



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 998 767 571
Organisasjonsform: Aksjeselskap
Foretaksnavn: ISBJØRN IS AS
Forretningsadresse: Vestre Lindhaugen 1
5303 FOLLESE

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Arild Christiansen
Dato for fastsettelse av årsregnskapet: 09.04.2021

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 08.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	177 783 674	126 577 810
Kostnad solgte varer	2	158 293 598	122 064 284
Brutto resultat		19 490 076	4 513 526
Kostnader			
Distribusjonskostnader	2	14 171 224	11 861 236
Administrative kostnader	2	12 039 563	6 815 227
Driftsresultat		-6 720 711	-14 162 937
Finansposter			
Annen finanskostnad		2 408 292	1 558 762
Netto finans		-2 408 292	-1 558 762
Ordinært resultat før skattekostand		-9 129 003	-15 721 699
Skattekostand på ordinært resultat		-1 987 024	-3 433 477
Ordinært resultat etter skattekostnad		-7 141 979	-12 288 222
Årsresultat		-7 141 979	-12 288 222
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		7 141 979	12 288 222
Sum overføringer og disponeringer		7 141 979	12 288 222



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	5	1 688 266	1 693 531
Utsatt skattefordel	4	1 662 474	4 474 852
Sum immaterielle eiendeler		3 350 740	6 168 383
Varige driftsmidler			
Maskiner og anlegg	6	57 668 936	47 037 301
Sum varige driftsmidler		57 668 936	47 037 301
Sum anleggsmidler		61 019 676	53 205 684
Omløpsmidler			
Varer			
Varer	7	12 886 126	23 705 968
Sum varer		12 886 126	23 705 968
Fordringer			
Kundefordringer	8	26 619 172	10 942 005
Sum fordringer		26 619 172	10 942 005
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	1 463 408	1 376 134
Sum Bankinnskudd, kontanter og lignende		1 463 408	1 376 134
Sum omløpsmidler		40 968 706	36 024 107
SUM EIENDELER		101 988 382	89 229 791

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: NOK	Note	2020	2019
Selskapskapital	10	357 141	357 141
Overkurs		1 809 515	1 809 515
Sum innskutt egenkapital		2 166 656	2 166 656
Opptjent egenkapital			
Annen egenkapital		18 805 729	8 931 644
Sum opptjent egenkapital		18 805 729	8 931 644
Sum egenkapital		20 972 385	11 098 300
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	11	2 888 722	1 228 404
Sum annen langsiktig gjeld		2 888 722	1 228 404
Sum langsiktig gjeld		2 888 722	1 228 404
Kortsiktig gjeld			
Leverandørgjeld	12	15 445 378	26 228 666
Annen kortsiktig gjeld	11	62 681 897	50 674 421
Sum kortsiktig gjeld		78 127 275	76 903 087
Sum gjeld		81 015 997	78 131 491
SUM EGENKAPITAL OG GJELD		101 988 382	89 229 791



Skatteetaten

Vår dato
04.05.2020

Din/Deres dato
24.04.2020

Saksbehandler
Vibeke Horne

800 80 000
Skatteetaten.no

Din/Deres referanse
AR370994141

Telefon
32212250

Org.nr
974761076

Vår referanse
2020/5411084

Postadresse
Postboks 9200 Grønland
0134 OSLO

ISBJØRN IS AS
Vestre Lindhaugen 1
5303 FOLLESE

Att. Arild Christiansen

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 24. april 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

Isbjørn Is Holding AS	org.nr. 998 560 209
Isbjørn Is AS	org.nr. 998 767 571
Den Norske Isbilen AS	org.nr. 976 118 227

Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

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

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

Bakgrunn

Isbjørn Is Holding AS er eid av et utenlandsk selskap. Isbjørn Is Holding AS eier samtlige aksjer i Isbjørn Is AS og Den Norske Isbilen AS. Selskapene driver virksomhet innen produksjon og salg av iskrem. Engelsk er selskapets arbeidsspråk. All kommunikasjon innen konsernet foregår på engelsk. Styremedlemmene er både norske og utenlandske.

