Årsregnskap for regnskapsåret 2020

Organisasjonsnr:	920 596 533
Navn/foretaksnavn:	JORDANES INVEST AS
Forretningsadresse:	c/o Scandza AS
	Henrik Ibsens gate 60C
	0255 OSLO

Brønnøysundregistrene
04.08.2022

2021 . 100128

Brønnøysundregistrene – Regnskapsregisteret

VEDLEGG TIL ÅRSREGNSKAP 2020

JORDANES INVEST AS c/o Scandza AS Henrik Ibsens gate 60C 0255 OSLO	Organisasjonsnr. 920 596 533	AS

Registrerte opplysninger per 01.07.2021		Eventuelle endringer dette regnskapsåret	
Startdato 01.01.2020	Avslutningsdato 31.12.2020	Startdato	Avslutningsdato
Konsernforhold Foreninger som følger regler for frivillig virksomhet, kan ikke være morselskap	Morselskap JA	Endret konsernforhold ☐ Morselskap	☐ Ikke morselskap

Kun for aksjeselskap som har meldt fravalg av revisjon

Selskapet har besluttet at årsregnskapet ikke skal revideres ☐ Ja

Årsregnskapet er utarbeidet av ekstern autorisert regnskapsfører ☐ Ja

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet ☐ Ja

Årsregnskapet er satt opp etter reglene for frivillig virksomhet ☐ Avkrysning er kun aktuelt for foreninger (FLI) som er registrert i Frivillighetsregisteret

Hvis enheten ikke følger norsk regnskapslov eller frivillighetsregisterloven, kryss av	☐ IFRS selskap	☒ IFRS konsern
Hvis enheten velger å avvike fra regnskapsloven § 6-1, kryss av	☐ Funksjon selskap	☐ Funksjon konsern

Følges regnskapsreglene for små foretak? ☐ Ja ☒ Nei

Jeg bekrefter at vedlagte årsregnskap er fastsatt av kompetent organ den — Dato 29.06.2021

Sted/dato, Underskrift av representant for enheten

Oslo/1.7.21, Torine Brynjulfsen (sign)

Bare til bruk for Regnskapsregisteret SKN

G ☒ NYVE ☐ Admr ☐ Kregn Ja ☒ Nei ☐ Aktiv. regn ☐

M ☐ Rets ☐ Ant.s 78

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BR-1001-11

Income Statement

Jordanes Invest AS

(numbers in NOK thousands)

	Note	2020	2019
Operating income and operating expenses			
Revenue		0	0
Total operating income		0	0
Other operating expenses	2	0	0
Total operating expenses		0	0
Operating profit		0	0
Financial income and expenses			
Other interest income		0	0
Other interest expenses		0	0
Other financial expenses		0	0
Net financial items		0	0
Operating result before tax		0	0
Tax on ordinary result	3	0	0
Ordinary result after tax		0	0
Brought forward			
Allocated to other equity		0	0
Loss brought forward		0	0
Net brought forward		0	0

Balance sheet

Jordanes Invest AS

(numbers in NOK thousands)	Note	2020	2019
Assets			
Fixed assets			
Intangible assets			
Deferred tax assets	3	0	0
Total intangible assets		**0**	**0**
Tangible assets			
Financial fixed assets			
Investments in subsidiaries		0	0
Investments in other group companies	4	507 086	507 086
Investments in shares		9 880	6 191
Total financial fixed assets		**516 966**	**513 277**
Total fixed assets		**516 966**	**513 277**
Current assets			
Receivables from group companies	7	843	0
Total receivables		**843**	**0**
Cash and bank deposits		0	0
Total current assets		**843**	**0**
Total assets		**517 809**	**513 277**

Penneo Dokumentnøkkel: 6DLU1-KDAY1-UIVLU6-EZHXX-TTPKIE-V6A63

Balance sheet

Jordanes Invest AS

(numbers in NOK thousands)	Note	2020	2019
Equity and liabilities			
Paid in equity			
Share capital	5, 6	507	507
Share premium reserve	5, 6	506 580	506 580
Total paid in equity		507 086	507 086
Retained earnings			
Other equity		0	0
Total retained earnings		0	0
Total equity	5	507 086	507 086
Liabilities			
Liabilities to financial institutions		0	0
Total of other long term liabilities		0	0
Current liabilities			
Tax payable	3	0	0
Liabilities to group companies	7	10 723	6 191
Other current liabilities		0	0
Total current liabilities		10 723	6 191
Total liabilities		10 723	6 191
Total equity and liabilities		517 809	513 277

Balance sheet

Jordanes Invest AS

Oslo, 30.12.1899
The board of Jordanes Invest AS

Stig Terje Sunde Chairman of the board	Jan Leif Bodd Member of the board
Karl Kristian Sunde Member of the board	Jon Thomas Warset Member of the board

Consolidated statement of comprehensive income

For the years ended 31 December

Amounts in NOK thousands	Notes	2020	2019
Revenue from contracts with customers	2.2	5,009,623	4,448,287
Total revenue		5,009,623	4,448,287
Cost of materials	2.5	-3,334,903	-2,927,827
Payroll expenses	2.3	-707,671	-679,151
Other operating expenses	2.4	-468,062	-455,118
Depreciation and amortisation of fixed assets	3.1-3.3	-161,394	-170,222
Share of profit or loss in associate	6.3	16,783	17,625
Operating profit (before other income and expenses)		354,377	233,594
Other income	2.4	8,503	9,200
Other expenses	2.4	-67,812	-101,371
Operating profit		295,068	141,423
Finance income	4.8	8,135	32,719
Finance costs	4.8	-398,385	-324,854
Profit or loss before tax		-95,182	-150,712
Income tax expense	5.1	1,718	19,333
Profit or loss for the year		-93,464	-131,380
Allocation of profit or loss:			
Profit or loss attributable to equity holders of the parent		-53,966	-75,859
Profit or loss attributable to non-controlling interests		-39,498	-55,521
Other comprehensive income:			
Items that subsequently may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		52,214	-1,249
Total items that may be reclassified to profit or loss		52,214	-1,249
Total other comprehensive income for the year		52,214	-1,249
Total comprehensive income for the year		-41,250	-132,629
Allocation of total comprehensive income			
Total comprehensive income attributable to equity holders of the parent		-23,818	-76,580
Total comprehensive income attributable to non-controlling interests		-17,432	-56,049
Earnings per share ("EPS"):			
Basic EPS - profit or loss attributable to equity holders of the parent	4.9	-0.11	-0.15
Diluted EPS - profit or loss attributable to equity holders of the parent	4.9	-0.11	-0.15

Consolidated statement of financial position

Amounts in NOK thousands	Notes	12/31/2020	12/31/2019
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	605,663	601,477
Intangible assets and goodwill	3.2	3,335,673	3,344,400
Right-of-use assets	3.4	244,738	316,477
Investments in associates	6.3	19,448	18,384
Non-current financial assets	4.1	45,582	41,909
Deferred tax assets	5.1		
Total non-current assets		**4,251,104**	**4,322,647**
Current assets			
Inventories	2.5	486,938	470,118
Trade receivables	2.6	569,278	592,396
Other receivables , etc	2.6	133,462	62,660
Cash and cash equivalents	4.7	438,339	283,739
Total current assets		**1,628,016**	**1,408,913**
TOTAL ASSETS		**5,879,120**	**5,731,559**
EQUITY AND LIABILITIES			
Equity			
Share capital	4.6	507	507
Share premium		518,729	518,729
Cumulative translation differences		51,919	21,771
Retained earnings		-173,488	-119,522
Equity attributable to equity holders of the parent		**397,667**	**421,485**
Non-controlling interests	6.1	354,851	372,283
Total equity		**752,518**	**793,769**
Non-current liabilities			
Non-current interest bearing liabilities	4.2	3,360,595	3,131,212
Non-current lease liabilities	3.4	196,416	257,684
Deferred tax liabilities	5.1	162,499	177,058
Pension liabilities	2.3	6,161	5,210
Non-current provisions and other liabilities	2.8	-	9,444
Total non-current liabilities		**3,725,671**	**3,580,588**
Current liabilities			
Current interest bearing liabilities	4.2	265,400	236,063
Current lease liabilities	3.4	65,279	70,661
Trade and other payables	2.7	600,671	707,307
Income tax payable	5.1	2,688	12,024
Current provisions and other liabilities	2.8	466,892	331,146
Total current liabilities		**1,400,930**	**1,357,201**
Total liabilities		**5,126,601**	**4,937,789**
TOTAL EQUITY AND LIABILITIES		**5,879,120**	**5,731,559**

Oslo, 25 June 2021

Stig Terje Sunde Chairman of the Board	Karl Kristian Sunde Board Member
Jan Leif Bodd Board Member	Jon Thomas Warset Board Member

Consolidated statement of changes in equity

Amounts in NOK thousands	Attributable to the equity holders of the parent						
	Share capital	Share premium	Cumulative translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Balance as of 1 January 2019	477	486,210	-22,492	-43,663	465,518	356,658	822,175
Profit (loss) for the year				-75,859	-75,859	-55,521	-131,380
Other comprehensive income			-721		-721	-528	-1,249
Issue of share capital (Note 4.8)	29	32,519			32,548		32,548
Acquisition of a subsidiary (Note 6.2)					-	71,674	71,674
Balance as of 31 December 2019	507	518,729	21,771	-119,522	421,485	372,283	793,769
Profit (loss) for the year				-53,966	-53,966	-39,498	-93,464
Other comprehensive income			30,148		30,148	22,066	52,214
Balance as of 31 December 2020	507	518,729	51,919	-173,488	397,667	354,851	752,518

Note 1 Accounting Principles

The financial statements have been prepared in accordance with the Accounting Act and generally accepted accounting principles. The Board of Director's report and the auditor's report is an integral part of the financial statements. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions if figures are not available or subject to uncertainty. Actual figures could differ from these estimates.

Revenue- and expense recognition
The financial statements are presented in accordance with the fundamental principals of historic cost, comparability, going concern, congruity and prudence. Transactions are measured to the value at the time the transactions occured. Revenues are recorded when earned, that is, when goods are delivered, and expenses are matched to the revenues earned.

Classification principles
Assets with a maturity of one year or less and assets directly related to the flow of goods and the manufacturing cycle are presented as current assets in the financial statements. Assets held for long term use or long term ownership are presented as non-current assets.

Debt that matures within the next year is presented as short term debt. Debt with maturity beyond the next year is presented as long term debt.

Taxes
The tax expense in the financial statements is made up of payable taxes and the change in deferred tax/deferred tax assets. Deferred tax/deferred tax assets are computed based on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. The nominal tax rate 22 % is applied for tax cost, while deferred taxes are booked at nominal rate 22 %.

Cash and cash equivalents
Cash equivalents are cash or short term deposits to support the need for short term cash payments. Cash equivalents can instantly and with insignificant risk be converted to known cash amounts.

Shares in subsidiaries
Shares in subsidiaries are presented according to the cost method.

Currency
Accounts payable in foreign currency is presented at year end closing rates.

Note 2 Payroll Expenses and Audit Fees

Since the company did not employ any people in 2020, there were no payroll expenses.

The company is not required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

The board of directors have not been given remuneration in 2020.
The board have no severance or share-based payment agreements.
The company has not provided loans to nor issued guarantees for the members of the board, share owners or other related parties.

Auditor
In 2020 the company expensed NOK 0 thousands for statutory audit, assurance services provided by the auditor and other services (ex VAT).

Note 3 Tax

This year's tax expense	2020	2019
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	**0**	**0**
Taxable income:		
Ordinary result before tax	0	0
Permanent differences	0	0
Taxable income	**0**	**0**
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	**0**	**0**
Calculation of effective tax rate		
Profit before tax	0	0
Total	**0**	**0**

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2020	2019	Difference
Deferred tax (22 %)	**0**	**0**	**0**

Note 4 Investments in Subsidiaries

Subsidiary	Office	Ownership/ Voting interest	The company's share capital	Number of shares owned	Face value
Jordanes AS	Oslo	57,74 %	877 314	506 518	1

Jordanes AS has head office address in Henrik Ibsens gate 60C, Oslo, Norway.

Financial information as of 31.12.2020: (number in NOK thousands)	Result 2020	Equity 31.12.2020
Jordanes AS	15 433	750 243

Note 5 Equity

(numbers in NOK thousands)

	Share capital	Treasury shares	Share premium	Other equity	Total
Equity 31.12.2019	507	0	506 580	0	507 086
Result of period	0	0	0	0	0
Equity 31.12.2020	507	0	506 580	0	507 086

Note 6 Share Capital and Shareholder Information

Number of shares	**2020**	**2019**
Number of shares 01.01	**506 580**	**477 087**
Share capital increase	0	29 431
Share capital reduction	0	0
Number of shares 31.12	**506 580**	**506 580**

The share capital in Jordanes Invest AS consists of following share classes:

	Number of shares	**Face value**	**Carrying value**
A-shares	506 518	1,00	506 518
Total	**506 518**		**506 518**

The holders of shares are entitled to one vote per share at the company's general meeting.

