Brønnøysundregistrene

# ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

**Enheten**

| | |
|---|---|
| Organisasjonsnummer: | 928 241 785 |
| Organisasjonsform: | Aksjeselskap |
| Foretaksnavn: | ISANOR AS |
| Forretningsadresse: | Vitaminveien 1A<br>0485 OSLO |

**Regnskapsår**

| | |
|---|---|
| Årsregnskapets periode: | 01.01.2021 - 31.12.2021 |

**Konsern**

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

**Regnskapsregler**

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

**Årsregnskapet fastsatt av kompetent organ**

| | |
|---|---|
| Bekreftet av representant for selskapet: | Lars-Henrik Budalen |
| Dato for fastsettelse av årsregnskapet: | 30.06.2022 |

**Grunnlag for avgivelse**

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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

Brønnøysundregistrene, 27.07.2023

# Resultatregnskap

| Beløp i: NOK | Note | 2021 | 2020 |
|---|---|---|---|
| **RESULTATREGNSKAP** | | | |
| **Inntekter** | | | |
| Revenues | | 0 | |
| **Sum inntekter** | | **0** | |
| **Kostnader** | | | |
| Other expenses | 5 | 0 | |
| **Sum kostnader** | | **0** | |
| **Driftsresultat** | | **0** | |
| **Netto finans** | | | |
| **Ordinært resultat før skattekostnad** | | **0** | **0** |
| Income tax expense | 6 | 0 | |
| **Ordinært resultat etter skattekostnad** | | **0** | **0** |
| **Årsresultat** | | **0** | **0** |
| **Overføringer og disponeringer** | | | |
| Allocated to other equity | | 0 | |
| **Sum overføringer og disponeringer** | | **0** | |

# Balanse

| Beløp i: NOK | Note | 2021 | 2020 |
|---|---|---|---|
| **BALANSE - EIENDELER** | | | |
| **Anleggsmidler** | | | |
| **Immaterielle eiendeler** | | | |
| **Finansielle anleggsmidler** | | | |
| Investering i datterselskap | 3 | 6 890 077 000 | |
| **Sum finansielle anleggsmidler** | | **6 890 077 000** | |
| **Sum anleggsmidler** | | **6 890 077 000** | **0** |
| **Omløpsmidler** | | | |
| **Varer** | | | |
| **Sum omløpsmidler** | | **0** | **0** |
| **SUM EIENDELER** | | **6 890 077 000** | **0** |
| **BALANSE - EGENKAPITAL OG GJELD** | | | |
| **Egenkapital** | | | |
| **Innskutt egenkapital** | | | |
| Share capital | 2,4 | 1 372 160 | |
| Overkurs | 2 | 37 388 | |
| Annen innskutt egenkapital | 2 | 6 888 641 882 | |
| **Sum innskutt egenkapital** | | **6 890 051 430** | |
| **Sum egenkapital** | | **6 890 051 430** | **0** |
| **Sum langsiktig gjeld** | | **0** | **0** |
| **Kortsiktig gjeld** | | | |
| Other current liabilities | | 25 570 | |
| **Sum kortsiktig gjeld** | | **25 570** | |
| **Sum gjeld** | | **25 570** | **0** |

# Balanse

| Beløp i: NOK | Note | 2021 | 2020 |
|---|---|---|---|
| **SUM EGENKAPITAL OG GJELD** | | **6 890 077 000** | **0** |

# Konsernets resultatregnskap

| Beløp i: NOK | Note | 2021 | 2020 |
|---|---|---|---|
| **RESULTATREGNSKAP** | | | |
| **Inntekter** | | | |
| Revenues from contracts with customers | 5 | 237 468 000 | |
| Other revenue | 25 | 97 000 | |
| **Sum inntekter** | | **237 565 000** | |
| **Kostnader** | | | |
| Personnel costs | 15,25 | 101 311 000 | |
| Depreciation and amortization | 6,7,19 | 63 923 000 | |
| Other operating costs | 16,20 | 47 793 000 | |
| **Sum kostnader** | | **213 027 000** | |
| **Driftsresultat** | | **24 538 000** | |
| **Finansinntekter og finanskostnader** | | | |
| Finance income | 14,17 | 7 462 000 | |
| **Sum finansinntekter** | | **7 462 000** | |
| Finance cost | 14,17 | 1 092 000 | |
| **Sum finanskostnader** | | **1 092 000** | |
| **Netto finans** | | **6 370 000** | |
| **Ordinært resultat før skattekostnad** | | **30 908 000** | **0** |
| Income tax expense | 13 | 10 509 000 | |
| **Ordinært resultat etter skattekostnad** | | **20 399 000** | **0** |
| **Årsresultat** | | **20 399 000** | **0** |
| Remeasurement gain (loss) from net defined liability | | 22 593 000 | |
| Currency translation difference | | -17 753 000 | |
| Sum resultatkomponenter for IFRS-foretak | | 4 840 000 | |
| **Totalresultat** | | **25 239 000** | |
| **Overføringer og disponeringer** | | | |
| Allocated to other equity | | 25 239 000 | |

# Konsernets resultatregnskap

| Beløp i: NOK | Note | 2021 | 2020 |
|---|---|---|---|
| **Sum overføringer og disponeringer** | | **25 239 000** | |

# Konsernets balanse

| Beløp i: NOK | Note | 2021 | 2020 |
|---|---|---|---|
| **BALANSE - EIENDELER** | | | |
| **Anleggsmidler** | | | |
| **Immaterielle eiendeler** | | | |
| Utsatt skattefordel | 13 | 118 894 000 | |
| Intangible assets and goodwill | 7 | 3 976 947 000 | |
| **Sum immaterielle eiendeler** | | **4 095 841 000** | |
| **Varige driftsmidler** | | | |
| Property, plant and equipment | 6,19 | 898 690 000 | |
| **Sum varige driftsmidler** | | **898 690 000** | |
| **Sum anleggsmidler** | | **4 994 531 000** | **0** |
| **Omløpsmidler** | | | |
| **Varer** | | | |
| **Fordringer** | | | |
| Trade and other receivables | 8,22,25 | 226 505 000 | |
| Prepayments | 8,22 | 106 083 000 | |
| **Sum fordringer** | | **332 588 000** | |
| **Investeringer** | | | |
| Derivative financial instruments | 22 | 56 000 | |
| **Sum investeringer** | | **56 000** | |
| **Bankinnskudd, kontanter og lignende** | | | |
| Cash and cash equivalents | 9,22 | 374 576 000 | |
| **Sum bankinnskudd, kontanter og lignende** | | **374 576 000** | |
| **Sum omløpsmidler** | | **707 220 000** | **0** |
| **SUM EIENDELER** | | **5 701 751 000** | **0** |

**BALANSE - EGENKAPITAL OG GJELD**

## Konsernets balanse

| Beløp i: NOK | Note | 2021 | 2020 |
|---|---|---|---|
| **Egenkapital** | | | |
| **Innskutt egenkapital** | | | |
| Shareholders equity | 10,18 | 1 372 000 | |
| Overkurs | 10,18 | 37 000 | |
| **Sum innskutt egenkapital** | | **1 409 000** | |
| **Opptjent egenkapital** | | | |
| Other equity | | -1 631 782 000 | |
| **Sum opptjent egenkapital** | | **-1 631 782 000** | |
| **Sum egenkapital** | | **-1 630 373 000** | **0** |
| **Gjeld** | | | |
| **Langsiktig gjeld** | | | |
| Pensjonsforpliktelser | 15 | 70 271 000 | |
| Utsatt skatt | 13 | 300 899 000 | |
| **Sum avsetninger for forpliktelser** | | **371 170 000** | |
| **Annen langsiktig gjeld** | | | |
| Gjeld til kredittinstitusjoner | 12,22 | 5 827 442 000 | |
| Leasing liabilities | 12,19, 22 | 298 313 000 | |
| Other non current liabilities | 22,25 | 10 482 000 | |
| **Sum annen langsiktig gjeld** | | **6 136 237 000** | |
| **Sum langsiktig gjeld** | | **6 507 407 000** | **0** |
| **Kortsiktig gjeld** | | | |
| Leverandørgjeld | 11,22 | 441 002 000 | |
| Current tax liabilities | 13 | 60 702 000 | |
| Contract liabilities | 5,11 | 253 621 000 | |
| Current leasing liability | 12,19, 22 | 69 392 000 | |
| **Sum kortsiktig gjeld** | | **824 717 000** | |
| **Sum gjeld** | | **7 332 124 000** | **0** |
| **SUM EGENKAPITAL OG GJELD** | | **5 701 751 000** | **0** |

# Konsernets balanse

| Beløp i: NOK | Note | 2021 | 2020 |
|---|---|---|---|

# ISANOR AS

# Directors Report 2021

*Org: 928 241 785*

Isanor AS through its subsidiaries ("Sector Alarm") provide professionally monitored alarm services for nearly 603,000 residential households and small businesses ("Small Systems") in Europe through the brand names Sector Alarm, HomeSecure and PhoneWatch.

