



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	987 521 465
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SOLAND INVEST AS
Forretningsadresse:	Sandesundsveien 2 1724 SARPSBORG

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:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Gry-Heidi Montelius
Dato for fastsettelse av årsregnskapet:	31.05.2021

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, 24.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	5	280 000	269 000
Sum kostnader		280 000	269 000
Driftsresultat		-280 000	-269 000
Finansinntekter og finanskostnader			
Inntekt fra investering i datterselskap	7	4 000 000	
Renteinntekt fra foretak i samme konsern	7	2 000	22 000
Annen renteinntekt		11 000	37 000
Annen finansinntekt		9 000	48 000
Sum finansinntekter		4 022 000	107 000
Rentekostnad til foretak i samme konsern		83 000	
Sum finanskostnader		83 000	
Netto finans		3 939 000	107 000
Ordinært resultat før skattekostnad		3 659 000	-162 000
Skattekostnad (-inntekt)	6		-35 000
Ordinært resultat etter skattekostnad		3 659 000	-127 000
Årsresultat		3 659 000	-127 000
Årsresultat etter minoritetsinteresser		3 658 135 000	-125 800 000
Overføringer og disponeringer			
Avsatt til annen egenkapital		3 658 135 000	-125 800 000
Sum overføringer og disponeringer		3 658 135 000	-125 800 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6	1 124 000	1 124 000
Sum immaterielle eiendeler		1 124 000	1 124 000
Finansielle anleggsmidler			
Investering i datterselskap	1	12 674 000	12 674 000
Lån til Frigaardgruppen AS	2		1 003 000
Sum finansielle anleggsmidler		12 674 000	13 677 000
Sum anleggsmidler		13 798 000	14 801 000
Omløpsmidler			
Varer			
Fordringer			
Andre kortsiktige fordringer		45 000	21 000
Sum fordringer		45 000	21 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd		2 710 000	4 995 000
Sum bankinnskudd, kontanter og lignende		2 710 000	4 995 000
Sum omløpsmidler		2 755 000	5 016 000
SUM EIENDELER		16 553 000	19 817 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	3	1 000 000	1 000 000
Sum innskutt egenkapital		1 000 000	1 000 000



Balanse

Beløp i: NOK	Note	2020	2019
Opptjent egenkapital			
Annen egenkapital		12 461 000	12 803 000
Sum opptjent egenkapital		12 461 000	12 803 000
Sum egenkapital		13 461 000	13 803 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig gjeld	2	3 078 000	
Sum annen langsiktig gjeld		3 078 000	
Sum langsiktig gjeld		3 078 000	0
Kortsiktig gjeld			
Leverandørgjeld		13 000	13 000
Utbytte			6 000 000
Sum kortsiktig gjeld		13 000	6 013 000
Sum gjeld		3 091 000	6 013 000
SUM EGENKAPITAL OG GJELD		16 552 000	19 816 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	2 013 285 000	1 883 970 000
Annen driftsinntekt	3	72 134 000	21 026 000
Sum inntekter		2 085 419 000	1 904 996 000
Kostnader			
Varekostnad		1 477 000 000	1 327 388 000
Lønnskostnad	4,5	317 269 000	325 649 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	7,8,9	58 421 000	52 728 000
Aanen driftskostnad	6	110 639 000	137 923 000
Tap ved salg av investeringseiendom	10		10 528 000
Sum kostnader		1 963 329 000	1 854 216 000
Driftsresultat		122 090 000	50 780 000
Finansinntekter og finanskostnader			
Annen renteinntekt		4 067 000	6 106 000
Sum finansinntekter		4 067 000	6 106 000
Rentekostnad til foretak i samme konsern			994 000
Annen rentekostnad		65 367 000	73 172 000
Sum finanskostnader		65 367 000	74 166 000
Netto finans		-61 300 000	-68 060 000
Ordinært resultat før skattekostnad		60 790 000	-17 280 000
Skattekostnad på ordinært resultat	17	11 777 000	8 169 000
Ordinært resultat etter skattekostnad		49 013 000	-25 449 000
Årsresultat		49 013 000	-25 449 000
Minoritetsinteresser		15 221 000	2 046 000
Årsresultat etter minoritetsinteresser		33 792 000	-27 495 000
Andre resultatkomponenter for IFRS-foretak		-10 564 000	-1 336 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
Sum resultatkomponenter for IFRS-foretak		-10 564 000	-1 336 000
Totalresultat		23 228 000	-28 831 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	7	9 500 000	253 106 000
Utsatt skattefordel	17	49 789 000	41 840 000
Goodwill	7,11	413 004 000	404 458 000
Sum immaterielle eiendeler		472 293 000	699 404 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	8,18	34 460 000	34 592 000
Maskiner og anlegg	8,18	4 013 000	2 800 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	8,18,9	239 766 000	7 759 000
Sum varige driftsmidler		278 239 000	45 151 000
Finansielle anleggsmidler			
Andre fordringer		9 495 000	262 000
Sum finansielle anleggsmidler		9 495 000	262 000
Sum anleggsmidler		760 027 000	744 817 000
Omløpsmidler			
Varer			
Varer	12,13,18	404 366 000	363 002 000
Sum varer		404 366 000	363 002 000
Fordringer			
Kundefordringer	14,18	293 289 000	233 495 000
Andre fordringer		63 815 000	74 682 000
Sum fordringer		357 104 000	308 177 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	15	373 524 000	272 497 000
Sum bankinnskudd, kontanter og lignende		373 524 000	272 497 000



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum omløpsmidler		1 134 994 000	943 676 000
SUM EIENDELER		1 895 021 000	1 688 493 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	16	1 000 000	1 000 000
Overkurs		155 438 000	155 438 000
Sum innskutt egenkapital		156 438 000	156 438 000
Opptjent egenkapital			
Annen egenkapital		16 986 000	-4 057 000
Minoritetsinteresser	20	96 222 000	82 816 000
Sum opptjent egenkapital		113 208 000	78 759 000
Sum egenkapital		269 646 000	235 197 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	5	31 855 000	29 356 000
Utsatt skatt	17	32 263 000	16 167 000
Andre avsetninger for forpliktelser		5 668 000	4 379 000
Sum avsetninger for forpliktelser		69 786 000	49 902 000
Annen langsiktig gjeld			
Obligasjonslån	18		594 528 000
Gjeld til kredittinstitusjoner	18	112 666 000	38 696 000
Leasingforpliktelse	9	200 345 000	224 885 000
Annen kortsiktig gjeld	18	72 719 000	81 259 000
Sum annen langsiktig gjeld		385 730 000	939 368 000
Sum langsiktig gjeld		455 516 000	989 270 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	18	15 000	54 287 000
Obligasjonslån	18	629 911 000	



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Leverandørgjeld		218 577 000	193 974 000
Betalbar skatt	17		113 000
Skyldige offentlige avgifter		57 898 000	41 660 000
Leasingforpliktelse	9	60 137 000	55 422 000
Annen kortsiktig gjeld	14	203 321 000	118 570 000
Sum kortsiktig gjeld		1 169 859 000	464 026 000
Sum gjeld		1 625 375 000	1 453 296 000
SUM EGENKAPITAL OG GJELD		1 895 021 000	1 688 493 000

Regnskapsåret 2020

Soland Invest AS

Org.nr: 987 521 465



FRIGAARD
GRUPPEN

Årsberetning

Årsregnskap

- resultatregnskap
- balanse
- kontantstrømoppstilling
- noter
- årsberetning

Revisjonsberetning



Soland Invest AS

RESULTATREGNSKAP 01.01. - 31.12.

	Note	2020	2019
Annen driftskostnad		280 280	268 795
Sum driftskostnad		280 280	268 795
Driftsresultat		-280 280	-268 795
Inntekt fra investering i datterselskap		4 000 000	0
Renteinntekt fra foretak i samme konsern		2 256	22 289
Annen renteinntekt		10 704	37 396
Annen finansinntekt		8 629	47 940
Rentekostnad til foretak i samme konsern		-83 174	0
Annen rentekostnad		0	-113
Resultat før skattekostnad		3 658 135	-161 283
Skattekostnad (-inntekt)		0	-35 483
Ordinært resultat		3 658 135	-125 800
Årsresultat		3 658 135	-125 800
Avsatt til annen egenkapital		3 658 135	-125 800
Sum disponert (dekket)		3 658 135	-125 800



Soland Invest AS

BALANSE PR. 31.12.

	Note	2020	2019
Anleggsmidler			
Utsatt skattefordel		1 123 829	1 123 829
Sum immaterielle eiendeler		1 123 829	1 123 829
Finansielle anleggsmidler			
Investeringer i datterselskap		12 673 667	12 673 667
Lån til Frigaardgruppen AS		0	1 002 743
Sum finansielle anleggsmidler		12 673 667	13 676 410
Sum anleggsmidler		13 797 496	14 800 239
Omløpsmidler			
Fordringer			
Andre kortsiktige fordringer		44 593	20 625
Sum fordringer		44 593	20 625
Investeringer			
Bankinnskudd		2 709 999	4 995 494
Sum omløpsmidler		2 754 592	5 016 119
SUM EIENDELER		16 552 088	19 816 358



Soland Invest AS

BALANSE PR. 31.12.

	Note	2020	2019
EGENKAPITAL OG GJELD			
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital		1 000 000	1 000 000
Sum innskutt egenkapital		1 000 000	1 000 000
Opptjent egenkapital			
Annen egenkapital		12 461 413	12 803 278
Sum opptjent egenkapital		12 461 413	12 803 278
Sum egenkapital		13 461 413	13 803 278
GJELD			
Langsiktig gjeld			
Langsiktig gjeld		3 078 175	0
Sum annen langsiktig gjeld		3 078 175	0
Kortsiktig gjeld			
Leverandørgjeld		12 500	13 080
Utbytte		0	6 000 000
Sum kortsiktig gjeld		12 500	6 013 080
Sum gjeld		3 090 675	6 013 080
SUM EGENKAPITAL OG GJELD		16 552 088	19 816 358

Sarpsborg, 31.05.2021
Styret i Soland Invest AS

Trond Olav Frigaard
styreleder/daglig leder



Indirekte kontantstrøm

Soland Invest AS

	Note	2020	2019
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad		3 658 135	-161 283
Tap/gevinst ved salg av anleggsmidler		0	-49 970
Endring i leverandørgjeld		-580	-5 500
Endring i andre tidsavgrensningsposter		-23 968	34 254
Netto kontantstrøm fra operasjonelle aktiviteter		3 633 587	-182 499
Kontantstrømmer fra investeringsaktiviteter			
Innbetalinger ved salg av aksjer og andeler i andre foret		0	2 059 970
Innbetaling fra fordring på selskap i samme konsern		-1 002 743	0
Utbetaling av lån til selskap i samme konsern		0	-522 289
Netto kontantstrøm fra investeringsaktiviteter		1 002 743	1 537 681
Kontantstrømmer fra finansieringsaktiviteter			
Innbetalinger ved opptak av ny langsiktig gjeld		3 078 175	0
Utbetalinger av utbytte		-10 000 000	-17 000 000
Netto kontantstrøm fra finansieringsaktiviteter		-6 921 825	-17 000 000
Netto endring i kontanter og kontantekvivalenter		-2 285 495	-15 644 818
Beh. av kont. og kontantekvivalenter ved per. begynnel		4 995 494	20 640 312
Beh. av kont. og kontantekvivalenter ved per. slutt		2 709 999	4 995 494



To the General Meeting of Soland Invest AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

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

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

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

*PricewaterhouseCoopers AS, Kalnesveien 5, 1712 Grålum
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 - Soland Invest AS



Other information

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

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

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

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

Responsibilities of the Board of Directors 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 in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, 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 and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

(2)



Independent Auditor's Report - Soland Invest AS



Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

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

Sarpsborg, 31 May 2021
PricewaterhouseCoopers AS

Dag Olav Haugen
State Authorised Public Accountant

(This document is signed electronically)

(3)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Haugen, Dag Olav	BANKID_MOBILE	2021-05-31 19:18

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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



SOLAND INVEST AS ANNUAL REPORT 2020



ANNUAL REPORT SOLAND INVEST GROUP 2020

BOARD OF DIRECTORS' REPORT

Operations and locations

Soland Invest AS strategic business areas are acquisition and management of shares and ownership interest in other businesses. The company's business office is located in Sandesundsveien 2, 1724 Sarpsborg.

Soland Invest AS is a holding company for the Frigaard Group with its underlying group structures. The company had no operational-related activity in 2020. A complete overview of all the companies that are a part of Soland Invest AS Group can be seen in the notes on page 18.

The following subgroups are included in the group per 31.12.2020:

FPG Invest AS

FPG Invest AS is a holding company that brings all of the Frigaard Group's current and future subsidiaries related to construction and property development under one umbrella.

