



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	983 415 652
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	REITAN CONVENIENCE AS
Forretningsadresse:	Gladengveien 2 0661 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kristian Tvedt
Dato for fastsettelse av årsregnskapet:	28.05.2021

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, 07.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Other income	2	13 000 000	3 000 000
Sum inntekter		13 000 000	3 000 000
Kostnader			
Employee benefit expenses	4	33 000 000	33 000 000
Net other gains (losses)	3	117 000 000	54 000 000
Other operating expenses	5	16 000 000	13 000 000
Sum kostnader		166 000 000	100 000 000
Driftsresultat		-153 000 000	-97 000 000
Finansinntekter og finanskostnader			
Interest income	6,15	26 000 000	16 000 000
Other financial income	6		19 000 000
Sum finansinntekter		26 000 000	35 000 000
Interest expenses	6,15	64 000 000	38 000 000
Other financial expenses	6	173 000 000	
Sum finanskostnader		237 000 000	38 000 000
Netto finans		-211 000 000	-3 000 000
Ordinært resultat før skattekostnad		-364 000 000	-100 000 000
Income tax expense	7	-57 000 000	-8 000 000
Ordinært resultat etter skattekostnad		-307 000 000	-92 000 000
Årsresultat		-307 000 000	-92 000 000
Remeasurement of post-employment benefit obligations		-1 000 000	-4 000 000
Sum resultatkomponenter for IFRS-foretak		-1 000 000	-4 000 000
Totalresultat		-308 000 000	-96 000 000
Overføringer og disponeringer			
Ordinært utbytte		312 000 000	



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Transferred to (from) other reserves		-619 000 000	-92 000 000
Sum overføringer og disponeringer		-307 000 000	-92 000 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	8	152 000 000	152 000 000
Utsatt skattefordel	7	0	0
Sum immaterielle eiendeler		152 000 000	152 000 000
Finansielle anleggsmidler			
Investering i datterselskap	9	2 712 000 000	2 687 000 000
Trade and other receivables	10	797 000 000	404 000 000
Derivative financial instruments	15	0	1 000 000
Sum finansielle anleggsmidler		3 509 000 000	3 092 000 000
Sum anleggsmidler		3 661 000 000	3 244 000 000
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	10	453 000 000	66 000 000
Sum fordringer		453 000 000	66 000 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	11	0	0
Sum bankinnskudd, kontanter og lignende		0	0
Sum omløpsmidler		453 000 000	66 000 000
SUM EIENDELER		4 114 000 000	3 310 000 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	12	3 000 000	3 000 000



Balanse

Beløp i: NOK	Note	2020	2019
Overkurs	12	399 000 000	199 000 000
Annen innskutt egenkapital		450 000 000	450 000 000
Sum innskutt egenkapital		852 000 000	652 000 000
Opptjent egenkapital			
Retained earnings		427 000 000	735 000 000
Sum opptjent egenkapital		427 000 000	735 000 000
Sum egenkapital		1 279 000 000	1 387 000 000
Gjeld			
Langsiktig gjeld			
Provisions for other liabilities	4	1 000 000	13 000 000
Other liabilities		0	5 000 000
Sum avsetninger for forpliktelser		1 000 000	18 000 000
Annen langsiktig gjeld			
Derivative financial instruments	15	4 000 000	0
Borrowings	13,14	2 247 000 000	1 773 000 000
Sum annen langsiktig gjeld		2 251 000 000	1 773 000 000
Sum langsiktig gjeld		2 252 000 000	1 791 000 000
Kortsiktig gjeld			
Current income tax liabilities	7	1 000 000	0
Trade and other payables	16	506 000 000	37 000 000
Borrowings	13,14	76 000 000	95 000 000
Sum kortsiktig gjeld		583 000 000	132 000 000
Sum gjeld		2 835 000 000	1 923 000 000
SUM EGENKAPITAL OG GJELD		4 114 000 000	3 310 000 000
POSTER UTENOM BALANSEN			
Garantistillelser	17	268 000 000	297 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Operating revenues	6	4 142 000 000	4 908 000 000
Other income	7	291 000 000	235 000 000
Net other gains (losses)	8	47 000 000	-13 000 000
Share of profit of associates		0	0
Sum inntekter		4 480 000 000	5 130 000 000
Kostnader			
Cost of goods sold	19	1 589 000 000	1 575 000 000
Employee benefit expenses	9	738 000 000	751 000 000
Amortisation and impairment intangible assets	13	60 000 000	17 000 000
Depreciation and impairment property, plant and equipment	14	323 000 000	333 000 000
Depreciation and impairment of right-of-use assets	15	896 000 000	885 000 000
Other operating expenses	10	977 000 000	1 114 000 000
Sum kostnader		4 583 000 000	4 675 000 000
Driftsresultat		-103 000 000	455 000 000
Finansinntekter og finanskostnader			
Other financial income	11	0	19 000 000
Sum finansinntekter		0	19 000 000
Interest expenses lease liabilities	11,26	73 000 000	80 000 000
Other interest expenses	11	38 000 000	21 000 000
Other financial expenses	11	174 000 000	0
Sum finanskostnader		285 000 000	101 000 000
Netto finans		-285 000 000	-82 000 000
Ordinært resultat før skattekostnad		-388 000 000	373 000 000
Income tax expenses	12	-49 000 000	89 000 000
Ordinært resultat etter skattekostnad		-339 000 000	284 000 000
Årsresultat		-339 000 000	284 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
Remeasurement of post-employment benefit obligations	21	-1 000 000	-6 000 000
Currency translation differences	12,21	212 000 000	-29 000 000
Sum resultatkomponenter for IFRS-foretak		211 000 000	-35 000 000
Totalresultat		-128 000 000	249 000 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	13	2 437 000 000	2 364 000 000
Utsatt skattefordel	12	195 000 000	137 000 000
Sum immaterielle eiendeler		2 632 000 000	2 501 000 000
Varige driftsmidler			
Investment property		4 000 000	3 000 000
Right-of-use assets	15	2 376 000 000	2 816 000 000
Property, plant and equipment	14	1 027 000 000	1 089 000 000
Sum varige driftsmidler		3 407 000 000	3 908 000 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap		6 000 000	6 000 000
Financial investments	17	120 000 000	136 000 000
Trade and other receivables	18	223 000 000	241 000 000
Derivative financial instruments	28	0	1 000 000
Pension funds	9	1 000 000	0
Sum finansielle anleggsmidler		350 000 000	384 000 000
Sum anleggsmidler		6 389 000 000	6 793 000 000
Omløpsmidler			
Varer			
Inventories	19	168 000 000	162 000 000
Sum varer		168 000 000	162 000 000
Fordringer			
Trade and other receivables	18	805 000 000	850 000 000
Sum fordringer		805 000 000	850 000 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	20	308 000 000	340 000 000
Sum bankinnskudd, kontanter og lignende		308 000 000	340 000 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum omløpsmidler		1 281 000 000	1 352 000 000
SUM EIENDELER		7 670 000 000	8 145 000 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital		3 000 000	3 000 000
Overkurs		399 000 000	199 000 000
Sum innskutt egenkapital		402 000 000	202 000 000

Opptjent egenkapital

Other reserves	21	705 000 000	493 000 000
Retained earnings		751 000 000	1 044 000 000
Sum opptjent egenkapital		1 456 000 000	1 537 000 000

Minoritetsinteresser		2 000 000	2 000 000
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Sum egenkapital		1 860 000 000	1 741 000 000
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Gjeld

Langsiktig gjeld

Pensjonsforpliktelser	9	26 000 000	25 000 000
Utsatt skatt	12	208 000 000	198 000 000
Provisions for other liabilities	27	150 000 000	138 000 000
Sum avsetninger for forpliktelser		384 000 000	361 000 000

Annen langsiktig gjeld

Gjeld til kredittinstitusjoner	22,23	1 085 000 000	705 000 000
Lease liabilities	26	1 645 000 000	2 057 000 000
Other liabilities			7 000 000
Derivative financial instruments		4 000 000	0
Sum annen langsiktig gjeld		2 734 000 000	2 769 000 000

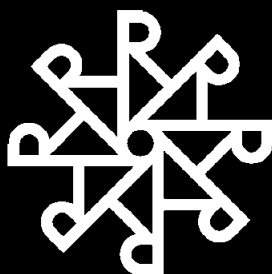
Sum langsiktig gjeld		3 118 000 000	3 130 000 000
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Kortsiktig gjeld



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Borrowings	23	76 000 000	92 000 000
Current income tax liabilities	12	7 000 000	15 000 000
Trade and other payables	30	1 828 000 000	2 254 000 000
Lease liabilities, current	26	765 000 000	896 000 000
Provisions for other liabilities	27	16 000 000	17 000 000
Sum kortsiktig gjeld		2 692 000 000	3 274 000 000
Sum gjeld		5 810 000 000	6 404 000 000
SUM EGENKAPITAL OG GJELD		7 670 000 000	8 145 000 000



ANNUAL REPORT 2020
REITAN CONVENIENCE



REITAN CONVENIENCE

KEY FIGURES

<i>Amounts in NOK million</i>	2020	2019
RESULT		
Operating revenues	4,142	4,908
EBITDA	1,176	1,690
Operating profit	-103	455
Profit before income tax expenses	-388	373
Profit for the year	-339	284
PROFITABILITY		
Operating margin	-0.8 %	3.0 %
EBITDA margin	9.0 %	11.3 %
Return on equity	-18.9 %	15.6 %
BALANCE SHEET		
Non-current assets	6,389	6,793
Current assets	1,281	1,352
Equity	1,860	1,741
Non-current liabilities	3,118	3,130
Current liabilities	2,692	3,274
Total capital	7,670	8,145
Equity ratio	24.3 %	21.4 %
CASH FLOW		
Net investment in property, plant and equipment	209	335
Cash and cash equivalents at 31 December	232	248
Cash flow from operations	663	1,484
Non-current borrowings at 31 December	1,085	705
Current borrowings at 31 December	76	92
Net interest-bearing debt ex. lease liabilities at 31 December	647	230
TURNOVER/STORES		
Total turnover including franchisee turnover	13,536	15,398
Store turnover including franchisee turnover	13,124	15,008
Growth in turnover	-17.8 %	-5.7 %
Number of stores at 31 December	2,017	2,098
Number of employees in stores at 31 December	10,605	11,756

Turnover from franchised stores and number of stores is an alternative performance measure (APM) and is not part of REITAN CONVENIENCE's operating revenues. However, the group's management believes that the turnover is important, and essential to understand the economic development of the business.

Total turnover, including franchisee turnover, consists of total sale of goods, agent income from transport tickets, lotteries, telephone and gift cards etc. in franchised stores and company owned convenience stores, and distribution of press products to other business areas within REITAN and other external units.

Store turnover, including franchisee turnover, consists of total sale of goods, agent income from transport tickets, lotteries, telephone and gift cards etc. in franchised stores and company owned convenience stores.

See page 73 for definition of key figures



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REITAN CONVENIENCE

Letter from the CEO

REITAN CONVENIENCE has a strong position in the convenience market in seven countries, across the Nordics and Baltics. We hold a proud 127-year-long history of convenience retailing. In 2020, we continued to strengthen our position as a high-quality provider in food to go, baked goods, and hot and cold beverages through our 2,017 stores in all seven of our operating countries. REITAN CONVENIENCE had a turnover¹ of NOK 13.5 billion and EBITDA of NOK 1,176 million in 2020. In 2020, we opened 37 new stores.

The year 2020 has been very different for REITAN CONVENIENCE. In March, the COVID-19 restrictions hit all seven of our countries hard, resulting in fewer customers, especially in airports and traffic hubs. However, in general, our gas stations along the road and many of our rural stores and window kiosks experienced increased turnover throughout 2020. This change in turnover throughout 2020, is a direct effect of restrictions in all seven of our countries.

Our countries experienced a turnover closer to normal through the summer and autumn months, but with new restrictions in late autumn and over Christmas, our countries experienced a decreased turnover.

Our stores, together with their local support office, have all done their best to ensure safety for customers and store employees during the COVID-19 pandemic. Our local stores have taken the necessary steps to provide customers with a clean environment and enough products for necessities (e.g., food and hygiene). We have offered open stores, a local presence, and safe shopping.

REITAN CONVENIENCE is a part of REITAN, and we proudly support the vision We want to be known as the most value-driven company. We use our eight values on a daily basis in our seven countries, our support offices, and in every store. We are focused on building successful people and solid companies.

From 1st January 2021, REITAN CONVENIENCE is a part of REITAN HANDEL, together with REMA 1000 Norway, REMA 1000 Denmark, and Uno-X. This will simplify our structure, and through our clear customer focus - customer first in everything we do, strong values, and solid local leadership - REITAN HANDEL

Johannes Sangnes
CEO

will become a leading retail company in the Nordics and Baltics.

Organic growth in existing stores and new store openings are a core part of our strategy, but equally important is continuing our focus on food to go, hot and cold beverages, and bakery.

In the fast-moving convenience industry, continuous innovation is essential for attracting both existing and new customers. We strongly believe in meeting our customers' need for high-quality food and beverages on the go; this includes healthier options.

Digitalisation is very important in many respects. Our focus is on simplifying: helping to improve the customer experience

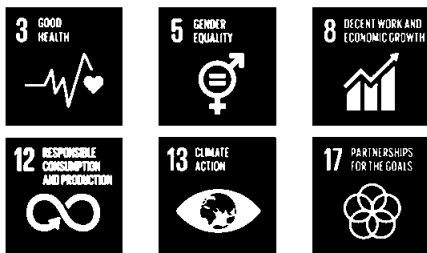


¹ Total turnover in stores including franchisee turnover and external distribution of press products. This is an alternative performance measure (APM).



while making it easier for franchisees and their employees to operate their businesses every day. In 2020, we launched our unmanned, automated stores, including scan and pay solutions, in Sweden. In 2021, we will see the unmanned store in some of our other countries as well.

Being responsible has always been a high priority within our philosophy, and we emphasise this in our values. As we move forwards with the critical task of doing better for the world, we learn that there is still much to do. We focus our corporate social responsibility efforts on the three main areas of people, product, and planet. Our goal is to operate as efficiently as possible while constantly focusing on minimising our environmental impact throughout our value chain. Moving forward, our goal is not only unchanged but strengthened. All seven countries are strongly focusing on the six common Sustainable Development Goals set by the United Nations:



These goals are the blueprint for achieving a better and more sustainable future. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace, and justice.

From 2021, all REITAN CONVENIENCE companies are committed to reporting on the Carbon Footprint Accounting and Global Reporting Initiative (GRI). Together with REITAN HANDEL, we set an ambitious ESG strategy, involving a distinct market position and integrated focus on sustainability and ESG throughout the business – from a top-level commitment to operational execution. We believe that this ambitious strategy will create value for our customers, employees, and other stakeholders.

In December, for the second year in a row, we were recognised by CFI.co as the best ESG convenience retailer in the Nordics and Baltics. We are very proud and humbled, but we know we still have more work to do. We feel that we are just at the beginning of this journey and receiving such an award in 2019 and 2020 will further motivate us to continue

our efforts. I am very proud of our franchisees and employees as I know they have a positive attitude towards sustainability. Without them and their involvement, we would not have achieved this recognition.

At REITAN CONVENIENCE, people are our most important asset, and we believe that well-treated, respected employees are more likely to succeed. Our performance culture focuses on personal development and driving results, encouraging our people to make good decisions. We practise value-based leadership by focusing on our eight values and our vision: “We want to be known as the most value-driven company”.

We have a positive perspective on the future of our business. Convenience is considered a megatrend worldwide, and we feel confident that the convenience market will continue to grow in the years to come. Our success in this competitive market is due to the fact that we continue to evolve in high-traffic locations, diversify, and become a preferred partner to landlords and suppliers, maintaining a strong market position in the countries in which we operate. We must respond quickly to our customers’ needs and follow trends closely to continue to react to changing demands.

After over 20 years at REITAN, 17 years of which I have spent at REITAN CONVENIENCE, I have decided to leave my position as CEO. I have had the pleasure of being the CEO of three different countries in REITAN CONVENIENCE and in recent years as the top manager of this company. I have been allowed to work with wonderfully skilled franchisees, store managers and employees in our support offices. It has been very educational, and it has been a lot of fun. I have also greatly appreciated REITAN’s value-based leadership philosophy and our basic belief in the individuals in the company. From 1st June 2021 I will hand over the role to Mariette Kristenson, who comes from the position as CEO of REITAN CONVENIENCE SWEDEN. She has extensive experience in the REITAN system, both as CEO of REITAN CONVENIENCE in Sweden and Norway and as a board member of our four Nordic companies. Mariette has the leadership qualities and competence required to take REITAN CONVENIENCE further as her strengths lie precisely in the areas that will be important for the company in the coming years – a focus on business development, food & beverage, digitalisation, and sustainability. I am confident that she will continue to develop the company with the customer’s best in mind!





