

## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 914 881 447  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: NORVA24 HOLDING AS  
Forretningsadresse: Grandevegen 13  
6783 STRYN

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Stein Yndestad  
Dato for fastsettelse av årsregnskapet: 12.05.2021

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 08.07.2022



### Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue		0	0
Other operating income		0	0
<b>Sum inntekter</b>		<b>0</b>	<b>0</b>
<b>Kostnader</b>			
Operational service expenses		0	0
Personell expenses		0	0
Depreciation and amortisation expenses		0	0
Other operating expenses	7	520 283	505 644
<b>Sum kostnader</b>		<b>520 283</b>	<b>505 644</b>
<b>Driftsresultat</b>		<b>-520 283</b>	<b>-505 644</b>
<b>Finansinntekter og finanskostnader</b>			
Income from subsidiaries	8	520 636	504 617
Interest income	8	354	2 405
Other finance income		0	0
<b>Sum finansinntekter</b>		<b>520 990</b>	<b>507 022</b>
Other financial expenses	8	707	863
<b>Sum finanskostnader</b>		<b>707</b>	<b>863</b>
<b>Netto finans</b>		<b>520 283</b>	<b>506 159</b>
<b>Ordinært resultat før skattekostnad</b>		<b>0</b>	<b>515</b>
Income tax expense	6	0	0
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>515</b>
<b>Årsresultat</b>		<b>0</b>	<b>515</b>
<b>Overføringer og disponeringer</b>			
To / from other equity	4	0	515
<b>Sum overføringer og disponeringer</b>		<b>0</b>	<b>515</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	1	583 998 212	556 239 269
<b>Sum finansielle anleggsmidler</b>		<b>583 998 212</b>	<b>556 239 269</b>
<b>Sum anleggsmidler</b>		<b>583 998 212</b>	<b>556 239 269</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade receivables		0	0
Other receivables		27 421	8 481
Konsernfordringer	5	520 636	504 617
<b>Sum fordringer</b>		<b>548 057</b>	<b>513 098</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	4	2 540 561	1 228 759
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 540 561</b>	<b>1 228 759</b>
<b>Sum omløpsmidler</b>		<b>3 088 618</b>	<b>1 741 857</b>
<b>SUM EIENDELER</b>		<b>587 086 830</b>	<b>557 981 126</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	4,5	10 381 366	10 212 329
Annen innskutt egenkapital	4	575 920 517	546 860 014
<b>Sum innskutt egenkapital</b>		<b>586 301 883</b>	<b>557 072 343</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Opptjent egenkapital</b>			
Other equity	4	777 120	777 120
<b>Sum opptjent egenkapital</b>		<b>777 120</b>	<b>777 120</b>
<b>Sum egenkapital</b>		<b>587 079 003</b>	<b>557 849 463</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	6		
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		3 835	127 671
Betalbar skatt	6		
Other current liabilities		3 992	3 992
<b>Sum kortsiktig gjeld</b>		<b>7 827</b>	<b>131 663</b>
<b>Sum gjeld</b>		<b>7 827</b>	<b>131 663</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>587 086 830</b>	<b>557 981 126</b>



### Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue from customer contracts	5,6	1 512 000 000	1 279 000 000
Other operating revenue	5	10 000 000	8 000 000
<b>Sum inntekter</b>		<b>1 522 000 000</b>	<b>1 287 000 000</b>
<b>Kostnader</b>			
Operational service expenses		174 000 000	155 000 000
Personell expenses	7	673 000 000	568 000 000
Depreciation, amortization and impairment	10,11, 12	162 000 000	115 000 000
Other operating expenses		143 000 000	130 000 000
Vehicle operating expenses		191 000 000	190 000 000
<b>Sum kostnader</b>		<b>1 343 000 000</b>	<b>1 158 000 000</b>
<b>Driftsresultat</b>		<b>179 000 000</b>	<b>129 000 000</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	9	53 000 000	9 000 000
<b>Sum finansinntekter</b>		<b>53 000 000</b>	<b>9 000 000</b>
Financial expenses	9	87 000 000	55 000 000
<b>Sum finanskostnader</b>		<b>87 000 000</b>	<b>55 000 000</b>
<b>Netto finans</b>		<b>-34 000 000</b>	<b>-46 000 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>145 000 000</b>	<b>83 000 000</b>
Income tax	19	33 000 000	25 000 000
<b>Ordinært resultat etter skattekostnad</b>		<b>112 000 000</b>	<b>58 000 000</b>
<b>Årsresultat</b>		<b>112 000 000</b>	<b>58 000 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Goodwill	10	1 059 000 000	776 000 000
Intangible assets	10	109 000 000	63 000 000
<b>Sum immaterielle eiendeler</b>		<b>1 168 000 000</b>	<b>839 000 000</b>
<b>Varige driftsmidler</b>			
Property, plant and equipment	12	277 000 000	203 000 000
Rights of use assets	11	599 000 000	476 000 000
<b>Sum varige driftsmidler</b>		<b>876 000 000</b>	<b>679 000 000</b>
<b>Finansielle anleggsmidler</b>			
Investment in shares	17	1 000 000	1 000 000
Other non-current receivables	13	5 000 000	5 000 000
<b>Sum finansielle anleggsmidler</b>		<b>6 000 000</b>	<b>6 000 000</b>
<b>Sum anleggsmidler</b>		<b>2 050 000 000</b>	<b>1 524 000 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories		3 000 000	2 000 000
<b>Sum varer</b>		<b>3 000 000</b>	<b>2 000 000</b>
<b>Fordringer</b>			
Accounts receivables	13	250 000 000	193 000 000
Other current receivables	13	61 000 000	19 000 000
<b>Sum fordringer</b>		<b>311 000 000</b>	<b>212 000 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	14	181 000 000	172 000 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>181 000 000</b>	<b>172 000 000</b>
<b>Sum omløpsmidler</b>		<b>495 000 000</b>	<b>386 000 000</b>
<b>SUM EIENDELER</b>		<b>2 545 000 000</b>	<b>1 910 000 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	15	10 000 000	10 000 000
Overkurs		576 000 000	547 000 000
<b>Sum innskutt egenkapital</b>		<b>586 000 000</b>	<b>557 000 000</b>
<b>Opptjent egenkapital</b>			
Other reserves		11 000 000	0
Retained earnings		91 000 000	-21 000 000
<b>Sum opptjent egenkapital</b>		<b>102 000 000</b>	<b>-21 000 000</b>
<b>Sum egenkapital</b>		<b>688 000 000</b>	<b>536 000 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	19	48 000 000	32 000 000
<b>Sum avsetninger for forpliktelser</b>		<b>48 000 000</b>	<b>32 000 000</b>
<b>Annen langsiktig gjeld</b>			
Non-current lease liabilities	11	426 000 000	334 000 000
Non-current loans	16	769 000 000	550 000 000
Other non-current liabilities	18	46 000 000	23 000 000
<b>Sum annen langsiktig gjeld</b>		<b>1 241 000 000</b>	<b>907 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>1 289 000 000</b>	<b>939 000 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	17	87 000 000	84 000 000
Tax payable	19	31 000 000	20 000 000
Current portion of lease liabilities	11	131 000 000	108 000 000
Current portion of loans	16	101 000 000	89 000 000
Other current liabilities	18	217 000 000	134 000 000
<b>Sum kortsiktig gjeld</b>		<b>567 000 000</b>	<b>435 000 000</b>
<b>Sum gjeld</b>		<b>1 856 000 000</b>	<b>1 374 000 000</b>



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>2 544 000 000</b>	<b>1 910 000 000</b>



[Admincontrol](#)

## List of Signatures Page 1/1

### 2020 Årsregnskap Norva24 Holding AS vFsign.pdf

Name	Method	Signed at
BØVELSTAD, TERJE	BANKID_MOBILE	2021-05-20 23:06 GMT+02
Nornes, Einar	BANKID	2021-05-25 07:17 GMT+02
ULRIKA ÖSTLUND	BANKID	2021-05-20 19:09 GMT+02
Meum, Vidar	BANKID_MOBILE	2021-05-20 19:02 GMT+02
LINUS LUNDMARK	BANKID	2021-05-20 18:58 GMT+02
Henrik Fuglsang Damgaard-Hansen	NEMID	2021-05-25 22:17 GMT+02
Max Eric Allan Engström	BANKID	2021-05-20 18:57 GMT+02
Monica Reib	NEMID	2021-05-24 21:00 GMT+02
Bødal, Arild Hugleik	BANKID_MOBILE	2021-05-21 13:10 GMT+02
Graarud, Thorbjørn	BANKID	2021-05-21 10:00 GMT+02
Mats Lönnqvist	BANKID	2021-05-21 08:31 GMT+02



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.  
External reference: 6C379EF2857642EFA709F15E219BC83C



# Annual report 2020

---

Norva24 Holding AS

---

Org.nr.: 914 881 447

**NORVA**<sup>24</sup>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
6C379EF2857642EFA709F15E219BC83C



## Parent company Income statement Norva24 Holding AS

	Note	2020	2019
Revenue		0	0
Other operating income		0	0
<b>Total revenue</b>		<b>0</b>	<b>0</b>
Operational service expenses		0	0
Personnel expenses		0	0
Depreciation and amortisation expenses		0	0
Other operating expenses	7	520 283	505 644
<b>Total operating expenses</b>		<b>520 283</b>	<b>505 644</b>
<b>Operating profit (loss)</b>		<b>-520 283</b>	<b>-505 644</b>
Income from subsidiaries	8	520 637	504 617
Interest income	8	354	2 405
Other finance income		0	0
Interest expenses	8	0	0
Other financial expenses	8	707	863
<b>Net financial items</b>		<b>520 283</b>	<b>506 159</b>
<b>Profit / (Loss) before income tax</b>		<b>0</b>	<b>515</b>
Income tax expense	6	0	0
<b>Profit / (Loss) for the year</b>		<b>0</b>	<b>515</b>
<b>Profit / (Loss) for the year</b>		<b>0</b>	<b>515</b>
<b>Allocation of profit/loss</b>			
To / from other equity	4	0	515
<b>Total allocation</b>		<b>0</b>	<b>515</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
6C379EF2857642EFA709F15E219BC83C



**Parent company**  
Statement of financial position 31.12.  
Norva24 Holding AS

<b>ASSETS</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Investments in subsidiaries	1	583 998 212	556 239 269
Other receivables		0	0
<b>Total financial fixed assets</b>		<b>583 998 212</b>	<b>556 239 269</b>
<b>TOTAL FIXED ASSETS</b>		<b>583 998 212</b>	<b>556 239 269</b>
Inventories		0	0
Trade receivables		0	0
Other receivables		27 421	8 481
Receivables from group companies	5	520 637	504 617
<b>Total receivables</b>		<b>548 057</b>	<b>513 098</b>
Cash and cash-equivalents	4	2 540 561	1 228 759
<b>TOTAL CURRENT ASSETS</b>		<b>3 088 618</b>	<b>1 741 857</b>
<b>TOTAL ASSETS</b>		<b>587 086 830</b>	<b>557 981 126</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
6C379EF2857642EFA709F15E219BC83C



**Parent company**  
Statement of financial position  
Norva24 Holding AS

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Share capital	4, 5	10 381 366	10 212 329
Other paid-in equity	4	575 920 517	546 860 014
<b>Total paid-in equity</b>		<b>586 301 883</b>	<b>557 072 343</b>
Other equity	4	777 120	777 121
<b>Total retained earnings</b>		<b>777 120</b>	<b>777 121</b>
<b>TOTAL EQUITY</b>		<b>587 079 003</b>	<b>557 849 463</b>
Deferred tax	6	0	0
<b>Total provisions</b>		<b>0</b>	<b>0</b>
Other non-current liabilities		0	0
<b>Total other non-current</b>		<b>0</b>	<b>0</b>
Accounts payable		3 835	127 671
Tax payable	6	0	0
Public duties payables		0	0
Liabilities to group companies		0	0
<b>Other current liabilities</b>		<b>3 992</b>	<b>3 992</b>
<b>Total current liabilities</b>		<b>7 827</b>	<b>131 663</b>
<b>TOTAL LIABILITIES</b>		<b>7 827</b>	<b>131 663</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>587 086 830</b>	<b>557 981 126</b>

Board of Directors and CEO of Norva24 Holding AS

12 May 2021  
(sign)

Vidar Meum  
Chairman

Allan Engström  
Board member

Arild Bødal  
Board member

Einar Nornes  
Board member

Mats Lönnqvist  
Board member

Linus Lundmark  
Board member

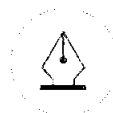
Monica Reib  
Board member

Terje Bøvelstad  
Board member

Thorbjørn Graarud  
Board member

Ulrika Östlund  
Board member

Henrik Damgaard  
CEO



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
6C379EF2857642EFA709F15E219BC83C



## Parent company Statement of cash flow Norva24 Holding AS

	Note	2020	2019
<b>Cash flow from operations</b>			
Profit before income taxes		0	515
Taxes paid in the period		0	0
Depreciation and amortisation		0	0
Change in inventory		0	0
Change in trade debtors		0	0
Change in trade creditors		-123 836	61 033
Change in other provisions		16 020	-141 641
Items classified as financing or investment activities		-504 617	-360 777
<b>Net cash flow from operations</b>		<b>-612 433</b>	<b>-440 870</b>
<b>Cash flow from investments</b>			
Proceeds from sale of fixed assets		0	0
Purchase of fixed assets		0	0
Received group contribution		504 617	360 777
Cash outflow in relation to capital increase in subsidiary		-500 137	-122 145 421
<b>Net cash flow from investments</b>		<b>4 480</b>	<b>-121 784 644</b>
<b>Cash flow from financing</b>			
Proceeds from long term and short term loans		0	0
Repayment of long term and short term loans		0	0
Interests paid to financial institutions		0	0
Proceeds from issuance of equity	4	1 919 755	122 107 921
<b>Net cash flow from financing</b>		<b>1 919 755</b>	<b>122 107 921</b>
Net change in cash and cash equivalents		1 311 802	-117 593
Cash and cash equivalents at the beginning of the period		1 228 759	1 346 352
<b>Cash and cash equivalents at the end of the period</b>		<b>2 540 561</b>	<b>1 228 759</b>
<b>Specification at the end of the period</b>			
Cash and cash equivalents		2 540 561	1 228 759



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
6C379EF2857642EFA709F15E219BC83C



## Parent company ACCOUNTING PRINCIPLES

Norva24 Holding AS

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

### **Use of estimates**

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

### **Classification of balance sheet items**

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

### **Purchase costs**

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

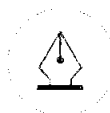
### **Investments in subsidiaries**

Investments in subsidiaries are valued according to the cost method in the company accounts. The investment is valued at purchase cost for the shares unless a write-down has been necessary. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost.

### **Asset impairments**

performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
6C379EF2857642EFA709F15E219BC83C



## Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

## Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as operating income and cost of goods sold.

## Liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

## Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

## Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
6C379EF2857642EFA709F15E219BC83C



## Parent company NOTES TO THE FINANCIAL STATEMENT FOR 2020 Norva24 Holding AS

### Note 1 Investments in subsidiaries

Investments in subsidiaries, associated companies and joint ventures are booked according to the cost method.

