Annual Report

31.12.2018

Organization no. 912 810 089

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Holmetjern Invest AS

Directors report

The nature of the business and where it is operated

Holmetjern Invest AS has as its purpose to invest in other companies, shares, securities and everything related to this. The company has its office in Trondheim. Holmetjern Invest Group mainly consists of companies in property development, but also has subsidiaries within Industry. All the companies in the Group have an affiliation in Norway.

Financial review

The company sold properties in 2017, which generated operating revenues of NOK 12 million. The company did not carry out similar sales in 2018. The company's revenues mainly come from financial income in the form of dividends from underlying companies. These have increased by NOK 4.25 million from 2017. The company's annual result in 2018 is NOK 753 thousand, annual profit in 2017 was NOK 20.2 million. The decrease in the company's profit is mainly due to increased financial expenses related to bond loans that have been raised to finance further investments in addition to the reduction and absence of operating revenues in 2018.

The Group's operating profit for 2018 was NOK -25 million, in 2017 the Groups operating profit was NOK 137 thousand. The profit for the period in the Group was NOK -17 million, a decrease of NOK 29 million compared to 2017. The decrease in the Group's operating profit is mainly due to the fact that it has not been realizations in 2018. Increased financial expenses in connection with borrowing also contributed to a reduction of NOK 30 million in profit in 2018 compared with 2017.

Holmetjern Invest AS has an equity of NOK 37.5 million, the Group's equity is at NOK 127.3 million. As of 31.12.18, the equity ratio in Holmetjern Invest AS is 14%, compared with 36% in 2017. The equity ratio in the Group as of 31.12.18 is 16%, compared with 25% as of 31.12.17. Management considers both the company's and the Group's liquidity to be good, and the Group is well-equipped to carry out planned projects in the future. It is also to be added that the fair value of the company's and the Group's assets is higher than what appears in the accounts, based on external valuations. The development in earnings and equity and profit is as expected, given that 2018 has been a year focusing on strengthening the company's and the Group's liquidity, and that no investments have sold in 2018.

The Board expects the coming years to give a good return on its investments. At Overvik it was start of sales on the first plot in 2018, and this represents the start of the development and sale of over 2,000 residentials at Overvik. The reception in the market has been good and in winter 2019 Overvik was the best-selling project in Mid-Norway.

The market in Trondheim is characterized by a greater degree of stability and predictability than the case is in other large Norwegian cities. This supports a stable development over time, as a result of the housing market being affected to a small extent by economic conditions. A high proportion of public employees is the main reason for this.

The Board believes that the annual accounts provide a true and fair view of the company's assets and liabilities, financial position and results. However, it is noted that external valuations on the company's properties show that the company's assets are expected to have a higher value than what is reflected in the accounts.

Outlook

The Group has investments in real estate that we expect will generate profit in the coming years, and already from 2019. As mentioned above, sales and development are underway at Overvik and this marks the start of sales and development of over 2,000 residentials. The site at Overvik has flexibility with regard to the type of housing that can be built, and thus can at any time offer what the market demands.

The Group also has in general a low initial value on its real estate investments, which makes the Group robust also during periods when the market is more hesitant. The Group can thus carry out profitable projects also during more challenging periods.

We expect the development to be good in 2019 and for the coming years. However, changing in market conditions will always be an uncertain element that could change or delay the development.

Balance sheet

Total assets in Holmetjern Invest AS increased by NOK 141 million from 2017 to 2018, mainly due to new investments, lending to group companies and associated companies and increased cash holdings. The increase in assets is financed by raising bond loans of NOK 200 million during the year.

Deviations between cash flow from operating activities (NOK -25 million) and the company's operating profit (NOK -17 million) are mainly due to an increase in short-term loans to group companies and associated companies.

For the Group, assets have increased by NOK 159 million from 2017 to 2018. The increase is mainly divided between increased investments, capitalized development costs on land and increased cash reserves. The increase is financed by borrowing from banks, and bond loans.

Operational risk

The greatest risk associated with housing development is a substantial increase in interest rates, over time. This could affect the sale of homes and thus the final result to the Group. In addition, large macroeconomic events could affect the housing market, for example through a significant increase in unemployment.

Financial risk

Price risk

The Group is generally exposed to development in residential price development in Norway in general, and mainly in Trondheim. The Group is also exposed to risks related to construction costs and material prices. In general, the Group is focusing on attracting experts in the whole value chain of real estate development, to make sure we have the competence in-house. Due to this the Group can monitor the different risk categories within the price risk in a good way, and by this act in a proactive way. If we believe market conditions could be changed, this will change the way we act. And if we foresee weaker market development, projects could for example be postponed.

Liquidity risk

Conservative liquidity management ensures that the Group has sufficient liquid assets and funding available to measure its bonds. Significant part of the Groups financing is from shareholders and related parties. When entering into projects there is a risk that the capital need is higher than expected. The process leading to material investment is therefore detailed and includes both management and board members before final decision is made. Liquidity prognosis is made on a frequent basis.

Interest rate risk

The Group's interest rate risk arises largely from long-term borrowings. Borrowings raised at variable rates expose the Group to interest rate fluctuations, which affect cash flows. The Group has not entered any interest swap agreements since the short term rate currently is low. However, the interest rate is monitored closely and swap agreements could be entered into at a later stage.

Research and development

The Group has no significant research and development activities. Tech Damper AS and Selmer Tandberg AS has some of this, but of minor significance for the Group as a whole.

Going concern

Pursuant to section 3-3a of the Norwegian Accounting Act, the board confirms that the going concern assumption is realistic and that the financial statements for 2018 have been prepared on that assumption. This view rests on the Group’s good capital adequacy and financial position.

Work environment

Holmetjern Invest AS has one permanent employee and has not registered absence due to illness in 2018. The Group is operated by employees in the owner company, Selmer Holding AS. The Group has 15 employees, registered sickness absence in the group is 1%. No serious work accidents or accidents have occurred or been reported during the year, which have resulted in major material damage or injuries. The working environment is considered to be good.

Equality

The company's employee is a man, and the board consists of 3 men. The company has a policy that work of equal value shall provide equal pay. The company works actively, purposefully and in a planned manner for gender equality within the company and the Group. When recruiting, both internally and externally, personal qualifications are given priority over gender. The underrepresented gender will to a greater extent be encouraged to apply. In this way, the company and the Group will try to increase the proportion of women in the job categories where this is low.

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Measures to prevent discrimination

The company works consciously to promote equality, ensure equal opportunities and rights and prevent discrimination on the grounds of ethnicity, national origin, descent, skin color, language, religion and belief.

Environment

The Group and associated companies are engaged in housing development as well as in the industry. The companies do not pollute the external environment to any great extent.

Shareholder agreements

Holmetjern Invest AS has no statutory provision that limits or regulates the negotiability of the shares in the company. Nor are there any restrictions on the exercise of voting rights for shares. The company has no employee share schemes.

Corporate governance

Through its business, Holmetjern Invest manages large financial assets. The size and scope of the company's operations are limited, so that the company uses a management model where responsibility for risk management and control is concentrated in the management. Roles and responsibilities in the management group are distributed, and will continue to be in development in the next few years, in connection with the group building up for increased activity. Significant decisions by the Group are taken in close collaboration between the management and the Board.

Overall goals have been established, and the company's strategy is updated on a frequent basis. Based on the overall policies, governing processes and routines have been established for the ongoing management.

The board is overall responsible for ensuring that the business, financial reporting and asset management are subject to satisfactory control. The Board regularly reviews the most important risk areas the company faces above and the internal control and ongoing follow-up that has been established to handle and minimize these.

The administration prepares complete financial reports for the Group twice a year. Financial conditions are followed up by periodic accounting reporting. Liquidity in the Group is monitored closely and continuously.

The company is managed by long-term financial targets. Half-yearly valuations of the company's investments are prepared, which are reviewed by the company and the board. External valuations are obtained on the company's properties.

All other balance sheet items are reconciled and documented continuously throughout the year. The company does not have articles of association that regulate the appointment and replacement of board members, in addition to the minimum number that must sit on the board.

The company does not have statutory provisions that allow the board to issue own shares or equity certificates. Authorizations related to such transactions follow the provisions of the Companies Act.

Corporate responsibility

The Group has focus on environmental and social responsibility, where the goal is to be a responsible social actor. Long-term profitability is a fundamental prerequisite for exercising corporate social responsibility through, among other things, good, secure workplaces and contributions to a positive urban development where Holmetjern Invest has its business. Through our development project at Overvik, for example, we have the vision and ambition to create "Norway's best district" through a good living environment, proximity to nature and facilitation for environmentally friendly transport. The Group is actively involved in the local community around the areas they are expanding, and is a contributor to the local voluntary organizations.

Annual accounts and allocation of results

In the opinion of the Board of Directors, the presented profit and loss account and balance sheet provide expressions of the company's and the Group's profit for 2018 and financial position at year-end. No circumstances have occurred after the end of the financial year that are of significance for the assessment of the financial statements.

