

Holmetjern Invest AS

Management Report

December 2018

Organization no. 912 810 089



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Introduction

This report provides a status for the largest real estate projects of Holmetjern Invest AS («HTI») as of December 2018.

Holmetjern Invest AS

HTI is an investment company, located in Trondheim. Kolbjørn and Karl Albrecht Selmer owns 95% of the company and Endre Kolbjørnsen own the remaining 5%. The company primarily invests in real estate and exercise active ownership in all its investments. The largest investment is Overvik in Trondheim, where app. 2.500 houses will be built over the next 15-20 years. Based on this, the company is amongst the largest real estate developers in Trondheim. HTI cooperates with renowned partners who hold good track records. For instance, Boligbyggelaget TOBB and Halden Boligbyggelag (both co-operative building societies), who are close collaborators in Overvik and Oreid respectively.

Summary 2018

First phase, Overvik

The initial sales at Overvik commenced in 2018, and the first phase was launched on November 21th 2018. A total of 38 units, 23 town houses and 15 apartments, were put up for sales. The response was good, and the second phase was therefore launched on February 5th 2019, with additional 38 units. As of February 28th 2019, 37 units in total are sold, which equals a sales rate of 49 % and an app. turnover of NOK 163m. Measured in units, Overvik is the bestselling project in Mid-Norway over the last three months and we are hence pleased with the good start.

Financing

HTI has significantly strengthened its financial capacity throughout the first half of 2018 by issuing a bond of NOK 200M. The aim is to facilitate further growth through new investments. Throughout 2018 HTI has made additional investments in Overvik, in addition to the first construction phase at Overvik where we expect to start building during autumn of 2019.

Organization

HTI has strengthened its organization by employing three new co-workers. Tonje Borthen and Joakim Lund started during the autumn of 2018. They will both be working with new investments in addition to following up and managing our existing investments. Tonje Borthen has extensive experience from Eiendomsmegler 1 («EM1») in Trondheim and she has been one of the top selling real estate agents in Norway over a period of years. Joakim Lund also has his background from EM1 in Trondheim and he has extensive experience from new housing projects.

In addition to these two, Heidi Alstad started working in our finance department as of February 1st 2019. Heidi Alstad is a certified accountant and has been employed with

amongst others KPMG for 7 years, where she worked as a Senior accountant and Manager. After this she also worked 6 years as a Finance and Administration Manager at the law firm Arntzen de Besche Advokatfirma AS in Trondheim.

We expect yet another employment during the spring of 2019 to strengthen our professional building expertise.

In this regard 2018 has been a year where HTI has strengthened both our financial and our organizational situation. HTI is therefore in a good position when it comes to additional growth and new investments during 2019.

Expectations for 2019

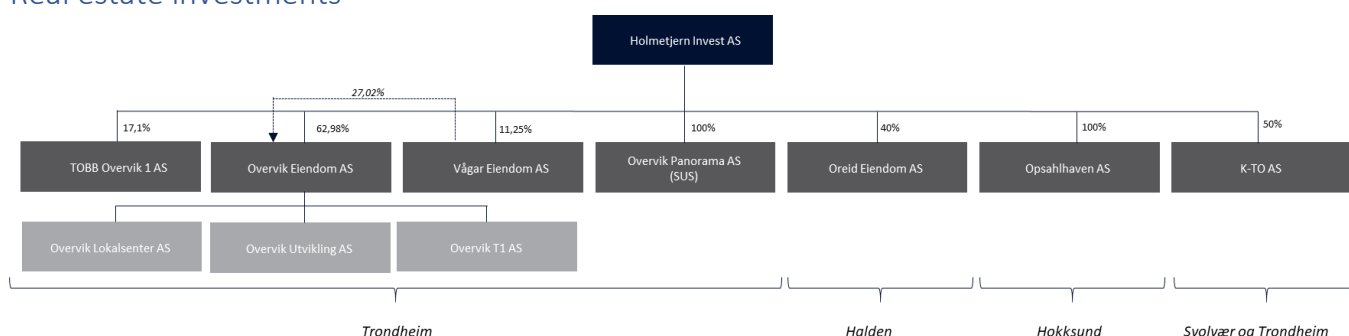
At Overvik we expect to start building in the autumn of 2019. If all goes according to plan, another plot sale will be carried out during the autumn of 2019. This will further strengthen the liquidity of both the Overvik companies as well HTI.

In addition to this HTI has a good pipeline of new investments, which we expect to carry out during the first half of 2019. These are typical investments with a horizon of 2-3 years, which will be executed with existing partners.

Investments

Holmetjern Invest AS has its investments primarily within real estate, but also within industry among others. This report, however, will focus on the real estate investments, which makes up the majority of HTI's values and hence the main part of the current cash flow.