Skattekontorets vurdering

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

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



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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt vekt på at selskapenes ultimate eier er et utenlandsk selskap. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne
rådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, NO-5006 Bergen
Postboks 6163, NO-5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

Fax:

www.ey.no

Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Isbjørn Is AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Isbjørn Is AS, which comprise the balance sheet as at 31 December 2020, the income statement, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of 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 management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Building a better
working world

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 International Standards on Auditing (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 the 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 law, regulations and generally accepted auditing principles 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, 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 internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 fair presentation.

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

Report on other legal and regulatory requirements

Opinion on 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 proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Independent auditor's report - Isbjørn Is AS

A member firm of Ernst & Young Global Limited

Pennco document key: J4KHX-OSXLM-L366L-Z07QU-FIPY6-LLE8T



Building a better
working world

3

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 ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Bergen, 9 April 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Truls Nesslin
State Authorised Public Accountant (Norway)

Penneo document key: J4KHX-OSXLM-L366L-Z07QU-FIPY6-LLE8T

Independent auditor's report - Isbjørn Is AS

A member firm of Ernst & Young Global Limited



PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Truls Nesslin

Statsautorisert revisor

On behalf of: Ernst & Young AS

Serial number: 9578-5993-4-2263660

IP: 82.164.xxx.xxx

2021-04-09 12:02:23Z



Penneo document key: J4KHX-OSXLM-L366L-Z07QU-FIPY6-LLE8T

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at **<https://penneo.com/validate>**



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Isbjørn Is AS
Vestre Lindhaugen 1, 5303 Follese, Norway

Financial statements
for the year ended
31 December 2020



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

CONTENTS

Information on the Company	3
Income statement	4
Statement of financial position	5
Statement of changes in equity	6
Cash flow statement	7
Notes to the financial statements	8
Board report on Isbjørn Is AS performance.....	16



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Income statement

	Note	2020 NOK	2019 NOK
Revenue	1	177 783 674	126 577 810
Cost of goods sold	2	<u>(158 293 598)</u>	<u>(122 064 284)</u>
Gross profit		19 490 076	4 513 526
Selling expenses	2	(14 171 224)	(11 861 236)
Administrative expenses	2	(24 834 867)	(15 176 553)
Other operating income		14 054 396	9 022 765
Other operating expenses		<u>(1 259 092)</u>	<u>(661 439)</u>
Operating profit / (loss)		(6 720 711)	(14 162 937)
Finance costs		<u>(2 408 292)</u>	<u>(1 558 762)</u>
Profit / (loss) before income tax		(9 129 003)	(15 721 699)
Income tax expense	4	<u>1 987 024</u>	<u>3 433 477</u>
Profit / (loss) for the year		<u>(7 141 979)</u>	<u>(12 288 222)</u>

Notes on pages from 8 to 15 form an integral part of these financial statements.



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Information on the Company

The Company	Isbjørn Is AS 998 767 571
Address	Vestre Lindhaugen 1, 5303 Follese, Norway
General Manager	Morten Kolseth
Board of Directors	Asbjørn Reinkind (Chairmen of the Board) Normunds Stanevics (Member of the Board) Anna Temerova-Allena (Member of the Board)
Financial period	1 January 2020 – 31 December 2020
Name and address of the certified audit company and certified auditor in charge	Ernst & Young



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Statement of financial position

<u>Assets</u>	Note	31.12.2020. NOK	31.12.2019. NOK
Non-current assets			
Intangible assets	5	1 688 266	1 693 531
Property, plant and equipment	6	57 668 936	47 037 301
Deferred tax assets	4	1 662 474	4 474 852
Total non-current assets:		61 019 676	53 205 684
Current assets			
Inventories	7	12 886 126	23 705 968
Trade and other receivables	8	26 619 172	10 942 005
Cash and cash equivalents	9	1 463 408	1 376 134
Total current assets:		40 968 706	36 024 107
Total assets		101 988 382	89 229 791
 Liabilities			
Share capital	10	357 141	357 141
Share premium		1 809 515	1 809 515
Retained earnings		18 805 729	8 931 644
Total equity:		20 972 385	11 098 300
Non-current liabilities:			
Borrowings	11	2 888 722	1 228 404
Total non-current liabilities:		2 888 722	1 228 404
Current liabilities:			
Borrowings	11	62 681 897	50 674 421
Trade and other payables	12	15 445 378	26 228 666
Total current liabilities:		78 127 275	76 903 087
Total liabilities:		81 015 997	78 131 491
Total equity and liabilities:		101 988 382	89 229 791

Notes on pages from 8 to 15 form an integral part of these financial statements.