We refer to the annual accounts for an overview of the disposal of the profit for the year

Trondheim, April 30th 2019

Endre Kolbjørnsen Chairman	Kolbjørn Opsahl Selmer Director	Karl Albrecht Opsahl Selmer CEO/Director

Consolidated statement of profit or loss

Consolidated statement of profit or loss and other comprehensive income

NOK'000	**Notes**	**2018**	**2017**
Revenue from contracts with customers	13	3 465	15 981
Cost of sales of goods		-2 627	-11 568
Gross protit		839	4 413
Administrative expenses	5,15,16	-27 682	-16 043
Other gains/losses - net	3	1 785	11 767
Operating profit		-25 058	137
Finance income		6 124	2 243
Borrowing costs		-17 048	-2 314
Finance costs - net		-10 924	-71
Share of net profit from associates accounted for using the equity method	9	11 068	9 623
Profit before income tax		-24 914	9 690
Income tax expense	11	7 640	2 403
Profit for the period		-17 274	12 092
Profit is attributable to:			
Owners of Holmetjern Invest AS		-27 118	2 635
Non-controlling interests	9	9 844	9 458
		-17 274	12 092
Profit for the period		-17 274	12 092
Other comprehensive income for the period, net of tax		0	0
Total comprehensive income for the period		-17 274	12 092
Total comprehensive income for the period is attributable to:			
Owners of Holmetjern Invest AS		-27 118	2 635
Non-controlling interests		9 844	9 458
		-17 274	12 092

Consolidated balance sheet

Consolidated balance sheet

NOK'000	Notes	31.12.2018	31.12.2017	01.01.2017
ASSETS				
Non-current assets				
Property, plant and equipment		571	1 010	2 592
Goodwill	10	6 975	6 975	6 975
Deferred tax assets	12	13 259	5 579	3 225
Investments accounted for using the equity method	7,9	84 340	85 285	61 861
Financial asset at fair value through profit or loss	3,7	47 645	16 950	6 035
Financial assets at amortised costs	3,5,7	54 240	56 903	43 576
Other loans and receivables		0	5	0
Total non-current assets		207 030	172 708	124 265
Current assets				
Inventories	2,7	506 590	468 248	434 993
Trade receivables	3	323	99	860
Other financial assets at amortised cost	3	14 536	7 580	8 721
Other receivables	3	454	708	0
Cash and cash equivalents (excluding bank overdrafts)	3,7	89 347	9 641	24 385
Total current assets		611 251	486 276	468 959
Total assets		818 281	658 983	593 224

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Consolidated balance sheet

NOK'000	Notes	31.12.2018	31.12.2017	01.01.2017
LIABILITIES				
Non-current liabilities				
Bank loans	3,6	203 317	46 784	0
Bond loan	6	191 900	0	0
Borrowings	5,6	203 798	182 040	188 182
Total non-current liabilities		599 015	228 824	188 182
Current liabilities				
Trade and other payables	3,5	3 038	5 086	3 724
Current tax liabilities		0	0	1 236
Borrowings	3,5,6	87 633	257 952	223 176
Other short term liabilities	3	1 314	1 514	1 277
Total current liabilities		91 985	264 552	229 413
Total liabilities		691 000	493 376	417 595
EQUITY				
Share capital and share premium	14	40	40	40
Retained earnings		94 805	131 869	139 356
Non-controlling interests		32 436	33 698	36 232
Total equity		127 281	165 607	175 629
Total liabilities and equity		818 281	658 983	593 224

Trondheim, April 30th 2019

Endre Kolbjørnsen Chairman	Kolbjørn Opsahl Selmer Director	Karl Albrecht Opsahl Selmer Director/CEO

Consolidated statement of changes in equity

Consolidated statement of changes in equity

		Attributable to owners					
NOK'000	Notes	**Share capital and premium**	**Share premium**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 january 2017		30	10	139 356	139 396	36 232	175 629
Profit for the period		0	0	2 635	2 635	9 458	12 092
Other comprehensive income		0	0	0	0	0	0
Total comprehensive income for the period		0	0	2 635	2 635	9 458	12 092
Transaction with owners in their capacity as owners:							
Purchase of own shares		0	0	-121	-121	-887	-1 008
Dividends provided for or paid		0	0	-10 000	-10 000	-11 106	-21 106
		0	0	-10 121	-10 121	-11 993	-22 114
Balance at 31 December 2017		**30**	**10**	**131 870**	**131 910**	**33 697**	**165 608**
Profit for the period		0	0	-27 118	-27 118	9 844	-17 274
Other comprehensive income		0	0	0	0	0	0
Total comprehensive income for the period		0	0	-27 118	-27 118	9 844	-17 274
Transaction with owners in their capacity as owners:							
Dividends provided for or paid		0	0	-10 000	-10 000	-11 106	-21 106
		0	0	-10 000	-10 000	-11 106	-21 106
Balance at 31 December 2018		30	10	94 805	94 845	32 436	127 281

Consolidated cash flows

Consolidated statement of cash flows

NOK'000	**Notes**	**2018**	**2017**
Cash flow from operations			
Profit before income taxes		-24 914	9 690
Taxes paid in the period	**11**	0	-1 236
Gain/loss from sale of non-current assets	**3**	0	-5 903
Depreciation		1 096	1 137
Gains/(losses) recognised in other income - fair value	**3**	-1 785	-5 863
Net profits from associates less dividends received		-7 716	-9 623
Change in inventory	**2**	-38 342	-33 255
Change in other current items		2 007	439
Net cash flow from operations		**-69 654**	**-44 614**
Cash flow from investments			
Payment in other loans and receivables		-27 047	-27 813
Repayment in other loans and receivables		33 553	15 627
Proceeds from sale of shares and investments in other companies		2 639	5 934
Purchase of shares and investments in other companies		-34 632	-18 190
Net cash flow from investments		**-25 487**	**-24 442**
Cash flow from financing			
Proceeds from long term loans	**3**	360 759	135 418
Repayment of long term loans	**3**	-164 806	-60 000
Payment of dividend	**6,9**	-21 106	-21 106
Net cash flow from financing		**174 847**	**54 312**
Net change in cash and cash equivalents		79 706	-14 744
Cash and cash equivalents at the beginning of the period		9 641	24 385
Cash and cash equivalents at the end of the period	**3,7**	**89 347**	**9 641**

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Notes to the consolidated accounts

1 Summary of significant accounting policies

The principal accounting policies are set out below, and have been consistently applied to all accounting periods presented.

The 2018 financial statements are the first consolidated financial statements presented by the group. Hence, these are also the first IFRS financial statements presented.

ABOUT THE GROUP

Holmetjern Invest AS is a private limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Companies Act. The Company was incorporated in Norway on November 22nd, 2013, and the organisation number in the Norwegian Register of Business Enterprises is 912 810 089. The Company's registered name is Holmetjern Invest AS, the commercial name is Holmetjern. Holmetjern Invest AS is an investment company primarily focusing on residential property development. Holmetjern is the holding company and the parent company of the Group. Holmetjern has no relevant business or operational activities other than holding the investments and activities that are related to its subsidiaries. The Group develops, builds and sells occupier-owned homes, predominantly in Trondheim, in collaboration with experienced blue-chip partners. The Group includes four operating subsidiaries fo-cusing on the property segment as well as four other smaller investments within the industry- and advisory segment.

STATEMENT OF COMPLIANCE

The group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations issued by the
International Accounting Standards Board (IASB) and endorsed by the EU at 31 December 2018.

These consolidated financial statements were authorised for issue by the board of directors on 30 April 2019.

BASIS OF PREPARATION

The consolidated financial statements have been prepared on a going concern and historical cost basis, except for some financial instruments which are recognised at fair value through profit or loss.

INVESTMENTS IN ASSOCIATES

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies. Significant influence is generally presumed to exist when the company holds between 20 and 50 per cent of the voting rights.

Associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. If the group's share of losses of an associate exceeds the group's carrying amount of that associate, the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate. Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment.

Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss. The requirements of IFRS 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of assets as a single asset by comparing its recoverable amount (the higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate which are not related to the group. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group. Share of income (loss) from associated companies is included in operating profit (loss) since the investments are considered an integral part of the group's operations.

CONSOLIDATION

The consolidated financial statements include the financial statements of the company and entities controlled by the company (its subsidiaries). Control is achieved where the company is exposed, or has rights, to variable returns from its involvement with an entity, and has the ability to affect those returns through its power over the entity. This is generally presumed to exist when the company holds more than 50 per cent of the voting rights. The existence and effect of potential voting rights which are currently exercisable or convertible are also considered when assessing whether the company controls another entity. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. A negative comprehensive income in the subsidiaries is attributed to the owners of the parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In general, all group companies uses Norwegian General Accepted Accounting Principles when preparing their financial statements. Restatements are made to the financial statements to bring their accounting policies in line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Changes in the group's ownership interests in subsidiaries which do not result in the group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the group's controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Such transactions do not affect the profit or loss statement. When the group loses control of a subsidiary, the profit or loss is calculated as the difference between (a) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (b) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial instruments or, when applicable, at the cost on initial recognition of an investment in an associate or a jointly controlled entity using the equity method.

BUSINESS COMBINATIONS

Where a business or a property is acquired through the acquisition of entities, management considers the substance of the assets and activities acquired. When acquiring a group of assets or net assets which do not constitute a business, the cost price is allocated between the individual identifiable assets and liabilities acquired on the basis of their relative fair value at the acquisition date.

Business combinations are accounted for using the acquisition method. The acquisition is recognised as the aggregate of the consideration transferred, measured at acquisition-date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition- date amounts of the identifiable assets acquired and the liabilities assumed. Part of goodwill reflects the recognition of the deferred tax obligation at nominal value. Nominal value is higher than fair value, and the difference is included in goodwill.

When a business combination is achieved in stages, the group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (ie, the date when the group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of any contingent consideration classified as a liability is recognised in profit or loss.

INVENTORY PROPERTY

IAS 2 Inventories defines inventories as assets held for sale in the ordinary course of business or in the process of production for such sale, or as materials or supplies to be consumed in the production process or in the rendering of services. The group has property which is land and buildings intended for sale in the ordinary course of business or which is in the process of construction or development for such sale. Inventories can thus comprise of land, property held for resale, property under development and construction, and completed units which are not sold.

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present condition, and accumulated interest expenses. Capitalisation of attributable costs commences when it is more likely than not that the project will be realised. Other costs are included in the cost of inventories only to the extent that they are directly attributable to bringing the inventories to their present location and condition, including planning and design costs, for example.

Book value of undeveloped land is tested against net realisable value annually. If book value exceeds net realisable value, an impairment loss is recognized. If there are any indications of impairment, Management derives an internal assessment of the net realisable value of land in the form of a prognosis for the project. This prognosis builds on an external valuation, which can include factors such as expected housing prices and rate of return, government approvals and estimated construction costs.

When properties are sold, the carrying amount is recognised as a cost of sale of goods in the income statement for the period in which the related revenue is recognised.

INTANGIBLE ASSETS

i) Goodwill

Goodwill arising on the acquisition of a business is recognised in the balance sheet at the date of acquisition of the business. Goodwill is not amortised, but is tested for impairment annually. For the purposes of impairment testing, goodwill is allocated to each of the group's cash-generating units (or collections of cash-generating units) expected to benefit from synergies of the business combination.

Goodwill is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reducing the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss in the consolidated income statement. An impairment loss recognised for goodwill will not be reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

REVENUE RECOGNITION

Revenue is measured at fair value of the consideration received or receivable for the sale of property and related transactions in the ordinary course of the group's activities, in accordance with IFRS 15 Revenue from contracts with customers.

i) Sale of property

Revenue from the sale of residential property (including any sale of projects under development and undeveloped land) is recognised when the control is transferred to the customer. Control is considered transferred at the time of delivery of the property to the customer. Property may be sold with a degree of continuing involvement by the seller, which may be commitments to complete construction of the property, or a seller guarantee of occupancy of a housing cooperative for a certain period of time.