Subsidiaries	Location	Ownership/ voting right	Equity 31.12.2020	Result 2020	Balance sheet value
Norva24 AS	Stryn	100%	633 847 563	67 752 580	583 988 212
Balance sheet value 31.12.20					<b>583 988 212</b>

### Note 2 Restricted bank deposits, overdraft facilities

Restricted bank deposits	0	0
Withheld employee taxes	0	0
Overdraft facilities granted	0	0
Unused bank overdraft	0	0

### Note 3 Receivables from group companies, etc.

Receivables Group	2020	2019
Loan to the companies in group	0	0
Group contribution received	520 637	504 617
Other current receivables from group companies	0	0
<b>Total</b>	<b>520 637</b>	<b>504 617</b>

### Note 4 Shareholders' equity

Equity changes in the year	Share capital	Other paid-in equity	Other equity	Total
Equity 01.01.	10 212 329	546 860 014	777 121	557 849 463
Profit for the year	-	-	-	-
Capital increase	169 037	29 060 503	-	29 229 540
<b>Equity 31.12.20</b>	<b>10 381 366</b>	<b>575 920 517</b>	<b>777 121</b>	<b>587 079 003</b>

### Note 5 Share capital and shareholder information

Major shareholders at 31.12.2020	Ordinary Shares	Preference Shares	Total	Ownership
Valedo Partners Fund II AB	1 372 769	4 119 439	5 492 208	52,9%
JKT Birkeånd Invest as	166 346	499 144	665 490	6,4%
Isco AS	149 212	447 686	596 898	5,7%
AHB Invest AS	141 573	424 018	565 591	5,4%
Vof, Andreas	78 931	237 034	315 965	3,0%
AQP Holding AS	77 750	233 250	311 000	3,0%
Falling Holding AS	64 031	192 102	256 133	2,5%
Halskog Invest AS	55 387	166 184	221 571	2,1%
Backhaus, Jens	39 466	118 516	157 982	1,5%
Flagstad Invest AS	36 383	109 186	145 569	1,4%
Johnsrud-Invest as	28 686	86 088	114 784	1,1%
A Söderlindh Invest AB	27 258	81 945	109 203	1,1%
<b>Total</b>	<b>2 237 802</b>	<b>6 714 592</b>	<b>8 952 394</b>	<b>86,2%</b>
Other (ownership percentage < 1%)	437 908	991 064	1 428 972	13,8%
<b>Total shares</b>	<b>2 675 710</b>	<b>7 705 656</b>	<b>10 381 366</b>	<b>100%</b>

For specification of shares owned by management and Board of Directors as at 31 December 2020, see note 8 in the consolidated financial statements



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
6C379EF2857642EFA709F15E219BC83C



## Note 6 Taxes

### Calculation of deferred tax/deferred tax benefit

	2020	2019
<b>Temporary differences</b>		
Fixed assets	0	0
Outstanding receivables	0	0
Capitalized leases	0	0
Profit and loss account	0	0
Accounting provisions for liabi	0	0
disallowed interest deductions/expenses	0	0
Net temporary differences	0	0
Tax losses carried forward	0	0
<b>Basis for deferred tax</b>	<b>0</b>	<b>0</b>
Deferred tax	0	0
Deferred tax benefit not shown in the balance sheet	0	0
<b>Deferred tax in the balance</b>	<b>0</b>	<b>0</b>

### Basis for income tax expense, changes in deferred tax and

	2020	2019
Result before taxes	0	505
Permanent differences	0	-505
<b>Basis for the tax expense for the year</b>	<b>0</b>	<b>0</b>
Change in temporary differences	0	0
<b>Basis for payable taxes in the income statement</b>	<b>0</b>	<b>0</b>
+/- Group contributions received/g	0	0
<b>Taxable income (basis for payable taxes in</b>	<b>0</b>	<b>0</b>

### Components of the income tax

Payable tax on this year's result	0	0
Adjustment in respect of priors	0	0
<b>Total payable tax</b>	<b>0</b>	<b>0</b>
Change in deferred tax based on original tax rate	0	0
Change in deferred tax due to change in tax rate	0	0
Change in deferred tax due to change in tax rate	0	0
<b>Tax expense</b>	<b>0</b>	<b>0</b>

### Reconciliation of the tax exp

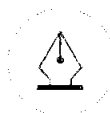
Result before taxes	0	505
Calculated tax	0	113
Tax expense	0	0
Difference	0	-113

### The difference consist of:

Tax of permanent differences	0	-113
Change in deferred tax due to change in tax rate	0	0
Change in deferred tax due to change in tax rate	0	0
Other differences	0	-113
<b>Sum explained differences</b>	<b>0</b>	<b>-113</b>

### Payable taxes in the balance

Payable tax in the tax charge	0	0
Tax effect of group contribution	0	0
<b>Payable tax in the balance s</b>	<b>0</b>	<b>0</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
6C379EF2857642EFA709F15E219BC83C



## Note 7 Payroll expenses and audit fee

For specification of remuneration to management and Board of Directors, see note 8 in the consolidated financial statements

Expensed audit fee	2020	2019
Statutory audit (incl. technical assistance with financial statements)	245 000	298 938
Other assurance services	-	-
Tax advisory fee (incl. technical assistance with tax return)	15 000	15 000
Other assistance	77 000	38 000
<b>Total audit fees</b>	<b>337 000</b>	<b>351 938</b>

## Note 8 Specification of financial income and expenses

Financial income	2020	2019
Recognized group contribution	520 637	504 617
Interest income from group companies	354	2 405
Other financial income	0	0
<b>Total financial income</b>	<b>520 991</b>	<b>507 022</b>
Financial expenses	2020	2019
Interest expenses to group companies	0	0
Other financial expenses	707	863
<b>Total financial expenses</b>	<b>707</b>	<b>863</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
6C379EF2857642EFA709F15E219BC83C



## List of Signatures Page 1/1

### Norva24 Group Annual Report 2020 BoD 12.5.21.pdf

Name	Method	Signed at
Mats Lönnqvist	BANKID	2021-05-21 08:33 GMT+02
Nornes, Einar	BANKID	2021-05-25 07:17 GMT+02
BØVELSTAD, TERJE	BANKID_MOBILE	2021-05-20 23:07 GMT+02
Meum, Vidar	BANKID_MOBILE	2021-05-20 19:13 GMT+02
Max Eric Allan Engström	BANKID	2021-05-20 19:12 GMT+02
Henrik Fuglsang Damgaard-Hansen	NEMID	2021-05-25 22:18 GMT+02
ULRIKA ÖSTLUND	BANKID	2021-05-20 19:10 GMT+02
Monica Reib	NEMID	2021-05-24 22:34 GMT+02
Bødal, Arild Hugleik	BANKID_MOBILE	2021-05-21 13:10 GMT+02
LINUS LUNDMARK	BANKID	2021-05-21 10:01 GMT+02
Graarud, Thorbjørn	BANKID	2021-05-21 09:57 GMT+02



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.  
External reference: 592DDE07B4DD44BF9EFAF7AF5DD77343



Norva24 Group

Annual Report 2020



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



> Table of contents

**Consolidated financial statements**

Consolidated statement of Profit or Loss  
Consolidated statement of Comprehensive income  
Consolidated statement of Financial position  
Consolidated statement of Changes in Equity  
Consolidated statement of Cash flows

**Notes to the consolidated financial statements**

- 1 Reporting entity
- 2 Basis of preparation
- 3 Significant accounting policies
- 4 New standards and interpretations not yet adopted
- 5 Segment Information
- 6 Revenue from customer contracts
- 7 Operational and administrative costs
- 8 Remuneration and fees for BoD, CEO and auditor
- 9 Financial items
- 10 Intangible assets and goodwill
- 11 Leasing
- 12 Property Plant and Equipment
- 13 Trade and Other Receivables
- 14 Cash and Cash equivalents
- 15 Share Information
- 16 Borrowings
- 17 Financial assets and financial liabilities
- 18 Other current and non-current liabilities
- 19 Taxes
- 20 Critical accounting estimates and judgements
- 21 Financial risk management
- 22 Earnings per share
- 23 Related party transactions
- 24 Business combinations
- 25 Subsidiaries
- 26 IFRS Conversion note
- 27 Guarantees
- 28 Subsequent events



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



## > Consolidated statement of Profit or Loss

NOK million	Note	2020	2019
Revenue from customer contracts	5, 6	1 512.4	1 279.2
Other operating revenue	5	10.1	8.3
<b>Total operating revenue</b>		<b>1 522.5</b>	<b>1 287.5</b>
<b>Operating expenses</b>			
Operational service expenses		173.7	155.4
Personnel expenses	7	672.6	567.9
Vehicle operating expenses		191.1	189.7
Other operating expenses	7	143.3	130.4
<b>Total operating expenses</b>		<b>1 180.8</b>	<b>1 043.5</b>
<b>Earnings before interest, taxes and depreciation (EBITDA)</b>		<b>341.8</b>	<b>244.0</b>
Depreciation, amortization and impairment of tangible and intangible assets	10, 11, 12	162.6	114.8
<b>Earnings before interest and taxes (EBIT)</b>		<b>179.2</b>	<b>129.2</b>
<b>Financial items</b>			
Financial income	9	53.3	9.4
Financial expenses	9	(87.1)	(55.4)
<b>Net financial items</b>		<b>(33.9)</b>	<b>(45.9)</b>
<b>Profit / (Loss) before income tax</b>		<b>145.3</b>	<b>83.2</b>
Income tax	19	(33.3)	(25.0)
<b>Profit / (Loss) for the year</b>		<b>112.0</b>	<b>58.2</b>
<b>Earnings per share:</b>			
Basic earnings per share, NOK		28.08	11.55
Diluted earnings per share, NOK		28.08	11.55

## > Consolidated statement of Comprehensive income

NOK million	2020	2019
<b>Other comprehensive income</b>		
Other comprehensive income (Items that may be reclassified to profit or loss in subsequent periods)		
Translation differences on foreign operations	10.6	(0.1)
Other comprehensive income (Items that will not be reclassified to profit or loss in subsequent periods)		
<b>Other comprehensive income</b>	<b>10.6</b>	<b>(0.1)</b>
<b>Total comprehensive income for the year</b>	<b>122.6</b>	<b>58.1</b>
<b>Profit attributable to:</b>		
Equity holders (parent company)	112.0	58.2
Non-controlling interests		
<b>Total</b>	<b>112.0</b>	<b>58.2</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders (parent company)	122.6	58.1
Non-controlling interests		
<b>Total</b>	<b>122.6</b>	<b>58.1</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EF7AF5DD77343



## > Consolidated statement of Financial Position

NOK million	Note	31.12.20	31.12.19	1.1.19
<b>ASSETS</b>				
<i>Non-current assets</i>				
Goodwill	10	1 058.9	775.5	479.1
Intangible assets	10	108.9	62.7	0.7
Right-of-use assets	11	599.4	477.6	380.5
Property, plant and equipment	12	276.5	203.2	178.4
Investment in shares	17	1.1	0.5	0.3
Other non-current receivables	13	4.6	5.0	3.0
<b>Total non-current assets</b>		<b>2 049.4</b>	<b>1 524.4</b>	<b>1 042.0</b>
<i>Current assets</i>				
Inventories		2.7	1.8	2.3
Accounts receivable	13	250.6	192.7	168.4
Other current receivables	13	60.8	18.8	15.6
Cash and cash-equivalents	14	180.9	171.8	63.5
<b>Total current assets</b>		<b>495.1</b>	<b>385.2</b>	<b>249.7</b>
<b>Total assets</b>		<b>2 544.5</b>	<b>1 909.6</b>	<b>1 291.7</b>
<b>EQUITY AND LIABILITIES</b>				
<i>Equity</i>				
Share capital	15	10.4	10.2	7.7
Share premium		575.9	546.9	395.3
Other reserves		10.5	( 0.1)	-
Retained earnings		91.2	( 20.8)	( 79.0)
<b>Total equity</b>		<b>688.0</b>	<b>536.1</b>	<b>324.0</b>
<i>Non-current liabilities</i>				
Deferred tax liability	19	48.2	32.4	13.3
Non-current lease liabilities	11	425.6	333.9	273.2
Non-current loans	16	768.8	549.5	366.4
Other non-current liabilities	18	46.7	23.5	4.7
<b>Total non-current liabilities</b>		<b>1 289.2</b>	<b>939.3</b>	<b>657.7</b>
<i>Current liabilities</i>				
Accounts payable	17	86.5	83.5	58.1
Taxes payable	19	31.3	19.9	8.2
Current portion of lease liabilities	11	130.8	108.0	87.7
Current portion of loans	16	101.3	89.0	44.9
Other current liabilities	18	217.3	133.7	111.2
<b>Total current liabilities</b>		<b>567.3</b>	<b>434.1</b>	<b>310.1</b>
<b>Total liabilities</b>		<b>1 856.5</b>	<b>1 373.5</b>	<b>967.7</b>
<b>Total equity and liabilities</b>		<b>2 544.5</b>	<b>1 909.6</b>	<b>1 291.7</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



Board of Directors and CEO of Norva24 Holding AS

12 May 2021  
(sign)

Vidar Meum  
*Chairman*

Allan Engström  
*Board member*

Arild Bødal  
*Board member*

Einar Nornes  
*Board member*

Mats Lönnqvist  
*Board member*

Linus Lundmark  
*Board member*

Monica Reib  
*Board member*

Terje Bøvelstad  
*Board member*

Thorbjørn Graarud  
*Board member*

Ulrika Östlund  
*Board member*

Henrik Damgaard  
*CEO*



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EFAF7AF5DD77343



## > Consolidated statement of Changes in Equity

NOK million	Share capital	Share premium	Other reserves	Retained earnings	Total equity
<b>Equity at 1 December 2019</b>	<b>7.7</b>	<b>395.3</b>		<b>(79.0)</b>	<b>324.0</b>
<i>Total comprehensive income for the year:</i>					
Profit for the year				58.2	58.2
<i>Other comprehensive income (OCI):</i>					
Translation differences			(0.1)		(0.1)
<b>Total comprehensive income for the year</b>			<b>(0.1)</b>	<b>58.2</b>	<b>58.1</b>
<i>Transactions with owners and their capacity as owners:</i>					
Capital increase (net of transactions costs*)	2.5	151.6			154.1
<b>Equity at 31 December 2019</b>	<b>10.2</b>	<b>546.9</b>	<b>(0.1)</b>	<b>(20.8)</b>	<b>536.1</b>
<b>Equity at 1 January 2020</b>	<b>10.2</b>	<b>546.9</b>	<b>(0.1)</b>	<b>(20.8)</b>	<b>536.1</b>
<i>Total comprehensive income for the year:</i>					
Profit for the year				112.0	112.0
<i>Other comprehensive income (OCI):</i>					
Translation differences			10.6		10.6
<b>Total comprehensive income for the year</b>			<b>10.6</b>	<b>112.0</b>	<b>122.6</b>
<i>Transactions with owners and their capacity as owners:</i>					
Capital increase (net of transactions costs*)	0.2	29.0			29.2
<b>Equity at 31 December 2020</b>	<b>10.4</b>	<b>575.9</b>	<b>10.5</b>	<b>91.2</b>	<b>688.0</b>

\* Transaction costs related to capital increases in 2019 and 2020 is NOK 37.5 thousand and NOK 12.5 thousand respectively.

### Specification of constituent elements of equity:

Share capital: par value for shares in issue

Share premium: premium over par value for shares in issue

Retained earnings: accumulated retained profits and losses

Other reserves: translation differences



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



## > Consolidated statement of Cash Flows

NOK million	Note	2020	2019
<b>Cash flows from operating activities</b>			
Profit before income tax		145.3	83.2
<i>Adjustments for:</i>			
Impairment, depreciation and amortisation expenses	10, 11, 12	162.6	114.8
Net gain/loss on sale of non-current assets		0.1	0.2
Interest and other financial items		46.9	48.2
Net exchange differences over P/L	9	(13.0)	(2.2)
(Increase)/decrease in accounts receivables and other current receivables		(34.9)	9.2
Increase/(decrease) in accounts payables and other current liabilities		62.0	2.6
Interest received		0.0	1.6
Income taxes paid		(19.9)	(8.2)
Changes in other items*		4.7	(12.5)
<b>Net cash inflow from operating activities</b>		<b>353.8</b>	<b>237.0</b>
<b>Cash flows from investing activities</b>			
Payment for acquisition of subsidiaries, net of cash acquired	24	(292.2)	(272.4)
Payment for fixed assets	10, 12	(61.6)	(18.1)
Proceeds from sale of fixed assets		8.6	6.9
<b>Net cash outflow from investing activities</b>		<b>(345.2)</b>	<b>(283.6)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares		2.0	124.8
Proceeds from borrowings	14	266.9	220.0
Repayment of borrowings	14	(91.5)	(44.9)
Principal element of lease payments	11	(114.6)	(92.0)
Interest paid and other financial items		(63.4)	(53.0)
<b>Net cash inflow/outflow from financing activities</b>		<b>(0.7)</b>	<b>154.9</b>
<b>Net increase in cash and cash equivalents</b>		<b>7.9</b>	<b>108.3</b>
<b>Cash and cash equivalents at 1 January</b>		<b>171.8</b>	<b>63.5</b>
Effects of exchange rate changes on cash and cash equivalents		1.2	0.1
<b>Cash and cash equivalents at 31 December</b>		<b>180.9</b>	<b>171.8</b>

\* Includes changes in other non-current receivables, inventories and other non-current liabilities.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343

## Notes to the Norva24 Group consolidated financial statements

### Note 1 - Reporting entity

The reporting entity reflected in these consolidated financial statements comprises Norva24 Holding AS and consolidated subsidiaries (Norva24 Group or the Group). The parent company, Norva24 Holding AS, is a privately held Norwegian entity. The Norva24 corporate headquarters are in Stryn Kommune in Norway.

The Norva24 Group has operations in Norway, Sweden, Denmark and Germany with over 1250 employees delivering services related to Underground

Infrastructure Maintenance to private and industrial customers, as well as municipalities. Services include high pressure cleaning, drainage services, pipeline inspections and repairs, tank cleaning as well as other related specialty services. The Group has operational subsidiary companies in all of the Norva24 geographic locations. See note 25 for a detailed list of the subsidiaries.

These financial statements are the first IFRS consolidated financial statements for the Group. See note 26 for additional information related to the IFRS conversion.

### Note 2 - Basis of Preparation

The consolidated financial statements of Norva24 Holding AS and its subsidiaries are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and Norwegian authorities and effective as of 31 December 2020. Norva24 Group also provides disclosures as specified under the Norwegian Accounting Act ("Regnskapsloven").

