



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 943 582 815
Organisasjonsform: Aksjeselskap
Foretaksnavn: FREDENSBORG 1994 AS
Forretningsadresse: Stensberggata 27
0170 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Maren Linnestad Hemsén
Dato for fastsettelse av årsregnskapet: 08.04.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 11.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter		0	0
Kostnader			
Administrative kostnader	2.1	3 000 000	0
Andre operasjonelle kostnader	2.2	0	0
Sum kostnader		3 000 000	0
Driftsresultat		-3 000 000	0
Finansinntekter og finanskostnader			
Inntekt på salg av aksjer	2.2	111 000 000	83 000 000
Renteinntekt fra foretak i samme konsern	2.2	1 000 000	21 000 000
Annen renteinntekt	2.2		1 000 000
Sum finansinntekter		112 000 000	105 000 000
Annen rentekostnad	2.2	1 000 000	2 000 000
Annen finanskostnad	2.2	1 000 000	1 000 000
Sum finanskostnader		2 000 000	3 000 000
Netto finans		110 000 000	102 000 000
Ordinært resultat før skattekostnad		107 000 000	102 000 000
Skattekostnad på ordinært resultat		-1 000 000	4 000 000
Ordinært resultat etter skattekostnad		108 000 000	98 000 000
Årsresultat		108 000 000	98 000 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Eiendom	3.1	25 000 000	0
Sum varige driftsmidler		25 000 000	0
Finansielle anleggsmidler			
Investering i datterselskap	6.2	9 235 000 000	8 586 000 000
Lån til foretak i samme konsern	3.2	91 000 000	72 000 000
Utsatt skatt	2.4	18 000 000	17 000 000
Annen langsiktig fordring		47 000 000	47 000 000
Sum finansielle anleggsmidler		9 391 000 000	8 722 000 000
Sum anleggsmidler		9 416 000 000	8 722 000 000
Omløpsmidler			
Varer			
Fordringer			
Andre kortsiktige fordringer		0	0
Konsernfordringer		0	0
Sum fordringer		0	0
Bankinnskudd, kontanter og lignende			
Bankinnskudd		1 000 000	27 000 000
Sum bankinnskudd, kontanter og lignende		1 000 000	27 000 000
Sum omløpsmidler		1 000 000	27 000 000
SUM EIENDELER		9 417 000 000	8 749 000 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Aksjekapital	4	4 000 000	4 000 000
Annen innskutt egenkapital	4	8 817 000 000	8 745 000 000
Sum innskutt egenkapital		8 821 000 000	8 749 000 000
Sum egenkapital		8 821 000 000	8 749 000 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		0	0
Langsiktig konserngjeld	5.1	594 000 000	0
Sum annen langsiktig gjeld		594 000 000	0
Sum langsiktig gjeld		594 000 000	0
Kortsiktig gjeld			
Annen kortsiktig gjeld	2.3	2 000 000	0
Sum kortsiktig gjeld		2 000 000	0
Sum gjeld		596 000 000	0
SUM EGENKAPITAL OG GJELD		9 417 000 000	8 749 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Leieinntekt	2.1, 2.2	9 272 000 000	7 004 000 000
Serviceinntekt	2.1, 2.2	662 000 000	400 000 000
Sum inntekter		9 934 000 000	7 404 000 000
Kostnader			
Eiendomskostnader	2.1, 2.3, 2.6	4 389 000 000	3 592 000 000
Administrative kostnader	2.5, 2.6	675 000 000	294 000 000
Andre operasjonelle inntekter		-266 000 000	-349 000 000
Andre operasjonelle kostnader	2.4	2 281 000 000	16 000 000
Inntekt tilknyttet og felleskontrollert virksomhet	3.4	-435 000 000	-61 000 000
Virkelig verdi justering investeringseiendom	2.1, 2.7, 3.1	-21 996 000 000	-8 729 000 000
Inntekt fra salg av eiendom			-196 000 000
Sum kostnader		-15 352 000 000	-5 433 000 000
Driftsresultat		25 286 000 000	12 837 000 000
Finansinntekter og finanskostnader			
Renteinntekt	2.9	235 000 000	113 000 000
Sum finansinntekter		235 000 000	113 000 000
Rentekostnad på rentebærende gjeld	2.9	1 897 000 000	1 686 000 000
Valutatap	2.9	-24 000 000	-313 000 000
Virkelig verdi justering derivat	2.9	-821 000 000	182 000 000
Annen finanskostnad	2.9	84 000 000	184 000 000
Sum finanskostnader		1 136 000 000	1 739 000 000
Netto finans		-901 000 000	-1 626 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Ordinært resultat før skattekostnad		24 385 000 000	11 211 000 000
Skattekostnad	2.10	502 000 000	409 000 000
Utsatt skatt	2.10	4 701 000 000	2 032 000 000
Ordinært resultat etter skattekostnad		19 182 000 000	8 770 000 000
Årsresultat		19 182 000 000	8 770 000 000
Valuta	2.10, 5	-3 624 000 000	1 602 000 000
Sum resultatkomponenter for IFRS-foretak		-3 624 000 000	1 602 000 000
Totalresultat		15 558 000 000	10 372 000 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Goodwill	3.2	16 139 000 000	145 000 000
Andre immaterielle eiendeler	3.2	41 000 000	8 000 000
Sum immaterielle eiendeler		16 180 000 000	153 000 000
Varige driftsmidler			
Investerings eiendom	3.1	299 311 000 000	157 215 000 000
Maskiner og anlegg	3.3	160 000 000	118 000 000
Eierbenyttet eiendom	3.3	2 103 000 000	761 000 000
Sum varige driftsmidler		301 574 000 000	158 094 000 000
Finansielle anleggsmidler			
Investering i datterselskap	3.2	3 557 000 000	2 601 000 000
Investeringer i aksjer og andeler	3.4	5 657 000 000	0
Andre fordringer	3.5	3 448 000 000	1 765 000 000
Derivater	6.1	620 000 000	
Sum finansielle anleggsmidler		13 282 000 000	4 366 000 000
Sum anleggsmidler		331 036 000 000	162 613 000 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	4.1	233 000 000	110 000 000
Andre fordringer	4.2	1 784 000 000	2 359 000 000
Forhåndsbetalinger	4.2	758 000 000	338 000 000
Sum fordringer		2 775 000 000	2 807 000 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	4.3	20 698 000 000	11 894 000 000
Sum bankinnskudd, kontanter og lignende		20 698 000 000	11 894 000 000
Sum omløpsmidler		23 473 000 000	14 701 000 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		354 509 000 000	177 314 000 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	5	4 000 000	4 000 000
Annen innskutt egenkapital	5	32 895 000 000	23 616 000 000
Sum innskutt egenkapital		32 899 000 000	23 620 000 000
Opptjent egenkapital			
Minoritetsinteresser	5	112 510 000 000	56 694 000 000
Sum opptjent egenkapital		112 510 000 000	56 694 000 000
Sum egenkapital		145 409 000 000	80 314 000 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	2.10	24 055 000 000	7 061 000 000
Sum avsetninger for forpliktelser		24 055 000 000	7 061 000 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	6.1, 6.2, 6.3	146 979 000 000	75 553 000 000
Leasing forpliktelser	7.1	905 000 000	95 000 000
Derivater	6.1	191 000 000	466 000 000
Annen langsiktig gjeld		856 000 000	0
Sum annen langsiktig gjeld		148 931 000 000	76 114 000 000
Sum langsiktig gjeld		172 986 000 000	83 175 000 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	6.1, 6.2, 6.3	27 909 000 000	8 541 000 000
Leasing forpliktelser (kortsiktig)	7.1	55 000 000	1 276 000 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Leverandørgjeld	7.2	780 000 000	564 000 000
Derivater (kortsiktig)	6.1	6 000 000	0
Annen kortsiktig gjeld	7.2	4 436 000 000	1 869 000 000
Annen påløpt gjeld		2 447 000 000	1 360 000 000
Skatt	2.10	482 000 000	215 000 000
Sum kortsiktig gjeld		36 115 000 000	13 825 000 000
Sum gjeld		209 101 000 000	97 000 000 000
SUM EGENKAPITAL OG GJELD		354 510 000 000	177 314 000 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 762762

Enheten

Organisasjonsnummer: 943 582 815
Organisasjonsform: Aksjeselskap
Foretaksnavn: FREDENSBORG 1994 AS
Forretningsadresse: Stensberggata 27
0170 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Maren Linnestad Hemsén
Dato for fastsettelse av årsregnskapet: 08.04.2022

Grunnlag for avgivelse

År 2021: Årsregnskap er elektronisk innlevert.
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

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

Brønnøysundregistrene, 03.08.2022



Organisasjonsnr: 943 582 815
FREDENSBORG 1994 AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter		0	0
Kostnader			
Administrative kostnader	2.1	3 000 000	0
Andre operasjonelle kostnader	2.2	0	0
Sum kostnader		3 000 000	0
Driftsresultat		-3 000 000	0
Finansinntekter og finanskostnader			
Inntekt på salg av aksjer	2.2	111 000 000	83 000 000
Renteinntekt fra foretak i samme konsern	2.2	1 000 000	21 000 000
Annen renteinntekt	2.2		1 000 000
Sum finansinntekter		112 000 000	105 000 000
Annen rentekostnad	2.2	1 000 000	2 000 000
Annen finanskostnad	2.2	1 000 000	1 000 000
Sum finanskostnader		2 000 000	3 000 000
Netto finans		110 000 000	102 000 000
Ordinært resultat før skattekostnad		107 000 000	102 000 000
Skattekostnad på ordinært resultat		-1 000 000	4 000 000
Ordinært resultat etter skattekostnad		108 000 000	98 000 000
Årsresultat		108 000 000	98 000 000



Organisasjonsnr: 943 582 815
FREDENSBORG 1994 AS

BALANSE

Beløp i: NOK **Note** **2021** **2020**

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Eiendom	3.1	25 000 000	0
Sum varige driftsmidler		25 000 000	0

Finansielle anleggsmidler

Investering i datterselskap	6.2	9 235 000 000	8 586 000 000
Lån til foretak i samme konsern	3.2	91 000 000	72 000 000
Utsatt skatt	2.4	18 000 000	17 000 000
Annen langsiktig fordring		47 000 000	47 000 000
Sum finansielle anleggsmidler		9 391 000 000	8 722 000 000

Sum anleggsmidler

		9 416 000 000	8 722 000 000
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Omløpsmidler

Varer

Fordringer

Andre kortsiktige fordringer		0	0
Konsernfordringer		0	0
Sum fordringer		0	0

Bankinnskudd, kontanter og lignende

Bankinnskudd		1 000 000	27 000 000
Sum bankinnskudd, kontanter og lignende		1 000 000	27 000 000

Sum omløpsmidler

		1 000 000	27 000 000
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SUM EIENDELER

		9 417 000 000	8 749 000 000
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital	4	4 000 000	4 000 000
Annen innskutt egenkapital	4	8 817 000 000	8 745 000 000
Sum innskutt egenkapital		8 821 000 000	8 749 000 000

Sum egenkapital

		8 821 000 000	8 749 000 000
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Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner		0	0
Langsiktig konserngjeld	5.1	594 000 000	0
Sum annen langsiktig gjeld		594 000 000	0
Sum langsiktig gjeld		594 000 000	0
Kortsiktig gjeld			
Annen kortsiktig gjeld	2.3	2 000 000	0
Sum kortsiktig gjeld		2 000 000	0
Sum gjeld		596 000 000	0
SUM EGENKAPITAL OG GJELD		9 417 000 000	8 749 000 000



Organisasjonsnr: 943 582 815
FREDENSBORG 1994 AS

KONSERNRESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Leieinntekt	2.1, 2.2	9 272 000 000	7 004 000 000
Serviceinntekt	2.1, 2.2	662 000 000	400 000 000
Sum inntekter		9 934 000 000	7 404 000 000
Kostnader			
Eiendomskostnader	2.1, 2.3,	4 389 000 000	3 592 000 000
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Andre operasjonelle inntekter		-266 000 000	-349 000 000
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Virkelig verdi justering investeringseiendom	2.1, 2.7,	-21 996 000 000	-8 729 000 000
Inntekt fra salg av eiendom			-196 000 000
Sum kostnader		-15 352 000 000	-5 433 000 000
Driftsresultat		25 286 000 000	12 837 000 000
Finansinntekter og finanskostnader			
Renteinntekt	2.9	235 000 000	113 000 000
Sum finansinntekter		235 000 000	113 000 000
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Valutatap	2.9	-24 000 000	-313 000 000
Virkelig verdi justering derivat	2.9	-821 000 000	182 000 000
Annen finanskostnad	2.9	84 000 000	184 000 000
Sum finanskostnader		1 136 000 000	1 739 000 000
Netto finans		-901 000 000	-1 626 000 000
Ordinært resultat før skattekostnad			
Skattekostnad	2.10	24 385 000 000	11 211 000 000
Utsatt skatt	2.10	502 000 000	409 000 000
Utsatt skatt	2.10	4 701 000 000	2 032 000 000
Ordinært resultat etter skattekostnad		19 182 000 000	8 770 000 000
Årsresultat		19 182 000 000	8 770 000 000
Valuta	2.10, 5	-3 624 000 000	1 602 000 000
Sum resultatkomponenter for IFRS-foretak		-3 624 000 000	1 602 000 000



Totalresultat	15 558 000 000	10 372 000 000
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Organisasjonsnr: 943 582 815
FREDENSBORG 1994 AS

KONSERNBALANSE

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Goodwill	3.2	16 139 000 000	145 000 000
Andre immaterielle eiendeler	3.2	41 000 000	8 000 000
Sum immaterielle eiendeler		16 180 000 000	153 000 000
Varige driftsmidler			
Investeringseiendom	3.1	299 311 000 000	157 215 000 000
Maskiner og anlegg	3.3	160 000 000	118 000 000
Eierbenyttet eiendom	3.3	2 103 000 000	761 000 000
Sum varige driftsmidler		301 574 000 000	158 094 000 000
Finansielle anleggsmidler			
Investering i datterselskap	3.2	3 557 000 000	2 601 000 000
Investeringer i aksjer og andeler	3.4	5 657 000 000	0
Andre fordringer	3.5	3 448 000 000	1 765 000 000
Derivater	6.1	620 000 000	
Sum finansielle anleggsmidler		13 282 000 000	4 366 000 000
Sum anleggsmidler		331 036 000 000	162 613 000 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	4.1	233 000 000	110 000 000
Andre fordringer	4.2	1 784 000 000	2 359 000 000
Forhåndsbetalinger	4.2	758 000 000	338 000 000
Sum fordringer		2 775 000 000	2 807 000 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	4.3	20 698 000 000	11 894 000 000
Sum bankinnskudd, kontanter og lignende		20 698 000 000	11 894 000 000
Sum omløpsmidler		23 473 000 000	14 701 000 000
SUM EIENDELER		354 509 000 000	177 314 000 000
BALANSE - EGENKAPITAL OG GJELD			



Egenkapital			
Innskutt egenkapital			
Selskapskapital	5	4 000 000	4 000 000
Annen innskutt egenkapital	5	32 895 000 000	23 616 000 000
Sum innskutt egenkapital		32 899 000 000	23 620 000 000
Opptjent egenkapital			
Minoritetsinteresser	5	112 510 000 000	56 694 000 000
Sum opptjent egenkapital		112 510 000 000	56 694 000 000
Sum egenkapital		145 409 000 000	80 314 000 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	2.10	24 055 000 000	7 061 000 000
Sum avsetninger for forpliktelser		24 055 000 000	7 061 000 000
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	6.1, 6.2,	146 979 000 000	75 553 000 000
Leasing forpliktelser	7.1	905 000 000	95 000 000
Derivater	6.1	191 000 000	466 000 000
Annen langsiktig gjeld		856 000 000	0
Sum annen langsiktig gjeld		148 931 000 000	76 114 000 000
Sum langsiktig gjeld		172 986 000 000	83 175 000 000
Kortsiktig gjeld			
Gjeld til			
kredittinstitusjoner	6.1, 6.2,	27 909 000 000	8 541 000 000
Leasing forpliktelser (kortsiktig)	7.1	55 000 000	1 276 000 000
Leverandørgjeld	7.2	780 000 000	564 000 000
Derivater (kortsiktig)	6.1	6 000 000	0
Annen kortsiktig gjeld	7.2	4 436 000 000	1 869 000 000
Annen påløpt gjeld		2 447 000 000	1 360 000 000
Skatt	2.10	482 000 000	215 000 000
Sum kortsiktig gjeld		36 115 000 000	13 825 000 000
Sum gjeld		209 101 000 000	97 000 000 000
SUM EGENKAPITAL OG GJELD		354 510 000 000	177 314 000 000