The purpose of FPG Invest AS are to own and manage ownership interests and shares in construction and property development companies. The company are also to be able to exercise a financial support function vis-à-vis the trading companies through loan brokerage or otherwise and provide administrative support as needed.

Frigaard Property Group

Frigaard Property Group is a leading construction and property development company. The head office is in Sarpsborg, Norway and the group operates mainly in the south east area of Norway, in Viken county. For more information see homepage; www.fpg.no

The group is organized in two business segments, construction and property development.

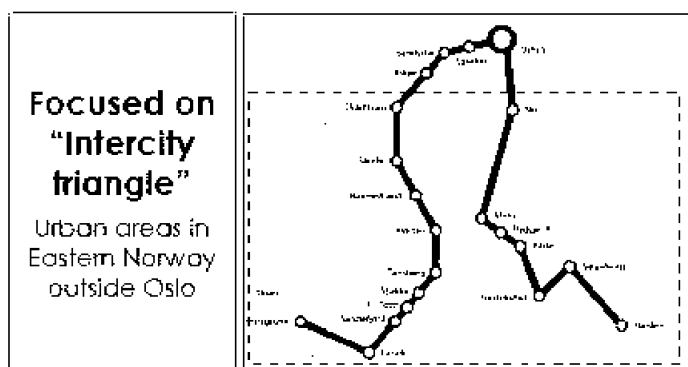


Picture from KværnerTomta, customer Bama, Constructor Alento AS

ANNUAL REPORT SOLAND INVEST GROUP 2020

The construction segment consists of two subsidiaries, Metacon and Alento, both turn key contractors, operating mainly on the east and west side of the Oslo fjord, respectively. As turnkey contractors Metacon and Alento designs, engineers and construct commercial buildings to private and public customers as well as building residential homes for property developers. The majority of the construction work is carried out through sub-contractors, though Metacon has a long tradition of designing, manufacturing and installing steel constructions in-house with own employees.

Within the other business segment, the group develops residential properties for the end customers, also, primarily in Viken County. The operation in the segment is conducted through the wholly owned subsidiary Frigaard Bolig and includes all phases from the acquisition of land plots, design and building by engaging turnkey contractors. The project portfolio is focused on the urban areas of the "inter city triangle" in south east Norway.



The Group includes, in addition to Frigaard Property Group AS, the following subsidiaries:

- Metacon AS
- Alento AS
- Frigaard Bolig AS
- Høgliveien 30 AS
- Aspelundveien 5 AS
- Fagerliveien Utvikling AS
- Moenskogen Utvikling AS
- Rugdeveien 2 AS
- Ryggeveien 33 AS
- Solbyen Utvikling AS

The main office is located in Sarpsborg.

ANNUAL REPORT SOLAND INVEST GROUP 2020

Frigaard Industries

Frigaard Industries AS is a holding company that brings all of the Frigaard Group's current and future subsidiaries related to industry and commerce under one umbrella.

The purpose of Frigaard Industries AS are to own and manage ownership interests and shares in trading and industrial companies. The company are also to be able to exercise a financial support function vis-à-vis the trading companies through loan brokerage or otherwise, and provide administrative support as needed.

Sono Group

Sono Group is the leading Scandinavian supplier of quality furniture and wardrobe solutions for schools, offices and industry. North Investment Group AB (publ.) is the parent company in the group Sono Group, which name comes from the operations common trade mark Sono. The company's business office is located in Tranås.

Sono Group can offer its customers the broadest product range in the industry and offer its own proprietary brands such as Ergoff, Form o Miljö, GBP, Sarpsborg Metall, Sonesson Indredningar and Tranås Skolmöbler. Sono Group's core competence and competitive advantage is development and sourcing of products from an extensive network of several hundred qualified manufacturers in Europe and Asia. The operations consists of the business areas Sono Sweden and Sono Norway.

Sono Sweden is one of Scandinavia's leading groups for developing, production and selling ergonomic workplace solutions, furniture for schools and pre-schools, industry- and construction-businesses, as well as public offices and health care. Sono Norway is one of Scandinavia's leading groups for selling of furniture for offices, industry- and construction-businesses, sport and leisure as well as public offices and health care.



NUMBER OF EMPLOYEES

SWEDEN	129
NORWAY	84



ANNUAL REPORT SOLAND INVEST GROUP 2020

Sono Sweden consists of the Swedish companies Sonesson Inredningar AB, Form o Miljö Sweden AB, Sono Brands AB, Sono Sverige AB, GBP Ergonomics AB, Sono Sweop AB, NIG i Rosenfors AB, NIG Sverige AB and NIG i Mårdaklev AB. Net sales were SEK 394.0 (452.8) million with an EBITDA of SEK 41.0 (24.0) million.

Sono Norway consists of the Norwegian companies Sono Holding Norge AS, Sarpsborg Metall AS, Sono Norge AS, Sørliie Prosjektinnredninger AS and Sono Norop AS. In addition, consists the Swedish company Sarpsborg Metall AB, the Danish companies Sono Denop ApS and Sono Danmark A/S, and Sono IPO Ltd in Hong Kong the Norwegian segment. Net sales were SEK 372.7 (446.4) million with EBITDA of SEK 45.8 (38.8) million.



Frigaard Capital

Frigaard Capital focus areas are office, industrial and commercial properties. The group's vision is to have a strong local affiliation and good knowledge of the business community in Østfold, which gives us a good basis for constructive cooperation with our customers. By customizing and tailoring solutions for the individual's needs, it is easier to create successful and profitable projects. Frigaard Capital owns commercial buildings that are fully rented out.



ANNUAL REPORT SOLAND INVEST GROUP 2020

Comments related to the financial statements

The Group's revenues increased from MNOK 1 905 last year to MNOK 2 085 in 2020. Operating profit before depreciation, amortisation, interest and tax (EBITDA) increased from MNOK 104 last year to MNOK 181 this year.

The main cause to the increased EBITDA in Sono Group was the cost reduction program (Trim 2020) which has been further expanded through 2020 and our total workforce has been reduced by 48 people during the year. Some of the increased EBITDA margin to 11% (7%) in 2020 is fewer large projects, with low margins, were delivered in 2020 compared to 2019. Despite a challenging year in 2020, the Group has delivered results at a higher level compared to previous year. With the lower cost base, we have reduced the risk for Sono Group.

Frigaard Property Group delivered strong results, both from increased operational income of 18.1%, and from the sale of the shares in its subsidiaries Höganloft Fastigheter, see note 11 for further information. Frigaard Property Group has grown steady over the last three years, and important milestones were reached in the third quarter 2020, winning their largest construction order ever, a combined production and office building of more than 32.000m². Frigaard Property Group order backlog remains large, healthy and the portion allocated to 2021, represents more than 70% of the company's 2020 revenue.

	FRIGAARD Property Group			SONO GROUP			Frigaard Capital		
	Actual Dec-20	Actual Dec-19	Change	Actual Dec-20	Actual Dec-19	Change	Actual Dec-20	Actual Dec-19	Change
Amounts in thousand NOK									
Net sales total	1 220 232	1 017 699	202 533	783 514	836 714	-53 200	12 730	15 613	-2 883
Other operating income	46 445	25 069	21 376	18 372	11 581	6 791	0	0	0
Total sales	1 266 677	1 042 768	223 909	801 886	848 295	-46 409	12 730	15 613	-2 883
EBITDA	92 102	51 994	40 108	88 375	56 685	31 690	1 891	3 214	-1 323
<i>EBITDA margin</i>	7 %	5 %		11 %	7 %		15 %	21 %	
Depreciation and amortization	-7 507	-6 729	-778	-44 595	-37 610	-6 985	-5 672	-5 452	-220
OPERATING PROFIT	84 595	45 265	39 330	43 780	19 075	24 705	-3 781	-2 238	-1 543
<i>Operating profit margin</i>	7 %	4 %		6 %	2 %		-30 %	-14 %	

Table above shows the results from the three main sub-groups in Soland Invest Group.

Total cash flow from operating activities was MNOK 151.9 in 2020, and the operating profit constituted MNOK 122.0. The difference mainly concerns timing differences in the payment plan in the construction projects compared to 2020, and sales of shares in subsidiaries. The Group's capital investments during 2020 amounted to MNOK 10.2. The effect is positive due to the sale of shares in subsidiaries, which had a cash effect of MNOK 26.0.

The Group's liquidity reserve as of 31.12.2020 amounted to MNOK 373.5.

The Group's short-term debt as of 31.12.2020 constituted 72 % of the Group's total debt, compared to 32 % as of 31.12.2019. This increase is mainly attributable to a MNOK 625 bond, which was refinanced in February for Frigaard Property Group and in April 2021 for Sono Group. The Group's financial position is sound and adequate.

Total assets at year-end amounted to MNOK 1 895, compared to MNOK 1 688 last year. The equity ratio was 14.2 % as of 31.12.2020, compared to 13.9 % the year before.



ANNUAL REPORT SOLAND INVEST GROUP 2020

Market outlook

The board is pleased with the progress of our ongoing projects and the development of the Group. Results for 2020. Frigaard Property Group has grown steady over the last three years, and have secured a record high backlog per 31.12.2020. The Board of Directors is also pleased with the cost reduction programs and digitalization projects for Sono Group. The focus in the short term will be to increase profitability through improved effectivity and organic growth.

The Covid 19 situation and constantly changing regulations, has increased the pressure and complexity, amongst others related to foreign labor at our production and construction sites. Despite a challenging year the Group has delivered results at a higher level compared to previous year. With the lower cost base, we have reduced the risk for the Group. As the vaccination program in Scandinavia expects to be in good progress in Q2 2021, there is an expectation that there will be an economic uplift. Although our products are not closely linked to private consumption, we expect this to have a positive effect also on our business. The building activity in Scandinavia has overall been quite positive during Covid-19. Most of our business is quite closely linked to this parameter. To summarize, these two parameters combined makes us positive for 2021.

While Sono Group in the short term will not focus on new acquisitions, Frigaard Property Group is still looking to expend and grow further through potential acquisition targets. Frigaard Property Group will continuously seek to find targets that match our current expansion strategy in terms of business model, and geography.

Financial risk

Overall view on objectives and strategy

The company is exposed to financial risk in different areas, especially changes in currency risk, interest rate, economic conditions that affect investment in real estate and general liquidity risk. The goal is to reduce the financial risk as much as possible. The group's currency risk and liquidity risk have increased in the past few years due to a higher share of imported goods. The group uses a multi-currency group account structure to control the use of NOK, SEK, EUR and USD. At 31 December, the group had no open forward contracts.

Market risk

Both the Sono Group and the Frigaard Property Group's earnings are sensitive to fluctuations in macroeconomic factors that affect demand from the public, commercial and private market. For FPG the development and construction of turnkey homes is particularly sensitive to cyclical fluctuations, and earnings in Property developments are closely related to new project start-ups. To reduce the risk associated with unsold projects, Frigaard Property Group will not as a general principle initiate new construction of turnkey homes until a sale ratio of 50 % has been achieved. As for Sono Group, the customer base is almost 50/50 split between the public and the private market. These two markets are often counter cyclical and hence offsetting each other.

Credit risk

Credit risk is the risk of financial losses due to the inability of a customer to fulfil their contractual obligations. The Group's credit risk is mainly related to the settlement of receivables, with the largest risk linked to the Group's trade receivables. The credit risk from trade receivables is linked to the customer's ability to pay, not the customer's willingness to pay (project risk). Credit risk is managed through the contracts with the contracting client and good credit follow-up routines.

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

6



ANNUAL REPORT SOLAND INVEST GROUP 2020

The risk for losses on receivables is considered to be low, but can be expected to increase as a result of the market conditions. The Group has not yet experienced significant losses on receivables.

Liquidity risk

Liquidity risk is the risk that Soland Invest AS Group will not be able to fulfill its payment obligations when they fall due. Good liquidity is essential to ensure profitability in Soland Invest AS Group and the company's ability to invest and take risks in capital-intensive activities. Liquidity risk management is included in the objective of financial flexibility and has high priority. Management, measurement and control of liquidity are carried out from the project level and on through all the levels of the organization.

The working environment and the employees

Soland Invest AS Group attaches great importance to preventing absence due to sickness. Construction workers in Frigaard Property Group are prone to strains through heavy physical labour. Musculoskeletal disorders are the main cause of long-term sickness absence in the Group. However, most employees are office workers. For more information related to the actual sick leave figures we refer to the individual subsidiary's annual statements.

There have been no incidences or reporting of work related accidents resulting in significant material damage or personal injury occurred during the year, compared to 1 incidence during 2019.

The group had 365 employees at year end (2019: 399 employees).

The working environment is considered to be good, and efforts for improvements are made on an ongoing basis.

Equal opportunities and non-discrimination

The Group aims to be a workplace with equal opportunities and has included in its policies regulations to prevent gender discrimination regarding salary, promotion and recruiting.