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Total
	NOK	NOK	NOK	NOK
Balance as at 31.12.2018	375 000	1 900 000	21 574 882	23 849 882
Loss for the reporting year	-	-	(12 288 222)	(12 288 222)
Other changes (demerger)	(17 859)	(90 485)	(355 016)	(463 360)
Balance as at 31.12.2019	357 141	1 809 515	8 931 644	11 098 300
Loss for the reporting year	-	-	(7 141 979)	(7 141 979)
Group contribution	-	-	17 016 064	17 016 064
Balance as at 31.12.2020	357 141	1 809 515	18 805 729	20 972 385

Notes on pages from 8 to 15 form an integral part of these financial statements.

Asbjørn Reinkind
Chairman of the
Board

Morten Kolseth
General Manager

Normunds Stanevics
Member of the Board

Anna Temerova-Allena
Member of the Board



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Cash flow statement

	Note	2020 NOK	2019 NOK
Cash flows from operating activities			
Profit/ (loss) before tax		(9 129 003)	(15 721 699)
Adjustments for:			
Depreciation of property, plant and equipment	5	9 716 359	7 305 047
Amortization of intangible assets	6	285 265	159 852
Interest expense		2 381 847	1 546 222
Interest income		(846)	-
Change in accrued liabilities		2 087 603	61 814
Change in allowance for slow moving inventory		15 682	34 542
		5 356 907	(6 614 222)
Adjustments for:			
(Increase) / decrease in inventories		10 804 160	(17 480 370)
(Increase) / decrease in trade and other receivables		6 138 299	(4 428 013)
Increase/ (decrease) in trade and other payables		(12 870 892)	12 333 489
Cash (used in)/ generated from operations		9 428 474	(16 189 116)
Corporate income tax paid		-	(11 405)
Net cash (used in)/ generated from operating activities		9 428 474	(16 200 521)
Cash flows from investing activities			
Acquisition of tangible and intangible assets	5, 6, 11 (iv)	(17 890 812)	(33 688 500)
Loans issued		1	(745 546)
Received repayment of the issued loans		846	3 690 043
Net cash used in investing activities		(17 889 965)	(30 744 003)
Cash flows from financing activities			
Borrowings advanced/repaid net change	11 (iii)	11 740 153	49 863 813
Interest paid	11 (iii)	(2 292 252)	(1 460 248)
Finance lease interest payments	11 (iii)	(89 594)	(85 974)
Finance lease principal payments	11 (iv)	(809 542)	(992 266)
Net cash used in financing activities		8 548 765	47 325 325
Net increase / (decrease) in cash and cash equivalents		87 274	380 801
Cash and cash equivalents at beginning of the year		1 376 134	995 333
Cash and cash equivalents at end of the year	9	1 463 408	1 376 134

Notes on pages from 8 to 15 form an integral part of these financial statements.



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Notes to the financial statements

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

To align presentation within Food Union group, the income statement of the Company for the year 2020 is prepared by function in accordance with the Norwegian Accounting Act §6-1a. Prior year income statement was prepared by nature.

Principal activities

The principal activities of the Company, which are unchanged from the previous year, are sale and production of ice cream.

Revenues

Revenues from sale of goods are recognized at the time of delivery. Revenues from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise receivables due within one year, and balances related to goods circulation. Other balances are classified as fixed assets and/or non-current receivables. Current assets are valued at the lower of cost and net realizable value. Fixed assets are valued at historical acquisition cost less accumulated depreciation and impairment, if any. Current creditors are recognized at nominal value. Non-current creditors are recognized at net present value.

