

**Holmetjern Invest AS**

Management Report

December 2019

Organization no. 912 810 089



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## Comments from majority shareholder, Kolbjørn Selmer

We experienced good development in 2019 and our investments have performed well, as well as fulfilling our strategic objectives.

Our projects have reached a sales volume of NOK 500m (100% basis), which for us is all time high. The markets we operate in are well functioning and stable without any “hype”. We also see construction costs at the levels we target.

In 2019 we have chosen to strengthen, develop and buy asset, and not sell. We experience an increased interest in land plots for development, which is positive for us considering our large inventory of land.

As a result of our position strengthening our portfolio and new acquisitions, we have had an increase in our net asset values throughout the year with over 50%.

In 2019 we have made new good investments with our key partners, which secures good future cash flow, both short - and long term. New investments have been made together with Halden Boligbyggelag in Østfold as well as with TOBB in Trondheim. This emphasizes our strategy of making more investments with good and reputable partners.

Construction is underway at our main asset Overvik and it is gratifying to see the good reception the project has received in the market. Overvik has been the best-selling project in Trondheim in Q1 and Q2 2019. This marks the beginning of the development of a new district, and we look forward to the continuation.

We have also strengthened our team during 2019, to be able to optimize our projects and to identify and assess new projects and investments. We are constantly focusing on optimizing our capital structure and this will also have significant focus in 2020. We expect to see results of this in the coming quarters.

The result for 2019 does not include the sales and increase of the value adjusted equity, and is therefore negative. As we commented in the Q2 2019 report, we see positive results going forward. This is based on the development of the projects, our gross volume sales and our focus on optimizing the Group's capital structure.

The next pages will provide a more detailed summary of 2019. As a supplement previous reports should also be read to get complementary information about our team, investments, partners and our financial position, which we consider to be good.

Best regards,



Kolbjørn Selmer

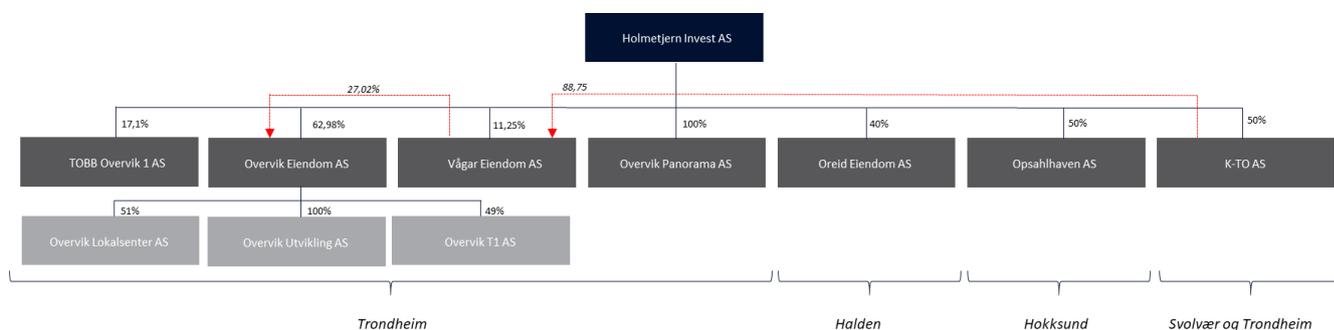
## Introduction

This report provides a status for the largest real estate projects of Holmetjern Invest AS («HTI») as of December 2019. As a supplement to this report, we refer to our reports issued 1th March 2019, 30<sup>th</sup> April 2019, 30<sup>th</sup> August 2019 and Company Update issued 15<sup>th</sup> January 2020. This report will mainly focus om our largest investment, Overvik.

## Holmetjern Invest AS

HTI is an investment company, located in Trondheim. Kolbjørn and Karl Albrecht Selmer owns 95% of the company and Endre Kolbjørnsen the remaining 5%. The company primarily invests in real estate and exercise active ownership in all its investments. The largest investment is Overvik in Trondheim. HTI is involved in development of app. 5.000 units, that will be built during the next 15-20 years. Based on this, the company is amongst the largest real estate developers in Trondheim. HTI cooperates with renowned partners who hold good track records. TOBB and HABO (both co-operative building societies) are examples of such partners. They are close collaborators in Overvik and Oreid respectively.