The company's shareholder as of 31.12.2020	**Number of A-shares**	**Number of shares**	**Ownership**
M1 Invest AS	76 863	76 863	15,17 %
NLL Holding AS	29 431	29 431	5,81 %
Jabo Management & Consulting AS	133 408	133 408	26,34 %
Sunstar AS	133 408	133 408	26,34 %
K.K Sunde Holding AS	133 408	133 408	26,34 %
Total	**506 518**	**506 518**	**100,00 %**

Note 7 Balances with Group Companies

(numbers in NOK thousands)

Group Receivables	**2020**	**2019**
Scandza Norge AS	600	0
Bisca A/S	243	0
Sum	**843**	**0**

Group Liabilities	**2020**	**2019**
Jordanes AS	10 723	6 191
Sum	**10 723**	**6 191**

1.1 General information

Corporate information

The consolidated financial statements of Jordanes Invest AS and its subsidiaries (collectively, "the Group") for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 25 June 2021, to be approved by the annual general meeting on, or around 25 June 2021. Jordanes Invest AS is a limited liability company incorporated and domiciled in Norway. The address of its registered office is Henrik Ibsensgate 60, 0255 Oslo,

1.2 Basis of preparation

The consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and related notes. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by The European Union ("EU").

The consolidated financial statements have been prepared on a historical cost basis, except for, derivative financial instruments, equity financial assets and contingent consideration that have been measured at fair value. Further, the financial statements are prepared based on the going concern assumption.

Comparative financial information is provided for the preceding period in the Consolidated statement of comprehensive income, Consolidated statement of financial position and Consolidated statement of cash flows.

Presentation currency and functional currency

The consolidated financial statements are presented in Norwegian kroner (NOK) rounded to the nearest thousand, unless otherwise stated. NOK is also the functional currency of the parent company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

For presentation purposes, all financial items are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within statement of total comprehesive income the statement of profit and loss and OCI are translated from functional currency to presentation currency by applying monthly average exchange rates. If currency rates are fluctuating significantly, transaction date exchange rates are applied for significant transactions.

1.3 Significant accounting policies

Jordanes has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgemental considerations are disclosed in the notes to which the policies relate. Other accounting policies are presented below:

Current versus non-current classification
The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Changes in accounting policies and disclosures

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below.

Amendment to IFRS 16 - Covid-19-Related Rent Concessions
In May 2020, the IASB issued Covid-19-Related Rent Concessions - Amendment to IFRS 16 Leases. The Board amended the standard to provide an optional relief to lessees from applying IFRS 16's guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic.

The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions described in IFRS 16 paragraph 46B are met:
- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021).
- There is no substantive change to other terms and conditions of the lease.

A lessee applies the amendment for annual reporting periods beginning on or after 1 June 2020.

The amendments is not expected to have a significant impact on the Group's financial statements.

IFRS 17 Insurance Contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required, however, this standard is not applicable to the Group.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The accounting policies applied by management which includes a significant degree of estimates and assumptions or judgements that may have the most significant effect on the amounts recognised in the financial statements, are summarised below:

Estimates and assumptions:

- Estimating variable consideration for joint marketing and customer bonuses (Note 2.2)
- Impairment considerations of goodwill and brands (Note 3.3)
- Estimating the incremental borrowing rate for leases (Note 3.4)
- Fair value measurement in a business combination (Note 6.2)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes referenced above. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

A detailed description of the significant estimates and assumptions are included in the individual note where applicable.

Accounting judgements:

- Determining the useful lives of intangible assets (Note 3.2)
- Determination of CGUs (Note 3.3)
- Determining the lease term of contracts with extension and termination options (Note 3.4)

A detailed description of the significant accounting judgements are included in the individual note where applicable.

2.1 Segment information

ACCOUNTING POLICIES

An operating segment is a component of an entity:

a) that engages in business activities from which it may earn revenues and incur expenses,
b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
c) for which discrete financial information is available.

For management purposes, the Group is organised into business areas based on its products and services and has four reportable segments, as follows:

- Norway, Norwegian subsidiaries
- International, Swedish and Danish subsidiaries
- Bonaventura, subsidiaries without own production
- The Feelgood Company, emerging subsidiaries within the health & beauty product segment

No operating segments have been aggregated to form the above reportable operating segments.

The Executive Board is the Chief Operating Decision Maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended 31 December 2020	Norway	Inter-national	The Feelgood Company	Bona-ventura	HQ	Adj. and elim.	Consolidated
REVENUES & PROFIT							
External customers	2,485,874	952,499	519,454	1,049,900	1,896		5,009,823
Inter-segment	69,673	126,644	64,344	48,083	-	-308,744	-
Total revenue	2,555,547	1,079,143	583,798	1,097,983	1,896	-308,744	5,009,823
Cost of materials	-1,571,462	-748,353	-349,888	-932,680	-	267,460	-3,334,903
Payroll expenses	-327,068	-187,340	-45,319	-53,470	-51,047	-43,427	-707,671
Other operating expenses	-259,943	-126,337	-101,610	-74,552	9,669	84,711	-468,062
Depreciation and amortisation	-101,310	-42,750	-3,810	-4,797	-8,727	-	-161,394
Impairment losses	-	-	-	-	-	-	-
Share of profit/loss of an associate	-	16,783	-	-	-	-	16,783
Segment operating profit	295,763	-8,853	83,191	32,484	-48,209	-	354,377
Capital expenditure	53,300	5,800	3,600	-	4,100		66,800
FINANCIAL POSITION							
Total assets	1,984,169	846,286	276,295	378,108	4,253,834	-1,859,692	5,879,120
Total liabilities	826,387	843,721	92,107	284,958	3,372,873	-272,425	5,126,601
Investment in an associate		19,448					19,448

2.1 Segment Information (Continued)

Year ended 31 December 2019	Norway	Inter-national	The Feelgood Company	Bona-ventura	HQ	Adj. and elim.	Consolidated
REVENUES & PROFIT	2,176,032	922,579	329,281	1,020,396			
External customers	2,175,974	922,579	329,281	1,020,396	57		4,448,287
Inter-segment	171,124	104,201	56,164	5,000		-336,489	0
Total revenue	2,347,098	1,026,779	385,446	1,025,396		-336,489	4,448,287
Cost of materials	-1,371,546	-705,475	-220,958	-888,250	-	258,402	-2,927,827
Payroll expenses	-324,251	-196,179	-44,031	-59,054	-55,636	-	-679,151
Other operating expenses	-317,401	-111,850	-74,157	-53,592	23,795	78,087	-455,118
Depreciation and amortisation	-96,800	-47,818	-6,443	-6,946	-12,216	-	-170,222
Impairment losses	-	17,625	-	-	-	-	17,625
Segment operating profit	237,100	-16,918	39,857	17,564	-44,067	-	233,694
Capital expenditure	36,300	21,300	2,500	-	6,400		66,500
FINANCIAL POSITION							
Total assets	1,807,938	756,848	170,623	375,486	4,118,981	-1,498,317	5,731,559
Total liabilities	872,360	681,848	53,018	276,433	3,584,132	-530,001	4,937,789
Investment in an associate		18,384					18,384

Adjustments and eliminations
Finance costs and finance income incl. fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and right of use assets.

Inter-segment revenues are eliminated on consolidation.

Geographic Information

Revenue from external customers	2020	2019
Norway	3,483,983	2,968,059
Sweden	643,426	568,544
Denmark	738,685	636,070
Other	143,529	275,615
Total	5,009,623	4,448,287

The revenue information above is based on the locations of the customers. There are no one customer that represents more than 10% of net revenues.

2.2 Revenue from contracts with customers

The Group manufactures and sells a large variety of consumer goods.

ACCOUNTING POLICIES

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of goods
Revenue is recognized when the performance obligation is satisfied, which is at the point in time when the goods are packed and shipped, or in some cases delivered at costumer's premises, depending on the delivery terms. The payment terms are generally 30-60 days after the performance obligation is satisfied.

In determining the transaction price, the Group considers the effects of variable consideration.

Variable consideration
The Group estimates variable considerations to be included in the transaction price for the sale of goods that include limited-time sales campaigns or customer bonuses. The Group's expected bonuses and compensation for joint marketing are analyzed on a per customer basis. Estimates of the expected bonus will depend on the customer's historical purchases, seasonal effects and accumulated purchases to date. Joint marketing where the Group compensates customers for part of costs related to campaigns etc. is accounted for as consideration payable to customers as a reduction of the transaction price and involves some extent of estimation. It is accounted for as a reduction of the transaction price and, therefore, of revenue because the payment to the customer is not in exchange for a distinct service.

The Group updates its assessment of expected bonuses and compensation for joint marketing monthly. It is not considered to be significant uncertainty related to the variable consideration, and the amount which is to be adjusted after final estimation is not expected to be significant.

Fixed marketing cost
For agreements with costumers where there is an agreed fixed amount marked for marketing activities of the Group's products, the activity will not be derived from sale and is assessed as marketing cost.

Acting as an agent
Sales as an agent will be recognized and invoiced upon delivery. The Group is carrying all product costs, and the client pays a commission for every sale. The commission is set every month and there are no estimates of uncertainty related to this income.

Contract balances
As the Group's revenues are recognized and invoiced upon delivery, the Group does not have any significant contract balances except for Trade Receivables. The Group presents its Trade Receivables arising from contracts with customers separately from other receivables. Accounting policies for Trade receivables are presented in note 2.6.

2.2 Revenue from contracts with customers (Continued)

Set out below is the disaggregation of the Group's revenue from contracts with customers:

For the year ended 31 December 2020

Segments	Norway	International	The Feelgood Company	Bonaventura	HQ	Total
Sales channels						
Grocery	1,996,173	720,752	242,842	803,483	-	3,763,250
Industry	208,517	70,653	-	191,195	-	470,365
Convenience & HoReCa*	254,688	154,694	16,086	-	-	425,468
Other channels	26,495	6,400	260,526	55,245	1,873	350,540
Total revenue	2,485,874	952,499	519,454	1,049,923	1,873	5,009,623

* Hotels, Resturants and Catering

Geographical distribution	Norway	International	The Feelgood Company	Bonaventura	HQ	Total
Norway	2,447,705	49,542	328,143	656,721	1,873	3,483,983
Sweden	-	516,188	9,252	117,986	-	643,426
Denmark	1,268	382,096	162,980	192,340	-	738,685
Other	36,901	4,673	19,079	82,876	-	143,529
Total revenue	2,485,874	952,499	519,454	1,049,923	1,873	5,009,623

All revenue was recognised at a point in time, and there are no unsatisfied or partially unsatisfied performance obligations as at 31 December 2020.

For the year ended 31 December 2019

Segments	Norway	International	The Feelgood Company	Bonaventura	HQ	Total
Sales channels						
Grocery	1,637,452	646,045	145,395	797,078	-	3,225,969
Industry	196,766	57,141	-	178,944	-	432,851
Convenience & HoReCa*	298,732	216,537	19,101	-	-	534,371
Other channels	43,024	2,855	164,785	44,375	57	255,096
Total revenue	2,175,974	922,578	329,281	1,020,396	57	4,448,287

* Hotels, Resturants and Catering

Geographical distribution	Norway	International	The Feelgood Company	Bonaventura	HQ	Total
Norway	2,134,205	42,101	224,076	567,620	57	2,968,059
Sweden	-	451,940	9,212	107,392	-	568,544
Denmark	-	375,261	90,857	169,953	-	636,070
Other	41,769	53,277	5,137	175,432	-	275,614
Total revenue	2,175,974	922,579	329,281	1,020,396		4,448,287

All revenue was recognised at a point in time, and there are no unsatisfied or partially unsatisfied performance obligations as at 31 December 2019.

2.3 Payroll expenses

ACCOUNTING POLICIES

Payroll expenses comprise all types of remuneration to personnel employed by the Group (ie. not contracted manpower) and are expensed when earned. Ordinary salaries can be both fixed pay and hourly wages and is earned and paid periodically. Holiday pay is earned on the basis of ordinary pay and is normally paid in the holiday months of the following year. The employer's national insurance contribution (social security) is calculated and expensed for all payroll related costs including pensions. Pensions contributions are earned on a monthly basis. Other employee expenses consist of other benefits such as insurance, cars and telephones.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as payroll expenses in the periods during which services are rendered by employees.

Pensions

The Group has a defined contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Synnøve Finden AS, Sørlandschips AS, Finsbråten AS, Leif Vidar AS, Westend Bakeri AS', Scandza Salg Norge AS and Scandza Norge AS are participating in the early retirement LO/NHO-scheme (AFP). This plan entitles the Norwegian employees life-long benefits from the age of 62 in addition to other plans. The plan is financed through a pooled arrangement by private sector employers, where also The Norwegian government contributes. The private sector employers contribute with 2/3 of the funding requirements and the Norwegian government 1/3. The contribution for 2020 was 2.5% of the total payments between 1 and 7.1 times the basic amount (G, which was NOK 101 thousand at 31 December 2020) to the employees. The plan is considered a defined benefit multi-employer plan with limited funding and where plan assets are not segregated. The information required to calculate a proportional share of the plan and account for the plan as a defined benefit plan is not available from the plan administrator. Consequently, the plan is accounted for as a defined contribution plan. The contributions to the plan were NOK 5 million in 2020 (NOK 5.0 million in 2019), exclusive of social security tax.

The Group also has an unsecured defined benefit pension scheme for some managers. The liability was NOK 5.9 million at 31 December 2020, and NOK 5.2 million at 31 December 2019. The expense in 2020 was NOK 1.0 million (NOK 0.75 million in 2019).

Payroll expenses (in NOK thousands)	2020	2019
Salaries	554,603	522,559
Social security costs	68,670	63,033
Pension costs	42,227	39,600
Other employee expenses	42,171	53,959
Total payroll expenses	**707,671**	**679,151**
Average number of full time employees (FTEs)	1,002	1011

At the end of the reporting period, members of the Board and Management held shares in the parent company Jordanes Invest AS. For information on remuneration to Management and the Board of Directors, including also disclosures on shares holdings see note 7.1.