Real estate investments



The figure above shows the different real estate investments of HTI, and where they are located. The main part of the investments is in Trondheim, including the companies TOBB Overvik 1 AS, Overvik Utvikling AS, Overvik Lokalsenter AS, Overvik Panorama AS and Overvik T1 AS. In addition, we have the company Vågar Eiendom AS, which owns app. 27 % of Overvik Eiendom AS. Vågar Eiendom AS hence has no inventory of lots itself.

As a total, these companies will develop app. 300.000 sqm. over the next 15-20 years, equivalent to app. 2.500 units. The sale of the first phase have already started, through the company TOBB Overvik 1 AS.

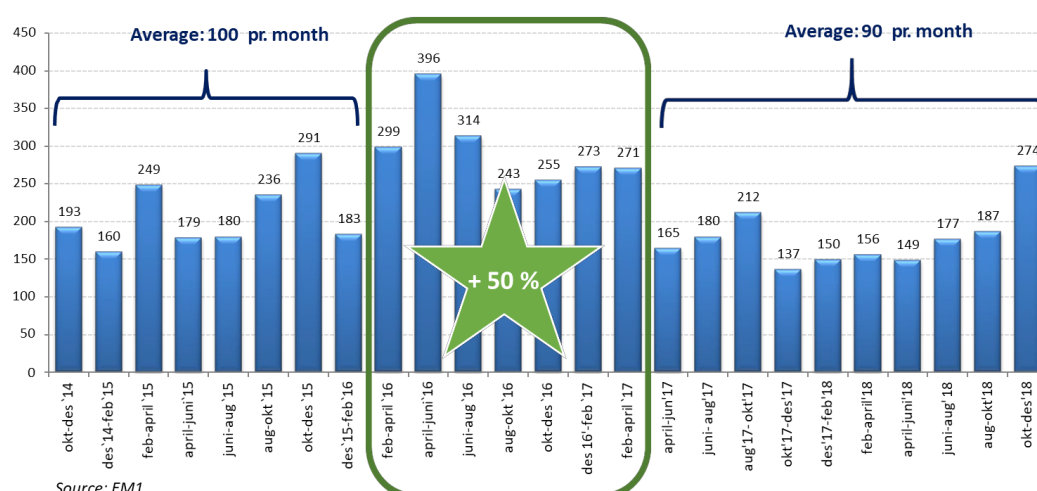
The concept «leie-før-eie» (“renting-before-buying”) - developed by Boligbyggelaget TOBB in Trondheim - has been launched for several of the projects that HTI is involved in. The concept is customized for people who have a healthy and stable economy but do not meet the banks’ equity requirements when it comes to financing. This concept means the unit can be rented for 3-5 years, and the increased value up to 15 % of the required equity will then be credited the buyer. When the rental period ends, the tenant has a right, but no obligation, to buy the unit. In selected projects it is also possible to buy the unit before 3 years have passed. If the prices are to drop during the rental period, they don’t have to buy the unit. The price is set upon the commencement of the rental period. This is an advantage for the buyer/tenant, who is given the opportunity to enter the market even if the equity requirements are not met to begin with. The concept has proven very attractive, and for the projects where it has been launched the interest has been significant. For projects where this is launched as a supplement to ordinary sales one will have a very low degree of unsold units and one will also be able to initiate the projects fairly quick. In a scenario where the tenant doesn’t exercise their possibility to buy the unit, the developer will still have a strong return on their equity using the unit as a rental object. According to page 10 of this report, this kind of project recently sold with a very good equity return.

Overvik

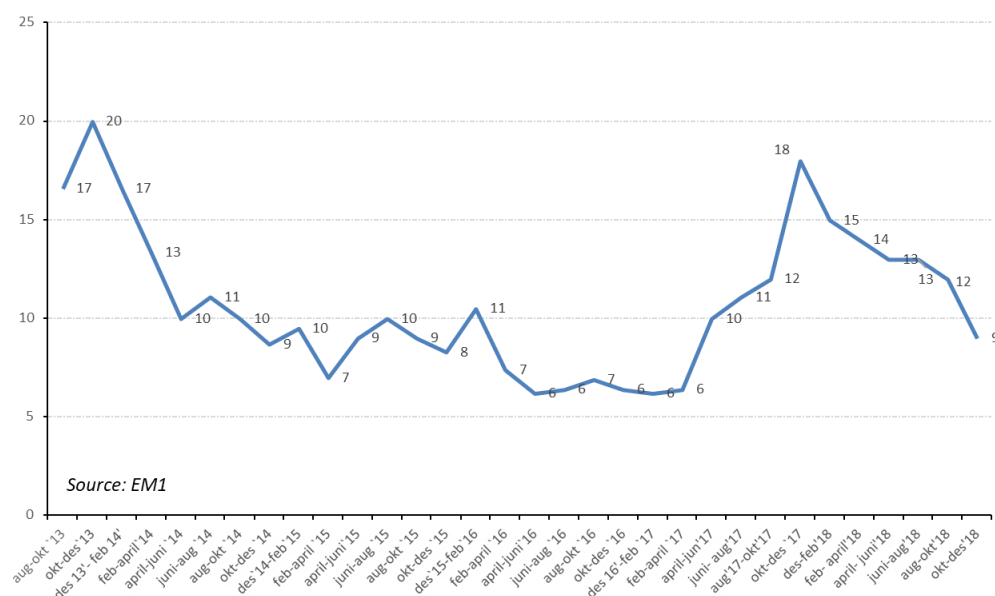
Market

The housing market in Trondheim appears to be more stable than what we see for other larger cities in Norway. One of the reasons for this is the high degree of public employees, which makes the market less subject to fluctuations.