## Investments, real estate



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

## Highlights per Q4 2019

### Construction start, Overvik

The sale of the first phase, consisting of 74 units, have been good and as of today the sales ratio is 83%. We are pleased with the development and the fact that Overvik has been well received in the market. The start of construction was November 2019, with expected completion in medio 2021. The start of construction marks the start of the development of a new district in Trondheim.

### Organization

We have throughout the year hired employees who strengthens our core competence in real estate development. We have thus established a team that puts us in the position to carry out large and complex projects. At the same time this competence enables us to assess new projects in a good way.

We are currently in the process of hiring a CFO, and expect this person to be in place by June 2020.

### Financial development

Holmetjern Invest AS has a negative result for 2019. The focus throughout 2018 and 2019 has been to finalize zoning plans in large fields, build an organization with considerable expertise in real estate and get started with the first stage of construction at Overvik. Income for the Hometjern Invest Group is generated mainly through the completion of projects and/or partial sale of plots. The main focus going forward is to optimize our balance sheet, and as we wrote in the Q2 2019 report, processes are ongoing to ensure this. We expect to see results from this in 2020.

### Tap issue

A tap issued of NOK 100m was completed in January 2020. The purpose is to strengthen our balance sheet and to be in position to carry out new investments.

### Expectations for 2020

We expect to make more investments with our closest partners, as well as diversify our property portfolio both in terms of geography but also the type of real estate investment, preferably with a maturity in the range of 3-5 years. This will contribute to a good balance between short projects as well as projects with a long-term cash flow. With the team that is now established, we have good expertise to assess and execute this type of investment.

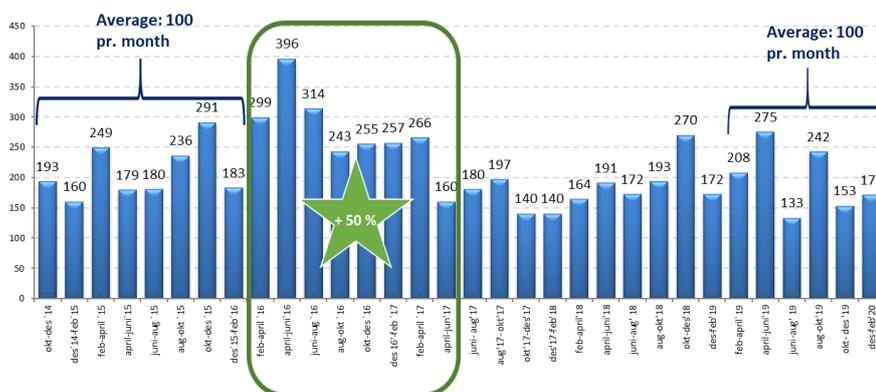
## Overvik

### The market in Trondheim

The housing market in Trondheim is considered to be balanced, well-functioning and stable. The second-hand housing market in 2019 shows a price increase of 1.0%, while the new housing market had a price increase of 2.5% compared to 2018. Trondheim had a strong population growth with 2,868 new inhabitants in 2019.

In Trondheim, the supply of new homes has been relatively high throughout 2019. In 2019 new homes sales reached 1.206 units, an increase of 61 units compared to 2018. This development is considered to be strong since the competition from the second-hand housing market has been strong throughout 2019.