On 01.12.2021 Isanor AS acquired 90,96% of the Shares in Sector SPV AS from Isanor Invest AS. Trough that transaction Isanor AS gained control over shares in Sector Alarm Manco AS, Sector Alarm TopCo AS, Sector Alarm Midco AS, Sector Alarm Holding AS, Sector Alarm AS, Sector Alarm Drift AS, Sector Alarm Drift AS, Sector Alarm ALS AS, SA Salg AS, Sector Alarm IT AS, Sector Alarm AB, SA Bevakning AB, SA Forsäljning AB, Sector Alarm Service AB, Sector Alarm Ireland AS, Phonewatch Ltd, HomeSecure Ltd, Sector Alarm Europe AB, Sector Alarm Spain S.A.U, Sector Alarm SAS, Sector Alarm Oy, Sector Alarm Spain AS, General Services Sector Alarm SLU, Sector Alarm Real Estate SLU, Sector Alarm Holland B.V. and Sector Alarm Italy Srl.

For the Group, revenues for 2021 were NOK 238 million. The earnings before tax were NOK 31 million. The annual profit was NOK 20 million. The Equity was NOK -1,630 million for 2021. The consolidated interest-bearing debt was NOK 6.207 million at the end of 2021 and consisted mainly of the EUR 590 million Term Loan B and finance leases. The liquidity position is solid and the cashflow was NOK 376 million in 2021 due to investment in funds. Cashflow from operating activities of MNOK 20,5 is mainly due to investment in new customers, interest payments and investment in funds. Cash and cash equivalent gained through acquisition of shares in SPV was NOK 447,859 million.
Earnings before tax were NOK 30,908 million and the annual profit was NOK 20,4 million. The Equity was negative NOK 1 630 million.

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

In Isanor AS there are no employees, while Sector Alarm in total had 2.581 employees with 30% women. In Norway, women represented 25% of the workforce, in Sweden 28%, in Ireland 30%, in Finland 29%, in Spain 39%, in France 28% and in Italy 21%. In the Group there were 1% of the workforce that had chosen not to declare gender. Sector Alarm endeavor equal gender distribution and has female employees in management positions in all countries. Total sick leave in Sector Alarm was 3.8% in 2021. The Group had 88 reported incidents in 2021.

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

Sector Alarm strives for equal employment opportunities and diversity in the workplace. This requirement applies in relation to all unequal treatment, exclusion, or preference of an individual or group, for example based on gender, race, disability, age, religion, sexual orientation, political views, national, ethnic or social origin. Sector Alarm follows these principles in all areas of employment, including when we recruit, hire, train, promote and reward our employees. Please see the document "Likestillingsredegjørelse for Sector Alarm 2021" for further information and a detailed analysis of remuneration between genders.

The work environment in Sector Alarm is good and the Employee Survey confirms that Sector Alarm is better than the industry benchmark when it comes to staff motivation, loyalty and satisfaction. The Employee Survey is also the basis for continuous improvements.

No additional Director and Officers liability insurance has been purchased since there is limited risk related to activities beyond those covered by the Directors and Officers insurance for TopCo AS and subsidiaries for NOK 100 mill annually

The monitored alarm services that Sector Alarm provide, pollute the external environment to a minimum degree. All countries participate in recycling schemes for the handling of old and broken alarm hardware and strive to have a new and modern environmentally friendly fleet of vehicles. In 2021, Sector Alarm has not conducted any research activities, but is engaged in the continues development of products and services for the home security space.

The Board of Directors makes continues assessments of the market outlook in the countries that the Group operates in. The penetration for monitored alarms in Europe is about 5% and the Board of Directors sees significant growth potential across all European countries, also in the Nordics. Sector Alarm is the second largest provider of professionally monitored alarms for Small Systems in Europe and is well positioned to take advantage of the attractive market dynamics and growth opportunities in this space. Sector Alarm has a solid foundation in Northern Europe and the operations in Norway, Sweden and Ireland deliver solid financial results. The Finnish, Spanish and French operation continues to show positive development and has become an important contributor to the growth. The newly established Italian market is still in a ramp up phase. In line with the expansion strategy, Sector Alarm entered the Portuguese market through the acquisition of Seguranca 24 in January 2022.

The Board of Directors considers the outlook for Isanor to be positive. For 2022, the Board of Directors expects only a small increase in cashflow and profit due to continued investments in growth. The balance sheet is expected to strengthen on the back of positive results. The Board of Directors are not aware of any matters after the end of the financial year that will have a material bearing on the company's position and earnings for 2021. Both the war in Ukraine and Covid-19 is expected to have limited impact for Sector Alarm in 2022.

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

*Oslo, 30 June 2022*

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Jørgen Dahl
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Jørgen Dahl
*Chairman of the Board*

# Isanor AS consolidated

## Consolidated statement of profit or loss

| Amounts in TNOK | Note | 2021 |
|---|---|---|
| Revenue from contracts with customers | 5 | 237 468 |
| Other revenue | 25 | 97 |
| **Total revenue** | | **237 565** |
| Personnel costs | 15, 25 | -101 311 |
| Other operating costs | 16, 20 | -47 793 |
| **Total operating costs** | | **-149 104** |
| **Operating profit before D&A (EBITDA)** | | **88 461** |
| Depreciation and amortization | 6, 7,19 | -63 923 |
| **Operating profit** | | **24 538** |
| Finance income | 14, 17 | 7 462 |
| Finance cost | 14, 17 | -1 092 |
| **Net finance cost** | | **6 370** |
| Share of profit of equity-accounted investees, net of tax | | |
| **Profit before tax** | | **30 908** |
| Income tax expense | 13 | -10 509 |
| **PROFIT FROM CONTINUING OPERATIONS** | | **20 400** |
| **PROFIT FOR THE PERIOD** | | **20 400** |
| **Profit is attributable to:** | | |
| Owners of Isanor AS | | 12 200 |
| Non-controlling interests | | 8 200 |

## Consolidated statement of comprehensive income

| | |
|---|---|
| **Profit for the period** | **20 400** |
| *Items that subsequently may be reclassified to profit or loss* | |
| Remeasurement gain (loss) from net defined benefit liability | 22 593 |
| Equity-accounted investees – share of OCI | |
| Currency translation differences | -17 753 |
| **Other comprehensive income** | **4 841** |
| Total comprehensive income for the year attributable to parent company shareholders | 25 240 |
| Total comprehensive income for the year attributable to non-controlling interests | |
| **Total comprehensive income for the period** | **25 240** |

