



Årsregnskap for regnskapsåret 2021

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

Brønnøysundregistrene
12.07.2023

Brønnøysundregistrene

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Organisasjonsnummer: 974 760 673



Brønnøysundregistrene – Regnskapsregisteret

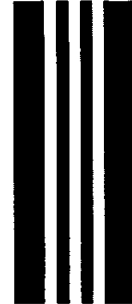
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VEDLEGG TIL ÅRSREGNSKAP 2021



JORDANES INVEST AS c/o Scandza AS Henrik Ibsens gate 60C 0255 OSLO	Organisasjonsnr. 920 596 533	AS
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Registrerte opplysninger per 02.08.2022	Eventuelle endringer dette regnskapsåret
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Startdato 01.01.2021	Avslutningsdato 31.12.2021	Startdato	Avslutningsdato
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Konsernforhold Foreninger som følger regler for frivillig virksomhet, kan ikke være morselskap	Morselskap JA	Endret konsernforhold <input type="checkbox"/> Morselskap <input type="checkbox"/> Ikke morselskap
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Kun for aksjeselskap som har meldt fravalg av revisjon

Selskapet har besluttet at årsregnskapet ikke skal revideres Ja

Årsregnskapet er utarbeidet av ekstern autorisert regnskapsfører Ja

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

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

Hvis enheten ikke følger norsk regnskapslov eller frivillighetsregisterloven, kryss av IFRS selskap IFRS konsern

Hvis enheten velger å avvike fra regnskapsloven § 6-1, kryss av Funksjon selskap Funksjon konsern

Følges regnskapsreglene for små foretak? Ja Nei

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

Sted/dato, Underskrift av representant for enheten

Vedlegg

Bare til bruk for Regnskapsregisteret

G NYVE Admr Kregn Ja Nei Aktiv. regn

M Rets Ant.s

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BR-1001-11





Brønnøysundregistrene - Regnskapsregisteret

VEDLEGG TIL ÅRSREGNSKAP 2021

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

Registrerte opplysninger per 30.07.2022		Eventuelle endringer dette regnskapsåret	
Startdato	Avslutningsdato	Startdato	Avslutningsdato
01.01.2021	31.12.2021		
Konsernforhold Foreninger som følger regler for frivillig virksomhet, kan ikke være morselskap	Morselskap JA	Endret konsernforhold <input type="checkbox"/> Morselskap <input type="checkbox"/> Ikke morselskap	

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Hvis enheten velger å avvike fra regnskapsloven § 6-1, kryss av Funksjon selskap Funksjon konsern

Følges regnskapsreglene for små foretak? Ja Nei

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

Sted/dato, Underskrift av representant for enheten Oslo 30 juli 2022  30.06.2022

Bare til bruk for Regnskapsregisteret

G NYVE Admr Kregn Ja Nei Aktiv. regn

M Rets Ant.s

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Jordanes Invest AS

Consolidated Financial Statements 2021

Penneo Dokumentnr: P7USB-DDY8X-QULTP-4PVO2-BLHF0-YCANK



Board of Directors' report

Jordanes Invest AS (the **Company** or **Jordanes Invest**, and together with its direct and indirect subsidiaries hereinafter referred to as the **Group**) operates in the consumer industry and owns a portfolio of iconic staple brands through the companies Scandza, Feelgood Company, Bisca and Dely. The Company is headquartered in Oslo.

Operations in 2021

The Group continued to execute on improvement programmes strengthening profitability and increasing market shares on key brands.

The covid-19 pandemic impacted various parts of the Group differently. Overall, the impact was limited. This is partly due to the Group's strategic diversification across consumer needs and consumer occasion, and partly due to the Group's pro-active mitigating approach.

First half of 2021 delivered a strong retail grocery market, while the convenience and Horeca channels were negatively impacted by the close down of society in response to covid-19. These effects were at least partially reversed in the second half of the year as covid-19 measures were lifted.

All production facilities remained in operation throughout the year with no or limited disruptions.

The Board of Directors is pleased with the solid organic growth and the improvement in profitability achieved during a year of considerable turmoil.

The Group acquired 100% of the shares in Umoe Restaurants AS (renamed to Dely AS) in line with its strategy to own and develop iconic staple brands across a wide range of goods and services, preferably with direct access to the end consumer.

The Group reorganized most of its production assets into a new subsidiary, Jordanes Properties AS. Subsequently, five production assets have been sold to Snack Properties AS in a sale-leaseback deal. Jordanes AS has retained 34% ownership in Snack Properties AS through Jordanes Properties AS and Snack Alternativt Investeringsfond AS. The outstanding shares in Hylla was acquired early 2021 and sold as part of this transaction.

Towards the end of 2021, the Group finalized negotiations of refinancing of all of its debt. New bank facilities and an unsecured bond was put in place in the first quarter of 2022, significantly reducing the Group's financing costs.

Statement of comprehensive income and financial position

Jordanes Invest (Group)

The Board of Directors believes that the 2021 financial statements give a true and fair view of the Group's assets and liabilities, financial position, and profit for the period. The profit and loss items for the Danish trading business of cookies is presented as discontinued operations for 2021 and 2020. The financial statement shows the results for the period 1st of January 2021 to 31st of December 2021 by comparison with the period from 1st of January 2020 to 31st of December 2020. The Board confirms that the Group's liquidity position, together with the expected cash flow from operations in 2022, will be adequate to fulfil short-term liabilities as they fall due. The Board of Directors confirms that the assumption that the Group being a going concern is valid.



The Group had total revenues of MNOK 5,614 in 2021 (NOK 4,795 million in 2020), constituting a growth of 17% and 6.4% excl. Dely. The growth is primarily driven by high demand in grocery retail, combined with market share gains as well as strong growth in The Feelgood Company. The cost of goods sold was NOK 3,459 million (NOK 3,140 million in 2020). Operating profit before depreciation, amortization and other income and expenses was NOK 648 million (NOK 515 million in 2020). Operating profit before other income and expenses for the Group was NOK 444 million (NOK 354 million in 2020), equal to a 25.3% increase, driven by operational leverage and a higher contribution margin. Finally, the 2021 post tax result of continued operations was NOK 177 million (NOK -93 million in 2020), improving by NOK 270 million, to a large extent explained by gains related to the sale of property companies.

The Group had interest bearing liabilities net of cash and cash equivalents, including IFRS16 leases, of NOK 4,181 million at year end 2021 (NOK 3,449 million at year end 2020). Total current assets less cash minus trade payables, public duties payable and other current liabilities amounted to NOK 63 million at year end 2021 (NOK 132 million at year end 2020). Cash flow from operating activities was NOK 302 million in 2021 (NOK 241 million in 2020).

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

The equity of the Group was NOK 887 million at year end 2021, and the equity ratio was 12.5 percent.

Jordanes Invest AS (Company)

The company has no activity but being a holding company for Jordanes Group. The Company had a total equity of NOK 507 million, with an equity ratio of 98%. Jordanes Invest AS has no employees.

Comment on profit performance of the individual operating segments

The Group operates in five operating segments: Scandza, Feelgood Company, Bisca, Properties and Dely. Financing costs are covered by HQ.

Scandza

Total revenues increased by 4.7% in 2021, driven by broad based organic growth in all business units, except for the Swedish ready to eat business, which was severely hit by covid-19 restrictions. Synnøve Finden, the biggest business unit of the Group, achieved 5.6% sales growth. Operating costs were negatively affected by high energy costs and increased costs related to the sale and lease of production facilities. Segment operating profit (before other income and expenses) improved by 12.6%, driven by operating leverage as a result of volume growth and solid cost control.

Feelgood Company

Total revenues increased by 6.3% in 2021, driven by strong organic sales growth in all parts of the business, especially own e-commerce shows exceptional growth. To support continued growth and adjust the organisation to larger business The Feelgood Company has invested in people, marketing, new office etc, resulting in segment operating profit (before other income and expenses) declining with 14.5%.

Bisca

Total revenues decreased 6.7% in 2021, driven by a 30% decline in the Swedish business coming from active delists of unprofitable products. Stable sales in core market Denmark, maintaining market



share and #1 position. Operating costs negatively affected by sharp increase in energy, transportation, and material prices as well as continued production inefficiencies.

Dely

Dely was acquired by Jordanes AS 1 July 2021. In 2H 2021 total revenues were NOK 550 million, which was 13% higher than 2H 2020. Q4 2020 and December 2021 revenues was impacted by covid restrictions, particularly the restaurant segment. Operating profit for the six months was NOK 40 million. The business has the last two years been significantly affected by the pandemic outbreak but has improved its productivity and operational efficiency during the period.

Properties

In August 2021 properties and factories were sold from Jordanes AS to Snack Properties AS where the Group owns 34% through Jordanes Properties AS and Snack Alternativt Investeringsfond AS. In 2021 Properties had operating revenues of NOK 1.5 million and an operating loss of NOK 1.4 million.

External environment and corporate responsibility

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

Corporate responsibility is governed through several documents including inter alia "The Jordanes DNA", ESG Policy and Code of Conduct. All policies are available to employees through our internal systems.

Work Environment and equal opportunities

By the end of 2021, the Group had a total of 1,903 FTE's in its continuing operations. Their tasks vary from manufacturing and handling heavy machinery, to product development, sales, management, and administration. Collaboration between management and the employee organisations is well functioning with a mutual aim to finding constructive solutions to the challenges faced by the Group.

Jordanes Invest has a zero-accident policy. The health and safety of the employees has the highest priority and the Group aim to continuously maintain, improve, and develop healthy working environment conditions. Introduction to the governing documents and training in HSE is a part of the onboarding process for all employees. During the year a total of 99 accidents were recorded, where the majority did not result in absence (37 injuries resulting in short absence and 57 resulting in no absence).

In 2021 the sick leave rate was 6.0%, which is a 0.2% increase over 2020. The rate of long-term sick leave was at 3.5%. The work to ensure employees' health, safety and well-being is a continuous process and any opportunity for improvement is pursued diligently.

The Group strives for a balanced gender distribution, and as of 2021 the employees were split 47% female and 53% male. The Group's Executive Management and Board of Directors is currently only composed of men.

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



In a previous mapping of salary differences, we found that on a Group level, there is a salary gap in favour of men. This is mainly a result of differences in seniority. The company is continuously working to ensure equal pay for equal work.

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

Corporate Governance

Jordanes Invest is a privately owned company. The Board of Directors is dedicated to good corporate governance and annually assess the corporate governance of the Group. As a private company the Corporate Governance practices required by the shareholders are implemented. The Board of Directors is elected by the shareholders at the general meeting.

The Board of Directors operates according to the articles of association, the shareholders' agreement and applicable laws and regulations. The Board of Directors has in turn delegated authority to the CEOs of Scandza, Feelgood Company, Bisca and Dely, who reports to the Executive Board of the Company. The Company has a set of policies and guidelines governing the way the Group's boards and managements operate (inter alia Code of Conduct and ESG Policy). Strategy, planning and reporting is governed by the Plan & Budget Instruction, together with the Jordanes DNA and the Operations & Stewardship Instruction. The Delegation of Authority Guide regulates the running business and outlines the approval process for expenditures and employment.

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

Remuneration to the Directors of the Board and Executive Management is described in note 7.1 in the Financial Statements.

The Company, including subsidiaries of all tiers, have a Directors and Officer's liability insurance policy placed with the global insurer QBE Europe SA/NV; Belgium. The policy covers claims made against the insured world-wide (excluding North America) on a basis of legal liability for financial loss emanating from wrongful managerial acts, caused by any past, present and future directors and officers within the group. The policy also covers legal costs and range of loss related expenses. The sum insured is at a level considered relevant for the Jordanes Invests' group of companies.

Risk factors

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

Technical risk

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

Risk associated with raw material supply

Supplier risk is mainly associated with the supply of raw material and is viewed as low on a national level. For instance, Tine has a milk supply obligation, which is regulated by the Norwegian Government. For other input factors there are several alternative suppliers in the market, reducing the Group's dependence on individual suppliers. Global supply chains have been disturbed by both



the pandemic and the Russian invasion in Ukraine. These challenges have to date been solved without material negative effects for the Group.

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

Quality risk

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

Market risk

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

Distribution risk

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

Political risk

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

Financial risk

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

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

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



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

The Group is in compliance with its financial covenants, and a successful refinancing has been finalized in the first quarter of 2022.

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

Outlook and events after the end of the reporting period

Jordanes Invests' portfolio companies face strong competition from both local and international competitors, as well as the retail trade's private labels. In face of this competition and shifting consumer preferences Jordanes Invest is well positioned through its diverse channel footprint and local brands to react rapidly to changes. 2021 proves Jordanes Invests' position as a nimble challenger. Going forward the Group targets above market growth for its portfolio companies and aims to continue growth through acquisitions.

The Group has through Jordanes Investments been successfully refinanced in the first quarter of 2022, through the establishment of new banking facilities and an unsecured bond. The restaurant group Dely, which was acquired from Umoe AS by Jordanes AS in July 2021, has been transferred at acquisition cost from Jordanes AS to Jordanes Investments AS through a contribution in kind in connection with the refinancing.