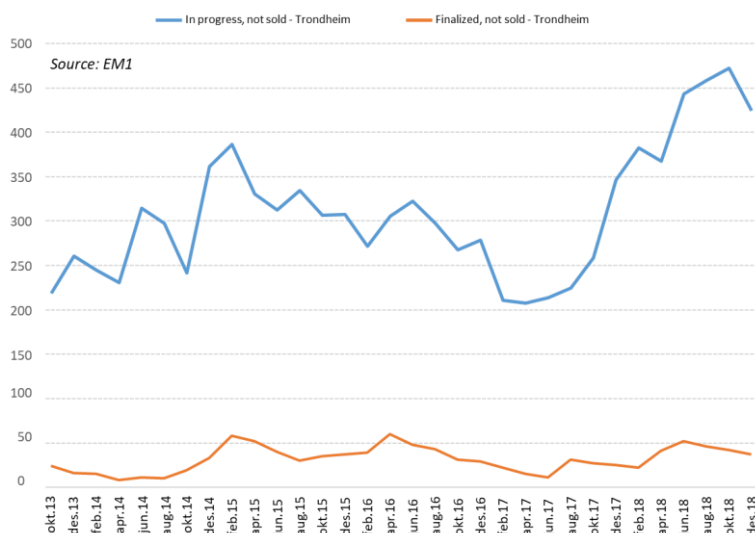
Over all the housing market in Trondheim has been stable throughout 2018. The market for second hand houses is down by 0,8 %, while the market for new houses (which Overvik is a part of) remained stable in 2018. In Trondheim the access to new houses has been relatively high throughout the whole of 2018 and as of December 2018 there were app. 1.000 unsold units in the market.



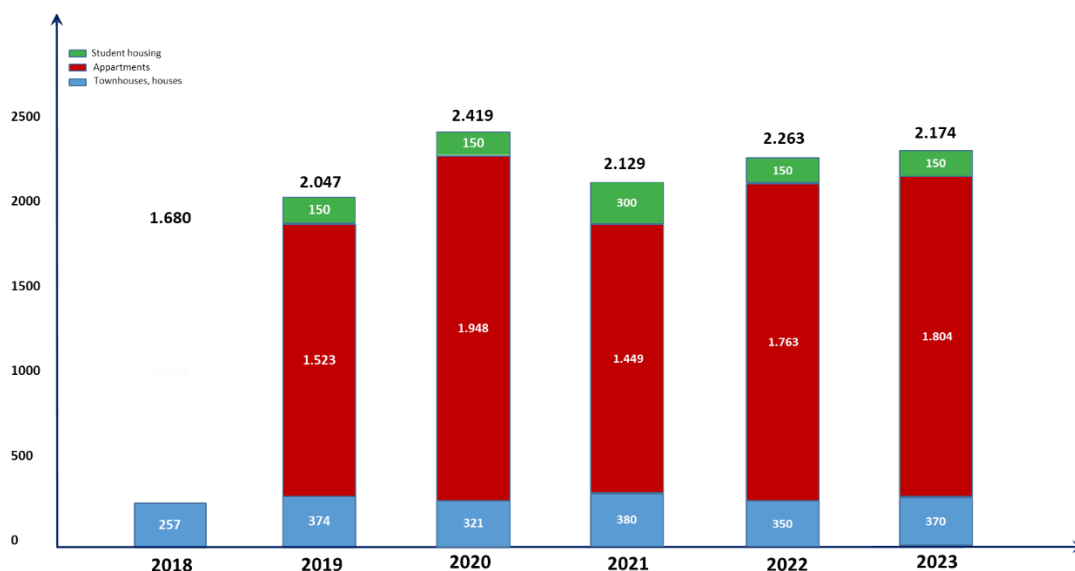
The sales of new houses in 2018 ended up on app. 1.100 units, which must be seen upon as a normal year for Trondheim. Especially because of the strong competition from the second-hand market, which has provided an extensive number of units. As the figure below shows, the sales rate of new houses is back to a normal level. By the end of December 2017, it took app. 18 months for a project to reach end sale. Per December 2018, this is reduced to 9 months.



There are hardly any unsold units that are completed in the Trondheim market. The number of completed unsold units has been stable at around 50 units in recent years. Compared to earlier years there has been an increase in initiated unsold units throughout 2018, but when compared to the increase in sales rates this does not indicate any abundance of completed unsold units in the near future.