REITAN CONVENIENCE

KEY FIGURES – CONCEPT 2020

<i>Amounts in NOK million</i>	Norway	Sweden	Denmark	Finland	Baltics
Kiosk					
Turnover	1,540	2,322	-	3,103	1,201
Growth in turnover	-29.3%	-27.6%	-	-5.8%	-19.2%
Number of stores	263	311	-	475	482
7-Eleven City					
Turnover	467	696	1,865	-	-
Growth in turnover	-29.3%	-26.1%	-18.1%	-	-
Number of stores	59	83	118	-	-
7-Eleven Gas stations					
Turnover	865	-	916	-	-
Growth in turnover	6.1%	-	10.4%	-	-
Number of stores	93	-	56	-	-
Northland					
Turnover	32	-	-	-	-
Growth in turnover	-72.3%	-	-	-	-
Number of stores	5	-	-	-	-
Caffeine					
Turnover	-	-	-	-	117
Growth in turnover	-	-	-	-	-17.3%
Number of stores	-	-	-	-	72
Press distribution					
Turnover external distribution	-	-	-	-	412
Growth in turnover	-	-	-	-	-7.0%

Turnover from franchised stores and number of stores is an alternative performance measure (APM) and is not part of REITAN CONVENIENCE's operating revenues.

Kiosk includes Narvesen in Norway, Latvia and Lithuania, Pressbyrån in Sweden, R-kiosk in Finland, R-kiosk in Estonia and Lietuvos Spauda in Lithuania.



CONSOLIDATED FINANCIAL STATEMENTS

REITAN CONVENIENCE



REITAN CONVENIENCE



REITAN CONVENIENCE

Director's report

MANAGEMENT'S INTRODUCTION

From 1st January 2021 REITAN CONVENIENCE is part of REITAN HANDEL together with REMA 1000 Norway, REMA 1000 Denmark and Uno-X Energi. REITAN HANDEL is one of three business areas in REITAN together with REITAN EIENDOM (real estate) and REITAN KAPITAL.

On 1st June 2021, Johannes Sangnes is leaving as CEO of REITAN CONVENIENCE, and Mariette Kristenson from REITAN CONVENIENCE SWEDEN is taking over. Mariette Kristenson has extensive experience in the REITAN system, both as CEO of REITAN CONVENIENCE in Norway and Sweden and as a board member of our four Nordic companies. Anna Wallenberg will take over as CEO of REITAN CONVENIENCE SWEDEN on 16th August 2021.

REITANGRUPPEN'S VALUES

REITAN's vision is to be recognized as the most value-driven company. REITAN's values describe the basis of its culture and they have developed throughout the company's longstanding history. A strong corporate culture based on REITAN's eight values is important to achieve its overall targets, and value-based leadership are part of the company's philosophy.

VALUES

1. We focus on our business idea
2. We keep a high business moral
3. We are committed to be debt-free
4. We encourage a winning culture
5. We have a positive and proactive mindset
6. We talk with each other, not about each other
7. The customer is our ultimate boss
8. We want our work to be enjoyable and profitable

REITAN CONVENIENCE has a leading position in operation of franchise-based convenience concepts in the Nordic and Baltic kiosk and convenience market.

REITAN CONVENIENCE'S OPERATIONS

REITAN CONVENIENCE consists of convenience operations in Norway, Sweden, Denmark, Finland, Latvia, Estonia and Lithuania. The operations include Narvesen in Norway, Latvia and Lithuania, Pressbyrå in Sweden, R-kioski in Finland, R-kiosk in Estonia, Lietuvos Spauda in Lithuania, Northland in Norway and the coffee chain Caffeine in Latvia, Estonia and Lithuania. Our operations also include 7-Eleven in Norway, Sweden and Denmark. REITAN CONVENIENCE is entitled to use 7-Eleven's trademark in these countries by agreement with 7-Eleven Inc. REITAN CONVENIENCE has a strong market position in all countries the group is represented in. Our operations also include distribution of press products through Preses Serviss in Latvia, Lehepunkt in Estonia and Press Express in Lithuania. REITAN CONVENIENCE operates from Oslo, Stockholm, Copenhagen, Helsinki, Riga, Tallinn and Vilnius. As of 31 December 2020, REITAN CONVENIENCE had 2,017 stores (2,098 in 2019).

CONCEPTS

Narvesen was established in 1894 and is a nationwide convenience store chain. Narvesen aim to be easily accessible where people are on the go, and focus on giving the customer the fastest and most convenient service on the market.

Pressbyrå was established in 1899 and is the leading convenience chain in Sweden. Pressbyrå provides a wide range of products and services for people on the go.

7-Eleven was established in Dallas in 1927, and is the world's largest retail chain with 70,000 stores in 17 countries around the world. 7-Eleven is the leading convenience chain in Scandinavia, and was established in Sweden in 1980, in Norway in 1986 and in Denmark in 1993.

Scandinavian Fuel Infrastructure (SFI) owns the fuel infrastructure at the 7-Eleven Gas stations in Norway and Denmark. REITAN CONVENIENCE cooperates with the fuel companies YX in Norway and DCC in Denmark. REITAN CONVENIENCE operates the stores at 7-Eleven Gas stations in Norway and Denmark, while YX and DCC handle the fuel operations through the brands YX and Shell. The cooperation agreement with YX in Norway is valid until the end of 2028, and the agreement with DCC in Denmark is valid until the end of 2023.



R-kioski in Finland was established in 1910 at railway stations. The history of the brand is very similar to Narvesen and Pressbyrå.

Narvesen in Latvia was established in 1997 and acquired the dominant kiosk chain Preses Apvieniba in 2000. All stores in Latvia are branded Narvesen.

R-kiosk in Estonia was established in 1993 and has a leading position in the Estonian convenience market.

Lietuvos Spauda in Lithuania was established in 1944 and is a traditional kiosk chain, consisting mainly of small window kiosks.

Northland is a concept of freshly made sandwiches for high-traffic-locations such as airports, railway stations etc., and was established in Norway in 2015.

Caffeine in Latvia, Estonia and Lithuania has 72 coffee shops and is the leading coffee chain and the only one with presence in all three Baltic countries.

FRANCHISE – OUR MOST IMPORTANT COMPETITIVE ADVANTAGE

REITAN CONVENIENCE's retail concepts are based on franchising. Franchising is a close collaboration between two independent parties, the franchisor and the franchisee. Franchising is about striking a balance between freedom and systems operations. The franchisee is self-employed but must comply with the concept and philosophy established by the franchisor. The franchisor delivers a "turn-key" store to the franchisee. The franchisor owns the rental contract and do all the investments in the store. The franchisor develops standards for establishment and operation of businesses with certain goods and/or services under a common brand name. The franchisee runs his/her local business based on this, with assistance from the franchisor. This requires a great sense of responsibility on both sides, and a franchisee who manages a brand also has a special responsibility towards the brand itself. The franchisor negotiates terms for and decides upon the distribution of goods and/or services to the franchisee. In principle, the work is divided between the parties so that the franchisor performs services in areas where it is more efficient, both with regards to time and cost, to do it centrally. The franchise system makes great mutual demands on the parties, which results in a continuous development of skills in the organisation.

COVID-19

The Covid-19 outbreak was announced as a pandemic by the World Health Organization in March 2020.

In the time followed, countries around the world implemented actions and restrictions to secure their citizens. These actions were decided by local governments and comprised the seven countries REITAN CONVENIENCE operates in. Actions and restrictions vary amongst the countries, but social distancing, travel restrictions and the call to stay at home for most of the time applied to all countries. The pandemic lasted through 2020 with varying intensity. Towards the end of 2020, the level of infection and the level of restrictions increased in the countries in which REITAN CONVENIENCE operates. The infections have continued to increase at the beginning of 2021.

The franchisees and our national support offices do their utmost to be at the forefront to establish good control routines, ensuring the health and safety of the customers and the employees, as well as ensuring good internal processes for the delivery of goods.

The restrictions are heavily affecting the convenience industry. With a large number of outlets in high traffic areas where people normally travel and naturally gather, such as airports, railway stations and metros, the customer base has significantly been reduced. Many of our stores at gas stations and in residential- and rural areas experienced an increase in number of customers due to changes in travel- and shopping patterns. In March and April 2020, the total turnover declined by 40-45 percent, but during the summer months, we saw an improvement in all our countries. In line with an increase in infections and even stricter restrictions, turnover declined over the autumn and winter months. Now, we are experiencing a decrease in turnover of 20-25 percent compared to before COVID-19 numbers. Amongst necessary cost reduction measures, our subsidiaries had to initiate layoffs in stores and at the support offices. Adjusted opening hours due to reduced customer traffic were also implemented.

All countries we operate in have started a vaccination program. We expect a gradually ease of the restrictions in line with a larger part of the population being vaccinated. We are experiencing an increase in sales with the gradually re-opening of the countries.

REITAN CONVENIENCE has signed an agreement with the bank syndicate to increase the credit limit with NOK 300 million to NOK 2,300 million. In addition, REITAN AS decided



REITAN CONVENIENCE

in April 2020 to support REITAN CONVENIENCE with contribution of equity capital of up to NOK 600 million through REITAN HANDEL AS, of which NOK 200 million was contributed in May 2020. With the adequate supply of liquidity from the parent company and the increased credit limit, REITAN CONVENIENCE has taken necessary measures to ensure operations.

FINANCIAL HIGHLIGHTS

REITAN CONVENIENCE's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The separate financial statements of the parent company have been prepared according to simplified IFRS.

The board of directors is of the opinion that the financial statements give a fair view of the company's financial position. The board of directors considers the requirements of the going concern assumption to have been met and with the necessary actions taken also to be met going forward, and that the accounts have been prepared on that basis.

RESULTS

In 2020, turnover¹ including franchise-operated units amounted to NOK 13,536 million (NOK 15,398 million), corresponding to a growth of -17.8 percent (-5.7 percent). Growth in turnover equals the average weighted growth measured in local currency. Operating revenue amounted to NOK 4,142 million (NOK 4,908 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to NOK 1,176 million (NOK 1,690 million), while operating profit were NOK -103 million (NOK 455 million). Profit before income tax was NOK -388 million (NOK 373 million). Profit for the year amounted to NOK -339 million (NOK 284 million).

All countries are affected by the COVID-19 pandemic. The decline in market share is caused by an increase in sales at gas stations during the pandemic.

¹ Total turnover in stores including franchisee turnover and external distribution of press products. This is an alternative performance measure (APM).

NORWAY

REITAN CONVENIENCE in Norway had a growth in store turnover of -23.0 percent in 2020, and a comparable growth of -22.4 percent in Narvesen, -29.9 percent in 7-Eleven City and 5.3 percent in 7-Eleven Gas stations. The estimated 2020 market share for REITAN CONVENIENCE NORWAY was 29.2 percent (29.2 percent in 2019).

SWEDEN

REITAN CONVENIENCE in Sweden had a growth in store turnover of -29.0 percent in 2020. The comparable growth in Pressbyrå was -27,1 percent and -22,5 percent in 7-Eleven City. The estimated 2020 market share for REITAN CONVENIENCE SWEDEN was 15.2 percent (17.3 percent in 2019).

DENMARK

REITAN CONVENIENCE in Denmark had a growth in store turnover of -10.5 percent in 2020 and a comparable growth of -10.1 percent in 7-Eleven City, 10.4 percent in 7-Eleven Gas stations and -20.4 percent in DSB/7-Eleven. The estimated 2020 market share for REITAN CONVENIENCE DENMARK was 26.7 percent (32.0 percent in 2019).

FINLAND

R-kioski in Finland had a growth in store turnover of -5.8 percent in 2020 and a comparable growth of 1.5 percent. The estimated 2020 market share for R-kioski in Finland was 68.4 percent (68.4 percent in 2019).

BALTICS

Our Baltic kiosk and café operations had a growth in store turnover of -17,3 percent in 2020 and a comparable growth of -15,3 percent. The estimated 2020 market share for Narvesen in Latvia was 41.1 percent (47.9 percent in 2019). The estimated 2020 market share for R-kiosk in Estonia was 23.6 percent (31.2 percent in 2019). The estimated 2020 market share for REITAN CONVENIENCE in Lithuania was 14.4 percent (19.2 percent in 2019).

BALANCE SHEET AND LIQUIDITY

Total assets as at 31 December 2020 were NOK 7,670 million (NOK 8,145 million). Cash and cash equivalents as at 31 December 2020 amounted to NOK 232 million (NOK 248 million). Net interest-bearing debt, excluding lease liabilities was NOK 647 million (NOK 230 million) while net interest-bearing debt including lease liabilities was NOK 3,057 million (NOK 3,183 million). As at 31 December 2020, total borrowings were NOK 1,161 million (NOK 797 million). Net investments in non-current assets were NOK 209 million (NOK 335 million). The group has unused loan facilities of NOK 1,611 million (NOK 1,559 million). Equity at the end of



the year amounted to NOK 1,860 million (NOK 1,741 million), which gives an equity ratio of 24.3 percent (21.4 percent).

CASH FLOW FROM OPERATIONS

Cash flow from operations amounted to NOK 663 million (NOK 1,484 million). EBITDA was NOK 1,176 million (NOK 1,690 million). Changes in working capital resulted in a negative cash flow of NOK -462 million (NOK -220 million). Cash flow from investing activities amounted to NOK -192 million (NOK -415 million). The group's ability to finance its own investments is considered good. Cash flow from financing activities amounted to NOK -365 million (NOK -1,145 million).

FINANCIAL RISK

REITAN CONVENIENCE has its core activities in the convenience market and is exposed to ordinary financial risk related to this type of activity. Reitan Convenience operates in a market with high turnover. Annual cash flows are considerable and stable, however volatile in the short perspective. The group handles its liquidity risk by ensuring a sufficient liquidity reserve combined with sufficient available overdraft facilities. The group's financing sources include a multi-currency loan facility which is syndicated to a bank syndicate consisting of six banks. The loan is due for payment at the end of 2024.

The turnover in REITAN CONVENIENCE comes from both franchised and company owned units. The franchisor has a good overview of the individual franchisee's financial situation. Historically, defaults and losses on trade receivable have been low. We do not expect any material deviations from the credit risk level or any major changes in creditor composition in the near future. As for market risk, this will largely be dependent of changes in legal conditions in the individual countries in the long run. The general market development for various product groups will vary. The product group press products has declined. As for the product group tobacco, there are common expectations of a decline, in light of a healthier lifestyle among people, while product groups such as coffee, cold drinks and food to go are expected to show a positive development. Since REITAN CONVENIENCE operates in seven different countries, the total market risk is considered acceptable.

We seek to limit exposure related to ownership interests in foreign operations by adjusting the composition of our debt portfolio to reflect the importance of the individual currency and country in relation to the group's total activities. REITAN CONVENIENCE has established strategies to handle risk related to interest and exchange rates. We make transactions

to cushion the effect of short-term fluctuations in the interest markets and to provide somewhat greater predictability related to future interest costs. The interest rate profile of our debt portfolio is adjusted through choice of interest structure on the group's loan and through the use of interest swaps.

OUR RESPONSIBILITY

REITAN'S eight core values have close connectivity to all actions taken in our daily and long-term operations. As a strongly value-driven company, Environmental, Social and Governance (ESG) criteria has been prioritized by REITAN CONVENIENCE for many years. Our responsibility and sustainability agenda are defined through the focus areas, People, Product, and Planet. The goal remains unchanged; to create a positive impact in the local communities we are present in and operate as efficiently as possible, while constantly focusing on minimising our environmental impact, throughout our value chain.

In 2019 we decided to incorporate our work into the Sustainable Development Goals set by the United Nations. These goals are the blueprint for achieving a better and more sustainable future for all. Through defining our main impact, we decided to focus mainly on these six common goals in all seven countries: Goal#3 Good Health, Goal#5 Gender Equality, Goal#8 Decent Work and Economic Growth, Goal#12 Responsible Consumption and Production, Goal#13 Climate Action and Goal#17 Partnership for the Goals. Each of the subsidiaries in their respective countries have a great ownership of their own sustainability agenda. They develop local initiatives which support REITAN CONVENIENCE's joint ESG profile under the three main areas of People, Product and Planet. During 2020, REITAN CONVENIENCE started a more strategically work on ESG on group level. We implemented mandatory carbon accounting for all subsidiaries for Scope 1 and 2 to track our climate impact. We will work on reporting emission categorized as scope 3 going forward. During 2020 it was decided that each subsidiary would strengthen their ESG work by conducting stakeholder dialogue and materiality analyses, aligned with the Global Reporting Initiative (GRI) framework. This process will progress during 2021 and then ongoingly. Further consolidated metrics and KPIs are under development and will be implemented in REITAN CONVENIENCE during 2021.