Organisasjonsnr: 943 582 815
FREDENSBORG 1994 AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Note 1

Regnskapsprinsipper

Corporate information Fredensborg 1994 AS, Corp. ID No. 943 582 815, is a Norwegian limited liability company with its registered office at Stensberggata 27, Oslo. Fredensborg 1994 is an active, industrial and value-based owner with a long-term investment horizon focusing on residential Real Estate. The Annual Report 2021 was approved by the Board of Directors on 31 March 2022. Accounting Policy The annual accounts have been prepared in accordance with the Norwegian Accounting Act and accounting standards. Management has used estimates and assumptions that affected the financial statements in accordance with generally accepted accounting principles in Norway. The financial statements are presented in NOK and rounded to the nearest million. Note 2.1 is presented in thousands. Numbers and percentages presented in the financial statements may not add up precisely to the totals provided. Foreign currency translation Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period. Revenue recognition Revenues from the sale of services are recognised in the income statement in which services are provided. Income tax The tax expense consists of the tax payable and changes to deferred tax. Deferred tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as a percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet. Balance sheet classification Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value. Property, machinery and equipment Property, machinery and equipment is capitalized and depreciated linearly over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. Investments in subsidiaries, joint ventures and associates Investments are recognised at cost less any impairment. Impairment is recognised if the impairment is not considered temporary. Impairment losses are reversed if the reason for the impairment loss disappears in a later period. Dividend and group contributions Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the providers financial statements. If the dividends or group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from



the recorded value of the acquisition in the balance sheet. Accounts receivable and other receivables Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss. Cash flow statement The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Note

0

Antall årsverk i regnskapsåret

0.00

Note

0

Spesifisering av resultatregnskapet

Lønnskostnader

Sum

Beløp

Note

3.1

Varige driftsmidler og immaterielle eiendeler

<u>Tilgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	25000000.00	

<u>Anskaffelseskost 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	25000000.00	

<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	25000000.00	

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet



Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	91000000.00	72000000.00

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
--	--------------	------------------

Annen langsiktig gjeld

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	594000000.00	0.00

<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
---	--------------	------------------

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
---	--------------	------------------

<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
---	--------------	------------------

<u>Pantstillelse</u>	<u>Beløp</u>
----------------------	--------------

Note

6.1

Fordringer

Fordringer som forfaller senere enn ett år etter regnskapsårets slutt
47000000.00

Mer om fordringer

Lån til styreleder.

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
----------------------------------	---------------	------------------	-------------------------

Note

Lån og sikkerhetsstillelse til medlemmer

Opplysninger om:

Medlemmer av:

<u>Samlet lån</u>	<u>Styret</u>	<u>Andre organ</u>
	47000000.00	



Mer om lån og sikkerhetsstillelse

Selskapets inntektsførte renter 669514 NOK



Organisasjonsnr: 943 582 815
FREDENSBORG 1994 AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note
1.2

Regnskapsprinsipper
Viser til note 1.2

Note
2.6

Antall årsverk i regnskapsåret

Note
2.6

Spesifisering av resultatregnskapet

Lønnskostnader

Sum Beløp

Note
3.1-3.5

Varige driftsmidler og immaterielle eiendeler

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp
Note 8.2 og 3.2

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

Note
3.4

Konsern, tilknyttet selskap m.v.

Investering som regnskapsføres etter egenkapitalmetoden



Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
	176000000.00	904000000.00
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>

Kortsiktig gjeld

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>

Samlet forpliktelse til fordel for foretak i samme konsern

<u>Pantstillelse</u>	<u>Beløp</u>
<u>Garantier</u>	<u>Beløp</u>

Mer om tilknyttet selskap/datterselskap

Konsernmellomværende elimineres, info ovenfor gjelder kun tilknyttet og felleskontrollert virksomhet.

Note

3.5

Fordringer

Fordringer som forfaller senere enn ett år etter regnskapsårets slutt
344800000.00

Mer om fordringer

Note



6.1, 6.1, 6.3

Virkelig verdi og resultatført verdiendr. i perioden, finansielle instrumenter

Mer om finansielle instrumenter

Beskrivelse av finansielle derivater

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Note

6.1, 6.2, 6.3

Gjeld

Gjeld som forfaller til betaling mer enn fem år etter regnskapsårets slutt

Gjeld sikret ved pant eller lignende sikkerhet i eiendeler

Balanseført verdi av de pantsatte eiendeler

Summen av garantiforpliktelser som ikke er regnskapsført

Garantiforpliktelser som er sikret ved pant

Mer om gjeld



Skatteetaten

Vår dato
23.01.2020

Din/Deres dato
13.01.2020

Saksbehandler
Joakim Engebretsen

800 80 000
Skatteetaten.no

Din/Deres referanse
AR354854976

Telefon
92251412

Org.nr
974761076

Vår referanse
2020/5038465

Postadresse
Postboks 9200 Grønland
0134 OSLO

U.off. offl. § 13, fv. § 13

FREDENSBORG 1994 AS
Stensberggata 27
0170 OSLO

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Fredensborg 1994 AS' (org.nr. 943 582 815) søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

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

Bakgrunn

Fra søknaden siteres:

Fredensborg 1994 AS; org.nr.: 943 582 815 søker med dette dispensasjon til å utarbeide årsregnskap og årsberetning på engelsk fra regnskapsåret 2019.

Fredensborg 1994 AS er et norsk holdingselskap, 100 % eid av Ivar Tollefsen. Virksomheten omfatter både utvikling av bolig og fritidseiendom i Norge blant annet gjennom datterselskapene Fredensborg Bolig og Fredensborg Fritid, men den aller største delen av virksomheten knytter seg til utleie av bolig gjennom datterselskapet Heimstaden AB som idag hovedsakelig er lokalisert i Sverige, Danmark, Nederland, Norge og Tyskland, men med tydelige ambisjoner om videre vekst i andre europeiske land.

Selskapet utarbeider idag konsernregnskapet basert på "forenklet IFRS", og har som følge av eierskapet mulighet til å benytte seg av dispensasjon i henhold til regnskapsloven § 3-7, men ønsker ikke å benytte denne. Heimstaden AB, som er det største underkonsernet med ca 99,5 % av omsetningen, er børsnotert i Sverige og utarbeider konsernregnskapet etter IFRS både på svensk og engelsk.



Fredensborg 1994 AS søker om tillatelse til å utarbeide årsregnskap og årsberetning på engelsk basert på følgende momenter:

- Selskapet har en begrenset eierkrets (100 % eid av Ivar Tollefsen)
- Brukerne av regnskapet til Fredensborg 1994 AS er begrenset til eier og profesjonelle kreditorer. Konsernet har i stor grad fremmedkapitalfinansiering fra internasjonale aktører i kapitalmarkedene og det er således ønskelig at all ekstern kommunikasjon er på engelsk.
- Konsernets kunder er private aktører i hele Europa. Som følge av at Fredensborg 1994 AS er et holdingselskap er omsetningen i selskapsregnskapet i hovedsak konsernintern.
- Konsernet ønsker å forenkle prosessen rundt avleggelse av konsernregnskaper i hele organisasjonen og ved å kunne samkjøre beskrivelse av regnskapsprinsipper og noter også i holdingselskapet vil det lette arbeidet betydelig. Det er også søkt om dispensasjon fra å ha årsregnskap og årsberetning på norsk i underkonsernet Fredensborg AS orgnr: 929301684

Basert på overnevnte punkter vurderer selskapet at det ikke vil medføre noen ulempe for noen berørte parter dersom selskapet får dispensasjon til å utarbeide årsregnskap og årsberetning på engelsk.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk.*

Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”

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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at selskapet er 100 % eid av Ivar Tollefsen og at brukerne er begrenset til eier og profesjonelle kreditorer. Selskapet er et holdingselskap med i hovedsak konsernintern omsetning. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Roar Thorbjørnsen
underdirektør
Innsats, storbedrift
Skatteetaten

Joakim Engebretsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

ANNUAL REPORT 2021

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FREDENSBORG 1

reporting currency, which leads to a risk of negative impact on cash flows or asset values in the case of fluctuating currency exchange rates. Fredensborg is exposed to currency risk in SEK, EUR, DKK, CZK, PLN, GBP, and ISK, as a substantial part of the operations is abroad. The Company utilises, to a large extent, match funding to match cash flows with asset and debt value fluctuations. Property-specific changes, such as lower rental levels and increased vacancy rates, as well as market specific changes, such as higher yield requirements, may result in negative development of the fair value of investment properties.

Credit risk

Credit risk refers to the risk that counterparties are unable to meet their financial obligations. Since the company primarily invest in residential properties, rent and deposits are received in advance, eliminating a large part of the potential credit risk. Additionally, to mitigate any credit loss, the Group regularly assesses the creditworthiness of its counterparties. For the majority of rental contracts, rent is paid in advance and risk is further reduced through a large and diversified customer base.

Liquidity risk

Liquidity risk is the risk that Group cannot fulfil its financial or operational obligations due to surplus liquidity, or that the Group cannot pay for acquisitions, capital expenditures, or other signed obligations. To mitigate this risk, the Group has an attractive property portfolio, a balanced loan-to-value ratio, a positive forecast for future cash flows and a broad network of financial institutions that supply capital. Additionally, the Group has unutilised credit facilities of 28 354 million (15 263).

Finance risk

There is a financing risk in the extent funding cannot be obtained, or only to a certain extent, or at un-favourable terms. There is a refinancing risk when existing financing matures.

To mitigate this risk, the Group uses various reliable funding sources with a diversified maturity structure. Rising interest rates may increase the financing cost for the Group and negatively impact profitability. The Group manages this with loans and bonds with fixed interest rate and interest rates swaps.

As of 31 December 2021, Fredensborg 1994 is in compliance with its loan covenants.

Organisation and work environment

Fredensborg 1994 aims to maintain a high level of employee satisfaction and constantly works to protect a stable and secure working environment.

The Discrimination Act promote equality, ensure equal opportunities and rights and shall prevent discrimination of any kind. Fredensborg works actively to promote the purpose of the law within the companies. In its policy, the company has incorporated provisions that aim to ensure that there is no discrimination based on gender in matters such as salary, promotion and recruitment.

The Group has 2 082 full-time equivalents in 2021, of which 59% men and 41% women, compared to 1 543 full-time equivalents in 2020 with 57% men and 43% women. The ambition is to increase the share of women in managerial positions. Sick leave made up approximately 6.4% (5.0%) of total working hours.

The parent company has 0 full-time equivalents employed in 2021 and 2020.

Fredensborg takes out board insurance for its board members and the general manager.

Environmental impact

Sustainability is embedded in everything we do, ensuring a fair, trustworthy, and transparent company that strives to help preserve the planet for future generations and improve society and people's well-being.

As one of Europe's largest residential real-estate owners, the Group will through our subsidiary Heimstaden submit our new climate targets to the Science Based Targets initiative (SBTI) for validation, to ensure alignment with the Paris Agreement. One target is to reduce energy-linked (Scopes 1 and 2) emissions by at least 46% by 2030 (from 2019 levels).

In terms of climate change mitigation, we reduce emissions through sustainable solutions in our own energy generation and in purchased energy, and energy-efficiency measures. To meet our targets, we make fuel shifts in our properties through pursuing local heating and energy production, installing heat pumps or electric boilers, and switching to green electricity. In addition, we need to successfully engage energy providers to reduce use of fossil fuels. Energy-efficiency measures include insulation and ventilation improvements, sensor-controlled LED lighting, and smart control of heating and electrical systems to minimize losses. We also encourage tenants to reduce energy usage.

Working to mitigate climate change is a top priority for Fredensborg and the company is dedicated to providing sustainable properties to its customers.

The company follows guidelines on sustainability on sustainable business operations. Contributing to a sustainable environment and social impact.

Consolidated financial statements

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards and the Norwegian Accounting Act.

In accordance with the requirements of the Norwegian Accounting Act, the Board of Directors confirms that the consolidated financial statements are present and that the information is prepared on this assumption.

Outlook

Fredensborg 1994's primary growth over the next few years is expected to come from our residential business in subsidiary Heimstaden AB's investments in residential markets in existing markets. The development of new projects to initiate and complete the development of new projects in Norway and Sweden. Additionally, we will continue to focus on trends for the hospitality sector. Nevertheless, the situation and macroeconomic uncertainty may impact us and we monitor the situation closely.

The Group's capital structure is sound, with access to the international markets, and the Group expects to strengthen the organisation, generate favourable operational results and become a better partner for investors by meeting the needs of customers and investors in 2022.

Oslo, 8 April 2022



Ivar Erik Tollefsen
Chairman



Nick Walter Tollefsen
Board Member



John Giverholt
Board Member



Jon Ole Ruch
Board Member

FINANCIAL STATEMENTS & NOTES

Consolidated Financial Statements

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Auditor's Report

Alternative Performance Measures

Consolidated Comprehensive Income Statement

NOK million	Note	2021
Rental income	2.1, 2.2	9 272
Service income	2.1, 2.2	662
Property expenses	2.1, 2.3, 2.6	-4 389
Net operating income		5 545
Corporate administrative expenses	2.5, 2.6	-675
Other operating income		266
Other operating expenses	2.4	-2 281
Share of net profits of associates and joint ventures	3.4	435
Profit before inventory properties and fair value adjustments		3 290
Fair value adjustment of investment properties	2.1, 2.7, 3.1	21 996
Gains from sale of inventory properties		25 286
Operating profit		235
Interest income	2.9	-1 897
Interest expenses on interest-bearing liabilities	2.9	24
Net currency translation gains/losses	2.9	821
Fair value adjustment of derivative financial instruments	2.8	-84
Other financial items		24 386
Profit before tax		-502
Income tax expense	2.10	-4 701
Deferred tax expense	2.10	19 183
Profit for the period		-3 624
Other comprehensive income		
Translation of currency to NOK	2.10, 5	15 560
Total comprehensive income for the period		10 609
Profit for the year attributable to:		
The Parent Company's shareholders	2.11	8 570
Non-controlling interests		
Comprehensive income for the period attributable to:		
The Parent Company's shareholders		9 307
Non-controlling interests		6 249

Arsregnskap regnskapsåret 2021 for 943582815

Consolidated Balance Sheet

NOK million	31 December 2021	Note	31 December 2020
ASSETS			
Investment properties	299 311	3.1	157 215
Goodwill	16 139	3.2	145
Intangible assets	41	3.2	8
Investments in associated companies and joint ventures	3 557	3.2	2 601
Quoted equity instruments	5 657	3.4	-
Derivative financial instruments	620	6.1	-
Owner occupied property	2 103	3.3	761
Machinery and equipment	160	3.3	118
Other non-current assets	3 448	3.5	1 765
Total non-current assets	331 038		162 613
Rent and trade receivables	233	4.1	110
Other current assets	1 784	4.2	2 359
Prepayments	758	4.2	338
Cash and cash equivalents	20 698	4.3	11 894
Total current assets	23 473		14 701
TOTAL ASSETS	354 511		177 314
EQUITY AND LIABILITIES			
Share capital		5	4
Retained earnings		5	32 895
Non-controlling interests		5	112 510
Total equity			145 409
Interest-bearing liabilities		6.1, 6.2, 6.3	146 979
Lease liabilities		7.1	905
Derivative financial instruments		6.1	191
Deferred tax liabilities		2.10	24 055
Other non-current financial liabilities			856
Total non-current liabilities			172 986
Interest-bearing liabilities		6.1, 6.2, 6.3	27 909
Lease liabilities		7.1	55
Trade payables		7.2	780
Other current payables		7.2	4 436
Derivative financial instruments		6.1	6
Accrued expenses			2 447
Current tax liabilities		2.10	482
Total current liabilities			36 116
TOTAL EQUITY AND LIABILITIES			354 511