The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion and faith. The Group is working actively, determined and systematically to encourage the act's purpose within our business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment. The Group's aim is to be a workplace with no discrimination due to reduced functional ability and is working actively to design and implement the physical conditions in such a manner that as many as possible can utilize the various functions.

Environmental report

Waste from our operations, including waste considered harmful to the environment, is within regulatory limitations. The Group's operations are not regulated by licenses or impositions.



ANNUAL REPORT SOLAND INVEST GROUP 2020

Post balance sheet events

In February 2021 Frigaard Property Group finalized the process of refinancing the 300 MNOK bond, which was maturing in June 2021. The process was efficient, as planned, and secured a good mix of new and existing investors.

Sono Group refinanced with a new bond loan of SEK 285 million and an overdraft facility in April 2021. This refinancing replaces the bond loan with an original maturity date in September 2021. As a result of the bond loan being redeemed early, a premium of 102.1 is paid in accordance with the bond terms 102.1 %, which corresponds to approximately SEK 6.7 million.

We continue to implement the necessary measures to adapt to the Covid-19 situation. The close of the Norwegian border, recently implemented by the government, has added more complexity and uncertainty to planning of labor for our Norwegian companies, still not causing any significant negatively financial impact. The situation is monitored closely and appropriate measures are implemented.

As of February 15th 2021 the Annual Meeting of Frigaard Property Group AS decided to redeem 38 098 shares and by that reducing the share capital of the company with 76 196,- NOK, from 543 012,- NOK to 466 816,- NOK. After this the share capital in Frigaard Property Group As consists of 233 408 shares each with a par value of 2,- NOK. The effective date of the redemption was April 15th 2021.

Other than the above, there are no changes to important aspects or occurred significant effects after the end of the accounting period that affects the financial statement.



ANNUAL REPORT SOLAND INVEST GROUP 2020

The parent company Soland Invest AS

The primary task of the parent company Soland Invest AS is to exercise ownership over the operative entities in the Group. There has been no employees in the parent company in 2020. Soland Invest AS accounts are prepared in compliance with Norwegian Generally Accepted Accounting Principles.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2020 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Allocation of net income

The Board of Directors has proposed the following appropriation of retained earnings:

Retained Earnings	NOK 3 658 135
Result for the year	NOK 3 658 135

Sarpsborg, 31 May 2021

The Board of Directors

Trond Olav Frigaard

Chairman and CEO



ANNUAL REPORT SOLAND INVEST GROUP 2020

CONSOLIDATED INCOME STATEMENT SOLAND INVEST AS GROUP

All amounts in NOK thousand	Note	2020	2019
Revenue from contracts with customers	3	2 013 285	1 883 970
Other operating revenue	3	72 134	21 026
Total operating revenue		2 085 419	1 904 996
Cost of goods sold, materials, subcontractors and consumables		1 477 000	1 327 388
Salaries and personnel expense	4,5	317 269	325 649
Depreciation and amortisation expense	7,8,9	58 421	52 728
Loss related to sale of investment property	10	-	10 528
Other operating expense	6	110 639	137 923
Total operating expenses		1 963 329	1 854 216
Operating profit		122 090	50 780
Interest income		4 067	6 106
Interest expense group		-	994
Interest expense		65 367	73 172
Profit before income tax		60 790	-17 280
Income taxes	17	11 777	8 169
Net profit for the period		49 013	-25 449
<i>Profit/(loss) is attributable to:</i>			
Majority share of profit/(loss)		33 792	-27 495
Minority share of profit/(loss)		15 221	2 046
Total		49 013	-25 449

STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income

Items that may be reclassified subsequently to profit and loss

Translation differences on net investment in foreign operations	-11 681	2 893
Deferred tax	10	945

Items that will not be reclassified to profit and loss

Actuarial gains (losses) on defined benefit pension plans	1 107	-5 174
Tax related to items which will not be reclassified		
Net other comprehensive income (loss)	-10 564	-1 336
Total comprehensive income for the year	38 449	-26 785



ANNUAL REPORT SOLAND INVEST GROUP 2020

STATEMENT OF FINANCIAL POSITION SOLAND INVEST AS GROUP

ASSETS	Note	31.12.2020	31.12.2019
All amounts in NOK thousand			
Non-current assets			
Other intangible assets	7	9 500	5 688
Deferred tax asset	17	49 789	41 840
Goodwill	7, 11	413 004	404 458
Buildings and land	8, 18	34 460	34 592
Machinery and equipment	8, 18	4 013	2 800
Office machinery, equipment and similar	8, 18	7 048	7 759
Right-of-use assets	9	232 718	247 418
Other investments		-	35
Other long term receivables		9 495	227
TOTAL NON-CURRENT ASSETS		760 027	744 817
Current assets			
Inventories	12, 18	77 490	85 820
Development properties	13, 18	326 876	277 182
Trade receivables	14, 18	227 282	179 424
Contract assets	14	66 007	54 071
Other short-term receivables		63 815	74 682
Cash and cash equivalents	15	373 524	272 497
TOTAL CURRENT ASSETS		1 134 994	943 676
TOTAL ASSETS		1 895 021	1 688 493



ANNUAL REPORT SOLAND INVEST GROUP 2020

STATEMENT OF FINANCIAL POSITION SOLAND INVEST AS GROUP

EQUITY AND LIABILITIES	Note	31.12.2020	31.12.2019
All amounts in NOK thousand			
Equity			
Share capital	16	1 000	1 000
Share premium reserve		155 438	155 438
Total paid-in capital		156 438	156 438
Retained earnings		16 986	-4 057
Total retained earnings		16 986	-4 057
Non-controlling interests	20	96 222	82 816
TOTAL EQUITY		269 646	235 197
Non-current liabilities			
Pension liabilities	5	31 855	29 356
Deferred tax	17	32 263	16 167
Provision for liabilities		5 668	4 379
Bonds	18	-	594 528
Liabilities to financial institutions	18	49 809	38 696
Construction loan	18	62 857	-
Leasing liabilities	9	200 345	224 885
Other non-current liabilities	18	72 719	81 259
TOTAL NON-CURRENT LIABILITIES		455 516	989 270
Current liabilities			
Short term financial liabilities	18	15	5 576
Short term construction loan		-	48 711
Bond loan current		629 911	-
Lease liabilities	9	60 137	55 422
Trade account payables		218 577	193 974
Tax payable	17	-	113
Public duties payable		57 898	41 660
Contract liabilities	14	70 289	15 514
Other short-term liabilities		133 032	103 056
TOTAL CURRENT LIABILITIES		1 169 859	464 026
TOTAL LIABILITIES		1 625 375	1 453 296
TOTAL EQUITY AND LIABILITIES		1 895 021	1 688 493

Sarpsborg, 31 of May 2021

The Board of Directors

Trond Olav Frigaard
Chairman and CEO



ANNUAL REPORT SOLAND INVEST GROUP 2020

STATEMENT OF CHANGES IN EQUITY SOLAND INVEST AS GROUP

	Attributable to equity holders of the parent company				Non-controlling interests	Total equity
			Other Equity			
	Share capital	Share premium reserve	Retained earnings	Total other equity		
Equity as at 01.01 2019	1 000	164 126	21 568	21 568	81 645	288 340
Transaction with owners						
Capital decrease		-8 688		-	-3 107	-11 795
Capital increase NIG			24 089	24 089	3 155	27 244
Dividend			-23 000	-23 000		-23 000
Other equity adjustments			1 194	1 194		1 194
Comprehensive income						
Profit for the period			-27 495	-27 495	2 046	-25 449
Other comprehensive income						
<i>Items that will not be reclassified in profit or loss</i>						
Actuarial loss on pension obligations			-3 617	-3 617	-1 557	-5 174
<i>Items that may be reclassified in profit or loss</i>						
Translation difference, net assets in foreign currency			2 259	2 259	634	2 899
Deferred tax pension			945	945	-	945
Equity as at 31.12 2019	1 000	155 438	-4 057	-4 057	82 816	285 197

	Attributable to equity holders of the parent company				Non-controlling interests	Total equity
			Other Equity			
	Share capital	Share premium reserve	Retained earnings	Total other equity		
Equity as at 01.01 2020	1 000	155 438	-4 057	-4 057	82 816	285 197
Transaction with owners						
Dividend			-4 000	-4 000		-4 000
Comprehensive income						
Profit for the period			33 792	33 792	15 221	49 013
Other comprehensive income						
<i>Items that will not be reclassified in profit or loss</i>						
Actuarial loss on pension obligations			1 111	1 111	-4	1 107
<i>Items that may be reclassified in profit or loss</i>						
Translation difference, net assets in foreign currency			-10 696	-10 696	-985	-11 681
Deferred tax pension			10	10		10
Equity as at 31.12 2020	1 000	155 438	16 160	16 160	97 048	289 846



ANNUAL REPORT SOLAND INVEST GROUP 2020

STATEMENT OF CASHFLOW SOLAND INVEST AS GROUP

All amounts in NOK thousand	Note	2020	2019
Cash flow from operations			
Profit before income taxes		60 790	-17 280
Taxes paid in the period	17	-125	-2 392
Acquisition of business and investment property	8	-55 932	10 478
Depreciation	7,8,9	58 421	52 728
Impairment of fixed assets		-253	-
Change in inventory	12	-40 556	-4 176
Change in trade receivables	14	2 167	12 310
Change in trade account payables		20 030	12 999
Differences in expensed pensions and payments in/out of the pension scheme		854	-1 159
Effect of exchange fluctuations		2 441	-1 314
Items classified as investments or financing		104 070	-105 810
Net cash flow from operations		151 907	-43 616
Cash flow from investments			
Proceeds from sale of fixed assets	8	369	87 892
Purchase of fixed assets	8,10	-6 182	-11 181
Purchase of intangible assets	7	-5 469	-1 803
Payment of loans		-4 498	-227
Acquisition of business and investment property	11	-	-48 042
Proceeds from sale of other investments	11	25 998	2 060
Net cash flow from investments		10 218	28 699
Cash flow from financing			
Repayment of Bonds	18	-3 275	-
Proceeds from long term loans	18	11 116	2 540
Repayment of long term loans	18	-14 104	-48 757
Proceeds from long term construction loans	18	62 857	48 711
Repayment of construction loans	18	-48 711	-43 295
Repayment of lease liabilities	9	-58 981	-53 024
Capital reduction		-	-11 795
Payment of dividend		-10 000	-17 000
Net cash flow from financing		-61 098	-122 620
Net change in cash and cash equivalents		101 027	-137 537
Cash and cash equivalents at the beginning of the period		272 497	410 034
Cash and cash equivalents at the end of the period		373 524	272 497



ANNUAL REPORT SOLAND INVEST GROUP 2020

TABLE OF CONTENTS NOTES SOLAND INVEST AS GROUP

NOTE 1. ACCOUNTING POLICIES – SOLAND INVEST AS GROUP	16
NOTE 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	16
NOTE 3. OPERATING AND OTHER INCOME.....	39
NOTE 4. PERSONNEL EXPENSES.....	40
NOTE 5. PENSION.....	40
NOTE 6. OTHER OPERATING EXPENSES	42
NOTE 7. GOODWILL	43
NOTE 8. PROPERTY, PLANT AND EQUIPMENT	44
NOTE 9. LEASES, RIGHT OF USE ASSETS AND LEASE LIABILITIES.....	45
NOTE 10. INVESTMENT PROPERTY	47
NOTE 11. ACQUISITIONS AND DISPOSALS OF BUSINESSES.....	47
NOTE 12. INVENTORY	48
NOTE 13. DEVELOPMENT PROPERTIES	48
NOTE 14. TRADE RECEIVABLES AND CONTRACT BALANCES	49
NOTE 15. CASH AND CASH EQUIVALENTS	50
NOTE 16. NUMBER OF SHARES, SHAREHOLDERS ETC.	50
NOTE 17. INCOME TAX EXPENSE AND DEFERRED TAX	51
NOTE 18. NON CURRENT LIABILITIES.....	52
NOTE 19. FINANCIAL INSTRUMENTS	53
NOTE 20. RELATED PARTY TRANSACTION.....	54
NOTE 21. EVENTS AFTER THE REPORTING DATE	55



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 1. ACCOUNTING POLICIES – SOLAND INVEST AS GROUP

General information

Soland Invest AS is a Norwegian holding company its main office located in Sarpsborg. The Group is operating in Norway, Sweden and Denmark. The Group's activities are described in greater detail in the board of directors' report.

The head office is located at Sandesundsveien 2, 1724 Sarpsborg.

The consolidated accounts were approved by the Board of Directors on 31 of May 2021.