Through REITAN CONVENIENCE's work with People, gender equality has long been a material topic. For the last three years our top and middle management have been represented by 50% women and men. The total distribution of new franchisees for all countries during 2020 was also 50%



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women and men while the gender split for the total number of franchisees and shop keepers was 58 % women and 42 % men in 2020. The 11,400 employees throughout the business, including franchisees, have been identified as the company's most important resource. The employees' commitment to sustainability has been a major factor for REITAN CONVENIENCE being awarded the Nordic and Baltic's Best ESG Convenience Retailer by CFI.co, for the second year in a row. Our ESG work is a continuous process, and we will further enhance our metrics, targets and reporting aligned with international standards. For the first year, REITAN CONVENIENCE will also publish an ESG publication for 2020 where further information from local and collective sustainability progression is presented.

WORKING ENVIRONMENT

Our people are our most important resource. We believe companies with a good working environment, where employees feel well treated and respected, are more likely to succeed. Creating and maintaining a safe and positive working environment is a prerequisite for profitability, and an important part of Our Responsibility. In total, REITAN CONVENIENCE and its franchisees had 11,392 employees by the end of 2020 (12,455). In the group itself, there were 2,053 employees (2,268). The cooperation with employee organisations is considered good, and we seek to continue this.

We want REITAN CONVENIENCE to be a workplace with equal employment opportunities for everyone, regardless of age, gender, ethnicity, religion, sexual orientation or disabilities. Our personnel policy states that there should be no discrimination in matters concerning recruitment, personal development, promotion, and remuneration. We strive to promote equal status for all employees and prevent any actions contrary to the Anti-discrimination Act.

Among our employees, there are 379 men and 1,674 women. In REITAN CONVENIENCE, there are 69 employees at the top executive level, of which 38 are men and 31 women. Among 90 employees in middle management, 33 are men and 57 women. In storage and transport, there are 143 employees in total, 38 men and 105 women. Among the store employees, 124 are men and 1,142 women, while there are 485 office employees, of which 146 are men and 339 women. Among the 2,053 employees in REITAN CONVENIENCE, 535 work part-time, of which 73 are men and 462 women. The board of directors in REITAN CONVENIENCE AS consists of two men and two woman.

Employee development is crucial to REITAN CONVENIENCE. In 2020, we carried out a number of different programmes, such as courses in value-based leadership, talent programmes, measurements of corporate culture and various individual programmes to engage our employees. In 2020, REITAN was named the second-best place to work in Norway, and the 22th best place to work in Europe, by Great Place to Work® (in the category "large businesses").

REITAN CONVENIENCE has a systematic approach to security and safety, and we aim to optimise routines, minimise sick leave and increase employee involvement. In 2020, sick leave was approximately 3.1 percent (2.9 percent), corresponding to 17,751 days (15,259). The group had no serious personal injuries during 2020. There were 17 injuries resulting in sick leave during the year 2020.

SOCIAL ASPECTS

REITAN CONVENIENCE does not only have responsibilities towards our employees, but also towards our customers and the society at large. Our activities directly and indirectly impact a broad range of stakeholders. Directly, through our operations, and indirectly, through our effects on customers, in the marketplace and other organisations in the supply chain. REITAN CONVENIENCE seeks to avoid causing or contributing to negative human rights impacts through our activities and addresses such impacts when they occur. We have a responsibility to prevent or mitigate adverse human rights impacts that are directly linked to our operations, products or services through our business relationships. REITAN CONVENIENCE's ethical guidelines are part of our supplier contracts. Our suppliers are subject to a number of ethical guidelines, covering the central principles, in UNs Declaration of Human Rights and ILO's Core Conventions. The guidelines state our commitment to human rights, health, safety and environment and anti-corruption. No breaches were reported in 2020. The seven country organisations also work directly with several suppliers on fair trade and certification programmes.

Legal and regulatory compliance is a cornerstone of our operations. Any violation of laws, rules or regulations applicable to us could be a risk to our integrity. We do not tolerate any forms of fraud, bribery or criminal conduct. We expect all of the employees in REITAN CONVENIENCE to understand and comply with laws, rules and regulations applicable to their jobs and responsibilities. Employees are also required to comply with the company's ethical guidelines. Employees must report to the company's management if they should become aware of any cases of illegal activities, corruption or other circumstances that



represent a breach of the company's commitment to social responsibility. No such incidents were reported in 2020, as was also the case in 2019.

ORGANISATION

ORGANISING AND INTERNAL CONTROL

REITAN CONVENIENCE follows REITAN's philosophy in organising its activities in a way that makes the distance between responsibility/authority and operative execution as short as possible. As a franchise organisation, REITAN CONVENIENCE is based on systems operations, both for operative and administrative activities. This also means to establish and comply with routines and internal control in all areas of the organisation. Solid routines ensure good and continuous control of the company, and through this, the management is provided with the best information for making decisions at any time.

BOARD OF DIRECTORS

The board of directors in REITAN CONVENIENCE consists of chair Ole Robert Reitan, deputy chair Magnus Reitan, Kristin S. Genton and Monika Ødegaard.

SHAREHOLDERS

REITAN CONVENIENCE AS is a wholly owned subsidiary of REITAN HANDEL AS, which again is fully owned by REITAN AS. REITAN AS is controlled 100 percent by the Reitan family.

ALLOCATION OF PROFIT FOR THE YEAR

Loss of the year for REITAN CONVENIENCE AS amounted to NOK 307 million and is proposed transferred from other reserves. The company has provided dividend of NOK 312 million to, and receives group contribution of NOK 312 million from, the parent company. The dividend and group contribution have no net equity effect.

THE FUTURE

The board emphasises that there is normally uncertainty related to future development. REITAN CONVENIENCE is an important part of REITAN's core operations. REITAN CONVENIENCE aims to be a specialist in development, organisation and operation of franchise-based convenience concepts. Organic growth in existing stores and new store openings are a core part of the business. REITAN CONVENIENCE will continue its focus on food to go, hot and cold beverages, and bakery through continues innovation to attract existing and new customers.

Oslo, 28 May 2021

Ole Robert Reitan
Chair of the board

Magnus Reitan
Deputy chair of the board

Kristin S. Genton
Board member

Monica Ødegaard
Board member

Johannes Sangnes
Chief Executive Officer



REITAN CONVENIENCE

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

<i>Amounts in NOK million</i>	Note	2020	2019
Operating revenues	6	4,142	4,908
Other income	7	291	235
Net other gains (losses)	8	47	-13
Share of profit of associates		-	-
Cost of goods sold	19	-1,589	-1,575
Employee benefit expenses	9	-738	-751
Other operating expenses	10	-977	-1,114
EBITDA		1,176	1,690
Amortisation and impairment intangible assets	13	-60	-17
Depreciation and impairment property, plant and equipment	14	-323	-333
Depreciation and impairment of right-of-use assets	15	-896	-885
Operating profit		-103	455
Interest expenses lease liabilities	11, 26	-73	-80
Other interest income (expenses)	11	-38	-21
Other financial income (expenses)	11	-174	19
Net financial income (expenses)		-285	-82
Profit before income tax expenses		-388	373
Income tax expenses	12	49	-89
Profit for the year		-339	284
Other comprehensive income:			
Remeasurement of post-employment benefit obligations	21	-1	-6
Items that will not be reclassified to profit or loss		-1	-6
Currency translation differences	12, 21	212	-29
Items that may be subsequently reclassified to profit or loss		212	-29
Other comprehensive income for the year, net of tax		211	-35
Total comprehensive income for the year		-128	249
Attributable to:			
Owners of the parent company		-339	284
Non-controlling interests		-	-
Profit for the year		-339	284
Attributable to:			
Owners of the parent company		-128	249
Non-controlling interests		-	-
Total comprehensive income for the year		-128	249



CONSOLIDATED BALANCE SHEET - ASSETS

<i>Amounts in NOK million</i>	Note	31.12.20	31.12.19
NON-CURRENT ASSETS			
Deferred income tax assets	12	195	137
Intangible assets	13	2,437	2,364
Investment property		4	3
Property, plant and equipment	14	1,027	1,089
Right-of-use assets	15	2,376	2,816
Investments in associated companies		6	6
Derivative financial instruments	28	-	1
Pension funds	9	1	-
Financial investments	17	120	136
Trade and other receivables	18	223	241
Total non-current assets at 31 December		6,389	6,793
CURRENT ASSETS			
Inventories	19	168	162
Trade and other receivables	18	805	850
Cash and cash equivalents	20	308	340
Total current assets at 31 December		1,281	1,352
Total assets at 31 December		7,670	8,145



REITAN CONVENIENCE

CONSOLIDATED BALANCE SHEET - EQUITY AND LIABILITIES

<i>Amounts in NOK million</i>	Note	31.12.20	31.12.19
EQUITY			
Share capital		3	3
Share premium		399	199
Other reserves	21	705	493
Retained earnings		751	1,044
Equity attributable to the parent company at 31 December		1,858	1,739
Non-controlling interests		2	2
Total equity at 31 December		1,860	1,741
NON-CURRENT LIABILITIES			
Deferred income tax liabilities	12	208	198
Pension liabilities	9	26	25
Derivative financial instruments		4	-
Lease liabilities	26	1,645	2,057
Provisions for other liabilities	27	150	138
Other liabilities		-	7
Borrowings	22, 23	1,085	705
Total non-current liabilities at 31 December		3,118	3,130
CURRENT LIABILITIES			
Borrowings	23	76	92
Lease liabilities, current	26	765	896
Provisions for other liabilities	27	16	17
Current income tax liabilities	12	7	15
Trade and other payables	30	1,828	2,254
Total current liabilities at 31 December		2,692	3,274
Total liabilities at 31 December		5,810	6,404
Total equity and liabilities at 31 December		7,670	8,145

Oslo, 28 May 2021

Ole Robert Reitan
Chair of the board

Magnus Reitan
Deputy chair of the board

Kristin S. Genton
Board member

Monica Ødegaard
Board member

Johannes Sangnes
Chief Executive Officer



EQUITY

Amounts in NOK million

	Share capital and premium	Other reserves	Retained earnings	Total	Non- controlling interests	Total equity
Equity at 1 January 2019						
Profit of the year	-	-	284	284	-	284
Remeasurement of post-employment benefit obligations	-	-	-6	-6	-	-6
Items that will not be reclassified to profit or loss	-	-	-6	-6	-	-6
Currency translation differences	-	-29	-	-29	-	-29
Items that may be subsequently reclass. to profit or loss	-	-29	-	-29	-	-29
Total other comprehensive income	-	-29	-6	-35	-	-35
Total comprehensive income	-	-29	278	249	-	249
Dividends	-	-	-400	-400	-	-400
Equity at 31 December 2019	202	493	1,044	1,739	2	1,741
Profit for the year	-	-	-339	-339	-	-339
Remeasurement of post-employment benefit obligations	-	-	-1	-1	-	-1
Items that will not be reclassified to profit or loss	-	-	-1	-1	-	-1
Currency translation differences	-	212	-	212	-	212
Items that may be subsequently reclass. to profit or loss	-	212	-	212	-	212
Total other comprehensive income	-	212	-1	211	-	211
Total comprehensive income	-	212	-340	-128	-	-128
Increase of capital	200	-	-	200	-	200
Dividends	-	-	47	47	-	47
Equity at 31 December 2020	402	705	751	1,858	2	1,860

See Note 21 - Other comprehensive income for further information.



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CONSOLIDATED STATEMENT OF CASH FLOW

<i>Amounts in NOK million</i>	Note	2020	2019
CASH GENERATED FROM OPERATIONS			
Profit before income tax		-388	373
Amortisation and impairment, intangible assets	13	60	17
Depreciation and amortisation of property, plant and equipment	14	323	333
Depreciation and amortisation of right-of-use assets	15	896	885
Loss (profit) on disposals of property, plant and equipment	8	-52	-6
Loss (profit) on sale of shares	8	6	2
Change in retirement benefit obligations	9	1	1
Change in fair value of derivatives	8, 11	-	1
Change in fair value of financial investments	8	-	16
Net financial items excl. change in fair value of derivatives	11	280	82
Share of profit from associates		-	-
Currency translation losses (gains) on operating activities	8	-1	-
Change in inventories	19	-6	52
Change in trade and other receivables		-34	125
Change in trade and other payables		-422	-397
Cash generated from operations		663	1,484
Interest paid	11	-78	-88
Income tax paid	12	-44	-101
Net cash generated from operating activities		541	1,295
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of subsidiaries		-	-72
Purchase of property, plant and equipment	14	-237	-351
Sale of property, plant and equipment	14	28	16
Purchase of intangible assets	13	-12	-16
Sale of intangible assets	13	-	1
Sale of financial investments	17	25	2
Interest received	11	4	5
Net cash used in investing activities		-192	-415
CASH FLOW FROM FINANCING ACTIVITIES			
Increase of capital		200	-
Increase of borrowings		600	477
Repayment of borrowings		-253	-345
Payments on lease debt		-939	-862
Dividend payments		-	-400
Payment received - parent company		61	-
Interest paid - borrowings		-34	-15
Net cash used in financing activities		-365	-1,145
Net increase (decrease) in cash and cash equivalents		-16	-265
Cash and cash equivalents at 1 January	20	248	513
Exchange gains (losses) on cash and cash equivalents	8	-	-
Cash and cash equivalents at 31 December	20	232	248



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REITAN CONVENIENCE



NOTE 1 - GENERAL INFORMATION

REITAN CONVENIENCE AS is registered and domiciled in Norway, and its head office is located at Gladengveien 2, Oslo. The group companies operate from Oslo, Stockholm, Copenhagen, Helsinki, Riga, Tallinn and Vilnius. REITAN CONVENIENCE AS is owned by REITAN HANDEL AS, which in turn is owned by REITAN AS. ODD REITAN PRIVATE HOLDING AS is the group's ultimate parent company.

REITAN AS' head office is located at Lade Gaard in Trondheim. REITAN CONVENIENCE AS is included in the consolidated financial statements of REITAN AS.

The consolidated financial statements of REITAN CONVENIENCE AS were approved by the company's board of directors on 26 April 2021.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The consolidated financial statements of REITAN CONVENIENCE AS have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements are prepared under the historical cost convention, as modified by the revaluation of land and buildings, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The consolidated financial statements are prepared on the assumption of going concern.

2.2 CONSOLIDATION

The consolidated financial statements include REITAN CONVENIENCE AS and its subsidiaries. Inter-company transactions and balances have been eliminated.

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

2.3 FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian krone (NOK), which is the group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to working capital are classified as operating profit/loss. Currency items related to financing activities are included in net financial income (expenses).

2.4 NEW STANDARDS AND AMENDMENTS TO / INTERPRETATIONS OF EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND NOT HAVE BEEN EARLY ADOPTED BY THE GROUP

2.4.1 Amendment to IFRS 16 - Covid-19-Related Rent Concessions

In May 2020, the International Accounting Standards Board amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not affect lessors.

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-



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19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

Lessees must apply the practical amendment retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied.

The amendment is effective for annual periods beginning on or after 1 June 2020, but earlier application is permitted. The Group has chosen to early adopt this amendment.

The effect of the amendment is disclosed in note 26.

There are no other IFRSs or IFRIC interpretations that are not yet effective that are expected to have any material impact on our consolidated financial statements.

2.5 CHANGE IN PRESENTATION OF REVENUES

The company has changed its presentation and classification of operating revenues and other income in 2020. Operating revenues includes the company's revenues according to IFRS 15 Revenues from contracts with customers, including franchisee fee, revenues from sale of goods and other revenue. Other income includes transactions outside the scope of IFRS 15, including rental income. The comparative amounts for 2019 have been reclassified accordingly, leading to a net reclassification of NOK 362 million from other income to operating revenue. The amount presented as revenue from contracts with customers according to IFRS 15 has been negligibly adjusted as a result of the renewed assessment.

NOTE 3 – FINANCIAL RISK MANAGEMENT

The group operates in the convenience market, and includes the concepts Narvesen in Norway, Latvia and Lithuania, 7-Eleven in Norway, Sweden and Denmark, Pressbyrå in Sweden, R-kiosk in Finland, R-kiosk in Estonia, Lietuvos Spauda in Lithuania and Northland in Norway. In addition to convenience the group operates coffee shops through the brand Caffeine in the Baltics. The operations also include distribution of press products in Latvia, Estonia and Lithuania to internal and external retailers, and rental and operation of gas stations in Norway and Denmark.

The group's activities involve various financial risks: market risk (including currency risk, fair value interest risk, floating interest risk and price risk), credit risk and liquidity risk. The group's overall risk management plan focuses on the capital markets' unpredictability and represents an attempt to minimise potential negative effects on the group's financial performance. The group makes use of financial derivatives to hedge against certain risks. The group's risk management is performed by a central finance department, in accordance with instructions which have been presented to and approved by the board of directors. The group's finance department identifies, evaluates and manages financial risk in close cooperation with the different operational units. The board of directors approves the principles for overall risk management, and provides guidelines for specific areas such as currency risk, credit risk, use of financial derivatives and use of surplus cash.