When a property is sold, the buyer normally has to make an advance payment to an escrow account held by the estate agent. The group does not have a right to the advance payment before providing security in accordance with Norwegian regulations. When security is provided, the advance payment is released from the escrow account and recognised as received cash and other short-term debt (advance payment). When the property is completed, but before delivery, the customer pays the remaining consideration to the escrow account. When the property is delivered to the customer, the group recognises the consideration as revenue and as a trade receivable. When the legal title to the property has been transferred, or other security provided, the remaining consideration is released from the escrow account.

ii) Lease revenues

Rental income from leasing of property (operating leases in which the group is a lessor) is recognised on a straight-line basis over the term of the relevant lease and included in other revenues.

ii) Sale of services

Control over services is considered to be transferred to the customer as the service is delivered. Revenue from sale of services is recognised when the service is performed.

FINANCIAL ASSETS

Financial assets are initially recognised at fair value. Subsequent measurement depends on the classification of the assets, and currently the group only has financial assets which are held in the group's business model where the objective is to collect the contractual cash flows, and where the cash flows are solely payments of principal and interest, are measured at amortised cost.

All equity investments are subsequently measured at fair value. Changes in the fair value of these financial assets are recognised in Other gains/losses - net. Impairment losses (and reversal of impairment losses) on these equity investments are not reported separately from other changes in fair value.

Trade receivables

Trade receivables are amounts due from customers in the group's ordinary property development business and related services. Trade receivables are recognised initially at the amount of the consideration and measured at amortised cost where the financing components are insignificant. Impairment is recognised if there is evidence that the estimated future cash flow has been affected. The risk of impairment is low owing to the practice of making advance payments to escrow accounts.

Loans and other receivables

Loans and other receivables are held in the group's normal business model where the objective is to collect payment and interest when due, and measured at amortised cost using the effective interest method less any impairment. The receivables are classified as current unless they are due more than 12 months from the balance sheet date.

FINANCIAL LIABILITIES

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost.

Borrowings

Borrowings are recognised initially at the received amount,net of transaction expenditures incurred, and subsequentlymeasured at amortised cost. Any difference between the proceeds (net of transaction expenditures) and the nominal value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right at the balance sheet date to defer settlement of the liability for at least 12 months.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. If the interest element is insignificant, trade payables are carried at the original invoice amount.

SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the joint management group and board of directors. This group is responsible for allocating resources and assessing performance of the operating segments.

The segment results are reconciled to the operating results for the group in note 8.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents as presented in the statement of cash flows include cash in hand, bank deposits and other highly liquid investments with original maturities of three months or less. The cash flow statement is prepared using the indirect method. Interest payments are classified as operational cash flows.

INCOME TAX

Income tax expense represents current tax expense and changes in deferred tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense which are taxable or deductible in other years and items which are never taxable or deductible. The group's liability for current tax is calculated using tax rates which have been enacted or substantively enacted by the end of the reporting period.

Changes in deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit. Deferred tax is also recognised for temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered in the foreseeable future. Deferred tax assets and liabilities are measured at the tax rates which are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) which have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences which would follow from the manner in which the group expects to recover or settle the carrying amount of its assets and liabilities.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 either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items which are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

EQUITY

An equity instrument is any contract which evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received, net of direct issue expenditures (net of income tax).

FUNCTIONAL AND PRESENTATION CURRENCY

(i) Functional and presentation currency

Items included in the individual financial statements of each of the group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in NOK, which also is the functional currency of the parent company and all subsidiaries that are consolidated.

(ii) Transactions and balances

In preparing the financial statements of each individual entity, transactions in currencies other than the entity’s functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items which are measured in terms of historical cost in a foreign currency are not retranslated in subsequent periods.

LEASING

The group has adopted IFRS 16 Leasing. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option,and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2 Inventories

	2018	2017	01.01.2017
	000'NOK	*000'NOK*	*000'NOK*
Property portfolio			
Holmetjern Invest AS	32 405	32 405	31 167
Overvik Utvikling AS	404 235	371 927	349 440
Overvik Lokalsenter AS	47 218	45 097	44 139
Opsahlhaven AS	14 212	13 798	10 247
Total property inventory	498 071	463 228	434 993
Other inventory	8 520	5 020	0
Total	506 590	468 248	434 993

Assigning cost to inventories

The costs of land held for development and resale are costs assigned by specific identification and include the cost of acquisition, development and borrow ing costs incurred during the development. The costs does not include markting costs related to the different projects as they are expensed as incurred.

Costs of other inventory is based on individual items of inventory that are determined using w eighted average costs.

Borrow ing costs on external land loans in group entity that ow ns the inventory property, are capitalised from the day the group initiaties activities to develop the property. Borrow ing costs are recognised in profit and loss as part of the cost of sales w hen the units are delivered.

	2018	2017	01.01.2017
	000'NOK	*000'NOK*	*000'NOK*
Land cost	392 634	392 634	392 634
Borrow ing cost prior years	13 171	1 597	1 597
Capatilized borrow ing costs this year	19 071	11 574	0
Capatilized project costs	73 194	57 422	40 762
Total	498 071	463 228	434 993

All inventory property is accounted for at historic cost as no impairment to net realisable value is made.

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3 Financial assets and financial liabilities

The group holds the follow ing financial instruments:

Financial assets

	2018	2017	01.01.2017
	NOK'000	*NOK'000*	*NOK'000*
Financial assets at amortised cost			
Trade receivables	323	8 387	860
Other loans and receivables	69 231	56 908	52 297
Restricted cash	24 000	0	0
Cash and cash equivalents	65 347	9 641	24 385
Financial assets at fair value through profit or loss	47 645	16 950	6 035
	206 545	91 886	83 578

Financial liabilities

	2018	2017	01.01.2017
	NOK'000	*NOK'000*	*NOK'000*
Liabilities at amortised cost			
Trade and other payables	33 435	88 470	7 497
Borrow ings	656 195	403 069	406 273
	689 630	491 540	413 770

Other financial assets at amortised cost

Holmetjern Invest AS is a holding company w hich mainly invests in real estates. When selling assets to external investors the payment structure in sometimes liknked to the cash flow in the sold asset, w hich creates a receivable in the Group. The securtity for the receivable is the sold asset.

The group assess at each reporting period if there are objective evidence that a financial asset or a group of financial assets, has increased credit risk. Loss from increased credit risk on a financial asset or a group of financial assets, is calculated and accounted for using an expected loss model.

The loss is calculated bye meassuring the difference betw een the book value of the asset and the present value calculated using the original effective interest rate of the asset. The book value of the financial asset w ill then be reduced by the calculated impairment loss, and the loss is accounted for in the profit and loss.

Financial assets at fair value through profit or loss

The group classifies the follow ing financial assets at fair value through profit or loss (FVPL):
- equity investments for w hich the enity has not elected to recognise fair value gains and losses thorugh OCI

Amounts recognised in profit or loss

During the year, the follow ing gains/losses w ere recognised in profit or loss:

	Notes	2018 *NOK'000*	2017 *NOK'000*
Fair value gains/losses on equity investsments at FVPL recognised in other gains/losses		1 785	5 863
Gain on sale of associated company			5 903
		1 785	11 767

Risk exposure and fair value measurements

Information about the groups's exposure to price risk is provided in note 6. For information about the methods and assumptions used in determining fair value please refer to note below .

Restricted cash

The cash and cash equivalents disclosed above and in the statement of cash flow s include TNOK 695 w hich are held by Holmetjern Invest AS. These deposits are subject to regulatory restrictions and are therefore not available for general use by the other entities w ithin the group.

In addition, the group has restricted cash based on loan agreements as presented above.

	2018 *NOK'000*	2017 *NOK'000*	01.01.2017 *NOK'000*
Cash at bank in hand	89 347	9 641	24 385
Restricted cash	24 000	0	0
	113 347	9 641	24 385

Current liabilities

Trade payables are unsecured and are usually paid w ithin 30 days of recognition. Other payables include dividends from 2017 w hich are expected to be paid during 2019.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Borrowings

2018	Current *NOK'000*	Non-current *NOK'000*	Total *NOK'000*
Secured			
Bank loans	0	203 317	203 317
Bond loan	0	191 900	191 900
Borrowings	47 500	163 817	211 317
Total secured borrowings	47 500	559 034	606 534
Unsecured			
Bank loans		0	0
Bond loan		0	0
Borrowings	40 133	39 981	80 114
Total usecured borrowings	40 133	39 981	80 114
Total borrowings	**87 633**	**599 015**	**686 648**

2017	Current *NOK'000*	Non-current *NOK'000*	Total *NOK'000*
Secured			
Bank loans	0	46 784	46 784
Bond loan	0	0	0
Borrowings	191 018	167 508	358 526
Total secured borrowings	191 018	214 292	405 310
Unsecured			
Bank loans	0	0	0
Bond loan	0	0	0
Borrowings	66 934	14 531	81 465
Total usecured borrowings	66 934	14 531	81 465
Total borrowings	**257 952**	**228 823**	**486 775**

1.1.2017	Current *NOK'000*	Non-current *NOK'000*	Total *NOK'000*
Secured			
Bank loans	0	0	0
Bond loan	0	0	0
Loans from related parties	220 000	159 305	379 305
Other loans	0	0	0
Total secured borrowings	220 000	159 305	379 305
Unsecured			
Bank loans	0	0	0
Bond loan	0	0	0
Borrowings	3 176	28 877	32 053
Total usecured borrowings	3 176	28 877	32 053
Total borrowings	**223 176**	**188 182**	**411 358**

Net debt analysis

	Bank loans	Bond loan	Borrowings	Total
	NOK'000	*NOK'000*	*NOK'000*	*NOK'000*
Balance as of 1 Jan 2017	**0**	**0**	**411 358**	**411 358**
New debt	46 784		88 634	135 418
Repayment			-60 000	-60 000
Amortisation and other				0
Balance as of 31 Dec 2017	**46 784**	**0**	**439 992**	**486 776**
New debt	156 533	187 981	16 245	360 759
Repayment			-164 806	-164 806
Amortisation and other		3 919		3 919
Balance as of 31 Dec 2018	**203 317**	**191 900**	**291 431**	**686 648**

Recognised fair value measurements

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 December 2018

	Level 1	Level 2	Level 3	Total
	NOK'000	*NOK'000*	*NOK'000*	*NOK'000*
Financial assets				
value through profit or loss			47 645	47 645
Total fianancial assets	0	0	47 645	47 645

Recurring fair value measurements At 31 December 2017

	Level 1	Level 2	Level 3	Total
	NOK'000	*NOK'000*	*NOK'000*	*NOK'000*
Financial assets				
value through profit or loss			16 950	16 950
Total fianancial assets	0	0	16 950	16 950

Recurring fair value measurements At 1 January 2017

	Level 1	Level 2	Level 3	Total
	NOK'000	*NOK'000*	*NOK'000*	*NOK'000*
Financial assets				
value through profit or loss			6 035	6 035
Total fianancial assets	0	0	6 035	6 035

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements see (iii) below.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation techniques used to dermine fair values

The main part of the investments are related to real estate, w here net realizable value is estimated. The net realizable value is the estimated as selling price adjusted for the total cost of completion. In determining the net realizable value the management carries out an assessment of relevant factors. This w ould be factors like location, timeframe and macroeconomic factors like interest rate development. This in addition to estimated price levels and estimated of building cost. This is performed in close cooperation w ith external advisors like real estate brokers and also input from various entrepreneurs. The managements estimate on net realizable value w ill then be discussed w ith external valuation experts to compare the management assessment of net present value w ith the external experts assessment of value.