2.4 Operating expenses and other items

ACCOUNTING POLICIES

Other operating expenses are recognised when they occur and represent a broad range of operating expenses incurred by the Group in its day-to-day activities. Other operating expenses consist of expenses that are not classified on the lines for cost of materials, payroll expenses, depreciation and amortisation, or impairment of fixed assets.

Other operating expenses (in NOK thousands)	2020	2019
Consultancy	42,271	34,452
Travel / car	26,303	33,513
IT / communication	26,531	24,693
Energy / sewage	48,492	60,374
Marketing	90,482	94,700
Maintenance machines / buildings	34,381	34,123
Rental / Leasing expenses	41,443	40,926
Other indirect expenses	123,897	101,078
Freight and distribution costs	34,261	31,259
Total other operating expenses	**468,061**	**455,118**

Research and development

The Group performs a range of research and development projects related to the Groups products. The total research and development costs was NOK 16,7 million in 2020 and NOK 11,1 million in 2019 and includes mainly internal (salary related costs) and external costs. R&D prosjects relates mainly to approved treasure trove projects (Skattefunn) and are expensed.

Other items

Other items include other income and other expenses that largely consist items that to a limited degree are representative of the Group's ordinary operating profit for the period. The main purpose of these line items are to present them separately within the Group's operating profit.

Other income (in NOK thousands)	2020	2019
Sale of production facility	8,503	-
Payment from leakage claim	-	7,300
Insurance compensation	-	1,900
Total other income	**8,503**	**9,200**

Other expenses (in NOK thousands)	2020	2019
M&A and integration costs	14,688	17,977
Recall product	4,660	-
Extraordinary cost of goods and write-down of inventory	-	12,152
Restructuring costs	31,006	59,910
Other items	17,458	11,332
Total other expenses	**67,812**	**101,371**

Auditor fees (in NOK thousands)	2020	2019
Regular audit fee	2,986	3,154
Other confirmation services	363	310
Tax advise	14	53
Other services	1,739	889
Total remuneration to the auditor	**5,102**	**4,406**

Audit fee:

The amounts above are excluding VAT. Other services are mainly services related to tax forms and financial statements.

2.5 Inventories

ACCOUNTING POLICIES

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis (FIFO)
- Finished goods and work in progress: cost of direct materials, direct wages, packaging and a proportion of manufacturing overheads based on the normal operating capacity

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale..

Inventories (in NOK thousands)	31.12.2020	31.12.2019
Raw materials	94,443	103,485
Work in progress	90,685	116,654
Finished goods	301,809	249,979
Total inventories at the lower of cost and net realisable value	**486,937**	**470,118**

Inventories has been written down with NOK 28.5 million at 31 December 2020 (NOK 30.3 million at 31 December 2019) because of inventory obsolescence due to lower-than-expected sales.

A reversal of write-down of inventories of NOK 1.8 million was recognised in 2020 (NOK -10.6 million in 2019), these reversals are related to realisation of already written down inventory.

2.6 Trade and other receivables

ACCOUNTING POLICIES

Trade and other receivables

The Group's trade receivables consist solely of amounts receivable from revenue contracts with customers. Trade receivables are generally on terms of 30 to 60 days. Other receivables consist mainly of prepaid expenses and VAT receivables which are expected to be realised or consumed in the normal operating cycle within twelve months after the reporting period.

Trade and other receivables are financial assets initially recognised at fair value and subsequently at amortised cost using the effective interest rate method. Trade and other receivables are subject to impairment by recognising an allowance for expected credit losses.

Expected credit losses

The Group recognises an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the cash flows that the Group expects to receive. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Policies for expected credit losses are further described in note 4.1.

Trade and other receivables (in NOK thousands)	31.12.2020	31.12.2019
Trade receivables from customers at nominal value	573,167	596,596
Allowance for expected credit losses	-3,890	-4,200
Trade and other receivables	**569,277**	**592,396**

Other receivables (in NOK thousands)	31.12.2020	31.12.2019
Deposits	63	59
Prepaid expenses	15,182	11,294
VAT receivable	1,694	-
Other	116,522	51,308
Total other receivables	**133,462**	**62,660**

Allowance for expected credit losses	31.12.2020	31.12.2019
At January 1	4,200	4,100
Provision for expected credit losses	-310	100
At December 31	**3,890**	**4,200**

The credit risk of financial assets has not increased significantly from initial recognition

As at 31 December the ageing analysis of trade receivables is, as follows:

	Trade receivables				
		Past due but not impaired			
Ageing analysis of trade receivables	Not due	< 30 days	31-60 days	> 60 days	Total
Trade receivables at 31.12.2020	498,991	54,879	9,841	5,566	569,278
Trade receivables at 31.12.2019	513,824	62,080	8,912	7,581	592,396

For details regarding the Group's procedures on managing credit risk, see note 4.4.

2.7 Trade and other payables

ACCOUNTING POLICIES
Trade and other payables are liabilities, i.e. present contractual obligations arising from a result of past events where settlement is expected to result in an outflow of resources (payment). Trade payables consist of invoices for goods and services where the Group has received the significant risks and rewards of ownership as of 31.12. Other payables mainly consist of VAT, withholding payroll and social security tax.

Trade and other payables are measured at fair value upon initial recognition and subsequently at amortised cost. Trade and other payables are expected to be settled within the normal operating cycle within twelve months after the reporting period.

Trade and other payables	31.12.2020	31.12.2019
Trade payables	520,908	659,099
VAT	50,140	
Withholding payroll taxes and social security	29,623	48,208
Other accrued expenses	-	
Total trade and other payables	**600,671**	**707,307**

For trade and other payables ageing analysis, see note 4.3.

2.8 Provisions and other liabilities

ACCOUNTING POLICIES

Provisions are liabilities with uncertain timing or amount and are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting year to a third party.

Refund liability

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer.

Contingent consideration

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

The group classifies liabilities and provisions in the following categories:

- Salary related costs: Contains liabilities related to accrued holiday pay, accrued bonuses, restructuring (when the Group has approved a formal and detailed restructuring plan; and the restructuring either has commenced or been announced publicly) and other salary related accruals.
- Refund liability (joint marketing and customer bonus): A provision for the expected amount to be refunded to customers after the reporting date. The provision is recognised as variable consideration by applying the expected value method to determine the estimated rebate based on historical sales and specific forward looking factors. See note 2.2 for further descriptions.

A provision is made and calculated based on management assumptions at the time the provision is made and is updated as and when new information becomes available. All provisions are reviewed at the end of the financial year.

Contingencies

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the possibility of an outflow of economic resources is considered remote.

Contingent assets are not recognised in the annual accounts but are disclosed when an inflow of economic benefits is considered probable. The Group has no contingent assets or liabilities that meet the criteria for disclosure.

Reconciliation of provisions and other liabilities:

(Amounts in NOK thousands)	Contingent consideration	Salary related costs	Refund liability	Other short term provisions	Total
At 1 January 2020	**9,444**	**82,241**	**104,277**	**144,629**	**340,590**
Additional provisions made	-	62,700	155,493	142,255	360,448
Amounts used	-9,444	-56,624	-89,135	-71,039	-226,243
Unused amounts reversed	-	-1,159	-4,700	-2,043	-7,903
At 31 December 2020	-	**87,157**	**165,934**	**213,801**	**466,892**
Current provisions and other liabilities	-	87,157	165,934	213,801	466,892
Non-current provisions and other liabilities	-	-	-	-	-

3.1 Property, plant and equipment

ACCOUNTING POLICIES

Property, plant and equipment ("PP&E") is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of PP&E are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group assesses, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

No indicators for impairment of property, plant and equipment were identified in the current or prior period.

(Amounts in NOK thousands)	Machinery and Equipment	Under construction	Motor vehicles	Land and buildings	Total
Cost as at 1 January 2019	**503,271**	**28,248**	**2,901**	**300,231**	**834,651**
Additions	44,422	20,009	1,680	386	66,497
Additions through business combinations	9,350	-	-	-	9,350
Disposals	-32,851	-234	-1,076	-	-34,161
Transfers	27,061	-28,117	-	1,056	-
Cost as at 31 December 2019	**551,253**	**19,906**	**3,505**	**301,673**	**876,337**
Additions	27,454	24,617	375	3,240	55,686
Additions through business combinations	-	-	-	-	-
Disposals	-22,994	-29	-1,386	-26,010	-50,419
Transfers	1,250		-	-	1,250
Currency translation effects	8,765	-	-	-	8,765
Cost as at 31 December 2020	**565,728**	**44,494**	**2,494**	**278,903**	**891,619**
Depreciation and impairment as at 1 January 2019	**194,730**	**-**	**95**	**12,773**	**207,598**
Depreciation for the year	88,508	82	1,204	19,030	108,824
Depreciation on disposals	-40,508	-	-1,054	-	-41,562
Depreciation and impairment as at 31 December 2019	**242,730**	**82**	**245**	**31,803**	**274,860**
Depreciation for the year	63,524	-	170	21,199	84,894
Impairment for the year	-	-	-	-	-
Depreciation on disposals	-22,994	-29	-1,386	-26,010	-50,419
Currency translation effects	-17,782	-	-	-5,596	-23,378
Depreciation and impairment as at 31 December 2020	**265,478**	**53**	**-971**	**21,396**	**285,956**
Net book value:					
At 31 December 2019	**308,523**	**19,824**	**3,260**	**269,870**	**601,477**
At 31 December 2020	**300,250**	**44,441**	**3,465**	**257,507**	**605,663**
Economic life (years)	3-14	N/A	5	20-25	
Depreciation plan	Straight-line method				

3.2 Intangible Assets

Nature of the Group's intangible assets
The Group's intangible assets mainly comprise of Goodwill and brands acquired through the acquisition of

ACCOUNTING POLICIES
Goodwill
Goodwill is an intangible asset which may not individually be recognised as an intangible asset due to the requirements in IAS 38. The value of goodwill is primarily related to synergies, assembled workforce and their competency to generate and commercialize new technology as well as high growth expectations. Goodwill also arises due to the requirement to recognise deferred tax liabilities for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Intangible assets acquired
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Other costs are classified as research and are expensed as incurred.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS
Useful lives of intangibles

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable assessments. Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The initial assessment and review of economic useful lives requires management to make estimates and assumptions on the Group's IP and competition in the future. Changes in the expected useful life are treated as changes in accounting estimates.

Established brands that have existed for a long period of time and have a sound reputation at the time of acquisition are assessed as having an indefinite useful life, and are not amortised. An indefinite useful life means that it is not possible to estimate the foreseeable period over which the asset is expected to generate net cash inflows for the entity. Only brands that are purchased through the acquisition of companies are capitalised in the consolidated financial statements. See note 3.3 for impairment considerations and annual testing of the Group's intangible assets with indefinite useful lives.

3.2 Intangible Assets (Continued)

(Amounts in NOK thousands)	Goodwill	Brands	Customer relationships	Total
Cost as at 1 January 2019	**2,183,668**	**886,100**	**36,217**	**3,105,985**
Additions through acquisition	216,776	30,000	-	246,776
Cost as at 31 December 2019	**2,400,444**	**916,100**	**36,217**	**3,352,761**
Additions				-
Additions through acquisition				-
Disposals				-
Currency translation effects				-
Cost as at 31 December 2020	**2,400,444**	**916,100**	**36,217**	**3,352,761**
Amortisation and impairment as at 1 January 2019	-	-	-	-
Amortisation charge for the year			8,360	8,360
Amortisation and impairment as at 31 December 2019	-	-	**8,360**	**8,360**
Amortisation charge for the year			8,727	8,727
Impairment charge for the year				-
Amortisation and impairment as at 31 December 2020	-	-	**17,088**	**17,088**
Net book value:				
At 31 December 2019	**2,400,444**	**916,100**	**27,857**	**3,344,400**
At 31 December 2020	**2,400,444**	**916,100**	**19,129**	**3,335,672**
Economic life (years)	N/A	N/A	5	
Depreciation plan	N/A	N/A	Straight-line	

The brands are considered to have indefinite economic lives and hence no amortisation has been recognised. Having long traditions and a well established slogan, "Synnøve" is one of the most well-known brands in Norway. "Sørlandschips" is the second largest Norwegian potato chips producer and has had a considerable growth the latest years. In biscuits and cakes, Bisca is the market leader in Scandinavia. Finsbråten, Leiv Vidar, Lindvalls and Broderna Nilsson are strong brands within the meat industry in Norway and Sweden.

The brands allocation to CGUs are presented in note 3.3.

Impairment testing
Impairment testing of goodwill and brands are described in note 3.3.