# Isanor AS consolidated

## Consolidated Balance sheet

| Amounts in TNOK | Note | 2021 |
|---|---|---|
| **ASSETS** | | |
| **NON CURRENT ASSETS** | | |
| Deferred tax asset | 13 | 118 894 |
| Intangible assets and goodwill | 7 | 3 976 947 |
| Property, plant and equipment | 6, 19 | 898 690 |
| **TOTAL NON CURRENT ASSETS** | | **4 994 531** |
| **CURRENT ASSETS** | | |
| Derivative financial instruments | 22 | 56 |
| Trade and other receivables | 8, 22, 25 | 226 505 |
| Prepayments | 8, 22 | 106 083 |
| Bank and cash | 9, 22 | 374 576 |
| **TOTAL CURRENT ASSETS** | | **707 220** |
| **TOTAL ASSETS** | | **5 701 751** |
| | | |
| **EQUITY** | | |
| Shareholders equity | 10, 18 | 1 372 |
| Share premium | 10, 18 | 37 |
| Other equity | | -1 631 782 |
| **TOTAL EQUITY** | | **-1 630 373** |
| **NON CURRENT LIABILITIES** | | |
| Deferred tax | 13 | 300 899 |
| Loans and borrowings | 12, 22 | 5 827 442 |
| Leasing liabilities | 12,19,22 | 298 313 |
| Employee benefits | 15 | 70 271 |
| Other non current liabilities | 22, 25 | 10 482 |
| **SUM NON CURRENT LIABILITIES** | | **6 507 408** |
| **CURRENT LIABILITIES** | | |
| Current leasing liability | 12, 19, 2[illegible] | 69 392 |
| Current tax liabilities | 13 | 60 702 |
| Trade and other payables | 11, 22 | 441 002 |
| Contract liabilities | 5, 11 | 253 621 |
| **SUM CURRENT LIABILITIES** | | **824 716** |
| **SUM EQUITY & LIABILITIES** | | **5 701 751** |

*Oslo, 30 June 2022*

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Jørgen Dahl
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*Jørgen Dahl*
*Chairman of the board*

# Isanor AS consolidated

## Cash Flow statement

| Amounts in TNOK | 2021 |
|---|---|
| Earnings before tax | 30 908 |
| Adjustments for finance costs | -6 370 |
| Adjustments for depreciation and amortization | 63 923 |
| Change in accounts receivable | 17 947 |
| Change in accounts payable | -60 343 |
| Change in other operating receivables/payables | -11 795 |
| Change in net pension assets/liabilities | -25 633 |
| Income taxes (refund) paid | 11 816 |
| **CASH FLOW OPERATING ACTIVITIES** | **20 453** |
| Proceeds from sales of investment in subsidiaries | |
| Increase in investment in subsidiaries | |
| Proceeds from sales of property, plant and equipment | 402 |
| Acquisition of property, plant and equipment | -76 837 |
| Interests received | 3 400 |
| Other adjustments to investing activities | -2 988 |
| **CASH FLOW INVESTING ACTIVITIES** | **-76 024** |
| Cash and cash equivalents from common controlled transactions | 447 859 |
| Change in other long term rec/pay | 410 |
| Repayment of loans and borrowings | 4 |
| Payment of lease liabilities | -12 432 |
| Interests paid | -2 794 |
| Other adjustments to financing activities | -1 560 |
| **CASH FLOW FINANCING ACTIVITIES** | **431 488** |
| **CASH FLOW TOTAL FROM CONTINUED OPERATION** | **375 917** |
| Cash flows of discontinued operation | |
| **CASH FLOW TOTAL** | **375 917** |
| Cash and cash equivalents at the beginning of the financial year | |
| Effects of exchange rate changes on cash and cash equivalents | -1 341 |
| **Cash and cash equivalents at end of year** | **374 576** |

# Isanor AS

## Consolidated statement of changes in equity

Amounts in TNOK

| | Share capital | Other equity | Translation reserve | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2021** | **0** | **0** | **0** | **0** | **0** | **0** |
| Founding capital | 1 372 | -1 040 916 | 0 | -1 039 543 | -616 613 | -1 656 156 |
| Profit for the period | 0 | 12 200 | 0 | 12 200 | 8 200 | 20 400 |
| Other comprehensive income | 0 | 14 231 | -11 182 | 3 049 | 1 792 | 4 841 |
| Transactions with non-controlling interests | 0 | -2 779 | 0 | -2 779 | 2 779 | 0 |
| Treasury shares acquired | 0 | 0 | 0 | 0 | 0 | 0 |
| Translation reserve discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes | 0 | 543 | 0 | 543 | | 543 |
| Issue of ordinary shares | 0 | 0 | 0 | 0 | 0 | 0 |
| **Balance at 31 December 2021** | **1 372** | **-1 016 720** | **-11 182** | **-1 026 530** | **-603 843** | **-1 630 373** |

# Isanor AS

## Consolidated notes 2021

Amounts in TNOK

## 1 General information

Isanor AS (the company) and its subsidiaries (the Group) provide professionally monitored alarms for residential households and small businesses in Europe. The Group operates in Norway, Sweden, Ireland, Finland, Spain, Italy and France. Sector Alarm Holding AS is the parent company of the Group and provides centralized services and corporate governance on behalf of the Group. The principal activities of the Company and its subsidiaries (the Group) are described in Note 5 Revenue.
The registered headquarter of Isanor is located at Vitaminveien 1A, Oslo in Norway.

These consolidated financial statements were approved by the Board of Directors on 30 June 2022 for adoption by the Annual General Meeting on 30 June 2022.

## 2 Significant accounting principles

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

**2.1 Framework for presentation of the financial statement**
The consolidated financial statements for 2021 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by The European Union (EU).
The consolidated financial statements are based on a historical cost principle, except for derivatives measured at fair value through profit or loss.

Preparation of financial statements in accordance with IFRS requires use of estimates. Furthermore, the application of the company's accounting principles requires management to exercise judgements. Significant estimates and judgements, are described in note 4.

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

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

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

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

**2.3 Foreign currency translation**
*(a) Functional currency and presentation currency*
Transactions in foreign currencies are translated into the respective functional currencies of the respective Group companies. The consolidated financial statements are presented in NOK, which is both the functional currency and the presentation currency of the parent company.

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

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

*(c) Group companies*

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

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

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

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

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

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

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

**2.5 Intangible assets**
*(a) Goodwill*
Goodwill arising from the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

*(b) Licenses*
Licenses that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

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

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

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

*(d) Brand*
Brands that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

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

**2.7 Financial instruments**
*i. Recognition and initial measurement*
Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

*ii. Classification and subsequent measurement*
Financial assets
On initial recognition, a financial asset is classified and measured at: amortized cost; Fair Value Over Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value Through Profit or Loss (FVTPL).

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

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

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

*v. Derivative financial instruments and hedge accounting*
The Group have in certain periods designated certain non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

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

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

**2.8 Impairment**

***Non-derivative financial assets***
The Group recognizes loss allowances for Expected Credit Losses (ECL) on:
— financial assets measured at amortized cost;
— debt investments measured at FVOCI; and
— contract assets

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

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

*Presentation of allowance for ECL in the statement of financial position*
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

*Write-off*
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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

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

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

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

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

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

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

**2.10 Share capital and share premium**
Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

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

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

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

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

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

*ii. Deferred tax*
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:
– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
– taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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

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

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

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

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

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

*(c) Profit sharing and bonus schemes*
The Group recognizes a provision where there are contractual obligations or where there is a past practice that creates a self-imposed obligation.

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

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

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

**2.14 Revenue from contracts with customers**
Revenues from contracts with customers primarily comprise sale of
• Revenue recognized over time: Subscription revenue
• Revenue recognized at a point in time: Upgrades, Services, installation fees and other revenue

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

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

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

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

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

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

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

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

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

*Presentation and impairment*
If recognized revenue exceeds amounts received or receivable from a customer, a contract asset is recognized. If amounts received or receivable from a customer exceed revenue recognized for a contract, for example if the Group receives an advance payment from a customer, a contract liability is recognized.
Contract assets and contract liabilities are expected to be realized within in the Group's normal operating cycle, and are classified as current within trade and other receivables and trade and other payables respectively. Contract assets are adjusted for provision for impairment in accordance with the expected credit loss model.
The Group applies the simplified approach for contract assets, measuring the loss allowance at an amount equal to lifetime expected credit losses. Impairment for expected credit losses is recognized in the income statement and updated at each reporting date. The impairment is calculated by taking into account the historic evidence of the level of bad debt experienced for customer types.