For other investments an estimation of the selling price is used as criteria, w here market based factors for similar companies are used in the valuation.

The follow ing table presents the changes in level 3 items for the periods ended 31 December 2018, 31 December 2017 and 1 January 2017:

	Unlisted equity securities *NOK'000*
Opening Balance 1 January 2017	6 035
Acquisitions	5 051
Disposals	
Gains/(losses) recognised in other income	5 863
Closing balance 31 December 2017	16 950
Acquisitions	28 910
Disposals	
Gains/(losses) recognised in other income	1 785
Closing balance 31 December 2018	47 645

4 Critical estimates, judgements and errors

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

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Significant estimates and jugdements

Inventory property

The net realizable value is the estimated as selling price adjusted for the total cost of completion. In determining the value of inventory property, management carries out an assessment of relevant factors. This would be factors like location, timeframe and macroeconomic factors like interest rate development. In addition to this, estimations are made regarding price levels and building cost. This is performed in close cooperation with external advisors like real estate brokers, and also with input from various entrepreneurs. Managements estimate on net realizable value will then be discussed with external valuation experts to compare the management assessment of net present value with the external experts assessment of value.

Fair value - financial assets
The main part of the investments are related to real estate companies, where net realizable value is estimated as described above, and then used as basis for the valuation of the investments.

5 Related party transactions

Parent entities

The group is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest 2018	2017
Selmer Holding AS 1)	Ultimate parent entity and controlling party	Trondheim	71,25 %	71,25 %
Snowy Invest AS 2)		Trondheim	23,75 %	23,75 %
Singsaker Eiendom AS 3)		Trondheim	5,00 %	5,00 %

1)This company is solely owned by CEO Kolbjørn Opsahl Selme

2) This company is solely owned by board member Karl Albrecht Opsahl Selmer

3) This company is solely owned by chariman of the board Endre Kolbjørnsen

Transactions with related parties

The following transactions occured with related parties:

	2018	2017
	NOK'000	*NOK'000*
Sales and purchases of goods and services		
Sale of goods to associates	0	0
Purchase of management services from parent company	18 461	9 403
Puchases og electronic equipment from other related parties	0	0
Purchases of various goods and services from entities controlled by key management personnel	5 488	3 063

Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2018	2017
	NOK'000	*NOK'000*
Current payables (purchases of goods and services)		
Company (parent entity)	1 951	496
Entities controlled by key management personnel	0	0
Other related parties	0	0

Loans to/from related parties

	2018	2017
	NOK'000	*NOK'000*
Loans from key management personnel		
Beginning of the year	319 508	370 418
Loans advanced		
Loan repayments made	-112 500	-60 000
Interest charged	8 222	9 090
Interest paid		
End of year	215 230	319 508
Loans from parent company and other ownership companies		
Beginning of the year	31 018	2 500
Loans advanced	11 603	29 252
Loan repayments made	-15 687	-1 200
Interest charged	1 496	467
Interest paid		
End of year	28 431	31 018
Loans to associates		
Beginning of the year	13 770	230
Loans advanced	25 762	13 410
Loan repayments received	-6 270	
Interest charged	1 639	130
Interest received		
End of year	34 901	13 770

Loan from key managing personell is related do purchase of land/property in 2016. The loan is charged w ith a intrest rate of NIBOR+2%, and has a dow npayment plan over maximum 15 years (minimum dow npayment rates of MNOK 15 per year). The loan giver has a 2nd priority security in the sold property until the loan is fully repaied.

Loans from parent companies are charged w ith a intrest rate from 4-8%. Unpayed dividens are not charged w ith intrest until the year after the dividend is given.

Loans to associates are normally charged w ith an intrest rate from 3-8%. High risk loans are charged w ith an intrest rate of 15%

Loans to associates are unsecured and are repayable in cash.

Loans to associates are repayable in a period of 1-3 years from the reporting date

There are not recognized any impairments in loans to associates.

6 Financial risk managment and capital management

The overall object for the group is to make sure the groups obligations is met, and that shareholders and stakeholders have a sufficient return on their exposure to the group.

The group is mainly exposed to the real estate segment and the risk factors therefore arises from that perspective. This includes price development on residentials and land, but also building cost and the development of such. The group has no mateial exposure to foreign exchange risk.

Market risk - price risk

The group is generally exposed to development in residential price development in Norw ay in general, and mainly in Trondheim. The group is also exposed to risks related to construction costs and material prices. One w ay to address this is to keep the purchase price on land at a low -cost level, since this w ill be a buffer for a reduced-price level and/or reduced cost. In some cases this w ill mean that w e are buying land that needs to be developed, but the group is w orking closely w ith experts w ho can assess this risk in a good w ay. In general, the group is focusing on attracting experts in the w hole value chain of real estate development, to make sure w e have the competence in-house. Those are employed in the parent company Selmer Holding AS, and are w orking solely w ith managing and developing the investments in the group. One of the leading real estate brokers in Norw ay w as employed in Selmer Holding AS autumn 2018, and a highly skilled employee w ithin entrepreneur and construction has signed up to start in August 2019. Due to this the group can monitor the different risk categories w ithin the price risk in a good w ay.

Market risk - interest rate

The group’s interest rate risk arises largely from long-term borrow ings. Borrow ings raised at variable rates expose the group to interest rate fluctuations, w hich affect cash flow s. The group has not entered into any interest sw ap agreements, since the short term rate is low . How ever, the interest rate is monitored closely and sw ap agreements could be entered into at a later stage.

The average 3 monthly NIBOR in 2018 w as 1,06%. We have done a simulation the assess the effect of an average increase of the interest rate of 0,25%, 0,5% and 0,75%.

Increase, average interest rate per year	**0,25 %**	**0,50 %**	**0,75 %**
Effect on group companies	1 000	2 000	3 000
Effect from share of profit from associated companies	230	461	691
Total effect on profit before income tax	1 230	2 461	3 691

Credit risk

Credit risk related to the sale of real estate is considered to be limited since sales mainly is done to solid buyers, such as building societies. Credit risk also arises from outstanding receivables, such as loans to associated companies. Credit risk related to loans to estate companies is assessed to be low. Loans to companies in other segments will have a higher risk profile, and a deeper analysis must be done before entering into such loans.

The overall credit risk in the group is assessed to be low.

Liquidity risk

Conservative liquidity management ensures the group has sufficient liquid assets and funding available to meet its obligations. The level of external borrowing is relatively low, and can be increased if needed. Significant part of the groups financing is from shareholders and related parties. When entering into projects there is a risk that the capital need is higher than expected. The process leading to an investment is therefore detailed and includes both management and board before final decision is made.

Liquidity prognosis is made on a frequent basis.

Maturities of financial liabilities

The tables below analyse the group’s financial liabilities into relevant maturity groupings based on their contractual maturities, including interests.

Contractual maturities of financial liabilities	**Less then 1 year**	**Between 2 to 4 years**	**More then 5 years**	**Total contractual cash flows**	**Carrying amount (assets)/ liabilities**
At 31 December 2018	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*
Bond loan	16 460	234 978	0	251 438	200 000
Bank loans	11 801	224 280	0	236 082	201 340
borrowings	71 574	72 782	228 238	372 594	253 670
borrowings	44 485	0	0	44 485	44 485
Total	144 321	532 039	228 238	904 598	699 495

Contractual maturities of financial liabilities	**Less then 1 year**	**Between 2 to 4 years**	**More then 5 years**	**Total contractual cash flows**	**Carrying amount (assets)/ liabilities**
At 31 December 2017	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*
Bond loan	0	0	0	0	0
Bank loans	2 303	47 899	1 340	51 543	46 340
borrowings	185 819	86 268	277 348	549 435	362 061
borrowings	104 552	0	0	104 552	104 552
Total	292 674	134 167	278 688	705 530	512 954

Contractual maturities of financial liabilities	Less then 1 year	Between 2 to 4 years	More then 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
At 01 December 2017					
Bond loan	0	0	0	0	0
Bank loans	0	0	0	0	0
borrowings	201 425	64 398	296 673	562 497	374 334
borrowings	39 413	0	0	39 413	39 413
Total	240 838	64 398	296 673	601 910	413 747

Capital management

The group's objective when managing its capital is to ensure all entities in the group to continue as going concerns, combined with the ability to provide return for its shareholders and stakeholders. In achieving this object, the focus is profitability on each investment, and the main rule is an annual return on equity in the range of 10%-20% per year, depending on the assessed risk in the project. The capital structure in the group is a combination of externa loans, shareholder loans and equity. The amount of external loans is relatively small compared to the underlying values, which gives flexibility to optimize the capital structure both on project level and on company and group level.

Covenants on external loan agreements are monitored on a frequent basis. As a general rule, the banks shall approve all distributions to shareholders and related parties. Holmetjern Invest AS has issued a bond, where the loan to value ratio must be below 65%, this includes also loans from shareholders. Loan to value means the net interest bearing debt divided by the market value of the Portfolio as defined in the loan agreement, based on valuations that are no older than 270 days. Subordinated loans from shareholders will not be a part of this calculation. Holmetjern Invest AS has reported a loan to value ratio on 54,9% per December 2018. If subordinating shareholder loans, the ratio would be reduced to below 40%.

