds less than 10 percent of the voting rights in the entity, the Group is considered to have significant influence over Avam in accordance with IAS 28 in order for Avam to be treated as an associated company.

The following table summarises the financial information of Avam Security AS as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Avam. The information includes the results of Avam for the period from 1 January to 31 December.

| Amounts in TNOK                                      | 2020           | 2019            |
|--|----------------|-----------------|
| <b>Percentage ownership</b>                          | <b>19,92 %</b> | <b>9,99 %</b>   |
| Non-current assets                                   | 3 655 405      | 3 747 105       |
| Current assets                                       | 1 784 362      | 1 660 168       |
| Non-current liabilities                              | -1 648 196     | -1 698 595      |
| Current liabilities                                  | -2 974 575     | -2 848 174      |
| <b>Net Assets (100%)</b>                             | <b>816 996</b> | <b>860 504</b>  |
| Group's share of net assets (20%)                    | 162 740        | 85 964          |
| Elimination of unrealised profit on downstream sales |                |                 |
| <b>Carrying amount of interest in associate</b>      | <b>213 168</b> | <b>94 733</b>   |
| Revenue  | 8 041 928      | 7 149 569       |
| Profit from continuing operations (100%)             | -78 080        | -191 528        |
| Other comprehensive income (100%)                    | 38 890         | 53 893          |
| <b>Total comprehensive income (100%)</b>             | <b>-39 189</b> | <b>-137 635</b> |
| <b>Total comprehensive income (20%)</b>              | <b>-7 806</b>  | <b>-13 750</b>  |
| <b>Group's share of total comprehensive income</b>   | <b>-7 806</b>  | <b>-13 750</b>  |



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## Isanor Invest AS Consolidated notes 2020

### 28 Other investments, including derivatives

See accounting policies in Note 2.7.

| Amounts in TNOK                | 2020             | 2019             |
|--------------------------------|------------------|------------------|
| <b>Non-current investments</b> |                  |                  |
| Equity securities - FVTPL      | 1 840 059        | 775 161          |
| Subscription rights - FVTPL    | 754 133          | 754 133          |
| <b>Total</b>                   | <b>2 594 193</b> | <b>1 529 294</b> |

The equity securities includes investment funds acquired at the period 2019 to 2020.  
Subscription rights consists of 312.671 subscription rights in Avam Security AS fully paid except for share capital.

| <b>Current investments</b>       |           |           |
|----------------------------------|-----------|-----------|
| Derivative financial instruments | 59        | 64        |
| <b>Total</b>                     | <b>59</b> | <b>64</b> |

Information about the Group's exposure to credit and market risks, and fair value measurements, is included in Note 3.

### 29 Events after the reporting date

On 27 April 2021, Sector Alarm AS received a notice of class action from "Alarmkundeforeningen" pursuant to the Norwegian Dispute Act § 5-2. No further procedural documentation has been received from "Alarmkundeforeningen" as of the date of the presentation of the annual accounts. Part from this, the Board of Directors are not aware of any matters after the end of the financial year that will have a material bearing on the company's position and earnings for 2020. Covid-19 will continue to impact the Group also in 2021.



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To the General Meeting of Isanor Invest AS

## Independent auditor's report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Isanor Invest AS, which comprise:

- The financial statements of the parent company Isanor Invest 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 Isanor Invest 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.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

|         |              |              |           |
|---------|--------------|--------------|-----------|
| Oslo    | Elverum      | Mo i Rana    | Stord     |
| Alta    | Finnsnes     | Molde        | Straume   |
| Arendal | Hamar        | Skien        | Tromsø    |
| Bergen  | Haugesund    | Sandefjord   | Trondheim |
| Bodo    | Knarvik      | Sandnessjøen | Tynset    |
| Drammen | Kristiansand | Stavanger    | Ålesund   |



Isanor Invest AS

## Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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.