Consolidated financial statement for Soland Invest AS Group

The financial statement of the Group has been prepared in accordance with section 3-9 of the Norwegian Accounting act and Regulation of simplified use of international accounting standards (simplified IFRS,) adopted by the Ministry of Finance, last modified 18th of December 2020. This mainly means that measurement and recognition comply with international accounting standards (IFRS) and presentation and note information are in accordance with Norwegian accounting law and Norwegian accounting standards.

The Group have chosen not to use any of the given exceptions in simplified IFRS, from measurement and recognition according to full IFRS.

The accounts are based on the principles of a historical cost accounting, with the exception of the following accounting items:

- Financial instruments at fair value through profit or loss and financial instruments at fair value through other income and expenses.

NOTE 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Income and cash flow statements

Soland Invest Group has elected to present a single consolidated statement of comprehensive income and presents its expenses by nature.

The Group reports cash flows from operating activities using the indirect method. Interest received is presented within investing cash flows, and interest paid is presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

2.2. Financial reporting framework and basis of preparation of the consolidated financial statements

Soland Invest AS consolidated financial statements are prepared in accordance with IFRS light.

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

16



ANNUAL REPORT SOLAND INVEST GROUP 2020

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

The functional currency of the parent company is Norwegian Kroner (NOK), and this is also the presentation currency of both the parent and the group.

The preparation of financial statements in accordance with IFRS light requires the use of accounting estimates which by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. Accounting estimates are areas that involves 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.

The consolidated financial statements have been prepared on a going concern basis.



ANNUAL REPORT SOLAND INVEST GROUP 2020

2.3 Consolidation principles and equity accounting

Subsidiaries

The following companies are included in the group at 31.12.2020

Parent company

Soland Invest AS

Subsidiaries

Frigaardgruppen AS

Ownership

100 %

Subsidiaries shown on group levels

Frigaard Capital AS

100 %

 Frigaard Eiendom Laboratoriet AS

100 %

 Frigaard Eiendom Storstua AS

100 %

 Festiviteten AS

100 %

 Inactivity AS

100 %

FPG Invest AS

100 %

 Frigaard Property Group AS

73,66 %

 Metacon AS

100 %

 Alento AS

100 %

 Frigaard Bolig AS

100 %

 Rugdeveien 2 AS

100 %

 Høgliveien 30 AS

100 %

 Fagerliveien Utvikling AS

100 %

 Ryggeveien 33 AS

100 %

 Solbyen Utvikling AS

100 %

 Moenskogen Utvikling AS

100 %

 Aspelundveien 5 AS

100 %

Frigaard Industries AS

100 %

 North Investement Group AB

88,57 %

 Sono Holding Norge AS

100 %

 Sono Norge AS

100 %

 Sono Denop ApS

100 %

 Sarpsborg Metall AS

100 %

 Sarpsborg Metall AB

100 %

 Sono Danmark A/S

100 %

 Sono Norop AS

100 %

 Sørlie Prosjektinnredninger AS

100 %

 Sono IPO Ltd

100 %

 ACAP Invest AB

100 %

 NIG Sverige AB

100 %

 Sono Sweop AB

100 %

 Sono Brands AB

100 %

 Sono Sverige AB

100 %

 Sonesson Inredningar AB

100 %

 Form o Miljö Sweden AB

100 %

 NIG i Rosenfors AB

100 %

 GBP Erconomics AB

100 %

 NIG i Mårdaklev AB

100 %

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

18



ANNUAL REPORT SOLAND INVEST GROUP 2020

Control

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of Soland Invest AS.

2.3.1 Accounting for business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary that meets the definition of a business is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquirer's identifiable net assets.

Acquisition related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date, any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that are deemed to be an asset or liability are recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total amount of



ANNUAL REPORT SOLAND INVEST GROUP 2020

consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the business acquired in the case of a bargain purchase, the difference is recognized directly in the income statement.

Accounting for asset acquisitions

For acquisition of a subsidiary that do not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values as at the date of acquisition. Such transactions or events do not give rise to goodwill.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Translation of foreign currency

Functional currency and reporting currency

The various entities in the group have the local currency as their functional currency, as the local currency has been defined as the currency of the primary economic environment in which each entity operates. Norwegian kroner (NOK), the functional and reporting currency of the parent company and group, are used in the consolidated financial statements.

Transactions and balances

Transactions in foreign currency are translated to the functional currency at transaction date exchange rates. Foreign exchange gains and losses arising from such transactions and on translation of monetary assets and liabilities in foreign currency at closing rates are recognised in the statement of comprehensive income.

Foreign exchange gains and losses attributable to loans, and cash and cash equivalents are accounted for in the statement of comprehensive income as financial income or financial expense. All other foreign exchange gains and losses are recognised in the items other operating expenses and other operating income in the statement of comprehensive income.

Translation of foreign group companies

Results and financial position for all group companies that have a different functional currency than the reporting currency are translated to the group's reporting currency. Assets and liabilities for each balance sheet are translated from the functional currency of the foreign operation to the group's reporting currency, Norwegian kroner, at the closing rate. Income and expenses for each of the income statements are translated to Norwegian kroner at the average exchange rate at each transaction date. Translation differences arising on translation of foreign operations are recognised in other comprehensive income. The cumulative amount of gains and losses is recognised in profit or loss



ANNUAL REPORT SOLAND INVEST GROUP 2020

when the foreign operation is wholly or partially disposed of. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities in this operation and translated at the closing rate.

2.4 Property, plant and equipment

All property, plant and equipment (PPE) are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and, where applicable, borrowing costs. Cost of an item of PPE includes its purchase price and any directly attributable costs. Cost includes the cost of replacing part of an existing PPE at the time that cost is incurred if the recognition criterias are met and excludes the costs of day-to-day servicing of an item of PPE. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognized.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives.

Estimated useful life by category is as follows:

- Buildings, 10-25 years
- Land improvements 25 years
- Machinery and equipment, 3 -10 years
- Other assets, 3 -10 years

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount. Gain and losses on disposal are determined by comparing the transaction price to the book value of the assets.

2.5 Leasing activities

Significant accounting policies

Identifying a lease

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

- The agreement creates enforceable rights of payment and obligations
- The identified asset is physically distinct
- It has the right to obtain substantially all of the economic benefits from use of the asset
- It has the right to direct the use of the asset
- The supplier does not have a substantive right to substitute the asset throughout the period of use

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

21



ANNUAL REPORT SOLAND INVEST GROUP 2020

The group leases various properties, equipment and cars. Rental contracts are typically made for fixed periods of one to five years but property lease agreements may have further extension options. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Group as a lessee

Separating components in the lease contract

For contracts that constitutes, or contains a lease, the Group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then account's for each lease component within the contract as a lease separately from non-lease components of the contract. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. If an observable stand-alone price is not readily available, the Group estimates this price by maximising the use of observable information.

Recognition of leases and exemptions

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

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

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

The probability that premises will be sublet is taken into account in assessing right-of-use assets for loss-making contracts. Based on an assessment of the available information, the group believes it is highly likely that the leased premises will to some extent be sublet, which has been taken into account in determining the amount of the right-of-use asset.

Measuring the lease liability

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the Group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable



ANNUAL REPORT SOLAND INVEST GROUP 2020

- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The Group do not include variable lease payments in the lease liability arising from contracted index regulations subject to future events, such as inflation. Instead, the Group recognises these costs in profit or loss in the period in which the event or condition that triggers those payments occurs.

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

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

Measuring the right-of-use asset

The right-of-use asset is initially measured at cost. The cost of the right-of-use asset comprise:

- 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 incurred by the Group
- An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. The Group applies the depreciation requirements in IAS 16 *Property, Plant and Equipment* in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Group has elected to not apply the revaluation model for its right of use asset for leased buildings.

The Group applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

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

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.



ANNUAL REPORT SOLAND INVEST GROUP 2020

2.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. The changes in fair value are recognised in Net gain/(loss) from fair value adjustment of investment property. Tax compensation that is the result of purchase of investment property is recognized in the period after the acquisition in the consolidated profit and loss as Net gain/(loss) from fair value adjustment of investment property.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices in less active markets or discounted cash flow projections.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognized in the income statement. Investment properties are derecognised when they have been disposed.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Investment property is valued at its fair value based on an annual valuation carried out by the independent real estate agent that has substantial experience in valuing these types of properties in the geographical areas in which the groups investment properties are located.

The fair value given by the real estate agent is combined with internal valuations in order to conclude with the best estimate of the fair value of the group's investment properties. The value is calculated by discounting yearly net rental income, with a discount rate that reflects risk in the net rental income. Contractual and expected cash flows are included in the calculations. Determination of fair value for investment properties is significantly affected by factors such as assumed market rent, future maintenance, discount rate, inflation and residual value. Inflation assumptions are based on Norges Bank's long-term inflation target of 2 percent. The fair value represents the amount at which the

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

24



ANNUAL REPORT SOLAND INVEST GROUP 2020

assets could be exchanged between a knowledgeable, willing buyer and seller in an arm's length transaction at the date of valuation.

2.7 Goodwill

Goodwill arises on the acquisition of businesses and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the business acquired, in case of a bargain purchase, the difference is recognised directly in the income statement. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal.

2.8 Depreciation and amortization

Depreciation and amortization 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. Tangible and intangible assets with an indefinite useful life are not depreciated.

A component of an item of property, plant and equipment with a significantly differing useful life and a cost that is significant in relation to the item is depreciated separately. At each financial year-end the Group 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 and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with IAS 36 Impairment of Assets. Intangible assets with indefinite useful life are tested for impairment at least annually.

2.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

25



ANNUAL REPORT SOLAND INVEST GROUP 2020

separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment, are reviewed for possible reversal of the impairment at each reporting date. Impairment losses on goodwill are not reversed.

2.10 Financial assets and financial liabilities

Classification

The Group classifies its financial assets in two categories; those to be measured subsequently at fair value (either through OCI or through profit or loss) and those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains (losses) and

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

26



ANNUAL REPORT SOLAND INVEST GROUP 2020

impairment expenses are presented as a separate line item in the consolidated statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and is presented net within other gains (losses) in the period in which it arises.

Financial assets represent a contractual right by the Group to receive cash or another financial asset in the future. Financial assets include financial derivatives, receivables and equity interests. Financial assets are derecognized when the rights to receive cash from the asset have expired or when the Group has transferred its rights to receive cash flows and has either transferred substantially all of the risks and rewards of the asset or has transferred control of the asset.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet includes cash, bank deposits and all other monetary instruments with a maturity of less than three months from the date of acquisition, and are measured at nominal value.

Trade receivable

Trade receivable are initially recognized at fair value, subsequently accounted for at amortized cost and are reviewed for impairment on an ongoing basis. Individual accounts are assessed for impairment taking into consideration indicators of financial difficulty and management assessment. Discounting generally does not have a material effect on accounts receivable, however, in special cases discounting may be applied.

Financial liabilities

Financial liabilities represent a contractual obligation by the Group to deliver cash in the future, and are classified as either short or long-term. The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, unless the Group opted to measure a liability at FVPL. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

All loans and borrowings are initially recognized initially at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired, and the assessment is forward-looking based on the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's financial assets are subject to the expected credit loss model.



ANNUAL REPORT SOLAND INVEST GROUP 2020

For trade receivables, the Group measure the loss allowance at an amount equal to the lifetime expected credit loss.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Debt investment and other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The impairment charge for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

2.11 Income taxes, current and deferred

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. According to the exception in IAS 12, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



ANNUAL REPORT SOLAND INVEST GROUP 2020

2.12 Employee benefits and post-employment benefits

Payments to employees, such as wages, salaries, social security contributions, paid annual leave, as well as bonus agreements are accrued in the period in which the associated services are rendered by the employee.

Contributions to the Groups defined contribution plan is recognized in the income statement in the period in which they accrue.

Pension obligations

The group has both defined contribution and defined benefit pension plans. Defined contribution pension plans are post-employment benefit plans under which the company pays fixed contributions to a separate legal entity. The group has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employee benefits relating to current and past service. The contributions are recognised as personnel expenses in the consolidated income statement as they fall due.

For salaried employees in Sweden, defined benefit pension obligations for retirement and family pensions under the ITP 2 plan are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 *Recognition of the ITP 2 Plan that is funded through insurance with Alecta*, this is a multi-employer defined benefit plan. For the financial year 2019, NIG has not had access to information that would enable it to account for its proportionate share of the plan's obligations, assets and expenses. It has therefore not been possible to recognise the plan as a defined benefit plan. The ITP 2 pension plan secured through insurance with Alecta has therefore been accounted for as a defined contribution plan. The contribution for defined benefit retirement and family pensions is calculated individually and depends on factors such as salary, previously earned pension and expected remaining period of service. Expected fees in the next reporting period for ITP 2 insurance policies with Alecta are TSEK 2.331.