The covid-19 situation impacted the Group in both positive and negative ways in 2021. While the grocery retail trade has experienced growth, the convenience and HoReCa channels have been adversely affected with significantly lower footfall in locations and lower revenue. A reversal of these effects has been seen and is expected as society continues on its path towards normalization.

The Russian invasion in Ukraine has on top of the covid-19 pandemic disturbed global supply chains. As a consequence, sourcing and market prices of several raw materials have been negatively affected. This has not had a material negative effect on the operations of Jordanes Invest to date. These challenges are however facing competitors in a similar way and will probably result in generally increased sales prices as a mitigating factor going forward.

Proposal for distribution of the result of the period

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

The Board of Directors Jordanes Invest AS

Oslo, 30 June 2022

Stig Terje Sunde

Chairman

Karl Kristian Sunde

Director

Jan Leif Bodd

Director

Jon Thomas Warset

Director

Penneo Dokumentnøkkel: P7U5B-DDY8X-QUL-TP-4PVO2-BLHF0-YCANK



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Pennec Dokumentnøkkel: P7USB-DDY8X-QUJ-TP-4PVOZ-BLHF0-VCAKK



Consolidated statement of comprehensive income

For the years ended 31 December

Amounts in NOK thousands	Notes	2021	2020
Revenue from contracts with customers	2.1-2.2	5 613 664	4 795 171
Total revenue		5 613 664	4 795 171
Cost of materials and changes in inventories	2.5	-3 458 668	-3 140 465
Payroll expenses	2.3	-930 152	-694 791
Operating expenses	2.4	-605 605	-461 325
Depreciation and amortisation	3.1-3.3	-203 951	-160 877
Share of profit or loss in associates	6.4	29 160	16 783
Operating profit (before other income and other expenses)		444 448	354 496
Other income	2.4	221 420	8 503
Other expenses	2.4	-53 491	-67 636
Operating profit		612 377	295 363
Financial income	4.8	28 440	7 972
Financial expenses	4.8	-394 420	-397 768
Profit or loss before tax		246 397	-94 433
Income tax expense	5.1	-69 422	1 718
Profit or loss(-) continuing operations		176 975	-92 715
Profit or loss (-) discontinued operations	6.2	-64 541	-750
Profit or loss (-) total operations		112 434	-93 465
Other comprehensive income:			
<i>Items that subsequently may be reclassified to profit or loss:</i>			
Foreign exchange differences on translation of foreign operations		-8 589	52 214
Total items that may be reclassified to profit or loss		-8 589	52 214
Total other comprehensive income for the year		-8 589	52 214
Total comprehensive income for the year		103 845	-41 250
Allocation of profit or loss for total operations:			
Profit or loss attributable to equity holders of the parent		58 241	-53 966
Profit or loss attributable to non-controlling interests	6.1	54 193	-39 498
Allocation of total comprehensive income			
Total comprehensive income attributable to equity holders of the parent		53 792	-23 818
Total comprehensive income attributable to non-controlling interests		50 053	-17 432
Earnings per share (EPS) basic and diluted:			
EPS continuing operation - profit or loss attributable to equity holders of the parent	4.9	242	-105
EPS total operations - profit or loss attributable to equity holders of the parent	4.9	115	-107

Penneo Dokumentnøkkel: P7USB-DDY8X-QUL-TP-4-PVOZ-BLHFO-VCAKK



Consolidated statement of financial position

Amounts in NOK thousands	Notes	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	505 456	605 663
Goodwill	3.2-3.3	2 750 213	2 359 490
Intangible assets	3.2-3.3	967 456	976 183
Right-of-use assets	3.4	1 061 913	244 738
Investments in associates	6.4	14 246	19 448
Non-current financial assets	4.1	103 179	35 702
Total non-current assets		5 402 463	4 241 224
Current assets			
Inventories	2.5	512 031	486 938
Trade receivables	2.6	684 086	569 278
Other receivables , etc	2.6	71 655	133 462
Cash and cash equivalents	4.7	332 527	438 339
Assets held for sale	6.2	83 919	-
Total current assets		1 684 218	1 628 016
TOTAL ASSETS		7 086 681	5 869 240
EQUITY AND LIABILITIES			
Equity			
Share capital	4.6	507	507
Paid in capital		518 729	518 729
Cumulative translation differences		47 471	51 919
Retained earnings		4 227	-173 488
Equity attributable to equity holders of the parent		570 934	397 667
Non-controlling interests	6.1	315 762	354 851
Total equity		886 696	752 518
Non-current liabilities			
Non-current interest-bearing liabilities	4.2	150 000	3 360 595
Non-current lease liabilities	3.4	906 820	196 416
Deferred tax liabilities	5.1	90 280	162 499
Pension liabilities	2.3	3 426	6 161
Non-current liabilities	4.2	172 000	-
Total non-current liabilities		1 322 526	3 725 671
Current liabilities			
Current interest-bearing liabilities	4.2	3 292 596	265 400
Current lease liabilities	3.4	164 167	65 279
Trade and other payables	2.7	847 455	600 671
Income tax payable	5.1	61 813	2 688
Other current liabilities	2.8	441 016	457 012
Liabilities held for sale	6.2	70 412	-
Total current liabilities		4 877 459	1 391 050
Total liabilities		6 199 985	5 116 721
TOTAL EQUITY AND LIABILITIES		7 086 681	5 869 240

Oslo, 30 th June 2022

Stig Terje Sunde
Chairman of the Board

Karl Kristian Sunde
Board Member

Jan Leif Bodd
Board Member

Jon Warset
Board Member

Pennec Dokumentnøkkel: P7USB-DDY8X-QUL-TP-4PVO3-BLHF0-VCAKK



Consolidated statement of changes in equity

Amounts in NOK thousands	Attributable to the equity holders of the parent				Non-controlling		Total equity
	Share capital	Paid-in capital	Cumulative translation differences	Retained earnings	Total	interests	
Balance as at 1 January 2020	507	518 729	21 771	-119 522	421 485	372 283	793 768
Profit (loss) for the year				-53 966	-53 966	-39 498	-93 464
Other comprehensive income			30 148		30 148	22 066	52 214
Balance as at 31 December 2020	507	518 729	51 919	-173 488	397 667	354 851	752 518
Profit (loss) for the year				58 241	58 241	54 193	112 434
Acquisition minority Westend				-110 526	-110 526	-84 474	-195 000
Debt conversion related to Dely acquisition				230 000	230 000		230 000
Other comprehensive income			-4 448		-4 448	-4 141	-8 589
Dividend paid				-	-	-4 667	-4 667
Balance as at 31 December 2021	507	518 729	47 471	4 227	570 933	315 762	886 695

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Consolidated statement of cash flows

For the years ended 31 December	Notes	2021	2020
<i>(Amounts in NOK thousands)</i>			
Profit or loss before tax from continuing operations		246 397	-95 183
Net finance		365 980	390 246
Interest paid		-146 773	-164 118
Interest received		8 085	7 475
Income taxes paid		-5 814	-6 078
Depreciation and amortisation	3.1-3.4	203 951	161 394
Share of profit/loss in associates	6.4	-29 160	-16 783
Dividend received		18 039	3 806
Gain from sale of production facilities	2.4	-221 420	-
<i>Working capital adjustments:</i>			
Changes in inventories	2.5	-25 093	-16 820
Changes in trade and other receivables	2.6	-53 002	23 118
Changes in trade and other payables	2.7	246 784	-106 636
Changes in provisions and other liabilities	2.8	-60 817	61 256
Changes NWC activities discontinued operations and business combinations	6.2-6.3	-244 692	-
Net cash flows from operating activities		302 465	241 677
Cash flows from investing activities			
Purchase of property, plant and equipment	3.1	-68 176	-66 928
Purchase of shares in subsidiaries, net of cash acquired	6.1	-27 759	-
Loans - cash payments related parties (net)	7.2	-	-
Disposal of shares in subsidiaries, net of cash acquired	7.2	267 174	-
Net cash flow from investing activities		171 239	-66 928
Cash flow from financing activities			
Proceeds from borrowings	4.3	5 490	29 337
Purchase of shares from non-controlling interests in subsidiaries	6.1	-	-
Payment of dividend to non controlling interests	6.1	-4 667	-
Repayment of borrowings	4.3	-500 000	-1 573
Payment of principal portion of lease liabilities	3.4	-112 326	-55 629
Net cash flows from financing activities		-611 503	-27 865
Net increase/(decrease) in cash and cash equivalents		-137 800	146 884
Cash and cash equivalents at the start of the year/period *	4.7	451 428	283 739
Currency effect of cash and cash equivalents		-7 685	7 716
Cash and cash equivalents at the end of year		305 944	438 339

* adjusted for cash in discontinued operations in 2021 see Note 6.2 as at 1 January, 2021

ACCOUNTING POLICIES

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

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1.1 General information

Corporate information

The consolidated financial statements of Jordanes Invest AS and its subsidiaries (collectively, "the Group") for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 29 June 2022. Jordanes Invest AS operates in the consumer industry and owns a portfolio of diversified consumer brands through the companies Dely, Scandza, The Feelgood Company and Bisca.

Jordanes Invest AS is a limited liability company incorporated and domiciled in Norway. The address of its registered office is Henrik Ibsensgate 60c, NO-0255 Oslo, Norway.

1.2 Basis of preparation

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

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

Presentation currency and functional currency

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

For presentation purposes, all balance sheet items are translated from the functional currency to the presentation currency by using the exchange rates in effect at the reporting date. Items recognised in the statement of profit and loss and OCI as well as cash flow are translated from the functional currency to the presentation currency by applying monthly average exchange rates. If currency rates are fluctuating significantly, transaction date exchange rates are applied for significant transactions.



1.3 Significant accounting policies

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

Current versus non-current classification

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

An asset is current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

Standards issued but not yet effective

No changes in standards and interpretations issued, but not yet effective, are expected to have a material impact on the Group's financial statements.

1.4 Significant accounting judgements, estimates and assumptions

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

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

Estimates and assumptions:

- Impairment of goodwill and brands (Note 3.3)

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

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

Accounting judgements:

- Determining the useful lives of intangible assets (Note 3.2)
- Determination of CGUs (Note 3.3)
- Determining the lease term of contracts with extension and termination options (Note 3.4)
- Determining disposal groups and discontinued operations (Note 6.2)
- Accounting for sale of subsidiaries and lease back of properties (Note 2.4, 3.4, statement of cash flows)

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



2.1 Segment information

ACCOUNTING POLICIES

An operating segment is a component of an entity:

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

Jordanes Invest AS has established new segmentation based on the reporting of the well-established own and external brands in one segment (Scandza Group) and emerging health and beauty products in another (The Feelgood Company). Production of cakes by the subsidiary Bisca, Property business in Jordanes Property AS and the restaurants in Dely AS is reported separately.

Scandza Group

Scandza Group consists of well known products and brands within the product categories: dairy and breakfast, chips, ready-to-eat and pizza (see also table below). Scandza Group is also a pure full-service FMCG (Fast Moving Consumer Goods) distributor, representing some of the biggest FMCG companies in the world as well as strong local Scandinavian and Norwegian producers.

The Feelgood Company

Brand house and e-commerce within the areas of fitness, health and beauty. Products range from plant-based health food, cosmetics and sports nutrition.

Bisca

Well known Danish production company with a long history, producing a wide range of cakes and biscuits.

Property

Consist of property in Jordanes Property AS, in Tolga Næringspark AS

Dely

Dely consists of restaurant and coffee shop concepts such as Peppes, TGI Friday, Starbucks and La Baguette.

HQ

Department expected to deliver shared services for the Group.

For the period presented in these financial statement the Jordanes's Executive Management group has been the Chief Operating Decision Maker (CODM). For future reporting periods the Executive Management group will monitor the operating results of the presented operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated on the basis of operating profit (before other income and other expenses) and is measured consistently with operating profit (before other income and other expenses) in the consolidated financial statements. The Group's financing (including financial income and expenses) and income taxes are managed for the Group as a whole and are not allocated to operating segments.