3.1 MARKET RISK

3.1.a Currency risk

The group is exposed to currency risk according to Swedish kroner, Danish kroner and euro. Currency risk arises from future trading transactions, assets and liabilities recognised in the balance sheet, and net investments in international operations. This risk is still limited, as our operational units mainly have their income and costs and keep their accounts in local currency. The group has financial hedging for currency exposure, and thus is subject for volatility in the P&L. The group has investments in foreign subsidiaries, where net assets are exposed to currency risk in foreign currency translation. The group tries to limit this exposure by ensuring an overall debt portfolio composition which to the greatest possible extent is adapted to the individual currency's and country's relative importance in the group's activities.

The effect of a 10 percent change in the currency against the Norwegian kroner is shown in the table below. The effects are calculated on the basis of the group's net assets (liabilities) in each currency at 31 December 2020.

Balance sheet items in currency	DKK	SEK	EUR
Currency gain (loss) -10 %	-1	35	10
Effect on equity -10 %	-48	-49	-149



NOTE 3 – FINANCIAL RISK MANAGEMENT - CONTINUED

Currency gain (loss) +10 %	1	-35	10
Effect on equity +10 %	48	49	149

3.1.b Price risk

In Finland, the group owns shares in real estate, to gain access to premises for the group's operations. These shares are classified as "financial assets available for sale". The exposure for price risk on the underlying properties is considered to be limited when these are mainly used by R-kioski franchisees. The group's exposure to other stocks' and securities' price risks is limited.

3.1.c Interest risk

Since the group has no major interest-bearing assets, its profits and cash flows from operating activities are mainly independent of fluctuations in the market interest rates.

The group's interest risk is related to borrowings, lending and bank deposits. Borrowings within the group are entered with floating interest rate and represent an interest risk for the group's cash flow. Interest rate swaps have been established to minimise the interest risk related to borrowings in both NOK and foreign currency. The group's borrowings are in NOK, SEK, DKK and EUR.

The effect of change in market interest rates by one percentage point of the group's borrowings, lending and bank deposits at floating rates, are shown in the table below.

	-1%-point	+1%-point
Decrease (increase) in interest cost	-7	7
Effect on equity	5	5

3.2 Credit risk

The most significant part of the group's operating revenues comes from franchisees. The franchisor has a good overview of each franchisee's financial situation. Historically, default and losses on accounts receivables have been low in the Nordic and Baltic markets. A certain credit risk also arises from committed transactions with customers and derivatives and deposits with financial institutions. Counterparties in derivative contracts and financial deposits are limited to financial institutions with high creditworthiness.

3.3. LIQUIDITY RISK

The group operates in a market with high turnover. Cash flows are high and relatively stable, but volatile within a week/month. The group manages its liquidity risk by ensuring a sufficient amount of cash in combination with sufficient headroom on its undrawn borrowing facilities.

Management monitors the group's liquidity reserves consisting of various borrowing facilities (Note 23) and cash equivalents (Note 20) through rolling forecasts based on expected cash flow. Management follows its liquidity reserves separately for each main currency (NOK, DKK, SEK and EUR).

The group's primary sources of funding in 2020 are loans from a multi-currency credit facility syndicated among six banks (Note 22 – Loan agreements). The loan facility expires in December 2025. Detailed maturity for other loans is presented in Note 23 - Borrowings.

3.4 RISK RELATED TO FINANCING AND CAPITAL STRUCTURE

The group's ambition regarding financing and capital structure is based on REITAN's value principle no. 3: "We are committed to be debt-free." This entails that the parent company should be debt-free, while the group seeks an optimal business solution within the framework of appropriate risk management.

This value principle is operationalised by the board of directors in REITAN, who has established decision rules for each individual business area. The decision rules define the scope for financing alternatives and capital structure. The decision rule for REITAN CONVENIENCE is that its debt should not exceed 1.5 times EBITDA. Financing is resolved within each individual business area, as long as the capital structure is within the scope defined by the decision rules.

The board of directors in REITAN is authorised to approve arrangements beyond the decision rules for each business area. To improve capital structure, the group may adjust its investment level, exploit available credit facilities, sell financial investments or adjust the amount of dividend paid to shareholders.



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NOTE 4 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are addressed below.

4.1.a Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 13. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require use of estimates. See note 13 – Intangible assets for more information.

4.1.B Restoration liabilities

The group has in some cases assumed a liability to restore properties/locations to its original standard when the activities at the locations cease. The group estimates these restoration liabilities. The present value of the restoration cost is determined by considering all assumptions and uncertain estimates which are included in the present value of expected restoration cost. These include the asset's economic life, cost of restoration, discount rate and rate of inflation. See note 27 – Provisions for other liabilities for further information.

4.1.C Environmental liabilities

The group's environmental liabilities are related to the Scandinavian Fuel Infrastructure companies in Norway and Denmark, who purchase, store and sell petroleum-based products. When purchasing the companies, the group conducted an environmental review that formed the basis for a reliable estimate of existing environmental liabilities. The results from this review, combined with accumulated knowledge about how these liabilities arise, give the group a basis for estimating the development of our environmental liabilities.

4.1.D Trademarks

On 1 May 2012, the group purchased 1,048 kiosks in Finland, Estonia and Lithuania with the trademarks R-kioski, R-kiosk and Lietuvos Spauda. On 1 March 2019, the group purchased 68 coffee shops in Latvia, Estonia and Lithuania with the trademark Caffeine Roasters. In these connections, assets were identified related to trademarks acquired in a business combination in accordance with the "relief from royalty" method. The trademarks have indefinite useful lives. The trademarks are not amortised, but tested for impairment.

4.2 CRITICAL JUDGMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

4.2.a Agreements with franchisees

The group operates franchise-based business in the convenience market. Franchise concepts are explicitly mentioned in IFRS 10 Consolidated financial statements. The group's assessment is that the franchisees should not be consolidated because the franchisor does not have control, but only protection rights against the franchisees.



NOTE 5 – SEGMENT REPORTING - OPERATIONAL

The operating segments are identified based on the reports the board uses when assessing performance, profitability and capital allocation at a strategic level. The board evaluates the company's performance in each of the countries it is represented in. The defined operating segments are Norway, Sweden, Denmark, Finland and Baltics. Turnover from the defined segments comes from franchised stores and company owned convenience stores and coffee shops, together with external distribution of press products.

The segment Other includes the operations of the parent company REITAN CONVENIENCE AS, the coffee roastery Coffee Point and eliminations.

SEGMENT – FINANCIAL INFORMATION

2020

<i>Amounts in NOK million</i>	Norway	Sweden	Denmark	Finland	Baltics	Other	Group
Operating revenues	647	594	302	841	1,755	3	4,142
Other income	153	5	104	3	26	-	291
Total net gains (losses)	53	-1	-2	-4	1	-	47
Cost of goods sold	-17	-7	-	-307	-1,259	1	-1,589
Other operating expenses	-290	-306	-176	-417	-477	-49	-1,715
EBITDA	546	285	228	116	46	-45	1,176
Amort. and imp. intang. assets	-	-	-	-6	-54	-	-60
Depreciation and imp. PPE	-99	-71	-58	-55	-40	-	-323
Depr. and imp. righth-of-use assets	-385	-230	-102	-91	-88	-	-896
Operating profit	62	-16	68	-36	-136	-45	-103
Investments	69	49	43	45	44	-	250

2019

<i>Amounts in NOK million</i>	Norway	Sweden	Denmark	Finland	Baltics	Other	Group
Operating revenues	980	856	357	818	1,895	2	4,908
Other income	122	15	74	3	22	-1	235
Total net gains (losses)	9	-1	-2	-17	-2	-	-13
Cost of goods sold	-16	-10	-	-240	-1,312	3	-1,575
Other operating expenses	-401	-347	-185	-395	-487	-50	-1,865
EBITDA	694	513	244	169	116	-46	1,690
Amort. and imp. intang. assets	-	-6	-1	-5	-5	-	-17
Depreciation and imp. PPE	-109	-74	-49	-68	-33	-	-333
Depr. and imp. righth-of-use assets	-417	-211	-91	-90	-75	-1	-885
Operating profit	168	222	103	6	3	-47	455
Investments	101	84	78	59	45	-	367

Other income also include revaluation of investment property and share of profit of associates.

Investments are presented as operational investments in property, plant, equipment and intangible assets.



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NOTE 5 – SEGMENT REPORTING – OPERATIONAL - CONTINUED
REVENUE FROM CONTRACTS WITH CUSTOMERS
2020

<i>Amounts in NOK million</i>	Norway	Sweden	Denmark	Finland	Baltics	Other	Group
Franchise fee	490	459	195	253	-	-	1,397
Revenue from sales of goods	28	11	-	366	1,669	3	2,077
Other revenues	129	124	107	222	86	-	668
Revenues from contracts with customers	647	594	302	841	1,755	3	4,142

OTHER INFORMATION PER SEGMENT (APM)
2020

<i>Amounts in NOK million</i>	Norway	Sweden	Denmark	Finland	Baltics	Other	Group
Total turnover incl. franchisee turnover	2,905	3,018	2,781	3,103	1,729	-	13,536
Store turnover incl. franchisee turnover	2,905	3,018	2,781	3,103	1,317	-	13,124
Number of stores	420	394	174	475	554	-	2,017
Number of employees in stores	2,831	2,338	1,576	1,943	1,917	-	10,605

2019

<i>Amounts in NOK million</i>	Norway	Sweden	Denmark	Finland	Baltics	Other	Group
Total turnover incl. franchisee turnover	3,770	3,882	2,855	3,028	1,863	-	15,398
Store turnover incl. franchisee turnover	3,770	3,882	2,855	3,028	1,473	-	15,008
Number of stores	444	398	172	514	570	-	2,098
Number of employees in stores	2,889	3,182	1,673	1,984	2,028	-	11,756

Total turnover including franchisee turnover consists of total sale of goods, agent income from transport tickets, lotteries, telephone and gift cards etc. in franchised stores and company owned convenience stores and coffee shops, and distribution of press products to other business areas within REITAN and other external units.

Store turnover, including franchisee turnover, consists of total sale of goods, agent income from transport tickets, lotteries, telephone and gift cards etc. in franchised stores and company owned convenience stores.

Turnover including franchisee turnover is an alternative performance measure (APM) and not part of REITAN CONVENIENCE's revenue. The management believes that this measure provides additional useful information for understanding the financial performance and financial health of the Group. Number of employees in stores includes personnel in franchise-based units.



NOTE 6 – OPERATING REVENUE

Revenue is measured at the fair value of the consideration received, stated net of discounts, returns and value added taxes. Most types of income will be recognised at the time of delivery.

<i>Amounts in NOK million</i>	2020	2019
Franchise fee	1,397	2,027
Revenue from sales of goods	2,077	2,129
Other revenue	668	752
Total operating revenue	4,142	4,908

FRANCHISE FEE

The group's retail concepts are based on franchising. Agreed franchise fees are recognised each month in accordance with the franchise agreements and based on gross margin.

REVENUE FROM SALES OF GOODS

The sales of goods are recognised when a group entity has delivered its products to the store. Delivery does not occur until the products have been shipped to the specified location, and the risk of loss and obsolescence has been transferred to the store.

In addition, the group sells products directly to retail customers through company owned stores and through the commission-based stores in Latvia and Estonia. Sales of goods are recognised when a group entity has delivered its products to the retail customers.

OTHER REVENUE

Market income

Marketing income is recognised as revenue when the group provides a distinct good or service to the supplier. To the extent that a payment from the supplier is related to a specific ad or campaign that the company has expensed, and for which the supplier has agreed to cover its share of, the payment is deducted from the period's marketing costs.

Sale of transport tickets, lotteries, telephone cards and gift cards

The group also recognises commissions from the sale of transportation tickets, lotteries, telephone and gift cards etc. through company owned stores and the commission-based stores in Latvia and Estonia.

NOTE 7 – OTHER INCOME

Rental income is mainly related to operating leases of fuel infrastructure at the 7-Eleven gas stations in Norway and Denmark.

<i>Amounts in NOK million</i>	2020	2019
Rental income	257	194
Other income	34	41
Total other income	291	235



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NOTE 8 - NET OTHER GAINS (LOSSES)

<i>Amounts in NOK million</i>	2020	2019
Net gains (losses) on sale of property, plant and equipment	-2	-3
Net gains (losses) on leases	54	9
Net realised gains (losses) on financial investments	-6	-2
Net unrealised gains (losses) on financial investments	-	-16
Net unrealised gains (losses) on energy derivatives	-	-1
Net currency gains (losses), operating activities	1	-
Total other gains (losses) - net	47	-13

NOTE 9 – EMPLOYEE BENEFIT EXPENSES, FEES AND KEY MANAGEMENT COMPENSATION

<i>Amounts in NOK million</i>	2020	2019
Wages and salaries	-606	-611
Social security costs	-73	-77
Pension costs	-53	-56
Other employment benefits	-6	-7
Total employee benefit expenses	-738	-751
Average number of fulltime equivalents	1,845	1,884

COMPENSATION FOR CHIEF EXECUTIVE OFFICER

The CEO has in 2020 received a total compensation of NOK 16.2 million (NOK 15.2 million at December 2019), of which NOK 12.2 million is salary and other short-term benefits, and NOK 4.0 million is pension costs (payroll tax not included). The CEO has an agreement of compensation of 2 years salary including bonus after termination of employment.

BOARD OF DIRECTORS

The board of directors consists of Ole Robert Reitan (chair), Magnus Reitan (deputy chair), Kristin S. Genton and Monica Ødegaard. Remuneration for board members in 2020 amounted to TNOK 0 (TNOK 0 at 31 December 2019). The chair has no bonus or special compensation on termination of office.

SHARES IN THE COMPANY OWNED BY EXECUTIVES, DIRECTORS OR THEIR RELATED PARTIES

The chair and deputy chair own shares in REITAN AS, which is the parent company of REITAN HANDEL AS. REITAN CONVENIENCE AS is owned 100 percent by REITAN HANDEL AS.

RETIREMENT BENEFIT OBLIGATIONS

The group has several pension schemes for the employees, both defined benefit plans and defined contribution plans. There are various schemes in the seven countries REITAN CONVENIENCE operates in, and the schemes also vary between companies in the same country.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

A defined benefit plan typically define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. In addition to funded defined benefit plans funded through insurance companies, the group also has unfunded pension liabilities covered by operations.



NOTE 9 – EMPLOYEE BENEFIT EXPENSES, FEES AND KEY MANAGEMENT COMPENSATION - CONTINUED

The liability recognised in the balance sheet in respect of defined benefit pension plans, is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Pension liabilities at 31 December	2020	2019
Discount rate	1.50%	1.80%
Expected rise in compensation	2.00%	2.25%
Expected rise in pension	0.00%	0.00%
Expected rise in social base amount (G)	1.75%	2.00%
Expected turnover	2%-15%	2%-15%

NUMBER OF MEMBERS

Defined contribution plans	2020	2019
In employment	757	860

Funded at 31 December	2020	2019
In employment	35	39
On retirement	101	99

Unfunded at 31 December	2020	2019
In employment	625	725
On retirement	1	-

Amounts in NOK million

Pension expenses	2020	2019
Defined benefit plans	-4	-2
Defined contribution plans	-49	-54
Total pension expenses	-53	-56

Pension liabilities at 31 December	2020	2019
Pension funds at 31 December	50	43
Pension liabilities at 31 December	-75	-68
Net pension assets (liabilities) in balance sheet at 31 December	-25	-25



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NOTE 10 - OTHER OPERATING EXPENSES

<i>Amounts in NOK million</i>	Note	2020	2019
Lease expenses	26	-9	-187
Maintenance of premises		-219	-208
Distribution		-58	-61
Commission fee		-110	-129
Fees		-52	-41
IT		-206	-194
Marketing expenses		-9	-11
Loss on bad debt		-9	-6
Other operating expenses		-305	-277
Total other operating expenses		-977	-1,114

FEES TO AUDITORS

<i>Amounts in NOK million</i>	2020	2019
Statutory audit	-5	-4
Assurance services	-	-
Non-audit services	-1	-
Tax advisory services	-	-1

All amounts relating to audit fees specified above are exclusive of VAT, except for fees related to business combinations. Fees for services other than statutory audit fee applies compensation to statutory auditor in respective fiscal year.