The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding ratio is normally permitted to vary between 125 and 175 per cent. If Alecta's collective funding ratio were to fall below 125 per cent or exceed 175 per cent, it would be necessary to take measures that will allow the ratio return to the normal range. In case of a low funding ratio, one measure that can be taken is to raise the agreed price for new policies and the expansion of existing benefits. If the funding ratio is high, contributions can be reduced. At the end of the financial year 2020, Alecta's surplus, defined as the collective funding ratio, was 148 per cent (2019: 148 per cent) on a preliminary basis.

One pension plan in Sweden are unfunded and are financed in-house by PRI. The liability recognised in the statement of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit pension obligation is calculated annually by independent actuaries by applying the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using the yield on high-quality corporate bonds/mortgage bonds issued in the same currency as that in which the payment will be made and with maturities comparable to that of the pension obligation.

Remeasurement gains and losses arising from experience adjustments and changes to actuarial assumptions are recognised in other comprehensive income in the period in which they arise. These are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

29



ANNUAL REPORT SOLAND INVEST GROUP 2020

Past service costs are recognised directly in the statement of comprehensive income.

Short-term benefits

Liabilities for salaries and benefits, including non-monetary benefits and paid leave which are expected to be settled within twelve months of the end of the financial year, are recognised as current liabilities at the undiscounted amount that is expected to be paid when the liabilities are settled. The cost is recognised as the services are performed by the employees. The liability is recognised as an employee benefit obligation in the statement of financial position.

Termination benefits

Compensation in case of termination is paid when an employee's employment has been terminated by the group before the normal time of retirement or when an employee accepts voluntary redundancy in exchange for such compensation. The group recognises termination benefits at the earliest of the following: (a) when the group can no longer withdraw the offer of such benefits; and (b) when the company recognises restructuring costs provided for under IAS 37 which involve the payment of severance pay. If the company has made an offer to encourage voluntary redundancy, termination benefits are calculated based on the number of employees that are expected to accept the offer. Benefits expiring more than twelve months after the end of the reporting period are discounted to present value.

2.13 Provisions

Provisions for legal claims are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost. Where the Group, as lessee, is contractually required to restore a leased property to an agreed condition prior to release by a lessor, provision is made for such costs as they are identified.

2.14 Share capital and dividends

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

The amount of dividends recognised as distributions to owners during the period and the related amount per share are presented either in the consolidated statement of changes in equity or in the notes. Dividends will not be displayed in the consolidated statement of comprehensive income or income statement.



ANNUAL REPORT SOLAND INVEST GROUP 2020

Dividend payments to the shareholders of the parent company are recognised as a liability in the consolidated financial statements in the period in which the payment is approved by the shareholders of the parent company.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Soland Invest AS Group capitalises borrowing costs on qualifying inventories.

2.16 Revenue recognition

Revenue includes sale of goods, rental income, sale of developed properties, revenue from contracting projects and interest income.

Sales of goods

Sono Group manufactures and sells interior design solutions for the school, office, industrial and construction, sport and leisure, and public environment and care sectors. Most of the group's customers are from the public sector. Sales of products are recognised as revenue when control of the goods is transferred, which occurs when risks and rewards are transferred to the customer in accordance with the applicable delivery terms.

The products are mainly sold under an arrangement in which most discounts are deducted directly in the price list. In a few cases, products are sold with volume discounts based on cumulative sales over a twelve-month period. Revenue from the sale of furniture is recognised based on the price in the contract less estimated volume discounts. Historical data is used to estimate the expected value of discounts and revenue is recognised only to the extent that it is highly probable that a significant reversal will not occur. A liability is recognised for expected volume discounts relative to sales up to and including the balance sheet date.

No significant financing component is considered to exist at the time of sale, as the credit period is normally 30 days.

The group's obligation to repair or replace defective instruments in accordance with normal warranty rules is accounted for through provisions.

Property development

The Frigaard Property Group develops land and property for the purpose of selling residential properties (turnkey homes). Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at the point in time when the legal title has passed to the customer. The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

31



ANNUAL REPORT SOLAND INVEST GROUP 2020

terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.

Rental income

Rental income from investment properties is recognized on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognized over the lease term, on a straight-line basis, as a reduction of rental income.

Construction

The largest operating segment in Frigaard Property Group relates construction projects. These are engineering and construction projects delivered to public and private customers based on contractual agreed scope and price. These arrangements are characterized by the fact that the customers finance the projects.

Revenue from engineering and construction projects is recognized over the lifetime for the project as these customer contracts qualify as performance obligations satisfied over time. According to IFRS 15, the revenue from contracting projects is to be recognized over time (percentage-of-completion) in connection with a gradual transition of control. Application of the percentage-of-completion method entails income recognition in pace with the degree of completion of the project. To determine the amount of income worked up at a specific point in time, the following components are required:

- Project revenue – Revenues related to the customer contract. The revenues must be of such a character that the recipient can credit them to income in the form of actual payment received or another form of payment.
- Project cost – Costs attributable to the construction assignment, which correspond to project revenues.
- Completion rate (worked-up rate): recognized costs in relation to estimated total assignment costs, which reflects how the control is transferred to the purchaser.

As a consequence of income recognition based on the percentage-of-completion method, the trend of earnings of ongoing projects is reflected immediately in the financial statements. Percentage-of-completion income recognition is subject to a component of uncertainty. Due to unforeseen events, the final profit of the projects may occasionally be higher or lower than expected. It is particularly difficult to anticipate profit at the beginning of the project period and for technically complex projects or projects that extend over a long period.

Provisions for potential losses are recognized against income for the relevant year, and provisions for losses are recognized as soon as they become known. Contract modifications covering alterations and supplementary works, compensation for shortcomings in tender specifications and similar items are recognized when the modifications are enforceable; meaning when there is a legal right to payment for them.

Interest income

Interest income is recognised using the effective interest method.

2.17 Interest income and expense

Interest income and expense are recognised within finance income and finance costs in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets,



ANNUAL REPORT SOLAND INVEST GROUP 2020

which are capitalised as part of the cost of that asset. The Group has chosen to capitalise borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

2.18 New standards and interpretations not yet adopted

New and amended IFRS Standards adopted by the Group

Soland Invest Group has not implemented any new accounting standards or otherwise made any significant changes to accounting policies during 2020

Other standards and interpretations not yet adopted

There are no IFRS standards or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.



ANNUAL REPORT SOLAND INVEST GROUP 2020

2.19. Financial risk management

2.19.1. Financial risk factors

Through its business operations in the market for property development and construction projects, the Group is, aside from business risk, exposed to various financial risks.

These financial risks are defined as market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Risk management is carried out by Group management.

Market risk

Market risk can be defined as the risk that the group's income and expenses, future cash flows or fair value of financial instruments will vary as a result of changes in market prices. The market price includes three types of risks: exchange risks, interest risks and price risks.

Foreign exchange risk

The Group operates primarily in the Norwegian and Swedish market. For Frigaard Property Group there is a limited foreign exchange risk.

For the North Investment Group (NIG) the group is exposed to currency risks arising from exposures to various currencies, mainly the Norwegian krone (NOK), euro (EUR) and US dollar (USD). Currency risks arise from payment flows in foreign currency (transaction exposure) and from the translation of balance sheet items in foreign currency as well as from the translation of income statements and balance sheets of foreign subsidiaries to the group's reporting currency, Swedish kronor (SEK) (balance sheet exposure).

In the group, currency risk arises from cross-border trade as well as the translation of foreign subsidiaries' results and net assets. No hedge accounting in accordance with IFRS 9 is applied at year end.

Price risk

Soland Invest Group no significant exposure to price risk as it does not hold any equity securities or commodities. The Group is not exposed to price risk other than in respect of financial instruments, such as property price risk including property rentals risk.

The demand for residential and commercial properties is subject to a large number of risk factors, including economic downturns, interest levels, urbanization trends and demographic changes. Shifts in demand is closely monitored, and reflected in commercial plans and budgets. No residential building projects are approved by the board of directors before a minimum of 50 % of the value of a property project has been sold.

See paragraph 6 for further information regarding Critical accounting estimates and assumptions.

Government regulations and zoning restriction risks

Changes in property regulations, legislation and zoning restrictions from the relevant public authorities can affect both the progress and implementation of the various property development projects of Frigaard Property Group, and can thus potentially limit the opportunities for further development of properties. This can in turn lead to delays and cost increases.

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

34



ANNUAL REPORT SOLAND INVEST GROUP 2020

Interest rate risk

The group's interest rate risk is mainly related to bonds and bank loans where the interest rate is not fixed. See note 18 Interest-bearing liabilities for an overview of such loans and bonds. An increase in floating rates would lead to an increase in interest costs and reduce net income and cash flow. No interest rate swap agreements has been entered into.

Customer credit risk - risk in trade accounts receivable

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the group. Customer credit risk is managed through Soland Invest Group's common procedures for identifying and managing risk, including tender approval procedure and ongoing operational risk assessments of varying sizes and types with the different customer categories in the markets of operation.

Soland Invest Group's credit risk refers the risk to the group's trade receivables and investment in liquid assets. Credit risk is managed at group level, with the exception of credit risk arising from outstanding accounts receivable, for which an analysis is made by each group company. Credit risk arises from cash and cash equivalents, deposits with banks, and credit exposures to customers. If no independent credit assessment exists, a risk assessment is made of the customer's creditworthiness based on the customer's financial position, previous experiences and other factors. The customers are spread over a large number.

For Frigaard Property Group and the business for housing development a large part is based on customer prepayments before the hand over of the property, the group's credit risk is considered reasonably low. For building and engineering contracts, the customer is normally subject to arrangements ensuring bank guarantees and prepayments throughout the project. The Group's operations related to construction projects extends customer credit related to account receivables and recognized work-in-project receivables.

Historic customer credit losses have been limited, and projects are invoiced in advance as much as possible. Another reason for this is that a large portion of the Sono Group's customers are public-sector organisations or large customers with strong credit histories.

The group only uses banks with a rating of AA or higher. Cash and cash equivalents are included in assets subject to impairment but the potential impairment loss is considered to be immaterial.

Liquidity and refinancing risk

Liquidity and refinancing risk are defined as the risk of Soland Invest Group not being able to meet its payment obligations due to lack of liquidity or due to difficulties in obtaining or rolling over external loans and bonds. Constraints regarding financing opportunities will negatively affect cash flows from planned projects. The Group uses liquidity forecasting as a means of managing the fluctuations in short-term liquidity. Surplus liquidity is, if possible, is primarily used to repay the principal on loan liabilities and redemption right regarding issued bonds.



ANNUAL REPORT SOLAND INVEST GROUP 2020

Funding

The Group's principal financial liabilities, besides derivative financial liabilities, comprise of various bonds, bank loans, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. Soland Invest Group has borrowing arrangement through both committed bank credit facilities and market funding programs. In addition to building- and development loans in various banks, Soland Invest Group have bond loans of NOK 629,9 million. The bond loan of FPG of MNOK 298 was maturing in June 2021 and has been replaced by a new secured floating bond during February 2021. The bond loan of Sono Group of MSEK 325 was maturing in September 2021 and has also been replaced by a new bond loan during April 2021. For more information see note 18 and 21 and the consolidated financial statement of Frigaard Property Group AS and North Investment Group AB.

All decisions relating to external long term financing in the Group's subsidiaries are made by the management of the parent company, i.e no subsidiary has a mandate to take out loans themselves or establish overdraft facilities. The Group companies can issue ordinary project guarantees to its customers.

Soland Invest Group has no official credit rating.

Capital management

The Group's main goal is to maximize shareholder value while ensuring the Group's ability to continue operations. The group has an overall target to maintain a capital structure that gives the group an optimal capital binding given the current market situation. The group makes the necessary changes to their capital structure based on an ongoing assessment of the business' financial situation and future prospects in the short and medium term.

2.20 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated, and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

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

Investment properties

The fair value of investment properties is determined by using valuation techniques.

Property projects under construction

The Group commenced construction of several investment properties and commercial building projects during the year, where the customer contracts qualify for revenue recognition over time based on the percentage-of-completion method. A consequence of income recognition based on the percentage-of-completion method, the trend of earnings of ongoing projects is reflected immediately in the financial statements. Percentage-of-completion income recognition is subject to a component

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

36



ANNUAL REPORT SOLAND INVEST GROUP 2020

of uncertainty. Due to unforeseen events, the final profit of the projects may occasionally be higher or lower than expected. It is particularly difficult to anticipate profit at the beginning of the project period and for technically complex projects or projects that extend over a long period.

Goodwill

Goodwill on acquisitions of subsidiaries is not amortized but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The two operating segments are considered to be different cash generating units (CGU) against which goodwill is tested. The recoverable amount from the CGU is calculated by taking the historical cash flows for the CGU, taken into account expectations for moderate growth in the market segments. Calculation of the fair value less costs of disposal is classified as Level 3 in the fair value hierarchy.