Equity not considered necessary for further growth will be returned to shareholders through dividends, within the limitations set out in the bond terms for Holmetjern Invest AS. Allowed distribution is 50% of the net profit for the previous year, provided that the net loan to value ratio is below 50%.

	2018	2017	1.1.2017
Dividends not recognised at the end of the reporting period	*NOK'000*	*NOK'000*	*NOK'000*
directors have recommended the payment of a final	10 000	10 000	10 000

7 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2018	2017	1.1.2017
	NOK'000	*NOK'000*	*NOK'000*
Non-current assets			
Property, plant and equipment	0	0	0
Intangible assets	0	0	0
Investments accounted for using the equity method	0	10 755	0
Financial asset at fair value through profit or loss	0	4 638	0
Financial assets at amortised costs	31 214	0	0
Other loans and receivables	0	0	0
Total non-current assets	**31 214**	**15 393**	**0**
Current assets			
Inventories	544 052	385 905	360 340
Trade receivables	0	0	0
Other financial assets at amortised cost	0	0	0
Other receivables	0	0	0
Cash and cash equivalents (excluding bank overdrafts)	8 475	0	0
Assets classified as held for sale	0	0	0
Total current assets	552 527	385 905	360 340
Total assets pledged as security	583 741	401 298	360 340

The terms and conditions related to this pledges are as follows:

Covenants related to bond loan :

Net Loan To Value < 65%, Liquidity > NOK 20 millions

Covenants related to long term bank loan Overvik Lokalsenter:

Liquidity > NOK 4 millions

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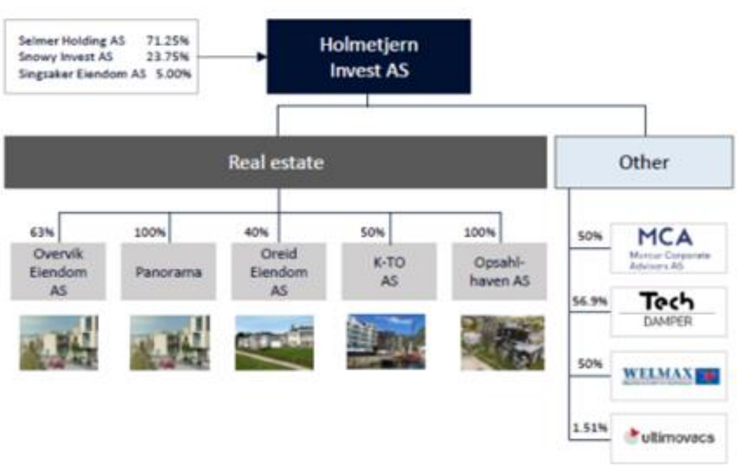
8 Segment information

Description of segments and principal activities

The group's management team and board of directors jointly, examines the group's performance from business perspective and has the view that they only have one reportable segment, real estate. The different real estate activities of the group is done through different legal entities, with similar business activity. Management monitor and follows up on a company by company basis.

9 Interests in other entities



Material subsidiaries

The group's principal subsidiaries at 31 December 2018 are set out below . Unless otherw ise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ow nership interests held equals the voting rights held by the group.

Name of entity	Place of business	by the group 2018	2017	by non-controlling 2018	2017	Principal activites
		%	%	%	%	
Overvik Eiendom AS	Norw ay	63	63	37	37	Investment management
AS	Norw ay	51	51	49	49	Real Estate
Tech Damper AS	Norw ay	62	62	38	38	Engineering consulting

Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	Overvik Eiendom AS 31 des 18	31 des 17	Overvik Lokalsenter AS 31 des 18	31 des 17	Tech Damper AS 31 des 18	31 des 17
	NOK'000	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*
Current assets	59 553	59 763	129 584	117 232	9 411	10 038
Current liabilities	30 000	30 058	816	13	559	4 720
Current net assets	**29 553**	**29 705**	**128 768**	**117 219**	**8 852**	**5 318**
Non-current assets	30 072	30 072	341	326	2 037	1 282
Non-current liabilities	0	0	109 683	98 001	8 659	1 340
Non-current net assets	**30 072**	**30 072**	**-109 342**	**-97 675**	**-6 622**	**-58**
Net assets	**59 625**	**59 777**	**19 426**	**19 544**	**2 230**	**5 260**
Accumulated NCI	22 073	22 130	9 519	9 577	847	1 995

Summarised statement of comprehensive income	**Overvik Eiendom AS**		**Overvik Lokalsenter AS**		**Tech Damper AS**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
	NOK'000	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*
Revenue	0	0	0	0	3 465	3 819
period	29 848	29 909	-118	-516	-3 030	-3 566
Other comprehensive income	0	0	0	0	0	0
comprehensive income	**29 848**	**29 909**	**-118**	**-516**	**-3 030**	**-3 566**
Profit allocated to NCI	11 049	11 072	-58	-253	-1 151	-1 355
Dividends paid to NCI	11 106	11 106	0	0	0	0

Interests in associates and joint ventures

Set out below are the associates and joint ventures of the group as at 31 December 2018 w hich, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of ordinary shares, w hich are held directly by the group. The proportion of ow nership interest is the same as the proportion of voting rights held.

Name of entity	**Place of business**	**% of ownership interest 2018/2017**	**Nature of relationship**	**Measure-ment method**	**Carrying amount** 2018	**Carrying amount** 2017
				NOK'000	*NOK'000*	*NOK'000*
K-TO AS	Norw ay	50	Associate	Equity method	31 075	31 876
Overvik T1 AS	Norw ay	49	Associate	Equity method	20 748	14 355
Oreid Eiendom AS	Norw ay	40	Associate	Equity method	11 055	9 773
Immaterial associates					21 462	29 282
Total equity accounted investments					**84 340**	**85 285**

1 K-TO AS invests in companies involved in real estate and financial investsments.

2 Overvik T1AS develops land areas. The group invites experienced partners to join the final development of its projects. As a consequence of this strategy Overvik T1AS is an associate and not a subsidiary to the group.

3 Oreid Eiendom AS makes investments in companies developing land.

Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for those joint ventures and associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not Holmetjern Invest AS`s share of those amounts. They have been amended to reflect adjustments made by the entity w hen using the equity method, including fair value adjustments. The amounts are presented in NGAAP. As a result, the carrying amount of interests in associates w ill not match the groups share of net assets.

Summarised balance sheet	K-TO AS		Overvik T1 AS		Oreid Eiendom AS	
	31 des 18	31 des 17	31 des 18	31 des 17	31 des 18	31 des 17
	NOK'000	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*
Current assets						
equivalents	2 548	901	49 327	8 812	2	432
assets	1 673	633	218	0	0	1 000
Total current assets	4 221	1 534	49 545	8 812	2	1 432
Non-current assets	80 258	67 993	169 068	266 417	57 212	51 239
Current liabilities						
(excluding trade	0	0	0	0	0	0
liabilities	5 216	5 108	170	2 028	0	10
Total current liabilities	5 216	5 108	170	2 028	0	10
liabilities						
(excluding trade	45 000	28 008	176 100	205 966	29 592	28 239
liabilities	0	0	0	37 940	0	0
liabilities	45 000	28 008	176 100	243 906	29 592	28 239
Net assets	**34 263**	**36 411**	**42 343**	**29 295**	**27 622**	**24 422**
carrying amounts:						
Opening net assets 1 January	36 411	32 844	29 295	27 615	24 422	14 990
Profit for the period	2 852	8 567	13 266	1 680	4 200	-568
Other comprehensive income	0	0	0	0	0	0
Share capital increase/reduction	0	0	-219	0	0	10 000
Dividends paid	-5 000	-5 000	0	0	-1 000	0
Closing net assets	**34 263**	**36 411**	**42 342**	**29 295**	**27 622**	**24 422**
Group`s share in %	50 %	50 %	49 %	49 %	40 %	40 %
NOK	17 132	18 206	20 748	14 355	11 055	9 773
Goodwill	0	0	0	0	0	0
Carrying amount	17 132	18 206	20 748	14 355	11 055	9 773

Summarised statement of comprehensive income	K-TO AS		Overvik T1 AS		Oreid Eiendom AS	
	2018	2017	2018	2017	2018	2017
	NOK'000	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*	*NOK'000*
Revenue	0	0	12 655	0	0	0
Interest income	2 175	654	611	40	11	0
Depreciation and amortisation	0	0	0	0	0	0
Interest expense	2 296	1 151	0	0	1 443	485
Income tax expense	0	0	0	-1 640	0	0
Profit from continuing operations	**2 310**	**5 310**	**13 266**	**1 680**	**-1 482**	**-568**
Profit from discontinued operations	0	0	0	0	0	0
Profit for the period	**2 310**	**5 310**	**13 266**	**1 680**	**-1 482**	**-568**
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	2 310	5 310	13 266	1 680	-1 482	-568
Dividends received from associates	2 500	2 500	0	0	0	0

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Individually immaterial associates

In addition to the interests in associates disclosed above, the group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

	2018	2017
	NOK'000	*NOK'000*
Aggregate carrying amount of individually immaterial associates	21 462	29 282
Aggregate of the group`s share of:		
Profit from continuing operations	-2 260	-671
Post-tax profit or loss from discontinued operations		
Other comprehensive income		
Total comprehensive income	-2 260	-671

Disposal or loss of control over a subsidary

No disposal or loss of control over a subsidiary

10 Goodwill

	Goodwill	Total
Cost at 1 January 2017	6 975	6 975
Accumulated depreciation	0	0
Net book amount 1 January 2017	6 975	6 975
Additions	0	0
Desposals	0	0
Depreciation charge	0	0
Net book amount 31 December 2017	0	0
Cost at 1 January 2018	6 975	6 975
Accumulated depreciation	0	0
Net book amount 1 January 2018	6 975	6 975
Additions	0	0
Desposals	0	0
Depreciation charge	0	0
Net book amount 31 December 2018	6 975	6 975

Goodwill has arisen from the purchase of Tech Damper AS.

Impairment tests of goodwill
The group tests whether goodwill has suffered any impairment on an annual basis. For the 2018 and 2017 reporting period, the recoverable amount of the cash generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions.