NOTE 11 - NET FINANCIAL ITEMS

INTEREST INCOME (EXPENSE)

<i>Amounts in NOK million</i>	2020	2019
Interest income - customers/franchisees	4	5
Total interest income	4	5
Interest expense - borrowings from banks	-34	-15
Interest expense - provisions for other liabilities	-3	-3
Interest expense - customers/franchisees	-3	-6
Interest expense - other	-2	-2
Total interest expense	-42	-26
Net interest income (expense)	-38	-21

TOTAL FINANCIAL ITEMS

<i>Amounts in NOK million</i>	2020	2019
Interest expense - lease liabilities	-73	-80
Net interest income (expense)	-38	-21
Net foreign exchange gains (losses) on financing activities	-169	19
Fair value gains on financial instruments	-5	-
Net financial income (expense)	-285	-82



NOTE 12 – INCOME TAX

The tax expense for the period comprises current and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

INCOME TAX EXPENSE AND TAX PAYABLE

<i>Amounts in NOK million</i>	2020	2019
Payable tax on result	-28	-89
Corrections in payable tax previous years	1	-
Changes in deferred tax	76	-
Total tax on result	49	-89
Current tax on profits for the year	28	89
Prepaid taxes	-30	-85
Effect of group contributions	-	-
Other	-2	-2
Tax payable at 31 December	-4	2
Tax payable (liabilities)	7	15
Prepaid taxes (receivable)	-11	-13
Net tax payable at 31 December	-4	2

RECONCILIATION OF NORWEGIAN NOMINAL STATUTORY TAX RATE TO EFFECTIVE TAX RATE

<i>Amounts in NOK million</i>	2020	2019
Profit before income tax	-388	373
Nominal tax rate 22%	85	-82
Effect of foreign tax rate differences	-16	6
Effect of non-deductible expenses	-1	-2
Effect of amort. of intang. assets not deductible for tax	-9	-
Effect of non-taxable income	-	1
Effect of change in tax rate	-1	-1
Other	-9	-11
Total	49	-89
Effective tax rate	13%	24%

The nominal tax rates in the countries in which the group operates are 22.0 percent in Norway, 21.4 percent in Sweden, 22.0 percent in Denmark, 20.0 percent in Finland, 0.0 percent in Latvia, 0.0 percent in Estonia and 15.0 percent in Lithuania. In Latvia and Estonia, a tax of 20.0 percent is payable on dividend payments.



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NOTE 12 – INCOME TAX - CONTINUED

TAX EFFECT OF TEMPORARY DIFFERENCES

<i>Amounts in NOK million</i>	2020	2019
Investment property	11	12
Property, plant and equipment	41	46
Right-of-use assets/Lease liability	11	38
Receivables and inventories	90	16
Financial instruments and investments	-	-
Provisions for other liabilities	38	32
Liabilities	1	1
Taxable profit and loss account	2	1
Tax loss/gain carried forward	12	-
Total deferred tax assets	206	146
Intangible assets	93	86
Property, plant and equipment	23	21
Right-of-use assets/Lease liability	2	-
Provisions for other liabilities	6	5
Liabilities	-	-
Tax loss carried forward	95	95
Total deferred tax liability	219	207
Deferred tax assets, not offset within the same taxation	206	146
Effect of deferred tax assets offset against deferred tax	-11	-9
Deferred tax assets in the balance sheet at 31	195	137
Deferred tax, not offset within the same taxation authority	219	207
Effect of deferred tax offset against deferred tax assets	-11	-9
Deferred tax in the balance sheet at 31 December	208	198
Net deferred tax in the balance sheet at 31 December	13	61

<i>Amounts in NOK million</i>	2020	2019
Net deferred tax in the balance sheet at 1 January	61	64
Current tax on profits for the year	-76	-2
Effect of group contribution and co-taxation	14	-
Exchange differences/other	14	-1
Net deferred tax in the balance sheet at 31 December	13	61

INCOME TAX EXPENSES RELATED TO OTHER COMPREHENSIVE INCOME

<i>Amounts in NOK million</i>	2020			2019		
	Before tax	Income tax expense	After tax	Before tax	Income tax expense	After tax
Currency translation differences	212	-	212	-29	-	-29
Remeasurement of post-employment benefit obligations	-1	-	-1	-6	-	-6
Other comprehensive income	211	-	211	-35	-	-35

NOTE 13 – INTANGIBLE ASSETS

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree at the time of acquisition.

Goodwill is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Capitalised rights related to access to premises in Norway are depreciated over their estimated useful life. Capitalised rights related to access to premises in Sweden and Denmark are based on an assessment of local law and local market conditions, considered to have undefinable lives. These rights are not amortised but tested annually for impairment.

Depreciation on other intangible assets is calculated using the straight-line method.

<i>Amounts in NOK million</i>	Rights	Goodwill	Total
Cost price	819	2,017	2,836
Accumulated amortisation and impairment charges	-363	-169	-532
Book value at 1 January 2019	456	1,848	2,304
Additions	16	-	16
Additions from acquisition of subsidiaries	20	61	81
Disposals	-1	-	-1
Amortisation charges	-9	-	-9
Impairment charges	-8	-	-8
Currency translation differences	-5	-14	-19
Book value at 31 December 2019	469	1,895	2,364
Cost price	831	2,061	2,892
Accumulated amortisation and impairment charges	-362	-166	-528
Book value at 31 December 2019	469	1,895	2,364
Additions operations	12	-	12
Additions from acquisition of subsidiaries	-	-	-
Disposals	-	-	-
Amortisation charges	-8	-	-8
Impairment charges	-6	-46	-52
Currency translation differences	33	88	121
Book value at 31 December 2020	500	1,936	2,437
Cost price	893	2,158	3,051
Accumulated amortisation and impairment charges	-393	-222	-614
Book value at 31 December 2020	500	1,936	2,437

GOODWILL BY SEGMENT

Goodwill is allocated to cash generating units that are expected to benefit from the business combination.

The group has recognised total impairment loss of goodwill of NOK 46 million in 2020. An impairment loss of NOK 19 million is recognised for the CGU R-kiosk Estonia, relating to goodwill in connection with the acquisition of R-kiosk business in Estonia (NOK 12 million) and acquisition of Caffeine in Estonia (NOK 7 million), as well as an impairment loss for the CGU REITAN CONVENIENCE LITHUANIA relating to goodwill in connection to the acquisition of kiosk business in Lithuania of NOK 27 million.



REITAN CONVENIENCE

NOTE 13 – INTANGIBLE ASSETS - CONTINUED

RIGHTS

The group has trademarks related to the acquisition of subsidiaries in 2012 and 2019. These are R-kioski in Finland, R-kiosk in Estonia and Lietuvos Spauda in Lithuania in 2012 and Caffeine in Latvia, Estonia and Lithuania in 2019.

In addition, the group has capitalised rights related to access to premises for some individual outlets in Norway, Sweden and Denmark.

ESTIMATES FOR MEASURING RECOVERABLE AMOUNT

The group use estimates to measure recoverable amounts of cash generating units which have goodwill or intangible assets with indefinite lives.

In the summary below, goodwill and intangible assets with indefinite lives, are divided into cash generating units.

<i>Amounts in NOK million</i>	WACC	Rights	Goodwill	Total
REITAN CONVENIENCE NORWAY	7.0 %	-	440	440
REITAN CONVENIENCE SWEDEN	5.5 %	97	298	395
REITAN CONVENIENCE DENMARK	6.1 %	70	139	209
R-kioski Finland	6.9 %	238	846	1,084
Narvesen Latvia	9.7 %	6	187	193
R-kiosk Estonia	9.6 %	20	-	20
REITAN CONVENIENCE LITHUANIA	9.8 %	34	26	60
Book value at 31 December 2020				

<i>Amounts in NOK million</i>	WACC	Rights	Goodwill	Total
REITAN CONVENIENCE NORWAY	7.4 %	-	441	441
REITAN CONVENIENCE SWEDEN	5.6 %	86	284	370
REITAN CONVENIENCE DENMARK	5.5 %	65	130	195
R-kioski Finland	7.3 %	224	797	1,021
Narvesen Latvia	10.1 %	5	176	181
R-kiosk Estonia	10.2 %	24	18	42
REITAN CONVENIENCE LITHUANIA	10.2 %	33	49	82
Book value at 31 December 2019				

In impairment tests the recoverable amount is compared with the book value of net assets. The recoverable amount is estimated on the basis of value in use.

Value in use is calculated based on a discounted cash flow model. Future cash flow is estimated based on a three-year prognosis prepared by the management of each cash generated unit. A terminal value is estimated for the period beyond the initial prognosis period. A constant nominal growth rate is assumed, corresponding long-term inflation (2.0 percent per 31 December 2020).

The prognosis of future cash flows is determined on the basis of past performance, expected market development and strategic plans. Expected turnover growth and profit margin are the key parameters.

The discount rate is based on the weighted average cost of capital model (WACC). In the recoverable amount assessment, the Group has applied estimated cash flows after tax and corresponding discount rates after tax. The recoverable amount would not change significantly if pre-tax cash flows and pre-tax discount rates has been applied instead.

Goodwill and intangible assets with indefinite useful lives are mainly related to financially strong companies. No reasonable possible change in any of the key assumptions used for impairment testing would cause the carrying amounts of the cash-generating units with significant goodwill to exceed recoverable amounts.



NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less depreciation and impairment. Subsequent costs are included in the asset's carrying amount. Maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives (estimated lease period for lease rights), as follows:

Buildings	10-40 years
Store fixtures	3-10 years
Fixtures	3-10 years
Vehicles	4-5 years
Furniture, fittings and equipment	3-10 years
IT-equipment	2-5 years
Fuel pumps and tanks	5-20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

<i>Amounts in NOK million</i>	Land, buildings and plants	Fixtures	Machines and eq.	Total
Cost price	576	2,784	1,549	4,909
Accumulated depreciation, amortisation and impairment charges	-471	-2,111	-1,244	-3,826
Book value at 1 January 2019	105	673	305	1,083
Additions	23	228	100	351
Additions from acquisition of subsidiaries	-	5	6	11
Reclassifications	17	-14	-3	-
Disposals	-	-13	-3	-16
Depreciation and amortisation charges	-29	-187	-107	-323
Impairment charges	-1	-7	-2	-10
Currency translation differences	-	-6	-1	-7
Book value at 31 December 2019	115	679	295	1,089
Cost price	603	2,545	1,590	4,738
Accumulated depreciation, amortisation and impairment charges	-488	-1,866	-1,295	-3,649
Book value at 31 December 2019	115	679	295	1,089
Additions	19	134	84	237
Additions from acquisition of subsidiaries	-	-	-	-
Reclassifications	5	-13	8	-
Disposals	-	-9	-19	-28
Depreciation and amortisation charges	-29	-177	-113	-319
Impairment charges	-	-3	-1	-4
Currency translation differences	6	32	14	52
Book value at 31 December 2020	116	643	268	1,027
Cost price	656	2,706	1,565	4,927
Accumulated depreciation, amortisation and impairment charges	-540	-2,063	-1,297	-3,900
Book value at 31 December 2020	116	643	268	1,027

When testing for impairment, assets should be grouped at the lowest level where it is possible to establish separate cash flows. In REITAN CONVENIENCE, the cash generating unit is our individual concepts. The recoverable amount of a cash generating unit



REITAN CONVENIENCE

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT - CONTINUED

should reflect the value this asset provides to the group. If relevant information is available, this value is calculated as the net present value of cash flow after deduction of investments, and based on a three year prognosis prepared by the management of each cash generating unit.

The prognosis is determined on the basis of past performance and expected market development. Cash flows beyond this period are calculated by means of estimated growth rates. A pre-tax discount rate is applied, reflecting specific risks related to the operations. For units where the net present value of future cash flows are unavailable, the current year's cash flow is used. Specific conditions and causes are reviewed and adjusted for. For units with negative cash flows, non-current assets related to the unit will be written down entirely.

INVESTMENTS IN AND SALE OF PROPERTY, PLANT AND EQUIPMENT

<i>Amounts in NOK million</i>	Land, buildings and plants	Fixtures	Machines and eq.	Total
Investments (cost price)				
2020	19	134	84	237
2019	23	228	100	351
2018	19	224	90	333
Disposals and sales				
2020	-	9	19	28
2019	-	13	3	16
2018	-	2	3	5

NOTE 15 – RIGHT-OF-USE ASSETS

SEPARATING COMPONENTS IN THE LEASE CONTRACT

For contracts that constitute, or contain a lease, the group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

MEASURING RIGHT-OF-USE ASSETS

The Group measures the right-of-use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the group.
- An estimate of the costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.



NOTE 15 – RIGHT-OF-USE ASSETS - CONTINUED

The group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified. In 2020 no impairment loss has been identified in the impairment testing of the right-of-use asset.

<i>Amounts in NOK million</i>	Land	Outlets	Warehouse and prod.fac.	Offices	Vehicles and offices eq.	Total
Book value at 1 January 2019	3	3,232	11	32	33	3,311
Additions	-	152	1	1	6	160
Reclassifications	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Remeasurements	1	258	-	1	-6	254
Depreciation and amortisation charges	-1	-844	-3	-13	-9	-870
Impairment charges	-	-15	-	-	-	-15
Currency translation differences	-	-23	-	-	-1	-24
Book value at 31 December 2019	3	2,760	9	21	23	2,816
Additions	1	168	6	76	13	264
Reclassifications	-	-	-	-	-	-
Disposals	-	-	-1	-	-	-1
Remeasurements	-	84	-2	4	8	94
Depreciation and amortisation charges	-1	-861	-3	-16	-15	-896
Impairment charges	-	-	-	-	-	-
Currency translation differences	-	95	1	1	2	99
Book value at 31 December 2020	3	2,246	10	86	31	2,376
Lease term	1-10 years	1-10 years	5-10 years	5-10 years	1-5 years	
Depreciation method	Straight	Straight	Straight	Straight	Straight	

NUMBER OF PREMISES

The group's convenience business depends on well-located premises. Number of premises are split between owned and leased as follows:

	Land	Outlets	Warehouse and prod.fac.	Offices	Vehicles and offices eq.	Total
Number owned	5	340	-	2	-	347
Number of lease contracts	84	1,695	20	21	191	2,011
Total number of owned and leased premises	89	2,035	20	23	191	2,358
Number of contracts with an option for prolongment	-	475	6	5	5	491

The large number of lease contracts that may be extended, gives the group security for future earnings.

Information regarding changes in the Group's lease obligations is specified in Note 26 - lease obligations.



REITAN CONVENIENCE

NOTE 16 - INVESTMENTS IN MATERIAL SUBSIDIARIES

Company name	Consol. method	Office location	Share of ownership	Share of voting rights
REITAN CONVENIENCE NORWAY AS	Subsidiary	Oslo, Norway	100%	100%
Scandinavian Fuel Infrastructure Norway AS	Subsidiary	Oslo, Norway	100%	100%
REITAN CONVENIENCE SWEDEN AB	Subsidiary	Stockholm, Sweden	100%	100%
REITAN CONVENIENCE DENMARK A/S	Subsidiary	Copenhagen, Denmark	100%	100%
Scandinavian Fuel Infrastructure Denmark A/S	Subsidiary	Copenhagen, Denmark	100%	100%
R-Kioski Oy	Subsidiary	Helsinki, Finland	100%	100%
Narvesen Baltija SIA	Subsidiary	Riga, Latvia	100%	100%
Preses Serviss SIA	Subsidiary	Riga, Latvia	100%	100%
R-Kiosk Estonia AS	Subsidiary	Tallinn, Estonia	100%	100%
Lehepunkt OÜ	Subsidiary	Tallinn, Estonia	100%	100%
REITAN CONVENIENCE LITHUANIA UAB	Subsidiary	Vilnius, Lithuania	100%	100%
Press Express UAB	Subsidiary	Vilnius, Lithuania	100%	100%

Note 2 - Summary of significant accounting policies gives detailed information about the consolidation method which have been used.

NOTE 17 - FINANCIAL INVESTMENTS

Amounts in NOK million	2020	2019
Book value at 1 January	136	156
Additions/disposals	-25	-2
Net unrealised gains (loss) - result	-	-14
Currency translation differences	9	-4
Book value at 31 December	120	136
Classified as non-current assets	120	136
Classified as current assets	-	-

The group's financial investments consist mainly of shares in real estate that are made to get access to premises for our operations. These investments are classified as financial assets at fair value through profit or loss. The valuations of the properties are made by both internal and external parties.

The internal valuation is based on value estimates for similar properties, using both benchmarking and local brokers.

NOTE 18 – TRADE AND OTHER RECEIVABLES

CURRENT RECEIVABLES

Amounts in NOK million	2020	2019
Trade receivables	538	566
Accrued income	71	57
Prepaid expenses	83	53
Current receivables, other companies within REITAN	3	21
Current receivables, franchisees	44	86
Current interest-bearing receivables, franchisees	19	18
Other current receivables	47	49
Current receivables at 31 December	805	850



NOTE 18 – TRADE AND OTHER RECEIVABLES - CONTINUED

NON-CURRENT RECEIVABLES

<i>Amounts in NOK million</i>	2020	2019
Other non-current interest-bearing receivables, franchisees	187	209
Other non-current receivables	36	32
Non-current receivables at 31 December	223	241
Total receivables at 31 December	1,028	1,091

THE AGEING ANALYSIS OF NON-CURRENT RECEIVABLES IS AS FOLLOWS

<i>Amounts in NOK million</i>	2020	2019
1 - 2 years	34	30
2 - 5 years	66	36
More than 5 years	123	175
Non-current receivables at 31 December	223	241

The interest rate on interest-bearing receivables was 1.54 percent at 31 December 2020.