Year ended 31 December 2021	Scandza Group	The Feelgood Company	Bisca	Property	Dely*	HQ	Elim	Consolidated
REVENUES & PROFIT								
External customers	4 229 888	416 499	457 901	1 495	508 585	-		5 614 368
Inter-segment	3 650	91 376	36 965	-	-	-	-132 695	-704
Total revenue	4 233 538	507 875	494 866	1 495	508 585	-	-132 695	5 613 664
Cost of materials	-2 903 776	-273 997	-270 279	-	-131 894	-	121 278	-3 458 668
Payroll expenses	-507 311	-58 294	-172 472	-	-192 075	-	-	-930 152
Other operating expenses	-376 343	-89 735	-44 873	-1207	-87 177	-16 944	10 674	-605 605
Depreciation and amortisation	-118 215	-6 164	-20 319	-1 642	-57 611	-	-	-203 951
Impairment losses	-	-	-	-	-	-	-	-
Share of profit/loss of an associates	-	-	29 160	-	-	-	-	29 160
Segment operating profit (before other income and other expenses)	327 893	79 685	16 083	-1 354	39 828	-16 944	-743	444 448
Capital expenditure (incl. fir	35 855	6 633	9 254	8	10 862	-	-	62 612
FINANCIAL POSITION								
Total assets	5 485 858	833 407	1 363 121	91 562	1 130 129	-	-1 817 396	7 086 681
Total liabilities	2 535 606	289 902	1 341 112	93 072	929 047	-	1 011 246	6 199 985
Investments in associates	-	-	14 246	-	-	-	-	14 246

*Dely was acquired 30 June therefor the result represented is from 1. July to 31. December 2021

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2.1 Segment information (continued)

Year ended 31 December 2020	Scandza Group	The Feelgood Company	Bisca	HQ	Elim	Consolidated
REVENUES & PROFIT						
External customers	3 923 782	392 760	478 629	-	-	4 795 171
Inter-segment	128 065	77 284	51 736	-	-257 085	0
Total revenue	4 051 847	470 044	530 365	-	-257 085	4 795 171
Cost of materials	-2 682 844	-263 810	-374 256	-	180 444	-3 140 465
Payroll expenses	-531 895	-66 165	-96 731	-	-	-694 791
Other operating expenses	-434 079	-58 938	-29 296	-15 654	76 641	-461 325
Depreciation and amortisation	-120 381	-5 532	-34 965	-	-	-160 877
Impairment losses	-	-	-	-	-	-
Share of profit/loss of an associates	-	-	16 783	-	-	16 783
Segment operating profit (before other income and expenses)	282 648	75 600	11 900	-15 654	-	354 496
Capital expenditure (incl. financial leases)	57 568	3 469	2 150	-	-	63 187
FINANCIAL POSITION						
Total assets	4 243 954	222 789	538 677	4 243 954	-3 380 135	5 869 240
Total liabilities	2 362 993	69 796	413 677	3 362 993	-1 092 738	5 116 721
Investments in associates	-	-	19 448	-	-	19 448

Adjustments and eliminations

Financial income and expenses, including fair value gains and losses on financial assets, are not allocated to individual segments as the underlying instruments are managed on a group basis.

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

Inter-segment revenues are eliminated on consolidation.

Assets by geographical location

Amounts in NOK thousands	2021	2020
Norway	4 428 919	2 715 584
Sweden	516 552	643 426
Denmark	629 729	738 685
Other	96 215	143 529
Total non-current assets	5 671 415	4 241 224

Substantial elements of goodwill and excess values arising from business combinations have mainly been allocated to the Norwegian location



2.2 Revenue from contracts with customers

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

ACCOUNTING POLICIES

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

Sale of goods

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

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

Variable consideration

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

The Group updates its assessment of expected bonuses and compensation for joint marketing each month. No significant uncertainty is deemed to relate to the variable consideration, and the amount which is to be adjusted after final estimation is not expected to be significant.

Acting as an distributor through distribution agreements

Bonaventura Nordic, with subsidiaries, (part of Scandza Group) is a pure full-service FMCG (Fast Moving Consumer Goods) distributor representing some of the biggest FMCG companies in the world as well as major local Scandinavian and Norwegian producers. The Group creates a profit by negotiating both the buying price from the principal and the selling price to the customer. The Group delivers a full service package and is responsible for all elements of the value chain after the products are delivered to the Group's own warehouse. Consequently the Group has concluded that the segment is acting as a principal for these transactions.

Contract balances

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

All revenue was recognised at a point in time, and there was no unsatisfied or partially unsatisfied performance obligations as at 31 December 2021 or 31 December 2020.

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

For the year ended 31 December 2021							
Segments	The						Total
	Scandza Group	Feelgood Company	Bisca	Property	Dely ¹	HQ	
Sales channels							
Grocery and retail	3 227 064	96 949	402 942	-	-	-	3 726 955
Industry	276 266	-	21 542	-	-	-	297 808
Convenience & HoReCa ²	456 489	183	-	-	281 282	-	737 954
Other channels	269 365	319 367	33 417	1 495	227 303	-	850 947
Total revenue	4 229 184	416 499	457 901	1 495	508 585	-	5 613 664

¹ Dely was acquired 30 June hence figures presented is for 6 months
² Hotels, Restaurants and Catering

Geographical distribution	The						Total
	Scandza Group	Feelgood Company	Bisca	Property	Dely*	HQ	
Norway	3 487 487	274 399	25 790	1 495	470 466	-	4 259 637
Sweden	583 596	7 250	1 394	-	27 433	-	619 673
Denmark	70 816	108 859	343 539	-	10 686	-	533 900
Other	87 285	25 991	87 178	-	-	-	200 454
Total revenue	4 229 184	416 499	457 901	1 495	508 585	-	5 613 664

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2.2 Revenue from contracts with customers (continued)

For the year ended 31 December 2020					
Segments	The			HQ	Total
	Scandza Group	Feelgood Company	Bisca		
Sales channels					
Grocery and retail	2 861 938	149 898	438 772	-	3 450 608
Industry	445 904	-	24 461	-	470 365
Convenience & HoReCa*	454 359	269	15 396	-	470 024
Other channels	159 685	242 593	-	1 896	404 174
Total revenue	3 921 886	392 760	478 629	1 896	4 795 171

* Hotels, Restaurants and Catering

Geographical distribution	The			HQ	Total
	Scandza Group	Feelgood Company	Bisca		
Norway	3 173 750	226 449	3 350	1 896	3 405 445
Sweden	551 589	9 252	51 736	-	612 577
Denmark	89 892	137 980	309 076	-	536 948
Other	106 655	19 079	114 467	-	240 201
Total revenue	3 921 886	392 760	478 629		4 795 171

The Norwegian grocery and retail market consists primarily of three larger retail groups that represent about 95% of the Norwegian retail market related to food and beverages. For both years, the three had a market share of 43%, 29% and 23%, respectively. Scandza is a supplier to all three groups. Total revenues deriving from these three retail groups can be found in the Grocery and retail channel for Scandza Group. Two of these three retail groups accounted for more than 10% of the Group's total revenue, with 21% and 14% respectively (22% and 14% respectively in 2020)

Types of products

	2021	2020
Dairy and breakfast (Scandza Group)	1 466 708	1 399 365
Chips (Scandza Group)	332 259	348 234
Ready-to-eat (Scandza Group)	788 449	841 442
Pizza (Scandza Group)	424 009	334 543
Traded goods (Scandza Group)	1 187 845	996 560
Fitness (The Feelgood Company Group)	162 882	95 449
Health (The Feelgood Company Group)	88 997	130 241
Beauty (The Feelgood Company Group)	164 175	167 231
Cakes and biscuits (Bisca)	457 901	478 629
Restaurants and cafe (Dely)	508 585	-
Other	31 854	3 477
Total	5 613 664	4 795 171

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2.3 Payroll expenses

ACCOUNTING POLICIES

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

Defined contribution plans

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

Pensions

The Group has defined contribution pension plans for its employees. The Norwegian plan satisfies the statutory requirements in the Norwegian Mandatory Occupational Pensions Act (Lov om obligatorisk tjenestepensjon). Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations. Similar agreements exist in foreign subsidiaries.

Synnøve Finden AS, Sørlandschips AS, Finsbråten AS, Leif Vidar AS, Westend Bakeri AS, Scandza Salg Norge AS and Scandza Norge AS participates in the early retirement LO/NHO-scheme (AFP). This plan entitles the Norwegian employees to life-long benefits from the age of 62 in addition to other plans. The plan is financed through a pooled arrangement by private sector employers, where also The Norwegian government contributes. The private sector employers contribute with 2/3 of the funding requirements and the Norwegian government 1/3. The contribution for 2021 was 4% of the total payments between 1 and 7.1 times the Norwegian National Insurance Scheme's basic unit of calculation (G), which was NOK 106 000 at 31 December 2021, and 10% of total payments between 7.1 G and 12G to the employees. The plan is considered a defined benefit multi-employer plan with limited funding and where plan assets are not segregated. The information required to calculate a proportional share of the plan and account for the plan as a defined benefit plan is not available from the plan administrator. Consequently, the plan is accounted for as a defined contribution plan. The contributions to the plan were NOK 10 million in 2021 (NOK 5.0 million in 2020), exclusive of employer's NICs.

The Group also has an unsecured defined benefit pension scheme for some managers. The liability was NOK 4.0 million at 31 December 2021, and NOK 6.1 million at 31 December 2020. The expense in 2021 was NOK 1.0 million (NOK 1.0 million in 2020).

Payroll expenses (in NOK thousands)	2021	2020
Salaries	758 493	543 139
Employer's NICs	96 216	68 074
Pension costs	33 092	41 407
Other employee expenses	42 351	42 171
Total payroll expenses	930 152	694 791
Average number of full time employees (FTEs)	1903	1002

The number of FTEs includes 20 (23) FTEs related to discontinuing operations in 2021 (2020). Dely is included with 800 per year end.

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2.4 Operating expenses and other income and other expenses

ACCOUNTING POLICIES

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

Other operating expenses (in NOK thousands)	2021	2020
Consultants, legal advisors and temporary staff	67 387	40 904
Travel / vehicles	30 851	25 825
IT / communication	44 751	26 129
Energy / sewage	73 681	48 306
Marketing	124 411	87 576
Maintenance machines / buildings	14 629	34 208
Other indirect expenses	153 851	40 219
Freight and distribution costs	96 044	123 897
Total other operating expenses	605 605	461 325

Research and development (R&D)

The Group performs a range of research and development projects related to the Group's products. Total gross research and development costs came to NOK 15.2 million in 2021 and NOK 16.7 million in 2020. These figures include internal (salary related) costs and external costs. R&D relates mainly to approved government grants projects and are expensed. Government grants received relate mainly to the Skattefunn and are deducted in reporting the related expense. Such grants were recognised in the amount of NOK 2.8 million in 2021 (NOK 2.9 million in 2020).

Other indirect expenses

Other indirect expenses include short-term leases, insurance, courses, conferences, etc.

Other income (in NOK thousands)	2021	2020
Sale of production facilities	-	8 503
Sale of subsidiaries and gain on previously held shares in associates	221 420	-
Total other income	221 420	8 503

Other expenses (in NOK thousands)	2021	2020
M&A and IPO-related costs	30 247	14 688
Product recall	-	4 660
Factory closure and relocation of Lier and Eidsvoll	17 776	-
Restructuring costs	5 468	31 006
Other items	-	17 458
Total other expenses	53 491	67 812

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2.4 Operating expenses and other income and other expenses (continued)

Other income

Sale of production facilities: In 2020, a production facility in Sweden was divested and the profit from the sale has been recognised as "other income", since this transaction is not considered part of the day-to-day business operations.

Sale of subsidiaries and gain on previously held shares in associates: In August 2021, the Group sold subsidiaries owning factory facilities that are used by the Group in the production of its products. At the same time, the Group entered into agreements for the lease of the properties owned by these subsidiaries. Some of the subsidiaries sold have owned the relevant properties for a long time, and some are subsidiaries that have recently been demerged from other operating subsidiaries. In the demergers, tax positions have also been demerged (for further informasjon see Note 7.2).

The Group has evaluated whether sales and lease-back guidance in IFRS 16 *Leases* applies to the sales transactions. IFRS 10 *Consolidated Financial Statements* states that a gain or loss shall be recognised in full on loss of control of a subsidiary. IFRS 16 states that when the transfer of an asset by the seller-lessee satisfies the requirements of IFRS 15 to be accounted for as a sale of the asset, the seller-lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Accordingly, the seller-lessee shall recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

In the absence of clear guidance, the Group's policy is to apply IFRS 10.25 for loss of control of a subsidiary. The Group has recognised a net gain of NOK 221 million in 2021 as part of "other income" in the statement of comprehensive income. The reported gross gain is NOK 232 million before loss on sale of subsidiaries. The gain and loss amounts are presented net, as all the sales were part of one single transaction. The net gain also includes gain and loss amounts on the previously owned shares in Hylla Eiendom AS, where the remaining 50 percent of the shares in Hylla Eiendom AS purchased earlier in 2021. Total consideration for the transaction was NOK 450 million of which NOK 392 million has been settled in cash. Lease agreements for 20 years, with options for the tenant to extend for 10 + 10 years have been entered into. The Group has evaluated that it is not reasonably certain to extend the leases after 20 years, and has recognised lease liabilities in the amount of NOK 358 million at the commencement of the lease term.

Other expenses

M&A and IPO-related costs: In 2021 and 2020 several M&A projects were pursued without completion, incurring costs for legal and financial advisors. The Group also initiated IPO processes in the second quarter 2021, which were cancelled in October 2021. These processes have incurred a total of NOK 6.0 million in costs, reported as other expenses.

Product recall: In 2020 Bisca experienced a plastic contamination in one production line, resulting in a comprehensive recall of products under the Snøfler brand.

Factory closure and relocation of Lier and Eidsvoll: Following the acquisitions of Leiv Vidar AS in 2017, it was decided in 2018 to consolidate the production of sausages and to close down the sausage factory operated by Finsbråten AS in Eidsvoll. The rental agreement for the factory in Eidsvoll expired in November 2021, and total costs of NOK 10.2 million related to rent of the abandoned factory and renovations in connection with termination of the lease have been reported as other expenses in 2021. The fruit and berry factory at Lier was closed down in 2021, with total renovation costs of NOK 7.6 million incurred in connection with termination of the lease. These costs have been reported as other expenses.