## 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.



Isanor Invest AS

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

### Opinion on the Board of Directors' report

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

### Opinion on Registration and Documentation

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

Oslo, 3 June 2021  
KPMG AS

Kjetil Kristoffersen  
State Authorized Public Accountant



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## ISANOR INVEST AS RESULTATREGNSKAP

All figures in TNOK

|                                    | Note | 2020            | 2019             |
|------------------------------------|------|-----------------|------------------|
| Dividend from subsidiaries         |      | 0               | 0                |
| Gain on sale of assets             | 13   | 934             | 8 158 177        |
| Gifts                              |      | -106 001        |                  |
| Other operating expense            | 7    | -3 227          | -18 133          |
| <b>Operating profit</b>            |      | <b>-108 294</b> | <b>8 140 044</b> |
| Finance income                     | 8    | 276 013         | 34 084           |
| Finance costs                      | 8    | -72 134         | -1 299           |
| <b>Profit before tax expense</b>   |      | <b>95 586</b>   | <b>8 172 829</b> |
| Taxes                              | 2    | -46 299         | -5 024           |
| <b>Profit</b>                      |      | <b>49 287</b>   | <b>8 167 805</b> |
| <b>Allocation of annual profit</b> |      |                 |                  |
| Allocated to other equity          |      | 49 287          | 8 117 807        |
| Dividend                           | 11   | 0               | 49 998           |
| <b>Total available</b>             |      | <b>49 287</b>   | <b>8 167 805</b> |



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## ISANOR INVEST AS BALANCE SHEET

All figures in TNOK

|                                    | Note   | 2020              | 2019             |
|------------------------------------|--------|-------------------|------------------|
| <b>ASSETS</b>                      |        |                   |                  |
| Deferred tax asset                 | 2      | 0                 | 0                |
| <b>Total intangible assets</b>     |        | <b>0</b>          | <b>0</b>         |
| <b>Financial assets</b>            |        |                   |                  |
| Long-term receivables              |        | 22 251            | 15 157           |
| Plots                              | 1      | 412               | 412              |
| Investments in subsidiaries        | 13     | 7 798 110         | 5 961 078        |
| Investment funds                   | 14     | 1 840 059         | 775 161          |
| <b>Total tangible fixed assets</b> |        | <b>9 660 832</b>  | <b>6 751 808</b> |
| <b>Current assets</b>              |        |                   |                  |
| Short-term receivables             | 3      | 314 109           | 10 643           |
| Cash and cash equivalents          | 4      | 2 050 759         | 2 302 306        |
| <b>Total current assets</b>        |        | <b>2 364 868</b>  | <b>2 312 948</b> |
| <b>Total Assets</b>                |        | <b>12 025 700</b> | <b>9 064 756</b> |
| <b>EQUITY</b>                      |        |                   |                  |
| <b>Contributed equity</b>          |        |                   |                  |
| Share capital                      | 11, 12 | 2 180             | 2 180            |
| Share premium                      | 11     | 100               | 100              |
| <b>Earned equity</b>               |        |                   |                  |
| Other equity                       | 11     | 11 977 032        | 9 007 390        |
| <b>Total equity</b>                |        | <b>11 979 311</b> | <b>9 009 670</b> |
| <b>DEBT</b>                        |        |                   |                  |
| <b>Long-term debt</b>              |        |                   |                  |
| Loan                               |        |                   |                  |
| Other long-term debt               |        | 0                 | 0                |
| Deferred tax                       | 2      | 0                 | 0                |
| <b>Total long-term debt</b>        |        | <b>0</b>          | <b>0</b>         |
| <b>Short-term debt</b>             |        |                   |                  |
| Tax payable                        | 2      | 46 299            | 5 024            |
| Loan                               |        | 0                 | 0                |
| Accounts payable                   |        | 90                | 65               |
| Proposed dividend                  |        | 0                 | 49 998           |
| Other short-term liabilities       | 5,15   | 0                 | 0                |
| <b>Sum short-term debt</b>         |        | <b>46 388</b>     | <b>55 087</b>    |
| <b>Total debt</b>                  |        | <b>46 388</b>     | <b>55 087</b>    |
| <b>Total equity and debt</b>       |        | <b>12 025 700</b> | <b>9 064 756</b> |

Oslo, 21 May 2021

DocuSigned by:

  
Jørgen Dahl

Chairman of the board



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## ISANOR INVEST AS CASH FLOW STATEMENT

|   | Note | 2020             | 2019             |
|---|------|------------------|------------------|
| <b>Cash flow from operating activities</b>                      |      |                  |                  |
| Profit before tax   |      | 95 586           | 8 172 829        |
| Net finance items   | 8    | -203 880         | -8 190 962       |
| Tax paid  | 2    | -7 393           | 0                |
| Other gains and losses  |      | 0                | 0                |
| Change in other operating receivables/payables                  |      | -302 357         | 2 530            |
| <b>Net cash flow from operating activities</b>                  |      | <b>-418 044</b>  | <b>-15 603</b>   |
| <b>Cash flow from investing activities</b>                      |      |                  |                  |
| Increase in investments in subsidiaries and funds               | 13   | -1 331 476       | -775 161         |
| Decrease in investments in subsidiaries and funds               |      | 314 109          | 0                |
| Dividends and return on investments                             |      |                  | 1 035 971        |
| Cash from merged subsidiary                                     |      | 1 154 813        | 0                |
| Proceeds from sales of investments in subsidiaries              | 13   | 6 000            | 2 055 568        |
| <b>Net cash flow from investing activities</b>                  |      | <b>143 446</b>   | <b>2 316 378</b> |
| <b>Cash flow from financing activities</b>                      |      |                  |                  |
| Change in long term receivables                                 |      | -7 094           | 15 157           |
| Innbetaling andre finansposter                                  |      | 0                | 0                |
| Long term loans paid  |      | 0                | 0                |
| Dividends paid  |      | -129 998         | -79 988          |
| Interests received  |      | 27 829           | 15 181           |
| Interests paid  |      | -442             | -1 299           |
| <b>Net cash flow from financing activities</b>                  |      | <b>-109 704</b>  | <b>-50 949</b>   |
| <b>Net cash flow</b>  |      | <b>-384 301</b>  | <b>2 249 825</b> |
| <b>Cash and cash equivalents at the beginning of the period</b> |      |                  |                  |
| Cash and cash equivalents at the beginning of the period        | 4    | 2 302 306        | 34 119           |
| Currency effect on cash in foreign currency                     |      | 132 755          | 18 360           |
| <b>Cash and cash equivalents at the end of the period</b>       |      | <b>2 050 759</b> | <b>2 302 305</b> |
| Cash and cash equivalents at the end of the period consists of: |      |                  |                  |
| Bank deposits etc   |      | 2 050 759        | 2 302 306        |
| Unused credit facilities also constitutes                       |      | 0                | 0                |



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Isanor Invest AS

Financial statement 2019

## Accounting principles

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

### Balance sheet items

Current assets and current liabilities comprise items that fall due for payment within one year of the transaction date. Fixed assets are assets intended for permanent ownership and use. Long-term debt is debt that matures later than one year after the transaction date. Current assets are valued at the lower of cost and fair value. Short-term debt is capitalized at the nominal amount at the time of establishment. Fixed assets are valued at cost. Fixed assets are depreciated according to a reasonable depreciation plan. Fixed assets are written down to fair value in the event of impairment that is not expected to be temporary. Long-term debt with the exception of other provisions is capitalized at the nominal amount at the time of establishment.

### Receivables

Receivables are recognized in the balance sheet at face value.

### Fixed assets

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

### Income tax

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

### Subsidiaries

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

### Consolidated financial statement

Isanor Invest AS is the parent company of a group and the financial statements are included in consolidated consolidated financial statements.



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Financial statement 2019

| Note 1                                   | Assets       |
|--|--------------|
|  | <b>Plots</b> |
| Expected lifetime                        |              |
| Acquisition cost 01.01                   | 412          |
| Additions                                |              |
| Disposals                                | 0            |
| Acquisition cost 31.12                   | 412          |
| Accumulated depreciations 01.01          | 0            |
| Depreciation and impairment for the year |              |
| Depreciations on disposals               | 0            |
| Accumulated depreciations 31.12          | 0            |
| Net book value 01.01                     | 412          |
| Net book value 31.12                     | 412          |
| Depreciations for the year               | 0            |
| Impairment for the year                  | 0            |