Trade and other receivables

Trade and other current receivables are recognized on the balance sheet at nominal value less provision for doubtful debts. Provision for doubtful debts is calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is calculated based on expected loss.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is estimated using FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are recognized for obsolescent and slow moving goods.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is impaired to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Leases

Depending on the content of the agreement, leases are classified as financial or operational. If the significant part of the economic rights and obligations related to the underlying asset is transferred to the Company, the lease is classified as a financial lease. Assets held under financial leases are capitalized and depreciated over the useful life of the asset. The repayment of the lease obligation is included in interest bearing debt. Other leases are classified as operating leases and the annual leasing fee is expensed directly.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized. Tax effect of group contribution among "sister" companies is recognized in the profit and loss.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Pensions

The company has established a defined contribution pension plan for all employees, and contributions to the plan are expensed as salary expenses in the income statement. The cost is expensed as incurred.



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Notes to the financial statements (continued)

1 Revenue

	2020 NOK	2019 NOK
Revenue by operating activities		
Sales of goods, ice-cream	177 783 674	126 577 810
	177 783 674	126 577 810
Revenue by geographical area		
Norway	177 783 674	123 982 982
Denmark	-	2 594 828
	177 783 674	126 577 810

2 Expenses by nature

Cost of materials and goods used	89 061 401	61 570 109
Salary expenses including social contributions (Note 3)	62 785 875	54 940 928
Depreciation and amortization (Note 5, 6)	10 001 624	7 464 899
Other production, selling and administrative costs	35 450 789	25 126 137
Total cost of sales, selling and administrative costs	197 299 689	149 102 073

The professional fees stated above include:

Assurance services	307 530	230 523
Tax consultancy & other services by statutory audit firm	-	-

3 Staff costs

Salary expenses	53 711 571	46 594 955
Social and pensions contributions	9 074 304	8 345 973
	62 785 875	54 940 928

Average number of employees 83 74

4 Income tax

Current tax:

Income tax charge for the reporting year	-	-
Total current income tax for the reporting year:	-	-

Deferred tax:

Origination and reversal of temporary differences	(1 987 024)	(3 433 477)
Total deferred income tax for the reporting year	(1 987 024)	(3 433 477)
Total income tax charged/(credited) for the year:	(1 987 024)	(3 433 477)

The Company's total income tax charge/(credit) for the reporting year differs from the theoretically calculated tax amount that would arise using the applicable tax rate as follows:

Profit/ (loss) before tax	(9 129 003)	(15 721 699)
Tax calculated at nominal tax rate of 22%	(2 008 381)	(3 458 774)
Non-taxable income/ non-deductible expense	21 357	25 297
Corporate income tax (charge)/ credit	(1 987 024)	(3 433 477)



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Notes to the financial statements (continued)

4 Income tax (continued)

In accordance with Norway tax legislation current corporate income tax is applied at the rate of 22% on taxable income generated by the Company during the taxation period ending 31 December 2020.

	31.12.2020. NOK	31.12.2019. NOK
Deferred income tax (assets):		
- Tax losses	-	(3 164 494)
- Other temporary changes of assets	(11 049)	(7 599)
- Difference between depreciation wear and tear allowance:	(1 651 425)	(1 302 759)
At the end of the reporting year, net	(1 662 474)	(4 474 852)

Deferred income tax (net) movement in the reporting year:

Deferred income tax liability/ (asset), net:		
At the beginning of the reporting year	(4 474 852)	(1 041 375)
(Credited) to income statement	(1 987 025)	(3 433 477)
Reclassification	4 799 403	-
At the end of the reporting year	(1 662 474)	(4 474 852)

Deferred income tax (assets), gross:

Deferred tax assets to be received within 12 months	(1 662 474)	(7 599)
Deferred tax assets to be received after more than 12 months	-	(4 467 253)
	(1 662 474)	(4 474 852)

5 Intangible assets

	Other intangible assets NOK	Total NOK
Year 2020		
Opening net book amount	1 693 531	1 693 531
Additions	280 000	280 000
Amortization charge	(285 265)	(285 265)
Closing net book amount	1 688 266	1 688 266
As at 31 December 2020:		
Cost	2 133 383	2 133 383
Accumulated amortization	(445 117)	(445 117)
Net book amount	1 688 266	1 688 266

Amortisation expense has been charged in 'cost of sales' and 'selling and marketing expenses' (Note 2).

Amortization and depreciation on intangible and tangible assets are calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives.