Non-current interest-bearing receivables due in more than five years, mainly consist of start-up loans related to funding of inventories for new franchisees, NOK 110 million as of 31 December 2020 (162 million as of 31 December 2019).

MOVEMENT IN THE GROUP'S PROVISIONS FOR IMPAIRMENT OF TRADE RECEIVABLES

<i>Amounts in NOK million</i>	2020	2019
Provisions for receivables at 1 January	-80	-86
Movement in provisions	23	5
Currency translation differences	-6	1
Provisions for receivables at 31 December	-63	-80

AGEING ANALYSIS OF OVERDUE TRADE RECEIVABLES IS AS FOLLOWS

<i>Amounts in NOK million</i>	2020
Up to 3 months	40
Over 3 months	14
Overdue receivables at 31 December	54

The group's provisions for trade receivables were NOK 31 million at 31 December 2020 (NOK 31 million at 31 December 2019), of which the group's provisions for bad debts were NOK 29 million at 31 December 2020 (NOK 14 million at 31 December 2019).

BOOK VALUE OF RECEIVABLES AND PROVISIONS

<i>Amounts in NOK million</i>	2020	2019
Total receivables	1,091	1,171
Provisions for receivables	-63	-80
Book value at 31 December	1,028	1,091



REITAN CONVENIENCE

NOTE 18 – TRADE AND OTHER RECEIVABLES - CONTINUED

BOOK VALUE OF THE GROUP'S TRADE AND OTHER RECEIVABLES ARE IN THE FOLLOWING CURRENCIES

<i>Amounts in NOK million</i>	2020	2019
NOK	345	289
DKK	118	125
SEK	95	100
EUR	470	577
Total receivables at 31 December	1,028	1,091

NOTE 19 – INVENTORIES

The group's inventory consists of purchased finished goods for resale for the company owned stores, the commission based stores in Latvia and Estonia, and the press distribution companies. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable sales expenses.

<i>Amounts in NOK</i>	2020	2019
Raw materials	6	4
Finished goods	169	164
Total inventories at 31 December	175	168
Provisions for obsolescence	-7	-6
Book value inventories at 31 December	168	162

PROVISIONS FOR OBSOLESCENCE

<i>Amounts in NOK</i>	2020	2019
Provisions for obsolescence at 1 January	-6	-6
Change in provisions	-1	-
Currency translation differences	-	-
Provisions for obsolescence at 31 December	-7	-6

NET RECOGNISED LOSS ON INVENTORIES

<i>Amounts in NOK</i>	2020	2019
Recognised loss	-11	-10
Change in provisions	-1	-
Net recognised loss on inventories	-12	-10

<i>Amounts in NOK</i>	2020	2019
Inventories held as collateral for debt	10	10



NOTE 20 – CASH AND CASH EQUIVALENTS

In the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Cash and cash equivalents are presented as following in the statements of cash flows:

<i>Amounts in NOK</i>	2020	2019
Cash and cash equivalents	308	340
Bank overdrafts	-76	-92
Cash and cash equivalents in statement of cash flows at 31 December	232	248

There were no restricted deposits at 31 December 2020 (NOK 0 million at 31 December 2019).

NOTE 21 - OTHER COMPREHENSIVE INCOME

<i>Amounts in NOK million</i>	Currency translation differences	Remeasurement of post-employment benefit obligations	Total
Other comprehensive income at 1 January 2019	522	-33	489
Remeasurement of post-employment benefit obligations	-	-6	-6
Currency translation differences	-29	-	-29
Other comprehensive income at 31 December 2019	493	-39	454
Remeasurement of post-employment benefit obligations	-	-1	-1
Currency translation differences	212	-	212
Other comprehensive income at 31 December 2020	705	-40	665



REITAN CONVENIENCE

NOTE 22 – LOAN AGREEMENTS

Reitan Convenience has the following loan agreements as of 31 December 2020:

MULTI-CURRENCY CREDIT FACILITY

REITAN CONVENIENCE AS holds a revolving multi-currency credit facility of NOK 2,300 million. The facility is syndicated to a bank syndicate consisting of six banks. In April 2020, REITAN CONVENIENCE entered into an addendum where the credit was increased from NOK 2,000 million to NOK 2,300 million for a period of maximum 12 months. In the same addendum, the financial covenant Gross interest-bearing debt/EBITDA was waived until 31 December 2021 at the latest. In December 2020 REITAN CONVENIENCE used the second, and last option to prolong the initial loan agreement of NOK 2,000 million by one (1) year. The loan now matures in 2025.

The drawn amount as of 31 December 2020 is NOK 1 085 million. (NOK 704 million as of 31 December 2019). The loan's amount is included in "Other bank loan" in Note 23 - Borrowings.

<i>Amounts in NOK million</i>	2020	2019
Revolving credit	2,300	2,000
Total available credit at 31 December	2,300	2,000
Drawn amount in NOK	250	210
Drawn amount in DKK (in NOK)	239	53
Drawn amount in SEK (in NOK)	365	283
Drawn amount in EUR (in NOK)	231	158
Total drawn amount at 31 December	1,085	704
Undrawn credit in credit facility	1,215	1,296

The following financial covenants apply to the revolving credit facility in REITAN CONVENIENCE AS:

Time of measurement	Gross interest-bearing debt/EBITDA (maximum)	Equity share (minimum)
Q4 2020 to Q4 2021	-	25%
Q4 2020 and later	3.25	25%

The reported ratios are calculated without IFRS 16 effects, and are well within the financial covenants as of 31 December 2020.

OVERDRAFT FACILITY AND CASH POOL

The group has a cash pool agreement with DNB in Norway. This agreement includes an overdraft facility of NOK 200 million of which NOK 76 million was drawn as of 31 December 2020 (NOK 92 million as of 31 December 2019).

REITAN CONVENIENCE SWEDEN has an overdraft facility of SEK 150 million in Swedbank, of which SEK 0 million was drawn as of 31 December 2020 (SEK 0 million as of 31 December 2019).

REITAN CONVENIENCE DENMARK has an overdraft facility of DKK 30 million in Danske Bank, of which DKK 0 million was drawn as of 31 December 2020 (DKK 0 million as of 31 December 2019).

R-Kioski OY in Finland has an overdraft facility of EUR 7 million in Handelsbanken, of which EUR 0 million was drawn as of 31 December 2020 (EUR 0 million as of 31 December 2019). R-Kioski also has an overdraft facility of EUR 0.1 million in Tapiola Bank, of which EUR 0.0 million was drawn as of 31 December 2020 (EUR 0.0 million as of 31 December 2019).



NOTE 23 – BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months from the balance sheet date. In 2020, REITAN HANDEL AS carried out a contribution of capital of NOK 200 million. With the adequate supply of liquidity from the parent company and the increased credit limit with the bank syndicate, REITAN CONVENIENCE has taken necessary measures to maintain operations.

CURRENT AND NON-CURRENT BORROWINGS

<i>Amounts in NOK million</i>	2020	2019
Other bank loans	1,085	704
Borrowing from Reitangruppen companies	-	1
Non-current borrowings at 31 December	1,085	705

The fair value of non-current borrowings equals their carrying amount, as the impact of discounting is not significant. All interest rates are floating.

<i>Amounts in NOK million</i>	2020	2019
Bank overdraft	76	92
Current borrowings at 31 December	76	92
Non-current and current borrowings at 31 December	1,161	797

BOOK VALUE OF ASSETS HELD AS COLLATERAL FOR DEBT

<i>Amounts in NOK million</i>	2020	2019
Inventory	11	10
Book value of assets held as collateral for debt	11	10

THE LOANS ARE DUE AS FOLLOWS:

<i>Amounts in NOK million</i>	2020	2019
1 year or less	76	92
1-2 years	-	-
2-3 years	-	-
3-4 years	-	-
4-5 years	1,085	705
Non-current borrowings at 31 December	1,161	797



REITAN CONVENIENCE

NOTE 23 – BORROWINGS - CONTINUED

THE EXPOSURE OF THE GROUP'S BORROWINGS TO INTEREST RATE CHANGES AND CONTRACTUAL RE-PRICING DATES AT THE END OF THE REPORTING PERIOD IS AS FOLLOWS:

<i>Amounts in NOK million</i>	2020	2019
1 year or less	1,011	647
1-2 years	50	-
2-3 years	-	50
3-4 years	100	-
4-5 years	-	100
Non-current borrowings at 31 December	1,161	797

BOOK VALUE OF THE GROUP'S BORROWINGS IS IN THE FOLLOWING CURRENCIES:

<i>Amounts in NOK million</i>	Currency		
	2020	2020	2019
NOK	130	130	323
DKK	157	221	60
SEK	461	481	273
EUR	31	329	141
Non-current borrowings at 31 December	1,161	1,161	797

CHANGE IN BOOK VALUE OF THE GROUP'S BORROWINGS IS ALLOCATED AS FOLLOWS:

<i>Amounts in NOK million</i>	2020	2019
Book value at 1 January	797	573
Net cash effect	330	222
Currency translation differences	34	2
Book value at 31 December	1,161	797

UNDRAWN BORROWING FACILITIES

<i>Amounts in NOK million</i>	2020	2019
Due in 1 year or less, floating rates	396	263
Due in more than 1 year, floating rates	1,215	1,296
Undrawn borrowing facilities at 31 December	1,611	1,559

TRUE INTEREST RATES AT 31 DECEMBER 2020 WERE AS FOLLOWS:

Group	NOK	DKK	SEK	EUR
Bank overdraft	-	-	1.0 %	0.6 %
Other borrowings from banks	2.3 %	2.0 %	2.0 %	2.0 %
Average effective interest rate for current and non-current borrowings	2.3 %	2.0 %	1.8 %	1.6 %

The interest rates do not include interest swaps, commitment fee and arrangement fee. See Note 28 – Derivative financial instruments for more information about interest swaps.

NOTE 24 – GUARANTEES

The group has guaranteed for its liabilities limited to NOK 16 million as of 31 December 2020 (NOK 24 million as of 31 December 2019). The guarantee is related to purchase from a supplier.



NOTE 25 - NET INTEREST BEARING LIABILITIES

<i>Amounts in NOK million</i>	Note	2020	2019
Other non-current interest-bearing receivables	18	-187	-209
Other current interest-bearing receivables	18	-19	-18
Cash and bank deposits	20	-308	-340
Non-current borrowings	23	1,085	705
Current borrowings	23	76	92
Net interest-bearing debt at 31 December		647	230
Non-current lease liabilities	26	1,645	2,057
Current lease liabilities	26	765	896
Net interest bearing liabilities (receivables) incl. lease liabilities at 31 December		3,057	3,183

<i>Amounts in NOK million</i>	Note	2020	2019
Interest income	11	4	5
Interest expenses	11	-42	-26
Net interest income (expenses) ex. interest on lease liabilities		-38	-21
Interest expenses on lease liabilities	11	-73	-80
Net interest income (expenses) incl. interest on lease liabilities		-111	-101

NOTE 26 – LEASE LIABILITIES

RECOGNITION OF LEASES AND EXEMPTIONS

At the lease commencement date, the group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the group recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

The lease liability is recognised at the commencement date of the lease. The group measures the lease liability as the present value of the lease payments, for the underlying asset during the lease term, which are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the group under residual value guarantees
- The exercise price of a purchase option, if the group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising an option to terminate the lease



REITAN CONVENIENCE

NOTE 26 – LEASE LIABILITIES - CONTINUED

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The group does not include variable lease payments in the lease liability. Instead, the group recognises these variable lease expenses in the income statement.

The discount rate used to calculate the present value of future rental payments is the lease's implicit interest rate, if available. The lease's implicit interest rate is not available for most of the group's leases. In such cases, the tenant's marginal loan rate, which consists of a base rate and a credit premium is used. The base rate is market rate based on a combination of the tenant's home country and the term of the lease. The term is assigned to one of three maturity intervals, either 1-5 years, 5-10 years or over 10 years. Interest rates of 2, 4 and 10 years are used for the three intervals respectively. Credit premium corresponds to market credit premium for companies with similar credit ratings as the tenant. Interest expense related to the lease obligation is recognized in a separate line in the income statement.

The group presents its lease liabilities as separate line items in the Balance sheet.

LEASE LIABILITIES

<i>Amounts in NOK million</i>	Land	Outlets	Warehouse and prod.fac.	Offices	Vehicles and offices eq.	Total
Book value at 1 January 2019	3	3,375	11	34	23	3,446
Additions	-	138	1	1	6	146
Reclassifications	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Remeasurements	1	250	1	1	-6	247
Payments	-1	-915	-3	-14	-9	-942
Impairment charges	-	78	-	1	1	80
Currency translation differences	-	-22	-	-1	-1	-24
Book value at 31 December 2019	3	2,904	10	22	14	2,953
Current liabilities	1	878	3	7	7	896
Non-current liabilities	2	2,026	7	15	7	2,057
Book value at 31 December 2019	3	2,904	10	22	14	2,953
Additions	1	167	6	76	13	263
Reclassifications	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Remeasurements	-	29	-3	4	5	35
Payments	-1	-973	-4	-20	-14	-1,012
Impairment charges	-	70	-	3	-	73
Currency translation differences	-	94	1	1	1	97
Book value at 31 December 2020	3	2,292	10	86	19	2,410
Current liabilities	1	730	4	20	10	765
Non-current liabilities	2	1,562	6	66	9	1,645
Book value at 31 December 2020	3	2,292	10	86	19	2,410



NOTE 26 – LEASE LIABILITIES - CONTINUED

LEASE EXPENSES INCLUDED IN THE INCOME STATEMENT

	2020	2019
Variable lease expenses	13	-166
Expenses related to short-term lease exemption	-16	-14
Expenses related to low-value asset exemption	-6	-7
Total lease expenses	-9	-187

The group has applied the IFRS 16 COVID-19 related rent concessions amendment to all rent concessions that meet the conditions of the amendment. The amount recognised in 2020 is NOK 161 million and is included in variable lease expenses as a negative lease expense.

Information regarding changes in the group's right of use assets are specified in Note 15 – Right-of-use assets.

DURATION OF LEASE CONTRACTS

<i>Amounts in NOK million</i>	31.12.20
Within 1 year	776
Within 1 - 2 years	582
Within 2 - 3 years	401
Within 3 - 4 years	259
Within 4 - 5 years	168
More than 5 years	450
Total lease expenses	2,636
Effect of discounting	-226
Present value of lease liabilities	2,410



REITAN CONVENIENCE

NOTE 27 – PROVISIONS FOR OTHER LIABILITIES

Provisions for rental obligations, environmental obligations, restructuring costs, legal claims and employee benefits are recognised when: the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

<i>Amounts in NOK million</i>	Rental liabilities	Restoration liabilities	Environm. liabilities	Other	Total
Book value at 1 January 2020	-	88	48	19	155
Used during the year	-	-	-2	-8	-10
Unused provisions reversed	-	-	-	-	-
Reclassifications	-	-	-	-11	-11
Provisions made in the year	17	5	-	2	24
Interest costs	-	1	1	-	2
Currency translation differences	-	3	2	1	6
Book value at 31 December 2020	17	97	49	3	166

EXPECTED MATURITY STRUCTURE

<i>Amounts in NOK million</i>	Rental liabilities	Restoration liabilities	Environm. liabilities	Other	Total
Due in less than 1 year	5	5	3	3	16
Due in 1-2 years	8	3	1	-	12
Due in 2-5 years	4	23	13	-	40
Due in more than 5 years	-	66	32	-	98
Book value at 31 December 2020	17	97	49	3	166
Discount rate	-	1.1 %	1.2 %	-	-

CLASSIFICATION OF TOTAL PROVISIONS

<i>Amounts in NOK million</i>	2020	2019
Current	16	17
Non-current	150	138
Total provisions for other liabilities at 31 December	166	155

Rental liabilities are defined as loss-generating rental contracts.

Restoration liabilities are liabilities to restore the property and land to its original standard when the activities at the location cease.

Environmental liabilities are related to operations in Scandinavian Fuel Infrastructure (SFI). SFI owns the gas infrastructure, pumps and tanks at 7-Eleven Gas stations in Norway and Denmark. The provisions include expenses related to the removal of contaminants that have arisen as a result of the operations.



NOTE 28 – DERIVATIVES FINANCIAL INSTRUMENTS

The group's derivatives are classified as financial assets (liabilities) at fair value through profit or loss.

Changes in fair value on derivatives are immediately recorded in the income statement.

Derivatives related to the financing of the company (including interest rate and currency derivatives) are recognised under net financial items, while other derivatives are recognised under net gains (losses).