The financial statements are prepared on a historical cost basis, except for certain assets, liabilities and financial instruments, which are measured at fair value. Preparation of the financial statements, including the note disclosures, requires management to make estimates and assumptions that affect amounts reported. Actual results may differ. Slight rounding differences may occur between the financial statements and the note disclosures.

The functional currency of Norva24 Holding AS is the Norwegian krone (NOK). The Norva24 Group financial statements are presented in NOK millions.

Related to the two acquisitions completed during 2019 and the six acquisitions completed during 2020, for accounting purposes the Norva24 consolidated Statements of profit or loss only includes revenues (and related expenses) as from the date of the acquisition. See note 24 Business Combinations for additional information related to the 2019 and 2020 acquisitions.

### Note 3 - Significant Accounting Policies

The following descriptions of accounting principles applies to Norva24 Group's 2020 IFRS financial reporting, including all comparative figures. See note 4 for a discussion related to changes in accounting policies and new pronouncements not yet adopted and note 20 for a discussion of critical estimates and significant judgements.

#### Basis of consolidation

The consolidated financial statements include Norva24 AS and subsidiaries, which are entities in which Norva24 has the power to govern the financial and operating policies of the entity (control). Control is normally achieved through ownership, directly or indirectly, of more than 50 percent of the voting power. Norva24 AS has 100% of the voting power in all group subsidiaries. Subsidiaries are included from the date control commences until the date control ceases.

Intercompany transactions and balances have been eliminated. Profit and loss resulting from intercompany transactions have been eliminated.

#### Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 *Business Combinations*. Consideration is the sum of the fair values, as of the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree.

The acquiree's identifiable assets, liabilities and contingent liabilities are recognized separately at the acquisition date at their fair value irrespective of any non-controlling interest, and goodwill recognized to the extent the consideration exceeds identified net assets.

#### Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity by applying the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity at the rate of exchange at the balance sheet date. Currency gains or losses are included in Financial income or Financial expense, respectively.

#### Foreign currency translation

For consolidation purposes, the financial statements of subsidiaries with a functional currency other than the presentation currency of the Norwegian krone (NOK) are translated into NOK. Assets and liabilities, including goodwill, are translated using the rate of exchange as of the balance sheet date. Income, expenses and cash flows are translated using the average exchange rate for the reported period. Goodwill is recognized in the predominant functional currencies in the acquired businesses.

Translation adjustments are recognized in Other comprehensive income and accumulated in Currency translation differences in Other reserves. On disposal of such subsidiary the cumulative translation adjustment of the disposed entity is recognized in the Statement of profit or loss as part of the gain or loss on disposal.

#### Statement of cash flows

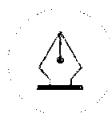
Norva24 uses the indirect method to present cash flows from operating activities. Interest and dividends received as well as interest paid are included in cash flows from operating activities.

#### Measurement of fair value

Norva24 measures certain assets and liabilities at fair value for the purposes of recognition or disclosure. Non-recurring fair value measurement is used for transactions, such as business combinations, contingent consideration and other non-routine transactions. Norva24 does not have any recurring fair value measurement as the Group does not have any derivative financial instruments, material equity investments or other similar financial assets or liabilities that are measured at fair value.

#### Revenue

Norva24 accounts for revenue in accordance with IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 requires the reporting entity, for each contract with a customer, to identify the performance obligations, determine the transaction price, allocate the transaction price to performance obligations to the extent the contract covers more than one performance obligation, determine whether revenue should be recognized over time or at a point in time, and, finally, recognize revenue when or as performance obligations are satisfied.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EFAF7AF5DD77343

## Note 3 - Significant Accounting Policies (continued)

A performance obligation is satisfied when or as the customer obtains control of the goods or services delivered. The Norva24 Group earns revenue via the delivery of services related to Underground Infrastructure Maintenance. Services include high pressure cleaning, drainage services, pipeline inspections and repairs, tank cleaning as well as other related specialty services. All services are delivered over time. Norva24 Group generally does not have multiple or combined revenue contracts, services are delivered within a short period of time (less than a year) and contracts do not contain volume discounts or variable pricing. See also note 6 Revenue for additional information.

### Vehicle operating expenses

Vehicle operating expenses are recognized as incurred and consist of the direct costs related to operating the service delivery vehicles, for example fuel, maintenance, repairs and cleaning.

### Personnel expenses

Payments to employees, such as wages, salaries, social security contributions, paid annual leave and bonus agreements are accrued in the period in which the associated services are rendered by the employee. Post-employment benefits are recognized in accordance with IAS 19 Employee Benefits. Contributions to defined contribution plans are recognized in the statement of profit or loss in the period in which they accrue.

### Financial income and financial expenses

Financial income includes interest earned on bank accounts and other interest-bearing financial assets, as well as foreign currency exchange gains. Financial expense includes interest expense related to lease liabilities and interest expense on bank loans. Financial expense also includes foreign currency exchange losses.

### Depreciation and amortization

Depreciation in the statement of profit or loss includes the reporting period's depreciation expense on property, plant and equipment as well as the depreciation for the period on right-of-use assets and any impairment charges that have been recognized on these asset classes. Amortization in the statement of profit or loss relates only to the definite lived intangible assets.

### Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company less the annual allocated dividend to the preference shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company less the annual allocated dividend to the preference shareholders by the weighted average number of ordinary shares outstanding during the year including any dilutive share effects.

### Goodwill

Goodwill is recognized as a part of business combinations. Goodwill is initially measured either as the excess of the consideration over Norva24's interest or the fair value of 100 percent of the acquiree in excess of the acquiree's identifiable net assets (full goodwill). Goodwill is not amortized, but is tested for impairment annually, and more frequently if indicators of possible impairment are observed, in accordance with IAS 36 *Impairment of Assets*. Goodwill is allocated to the cash generating units or groups of cash generating units expected to benefit from the synergies of the combination and that are monitored for internal management purposes.

### Intangible assets

Intangible assets acquired individually or as a group are recognized at fair value when acquired. Intangible assets acquired in a business combination are recognized at fair value separately from goodwill when they arise from contractual or legal rights or can be separated from the acquired entity and sold or transferred.

At each financial year-end Norva24 reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.

### Property, plant & equipment

Property, plant and equipment consists of buildings, vehicles and office equipment and is recognized at acquisition cost. Acquisition cost is the amount of cash paid or the fair value of other consideration given to acquire the asset and

includes any import duties less any trade discounts or rebates. The carrying value is comprised of the historical cost less accumulated depreciation and any accumulated impairment losses (if any). Depreciation expenses are measured on a straight-line basis over the estimated useful life of the asset, commencing when the asset is ready for its intended use. At each financial year-end Norva24 reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.

### Inventory

Inventory consists of finished goods used in delivering services to customers, and consists primarily of different types of cleaning products. Inventory is measured at the lower of cost and net realizable value. Net realizable value is the net amount Norva24 expects to realize from the sale of the inventory in the ordinary course of business. The cost of inventories includes all costs of purchase incurred to bring the inventory to its location for use in delivery to customers.

### Financial instruments

Financial assets and financial liabilities are recognized and measured in accordance with IFRS 9 *Financial Instruments*.

#### Financial assets

Financial assets represent a contractual right by Norva24 to receive cash or another financial asset in the future. Financial assets include cash and cash equivalents, accounts receivable and other current and non-current receivables as well as investments in shares. On initial recognition, a financial asset is measured at fair value, and classified for subsequent measurement at amortized cost or at fair value through profit or loss (FVTPL). Classification depends on the business model and, for some instruments, the entity's choice. Financial assets are derecognized when the rights to receive cash from the asset have expired or when Norva24 has transferred the asset.

#### Financial liabilities

Financial liabilities represent a contractual obligation by Norva24 to deliver cash in the future and are classified as either current or non-current. Financial liabilities include the accounts payable, current and non-current loans and current and non-current lease liabilities. Financial liabilities are initially recognized at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at amortized cost. Financial liabilities are derecognized when the obligation is discharged through payment or when Norva24 is legally released from the primary responsibility for the liability.

#### Accounts receivable

Accounts receivable is a financial asset initially recognized at transaction price, subsequently accounted for at amortized cost and are reviewed for impairment on an ongoing basis based on a lifetime expected credit loss model (ECL). Individual accounts are assessed for impairment taking into consideration indicators of financial difficulty and management assessment. Norva24's business model for accounts receivable is to hold the receivables to collect the contractual cash flows.

#### Cash and cash equivalents

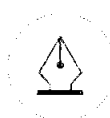
Cash and cash equivalents includes cash, bank deposits and all other monetary instruments with a maturity of less than three months from the date of acquisition. Bank deposits earn interest at floating rates based on the different bank agreements. Material balances of restricted cash are deducted from cash and cash equivalents when preparing the statement of cash flows.

#### Investments in shares

Investments in shares are originally recognized at fair value at the amount of the purchase price paid to acquire the shares and are subsequently recognized at fair value over profit or loss. Investments in shares is a financial asset comprised of minimal percentage holdings in non-listed inactive entities.

#### Leasing

Leases are contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration. Norva24 Group leases various offices, storage facilities, equipment and vehicles.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



## Note 3 - Significant Accounting Policies (continued)

Short-term and low-value leases are excluded from the lease accounting. When measuring leases, Norva24 includes fixed lease payments for extension periods reasonably certain to be used. As a practical expedient, non-lease components are not separated from lease contracts, and not recognized but expensed in the period when the lease expense is incurred. Judgment is applied in assessing whether renewal options are reasonably certain to be utilized.

Current lease liabilities are the portion of the total lease liability falling due within twelve months of the reporting date. Norva24 measures the current portion of the lease liability as the discounted lease payments for the next twelve-month period.

Lease liabilities are a financial liability and include the net present value of the following lease payments: fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date, amounts expected to be payable by the group under residual value guarantees, the exercise price of a purchase option if the group is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the group exercising that option, and lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments, primarily as related to vehicle leases, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for non-vehicle leases, Norva24's incremental borrowing rate is used, being the rate that the individual entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, Norva24: where possible, uses recent third-party financing received by the entity with the lease as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Norva24, which does not have recent third-party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then Norva24 Group entities use that rate as a starting point to determine the incremental borrowing rate.

Norva24 Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. These adjustments are primarily rate increases linked to NIBOR + margin or LIBOR + margin based lease agreements. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are leased assets recognized in the statement of financial position in accordance with IFRS 16, and are primarily vehicles, buildings and personal cars. Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. When Norva24 is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life, which is greater than the lease term. Right-of-use assets related to vehicle leases have a useful life based on the expectation that

the purchase option will be exercised.

When a right-of-use (leased) asset is purchased during or at the end of the lease term, the asset is transferred from the right-of-use asset classification in the statement of financial position to classification as property, plant and equipment.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Payments associated with low-value leases of IT and office equipment recognized on a straight-line basis as an operating expense in profit or loss. Norva24 does not have currently any short-term leases (leases with a lease term of 12 months or less).

### Deferred taxes and tax expense

Taxes payable is based on taxable profit for the year, which excludes items of income or expense that are taxable or deductible in other years. Taxable profit also excludes items that are never taxable or deductible. Norva24's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the balance sheet date.

Deferred income tax expense is calculated using the liability method in accordance with IAS 12 *Income Taxes*. Deferred tax assets and liabilities are classified as non-current in the balance sheet and are measured based on the difference between the carrying value of assets and liabilities for financial reporting and their tax basis when such differences are considered temporary in nature. For items recognized as an asset and a liability at inception, such as a lease, temporary differences related to the asset and liability are considered in combination, and deferred tax assets and liabilities are recognized on changes to the temporary differences through the life of the items.

Temporary differences related to intercompany profits are deferred using the buyer's tax rate. Deferred tax assets are reviewed for recoverability every balance sheet date, and the amount probable of recovery is recognized.

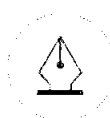
Deferred income tax expense represents the change in deferred tax asset and liability balances during the year, except for the deferred tax related to items recognized in Other comprehensive income or resulting from a business combination or disposal. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates become effective or are substantively enacted. Uncertain tax positions are recognized in the financial statements when probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority, and when the Group intends to settle its current tax assets and liabilities on a net basis. Allowed offsetting of deferred tax asset and liabilities has resulted in a net deferred tax liability position for the Norva24 Group in both 2020 and 2019.

Deferred taxes are not provided on undistributed earnings of subsidiaries when the timing of the reversal of this temporary difference is controlled by Norva24 and is not expected to happen in the foreseeable future.

### Provisions

Provisions are liabilities of uncertain timing or amount. Norva24 Group recognizes provisions in the statement of financial position when there is a present obligation (legal or constructive) as a result of a past event that can be estimated in amount and it is probable that a payment will be required to settle the obligation. When the effect of the time value of money is material, the provision is recognized at the present value of the expected expenditure, using a pre-tax discount rate reflecting the risks specific to the liability. Norva24 reviews all provisions at the end of each reporting period and updates the provision to reflect the current best estimate. Provisions are reversed when the obligating event is no longer valid.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EFAF7AF5DD77343

## Note 4 - New Standards and Interpretations not yet adopted

### Changes in accounting policies

The 2020 Group financial statements are the first year of the IFRS consolidated reporting, therefore there are no changes in accounting principles. The Group has applied all relevant IFRS standards that were in effect for the 2020 year-end reporting as of the date of transition to IFRS, 1 January 2019.

### New pronouncements not yet adopted

The following standards and interpretations most relevant for Norva24 have been issued by the IASB but were not mandatory for annual reporting periods ending on 31 December 2020:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1, effective from 1 January 2022 with possible deferral to 1 January 2023.

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16, effective from 1 January 2022.
- Reference to the Conceptual Framework – Amendments to IFRS 3, effective from 1 January 2022.
- Annual Improvements to IFRS Standards 2018–2020, effective from 1 January 2022.

None of the issued, not yet effective, accounting standards or amendments to such standards are expected to have significant effects for Norva24 Group's financial reporting. Further, none of the recently issued IFRS Interpretations Committee agenda decisions are expected to significantly change Norva24 Group's accounting policies or practices.

## Note 5 - Segment information

### Operating segments

Norva24 Group identifies its reportable segments and discloses segment information in accordance with IFRS 8 Operating Segments. Accordingly, The Group identifies its segments consistent with the reporting structure used by management. Operating segments are components of a business that are evaluated regularly by the chief operating decision maker for the purpose of assessing performance and allocating resources. The financial information is disclosed on the same basis as used by the chief operating decision maker.

The CEO for the N24 Group is the chief operating decision maker (CODM) for the entire Group within the framework of the CEO instructions from the Board of Directors and the annual operational budget and investment frames approved by the Board of Directors. The Norva24 Group executive management consist of CEO, CFO and the four country CEOs.

The Norva24 Group CEO and executive management monitor and follow up the business in the four major segments, Norway, Sweden, Denmark and Germany where each segment is organized as an entity where the country CEO is the local

chief operating decision maker enabled to make decisions about resource allocation within the segment and within the framework of the approved budgets and investments for the segment.

The Norva24 Group's operations are delivering emptying services, pressure washing, pipe services, hazardous waste services and industrial services. All these services are related to underground infrastructure maintenance services and are often bundled together. Follow-up and reporting has not been established for each of the different services and the Norva 24 Group has therefore not considered such information reportable about it's products and services.

The Norva24 Group will disclose segment information based upon the following reportable segments: Norway, Denmark, Sweden, Germany and Corporate/Other, where corporate/other comprises the un-allocated group activities and financing.

### Operating segments financials 2020

NOK million	Norway	Denmark	Sweden	Germany	Corporate & other *	Total 2020
Operating revenue	736.4	306.4	192.2	285.3	2.2	1 522.5
EBITDA	203.8	41.8	57.4	68.0	(29.2)	341.8

### Operating segments financials 2019

NOK million	Norway	Denmark	Sweden	Germany	Corporate & other *	Total 2019
Operating revenue	737.5	292.4	81.3	176.0	0.2	1 287.5
EBITDA	194.1	21.0	16.1	37.4	(24.6)	244.0

\* The column "Corporate & other" mainly includes corporate expenses.

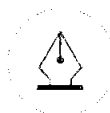
For segment reporting purposes the revenues are only external revenues. Internal revenues are eliminated and the related expenses are adjusted accordingly.

### OPERATING SEGMENTS - GEOGRAPHICAL AREAS

The Groups main operational segments are by geographical areas and shown in the financials above.

### OPERATING SEGMENTS - MAJOR CUSTOMERS

The Group has no single customers accounting for more than 10% of total revenues.



This file is sealed with a digital signature. The seal is a guarantee of the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EFAF7AF5DD77343

## Note 6 - Revenue from customer contracts

### Accounting policies for revenue recognition

Norva24 accounts for revenue in accordance with IFRS 15 Revenue from Contracts with Customers.