3.3 Impairment considerations

ACCOUNTING POLICIES

The Group has goodwill and brands with indefinite useful lives which are subject to annual impairment testing. The testing is performed annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which goodwill or intangible assets with indefinite useful lives relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The CGUs was reviewed in 2020 and following the review been more aligned with business units rather than Business areas to acheive a more granular testing of the CGUs.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length terms, for similar assets or observable market prices less incremental costs for disposing of the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

SIGNIFICANT ACCOUNTING JUDGEMENT

Determination of CGU's for goodwill and brands acquired in business combinations

Goodwill and brands from acquisitions do not generate cash flows largely independently of other assets. Management has assessed that the smallest identifiable group of assets that generates cash inflows to the Group are the operating segments, and these are largely independent of the cash inflows from other assets. The Group has allocated goodwill and brands to these CGUs:

Synnøve Finden
Sørlandschips
Scandza Salg Norge
Meals Norway (Finsbråten, Leiv Vidar and Westend Bakeri)
Meals Sweden (Lindvalls Chark and Broderna Nilsson)
Bisca
Bonaventura (earlier Trade)
Elle Basic
Bodylab

The table below outlines the carrying amounts of goodwill and brands allocated to each CGU (with 2019 CGU in parenthesis):

CGU - 31.12.2020	Brands	Goodwill	Total
Synnøve Finden (Norway)	410,120	1,012,948	1,423,068
Sorlandschips (Norway)	101,137	249,797	350,934
Scandza Salg Norge (Norway)	56,354	139,188	195,542
Meals Norway (Norway)	114,636	283,139	397,775
Meals Sweden (International)	56,190	132,879	189,069
Bisca (International)	72,536	171,535	244,071
Bonaventura (Bonaventura)	-	162,354	162,354
Elle Basic (The Feelgood Company)	76,088	179,934	256,022
Bodylab (The Feelgood Company)	29,038	68,671	97,709
Total	**916,100**	**2,400,444**	**3,316,544**

CGU - 31.12.2019	Brands	Goodwill	Total
Norway	682,248	1,685,071	2,367,318
International	128,726	304,414	433,140
The Feelgood Company	105,126	248,605	353,731
Bonaventura	-	162,354	162,354
Total	**916,100**	**2,400,444**	**3,316,544**

3.3 Impairment considerations (Continued)

Basis for determining the recoverable amount

The CGU's recoverable amounts have been determined based on its value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cash flows are derived from the detailed budget and forecast calculations for the next five years approved by the Group Management and BoD. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. The recoverable amount is sensitive to revenue growth in the forecast period, the discount rate, expected future cash flows and the terminal growth rate.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Impairment testing of goodwill and brands

The calculation of value in use for the CGU's are most sensitive to the following assumptions:
Free cash flow margin (after tax)
Post-tax discount rate
Terminal growth rate

Free cash flow margin (before tax)
The free cash flow margin is determined from an analysis of historical levels before tax, adjusted for expected changes to employee benefit expenses, other expenses, capital expenditures and changes to working capital.

Post-tax discount rate
The discount rate reflects the current market assessment of the risks specific to the CGU. The post-tax discount rate is estimated based on the weighted average cost of capital (WACC).

Terminal growth rate
The terminal growth rate is the estimated long-term rate of growth in the economy where the business operates, aligned with long term global inflation targets.

The key assumptions used to determine the recoverable amount for each CGU is presented below:

CGU	Revenue growth in the forecast period	Free cash flow margin (before tax)	Terminal growth rate	Post-tax discount rate
Synnøve Finden	(3.3)-4.1%	4.8-6.7%	1.5 %	6.4 %
Sortandschips	3.4-4.4%	8.3-8.7%	1.5 %	6.4 %
Scandza Salg Norge	1.5 %	28.1-29.5%	1.5 %	6.4 %
Meals Norway	3.4-8.5%	(3.3)-6.1%	1.5 %	6.4 %
Meals Sweden	3.2-7.6%	0.4-5.4%	1.5 %	6.4 %
Bisca	5.1-7.0%	(4.8)-3.8%	1.5 %	6.4 %
Bonaventura	4.9-5%	1.6-6.4%	1.5 %	6.4 %
Elle Basic	9.0-15.0%	12.0-38.9%	1.5 %	6.4 %
Bodylab	14.9-15.0%	1.6-7.2%	1.5 %	6.4 %
Norway - 31.12.2019	4.0-4.4%	6.1-7.6%	1.5 %	6.4 %
International - 31.12.2019	3.8-5.4%	(1.0)-7.8%	1.5 %	6.4 %
The Feelgood Company - 31.12.2019	13.0-15.0%	5.5-7.2%	1.5 %	6.4 %
Bonaventura - 31.12.2019	5.0 %	1.4-3.8%	1.5 %	6.4 %

The recoverable amount of the cash generating units are higher than their carrying amount and no impairment loss has been recognised in the current or prior period.

3.3 Impairment considerations (Continued)

Sensitivity analysis

Future events could cause the key assumptions to deviate from the amounts used in the forecast period. The Group has performed a sensitivity analysis for each key assumption; revenue growth in the forecast period, free cash flow margin (after tax), terminal growth rate and the post-tax discount rate. The table below shows how much the recoverable amount of the CGU changes if each key assumption was increased or decreased in an unfavourable

Sensitivity of assumptions (presented as change in recoverable amount for each CGU)	Effect of -1% change in free cash flow margin	Effect of +1% change in the post-tax discount rate	Effect of -1% change in the terminal growth rate
Synnøve Finden	-309	-356	-296
Sorlandschips	-80	-119	-99
Scandza Salg Norge	-27	-138	-114
Meals Norway	-180	-153	-127
Meals Sweden	-115	-107	-89
Bisca	-127	-84	-70
Bonaventura	-251	-125	-104
Elle Basic	-59	-95	-77
Bodylab	-85	-63	-52

3.4 Right-of-use assets and lease liabilities

ACCOUNTING POLICIES

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

- The agreement creates enforceable rights of payment and obligations
- The identified asset is physically distinct
- The supplier does not have a substantive right to substitute the asset throughout the period of use
- It has the right to obtain substantially all of the economic benefits from use of the asset
- It has the decision-making rights that are most relevant to changing how and for what purpose the asset is used throughout the contract period

Group as a lessee

At the 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 (with an underlying value of less than 50 000 NOK)

For these leases, the Group recognises the lease payments as operating expenses in the consolidated statement of comprehensive income.

Measuring the lease liability

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that 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 to extend the lease when the Group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The lease payments included in the measurement comprise:

- Fixed lease payments, less any lease incentives received
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

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 and index or rate.

The Group presents its lease liabilities as separate line items in the consolidated statement of financial position.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimating the incremental borrowing rate

When the interest rate implicit in the lease is not readily determinable, the Group applies its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as geographical location).

SIGNIFICANT ACCOUNTING JUDGEMENT

Determining the lease term of contracts with extension and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease by considering relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to

3.4 Right-of-use assets and lease liabilities (Continued)

ACCOUNTING POLICIES (Continued)

Measuring the right-of-use asset

The right-of-use asset is initially measured at cost. The cost of the right-of-use asset includes the corresponding amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date and initial direct costs incurred.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, applying the same policies for impairment as for property, plant and equipment (Note 3.1). 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. Depreciation is calculated on a straight-line basis.

The Group presents its right-of-use assets as separate line items in the consolidated statement of financial position.

The Group's leased assets

The Group leases several assets, mainly related to land and buildings, machinery and equipment and motor vehicles in Norway, in addition to Sweden and Denmark. Leases of land and buildings generally have lease terms between 3 and 15 years, while machinery and equipment and motor vehicles generally have lease terms between 3 and 7 years. The Group also leases some assets that are expensed as incurred as they are either considered short term or of low value.

The Group's right-of-use assets recognised in the consolidated statement of financial position are presented in the

Right-of-use assets

(Amounts in NOK thousands)	Machinery and Equipment	Motor vehicles	Land and buildings	Total
Acquisition cost at 1 January 2019	**112,037**	**22,519**	**227,509**	**362,065**
Additions of right-of-use assets	9,929	581	15,205	25,716
Additions through business combinations				-
Acquisition cost at 31 December 2019	**121,966**	**23,100**	**242,714**	**387,780**
Additions of right-of-use assets	16,841	972	1,105	18,918
Adjustments	-3,130	45	-15,356	-18,441
Currency translation effects	46	1,218	388	1,652
Acquisition cost at 31 December 2020	**135,723**	**25,335**	**228,851**	**389,909**
Depreciation and impairment at 1 January 2019	-	-	-	-
Depreciation of right-of-use assets	35,877	5,934	29,492	71,303
Depreciation and impairment at 31 December 2019	**35,877**	**5,934**	**29,492**	**71,303**
Depreciation of right-of-use assets	31,062	5,968	36,838	73,868
Currency translation effects				-
Depreciation and impairment at 31 December 2020	**66,939**	**11,902**	**66,330**	**145,171**
Carrying amount at 31 December 2019	**86,089**	**17,166**	**213,222**	**316,477**
Carrying amount at 31 December 2020	**68,784**	**13,433**	**162,521**	**244,738**
Remaining lease term or remaining useful life (years)	3-10	3-5	5-10	
Depreciation plan		Straight-line method		

Expenses in the period related to practical expedients and variable payments	**2020**	**2019**
Short-term lease expenses	31	721
Low-value assets lease expenses	58	103
Variable lease expenses in the period (not included in the lease liabilities)	136	-
Total lease expenses in the period	**225**	**824**

The lease expenses in the period related to short-term leases, low-value assets and variable lease payments are included in other operating expenses in the consolidated statement of comprehensive income, and the payments are presented in the Group's operating activities in the consolidated statement of cash flows.

3.4 Right-of-use assets and lease liabilities (Continued)

The Group's lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	12/31/2020	12/31/2019
Less than one year	75,275	71,388
One to two years	56,791	62,739
Two to three years	45,711	46,954
Three to four years	37,820	36,359
Four to five years	20,039	28,683
More than five years	51,726	120,664
Total undiscounted lease liabilities	**287,362**	**366,787**

Changes in the lease liabilities - 2019	Total
At first time adoption of IFRS 1 January 2019	**367,665**
Cash payments for the principal portion of the lease liability (financing activities)	-67,103
Cash payments for the interest portion of the lease liability (operating activities)	-9,977
New leases recognised during the period	25,715
Interest expense on lease liabilities	9,977
Currency translation effects	2,048
Total lease liabilities at 31 December 2019	**328,325**
Current lease liabilities in the statement of financial position	70,661
Non-current lease liabilities in the statement of financial position	257,664

Changes in the lease liabilities - 2020	Total
At 1 January 2020	**328,325**
New leases recognised during the period	18,918
Adjustments - changes from last year	-18,306
Cash payments for the principal portion of the lease liability (financing activities)	-69,178
Cash payments for the interest portion of the lease liability (operating activities)	-12,846
Interest expense on lease liabilities	12,846
Currency translation effects	1,936
Total lease liabilities at 31 December 2020	**261,695**
Current lease liabilities in the statement of financial position	65,279
Non-current lease liabilities in the statement of financial position	196,416

Lease commitments not included in the lease liabilities

Inflation adjustments

In addition to the lease liabilities presented above, the Group is committed to pay variable lease payments for its office buildings, mainly related to future inflation adjustments which is not included in the initial calculation of lease liabilities. The lease liability and right-of-use asset will be adjusted to reflect the inflation adjustment when the uncertainty related to the adjustment has been resolved, however, due to low inflation forecasts these adjustments are expected to be immaterial.

Extension and termination options

The Group has some lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the Group's business needs. The Group did not include the extension period for leases as part of the lease term when management were not reasonably certain to exercise the option to extend the leases. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

The effect of exercising the extension options that were not included in the lease liability because management were not were not reasonably certain to exercise the option is presented in the table below:

	12/31/2020	12/31/2019
Increase to lease liabilities if exercising all extension options that were not included	178,544	180,340

Other matters

The Group's leases does not contain provisions or restrictions that impacts that Group's dividend policies or financing possibilities.

4.1 Financial Instruments

ACCOUNTING POLICIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments

The Group's financial instruments are grouped in the following categories:

Financial Assets

- *Financial assets measured subsequently at amortised cost:* Includes mainly trade receivables, other receivables and cash and cash equivalents
- Financial assets measured at fair value through profit or loss: Includes nvestments in shares.

With the exception of the financial assets measured at fair value through profit or loss, the Group's financial assets are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost.

Financial Liabilities

- Financial liabilities measured subsequently at amortised cost: Represent the Group's interest bearing liabilities as well as non-interest bearing liabilities such as trade payables.
- Financial liabilities measured at fair value through profit or loss: Includes currency derivatives when the fair value is negative.

Initial recognition and subsequent measurement

Financial assets and liabilities measured subsequently at amortised cost

The Group's financial assets and liabilities are initially recognised at fair value plus directly attributable transaction expenses. Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss upon impairment, when the instruments are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

Financial assets at fair value through profit or loss

Financial assets (such as investment in listed and unlisted shares) at fair value through profit or loss are recognised at fair value are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Group uses derivative financial instruments, such as forward currency contracts and currency swap contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group does not apply hedge accounting.

Impairment of financial assets

Financial assets measured at amortised cost are considered for impairment by recognising an allowance for expected credit losses (ECLs). The Group applies a simplified approach (as applicable for trade receivables) in calculating ECLs, where the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group bases its ECLs on its historical losses, adjusted for forward-looking factors specific to the debtors and the economic environment. See note 4.4 for further information related to management of credit risk.