Arsregnskap regnskapsåret 2021 for 943582815

Consolidated Statement of Changes in Equity

NOK million	Note 5	Share capital	Currency translation reserve	Retained earnings	Attributable to Parent Company shareholders	Non-controlling interests
Opening balance, 1 Jan 2020		4	17	19 639	19 661	37 869
Profit for the period				4 750	4 750	4 020
Other comprehensive income			-509	-526	-526	2 128
Total comprehensive income			-492	4 750	4 224	6 148
Contributions				52	52	7 705
Contributions from non-controlling interest				-79	-79	6 227
Issue of hybrid bond				51	51	-297
Costs of issuance				-	-	-958
Dividends				-287	-287	12 677
Total transactions with the company's shareholders				-263	-263	51 694
Equity, 31 Dec 2020		4	-492	24 126	23 622	51 694
Opening balance, 1 Jan 2021		4	-492	24 126	23 622	51 694
Profit for the period				10 614	10 614	7 705
Other comprehensive income			-1 340	-1 303	-1 303	2 128
Total comprehensive income			-1 340	10 614	9 311	9 833
Contributions						25 222
Contributions from non-controlling interest				-34	-34	2 128
Issue of hybrid bond						2 128
Costs of issuance						2 128
Dividends						4 020
Total transactions with the company's shareholders				-34	-34	4 020
Equity, 31 Dec 2021		4	-1 832	34 706	32 899	111 310

Consolidated Cash Flow Statement

NOK million	Note	2021	2020	Note	2021	2020
Operating activities						
Profit before income tax		24 389	11 211			
Adjustments to reconcile profit before tax to net cash flows:						
Fair value adjustment of investment properties	2.7	-21 996	-8 729			
Gains/losses on inventory properties			-196			
Fair value adjustments of derivative financial instruments	2.8	-821	182			
Finance expenses – net	2.9	1 745	1 757			
Other adjustments	4.5	-911	-216			
Working capital changes						
Increase (–) / decrease (+) in rent receivables	4.1	3 172	-82			
Increase (+) / decrease (–) in trade and other payables	7.2	512	-64			
Cash generated from operations		6 089	3 863			
Interest paid	2.9, 6.3	-2 070	-1 667			
Interest received	2.9, 6.3	235	113			
Paid income tax	2.10	-534	-413			
Net cash flows from operating activities		3 720	1 896			
Investing activities						
Business combination	8.2					
Acquisition of investment property	3.1					
Capital expenditure on investment properties	3.1					
Disposals of investment properties						
Deposits paid for signed acquisitions	3.1					
Purchases of machinery and equipment	3.3					
Investments in associates and joint ventures	3.4					
Settlement of derivative financial instruments						
Other cash flows from investing activities						
Net cash flows from investing activities						
Financing activities						
Proceeds from interest-bearing liabilities	6.3					
Repayment of interest-bearing liabilities	6.3					
Dividends paid						
Proceeds from contributions						
Proceeds from non-controlling interests	5					
Proceeds from issuance of hybrid bonds	5					
Other cash flows from financing activities						
Net cash flows from financing activities						
Net change in cash and cash equivalents						
Cash and cash equivalents at the beginning of the period						
Net currency exchange effect in cash and cash equivalents						
Cash and cash equivalents at the end of the period						

Arsregnskap regnskapsåret 2021 for 943582815

Notes to the Consolidated Financial Statements

1 General information and general accounting policies

1.1 Corporate information

Fredensborg 1994 AS, Corp. ID No. 943 582 815, is a Norwegian limited liability company with registered office at Stensberggata 27, Oslo, Norway. Investments primarily fall within three business areas: residential, development and hospitality.

Fredensborg 1994's residential investments consist of Heimstaden AB (45% ownership of capital) and its subsidiary Heimstaden Bostad AB which owns, develops, and manages residential real estate in Norway, Sweden, Denmark, Finland, Germany, the Netherlands, the Czech Republic, the United Kingdom, and Poland. Heimstaden AB also holds direct real estate investments in Iceland and Sweden. The residential business area also includes Utleiemegleren (50% ownership), which is a leading Norwegian residential real estate agent.

Fredensborg 1994's development area consist of Fredensborg Bolig (48% ownership) and Norrø (52.5% direct ownership), which is residential developers in Norway and Sweden, and Fredensborg Fritid (83% ownership) which develops leisure real estate and land plots in Norway.

Further, Fredensborg 1994's hospitality area include Fredensborg Hospitality (100% ownership) which operates hotels, resorts, restaurants, and other recreational experiences, and Servatur (50% ownership) which are engaged in the operation, development, and ownership of resorts in the Canary Islands.

In addition to the subsidiaries included in the above-mentioned business areas, Fredensborg 1994 holds several other investments, including real estate investments and financial investments.

1.2 General accounting policies

Basis of preparation
The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU and the Norwegian Accounting Act.

The Financial Statements are presented in NOK and rounded to the nearest million. Numbers and percentages presented in the financial statements may not add up precisely to the totals provided. The Consolidated Financial Statements have been prepared on a going concern basis.

Fredensborg 1994 presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Fredensborg 1994 classifies all other liabilities as non-current. The Annual Report and Consolidated Financial Statements of 2021 were approved by the Board of directors on 8 April 2022.

The accounting policies are consistent with those used in the preparation of the Company's Consolidated Financial Statements for the year ended December 31, 2020. The Company has revised its presentation and classification for certain line items as described below.

Service income

As the group continues to enter new markets and grow in existing markets where service charges constitute a larger part of the total invoicing to tenants, the company has decided to separate the service income element from the rental income and present in on a separate line item in the comprehensive income statement in accordance with IFRS 15. The main purpose is to increase comparability and provide improved presentation disclosures of revenues earned. Service income mainly comprises the invoicing of certain operating expenses, mainly utilities, with a margin. Service income is recognised in the period with the performance obligation in the contract with the tenant is satisfied. The performance obligations is generally satisfied over time when the service is performed by the company.

Comparative numbers have been revised to conform to the Group's current presentation. As a result, during 2020, NOK 400 million was reclassified from rental income to service

income. The revised presentation did not have an effect on the Group's profit for the year, the financial position or the cash flows.

Right of use

In 2021 the company revised its classification of assets related to land leases. These assets are now classified as investment properties according to IAS 40. Certain investment properties have been reclassified to right of use to investment properties. The revised presentation did not have an effect on the Group's profit for the year, the financial position or the cash flows. As a result, NOK 1 366 million was reclassified from investment properties to right of use to investment properties.

Forward purchase contracts

Future purchase agreements of investment properties with limited liability companies are accounted for as a value gain of 472 million relating to these derivatives included in the Consolidated Financial Statements. More information regarding the treatment see note 10.

Consolidation

Subsidiaries are consolidated from the date of acquisition. Fredensborg 1994 and deconsolidated subsidiaries of Fredensborg 1994's consolidated control ceases. All Fredensborg 1994's consolidated control ceases as their year-end date is December 31. Fredensborg 1994's consolidated control ceases as their year-end date is December 31. Fredensborg 1994's consolidated control ceases as their year-end date is December 31. Fredensborg 1994's consolidated control ceases as their year-end date is December 31.

Inter-company transactions, balances and unrealised gains or losses on transactions between group companies are eliminated. Transactions with non-controlling interests do not result in loss of control are accounted for as transactions. The difference between the fair value of the consideration transferred and the

<p>consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.</p> <p>When Fredensborg 1994 ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if Fredensborg 1994 had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated comprehensive income statement, statement of changes in equity and balance sheet respectively.</p> <p>Asset acquisitions and business combinations</p> <p>Where properties are acquired, either through business combinations or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents a business combination or an asset acquisition. Companies may choose to perform a 'concentration test' and, should this prove that the acquisition is an asset acquisition, no further assessment is required. If the fair value of the gross assets acquired can substantially be attributed to an asset or a group of similar assets, the voluntary test shows the acquisition to constitute an asset acquisition. If the test is performed and it is not possible to determine acquisition to be an asset acquisition, further assessment must be made to determine whether or not the acquisition is a business combination.</p> <p>Business combinations</p> <p>Fredensborg 1994 determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that, together, significantly</p>	<p>contribute to the ability to create outputs. The process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. If the acquisition lacks a labour force, it may nonetheless be the case that the acquired process is sufficiently unique or unusual, or costly to replace to be able to generate returns, that the acquisition nonetheless constitutes a business.</p> <p>When Fredensborg 1994 acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. 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). If the fair value of the net assets acquired is more than the aggregate consideration transferred, Fredensborg 1994 reassesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognised in profit or loss.</p> <p>After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Fredensborg 1994'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. Where goodwill has been</p>	<p>allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU.</p> <p>Asset acquisitions</p> <p>For acquisitions that does not meet the definition of a business combination, Fredensborg 1994 allocates the cost between the individual identifiable assets and liabilities in Fredensborg 1994 based on their relative fair values as at the date of acquisition. Such transactions do not give rise to goodwill. The cost is allocated between the identifiable assets and liabilities of the entity based on their relative values at the acquisition date. The group recognises only the identifiable assets and liabilities. Any deferred tax is subject to the initial recognition exemption in accordance with IAS 12.</p> <p>Judgements and estimates</p> <p>Management makes judgements, estimates and assumptions each reporting period which affect the Statement of Profit or Loss and Balance Sheet. These assumptions and assessments are based on historical experience and other factors that appear reasonable under the existing circumstances.</p> <p>Estimation of fair value of investment properties and forward purchase contracts</p> <p>All investment properties and forward purchase contracts to buy investment properties held in limited liability companies are measured at Fair Value with reference to realised transaction prices, adjusted if necessary for any difference in nature, location, or condition of the specific asset. Current economic developments and uncertainties influence the valuation of our investment properties and our forward purchase contracts to buy investment properties held in limited liability companies. The methods and material assumptions applied in determining the Fair Value of our investment properties are mainly based on realised transaction prices. The fair values are based on valuations by independent external valuation experts. The valuation is based on a market value principle upon which assets</p>	<p>can be exchanged between a knowledgeable and knowledgeable willing seller in an arm's length transaction on the date of the valuation. The investment property is appraised on a quarterly basis by independent appraisers. See Note 3.1 for further information.</p> <p>Impairment testing of goodwill</p> <p>Each year, the Group tests goodwill and intangible indefinite useful lives for impairment in accordance with accounting policies described in Note 3.2. Recoverable amounts for cash-generating units have been determined on a quarterly basis. For these calculations certain estimates are made, see Note 3.2.</p> <p>Recognition of property acquisition and business combinations</p> <p>When determining whether the acquisition represents a business combination or an asset acquisition, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents a business combination or an asset acquisition. Companies may choose to perform a 'concentration test' and, should this prove that the acquisition is an asset acquisition, no further assessment is required. If the fair value of the gross assets acquired can substantially be attributed to an asset or a group of similar assets, the voluntary test shows the acquisition to constitute an asset acquisition. If the test is performed and it is not possible to determine acquisition to be an asset acquisition, further assessment must be made to determine whether or not the acquisition is a business combination.</p> <p>Foreign currencies</p> <p>The Group's Consolidated Financial Statements are presented in NOK, which is also the parent company's functional currency. For each entity, the Group uses the direction of consolidation and on disposal of a foreign operation or loss that is reclassified to profit or loss reflects</p>
<p>Årsregnskap regnskapsåret 2023 for 043582815</p>			

years beginning on or after 1 January 2022, a... the EU. The Group is currently assessing the... ments will have on its current accounting poli...

Amendments to IFRS 3 Business Combination reference to the Conceptual Framework
IASB has implemented three amendments to have their basis in the updated "Conceptual Framework". Furthermore, a supplement is introduced in IFRS that liabilities and contingent liabilities, which IAS 37 and IFRIC 21, shall be reported in acco... 37 and IFRIC 21 instead of the "Conceptual Framework". changes shall apply for financial years beginning in 2022 or later, amendments are approved by t... Group is currently assessing the impact the ar... have on its current accounting policies.

Definition of Accounting Estimates - Amendment IAS 8

IASB issued an amendment to IAS 8 that clarifies in accounting changes in accounting estimates in accounting policies and the calculation of accounting estimates. The amendment clarifies use of measurement techniques and accounting estimates. The amendment shall apply years beginning on or after 1 January 2023, w... tion permitted. The Group is currently assessi... amendments will have on its current accounti...

Disclosure of Accounting Policies - Amendment

In February 2021, IASB issued an amendment provides guidance to help companies underst... an accounting policy disclosure material, inform... if omitting, misstating or obscuring that could re... expected to influence decisions by the primar... general purpose financial statements make on... those financial statements, which provide fin... about a specific reporting entity. Fredensborg information is considered to be appropriate, the... affect the accounting principles.

expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment is extended to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

IASB has issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify that is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Further, the amendments clarify that the classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. However, IASB published an exposure draft which included a proposal to defer the effective date to no earlier than 1 January 2024. The Group is monitoring the developments and is assessing the impact the amendments will have on its current accounting policies.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

IASB has published an amendment to IAS 37, where it is clarified which costs are to be included in assessing whether a contract is onerous or loss-making. IASB has evaluated two options, "incremental cost approach", costs that would not occur if one did not have the contract, and "directly related cost approach" which includes both incremental costs and allocation of other costs for activities required to fulfill the contract. While IASB has chosen the latter, the amendment shall apply for financial

Sustainability is embedded in everything we do, ensuring a fair, trustworthy, and transparent company that strives to help preserve the planet for future generations and improve society and people's well-being. As one of Europe's largest residential real-estate owners, the Group will through our subsidiary Heimstaedten submit our new climate targets to the Science Based Targets initiative (SBTi) for validation, to ensure alignment with the Paris Agreement. One target is to reduce energy-linked (Scopes 1 and 2) emissions by at least 46% by 2030 (from 2019 levels). In terms of climate change mitigation, we reduce emissions through sustainable solutions in our own energy generation and in purchased energy, and energy-efficiency measures. To meet our targets, we make fuel shifts in our properties through pursuing local heating and energy production, installing heat pumps or electric boilers, and switching to green electricity. In addition, we need to successfully engage energy providers to reduce use of fossil fuels. Energy-efficiency measures include insulation and ventilation improvements, sensor-controlled LED lighting, and smart control of heating and electrical systems to minimize losses. We also encourage tenants to reduce energy usage. Working to mitigate climate change is a top priority for Fredensborg 1994 and the company is dedicated to providing sustainable properties to its customers. The company follows guidelines on sustainable value creation in its business operations. Contributing to a sustainable society is rooted in our culture and we are committed to having a positive environmental and social impact.

1.3 New accounting standards

Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to IFRS 16 On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases.

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical

that arises from using this method except when the transactions constitute net investments, in which gains and losses are recognised in other comprehensive income. Transactions in foreign currencies are converted to the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate prevailing at the end of the reporting period. Non-monetary assets and liabilities that are recognised at historical cost are translated at the exchange rate prevailing on the transaction date. Non-monetary assets and liabilities that are recognised at fair value are translated into the functional currency at the rate prevailing on the date of fair value measurement. Income and expenses in a foreign operation are translated into the company's functional currency at an average rate that represents an approximation of the prevailing exchange rates at the date of each transaction. The currency effect connected to cross currency swaps is recognised under net currency gains/losses. Net foreign exchange gains (losses), the currency effect on loans in foreign currency and the corresponding economic hedge is thus reported on the same line in the Statement of Profit and Loss. Translation differences arising on currency translation of foreign operations are recognised in other comprehensive income.