IFRS 15 requires the reporting entity, for each contract with a customer, to identify the performance obligations, determine the transaction price, allocate the transaction price to performance obligations to the extent the contract covers more than one performance obligation, determine whether revenue should be recognized over time or at a point in time, and, finally, recognize revenue when or

as performance obligations are satisfied.

A performance obligation is satisfied when or as the customer obtains control of the goods or services delivered.

Revenue from sale of physical products are recognized when control is transferred to the customer, which usually occurs at delivery. See also note 3 for additional information.

### Norva24 Group's principal revenue generating activities and performance obligations are as follows

Revenue represents the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled. All revenue in Norva24 is considered revenue from contracts with customers in the scope of IFRS 15. Norva24's material revenue streams relates from the sale of services within Underground Infrastructure Maintenance. Revenue is recognised when a customer obtains control of goods or services in line with identifiable performance obligations.

All revenue in Norva24 is recognised over time, as the customer simultaneously receives and consumes the benefits provided as the services are performed. Each contract for services are considered a performance obligation that is delivered over time. The majority of performance obligations are delivered within a short time

period, usually within the same day.

For performance obligations that are satisfied over a longer duration, the input method is used to recognise revenue over time. Using the input method, revenue is recognised based on the total number of work hours used at the reporting period close in fulfilling the performance obligation in relation to the total expected number of work hours to fulfil the performance obligation.

The transaction price for all contracts is the price agreed in each individual contract, and there are no material elements of variable consideration, financing component or non-cash consideration. There are no circumstances where Norva24 is acting as an agent.

## Note 7 - Personnel and other operating expenses

### Specification of personnel expenses

NOK million	2020	2019
Wages and salaries	547.4	463.1
Social security tax	80.5	58.4
Pension cost	23.6	23.7
Other employee-related expenses	21.1	22.6
<b>Total</b>	<b>672.6</b>	<b>567.9</b>

Other employee-related expenses include bonus costs.

At 31 December 2020 the Group had 1283 employees, while as of 31 December 2019 the number of employees was 960.

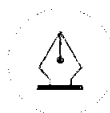
Norva24 Group has pension plans covering all employees. All group pension plans are in accordance with local laws and regulations.

The majority of the Group pension plans are contribution plans, where an amount is deposited annually in the pension contribution fund on behalf of the individual employees. This contribution is expensed as part of personnel expenses. The companies have no further pension obligation after the payment of the pension contribution.

One of the group companies also has a defined-benefit contribution plan, where the net pension liability is measured at the present value of the future payment obligation and recognized in the statement of financial position. Measurement of the pension liability is based on a linear accrual of the service benefit and estimated salary levels at the date of retirement. This plan was considered immaterial and thus not disclosed separately.

### Specification of other operating expenses

NOK million	2020	2019
<i>Operating expenses</i>		
Legal, audit and consultancy fees	41.0	30.0
Miscellaneous office expenses	43.6	30.9
Other	58.7	69.5
<b>Total other operating expenses</b>	<b>143.3</b>	<b>130.4</b>



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



## Note 8 - Remuneration and fees for Board of Directors, CEO and auditor

### Remuneration and fees recognized in the Statement of Profit and Loss

NOK thousand	2020
Total remuneration of the Board of Directors	450
Gross base salary including bonus to the CEO	4 804
Pension costs to the CEO	72
Other remuneration to the CEO	173
<b>Total</b>	<b>5 499</b>

### Specification of remuneration to Board of Directors

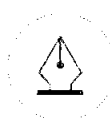
Name	2020
Vidar Meum	150
Allan Engström	0
Arild Bødal	0
Einar Nordnes	0
Linus Lundmark	0
Mats Lönnqvist	100
Terje Bøvelstad	100
Thorbjørn Graarud	100
<b>Total - Board of Directors</b>	<b>450</b>

No committee fees were paid in 2019 and 2020.

### Shares owned by management and Board of Directors as at 31 December 2020 and 31 December 2019

Number of shares owned directly or indirectly through fully or partly owned companies

		2020			2019		
		Ordinary shares	Preference shares	Total number of shares	Ordinary shares	Preference shares	Total number of shares
<b>Board of Directors and CEO</b>							
Vidar Meum	Chair	21 686	31 662	53 348	20 173	27 128	47 301
Arild Bødal	Board member	141 573	424 018	565 591	140 461	421 408	561 869
Terje Bøvelstad	Board member	10 846	32 095	42 941	10 846	32 095	42 941
Mats Lönnqvist	Board member	28 432	55 657	84 089	28 432	55 657	84 089
Thorbjørn Graarud	Board member	15 502	32 328	47 830	15 502	32 328	47 830
Einar Nordnes	Employee representative	337	1 011	1 348	0	0	0
Henrik Damgaa	CEO	15 251	14 975	30 226	14 715	14 772	29 487
<b>Total number of shares</b>		<b>233 627</b>	<b>591 746</b>	<b>825 373</b>	<b>230 129</b>	<b>583 388</b>	<b>813 517</b>



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343

## Note 8 - Remuneration and fees for Board of Directors, CEO and auditor (continued)

Specification of fees paid to PWC		
NOK thousands	2020	2019
Audit	1 818	1 213
Other audit-related services	364	334
Tax consultancy services	13	44
Other consultancy services	178	95
<b>Total</b>	<b>2 372</b>	<b>1 686</b>

Specification of fees paid to other auditors		
NOK thousands	2020	2019
Audit	271	106
Tax consultancy services	20	-
<b>Total</b>	<b>291</b>	<b>106</b>

## Note 9 - Financial items

Specification of financial items		
NOK million	2020	2019
Interest income	0.0	1.6
Currency exchange gain	39.9	6.3
Other financial income	13.4	1.6
<b>Financial income</b>	<b>53.3</b>	<b>9.4</b>
Interest expense leases	25.7	28.6
Amortized interest expense loans	30.7	19.8
Currency exchange loss	26.8	4.1
Other financial expenses	3.9	2.9
<b>Financial expenses</b>	<b>87.1</b>	<b>55.4</b>
<b>Net financial gain / (loss)</b>	<b>(33.9)</b>	<b>(45.9)</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343

## Note 10 - Intangible assets and goodwill

NOK million	Goodwill	Customer contracts	Brand	Other intang. assets	Total
Cost	658.1	0.0	0.0	2.2	660.3
Accumulated amortization	(179.0)	0.0	0.0	(1.5)	(180.5)
<b>Net book value at 1 January 2019</b>	<b>479.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>479.8</b>
Acquisition cost at 1 January 2019	658.1			1.2	659.4
Acquired in business combinations (see note 24)	296.5	44.9	22.5	2.3	366.2
Additions				1.0	1.0
Disposals accumulated cost				0.0	0.0
Translation differences	(0.5)	0.3	0.3	(0.0)	0.1
<b>Acquisition costs at 31 December 2019</b>	<b>954.2</b>	<b>45.2</b>	<b>22.8</b>	<b>4.6</b>	<b>1 026.7</b>
Accumulated amortization at 1 January 2019	(179.0)	0.0	0.0	(0.5)	(179.5)
Amortization/impairment loss	0.0	(6.7)	(1.7)	(0.9)	(9.3)
Disposals accumulated amortization				0.0	0.0
Translation differences	0.4			(0.1)	0.3
<b>Accumulated amortization at 31 December 2019</b>	<b>(178.7)</b>	<b>(6.7)</b>	<b>(1.7)</b>	<b>(1.5)</b>	<b>(188.5)</b>
Cost	954.2	45.2	22.8	4.6	1 026.7
Accumulated amortization	(178.7)	(6.7)	(1.7)	(1.5)	(188.5)
<b>Net book value at 31 December 2019</b>	<b>775.5</b>	<b>38.5</b>	<b>21.1</b>	<b>3.1</b>	<b>838.2</b>
Acquisition cost at 1 January 2020	954.2	45.2	22.8	4.6	1 026.7
Acquired in business combinations (see note 24)	258.2	38.3	19.2		315.7
Additions				1.6	1.6
Disposals accumulated cost				(0.0)	(0.0)
Translation differences	28.2	2.7	1.4	0.5	32.7
<b>Acquisition costs at 31 December 2020</b>	<b>1 240.5</b>	<b>86.2</b>	<b>43.3</b>	<b>6.7</b>	<b>1 376.6</b>
Accumulated amortization at 1 January 2020	(178.7)	(6.7)	(1.7)	(1.5)	(188.5)
Amortization/impairment loss	0.0	(13.0)	(3.1)	(0.9)	(17.0)
Disposals accumulated amortization				0.0	0.0
Translation differences	(2.9)	(0.3)	(0.1)	(0.0)	(3.3)
<b>Accumulated amortization at 31 December 2020</b>	<b>(181.6)</b>	<b>(20.0)</b>	<b>(4.9)</b>	<b>(2.4)</b>	<b>(208.8)</b>
Cost	1 240.5	86.2	43.3	6.7	1 376.6
Accumulated amortization	(181.6)	(20.0)	(4.9)	(2.4)	(208.8)
<b>Net book value at 31 December 2020</b>	<b>1 058.9</b>	<b>66.2</b>	<b>38.4</b>	<b>4.3</b>	<b>1 167.8</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EAF7AF5DD77343



## Note 10 - Intangible assets and goodwill (continued)

### Impairment test of tangible and intangible assets including goodwill

The Group reviews assets for impairment whenever there are indication of impairment and at least at each year end.

The test is performed at the cash-generating unit ("CGU") level for the total of all tangible and intangible assets, including goodwill in each unit. The CGUs have been identified to be each separate country the Group operate which is considered to be the smallest identifiable group of assets that generate cash flow that are largely independent of cash inflows from other assets or group of assets. Acquired intangible assets, including goodwill are allocated to the Group's CGUs based upon the location of the acquired company.

The recoverable amount for a CGU is the higher of the fair value less cost of disposal and its value in use. Value in use is calculated using estimated future cash flows based on five-year financial forecasts that have been approved by Group management. Cash flows beyond the five-year period have been extrapolated using an estimated growth rate.

The calculated recoverable amount exceeds the total assets for each CGU, therefore no impairment has been identified.

### Key assumptions in the discounted cash flow models

The rate of return was calculated based on the Weighted Average Cost of Capital (WACC) method, derived from the Capital Asset Pricing Model (CAPM) methodology. The input to the WACC was chosen by an individual assessment of each parameter. The WACC was calculated to 6.9 %. The same WACC was used for

all CGUs, as long-term risk profiles of the CGUs are not considered to be significantly different. The key parameters were set to reflect the underlying long-term period of the assets and time horizon of the forecast period of the business cases.

### Key WACC parameters:

- Risk-free interest rate: 1.0%. Based on 10-year Norwegian government bonds.
- Equity Beta: 1.0. Based on industry average, adjusted for the capital structure.
- Market Risk Premium: 4.8% (post tax). Based on market sources.
- Cost of Debt: based on the risk-free rate plus a risk component to reflect a probability of default.
- Capital structure: equity ratio of 79% based on industry average.
- Small stock premium of 2.0%
- Terminal growth rate has been set equal to the risk-free rate of 0.96%

### Sensitivity analysis

The value in use for the assets depends on the estimated cash flows and discount rate assumptions used in the model. The cash flows will be effected in relation to change in assumptions related to revenue growth and discount rate used. No impairment would be recognized if either of the following changes took place: A discount rate increase of 1 percentage point, a revenue growth rate decrease by 1 percentage point or EBITDA margin reduction by 1 percentage point.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



## Note 11 - Leasing

<b>2020</b>				
<b>Right-of-use assets</b>	<b>Buildings and property</b>	<b>Vehicles and machinery</b>	<b>Personnel cars and other</b>	<b>Total</b>
NOK million				
Opening net book value	138.4	333.0	6.3	477.6
Additions	65.7	142.7	5.5	213.8
Depreciation and impairment	(28.4)	(56.0)	(3.9)	(88.3)
Transfer to property, plant and equipment	0.0	(19.5)	(0.4)	(19.9)
Adjustments	2.7	(1.9)	0.0	0.8
Translation differences	3.1	12.0	0.4	15.5
<b>Total Right-of-use assets at 31 December 2020</b>	<b>181.5</b>	<b>410.1</b>	<b>7.9</b>	<b>599.4</b>

Useful life in years	3 - 30	7 - 10	3 - 7
Depreciation plan	Linear	Linear	Linear

<b>Lease liabilities</b>	<b>Buildings and property</b>	<b>Vehicles and machinery</b>	<b>Personnel cars and other</b>	<b>Total</b>
NOK million				
Opening net book value	141.3	294.9	5.8	442.0
Additions	65.7	142.7	5.5	213.8
Lease payments	(35.9)	(97.6)	(3.9)	(137.4)
Interest on the lease liability	9.6	12.9	0.3	22.8
Adjustments	2.7	(1.9)	0.0	0.8
Translation differences	3.2	11.0	0.3	14.5
<b>Total lease liabilities at 31 December 2020</b>	<b>186.5</b>	<b>361.9</b>	<b>8.0</b>	<b>556.4</b>

Current lease liabilities	37.2	89.9	3.6	130.8
Non-current lease liabilities	149.2	271.9	4.4	425.6
Total cash outflows for leases	(35.9)	(97.6)	(3.9)	(137.4)

<b>Undiscounted lease liabilities and maturity of cash outflows</b>		
Less than 1 year		134.6
1-2 years		106.9
2-3 years		97.8
3-4 years		84.8
4-5 years		65.4
More than 5 years		152.5
<b>Total undiscounted lease liabilities at 31 December 2020</b>		<b>642.0</b>

### Summary of other lease expenses recognised in profit or loss in 2020

Variable lease payments expensed in the period	
Operating expenses in the period related to short-term leases	
Operating expenses in the period related to low value assets *)	6.6
<b>Total lease expenses included in other operating expenses in 2020</b>	<b>6.6</b>

\*) including long-term low value assets

<b>2019</b>				
<b>Right-of-use assets</b>	<b>Buildings and property</b>	<b>Vehicles and machinery</b>	<b>Personnel cars and other</b>	<b>Total</b>
NOK million				
Opening net book value	103.6	273.3	3.6	380.5
Additions	57.8	109.8	5.9	173.4
Depreciation and impairment	(23.2)	(44.2)	(3.1)	(70.5)
Transfer to property, plant and equipment	0.0	(5.4)	0.0	(5.4)
Adjustments	0.5	0.6	0.0	1.1
Translation differences	(0.3)	(1.1)	(0.0)	(1.5)
<b>Total Right-of-use assets at 31 December 2019</b>	<b>138.4</b>	<b>333.0</b>	<b>6.3</b>	<b>477.6</b>

Useful life in years	3 - 30	7 - 10	3 - 7
Depreciation plan	Linear	Linear	Linear



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343

## Note 11 - Leasing (continued)

Lease liabilities	Buildings and property	Vehicles and machinery	Personnel cars and other	Total
NOK million				
Opening net book value	103.9	253.4	3.6	360.9
Additions	57.1	110.7	5.6	173.4
Lease payments	(27.9)	(80.0)	(3.6)	(111.5)
Interest on the lease liability	8.0	11.2	0.2	19.5
Adjustments	0.5	0.6	0.0	1.1
Translation differences	(0.3)	(1.1)	(0.0)	(1.4)
<b>Total lease liabilities at 31 December 2019</b>	<b>141.3</b>	<b>294.9</b>	<b>5.8</b>	<b>442.0</b>
Current lease liabilities	27.9	77.5	2.7	108.0
Non-current lease liabilities	113.4	217.4	3.1	333.9
Total cash outflows for leases	(27.9)	(80.0)	(3.6)	(111.5)
Undiscounted lease liabilities and maturity of cash outflows				
Less than 1 year				115.8
1-2 years				102.7
2-3 years				76.1
3-4 years				68.4
4-5 years				55.3
More than 5 years				95.3
<b>Total undiscounted lease liabilities at 31 December 2019</b>				<b>513.6</b>
Summary of other lease expenses recognised in profit or loss i 2019				
Variable lease payments expensed in the period				0.1
Operating expenses in the period related to short-term leases				
Operating expenses in the period related to low value assets *)				6.4
<b>Total lease expenses included in other operating expenses in 2019</b>				<b>6.4</b>

\*) including long-term low value assets

The leases recognised in 2019 and 2020 do not contain any restrictions on the Group's dividend policy or financing. The Group does not have significant residual value guarantees related to its leases to disclose.

### Practical exemptions applied

The Group also rents office machines, IT equipment etc with typical lease terms from 1 to 3 years. The Group has decided not to recognize leases where the underlying asset has low value, and thus does not recognize lease obligations and right-of-use assets for any of these leases. Instead, the rental payments are expensed when they occur. The Group also does not recognize lease obligations and rights-of-use assets for short-term leases, as presented in the table above.