Overall, a large number of completed units are in the pipeline for the coming years. This will see to it that a real competitive situation is maintained between the developers, and experience shows that the projects perceived to be the least attractive in the marked will probably not obtain a high enough level of pre-sales in order for the project to be realized.



Status

When fully developed, Overvik will consist of app. 2.500 units and will hence become a whole new district at Ranheim, which links Jakobsli and Olderdalen together. In addition to the housing units, there will be a local shopping centre, a school and day care centres in the area. The development period is expected to take up to 20 years. The area zoning plan was accepted in June 2018 and the detailed zoning plan for the area B1, where the sales have now started, was accepted in October 2018.

Sales of the first phase at Overvik has commenced and is facilitated by the companies Overvik T1 AS and TOBB Overvik 1 AS. The first phase consists of 76 units, 30 apartments and 46 terraced houses, where the average size of each unit is app. 90 sqm. If all goes according to schedule, we assume to start construction in Q3 2019. The first units will then be ready around the year-end of 2020.

The first sales stage was launched on November 21st 2018, and the second sales stage was launched on February 5th 2019. The reception in the marked has been very good, and as of February 28th we have sold a total of 37 out of 76 units. This equals a turnover of NOK 163m and 49 % of the number of units for the first construction phase. When it comes to number of units, Overvik is the best-selling housing project in Mid-Norway over the last three months.

Summary

All in all, we are very pleased with the sales start at Overvik. In a period where there are many units available in the market our sale has been good. This indicates that we have a product and a location which is well received in the market. Our ambition is to sell around an average of 100-150 units per year, in a normal market. Hence, a sale of 37 units from the end of November 2018 until today is something we are very pleased with.

You can read more about the project here: <http://www.overvik.no/>

Oreid

The project Oreid is situated in Halden and co-owned by Boligbyggelaget TOBB («TOBB») and Halden Boligbyggelag («HABO») among others. The project will develop around 1.000-1.500 units and is hence one of the largest development projects in Halden. The project commenced in 2016.

Status

2018 has been the year where Oreid made a mark in the housing market of Halden. As of today, we have sold lots equivalent to 40 units to developers, and 34 of these are sold to or reserved by home buyers. HABO is among the largest partners at Oreid, and this project is one of the main priorities of HABO.

The largest single project of 2018 was «renting-before-buying », where a contract for sales of 12 units was entered. In total there were more than 40 persons interested in the 12 units, and hence a significant interest in this project. As of today, 3 of the tenants have said they want to buy the unit upon moving in during the spring of 2019.

You can read more about Oreid here: <https://www.oreid.no/>

Opsahlhaven

In Hokksund we own a property through the company Opsahlhaven AS. Here we are in process of launching app. 43 units in the marked – just under 3.000 sqm. The project is named «Opsahlhaven» and is centrally located in Hokksund, with most of the public services within walking distance from our property.

Status

The new area zoning plan for the Hokksund centre was approved in December 2018 and we plan to develop our project according to this area plan and our detailed zoning plan for parts of this property. We are now in process with entrepreneurs calculating the project, looking for feasible solutions to make the project more efficient and cost-saving without compromising the quality we want this project to have.

When it comes to market competition, there are several projects out for sale in Hokksund centre, and also some outside the central area. All of these, except one, have experienced a good progression in sales. With the exception of Opsahlhaven, we don't know of any other new projects about to launch in central Hokksund in 2019. This makes us confident that

Opsahlhaven will be a successful project. We are planning to launch the concept of «renting-before-buying» in this project as well, to secure the realization of the project.

We expect sales to start during the spring of 2019, and construction to start ultimo 2019. Due to regulatory conditions that have only recently been clarified, the project has been delayed according to the original plan.

Other

The company K-TO AS is an investment company which mainly invests in real estate. Together with Boligbyggelaget TOBB K-TO AS used to own Lillebyen AS, which owns app. 50 units within the concept of «renting-before-buying». K-TO AS sold its 50 % share in January 2019. K-TO AS had a cost price of their shares of NOK 50t. However, they sold at NOK 6.1M and therefore had a significant gain on this investment. In addition to this, a loan of NOK 15M was repaid when the shares were sold.

Summary

The development of the real estate investment has been as expected, except the delay at Opsahlhaven. The sales start at Overvik has been very good, and this indicates that we have a very strong product. The progress at Oreid has also been very good, and 2018 is the year where Oreid truly stated their position in the market. K-TO AS' gain from the sales of the «renting-before-buying» company, Lillebyen AS, shows that this concept is very attractive also as a pure investment.

Interim Group Financial Statements

Holmetjern Invest AS

31. december 2018

Summary

This report is prepared by 31 December 2018, in accordance with NGAAP and are unaudited. The effect of positive value changes will not affect the financial reporting since NGAAP, unlike IFRS, is based on historical cost. The value increase of NOK 59m, based on appraisals from Akershus Eiendom AS, compared to December 2017 is therefore not recognized in the financial reporting. The Group is in the progress of converting to IFRS , and the first reporting according to IFRS will be in accordance with the annual report for 2018, which will be published by the end of April 2019.