Cash Flow Statement

Cash Flow Statements have been prepared in accordance with the indirect method in accordance with IAS 7, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

Impact of Covid-19

The residential property market in Europe has proven to be resilient throughout the pandemic. The Groups operations was only minimally affected by Covid-19, primarily impacting leisure real estate through the frequent changes to travel regulation impacting Servatur's hotels and temporarily closing some of Fredensborg Hospitality hotels, restaurants and resorts.

Climate risk

2 Income and expenses

2.1 Segment reporting

Accounting policies

The Group organises and governs its activities based on geographical areas where the investment properties are located, and these geographical areas form the basis of the definition of segments. Senior management is the chief operating decision maker and monitors income and changes in the value of managed properties in the identified segments; other Statement of Profit and Loss items are not distributed per segment. Additionally, management monitors the value of investment properties and interest-bearing liabilities in each item are not distributed per segment in the segments' profits, assets and liabilities. The segment statements include only directly attributable items and items that can be allocated to the segments in a reasonable and reliable manner. See also Note 3.1 for fair value of properties per segment. Fredensborg 1994 identified seven reportable segments, Sweden, Germany, Denmark, Netherlands, Norway, Czech Republic and Iceland. Finland, Poland and United Kingdom are included under Other.

2021

NGOK million	Sweden	Germany	Denmark	Netherlands	Norway	Czech Republic	Iceland	Other	Adjustments
COMPREHENSIVE INCOME STATEMENT									
Rental income	2 839	551	2 558	1 139	911	1 129	119	18	8
Service income	43	176	2	-	320	120	-	1	1
Property expenses	-1 503	-347	-772	-441	-494	-775	-48	-14	6
Net operating income	1 379	380	1 788	698	736	474	71	4	15
Corporate administrative expenses, unallocated									
Other income and expenses, unallocated									
Profit before inventory properties and fair value adjustments	1 379	380	1 788	698	736	474	71	4	15
Fair value adjustment of investment properties	8 039	1 757	6 045	2 839	443	2 186	586	102	
Operating profit	9 418	2 137	7 833	3 537	1 179	2 660	657	106	15
Financial income and expenses	-1 191	39	-480	-172	-288	393	-67	45	
Fair value adjustment of derivative financial instruments	583		112	47	79				
Profit before tax	8 810	2 176	7 465	3 412	970	3 053	590	151	15
BALANCE SHEET									
Investment properties	95 155	68 849	64 939	26 627	19 868	17 475	4 380	2 018	
Goodwill, unallocated									
Inventory properties					1 526				
Assets, unallocated									
Total assets	95 155	68 849	64 939	26 627	21 394	17 475	4 380	2 018	-
Equity, unallocated									
Interest-bearing liabilities	115 603	16 235	30 956	6 594	3 378		2 122		
Other liabilities, unallocated									
Total equity and liabilities	210 758	85 084	95 895	33 221	24 771	17 475	6 502	2 018	-
Capital expenditures in investment properties	2 474	183	894	628	481	489	70	258	-

2020	NOK million	Sweden	Germany	Denmark	Netherlands	Norway	Czech Republic	Iceland	Other	Adjustments
COMPREHENSIVE INCOME STATEMENT										
Rental income		2 543	75	1 519	1 051	762	894	160		
Service income		16	28	-	-	16	341	-		
Property expenses		-1 307	-71	-542	-482	-577	-576	-37		
Net operating income		1 252	32	977	569	201	659	123		
Corporate administrative expenses, unallocated		-	-	-	-	-294	-	-		
Other income and expenses, unallocated		-	-	-	-	389	-	-		
Profit before inventory properties and fair value adjustments		1 252	32	977	569	296	659	123		
Fair value adjustment of investment properties		2 465	271	1 117	1 069	1 358	1 908	541		
Gains from sale of inventory properties						196				
Operating profit		3 717	303	2 094	1 638	1 850	2 567	664		
Financial income and expenses		810	-131	-399	-349	-323	-790	-264		
Fair value adjustment of derivative financial instruments		-75	-	22	-45	-83	-	-		
Profit before tax		4 452	172	1 717	1 244	1 444	1 777	400		
BALANCE SHEET										
Investment properties		52 601	4 047	37 792	24 402	19 786	14 447	3 482		
Goodwill, unallocated						153				
Owner occupied property						1 216			132	
Assets, unallocated						19 256				
Total assets		52 601	4 047	37 792	24 402	40 411	14 447	3 482	132	
Equity, unallocated						80 314				
Interest-bearing liabilities		38 821	605	19 842	16 943	18 930		1 859		
Other liabilities, unallocated										
Total equity and liabilities		38 821	605	19 842	16 943	99 244		1 859		
Capital expenditures in investment properties		1 691	27	526	203	538	315	243	139	

2.2 Rental income and service income

Accounting policies

The majority of Fredensborg 1994's revenues consist of rental income. In addition to rental income, Fredensborg 1994 earns revenues from other operating items, such as revenues from the company's development and hospitality operations, primarily located in Norway.

Fredensborg 1994 leases out its investment properties to third parties with contracted non-cancellable lease terms and a normal term of notice for the customer of three months. The Group classifies these leases as operating because they do not transfer substantially all the risks and rewards, or control, incidental to ownership of the properties to the counterparties. For investment property leases, the rental income is largely fixed under the contracts, however, subject to an annual index adjustments. To mitigate any risks regarding the leased properties, Fredensborg 1994 assesses the creditworthiness of its counterparties, receives rent deposits and guarantees. For more information about risk see [Note 6.2](#).

The rental income is accounted for on a straight-line basis over the lease term, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease

Rental income and revenue from contracts with customers

NOK million	2021	2020
Rental income	9 207	6 973
Straight-lining of lease	65	31
Rental income	9 272	7 004
Services to tenants	662	400
Service income	662	400
Total rental revenue and revenue from contracts with customers	9 934	7 404

income. Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The initial direct costs and tenant lease incentives are presented as current assets in the line item "Prepayments" in the balance sheet. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the Statement of Profit or Loss when the right to receive them arises.

Service charges to tenants mainly comprise utility cost and other operating costs that can be recharged. The services charged are separately invoiced to tenants and includes fees charged based on a percentage of the rental income and reimbursement of certain expenses incurred. The Group arranges for third parties to provide certain of these services to its tenants. The Group acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis.

No single customer accounts for more than 10% of total revenues. For rental income and service income by geographic market, see [Note 2.1](#).

Rental income distributed by property category

NOK million	2021
Residential	8 390
Commercial premises	775
Garages and parking spaces	108
Total rental income	9 272

Service income distributed by property category

NOK million	2021
Residential	613
Commercial premises	49
Total service income	662

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows:

2021 Maturity on lease contracts

NOK million	Residential	Commercial premises
Within one year	5 731	513
1-5 years	25	31
> 5 years	2 632	232
Total lease contracts	8 388	776

2020 Maturity on lease contracts

NOK million	Residential	Commercial premises
Within one year	4 206	429
1-5 years	671	
> 5 years	1 620	
Total lease contracts	6 497	429

2.3 Property expenses

Accounting policies

Property expenses includes costs for electricity, heating, water, property management, cleaning, and insurance. Maintenance costs consist of both periodic and ongoing measures to maintain the properties' standard. Property management refers to rental costs, financial services, and certain overarching property management services. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. The Group has no material operating expenses that do not generate rental income.

Property expenses

Property expenses	2021	2020
NGK million		
Utilities	1 437	1 625
Repairs and maintenance	771	603
Property tax	377	297
Property and facility management	1 264	999
Other	540	68
Total property expenses	4 389	3 592

2.4 Other operating expenses

Other operating expenses include NOK 2.206 million in Real Estate Transfer Tax (RETT) in Germany from the acquisition of the Akelius' property portfolio.

During 2021, NOK 52.6 million were expensed as donations to SOS Children's Villages.

2.5 Audit fee

The majority of the fees to the auditors concern the audit of the Consolidated Financial Statements. Other services provided by the auditors in the reporting period for services related to review procedures on interim reports and other attestation services. Other services provided by auditors are summarized in the table below:

EY	2021	2021
NOK million		
Audit assignment	23	23
Other assurance services	7	7
Tax advisory services	-	-
Other services	-	-
Total	30	30
Moore		
NOK million		2021
Audit assignment	3	3
Other assurance services	-	-
Tax advisory services	-	-
Other services	-	-
Total	3	3
Total		2021
NOK million		
Audit assignment	26	26
Other assurance services	7	7
Tax advisory services	-	-
Other services	-	-
Total	33	33

2.6 Employee benefit expenses and senior executive compensation

Employee and senior executive expenses

Employee benefits in the form of salaries, paid vacation, paid absence due to illness, etc. are recognised as employees perform services in exchange for compensation. The company has an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("Lov om obligatorisk tjenestepensjon"). The contribution plan covers full-time employees with contributions between 4.5% and 8% of the salary. The contribution is expensed when incurred. The Group's companies have defined contribution plans in accordance with local laws.

Average number of employees

	2021		2020		Total
	Women	Men	Women	Men	
Sweden	196	263	158	233	391
Germany	57	75	10	13	23
Denmark	82	162	48	72	120
Netherlands	46	72	40	64	104
Norway	127	254	128	186	314
Czech Republic	332	383	277	299	576
Iceland	3	-	4	11	15
United Kingdom	7	14	-	-	-
Poland	3	6	-	-	-
Total	853	1 229	665	878	1 543

Salaries, remuneration, social security and pension

2021

Position	Co-CEO	Co-CEO	Other employees
Name	Ivar Tøllersén	Nick Tøllersén	
NOK million			
Base salary	1	1	1
Benefits	-	-	-
Social security costs	-	-	-
Pension costs	-	-	-
Board fees	-	-	-
Total salaries, remuneration, social security and pension costs	1	1	1
Women in %	0%	0%	0%

John Giverholt, was paid a total of 0.45 million in board fees in 2021.

2020

Position	CEO	Other employees
Name	Ivar Tøllersén	
NOK million		
Base salary	1	5
Benefits	-	-
Social security costs	-	-
Pension costs	-	-
Board fees	-	-
Total salaries, remuneration, social security and pension costs	1	7
Women in %	0%	4%

John Giverholt and Jon Ole Ruch, was paid a total of 0.65 million in board fees in 2020.

2.7 Fair value adjustment of investment properties

Investment property are measured at fair value. Gains and losses arising from changes in the fair value of the investment property are included in comprehensive income statement in the period in which they arise. For more information regarding fair value assessments see [Note 3.1](#).

Valuation gain or loss investment properties

	2021		2020	
	%	NOK million	%	NOK million
Sweden	8.9	8 010	4.8	2 465
Germany	2.5	1 757	7.1	271
Denmark	10.0	6 045	3.0	1 117
Netherlands	11.6	2 836	4.5	1 069
Norway	2.3	352	7.6	1 554
Czech Republic	13.9	2 186	13.5	1 908
Finland	15.0	72	-	-
Iceland	7.6	564	7.4	541
United Kingdom	1.5	15	-	-
Total / Average %	7.7	21 837	5.5	8 925

2.8 Fair value adjustment of derivative financial instruments

Derivative financial instrument includes interest rate derivatives and forward purchase contracts and are measured at fair value. Gains and losses arising from changes in the fair value of the derivative financial instrument are included in comprehensive income statement in the period in which they arise. For more information regarding fair value assessments see [Note 6.1](#).

Fair value adjustments of derivative financial instruments

NOK million	2021	2020
Unrealised value change	886	-384
Realised value change	-65	115
Currency translation	-	87
Total valuation gain or loss derivatives	821	-182

2.9 Financial income and expenses

Accounting policies

Interest income on bank balances, and interest and other borrowing costs, are recognised as income and expenses, respectively. Payments in accordance with interest rate derivative agreements, are included in this item and are expensed in the period relate. Changes in the fair value of interest rate derivatives are presented in a separate line in the statement of profit and costs directly attributable to the acquisition, construction, or production of qualifying assets, are capitalised to the cost of Profit or Loss in the period in which they incur. For more information about financial activities see [Note 6.1](#), [Note 6.2](#)

Financial income and expenses reported in comprehensive income statement

NOK million	2021
Assets and liabilities measured at amortised cost:	
Interest income, promissory notes	98
Interest income, associated companies	49
Interest income, other financial assets	87
Total interest income in accordance with effective interest method	235
Interest expenses, loans	-1 897
Total interest expenses in accordance with the effective interest method	-1 897
Finance expenses capitalised within investment property	-52
Finance expenses capitalised within inventory properties	-52
Total finance cost capitalised	-104
Currency translation losses	-1 511
Currency translation gain	1 535
Total currency gains / losses	24
Other financial expenses	-30
Total other financial items	-30
Assets and liabilities measured at fair value:	
Gains on derivatives	821
Losses on derivatives	-
Total reported in the income statement	821
Net financial items	-900

2.10 Income tax and deferred tax expenses

Accounting policies

Tax is recognised in profit or loss except where the underlying transaction is recognised directly in equity, upon which the associated tax effect is recognised in other comprehensive income or directly in equity. The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the date of the Consolidated Balance Sheet in the countries where Fredensborg 1994 operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the date of the consolidated balance sheet and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying value of Fredensborg 1994's investment property is assumed to be realised by sale at the end of use.

The capital gains tax rate is based on the applicable rate of a direct sale of the property recorded in the balance sheet regardless of whether Fredensborg 1994 would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by Fredensborg 1994 and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Comprehensive Income Statement

NOK million	2021
Income tax expense	502
Deferred tax	4 701
Income tax expenses reported in the Comprehensive Income Statement	5 203
Reconciliation of effective tax rate	
NOK million	2021
Reported profit before tax	24 386
Tax according to current rate	-5 365
Tax effect of:	
Non-taxable income	27
Non-deductible costs	-34
Non-taxable profit on disposal of participations	-12
Non-deductible interest net	-519
Tax effect of hybrid bonds	217
Transactions in Other Comprehensive Income	24
Tax on share in earnings from associated companies	-184
Revaluations, deferred tax	358
Tax attributable to previous years	74
Other	207
Total from the Comprehensive Income Statement	-5 203

2.11 Earnings per share

Basic and diluted earnings per share are calculated by dividing earnings attributable to shareholders of the Parent Company number of outstanding ordinary shares during the period.

Earnings per share

	2021	2020
NOK million		
Profit for the period attributable to:		
The Parent Company's shareholders	10 609	10 609
Non-controlling interests	8 570	8 570
Comprehensive income for the period attributable to:		
Parent Company's ordinary shareholders	9 307	9 307
Non-controlling interests	6 249	6 249
Average number of ordinary shares outstanding	1 750 000	1 750 000
Earnings per ordinary share (basic and diluted)	5 318	5 318

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NOK million	2021		2020	
	Basis	Tax	Basis	Tax
Deferred tax assets				
Opening balance	-1 027	-219	-1 624	-350
Change for the year	203	-132	597	131
Closing balance	-824	-351	-1 027	-219
Deferred tax liabilities				
Opening balance	34 532	7 385	23 349	4 986
Business Combinations	45 993	12 205		
Depreciation for the year	185	41	2 533	541
Value change for investment	21 982	4 710	8 925	1 887
Reversal for the year due to sale	-77	-17		
Changed tax rate			-275	-29
Closing balance	102 615	24 324	34 532	7 385
Derivative financial instruments				
Opening balance	-491	-105	-61	-14
Change for the year	919	195	-430	-91
Closing balance	428	90	-491	-105
Net deferred tax				
Opening balance	33 014	7 063	21 664	4 622
Acquisitions for the year			-275	-29
Business combinations	45 993	12 205		
Change for the year	23 211	4 797	11 625	2 471
Closing balance	102 219	7 065	33 014	7 063

3 Non-current assets

3.1 Investment properties

Total property value per segment

The total property value, measured at fair value, was NOK 299 311 million (156 539). This value included unrealised value increase for 2021 of NOK 21 851 million (8 922). In percentage, the unrealised increase in value was 79 percent (6.0) of the total property value before change. The total property value per operating segment is shown below.