The annual amortization/ depreciation rates are as follows:

Buildings	Years 15-25
Equipment and machinery	5-10
Other fixed assets	5-10
Intangible assets	5-10



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Notes to the financial statements (continued)

6 Property, plant and equipment

	Land and buildings NOK	Equipment and machinery NOK	Other fixed assets NOK	Fixed assets under construction and advances NOK	Total NOK
Year 2020					
Opening net book amount	3 643 065	27 589 032	4 487 951	11 317 253	47 037 301
Additions	-	3 075 111	424 006	17 186 806	20 685 923
Reclassification	2 349 250	14 163 970	3 957 967	(20 809 116)	(337 929)
Depreciation charge	(547 038)	(7 646 906)	(1 522 415)	-	(9 716 359)
Closing net book amount	5 445 277	37 181 207	7 347 509	7 694 943	57 668 936
As at 31 December 2020:					
Cost	18 578 799	52 914 468	15 058 743	7 694 943	94 246 953
Accumulated depreciation	(13 133 522)	(15 733 261)	(7 711 234)	-	(36 578 017)
Net book amount	5 445 277	37 181 207	7 347 509	7 694 943	57 668 936

For information on pledged property, plant and equipment and capital commitments please refer to Note 11 (ii). Depreciation expense has been charged in 'cost of sales', 'selling and marketing expenses' and 'administrative expenses' (Note 2). In 2020 and 2019 the Company has no capitalized borrowing costs on qualifying assets.

Net book amounts of finance lease included in the above total net book value of property, plant and equipment as at 31 December 2020 are as follows:

	Land and buildings	Equipment	Other fixed assets	Advances	Total
Under finance lease	-	2 965 185	1 001 467	-	3 966 652

7 Inventories

	31.12.2020. NOK	31.12.2019. NOK
Raw materials	4 047 000	867 975
Goods for sale	8 839 126	22 837 993
	12 886 126	23 705 968

As at 31 December 2020 all inventory items are stated at cost except provision for raw materials in amount NOK 50 223 (as at 31 December 2019: NOK 34 542).

8 Trade and other receivables

Trade receivables	3 363 965	2 703 080
Receivables from related parties (Note 13 (ii))	1 407 549	7 872 151
Total trade receivables	4 771 514	10 575 231
Other receivables from related parties (Note 13 (ii))	21 816 022	-
Value added tax	-	257 088
Deferred expenses	31 636	109 686
Total trade and other receivables	26 619 172	10 942 005

The carrying value of trade and other receivables as at 31.12.2020. and 31.12.2019. approximates their fair value. The maximum exposure to credit risk is the carrying value of each class of receivables mentioned above. As at 31 December, the carrying amounts of the Company's trade and other receivables are mainly denominated in NOK.

Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. For information on pledged assets refer to Note 16 (ii).



Isbjørn Is AS Financial statements for the year ended 31 December 2020

Notes to the financial statements (continued)

9 Cash and bank

	31.12.2020.	31.12.2019.
	NOK	NOK
Cash at bank	1 463 408	1 376 134
	1 463 408	1 376 134

As at 31 December, the cash and cash equivalents are mainly denominated in NOK.

Restricted cash deposit in respect of taxes payable subsequent the reporting year end is NOK 1 443 876 (31.12.2019.: NOK 1 373 700).

10 Share capital

As at 31 December 2020 and 31 December 2019 total authorized and issued number of ordinary shares is 9 000 shares. The par value is NOK 39,68 per share.

As at 31 December 2020 and 31 December 2019, the sole shareholder of the Company is Isbjørn Is Holding AS (incorporated in Norway). Consolidated financial statements of Isbjørn Is Holding Group are available at the registered office of the parent company, at Slettebrekkdalen 11, 5303, Follese, Norway.

11 Borrowings

	31.12.2020.	31.12.2019.
	NOK	NOK
Non-current borrowings:		
Finance leases (Note 11 (iv))	2 888 722	1 228 404
Total non -current borrowings:	2 888 722	1 228 404
Current borrowings:		
Current cash pool overdraft (Note 13 (iii))	61 603 967	49 863 813
Finance leases (Note 11 (iv))	1 077 930	810 608
Total current borrowings:	62 681 897	50 674 421
TOTAL borrowings:	65 570 619	51 902 825

The carrying amounts of borrowings as at 31 December 2020 and 2019 approximate their fair value.