The profit and loss both for Holmetjern Invest AS and for the Group are negative for 2018, according to the attached NGAAP reporting. The profit and loss are influenced by non-recurring cost related to the bond issue and the fact that value increase in the real estate portfolio is not recognized in the NGAAP reporting.

The development in our project is therefore, as stated earlier in this report, in accordance with our initial expectations.

Profit and loss

Parent Company				Group			
2.half of 2018	The Year of 2018	The Year of 2017	NOTE	OPERATING PROFIT	2.half of 2018	The Year of 2018	The Year of 2017
				Revenue from operations			
0	0	12 150 000		Revenue	738 342	3 465 335	15 695 091
0	0	0		Other operating income	0	0	286 245
0	0	12 150 000	2	Total revenue	738 342	3 465 335	15 981 336
				Expenses from operations			
0	0	11 000 000		Cost of goods sold	249 113	346 557	14 883 272
0	0	0		Change in inventories	0	2 280 000	-3 315 208
460 657	974 022	1 298 395		Personnel expenses	317 976	2 245 625	5 783 464
0	0	28 306		Depreciation and amortisation	122 165	256 453	335 329
19 426 407	27 056 991	3 837 751		Other operating expenses	21 533 386	31 840 677	9 955 908
19 887 064	28 031 013	16 164 452		Total operating expenses	22 222 640	36 969 312	27 642 765
	0	0			0	0	0
-19 887 064	-28 031 013	-4 014 452		OPERATING PROFIT	-21 484 298	-33 503 977	-11 661 429
				FINANCIAL INCOME AND EXPENSES			
				Financial income			
22 495 684	23 045 684	18 893 937		Income from subsidiaries	0	0	0
0	0	0		Income from associated companies	0	0	0
1 429 418	5 973 728	354 813		(Other) interest income	1 800 000	6 014 699	1 894 219
0	0	5 898 866		(Other) finance income	1 117 170	4 261 342	5 903 258
23 925 102	29 019 412	25 147 616		Total financial income	2 917 170	10 276 041	7 797 477
				Financial expenses			
0	0	0		Write-down of financial assets	0	0	0
8 690 977	15 006 637	2 089 528		(Other) interest expenses	6 340 387	15 053 422	2 100 476
0	0	697		Other financial expense	0	88 227	9 735
8 690 977	15 006 637	2 090 225		Total financial expenses	6 340 386	15 141 649	2 110 211
					0	0	0
15 234 125	14 012 775	23 057 391		NET FINANCIAL INCOME	-3 423 216	-4 865 608	5 687 266
					0	0	0
-4 652 939	-14 018 238	19 042 939		PROFIT BEFORE INCOME TAX	-24 907 514	-38 369 585	-5 974 163
				Income tax expense	0	0	0
-1 070 176	-3 224 195	-1 120 608			-1 348 205	-4 444 481	-2 402 904
-3 582 763	-10 794 043	20 163 547	2	NET PROFIT AND LOSS FOR THE YEAR	-23 559 309	-33 925 104	-3 571 259
				Allocation of net profit			
-3 582 763	-10 794 043	10 163 547		Transferred from other equity	-34 426 857	-43 499 480	-24 116 927
0	0	0		Allocated to other equity	0	0	0
0	0	0		Minority share of profit	-238 515	-1 531 686	-560 395
0	0	10 000 000		Dividends	11 106 063	11 106 063	21 106 063
-3 582 763	-10 794 043	20 163 547	5	TOTAL ALLOCATED	-23 559 309	-33 925 103	-3 571 259