### Options to extend a lease and purchase options

As of 31 December 2019 and 31 December 2020, there are no significant future potential lease payments that are not included in the lease obligations as a result of extension or purchase options.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343

## Note 12 - Property, Plant and Equipment

NOK million	Buildings and Property	Vehicles and Equipment	Furniture, fixtures & oth.	Total
Acquisition cost	54.8	417.3	28.6	500.7
Accumulated depreciation and impairment	(6.0)	(299.4)	(17.0)	(322.4)
<b>Net book value at 1 January 2019</b>	<b>48.9</b>	<b>118.0</b>	<b>11.5</b>	<b>178.3</b>
Acquisition cost at 1 January 2019	54.8	417.3	28.6	500.7
Acquired in business combinations	16.4	25.5	2.7	44.6
Additions	1.6	12.0	3.4	17.0
Transfer from right-of-use assets (see note 11)	0.0	5.4	0.0	5.4
Disposals accumulated cost	(4.6)	(27.3)	(0.4)	(32.3)
Translation differences	(0.1)	(0.7)	(0.0)	(0.8)
<b>Acquisition costs at 31 December 2019</b>	<b>68.1</b>	<b>432.3</b>	<b>34.2</b>	<b>534.6</b>
Accumulated depreciation and impairment at 1 January 2019	(6.0)	(299.4)	(17.0)	(322.4)
Depreciation and impairment	(4.4)	(27.7)	(2.9)	(35.0)
Disposals accumulated depreciation	1.0	23.8	0.4	25.2
Translation differences	0.0	0.7	0.0	0.8
<b>Accumulated depreciation and impairment 31 December 2019</b>	<b>(9.3)</b>	<b>(302.5)</b>	<b>(19.6)</b>	<b>(331.4)</b>
Acquisition cost	68.1	432.3	34.2	534.6
Accumulated depreciation	(9.3)	(302.5)	(19.6)	(331.4)
<b>Book Value at 31 December 2019</b>	<b>58.8</b>	<b>129.7</b>	<b>14.7</b>	<b>203.2</b>
Acquisition cost at 1 January 2020	68.1	432.3	34.2	534.6
Acquired in business combinations	7.4	38.4	6.7	52.6
Additions	1.5	52.5	6.0	60.0
Transfer from right-of-use assets (see note 11)	0.0	19.5	0.4	20.0
Disposals accumulated cost	(2.1)	(43.9)	(3.2)	(49.2)
Translation differences	2.2	10.8	0.8	13.9
<b>Acquisition costs at 31 December 2020</b>	<b>77.1</b>	<b>509.7</b>	<b>45.0</b>	<b>631.8</b>
Accumulated depreciation and impairment at 1 January 2020	(9.3)	(302.5)	(19.6)	(331.4)
Depreciation and impairment	(4.6)	(48.1)	(4.4)	(57.2)
Disposals accumulated depreciation and impairment	0.3	37.1	3.1	40.5
Translation differences	(0.3)	(6.4)	(0.5)	(7.2)
<b>Accumulated depreciation and impairment 31 December 2020</b>	<b>(14.0)</b>	<b>(319.9)</b>	<b>(21.4)</b>	<b>(355.3)</b>
Acquisition cost	77.1	509.7	45.0	631.8
Accumulated depreciation and impairment	(14.0)	(319.9)	(21.4)	(355.3)
<b>Book Value at 31 December 2020</b>	<b>63.2</b>	<b>189.8</b>	<b>23.6</b>	<b>276.5</b>

### Impairment testing

See note 10 for information related to impairment testing of non-current intangible assets and PP&E.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EFAF7AF5DD77343



## Note 13 - Trade and other receivables

Specification of trade and other receivables

NOK million	31.12.20	31.12.19	1.1.19
Trade receivables	250.6	192.7	168.4
Other short-term receivables	43.6	8.0	7.1
<b>Receivables</b>	<b>294.3</b>	<b>200.8</b>	<b>175.5</b>
Prepayments	17.2	10.8	8.4
<b>Total</b>	<b>311.5</b>	<b>211.6</b>	<b>183.9</b>

Trade receivables maturity

NOK million	31.12.20	%	31.12.19	%
Not overdue	210.7	82%	151.1	76%
Overdue 1-30 days	31.3	12%	33.7	17%
Overdue 31-60 days	4.4	2%	3.8	2%
Overdue 61-90 days	2.1	1%	2.0	1%
Overdue 91-180 days	1.5	1%	2.0	1%
Overdue > 180 days	5.7	2%	5.1	3%
<b>Gross trade receivables</b>	<b>255.8</b>	<b>100%</b>	<b>197.8</b>	<b>100%</b>
Total provision for bad debt	(5.2)		(5.0)	
<b>Net trade receivables</b>	<b>250.6</b>		<b>192.7</b>	

The provision for bad debt has increased by NOK 0.2 million compared to 31 December 2019. Trade receivables are subject to constant monitoring. Impaired receivables are reflected through provision for bad debt. Monthly assessments of loss risk are performed and corresponding provisions are made on entity level. The provision for bad debt reflects the total loss risk on groups trade receivables. The oldest trade receivables, overdue > 100 days, represent the highest risk level. Most

of the impaired trade receivables are included in that category. Actual losses on trade receivables were NOK 0.9 million in 2020. The risk for losses on other receivables than trade receivables is assessed to be insignificant. For risk management see note 21.

## Note 14 - Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 December:

NOK million	31.12.20	31.12.19	1.1.19
Bank deposits	178.4	155.1	46.6
Restricted cash (employee withholding taxes)	2.5	16.8	16.9
<b>Total cash and cash equivalents</b>	<b>180.9</b>	<b>171.8</b>	<b>63.5</b>



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343

Note 14 - Cash and cash equivalents (continued)

**Changes in liabilities arising from financing activities**

**Lease liabilities**

NOK million	2020	2019
Balance at the beginning of the period	442.0	360.9
<i>Cash changes</i>		
Payments to lessor	(137.4)	(111.5)
<i>Non-cash changes</i>		
Initial recognition	213.8	173.4
Accrued interest	22.8	19.5
Lease modifications	0.8	1.1
Foreign currency translation effect	14.5	(1.4)
<b>Balance at the end of the period</b>	<b>556.4</b>	<b>442.0</b>

**Borrowings**

NOK million	2020	2019
Balance at the beginning of the period	638.5	411.3
<i>Cash changes</i>		
Cash proceeds received from lender	266.9	220.0
Downpayments	(91.5)	(44.9)
<i>Non-cash changes</i>		
Changes from business combinations	38.1	58.9
Accrued interest	(5.5)	(4.4)
Foreign currency translation effect	23.7	(2.5)
<b>Balance at the end of the period</b>	<b>870.2</b>	<b>638.5</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343

## Note 15 - Share information

Table 15.1 Total shares outstanding

	2020	2019
Number of ordinary shares outstanding at 1 January	2 633 451	2 009 069
New ordinary shares issued	42 259	624 382
<b>Number of ordinary shares outstanding at 31 December</b>	<b>2 675 710</b>	<b>2 633 451</b>
	<b>2020</b>	<b>2019</b>
Number of preference shares outstanding at 1 January	7 578 878	5 703 887
New preference shares issued	126 778	1 874 991
<b>Number of preference shares outstanding at 31 December</b>	<b>7 705 656</b>	<b>7 578 878</b>
	<b>2020</b>	<b>2019</b>
Total number of shares outstanding at 1 January	10 212 329	7 712 956
Total new shares issued	169 037	2 499 373
<b>Number of total shares outstanding at 31 December</b>	<b>10 381 366</b>	<b>10 212 329</b>

Table 15.2 Shareholders at 31 December 2020

Shareholders	Ordinary shares	Preference shares	Total	%
Valedo Partners Fund II AB	1 372 769	4 119 439	5 492 208	52.9 %
JKT Birkeland Invest as	166 346	499 144	665 490	6.4 %
Isco AS	149 212	447 686	596 898	5.7 %
AHB Invest AS	141 573	424 018	565 591	5.4 %
Voß, Andreas	78 931	237 034	315 965	3.0 %
AQP Holding AS	77 750	233 250	311 000	3.0 %
Fallang Holding AS	64 031	192 102	256 133	2.5 %
Holskog Invest AS	55 387	166 184	221 571	2.1 %
Backhaus, Jens	39 466	118 516	157 982	1.5 %
Flagstad Invest AS	36 383	109 186	145 569	1.4 %
Johnsrud-Invest as	28 696	86 088	114 784	1.1 %
A Söderlindh Invest AB	27 258	81 945	109 203	1.1 %
<b>Total</b>	<b>2 237 802</b>	<b>6 714 592</b>	<b>8 952 394</b>	<b>86.2 %</b>
Other (ownership percentage < 1%)	437 908	991 064	1 428 972	13.8 %
<b>Total shares</b>	<b>2 675 710</b>	<b>7 705 656</b>	<b>10 381 366</b>	<b>100.0 %</b>

## Note 16 - Borrowings

### Interest-bearing loans as presented in the Statement of Financial Position

NOK million	31.12.20	31.12.19	1.1.19
Non-current loans	768.8	549.5	366.4
Current portion of loans	101.3	89.0	44.9
<b>Total interest-bearing loans</b>	<b>870.2</b>	<b>638.5</b>	<b>411.3</b>
	<b>31.12.20</b>	<b>31.12.19</b>	<b>1.1.19</b>
Specification of interest-bearing loans per currency			
NOK million			
EUR	447.1	183.9	-
SEK	158.3	131.4	45.9
NOK	264.8	323.2	365.4
<b>Total interest-bearing loans</b>	<b>870.2</b>	<b>638.5</b>	<b>411.3</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343

## Note 16 - Borrowings (continued)

Collateral and guarantees	31.12.20	31.12.19	1.1.19
NOK million			

### Book value of debt with collateral security

Bank loans	870.2	638.5	411.3
<b>Total</b>	<b>870.2</b>	<b>638.5</b>	<b>411.3</b>

NOK million	31.12.20	31.12.19	1.1.19
Vehicles	134.6	110.0	101.0
Inventory	2.7	1.8	2.3
Accounts receivable	250.6	192.7	168.4
Other receivables	65.4	23.8	18.6
<b>Total</b>	<b>453.3</b>	<b>328.3</b>	<b>290.3</b>

In addition, Norva24 AS has pledged shares in its subsidiaries as security for all bank borrowings and assignment of insurance proceeds.

NOK million	31.12.20	31.12.19	1.1.19
Assets are also pledged as security for:			
Cash pool credit facility	50.0	40.0	40.0
<b>Total</b>	<b>50.0</b>	<b>40.0</b>	<b>40.0</b>

Pledged assets are security for all loans from the bank, including the cash pool credit facility.

Leased vehicles are pledged as security for Lessor. See note 11.

### Covenants

The bank loan facilities are subject to covenants measured as thresholds for certain KPI's. The Norva24 Group is well in compliance with the covenants.

## Note 17 - Financial assets and financial liabilities

### Specification of financial assets and liabilities

The specification given below relates to financial statement line items containing financial instruments. Information is classified and measured in accordance with IFRS 9. Financial assets, classified as current and non-current, represent the maximum exposure Norva24 Group has towards credit risk as at the reporting date.

All financial assets and financial liabilities measured at amortized cost (FAAC and FLAC) in the table have an amortized cost that approximates fair value at the balance sheet date.

NOK million	Category	31.12.20	31.12.19	1.1.19
<i>Financial assets</i>				
Investment in shares	FVTPL	1.1	0.5	0.3
Financial assets included in Other non-current receivables	FAAC	2.5	2.7	0.4
Accounts receivable	FAAC	250.6	192.7	168.4
Financial assets included in Other current receivables	FAAC	8.1	8.0	1.6
Cash and cash-equivalents	FAAC	180.9	171.8	63.5
<b>Total financial assets</b>		<b>443.3</b>	<b>375.8</b>	<b>234.2</b>

NOK million	Category	31.12.20	31.12.19	1.1.19
<i>Financial liabilities</i>				
Non-current lease liabilities	FLAC	425.6	333.9	273.2
Non-current loans	FLAC	768.8	549.5	366.4
Other non-current liabilities	FLAC	46.7	23.5	4.7
Accounts payable	FLAC	86.5	83.5	58.1
Current portion of lease liabilities	FLAC	130.8	108.1	87.7
Current portion of loans	FLAC	101.3	89.0	44.9
<b>Total financial liabilities</b>		<b>1 559.7</b>	<b>1 187.4</b>	<b>835.1</b>

### Categories

FAAC - Financial Assets at Amortized Cost

FVTPL - Fair Value Through P&L

FLAC - Financial Liabilities at Amortized Cost

Norva24 Group Annual Report 2020

Page 23 of 35



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



## Note 18 - Other current and other non-current liabilities

### Specification of other current and other non-current liabilities

NOK million	31.12.20	31.12.19	1.1.19
<i>Other current liabilities</i>			
Accrued expenses	68.5	15.2	11.8
Holiday pay payable	39.0	37.4	36.5
VAT payable	32.6	29.4	22.8
Employee withholding taxes payable	32.1	18.0	19.1
Accrued salaries payable	20.6	18.2	7.5
Social security taxes payable	17.2	13.3	12.6
Other	7.4	2.1	0.9
<b>Total Other current liabilities</b>	<b>217.3</b>	<b>133.7</b>	<b>111.2</b>
<i>Other non-current liabilities</i>			
Provisions*	45.4	22.2	1.9
Pension liabilities	1.3	1.3	2.8
<b>Total other non-current liabilities</b>	<b>46.7</b>	<b>23.5</b>	<b>4.7</b>
<b>Total other current and other non-current liabilities</b>	<b>264.0</b>	<b>157.2</b>	<b>115.9</b>

\* Provisions at 31 December 2020 and 31 December 2019 of NOK 45,4 and NOK 22,2 millions respectively consist of earn-out agreements related to business acquisitions in Sweden (2020: NOK 21,2 millions, 2019: NOK 10,4 millions) and Germany (2020: NOK 24,2 millions, 2019: NOK 11,8 millions).

## Note 19 - Taxes

### Calculation of deferred tax/deferred tax benefit

NOK million	2020	2019
<i>Temporary differences</i>		
Intangible assets	90.8	57.7
Property, plant and equipment	29.3	27.2
Leasing	11.7	6.9
Current and non-current assets	0.8	(1.5)
Liabilities	67.4	58.4
Other differences	18.8	(1.5)
Net temporary differences	218.8	147.2
Tax losses carried forward	0.0	0.0
<b>Basis for deferred tax (asset)</b>	<b>218.8</b>	<b>147.2</b>
Deferred tax (asset)	48.2	32.4
Deferred tax asset not recognised in the balance sheet	0.0	0.0
<b>Deferred tax asset in the balance sheet</b>	<b>0.0</b>	<b>0.0</b>
<b>Deferred tax in the balance sheet</b>	<b>48.2</b>	<b>32.4</b>

### Basis for income tax expense, changes in deferred tax and tax payable

NOK million	2020	2019
Result before taxes	145.3	83.2
Permanent differences	28.7	10.6
<b>Basis for income tax expense</b>	<b>174.0</b>	<b>93.9</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EFAF7AF5DD77343

## Note 19 - Taxes (continued)

<b>Components of the income tax expense</b>		
NOK million	2020	2019
Payable tax on this year's result	31.3	19.9
Adjustment in respect of prior year	0.0	0.0
<b>Total tax payable</b>	<b>31.3</b>	<b>19.9</b>
Change in deferred tax (asset)	15.8	13.8
Change in deferred tax (asset) posted to equity	(13.8)	(8.7)
Change in def. tax (asset) due to tax rate	0.0	0.0
<b>Tax expense</b>	<b>33.3</b>	<b>25.0</b>
<b>Reconciliation of the tax expense</b>		
NOK million	2020	2019
Result before tax expense	145.3	83.2
Calculated tax	32.0	18.3
Tax expense	33.3	25.0
Difference	1.3	6.7
<b>The difference consists of:</b>		
NOK million	2020	2019
Tax of permanent differences	6.3	2.3
Other differences, including tax cost recognised in equity	(5.0)	4.4
Change in deferred tax asset not recognised	0.0	0.0
<b>Sum explained differences</b>	<b>1.3</b>	<b>6.7</b>
<b>Payable taxes in the balance sheet</b>		
NOK million	2020	2019
Payable tax in the tax charge	31.3	19.9
<b>Payable tax in the balance sheet</b>	<b>31.3</b>	<b>19.9</b>

## Note 20 - Critical accounting estimates and judgements

The preparation of financial statements involves the use of accounting estimates which, by definition, will seldom equal the actual results. Management is required to exercise judgement in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

### Significant judgment in accounting for business combinations

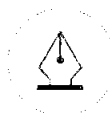
In a business combination, consideration, assets and liabilities are recognized at estimated fair value, and any excess purchase price included in goodwill. In the businesses Norva24 operates, fair values of individual assets and liabilities are normally not readily observable in active markets. Estimation of fair values requires the use of valuation models for acquired assets and liabilities as well as ownership interests. Such valuations are subject to numerous assumptions and are thus uncertain. The quality of fair value estimates may impact periodic depreciation and amortization of fixed assets, and assessment of possible impairment of assets and/or goodwill in future periods. The specific significant judgement for Norva24 during 2019 and 2020 is the identification and fair value of the acquired intangible assets.