Restructuring costs: restructuring costs are considered to be expenses incurred as part of a restructuring process and are expected to be non-recurring. Included in restructuring cost are costs related to severance pay in connection with redundancies and the replacement of senior managers as a result of reorganisations, and costs related to obsolete packaging following the restructuring of the production footprint. In addition, use of external consultants related to these restructuring and reorganisation projects carried out in 2020 and 2021 in also included. In 2020, especially, the Swedish and Danish operations have been significantly changed, streamlined and restructured to ensure long term prospects. For the year 2021, Bisca has incurred NOK 5.4 millions in restructuring and refinancing costs, reported as other expenses.

Auditor fees (in NOK thousands)	2021	2020
Statutory auditing services	3 744	2 986
Other confirmation services	906	363
Tax advisory services	53	14
Other assurance services	1 468	1 739
Total remuneration to the auditor	6 171	5 102

Auditor,s fees:

The amounts above are stated exclusive of VAT. Other assurance services are mainly services related to tax forms and financial statements and IPO related activities.

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2.5 Inventories

ACCOUNTING POLICIES

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

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

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

Inventories (in NOK thousands)	31/12/2021	31/12/2020
Raw materials	158 504	94 443
Work in progress	107 666	90 685
Finished goods	277 338	330 309
Write downs	-31 477	-28 500
Total inventories at the lower of cost and net realisable value	512 031	486 937

Write downs

Inventories (in NOK thousands)	31/12/2021	31/12/2020
Balance at 1 January	28 500	30 300
Changes in write down estimates	2 977	-1 800
Balance at 31 December	31 477	28 500

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2.6 Trade and other receivables

ACCOUNTING POLICIES

Trade and other receivables

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

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

Expected credit losses

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

Trade receivables (in NOK thousands)	31.12.2021	31.12.2020
Trade receivables from customers at nominal value	690 067	573 168
Allowance for expected credit losses	-5 981	-3 890
Total trade receivables	684 086	569 277

Other receivables, etc (in NOK thousands)	31.12.2021	31.12.2020
Other receivables	68 140	116 522
Deposits	63	63
Prepaid expenses	3 452	15 182
VAT receivable	-	1 693
Total other receivables, etc	71 655	133 461

Allowance for expected credit losses	31.12.2021	31.12.2020
At 1 January	3 890	4 200
Provision for expected credit losses	2 091	-310
At 31 December	5 981	3 890

The credit risk for financial assets has not increased significantly from initial recognition. Realised losses are insignificant.

As at 31 December, the age status of trade receivables is as follows:

Age status of trade receivables	Trade receivables				Total
	Not due	Past due but not impaired			
		< 30 days	31-60 days	> 60 days	
Trade receivables at 31.12.2021	608 565	53 846	11 278	16 378	690 067
Trade receivables at 31.12.2020	498 991	54 879	9 841	5 566	569 278

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

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2.7 Trade and other payables

ACCOUNTING POLICIES

Trade and other payables are liabilities, i.e. present contractual obligations arising from past events where settlement is expected to result in an outflow of resources (payment). Trade payables consist of invoices for goods and services where the Group has received the significant risks and rewards of ownership as of 31 December. Other payables consist mainly of VAT, as well as employee income tax withholdings (payroll tax) and national insurance contributions.

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

Trade and other payables	31/12/2021	31/12/2020
Trade payables	609 025	520 908
VAT	97 214	50 140
Payroll tax and national insurance contributions	141 216	29 623
Total trade and other payables	847 455	600 671

For an analysis of the age status of trade and other payables, see Note 4.3.



2.8 Provisions and other current liabilities

ACCOUNTING POLICIES

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

Contingent consideration

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

Restructuring costs

Provisions are recognised when the Group has approved a formal and detailed restructuring plan, and the restructuring has either commenced or been announced publicly.

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

Reconciliation of non-current provisions:

(Amounts in NOK thousands)	Contingent consideration	Total
At 31 December 2020	-	-
At 31 December 2021	-	-

As at 31 December 2021 all contingent considerations have been settled.

Reconciliation of current provisions:

(Amounts in NOK thousands)	Restructuring	Total
At 31 December 2020	2 480	2 480
Amounts used	-2 480	-2 480
At 31 December 2021	-	-

Other current liabilities

Other current liabilities are accruals with a high degree of certainty with respect to their amount and the timing of settlement, although not as certain as payables. Accruals should include liabilities with respect to purchases for which and invoice has not yet been received, accrued bonuses and holiday pay.

Refund liability

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. A provision is made for the expected amount to be refunded to customers after the reporting date. The provision is recognised as variable consideration by applying the expected value method to determine the estimated rebate based on historical sales and specific forward-looking factors. See Note 2.2 for further descriptions.

Other current liabilities:

(Amounts in NOK thousands)	31.12.2021	31.12.2020
Accrued salaries and holiday pay	95 873	87 157
Other accrued costs	172 572	203 921
Estimated refund liability	172 571	165 934
Total other current liabilities	441 016	457 012

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3.1 Property, plant and equipment

ACCOUNTING POLICIES

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

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

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

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

(Amounts in NOK thousands)	Machinery and equipment	Under construction	Motor vehicles	Land and buildings	Total
Cost as at 1 January 2020	551 253	19 906	3 505	301 673	876 337
Additions	27 454	24 617	375	3 240	55 686
Disposals	-22 994	-29	-1 386	-26 010	-50 419
Transfers	1 250	-	-	-	1 250
Currency translation effects	8 765	-	-	-	8 765
Cost as at 31 December 2020	565 728	44 494	2 494	278 903	891 619
Additions through business combinations	256 240	-	-	229 594	485 834
Additions *	32 014	18 617	-	11 741	62 372
Disposals *	-56 555	-	-	-146 999	-203 554
Transfers	27 382	-28 428	-	1 046	-
Transfer to assets held for sale *	-	-	-	-28 448	-28 448
Currency translation effects	3 251	-	-	-	3 251
Cost as at 31 December 2021	828 060	34 683	2 494	345 837	1 211 075
Depreciation and impairment as at 1 January 2020	242 730	82	245	31 803	274 860
Depreciation for the year	63 524	-	170	21 199	84 894
Depreciation on disposals	-22 994	-29	-1 386	-26 010	-50 419
Currency translation effects	-17 782	-	-	-5 596	-23 378
Depreciation and impairment as at 31 December 2020	265 478	53	-971	21 396	285 956
Depreciations through business combinations	196 905	-	-	210 374	407 279
Depreciation for the year	74 017	-	500	18 040	92 557
Depreciation on disposals *	-48 596	-	-	-23 059	-71 655
Depreciations on assets held for sale *	-	-	-	-5 353	-5 353
Currency translation effects	-3 719	-	-	553	-3 166
Depreciation and impairment as at 31 December 2021	484 085	53	-471	221 951	705 618
Net book value:					
At 31 December 2020	300 250	44 441	3 465	257 507	605 663
At 31 December 2021	343 975	34 630	2 965	123 886	505 456
Economic life (years)	3-14	N/A	5	20-25	
Depreciation plan	Straight-line method				

* for further information see Note 2.4 and Note 6.1

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3.2 Intangible assets and Goodwill

Nature of the Group's intangible assets

The Group's intangible assets mainly comprise goodwill and brands acquired through the acquisition of subsidiaries.

ACCOUNTING POLICIES

Goodwill

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

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

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

None of the goodwill recognised is expected to be deductible for tax purposes

Intangible assets acquired

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

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

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Useful lives of intangible assets

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

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

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



3.2 Intangible assets and Goodwill (continued)

(Amounts in NOK thousands)	Goodwill	Brands	Customer relationships	Total
Cost as at 31 December 2019	2 359 490	957 054	36 217	3 352 761
Cost as at 31 December 2020	2 359 490	957 054	36 217	3 352 761
Additions through acquisition	490 130	-	-	490 130
Derecognition due to sale of shares in subsidiaries	-84 619	-	-	-84 619
Cost as at 31 December 2021	2 765 001	957 054	36 217	3 758 272
Amortisation and impairment as at 1 January 2020	-	-	8 360	8 360
Amortisation charge for the year			8 727	8 727
Amortisation and impairment as at 31 December 2020	-	-	17 088	17 088
Amortisation charge for the year			8 727	8 727
Impairment related to discontinued operations	14 788			14 788
Amortisation and impairment as at 31 December 2021	14 788	-	25 815	40 603
Net book value:				
At 1 January 2020	2 359 490	957 054	27 855	3 344 400
At 31 December 2020	2 359 490	957 054	19 129	3 335 673
At 31 December 2021	2 750 213	957 054	10 402	3 717 669

Economic life (years)

N/A

N/A

3-5

Depreciation plan

N/A

N/A

Straight-line

The brands are considered to have indefinite economic lives, hence no amortisation has been recognised. Having long traditions and a well-established market position, "Synnøve" is one of the most well-known brands in Norway.

"Sørlandschips" is the second largest Norwegian potato chips producer and has had considerable growth over many years. In biscuits and cakes, Bisca is the market leader in Scandinavia. Finsbråten, Leiv Vidar, Lindvalls and Broderna Nilsson are strong brands within the meat industry in Norway and Sweden.

Goodwill allocated to Synnøve Finden and Meals Norway has been partially derecognised in 2021 following the sale of shares in subsidiaries.

On 30 June 2021, Jordanes AS acquired 100% of the voting shares of Dely AS. Dely AS is a leading restaurant company with over 360 restaurants and cafes. Among the brands are Peppes Pizza, TGI Friday, Burger King, Starbucks and Blender. The company's head office is located in Oslo, Norway. A preliminary purchase price allocation has been made and we are in the process of finalising their purchase price allocation. All excess values are allocated to goodwill and will be updated when finalised.

The brands' allocation to CGUs is presented in Note 3.3.

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3.3 Impairment considerations

ACCOUNTING POLICIES

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

Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which goodwill or intangible assets with indefinite useful lives relate. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

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

SIGNIFICANT ACCOUNTING JUDGEMENT

Determination of CGUs for goodwill and brands acquired in business combinations

In identifying whether cash inflows from an asset (or group of assets) are largely independent of the cash inflows from other assets (or groups of assets), management considers various factors, including how it monitors the entity's operations (such as by product lines, businesses, individual locations, districts or regional areas) or how management makes decisions about continuing or disposing of the assets and operations. Goodwill and brands from acquisitions do not generate cash flows largely independently of other assets.

The following CGUs has been identified:

Synnøve Finden (Including Westend Bakeri)

Sørlandschips

Meals Norway (Finsbråten and Leiv Vidar)

Meals Sweden (Lindvalls Chark and Broderna Nilsson)

Bisca

Bonaventura (earlier Trade)

Bonaventura Sales Denmark (transferred from Bisca to Bonaventura as part of internal reorganisation/reporting)

Elle Basic

Bodylab

The CGUs are determined on business unit/company level or an aggregation of business units/companies reflecting business and product lines.

CGU	Brands	Goodwill	Total
Synnøve Finden (Scandza Group)	410 120	914 555	1 324 675
Sørlandschips (Scandza Group)	105 137	234 797	339 934
Meals Norway (Scandza Group)	157 636	344 484	502 120
Meals Sweden (Scandza Group)	56 190	132 879	189 069
Bisca (Bisca)	177 970	180 618	358 588
Bonaventura (Scandza Group)	-	217 763	217 763
Bonaventura DK (Scandza Group) 1	-	118 512	118 512
Elle Basic (The Feelgood Company)	30 000	78 700	108 700
Bodylab (The Feelgood Company)	20 000	43 300	63 300
Dely (preliminary allocation)	-	484 605	484 605
Total	957 054	2 750 213	3 707 267

1) Goodwill related to the acquisition of Royal Biscuit Group (RBG) by Bisca in 2015 has previously been reported as part of Goodwill allocated to Bisca. In 2021, a change of ownership and management reporting of RBG has been carried out, and RBG is now reported as part of Bonaventura DK.

CGU - 01.01.2020 and 31.12.2020	Brands	Goodwill	Total
Synnøve Finden (Scandza Group)	410 120	936 210	1 346 330
Sørlandschips (Scandza Group)	105 137	234 797	339 934
Meals Norway (Scandza Group)	157 636	401 712	559 348
Meals Sweden (Scandza Group)	56 190	132 879	189 069
Bisca (Biscal)	177 970	314 130	492 100
Bonaventura (Scandza Group)	-	217 763	217 763
Elle Basic (The Feelgood Company)	30 000	78 700	108 700
Bodylab (The Feelgood Company)	20 000	43 300	63 300
Total	957 054	2 359 491	3 316 544

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3.3 Impairment considerations (continued)

Basis for determining the recoverable amount

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

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Impairment testing of goodwill and brands

The calculation of value in use for the CGUs are most sensitive to the following assumptions:

Free cash flow margin (post-tax)

Post-tax discount rate

Terminal growth rate

Free cash flow margin (post-tax)

The free cash flow is defined as net operating profit (loss) after tax, adjusted for depreciation and amortisation, capital expenditure, change in net working capital and unallocated corporate cost, with the margin calculated as the quotient of free cash flow and revenues. The free cash flow margin is determined from an analysis of historical levels, adjusted for expected changes to employee benefit expenses, other expenses, capital expenditures and changes in working capital.