As at 31 December 2020 and 2019, the Company's borrowings are denominated in NOK.

(i) Interest rates and exposure to interest rate changes

The Company's borrowings to/from related parties bear variable interest rate, which consist of 3M Euribor plus fixed margin. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

As at 31 December 2020 and 31 December 2019 the effect of changes in interest rate was not significant since 3M Euribor rate remain to stay below zero and according to respective financing agreements were equalled zero.

(ii) Pledges, collaterals and loan covenants

The Company is part of Food Union Group. Virtually all non-current and current assets of Food Union Group are pledged under respective financial, commercial, mortgage etc. agreements to secure all present and future liabilities and obligations of Food Union Group arising in relation to Senior Facilities Agreement ("SFA") and Revolving Facility Agreement, Subordination and Security Agency agreement and / or any other Finance Document resulting from the mentioned agreements.

Under SFA, certain entities of Food Union Group are Obligors (including Isbjørn Is AS). As at 31 December 2020 the Group has made all payments under SFA in due time.

SFA requires compliance to certain financial covenants, based on consolidated financial statements of Food Union Group. Reporting on financial covenants compliance is required quarterly. Based on financial information presented in 31 December 2020 financial statements, as adjusted according to the requirements of SFA, Food Union Group complies with required financial covenants.

As at 31 December 2020 and 2019 the lease liabilities with purchase option are effectively secured as the rights to the leased asset revert to the lessor in the event of default.



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Notes to the financial statements (continued)

11 Borrowings (continued)

(iii) Borrowing movement (excl. lease liabilities)

	2020 NOK	2019 NOK
At the beginning of the year	49 863 813	-
Borrowings advanced / repaid net change	11 740 154	49 863 813
Interest charged	2 292 252	1 460 248
Interest paid	(2 292 252)	(1 460 248)
At the end of the year	61 603 967	49 863 813

(iv) Lease liabilities

Minimum discounted lease payments:

No later than 1 year	1 077 930	810 608
Later than 1 year and no later than 5 years	2 888 722	1 228 404
Present value of lease liabilities	3 966 652	2 039 012
Future finance charges on lease liabilities	589 015	126 981
Total minimum lease payments	4 555 667	2 165 993

Minimum lease payments:

No later than 1 year	1 253 333	856 139
Later than 1 year and no later than 5 years	3 302 334	1 309 854
	4 555 667	2 165 993

Lease liabilities movement:

At the beginning of the year	2 039 012	2 601 189
Received during the period	3 075 110	430 089
Repaid during the period	(809 541)	(992 266)
Interest charged	89 594	85 974
Interest paid	(89 594)	(85 974)
Transfers and reclassification	(337 929)	-
At the end of the year	3 966 652	2 039 012

12 Trade and other payables

	31.12.2020. NOK	31.12.2019. NOK
Trade and other payables	4 059 170	17 791 212
Trade payables to related parties (Note 13 (ii))	26 994	287 929
Social insurance and similar contributions	1 538 906	1 426 784
Value added tax	930 422	-
Personal income tax	1 443 876	1 355 214
Other payables, including salary payables	30 752	39 873
Accrued liabilities	6 262 578	5 041 604
Accrued liabilities to related parties (Note 13 (ii))	1 152 680	286 050
	15 445 378	26 228 666

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

As at 31 December 2020 and 2019, the carrying amounts of the Company's trade and other payables are mainly denominated in NOK.



Isbjørn Is AS
Financial statements for the year ended 31 December 2020

Notes to the financial statements (continued)

13 Related party transactions

The parties are considered related when one party has the possibility to control the other one or has significant influence over the other party in making financial and operating decisions. The Company is engaged in the following transactions with the related parties:

(i) Sales and other services and key management remuneration

	2020	2019
	NOK	NOK
(i.i) Revenue, ice-cream	56 405 000	46 438 827
Revenue to related parties by geographical area:		
Denmark	-	2 594 827
Norway	56 405 000	43 844 000
	56 405 000	46 438 827
(i.ii) Purchases of goods	23 284 216	17 726 789
(i.iii) Remuneration to the general manager		
Salary	1 556 500	1 532 425
Pension costs	137 500	138 000
Other costs	1 160 000	889 478
	2 854 000	2 559 903

Chairman of the Board received remuneration from the Group. Other Board members do not receive remuneration for their duties in the Board of the Company.