Balance sheet, assets

Parent Company			Group				
31.12.2018	30.06.2018	31.12.2017	NOTE	ASSETS	31.12.2018	30.06.2018	31.12.2017
				Fixed intangible and tangible assets			
				Intangible assets			
0	0	0		Goodwill	6 975 452	6 975 452	6 975 452
4 732 391	3 662 215	1 508 196		Deferred tax asset	8 921 861	7 582 643	4 486 367
<u>4 732 391</u>	<u>3 662 215</u>	<u>1 508 196</u>		Total intangible assets	<u>15 897 313</u>	<u>14 558 095</u>	<u>11 461 819</u>
				Tangible assets			
0	0	0		Land, buildings and other property	40 367	44 367	48 367
0	0	0		Machinery and plant	55 200	55 200	55 200
133 099	133 099	133 099		Other tangible assets	178 197	324 052	426 650
<u>133 099</u>	<u>133 099</u>	<u>133 099</u>		Total tangible assets	<u>273 764</u>	<u>423 619</u>	<u>530 217</u>
				Financial fixed assets			
6 306 798	6 176 798	4 676 798		Investments in subsidiaries	0	1 461 000	0
0	0	0		Investments in joint ventures	0	0	0
20 616 910	20 269 930	18 908 410		Investments in joint associated companies	31 507 103	31 209 123	29 847 603
39 996 424	39 396 480	11 086 408		Investments in shares	39 996 424	39 435 480	11 086 408
1 000 000	0	0	9	Bonds	1 000 000	0	0
66 676 918	32 423 141	39 132 333	7	Loans to group companies	0	0	13 809 010
36 000 494	2 509 900	9 900		Other receivables	67 214 157	82 735 499	58 897 191
<u>170 597 544</u>	<u>100 776 249</u>	<u>73 813 849</u>		Total financial fixed assets	<u>139 717 684</u>	<u>154 841 102</u>	<u>113 640 212</u>
<u>175 463 034</u>	<u>104 571 563</u>	<u>75 455 144</u>		Total fixed assets	<u>155 888 761</u>	<u>169 822 816</u>	<u>125 632 248</u>
				Current assets			
<u>32 405 475</u>	<u>32 405 475</u>	<u>32 405 475</u>	3,1	Inventories	<u>509 693 024</u>	<u>492 981 601</u>	<u>469 389 495</u>
				Receivables			
0	98 438	56 250		Trade receivables	322 897	721 889	99 147
0	18 893 937	18 893 937	7	Group receivables	0	0	0
26 663	0	4 626		Other receivables	454 467	609 501	3 283 391
<u>26 663</u>	<u>18 992 375</u>	<u>18 954 813</u>		Total receivables	<u>777 364</u>	<u>1 331 390</u>	<u>3 382 538</u>
				Investments			
0	0	0		Quoted investment shares	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>		Total investments	<u>0</u>	<u>0</u>	<u>0</u>
60 015 248	47 631 522	3 236 383		Cash and cash equivalents	91 534 880	59 243 868	9 641 222
<u>92 447 386</u>	<u>99 029 372</u>	<u>54 596 671</u>		Total current assets	<u>602 005 268</u>	<u>553 556 859</u>	<u>482 413 255</u>
<u>267 910 420</u>	<u>203 600 935</u>	<u>130 051 815</u>		TOTAL ASSETS	<u>757 894 031</u>	<u>723 379 675</u>	<u>608 045 503</u>

Balance sheet, equity and debt

Parent Company				Group			
31.12.2018	30.06.2018	31.12.2017	NOTE	EQUITY AND DEBT	31.12.2018	30.06.2018	31.12.2017
Equity							
Paid-in equity							
30 000	30 000	30 000	4,5	Share capital	30 000	30 000	30 000
0	0	0		Own shares	0	0	0
10 459	10 459	10 459		Premium fund	10 459	0	10 459
0	0	0		Other paid-in equity	0	0	0
40 459	40 459	40 459		Total paid-in equity	40 459	30 000	40 459
Retained earnings							
35 895 188	39 477 951	46 689 231		Other equity	15 366 827	12 735 198	47 777 740
35 895 188	39 477 951	46 689 231		Total retained earnings	15 366 827	12 735 198	47 777 740
0	0	0		Minority interests	33 787 456	74 700 304	46 407 710
35 935 647	39 518 410	46 729 690	5	Total equity	49 194 742	87 465 502	94 225 909
Liabilities							
Provisions for liabilities							
0	0	0	6	Pension liabilities	0	0	0
0	0	0		Other provisions	0	0	0
0	0	0		Total provisions	0	0	0
Other non-current liabilities							
0	0	0		Debt to financial institutions	201 359 570	151 340 000	46 783 541
200 000 000	112 000 000	0	9	Debt securities issued	200 000 000	112 000 000	0
0	0	31 018 186		Other non-current liabilities	234 222 295	305 982 443	386 548 085
0	0	0	7	Debt to group companies	0	0	0
200 000 000	112 000 000	31 018 186		Total other non-current liabilities	635 581 865	569 322 443	433 331 626
Current liabilities							
0	0	0		Liabilities to financial institutions	0	0	0
1 420 930	307 260	585 034		Trade creditors	2 281 888	1 022 770	5 086 374
0	0	0		Tax payable	0	0	0
42 977	60 996	98 393		Public taxes payable	1 027 820	601 271	684 887
0	10 000 000	10 000 000		Dividends	11 106 063	23 106 063	21 106 063
30 510 865	2 096 434	41 620 512		Other short-term liabilities	58 701 654	41 861 626	53 417 754
0	39 617 835	0	7	short-term liabilities to group companies	0	0	192 890
31 974 772	52 082 525	52 303 939		Total current liabilities	73 117 425	66 591 730	80 487 968
231 974 772	164 082 525	83 322 125		TOTAL LIABILITIES	708 699 290	635 914 173	513 819 594
267 910 420	203 600 935	130 051 815		TOTAL EQUITY AND DEBT	757 894 031	723 379 675	608 045 503