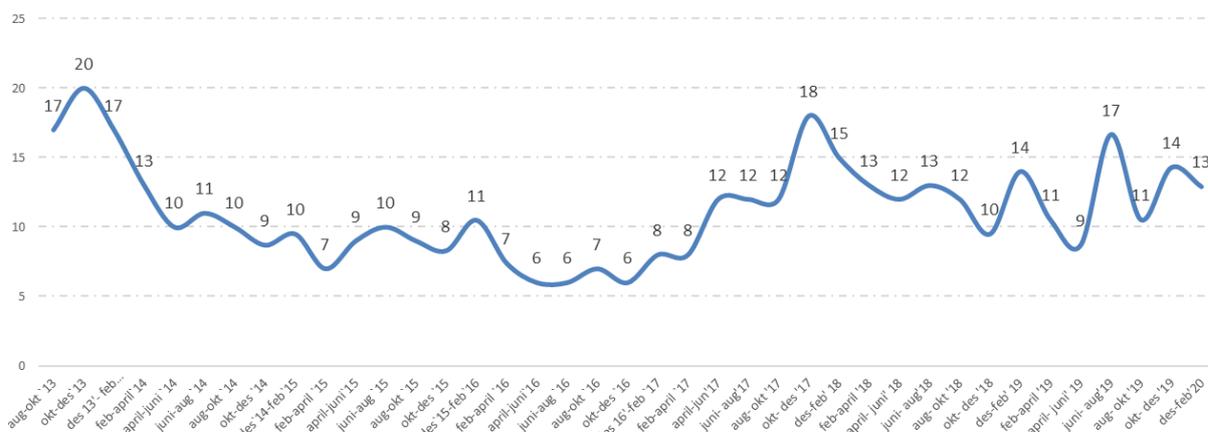
Sale of new homes, 2014 - 2020



Source: EM1

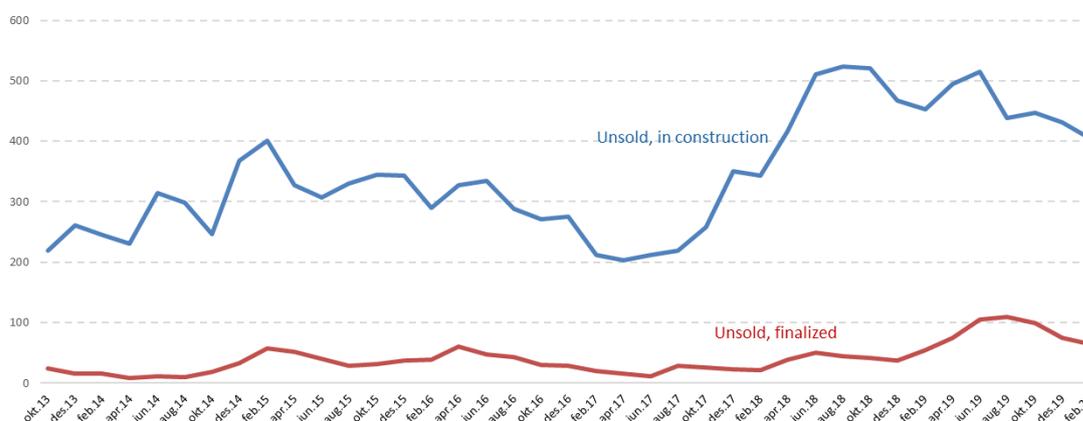
The sales rate for a new housing projects is a normal level. It takes an average of approx. 13 months to sell a project, according to fig. below.