ANNUAL REPORT SOLAND INVEST GROUP 2020

Non- GAAP measures

Non-GAAP financial measures reflect adjustments based on the following items:

EBITDA

EBITDA is a measure of earnings before deducting interest expense, taxes and depreciation charges.

Please see reconciliation to profit or loss before tax in the income statement.

EBIT

EBIT is a measure of earnings before interest and taxes is an indicator of a company's profitability.

Please see reconciliation to profit or loss before tax in the income statement.



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 3. OPERATING AND OTHER INCOME

All amounts in NOK thousand

	2020	2019
Revenues from contract with customers	2 013 285	1 883 970
Other operating revenue	62 688	21 026
Total revenue	2 075 973	1 904 996

Revenue based on business areas	2020	2019
Sale of merchandise	782 219	835 088
Property rental	4 028	9 670
Contract revenues from Construction	1 108 025	927 820
Sale of development property	108 316	98 624
Other	10 697	12 768
Total	2 013 285	1 883 970

Geographic distribution of external revenues based on customer location	2020	2019
Sweden	418 958	436 352
Norway	1 538 045	1 390 914
Denmark	31 843	36 436
Finland	188	403
Other Nordic	278	317
Great Britain	1 788	1 516
Other Europe	20 891	15 992
Other countries	1 295	2 041
Total revenues	2 013 285	1 883 970



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 4. PERSONNEL EXPENSES

All amounts in NOK thousand

	2020	2019
Salaries and holiday pay	253 213	254 858
Social security	46 976	50 402
Pension costs defined benefit plans (Note 5)	-154	-57
Pension costs defined contribution plans	15 354	15 167
Other personnel costs	1 880	5 279
Total salaries and personnel expense	317 269	325 649

The number of employees in Soland Invest Group at 31 of December 2020 was 365 persons (2019: 399 persons).

	2020	2019
Norway	209 540	208 161
Sweden	101 700	111 860
Other	6 029	5 628
Total	317 269	325 649

Management remuneration

There are no employees in the parent company. The Group Management consist of the Group Directors, in addition to the General Managers in the largest subsidiaries. Salary to the CEO and Board remuneration of KNOK 150 is paid through Frigaardgruppen AS.

	Board remuneration	Salary	Benefits in kind	Pension cost	Total remuneration
Members of the Board					
Trond Olav Frigaard, Chairman and CEO	-	1 422	674	47	2 143
Total remuneration	-	1 422	674	47	2 143

No loans or guarantees have been given to any members of the Group Management, the Board of directors or other related parties.

NOTE 5. PENSION

The company and the group have pension schemes that comprise a total of 365 persons in the group. All employees participate in a collective pension scheme under the statutory right in the country the group has its business. Senior employees also have an additional pension scheme. The companies NIG Sverige AB and GBP Ergonomics have schemes defined based on defined future benefits, which are mainly determined by the number of earning years, salary level at retirement age and the size of benefits from the National Insurance Scheme. The schemes for both companies are closed and no new rights are earned. The pension scheme in PRI is financed by the companies' operations. The wage obligation is administered via PRI Pension Guarantee. Other companies in the Group have defined contribution plans.

The Group also has a contractual early retirement scheme (AFP). The new AFP scheme, which applies from 1 January 2011, is to be regarded as a defined benefit multi-enterprise scheme, but is accounted for as a defined contribution scheme until there is reliable and sufficient information so that the

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465 40



ANNUAL REPORT SOLAND INVEST GROUP 2020

Group can account for its proportionate share of pension costs, pension liabilities and pension funds in the scheme. The company's liabilities are therefore not capitalized as debt.

The Group's pension schemes satisfy the requirements of the Act on Mandatory Occupational Pensions.

Self-financed pension liabilities are recognized in the balance sheet, cf. IAS 19 pension liabilities. Actuarial demographic and financial assumptions are based on what is customary, cf. actuarial calculations attributed to the pension schemes in Sweden.

	Pension liability	
Per 1 januari 2019	30 991	
(gains)/losses from regulations	-126	
<u>Interest cost/(-income)</u>	<u>665</u>	
Total amount recognised in profit or loss	539	
Actuarial gains/losses:		
- (gain)/loss from change in demographic assumptions	87	
- (gain)/loss from change in financial assumptions	4 501	
Total amount recognised in other comprehensive income	4 589	
Fees from:		
Settlements	-5 123	
<u>Payments from plan</u>	<u>-807</u>	
Per 31 december 2019	29 356	
Per 1 januari 2020	29 356	
(gains)/losses from regulations	-158	
<u>Interest cost/(-income)</u>	<u>450</u>	
Total amount recognised in profit or loss	292	
Actuarial gains/losses:		
- (gain)/loss from change in demographic assumptions	-535	
- (gain)/loss from change in financial assumptions	585	
Total amount recognised in other comprehensive income	50	
<u>Payments from plan</u>	<u>-931</u>	
Per 31 december 2020	31 855	
Actuarial assumptions as follows:	2020-12-31	2019-12-31
Discount rate	1,00 %	1,40 %
Inflation	1,50 %	1,80 %



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 6. OTHER OPERATING EXPENSES

All amounts in NOK thousand

	2020	2019
Freight costs	15 822	14 783
Exchange-rate losses on operating receivables/liabilities	6 878	13 366
Advertising	16 516	18 797
Travel costs	15 515	19 791
Consultancy fees and external personnel	16 122	11 858
Bad debts	274	1 524
Other operating costs	39 512	57 805
Total operating expenses	110 639	137 923

Specification auditor's fee	2020	2019
Statutory audit	2 992	3 598
Other assurance services	642	1 147
Tax consultant services	747	191
Total	4 381	4 936

VAT is not included in the fees specified above.



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 7. INTANGIBLE ASSETS

All amounts in NOK thousand

	Development costs	Patents and licenses	Renting rights	Goodwill	Total
Accumulated cost 1 of Januar 2019					
Initial carrying amount	4 106	772	-	367 897	372 775
Additions	1 237	566	999	39 106	41 908
Exchange differences	-95	-4	-	-2 545	-2 644
Amortisation	-961	-599	-333	-	-1 893
Accumulated cost 31 of December 2019	4 287	735	666	404 458	410 146
Accumulated cost 1 of Januar 2020					
Initial carrying amount	4 287	735	666	404 458	410 146
Additions	5 216	253	-	-	5 469
Exchange differences	224	-19	-	8 546	8 751
Amortisation	-1 140	-389	-333	-	-1 862
Accumulated cost 31 of December 2020	8 587	580	333	413 004	422 504
Goodwill specified per business combination:					2020
Goodwill arising from the acquisition of Metacon AS in December 2015					7 635
Goodwill arising from the acquisition of Alento AS at 30 June 2018					276 384
Goodwill arising from the acquisition of ACAP Invest in 2014					81 251
Goodwill arising from the acquisition of Form o Miljø 2007					412
Goodwill arising from the acquisition of Ergoff Miljø AB in 2015					8 216
Goodwill arising from the acquisition of Sørlie Prosjektinnredning AS in 2019					39 106
Total					413 004

Each goodwill item is allocated to a cash-generating unit (CGU). A cash-generating unit is the lowest level at which independent cash flows can be measured. When an acquired business continues to be operated as an independent unit, this business is designated the cash-generating unit. Units with significant synergy effects and which carry out similar activities, are together considered as a single cash-generating unit. This is the case when acquired operations are integrated with an existing Soland Invest AS Group company. In these cases, the combined business is the cash-generating unit for which goodwill is measured and followed-up.

For Frigaard Property Group and Sono Group the two operating segments are considered to be different cash generating units (CGU) against which goodwill is tested. The recoverable amount from the CGU is calculated by taking the historical cash flows for the CGU, taken into account expectations for moderate growth in the market segments. Calculation of the fair value less costs of disposal is classified as Level 3 in the fair value hierarchy.

Goodwill is not amortised, but is tested for impairment in the fourth quarter each year. The recoverable amount for the cash-generating units was determined by calculating the value in use by discounting future cash flows. The calculations were based on the company's budget approved by the Group management for 2020, and prognosticated cash flows covering a five years period. The growth presented in the budget is based on the management's expectation to the development and performance in the market segments, which Soland Invest AS Group is active. Based on available information and knowledge about the market, management is expecting some increase in the growth for the next years. Management's expectation is based on the historical development in trends and public sector analysis. For more details around the testing for impairment see the financial statement for Frigaard Property Group AS and North Investment Group AB.

Impairment testing was conducted in conjunction with the annual accounts on 31 December 2020 and was addressed by the company's Board. No impairment requirement was indicated.



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

All amounts in NOK thousand	Buildings and land	Machinery and equipment	Equipment, tools and fixtures & fittings	Total
Carrying amount 01.01.2020	31 017	6 627	5 776	43 420
Additions	5 190	318	5 673	11 181
Additions through acquisitions	216	-	270	486
Reclassifications	-512	-2 504	-	-3 016
Disposals	-	-	-1 175	-1 175
Depreciations	-1 298	-1 432	-2 716	-5 446
Exchange differences	-21	-209	-69	-299
Carrying value 31 of December 2019	34 592	2 800	7 759	45 151
Carrying amount 01.01.2020	34 592	2 800	7 759	45 151
Additions	1 710	2 266	2 206	6 182
Reclassifications	-2	-1	-10	-13
Disposals	-	-	-460	-460
Depreciations	-1 840	-1 200	-2 673	-5 713
Exchange differences	-	148	226	375
Carrying value 31 of December 2020	34 460	4 013	7 048	45 521



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 9. LEASES, RIGHT OF USE ASSETS AND LEASE LIABILITIES

Soland Invest Group uses leases mainly in cases where leases provide operational benefits or flexibility compared with owning the assets. Rent of buildings is used for offices, warehouses, and for temporary needs. The Group also leases cars, printers and forklifts.

The Group does not have significant residual value guarantees related to its leases to disclose.

Right of use assets

Right-of-use assets	Machinery and equipment			Total
	Buildings	equipment	Vehicles	
Acquisition cost 1 January 2019	312 425	3 401	22 950	338 776
Addition of right-of-use assets	25 668	459	9 443	35 570
Disposals	-1 382	-74	-2 554	-4 010
Transfers and reclassifications	-	3 595	-1 330	2 265
Currency exchange differences	-959	-211	-796	-1 966
Acquisition cost 31 December 2019	335 752	7 170	27 713	370 635
Accumulated depreciation and impairment 1 January 2019	-68 647	-1 181	-11 856	-81 684
Depreciation	-38 402	-860	-6 127	-45 389
Disposals	1 382	74	2 554	4 010
Transfers and reclassifications	-	-940	1 073	133
Currency exchange differences	-287	31	-31	-287
Accumulated depreciation and impairment 31 December 2019	-105 954	-2 876	-14 387	-123 217
Carrying amount of right-of-use assets 31 December 2019	229 798	4 294	13 326	247 418
Acquisition cost 1 January 2020	335 752	7 170	27 713	370 635
Addition of right-of-use assets	21 050	299	7 981	29 329
Disposals	-9 176	-499	-6 571	-16 246
Transfers and reclassifications	2 754	-2 433	299	620
Currency exchange differences	13 235	650	688	14 573
Acquisition cost 31 December 2020	363 615	5 187	30 109	398 911
Accumulated depreciation and impairment 1 January 2020	-105 954	-2 876	-14 387	-123 217
Depreciation	-41 959	-1 455	-7 432	-50 846
Impairment losses in the period	-497	-	20	-477
Disposals	9 176	499	6 571	16 246
Transfers and reclassifications	-1 920	1 424	1 521	1 025
Currency exchange differences	-8 114	-279	-530	-8 924
Accumulated depreciation and impairment 31 December 2020	-149 268	-2 688	-14 237	-166 193
Carrying amount of right-of-use assets 31 December 2020	214 347	2 499	15 873	232 718
Lower of remaining lease term or economic life	2-7 years	1-3 years	3-5 years	
Depreciation method	Linear	Linear	Linear	



ANNUAL REPORT SOLAND INVEST GROUP 2020

Practical expedients applied

The Group's also leases IT equipment and machinery with contract terms of 1 to 3 years. The Group has elected to apply the practical expedient of low value assets and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The Group has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases, presented in the table below.

Extension options

The Group's lease of buildings have lease terms that vary from 2 years to 7 years, and several agreements involve a right of renewal which may be exercised during the last period of the lease terms. The Group assesses at the commencement whether it is reasonably certain to exercise the renewal right.

Purchase options

The Group's leases machinery and equipment and vehicles with lease terms of 3 to 5 years. Some of these contracts includes a right to purchase the assets at the end of the contract term. The Group assesses at the commencement whether it is reasonably certain to exercise the renewal right, and this assessment is updated when there are circumstances indicating renewed operational plans pertaining to the leased assets.