Valuation gain or loss investment properties

NOK million	Total	Sweden	Germany	Denmark	Netherlands	Norway	Czech Republic	Finland	Iceland	United Kingdom
Fair value of investment properties, 31 December 2019	108 904	39 306	2 164	32 727	16 788	17 894	12 399	-	3 181	-
Acquisitions during the period	28 575	4 808	1 316	1 279	5 592	-	-	-	-175	-
Sales during the period	-242	-	-	-	-66	-	-	-	-	-
Reclassification of Right-of-use assets	676	69	-	-	-	607	-	-	-	-
Capital expenditure on completed investment properties	2 376	944	27	232	203	506	221	-	243	-
Capital expenditure on investment properties under construction	1 274	747	-	294	-	-	94	-	-	-
Currency translation	6 730	4 230	99	2 118	796	-	-194	-	-310	-
Fair value after transactions	148 293	50 104	3 606	36 650	23 313	19 007	12 520	-	2 939	-
Value change	8 925	2 465	271	1 117	1 069	1 554	1 908	-	541	-
Fair value of investment properties, 31 December 2020	157 215	52 569	3 877	37 767	24 382	20 561	14 428	-	3 480	-
Acquisitions during the period	38 922	4 191	13 998	18 708	-	-	211	926	180	709
Business Combinations	87 251	32 294	50 900	4 057	-	-	-	-	-	-
Sales during the period	-1 038	-	-	-63	-55	-771	-	-	-17	-
Land leases reclassified from RoU assets	65	64	-	-	-	-47	-	-	44	-
Reclassification of owner occupied property	-536	-	-	-	-	-536	-	-	-	-
Capital expenditure on completed investment properties	2 946	869	148	584	646	289	302	10	96	-
Capital expenditure on investment properties under construction	2 534	1 675	41	345	-	20	202	-	252	-
Currency translation	-9 900	-4 517	-1 875	-2 502	-1 181	-	146	-20	18	-
Fair value after transactions	277 460	87 145	67 092	58 895	23 791	19 516	15 289	916	3 815	979
Value change ¹	21 851	8 010	1 757	6 045	2 836	352	2 186	72	564	15
Fair value of investment properties, 31 December 2021	299 311	95 154	68 849	64 940	26 627	19 868	17 475	988	4 380	994

¹ Fair value adjustment of investment properties in the income statement also includes realised change and is not reflected in the table above, see Note 2.1 and Note 2.7.

Breakdown by category 2021	Total	Sweden	Germany	Denmark	Netherlands	Norway	Czech Republic	Finland	Iceland	United Kingdom
Standing assets	291 554	90 016	68 845	63 928	26 627	19 309	17 298	988	4 336	169
Investment properties under construction	6 673	4 976		872						825
Land and building rights	342	28		137			177			
Land leases	742	134	4			559			44	
Total	299 311	95 154	68 849	64 938	26 627	19 868	17 475	988	4 380	994

The Company's contracts in Poland are structured as forward purchases (contracts under the condition precedent of the completion of the work) and the transfer of ownership occurs only after provisional acceptance. A financing agreement has been entered with the outstanding balances, NOK 1 730 million, with the developers are recognised as other non-current financial assets.

Breakdown by category 2020	Total	Sweden	Germany	Denmark	Netherlands	Norway	Czech Republic	Finland	Iceland	United Kingdom
Standing assets	153 523	49 934	3 877	37 491	24 382	19 955	14 252		3 480	
Investment properties under construction	2 797	2 564		233						
Land and building rights	218			42			176			
Land leases	678	71				607				
Total	157 216	52 569	3 877	37 766	24 382	20 562	14 428		3 480	

The Company's expenses in Poland summarises to NOK 128 million.

Investment Properties

Accounting policies

Investment properties comprise completed properties, properties under construction, and land and building rights that are held, or to be held, to earn rentals or for capital appreciation or both. A property held under a lease is classified as investment property when it is held to earn rental income or for capital appreciation, or both, and land leases. Contracts related to land leases are accounted for as long term lease contracts.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, brokers fees and professional fees for legal services. Borrowing costs that are directly attributable to the construction or development of assets that takes a substantial period of time to get ready for its intended use are capitalised.

Subsequent recognitions are at fair value, which reflects market conditions at the reporting date. Gains or losses are recognised in profit or loss in the period in which they arise, including the

corresponding tax effect. Subsequent expenditure is capitalised when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed. Investment property under construction is measured at fair value if the fair value is reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed.

Management considers the following factors when evaluating fair whether the fair value of property under construction can be measured reliably:

- Provisions of the construction contract.
- Stage of construction.

- Custom or standard project/property.
 - Reliability of cash inflows after completion.
 - Risks specific to the property.
 - Experience with similar construction.
 - Status of construction permits.
- Management has determined that investment properties under construction are eligible for fair value measurements once all three following criteria are fulfilled:
- Administrative authorisations obtained.
 - Ongoing construction and costs committed toward the constructor.
 - Uncertainty in future rental income been assumed low.

Transfers are made to (or from) investment property when there is evidence of a change in use. For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss. An investment property is derecognised either

when it has been disposed of or when it is perm from use and no future economic benefit is e disposal or use. The difference between the r ceeds and the carrying amount of the asset is Statement of Profit or Loss.

External valuation

All investment properties are valued quarterly acknowledged real-estate advisors. Companies are professionally qualified, and have the competence to carry out the valuation in accordance with international valuation standards. The required international valuation standards. The dedicated in-house valuation team ensuring of all external valuations.

Country	Valuer
Denmark	CBRE
Sweden	CBRE
Netherlands	Cushman Wakefield
Norway	Cushman Wakefield

Country	Valuer
Germany	CBRE
Czech Republic	JLL
Finland	CBRE
United Kingdom	Savills
Poland	CBRE
United Kingdom	Savills
Iceland	Arcur

Valuation assumptions

The valuation methodology is based on market practice in each respective country. In general valuations are based on 'highest-and-best-use' meaning that the valuations are both prepared in a reletting scenario and a divestment scenario. There were no material changes to the valuation techniques during the year. The market value in the two scenarios is based on cash flow generated by:

- Reletting scenario: Reletting the units at market rent upon tenant fluctuation.
- Divestment scenario: Successively divesting the units as owner-occupied units upon tenant fluctuation.

In most markets' properties are valued according to the discounted cash flow method (DCF) using required investment, operating and market inputs.

- Estimated rental income based on the location, type, and quality of the properties and supported by any existing leases, other contracts or external evidence such as current market rents for similar units;
- Estimated sales prices of vacant units (only divestment scenario): income based on sales prices supported by external evidence such as sales prices for similar units;
- Estimated vacancy rates based on current and expected future market conditions after expiry of any current leases;
- Property costs and capital expenditures including maintenance and necessary investments to maintain functionality of the property for expected useful life as well as fixed cost like property taxes, insurance etc.;
- Capitalisation rates based on location and quality of the

properties and taking into account market data at the valuation date; and

- Terminal value taking into account assumptions regarding maintenance costs, vacancy rates, and market rents on a stabilised basis.

For Norwegian residential assets with a total carrying amount of 19 838 million, the valuation is determined using the sales comparison approach by consider similar comparable properties adjusted for differences in key attributes such as unit size and quality of interior fittings.

For properties under construction or re-development, the DCF model also take into account cost to complete including developers margin and completion date based on internal forecasts and management's experience and knowledge of market conditions.

Additionally, properties under construction require approval or permits from regulatory bodies at various points in the development process. Based on management's experience with similar developments, all relevant permits and approvals are expected to be obtained.

Valuation hierarchy

The majority of the property portfolio is deemed to be at Level 3 in the fair value hierarchy according to IFRS 13 Fair Value Measurement, with the exception of the Norwegian residential assets which are based on Level 2. For Level 3, the estimated future cash flows are based on existing rental income and operating and maintenance costs, adjusted for expected changes herein. The fair value of the properties is the sum of the discounted cash flows during the calculation period and the terminal value.

Valuation process

All valuations are based on appraisals from independent external valuers as of 31 December 2021. The policies and procedures for property valuations are assessed by the Company's in-house valuation team which has aligned methods with the external valuers. The valuation team holds relevant professional

qualifications and are experienced in valuing the types of property in the applicable locations.

At each reporting date, the valuation team analyses the development in property value including verifying major inputs applied and agreeing the information in the valuation computation to rent rolls, market reports, and other relevant documents. The internal team also compares each property's change in fair value with relevant external benchmarks to determine whether the change in fair value is reasonable. To reflect sensitivities linked to the above-mentioned significant assumptions regarding return requirements and net operating income, a quantitative sensitivity analysis is shown in the below table. The sensitivity analysis has been prepared in accordance with the present value method.

Property valuations are estimates that build on accepted policies and assumptions. The actual fair value of a property can only be determined when it is sold. Accordingly, the valuation, uncertainty intervals, and sensitivity analysis, include

Acquisitions signed after the Balance Sheet date

Fredensborg 1994's subsidiary, Heimstaden Bostad AB, has in 2022 agreed to acquire properties as follows

Segments

NOX million	Anticharged date for closing
Sweden	Q1 2022
Germany	Q2 2022
Denmark	Q2 2022
Netherlands	Q2 2022
Total	

unobservable inputs and a degree of uncertainty and assumptions made. However, uncertainty and its assumptions are reduced by valuation and its assumptions are reduced by assurance from independent third parties in a manager's internal review, which amongst other things includes comparing comparable transaction values to recent comparable transaction

The tables on the next page presents the following class of investment property

1. The fair value measurements at the end of period.
2. The level of the fair value hierarchy (e.g., within which the fair value measurements their entirety.
3. Valuation technique applied.
4. The inputs used in the fair value measurement
5. Quantitative information about the significant inputs used in the fair value measurement
6. Uncertainty interval and sensitivity analysis

2021

Markets	Valuation technique	Fair value hierarchy level	Net rental income	Of which regulated	Running yield	Estimate	Lower impact	Higher impact	Sensitivities in running yield, change in percentage point					Sensitivities in					
									0.75%	0.50%	0.25%	-0.25%	-0.50%	-0.75%	2.00%	1.50%	1.00%	-1.00%	
Sweden	95 155 DCF	Level 3	2 827	100%	2.97%				-19 178	-13 706	-7 385	8 742	19 252	32 128	-1 903	-1 427	-952	952	-1.50%
Germany	68 849 DCF	Level 3	1 881	100%	2.73%				-14 832	-10 653	-5 773	6 936	15 427	26 060	-1 377	-1 033	-688	688	-1.00%
Denmark	64 939 DCF	Level 3	2 330	12%	3.59%				-11 227	-7 942	-4 230	4 863	10 514	17 161	-1 299	-974	-649	649	-1.00%
Netherlands	26 627 DCF	Level 3	791	67%	2.97%				-5 369	-3 838	-2 068	2 448	5 392	8 999	-533	-399	-266	266	-1.00%
Norway	19 868 Sale comparison	Level 2	538	0%	2.71%	Sales price pr. sqm +/- 10%	-1 701	1 701	-4 295	-3 086	-1 673	2 012	4 479	7 574	-397	-298	-198	198	-1.00%
Czech Republic	17 475 DCF	Level 3	873	34%	5.00%				-2 281	-1 590	-833	920	1 943	3 086	-350	-262	-175	175	-1.00%
Finland	988 DCF	Level 3	59	0%	5.97%				-110	-76	-40	43	90	142	-20	-15	-10	10	-1.00%
United Kingdom	994 DCF	Level 3	46	0%	4.61%				-139	-97	-51	57	121	193	-20	-15	-10	10	-1.00%
Iceland	4 380 DCF	Level 3	192	0%	4.39%				-639	-448	-236	264	563	902	-88	-66	-44	44	-1.00%
Other	37																		
Total	299 311		9 537	61%	3.19%														

2020

Markets	Valuation technique	Fair value hierarchy level	Net rental income	Of which regulated	Running yield	Estimate	Lower impact	Higher impact	Sensitivities in running yield, change in percentage point					Sensitivities in					
									0.75%	0.50%	0.25%	-0.25%	-0.50%	-0.75%	2.00%	1.50%	1.00%	-1.00%	
Sweden	52 569 DCF	Level 3	1 864	100%	3.55%				-9 158	-6 482	-3 454	3 978	8 607	14 064	-1 050	-788	-525	525	-1.50%
Germany	3 877 DCF	Level 3	74	97%	1.90%				-1 099	-809	-452	589	1 389	2 537	-78	-58	-39	39	-1.00%
Denmark	37 767 DCF	Level 3	1 375	16%	3.64%				-6 454	-4 563	-2 428	2 786	6 016	9 805	-756	-567	-378	378	-1.00%
Netherlands	24 382 DCF	Level 3	867	60%	3.56%				-4 247	-3 006	-1 602	1 844	3 990	6 518	-488	-366	-244	244	-1.00%
Norway	20 561 Sale comparison	Level 2	606	0%	3.02%	Sales price pr. sqm +/- 10%	1 701	-1 701	1 701	-1 247	-652	716	1 507	2 385	-289	-216	-144	144	-1.00%
Czech Republic	14 428 DCF	Level 3	763	38%	5.29%				-468	-327	-172	190	403	641	-70	-52	-35	35	-1.00%
Iceland	3 480 DCF	Level 3	168	0%	4.82%														
Other	152																		
Total	157 215		5 717	54%	3.65%														

Årsregnskab Regnskabsåret 2021 for 943582815

Specifications of the Group's investments in associated companies

Company	Corp. ID No	Reg. office	No. of shares	Share in %
Rosengård Fastighets AB	559085-4708	Malmö	25 000	25
Brick Utvikling AS	921994265	Oslo	50 160 ¹	44
Byggrätt Norr AB	559207-4859	Skellefteå	94	19
Total				

¹ Fredensborg AS and its subsidiary, Fredensborg Bolig, owns a total of 100 320 shares in the company.

Specifications of the Group's investments in joint ventures

Company	Corp. ID No	Reg. office	No. of shares	Share in %
Utleiemegleren AS	888 898 522	Oslo	5 155	50%
Sjømannsveien 1 Utvikling AS	915 965 431	Oslo	50	50%
Fredensborg Bolig AS	919 998 296	Oslo	50 000	50%
Servatur Holding AS	991 710 485	Gjøvik	3 000 000	50%
Nordlysbyen Eiendom AS ¹	919 0011 51	Alta	1 005	50%
Ceilo Holding AS	988 659 320	Ceilo	500	50%
Nordr Holding AS	925 173 819	Oslo	1 020 000	50%
Fjellstad Utvikling AS	917 992 274	Oslo	15 000	50%
Turufjell AS	919 667 346	Flå	2 500	50%
A Place To A/S	39754134	Charlottenlund	5 000	50%
KCP Utviklingsselskabet af 31. oktober A/S	39104369	Herning	5 000	50%
Atriet A/S	41938927	Herning	5 000	50%
Høje Tåstrup A21 ApS	42465704	Aarup	20 000	50%
A21 Taastrup ApS	41142014	Aarup	40 000	50%
Garnlebro AB	556791-3990	Norrköping	500	50%
Upplands Bro Bregårds Etapp 2 AB	559175-4915	Stockholm	500	50%
Magnolia Projekt 5222 AB	559175-4907	Stockholm	500	50%
Kfintestö Oy Hittomäentie 14	08198672	Helsingfors	13 327	53%
Total				

¹ In 2021 Fredensborg acquired 50% of Nordlysbyen Eiendom AS for 140 million and formed a joint venture with Innopio AS. Nordlysbyen Eiendom owns and manages real estate portfolios consisting of 14 properties in northern Norway.