Post-tax discount rate

The discount rate reflects the current market assessment of the risks specific to the individual CGU. The post-tax discount rate is estimated based on the weighted average cost of capital (WACC). Since all CGUs operate in similar FMCG product markets and in close geographical proximity (Scandinavia) the same post-tax discount rate is used for all CGUs.

Terminal growth rate

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

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

CGU	Revenue growth in the forecast period	Free cash flow margin (post-tax)	Terminal growth rate	Post-tax discount rate
<i>For the period ending 2021</i>				
Synnøve Finden	0.5-6.0%	3.7-7.7%	1,5 %	6,1 %
Sorlandschips	1.3-8%	4-8.6%	1,5 %	6,1 %
Scandza Salg Norge	2.5%	19.8-26.6%	1,5 %	6,1 %
Meals Norway	3.1-5.3%	1.2-8%	1,5 %	6,1 %
Meals Sweden	3.8-10.9%	(0.3)-2%	1,5 %	6,1 %
Bisca	(1.9)-7.1%	(3.7)-3.6%	1,5 %	6,1 %
Bonaventura	(14.1)-4.9%	0.2-4%	1,5 %	6,1 %
Elle Basic	3-16%	13.4-15.5%	1,5 %	6,1 %
Bodylab	3-20%	1.2-6.4%	1,5 %	6,1 %
<i>For the period ending 2020</i>				
Synnøve Finden	(3.3)-4.1%	4.8-6.7%	1,5 %	6,4 %
Sorlandschips	3.4-4.4%	8.3-8.7%	1,5 %	6,4 %
Scandza Salg Norge	1,5 %	28.1-29.5%	1,5 %	6,4 %
Meals Norway	3.4-8.5%	(3.3)-6.1%	1,5 %	6,4 %
Meals Sweden	3.2-7.6%	0.4-5.4%	1,5 %	6,4 %
Bisca	5.1-7.0%	(4.8)-3.8%	1,5 %	6,4 %
Bonaventura	4.9-5%	1.6-6.4%	1,5 %	6,4 %
Elle Basic	9.0-15.0%	12.0-38.9%	1,5 %	6,4 %
Bodylab	14.9-15.0%	1.6-7.2%	1,5 %	6,4 %

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

Dely

On 30 June 2021, Jordanes AS acquired 100% of the voting shares of Dely AS. Because of the short time from acquisition, and no indication of loss of value, an impairment evaluation is not considered necessary.

Sensitivity analysis

Future events could cause the key assumptions to deviate from the amounts used in the forecast period. The Group has performed a sensitivity analysis for each key assumption; free cash flow margin (post-tax), terminal growth rate and the post-tax discount rate. A reasonably possible change in a key assumption on which management has based its determination of the cash generating units' recoverable amounts would not cause cash generating units' carrying amount to exceed its recoverable amounts.



3.4 Right-of-use assets and lease liabilities

ACCOUNTING POLICIES

Group as a lessee

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

- Short-term leases (defined as 12 months or less)
- Low-value assets (with an underlying value of less than NOK 50 000)

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

Measuring the lease liability

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

The lease payments included in the measurement comprise:

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

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

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

SIGNIFICANT ACCOUNTING JUDGEMENTS

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

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

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

Measuring the right-of-use asset

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, applying the same policies for impairment as for property, plant and equipment (Note 3.1). The right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. Depreciation is calculated on a straight-line basis.

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



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

The Group's leased assets

The Group leases several assets, mainly related to land and buildings, machinery and equipment and motor vehicles in Norway, in addition to Sweden and Denmark. Leases of land and buildings generally have lease terms of between 3 and 20 years, while machinery and equipment and motor vehicles generally have lease terms of between 3 and 7 years. The Group also leases some assets that are expensed as incurred, since they are either considered short term or of low value.

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

Right-of-use assets

(Amounts in NOK thousands)	Machinery and equipment	Motor vehicles	Land and buildings	Total
Carrying amount at 1 January 2020	86 089	17 166	213 222	316 477
Additions of right-of-use assets	16 841	972	1 105	18 918
Adjustments	-3 130	45	-15 372	-18 457
Currency translation effects	46	1 218	388	1 652
Disposal of right-of-use assets	-	-	-	-
Depreciation of right-of-use assets	-31 062	-5 968	-36 822	-73 852
Carrying amount at 31 December 2020	68 784	13 433	162 521	244 738
Additions through business combinations	3 801	12 871	515 714	532 386
Additions of right-of-use assets	14 389	11 203	380 908	406 500
Adjustments	-9 306	-241	27	-9 520
Currency translation effects	-54	-591	-152	-797
Depreciation of right-of-use assets	-20 336	-11 247	-79 811	-111 394
Carrying amount at 31 December 2021	57 277	25 429	979 207	1 061 913
Remaining lease term or remaining useful life (years)	3-10	3-5	3-20	
Depreciation plan	Straight-line method			

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

Expenses in the period related to practical expedients and variable payments	2021	2020
Short-term lease expenses	1 289	31
Low-value assets lease expenses	82	58
Variable lease expenses in the period (not included in the lease liabilities)	-	136
Total lease expenses in the period	1 371	225

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

The Group's lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	31.12.2021	31.12.2020
Less than one year	180 115	75 275
One to two years	160 207	56 791
Two to three years	137 584	45 711
Three to four years	114 516	37 820
Four to five years	95 998	20 039
More than five years	678 178	51 726
Total undiscounted lease liabilities	1 366 598	287 362

Changes in the lease liabilities - 2021	Total
At 1 January 2021	261 695
Additions through business combinations	532 386
New leases recognised during the period	406 500
Adjustments - changes from last year	-9 041
Cash payments for the principal portion of the lease liability (financing activities)	-112 326
Cash payments for the interest portion of the lease liability (operating activities)	-26 336
Interest expense on lease liabilities	26 336
Currency translation effects	-1 774
Transfer held for sale	-6 453
Total lease liabilities at 31 December 2021	1 070 987
Current lease liabilities in the statement of financial position	164 167
Non-current lease liabilities in the statement of financial position	906 820

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

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

Lease commitments not included in the lease liabilities

Inflation adjustments

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

Extension and termination options

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

In 2021, the Group sold subsidiaries that owned properties that are leased back, see Note 2.4. These leases were not accounted for as sale and lease-back. The properties are primarily production facilities used in the Group's own production, and some of the facilities are situated in rural areas. The lease terms are 20 years, with two options to extend ten years each. Management has evaluated that the production facilities are neither sufficiently special for the Group nor that there are other economic incentives which would make it reasonable certain that the Group will extend the lease periods after 20 years, and have consequently not included any extension option periods in the lease term and lease payments.

The effect of exercising the extension options is presented in the table below:

	31.12.2021	31.12.2020	01.01.2020
Extension options not included in the lease payments (undiscounted cash flows)	496 890	178 544	180 340

Other matters

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

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4.1 Financial instruments

ACCOUNTING POLICIES

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

Classification of financial instruments

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

Financial Assets

- *Financial assets measured subsequently at amortised cost:* Includes mainly trade receivables, other receivables and cash and cash equivalents
- *Financial assets measured at fair value through profit or loss:* Includes investments in shares and currency derivatives when the fair value is positive and net loan to related parties.

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

Financial Liabilities

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

Initial recognition and subsequent measurement

Financial assets and liabilities measured subsequently at amortised cost

The Group's financial assets and liabilities are initially recognised at fair value plus or minus directly attributable transaction costs, except for trade receivables which are initially recognised at their transaction price as defined in IFRS 15. Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit and loss upon impairment, when the instruments are derecognised as well as through the EIR amortisation process.

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

Impairment of financial assets

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

Derecognition of financial instruments

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

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

Offsetting of financial instruments

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



4.1 Financial instruments (continued)

31.12.2021	Notes	Financial instruments at amortised cost	Financial instruments at fair value through profit and loss	Total
Assets				
Trade receivables	2.6	684 086		684 086
Other receivables	2.6	71 655		71 655
Cash and cash equivalents	4.7	332 527		332 527
<i>Non-current financial assets</i>				
Investments in shares (equity)			2 290	2 290
Other financial assets	7.2	100 889		100 889
Total non-current financial assets		100 889	2 290	103 179
Total financial assets		1 189 157	2 290	1 191 447
Liabilities				
<i>Interest-bearing loans and borrowings</i>				
Current interest-bearing liabilities	4.2	3 292 596		3 292 596
<i>Other financial liabilities</i>				
Trade and other payables	2.7	847 455		847 455
Total financial liabilities		4 290 051	-	4 290 051

31.12.2020	Notes	Financial instruments at amortised cost	Financial instruments at fair value through profit and loss	Total
Assets				
Trade receivables	2.6	569 278		569 278
Other receivables	2.6	133 461		133 461
Cash and cash equivalents	4.7	438 339		438 339
<i>Non-current financial assets</i>				
Investments in shares (equity)			2 389	2 389
Other financial assets		33 313		33 313
Total non-current financial assets		33 313	2 389	35 702
Total financial assets		1 174 391	2 389	1 176 780
Liabilities				
<i>Interest-bearing loans and borrowings</i>				
Non-current interest-bearing liabilities	4.2	3 360 595		3 360 595
Current interest-bearing liabilities	4.2	265 400		265 400
<i>Other financial liabilities</i>				
Trade and other payables	2.7	600 671		600 671
Total financial liabilities		4 226 666	-	4 226 666

There are no changes in classification and measurement for the Group's financial assets and liabilities.
Financial income and expenses arising from the Group's financial instruments are disclosed separately in Note 4.8.



4.2 Borrowings, pledged assets and guarantees

Non-current interest bearing liabilities			31.12.2021	31.12.2020
	Interest rate	Maturity		
Term loan, DNB (NOK)	NIBOR*+3,75% - 4,25%	Mar 2022	-	1 541 621
Term loan, DNB (DKK)	NIBOR*+3,75% - 4,25%	Mar 2022	-	317 543
Term loan, DNB (SEK)	NIBOR*+3,75% - 4,25%	Mar 2022	-	151 902
Acquisition Capex loan, DNB (NOK)	NIBOR*+3,00% - 3,75%	Mar 2022	-	200 000
Pik loan, Danica Pension (NOK)	Fixed 14,5%	Dec 2023	-	1 165 734
Loan guaranteed by the state	Fixed 2,55%	Dec 2026	150 000	
- Incremental borrowing costs capitalised (DNB)			-	-5 957
- Incremental borrowing costs capitalised (PIK)			-	-10 248
Total non-current interest bearing liabilities			150 000	3 360 595
Current interest bearing liabilities			31.12.2021	31.12.2020
Term loan, DNB (NOK)	NIBOR*+3,75% - 4,25%	Mar 2022	1 291 621	-
Term loan, DNB (DKK)	NIBOR*+3,75% - 4,25%	Mar 2022	98 500	-
Term loan, DNB (SEK)	NIBOR*+3,75% - 4,25%	Mar 2022	92 156	-
Pik loan, Danica Pension (NOK)	Fixed 14,5%	Dec 2023	1 346 272	
Acquisition Capex loan, DNB (NOK)	NIBOR*+3,00% - 3,75%	Mar 2022	200 000	-
- Incremental borrowing costs capitalised (PIK)			-6 843	-
Factoring, DNB (NOK)			270 890	265 400
Total current interest bearing liabilities			3 292 596	265 400

* NIBOR being floating 3 month NIBOR rate.

The Group issued no new debt in 2021. The reconciliation of changes in liabilities incurred as a result of financing activities are presented in note 4.3. The term Loan matures March 2022, and has been refinanced in February 2022 (see note 7.4).

The loan guaranteed by the state is granted in Dely, this is related to Covid-19. The repayment period is over 6 years, exempt from repayment the first two years. The interest is 2,55% and a commission of 1% the first three years and 2% the following years

Factoring (DNB)

Most of the Norwegian entities are included in a factoring agreement with DNB, which is considered as a credit facility and a short term liability. The receivables are not derecognised, and the amount received is recognised as current interest bearing liability.

Overdraft facility

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

Guarantees

The Group have entered into several guarantee commitments, total amounts of NOK 10.6 million as at 31 December 2021, and NOK 15.2 million as at 31 December 2020. These guarantees have been provided for custom clearance in the amount of NOK 4.1 million, tax guarantees NOK 3.0 million and rental guarantees in the amount of NOK 3.5 million.

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4.2 Borrowings, pledged assets and guarantees (continued)

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

Assets pledged as security

	31.12.2021	31.12.2020
Secured balance sheet liabilities:		
Interest-bearing liabilities to financial institutions	3 442 596	3 625 995
Carrying value of assets pledged as security for secured liabilities:		
Trade receivables	684 086	569 278
Inventories	512 031	486 938
Investments in shares and associates	14 246	21 837
Property, plant and equipment	505 456	605 663
Total assets pledged as security	1 715 819	1 683 715

The Group bank agreement includes financial covenants normal to the business. As at 31 December 2021 these are: Adjusted Leverage (Senior Net Debt/EBITDA) and Interest Cover (EBITDA/Net Finance Charges). Non compliance with these covenants may cause all debt to mature.

There was no breach of any financial covenants for the Group's interest-bearing liabilities in the current or prior periods.