Project sale, average time in months, 2013 - 2020



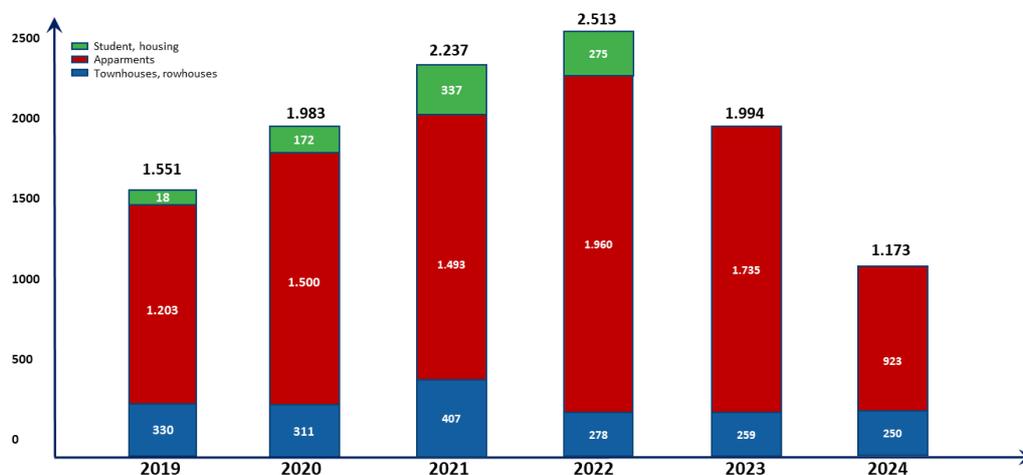
Source: EM1

Number of completed, unsold homes in Trondheim is low. There is an increase from 2018, but remains stable below 100 units. The number of units in progress which is unsold is still somewhat higher than in recent years, but there has been a reduction in 2019 to approximately 400 units. The market is expected to absorb this volume and we do not believe that there will be any accumulation of unsold, completed units in the market.



Source: EM1

In total, many units are planned to be completed in the next years. This will continue to create a competitive situation between the developers. We believe that projects perceived as less attractive in the market will not achieve sufficient advance sales to be realized. As an example, completions in 2019 was approx. 25% lower than the developers estimated in 2018.



Source: EM1

In our opinion, the projects with the right location and the right housing mix will succeed in the competitive situation in our market area. We believe Overvik, with a strong focus on concept development, is well positioned in this market.

#### Status, Overvik

Overvik is the largest investment in Holmetjern Invest AS and approx. 3.500 units will be developed during the next 15-20 years at this location. Overvik will be a new district in Ranheim, connecting existing districts Jakobsli and Olderdalen. Our slogan for the project is “Sammen skaper vi Norges beste bydel”, emphasizing our focus is to establish a district which also includes a variety of services. A local center including a mall, school, sports facilities and kindergarten will be established at Overvik.

The area zoning plan was approved by the City Council in June 2018 and the detailed zoning plan for the first plot was approved in October 2018. Detailed zoning plan of the next sub-field is in progress and is being prepared for political approval. The next plot will consist of approx. 60 apartments. We have also initiated regulation process of larger subfields at Overvik. We expect this process will be finalized in primo 2021.

A collaboration with AtB is initiated (company administrating the public transport in Trøndelag) to help develop the future way of traveling. This is important in view of Trondheim municipality's zero growth vision in traffic, and is one of the main focus areas when developing Overvik

The first building plot is established in the SPV Overvik T1 AS, which will consist of approx. 300 units. The area is planned to consist mainly of townhouses and apartments. Housing mix will be clarified in the detail zoning plan and will adapt to market demand.

The first construction step is done through the SPV TOBB Overvik 1 AS. This area consists of approx. 100 units in total. First construction stage will include 74 units consisting of 30 apartments and 44 townhouses. The average size per unit is 94 sqm.



The first 74 units was launched for sale November 2018. The project has been well received in the market and as of February 2020 a total of 62 out of 74 units have been sold. This

amounts to NOK 283m and 83% of the sales value. For several months in 2019 the project has been the project with the best sales in Trondheim. Construction of the first plot started in November 2019 and completion is expected to be medio 2021.

The reception in the market has been very good, both when it comes to the housing mix and the price level.

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

## Interim Group Financial Statements

### Comments

The interim group financial report is prepared by 31 December 2019, in accordance with IFRS. The loss per Q4 2019 is NOK 43m. This is partly a result of no divestments in 2019 and also the fact that value increase in our inventory, which is our land bank, is not recognized in the Profit and Loss. The effect of sales in our projects in 2019 is nor recognized in the group accounts.

Changes in Fair Value of inventory is not recognized in the Profit and Loss, due to the accounting principles in IFRS. The equity according to IFRS is therefore substantial lower than the value-adjusted equity. Reference is made to the report issued 15<sup>th</sup> January 2020, where more details regarding our value-adjusted equity can be found.