The goodwill derives from Tech Damper AS, which is a company operating in the offshore segment. Tech Damper offers customized solutions to challenges involving vibration, noise, fluid dynamics - and the interaction between them. The group has tested the goodwill for impairment, based expected cash flow from developed products. The company has historically been a development company, customizing products and solving problems for its customers. Tech Damper does not have a steady, predictable cash flow and therefore an estimation based on incurred development cost, is in our view a better the basis for the fair value estimation. The rationale for this is based on the fact that Tech Damper has a number of products in their portfolio, with a potential for mass production. The group has made formal inquiries regarding the value of the company in the market place, with a result that supports the current book value of the investment.

The impairment test shows excess value over and above the carrying amount.

Based on the methods used to support the book value, no further information is to be given about discount rates, long term growth rates or other key assumptions. Neither is a sensitivity analysis regarding these factors.

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11 Income tax expense

Income tax expense

	2018	2017
	NOK'000	*NOK'000*
Current tax		
Current tax on profits for the year	0	0
Adjustments for current tax of prior periods	0	0
Total current tax expense	**0**	**0**
Deferred income tax		
Decrease/(increase) in deferred tax asset	-7 680	-2 354
(Decrease)/increase in deferred tax liabilities	0	0
Mistatements previous years	**40**	**-49**
Total deferred tax expense/(benefit)	**-7 640**	**-2 403**
Income tax expense	**-7 640**	**-2 403**

Significant estimates - uncertain tax position

There is no uncertain tax positions identified.

Numerical reconcilation of income tax expense to prima faci tax payable

	2018	2017
	NOK'000	*NOK'000*
Tax at the norwegian tax rate of 23% (2017 - 24%)	-5 730	2 325
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other non-deductible costs	488	54
Gain on the realization of shares and other financial instruments	-25	-1 416
Effects from changed tax rate	493	200
Tax effect of deferred tax assets which are not included in the financial statement	55	197
Fair value adjustments without tax effect	-920	0
Profits from investments in assosiates	-2 001	-2 393
Other effects	0	37
	-7 640	-2 403

Amounts recognised directly in equity

	2018	2017
	NOK'000	*NOK'000*
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:	0	0
Current tax: Share buy-back transaction costs	0	0
Deferred tax: Convertible note and share issue costs	0	0
	0	0

Tax losses

	2018	2017
Unused tax losses for which no deferred tax asset has been recognised	521	260
Potential tax benefit at 23% (2017 - 24 %)	115	60

There are no unused tax losses for which no deferred tax asset has been recognised.

12 Deferred tax balances

Deferred tax assets

	31.12.2018	31.12.2017	01.01.2017
	NOK'000	*NOK'000*	*NOK'000*
The balance comprises temporary differences attributable to:			
Tax losses	17 972	8 046	4 111
Fixed assets	115	32	85
Inventory	-7 581	-3 365	-803
Disallowed interest deduction carried forward	2 994	1 198	0
Other	-125	-201	0
Mistatements previous years	0	-49	0
Total deferred tax assets	13 374	5 661	3 394
Unrecognized deferred tax asset	-115	-82	-168
Net deferred tax assets	13 259	5 579	3 225

13 Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of goods and services at a point in time in the following business areas:

2018	Real estate	Other	Total
	NOK'000	*NOK'000*	*NOK'000*
Total revenue	0	3 465	3 465
Internal revenue	0	0	0
Revenue from external customers	**0**	**3 465**	**3 465**
Timing of revenue			
- At point in time	0	3 465	3 465
- Over time	0	0	0
	0	**3 465**	**3 465**

2017	Real estate	Other	Total
	NOK'000	*NOK'000*	*NOK'000*
Total revenue	12 162	3 819	15 981
Internal revenue	0	0	0
Revenue from external customers	**12 162**	**3 819**	**15 981**
Timing of revenue			
- At point in time	12 162	3 819	15 981
- Over time	0	0	0
	12 162	**3 819**	**15 981**

Revenues from external customers come from the sale of property projects (apartments, land etc), and sales of goods and services in relation to the industry companies.

Accounting policies and significant judgements

Real estate - Land development and resale:

The group is involved in different real estate projects, w here the main activity is development and sale of residental properties. Sales are recognides w hen control of the property has been transferred, that is w hen the customer has received the right to use the property in question. The properties have generally no alternative use for the group due to contractual restrictions. How ever, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time w hen the legal title has passed to the customer.

Other:

Sales are recognised w hen control of the products has transferred, being w hen the products are delivered to the customer. Delivery accours w hen the products have been shipped to the specific location, the risk of obsulescence and loss have been transferes to the customer, and either the customer has accepted the products in accourance w ith the sales contract or the group has objective evidence that all criteria for acceptance have been satisfied. The industry division also provides services to the clients. Revenue from providing services is recognised in the accounting period in w hich the services are rendered.

The group does not expect to have any contracts w here the period betw een the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

14 Equity

Share capital and share premium

		2018	2017	**2018**	2017
	Notes	***Shares***	*Shares*	***NOK'000***	*NOK'000*
Ordinary shares	ii				
Fully paid		**30 000**	30 000	**30**	30
share premium	i	**30 000**	30 000	**30**	30

Movements in ordinary shares:

	Notes	**Number of shares** *(thousands)*	**Per value** *NOK'000*	**Share permium** *NOK'000*	**Total** *NOK'000*
Details					
2017		30	30	10	40
Balance 31 December 2017		30	30	10	40
Balance 31 December 2018		30	30	10	40

Ordinary shares

Ordinary shares have a par value of NOK1. They entitle the holder to participate in dividens, and to share the proceeds of w inding up the company in proportion to the number og and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

15 Remuneration

	2018	2017
	NOK'000	*NOK'000*
Saleries	2 570	4 466
Pension costs	313	369
Payroll tax	886	957
Other compensations and social costs	-1 582	-7
Total payroll costs	2 188	5 783
	2 188	5 783
Average number of emplyees	4	11

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense w hen they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Compensation to the board of directors (BoD), the corporate executive committee (CEC) and other key management personnel

Name	Position	Salaries	Pension	Other benefits
Endre Kolbjørnsen	Chairman	254	4	0
Karl Albrecht Selmer	Member of the board/CEO	552	9	5
		806	14	5

Other key management personnel are compensated in Selmer Holding AS and this compensation is part of the basis for the management fee that is invoiced to the group. In addition to this a bonus to CFO w as invoiced seperatly in 2018 w ith TNOK 941.

At 31 December there are no lones to the members of the BoD or the CEC.

Auditor`s remuneration

	2018	2017
	NOK'000	*NOK'000*
Audit fee	425	394
Audit related fee	0	99
Tax fee	0	0
Other service fee	1 036	6
Total	**1 461**	**499**

16 Administrative expenses

	2018	2017
	NOK'000	*NOK'000*
Total payroll costs	2 188	5 783
Depreciations	1 096	1 137
Other operating expenses	24 398	9 123
Administrative expenses	27 682	16 043

17 Events occuring after the reporting period

No significant transactions have been completed after the balance sheet date.

Annual accounts for Holmetjern Invest AS

Annual accounts 2018

for

Holmetjern Invest AS

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Profit and loss statement

	Note	2018	2017
INCOME STATEMENT			
Operating income			
Sales revenue		0	12,150,000
Total operating revenue		**0**	**12,150,000**
Operating expenses			
Cost of sales		0	11,000,000
Personnel expenses	1	916,022	1,298,395
Depreciation	2	32,522	28,306
Other operating expences	1,15,17	16,226,848	3,837,751
Total operating expenses		**17,175,392**	**16,164,452**
NET OPERATING PROFIT		**-17,175,392**	**-4,014,452**
FINANCIAL ITEMS			
Financial income			
Dividend received	3	23,147,684	18,893,937
Interest income	10	5,973,728	354,813
Other financial income		0	5,898,866
Total financial income		**29,121,412**	**25,147,616**
Financial expenses			
Other interest expenses	14	15,088,672	2,090,225
Other financial expenses		1,815,974	0
Total financial income		**16,904,646**	**2,090,225**
NET FINANCIAL ITEMS		**12,216,766**	**23,057,391**
PROFIT BEFORE INCOME TAXES		**-4,958,626**	**19,042,938**
Taxes	5,6,7	-5,711,584	-1,120,608
NET PROFIT FOR THE YEAR		**752,958**	**20,163,546**
ALLOCATIONS			
Allocated to dividend for dividend	8	10,000,000	10,000,000
Allocated from/to other reserves	8	-9,247,042	10,163,546
TOTAL ALLOCATIONS		**752,958**	**20,163,546**

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Holmetjern Invest AS

Balance as at 31/12/2018

	Note	31/12/2018	31/12/2017
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Deferred tax assets	6	7,219,780	1,508,196
Total intangible assets		**7,219,780**	**1,508,196**
Tangible fixed assets			
Fixtures, office equipment etc	2	100,577	133,099
Total tangible fixed assets		**100,577**	**133,099**
Fixed asset investments			
Investments in subsidiaries	4	4,806,798	4,676,798
Loans to group companies	9	15,889,372	25,408,263
Investments in associated companies	4	21,991,910	18,908,410
Loan to associated company	9	22,016,146	8,464,475
Equities and investments	16	39,996,424	11,086,408
Other long-term receivables	9	1,009,900	9,900
Total fixed asset investments		**105,710,551**	**68,554,253**
TOTAL FIXED ASSETS		**113,030,908**	**70,195,548**
CURRENT ASSETS			
Inventory property	11	32,405,475	32,405,475
Receivables			
Accounts receivable		0	56,250
Receivables from group companies	3,9	50,179,546	255,485
Other short-term receivables	3,9	14,461,110	23,902,673
Total receivables		**64,640,656**	**24,214,408**
Cash and deposits	12	60,015,248	3,236,383
TOTAL CURRENT ASSETS		**157,061,379**	**59,856,266**
TOTAL ASSETS		**270,092,287**	**130,051,814**