2021 Comprehensive Income Statement

NOK million	Fredensborg Bolig AS	Nordr Holding AS	Utleiemegleren AS	Nordlysbyen Eiendom AS	Rosengård Fastighets AB	Uppland Bro Brogårds Etapp 2 AB
Income	501	3 515	278	150	-	26
Expenses	-429	-3 481	-263	-108	-1	-6
Net operating income	72	34	15	42	-1	20
Corporate administrative expenses	-	-	-	-	-	-22
Net financial items	61	172	1	-10	-25	-7
Unrealised value change	-	-	-	386	44	-
Tax expenses	-13	-15	-7	-87	-8	2
Profit for the year	120	190	9	331	10	-7
Group's share of profit	60	48	4	83	5	-3
Balance Sheet						
Investment properties	1 306	1 525	-	2 033	729	419
Other assets	1 680	10 534	122	43	103	46
Equity	1 016	2 523	66	1 089	228	138
Liabilities	1 970	9 536	56	987	604	327
Carrying amount of the investment as of 31 December 2021	700	671	257	264	1 664	1 137

Arsregnskap regnskapsåret 2021 for 943582815

2020 Comprehensive Income Statement

NOK million	Fredensborg Bolig AS	Nordr Holding AS	Utleiemegleren AS	Rosengård Fastighets AB	Uppland Bro Brogårds Etapp 2 AB
Income	197	1 824	256	147	-
Expenses	-177	-1 719	-227	-79	-
Net operating income	20	106	30	69	-
Corporate administrative expenses	-	-	-	-20	-2
Net financial items	26	-23	1	-11	-22
Unrealised value change	-	-	-	151	26
Tax expenses	-4	-11	-8	-41	-5
Profit for the year	42	72	23	149	-4
Group's share of profit	17	15	12	38	-2
Balance Sheet					
Investment properties	1 402	1 532	-	1 710	587
Other assets	618	8 541	119	51	45
Equity	914	2 490	63	814	202
Liabilities	1 105	7 581	56	947	430
Carrying amount of the investment as of 31 December 2020	631	598	256	203	1 101

3.5 Other non-current assets

	31 December 2021	31 December 2020
Non-current receivables from joint ventures and associated companies		
NOK million		
Opening balance	904	487
Loans granted to associated companies and joint ventures	176	465
Repayment on loans	-	-48
Closing balance	1 080	904

The balance mainly relates loans issued to joint ventures and associated companies.

4 Current assets

4.1 Rent and trade receivables

Accounting policies

Fredensborg 1994 holds rent and trade receivables with the objective to collect contractual cash flows. Rent arade receivables are recognised initially at transaction price and subsequently at amortised cost using the effective interest method, a provision for expected credit losses.

Fredensborg 1994 applies the simplified method for reserving expected loan losses for leases and trade receivables. This means that expected credit losses are reserved for the remaining term, which is expected to be less than one year for all receivables. Rent is invoiced in advance, meaning that all reported rent receivables and trade receivables have fallen due for payment. Fredensborg 1994 makes provisions for expected credit losses based on historical credit losses and forward-looking information. Fredensborg 1994's customers have similar risk profiles, which is why the credit risk is initially assessed collectively. Any major individual receivables are assessed per counterparty. Fredensborg 1994 writes off a receivable when there is no longer any expectation of receiving payment and when active measures to obtain payment have been discontinued.

Rent and trade receivables

NOK million	31 December 2021	31 December 2020
Rent receivables	233	110
Total rent and trade receivables	233	110

Age distribution of rent and trade receivables

NOK million	31 December 2021	31 December 2020
-30 days	204	84
31-60 days	14	14
61-90 days	5	30
91 days +	57	-
Total	280	128
Credit loss provision	-47	-18
Rent and trade receivables, net	233	110

4.2 Other current assets

NOK million	31 December 2021
Prepaid tax	130
Deposits related to acquisitions	309
Prepaid insurance premium	48
Prepaid interest	303
Receivables from related parties	592
Other receivables	1 160
Total	2 542

4.3 Cash and cash equivalents

Cash and cash equivalents mainly include bank deposits. The change in cash and cash equivalents is shown in the consolidated cash flow statement. There are undrawn amounts under existing credit facilities of NOK 28 354 million (15 263) million, which are not and cash equivalents.

4.4 Other adjustments in Cash Flow Statement

NOK million	2021
Exchange rate difference	-24
Share of profit of an associate and a joint venture	-435
Other expenses	-452
Total	-911

5 Equity

Event	Total number of shares	Total share capital	Par value
Opening balance at 1 January 2020	1 750 000	4 000 000	0,0228
Closing balance at 31 December 2020	1 750 000	4 000 000	0,0228
Opening balance at 1 January 2021	1 750 000	4 000 000	0,0228
Closing balance at 31 December 2021	1 750 000	4 000 000	0,0228

At the end of the financial year there were 1 750 000 shares with a par value of NOK 0,0228. All shares are fully paid, and there are no restrictions regarding dividend or other types of repayment. During the year, no change to the number of shares or par value was done.

Other capital contributions

Other contributed capital refers to equity contributed by the owner as well as share premiums shares.

Hybrid bonds

Fredensborg 1994's subsidiaries Heimstaden AB and Heimstaden Bostad AB has issued hybrid bonds amounting to a total of NOK 7.3 (NOK 3.8 billion) billion. These have a perpetual maturity with a variable coupon rate. The subsidiaries has the opportunity to redeem outstanding hybrid bonds as of first possible redemption day, which is 5-7 years from the issue date.

At the first reporting date, the hybrid bonds are classified as an equity instrument and not as a financial liability. The classification is based on that there is no explicit contractual obligation to settle the agreement by paying cash or another financial asset. Nor are there any other circumstances indicating that the agreement will be settled in cash or other financial asset. The subsidiaries are entitled to postpone interest payments for an indefinite period in so far as hybrid bond holders are notified within the agreed period and the hybrid bond is subordinated to all other creditors.

Currency translation difference

Currency translation differences that arise as a result of translation of foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented.

Loans to subsidiaries that comply with IAS 21 paragraphs 15 and 32 for increased net investment in foreign subsidiaries, the translation effect for lending in foreign currencies has affected other comprehensive income by NOK 1 294 million as December 31, 2021.

Retained earnings

Retained earnings refer to earned profits in the Group. This item also includes previous allocations to the reserve fund.

Non-controlling interests

Non-controlling interests consist of external ownership interests in Fredensborg 1994's wholly owned subsidiary, Fredensborg 1994's subsidiaries. Fredensborg 1994's subsidiary, Fredensborg AS, non-controlling interest are held through the companies AS, FBA 2019 AS, FBA 2020 AS and FBA 2021. In addition to the non-controlling interest in Fredensborg AS, investors own preference shares in Fredensborg AS's subsidiary, Heimstaden AB, represent 70.8% of the share capital and are listed on NASDAQ North. Heimstaden AB's share of capital in Heimstaden Bostad AB was respectively 44.99% (44.70%) in 2021. Heimstaden Heimstaden Bostad AB, because it is exposed to, and has rights, to variable returns from its involvement with the investee ability to affect those returns through its power over the investee.

Non-controlling interests' share

NOK million

2021

Profit for the period

73 048

Comprehensive income for the period

39 462

112 510

Arsregnskap regnskapsåret 2021 for 943582815

Breakdown of non-controlling interests

NOK million	2021	2020
Minority	73 048	40 166
Hybrid bonds	39 462	16 528
Total non-controlling interests	112 510	56 694

Condensed Consolidated Financial Statements of Heimstaden AB

NOK million	2021	2020
Current assets	23 335	15 337
Non-current assets	323 318	152 991
Total assets	346 653	168 328
Current liabilities	34 551	10 988
Long-term liabilities	168 760	77 861
Shareholders' equity	143 342	79 476
Total equity and liabilities	346 653	168 325
Rental and service income	9 685	7 150
Property expenses	4 110	3 196
Net operating income	5 575	3 954

Specification of other comprehensive income

The company's items under other comprehensive income are related to foreign currency translation differences that may be reclassified to profit or loss in subsequent periods.

NOK million	2021	2020
Czech Republic	606	-1 358
Denmark	59	-380
Netherlands, Germany and Finland	-99	-515
Sweden	-4 250	3 876
Poland	6	-8
United Kingdom	13	-
Iceland	43	-11
South Africa	-2	-
Total	-3 624	1 603

investment properties held in limited liability companies and forward foreign exchange contracts for economic hedging purposes. Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs. Gains or losses on derivatives are recognised in profit or loss in net valuation gain or loss of financial instruments at fair value through profit and loss. When forward contracts for investment properties held in limited liability companies are settled and the Company takes control of the new subsidiary, the fair value of the forward contract is transferred to the fair value of the investment property.

For valuation gain or loss of derivatives see Note 2.7. For more information about the forwardward contracts see Note 8.3.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated balance sheet 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.

Fair Value Measurements of Financial Instruments

Below is a comparison of the carrying amounts and fair values of financial assets and financial liabilities:

NOK million	31 December 2021	31 December 2020	Fair value	Carrying amount	Fair value
Financial assets					
Derivative financial instruments	620		620		
Quoted equity instruments	5 657	-	5 657	-	-
Trade receivables	233	110	233	110	110
Other financial receivables	2 542	2 429	2 542	2 429	2 429
Cash and cash equivalents	20 698	11 894	20 698	11 894	11 894
Total	23 473	14 433	23 473	14 433	14 433
Financial liabilities					
Derivative financial instruments	197	466	197	466	466
Long-term interest-bearing liabilities	146 979	75 553	146 979	75 553	75 553
Current interest-bearing liabilities	27 909	8 541	27 909	8 541	8 541
Lease liabilities	1 204	781	1 204	781	781
Trade payables	780	564	780	564	564
Other liabilities	2 929	2 513	2 929	2 513	2 513
Total	179 998	88 418	179 998	88 418	88 418

The following tables provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities:

At 31 December 2021

NOK million	Fair value measurement using		161
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
Financial assets measured at fair value:	6 276	5 657	161
Derivative financial assets			
Gross currency swaps – NOK	161		161
Forward purchase contracts	459		
Quoted equity investments	5 657		
Financial liabilities measured at fair value:	-196		-196
Derivative financial liabilities			
Gross currency swaps – SEK	-169		-169
Interest rate swaps	-27		-27

There were no changes in the Group's valuation processes, valuation techniques, or types of inputs used in the fair value during the period. Derivative financial instruments are classified net in the balance sheet and under current liabilities if settled within 12 months after the reporting period. All other liabilities are classified as non-current. There are no transfers into or out of Level 3 fair value measurements during 2021, and no transfers into or out of Level 2 fair value measurements during 2021, and no transfers into or out of Level 3 fair value measurements during 2021.

At 31 December 2020

NOK million	Fair value measurement using		272
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
Financial assets measured at fair value:	272		272
Derivative financial assets			
Gross currency swaps – NOK	272		272
Financial liabilities measured at fair value:	-739		-739
Derivative financial liabilities			
Gross currency swaps – SEK	-342		-342
Interest rate swaps	-397		-397

6.2 Financial risks

Refinancing risk

To minimise refinancing risk, the Company uses various reliable funding sources with a diversified maturity structure. The Company's financial policy stipulates the level of key credit ratios, as well as a minimum average loan tenor in the debt portfolio of 8.39 years. To mitigate refinancing risk, the Company also maintains ample liquidity reserves and unutilized sources of credit.

Liquidity risk

Liquidity risk is the risk that Fredensborg 1999's financial or operational obligations due to its maturity, or that the Group cannot pay for acquisitions, expenditures, or other signed obligations. To Fredensborg 1994 has unutilised credit facilities of 10 million, a financial policy stating that there can be more than 25% of debt maturing in a single year, as stipulated in the estimated liquidity ratio exceeding 125%.

Maturity 31. December, 2021, million	0-1 years	1-5 years
Long-term interest-bearing liabilities	27 909	61 294
Leasing liabilities	55	139
Financial derivative instruments	5 179	28 358
Trade payables	780	0
Other liabilities	7 365	0
Total	41 289	89 791

See [Note 8.5](#) for repayment of Fredensborg 1994's subsidiary, Heimstaden Bostad AB's bridge facility in January 17, 2022.

Of the 26 894 million NOK maturing in 2022, 3 898 million NOK is directly associated with Fredensborg 1994's subsidiary, Heimstaden AB bridge facility as part of the Akelius transaction. The terms of the bridge facility include a 12+6+6 (month) maturity schedule with the first maturity period Heimstaden AB has the optionality to extend the maturity to 2023 per the bridge agreement.

Maturity 31. December, 2020, million	0-1 years	1-5 years
Long-term interest-bearing liabilities	8 541	37 481
Leasing liabilities	65	167
Financial derivative instruments	5 619	27 154
Trade payables	564	0
Other liabilities	1 871	0
Total	16 660	64 802

Fair value hierarchy
All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

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

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period. For more information regarding fair value hierarchy see [Note 3.1](#)

Maturity, interest rate derivatives

Maturity, year	Type	31 December 2021			31 December 2020		
		Nominal amount	Share, %	Average interest, % ¹	Nominal amount	Share, %	Average interest, % ¹
Within 1 year of the balance sheet date	Paying fixed	5 179	15	0.15	5 619	15	0.19
Within 1-5 years of the balance sheet date	Paying fixed	28 358	81	0.13	27 154	73	0.18
Later than 5 years from the balance sheet date	Paying fixed	1 502	4	0.10	4 326	12	0.14
Total interest rate derivatives		35 039	100	0.13	37 099	100	0.18

¹ The interest rate indicates the agreed average interest in the contracts. A negative interest rate indicates that we receive fixed interest.

Maturity, cross currency swaps

NOK million	Type	31 December 2021			31 December 2020		
		Nominal amount	Share, %	Average interest, % ¹	Nominal amount	Share, %	Average interest, % ¹
Within 1 year of the balance sheet date	Receives variable				2 260	23	2.43
Within 1-5 years of the balance sheet date	Receives variable	5 480	100	2.36	7 606	77	2.42
Later than 5 years from the balance sheet date	Receives variable						
Total cross currency swaps		5 480	100	2.36	9 866	100	2.42

¹ The interest rate indicates the variable agreed interest rate on the balance sheet date.

Sensitivity analysis for exchange rate fluctuation

2021	Currency	Net assets in NOK	Effect on net assets of a 10% stronger NOK
	CZK	16 963	-1 696
	DKK	31 539	-3 154
	EUR	22 998	-2 300
	SEK	66 798	-6 680
	GBP	1 062	-106
	PLN	2 058	-206
	ISK	1 920	-192
	Total	143 338	-14 334
	10%	-14 334	
	-10%	14 334	
2020	Currency	Net assets in NOK	Effect on net assets of a 10% stronger NOK
	CZK	9 525	-953
	DKK	5 854	-585
	EUR	11 442	-1 144
	ISK	1 567	-157
	ZAR	27	-3
	SEK	44 754	-4 475
	Total	73 169	-7 317
	10%	-7 317	
	-10%	7 317	

financial policy, the Company shall maintain at least 75% of its loan portfolio at a fixed rate, which is managed with loans and bonds with fixed interest rate and interest rates swaps.

Currency risks

The Company owns assets in other currencies than the reporting currency, which leads to a risk of negative impact on cash flows or asset values in the case of fluctuating currency exchange rates. The Company to a large extent utilises match funding to match cash flows with asset and debt value fluctuations.

Changes in values of derivatives

The value of currency derivatives may be affected by changes in base rates or foreign currency exchange rates. The Company's financial policy dictates which derivative instruments may be used for hedging strategies, stating that only marketable instruments for which prices can be obtained may be utilised. The Company also continuously monitors market movements and obtains external and internal derivative valuations.

Financial obligations

The Company's debt agreements include financial covenants, the breach of which could lead to the termination of loans, immediate repayment requirements, or a claim on secured assets. The Company's financial policy stipulates levels of key credit ratios to ensure that no covenants are breached. Continuous internal and external auditing assures accurate reporting and information.

Credit risk

if counterparties cannot meet their obligations towards the Company or if a substantial number of customers fail to pay rent, it would lead to reduced liquidity and losses. To counter this, the Company regularly assesses the creditworthiness of its counterparties. For the majority of rental contracts rent is paid in advance and risk is further reduced through a large and diversified customer base.