(ii) Year-end balance

	31.12.2020.	31.12.2019.
	NOK	NOK
Receivables from related parties (Note 8)		
Isbjørn Is Holding AS	555	-
Den Norske Isbilen AS	23 223 016	6 566 809
Mejerigaarden A/S	-	169 733
Hjem-IS Danmark A/S	-	489 274
Food Union Management SIA	-	646 335
	23 223 571	7 872 151
Payables to related parties (Note 12)		
Mejerigaarden A/S	-	10 605
Rigas Piena Kombinats AS	26 994	1 211
Food Union Management SIA	1 152 680	562 163
	1 179 674	573 979

The receivables from related parties arise mainly from transfer of group contribution under tax regulations and receivables resulting from other operating income. The receivables are unsecured in nature and bear no interest. Nil provisions are held against receivables from related parties. Payables to related parties arise mainly from purchase of goods and services.

(iii) Borrowings from the related parties

At the beginning of the year	49 863 813	-
Borrowings advanced/repaid net change	11 740 154	49 863 813
Interest charged	2 292 252	1 460 248
Interest paid	(2 292 252)	(1 460 248)
At the end of the year (Note 11)	61 603 967	49 863 813
Non-current part	-	-
Current part	61 603 967	49 863 813
At the end of the year (Note 11)	61 603 967	49 863 813

Borrowings from related parties are unsecured in nature. Borrowings bear interest at market rates.



Ishjørn Is AS
Financial statements for the year ended 31 December 2020

Notes to the financial statements (continued)

13 Related party transactions (continued)

(iv) Loans to the related parties

	31.12.2020.	31.12.2019.
	NOK	NOK
At the beginning of the year	-	2 944 497
Loans issued during the year	-	745 546
Loans received during the year	-	(3 690 043)
At the end of the year	-	-

14 Events after the reporting period

Subsequent the reporting year end, Covid-19 pandemic continue to create uncertainties in Norway and global markets. The management of the Company is monitoring the situation and taking necessary measures to minimize any disruption and negative impacts on the operations of the Company.

As of the last day of the reporting year until the date of signing these financial statements there have been no events requiring adjustment of or disclosure in the financial statement or notes thereto.



Isbjørn Is AS Financial statements for the year ended 31 December 2020

Board report on Isbjørn Is AS performance

The nature of the business

Isbjørn Is AS is one of the 3 biggest ice cream producers in Norway. The company is selling its products through Den Norske Isbilen AS that are a part of the same Group as Isbjørn Is AS, and directly to retailers in Norway.

The company's head office is at Follese in Askøy municipality.

The company's development, results and continued operations

In 2020 the growth continued for Isbjørn Is AS and the company delivered a record high revenue of 177,8 MNOK. The company has increased its market-share every year since 2017 and in 2020 achieved a market-share of 11,1%. Despite a record high revenues, the company delivered operating result of minus 6,7 MNOK. This is due to delayed implementation of new technology in the factory due to the Covid-19 situation. During 2020 the company have been through a BRC certification and received a grade A.

Going into 2021 the company have increased production capacity, implemented new technology and adjusted the portfolio in the retail market. The management is certain that this will ensure a positive result in 2021 for the company.

In the Board's opinion, the accounts provide a true and fair view of the development and results of the company's operations in 2020 and the company's position as at 31 December 2020. The board confirms that the assumption of going concern is appropriately used as a basis for preparing these accounts. No subsequent events have occurred after the end of the financial year that are of significance in assessing the company's position in addition to what is described in Note 14.

Work environment

In the Board's opinion, the working environment in the company has been good and there are ongoing measures to maintain the environment. In 2020, the company employed a total of 103 people (95 in 2019), which amounted to 83 man-years (74 in 2019). Total sickness absence last year amounted to approx. 6,8% of total working hours in 2020 compared to 5,7% in 2019. The reason for the increased sickness absence was a "stay at home" policy during the Covid-19 if someone felt symptoms. Work is ongoing to reduce sickness absence through various forms of HSE measures. 4 minor accidents have been reported in the workplace. Material damage to equipment and means of transport has been normal.