4.1 Financial instruments (Continued)

ACCOUNTING POLICIES (Continued)

Derecognition of financial instruments
A financial asset is derecognised when the rights to receive cash flows from the asset have expired, the Group has transferred its rights to receive cash flows from the asset or The Group has assumed an obligation to pay the received cash flows in full under a "pass-through" arrangement.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.1 Financial instruments (Continued)

12/31/2020	Notes	Financial instruments at amortised cost	Financial instruments at fair value through profit or loss	Total
Assets				
Trade receivables	2.6	569,278		569,278
Other receivables	2.6	133,462		133,462
Cash and cash equivalents	4.7	438,339		438,339
Non-current financial assets				
Investments in shares (equity)			2,389	2,389
Derivatives				-
Other financial assets		43,193		43,193
Total non-current financial assets		43,193	2,389	45,582
Total financial assets		1,184,271	2,389	1,186,660
Liabilities				
Interest bearing loans and borrowings				
Non-current interest bearing liabilities	4.2	3,360,595		3,360,595
Current interest bearing liabilities	4.2	265,400		265,400
Other financial liabilities				
Trade and other payables	2.7	600,671		600,671
Total financial liabilities		4,226,666	-	4,226,666

12/31/2019	Notes	Financial instruments at amortised cost	Financial instruments at fair value through profit or loss	Total
Assets				
Trade receivables	2.6	592,396		592,396
Other receivables	2.6	62,660		62,660
Cash and cash equivalents	4.7	283,739		283,739
Non-current financial assets				
Investments in shares (equity)			5,875	5,875
Derivatives				-
Other financial assets		36,034		36,034
Total non-current financial assets		36,034	5,875	41,909
Total financial assets		974,829	5,875	980,704
Liabilities				
Interest bearing loans and borrowings				
Non-current interest bearing liabilities	4.2	3,131,212		3,131,212
Current interest bearing liabilities	4.2	236,063		236,063
Other financial liabilities				
Trade and other payables	2.7	707,307		707,307
Total financial liabilities		4,074,582	-	4,074,582

There are no changes in classification and measurement for the Group's financial assets and liabilities.
Finance income and finance costs arising from the Group's financial instruments are disclosed separately in note 4.8.

4.2 Borrowings, pledged assets and guarantees

Non-current interest bearing liabilities	Interest rate	Maturity	12/31/2020	12/31/2019
Term loan, DNB (NOK)	NIBOR*+3,75% - 4,25%	Mar 2022	1,541,621	1,541,621
Term loan, DNB (DKK)	NIBOR*+3,75% - 4,25%	Mar 2022	317,543	297,932
Term loan, DNB (SEK)	NIBOR*+3,75% - 4,25%	Mar 2022	151,902	137,446
Acquisition Capex loan, DNB (NOK)	NIBOR*+3,00% - 3,75%	Mar 2022	200,000	200,000
Pik loan, Danica Pension (NOK)	Fixed 14,5%	Dec 2023	1,165,734	1,006,147
- Incremental borrowing costs capitalised (DNB)			-5,957	-38,281
- Incremental borrowing costs capitalised (PIK)			-10,248	-13,653
Total non-current interest bearing liabilities			**3,360,595**	**3,131,212**

Current interest bearing liabilities	12/31/2020	12/31/2019
Factoring, DNB (NOK)	265,400	236,063
Total current interest bearing liabilities	**265,400**	**236,063**

* NIBOR being floating 3 month NIBOR rate.

The Group issued no new debt in 2020. The reconciliation of changes in liabilities incurred as a result of financing activities are presented in note 4.3.

Overdraft facility
The Group has revolving facility where up to NOK 100 million may by drawn. See note 4.3 under liquidity risk for further information.

Guarantees
The Group had guarantee commitments of NOK 15.2 million as at 31 December 2020, and NOK 15.2 million as at 31 December 2019. The guarantees consists of customs guarantees NOK 5.2 million , tax guarantees NOK 2.0 million and rental guarantees NOK 8.0 million.

The Group has pledged assets as security for it's loans and borrowings, presented in the table below:

Assets pledged as security

	12/31/2020	12/31/2019
Secured balance sheet liabilities:		
Interest bearing liabilities to financial institutions	3,625,995	3,367,275
Value of assets pledged as security for secured liabilities:		
Trade receivables	569,278	592,396
Inventories	486,938	470,118
Investments in shares and associates	21,837	24,259
Property, plant and equipment	605,663	659,841
Total assets pledged as security	**1,683,716**	**1,746,614**

The Group bank agreement includes financial covenants normal to the business. As at 31 December 2020 these are: Adjusted Leverage (Senior Net Debt/EBITDA) and Interest Cover (EBITDA/Net Finance Charges). Non compliance with these covenants may cause all debt to mature at that time.

There have not been a breach in any financial covenants for the Group's interest-bearing debt in the current or prior periods.

4.3 Ageing of financial liabilities

Contractual undiscounted cash flows from financial liabilities is presented below:

12/31/2020	Remaining contractual maturity 1-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Financial liabilities							
Non-current interest bearing		2,211,066	1,165,734				3,376,800
Current interest bearing liabilities	265,400						265,400
Trade and other payables	600,671						600,671
Non-current lease liabilities		56,791	45,711	37,820	20,039	51,726	212,087
Current lease liabilities	65,279						65,279
Total financial liabilities	931,350	2,267,857	1,211,445	37,820	20,039	51,726	4,520,238

12/31/2019	Remaining contractual maturity 1-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Financial liabilities							
Non-current interest bearing	-		2,177,000	1,006,147	-	-	3,183,147
Current interest bearing liabilities	236,063						236,063
Trade and other payables	707,307						707,307
Non-current lease liabilities		62,739	46,954	36,359	28,683	120,664	295,399
Current lease liabilities	70,661						70,661
Total financial liabilities	1,014,031	62,739	2,223,954	1,042,506	28,683	120,664	4,492,577

Reconciliation of changes in liabilities incurred as a result of financing activities:

2020	1/1/2020	Cash flow effect	Non-cash changes: New leases	Foreign exchange movement	Acc interest	Change capitalised borrowing cost	12/31/2020
Non-current interest bearing	3,131,212			34,066	159,587	35,730	3,360,595
Current interest bearing liabilities	236,063	29,337					265,400
Non-current lease liabilities	257,664		607	1942	-	-63,797	196,416
Current lease liabilities	70,661	-69,179			-	63,797	65,279
Total liabilities from financing	**3,695,600**	**-39,842**	**607**	**36,008**	**159,587**	**35,730**	**3,887,690**

2019	1/1/2019	Cash flow effect	Non-cash changes: New leases	Foreign exchange movement	Acc interest	Change capitalised borrowing cost	12/31/2019
Non-current interest bearing	2,968,398			-6,479	133,600	35,693	3,131,212
Current interest bearing liabilities	215,131	20,932					236,063
Non-current lease liabilities	232,335		25,666			-337	257,664
Current lease liabilities	137,723	-67,062					70,661
Total liabilities from financing	**3,553,587**	**-46,130**	**25,666**	**-6,479**	**133,600**	**35,356**	**3,695,600**

4.4 Financial risk management

Overview

The Group's principal financial liabilities, comprise interest bearing liabilities, lease liabilities, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, other receivables, cash and short-term deposits and non-current financial assets.

The Group is exposed to a range of risks affecting its financial performance, including market risk, credit risk and liquidity risk. The Group seeks to minimise potential adverse effects of such risks through sound business practise, risk management and hedging.

Risk management is carried out by Group management under policies approved by the Board. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control risk exposures within acceptable parameters, while optimizing the Groups profits.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest bearing liabilities which have base interest rates in NIBOR (see note 4.2). Lease liabilities and cash and cash equivalents are also affected by the interest rate, but to a lesser degree.

The Group does not currently hedge the base interest rates. The current interest rate environment is low and the Group may enter into contracts to offset some of the risk depending on the future expected interest rates.

Interest rate sensitivity

A percentage point interest rate change would impact profit before tax by approximately NOK 33 million at 31 December 2020 (NOK 22 million at 31 December 2019).

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (cost of materials; raw materials and trade products), investing activities (purchase of property, plant and equipment), financing activities (interest bearing liabilities in foreign currency) and the Group's net investments in foreign subsidiaries. The significant part of revenues are denominated in local currency. The Group's interest bearing liabilities are mainly denominated in NOK. The Group's equity and expenses are mainly denominated in NOK, SEK and DKK.

The Group enters into forward contracts (derivatives) in order to generate predictable cash flows for future purchases of materials. About 65% of raw materials and trade products in foreign currency is purchased with prices from the forward contracts. The Group currently does not apply hedge accounting.

Foreign currency sensitivity

The following table illustrates the sensitivity for a hypothetical increase or decrease in the foreign exchange rates

Foreign currency sensitivity	Date	Change in FX rate	Effect on profit before tax
Increase / decrease in NOK/SEK	12/31/2020	+/- 10%	+/- 1 000
Increase / decrease in NOK/DKK	12/31/2020	+/- 10%	+/- 6 000
Increase / decrease in NOK/SEK	12/31/2019	+/- 10%	+/- 500
Increase / decrease in NOK/DKK	12/31/2019	+/- 10%	+/- 5 000

4.4 Financial risk management (Continued)

Credit risk
Credit risk is the risk of financial loss to the company if a customer or counterpart to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's trade receivables from customers.

The group manage its credit risks by trading with creditworthy third parties and the Group's customer base is mainly made up of large grocery chains. It is the Group's policy that all customers wishing to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity and financial position. The Group obtains sufficient collateral (where appropriate) from customers as a means of mitigating the risk of financial loss from defaults. In addition, receivable balances are monitored on an ongoing basis, with the result that the Group's exposure to losses has been low.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance. For an overview of the ageing of trade receivables and the expected credit losses recognised for trade receivables see note 2.6.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its risk to a shortage of funds by monitoring its working capital, overdue trade receivables and establishing credit facilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities and interest bearing debt to finance working capital and investments.

Synnøve Finden AS, Sørlandschips AS, Nbev AS, Bonaventura AS, Finsbråten AS and Smarte Nytelser AS have factoring agreements. Factoring agreements are recorded as interest-bearing liabilities.

The Group has a bank agreement with a syndicate of banks and DNB Bank ASA as agent. The bank agreement grants both long term loans and a revolving facility of NOK 100 mill which has not been utilised. Furthermore, the Group has a bridge loan from Danica Pension. Investment in fixed assets are partly financed through leasing agreements. The Group uses a multi currency group bank account system (International Cash Pool) to coordinate liquidity use of subsidiaries (presented net in the consolidated statement of financial position). Under these agreements, Provender AS is the Group account holder, whereas the subsidiaries are participants and hold a position only against Provender AS. The bank can offset overdrafts against deposits, so that the net position represents the net balance between the bank and Provender AS. With this finance structure, the Group has both sufficient long term financing and adequate financial flexibility.

An overview of the maturity profile of the Group's financial liabilities with corresponding cash flow effect is presented in note 4.3.

4.5 Fair value measurement

ACCOUNTING POLICIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments and the current low interest rates.

Interest bearing liabilities

The fair values of the Group's interest bearing liabilities and any contingent consideration are determined by using the expected DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair values of the Group's interest bearing debt are in most cases similar to carrying amount, as the interest rates are floating and as the own non-performance risk at each reporting date was assessed to be insignificant.

Non-current financial assets

Derivatives

The fair value of forward exchange contracts is based on available market information. The fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract. The fair value of interest rate swaps is the estimated amount that the Group of companies would receive or pay to terminate the swap at the statement of financial position date, taking into account current interest rates and the counterparty's credit rating for a net receivable, and the relevant Group Company for a net liability.

Investment in shares and other non-current financial assets

The fair value of quoted equity investments are based on the quoted market prices.

The fair values of the non-listed equity investments and other non-current financial assets have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.

4.5 Fair value measurement (Continued)

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Date	Carrying amount	Fair value	Level 1	Level 2	Level 3
Liabilities and assets disclosed at fair value						
Liabilities						
Interest bearing debt (Note 4.2)	12/31/2020	3,625,995				X
Contingent consideration (Note 2.8)	12/31/2020					X
Derivatives	12/31/2020				X	
Interest bearing debt (Note 4.2)	12/31/2019	3,367,275				X
Contingent consideration (Note 2.8)	12/31/2019					X
Derivatives	12/31/2019				X	
Assets						
Non-current financial assets						
Investments in listed shares (equity)	12/31/2020		-	X		
Investments in non-listed shares (equity)	12/31/2020	2,389	2,389			X
Derivatives	12/31/2020		-		X	
Other financial assets	12/31/2020	43,193	43,193			X
Total non-current financial assets (Note 4.1)	12/31/2020	45,582	45,582			
Non-current financial assets						
Investments in listed shares (equity)	12/31/2019		-	X		
Investments in non-listed shares (equity)	12/31/2019	5,875	5,875			X
Derivatives	12/31/2019		-		X	
Other financial assets	12/31/2019	36,034	36,034			X
Total non-current financial assets (Note 4.1)	12/31/2019	41,909	41,909			

There were no transfers between the levels during the current period.

4.6 Equity and shareholders

Capital management
Jordanes goal is to secure its shareholders a best possible long term return on capital employed, measured as the aggregate of dividends and appreciation of the share value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or issue debt. The Group monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Group includes within net debt, interest bearing debt, lease liabilities, less cash and cash equivalents.

ACCOUNTING POLICIES
Distribution to shareholders
The Group recognises a liability to make distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Issued capital and reserves:

Share capital in Jordanes Invest AS	Number of A-Shares authorised and fully paid	Financial Position (in NOK thousand)
At 1 January 2019	**477,087**	**477**
Share capital increase 22 May 2019	29,431	29
At 31 December 2019	**506,518**	**507**
Share capital increase	-	-
At 31 December 2020	**506,518**	**877**

The shares has a par value of NOK 1.00.
The holders of shares are entitled to one vote per share at the company's general meeting.

The Group's shareholders:

Shareholders in Jordanes Invest AS at 31.12.2020	Number of A-Shares	Ownership
Jabo Management & Consulting AS	133,408	26.34%
Sunstar AS	133,408	26.34%
K.K Sunde Holding AS	133,408	26.34%
M1 Invest AS	76,863	15.17%
NLL Holding AS	29,431	5.81%
Total	**506,518**	**100%**

Shareholders in Jordanes Invest AS at 31.12.2019	Number of A-Shares	Ownership
Jabo Management & Consulting AS	133,408	26.34%
Sunstar AS	133,408	26.34%
K.K Sunde Holding AS	133,408	26.34%
M1 Invest AS	76,863	15.17%
NLL Holding AS	29,431	5.81%
Total	**506,518**	**100%**

4.7 Cash and cash equivalents

ACCOUNTING POLICIES

Cash and cash equivalents in the statement of financial position comprise cash at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits. Restricted bank deposits comprise of cash for withholding taxes which may not be used for other purposes.