<i>Amounts in NOK million</i>	2020	2019
Energy derivatives - expire within 1 year	-	-
Interest rate swap - expire within 1 year	-	-
Energy derivatives - expire 1-5 years	-	-
Interest rate swap - expire 1-5 years	-	1
Total derivatives - asset	-	1

<i>Amounts in NOK million</i>	2020	2019
Energy derivatives - expire within 1 year	-	-
Interest rate swap - expire within 1 year	-	-
Energy derivatives - expire 1-5 years	-	-
Interest rate swap - expire 1-5 years	-4	-
Total derivatives - liability	-4	-

Net total derivatives - asset

	-4	1
--	----	---

	2020	2019
Lowest fixed rate in interest rate swaps at 31 December	1.578 %	1.578 %
Highest fixed rate in interest rate swaps at 31 December	1.775 %	1.775 %

	2020	Currency 2020
Notional principal amounts of interest rate swaps in NOK	150	150
Notional principal amounts of interest rate swaps in SEK	-	-
Notional principal amounts of interest rate swaps in EUR	-	-
Total notional principal amounts of interest rate swaps	150	150



REITAN CONVENIENCE

NOTE 29 – FINANCIAL INSTRUMENTS BY CATEGORY

RECOGNITION

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognised in profit or loss.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

FINANCIAL ASSETS

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The group classifies its financial assets in the following measurement categories:

- Financial assets at fair value through profit or loss
- Financial assets at amortised cost

FINANCIAL LIABILITIES

Financial liabilities are classified, at initial recognition, as:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

AMORTISED COST

After initial recognition, financial assets and liabilities at amortised cost are subsequently measured using the effective interest rate method.

<i>Amounts in NOK million</i>	Note	2020	2019
Financial assets at fair value through profit or loss			
Long-term financial investments	17	120	136
Financial assets at amortised cost			
Non-current receivables	18	223	241
Trade and other current receivables	18	651	740
Cash and cash equivalents	20	308	340
Financial assets at fair value through profit or loss			
Derivatives - asset	28	-	1
Financial liabilities at amortised cost			
Non-current borrowings	23	-1,085	-705
Trade and other current liabilities	30	-1,579	-2,088
Liabilities at fair value through profit or loss			
Derivatives - liabilities	28	-4	-
Total net financial instruments at 31 December		-1,366	-1,335

The long-term financial investments are categorised within the fair value hierarchy, level 3:

- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



NOTE 30 – TRADE AND OTHER LIABILITIES

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

CURRENT LIABILITIES

<i>Amounts in NOK million</i>	2020	2019
Trade payables	834	1,100
Social security and other taxes	159	182
Accrued expenses	248	165
Liabilities to franchisees and retailers	533	756
Current liabilities, other companies within Reitangruppen	2	1
Other current liabilities	52	50
Total trade and other liabilities at 31 December	1,828	2,254

NOTE 31 – RELATED PARTIES

REITAN CONVENIENCE AS is owned by REITAN HANDEL AS. REITAN HANDEL AS is in turn owned by REITAN AS, which is controlled by the Reitan family.

REITAN CONVENIENCE AS has direct and indirect ownership in several companies. The subsidiaries of REITAN CONVENIENCE AS are presented in note 16 - Investments in material subsidiaries.

In addition, REITAN AS has ownership interests in several other companies. These companies are related parties for REITAN CONVENIENCE AS.

THE GROUP'S TRANSACTIONS WITH RELATED PARTIES:

<i>Amounts in NOK mill</i>	2020	2019
Interest income - Parent	-	-
Rental income and other revenues - Other group companies in REITAN	151	115
Purchase of goods and services - Parent	-3	-4
Purchase of goods and services - Other group companies in REITAN	-23	-23

RECEIVABLES AND LIABILITIES IN THE BALANCE SHEET RELATED TO TRANSACTIONS WITH RELATED PARTIES:

<i>Amounts in NOK mill</i>	2020	2019
Non-current receivables - Other group companies in REITAN	-	1
Current receivables - Other group companies in REITAN	3	21
Current liabilities - Other group companies in REITAN	2	1

Current receivables and current liabilities are related to receivables and liabilities arising from the purchase and sale of goods and services. The current receivables and liabilities are non-interest bearing. The receivables are unsecured.



REITAN CONVENIENCE

NOTE 32 – CONSEQUENCES OF COVID-19

Towards the end of 2020, the level of infection and the level of restrictions increased in the countries in which REITAN CONVENIENCE operates. The infections have continued to increase at the beginning of 2021 and governments in all countries have announced that large parts of Europe are at the start of a third coronavirus wave. The restrictions are heavily affecting the convenience industry. With a large number of outlets in high traffic areas where people normally travel and naturally gather, such as airports, railway stations and metros, the customer base has significantly been reduced. Many of our stores at gas stations and in residential- and rural areas experienced an increase in

number of customers due to changes in travel- and shopping patterns.

All countries we operate in have started a vaccination program. We expect a gradually ease of the restrictions in line with a larger part of the population being vaccinated. We are experiencing an increase in sales with the gradually reopening of the countries.

The outlook in the market and the solidity that REITAN CONVENIENCE has established, prepares us for the future and good, continued operations.



FINANCIAL STATEMENT

REITAN CONVENIENCE AS



COMPREHENSIVE INCOME STATEMENT

<i>Amounts in NOK million</i>	Note	2020	2019
Other income	2	13	3
Net other gains (losses)	3	-117	-54
Employee benefit expenses	4	-33	-33
Other operating expenses	5	-16	-13
Operating profit		-153	-97
Interest income	6, 15	26	16
Interest expenses	6, 15	-64	-38
Other financial income (expenses)	6	-173	19
Net financial income (expenses)		-211	-3
Profit before income tax expenses		-364	-100
Income tax expenses	7	57	8
Profit for the year		-307	-92
Other comprehensive income:			
Remeasurement of post-employment benefit obligations		-1	-4
Items that will not be reclassified to profit or loss		-1	-4
Other comprehensive income for the year, net of tax		-1	-4
Total comprehensive income for the year		-308	-96



BALANCE SHEET - ASSETS

<i>Amounts in NOK million</i>	Note	2020	2019
NON-CURRENT ASSETS			
Deferred income tax assets	7	-	-
Intangible assets	8	152	152
Investments in subsidiaries	9	2,712	2,687
Derivative financial instruments	15	-	1
Trade and other receivables	10	797	404
Total non-current assets at 31 December		3,661	3,244
CURRENT ASSETS			
Trade and other receivables	10	453	66
Cash and cash equivalents	11	-	-
Total current assets at 31 December		453	66
Total assets at 31 December		4,114	3,310



BALANCE SHEET - EQUITY AND LIABILITIES

<i>Amounts in NOK million</i>	Note	2020	2019
EQUITY			
Share capital	12	3	3
Share premium reserve	12	399	199
Other paid-in capital		450	450
Retained earnings		427	735
Total equity at 31 December		1,279	1,387
NON-CURRENT LIABILITIES			
Provisions for other liabilities	4	1	13
Derivative financial instruments	15	4	-
Other liabilities		-	5
Borrowings	13, 14	2,247	1,773
Total non-current liabilities at 31 December		2,252	1,791
CURRENT LIABILITIES			
Borrowings	13, 14	76	95
Current income tax liabilities	7	1	-
Trade and other payables	16	507	37
Total current liabilities at 31 december		584	132
Total liabilities at 31 December		2,836	1,923
Total equity and liabilities at 31 December		4,114	3,310

Oslo, 28 May 2021

Ole Robert Reitan
Chair of the board

Magnus Reitan
Deputy chair of the board

Kristin S. Genton
Board member

Monica Ødegaard
Board member

Johannes Sangnes
Chief Executive Officer



EQUITY

<i>Amounts in NOK million</i>	Share capital and premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2019	202	402	831	1,435
Profit for the year	-	-	-92	-92
Other comprehensive income	-	-	-4	-4
Total comprehensive income	-	-	-96	-96
Dividends	-	-	-	-
Group contribution	-	48	-	48
Equity at 31 December 2019	202	450	735	1,387
Profit for the year	-	-	-307	-307
Other comprehensive income	-	-	-1	-1
Total comprehensive income	-	-	-308	-308
Increase of capital	200	-	-	200
Dividends	-	-	-312	-312
Group contributions	-	312	-	312
Equity at 31 December 2020	402	762	115	1,279



STATEMENT OF CASH FLOW

<i>Amounts in NOK million</i>	Note	2020	2019
CASH GENERATED FROM OPERATING ACTIVITIES			
Profit before income tax		-364	-100
Impairment on shares	3	117	54
Change in retirement benefit obligations	4	1	-
Dividend income not received	2	-6	-
Change in fair value of derivatives	3	-	-
Net financial items exclusive change in fair value of derivatives	6	-211	-
Income tax paid		-	-11
Change in trade and other receivables		-44	1
Change in trade and other liabilities		179	-
Net cash generated from operations		-328	-56
CASH FLOW FROM INVESTING ACTIVITIES			
Payment (repayment) borrowings (receivables), subsidiaries	10,14	-200	347
Payment (repayment) borrowings (receivables), parent company	10,14	-	-
Purchase of subsidiary		-	-73
Interest received	6	26	16
Dividend received		4	8
Net cash used in investing activities		-170	298
CASH FLOW FROM FINANCING ACTIVITIES			
Increase of capital		200	-
Increase of borrowings		631	381
Repayment of borrowings		-253	-345
Dividend payments		-	-400
Interest paid - borrowings		-64	-38
Net cash used in financing activities		514	-402
Net increase (decrease) in cash and cash equivalents		16	-160
Cash and cash equivalents at 1 January	11	-92	68
Exchange gains (losses) on cash and cash equivalents	3	-	-
Cash and cash equivalents at 31 December	11	-76	-92



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NOTE 1 - ACCOUNTING POLICIES

REITAN CONVENIENCE AS is the group's parent company. The separate financial statements of REITAN CONVENIENCE AS have been prepared in accordance with the provisions of simplified IFRS in separate financial statements.

Applying the simplified version of IFRS to the parent company accounts, means that valuation rules and accounting policies applied in the consolidated accounts also apply to the parent company, REITAN CONVENIENCE AS. See the group accounting policies for further information. A simplified application of IFRS enables the financial statements and note information to accord with the Accounting Act. The financial statements and notes for the parent company have been organised in accordance with the Accounting Act, with the exception of the comprehensive income statement, which follows IFRS.

1.1 SHARES IN SUBSIDIARIES

Shares in subsidiaries are entered at cost in REITAN CONVENIENCE AS' financial statements.

1.2 DIVIDEND AND GROUP CONTRIBUTION

Accountable entities that prepare separate financial statements according to the regulations of the Accounting Act, section 3-9, may, without prejudice to other provisions in these regulations, enter dividends and group contributions in accordance with other provisions of the Act. This means that any dividends and group contributions given or received by the parent company are entered in the accounts the year before the decision to give or receive such dividend or group contribution is made. This also applies to any tax effects relating to such transactions.

1.3 CASH POOL

REITAN CONVENIENCE AS is owner of a cash pool. The groups net deposits (drawings) in the cash pool are presented in REITAN CONVENIENCE AS' financial statements. The subsidiaries' deposits (drawings) are presented as current liabilities (assets).

NOTE 2 - OTHER INCOME

<i>Amounts in NOK million</i>	2020	2019
Dividend and group contribution	11	-
Other income	2	3
Total other income	13	3

NOTE 3 - NET OTHER GAINS (LOSSES)

<i>Amounts in NOK million</i>	2020	2019
Net unrealised gains (losses) on financial investments	-117	-54
Net unrealised gains (losses) on energy derivatives	-	-
Total other gains (losses) - net	-117	-54



NOTE 4 – EMPLOYEE BENEFIT EXPENSES AND KEY MANAGEMENT COMPENSATION

<i>Amounts in NOK million</i>	2020	2019
Wages and salaries	-25	-27
Social security costs	-3	-3
Pension costs	-4	-3
Total employee benefit expenses	-33	-33
Average number of fulltime equivalents	5	5

REITAN CONVENIENCE AS is required to provide an occupational pension scheme in accordance with the Mandatory Occupational Pension Act. The company's pension schemes satisfy the requirements of the Act.

CEO AND BOARD COMPENSATION

The CEO has in 2020 received a total compensation of NOK 16.2 million (NOK 15.2 million at December 2019), of which NOK 12.2 million is salary and other short-term benefits, and NOK 4.0 million is pension costs (payroll tax not included). The CEO has an agreement of compensation of 2 years salary including bonus after termination of employment.

The board of directors consists of Ole Robert Reitan (chair), Magnus Reitan (deputy chair), Kristin S. Genton and Monica Ødegaard.

Remuneration for board members in 2020 amounted to TNOK 0 (TNOK 0 at 31 December 2019). The chair has no bonus or special compensation on termination of office.

NOTE 5 - OTHER OPERATING EXPENSES

<i>Amounts in NOK million</i>	2020	2019
Fees	-8	-
Marketing expenses	-4	-6
Other operating expenses	-4	-7
Total other operating expenses	-16	-13

FEES TO AUDITORS (EXCLUSIVE OF VAT)

<i>Amounts in NOK million</i>	2020	2019
Statutory audit	-0.4	-0.4
Assurance services	-	-
Non-audit services	-0.2	-
Tax advisory services	-	0.1



NOTE 6 - NET FINANCIAL ITEMS

INTEREST INCOME (EXPENSE)

<i>Amounts in NOK million</i>	2020	2019
Interest income - bank deposits	1	1
Interest income - loans to related parties	25	15
Total interest income	26	16
Interest expenses - borrowings from banks	-37	-19
Interest expenses - borrowings from related parties	-27	-19
Interest expenses - other	-	-
Total interest expenses	-64	-38
Net interest income (expenses)	-38	-22

TOTAL FINANCIAL ITEMS

<i>Amounts in NOK million</i>	2020	2019
Net interest income (expenses)	-38	-22
Net foreign exchange gains (losses) on financing activities	-168	19
Fair value gains on financial instruments	-5	-
Net financial income (expenses)	-211	-3



NOTE 7 - INCOME TAX

INCOME TAX EXPENSE AND TAX PAYABLE

<i>Amounts in NOK million</i>	2020	2019
Payable tax on result	-	-
Changes in deferred tax	57	8
Total tax on result	57	8
Tax payable (liabilities)	1	-
Prepaid taxes (receivables)	-	-
Net tax payable at 31 December	1	-

RECONCILIATION OF NORWEGIAN NOMINAL STATUTORY TAX RATE TO EFFECTIVE TAX RATE

<i>Amounts in NOK million</i>	2020	2019
Profit before income tax	-364	-100
Expected income tax expense on profit before income tax	80	22
Effect of non-deductible expenses	-25	-12
Effect of non-taxable income	2	2
Total	57	8
Effective tax rate	16%	8%

DEFERRED TAX AT 31 DECEMBER

<i>Amounts in NOK million</i>	2020	2019
Provisions for other liabilities	1	1
Financial instruments and investments	-	-
Net deferred tax in the balance sheet at 31 December	1	1

<i>Amounts in NOK million</i>	2020	2019
Net deferred tax in the balance sheet at 1 January	1	2
Changes in deferred tax / other	-	-1
Net deferred tax in the balance sheet at 31 December	1	1

NOTE 8 – INTANGIBLE ASSETS

REITAN CONVENIENCE AS' intangible assets consist of goodwill related to operations in REITAN CONVENIENCE SWEDEN. The book value was NOK 152 million at 31 December 2020 (NOK 152 million at 31 December 2019). See note 14 – Intangible assets in the consolidated financial statement for further information.



NOTE 9 - INVESTMENTS IN SUBSIDIARIES

Company name	Purchase year	Office location	Share of ownership/ voting rights	Book value 2020	Book value 2019
REITAN CONVENIENCE NORWAY AS	2001	Oslo, Norway	100%	1,125	1,016
REITAN CONVENIENCE SWEDEN AB	1997	Stockholm, Sweden	100%	44	44
REITAN CONVENIENCE DENMARK A/S	1997	Copenhagen, Denmark	100%	265	265
R-kioski Oy	2012	Helsinki, Finland	100%	1,097	1,097
Narvesen Baltija SIA	1997	Riga, Latvia	100%	122	114
Coffee Inn SIA	2019	Riga, Latvia	100%	-	8
R-Kiosk Estonia AS	2012	Tallinn, Estonia	100%	-	21
Lehepunkt OÜ	2012	Tallinn, Estonia	100%	10	10
REITAN CONVENIENCE LITHUANIA	2012	Vilnius, Lithuania	100%	34	97
Press Express UAB	2012	Vilnius, Lithuania	100%	10	10
Coffee Point UAB	2019	Vilnius, Lithuania	100%	5	5
Total investments in subsidiaries at 31 December				2,712	2,687

NOTE 10 - TRADE AND OTHER RECEIVABLES

CURRENT RECEIVABLES

<i>Amounts in NOK million</i>	2020	2019
Current receivables, group companies	49	62
Current receivables, parent	400	-
Other current receivables	4	4
Current receivables at 31 December	453	66

NON-CURRENT RECEIVABLES

<i>Amounts in NOK million</i>	2020	2019
Non-current receivables, group companies	789	398
Other non-current receivables	8	6
Non-current receivables at 31 December	797	404
Total receivables at 31 December	1,250	470

THE AGEING ANALYSIS OF NON-CURRENT RECEIVABLES IS AS FOLLOWS

<i>Amounts in NOK million</i>	2020	2019
1 - 2 years	8	3
2 - 5 years	789	401
Non-current receivables at 31 December	797	404

REITAN CONVENIENCE AS had no provisions for receivables at 31 December 2020.