## Note 2 Income tax expense and deferred tax

### Deferred tax / deferred tax asset calculation

| Temporary differences   | 2020     | 2019     |
|---|----------|----------|
| Dividended income, 3% taxable                                     | 0        | 0        |
| Provisions  | 0        | 0        |
| Net temporary differences   | 0        | 0        |
| Tax loss carry forward  | 0        | 0        |
| <b>Basis for deferred tax</b>                                     | <b>0</b> | <b>0</b> |
| 22% (23%) deferred tax  | 0        | 0        |
| Of which deferred tax benefit not recognized in the balance sheet | 0        | 0        |
| <b>Deferred tax in the balance sheet</b>                          | <b>0</b> | <b>0</b> |

### Calculation of this year's tax base:

|  |                |               |
|--|----------------|---------------|
| Profit before tax expense  | 95 586         | 8 172 829     |
| Permanent differences  | 114 863        | -8 140 332    |
| This year's tax base   | 210 449        | 32 497        |
| Change in temporary differences                                    | 0              | 0             |
| <b>Basis for tax payable</b>                                       | <b>210 449</b> | <b>32 497</b> |
| +/- Received/provided group contribution                           | 0              | -9 660        |
| <b>Taxable income (basis for tax payable in the balance sheet)</b> | <b>210 449</b> | <b>22 838</b> |

### Distribution of tax costs

|  |               |              |
|--|---------------|--------------|
| Tax payable (22%) of tax payable basis in the income statement | 46 299        | 5 024        |
| Too much / too little allocated last year                      | 0             | 0            |
| Total tax payable  | 46 299        | 5 024        |
| Deviation tax allocated last year                              | 0             | 0            |
| Change in deferred tax   | 0             | 0            |
| <b>Income tax expense</b>                                      | <b>46 299</b> | <b>5 024</b> |

### Reconciliation from nominal to actual tax rate

|  | 2020          | 2019         |
|--|---------------|--------------|
| Expected tax at nominal tax rate                                       | 21 029        | 1 798 022    |
| Effect of permanent differences  | 25 270        | -1 790 873   |
| Effect of unrecognized deferred tax assets                             |               | -2 125       |
| Effect of changed tax rate when calculating deferred tax / tax benefit | 0             | 0            |
| Other items  | 0             | 0            |
| <b>Tax expense according to the income statement</b>                   | <b>46 299</b> | <b>5 024</b> |



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**Note 3**

**Short-term receivables**

|                              | 2020           | 2019          |
|------------------------------|----------------|---------------|
| Short-term receivables       | 314 109        | 10 643        |
| Total short-term receivables | <u>314 109</u> | <u>38 437</u> |

The company has not recorded any provision for losses on receivables or recorded losses on receivables in 2020 or 2019. The amount applies to a repayment from an investment that was settled in January 2021.

**Note 4**

**Cash and cash equivalents**

|                            | 2020      | 2019      |
|----------------------------|-----------|-----------|
| Cash and bank deposits     | 2 050 759 | 2 302 306 |
| Of which restricted funds: | 0         | 0         |

**Note 5**

**Proposed dividend**

|                   | 2020     | 2019          |
|-------------------|----------|---------------|
| Proposed dividend | 0        | 49 998        |
| Total             | <u>0</u> | <u>49 998</u> |

**Note 6**

**Salaries, pensions, etc**

The company has no employees.

No loans / collateral has been granted to related parties as of 31.12.2020.  
No loans / collateral constitute more than 5% of the company's equity.

**Note 7**

**Auditor fees**

| Expensed fees to auditors (excl VAT) | 2020       | 2019       |
|--------------------------------------|------------|------------|
| Statutory audit                      | 591        | 118        |
| Other attestation services           | -          | -          |
| Bookkeeping and tax advice           | -          | -          |
| Remuneration for other services      | 198        | 129        |
| Total                                | <u>789</u> | <u>247</u> |

**Note 8**

**Financial income and financial expenses**

|  | 2020           | 2019          |
|--|----------------|---------------|
| Interest income  | 55 113         | 15 274        |
| Increases/decrease in value of market-based financial current assets | -9 792         | 0             |
| Currency gain/loss   | 178 859        | 18 810        |
| Interest expense   | -20 300        | -1 299        |
| Net finance items  | <u>203 880</u> | <u>32 785</u> |

**Note 9**

**Pledges**

The company has no pledges as of 31.12.2020.