Trondheim, 31. desember 2018

Cash flow statement

Cash flow statement

Holmetjern Invest (Group)

	31.12.2018	31.12.2017
Cash flow from operations		
Profit before income taxes	-39 927 327	-1 261 057
Taxes paid in the period	-	-1 235 610
Gain/loss from sale of fixed assets	-109 325	-
Depreciation	256 453	335 329
Change in inventory	-38 691 379	-37 359 572
Change in trade debtors	-223 750	761 016
Change in trade creditors	-2 863 386	1 362 009
Change in other provisions	363 696	48 859
Net cash flow from operations	-81 195 018	-37 349 026
Cash flow from investments		
Purchase of fixed tangible assets	-	-182 470
Payments on the loan receivable group (short-term/long-term)	-1 000 000	-
Deposits on other loan receivable (short-term/long-term)	8 330 923	-
Payments on other loan receivable (short-term/long-term)	-	-12 971 291
Proceeds from sale of shares and bonds, and contributions to subsidiaries	109 325	-
Purchase of shares and bonds, and contributions to subsidiaries	-30 569 516	-18 105 344
Net cash flow from investments	-23 129 268	-31 259 105
Cash flow from financing		
Proceeds from group companies	58 491 521	-
New debt issued	148 832 486	75 978 071
Payment of existing debt (short-term/long-term)	-10 000 000	-
Repayments of equity	-	-1 007 720
Payment of dividend	-11 106 063	-21 106 063
Net cash flow from financing	186 217 944	53 864 288
Net cash flow for the period	81 893 658	-14 743 843
Cash and cash equivalents at the beginning of the period	9 641 222	24 385 065
Cash and cash equivalents at the end of the period	91 534 880	9 641 222

Notes to interim report

Group financial statement
Holmetjern Invest AS
Notes to interim report 30.06.2018

Note 1 Accounting Principles

General Accounting Principles

The interim report for the second half of the year of 2018 is prepared in accordance to IAS 34. The interim report for the fourth quarter of 2018 is prepared with the same accounting principles and calculations as described in the annual financial statement 2017, and should be read in this context.

Segment reporting

Financial information about segments is presented in note 2.

Note 2 Segment Information

Products and services

31.12.2018	Real estate	Subsea	Other	Eliminations	Group
Revenue	-	3 465 335	-	-	3 465 335
Other operating income	0	0	0	0	0
Total revenue	0	3 465 335	0	0	3 465 335
Cost of goods sold	0	2 280 000	0	0	2 280 000
Changes in inventories	1 062 522	1 183 103	0	0	2 245 625
Personnel expenses	215 020	41 433	0	0	256 453
Depreciation and amortisation	29 239 754	2 525 445	0	0	31 765 199
Other operating expenses	-30 517 296	-6 029 981	0	0	-36 547 277
Operating profit	0	3 465 335	0	0	3 465 335
Income from subsidiaries	0	0	0	0	0
Income from associated companies	12 993 778	0	0	0	12 993 778
Net financial income	-12 993 778	0	0	-51 722 776	-64 716 554
Profit before income tax	0	3 465 335	0	-51 722 776	-48 257 441
Income tax expense	0	0	0	0	0
Net profit and loss for the year	0	3 465 335	0	-51 722 776	-48 257 441

Assets					
Fixed assets	0		0	0	0
Current assets	1 023 935 304	11 532 345	2 219 545	-279 793 165	757 894 029
Total assets	1 023 935 300	11 532 345	2 219 545	-279 793 165	757 894 031

Equity and debt

Equity	0		0	75 993 476	75 993 476
Debt	1 023 935 299	11 532 345	2 219 545	-279 793 156	757 894 032
Total equity and debt	1 023 935 300	11 532 345	2 219 545	-203 799 690	833 887 507

31.12.2017	Real estate	Subsea	Other	Eliminations	Group
Revenue	12 162 113	3 819 223	-	-	15 981 337
Other operating income	0	0	0	0	0
Total revenue	12 162 113	3 819 223	0	0	15 981 337
Cost of goods sold	11 000 000	3 883 272	0	0	14 883 272
Changes in inventories	0	-3 315 208	0	0	-3 315 208
Depreciation and amortisation	257 726	77 603	0	0	335 329
Other operating expenses	7 853 474	7 796 959	83 369	5 570	15 739 372
Operating profit	-6 949 087	-4 623 403	-83 369	-5 570	-11 661 429
Income from subsidiaries	48 893 937	0	0	-48 893 937	0
Income from associated companies	0	0	0	0	0
Net financial income	10 446 450	-638	-852	-4 757 694	5 687 266
Profit before income tax	52 391 300	-4 624 041	-84 221	-53 657 201	-5 974 163
Income tax expense	-220 353	-1 058 217	17 513	-1 141 847	-2 402 904
Net profit and loss for the year	52 611 653	-3 565 824	-101 734	-52 515 354	-3 571 259