Lease Liabilities

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	59 606
1-2 years	54 163
2-5 years	67 650
More than 5 years	79 063
Total undiscounted lease liabilities at 31 December 2019	260 482

Summary of the lease liabilities in the financial statements	Statement of:	Total
At 01.01.2019		280 307
New lease liabilities recognised in the year		30 083
Cash payments for the principal portion of the lease liability	Cash flows	-58 981
Cash payments for the interest portion of the lease liability	Cash flows	-8 444
Interest expense on lease liabilities	Profit and loss	8 444
Currency exchange differences	Profit and loss and Other	9 073
Total lease liabilities at 31 December 2019		260 482
Current lease liabilities	Financial position	59 606
Non-current lease liabilities	Financial position	200 876
Total cash outflows for leases	Cash flows	-58 981



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 10. INVESTMENT PROPERTY

All amounts in NOK thousand

	2020	2019
Opening balance as at 1 January	-	98 000
Capitalised subsequent expenditures	-	420
Accumulated fair value, sold investment property	-	-87 892
Net gain/loss on changes in fair value	-	-10 528
As at 31 December	-	-

The investment property in Frigaard Property Group and Frigaard Capital was sold in December 2019 for MNOK 87.9.

NOTE 11. ACQUISITIONS AND DISPOSALS OF BUSINESSES

On the 30 of April 2020, Frigaard Bolig AS, subsidiaries of Frigaard Property Group AS sold its shares in subsidiaries Höganloft Fastigheter AB, which is located in Tranås in Sweden. The consideration to be received for the shares is MSEK 58.3. A warranty commission of MNOK 9.4 to Frigaardgruppen AS was signed during Q2 2020. Total gain from the sale of shares after deduction of the warranty commission is MSEK 46.1 (MNOK 46.6), which is reflected in the Other operating revenue line in the income statement. At year end net cashflow from the transaction amounts to MSEK 25, while the net present value related to the main settlement is booked as a receivable in the balance sheet.

Through the sale of shares in Höganloft Fastigheter AB, we have sold a 21 400 sqm building combined for office and warehouse on a forward contract. The building is to be built and delivered in Q1 2022, in Tranås, Sweden. The purchase price for the Shares is based on a property value as if the building had been completed when the ownership of the shares was transferred. Höganloft Fastigheter AB is responsible for the contracting of the construction of the building with a third party. At the date of the financial statement the construction contracts have been signed by all parties, with a fixed construction price. Höganloft have hired an external project manager for the daily follow up of the construction process. The external project manager reports follow up and reports back to Frigaard Bolig that we are aligned with the fixed construction prices.

Höganloft Fastigheter has further signed a lease agreement with Sono Sweop AB, and through this agreement committed to build an investment property. This obligation is carried by Höganloft Fastigheter AB. This agreement is not considered a sale and leaseback in accordance with IFRS 16. Höganloft has after the sale been granted financing of a construction loan from Pareto Bank of MSEK 112. The expected start date for the lease with Sono Sweop AB, is set to March 2022.

Frigaard Bolig AS sold the shares with immediate effect from first cash consideration of MSEK 25 was available for Frigaard Bolig on the 30 of April 2020. The cash consideration of MSEK 25 is deducted in the main settlement. The main settlement is expected to take place no later than 10 weeks after the start of the lease of the building by Sono Sweop AB.



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 12. INVENTORY

All amounts in NOK thousand

	2020	2019
Raw materials	14 756	17 604
Work in progress	3 743	6 289
Purchased finished goods	58 991	61 927
Total	77 490	85 820

NOTE 13. DEVELOPMENT PROPERTIES

All amounts in NOK thousand

	2020	2019
Projects under construction	322 299	258 325
Unsold completed residential units	4 577	18 857
As at 31 December	326 876	277 182

Units under construction	69	22
Unsold completed units	1	7

Development projects involve construction of turnkey homes and commercial buildings for sale on Frigaard Property Group's own account. Cost incurred in respect of sites for development and units under construction are recognized under this item. Most of the projects run for longer than 12 months, and assets may therefore not be realized and settled until after more than 12 months have passed. In terms of accounting, sites and projects are presented as inventory.

In terms of accounting, sold units under construction are part of Soland Invest Group's inventory. This means that no revenue or profit is recognized in the income statement until the property is handed over to the buyer. By the time a residential project is initiated, there is normally only limited uncertainty regarding financial outcome of the project. At this point of time the main risk is related to whether the remaining units under construction will be sold. There is a limited risk regarding construction costs, as most of the main purchases have been agreed upon at an early stage in the construction phase.



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 14. TRADE RECEIVABLES AND CONTRACT BALANCES

All amounts in NOK thousand

	31.12.2020	31.12.2019
Trade receivables		
Receivables related to revenue from contracts with customers - external	229 020	181 523
Provision for bad debts	-1 739	-2 099
Total trade receivables	227 282	179 424

Trade receivables are non-interest bearing.

	31.12.2020	31.12.2019
Receivables not due for payment	187 519	104 597
Less that 30 days since due date	30 449	57 434
30-60 days since due date	691	5 885
60-180 days since due date	1 074	6 947
More than 180 days since due date	7 549	4 561
Total contract assets	227 282	179 424

Contract balances

Contract asset

Whereas trade receivable are invoiced receivables, contract assets represent a conditional right to receive payment. Contract assets are recognised for performance obligations satisfied over time mainly from engineering and construction projects where progress of work done is measured over the lifetime of the project. When the consideration becomes unconditional the contracts assets are reclassified to accounts receivables. This normally occurs when an invoice is issued.

	31.12.2020	31.12.2019
Contract assets		
As of 1 January	54 071	31 625
Additions	66 007	54 071
Reclassifications to accounts receivables	-54 071	-31 625
Total contract assets	66 007	54 071

Contract liabilities

For construction project fixed payment plans are generally use, and if the payment exceeds the work that has been done, the difference is classified as a contract liability in the statement of financial position.

In the property development operations, advance payments are received for sold units that are classified as contract liabilities. On the balance sheet day, all projects are reviewed, and for each project either a net asset or a net liability to the customer is entered. The advanced payment amount 10 % of the sale price of the apartment. At year end there was sold and received advanced payment for 20 units. The advanced payment is secured by a warranty, according to Bustadsoppføringslova §47.

	31.12.2020	31.12.2019
Contract liabilities		
As of 1 January	15 514	48 473
Advances received in 2019	70 289	15 514
Recognised as income during the year	-15 514	-48 473
Total contract liabilities	70 289	15 514

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

49



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 15. CASH AND CASH EQUIVALENTS

All amounts in NOK thousand

	2020	2019
Cash and bank deposits	373 524	272 497
Of which restricted funds	19 160	22 309
Short-term bank deposits		

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

	2020	2019
Cash at banks and on hand	373 524	272 497
Overdraft facility	16 886	17 931

The Group had unused credit facilities of MNOK 16,9 as at 31 December 2020 (2018: MNOK 17,9).
There are no restrictions on the use of these funds.

NOTE 16. NUMBER OF SHARES, SHAREHOLDERS ETC.

The shareholder at 31.12.20 is Trond Olav Frigaard, who is also the chairman of the board.
The share capital of NOK 1 000 000 consists of 1 share of NOK 1 000 000.
All issued shares have equal voting rights and the right to receive dividend.



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 17. INCOME TAX EXPENSE AND DEFERRED TAX

Deferred tax assets (liabilities)	2020	2019
Pensions	3 757	3 710
Tax losses carried forward	39 548	39 887
Intangible assets	-998	260
Property, plant and equipment	-1 610	-1 663
Inventories	590	517
Other Current assets	1 881	1 418
Non-completed construction contracts	-31 774	-24 726
Leasing	3 159	2 524
Temporary differences related to restructuring	2 979	3 746
Net deferred tax asset (liabilities)	17 532	25 673
Deferred tax asset	49 789	41 840
Deferred tax liability	32 263	16 167
Tax expense:	2020	2019
Profit before income tax	60 790	-17 280
Permanent differences and changes in differences that are not included in the basis for calculating deferred tax	-13 449	53 181
Basis for income taxes	47 341	35 901
Tax expense for the year		
Tax payable	-	112
Change in deferred tax	8 146	2 666
Disposals of companies / other	3 631	5 391
Tax expense	11 777	8 169
Tax expense (income) in% of basis for income taxes	25 %	23 %
Tax payable in the balance sheet		
Tax payable in Norway	-	-
Tax payable in Sweden	-	112
Total tax payable	-	112

Permanent differences is related to sale of shares, and unrecognized deferred tax asset related to tax losses carried forward.



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 18. NON CURRENT LIABILITIES

All amounts in NOK thousand

	2020	2019
Bonds	-	606 864
Cost related to bonds	-	-12 336
Construction loans (development projects)	62 857	-
Loans from credit institutions	49 809	38 696
	112 666	633 224

In 2018 Frigaard Property Group and North Investment Group issued bonds at face value MNOK 615, these bonds were maturing in 2021 and have been replaced by new bonds after year end;

Refinancing of existing bonds

Frigaard Proerty Group secured a new floating rate bond of NOK 300 million with 3-year tenor, in February 2021, to refinance the existing senior secured bond which was maturing in June 2021 (FRIPRO01). A call premium was paid for the existing bond of MNOK 3, which will be expensed in Q1 2021 together with residual capitalized financing expenses of MNOK 1.4. The bond is secured by a pledge of the direct subsidiaries of Frigaard Property Group AS, and the shares in Frigaard Property Group AS owned by FPG Invest AS.

The coupon interest for the new bond was set to 3m NIBOR + 7% margin per annum. Financial covenant was set to liquidity of no less than NOK 30 million, on a consolidated basis for the Group.

Sono Group also secured a new floating rate bond of SEK 285 million with 3-year tenor in May 2021, to refinance the existing senior secured bond which was maturing in Sept 2021 (NIG 02). A call premium was paid for the existing bond of MSEK 6,8, which will be expensed in Q2 2021 together with residual capitalized financing expenses of MSEK 4.3. The bond is secured by a pledge of the subsidiaries of North Investment Group AB (publ.).

The coupon interest for the new bond was set to 3m STIBOR + 9% margin per annum. Financial covenant was set to liquidity of no less than SEK 10 million, LTM EBITDA above 70 MSEK on a consolidated basis for the Group.

Repayment profile of loans to credit institutions	Bonds current	Loans from		Total
		Construction loans	credit institutions	
Less than 1 year	643 421	4 200	1 250	648 871
Year 2 -4	0	64 057	23 583	87 640
More than 5 years			2 619	2 619
Total	643 421	68 257	27 452	739 130

Constructions loans mature as projects are completed and delivered. The interest on the constructions loans and loans from credit institutions have floating interest rates. The current range is from 4.25% on the construction loans, to a rate of 8.3% on the issued bonds.



ANNUAL REPORT SOLAND INVEST GROUP 2020

Secured debts

Debt secured by collateral		
	2020	2019
Bonds	-	594 528
Construction loans (development projects) - current	62 857	48 711
Loans to credit institutions - non-current and current	49 824	44 272
Pension liabilities	31 855	29 356
	144 536	716 867

Assets used as collateral		
	2020	2019
Shares in Alento AS, Metacon AS and Frigaard Bolig AS	326 990	332 568
Shares in North Investment Group	225 497	206 560
Property plant and equipment	45 521	45 151
Inventory	77 490	85 820
Development properties	326 876	277 182
Trade receivables	227 282	179 424
	1 229 656	1 126 705

NOTE 19. FINANCIAL INSTRUMENTS

The carrying value of assets and liabilities can be broken down into the following categories:

All amounts in NOK thousand	Assets measured at amortized cost	
	2020	2019
<i>Non-Current</i>		
Other investments	-	35
Other long term receivables	9 495	227
<i>Current</i>		
Trade receivables and other receivables	227 282	179 424
Contract assets	66 007	54 071
Cash and cash equivalents	373 524	272 497
Total financial assets	676 308	506 254

	Liabilities measured at amortized cost	
	2020	2019
<i>Non-Current</i>		
Bonds	-	594 528
Liabilities to financial institutions	49 809	38 696
Construction loan	62 857	-
<i>Current</i>		
Liabilities to financial institutions	15	5 576
Construction loan	-	48 711
Bond loan current	629 911	-
Trade account payables	218 577	193 974
Contract liabilities	70 289	15 514
Total financial liabilities	1 031 458	896 999



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 20. RELATED PARTY TRANSACTION

All transactions with related parties are carried out in accordance with the arm's length principle. Transaction between subsidiaries are eliminated in the consolidated financial statements and do not represent related parties. Frigaard Property Group has during the year, except for ordinary business transactions, not had any significant transactions with related parties.

During Q2 2020 a guarantee commission of MNOK 9.4 to Frigaardgruppen AS was signed. The commission is related to Frigaardgruppen AS responsibilities as a guarantor in the share purchase agreement for Høganloftet AB, se note 11 for further information.