Cash and cash equivalents	31.12.2020	31.12.2019
Bank deposits, unrestricted	425,161	272,644
Bank deposits, restricted	13,178	11,095
Total cash and cash equivalents	**438,339**	**283,739**

Bank deposits earns a low interest at floating rates based on the bank deposit rates.

4.8 Financial income and expenses

ACCOUNTING POLICIES
Interest income and interest expenses on loans and receivables are calculated using the effective interest method.

Foreign currency gains or losses are reported as gain or loss on foreign exchange within in finance income or finance costs, except for currency translation effects from investments in foreign subsidiaries which are presented within OCI. For other accounting policies related to the underlying financial instruments, reference is made to note 4.1.

Interest costs on lease liabilities represents the interest rate implicit in the lease, or the incremental borrowing rate used to measure the lease liabilities recognised in the statement of financial position, for further disclosures see note 3.4.

Financial income	2020	2019
Interest income	7,475	8,470
Net currency gain	-	4,082
Dividend	-	3,056
Change in estimated fair value of contingent consideration (Note 2.8)	-	15,556
Other finance income	660	1,555
Total finance income	**8,135**	**32,719**

Financial costs	2020	2019
Interest on interest bearing liabilities	280,088	275,407
Interest expense on lease liabilities	12,846	9,977
Net currency loss	57,770	
Accrued borrowing costs (Note 4.2)	35,730	35,695
Other finance costs	11,951	3,775
Total finance costs	**398,385**	**324,854**

Interest income represents mainly interest income on cash deposits, and interest expenses represents mainly interest expenses on external financing, measured and classified at amortised cost in the statement of financial position.

4.9 Earnings per share

ACCOUNTING POLICIES
Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the EPS calculations:

	2020	2019
Profit or loss attributable to ordinary equity holders - for basic EPS	-53,966	-75,859
Profit or loss attributable to ordinary equity holders adjusted for the effect of dilution	-53,966	-75,859
Weighted average number of ordinary shares - for basic EPS	506,518	495,068
Weighted average number of ordinary shares adjusted for the effect of dilution	506,518	495,068
Basic EPS - profit or loss attributable to equity holders of the parent	**-0.11**	**-0.15**
Diluted EPS - profit or loss attributable to equity holders of the parent	**-0.11**	**-0.15**

5.1 Taxes

ACCOUNTING POLICIES

Current income tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity (OCI) and not in the statement of profit or loss.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Unused tax losses

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

The Group has NOK 289 109 as of 31.12.2020 (NOK 299 111 as at 31.12.2019) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, and may not be used to offset taxable income elsewhere in the Group. The tax loss carried forward from Norwegian entities may be offset against future taxable income and will not expire. Other tax loss carried forward do not expire.

Some subsidiaries and associates companies neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

5.1 Taxes (Continued)

Current income tax expense:	2020	2019
Tax payable	9,701	13,918
Adjustment for income tax payable for previous periods	2,122	7,320
Change deferred tax/deferred tax assets (ex. OCI effects)	-13,541	-40,570
Total income tax expense	-1,718	-19,333

Current tax liabilities consist of:	12/31/2020	12/31/2019
Income tax payable for the period as above	9,701	13,918
- of which paid in fiscal period	-	-1,894
Current tax liabilities	9,701	12,024

Deferred tax relates to the following:	12/31/2020	12/31/2019
Inventories	-6,210	-4,344
Property, plant and equipment	338,141	260,492
Intangible assets		
Other current assets	-554	-613
Carry forward interest deduction	-16,032	-16,032
Other liabilities	18,028	-
Pensions	-1,087	-877
Losses carried forward	-163,102	-70,776
Other temporary differences	-6,685	9,209
Net deferred tax liabilities	162,499	177,058
Deferred tax liabilities in the statement of financial position	162,499	177,058
Deferred tax assets in the statement of financial position		-

Reconciliation of deferred tax liabilities, net	12/31/2020	12/31/2019
As of 1 January	-177,058	-210,309
Tax expense during the period recognised in profit or loss	14,559	33,251
Tax income/(expense) during the period recognised in OCI		
Deferred taxes acquired in business combinations		
As at 31 December	-162,499	-177,058

The Group's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates vary from 20,6% to 22%, which results in a difference between the statutory income tax rate in Norway and the average tax rate applicable to the Group. The average tax rate for the group's deferred tax assets are 21,5 % for 31.12.2020 and 22% for 31.12.2019. The average tax rate for the group's deferred tax liabilities are 22 % for 31.12.2020 and 22% for 31.12.2019.

A reconciliation of the differences between the theoretical tax expense under the rate applicable in Norway and the actual tax expense is as follows:

Reconciliation of income tax expense	2020	2019
Profit or loss before tax	-93,464	-150,712
Tax expense 22% (Norwegian tax rate)	-20,562	-33,157
Permanent differences*	*21,342*	16,743
Effects of foreign tax rates	-513	-216
Currency effects	*-1,985*	*-2,704*
Recognised income tax expense	-1,718	-19,333

* The permanent differences are related to non-deductible costs among the Group's subsidiaries.

6.1 Interests in other entities

ACCOUNTING POLICIES

Basis of consolidation
The consolidated financial statements comprise the financial statements of Jordanes Invest AS and its subsidiaries as at 31 December 2020. The subsidiaries are consolidated when control is achieved as defined by IFRS 10. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. However, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Change in the ownership interest of a subsidiary, without a loss of control
A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Consideration in excess of or lower than carrying amount of non-controlling interests is recognised against the equity attributable to the owners of the parent.

Loss of control of a subsidiary
If the Group loses control over a subsidiary it derecognises the assets, liabilities, non-controlling interest and reclassify to profit or loss, or transfer directly to retained earnings as appropriate, the amounts recognised in other comprehensive income in relation to the subsidiary. Any investment retained at the date when control is lost is measured at fair value and a gain/loss is recognised.

Non-controlling interests
Non-controlling interests in subsidiaries are presented within equity separately from the equity attributable to the owners of the parent. Non-controlling interests are measured initially, on a combination-by-combination basis at either the proportionate fair value of net identifiable assets or of fair value of those interests at the date of acquisition.

6.1 Interests in other entities (Continued)

The consolidated entities
The subsidiaries of Jordanes Invest AS are presented below:

Consolidated entities 31 December 2020	Office	CUR	Shareholding and the Group's voting ownership share
Jordanes AS	Oslo	NOK	100.0%
Provender Holdings AS	Oslo	NOK	100.0%
Provender AS	Oslo	NOK	100.0%
Scandza AS	Oslo	NOK	100.0%
Scandza Norge AS	Oslo	NOK	100.0%
Scandza Danmark ApS	Stege, DK	DKK	100.0%
Scandza Sverige AB	Gøteborg, SE	SEK	100.0%
The Feelgood Company AS	Oslo	NOK	100.0%
Bonaventura Nordic AS	Oslo	NOK	100.0%
Sørlandschips AS	Kristiansand	NOK	100.0%
Synnøve Finden AS	Oslo	NOK	100.0%
Synnve Finden Eesti AS	Tallin, RE	EUR	100.0%
Leiv Vidar AS	Hønefoss	NOK	100.0%
Finsbråten AS	Oslo	NOK	100.0%
Scandza Salg Norge AS	Oslo	NOK	100.0%
Westend Bakeri AS	Oslo	NOK	51.0%
Tolga Næringspark AS	Tolga	NOK	100.0%
Smarte Nytelser AS	Oslo	NOK	100.0%
Nbev AS	Oslo	NOK	100.0%
Elle Basic AS	Oslo	NOK	100.0%
Bodylab ApS	Hadsund, DK	DKK	100.0%
B Green AS	Oslo	NOK	100.0%
Bonaventura Sales AS	Oslo	NOK	100.0%
Bonaventura Sales Denmark A/S	Svendborg, DK	DKK	100.0%
Bonaventura Sales Co. Denmark A/S	Svendborg, DK	DKK	75.0%
Bonaventura Sales Norge AS	Trondheim	NOK	100.0%
Bonaventura Sales Sverige AB	Eslöv, SE	SEK	100.0%
Bonaventura Confectionary AB	Eslöv, SE	SEK	65.0%
Bonaventura Sales UK Ltd.	Ilkeston, GB	GBP	100.0%
Bisca A/S	Stege, DK	DKK	100.0%
Scandza Sälj Sverige AB	Åstorp, SE	SEK	100.0%
Broderna Nilsson Holding AB	Göteborg, SE	SEK	100.0%
Broderna Nilsson Delikatesser AB	Göteborg, SE	SEK	100.0%
Lindvalls Chark AB	Strömsnäsbruk,	SEK	100.0%

All subsidiaries are included in the consolidated statement of financial position.

6.1 Interests in other entities (Continued)

Subsidiaries with significant non-controlling interests

Summarised financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:	Place of business	2020	2019
Jordanes AS	Oslo, Norway	42%	42%

2020:

Company (Numbers in NOK thousands)	Profit (non-controlling)	Accumulated interest (non-controlling)	Dividend paid to non-controlling	Profit 2020 (100%)	Equity 31.12.2020 (100%)
Jordanes AS	-39,498	354,851	-	15,433	750,243

2019:

Company (Numbers in NOK thousands)	Profit (non-controlling)	Accumulated interest (non-controlling)	Dividend paid to non-controlling	Profit 2019 (100%)	Equity 31.12.2019 (100%)
Jordanes AS	-55,521	300,609	-	-17,773	734,809

6.2 Business combinations

There have been no business combinations during 2020. In 2019, the Group acquired Westend Bakeri AS and Elle Basic AS.

ACCOUNTING POLICIES
A business combination is as a transaction or other event in which an acquirer obtains control of one or more businesses. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Determining whether a particular set of assets and activities is a business should be based on whether the integrated set is capable of being conducted and managed as a business by a market participant.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of and non-controlling interest in the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, e.g. earn-out. Acquisition related costs are expensed as incurred and included in other operating expenses.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

In a business combination, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date, with some exceptions which primarily have been relevant for deferred tax assets and liabilities which are recognised at nominal value. Goodwill arising on acquisition is recognised as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the acquiree over the amounts of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the value of the recognised net assets of the acquiree, the difference is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Subsequent changes to the fair value of the contingent consideration asset or liability is recognised in profit or loss.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS
In a business combination, the assets acquired and liabilities assumed are valued at fair value at the time of acquisition. The various assets and liabilities are valued on the basis of different models, requiring estimates and assumptions to be made. Goodwill is the residual in this allocation. Errors in estimates and assumptions can lead to an error in the split of the value between the various assets and liabilities incl. goodwill, but the sum of the total excess values will always be consistent with the purchase price paid.

Determination of fair values
Fair values have been determined for measurement and/ or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability:

Property, plant and equipment acquired in business combinations
The fair value of property recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged between independent parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of plant, equipment, fixtures and fittings is based on a market or cost approach using quoted market prices for similar items when available and replacement cost when appropriate.

Intangible assets acquired in business combinations
The fair value of patents and brands acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or brand being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued as a residual after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Inventories acquired in business combinations
The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

6.2 Business combinations (Continued)

Acquisitions in 2019

On 1 January 2019, the Group acquired 51% of the voting shares of Westend Bakeri AS. Westend Bakeri AS is producing and selling pizza dough to the horeca market (hotels, restaurants, canteen). Peppes Pizza AS is the main costumer. The company's head office is located in Rud, Norway and had 19 employees at the date of acquisition.

The Group measured the non-controlling interest in the acquiree at fair value.

The fair value of the identifiable assets and liabilities of Westend Bakeri AS as at the date of acquisition were:

Amounts in NOK million	Fair value recognised on acquisition
Property, plant and equipment	9.3
Cash and cash equivalents	1.9
Other current assets and liabilities	2.6
Deferred tax liability	-2.3
Total identifiable net assets at fair value	**11.4**
Non-controlling interest (fair value)	-71.7
Goodwill arising on acquisition	134.7
Purchase consideration transferred	**74.4**

Analysis of cash flows on acquisition	Cash flow on acquisition
Net cash acquired with the subsidiary	1.9
Cash paid	73.5
Net cash flow from acquisition	**-71.6**

The net assets recognised in the 31 December 2019 financial statements were final.

From the date of acquisition, Westend Bakeri AS contributed NOK 285.1 million of revenue and NOK 25.1 million to profit before tax of the Group. As the combination took place at 1 January 2019, the hypothetical amounts if the if the combination had taken place at the beginning of 2019 are the same.

Goodwill is mainly attributable to the skills and technical talent of Westend Bakeri's workforce and expected synergies going forward.

6.2 Business combinations (Continued)

Acquisitions in 2019 (Continued)

On 1 April 2019, the Group acquired 100% of the voting shares of Elle Basic AS. Elle Basic is a Norwegian company producing and supplying a wide range of personal care products, cosmetics, beauty and wellbeing. The products are sold to both grocery, retail stores and pharmacy, and exported to +10 countries. The company was established in 2009 and the head office is located in Oslo, Norway.