Non-current liabilities

The Group has NOK 172 millions in non-current liabilities, where NOK 170 million is a interest fee vendor note to Umoe, related to the acquisition of Dely Group and NOK 2 millions is a deposit account.

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4.3 Aging of financial liabilities

Contractual undiscounted cash flows from financial liabilities are presented below:

Non-current liabilities include only long term loan from DNB, whereas current interest-bearing liability consists of Factoring (DNB).
For further information se Note 4.2.

Remaining time to contractual maturity							
31.12.2021	1-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Financial liabilities							
Non-current interest-bearing liabilities	9 375	37 500	37 500	37 500	28 125		150 000
Current interest-bearing liabilities	3 292 596						3 292 596
Trade and other payables	847 455						847 455
Non-current lease liabilities	-	160 207	137 584	114 516	95 997	678 178	1 186 482
Current lease liabilities	164 167						164 167
Total financial liabilities	4 313 593	197 707	175 084	152 016	124 122	678 178	5 640 700

Remaining time to contractual maturity							
31.12.2020	1-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Financial liabilities							
Non-current interest-bearing liabilities		2 211 066	1 149 529				3 360 595
Current interest-bearing liabilities	265 400						265 400
Trade and other payables	600 671						600 671
Non-current lease liabilities		56 791	45 711	37 820	20 039	51 726	212 087
Current lease liabilities	65 279						65 279
Total financial liabilities	931 350	2 267 857	1 195 240	37 820	20 039	51 726	4 504 033

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4.3 Aging of financial liabilities (continued)

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

2021	01.01.2021	Acquisition of Dely	Net Cash flow effect	Non-cash changes				31.12.2021
				New leases and adjustments	Foreign exchange movement and interest non payable	Amortisation of loan fee	Reclassification	
Non-current interest-bearing liabilities	3 360 595	150 000	-500 000		144 906	16 205	-3 021 706	150 000
Current interest-bearing liabilities	265 400		5 490			-	3 021 706	3 292 696
Non-current liability non interest bearing ¹⁾		2 000		170 000				172 000
Non-current lease liabilities	196 416	486 305		385 917	1 159	-	-167 025	902 772
Current lease liabilities	65 279	46 081	-113 485	-	-733	-	167 025	164 167
Total liabilities from financing	3 887 690	684 386	-607 995	555 917	145 332	16 205	-	4 681 535

¹⁾ Long term debt related to acquisition of Dely

2020	01.01.2020	Acquisition of Dely	Net Cash flow effect	Non-cash changes				31.12.2020
				New leases and adjustments	Foreign exchange movement and interest non payable	Amortisation of loan fee		
Non-current interest-bearing liabilities	3 131 212			34 066	159 587	35 730		3 360 595
Current interest-bearing liabilities	236 063	29 337					265 400	
Non-current lease liabilities	257 664		607	1 942	-	-63 797		196 416
Current lease liabilities	70 661	-69 179			-	63 797		65 279
Total liabilities from financing	3 695 600	-39 842	607	36 008	159 587	35 730		3 887 690

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4.4 Financial risk management

Overview

The Group's principal financial liabilities comprise interest-bearing liabilities (included but not limited to the factoring agreement), lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, other receivables, cash and short-term deposits and non-current financial assets.

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

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

Market risk

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

Interest rate risk

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

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

Interest rate sensitivity

A percentage point interest rate change would impact profit before tax by approximately NOK 24 million at 31 December 2021 (NOK 24 million at 31 December 2020).

Foreign currency risk

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

The Group enters into forward contracts (derivatives) in order to generate predictable cash flows for future purchases of materials within the year. About 60 - 90 percent of raw materials and trade products in foreign currency is purchased with exchange rates from the forward contracts. The Group currently does not apply hedge accounting.

Foreign currency sensitivity

The following table illustrates the sensitivity for a hypothetical increase or decrease in the foreign exchange rates in the period, holding all other variables constant. With the exception of term loans in DKK and SEK, other foreign exchange receivables/liabilities are primarily intercompany related.

Foreign currency sensitivity	Date	Change in FX rate	Effect on equity and profit after tax
Increase / decrease in NOK/EUR	31.12.2021	+/- 10%	+/- 29 000
Increase / decrease in NOK/EUR	31.12.2020	+/- 10%	+/- 28 000

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4.4 Financial risk management (continued)

Credit risk

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

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

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

Liquidity risk

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

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

The Group has a bank agreement with a syndicate of banks and DNB Bank ASA as agent. The bank agreement grants both long-term loans and a revolving credit facility of NOK 100 million, which has not been utilised. Investments in fixed assets are partly financed through leasing agreements. The Group uses a multi-currency group bank account system (International Cash Pool) to coordinate liquidity use by subsidiaries (presented net in the consolidated statement of financial position). Under these agreements, Jordanes Investments AS is the group account holder, whereas the subsidiaries are participants and hold a position only against Jordanes Investments AS. The bank can offset overdrafts against deposits, so that the net position represents the net balance between the bank and Jordanes Investments AS. The Group's current banking facilities expire in March 2022, and a similar structure has been negotiated for refinancing purposes. With this financial structure, the Group has both sufficient long term financing and adequate financial flexibility (see Note 7.4).

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



4.5 Fair value measurement

ACCOUNTING POLICIES

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

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

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

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

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

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

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

Fair value calculations and disclosures

For the periods presented in these financial statements, the only financial assets at fair value are some unlisted shares which are insignificant. The cost price has been evaluated to be a reasonable estimation of fair value. Additionally, a contingent consideration liability has been measured at fair value, using the expected DCF method. The contingent consideration was settled in full in 2020. Both the unlisted shares and the contingent consideration are at level 3 in the fair value hierarchy, and no further disclosure is provided due to the amounts being immaterial.

Management has assessed that the fair values of its financial instruments approximate their carrying amounts, and no further fair value disclosures are provided. The fair value of cash and short-term deposits; trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments and the current low interest rates. The carrying value of other non-current financial assets, which to a large extent are loans to employees, is also evaluated to approximate the fair value. The fair values of the Group's interest-bearing liabilities are determined by using the expected DCF method at a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value of the Group's interest-bearing debt is in most cases similar to its carrying amount, as the interest rates are floating and the Group's own non-performance risk at each reporting date was assessed to be insignificant.



4.6 Equity and shareholders

Capital management

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

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

ACCOUNTING POLICIES

Distribution to shareholders

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

Issued capital and reserves:

	Number of A-Shares authorised	Financial Position (in NOK)
Share capital in Jordanes Invest AS		
At 1 January 2019	477 087	477
Share capital increase 22 May 2019	29 431	29
At 31 December 2019	506 518	507
Share capital increase	-	-
At 31 December 2020	506 518	507
Share capital increase	-	-
At 31 December 2021	506 518	507

The shares has a par value of NOK 1.00.

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

The Group's shareholders:

Shareholders in Jordanes Invest AS at 31.12.20	Number of A-shares	Number of B-shares	Number of shares	Ownership
Jabo Management & Consulting AS		133 408	133 408	26,34 %
Sunstar AS		133 408	133 408	26,34 %
K.K. Sunde Holding AS		133 408	133 408	26,34 %
M1 Invest AS		76 863	76 863	15,17 %
NLL Holding AS	29 431		29 431	5,81 %
Total	29 431	477 087	506 518	100 %

Shareholders in Jordanes Invest AS at 31.12.20	Number of A-shares	Number of B-shares	Number of shares	Ownership
Jabo Management & Consulting AS		133 408	133 408	26,34 %
Sunstar AS		133 408	133 408	26,34 %
K.K. Sunde Holding AS		133 408	133 408	26,34 %
M1 Invest AS		76 863	76 863	15,17 %
NLL Holding AS	29 431		29 431	5,81 %
Total	29 431	477 087	506 518	100 %

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4.7 Cash and cash equivalents

ACCOUNTING POLICIES

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

Cash and cash equivalents	31.12.2021	31.12.2020	01.01.2020
Bank deposits, unrestricted	311 627	425 161	272 644
Bank deposits, restricted	20 900	13 178	11 095
Total cash and cash equivalents	332 527	438 339	283 739

Bank deposits earn a low interest at floating rates based on prevailing bank deposit rates.

4.8 Financial income and expenses

ACCOUNTING POLICIES

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

Foreign currency gains or losses are reported as a gain or loss on foreign exchange within financial income or finance expenses, except for currency translation effects from investments in foreign subsidiaries which are presented in OCI. For other accounting policies related to underlying financial instruments, see Note 4.1.

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

Financial income	2021	2020
Interest income	9 197	7 475
Other financial income	19 243	497
Total financial income	28 440	7 972

Financial expenses	2021	2020
Interest on interest-bearing liabilities	285 161	280 088
Amortisation directly attributable transaction costs (part of EIR) (Note 4.2)	16 205	35 730
Interest expense on lease liabilities	26 321	12 846
Net currency loss	30 625	57 770
Other financial expenses	36 108	11 334
Total financial expenses	394 420	397 768

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

Increase of interest related to lease liabilities is explained by the sale of factories and lease of these properties as well as the acquisition of Dely, see note 6.3.

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4.9 Earnings per share

ACCOUNTING POLICIES

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

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

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

	2021	2020
Profit or loss attributable to equity holders of the parent, continuing operations	122 782	-53 217
Profit or loss attributable to equity holders of the parent, discontinued operations	-64 541	-750
Profit and loss attributable for equity holders of the parent, total operations	58 241	-53 967
Weighted average number of ordinary shares (basic = diluted) - for EPS	506 518	506 518
EPS continuing operation - profit or loss attributable to equity holders of the parent	242	-105
EPS discontinued operations - profit or loss attributable to equity holders of the parent	-127	-1
EPS total operations - profit or loss attributable to equity holders of the parent	115	-107

diluted= basic

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5.1 Taxes

ACCOUNTING POLICIES

Current income tax.

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Cumulative translation differences are recognised directly in equity (Other comprehensive income).

Deferred tax

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

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

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

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

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

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

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

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

Tax losses carry forward

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. At time of acquisition of Dely, tax losses carried forward in the amount of NOK 78 millions has been recognised.

The tax loss carried forward from Norwegian entities may be offset against future taxable income and will not expire. Other tax loss carried forward do not expire.

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



5.1 Taxes (continued)

Income tax expense:	2021	2020
Tax payable	61 813	9 701
Adjustment for income tax payable for previous periods	-	2 122
Change deferred tax/deferred tax assets (ex. OCI effects) - continuous operations	22 597	-13 541
Change in deferred tax/deferred tax assets (ex. OCI effects) - discontinued operations	-14 988	-
Total income tax expense - total operations	69 422	-1 718

Deferred tax relates to the following:	31.12.2021	31.12.2020
Inventories	-6 851	-6 210
Property, plant and equipment	223 421	338 141
Intangible assets	-	-
Other current assets	-907	-554
Interest deduction carry forward	-23 497	-16 032
Other liabilities	-37	18 028
Pensions	-	-1 087
Losses carried forward	-22 022	-163 102
Losses carried forward - business combinations	-79 828	-6 685
Net deferred tax liabilities	90 280	162 499

Deferred tax liabilities in the statement of financial position - continuing	105 268	162 499
Deferred tax assets in the statement of financial position - discontinued	- 14 988	-

Reconciliation of deferred tax liabilities, net	31.12.2021	31.12.2020
As at 1 January	-162 499	-177 058
Acquisition of subsidiaries	79 828	-
Tax expense during the period recognised in profit and loss	-7 609	14 559
As at 31 December	-90 280	-162 499

The Group's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates are 22% for both years. No deviations has been identified for the group's deferred tax liabilities.

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

Reconciliation of income tax expense	2021	2020
Profit or loss before tax	246 397	-94 433
Result from discontinued operations	-64 541	-
Tax expense 22% (Norwegian tax rate)	40 008	-20 562
Share of profit in associates	-6 415	-
Sale factories - permanent differences (Note 2.4)	-	-
Other permanent differences*	35 829	19 356
Effects of foreign tax rates	-	-513
Currency effects	-	-
Recognised income tax expense	69 422	-1 718

* Other permanent differences includes non-recognised deferred tax asset related to tax-losses carry forward in foreign subsidiaries.

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6.1 Interests in other entities

ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements comprise the financial statements of Jordanes Invest AS and its subsidiaries as at 31 December 2021. The subsidiaries are consolidated when control is achieved as defined by IFRS 10. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

Change in the ownership interest in a subsidiary, without a loss of control

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

Loss of control of a subsidiary

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

Non-controlling interests

Non-controlling interests in subsidiaries are presented in equity separately from the equity attributable to the owners of the parent. For each business combination non-controlling interests are measured initially, at either the proportionate fair value of net identifiable assets or of fair value of those interests at the date of acquisition.