BOOK VALUES OF TRADE AND OTHER RECEIVABLES ARE IN THE FOLLOWING CURRENCIES

<i>Amounts in NOK million</i>	2020	2019
NOK	1,091	431
SEK	-	-
DKK	-	-
EUR	159	39
Total receivables at 31 December	1,250	470



NOTE 11 - CASH AND CASH EQUIVALENTS

<i>Amounts in NOK million</i>	2020	2019
Cash and cash equivalents	-	-
Bank overdrafts	-76	-92
Cash and cash equivalents in statement of cash flows at 31 December	-76	-92

There were no restricted deposits at 31 December 2020 (NOK 0 million at 31 December 2019).

NOTE 12 - SHARE CAPITAL, PREMIUM AND SHAREHOLDERS

SHARE CAPITAL AND PREMIUM

<i>Amounts in NOK</i>	2020	2019
Share capital	2,510,000	2,500,000
Share premium	399,520,000	199,530,000
Share capital and premium at 31 December	402,030,000	202,030,000

The share capital consists of 2,000 shares of NOK 1,255 each. All shares are owned by REITAN HANDEL AS.

NOTE 13 – LOAN AGREEMENTS

REITAN CONVENIENCE AS has the following loan agreements as of 31 December 2020:

MULTI-CURRENCY CREDIT FACILITY

REITAN CONVENIENCE AS holds a revolving multi-currency credit facility of NOK 2,300 million. The facility is syndicated to a bank syndicate consisting of six banks. In April 2020, REITAN CONVENIENCE entered into an addendum where the credit was increased from NOK 2,000 million to NOK 2,300 million for a period of maximum 12 months. In the same addendum, the financial covenant Gross interest-bearing debt/EBITDA was waived until 31 December 2021 at the latest. In December 2020 REITAN CONVENIENCE used the second, and last option to prolong the initial loan agreement of NOK 2,000 million by one (1) year. The loan now matures in 2025.

The drawn amount as of 31 December 2020 is NOK 1 085 million. (NOK 704 million as of 31 December 2019). The loan amount is included in "other bank loan" in note 14 - Borrowings.

<i>Amounts in NOK million</i>	2020	2019
Revolving credit	2,300	2,000
Total available credit at 31 December	2,300	2,000
Drawn amount in NOK	250	210
Drawn amount in DKK (in NOK)	239	53
Drawn amount in SEK (in NOK)	365	283
Drawn amount in EUR (in NOK)	231	158
Total drawn amount at 31 December	1,085	704
Undrawn credit in revolving credit facility	1,215	1,296

The following financial covenants apply to the revolving credit facility in REITAN CONVENIENCE AS:

Time of measurement	Gross interest-bearing debt/EBITDA (maximum)	Equity share (minimum)
Q4 2020 to Q4 2021	-	25.0 %
Q1 2022 and later	3.25	25.0 %

The reported ratios are calculated without IFRS 16 effects, and are well within the financial covenants as of 31 December 2020.

Guarantees related to the revolving credit facility are described in more detail in Note 17 - Guarantees.

INTER-COMPANY LOANS

As of 31 December 2020, REITAN CONVENIENCE AS had NOK 1 162 million in long-term interest-bearing debt in subsidiaries (NOK 1 069 million per 31 December 2019), which has been eliminated in the group. The calculation of interest on these loans is based on REITAN CONVENIENCE AS' action plan for down payment determined at the time of signing. The loans mature in 2025.

OVERDRAFT FACILITY AND CASH POOL

The group has a cash pool agreement with DNB in Norway. This agreement includes an overdraft facility of NOK 200 million. REITAN CONVENIENCE AS is the owner of the cash pool. The group's net deposits (drawings) in the cash pool have been presented in REITAN CONVENIENCE AS' financial statements. The subsidiaries' deposits (drawings) are presented as current liabilities (assets) in REITAN CONVENIENCE AS' financial statements. As of 31 December 2020, the total drawings in the system amounted to NOK 76 million (Total drawings of NOK 92 million as of 31 December 2019).

The participants in the cash pool have provided surety to the bank as collateral for REITAN CONVENIENCE AS' liabilities according to the cash pool agreement. Cash in the group account systems and total overdraft are presented in Note 11 - Cash and cash equivalents.



NOTE 14 – BORROWINGS

CURRENT AND NON-CURRENT BORROWINGS

<i>Amounts in NOK million</i>	2020	2019
Other bank loan	1,085	704
Borrowing from group companies	1,162	1,069
Non-current borrowings at 31 December	2,247	1,773

The fair value of non-current borrowings equals their carrying amount, as the impact of discounting is not significant. All interest rates are floating.

<i>Amounts in NOK million</i>	2020	2019
Bank overdraft	76	92
Borrowings from group companies	-	3
Current borrowings at 31 December	91	95

Non-current and current borrowings at 31 December	2,323	1,868
---	-------	-------

THE LOANS ARE DUE AS FOLLOWING:

<i>Amounts in NOK million</i>	2020	2019
1 year or less	76	95
1-2 years	-	-
2-3 years	-	-
3-4 years	-	-
4-5 years	2,247	1,773
Non-current and current borrowings at 31 December	2,323	1,868

THE EXPOSURE THE BORROWINGS HAVE TO INTEREST RATE CHANGES AND CONTRACTUAL RE-PRICING DATES AT THE END OF THE REPORTING PERIOD IS AS FOLLOWING:

<i>Amounts in NOK million</i>	2020	2019
1 year or less	2,173	1,718
1-2 years	50	-
2-3 years	-	50
3-4 years	100	-
4-5 years	-	100
5 years or later	-	-
Non-current and current borrowings at 31 December	2,323	1,868

BOOK VALUE OF THE BORROWINGS IN CURRENCIES:

<i>Amounts in NOK million</i>	Currency		
	2020	2020	2019
NOK	130	145	325
DKK	252	355	165
SEK	1,355	1,415	1,109
EUR	40	423	269
Non-current and current borrowings at 31 December	2,338	2,338	1,868



NOTE 14 – BORROWINGS - CONTINUED

UNDRAWN BORROWING FACILITIES

<i>Amounts in NOK million</i>	2020	2019
Due in 1 year or less, floating rates	124	104
Due in more than 1 year, floating rates	1,215	1,296
Undrawn borrowing facilities at 31 December	1,339	1,400

TRUE INTEREST RATES AT 31 DECEMBER 2019 WERE AS FOLLOWING:

	NOK	DKK	SEK	EUR
Bank overdraft	-	-	1.0 %	0.6 %
Other borrowings from banks	2.3 %	2.0 %	2.0 %	2.0 %
Borrowings from group companies	3.9 %	3.0 %	3.2 %	3.0 %
Average effective interest rate for current and non-current borrowings	2.4 %	2.5 %	2.5 %	1.9 %

NOTE 15 - DERIVATIVE FINANCIAL INSTRUMENTS

The group's derivatives are classified as financial assets (liabilities) at fair value

<i>Amounts in NOK million</i>	2020	2019
Energy derivatives - expire within 1 year	-	-
Interest rate swap - expire within 1 year	-	-
Energy derivatives - expire 1-5 years	-	-
Interest rate swap - expire 1-5 years	-	1
Total derivatives - asset	-	1

<i>Amounts in NOK million</i>	2020	2019
Energy derivatives - expire within 1 year	-	-
Interest rate swap - expire within 1 year	-	-
Energy derivatives - expire 1-5 years	-	-
Interest rate swap - expire 1-5 years	-4	-
Total derivatives - liability	-4	-

Net total derivatives - asset	-4	1
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	2020	2019
Lowest fixed rate in interest rate swaps at 31 December	1.578 %	1.578 %
Highest fixed rate in interest rate swaps at 31 December	1.775 %	1.775 %

	2020	Currency 2020
Notional principal amounts of interest rate swaps in NOK	150	150
Notional principal amounts of interest rate swaps in SEK	-	-
Notional principal amounts of interest rate swaps in EUR	-	-
Total notional principal amounts of interest rate swaps	150	



NOTE 16 - TRADE AND OTHER LIABILITIES

CURRENT LIABILITIES

<i>Amounts in NOK million</i>	2020	2019
Trade payables	3	3
Social security and other taxes	24	5
Accrued expenses	11	5
Current liabilities, group companies	157	24
Current liabilities, parent company	312	-
Total trade and other payables at 31 December	507	37

NOTE 17 – GUARANTEES

COMPANY GUARANTEES FOR GROUP COMPANIES

<i>Amounts in NOK million</i>	2020	2019
Guarantees for rent	182	205
Guarantees for suppliers	64	62
Guarantees for financial institutions	-	-
Company guarantees for group companies at 31 December	246	267

COMPANY GUARANTEES FOR EXTERNAL PARTIES

<i>Amounts in NOK million</i>	2020	2019
Guarantees for obligation	16	24
Company guarantees for external parties at 31 December	16	24

BANK GUARANTEES

<i>Amounts in NOK million</i>	2020	2019
Guarantees for tax	6	6
Guarantees for energy derivatives	-	-
Bank guarantees at 31 December	6	6

THE SUBSIDIARIES JOINT GUARANTEE FOR PARENT COMPANY LIABILITIES

REITAN CONVENIENCE NORWAY AS, REITAN CONVENIENCE SWEDEN AB, REITAN CONVENIENCE DENMARK A/S and R-kioski Oy have jointly and severally guaranteed for REITAN CONVENIENCE AS' liability related to the multi-currency credit facility of NOK 2,300 million until the facility expires. NOK 300 million of the NOK 2,300 million expire on April 28th 2021 and the remaining NOK 2,000 million expire in 2025.

REITAN CONVENIENCE AS is, together with REITAN CONVENIENCE NORWAY AS and Scandinavian Fuel Infrastructure Norway AS, registered in the Norwegian Value Added Tax Register as one taxable person. All companies in the joint registration are jointly liable for the payment of VAT. As of December 2020, the VAT payment liability was NOK 3,7 million, and REITAN CONVENIENCE AS had a receivable VAT of NOK 0,9 million.



NOTE 18 – RELATED PARTIES

REITAN CONVENIENCE AS is owned by REITAN HANDEL AS, see note 12 - Share capital, premium and shareholders. REITAN HANDEL AS is in turn owned by REITAN AS, which is controlled by the Reitan family. In this note, both transactions with REITAN HANDEL AS and REITAN AS will be presented under the category "Parent".

REITAN CONVENIENCE AS has direct and indirect ownership in several companies. The subsidiaries of REITAN CONVENIENCE AS are presented in note 9 - Investments in subsidiaries. In addition, REITAN AS has ownership interests in several other companies. These companies are related parties for REITAN CONVENIENCE AS. REITAN CONVENIENCE AS has provided loans to subsidiaries. The interest rate is determined by REITAN CONVENIENCE AS' average borrowing rate for loans with similar risk. The same interest rate is applied on loans from subsidiaries to REITAN CONVENIENCE AS.

RECEIVABLES

<i>Amounts in NOK mill</i>	2020	2019
Non-current receivables - Subsidiaries	789	398
Current receivables - Parent	400	61
Current receivables - Subsidiaries	49	1
Total receivables at 31 December	1,238	460

REITAN CONVENIENCE AS has prepared its financial statements according to the regulations of the Accounting Act, section 3-9 and may, without prejudice to other provisions in these regulations, enter dividends and group contributions in accordance with other provisions of the Act. The proposed dividends from subsidiaries recognised by the parent company as of 31 December, are pending approval by the annual general meetings, and have been classified as current receivables until such approval has been granted. As of 31 December 2020 the amount recognised is NOK 6 million (NOK 0 million as of 31 December 2019).

LIABILITIES

<i>Amounts in NOK mill</i>	2020	2019
Non-current liabilities - Subsidiaries	1,162	1,069
Current liabilities - Parent	312	-
Current liabilities - Subsidiaries	157	26
Total liabilities at 31 December	1,631	1,095

The proposed dividends to shareholders that are pending approval by the annual general meeting, have been recognised as of 31 December, and have been classified as current liabilities until such approval is given. As of 31 December 2020, the amount recognised is NOK 312 million (NOK 0 million as of 31 December 2019).

REITAN CONVENIENCE AS is the owner of the cash pool in Norway. See note 13 - Loan agreements for more information. The group's net deposits (borrowings) in this cash pool are presented in REITAN CONVENIENCE AS' accounts. Subsidiaries' deposits (drawings) are presented as liabilities (assets) in REITAN CONVENIENCE AS' accounts.

TRANSACTIONS

<i>Amounts in NOK mill</i>	2020	2019
Interest income (expenses) - Subsidiaries	-2	-4
Sales of goods and services - Subsidiaries	2	3
Purchase of goods and services - Other group companies in REITAN	-3	-4
Net gains (losses) - Subsidiaries	-117	-54

GUARANTEES

<i>Amounts in NOK mill</i>	2020	2019
Company guarantees for subsidiaries	246	267



Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Reitan Convenience AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Reitan Convenience AS comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the balance sheet as at 31 December 2020, the statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the balance sheet as at 31 December 2020 and the statements of comprehensive income, 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 are prepared in accordance with the law and regulations
- ▶ the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2020, and of 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 consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2020 and of 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 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) is responsible for the other information. 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.

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Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, 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.

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 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;
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent auditor's report - Reitlan Convenience AS

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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.

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.

Oslo, 28 May 2021
ERNST & YOUNG AS

Asbjørn Lier
State Authorised Public Accountant (Norway)



DEFINITION OF KEY FIGURES

Total turnover including franchisee turnover	Sale of goods and agent income from sale of services in franchised- and company owned convenience stores, together with external distribution of press products
Store turnover including franchisee turnover	Sale of goods and agent income from sale of services in franchised- and company owned convenience stores
Operating revenue	Franchise fee and turnover from company owned stores
Growth in turnover	Percentage growth of total turnover from last year. Measured as average weighted growth in local currencies
Operating margin	Operating profit in percent of store turnover
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EBITDA margin	EBITDA in percent of store turnover including franchisee turnover
Return on equity	Profit for the year in percent of average equity
Equity ratio	Equity in percent of total assets
Net interest-bearing debt	Interest-bearing debt less interest-bearing receivables and liquid capital
Liquid capital	Total cash and bank deposits
Net investment	Investments in property, plant and equipment (acquisition cost), less disposal of property, plant and equipment



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www.reitanconvenience.no



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 19.09.2013	Vår dato 16.10.2013
Telefon 22078139	Deres referanse Rita Forsberg	Vår referanse 2013/736584

REITAN CONVENIENCE AS
Postboks 6219 Etterstad
0603 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Reitan Convenience AS, org. nr. 983 415 652

— Det vises til deres brev 19. september 2013 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Reitan Convenience AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Reitan Convenience AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Bakgrunn

Reitan Convenience AS er 100 prosent eiet av Reitangruppen AS, som igjen eies av familien Reitan. Reitan Convenience AS er et holdingselskap i konsern. Konsernet driver med virksomhet innenfor servicehandel, distribusjon av lesestoff og forvaltning av bensininfrastruktur. Virksomheten drives gjennom totalt 18 datterselskap i Norge, Sverige, Danmark, Finland, Latvia, Estland og Litauen. Konsernet er en betydelig europeisk aktør. I Norge har selskapet datterselskapene Reitan Convenience Norway AS, Interpress Norge AS og Scandinavian Fuel Infrastructure Norway AS. Disse selskapene vil fortsatt avlegge regnskapene på norsk. De sentrale brukerne av årsregnskapet, årsberetningen og konsernregnskapet til Reitan Convenience AS er konsernets leverandører, kreditorer og samarbeidspartnere. Disse er i stor grad internasjonale aktører og har engelsk som sitt arbeidsspråk. Arbeidsspråket i selskapet er i stor grad engelsk og all rapportering skjer på engelsk. Selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører og samarbeidspartnere behersker engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets 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:

Postadresse
Postboks 9200 Grønland
0134 Oslo
skatteetaten.no/sendepost

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318

Sentralbord
800 80 000
Telefaks
22 17 08 60



”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.”

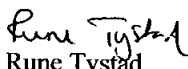
Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets 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 Skattedirektoratet lagt særlig vekt på at eierkretsen er begrenset. Selskapets rapportering skjer på engelsk og selskapet driver virksomhet i flere land. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle aktører behersker engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen



Rune Tystad

Seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet


Torstein Kinden Helleland