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

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

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

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

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

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

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

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

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

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

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

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

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

**2.17 Governmental Grants**
The Group has during the financial year received governmental grant (SkatteFunn) of TNOK 4 750 related to research and development project in Sector Alarm IT. The Grant is accounted for in accordance with IAS 20 so that the grant is recognized in profit and loss over the period in which expenses that the grant is intended to compensate are recognized.

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## 3 Financial risk management

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

**3.2 Liquidity risk**
The Group's approach to managing liquidity risk is to secure access to sufficient liquidity to meet liabilities under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups relationships. The Groups liquidity risk is considered as a low due to the resilient business model with strong cash flow from the existing customer portfolio combined with flexible growth for new customer acquisition. At 31.12.2021 the Group has NOK 375 million in cash and cash equivalents and the EUR 100 million RCF was undrawn.

**3.3 Currency risk**
The main currency exposure and risk relate to a mismatch between currencies for positive cash flows and outstanding debt. Currently the main sources for positive cash flows are NOK and SEK while outstanding debt is largely in EUR following the refinancing in the Term Loan B market in June 2020. Sector Alarm Holding AS is therefore exposed to EUR appreciation that would imply higher NOK and/or SEK payments in the future to manage the debt (interest cost and refinancing/repayment). Over time it's expected that the currency exposure will be reduced as cash flows in EUR will increase over time due to continued growth and expansion outside Norway and Sweden. Sector Alarm has decided not to hedge the exposure for the time being, but to rather monitor the development. In addition, Sector Alarm Holding AS is exposed to a strengthening of the USD against EUR, NOK and SEK as the prices for Hardware is in USD.

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

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

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

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

As of December 31, 2021, the company has no financial assets or liabilities at level 1 or 3 that are measured at fair value in the balance sheet. The only instrument in level 2 is the interest derivative as specified in note 22. The same applies for 2020.

## 4 Important accounting estimates and judgmental items

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

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

## 5 Revenue recognition

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

| **Revenue from contracts with customers comprise of** | **2021** | | |
|---|---|---|---|
| | *Revenue per product/ service line* | *Point in time* | *Over time* |
| Revenue from subscriptions | 217 040 | 0 | 217 040 |
| Revenue from Upgrades | 1 422 | 1 422 | 0 |
| Revenue from Services | 7 072 | 7 072 | 0 |
| Revenue from Installs & additional hardware | 11 853 | 11 853 | 0 |
| Other revenues | 82 | 82 | 0 |
| **Total Revenue from contracts with customers** | **237 468** | **20 428** | **217 040** |

| **Movement in contract liability** | **2021** |
|---|---|
| **Contract liability opening balance** | **0** |
| Additions through business combinations | 253 319 |
| Reduction due to revenue being recognized | -75 062 |
| Increase due to cash received and revenue deferred | 75 364 |
| **Contract liability closing balance** | **253 621** |

Contract liabilities consists of prepayments from customers.

## 6 Property, plant and equipment

| | **Buildings** | **Computer equipment** | **Furnishing and fittings** | **Vehicles** | **Alarm systems not in use** | **Customer contracts** | **Total** |
|---|---|---|---|---|---|---|---|
| **Balance at 31 December 2020** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| Additions through business combinations | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Translation differences | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisitions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisitions through business combinations | 103 694 | 35 591 | 85 040 | 1 181 | 159 050 | 196 985 | 581 541 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation for the year | -460 | -1 995 | -1 884 | -72 | 0 | -1 800 | -6 211 |
| **Balance at 31 December 2021** | **103 235** | **33 596** | **83 156** | **1 109** | **159 050** | **195 186** | **575 331** |
| | | | | | | | 0 |
| Acquisition cost | 103 694 | 35 591 | 85 040 | 1 181 | 159 050 | 196 985 | 581 541 |
| Accumulated depreciation and impairment | -460 | -1 995 | -1 884 | -72 | 0 | -1 800 | -6 211 |
| **Carrying amounts at 31 December 2021** | **103 235** | **33 596** | **83 156** | **1 109** | **159 050** | **195 186** | **575 331** |
| Depreciation and impairment for the year | -460 | -1 995 | -1 884 | -72 | 0 | -1 800 | **-6 211** |
| Useful life | 30 years | 3-5 years | 3-5 years | 3-5 years | | 8 years | |

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

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### 7 Intangible assets and goodwill

| | Goodwill | Licenses, software, etc. | Brand | Customer contracts | Total |
|---|---|---|---|---|---|
| **Balance at 31 December 2020** | **0** | **0** | **0** | **0** | |
| Translation differences | 0 | 0 | 0 | 0 | **0** |
| Acquisitions | 0 | 0 | 0 | 0 | **0** |
| Acquisitions through business combinations | 1 177 508 | 82 428 | 151 990 | 2 617 266 | **4 029 191** |
| Disposals | 0 | 0 | 0 | 0 | **0** |
| Amortization for the year | 0 | -1 681 | 0 | -50 563 | **-52 245** |
| **Balance at 31 December 2021** | **1 177 508** | **80 746** | **151 990** | **2 566 703** | **3 976 947** |
| | | | | | |
| Acquisition cost | 1 177 508 | 82 428 | 151 990 | 2 617 266 | **4 029 191** |
| Accumulated amortization | 0 | -1 681 | 0 | -50 563 | **-52 245** |
| **Carrying amounts at 31 December 2021** | **1 177 508** | **80 746** | **151 990** | **2 566 703** | **3 976 947** |
| | | | | | |
| Amortization and impairment for the year | 0 | -1 681 | 0 | -50 563 | **-52 245** |
| Useful life | Indefinite | 3-5 years | Indefinite | 17 years | |

Customer contracts is amortized according churn data per customer portfolio. The customer portfolios varies in historical churn and between countries, but the average useful life for the Group was 17 years in 2021. Customer contracts as presented in the table above comprise of both customer contracts arising from business combinations or portfolio acquisitions and contracts arising from organic sales, where the latter comprise of the capitalized contract cost in accordance with cost to obtain and cost to fulfil contracts with customers. For further details see note 2.5 regarding business combinations and 2.14 regarding revenue from contracts with customers.

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

Goodwill is not amortized. However, goodwill is tested for impairment at least annually, or when there are identified impairment indicators. An impairment assessment was performed at 31 December 2021. The group use the estimated recoverable value of the customer portfolio as an indicator for the total value of the customer portfolio and goodwill combined. The recoverable value were calculated using a value in use approach were using recurring annual revenue and a multiple based on comparable market transactions adjusted for key assumptions on size and quality of the portfolio. The impairment tests results in a headroom of minimum 170% on all the portfolios. As such the impairment test did not reveal an indication of impairment.

| Amounts in TNOK<br>2021 | Opening balance | Acquisition | Acquisitions trough business combinations | Disposals | Translation differences | Closing balance |
|---|---|---|---|---|---|---|
| Norwegian portfolio | **0** | 0 | 133 420 | 0 | 0 | **133 420** |
| Irish portfolio | **0** | 0 | 538 879 | 0 | 0 | **538 879** |
| Swedish portfolio | **0** | 0 | 365 320 | 0 | 0 | **365 320** |
| Finnish portfolio | **0** | 0 | 116 471 | 0 | 0 | **116 471** |
| Spanish portfolio | **0** | 0 | 4 145 | 0 | 0 | **4 145** |
| French portfolio | **0** | 0 | 19 271 | 0 | 0 | **19 271** |
| **Total** | **-** | **-** | **1 177 506** | **-** | **-** | **1 177 506** |

### 8 Accounts receivable and other receivables

| Amounts in TNOK | 2021 |
|---|---|
| Accounts receivable | 202 268 |
| Allowance for impairment of trade receivables | -15 208 |
| **Accounts receivable net** | **187 059** |
| Advance payments | 106 083 |
| Other receivables | 39 445 |
| **Total accounts receivable and other receivables** | **332 588** |

For short-term receivables, the carrying amount is considered to be a reasonable approximation of fair value.
Other receivables include a deposit to the Spanish authorities of EUR 1 million, associated with a dispute involving VAT, cf. note 23.