6.1 Interests in other entities (continued)

The consolidated entities

The subsidiaries of Jordanes Invest AS are presented below:

Consolidated entities at 31 December 2021	Office	CUR	Shareholding and the Group's voting share	Shareholding and the Group's voting share
			2021	2020
Jordanes AS	Oslo	NOK	51,8%	57,7%
Jordanes Investments Holding AS	Oslo	NOK	100,0%	100,0%
Jordanes Investments AS	Oslo	NOK	100,0%	100,0%
Scandza AS	Oslo	NOK	100,0%	100,0%
Scandza Norge AS	Oslo	NOK	100,0%	100,0%
Scandza Danmark ApS	Stege, DK	DKK	100,0%	100,0%
Scandza Sverige AB	Göteborg, SE	SEK	100,0%	100,0%
The Feelgood Company AS	Oslo	NOK	100,0%	100,0%
Bonaventura Nordic AS	Oslo	NOK	100,0%	100,0%
Sørlandschips AS	Kristiansand	NOK	100,0%	100,0%
Synnøve Finden AS	Oslo	NOK	100,0%	100,0%
Synnve Finden Eesti AS	Tallin, RE	EUR	100,0%	100,0%
Leiv Vidar AS	Hønefoss	NOK	100,0%	100,0%
Finsbråten AS	Oslo	NOK	100,0%	100,0%
Scandza Salg Norge AS	Oslo	NOK	100,0%	100,0%
Westend Bakeri AS	Oslo	NOK	100,0%	51,0%
Smarte Nytelser AS	Oslo	NOK	100,0%	100,0%
Nbev AS	Oslo	NOK	100,0%	100,0%
Elle Basic AS	Oslo	NOK	100,0%	100,0%
Bodylab ApS	Hadsund, DK	DKK	100,0%	100,0%
B Green AS	Oslo	NOK	100,0%	100,0%
Bonaventura Sales AS	Oslo	NOK	100,0%	100,0%
Bonaventura Sales Denmark A/S	Svendborg, DK	DKK	100,0%	100,0%
Bonaventura Sales Co. Denmark A/S	Svendborg, DK	DKK	75,0%	75,0%
Bonaventura Sales Norge AS	Trondheim	NOK	100,0%	100,0%
Bonaventura Sales Sverige AB	Eslöv, SE	SEK	100,0%	100,0%
Bonaventura Confectionary AB	Eslöv, SE	SEK	65,0%	65,0%
Bonaventura Sales UK Ltd.	Ilkeston, GB	GBP	100,0%	100,0%
Bisca A/S	Stege, DK	DKK	100,0%	100,0%
Scandza Sälj Sverige AB	Åstorp, SE	SEK	100,0%	100,0%
Broderna Nilsson Delikatesser AB	Göteborg, SE	SEK	100,0%	100,0%
Lindvalls Chark AB	Strömsnäsbruk, S	SEK	100,0%	100,0%
Dely AS	Oslo	NOK	100,0%	0,0%
Healty Restaurants Norway AS	Lysaker	NOK	100,0%	0,0%
Umoe Restaurants AB	Stockholm	NOK	100,0%	0,0%
Blender AS	Lysaker	NOK	100,0%	0,0%
Peppes Pizza AS	Lysaker	NOK	100,0%	0,0%
American Bistro Scandinavia AS	Lysaker	NOK	100,0%	0,0%
Umoe Restaurants Group Coffee AS	Lysaker	NOK	100,0%	0,0%
Umoe Restaurants Group Coffee AB	Stockholm	SEK	100,0%	0,0%
Jordanes Properties AS	Lysaker	NOK	100,0%	0,0%
Tolga Næringspark AS	Tolga	NOK	100,0%	0,0%

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6.1 Interests in other entities (continued)

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

In 2021, the remaining shares in Hylla AS (see Note 6.3 and Note 6.4) were acquired for the amount of NOK 28 million. Later in the year, all the shares were sold, so Hylla AS is not shown as a subsidiary as at 31 December 2020 or 2021. During 2021, some property-owning subsidiaries were demerged and sold as part of the property transaction, and are not shown as subsidiaries at 31 December 2020 or 2021 (see Note 2.4). The addition of factory related to the acquisition of Hylla Eiendom AS, is not included in Note 3.1, due to short period of ownership.

In July 2021, the outstanding shares in Westend Bakeri AS were acquired through the acquisition of Dely, increasing the investment from 51 per cent to 100 per cent. Dely is a related party and Westend is considered a subsidiary as of July 2021.

Subsidiaries with significant non-controlling interests

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

Percentage of equity held by non-controlling interests:	Place of business	2021	2020	2019
Jordanes AS	Oslo, Norway	48 %	42 %	42 %

31.12.2021:

Company (Amounts in NOK thousands)	Profit/loss (non-controlling)	Accumulated interest (non-controlling)	Dividend paid to non-controlling	Profit/ loss 2021 (100%)	Equity 31.12.2021 (100%)
Jordanes AS	54 193	315 762	-	-23 769	956 474

31.12.2020:

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

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6.2 Discontinued operations and held for sale

ACCOUNTING POLICIES

A disposal of a group or part of a group may qualify as a discontinued operation if the group or part of a group is considered to be a cash generating unit that has been sold or is classified as held for sale and represents a major line of business or geographical area of operation.

Discontinued operations are excluded from the results of the continuing business and are presented as a single net amount under profit and loss after tax from discontinued operations in the consolidated statement of comprehensive income. All intercompany transactions are eliminated in accordance with the principles of consolidation and only external income and expenses are presented as discontinued operations.

Details of discontinued operations

At the end of 2021 management decided to close down the business related to trading of cookies produced by third parties. This business was carried out in the subsidiary Bonaventura Sales Company Denmark (BVSCo). The non-current assets are primarily a warehouse. At year-end 2021, some employees had been retained to sell the remaining inventory and settle financial instruments. There is also a dispute with the tax authorities that needs to be settled.

The group of assets, including the warehouse, and liabilities in the subsidiary will be disposed of as a consequence of management's decision to dispose of the business. Consequently, the disposal group was reported as assets and liabilities held for sale at 31 December 2021. Management has further concluded that the cookies trading business, which is only conducted in BVSCo, should be classified as a discontinued operation under IFRS 5 *Non-current assets held for sale and discontinued operations*. This conclusion affects the presentation in the statement of comprehensive income, statement of financial position and notes. However, it has not affected profit / (loss) from total operations or total assets and liabilities.

The Group has its own production of cakes and biscuits through the segment Bisca. Before 2021, this segment also included trading in cookies. In 2021, the business related to trading in cookies was transferred to the segment Scandza, which has a trading business for other kinds of third-party products, such as washing-up liquid, facial care and baby food, and has other business in Denmark. In 2021, it has become clear that the cookie trading business requires another competence and contacts and has no clear synergies with other parts of the third-party distribution business. It is a strategic decision to exit the cookies trading business. BVSCo has been a separate CGU with a considerable impact on profit and loss in 2021 which is not relevant for the continuing operations. Consequently, management has evaluated that this represents a separate major line of business that is to be disposed of as part of a single coordinated plan, to be presented as discontinued operations.

For the years ended 31 December

Amounts in NOK thousands	2021	2020
Revenue from contracts with customers	150 505	214 452
Total revenue	150 505	214 452
Cost of materials and changes in inventories	-152 405	-194 438
Payroll expenses	-20 648	-12 880
Other operating expenses	-6 423	-6 737
Depreciation, amortisation and impairment	-15 208	-517
Share of profit or loss in associates		
Operating profit (before other income and expenses)	-44 179	-120
Other income		
Other expenses	-30 428	-176
Operating profit	-74 607	-296
Financial income	111	163
Financial expenses	-5 033	-617
Profit or loss before tax	-79 529	-750
Income tax expense	14 988	-
Profit or loss for the year	-64 541	-750

Net loss before tax for discontinued operations amounts to NOK 80 million in 2021, primarily as a result of closing down the business and selling off assets with a high expected loss. Estimate of losses related to the sale of assets (buildings, inventory and other accruals (i.e., several tax issues) have been recognised in profit and loss for the year 2021. In addition, amortisation and impairment of goodwill in the amount of NOK 15 million has been recorded. The assets are being sold individually and final settlement is expected by summer 2022.

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6.2 Discontinued operations and held for sale (continued)

Cash flow from discontinued operations

For 2021 the main cash flow impact of discontinued operations relates to low sales and high cost of goods sold, in addition to payments to tax authorities. Finance activities are explained by an intercompany loan to fund payment of taxes.

Amounts in NOK thousands	2021	2020
Net cash from operating activities	-29 394	-4 609
Net cash from investing activities	-125	-235
Net cash from financing activities - intercompany	43 687	-
Net change in cash	14 168	-4 844
Cash and cash equivalents at the start of the year	-13 089	-8 245
Cash and cash equivalents at the end of the year	1 079	-13 089

Balance sheet at 31 December 2021 is presented below:

Amounts in NOK thousands	31.12.2021
ASSETS	
Assets	
Intangible assets incl. Goodwill	14 988
Buildings	24 448
Inventory	27 917
Accounts receivable	15 487
Investments in shares	
Cash and cash equivalents	1 079
Total assets classified as held for sale	83 919
Long-term loans	6 453
Accounts payable	10 011
Other current liabilities	53 948
Interest-bearing liabilities	
Total liabilities classified as held for sale	70 412

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6.3 Business combinations

ACCOUNTING POLICIES

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

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

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

In a business combination, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date, with some exceptions. These have primarily been relevant for deferred tax assets and liabilities, which are recognised at nominal value. Goodwill arising on acquisition is recognised as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the acquiree over the amounts of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the value of the recognised net assets of the acquiree, the difference is recognised in profit and loss. After initial recognition, goodwill is not amortised but tested for impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Subsequent changes to the fair value of the contingent consideration asset or liability are recognised in profit and loss.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Determination of fair values

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

Property, plant and equipment acquired in business combinations

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



6.3 Business combinations (Continued)

Intangible assets acquired in business combinations

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

Inventories acquired in business combinations

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

The purchase price, paid in cash, for the remaining 50 percent of the shares in Hylla Eiendom AS was NOK 28 million. All the shares in Hylla Eiendom AS was sold in August 2021 as part of the integrated single transaction to sell five property-owning subsidiaries and lease-back the properties. The gain on the previously held assets is presented together with the net gain on the disposal of the properties, see Note 2.4 and Note 6.4.

Acquisitions in 2021

On 30 June 2021, Jordanes AS acquired 100% of the voting shares of Dely AS. Acquisition cost is NOK 530 millions, where NOK 130 millions has been paid in cash, NOK 230 millions has been reinvested through conversions of debt. At year end, NOK 170 millions is recorded as long term non-interest bearing debt, see note 4.2.

Dely AS is a leading restaurant company with over 360 restaurants and cafes. Among the brands are Peppes Pizza, TGI Friday, Burger King, Starbucks and Blender. The company's head office is located in Oslo, Norway and had 55 employees at the date of acquisition. Revenues for Dely for the year 2021 is NOK 909 millions and EBIT was NOK -4 millions (full year 2021). Revenues and expenses related to Dely for the period owned by Dely, can be found in Note 2.1 Segment information. As part of the acquisition of Dely, Westend became a 100% subsidiary of Westend Bakeries AS, as Dely were the minority owner of Westend Bakeries AS.

A preliminary purchase price allocation has been made and we are in the process of finalising their purchase price allocation. In the table below all excess values are allocated to goodwill and will be updated when finalised:

Amounts in NOK thousands	Fair value recognised on acquisition
Deferred tax asset	92 564
Property, plant and equipment	92 216
Long term debt	-150 000
Other current assets and liabilities	-215 524
Cash and cash equivalents	31 139
Total identifiable net assets at fair value	-149 605
Non-controlling interest (fair value)	
Goodwill arising on acquisition	484 605
Net asset, including goodwill	335 000
	Cash flow on acquisition
Analysis of cash flows on acquisition	
Net cash acquired with the subsidiary	31 139
Cash paid	130 000
Net cash flow from acquisition	-98 861

From the date of acquisition, Dely contributed NOK 509 million of revenues and NOK 24 million to profit before tax of the Group. If the acquisition had occurred on 1 January 2021, management estimated that the consolidated revenues would have been NOK 5 955 billion and consolidated profit before tax would have been NOK 175 million.

All excess values related to the transfer of Dely is allocated to Goodwill. The PPA is in the process of being finalised and is expected to include, trademarks/brands, concessions as well expected synergies. None of the goodwill recognised is expected to be deductible for tax purposes.

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6.4 Investments in associates

ACCOUNTING POLICIES

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

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

No write-downs have been made in 2021 or 2020.

Hylla Eiendom AS/ Snack Namsos AS

Hylla Eiendom AS was accounted for as an associate until the outstanding 50 percent was acquired at the end of April 2021 and it became a subsidiary. Hylla Eiendom AS, has a facility at Namsos, that is leased by Synnøve Finden.

The shares in the subsidiary were sold as part of the sales of other property-owning subsidiaries in the second half of 2021. Even though the company was not a subsidiary for long, management has evaluated that the acquisition was not performed exclusively with a view to subsequent disposal. The sale has therefore not been presented as a discontinued operation and is presented as part of the property transaction (see Note 2.4).