### Significant judgements and critical estimates related to the identification of the acquired intangible assets and their valuation, as well as useful life

The Brand and customer relationships have been specifically identified by management as acquired intangible assets for all of the acquisitions conducted in 2019 and 2020. Management places significant value on the Norva24 Brand and on the acquired brand's (e.g. ExRohr and Turpe) existing value in their respective markets where the acquired companies operate.

Business plans and budgets for the next 5 -10 years are based on the group operating with these brands in the local markets. Additionally, management has ascertained a value for the customer relationships that have been developed in these market areas, based on the contractual agreements with customers for ongoing delivery of service, as well as the existing customer base.

The fair value at acquisition date of the Brands and Customer relationships is based on a value-in-use model and an allocated percentage of the consideration paid less the net assets acquired. Estimates of the useful life of the Brands' acquired is based on management's market knowledge and marketing plans. Customer relationship estimated useful life is based on market estimates of customer turnover.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EFAF7AF5DD77343

## Note 21 - Financial risk management

### Financial risk management policies

The Group's overall financial risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group exploits derivative financial instruments for potential hedging of certain risk exposures; however, the current usage of such instruments is limited.

### Foreign exchange risk

Group management is monitoring the currency exposure on a group level. The CFO uses the debt structure and profile to balance some of the net exposure of the cash flow from operations. As the Group reports its financial results in NOK, changes in the relative strength of NOK to the currencies in which the Group conducts business can adversely affect the Group's financial development. The Group's treasury function regularly evaluates the use of hedging instruments but currently has a low usage of such instruments. The group uses debt to balance the risk related to ownership in operations denominated in SEK, DKK and EUR. This gives a sufficient hedge in relation to balance sheet fluctuations. Given a good balance between assets, debt, and the profitability the currency fluctuations will not have a major impact on interest serving ability of the group, nor on the NIBD/EBITDA covenant. Currently the group uses no financial instruments in the risk management related to currency fluctuations. The group has limited FX risk related to purchases of material etc. for the use in the production. The group has some risk related to purchase of production equipment denominated in SEK, DKK and EUR. This risk is to a large extent balanced out by the cash generation of the operations in these currencies.

### Sensitivity

For the financial year of 2020, if the currencies EUR, DKK and SEK had weakened/strengthened by 5% against the NOK with all other variables held constant, revenues would vary by around +/- 2,5% or MNOK +/- 40. Operating profit would have been less impacted with a +/- of 1,5% changed. A change in EUR, DKK and SEK of +/- 5% versus the NOK would have influenced the conversion of the assets in Sweden, Denmark and Germany, as well the debt in the related currencies and hence influenced the Total assets of the group by 3 % on group level.

### Operational risks

The Group has a customer base divided in three categories: multi-year contracted revenues, often with public customers, revenues from recurring customers, and other customers who use the services from time to time. The customer base is very large, and no customer accounts for more than 5% of revenues.

There are no business customer segments with a dominant share of revenues, and no industries with such either. This reduces the commercial risk and makes the Group more resilient to economic cycles. This has been apparent in 2020, a year heavily affected by Covid-19 in all of the world in a number of industries. Norva24 has only to a limited extent been affected, and experienced growth year on year.

The Group is not immune to economic cycles, but the long-term growth in the industry support the activity and revenues in situations with lower economic activity in our markets.

### Competition

The Group has a large number of competitors in each of its business areas and across the geographical markets in which the Group operates. The Group believes

that competition in the business areas in which it operates will continue in the future. The Group continuously monitors its competitive environment.

### Volatility in prices of input factors

The Group's largest cost element is personnel cost, making up close to half of the cost base. Other major cost elements are related to the machinery, both in purchasing vehicles and keeping them operative.

### Uninsured losses

The Group maintains a number of separate insurance policies to protect its core businesses against loss and/or liability to third parties. Risks insured include general liability, business interruption, cyber crime, workers' compensation and employee liability, professional indemnity and material damage.

### Interest rate risks

The Group's interest rate risk arises from long-term borrowings. The Group's debt is drawn up in NOK, SEK DKK and EUR with the corresponding interest rates. The Group analyzes its interest rate exposure on a running basis in relation to the effect on the total profitability of the group, and the ability to service the debt. Currently no hedging instruments are in use at Norva24.

### Sensitivity

Based on the simulations performed per 31.12.2020, the impact on pre-tax profit of a +/- 1.0 percentage point shift in both the NOK, SEK, DKK and EUR interest would be a maximum increase or decrease of MNOK 10.

### Credit risk

Credit risk is managed on group and entity level. Credit risk arises mainly from trade with customers and outstanding receivables. The level of receivables and overdue are monitored on a monthly basis. The Group has a large number of customers with limited outstanding amounts, limiting the risk. Historically the Group have had limited loss on receivables

### Funding and liquidity risk

Cash-flow forecasting is performed by country financial organization of the Group in the budget, and updated during the year. The Group keeps track of its liquidity requirements and monitors to ensure there is sufficient cash to meet both operational needs while maintaining financial capacity to continue the M&A activity so important to the group. Surplus cash held by the operating entities are for most part included in the cash pool system of the group, thereby reducing the overall working capital needs.

### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in the interest of customers, employees, shareholders and other stakeholders

The Group monitors capital on the basis of the gearing ratio and the level of equity. These ratios are calculated as net debt divided by EBITDA and Equity divided by total balance. The Group has a finance policy regulating the levels on these key ratios.

Danish and German assets are pooled in this context, as the DKK is for practical purposes pegged to the Euro.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343

## Note 21 - Financial risk management (continued)

<b>Liquidity risk</b>					<b>Total</b>	<b>Carrying</b>
<b>Maturities of financial liabilities 31 December 2020</b>	<b>Less than</b>				<b>contractual</b>	<b>amount</b>
NOK million	<b>6 months</b>	<b>6-12 months</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>	<b>cash flows</b>	<b>liabilities</b>
<i>Contractual maturities of financial liabilities</i>						
Trade payables	31.3				31.3	31.3
Norva24 Group bank loan facilities	55.1	65.2	789.5		909.8	786.6
Other bank loans	6.3	5.0	26.8		38.1	38.1
Seller's credit			50.0		50.0	45.5
<b>Total at 31 December 2020</b>	<b>92.7</b>	<b>70.2</b>	<b>866.3</b>	<b>-</b>	<b>1 029.2</b>	<b>901.4</b>

<b>Maturities of financial liabilities 31 December 2019</b>	<b>Less than</b>				<b>Total</b>	<b>Carrying</b>
NOK million	<b>6 months</b>	<b>6-12 months</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>	<b>contractual</b>	<b>amount</b>
					<b>cash flows</b>	<b>liabilities</b>
<i>Contractual maturities of financial liabilities</i>						
Trade payables	19.9				19.9	19.9
N24 Group bank loan facilities	24.9	58.0	869.0		951.9	638.5
Other bank loans	17.4				17.4	17.4
Seller's credit			47.1		47.1	40.9
<b>Total at 31 December 2019</b>	<b>62.3</b>	<b>58.0</b>	<b>916.0</b>	<b>-</b>	<b>1 036.3</b>	<b>716.7</b>

### Liquidity reserve

The liquidity reserve of the Group consists of cash and cash equivalents in addition to undrawn credit facilities.

NOK million	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	180.9	171.8
Restricted cash	2.5	16.8
Undrawn facility	6.0	
<b>Liquidity reserve</b>	<b>189.4</b>	<b>188.6</b>

\* The major entities in the Group are members of the Parent company's international multi-currency cash pool, where cash deficits in one entity are offset with surplus cash in another entity.

## Note 22 - Earnings per share

<b>Earnings per share</b>	<b>2020</b>	<b>2019</b>
NOK million (except per share amounts)		
Net income	112.0	58.2
Less preference shares annual dividend	37.9	28.5
<b>Net income after preference share allocation</b>	<b>74.1</b>	<b>29.7</b>
Weighted-average ordinary shares outstanding for the period	2 640 023	2 571 421
<b>Basic and diluted earnings NOK per share</b>	<b>28.08</b>	<b>11.55</b>

Basic and diluted EPS is calculated based on the agreement with the preference shareholders. Preference shareholders receive an accumulated dividend (upon exit or other events as specified in the shareholder agreement). The dividend is granted as 10% straight interest (no compounding over time) on the subscribed NOK amount. The preference share dividend for 2019 and 2020 is based on the number of outstanding preference shares as of 1 January and is 10% of the subscribed NOK amount. The amounts shown are not accumulated but are the dividend for each year. Norva24 Group does not have any dilutive share agreements such as stock options or convertible debt.

As of 31 December 2020 the total preference share agreed return of 10% per year straight-interest is approximately NOK 152 million (NOK 114 million as of 31 December 2019). The return on the preference shares falls due upon an exit event or when the Holding company is put into liquidation. This is a contingent liability and is therefore not recognized in the statement of financial position.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EFAF7AF5DD77343

## Note 23 - Related party transactions

Related parties' relationships are defined to be entities outside the Norva24 Group that are under control (either directly or indirectly), joint control or significant influence by the owners, Board of Directors or Management of Norva24 Group. Related parties are in a position to enter into transactions with

Group companies that would potentially not be undertaken between unrelated parties. The terms and conditions of the transactions with related parties are considered to be on an arm's length basis.

NOK million	Annual lease payments		Lease liability	
	2020	2019	2020	2019
NSM Bygginvest AS (shareholder)	0.6	0.6	1.3	1.8
Invest 24 Eigedom AS (shareholder)	2.0	2.0	17.0	17.6
<b>Total</b>	<b>2.7</b>	<b>2.6</b>	<b>18.3</b>	<b>19.5</b>

Board member A. Bødal is indirect owner of Invest24 Eigedom AS (33.3%) og NSM Bygginvest AS (19,3%) that have entered into building rental agreements with N24 subsidiaries in Norway.

Bødal is also indirectly owner of Nomek AS (32,0%) that have sold vehicles to the N24 Group via leasing arrangements. Total lease investment amount (vehicle purchase price) was NOK 6.6 million in 2019 and NOK 2.3 million in 2020.

## Note 24 - Business combinations

### Acquisitions in 2019 and 2020

During 2019 and 2020 Norva24 has acquired respectively two and six operations. In the overview below the acquisitions are shown jointly as the operations are of such similarities in terms of operations, business models and valuation that a detailed overview is not needed.

All acquired operations are within the Underground Infrastructure Maintenance and play an important role in achieving the strategic goal of Norva24, "Our long-term vision is to build a European market leader and lighthouse in Underground Infrastructure Maintenance (UIM). Norva24's vision is to become the leading European operator in our industry and an inspiration to the UIM industry

development in Europe" Through the acquisitions Norva24 is strengthening its presence and position in Germany and Sweden, while giving the group a presence in business areas and geographies where the group has an ambition to strengthen its position.

The acquisitions made have been above book value of the relevant entities. Part of the surplus value has been allocated to customer contracts and to brand value. In addition part of the goodwill is related to synergies from operating several entities in a market as well as intangible assets that do not qualify for separate recognition.

### Business acquisitions shown aggregate for each year.

#### Purchase consideration

NOK million	2020	2019
Cash paid	355.9	311.8
Earn-out (Fair value estimate at date of acquisition)	33.1	20.4
Seller's credit *	27.3	68.4
<b>Total purchase consideration</b>	<b>416.2</b>	<b>400.5</b>

#### Opening balance sheet - Fair value at acquisition date of acquired companies

NOK million	2020	2019
Cash	63.7	39.4
Other current assets	65.0	36.8
Other non-current assets	57.0	54.4
Brand	19.2	22.5
Customer contracts	38.3	44.9
<b>Total assets</b>	<b>243.2</b>	<b>198.0</b>
Other current liabilities	29.7	44.6
Other non-current liabilities	38.9	27.7
Deferred tax on excess values	16.5	21.7
<b>Total Liabilities</b>	<b>85.1</b>	<b>94.1</b>
<b>Net identifiable assets</b>	<b>158.1</b>	<b>104.0</b>
Goodwill	258.2	296.5
No part of goodwill will be tax deductible		
Cash paid	355.9	311.8
Cash acquired	63.7	39.4
<b>Net cash paid</b>	<b>292.2</b>	<b>272.4</b>

\* Subsequent to the share purchases, parts of the seller's credit have been converted to equity in Norva 24 Holding AS as a contribution in kind.

Acquisitions 2019 (100% ownership): Miljövision Per Göransson AB, 1 December 19 (Sweden), Ex-Rohr GmbH 1 March 19 (Germany)

Acquisitions 2020 (100% ownership): Bergen Rørispeksjon AS, 1 January 2020 (Norway), Solna Högtryckspolning AB, 1 September 2020, LGT:s Högtryck AB, 1 January 2020 (Sweden), Behne Entsorgungsservice GmbH 1 September 2020, Rohrreinigung Falkenhagen GmbH, 1 September 2020, Türpe Group GmbH, 1 November 2020 (Germany)



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EFAF7AF5DD77343



## Note 24 - Business combinations (continued)

### Additional financial information and Pro-forma revenue and profit (loss)

Related to the two acquisitions in 2019 and the six acquisitions transacted in 2020 presented above, for accounting purposes the Norva24 Group consolidated statements of comprehensive income only include the revenues (and related expenses) as from the date of the acquisition. The first table below presents the revenue and profit (loss) for the acquired companies since their respective

acquisition dates in the consolidated accounts for 2019 and 2020, the second table presents the revenue and loss of the combined Norva24 Group for the current reporting period (2020) and (2019) as though the acquisition date for all combinations that occurred during the year had been as of the beginning of the annual reporting period.

### Revenue and profit (loss) from acquisition date to 31 December in the acquisition year

NOK million	2020	2019
Revenue	112.0	181.2
Profit / (loss) for the year	15.3	22.0

### Revenue and profit (loss) from 1 January to 31 december in the acquisition year

NOK million	2020	2019
Revenue	354.7	270.3
Profit / (loss) for the year	55.1	41.8

## Note 25 - Subsidiaries

Company name	Country of Incorporation	Acquisition date	Ownership percentage
Norva 24 AS	Norway	9.1.15	100%
Splyleteknikk AS	Norway	1.4.15	100%
Norva24 Øst AS	Norway	1.4.15	100%
Østfold Høytrykk AS	Norway	1.9.15	100%
Norva24 Vest AS	Norway	1.11.15	100%
Ringerike Septikservice AS	Norway	1.5.16	100%
Flagstad AS	Norway	1.10.16	100%
Sørmiljø Holding AS	Norway	1.6.17	100%
Norva24 Sørmiljø AS	Norway	1.6.17	100%
Bergen Rørinspeksjon AS	Norway	1.1.20	100%
Norva24 AB	Sweden	1.8.17	100%
A Söderlindh i Sverige AB	Sweden	1.8.17	100%
Miljövision Per Göransson AB	Sweden	1.12.19	100%
LGT:s Högtryck AB AB	Sweden	1.1.20	100%
Solna Högtryckspolning AB	Sweden	1.9.20	100%
Norva24 Danmark A/S	Denmark	1.1.17	100%
Norva24 Deutschland GmbH	Germany	1.3.19	100%
Ex-Rohr GmbH	Germany	1.3.19	100%
Behne Entsorgungsservice GmbH	Germany	1.9.20	100%
Rohrreinigung Falkenhagen GmbH	Germany	1.9.20	100%
Norva24 Erwerbs GmbH	Germany	1.11.20	100%
Turpe-Group	Germany	1.11.20	100%



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



## Note 26 - IFRS Conversion note

For all periods up to and including the year ended 31 December 2019, Norva24 Holding AS prepared its consolidated financial statements in accordance with Norwegian accounting standards and guidelines for good accounting practice (Norwegian GAAP/NGAAP). These consolidated financial statements, for the year ended 31 December 2020, are the first Norva24 Group (with parent company Norva24 Holding AS and wholly owned subsidiaries) has prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and specifically in accordance with IFRS 1 First-Time Adoption of International Financial Reporting Standards.

Equity reconciliations from NGAAP reported figures are given below for the 1 January 2019 transition to IFRS and the 31 December 2019 statement of financial position, which is the last period-end presented in the entity's most recent annual report using NGAAP.

Accordingly, Norva24 Holding has prepared consolidated financial statements which comply with IFRS as adopted by the EU applicable for periods beginning on or after 1 January 2020 as described in the accounting policies. In preparing these financial statements, Norva24's IFRS opening balance sheet was prepared as of 1 January 2019, the date of transition to IFRS using the same accounting principles as were applicable for the 2020 IFRS reporting. The IFRS conversion for the 2019 opening balances and 2019 statement of comprehensive income are a conversion of the Norva24 Group consolidated NGAAP financial statements.