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

| Amounts in TNOK | 2021 |
|---|---|
| Up to 60 days | 23 853 |
| More than 60 days | 19 567 |
| **Total overdue accounts receivables** | **43 420** |
| Carrying amount of overdue accounts receivables | 28 212 |

| **Movement in impairment allowance:** | **2021** |
|---|---|
| Balance at 1 January | 0 |
| Additions through business combinations | -15 536 |
| Net remeasurement of loss allowance | -319 |
| Amounts written off | 646 |
| **Balance at 31 December** | **-15 208** |

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

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

### 9 Cash and cash equivalents

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

| Amounts in TNOK | 2021 |
|---|---|
| Cash and bank deposits | 374 576 |
| *Of which restricted funds (Tax withholding account):* | 22 946 |

# Isanor AS

## Consolidated notes 2021

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### 10 Share capital and share premium

| | Number of shares (000) | Share capital | Share Premium | Total |
|---|---|---|---|---|
| **Balance at 1 January 2021** | **0** | **0** | **0** | **0** |
| Founding capital | 2 744 | 1 372 | 37 | 1 410 |
| **Balance at 31 December 2021** | **2 744** | **1 372** | **37** | **1 410** |

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

### 11 Other current liabilities

| | 2021 |
|---|---|
| Trade payables | 126 457 |
| Payable to authorities | 138 289 |
| Other current liabilities | 176 255 |
| Prepaid from customers / deferred revenue | 253 621 |
| **Sum current liabilities** | **694 623** |

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

### 12 Loans and borrowings

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

| **Non current liabilities** | **2021** |
|---|---|
| Loans and borrowings | 5 827 442 |
| Leasing liabilities | 298 313 |
| **Total non current loans** | **6 125 756** |

| | |
|---|---|
| Current liabilities | |
| Loans and borrowings | 0 |
| Leasing liabilities* | 69 392 |
| **Total current loans** | **69 392** |
| Bank Overdraft Facility | 0 |
| **Total current loans including overdraft** | **69 392** |

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

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

There are no fixed annual instalments for the EUR 590 million Term Loan B. However, Sector Alarm is required to prepay 50% of Excess Cash Flow (as defined in the Term Loan B Facility Agreement) if Net Debt Cover (as defined in the Term Loan B Facility Agreement) greater than 5.00:1 and 25% of Excess cash flow if Net Debt Cover is greater than 4.50:1 but less than or equal to 5.00:1 within 20 Business Days of delivery of Annual Financial Statements. The conditions regarding Excess Cash Flow and Net Debt Cover is applicable from the Annual Financial Statements for the financial year 2021.

No breaches of covenants have occurred in 2021 or 2020.

| Amounts in TNOK | **2021** |
|---|---|
| Term loan B | 5 893 392 |
| Other minor bank loans | 0 |
| Amendment fee | -65 950 |
| **Total bank loans** | **5 827 442** |

| **The maturities for the non current bank loans and interests are as follows:** | **2021** |
|---|---|
| Between 1 and 2 years | 176 802 |
| Between 2 and 5 years | 6 446 249 |
| More than 5 years | 0 |
| **Total** | **6 623 050** |

| Amounts in TNOK | **2021** |
|---|---|
| **Security** | **5 827 442** |
| **Carrying amount of assets pledged as security** | |
| Fixed assets | |
| Customer contracts | 0 |
| Alarm systems not in use | 0 |
| Accounts receivable | 0 |
| **Total** | **0** |

In addition shares in companies mentioned below, including intercompany loans and bank accounts in the companies have been pledged to secure borrowings of the Group at 31.12.2021:

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

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# Isanor AS

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### 13 Income tax

| Tax expense | 2021 |
|---|---|
| Current tax expense | 3 555 |
| Change in deferred tax - origination and reversal of temporary differences | -2 826 |
| Change in deferred tax - reduction in tax rate | 0 |
| Change in deferred tax - other | 9 375 |
| Changes in estimates related to prior years | 90 |
| Other | 315 |
| **Tax expense continuing operations** | **10 509** |

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

| Reconciliation of effective tax rate | 2021 |
|---|---|
| **Profit before tax from continuing operations** | **30 908** |
| Income tax using Norwegian tax rate (22%) | 6 800 |
| Effect of tax rates in foregin jurisdictions | -1 946 |
| Tax effect non deductible expenses | 983 |
| Tax effect current-year losses for which no deferred tax asset is reconised | 809 |
| Utilized loss carried forward | 0 |
| Effect of changes in tax rate on deferred tax items | 0 |
| Changes in estimates related to prior years | 90 |
| Other effects | 3 774 |
| **Income tax** | **10 509** |
| Effective tax rate | 34 % |

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

| Tax payable | 2021 |
|---|---|
| Current tax of tax base before contribution | 10 608 |
| Prepaid taxes | -118 724 |
| Other including previous years tax payable | 52 131 |
| Addition from business combinations | 116 686 |
| **Total tax payable** | **60 702** |

**Deferred tax**

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

| Amounts in TNOK | 2021 |
|---|---|
| Deferred tax asset | 118 894 |
| Deferred tax liabilities | 300 899 |
| **Net deferred benefit/liability(-) in the balance sheet** | **-182 005** |

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

| Changes in deferred tax/deferred tax asset in the balance sheet: | 2021 |
|---|---|
| **Balance at 1 January** | **0** |
| Currency translation | 0 |
| Recognized in the period | -2 826 |
| Changes in tax rate | 0 |
| Addition from business combinations | -179 233 |
| Other | 54 |
| **Balance at 31 December** | **-182 005** |

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

| | 2021 | |
|---|---|---|
| Amounts in TNOK | Deferred tax assets | Deferred tax liabilities |
| Property, plant and equipment | 3 202 | 214 901 |
| Accounts receivables | 872 | 0 |
| Other provisions and accruals | 17 306 | 0 |
| Losses carried forward | 176 221 | 0 |
| Limitations of tax deductibility of interest expense | 32 657 | 0 |
| Other | 1 668 | 89 575 |
| **Total recognized deferred tax assets** | **231 925** | **304 476** |
| Unrecognized deferred tax assets | -109 455 | |
| **Deferred benefit/liability** | **122 471** | **304 476** |
| **Net Deferred tax benefit/liability(-) in the balance sheet** | **-182 005** | |

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

The Group has losses carried forward of NOK 109 million in France, Spain and Finland was not recognized at 31 December 2021.

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

At the reporting date, the Group has unused tax losses of NOK 783,8 million available for offset against future profits. A deferred tax asset has been recognized in respect of NOK 66,8 million of such losses. No deferred tax asset has been recognized in respect of the remaining NOK 109,5 million as it is not considered probable that there will be future taxable profits available.
Included in unrecognized tax losses are losses of NOK 28 million that will expire in 2022, NOK 7 million in 2023, NOK 20 million in 2024, NOK 13 million in 2025, NOK 36 million in 2026 and NOK 307 million above 5 years. Other losses may be carried forward indefinitely.