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Holmetjern Invest AS

Balance as at 31/12/2018

	Note	31/12/2018	31/12/2017
EQUITY AND LIABILITIES			
EQUITY			
Paid-up equity			
Share capital	13	30,000	30,000
Share premium	8	10,459	10,459
Total paid-up equity		**40,459**	**40,459**
Retained earnings			
Retained equity	8	37,442,190	46,689,231
Total retained earnings		**37,442,190**	**46,689,231**
TOTAL EQUITY		**37,482,649**	**46,729,690**
LIABILITIES			
LONG-TERM LIABILITIES			
Other long-term liabilities			
Bond loans	10	191,899,803	0
Other long-term liabilities	14	10,209,960	31,018,186
Total long-term liabilities		**202,109,763**	**31,018,186**
TOTAL LONG-TERM LIABILITIES		**202,109,763**	**31,018,186**
SHORT-TERM LIABILITIES			
Accounts payable		2,177,180	585,034
Value added taxes		42,977	98,393
Dividend	8	10,000,000	10,000,000
Short-term liabilities to group companies	14	14,820,000	0
Other short-term liabilities	14	3,459,718	41,620,511
TOTAL SHORT-TERM LIABILITIES		**30,499,875**	**52,303,938**
TOTAL LIABILITIES		**232,609,638**	**83,322,124**
TOTAL EQUITY AND LIABILITIES		**270,092,287**	**130,051,814**

Trondheim, April 30th 2019

Endre Kolbjørnsen
Chair

Karl Albrecht Opsahl Selmer
Managing Director

Kolbjørn Opsahl Selmer
Director

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Holmetjern Invest AS

Cash flow statement

	Note	2018	2017
Cash flow from operations			
Earnings before taxes		-4,958,626	19,042,938
- Tax payable		0	0
+ Loss / - Gain on sale of fixed assets		0	-5,898,630
+ Depreciation and amortization		32,522	28,306
+/- Changes inventory		0	-1,238,315
+/- Changes in accounts receivables		56,250	-56,250
+/- Changes in accounts payable		1,592,146	163,129
+/- Changes in other accruals		-63,878,706	43,638,806
= Net cash flow from operations		**-67,156,414**	**55,679,984**
Cash flow from investments			
- Purchase of fixed assets		0	126,468
- Investments in shares and units		33,123,517	12,220,714
- Other investments		5,032,781	33,882,637
= Net cash flow from investments		**-38,156,298**	**-46,229,819**
Cash flow from financing activities			
- Repayment of long-term liabilities		-172,091,577	-1,018,186
- Dividend		10,000,000	10,000,000
= Net cash flow from financing activities		**162,091,577**	**-8,981,814**
= Net change in cash and cash equivalents		**56,778,865**	**468,351**
+ Cash balance as at 01/01		3,236,383	2,768,032
= Cash balance as at 31/12		**60,015,248**	**3,236,383**
Balance of cash and cash equivalent is distributed as follows:			
Cash and bank deposits as at 31/12		59,993,323	3,180,441
+ Tax withholdings, etc. as at 31 Dec		21,925	55,942
= Balance of cash and cash equivalents as at 31/12		**60,015,248**	**3,236,383**

Cash flow statement for Holmetjern Invest AS Org. no.: 912810089

Notes 2018

Accounting principles

Basic of preparation

The financial statements have been prepared in accordance with the provisions of the Norwegian Accounting Act and accounting principles generally accepted in Norway, including Norwegian accounting standards.

Principles for income recognition

Sales revenue is recognized at the time the service is performed. Costs are recognized in accordance with the matching principle, i.e. costs are recognized in the same period as the associated income.

Assessment and classification of assets and liabilities

Fixed assets comprise assets intended for permanent ownership and use. Fixed assets are valued at acquisition cost. Tangible fixed assets are capitalized and depreciate over the economic life of the asset.
Fixed assets are written down to net recoverable value when a decrease in value is deemed to be permanent. The recoverable value shall be the higher of net market value and value of use. Value of use is equal to the current value of future cash flows generated by the asset. Write-downs are reversed when the basis for the write-down no longer applies.

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that are associated with the normal operating cycle. Current assets are valued at the lower of original cost or presumed recoverable value.

Tangible fixed assets

Tangible fixed assets are capitalized and depreciated linearly across the service lifetime of the asset, provided that their service lifetime exceeds 3 years and their cost of acquisition exceeds NOK 15,000.

Short-term receivables

Short-term receivables are recognized at face value. Provisions for loss have been made whenever it has been deemed necessary.

Inventory

Inventory is valued at the lower of cost or net recoverable value. The company’s inventory comprises a plot of land under development. Inventory is recognized at cost, including consulting fees, wages and other direct and indirect development costs. The net recoverable value is the estimated sales price less costs incurred in connection with completion and sale of the property.

Shares and units in other companies and bonds

Shares and units acquired as long-term investments are classified as fixed assets.
Shares in subsidiaries and associates are recorded at cost-price value
Market-based share and bond investments are classified as current assets and valued at the lower of original cost and market value on the balance sheet date, cf. Section 5-2 of the Accounting Act.

Taxes

Taxes included in the profit and loss statement include both the period’s payable taxes and changes in deferred taxes.
Deferred tax is calculated at 22 percent on the basis of temporary differences that exist between accounting and tax values, as well as tax-related losses to be brought forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that are or may be reversed during the same period have been assessed and the net value brought forward.

Statement of cash flows

The cash flow statement is prepared according to the indirect method.
Cash and cashequivalents include cash, bank deposits and other short-term, liquid positions that immediately and with insignificant agio risk can be converted into known cash amounts and with a due date shorter than three months from Cohorts**.**

Notes 2018

Note 1 – Personnel expenses

The company has employed 1 full-time equivalent this accounting year.

The company has a contribution-based pension-plan.

Specification personnel expenses	**This year**	**Last year**
Salaries	742,686	1,057,743
Employer's contributions	107,499	152,117
Pension costs	14,954	21,099
Other salary-related benefits	50,884	67,436
Total	**916,022**	**1,298,395**

Remuneration to key personnel and auditor	
Managing director	552,185
Chair of the Board	253,750
Auditors' fees, comprising:	
Auditing	96,590
Other consulting services	993,589
Total auditors' fees	1,090,179

No pension benefits or other benefits beyond salaries have been paid to the managing or other directors.

Kolbjørn Opsahl Selmer (director), indirectly holds 71.25% of the company's shares.
Karl Albrech Opsahl Selmer (CEO), indirecly holds 23,75 of the company's shares.

Note 2 – Fixtures and fittings, tools, office machinery

	Fixtures and fittings, tools, office machinery
Original cost as at 01/01	162,610
+ Acquisitions	0
- Sales	0
Original cost as at 31/12	162,610
Acc./depr. as at 01/01	29,511
+ Depreciation and amortization	32,522
+ Depr. on revaluation	0
- Reversed depreciation	0
+ Extraordinary write-downs	0
Acc./depr. as at 31/12	62,033
Book value as at 31 Dec	100,577
Percentage for depreciation and amortization	20-20

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Note 3 – Dividend received

Dividend	2018	2017
K-TO AS	2,500,000	-
MCA Mercur Corporate Advisors AS	750,000	
Holmstar AS	102,000	
Vågar Eiendom AS	901,747	
Overvik eiendom AS	18,893,937	18,893,937
TOTAL	**23,147,684**	**18,893,937**

Note 4 – Investments

The following companies are part of the group as at 31/12/2018:

	Registered office	**Ownership interest**
Parent company:		
Holmetjern Invest AS	Trondheim	
Subsidiaries:		
Opsahlhaven as	Trondheim	100.00 %
Det Selmerske Rederi as	Trondheim	100.00 %
Overvik Eiendom as	Trondheim	62.98 %
Techdamper as	Trondheim	56.89 %
Overvik Panorama 1 as	Trondheim	100.00 %
Holmetjern Boliginvest as	Trondheim	100.00 %
Associates:		
K-to as	Trondheim	50.00 %
Holmstar as	Trondheim	34.00 %
Mercur Corporate Advisors as	Trondheim	50.00 %
Oreid Eiendom AS	Trondheim	40.00 %
Baccus holding AS	Løvenstad	25.00 %
Overvik Bygginvest 1 AS	Trondheim	34.25 %
Norse Development AS	Trondheim	50.00 %
Mercur Capital ASA	Trondheim	50.00 %
Selmer Tandberg AS	Trondheim	50.00 %

The company owns shares in the following subsidiaries:

Subsidiary, registered office:	Ownership interest %	Voting rights %	Annual profit/loss last year	Balance sheet EQ last year
Opsahlhaven as , Trondheim	100.00 %	100.00 %	-95,816	-543,931
Det Selmerske Rederi as, Trondheim	100.00 %	100.00 %	-8,113	-66,109
Overvik Eiendom as, Trondheim	62.98 %	62.98 %	29,848,183	29,625,428
Techdamper as, Trondheim	56.89 %	56.89 %	-3,029,988	2,230,664
Overvik Panorama 1 as, Trondheim	100.00 %	100.00 %	-5,438	18,993
Holmetjern Boliginvest as, Trondheim	100.00 %	100.00 %	8	91,438

The company owns shares in the following associates:

Associate, registered office:	Ownership interest %	Voting rights %	Annual profit/loss last year	Balance sheet EQ last year
K-to as , Trondheim	50.00 %	50.00 %	2,309,529	30,463,530
Holmstar as , Trondheim	34.00 %	34.00 %	516,418	34,599
Mercur Corporate Advisors as , Trondheim	50.00 %	25.00 %	1,166,894	1,624,876
Oreid Eiendom as, Trondheim	40.00 %	40.00 %	-1,482,165	21,939,210
Baccus holding as, Løvenstad	25.00 %	25.00 %	-81,659	7,918,741
Overvik Bygginvest 1 as , Trondheim	34.25 %	34.25 %	-1,251,266	-975,556
Selmer Tandberg AS , Trondheim	50.00 %	50.00 %	-1,736,577	-1,430,180
Mercur Capital ASA, Trondheim	50.00 %	50.00 %	-16,481	2,727,949
Norse Development AS , Trondheim	50.00 %	50.00 %	-254,295	-224,295

For companies with a negative equity, write-downs have been considered. Given that the companies in question have assets with net recoverable values significantly higher than book values, it has been concluded that no need exists for writing down any of the items.