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Isanor Invest AS

Financial statement 2019

**Note 10 Commitments**

The company has had no lease / lease agreements or other obligations in 2020 and 2019.

**Note 11 Equity**

|                      | Share capital | Share premium | Earned equity | Total      |
|----------------------|---------------|---------------|---------------|------------|
| 01.01.2020           | 2 180         | 100           | 9 007 390     | 9 009 670  |
| Profit of the year   |               |               | 49 287        | 49 287     |
| Additional dividends |               |               | -80 000       | -80 000    |
| Equity from merger   |               |               | 3 000 355     | 3 000 355  |
| 31.12.2020           | 2 180         | 100           | 11 977 032    | 11 979 311 |

**Note 12 Share capital and shareholder information**

The company is controlled by Jørgen Dahl who owns 100% of the shares.

The company's share capital as of 31.12.2020 consists of 4,359,000 shares of NOK 0.50. Every share has one vote.

**Note 13 Subsidiaries**

Shares in subsidiaries are accounted for using the cost method.

| Subsidiary      | Business office | Share-% and vote-% | Profit after tax 2020 | Equity 2020 | Net book value 2020 |
|-----------------|-----------------|--------------------|-----------------------|-------------|---------------------|
| Sector SPV AS   | Oslo, Norge     | 90,69 %            | -238                  | 7 594 732   | 5 059               |
| SANOK Invest AS | Oslo, Norge     | 90,42 %            | -994                  | 997 619     | 665                 |

In 2019, Isanor Invest sold its shares in Sector Alarm Holding AS and reinvested approximately 70% of the value in the companies Sector SPV AS and SANOK Invest AS. In 2020 10.199 shares in Sector SPV AS was sold to Correncon Finance SAS.

The fully owned subsidiary Isanor Impact AS was in 2020 merged with Isanor Invest AS. As of 31.12.2020 Isanor Invest controls 63.04% of the Sector Alarm Group.

**Note 14 Investment funds**

Isanor Invest did acquire shares in investment funds in 2019 and 2020. The investment does not exceed 10% of the funds or 50% of Isanor Invest's equity.

| Fund        | Cost price (LOC) | Currency | Net book value, TNOK |
|-------------|------------------|----------|----------------------|
| Wealins     | 1 301 594        | NOK      | 1 267 911            |
| Bridgepoint | 45 000           | EUR      | 480 787              |
| Cubera      | 9 378            | EUR      | 91 362               |
| Total       |                  |          | 1 840 060            |

**Note 15 Related parties**

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

**Debt to related parties**

|  | 2020     | 2019    |
|--|----------|---------|
| Debt to shareholders and their companies |          |         |
| Balance sheet value 01.01                | 49 998   | 29 990  |
| Increased debt during the year           | 80 000   | 49 998  |
| Debt repaid during the year              | -129 998 | -29 990 |
| Balance sheet value 31.12                | 0        | 49 998  |
| Interest expense                         | 0        | 0       |
| Interest paid                            | 0        | 0       |

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



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# ISANOR INVEST AS

## Directors Report 2020

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Isanor Invest AS through its subsidiaries ("Sector Alarm") provide professionally monitored alarm services for nearly 560,000 residential households and small businesses ("Small Systems") in Europe through the brand names Sector Alarm and PhoneWatch. Through the subsidiary SANOK Invest AS holds the Isanor Invest Group a 10% stake in the AVARN Group which provides traditional guarding services in addition to alarm and monitoring services for large businesses in the Nordics. The stake in AVARN is considered a financial asset in the balance sheet of Isanor Invest AS.

Isanor Invest AS has entered into an agreement with the foundation "Let's Build" which purpose is to help more children and youth in developing countries having an education, and did in 2020 support this foundation with MNOK 100.