Norva24 Holding AS as the ultimate parent made several acquisitions prior to the 1 January 2019 transition to IFRS, as well as acquiring companies in 2019 and 2020. All business combinations that were made in 2019 and 2020 are accounted for under IFRS 3 Business Combinations at the date of acquisition. The IFRS 1 Appendix C exemptions for business combinations made prior to the date of transition to IFRS have been applied where applicable for all acquisitions made prior to 1 January 2019 (discussed in more detail below). IFRS 16 Leases is applied from the date of transition, 1 January 2019, using the IFRS 1 allowed practical expedients specifically for IFRS 16 upon transition to IFRS (IFRS 1.D9-D9E). NGAAP - IFRS differences related to IFRS 9 Financial Instruments are applied retrospectively.

This rest of this note disclosure explains the IFRS 1 practical expedients applied by Norva24 in their conversion to IFRS, gives an overview of the principal adjustments made by Norva24 Group in restating the NGAAP 1 January 2019 and 31 December 2019 balance sheets and 2019 income statement, and concludes with a detailed discussion of the NGAAP to IFRS adjustments as presented in the tables (table notes A-K). In accordance with IFRS 1.24(a)-(c) tables are included giving a reconciliation for the opening IFRS balance at 1 January 2019 (date of transition to IFRS), 31 December 2019 (the end of the latest period presented in the Norva24 Group's most recent NGAAP annual report), and a reconciliation of total comprehensive income for 2019 which is the latest period in the Norva24 most recent annual report. Each of these tables gives the reconciliation from the NGAAP financial statement as a starting point to the IFRS balance sheet or income statement line items amount.

### IFRS 1 applied exemptions

IFRS 1 First-Time Adoption of International Financial Reporting Standards allows first-time adopters certain exemptions from the general requirement to apply IFRS as effective for December 2020 year ends retrospectively. The general requirement of IFRS 1 is full retrospective application. Norva24 has acquisitions before and after the transition date, long-term debt that was not at amortized cost under NGAAP, and financial and operating leases. The financial leases recognized under NGAAP were measured and recognized using principles not entirely consistent with IFRS 16, so there is a conversion to IFRS difference for the lease agreements. Norva24 does not have any stock options, or material financial assets or financial liabilities at fair value. Revenue recognition under NGAAP in both amount and timing is consistent with the requirements of IFRS 15.

Norva24 has elected to not apply the requirements of IFRS 3 retrospectively, as is allowed in IFRS 3 Appendix C, and will apply IFRS 3 prospectively as of the transition date to IFRS. All goodwill in the 31 December 2018 NGAAP balance sheet is therefore, as allowed by IFRS 1, the 1 January 2019 IFRS opening balance sheet goodwill. IFRS 1 Appendix D.D13 allows an entity to set cumulative translation differences to zero on transition. Norva24 has elected to use this

exemption, and therefore the cumulative translation differences will start with the 2019 fiscal year. All leases are recognized at transition using the IFRS 1 practical expedients granted in IFRS 1.D9-D9E. Norva24 uses the incremental borrowing rate (IBR) at transition date, and the lease liabilities are measured as the value of the remaining lease liabilities discounted using the IBR. The right-of-use assets at transition to IFRS are recognized at the same amount as the lease liabilities.

### NGAAP to IFRS differences

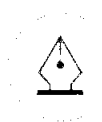
In adopting IFRS as of 1 January 2020 with a transition date of 1 January 2019, the following measurement and recognition differences between NGAAP and IFRS were identified and taken into account during the conversion process for the balance sheet dates of 1 January 2019 and 31 December 2019, as well as for the 2019 fiscal year. There are no other identified material differences related to measurement and recognition other than those listed below.

1. Differences related to IFRS 3 Business Combinations: Acquisitions made in 2019 under NGAAP included transaction costs as part of the consideration given in the transaction. Goodwill under NGAAP was measured as the difference between the total consideration given less the net assets acquired as given in the balance sheet of the target. Under IFRS, transaction costs are expensed as incurred, and intangible assets of Brand and Customer relations have been recognized as of the date of the acquisition. Brand and Customer relations are definite life intangible assets and are amortized under IFRS. Goodwill under NGAAP was amortized over a 10-year period; there is no amortization of goodwill under IFRS.
2. Differences related to IFRS 9 Financial Instruments: Long-term bank loans are required to be at amortized cost under IFRS using the effective interest method (EIR). Bank loans under NGAAP were not measured at amortized cost as specified by IFRS 9. Additionally, under NGAAP the loans were classified as non-current in the statement of financial position. In the IFRS statement of financial position bank loans have been reclassified as current loans and non-current loans.
3. Differences related to IFRS 16 Leases: Under NGAAP leases were either recognized as operating leases with the expense recognized as part of operating expenses at the time of the cash payments or as financial leases but with a different measurement basis than required by IFRS 16. All leases, except leases defined to be of low-value, are now recognized by Norva24 Group as a financial lease measured in accordance with IFRS 16. At 1 January 2019 (transition to IFRS) lease liabilities are measured at the discounted value of the future estimated lease payments from 1 January 2019 to the end of the lease term using a discount rate based on the Norva24 entity's incremental borrowing rate (IBR). At transition to IFRS the right-of-use assets are measured at the same amount as the lease liability. The right-of-use assets are amortized over the useful life of the asset or the lease term, whichever is longer. For all vehicles this is generally the useful life, as opposed to the shorter lease-term, as it is Norva24 Group policy to purchase the vehicles at the end of the lease term.

### NGAAP to IFRS financial statements

The tables shown below give the NGAAP to IFRS reconciliations for the conversion to IFRS as of 1 January 2019 (transition opening balances) and 31 December 2019 (last reported NGAAP end-of-period balances), as well as the NGAAP-IFRS adjustments for comprehensive income for 2019.

The Norva24 Holding AS functional currency is NOK, and the Norva24 Group NGAAP financial statements were prepared using NOK thousands as the presentation currency. The NGAAP to IFRS financial statements presented in the tables below are also prepared with NOK as the presentation currency, but are presented in NOK million, consistent with the rest of the financial information as presented in this 2020 IFRS annual report. The note references in the tables refer to the following NGAAP-IFRS adjustments and reclassifications:



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EFAF7AF5DD77343

## Note 26 - IFRS Conversion note (continued)

### Note A Intangibles:

The NGAAP line item Research and development is reclassified in the IFRS statement of financial position to the line item Intangible assets.

### Note B Goodwill:

Goodwill in the IFRS opening statement of financial position on 1 January 2019 is the NGAAP goodwill closing balance from 31 December 2018. Goodwill under IFRS in the 31 December 2019 statement of financial position is adjusted for the NGAAP-IFRS differences related to the reversal of the NGAAP goodwill amortization and a reduction to goodwill of the transaction costs that were capitalized in goodwill under NGAAP. In addition, NGAAP goodwill was higher than IFRS goodwill for the acquisitions made in 2019 by the amount of the intangible assets that were separately identified as Brands and Customer relationships.

### Note C IFRS 16 right-of-use assets and lease liabilities:

Leasing contracts recognized under NGAAP as finance leases are, under IFRS, recognized at a different measurement basis in the statement of financial position as right-of-use assets and lease liabilities. The NGAAP finance leases as of 31 December 2018 are reclassified to the IFRS line item Right-of-use assets and increased in the amount of NOK 73,1 million as an adjustment for the NGAAP-IFRS measurement difference. A comparable reclassification and NGAAP-IFRS adjustment is made in the 31 December 2019 statement of financial position for the Right-of-use assets.

In the 1 January 2019 transition to IFRS statement of financial position lease liabilities are recognized at their net present value as current and non-current lease liabilities and the right-of-use asset is recognized at the same amount, with the associated deferred tax impact also recognized.

### Note D Property, plant and equipment:

In the NGAAP balance sheet Land, buildings and other properties, Machines and production equipment and Office equipment were presented as separate line items and were a mixture of owned and leased assets; in the IFRS statement of financial position these line items have been combined and reclassified into the new line items Right-of-use assets (only leased assets) and Property, plant and equipment (only owned assets).

### Note E Pension and provisions reclassification:

In the NGAAP balance sheet Pension liabilities and Other provisions and liabilities were presented as separate line items; in the IFRS statement of financial position these line items have been combined into the new line item Other non-current liabilities. There are no IFRS-NGAAP differences related to these line items.

### Note F Debt reclassification:

In the NGAAP balance sheet all Debt to credit institutions was classified as non-current. Under IFRS presentation is as non-current and current loans. IFRS adjustments to the debt is a change in measurement; under IFRS the debt is

measured at amortized cost.

### Note G Current liabilities reclassification:

In the NGAAP balance sheet public duties payable and Other short-term debt were presented as separate line items; in the IFRS statement of financial position these line items have been combined into the new line item Other current liabilities. There are no IFRS-NGAAP differences related to these line items.

### Note H Operating expenses and vehicle operating expenses:

In the NGAAP income statement Other operating expenses included Vehicle operating expenses. Presentation in the IFRS statement of profit or loss has two lines showing separately Other operating expenses and Vehicle operating expenses. Cost of sales has been renamed to Operational service expenses. IFRS adjustments in these line items relates to the reversal of the NGAAP leasing expenses. Other operating expenses are increased under IFRS by the transaction costs which are expensed immediately under IFRS while under NGAAP these transaction costs were capitalization as part of goodwill.

### Note I Depreciation and amortization:

Under NGAAP depreciation, amortization and impairment was presented on three separate lines in the income statement; IFRS presentation is in two new P&L line items, Depreciation and impairment and Amortization of intangible assets. The line item Depreciation and impairment includes both the depreciation on property, plant and equipment (owned assets) as well as the depreciation on the right-of-use assets. Amortization in the NGAAP income statement included amortization of goodwill, which is not allowed under IFRS.

### Note J Financial items:

Financial income and financial expense is shown in the IFRS statement of profit or loss in two lines; under NGAAP this was presented as four separate lines items. IFRS financial expense includes the interest expense related to lease liabilities as well as the interest expense on bank loans. Foreign exchange gains and losses in the statement of profit or loss were presented net under NGAAP; under IFRS exchange gains and losses are presented gross.

### Note K OCI - foreign exchange gains and losses upon consolidation:

Under NGAAP the foreign exchange gains and losses upon consolidation have been included in retained earnings. Under IFRS the foreign exchange gains and losses upon consolidation are recognized as part of Other comprehensive income (OCI) in the statement of comprehensive income and are presented in the statement of financial position as Other reserves. Norva24 Group has elected upon transition to IFRS to set the NGAAP accumulated translation reserves to zero, so the accumulated NGGAP translation reserve as of 31 December 2018 is not separated out and is not reclassified to Other reserves in the IFRS transition statement of financial position. Other reserves as of 31 December 2019 represents the foreign exchange gains and losses upon consolidation for 2019 only.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



## Note 26 - IFRS Conversion note (continued)

### Conversion to IFRS Statement of Financial Position at transition date of 01.01.2019

NOK million	Note	31.12.18 NGAAP	IFRS adjustment	IFRS reclassification	1.1.19 IFRS	
<b>Assets</b>						<b>Assets</b>
Research and development	A	0.7	-	(0.7)	-	
Goodwill	B	479.9	(0.8)	-	479.1	Goodwill
	A	-	-	0.7	0.7	Intangible assets
	C	-	73.1	307.5	380.5	Right-of-use assets
	D	-	-	178.4	178.4	Property, plant and equipment
Land, buildings and other properties	D	48.8	-	(48.8)	-	
Machines and production equipment	D	425.4	-	(425.4)	-	
Office equipment	D	11.5	-	(11.5)	-	
Investments in shares		0.3	-	-	0.3	Investments in shares
Other non-current receivables		3.0	-	-	3.0	Other non-current receivables
<b>Total non-current assets</b>		<b>969.7</b>	<b>72.2</b>	<b>0.0</b>	<b>1 042.0</b>	<b>Total non-current assets</b>
Inventory		2.3	-	-	2.3	Inventory
Accounts receivable		168.4	-	-	168.4	Accounts receivable
Other current receivables		15.6	-	-	15.6	Other current receivables
Cash and cash equivalents		63.5	-	-	63.5	Cash and cash equivalents
<b>Total current assets</b>		<b>249.7</b>	<b>-</b>	<b>-</b>	<b>249.7</b>	<b>Total current assets</b>
<b>Total assets</b>		<b>1 219.5</b>	<b>72.2</b>	<b>0.0</b>	<b>1 291.7</b>	<b>Total assets</b>
<b>Equity and liabilities</b>						<b>Equity and liabilities</b>
Share capital		7.7	-	-	7.7	Share capital
Share premium		395.3	-	-	395.3	Share premium
Retained earnings		(85.2)	6.1	-	(79.0)	Retained earnings
		-	-	-	-	Other components of equity
<b>Total equity</b>		<b>317.8</b>	<b>6.1</b>	<b>-</b>	<b>324.0</b>	<b>Total equity</b>
Deferred taxes	C	16.6	(3.3)	-	13.3	Deferred tax liability
	F	-	(12.5)	285.7	273.2	Non-current lease liabilities
	E	-	(50.7)	417.1	366.4	Non-current loans
	E	-	-	4.7	4.7	Other non-current liabilities
Pension liabilities	E	2.8	-	(2.8)	-	
Other provisions and liabilities	E	1.9	-	(1.9)	-	
Debt to credit institutions	F	702.8	-	(702.8)	-	
Other long-term debt		-	-	-	-	
<b>Total non-current liabilities</b>		<b>724.1</b>	<b>(66.5)</b>	<b>0.0</b>	<b>657.7</b>	<b>Total non-current liabilities</b>
Accounts payable		58.1	-	-	58.1	Accounts payable
Taxes payable		8.2	-	-	8.2	Taxes payable
	F	-	87.7	-	87.7	Current lease liabilities
	F	-	44.9	-	44.9	Current portion of loans
	G	-	-	111.2	111.2	Other current liabilities
Public duties payable	G	54.6	-	(54.6)	-	
Other short-term debt	G	56.6	-	(56.6)	-	
<b>Total current liabilities</b>		<b>177.5</b>	<b>132.6</b>	<b>(0.0)</b>	<b>310.1</b>	<b>Total current liabilities</b>
<b>Total liabilities</b>		<b>901.6</b>	<b>66.1</b>	<b>(0.0)</b>	<b>967.7</b>	<b>Total liabilities</b>
<b>Total debt and equity</b>		<b>1 219.5</b>	<b>72.2</b>	<b>(0.0)</b>	<b>1 291.7</b>	<b>Total debt and equity</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EAF7AF5DD77343



## Note 26 - IFRS Conversion note (continued)

### Conversion to IFRS Statement of profit or loss for 2019

NOK million	Note	2019 NGAAP	IFRS adjustment	IFRS reclassification	2019 IFRS	
Revenue from customers		1 279.2	-	-	1 279.2	Revenue from customers
Other operating revenue		8.3	-	-	8.3	Other operating revenue
<b>Total operating revenue</b>		<b>1 287.5</b>	<b>-</b>	<b>-</b>	<b>1 287.5</b>	<b>Total operating revenue</b>
Cost of sales		155.4	-	-	155.4	Operational service expenses
Personnel expenses		567.9	-	-	567.9	Personnel expenses
Other operating expenses	H	327.2	(8.0)	(188.7)	130.4	Vehicle operating expenses Other operating expenses
<b>Total operating costs</b>		<b>1 050.5</b>	<b>(7.0)</b>	<b>-</b>	<b>1 043.5</b>	
<b>EBITDA</b>		<b>237.0</b>	<b>7.0</b>	<b>-</b>	<b>244.0</b>	<b>EBITDA</b>
Depreciation of PP&E	C, I	89.3	16.2	89.3	105.6	Depreciation and impairment
Amortization of goodwill and intangible assets	I	93.3	(84.0)	93.3	9.3	Amortization
Impairment of PP&E and intangible assets	I	0.1	-	(93.3)	-	
Operating profit (loss)		54.4	74.8	(0.1)	-	Operating profit (loss)
Other interest income	J	1.6	5.6	3.8	9.4	Financial income
Other financial income	J	2.2	15.1	40.3	55.4	Financial expenses
Other interest expense	J	36.4	-	(1.6)	-	
Other financial expense	J	4.0	-	(2.2)	-	
Net financial items		(36.5)	(9.4)	(4.0)	-	Net financial items
Profit / (Loss) before income tax		17.9	65.3	0.0	83.2	Profit/(Loss) before income tax
Tax expense		27.1	(2.1)	-	25.0	Tax expense
<b>Profit / (Loss) for the year</b>		<b>(9.2)</b>	<b>67.4</b>	<b>0.0</b>	<b>58.2</b>	<b>Profit / (Loss) for the year</b>