### 14 Other gains and losses

| Amounts in TNOK | 2021 |
|---|---|
| Realized currency derivatives in the year | 0 |
| Net currency gains and losses | 26 305 |
| **Other gains and losses** | **26 305** |

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# Isanor AS

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### 15 Employee benefits

| Amounts in TNOK | 2021 |
|---|---|
| Wages and salaries | 78 998 |
| Social security contributions | 16 395 |
| Pension costs - defined contribution pension plans | 2 709 |
| Pension costs - defined benefit plans | 496 |
| Other benefits | 2 713 |
| | **101 311** |

| | |
|---|---|
| Number of FTEs excluding discontinued operations | 196 |

| **Pension costs - defined benefit plans** | **2021** |
|---|---|
| Current value of the year's pension payments | 5 255 |
| Interest costs from pension commitment | 691 |
| **Net pension costs including employers' contributions** | **5 946** |

| **Changes to the present value of the defined benefit obligation during the period under review** | **2021** |
|---|---|
| Opening defined benefit obligation | |
| Acquisition trough business combination | 224 630 |
| Current service cost | 5 164 |
| Interest cost | 1 638 |
| Employee contributions | 489 |
| Net benefit paid out | -999 |
| Actuarial (gains)/losses – experience | 3 656 |
| Other | -6 155 |
| Actuarial (gains)/losses – assumptions | -6 443 |
| **Closing defined benefit obligation** | **221 981** |

| **Changes to the fair value of assets during the period under review** | **2021** |
|---|---|
| Opening fair value of assets | |
| Acquisition trough business combination | 125 882 |
| Employer contributions | 3 426 |
| Employee contributions | 489 |
| Net benefits paid out | -999 |
| Interest Income on Plan Assets | 959 |
| Actuarial gains/(losses) on assets | 23 034 |
| **Closing fair value of assets** | **151 710** |

| **Financial assumptions:** | **2021** |
|---|---|
| Discount rate | 1,35 % |
| Expected wage regulation | 2,25 % |
| Expected pension increase | 2,00 % |

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

| | **2021** | |
|---|---|---|
| **Employee benefit expenses*** | **CEO** | **Board** |
| Wages and salaries | 2 643 | 1 100 |
| Bonuses | 358 | 0 |
| Pension benefits | 23 | 0 |
| Other benefits | 0 | 0 |

*For full financial year

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

### 16 Other operating costs

| **Other operating costs** | **2021** |
|---|---|
| Other operating costs | 47 415 |
| Auditors fees | 377 |
| **Total operating costs** | **47 793** |

| **Auditor's fees** | **2021** |
|---|---|
| Statutory audit | 284 |
| Other attestation services | 79 |
| Technical assistance and tax advice | 11 |
| Remuneration for other services | 4 |
| **Total** | **377** |

### 17 Financial income and costs

| | **2021** |
|---|---|
| Interest income | 1 065 |
| Other finance revenues | 219 |
| Interest costs | -16 403 |
| Other finance costs | -4 816 |
| Net currency gains/losses | 26 305 |
| **Net financial costs** | **6 370** |
| | |
| Currency gains | 27 731 |
| Currency losses | -1 426 |
| **Sum net currency gains/losses** | **26 305** |
| Net currency gain/loss due to operations | 213 |
| Net currency gain/loss due to finance items (i.e. loans) | 26 092 |
| **Sum net currency finance/operations split** | **26 305** |
| Net currency gain/loss on external balances | 17 675 |
| Net currency gain/loss on intercompany balances | 8 630 |
| **Sum net currency ext/IC split** | **26 305** |

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# Isanor AS

## Consolidated notes 2021

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### 18 Shareholders and shareholder information

The company's share capital at 31.12.2021 consists of 2 744 320 shares at NOK 0,5 per share. Each share has one vote. There was one shareholder as at 31 December 2021.

| Shareholders | Number | Share |
|---|---|---|
| Jørgen Dahl | 2 744 320 | 100 % |

### 19 Leasing

Amounts in TNOK

| Amounts recognized in profit and loss | 2021 |
|---|---|
| Expenses related to contracts with exception for short term leases | 74 |
| Expenses related to contracts with exception for low value assets | 38 |
| Variable lease payments based on index or a rate | 3 140 |
| **Total** | **3 251** |
| | |
| Current lease liabilities | 69 392 |
| Non current lease liabilities | 298 313 |
| **Total lease liabilities** | **367 705** |
| | |
| Potential lease payments not included in lease liabilities. | 28 918 |
| | |
| Interest cost | 867 |
| Total cash outflow | 5 873 |
| Incremental borrowing rate | 3,00 % |

| The maturities for the non current leasing liabilities are as follows: | 2021 |
|---|---|
| Between 1 and 2 years | 45 047 |
| Between 2 and 5 years | 119 644 |
| More than 5 years | 133 621 |
| **Total** | **298 313** |

| Right of use assets | Cars | Office | Buildings | Total |
|---|---|---|---|---|
| **Balance at 01 January 2021** | **0** | **0** | **0** | **0** |
| Translation differences | 0 | 0 | 0 | 0 |
| Acquisitions | 0 | 0 | 0 | 0 |
| Acquisition on company purchase | 40 916 | 1 221 | 286 690 | 328 827 |
| Disposals | 0 | 0 | 0 | 0 |
| Depreciation and impairment for the year | -1 854 | -69 | -3 545 | -5 468 |
| Reclassification | 0 | 0 | 0 | 0 |
| **Balance at 31 December 2021** | **39 062** | **1 152** | **283 145** | **323 360** |

### 20 Related parties

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

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

**a) Sales of products and services**
There have been no sales of products or services to associated parties in 2021. Employees are offered alarm subscriptions at discounted rates.

**b) Loans from associated parties**

There have been no loans from related parties

No loans were provided by shareholders or their companies in 2021.

**c) Interests on loans from associated parties**

There have been no interest expenses on loans from related parties

**d) Loans to senior employees**
No loans have been given to senior employees or Board members.

# Isanor AS

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### 21 Subsidiaries

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

| Company | Country | Area of business | Ownership share | Share of votes | Annual profit ('000) | Equity ('000) |
|---|---|---|---|---|---|---|
| Sector SPV AS | Norway | Holding company | 90,69 % | 90,69 % | -NOK 36 | NOK 7 594 697 |
| Sector Alarm Manco AS | Norway | Holding company | 0,96 % | 63,48 % | -NOK 103 | NOK 106 330 |
| Sector Alarm TopCo AS | Norway | Holding company | 63,48 % | 63,48 % | NOK 1 276 | NOK 10 743 151 |
| Sector Alarm MidCo AS | Norway | Holding company | 62,99 % | 63,04 % | -NOK 31 | NOK 9 978 313 |
| Sector Alarm Holding AS | Norway | Group services | 62,99 % | 63,04 % | NOK 423 820 | NOK 4 067 917 |
| Sector Alarm AS | Norway | Monitored alarm servic | 62,99 % | 63,04 % | NOK 233 598 | NOK 26 646 |
| Sector Alarm Drift AS | Norway | Monitored alarm servic | 62,99 % | 63,04 % | NOK 3 377 | NOK 144 |
| Sector Alarm ALS AS | Norway | Monitored alarm servic | 62,99 % | 63,04 % | NOK 913 | NOK 229 |
| SA Salg AS | Norway | Monitored alarm servic | 62,99 % | 63,04 % | NOK 3 308 | NOK 21 742 |
| Sector Alarm IT AS | Norway | Group services | 62,99 % | 63,04 % | NOK 4 987 | NOK 46 168 |
| Sector Alarm AB | Sweden | Monitored alarm servic | 62,99 % | 63,04 % | SEK 72 573 | SEK 1 037 941 |
| SA Bevakning AB | Sweden | Monitored alarm servic | 62,99 % | 63,04 % | -SEK 31 | SEK 1 328 |
| SA Forsäljning AB | Sweden | Monitored alarm servic | 62,99 % | 63,04 % | -SEK 283 | SEK 2 647 |
| Sector Alarm Service AB | Sweden | Monitored alarm servic | 62,99 % | 63,04 % | -SEK 38 | SEK 42 723 |
| Sector Alarm Ireland AS | Norway | Monitored alarm servic | 62,99 % | 63,04 % | -NOK 7 | NOK 998 144 |
| PhoneWatch Ltd | Ireland | Monitored alarm servic | 62,99 % | 63,04 % | EUR 16 008 | EUR 93 831 |
| HomeSecure Ltd | Ireland | Monitored alarm servic | 62,99 % | 63,04 % | -EUR 443 | -EUR 1 233 |
| Sector Alarm Europe AB | Sweden | Monitored alarm servic | 62,99 % | 63,04 % | SEK 103 708 | SEK 2 486 788 |
| Sector Alarm Spain S.A.U | Spain | Monitored alarm servic | 62,99 % | 63,04 % | -EUR 13 263 | EUR 13 065 |
| Sector Alarm SAS | France | Monitored alarm servic | 62,99 % | 63,04 % | -EUR 10 723 | EUR 13 736 |
| Sector Alarm Oy | Finland | Monitored alarm servic | 62,99 % | 63,04 % | -EUR 6 699 | EUR 19 369 |
| Sector Alarm Spain AS | Norway | Monitored alarm servic | 62,99 % | 63,04 % | -NOK 6 | NOK 13 313 |
| General Services Sector Alarm SLU | Spain | Group services | 62,99 % | 63,04 % | EUR 487 | EUR 5 052 |
| Sector Alarm Real Estate SLU | Spain | Property | 62,99 % | 63,04 % | EUR 105 | EUR 4 221 |
| Sector Alarm Holland B.V. | Netherlands | Group services | 62,99 % | 63,04 % | EUR 22 | EUR 2 109 |
| Sector Alarm Italy Srl. | Italy | Monitored alarm servic | 62,99 % | 63,04 % | -EUR 1 988 | EUR 1 022 |