Interest rate risk

Rising interest rates may increase the financing cost for the Company and negatively impact profitability. According to the

Interest rate sensitivity

The following table shows the sensitivity by a 1% change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected as follows:

2021	Increase/decrease in basis points	Effect on profit before tax (€)	Effect on profit before tax (€)
Interest expenses	1%	583	-485
2020	Increase/decrease in basis points	Effect on profit before tax (€)	Effect on profit before tax (€)
Interest expenses	1%	71	-193

6.3 Interest-bearing loans and borrowings

NOK million	2021		2020	
	Interest-bearing liabilities	Secured loans, %	Share, %	Unutilised credit commitment
Corporate bonds	86 594	-	49	44
Mortgages	33 715	100	19	26
Bank loans	55 321	60	31	30
Total	175 630	38	100	15 263
Deferred charges	-744			-306
Total inc. deferred charges	174 886			83 809

Interest-bearing liabilities per currency

Currency	2021		2020	
	NOK million	Local currencies	NOK million	Local currencies
SEK	29 827	30 609	22 284	21 355
NOK	6 502	6 502	5 409	5 409
EUR	106 160	10 628	34 721	3 316
DKK	31 029	23 103	19 842	14 101
ISK	2 112	31 326	1 859	27 711
Total	175 630		84 115	
Deferred charges	-744		-306	
Total inc. deferred charges	174 886		83 809	

Quoted bonds

Nominal value	Currency	Fair value ²	Maturity	Rating	Annual coupon	Identification number
Interest-bearing liabilities						
1000	SEK	313	07/09/2022	BBB	FLOATING 1.902%	XS1918010833
500	NOK	520	07/06/2024	BBB	FLOATING 3.190%	NO0010838899
700	EUR	465	05/09/2023	BBB	FIXED 2.125%	XS1958655745
500	EUR	510	21/01/2026	BBB	FIXED 1.125%	XS2105772201
50	EUR	56	04/05/2035	BBB	FIXED 2.800%	XS2168047087
50	EUR	59	04/05/2035	N/A	FIXED 2.800%	XS2161838276
500	SEK	310	29/12/2022	N/A	FLOATING 1.207%	XS2194280736
700	EUR	718	03/03/2027	BBB	FIXED 1.375%	XS2225207468
800	SEK	812	25/02/2025	N/A	FLOATING 1.180%	XS2259800121
400	SEK	401	25/02/2025	N/A	FIXED 1.368%	XS2259781230
400	NOK	394	25/02/2025	N/A	FIXED 2.019%	NO0010906951
400	NOK	406	25/02/2025	N/A	FLOATING 0%	NO0010906944
500	EUR	501	12/01/2023	N/A	FLOATING 0.052%	NO0010906944
750	SEK	750	07/04/2025	N/A	FLOATING 0.764%	XS22284258345
500	SEK	500	08/04/2024	N/A	FLOATING 0.640%	XS227990649
200	NOK	200	22/04/2024	N/A	FLOATING 1.490%	XS227889580
1250	NOK	1 247	22/04/2026	N/A	FLOATING 1.690%	NO010976319
350	NOK	349	24/04/2028	N/A	FLOATING 1.880%	NO010976335
750	EUR	718	06/09/2029	BBB	FIXED 0.750%	XS2284269366
1250	EUR	1 253	13/10/2024	BBB	FIXED 0.250%	XS227239000
750	EUR	747	13/04/2028	BBB	FIXED 0.750%	XS2297252102
750	EUR	752	13/10/2031	BBB	FIXED 1.625%	XS2297252011
1050	SEK	1 050	23/11/2023	N/A	FLOATING 0.495%	XS212109105
2800	SEK	2 803	23/11/2023	N/A	FIXED 0.933%	XS221060002
650	SEK	651	23/11/2026	N/A	FLOATING 0.995%	XS221068853
850	SEK	849	22/01/2024	N/A	FIXED 0.875%	XS2200346517
Hybrid bonds¹						
800	EUR	807	19/02/2025	BB+	VARIABLE 3.248%	XS220037765
500	EUR	499	15/04/2026	BB+	VARIABLE 3.375%	XS225121769
800	EUR	760	01/05/2027	BB+	VARIABLE 2.625%	XS2294155739
600	EUR	577	29/01/2028	BB+	VARIABLE 3.000%	XS227357768
600	EUR	600	13/01/2027	BB+	VARIABLE 3.265%	XS227251807

¹ Hybrid bonds are classified as equity in the statement of balance sheet.

² Based on quoted market prices as of the balance sheet date.

Maturity structure interest-bearing liabilities

NOK million	Average loan tenor 31 December 2021			
	Loans and borrowings, secured	Corporate bonds, unsecured	Total loans and borrowings	Share, %
Loan maturity				
Within 1 year of the balance sheet date	1 948	25 961	27 909	16%
Within 1-5 years of the balance sheet date	16 104	45 190	61 294	35%
Later than 5 years from the balance sheet date	48 964	37 463	86 427	49%
Total	67 016	108 613	175 630	100%
			Unutilised credit	Share, %
			6 331	22%
			21 921	77%
			102	0%
			28 354	100%

NOK million	Average loan tenor 31 December 2020			
	Loans and borrowings, secured	Corporate bonds, unsecured	Total loans and borrowings	Share, %
Loan maturity				
Within 1 year of the balance sheet date	1 911	6 630	8 541	10%
Within 1-5 years of the balance sheet date	16 358	21 123	37 481	44%
Later than 5 years from the balance sheet date	29 501	8 877	38 378	45%
Total	47 770	36 630	84 399	100%
			Unutilised credit	Share, %
			15 263	100%
			15 263	100%

NOK million	Fixed interest rates 31 December 2021			
	Secured borrowing	Unsecured borrowing	Total borrowing	Average interest rate, % incl. margin
Interest maturity				
Within 1 year of the balance sheet date	45 296	71 016	116 312	1.25
Within 1-5 years of the balance sheet date	11 585	18 100	29 685	0.94
Later than 5 years from the balance sheet date	10 136	19 497	29 633	1.65
Total	67 017	108 613	175 630	1.27

Fixed interest rates 31 December 2020

NOK million	Secured borrowing	Unsecured borrowing	Total borrowing	Average interest rate, % incl. margin
Interest maturity				
Within 1 year of the balance sheet date	41 826	20 264	62 090	1.54
Within 1-5 years of the balance sheet date	3 609	8 333	11 942	2.66
Later than 5 years from the balance sheet date	2 335	8 032	10 367	1.66
Total	47 770	36 629	84 399	1.71

The average remaining term of fixed interest in the loan portfolio as of 2021-12-31 was: 1.87 years (1.90)

The average remaining term of fixed interest in the loan portfolio, including derivatives, as of 2021-12-31 was: 2.20 years

The average remaining loan tenor as of 2021-12-31 was: 8.83 years (10.05)

Reconciliation of liabilities attributable to financing activities

NOK million	Corporate bonds	Mortgages/bank loans	Lease liabilities	Deferred charges	Financial derivatives
Opening balance 1 January 2020	17 050	37 645	1 367		6
Loan payments	-607	-12 013	-64		
Proceeds from new loans	19 252				
Assumed debt in connection with acquisitions		22 444			
Currency exchange effect on loans	1 622	2 756	20		
Other changes	-688	-3 062	48	-306	40
Closing balance 31 December 2020	36 629	47 770	1 371	-306	46
Opening balance 1 January 2021	36 629	47 770	1 371	-306	46
Loan repayments	-9 340	-13 510	-91		
Proceeds from new loans	90 022				
Assumed debt in connection with acquisitions		33 727			
Currency exchange effect on loans	-3 180	-2 533			
Capitalisation of debt issuance cost		-438			
Other changes	-5 518	2 001	-320	-438	-26
Closing balance 31 December 2021	108 613	67 017	960	-744	19

7 Other liabilities

7.1 Leases

Accounting policy

Fredensborg 1994 has lease commitments for leasehold rights, premises, and vehicles. The commitments are classified as a lease liability in the Balance Sheet, and the right to use the underlying asset during the lease term is classified as an asset. Amortisation of the asset is reported in profit or loss. Lease payments are reported partly as payment of interest and partly as amortisation of the lease liability. Lease payments are renegotiated at the end of the agreements to reflect market rents. The agreements fall due for renegotiation every fifth year.

Premises and vehicles are reported at discounted values in the Balance Sheet, a right-of-use asset and a lease liability. In the Profit or Loss Statement, the right-of-use-asset is depreciated over the term of the agreement and payment made to the landlord / lessor is reported partly as amortisation of the lease liability and partly as interest expense in profit or loss.

The reconciliation of the changes in liabilities arising from financing activities is provided in [Note 6.3](#)

The table below shows the rights of use per category:

NOK million	Leasehold rights	Premises	Vehicles	Other	Total
Opening balance 1 January 2020	676	642	39	9	1 366
New contracts	7	45	21	2	75
Acquisitions	66	-164	-1		-99
Ended contracts	-24	-307	-1	-1	-333
Reclassifications	24	-1	-1		22
Depreciation	-	-38	-18	-3	-59
Currency translation	-7	-8	-2		-17
Closing balance 31 December 2020	742	169	37	7	955
New contracts	7	45	21	2	75
Corporate acquisitions	66	-164	-1		-99
Ended contracts	-24	-307	-1	-1	-333
Reclassifications	24	-1	-1		22
Depreciation	-	-38	-18	-3	-59
Currency translation	-7	-8	-2		-17
Closing balance 31 December 2021	742	169	37	7	955

Below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movement period:

NOK million	2021
Opening balance 1 January	1 371
Additions	-307
Payments	-91
Reclassification	1
Currency translation	-14
Closing balance 31 December	960
Current	905
Non-current	55

The following are the amounts recognised in profit or loss:

NOK million	2021
Depreciation expense of right-of-use assets	-59
Interest expense on lease liabilities	-34
Expense relating to short-term leases (included in cost of sales)	-2
Expense relating to leases of low-value assets (included in administrative expenses)	-3
Variable lease payments (included in cost of sales)	-
Total amount recognised in profit or loss	-98

Breakdown of undiscounted lease debt

NOK million	2021
Within one year	80
1-5 years	208
> 5 years	1 579
Total	1 867

The Group had total cash outflows for leases of 91 million in 2021 (64 million in 2020).

7.2 Trade payables and other current liabilities

NOK million	31 December 2021	31 December 2020
Trade payables	780	564
Liabilities related to real estate transactions	645	621
VAT construction project		110
Real estate transfer tax	2 414	
Personnel cost	140	54
Accrued interest		266
Prepaid rent		546
Other liabilities	1 237	272
Total	5 216	2 433

8 Other disclosures

8.1 Related-party disclosures

Transactions with related parties are carried out on arm's length terms.

The following are defined as related parties:

- All companies within the Fredensborg 1994 Group
- Board members and company management
- Close family members of Board members or company management
- Companies controlled by Board members or company management
- Shareholders in control of more than 10% of the shares or votes in the company

Summary of transactions with related parties

In addition to the related-party relationships specified for the Group, the Parent Company has a controlling influence over subsidiaries in accordance with Note 7.3 in the parent company financial statements and notes. Numbers for 2020 in brackets.

In 2021, Fredensborg 1994 acquired administrative services from Heimstaden AB and its subsidiaries for NOK 9 million (NOK 11 million).

In 2021, Fredensborg sold consultant services for NOK 1 million (NOK 0 million).

In July 2021, Fredensborg 1994's subsidiary Fr ehf. sold 100% of the shares in the Icelandic company Heimstaden ehf. to Heimstaden AB for NOK 1 million. In 2021, Ivar Tollefsen and his family received NOK 1 million total fees for ground rent (NOK 14 million).

In September 2021, Fredensborg's subsidiary AS acquired 20% of the shares in Turuffjell AS AS. Mølleveien 2 AS is 100% owned by Ivar Tollefsen.

Additionally, some employees and related parties have invested at arms length terms in FBA 2019 AS, FBA 2020 and FBA 2021 AS which have Fredensborg AS.

In addition to the related parties presented at Note 3.4, associated companies and joint ventures

Transactions with investments in associated companies and joint ventures

NOK million	2021
Interest revenue from investments in associated companies and joint ventures	49
Receivables from investments in associated companies and joint ventures	176
Liabilities to investments in associated companies and joint ventures	-
Dividends from investments in associated companies and joint ventures	-
Capital contributions to investments in associated companies and joint ventures	517
Guarantee liabilities for the benefit of investments in associated companies and joint ventures	-

Acquisition of Akelius properties in Germany, Sweden and Denmark

Balance sheet 1 December 2021

	NOK million	Fair value recog
NET ASSETS		
Investment properties		
Property plant and equipment		
Other non-current financial assets		
Inventory properties		
Other current assets		
Cash and cash equivalents		
Long-term interest-bearing liabilities		
Non-current liabilities, financial leasing		
Deferred tax liabilities		
Other long-term liabilities		
Other current assets		
Net identifiable assets at fair value		
Consideration		
Goodwill		
CASH FLOW EFFECT		
Consideration		
- cash and cash equivalents in acquired companies		
Total cash flow effect		
8.3 Pledged assets		
NOK million		30 December 2021
Mortgages ¹	63 75	
Pledged shares in subsidiaries ¹	449 599	
Total	112 675	

¹ The collateral has been pledged with regard to interest-bearing loans from credit institutions.

8.2 Business combinations

On 1 December 2021, Heimstaden Bostad acquired 100% of the voting shares in Akelius Lägerhøter Aktiebolag, Akelius Bolig Holding ApS, and Akelius GmbH for NOK 79.8 billion. The portfolio comprised 28 776 homes across Sweden, Germany, and Denmark.

As a result of the business combination and the preliminary analysis of the purchase price allocation, NOK 16 456 million in goodwill was recognised. The goodwill arose from the purchase price exceeding the fair value of acquired net assets. The goodwill amount is related to deferred tax liabilities of NOK 12 941 million and NOK 3 514 million from synergies attributable to economies of scale (core goodwill). The goodwill was tested for impairment at the lowest level where cash flows are identified, at operating segment level, and is therefore identified as the group's CGUs. The acquisition has been analysed in accordance with IFRS 3 and is deemed to meet criteria for business combinations, see also [Note 3.2](#) for additional information. The purchase price allocation is not final.

Acquisition costs of NOK 2 228 million, primarily RETT was expensed.

The acquired businesses have from the date of acquisition to 31 December 2021 contributed to the Group's revenues and profit before taxes with NOK 244 million. If the acquisition had occurred at the beginning of 2021, revenues and profit before taxes for 2021 would have increased by NOK 2 441 million and NOK 16 403 million, respectively.

8.4 Contingencies and commitments

Investment obligations

Fredensborg 1994's subsidiary, Heimstaden Bostad AB, has entered into contracts with sellers of investment property placed in a corporate wrapper. The corporate wrapper holds an existing investment property and rental agreements with tenants. Heimstaden will acquire 100% of the outstanding shares in the corporate wrapper at a future date. The contract is either for a fixed price or at a variable price based on the equity in the corporate wrapper, where the investment property is measured at fair value. The arrangements are recognized as financial instruments under IFRS 9 at fair value through profit/loss. For more information see [Note 6.1](#).

Fredensborg 1994's subsidiary, Heimstaden Bostad AB, has signed agreements to buy turnkey investment properties under construction after the Balance Sheet date. At 31 December 2021, total investment obligations was NOK 12.1 billion between 2021 and 2027, see table below.

2021	2022	2023	2024	2025	2026	2027	Total
NOK million	2021	2022	2023	2024	2025	2026	2027
Investment obligations	3 772	1 601	3 219	2 215	368	586	11 761
2020	2021	2022	2023	2024	2025	2026	2027
NOK million	28 141	409	4 991	5 848	791	333	41 423
Investment obligations							

Capital expenditures

As at 31 December, Fredensborg 1994's subsidiary, Heimstaden Bostad AB, had agreed forward funding contracts with third parties and is consequently committed to future capital expenditure in respect of investment properties under construction of NOK 4 911 million.

Disputes

As of the balance sheet date, Fredensborg 1994 is not a part in any ongoing process which is expected to have a significant impact on the financial statements.

8.5 Events after the reporting period

On 5 January 2022, Fredensborg 1994's subsidiary, Heimstaden Bostad priced EUR 500 million floating rate notes under its EMTN program. The notes have a maturity of two years with a call option at par after approx. one year and carry a floating rate to maturity of 3 months EURIBOR plus 55 bps. The issuance was completed through a club deal with European money market funds. The proceeds are used to refinance the EUR 500 million floating rate notes due January 2023 which were redeemed on 21 January 2022 in accordance with the notice given by Heimstaden Bostad on 21 December 2021.