### Conversion to IFRS Statement of Financial Position as of 31 December 2019

NOK million	Note	31.12.19 NGAAP	IFRS adjustment	IFRS reclassification	31.12.19 IFRS	
<b>Assets</b>						<b>Assets</b>
Research and development	A	3.3	-	(3.3)	-	
Goodwill	B	746.7	28.8	-	775.5	Goodwill
	A		59.5	3.3	62.7	Intangible assets
	C		125.4	352.2	477.6	Right-of-use assets
	D			203.2	203.2	Property, plant and equipment
Land, buildings and other properties	D	58.8	-	(58.8)	-	
Machines and production equipment	D	482.0	-	(482.0)	-	
Office equipment	D	14.6	-	(14.6)	-	
Investments in shares		0.5	-	-	0.5	Investments in shares
Other non-current receivables		5.0	-	-	5.0	Other non-current receivables
<b>Total non-current assets</b>		<b>1 310.8</b>	<b>213.6</b>	<b>0.0</b>	<b>1 524.4</b>	<b>Total non-current assets</b>
Inventory		1.8	-	-	1.8	Inventory
Accounts receivable		192.7	-	-	192.7	Accounts receivable
Other current receivables		18.8	-	-	18.8	Other current receivables
Cash and cash equivalents		171.8	-	-	171.8	Cash and cash equivalents
<b>Total current assets</b>		<b>385.2</b>	<b>-</b>	<b>-</b>	<b>385.2</b>	<b>Total current assets</b>
<b>Total assets</b>		<b>1 696.0</b>	<b>213.6</b>	<b>0.0</b>	<b>1 909.6</b>	<b>Total assets</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE0/B4DD44BF9EAF7AF5DD77343

## Note 26 - IFRS Conversion note (continued)

NOK million	Note	31.12.19 NGAAP	IFRS adjustment	IFRS reclassification	31.12.19 IFRS	
<i>Equity and liabilities</i>						<i>Equity and liabilities</i>
Share capital		10.2	-	-	10.2	Share capital
Share premium		546.9	-	-	546.9	Share premium
Retained earnings		(95.0)	73.6	0.6	(20.8)	Retained earnings
	K		0.5	(0.6)	(0.1)	Other components of equity
<b>Total equity</b>		<b>462.1</b>	<b>74.1</b>	<b>-</b>	<b>536.1</b>	<b>Total equity</b>
Deferred taxes		21.9	10.5	-	32.4	Deferred tax liability
	C		31.2	302.8	333.9	Non-current lease liabilities
	F		(99.2)	648.7	549.5	Non-current loans
	E		-	23.5	23.5	Other non-current liabilities
Pension liabilities	E	1.3	-	(1.3)	-	
Other provisions and liabilities	E	22.2	-	(22.2)	-	
Debt to credit institutions	F	910.3	-	(910.3)	-	
Other long-term debt	F	41.1	-	(41.1)	-	
<b>Total non-current liabilities</b>		<b>996.8</b>	<b>(57.5)</b>	<b>(0.0)</b>	<b>939.3</b>	<b>Total non-current liabilities</b>
Accounts payable		83.5	-	-	83.5	Accounts payable
Taxes payable		19.9	-	-	19.9	Taxes payable
	C, F		108.0	-	108.0	Current lease liabilities
	F		89.0	-	89.0	Current portion of loans
	G		-	133.7	133.7	Other current liabilities
Public duties payable	G	57.1	-	(57.1)	-	
Other short-term debt	G	76.6	-	(76.6)	-	
<b>Total current liabilities</b>		<b>237.1</b>	<b>197.0</b>	<b>0.0</b>	<b>434.1</b>	<b>Total current liabilities</b>
<b>Total liabilities</b>		<b>1 233.9</b>	<b>139.5</b>	<b>0.0</b>	<b>1 373.5</b>	<b>Total liabilities</b>
<b>Total debt and equity</b>		<b>1 696.0</b>	<b>213.6</b>	<b>0.0</b>	<b>1 909.6</b>	<b>Total debt and equity</b>

## Note 27 - Guarantees

The Norva24 Group has operational guarantees related to operational permits, supplier contracts and customer contracts.

Guarantee amounts at 31 December 2020

NOK million

Operational guarantees	28.9
Employee withholding tax guarantees	15.2
<b>Total guarantees</b>	<b>44.1</b>



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



## Note 28 - Subsequent events

### Acquisitions in 2021

During the first quarter of 2021 Norva24 acquired two operations. In the overview below the acquisitions are shown jointly as the operations are of such similarities in terms of operations, business models and valuation that a detailed overview is not needed.

Reference to note 24 Business combinations for further information.

In April 2021, 100% of Mayer Kanalmanagement GmbH (Germany) with 100% owned subsidiary Krüger Wasserhochdrucktechnik GmbH was acquired. Financials were not available for disclosure at the time of the annual report presentation.

### Purchase consideration

NOK million	2021
Cash paid	80.0
Shares issued	2.5
<b>Total purchase consideration</b>	<b>82.6</b>

### Opening balance sheet

NOK million	
Cash	15.2
Other current assets	7.2
Other non-current assets	51.5
Brand	3.6
Customer relationships	7.1
<b>Total assets</b>	<b>84.6</b>
Other current liabilities	8.1
Other non-current liabilities	35.4
Deferred tax on excess values	8.3
<b>Total Liabilities</b>	<b>51.8</b>
<b>Net identifiable assets</b>	<b>32.8</b>
Goodwill	49.8
<b>Total consideration for the shares</b>	<b>82.6</b>
Of which cash	80.0
Of which equity	2.5

Acquisitions 2021 (100% ownership): Kjelsberg AS, 1 February 2021 (Norway), Gj & Son, 1 February 2021 (Sweden).



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
592DDE07B4DD44BF9EF4F7AF5DD77343



[Admincontrol](#)

## List of Signatures Page 1/1

### Norva24 Holding AS årsberetning 2020 vFsign.pdf

Name	Method	Signed at
Mats Lönnqvist	BANKID	2021-05-21 08:35 GMT+02
Nornes, Einar	BANKID	2021-05-25 07:16 GMT+02
BØVELSTAD, TERJE	BANKID_MOBILE	2021-05-20 23:08 GMT+02
Meum, Vidar	BANKID_MOBILE	2021-05-20 19:15 GMT+02
Max Eric Allan Engström	BANKID	2021-05-20 19:12 GMT+02
Henrik Fuglsang Damgaard-Hansen	NEMID	2021-05-25 22:19 GMT+02
ULRIKA ÖSTLUND	BANKID	2021-05-20 19:12 GMT+02
Monica Reib	NEMID	2021-05-24 16:21 GMT+02
Bødal, Arild Hugleik	BANKID_MOBILE	2021-05-21 13:11 GMT+02
LINUS LUNDMARK	BANKID	2021-05-21 10:00 GMT+02
Graarud, Thorbjørn	BANKID	2021-05-21 09:56 GMT+02



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.  
External reference: 3FAC2DFD60B0438D80CF57BDEE67B22B



## ANNUAL REPORT 2020

### NORVA24 HOLDING AS

#### 1 COMPANY OVERVIEW

Norva24 Holding AS (the "Company") invests in shares and other assets in other companies and enterprises, as well as businesses in connection with this. The company has its registered office in Stryn municipality, Norway. The company has no branches.

The company is currently part of a group with the following subsidiaries: Norva24 AS, Norva24 Øst AS, Spyleteknikk AS, Østfold Høytrykk AS, Norva24 Vest AS, Ringerike Septikservice AS, Flagstad AS, Norva24 Sørmiljø AS, Bergen Rørinspeksjon AS, Sørmiljø Holding AS, Norva24 Danmark A/S, Norva24 AB, Söderlindhs AB, Miljövision Per Göransson AB, LGT:s Högtryck AB, Solna Högtrycksspolning AB, Norva24 Germany GmbH, ExRohr GmbH, Behne GmbH, Falkenhagen GmbH, Norva24 Erwerbs GmbH, Kanal-Türpe Gochsheim GmbH & Co. KG, Kanal-Türpe Gochsheim Verwaltungs GmbH, Kanal-Türpe Blomberg GmbH, KT Entsorgung Verwaltungs-GmbH, KT Rohrreinigung GmbH, KT Rohrreinigung Kössler Türpe e. K., og KT Entsorgung GmbH & Co. KG (collectively the "Group").

#### 2 GOING CONCERN

In accordance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on the going concern principle.

#### 3 REPORT ON THE ANNUAL ACCOUNTS AND FUTURE DEVELOPMENTS

The company was founded in 2015.

The company had no turnover in 2020. Annual profit after tax was NOK 0,0 million. The equity ratio as of 31 December 2020 was 100 % of the total capital of NOK 587,1 million. The Board of Directors considers the equity ratio to be satisfactory. Furthermore, the Board of Directors considers that the Company's liquidity is good and that the Company has sufficient liquidity to cover its obligations at maturity.

The Covid-19 virus hit Scandinavia/Germany in February 2020 and affected all our markets with shutdowns and various measures to limit the infection. Norva24's services are defined as socially critical services (Water and Sewerage) that are important to maintain in order to keep society running. Based on this, Norva24 experienced Covid-19 to affect Norva24 to a lesser extent than most other industries. Covid-19 imposed restrictions on our customers that limited the execution of planned assignments. Given a large proportion of assignments for public customers, and otherwise a diversified customer base in terms of industry and geographical location, the impact on Norva24 has been limited. Since the virus occurred, Norva24 has been working on several measures to minimize the risk for the employee and customers and has not experienced any major outbreaks or serious illness among our employees.

The company is a parent company and has for the first time prepared consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This is a change for the Group that has previously reported in accordance with the Norwegian Accounting Act and



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
3FAC2DFD60B0438D80CF57BDEE67B22B



generally accepted accounting principles. The parent company's annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles. It is the Board's opinion that the annual accounts provide a true and fair view of the Company's activities in 2020.

#### 4 REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Norva24 AS is the parent company of the other subsidiaries in the Group. The subsidiaries operate similar businesses within Underground Infrastructure Maintenance; high pressure, suction services, pipe inspection, tank cleaning and other specialized services.

Turnover in the Group was NOK 1,522.5 million in 2020 with annual profit of NOK 112.0 million. The profit is proposed to be allocated to other equity. Equity as of 31 December 2020 was 27 % of the total capital of NOK 2,544.5 million. The Board of Directors considers the equity ratio to be satisfactory.

Throughout the year, the company has acquired several companies in Germany, of which Kanal-Türpe GmbH is the largest, and thus established itself in a new market in southern Germany. Two acquisitions were also made in the Stockholm region, LGT:s Högtryck AB and Solna Högtrycksspolning AB, during 2020.

Variations in financial market prices such as interest rates and credit risk affect the risk situation of the company. The Group has no fixed income agreements on its loan portfolio and the Group will therefore be affected by changes in the interest rate level on the loan portfolio, but the Board does not consider this to be a significant risk to the company's activities. The Group is moderately exposed to changes in exchange rates, as assets in Sweden, Denmark and Germany are partly financed in local currency. Credit risk is seen as relatively moderate as large parts of the Group's turnover are related to contracts with municipalities and public customers.

The Board of Directors and management consider the Group's liquidity to be good and that the Group has sufficient liquidity to meet its obligations at maturity. A large share of bank debt due in the fall of 2021 has been renegotiated and moved one year into October 2022.

Total cash flow from operations in the Group was NOK 353.8 million in 2020, and the operating profit before depreciation and write-downs (EBITDA) was NOK 341.8 million. The difference from the cash flow and operating profit is primarily due to changes in working capital and taxes paid.

The Kanal-Türpe group operates within the market for pipe renewal, pipe inspection, emptying services and high-pressure flushing. The acquisition gives Norva24 a significant market position in southern Germany. The acquisition of LGT:s Högtryck AB and Solna Högtrycksspolning AB is strengthening the Groups position in Sweden with a stronger presence in the Stockholm area. The subsidiaries complement each other in terms of services and geographical spread. Management and the Board of directors sees a good development potential in the market. Norva24 is the market leader in Northern Europe. In the time ahead, the Board and management will continue to seek further growth and increased profitability. Nevertheless, there is always considerable uncertainty associated with assessments of future conditions.

The acquisitions done in 2020 has been financed through a mix of cash generated from operations and external financing.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
3FAC2DFD60B0438D80CF57BDEE67B22B



## 5 WORKING ENVIRONMENT, GENDER EQUALITY AND DISCRIMINATION

The company and the Group aim to be a workplace where there is full equality between women and men. Gender equality is considered satisfactory. The Board has not found it necessary to take measures to improve gender equality or prevent discrimination. The company has no employees. The board consists of eight men and two women.

At the end of the year, the Group has 1,283 employees, of which 143 are women. The working environment is considered good. Sickness absence in the last year has been 6.0%.

The Group has had 75 days of absence due to personal injuries with absence in Norway, 171 days in Denmark, xx days in Germany and 115 days in Sweden. Several of these are classified as minor incidents. All incidents have been processed and followed up, as well as evaluation of measures have been carried out to avoid similar incidents and to ensure continuous improvement.

The Group has a strong focus on HSE in all countries where operations are carried out. The Group works specifically with increased involvement from employees, improvement of working methods and working environment. Several of the Norwegian operating companies are IA companies and work closely with NAV to facilitate work after illness as well as provide services to disadvantaged persons.

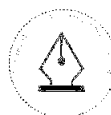
## 6 EXTERNAL ENVIRONMENT

The company's activities do not affect the external environment. The Group's activities and impact on the external environment are within the requirements set by the authorities and the Group's licenses.

## 7 EVENTES AFTER BALANCE DATE 31.12.2020

During the first quarter of 2021 Norva24 has acquired two operations, Kjelsberg Transport AS and GJ & Son AB.

\*\*\*



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
3FAC2DFD60B0438D80CF57BDEE67B22B



Oslo, 12 May 2021

---

Vidar Meum  
Chairman of the Board

---

Mats Lönnqvist  
Member of the board

---

Arild Bødal  
Member of the board

---

Allan Engström  
Member of the board

---

Einar Nornes  
Member of the board

---

Linus Lundmark  
Member of the board

---

Monica Reib  
Member of the board

---

Terje Bøvelstad  
Member of the board

---

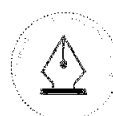
Thorbjørn Graarud  
Member of the board

---

Ulrika Östlund  
Member of the board

---

Henrik Damgaard  
Managing Director



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
3FAC2DFD60B0438D80CF57BDEE67B22B



To the General Meeting of Norva24 Holding AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

#### *Opinion*

We have audited the financial statements of Norva24 Holding AS, which comprise:

- The financial statements of the parent company Norva24 Holding AS (the Company), which comprise the statement of financial position as at 31 December 2020, the income statement and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Norva24 Holding AS and its subsidiaries (the Group), which comprise the Consolidated statement of Financial Position as at 31 December 2019 and 31 December 2020, the Consolidated statement of Profit or Loss, the Consolidated statement of Comprehensive income, the Consolidated statement of Changes in Equity and Consolidated statement of Cash Flows for the two years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019 and 31 December 2020, and its financial performance and its cash flows for the two years then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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

*PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo  
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no  
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and  
authorised accounting firm*



Independent Auditor's Report - Norva24 Holding AS



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*

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

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

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

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

*Responsibilities of the Board of Directors and the Managing Director for the Financial Statements*

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

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

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

(2)



## Independent Auditor's Report - Norva24 Holding AS



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

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

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

### *Report on Other Legal and Regulatory Requirements*

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

(3)



Independent Auditor's Report - Norva24 Holding AS



*Opinion on Registration and Documentation*

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

Oslo, 12 May 2021  
**PricewaterhouseCoopers AS**

Eivind Nilsen  
State Authorised Public Accountant



Our date 19.08.2021	Your date 16.08.2021	Case officer Lars Waalorp
800 80 000 skatteetaten.no	Your reference	Telephone +4790833418
Org. nr. 974761076	Our reference 2021/6163785	Postal address Postboks 9200 Grønland 0134 OSLO

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS  
Postboks 748 Sentrum  
0106 OSLO

*Callers from abroad, please call +47 22 07 70 00*

Att. Håvard Bøhn Egge

## Permission to prepare the annual accounts and directors' report in English language for Norva24 Holding AS, org. no 914 881 447

With reference to your letter of 16 August 2021 with respect to the above matter regarding Norva24 Holding AS.

Based on a total evaluation, the view of the tax office is that Norva24 Holding AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

### Background

Norva24 Holding AS is owned by Norwegian and foreign shareholders. The main shareholder is a foreign company. Norva24 Holding AS is part of a group of companies situated in Norway, Sweden, Denmark and Germany that caters to a professional market within the water and wastewater industry. The registered activity of company is investment in shares and other ownership interests in other companies and enterprises, as well any other activity related to this business. Most of the working language and internal reporting are in English. Some members of the board are not Norwegian.

### Condition for the permission

According to the Norwegian Accounting Act § 3-4, third paragraph shall "the directors' report and annual accounts (...) be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors, which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The



correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

One of the main goals of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the tax office has emphasized that the main shareholder is a foreign company. Furthermore, all key players and partners in this industry understand and use English.

Please state "our reference" (see above) in all written communication with the Norwegian Tax Authorities.

Yours sincerely,

Lars Waalorp  
Senior Adviser  
Customer Interaction Division, Customer Service  
The Norwegian Tax Administration

*This document has been electronically approved and therefore has no handwritten signatures.*