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

For the Group, revenues for 2020 were NOK 2.704 million. The earnings before tax were NOK 200 million. The annual profit was NOK 140 million. The Equity was NOK 3.440 million for 2020. The consolidated interest-bearing debt was NOK 6.470 million at the end of 2020 and consisted mainly of the EUR 590 million Term Loan B and finance leases. The liquidity position is solid and the cashflow was negative of NOK -1.085 million in 2020 due to investment in funds. The cashflow in 2019 was MNOK 3.309. The change from cashflow from operating activities of MNOK 752 to the total cashflow is mainly due to investment in new customers, interest payments and investment in funds.

Gain on sale of assets for Isanor Invest AS were NOK 0,9 million in 2020, the earnings before tax were NOK 96 million and the annual profit was NOK 49 million. The Equity was NOK 11.979 million.

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

In Isanor Invest AS there are no employees, while Sector Alarm in total had 2.345 employees with 31% women. In Norway, women represented 26% of the workforce, in Sweden 27%, in Ireland 33%, in Finland 26%, in Spain 45% and in France 29%. Sector Alarm endeavor equal gender distribution and has female employees in management positions in all countries. Total sick leave in Sector Alarm was 4.3% in 2020 compared to 4,4% in 2019. The Group had 60 reported incidents in 2020 compared to 74 incidents in 2019 (excluding AVARN).

Sector Alarm works on an ongoing basis to prevent discrimination that may be an obstacle to equality. Gender equality is part of the systematic HSE activities and takes place in collaboration with the employees, represented by the safety service and the working environment committee (AMU). Sector Alarm's Code of Conduct states that efforts shall be made to ensure that all employees have a working environment that is free from discrimination, harassment and bullying.

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

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



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The monitored alarm services that Sector Alarm provide, pollute the external environment to a minimum degree. All countries participate in recycling schemes for the handling of old and broken alarm hardware and strive to have a new and modern environmentally friendly fleet of vehicles. In 2020, Sector Alarm has not conducted any research activities, but is engaged in the continuous development of products and services for the home security space.

The Board of Directors makes continuous assessments of the market outlook in the countries that the Group operates in. The penetration for monitored alarms in Europe is only 3-4% and the Board of Directors sees significant growth potential across all European countries, also in the Nordics. Sector Alarm is the second largest provider of professionally monitored alarms for Small Systems in Europe and is well positioned to take advantage of the attractive market dynamics and growth opportunities in this space. Sector Alarm has a solid foundation in Northern Europe and the operations in Norway, Sweden and Ireland deliver solid financial results. The Finnish operation continues to show positive development and has become an important contributor to the growth. The newly established Southern European markets, Spain and France, are the most promising growth markets in Europe and has continued the positive development in 2020 despite the Covid-19 situation. In line with the expansion strategy, Sector Alarm has recently initiated the process to enter the Italian market.

The Board of Directors considers the outlook for Isanor Invest to be positive. For 2021, the Board of Directors expects only a small increase in cashflow and profit due to continued investments in growth. The balance sheet is expected to strengthen on the back of positive results.

On 27 April 2021, Sector Alarm AS received a notice of class action from "Alarmkundeforeningen" pursuant to the Norwegian Dispute Act § 5-2. No further procedural documentation has been received from "Alarmkundeforeningen" as of the date of the presentation of the annual accounts. Part from this, the Board of Directors are not aware of any matters after the end of the financial year that will have a material bearing on the company's position and earnings for 2020. Covid-19 will continue to impact Sector Alarm also in 2021.

The safety of our employees, customers and other members of the public is a primary concern and the Group has initiated strict health and safety routines in line with recommendations. Furthermore, the Group has completed risk assessments across the entire business and developed contingency planning to allow us to continue to deliver our services, and this assessment is continuously being updated. From a financial perspective the Group do not expect a significant negative impact on the financial performance near term.

The Board of Directors considers the presented Annual Accounts to give an accurate view of Isanor Invest's financial position at year end and operations throughout the year. In accordance with section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis.

The parent company's profits of NOK 49 million will be allocated to other equity.

Oslo, 21 May 2021

DocuSigned by:  
  
E983B6E57A0340C  
Jørgen Dahl  
Chairman of the Board