The fair value of the identifiable assets and liabilities of Elle Basic AS as at the date of acquisition were:

Amounts in NOK million	Fair value recognised on acquisition
Brands (Intangible asset)	30
Cash and cash equivalents	10.5
Other current assets and liabilities	20.6
Deferred tax liability	-6.6
Total identifiable net assets at fair value	**54.5**
Goodwill arising on acquisition	78.7
Purchase consideration transferred	**133.2**

Analysis of cash flows on acquisition	Cash flow on acquisition
Net cash acquired with the subsidiary	10.5
Cash paid	103.0
Net cash flow from acquisition	**-92.5**

The net assets recognised in the 31 December 2019 financial statements were final.

From the date of acquisition, Elle Basic AS contributed NOK 59.3 million of revenue and NOK 10.1 million to profit before tax of the Group. If the acquisition had occurred on 1 January 2019, management estimates that the consolidated revenue would have been NOK 4,465 million and consolidated profit before tax would have been NOK -147 million.

Goodwill is mainly attributable to the skills and technical talent of Elle's workforce and expected synergies going forward.

6.3 Investments in associates

ACCOUNTING POLICIES
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The ownership and voting rights are typically between 20 and 50%.

Investments in associated companies are accounted for using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction related costs, and adjusted thereafter for changes in the Group's share of net assets (i.e. total comprehensive income and equity adjustments (including dividends)) less any impairment charges on investments. The Group's proportional share of unrealized profits resulting from transactions with associates, including transfer of businesses, is eliminated. The Group's share of profit or loss, including impairment loss and reversal of impairment loss for the investment is presented as a single line item in the consolidated statement of comprehensive income, classified as a part of operating profit. When the Group's share of losses exceeds its interest in an equity accounted investee, the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

No write-downs have been made in 2019 or 2020.

Hylla Eiendom AS
The Group has a 50% interest in Hylla Eiendom AS, which is involved in the property business. Hylla Eiendom AS is a private entity that is not listed on any public exchange. The Group's interest in Hylla Eiendom AS is accounted for using the equity method in the consolidated financial statements.

Skagerrak-Holding AS
The Group has a 27,7% interest in Skagerrak-Holding AS, which is a wholesale company. Skagerrak-Holding AS is a private entity that is not listed on any public exchange. The Group's interest in Skagerrak-Holding AS is accounted for using the equity method in the consolidated financial statements.

The following tables illustrates the summarised financial information of the Group's investments in associates:

Associated company	Office	Ownership/ voting interest	Number of shares owned	Carrying amount 2020	Carrying amount 2019
Hylla Eiendom AS	Namros	50%	500	5,525	5,075
Skagerrak-Holding	Larvik	28%	277	13,923	13,308
Total				19,448	18,383

2020 summarised financial information :

Associated company	Liabilities	Equity	Assets	Revenues	Result of the period
Hylla Eiendom AS	5,190	7,036	12,226	5,564	3,037
Skagerrak-Holding AS	267,349	56,096	323,446	983,027	65,421

2019 summarised financial information:

Associated company	Liabilities	Equity	Assets	Revenues	Result of the period
Hylla Eiendom AS	3,174	5,999	9,173	5,553	2,994
Skagerrak-Holding AS	210,918	50,383	261,301	896,428	58,497

Dividends received:

Amounts in NOK thousands	2020	2019
Hylla Eiendom AS	-	1,000
Skagerrak-Holding AS	16,651	27,022
Total	16,651	28,022

7.1 Remuneration to Management and the Board of Directors

Remuneration to the Board of Directors
Remuneration for the members of the Board is determined by the Annual General Meeting (AGM). The Directors of the Board have not received any remuneration in 2020. The Directors do not have any severance or share based payment agreements.

Remuneration to executive management
Jordanes Invest AS does not have a CEO.

Jordanes AS has management service agreements with Jabo Management & Cons. AS, Sunstar AS and K.K. Sunde Holding AS. Jabo Management & Cons. AS is controlled by Jan Bodd, Sunstar AS is owned by Stig Sunde and K.K. Sunde Holding AS is owned by Karl Kristian Sunde, all three board members of Jordanes Invest AS. The service providers charge Jordanes AS a fee, reflecting services provided in their capacity as management consultants to the company. No other remuneration except the service fee is provided.

The management service agreements can be cancelled annually.

Loans and guarantees
The Group has also provided loan to employee shareholders and partners for a total of NOK 30 million at 31 December 2020 and NOK 28 million at 31 December 2019. For additional disclosures of related party transactions and balances see note 7.2.

Remuneration to the Board of Directors and executive management:

NOK	2020	2019
Sunstar AS - Stig Sunde	4,734	4,669
K.K.Sunde Holding AS - Karl Krisitan Sunde	4,734	4,682
Jabo Management & Cons. - Jan Bodd with family	4,734	4,730
Total compensation	**14,202**	**14,080**

No compensation is paid to the Board. For further information please see 7.2.

Shares in Jordanes Invest AS held by the Board of Directors:

	Number of shares 31.12.2020	Ownership % 31.12.2020	Number of shares 31.12.2019	Ownership % 31.12.2019
Stig Terje Sunde - Chairman of the Board	133,408	26.34%	133,408	26.34%
Karl Kristian Sunde - Board member	133,408	26.34%	133,408	26.34%
Jan Leif Bodd - Board member	133,408	26.34%	133,408	26.34%
Total	**400,224**	**79.02%**	**400,224**	**79.02%**

Board member Jon Thomas Warset owns 23,4 % of M1 Invest AS, which owns 15,7 % of Jordanes Invest AS.

7.2 Related party transactions

Related parties are major shareholders, associates companies and members of the Board of Directors and management. Note 6.1 provides information about the Group structure including details of the subsidiaries, note 6.3 provides information on the Group's associates companies, note 4.6 shows the Group's shareholders and note 7.1 provides information on the Group's members of the board and management including shareholding in the Jordanes Invest AS. Significant agreements and remuneration paid to the Board and management for the current and prior period is also presented in note 7.1.

All transactions within the Group or with other related parties are based on the principle of arm's length.

The following table provides the total amount of transactions that have been entered into with related parties (outside the Group) for the relevant financial period:

Related party transactions in 2020 and balances at 31 December 2020 (NOK thousands)	Executive management	Board Member	Associated company	Total
Current trade and other receivable on related parties				-
Non-current loans and borrowings to related parties				-
Current loans and borrowings to related parties				-
Current trade and other payables to related parties				-
Sales to related parties			9,679	9,679
Purchases from related parties		14,202	4,822	19,024
Interest paid to related parties				-
Interest received from related parties				-

Related party transactions in 2019 and balances at 31 December 2019 (NOK thousands)	Executive management	Board Member	Associated company	Total
Current trade and other receivable on related parties				-
Non-current loans and borrowings to related parties				-
Current loans and borrowings to related parties				-
Current trade and other payables to related parties				-
Sales to related parties			8,900	8,900
Purchases from related parties		14,080	4,700	18,780
Interest paid to related parties				-
Interest received from related parties				-

Purchases from related parties connected to board members consist of management services that have been charged from Jabo Management & Cons. AS, Sunstar AS and K.K. Sunde Holding AS to Jordanes AS. Jabo Management & Consulting AS is owned by Jan Bodd, Sunstar AS is owned by Stig Sunde and K. K. Sunde Holding AS is owned by Karl Kristian Sunde, all three board members of Jordanes Invest AS. Per December 2020, Jabo Management & Consulting AS, Sunstar AS and K.K. Sunde Holding AS each owned 26,34 % of the shares in Jordanes Invest AS. For further information on remuneration to management and the Board members see note 7.1.

Bisca A/S has sold goods to associated company Skagerrak Holding (tidligere Baxt) AS for NOK 9.4 million in 2020 (NOK 8.9 million in 2019).
Synnøve Finden AS has rented factory premises from associated company Hylla Eiendom AS for NOK 4.8 million in 2020 (NOK 4.7 million in 2019).

7.3 Events after the reporting period

ACCOUNTING POLICIES

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, the Group will assess if the information affects the amounts that it recognises in the Group's consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

Adjusting events

No adjusting events har occured after reporting period

Non-adjusting events

On March 31 an agreement was signed with UMOE AS regarding a 100% acquisition of UMOE Restaurants AS and its subsidiaries. The deal is pending regulatory approval and closing is expected before the summer.

The Covid-19 situation impacted the Group in both positive and negative ways in 2020. The effects are expected to continue into 2021 with a gradual diminishing effect throughout the year as people are vaccinated and society opens up.

Content

Notes to the consolidated financial statements

Skatteetaten

Vår dato	Din dato	Saksbehandler
24.06.2019	03.06.2019	Bente Halvorsen
800 80 000	Din referanse	Telefon
Skatteetaten.no	Torine Brynjulfsen	97180360
Org.nr	Vår referanse	Postadresse
Skatteetaten	2019/6018482	Postboks 9200 Grønland 0134 OSLO

JORDANES INVEST AS
c/o Scandza AS Henrik Ibsens gate 60C
0255 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 3. juni 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

Jordanes Invest AS	**org. nr. 920 596 533**
Jordanes AS	**org. nr. 920 355 285**

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

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

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

Bakgrunn

Selskapene inngår i Jordanes Invest konsern. Morselskapets långivere (internasjonalt banksyndikat) mottar engelskspråklig rapportering og det er en forutsetning for at disse regnskapbrukerne skal forstå regnskapet. Konsernet har datterselskaper og kontoer i utlandet og derved en stor andel av kundemassen i utlandet. Ledelsen i flere av datterselskapene i konsernet er fremmedspråklige som gir innspill til årsrapporter og andre pliktige opplysninger på engelsk. Av konsolideringsmessige hensyn er det behov for et annet språk enn norsk. Utarbeidelse av av norsk konsernregnskap og norske selskapsregnskaper er en merkostnad for konsernet.

Skattekontorets vurdering

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

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

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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattekontoret lagt særlig vekt på at konsernet har datterselskaper i utlandet med fremmedspråklig ledelse. Videre er det vektlagt at selskapets långivere er utenlandske og at en stor andel av kundemassen er i utlandet.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Bente Halvorsen
Spesialrevisor
Brukerdialog, juridisk stab, gruppe 1
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

PENNEO

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Ole Christian Fongaard
Partner
På vegne av: KPMG AS
Serienummer: 9578-5997-4-274114
IP: 80.232.xxx.xxx
2021-07-08 06:12:17Z

bankID

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Jon Thomas Warset
Styremedlem
Serienummer: 9578-5999-4-1060678
IP: 217.173.xxx.xxx
2021-06-25 09:53:41Z
bankID

Karl Kristian Sunde
Styremedlem
Serienummer: 9578-5994-4-521913
IP: 84.208.xxx.xxx
2021-06-25 10:00:25Z
bankID

Jan Leif Bodd
Styremedlem
Serienummer: 9578-5999-4-1644987
IP: 77.16.xxx.xxx
2021-06-25 12:02:51Z
bankID

Stig Terje Sunde
Styreleder
Serienummer: 9578-5998-4-1012068
IP: 79.161.xxx.xxx
2021-06-25 13:10:12Z
bankID

Penneo Dokumentnøkkel: 6DLU1-KDAY1-UWLU6-EZHXK-TTPME-V6A63

Indirect cash flow

Jordanes Invest AS

	Note	2020	2019
Cash flows from investment activities			
Payments to buy shares and participations in other com		0	-36 191
Net cash flows from investment activities		**0**	**-36 191**
Cash flows from financing activities			
Proceeds from the issuance of new current liabilities		0	6 191
Proceeds from equity		0	30 000
Net cash flows from financing activities		**0**	**36 191**

Consolidated statement of cash flows

For the years ended 31 December (amounts in NOK thousands)	Notes	2020	2019
Cash flows from operating activities			
Operating profit		295,068	141,423
Adjustments to reconcile operating profit og loss before tax to net cash flows:			
Interest paid		-164,123	-157,401
Interest received		7,475	8,470
Income taxes paid		-6,078	-13,095
Depreciation and amortisation	3.1-3.4	161,394	170,222
Share of profit of an associate	6.3	-16,783	-17,625
Net dividends received		3,806	26,323
Working capital adjustments:			
Changes in inventories	2.5	-16,820	-18,349
Changes in trade and other receivables	2.6	23,118	-93,611
Changes in trade and other payables	2.7	-106,636	144,285
Changes in provisions and other liabilities	2.8	61,256	59,017
Net cash flows from operating activities		**241,677**	**249,659**
Cash flows from investing activities (NOK thousands)			
Purchase of property, plant and equipment	3.1	-66,928	-66,498
Purchase of shares in subsidiaries, net of cash acquired	6.2		-164,093
Development expenditures	3.2		-
Net cash flow from investing activities		**-66,928**	**-230,591**
Cash flow from financing activities (NOK thousands)			
Proceeds from issuance of equity	4.6		-
Proceeds from borrowings	4.2	29,337	20,932
Repayment of borrowings	4.2	-1,573	-400
Payment of principal portion of lease liabilities	3.4	-55,629	-57,304
Net cash flows from financing activities		**-27,865**	**-36,772**
Net increase/(decrease) in cash and cash equivalents		146,884	-17,704
Cash and cash equivalents at beginning of the year/period	4.7	283,739	309,567
Currency effect of cash and cash equivalents		7,716	-8,125
Cash and cash equivalents, end of year		**438,339**	**283,739**

ACCOUNTING POLICIES
The consolidated statements of cash flows are prepared using the indirect method where the Group's cash flow has been broken into cash from operating, investing and financing activities. The cash flow statment shows the general changes of cash from last reported period.

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Annual Report 2020
Jordanes Invest AS

Org.no.: 920 596 533

Jordanes Invest AS

Consolidated Financial Statements 2020

Board of Directors' report

Jordanes Invest AS is an investment company established in 2018 with the main office located in Oslo. The company's main owner is Jabo Management & Consulting, Sunstar AS, KK Sunde Holding each representing 26,34% of equity, in addition to M1 Invest AS (15.17%) and M1 Holding AS (5,42%). Jordanes Invest AS is the largest owner of Jordanes AS.