Skagerrak-Holding AS

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

Associated company	Office	Ownership/ voting interest	Number of shares owned	Carrying	Carrying	Carrying
				amount 31.12.2021	amount 31.12.2020	amount 01.01.2020
Hylla Eiendom AS	Namsos	0 %	500	-	5 525	5 075
Skagerrak-Holding	Larvik	28 %	277	14 246	13 923	13 308
Total				- 14 246	19 448	18 383

2021 summarised financial information :

Associated company	Liabilities	Equity	Assets	Revenues	Result in the period
Hylla Eiendom until aquired					1 500
Skagerrak-Holding AS (100%)	432 102	48 769	480 871	1 177 960	99 972

2020 summarised financial information:

Associated company	Liabilities	Equity	Assets	Revenues	Result in the period
Hylla Eiendom AS (100%)	5 190	7 036	12 226	5 564	3 037
Skagerrak-Holding AS (100%)	267 349	56 096	323 446	983 027	65 421

Dividends received:

Amounts in NOK thousands	2021	2020
Hylla Eiendom AS	-	-
Skagerrak-Holding AS	18 039	16 651
Total	18 039	16 651

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7.1 Remuneration to Management and the Board of Directors

Remuneration to the Board of Directors

Remuneration payable to the members of the Board is determined by the Annual General Meeting (AGM). Board members have not received any remuneration for the years 2021 and 2020. Board members do not have any severance or share based payment agreements.

Remuneration to executive management

Jordanes Invest AS has not had a CEO for the presented years.

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

The management service agreements can be cancelled annually.

Loans and guarantees

The Group has also provided loan to employee shareholders and partners for a total of NOK 30 million at 31 December 2021 and NOK 30 million at 31 December 2020. For additional disclosures of related party transactions and balances see note 7.2.

Remuneration to the Board of Directors and executive management:

NOK	2021	2020
Sunstar AS - Stig Sunde	4 801	4 734
K.K.Sunde Holding AS - Karl Krisitan Sunde	4 801	4 734
Jabo Management & Cons. - Jan Bodd with family	4 801	4 734
Total compensation	14 403	14 202

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

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

	Number of shares 31.12.2021	Ownership % 31.12.2021	Number of shares 31.12.2020	Ownership % 31.12.2020
Sunstar AS (Stig Terje Sunde - Chairman of the Board)	133 408	26,34 %	133 408	26,34 %
K.K.Sunde Holding AS (Karl Kristian Sunde - Board member)	133 408	26,34 %	133 408	26,34 %
Jabo Management & Cons. (Jan Leif Bodd - Board member)	133 408	26,34 %	133 408	26,34 %
Total	400 224	79,02 %	400 224	79,02 %

Board member Jon Thomas Warset (through company Everyday Invest AS) owns 23,4 % of M1 Invest AS, which owns 15,2 % of Jordanes Invest AS.

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7.2 Related party transactions

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

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

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

Related party transactions in 2021 and balances at 31 December 2021 (NOK thousands)	Executive management	Board Member	Associated company	Total
Sales to related parties	0	0	7 800	7 800
Lease agreements - factories	0	0	9 900	9 900
Purchases from related parties	0	14 403	-	14 403

Related party transactions in 2020 and balances at 31 December 2020 (NOK thousands)	Executive management	Board Member	Associated company	Total
Sales to related parties	-	0	9 679	9 679
Purchases from related parties	-	14 202	4 822	19 024

Purchases from related parties connected to board members consist of management services that have been charged from Jabo Management & Cons. AS, Sunstar AS and K.K. Sunde Holding AS to Jordanes AS. Jabo Management & Consulting AS is owned by Jan Bodd, Sunstar AS is owned by Stig Sunde and K. K. Sunde Holding AS is owned by Karl Kristian Sunde, all three board members of Jordanes AS. Per December 2021, Jabo Management & Consulting AS, Sunstar AS and K.K. Sunde Holding AS each owned 26,34 % of the shares in Jordanes Invest AS. For further information on remuneration to management and the Board members see note 7.1.

Bisca A/S sold goods to associate, Skagerrak Holding (former Baxt) AS for NOK 7.8 million in 2021 (NOK 9.7 million in 2020).

Synnøve Finden AS rented factory premises from associate, Hylla Eiendom AS for NOK 4.0 million in 2021 (NOK 4.8 million in 2020). In 2021, new lease arrangements were signed after the property transaction. These amounted to additional rental expenses (several agreements) of NOK 5.1 million after the transaction.

In August 2021, subsidiaries owning properties and factories were reorganised and/or demerged and sold to Jordanes AS, for a consideration of NOK 450 million, basically as an unsecured loan. As the companies were sold externally, a cash payment in the amount of NOK 397 million was paid through Jordanes Investments's bank and netted as part of the unsecured loan from the sale of properties, adjusted for cash included. The properties were sold from Jordanes to a company that is considered to be a related party, as Jordanes Properties holds 34 percent of the company's shares. From October 2021, the Group has made lease payments in the amount of NOK 5.1 million to Snack Properties AS (see above).

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7.3 Events after the reporting period

ACCOUNTING POLICIES

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

Adjusting events

No adjusting events have occurred after the reporting period

Non-adjusting events

The group has been refinanced in February 2022, through the establishment of new senior bank facilities totalling NOK 2.3 billion, with a 3 year maturity and options to extend for another 1 + 1 years, and a NOK 1.2 billion senior unsecured bond with a 4-year tenor. The initial margin for the senior bank facilities is 350-400 bps, while the bond margin was settled at 575 bps, all facilities with 3-month NIBOR as the base rate. The bank facilities and the bond agreement include financial covenants normal to the business: Leverage (Net Debt/EBITDA) and Interest Cover (EBITDA/Net Finance Charges). Further, assets have been pledged as security for the bank facilities. The purpose of the refinancing process has been to replace the Jordanes Investments' previous senior bank facilities, which expired in March 2022, as well as to finance the repayment of a PIK loan held by Jordanes AS through an internal loan.

The Scandza Group subsidiary Finsbråten AS has been sued in connection with a dispute related to a rental agreement regarding a factory at Eidsvoll that has been closed down. The claim from the landlord, in the amount of NOK 35 million, has been rejected. Finsbråten and the Group's general council's best judgement is that Finsbråten will win a possible court case.

The Russian invasion in Ukraine has disturbed global supply chains that had not yet recovered from the Covid-19 pandemic. As a consequence, sourcing and market prices of several raw materials have been negatively affected. To date, however, this has not had a materially adverse effect on Jordanes Invests' operations. These challenges are impacting all competitors in a similar way, and will probably result in increased sales prices going forward.



Annual Report 2021 Jordanes Invest AS

Income statement
Balance sheet
Notes to the Accounts
Cashflow

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Org.no.: 920 596 533



Income Statement

Jordanes Invest AS

	Note	2021	2020
(amounts in NOK thousands)			
Operating income and operating expenses			
Revenue		0	0
Total income		<u>0</u>	<u>0</u>
Other expenses	2	0	0
Total expenses		<u>0</u>	<u>0</u>
Operating profit		<u>0</u>	<u>0</u>
Financial income and expenses			
Other interest income		0	0
Other interest expenses		0	0
Other financial expenses		0	0
Net financial items		<u>0</u>	<u>0</u>
Net profit before tax		0	0
Income tax expense	3	0	0
Net profit after tax		<u>0</u>	<u>0</u>
Attributable to			
Other equity		0	0
Loss brought forward	5	0	0
Total		<u>0</u>	<u>0</u>

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Balance sheet

Jordanes Invest AS

	Note	2021	2020
(amounts in NOK thousands)			
Assets			
Non-current assets			
Intangible assets			
Deferred tax assets	3	0	0
Total intangible assets		0	0
Property, plant and equipment			
Non-current financial assets			
Investments in subsidiaries	4	507 086	507 086
Loan to group companies	7	600	0
Investments in shares	4	10 130	9 880
Total non-current financial assets		517 816	516 966
Total non-current assets		517 816	516 966
Current assets			
Receivables from group companies	7	243	843
Total receivables		243	843
Cash and cash equivalents		0	0
Total current assets		243	843
Total assets		518 059	517 809

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Balance sheet

Jordanes Invest AS

	Note	2021	2020
(amounts in NOK thousands)			
Equity and liabilities			
Paid in equity			
Share capital	5, 6	507	507
Share premium reserve	5	506 580	506 580
Total paid in equity		507 086	507 086
Total equity	5	507 086	507 086
Liabilities			
Other non-current liabilities			
Non-current liabilities to group companies	7	10 973	0
Total non-current liabilities		10 973	0
Current liabilities			
Tax payable	3	0	0
Liabilities to group companies	7	0	10 723
Other current liabilities		0	0
Total current liabilities		0	10 723
Total liabilities		10 973	10 723
Total equity and liabilities		518 059	517 809

Oslo, 30.06.2022

The board of Jordanes Invest AS

Stig Terje Sunde
Chairman of the board

Jan Leif Bodd
Member of the board

Karl Kristian Sunde
Member of the board

Jon Thomas Warset
Member of the board



Indirect cash flow

Jordanes Invest AS

	Note	2021	2020
Cash flows from operating activities			
Net cash flows from operating activities		<u>0</u>	<u>0</u>
Cash flows from investment activities			
Net cash flows from investment activities		<u>0</u>	<u>0</u>
Cash flows from financing activities			
Net cash flows from financing activities		<u>0</u>	<u>0</u>
Cash and cash equivalents at the start of the period		0	0
Cash and cash equivalents at the end of the period		<u>0</u>	<u>0</u>

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Note 1 Accounting Principles

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

Revenue- and expense recognition

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

Classification principles

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

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

Taxes

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

Cash and cash equivalents

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

Shares in subsidiaries

Shares in subsidiaries are presented according to the cost method.

Currency

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

Note 2 Payroll Expenses and Audit Fees

Since the company did not employ any people in 2021, there were no payroll expenses.

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

The board of directors have not been given remuneration in 2021.

The board have no severance or share-based payment agreements.

The company has not provided loans to nor issued guarantees for the members of the board, share owners or other related parties.

Auditor

In 2021 the company expensed NOK 0 thousands for statutory audit, assurance services provided by the auditor and other services (ex VAT).



Note 3 Tax

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	0	0
Taxable income:		
Ordinary result before tax	0	0
Permanent differences	0	0
Taxable income	0	0
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0
Calculation of effective tax rate		
Profit before tax	0	0
Total	0	0

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

	2021	2020	Difference
Deferred tax (22 %)	0	0	0

Note 4 Investments in Subsidiaries and Other shares

Subsidiary	Office	Ownership/ Voting interest	The company's share capital	Number of shares owned	Face value	Carrying value
Jordanes AS	Oslo	51,79 %	978 054	506 518	1	507 086

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

Financial information as of 31.12.2021:	Result 2021	Equity 31.12.2021
(amounts in NOK thousands)		
Jordanes AS	-23 769	956 372

Other Shares

Company	Ownership/voting interest	Carrying value
M1 Invest AS	14,2%	10 130

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Note 5 Equity

(numbers in NOK thousands)

	Share capital	Treasury shares	Share premium	Other equity	Total
Equity 31.12.2020	507	0	506 580	0	507 086
Result of period	0	0	0	0	0
Equity 31.12.2021	507	0	506 580	0	507 086

Note 6 Share Capital and Shareholder Information

Number of shares	2021	2020
Number of shares 01.01	506 580	506 580
Share capital increase	0	0
Share capital reduction	0	0
Number of shares 31.12	506 580	506 580

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

	Number of shares	Face value	Carrying value
			(amounts in NOK thousands)
A-shares	29 431	1,00	29 431
B-shares	477 087	1,00	477 087
Total	506 518		506 518

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

The company's shareholder as of 31.12.2021	Number of A- shares	Number of B- shares	Number of shares	Ownership
M1-Invest AS	0	76 863	76 863	15,17 %
NLL Holding AS	29 431	0	29 431	5,81 %
Jabo Management & Consulting AS	0	133 408	133 408	26,34 %
Sunstar AS	0	133 408	133 408	26,34 %
K.K Sunde Holding AS	0	133 408	133 408	26,34 %
Total	29 431	477 087	506 518	100,00 %

Note 7 Balances with Group Companies

(amounts in NOK thousands)

Current Group Receivables	2021	2020
Bisca A/S	243	243
Non-current Group Receivables	2021	2020
Scandza Norge AS	600	600
Group Liabilities Non-current	2021	2020
Jordanes AS	10 973	10 723

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Jan Leif Bodd

Styremedlem

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IP: 77.18.xxx.xxx

2022-06-30 11:51:57 UTC



Stig Terje Sunde

Styreleder

Serienummer: 9578-5998-4-1012068

IP: 77.18.xxx.xxx

2022-06-30 11:58:46 UTC



Jon Thomas Warset

Styremedlem

Serienummer: 9578-5999-4-1060678

IP: 217.173.xxx.xxx

2022-06-30 12:31:42 UTC



Karl Kristian Sunde

Styremedlem

Serienummer: 9578-5994-4-521913

IP: 216.211.xxx.xxx

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To the General Meeting of Jordanes Invest AS

Independent Auditor's Report

Opinion

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

- The financial statements of the parent company Jordanes Invest AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Jordanes Invest AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Other Information

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

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

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

Offices in:

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Kragerø	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



Independent Auditor's Report - Jordanes Invest AS

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

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

Oslo, 30 June 2022
KPMG AS

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

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Ole Christian Fongaard

Statsautorisert revisor

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Skatteetaten

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

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

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

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

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

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

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

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

Bakgrunn

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



Skattekontorets vurdering

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

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

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

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

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

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

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Bente Halvorsen
Spesialrevisor
Brukerdialog, juridisk stab, gruppe 1
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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