Note 5 – Tax on profit on ordinary activities

	2018	2017
Changes in deferred tax/tax assets	-5,711,584	-1,120,608
Total ordinary tax	**-5,711,584**	**-1,120,608**

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Note 6 – Tax on profit on ordinary activities

Deferred tax/deferred tax assets

	2018	2017
+ Fixed assets, incl. goodwill	3,446	11,685
+ Inventory	773,410	773,410
+ Provisions for dividend, recognized as income	569,878	566,818
-Tax Form, offset deficit carried forward	34,163,918	7,909,290
= Basis for deferred tax	**-32,817,184**	**-6,557,377**
Deferred tax	**0**	**0**
Negative basis for deferred tax	32,817,184	6,557,377
= Basis for deferred tax asset	**32,817,184**	**6,557,377**
Deferred tax assets	**7,219,780**	**1,508,197**
Basis for deferred tax assets, not recognized	0	4
Deferred tax assets, not recognized	**0**	**1**
Deferred tax assets, recognized	**7,219,780**	**1,508,196**

Note 7 – Tax on profit on ordinary activities

Reconciliation of tax against pre-tax profit/loss

		Tax
Tax in income statement		-5,711,584
Profit before tax	-4,958,626	-1,140,484
Difference		**-4,571,100**
Which comprise		
Non-deductiable costs/income	-21,404,241	-4,899,974
Effect on deferred tax as at 31/12 due to change in tax rate		328,171
Effect on deferred tax from provisions for dividend, recognized as income		703
Total		**-4,571,100**

Note 8 – Transfers to other reserves

	Share capital / nominal share capital	Share premium	Other reserves	Total equity
As at 01/01	30,000	10,459	46,689,231	46,729,690
+/- Other transactions:	0	0	-9,247,042	-9,247,042
As at 31/12	**30,000**	**10,459**	**37,442,190**	**37,482,649**

Other transactions include provisions for dividend in the amount of NOK 10,000,000.
+ Profit for the year in the amount of NOK 752,958.

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Note 9 – Loans to group undertakings

Receivables	Association	Amount 2018	Interest 2018	Amount 2017	Interest 2017
Det Selmerske Rederi as	Subsidiary	83,537	2,869	60,668	871
Norwegian Petroleum Services	Subsidiary	50,000	0	20,000	0
Opsahlhaven as	Subsidiary	8,436,771	588,053	6,348,718	179,953
Overvik Eiendom as**	Subsidiary	18,893,937	0	18,893,937	0
Overvik Eiendom as (short-term)*	Subsidiary	18,893,937	0	18,893,937	0
Overvik Utvikling as*	Subsidiary	12,289,672	176,377		
Techdamper as	Subsidiary	7,319,064	781,213	39,000	0
TOTAL receivables from subsidiaries		**65,966,918**	**1,548,512**	**44,256,260**	**180,824**
Holmstar as (short-term)*	Associated	102,000	0	255,485	14,504
K-TO AS*	Associated	2,500,000	0	5,004,110	4,110
Minilager 1 Trondheim as	Associated	0	0	45,939	3,005
Norse Development as	Associated	573,802	5,004	0	0
Overvik bygginvest 1 as	Associated	9,802,230	201,172	0	0
Selmer Tandberg as	Associated	10,930,114	1,432,480	5,092,867	62,867
Selmer Tandberg as*	Associated	10,282,700			
Mercur Capital ASA	Associated	710,000	0		
Welmax Concrete as	Associated	0	0	3,371,608	45,052
TOTAL receivables from associated companies		**34,900,846**	**1,638,657**	**13,770,009**	**129,538**
TOTAL receivables from group undertakings		**100,867,765**	**3,187,169**	**58,026,270**	**310,363**
Other receivables		**Amount 2018**	**Interest 2018**	**Amount 2017**	**Interest 2017**
Epko as	Long-term Loan	1,000,000	0		
Ole Wennberg	Long-term Loan	9,900	0	9,900	-
Vågar Eiendom as	Other	901,747	0		
TOTAL other receivables		**1,911,647**	**0**		
Items marked * are short-term.					

Total receivables due < 1 year 37,905,519
Items marked ** are classified as short-term in 2018 and long-term in 2017.
The company did not separate receivables from subsidiaries and receivables from Associates in 2017. These Receivables have therefore been reclassified in the 2017-column.

Note 10 – Bond loans

Bond loans	Amount 2018	Interest 2018	Amount 2017	Interest 2017
NO0010815632Holme 18/22	191,899,803	13,277,028	-	-
TOTAL	**191,899,803**	**13,277,028**	**-**	**-**

The loan is due for redemption in 2022.

The bond is interest-only through the loan period, which ends in February 2022.

Covenants associated with the bond:

- Bondholders holds a charge against the shares of Holmetjern Invest AS.
- The company shall at all times maintain a minimum liquidity of NOK 20 million.
- Net LTV shall be below 65%.

	Cost for the year	Capitalized as of 31/12/2018
Accrued costs associated with the bond is recorded against Bond in the balance sheet and expensed linear	1,815,973	- 9,203,419

Holmetjern owns bonds in the amount of NOK 1 million in this bond.

Note 11 – Inventory, land under development

Inventory in balance sheet consist plant under development.

The company's inventory also consists capitalized expenses related to the development of this land.

The land is being developed with the intention of reselling it, and it is therefore classified as work in progress. Pursuant to Section 5-4 of the Accounting Act and Norwegian Accounting Standard 1 Inventory, work in progress are valued at full cost. Of the total inventory, the cost of acquiring the plot of land accounts for NOK 30,000,000.

Note 12 – Bank deposits, cash, etc.

Tax withholding funds total NOK 21,925 as of 31/12 this year, compared to NOK 55,942 as at 31/12 last year.

Note 13 – Nominal share capital

The company has 30,000 shares, each with a nominal value of NOK 1.00. The company's total share capital is NOK 30,000.

The company has 3 shareholders, each of whom owns more than 5% of shares.

Name	**Org. no.**	**Qty.**	**Ownership interest**
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 %

Note 14 – Liabilities

Long-term liabilities	**Amount 2018**	**Interest 2018**	**Amount 2017**	**Interest 2017**
Singsaker Eiendom as	187,639	187,639	2,500,000	0
Snowy Invest as	2,375,000	0	2,375,000	0
Selmer Holding as	10,022,320	713,209	15,396,756	396,755
TOTAL	**28,430,516**	**675,081**	**31,018,186**	**466,630**
To credit inst.	**Amount 2018**	**Interest 2018**	**Amount 2017**	**Interest 2017**
Pareto bank (short-term)			41,498,098	1,622,898
TOTAL	**0**	**0**	**41,498,098**	**1,622,898**

Short-term liabilities to group companies	**Amount 2018**	**Interest 2018**	**Amount 2017**	**Interest 2017**
Selmer Holding AS* (dividend)	14,820,000	0	7,125,000	0

* Classified as long-term liabilities in 2017

Other short-term liabilities in 2018 include unpaid holiday pay and accrued interest.
None of these liabilities fall due in more than 5 years.

Note 15 – Leasing contracts

The company has no material leasing contracts.

Note 16 – Equities and investments

Company	**Ownership interest**	**Book value**
OKEA AS	0.45%	3,599,805
Vågar Eiendom AS	11.25%	25,156,406
Kyllingmarkgården AS	6.4%	153,805
Ultimovacs AS	1.51%	11,086,408
Total		**39,996,424**

Shareholdings have been recognized at cost.

Note 17 – Transactions with closely associated parties

In 2018, the company has charged to expense management fees in the amount of NOK 9,086,250 paid to Selmer Holding AS (controlling company).
The company has also bought consulting services in s in the amount of NOK 215 150 from Mercur Corporate Advisors AS (Associate)

To the General Meeting of Holmetjern Invest AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Holmetjern Invest AS (the Company), which comprise the balance sheet as at 31 December 2018, the profit or loss and other comprehensive income statement, changes in equity statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Holmetjern Invest AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2018, the profit or loss statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.

- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Value inventory of property	
The inventory of property consists mainly of undeveloped land and constitutes a substantial part of the assets in the balance sheet. Inventory of property, is measured at the lower of acquisition cost and net realizable value, which requires management to exercise judgment. If a material impairment were identified a write down of the inventory would be recognized. No material impairment was recognized in 2018. Acquisition cost of land consists of historic cost and accumulated interest expenses. Book value of undeveloped land is measured against net realizable value annually. If book value exceeds net realizable value, an impairment loss is recognized. If there are any indications of impairment, Management derives an internal assessment of the net realizable value of land in the form of a prognosis for the project. This prognosis builds on an external valuation, which can include factors such as expected housing prices and rate of return, government approvals and estimated construction costs. Determining and evaluating such assumptions requires management to exercise judgement. The exercise of judgement affects the value of the land and the financial statement directly.	Acquisition cost of land consists of historic cost, with accumulated direct related to the projects. Such expenses consist of interest expenses, expenses related to architect and similar costs. We have checked material acquisition cost, historic or new, against purchase contracts. The interest expenses was checked against confirmations received directly from the banks, whereas other expenses were assessed by inspecting purchase documentation. Whether cost should be capitalized as assets or not was evaluated by obtaining an understanding of the projects, and by inspecting documentation received in relation to interest expense and other expenses. These procedures did not identify any material deviations. In order to assess the risk of impaired net realizable value of undeveloped land, we obtained a copy of the external valuations. We assessed the competence and objectivity of the external valuation firm and we satisfied ourselves that they used widely recognized and suitable methods and assumptions in their valuations. We contacted the external valuation firm directly in order to substantiate that the valuation firm received an unbiased mandate and information from management. These procedures provided no indication of significant errors or lack of objectivity in the external valuations. Where the external valuation indicated a market value near or below the booked acquisition cost, we obtained management prognosis for the project, and challenged management internal assessment further. Our assessment included comparing management assumptions to assumptions in the external valuations, regulatory status, observed market prices and our knowledge and experience from the groups other projects. Our procedures substantiated that the assumptions used by management were reasonable. We evaluated whether and found that the disclosures in note 2 and note 4 were in accordance with the requirements in IFRS and that the information reflected the valuation process and management use of judgement appropriately.

Other information

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

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

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

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

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

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including 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 for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves 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 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

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

Trondheim, 30 April 2019
PricewaterhouseCoopers AS

Rune Kenneth S. Lædre
State Authorised Public Accountant

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Responsibility statement from the Board of Directors and Chief Executive Officer

We confirm that, to the best of our knowledge, the financial statements for the period for 2018 for the group and the parent company have been prepared in accordance with applicable accounting standards, and that the accounts give a true and fair view of the group and the company's consolidated assets, liabilities, financial position and results of the operations per 31 December 2018.

We also confirm to the best of our knowledge, that the Director's report provides a true and fair view of the development and performance of the business and the position of the group and the company including description of key risks and uncertainty factors pertaining to the group going forward.

Trondheim, 30 April 2019

Karl Albrecht Opsahl Selmer	Endre Kolbjørnsen	Kolbjørn Opsahl Selmer
CEO/Director	Chairman	Director