On 17 January 2022, Fredensborg 1994's subsidiary, Heimstaden Bostad priced EUR 1 200 million senior unsecured fixed rate notes under its EMTN programme. The EUR 700 million 3.5 years note, and EUR 500 million 6.5 years annual coupon of 0.625% and 1.375%, respectively. The notes were rated 'BBB+' by S&P. The net proceeds, together with was used to repay the entirety of the loan outstanding under Heimstaden Bostad's bridge financing facility related to the Akelius's portfolios in Sweden, Denmark, and Germany, and for general corporate purposes.

On January 19 2022, Allianz Real Estate, on behalf of Allianz companies, invested NOK 7.6 billion in Fredensborg's subsidiary Bostad AB's portfolio in Sweden with properties recently bought from Akelius, forming a new subsidiary on the NOK 29 billion centrally located in Malmö and Stockholm. The 99 properties are part of the portfolio acquired by Heimstaden Bostad 3 377 homes in Malmö and 5 932 in Stockholm, making the new entity one of the largest private residential owners in the world. The subsidiary was funded with equity, including Allianz' NOK 7.6 billion investment, as well as a debt facility from Heimstaden Bostad. The shareholders hold a combination of preference and common shares with different rights to dividends and voting. Heimstaden Bostad holds a higher ratio of common shares, and the subsidiary will be fully consolidated into Fredensborg's subsidiary, Heimstaden Bostad's share of capital is 44% and voting share is 50%.

On the 25 January 2022, Fredensborg 1994's subsidiary, Heimstaden Bostad priced EUR 200 million in a tap issue of our rate note issued on the 5 of January 2022. Bringing the total outstanding amount of the floating rate note to EUR 700 million and the same exact terms as the original trade, carrying a floating rate coupon of 3 months Euribor plus 55 bps and the same call option date.

On 22 February 2022, Fredensborg 1994's subsidiary, Heimstaden Bostad strengthened its presence in Sweden through the acquisition of Vätterbygdens Byggnads AB. The portfolio consists of 806 residential units, and 21 industrial apartments under construction, mainly located in attractive micro locations in the central parts of Jönköping. The transaction is assessed as a strategic investment. Hence, no goodwill is identified in the transaction.

Russia's invasion of Ukraine on 24 February 2022 may affect companies in Norway and companies in areas where the Group applies not only to companies that operate in the areas involved with or that trade with companies located in Ukraine, but also companies affected by sanctions and other consequences of the war. The war has already led to higher commodity prices, electricity prices, and fuel throughout Europe, markets important for the Group's operational performance. The war also leads to increased uncertainty in the international economy. Fredensborg's priority has been to safeguard and helping the millions fleeing their homes. Through the support of Heimstaden AB, the Group has reached out to the Czech government and NGO's to help preparing around 700 homeless refugees. The first families have already moved in. Additionally, Heimstaden donates EUR 1.5 million through the "A Home for Every Child" initiative to SOS Children's Villages emergency response fund. The Group is currently assessing how the invasion will impact operational performance. The Group has already taken steps and considered measures to meet these consequences. This is an event after the balance sheet date without any accounting consequences of the consolidated accounts.

On 1 March 2022, Fredensborg 1994's subsidiary, Heimstaden Bostad bought 54 403 shares in Kojamo Oyj, bringing total ownership to 10.1%.

The financial statements form part of the Annual Report and were approved by the Board of Directors and the CEO on 21 December 2021.

PARENT FINANCIAL STATEMENTS

Income Statement

NOK million	Note	2021
Management service revenues		-
Administrative expenses	2.1	-3
Operating profit/loss		-3
Other operating expenses		-
Profit before financial items		-3
Cain on disposal of shares	2.2	111
Interest income	2.2	1
Interest expenses	2.2	-1
Other financial items - net	2.2	1
Profit/loss after financial items		109
Income tax expense	2.4	1
Profit for the period		109

Årsregnskap regnskapsåret 2021 for 943582815

Balance Sheet

NOK million	31 December 2021	31 December 2020	Note
ASSETS			
Non-current assets			
Property, machinery and equipment	25	8 586	3.1
Investments in subsidiaries	9 235	72	6.2
Non-current receivables, subsidiaries	91	17	3.2
Deferred tax assets	18	47	2.4
Other non-current assets	47	8 722	
Total non-current assets	9 416	8 722	
Current assets			
Current receivables, subsidiaries	-	-	
Other current assets	-	-	
Cash and cash equivalents	1	27	3.3
Total current assets	1	27	
TOTAL ASSETS	9 417	8 749	
EQUITY AND LIABILITIES			
Share capital	4	4	4
Retained earnings	8 817	8 821	4
Total equity	8 821	8 821	
Liabilities			
Interest-bearing liabilities	-	-	
Non-current liabilities, subsidiaries	594	594	5.1
Total non-current liabilities	594	594	
Current liabilities			
Trade and other payables	2	2	2.3
Total current liabilities	2	2	
TOTAL EQUITY AND LIABILITIES	9 417	8 749	

Statement of Changes in Equity

NOK million Note 4	Share capital	Share premium reserve	Other paid in capital	Retained earnings
Equity, 31 December 2019	4			8 933
Profit for the period				99
Dividend paid				-287
Equity, 31 December 2020	4			8 745
Opening balance, 1 January 2021	4			8 745
Profit for the period				109
Dividend paid				-37
Equity, 31 December 2021	4			8 817

Årsregnskap regnskapsåret 2021 for 943582815

Cash Flow Statement

NOK million	2021	2020	Note	2021	2020
Cash flows from operating activities					
Profit before income tax	109	103			
Intercompany items	<u>575</u>	<u>-72</u>	3.2, 5.1		
Cash generated from operations	683	31			
Cash flows from investing activities					
Purchases of property			3.1		
Investments in subsidiaries			6.2		
Other cash flows from investing activities			2.2		
Net cash used in investing activities	-672	-111			
Cash flows from financing activities					
Dividends paid to the parent company's shareholders			6.1		
Repayment of loans and borrowings					
Net cash used in financing activities	-37	-			
Cash and cash equivalents at the beginning of the period					27
Change rate adjustments of cash and cash equivalents					-26
Cash and cash equivalents at the end of the period					1

Notes to the Financial Statements

1 General information and general accounting policies

Corporate information

Fredensborg 1994 AS, Corp. ID No. 943 582 815, is a Norwegian limited liability company with its registered office at Stensberggata 27, Oslo.

Fredensborg 1994 is an active, industrial and value-based owner with a long-term investment horizon focusing on residential Real Estate.

The Annual Report 2021 was approved by the Board of Directors on 31 March 2022.

Accounting Policy

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and accounting standards. Management has used estimates and assumptions that affected the financial statements in accordance with generally accepted accounting principles in Norway.

The financial statements are presented in NOK and rounded to the nearest million. [Note 2.1](#) is presented in thousands. Numbers and percentages presented in the financial statements may not add up precisely to the totals provided.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Revenue recognition

Revenues from the sale of services are recognised in the income statement in which services are provided.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as a percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Property, machinery and equipment

Property, machinery and equipment is capitalized and depreciated linearly over the estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount.

Investments in subsidiaries, joint ventures and associates

Investments are recognised at cost less any impairment. Impairment is recognised if the impairment is not considered temporary. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividend and group contributions

Dividends, group contributions and other distributions from subsidiaries are recognised in the same period as they are recognised in the providers financial statements. Dividends or group contribution exceed with the acquisition date, the excess amount represents an increase of invested capital, and the distribution will be recorded in the balance sheet of the acquisition in the balance sheet.

Accounts receivable and other receivables

Accounts receivable and other client receivables are recognised at nominal value less provisions for doubtful accounts. Doubtful accounts are based on an assessment of the different receivables. For trade receivables, a general provision is estimated based on historical experience of losses.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents includes deposits and other short term, highly liquid investments with a maturity of three months or less.

2 Income and expenses

2.1 Audit fee

The majority of the fees to the auditors attribute to the audit of the financial statements. Other services provided by the auditors in the reporting period include services for attestation and tax advisory. The fees are summarized in the table below.

EY	2021	2020
NOK thousand		
Audit assignment	67	63
Other assurance services	-	173
Tax advisory services	-	77
Total	67	313

2.2 Financial income and expenses

NOK million

	2021	2020
Assets and liabilities measured at amortised cost:		
Interest income, subsidiaries	1	1
Interest income, other financial assets	-	-
Total interest income in accordance with the effective interest method	1	1
Interest costs, loans		
Interest costs group companies	1	1
Interest costs, other financial liabilities	-	-
Total interest costs in accordance with the effective interest method	1	1
Other financial items, net		
Foreign currency, financial expense		
Financial income, sale of financial assets	111	111
Other financial expenses	1	1
Total	112	112
Total income/loss from financial items	112	112

2.3 Appropriations

NOK million	2021	2020
Group contributions received	-	-
Group contributions paid	2	-
Net group contributions	2	-

2.4 Current and deferred tax

Comprehensive Income Statement

NOK million	2021	2020
Current tax	-	-
Deferred tax	1	-4
Total income tax expense reported in Comprehensive Income Statement	109	103
Reported profit before tax		
Tax effect of:		
Non-taxable income	-111	-83
Non-deductible costs	-	-2
Non-deductible interest, net	-	-
Tax attributable to previous years	-2	-
Total general income	-4	18
Transferred to tax carried forward(-)/ Applied tax carried forward(+)	-4	18
Total	-	-

3 Assets

3.1 Property, machinery and equipment

Change in property, machinery and equipment	Property
NOK million	
Opening balance at 1 January 2020	-
Closing balance at 31 December 2020	-
Opening balance accumulated depreciation at 1 January 2020	-
Closing balance accumulated depreciation at 31 December 2020	-
Carrying amount at 31 December 2020	-
Opening balance at 1 January 2021	-
Acquisitions for the year	25
Closing balance at 31 December 2021	25
Opening balance accumulated depreciation at 1 January 2021	-
Depreciation for the year	-
Closing balance accumulated depreciation at 31 December 2021	-
Carrying amount at 31 December 2021	25

3.2 Non-current receivables, subsidiaries

NOK million	31 December 2021
Opening balance	72
Change for the year	19
Closing balance	91

Intercompany loans are priced at arms length terms.

3.3 Cash and cash equivalents

Cash and cash equivalents mainly include bank deposits. The change in cash and cash equivalents are included in the Cash Flow Statement of Cash Flows.

4 Equity

Event	Share Capital	Other equity	Total
Opening balance at 1 January 2020	4	8 933	8 937
Profit of the year		99	99
Dividends paid		-287	-287
Closing balance at 31 December 2020	4	8 745	8 749
Opening balance at 1 January 2021	4	8 745	8 749
Profit or loss of the year		109	109
Dividend paid		-37	-37
Closing balance at 31 December 2021	4	8 817	8 821

Share capital and shareholder information

Share capital	Number of shares	Par Value	Book value
A-Shares	250 000	2.29	1
B-Shares	1 500 000	2.29	3
Total	1 750 000	2.29	4

5 Other liabilities

5.1 Non-current liabilities, subsidiaries

NOK million	31 December 2021
Opening balance	-
Change for the year	594
Closing balance	594

Current liabilities to subsidiaries is intercompany debt to Fredensborg AS.

6 Other disclosures

6.1 Related party disclosures

Transactions with the shareholder, subsidiaries, joint ventures and associated companies

NOK million	2021
Sales to subsidiaries, joint ventures and associated companies	-
Purchases from subsidiaries, joint ventures and associated companies	-
Interest: income to subsidiaries, joint ventures and associated companies	1
Interest costs to subsidiaries, joint ventures and associated companies	1
Receivables from subsidiaries, joint ventures and associated companies	91
Liabilities to subsidiaries, joint ventures and associated companies	594
Dividend to the company's shareholder	37
Dividends from subsidiaries, joint ventures and associated companies	-

For more information about related party transactions, see [Note 8.4](#) in the consolidated financial statements.

Executive management

For information of remuneration, pension and benefits to the Board of Directors, the CEO and employees, see [Note 2.2](#).

6.2 Group companies

Investment in subsidiaries

Company	Location	Share in %	Voting rights in %
Fredensborg AS	Norway	100	100
Fredensborg Trening AS	Norway	100	100
Fredensborg 19 AS	Norway	100	100
FBA 2020 AS	Norway	81.61	100
FBA 2021 AS	Norway	76.68	100
Fredensborg 04 AS	Norway	100	100
Sæteren Kragerø AS	Norway	100	100
Hellermyrveien 7 AS	Norway	100	100
Hellermyrveien 14 AS	Norway	100	100
Beadel Limited Ltd	Malta	100	100
Fredensborg Property Investments SA Ltd	South Africa	100	100
FBA 2018 AS	Norway	95.36	100
FBA 2019 AS	Norway	79.43	100



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Fredensborg 1994 AS

Opinion

We have audited the financial statements of Fredensborg 1994 AS (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise balance sheet as at 31 December 2021 and the income statement, statement of changes in equity and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise consolidated balance sheet as at 31 December 2021, consolidated comprehensive income statement, consolidated cash flow statement and consolidated statement of changes in equity 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 legal 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 cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated 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 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 these 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 in accordance with the requirements of the relevant laws and regulations in Norway 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

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and CEO) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

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We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and 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 and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 the 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, 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 and 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's 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 fair presentation.
- 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

Independent auditor's report - Fredensborg 1994 AS 2021

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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, 29 April 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Kjetil Rimstad
State Authorised Public Accountant (Norway)

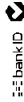
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"Med min signatur bekrefter jeg alle dataene og innholdet i dette dokument."

Kjetil Rimstad
State Authorised Public Accountant (Norway)
På vegne av Ernst & Young AS
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ALTERNATIVE PERFORMANCE MEASURES

Net Loan-to-Value (LTV) NOK million	2021	2020
Interest-bearing secured liabilities	67 016	47 770
Interest-bearing unsecured liabilities	108 614	36 629
Cash and cash equivalents	20 698	11 894
Net interest-bearing liabilities	154 932	72 505
Fair value of investment properties	299 311	156 557
Net LTV, %	52%	46%

Net Debt / Total Assets NOK million	2021	2020
Net interest-bearing liabilities	154 932	72 505
Total assets	354 511	177 314
Net Debt / Total Assets, %	44%	41%

Interest Coverage Ratio (ICR) NOK million	2021	2020
Profit before financial items	3 290	3 907
Financial income	235	113
Profit before financial items plus financial income	3 525	4 020
Financial costs	-1 897	-1 686
ICR	1.9	2.4

¹ 2021: only properties owned as of 2019-12-31 are included.

² 2020: only properties owned as of 2018-12-31 are included.

Net operating income margin NOK million	2021
Rental income	9 272
Net operating income	5 545
Net operating income, %	60%

Equity ratio NOK million	2021
Equity	145 409
Assets	354 511
Equity ratio, %	41%

Solvency NOK million	2021
Equity	145 409
Liabilities	209 102
Solvency ratio, %	69%

EBITDA NOK million	2021
Operating profit before investment properties and fair value adjustments	3 290
Amortisation and depreciation	73
EBITDA	3 217

	2021	2020
Debt/EBITDA		
NOK million		
Interest-bearing liabilities	175 630	84 400
EBITDA	3 217	3 779
Debt/EBITDA	55	22

	2021	2020
Net asset value (NAV) excluding minorities		
NOK million		
Equity	145 409	80 314
Minority interests	112 510	56 694
Equity excluding minorities	32 895	23 620
Deferred tax excluding minority interests	7 871	5 326
Off balance market value ¹	4 495	2 682
NAV	45 261	31 628

	2021	2020
Secured loan-to-value		
NOK million		
Interest-bearing secured liabilities	67 016	47 770
Total assets	354 511	177 314
Net loan-to-value, %	19%	27%

¹ Off balance market value in the Groups business units in Norway.