Effective 01.12.2021 Isanor AS aquired shares in Sector SPV AS from Isanor Invest AS. Trough that transaction Isanor AS gained control over shares in Sector Alarm Manco AS, Sector Alarm TopCo AS, Sector Alarm Midco AS, Sector Alarm Holding AS, Sector Alarm AS, Sector Alarm Drift AS, Sector Alarm Drift AS, Sector Alarm ALS AS, SA Salg AS, Sector Alarm IT AS, Sector Alarm AB, SA Bevakning AB, SA Forsäljning AB, Sector Alarm Service AB, Sector Alarm Ireland AS, Phonewatch Ltd, HomeSecure Ltd, Sector Alarm Europe AB, Sector Alarm Spain S.A.U, Sector Alarm SAS, Sector Alarm Oy, Sector Alarm Spain AS, General Services Sector Alarm SLU, Sector Alarm Real Estate SLU, Sector Alarm Holland B.V. and Sector Alarm Italy Srl.

See also note 23

### 22 Financial instruments

The Group has the following financial instruments:

*Financial assets/liabilities at amortized cost:*
Financial assets: Accounts receivables, other current receivables and cash and cash equivalents.
Financial liabilities: Includes most of the Group's financial liabilities including debt to credit institutions, trade payables and other current and non-current financial liabilities.

*Financial assets/liabilities at fair value through profit and loss (FVTPL):*
The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in fair value
**Level 1:** Quoted prices (unadjusted) in active markets for identical financial instruments
**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, wither directly or indirectly
**Level 3:** Inputs for assets or liabilities that are not based on observable inputs.
The Groups subscription rights are valued based on level 2 inputs received from Nokas related to the company's financial performance and shareholder transactions.
Equity Securities are valued based on level 1 inputs at year-end.
Derivative instruments – Interest swap

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

| 31.12.2021 | Amortized cost | Fair value through profit or loss (FVTPL) | other comprehensive income (FVOCI) | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Accounts receivable | 187 059 | 0 | 0 | **187 059** |
| Other receivables | 145 528 | 0 | 0 | **145 528** |
| Cash and cash equivalents | 374 576 | 0 | 0 | **374 576** |
| Subscription rights | 0 | 0 | 0 | **0** |
| Equity securities | 0 | 0 | 0 | **0** |
| Derivative financial instruments | 0 | 56 | 0 | **56** |
| **Total financial assets** | 707 164 | 56 | 0 | **707 220** |
| | | | | |
| **Financial Liabilities (Short and long term)** | | | | |
| Loans external | 5 827 442 | 0 | 0 | **5 827 442** |
| Leasing liability | 367 705 | 0 | 0 | **367 705** |
| Accounts payable | 126 457 | 0 | 0 | **126 457** |
| Other liabilities | 639 349 | 0 | 0 | **639 349** |
| **Total financial liabilities** | 6 960 953 | 0 | 0 | **6 960 953** |

# Isanor AS

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## 23 Common Control Transactions

On 01.12.2021 Isanor AS acquired 90,96% of the Shares in Sector SPV AS from Isanor Invest AS. Trough that transaction Isanor AS gained control over shares in Sector Alarm Manco AS, Sector Alarm TopCo AS, Sector Alarm Midco AS, Sector Alarm Holding AS, Sector Alarm AS, Sector Alarm Drift AS, Sector Alarm Drift AS, Sector Alarm ALS AS, SA Salg AS, Sector Alarm IT AS, Sector Alarm AB, SA Bevakning AB, SA Forsäljning AB, Sector Alarm Service AB, Sector Alarm Ireland AS, Phonewatch Ltd, HomeSecure Ltd, Sector Alarm Europe AB, Sector Alarm Spain S.A.U, Sector Alarm SAS, Sector Alarm Oy, Sector Alarm Spain AS, General Services Sector Alarm SLU, Sector Alarm Real Estate SLU, Sector Alarm Holland B.V. and Sector Alarm Italy Srl. Figures for the Group have been consolidated effective from 01.12.2021. The transaction of ownership between Isanor Invest AS and Isanor AS does not change the ultimate ownership of the Group since Jørgen Dahl owns 100% of the shares in Isanor Invest AS and Isanor AS, therefore no fair value assessment is done for the transaction. Accounting policy for both Isanor Invest As and Isanor AS is IFRS and the transaction is booked according to book value accounting. The effects on the 2021 Isanor As financial statements of the business combination is given below.

| **Balance sheet** | **2021** |
|---|---|
| **ASSETS** | |
| **NON CURRENT ASSETS** | |
| Deferred tax asset | 118 894 |
| Intangible assets and goodwill | 1 605 430 |
| Property, plant and equipment | 3 270 208 |
| **TOTAL NON CURRENT ASSETS** | **4 994 531** |
| | |
| **CURRENT ASSETS** | |
| Derivative financial instruments | 56 |
| Trade and other receivables | 226 505 |
| Prepayments | 106 083 |
| Bank and cash | 374 576 |
| **TOTAL CURRENT ASSETS** | **707 220** |
| **TOTAL ASSETS** | **5 701 751** |
| | |
| **EQUITY** | |
| Shareholders equity | -15 412 |
| Share premium | -29 104 499 |
| Other equity | 30 750 259 |
| **TOTAL EQUITY** | **1 630 347** |
| | |
| **LIABILITIES** | |
| **NON CURRENT LIABILITIES** | |
| Deferred tax | -300 899 |
| Loans and borrowings | -5 827 442 |
| Leasing liabilities | -298 313 |
| Employee benefits | -70 271 |
| Other non current liabilities | -10 482 |
| **SUM NON CURRENT LIABILITIES** | **-6 507 408** |
| **CURRENT LIABILITIES** | |
| Current loans | |
| Current leasing liability | -69 392 |
| Current tax liabilities | -60 702 |
| Trade and other payables | -440 976 |
| Contract liabilities | -253 621 |
| **SUM CURRENT LIABILITIES** | **-824 691** |
| **SUM EQUITY & LIABILITIES** | **-5 701 751** |

| **Income statement** | |
|---|---|
| Revenue from contracts with customers | 237 468 |
| Other revenue | 97 |
| **Total revenue** | **237 565** |
| | |
| Personnel costs | -101 311 |
| Other operating costs | -47 793 |
| **Total operating costs** | **-149 104** |
| **Operating profit before D&A (EBITDA)** | **88 461** |
| | |
| Depreciation and amortization | -63 923 |
| **Operating profit** | **24 538** |
| Finance income | 9 228 |
| Finance cost | -1 092 |
| **Net finance cost** | **8 136** |
| | |
| Share of profit of equity-accounted investees, net of tax | 0 |
| **Profit before tax** | **32 674** |
| Income tax expense | -10 509 |
| **PROFIT FOR THE PERIOD** | **22 166** |

| **Cash flow** | |
|---|---|
| Cash flow operating activities | 20 453 |
| Cash flow investing activities | -76 024 |
| Cash flow financing activities | 431 488 |
| **Cash Flow** | **375 917** |

## 24 Contingent liabilities

Sector Alarm Spain S.A.U is involved in a dispute regarding the settlement for purchase of customers from two Spanish companies. The parties do agree on the amount to be settled, but the dispute is for when the settlement is to take place. Sector Alarm Spain S.A.U has filed a law suit to get a settlement for the total receivable of MEUR 5,6 (incl VAT). The 6th of May 2022 Sector won the case at the Economic court in Madrid granting the company repayment of the VAT, penalties and extra cost related to the case. The Tax authorities in Spain have the possibility to file a counterclaim within 30 days after the verdict, however this is unlikely based on the court answer and the complexity of the case.