Frigaard Property Group has ongoing transactions with related parties during its ordinary operations, including contracts for the development of specific projects. Alento has been selected by Mistelpark AS as the contractor for "project Mistel Park". One of our directors in Alento AS has a 25% ownership in Mistel Park AS



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 21. EVENTS AFTER THE REPORTING DATE

Great precautions have been taken according to the FHI guidelines. The concern for life and health is Soland Invest Group's first priority, and the company has implemented a number of measures to protect employees, against the spread of the coronavirus. On the management side, our employees have been working from home when and where possible. There have been no new developments in the pandemic with a material effect on the year-end assessments.

In February 2021, Frigaard Property Group completed a new secured floating rate bond issue of NOK 300 million with 3-year tenor. The net proceeds from the bond issue will be used to refinance Frigaard Property's existing bond issue (FRIPRO01) and for general corporate purposes, see note 17 for further information. The refinancing resulted in a net cash flow effect of MNOK 7.8 following repayment of existing bond loan and transactions expenses at the date of the financial statement.

Sono Group has finalized the refinancing with a new bond loan of SEK 285 million and an overdraft facility in April 2021. This refinancing replaces the bond loan with an original maturity date in September 2021. As a result of the bond loan being redeemed early, a premium of 102.1 is paid in accordance with the bond terms 102.1 %, which corresponds to approximately SEK 6.7 million.

On the Annual Meeting in February 21 of Frigaard Property Group AS, it was decided to redeem 38 098 shares and by that reducing the share capital in Frigaard Property Group with 76 196,- NOK, from 543 012,- NOK to 466 816,- NOK. After this the share capital of the company consists of 233 408 shares each with a par value of 2,- NOK. The effective date of the redemption is estimated to April 14th.

No other events have occurred after the balance sheet date which have had a material effect on the submitted accounts. However, it should be noted that the accounts are based on project estimates which reflect a normal situation of full operation and project staffing levels. Progress on current projects may be affected by the pandemic, and the consequences will depend on the scope and duration of the pandemic.



ANNUAL REPORT SOLAND INVEST GROUP 2020

Parent Company

Soland Invest AS

All amounts in NOK thousand	Note	2020	2019
Other operating expense	5	280	269
Total operating expenses		280	269
Operating profit		-280	-269
Financial income and expenses			
Income from investments in subsidiaries	7	4 000	-
Interest income group	7	2	22
Other interest income		11	37
Other financial income		9	48
Interest expense group		83	-
Result before income tax		3 658	-161
Income taxes	6	-	-35
Net profit for the period		3 658	-126



ANNUAL REPORT SOLAND INVEST GROUP 2020

Parent Company

STATEMENT OF FINANCIAL POSITION SOLAND INVEST AS

ASSETS	Note	2020	2019
All amounts in NOK thousand			
Non-current assets			
Intangible assets			
Deferred tax asset	6	1 124	1 124
Total intangible assets		1 124	1 124
Financial fixed assets			
Investment in subsidiaries	1	12 674	12 674
Loan to group companies	2	-	1 003
Total financial fixed assets		12 674	13 676
TOTAL NON-CURRENT ASSETS		13 797	14 800
Current assets			
Other short-term receivables		45	21
Total receivables		45	21
Cash and cash equivalents		2 710	4 995
TOTAL CURRENT ASSETS		2 755	5 016
TOTAL ASSETS		16 552	19 816



ANNUAL REPORT SOLAND INVEST GROUP 2020

Parent Company

STATEMENT OF FINANCIAL POSITION SOLAND INVEST AS

EQUITY AND LIABILITIES	Note	2020	2019
All amounts in NOK thousand			
Equity			
Share capital	3	1 000	1 000
Total paid-in capital		1 000	1 000
Retained earnings		12 461	12 803
Total retained earnings		12 461	12 803
TOTAL EQUITY	4	13 461	13 803
Non-current liabilities			
Loan from group companies	2	3 078	-
TOTAL NON-CURRENT LIABILITIES		3 078	-
Current liabilities			
Trade account payables		13	13
Dividend		-	6 000
TOTAL CURRENT LIABILITIES		13	6 013
TOTAL LIABILITIES		3 091	6 013
TOTAL EQUITY AND LIABILITIES		16 552	19 816

Sarpsborg, 31 of May 2021
The Board of Directors

Trond Olav Frigaard
Chairman and CEO



ANNUAL REPORT SOLAND INVEST GROUP 2020

Parent Company

STATEMENT OF CASH FLOWS SOLAND INVEST AS

CASHFLOW STATEMENT	2020	2019
All amounts in NOK thousand		
Cash flow from operations		
Profit before income taxes	3 658	-161
Tap/ gevinst ved salg av eiendeler	-	-50
Change in accounts payable	-1	-6
Change in other provisions	-24	34
Items classified as investments or financing	-	-
Net cash flow from operations	3 634	-182
Cash flow from investments		
Decrease in given loan to group companies	1 003	-
Increase in given loan to group companies	-	-522
Proceeds from sale of other investments	-	2 060
Net cash flow from investments	1 003	1 538
Cash flow from financing		
Proceeds from liabilities to group companies	3 078	-
Repayment of short term loans	-	-
Payment of dividend	-10 000	-17 000
Net cash flow from financing	-6 922	-17 000
Net cash flow in period	-2 285	-15 645
Cash and cash equivalents at the beginning of the period	4 995	20 640
Cash and cash equivalents at the end of the period	2 710	4 995
This consists of:		
Bank deposits	2 710	4 995



ANNUAL REPORT SOLAND INVEST GROUP 2020

ACCOUNTING PRINCIPLES

The annual accounts have been prepared in conformity with the provisions of the Accounting Act and good accounting practice in Norway.

Foreign currency

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date.

Revenues

Income from the sale of goods is recognised on the date of delivery. Services are posted as income as they are delivered.

Tax

The tax charge in the income statement consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. A net deferred tax asset is entered on the balance sheet to the extent that it is likely that it can be utilised.

Classification and valuation of fixed assets

Fixed assets consist of assets intended for long-term ownership and use. Fixed assets are valued at acquisition cost less depreciation and write-downs. Long-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Classification and valuation of current assets

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Subsidiaries and associated companies

Subsidiaries and associated companies are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represent a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the

Soland Invest AS Sandesundsveien 2, 1724 SARPSBORG, Norway Org. No. 987 521 465

60



ANNUAL REPORT SOLAND INVEST GROUP 2020

respective receivables. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

NOTE 1 SUBSIDIARIES

The investments in subsidiaries are valued using the cost method.

All amounts are in NOK thousand.

The investments in subsidiaries are valued using the cost method.
All amounts are in NOK thousand

Subsidiary	Office	Ownership	Equity last year	Result last year	Book value 31.12.2020
Frigaardgruppen AS	Sarpsborg	100 %	187 083	-3 585	12 674
Book value 31.12.2020					12 674

For more information on shares used as collateral, see note 16 in FPG and note 28 in Sono Group.

NOTE 2 INTER-COMPANY ITEMS

All amounts in NOK thousand

	Other long-term receivables	
	2020	2019
Companies in the same group	-	1 003
Sum	-	1 003

	Loan from group companies	
	2020	2019
Companies in the same group	3 078	-
Sum	3 078	-

No repayment plan has been agreed on the loan to Frigaardgruppen AS.

NOTE 3 TOTAL SHARES, SHAREHOLDERS ETC.

The share capital of NOK 1 000 000 consists of 1 share with a face value of NOK 1 000 000. Trond Olav Frigaard (chairman of the board) own the share.



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 4 EQUITY

All amounts in NOK thousand	Share capital	Share premium reserve	Total equity
Equity as at 01.01.2020	1 000	12 803	13 803
Profit for the period		3 658	3 658
Dividend paid		-4 000	-4 000
Equity as at 31.12.2020	1 000	12 462	13 461

NOTE 5 SALARY COST AND BENEFITS, REMUNERATION TO THE BOARD AND AUDITOR

The company has no employees and is not liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act.

There has been no board remuneration in 2020. Salary to the CEO is paid through Frigaardgruppen AS. For further details see note 4 in Soland Invest AS Group.

No loans or guarantees have been given to any board members or other related parties.

All amounts in NOK thousand	2020	2019
Expensed remuneration to the auditor		
Audit fees (incl. Technical assistance with company and group financial statements)	165	207
Tax advisory fee and other assistance	-	35
Total	165	242

VAT is included in the fees specified above.



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 6 TAX

Calculation of deferred tax:

All amounts in NOK thousand

Timing differences:	2020	2019	Change
Accumulated tax losses carried forward	-5 393	-5 108	284
Tax asset not recognised	284		
Basis for calculation of deferred tax	-5 108	-5 108	284
Deferred tax assets (22 %)	-1 124	-1 124	-
Deferred tax liability (-asset)	-1 124	-1 124	-

Basis for tax expense, change in deferred tax and tax payable

Taxable income:	2 020	2019
Profit before taxes	3 658	-161
Permanent differences	-3 943	10
Taxable income	-284	-151

Tax payable:	2 020	2019
Tax payable on profit of this period	-	-
Total tax payable	-	-

Income tax expense:	2020	2019
Changes in deferred tax assets	-	-35
Tax expense	-	-35

Reconciliation of tax expense:		
Profit before taxes	3 658	-161
Income taxes calculated at 22%	805	-35
Tax expense in the income statement	-	-35
Difference	805	-

Tax effect of permanent differences	867	-
Other differences (adjustment in accumulated tax losses carried forward)	-63	-
Explained difference	805	-

NOTE 7 RELATED PARTY TRANSACTIONS

Remuneration to senior employees is featured in note 5, and intercompany items are featured in note 2.



ANNUAL REPORT SOLAND INVEST GROUP 2020

NOTE 7 RELATED PARTY TRANSACTIONS

Remuneration to senior employees is featured in note 6, and intercompany items are featured in note 2.

Transactions with related parties:	2020	2019
All amounts in NOK thousand		
<i>a) Dividend</i>		
- Companies in the same group	4 000	-
<i>b) Interest income</i>		
- Companies in the same group	2	22
<i>c) Interest expense</i>		
- Companies in the same group	83	-



 Securely signed with Brevio

Årsregnskap

Signers:

Name	Method	Date
Frigaard, Trond Olav	BANKID_MOBILE	2021-05-31 16:01

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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





Skatteetaten

Vår dato
05.06.2019

Din/Deres dato
30.04.2019

Saksbehandler
Henning Stokke

800 80 000
Skatteetaten.no

Din/Deres referanse
Trond Frigaard

Telefon
800 80 000

Org.nr
974761076

Vår referanse
2019/5908815

Postadresse
Postboks 9200 Grønland
0134 OSLO

SOLAND INVEST AS
Bredmyra 4
1739 BORGENHAUGEN

Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk for Soland Invest AS, org.nr. 987 521 465

Vi viser til deres brev av 30. april 2019 og etterfølgende e-post av 14. mai 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Soland Invest AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Soland Invest AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Bakgrunn

Fra søknad av 30. april 2019 gjengis:

Soland Invest AS, org.no. 987 521 465, har to under konsern som har tatt opp to obligasjonslån som vil rapporteres henholdsvis til Oslo børs og Nasdaq First North. Pliktig dokumentasjonen som utarbeides og rapporteres til obligasjonseierne vil bli levert på engelsk.

Det er liten eller ingen drift i holdingselskapet Soland Invest AS. Ettersom dokumentasjonen tilknyttet underliggende konsernregnskap alt er utarbeidet på engelsk, søkes det herved om unntak fra regnskapsloven § 3-4 første ledd om at årsregnskapet og årsberetningen som hovedregel skal utarbeides på norsk.

Fra e-post av 14. mai 2019 gjengis

Soland Invest AS eies 100 % av Trond Frigaard. Soland Invest AS vil avgi regnskap etter forenklet IFRS, basert på de samme regnskaps-prinsipper som underkonsernene Frigaard Property Group og North Investment Group. All dokumentasjon til obligasjonseierne er per 31.12.2018 utarbeidet på engelsk for selskapene Frigaard Property Group og North Investment Group.

Obligasjonseierne er i hovedsak brukerne av konsernregnskapene, i tillegg til aksjeeierne. Konsernregnskapet til North Investment Group er i tillegg satt opp på svensk til svenske myndigheter.

**Skattedirektoratets vurdering**

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

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

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

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

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

Som nevnt ovenfor er det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er heleid av en aksjonær. I tillegg har underkoserselskap tatt opp obligasjonslån som rapportes til Oslo Børs. All pliktig rapportering til børsen utarbeides på engelsk. Videre er det vektlagt at de øvrige konsernselskapene vil utarbeide årsregnskapene på engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Juridisk avdeling, næring
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.