Assets					
Fixed assets	264 547 602	1 282 407	0	-139 055 914	126 774 095
Current assets	621 595 976	10 038 325	6 547	-150 369 440	481 271 408
Total assets	886 143 578	11 320 732	6 547	-289 425 354	608 045 504

Equity and debt

Equity	176 483 673	5 260 652	-84 763	-87 433 653	94 225 909
Debt	709 659 903	6 060 080	91 310	-201 991 700	513 819 593
Total equity and debt	886 143 576	11 320 732	6 547	-289 425 353	608 045 504

The Financial Statement and Balance sheet is based on the interim financial report as it presented for Holmetjern Invest management. Holmetjern Invest Group has companies in development, buying, selling and rental of real estate. Other parts of the group deliver products and services to the subsea industry. The numbers builds on Holmetjern Invest's governance model and accounting principles.

Note 4 Inventory

Parent Company		Group		
31.12.18	31.12.17		31.12.18	31.12.17
30 000 000	30 000 000	Land	410 411 119	416 596 346
2 405 475	2 405 475	Manufacturing costs	90 761 989	47 773 233
0	0	Goods at work	8 519 916	5 019 916
32 405 475	32 405 475	Total	509 693 024	469 389 495

The inventory contains of activated costs of development of land. This is developed for the purpose of selling it and is therefor treated as development of goods. This is in accordance with Regnskapsloven § 5-4 and NRS 1. Inventory is assessed at full production costs

Note 5 Share capital and shareholder information

Share capital as of 31.12.18 contains:

	Number of shares	Value per share	Book value
Ordinary shares	30 000	1,00	30 000

Ownership structure
Share holders pr. 31.12.

	Company number	Number of shares	Shareholding
Selmer Holding AS	989 278 037	21 375	71,25%
Snowy Invest AS	912 799 891	7 125	23,75%
Singsaker Eiendom AS	958 086 628	1 500	5,00%
Totalt antall aksjer		30 000	100,00%

Note 6 Equity

Parent company

	Share capital	Share premium	Retained earnings	Total equity
Equity 01.01.	30 000	10 459	46 689 231	46 729 690
Capital increase	0	0	0	0
This periods profits	0	0	-10 794 043	-10 794 043
Other changes	0	0	0	0
Equity 31.12	30 000	10 459	35 895 188	35 935 647

Group

	Share capital	Share premium	Retained earnings	Minority interests	Total equity
Equity 01.01.	30 000	10 459	47 777 740	64 978 099	112 796 298
Sales to minority interests	0	0	0	0	0
Emission to minority interests	0	0	0	0	0
Share deposits minority interests	0	0	0	0	0
This periods profits	0	0	-32 393 418	-1 531 686	-33 925 104
Dividends	0	0	0	-11 106 063	-11 106 063
Equity 31.12	30 000	10 459	15 384 322	52 340 350	67 765 131

Note 7 Pensions

The group is obliged to have an occupational pension scheme in accordance with the "lov om obligatorisk tjenestepensjon" and has a pension scheme in accordance with this law.

Note 8 Balances with companies in the same group

Parent company	Other short-term receivables		Long-term receivables	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
In the same group	0	37 787 874	66 676 918	6 429 386
Associated companies	-	-	0	0
Total	0	37 787 874	66 676 918	6 429 386

	Other short-term liabilities		Other long-term liabilities	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
In the same group	0	0	0	0
Associated companies	0	0	0	0
Total	0	0	0	0

Group	Other short-term receivables		Long-term receivables	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
In the same group	0	0	0	0
Associated companies	444 512	3 283 391	66 076 831	58 897 191
Total	444 512	3 283 391	66 076 831	58 897 191

	Other short-term liabilities		Other long-term liabilities	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
In the same group	0	192 890	0	0
Associated companies	58 736 539	53 417 753	0	0
Total	58 736 539	53 610 643	0	0

Note 9 Information about related parties/ single transactions

The parent company is Selmer Holding AS, which owns 71,25% of the shares in Holmetjern Invest AS. There have not been transactions with closely related parties during this fiscal year.

Note 10 Financial instruments

Ticker	From date	To date	Type	Interest rate	Payments	Outstanding 30.06.18	Undrawn credit	Net outstanding
N00010815632	16.02.2018	16.02.2022	Without deduction	3 mnd NIBOR + 7% p.a.	quarterly	150 000 000	38 000 000	112 000 000

Note 11 Fair value of land

The group's operations involve the development of land and residential and commercial property with subsequent sales. The Group's development sites are classified as goods and are recorded at the lower of cost and net selling price. The fair value of the Group is based on significant other non-observable inputs, based on the valuation hierarchy of IFRS 13.

Amount in NOK	31.12.2018				Total
	Level 1	Level 2	Level 3		
Land	-	-	1 086 700 000		1 086 700 000

Level 1 inputs: Given market value of equivalent asset or debt

Level 2 inputs: Significant other observable input for equivalent assets

Level 3 inputs: Significant other non-observable input