The company has a collective pension scheme that covers all employees. The scheme is a defined contribution scheme. This year's pension premium, adjusted for any contributions to or deductions from the defined contribution fund, is accounted for as a pension expense. The Group's pension scheme satisfies the requirements of the Act on Mandatory company pensions.

Equality

The company aims to be a workplace where there is full equality between women and men. The company has incorporated a policy that aims to ensure that there is no discrimination based on gender, ethnicity or reduced level of function. As at 31 December 2020, the company employed 47 men and 56 women.

Research and development

Throughout 2020, the company has launched several new products, including Double with potato chips and Minis with coffee and pistachio. In addition the company also launch the liquorice through Rema 1000 nationwide.

External environment & quality policy

The company's activities do not pollute the external environment of a significant nature. During the last year the company have implemented solar panel and was the first ice cream producer to implement "best before- not bad after" on all products. The Norwegian Food Safety Authority and the Norwegian Labour Inspection Authority ensure that products, warehousing and distribution equipment satisfy current regulations. The procurement policy is characterized by a focus on environmentally friendly input factors, while other environmental qualities are ensured through the IK-Mat system that has been introduced throughout the organization. The company has introduced quality systems in accordance with current requirements in laws and regulations, and the goal is to appear as an environmentally friendly and sustainable company.

Profit, investments, liquidity, financing and risk

Revenue in 2020 reached 177,8 MNOK vs 126,6 MNOK in 2019. The result for the year shows a net loss of 7,1 MNOK against a net loss of 12,3 MNOK in 2019.

The management propose to transfer all reporting year's result (7,1 MNOK) into Retained earnings.



Isbjørn Is AS Financial statements for the year ended 31 December 2020

Board report on Isbjørn Is AS performance (continued)

As at 31 December 2020, the company's equity was 21,0 MNOK, compared with 11,1 MNOK at the end of 2019. The total assets as at 31 December 2020 was 102,0 MNOK against 89,3 MNOK at the end of 2019. According to the Board's assessment, the company's equity satisfies the Norwegian Companies Act requirements. The company has also access to capital through the parent company, Isbjørn Is Holding As.

The total cash flow of the Company in 2020 was plus 0,1 MNOK. Cash flow from investing activities was minus 17,9 MNOK, while cash flow from operating activities was 9,4 MNOK against minus 16,2 MNOK in 2019.

Variation of financial market prices such as changes in commodity prices, interest rates, currency and credit can be defined as the company's market risk. Significant changes in commodity prices may represent a risk, but this is considered limited as the company's ability to compensate for such changes through price changes has proved satisfactory.

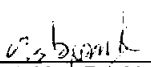
As at 31 December 2020 the company's external debt is related to finance leases and amounts to 1,1 MNOK current portion and 2,9 MNOK non-current portion. The company will be exposed to changes in interest rates, but the Board does not consider this to be a significant risk to the company's continued operations due to the size of the debt and forecasts for 2021 and beyond. The company is not significantly exposed to changes in exchange rates as foreign trade accounts for a small share of costs. Credit risk is considered low.

Future development

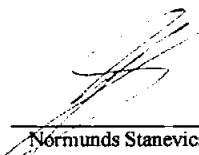
The company's framework conditions will continue to be characterized by the competitive situation in the industry together with changing weather and temperature conditions. The company's key focus will be also on continuous improvements in efficiency, work with increased access in the grocery/retail sector and high marketing and sales activity through the distribution company. These factors, together with high delivery quality and precision, should create the conditions for better profitability.

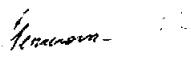
The Board believes in a continued positive development in the ice-cream market in 2021 and is actively working to establish further national distribution agreements with the grocery chains.

Follese, 09 April 2021


Asbjørn Reinkind
Chairman of the
Board


Morten Kolseth
General Manager


Nórmunds Stanevics
Member of the Board


Anna Temerova-Allena
Member of the Board