## 25 Governmental grants

The Group has during the financial year received governmental grant (SkatteFunn) of TNOK 4 750 related to research and development project in Sector Alarm IT. The Grant is accounted for in accordance with IAS 20 so that the grant is recognized in profit and loss over the period in which expenses that the grant is intended to compensate are recognized. Share of the grant related to capitalized external consultancy fees on the project of TNOK 3 482 are recognized in profit and loss over the lifetime of the project while the share of the grant related to internal hours incurred (TNOK 1 268) are recognized in profit and loss as credit to payroll costs.
The Grant is contingent by final approval by The Norwegian Directorate of Tax.

## 27 Events after the reporting date

The Board of Directors are not aware of matters after the end of the financial year that will have a bearing on the company's position and earnings for 2021.

# Isanor AS

## Statement of profit or loss

| NOTE | | 2021 |
|---|---|---|
| | Revenues | 0 |
| 5 | Other expenses | 0 |
| | **Operating profit** | **0** |
| | **Profit before tax** | **0** |
| 6 | Income tax expense | 0 |
| **2** | **Net profit after tax** | **0** |

# Isanor AS

## Balance sheet

| NOTE | EIENDELER | 2021 |
|---|---|---|
| | **Non-current assets** | |
| 3 | Investments in subsidiaries | 6 890 077 000 |
| | **Total non-current assets** | **6 890 077 000** |
| | **Total assets** | **6 890 077 000** |
| | | |
| | **EQUITY** | |
| | **Paid-in capital** | |
| 2, 4 | Share capital | 1 372 160 |
| 2 | Share premium | 37 388 |
| 2 | Other equity | 6 888 641 882 |
| | **TOTAL EQUITY** | **6 890 051 430** |
| | **Current liabilities** | |
| 1 | Other current liabilities | 25 570 |
| | **Total current liabilities** | **25 570** |
| | **Sum Equity and liabilities** | **6 890 077 000** |

Oslo, 30.06.2022
The board of Isanor AS

DocuSigned by:
Jørgen Dahl
E983B6F57A0340C

Jørgen Dahl
chairman of the board

# Isanor AS

## Cash Flow statement

| | Note | 2021 |
|---|---|---|
| Profit before tax | | 0 |
| **Net cash flows from operating activities** | | **0** |
| **Net cash flows from investment activities** | | **0** |
| **Net cash flows from financing activities** | | **0** |
| | | |
| Net change in cash and cash equivalents | | 0 |
| Cash and cash equivalents at the start of the period | | 0 |
| **Cash and cash equivalents at the end of the period** | | **0** |

## Accounting principles

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

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

**Receivables**
Receivables are recognized in the balanse sheet at face value.

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

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

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

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

## Note 1 Related parties

| | Liabilities | Assets |
|---|---|---|
| **Current** | **2021** | **2021** |
| Other short-term debt | 25 570 | 0 |
| **Total** | **25 570** | **0** |

## Note 2 Equity

| | Share capital | Share premium | Other equity | Earned income | Sum |
|---|---|---|---|---|---|
| Founding capital 24.09.2021 | 1 372 160 | 37 388 | 6 888 641 882 | 0 | 6 890 051 430 |
| Profit after tax | 0 | 0 | 0 | 0 | 0 |
| **31.12.2021** | **1 372 160** | **37 388** | **6 888 641 882** | **0** | **6 890 051 430** |

## Note 3 Subsidiaries, associated companies and joint ventures

| Subsidiary | Business office | Ownership % | Equity 2021 (100%) | Profit after tax 2021 (100%) | Net book value |
|---|---|---|---|---|---|
| Sector SPV AS | Oslo, Norge | 90,69 % | 7 594 696 770 | - 35 622 | 6 890 077 000 |

### Note 4 Share capital and shareholder information

| Share capital | Number | Pricer per share | Net booked value |
|---|---|---|---|
| Ordinary shares | 2 744 320 | 0,50 | 1 372 160 |

| Shareholders 31.12.2021: | Number of shares | Ownership% |
|---|---|---|
| Jørgen Dahl | 2 744 320 | 100 % |
| **Sum** | **2 744 320** | **100 %** |

### Note 5 Salaries, pensions, etc

The company has no employees and has not paid any remuneration to CEO or board of directors.
No loans / collateral has been granted to related parties as of 31.12.2021.
No loans / collateral constitute more than 5% of the company's equity.

### Note 6 Income tax expense and deferred tax

**Deferred tax / deferred tax asset calculation**

| | 2021 | Endring |
|---|---|---|
| **Temporary differences** | | |
| Tax loss carry forward | 25 570 | 25 570 |
| **Basis for deferred tax** | **25 570** | **25 570** |
| | | |
| 22% deferred tax | 5 625 | 5 625 |
| Of which deferred tax benefit not recognized in the balance sheet | -5 625 | |
| **Deferred tax in the balance sheet** | **0** | **5 625** |

### Note 7 De-merger

The company was founded 24.09.2021 after a de-merger with tax continuation of Isanor Invest AS. Shares in Sector SPV AS were de-merged as a non-cash contribution in Isanor AS to differentiate between investments in alarm services in Sector SPV AS from remaining assets in Isanor Invest AS.

KPMG

KPMG AS
Grønland 1
3045 Drammen

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Isanor AS

# Independent Auditor's Report

## Opinion

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

- The financial statements of the parent company Isanor AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Isanor AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

## Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

We communicate with 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.

Drammen, 30 June 2022
KPMG AS

Kjetil Kristoffersen
*State Authorised Public Accountant*
(This document is signed electronically)

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**Kjetil Kristoffersen**
**Partner**
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*Serienummer: 9578-5998-4-1007631*
*IP: 80.232.xxx.xxx*
*2022-06-30 14:42:00 UTC*

bank ID

**Kjetil Kristoffersen**
**Statsautorisert revisor**
På vegne av: KPMG AS
*Serienummer: 9578-5998-4-1007631*
*IP: 80.232.xxx.xxx*
*2022-06-30 14:42:00 UTC*

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| 800 80 000 | Din/Deres referanse | Telefon |
| Skatteetaten.no | AR487710101 | 90833418 |
| Org.nr | Vår referanse | Postadresse |
| 974761076 | 2022/5439647 | Postboks 9200 Grønland<br>0134 OSLO |

ISANOR AS
Vitaminveien 1A
0485 OSLO

Att. Siri Merete Bue

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Isanor AS, org.nr. 928 241 785

Vi viser til deres brev av 3. mai 2022 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Isanor AS. 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 Isanor AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

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

**Bakgrunn**
Isanor AS har én eier. Selskapet er morselskap i Sector Alarm-konsernet som driver virksomhet innen bolig- og næringsalarm i Norge og flere europeiske land. Et av datterselskapene i konsernet har ekstern finansiering via en utenlandsk långiver som krever revidert årsregnskap på engelsk. Datterselskapet har tidligere fått tillatelse til å utarbeide årsregnskap og årsberetning på engelsk.

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

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

> "Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig

Side 1 / 2

> 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 selskapet kun har én eier og at selskapet er en del av et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waaltorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

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