Operations in 2020

In 2020 Scandza focused on execution of a comprehensive program of systematic improvements aimed at improving results. As a result of an empowered and agile organization the Group responded quickly to the Covid-19 crisis that came to characterize the grocery trade for most of 2020. The business of the Group was affected in different ways, with the grocery retail channel facing increased demand while demand in the convenience and HoReCa channels decreased. New products were sourced and launched by Scandza in record time in order to respond to the situation. With a relentless focus on safety for all employees, all the Groups production facilities remained operative throughout the whole year with no disruptions. Despite the volatile conditions the Group executed on its strategy and achieved solid organic growth and improved profitability.

The group did not execute any acquisitions in 2020. A production facility for baked goods in Åstorp (SE) was divested and the income booked as Other Income. The group structure was reorganized through a series of internal mergers, acquisitions and divestment to align the legal structure with the operational business area structure. The reorganization was finalized in December 2020.

Statement of comprehensive income and financial position

The Board of Directors believes that the 2020 financial statements give a true and fair view of the Group's assets and liabilities, financial position, and profit for the period. The financial statement shows the results for the period 1 January 2020 to 31 December 2020 by comparison with the period from 1 January 2019 to 31 December 2019. The Board confirms that the Group's liquidity position, together with the expected cash flow from operations in 2021, will be adequate to fulfil short-term liabilities as they fall due. The Board of Directors confirms that the assumption that the Group being a going concern is valid.

The Group had operating revenues of NOK 5,009.6 mill in 2020 (NOK 4,448.3 mill in 2019), constituting an organic growth of 12.6% primarily driven by high demand in grocery retail, combined with market share gains as well as strong growth in The Feelgood Company. The cost of goods was NOK 3,334.9 mill (NOK 2,927.8 mill in 2019). There is no operating revenues or cost of goods in the Company. Earnings before depreciation and other income and expenses (EBITDA) was NOK 515.8 mill (NOK 403.8mill in 2019). The operating result for the Group was NOK 295.1 mill (NOK 141.4 mill in 2019), equal to a 108.6% increase, driven by operational leverage and significantly higher contribution margin in Bonaventura and especially The Feelgood Company. Finally, the result for the period was NOK -93.5 mill (NOK –131.4 mill in 2019), improving by NOK 37.9 mill.

The parent company had a result of NOK 0 mill in 2020 (NOK 0 mill in 2019).

The Group had net interest bearing debt, including IFRS16 leases, of NOK 3,449.4 mill at year end 2020 (NOK 3,411.9 mill at year end 2019). The Group's working capital amounted to NOK 132.0 mill at year end 2020 (NOK 92.9 mill at year end 2019). Working capital is total current assets less cash minus trade payables, public duties payable and other current liabilities. Cash flow from operating activities was NOK 241.7 mill in 2020 (NOK 249.7 mill in 2019). The Group has payable finance cost of approx. NOK 164.1 mill.

The Group has no ongoing research or development activities that are capitalised in the statement of financial position, and all costs related to research and development are expensed on an ongoing basis.

The equity of the Group was NOK 752.5 mill at year end 2020, and the equity ratio was 13 percent.

Comment on profit performance of the individual business segments

The Group operates in four business segments: Norway, International, The Feelgood Company and Bonaventura. Overhead and management of the Group is covered by the HQ segment.

Norway

Total revenues increased by 8.9% in 2020, driven by broad based organic growth in all business units except Leiv Vidar (decline driven by the decline in the convenience channel). Synnøve Finden, the biggest business unit in Norway achieved double digit sales growth. Segment operating profit (before other income and expenses) improved by 24.7%, driven by operating leverage as a result of volume growth and solid cost control.

International

Total revenues increased by 5.1% in 2020, driven by strong sales in Bisca and FX effects from weak NOK, offset by the Swedish operations being hit particularly hard by COVID-19 effects on the convenience channel. Sales where further affected by a restructuring of operations in Scandza Sälj Sverige where loss-making sales where discontinued. Operating loss was almost halved and amounted to NOK -8.9 mill, with improvements in Bisca offset by low sales volumes in the Swedish operations.

The Feelgood Company

Total revenues increased by 51.5% in 2020, driven by strong organic sales growth in all parts of the business, especially in Elle Basic where sales more than doubled. Bodylab and Smarte Nytelser also showed exceptional growth, while growth was somewhat hampered by NBEV with a significant exposure to the Convenience and HoReCa channels. Solid cost control combined with operational leverage from high growth resulted in segment operating profit (before other income and expenses) improving by 108.7%.

Bonaventura

Total revenues increased by 7.1% in 2020, driven by strong sales in Norway but somewhat offset by sales decline in the Danish and Swedish operations. Results improved significantly as product portfolio partly was shifted towards higher margin products throughout the year.

HQ

Operating loss declined with declining pay roll costs was offset by lower opex charged to the operative segments.

External environment and corporate responsibility

Our purpose is to be "Proud to serve our kids". To us, this means acting responsibly and working towards being sustainable across all of parts of our business. Effectively managing environmental, social and governance issues is key to succeed. The production and transportation of the Groups products has a certain influence on the environment and the Group's goal is to minimize the environmental influence from the production to the lowest possible level.

Our work in relation to ESG is further outline in our inaugural ESG report attached to this annual report.

Corporate responsibility is governed through several documents including "the Scandza DNA", Group CSR policy and the Group Code of Conduct. All policies are available to employees through our internal systems.

Work Environment and equal opportunities

By the end of 2020, the Group had 1012 FTE's in total. Their tasks vary from manufacturing and handling heavy machinery, to product development, sales, management, and administration. Collaboration between management and the employee organisations is well functioning with a mutual aim to finding constructive solutions to the challenges faced by the Group.

Scandza has a zero-accident policy. The health and safety of the employees has the highest priority and the Group aim to continuously maintain, improve, and develop healthy working environment conditions. Introduction to the governing documents and training in HSE is a part of the onboarding process for all employees. During the year a total of 117 accidents were recorded, where the majority did not result in absence (32 injuries resulting in short absence and 84 resulting in no absence).

In 2020 the sick leave rate was 6.2 per cent, which is a 0.2 per cent increase over 2019, driven by the measures taken in light of the pandemic. The rate of long-term sick leave was at 3.7 per cent, which is a 0.5 per cent increase over 2019. The production sites have the highest sick leave rates in Scandza. The work to ensure employees' health, safety and well-being is a continuous process and any opportunity for improvement is pursued diligently.

The Group strives for a balanced gender distribution, and as of 2020 the employees where split 40% female and 60% male. The Group's management is split 10% female and 90% male group executives. The Board of Directors is currently only composed of men.

The personnel policy of the Group is deemed to be gender neutral in all respects. The company is of the view that equal opportunity issues have been adequately accommodated, and no specific measures have been initiated or planned regarding this. No feedback has been received to the effect that the personnel policy of the Group is considered to discriminate based on gender.

In 2019, we carried out a systematic mapping of gender differences in all levels of our organisation, as well as their salary level. A new benchmarking assessment will be carried out in 2021 to monitor our progress. On a Group level, there is a salary gap in favour of men. This is mainly a result of differences in seniority. The company is continuously working to ensure equal pay for equal work.

The Group does not practice differential treatment or recruitment of employees on the basis of sex, ethnicity, national origin, sexual orientation, language, religion or faith. The Group should be a good and safe workplace where discrimination of any kind is unacceptable.

Corporate Governance

Jordanes Invest is a privately owned company. The board of Jordanes Invest is dedicated to good corporate governance and annually assess the corporate governance of the group. As a private company Jordanes Invest implement the Corporate Governance practices required by the shareholders of Jordanes Invest. The board is appointed by the shareholders at the annual general meeting. In 2020 the Board of Directors consisted of four Directors.

The board operates according to the Jordanes Invest Board Instruction. The board has in turn delegated authority to handle management of the group to the Executive Board, consisting of Jan Bodd, Karl Kristian Sunde ,Stig Sunde and Jon Thomas Warset. Each of the four business areas has a CEO that reports to the Executive Board and operates its business according to the Scandza governing documents. Scandza has a set of policies and guidelines governing the way the Group operates (i.e Code of Conduct and CSR policy). Strategy, planning and reporting is governed by the Plan & Budget Instruction, together with the Scandza DNA and the Operations & Stewardship Instruction The Delegation Authority Guide regulates the running business and outlines the approval process for expenditures and employment.

Together these documents are the foundation for governance in the Group.

Remuneration to the Directors of the Board and Management is described in note 7.1 in the Financial Statements. The remuneration of executive employees in the Group is designed to be competitive and aimed at attracting and keeping highly competent managers.

Risk factors

The Board of Directors attaches importance to ensuring that risk is managed systematically in all parts of the Group and has implemented a structured approach to identifying risk factors and taking action to mitigate risk in its operations.

Technical risk

Technical risk is primarily associated with the operation of existing, and the installation of new, equipment. This risk is assessed as low based on experience and competence from organizing the production facilities. There have not been serious situations which have resulted in longer stoppages in production.

Risk associated with raw material supply

Supplier risk is mainly associated with the supply of raw material and is viewed as low as Tine has a milk supply obligation, which is regulated by the Norwegian Government. For other input factors there are several alternative suppliers in the market, reducing the Group's dependence on individual suppliers. During the pandemic there has been challenges with supply, but all of these have been solved.

In the annual negotiations between the government and the agricultural organizations, the prices of agricultural products and other central frameworks for agriculture are determined, including the guiding prices for raw milk and potatoes which serves as a maximum price on an annual basis. Several contributions and subsidies are also determined at these negotiations. On this basis, the price the Group's companies must pay for raw materials is to some extent influenced by the annual agricultural negotiations.

Quality risk

As producers in the food industry the companies are exposed to risk from a bacterial outbreak or similar occurrence. The companies seek to reduce this risk element by putting great emphasis on the quality of the production, routines and internal training. Leiv Vidar and Lindvalls Chark are FSSC 22000 certified. Synnøve Finden, Sørlandschips, Bisca and Broderna Nilsson are BRC certified. BRC (British Retail Consortium) is a quality standard for suppliers to the grocery trade.

Market risk

The market risk is assessed to be moderate as a result of annual agreements being entered into with chains which purchase the majority of the production capacity.

Distribution risk

The grocery trade in Norway is dominated by three large chains. The grocery trade is still in development with regard to operators and the organization of the retail part of the value chain. The development in this area can represent a risk factor for the Group, if the companies cannot maintain sufficient distribution of their products during market changes.

Political risk

All companies with close affiliations to agriculture are exposed to political reviews and decisions. The economic framework conditions are to a greater degree important for the profitability and organizations of such companies, than in other food industry companies. Any changes in the composition of parliament could lead to changes in the framework conditions. Furthermore, there is also risk related to international agreements, with the potential effect of increased competition from imported products.

Financial risk

The Group is exposed to credit risk, liquidity risk, interest rate risk and currency risk in normal business activities and seeks to offset the risk exposure in these areas.

The Group's customers mainly consist of large national chains and risk associated with selling to these chains is considered to be low. New customers are credit rated before entering into new sales contracts.

Most of the revenues, expenses, receivables and debt are denominated in local currency. The currency risk is mainly related to potential purchases of machinery and equipment from abroad, import of raw materials for the manufacturing operations, import of trade products and debt denominated in foreign currency. Significant movements in currency rates may therefore affect the Group's profitability through higher investments and higher cost of goods sold. Forward contracts are used to secure predictable cash flows.

The term loans, the finance lease agreements and the cash and cash equivalents are with floating interest. The PIK loan is with fixed interest.

The Group is in compliance of its financial covenants. A more detailed discussion of financial risk is provided in note 4.4 in the Group Financial Statements.

Outlook and events after the end of the reporting period

Scandza face strong competition from both local and international competitors, as well as the retail trade's private labels. In face of this competition and shifting consumer preferences Scandza is well positioned through its diverse channel footprint and local brands to react rapidly to changes. 2020 proves Scandza's position as a nimble challenger. Going forward Scandza targets above market growth for its concepts and aim to continue grow through acquisitions.

On March 31 an agreement was signed with UMOE AS regarding a 100% acquisition of UMOE Restaurants AS and its subsidiaries. The deal is pending regulatory approval and closing is expected before the summer. The consideration paid is a combination of cash and shares in Jordanes Invest.

The Covid-19 situation impacted the Group in both positive and negative ways in 2020. While the grocery retail trade has experienced growth, the Convenience and HoReCa channels has been adversely affected with significantly lower footfall in locations and lower revenue. The effects seen in 2020 are expected to continue into 2021 with a gradual diminishing effect throughout 2021 as people are vaccinated and society opens up.

Proposal for distribution of the result of the period

The Board of Directors propose that the net loss for the period is allocated to retained earnings.

The Board of Directors Jordanes Invest AS

Oslo, 25 June 2021

Stig Terje Sunde	Karl Kristian Sunde	Jan Leif Bodd
Chairman of the board	Board member	Board member

Jon Thomas Warset

Board member

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Jon Thomas Warset
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To the General Meeting of Jordanes Invest AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

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

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

In our opinion:

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

Basis for Opinion

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

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Jordanes Invest AS

Other information

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

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

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

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

Responsibilities of the Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Jordanes Invest AS

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

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

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

Oslo, 7 July 2021
KPMG AS

Ole Christian Fongaard
State Authorised Public Accountant
(This document is signed electronically)