Interim Financial Statements, Group

**Consolidated statement of profit or loss and other comprehensive income**

Holmetjern Invest-Group

<i>NOK'000</i>	Notes	2. half of 2019	The Year of 2019	31.12.2018
Revenue from contracts with customers	3	294	506	3 465
Cost of sales of goods		-35	-107	-2 627
<b>Gross profit</b>		<u>260</u>	<u>399</u>	<u>839</u>
Administrative expenses	8	-18 374	-35 784	-27 682
Other gains/losses - net		565	-7 579	1 785
<b>Operating profit</b>		<u>-17 549</u>	<u>-42 964</u>	<u>-25 058</u>
Finance income		4 332	6 729	6 124
Borrowing costs	4	-13 456	-26 489	-17 048
<b>Finance costs - net</b>		<u>-9 124</u>	<u>-19 760</u>	<u>-10 924</u>
Share of net profit from associates accounted for using the equity method		8 993	8 155	11 068
<b>Profit before income tax</b>		<u>-17 680</u>	<u>-54 570</u>	<u>-24 914</u>
Income tax expense		5 380	11 156	7 640
		0		
<b>Profit for the period</b>		<u>-12 300</u>	<u>-43 413</u>	<u>-17 274</u>
Profit is attributable to:				
Owners of Holmetjern Invest AS		-22 012	-52 583	-27 118
Non-controlling interests		9 712	9 170	9 844
		<u>-12 300</u>	<u>-43 413</u>	<u>-17 274</u>
<b>Profit for the period</b>		-12 300	-43 413	-17 274
<b>Other comprehensive income for the period, net of tax</b>		0	0	0
<b>Total comprehensive income for the period</b>		<u>-12 300</u>	<u>-43 413</u>	<u>-17 274</u>
<b>Total comprehensive income for the period is attributable to:</b>				
Owners of Holmetjern Invest AS		-22 012	-52 583	-27 118
Non-controlling interests		9 712	9 170	9 844

## Consolidated balance sheet

Holmetjern Invest-Group

<i>NOK'000</i>	Notes	31.12.2019	30.06.2019	31.12.2018
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		31 648	350	571
Goodwill		6 975	6 975	6 975
Deferred tax assets		24 949	19 030	13 259
Investments accounted for using the equity method		89 943	81 196	84 340
Financial asset at fair value through profit or loss		25 726	25 726	47 645
Financial assets at amortised costs	8	46 319	53 121	54 240
Other loans and receivables		0	0	0
<b>Total non-current assets</b>		<u>225 560</u>	<u>186 399</u>	<u>207 030</u>
<b>Current assets</b>				
Inventories	4	536 294	524 990	506 590
Trade receivables		791	64	323
Other financial assets at amortised cost		25 940	24 041	14 536
Other receivables		328	149	454
Financial asset at fair value through profit or loss		4 167	7 450	
Cash and cash equivalents (excluding bank overdrafts)	6,7	38 428	50 517	89 347
<b>Total current assets</b>	6	<u>605 948</u>	<u>607 211</u>	<u>611 251</u>
<b>Total assets</b>		<u>831 508</u>	<u>793 609</u>	<u>818 281</u>

## Consolidated balance sheet

Holmetjern Invest-Group

NOK'000	Notes	31.12.2019	30.06.2019	31.12.2018
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Bank loans	5,7	201 348	201 340	203 317
Bond loan	5	194 263	190 947	191 900
Borrowings	5,8	165 570	164 800	203 798
<b>Total non-current liabilities</b>		<u>561 181</u>	<u>557 087</u>	<u>599 015</u>
<b>Current liabilities</b>				
Trade and other payables		11 260	2 418	3 038
Current tax liabilities		0	0	0
Borrowings	5,8	195 607	158 808	87 633
Other short term liabilities	5	698	245	1 314
<b>Total current liabilities</b>	6	<u>207 565</u>	<u>161 471</u>	<u>91 985</u>
<b>Total liabilities</b>		<u>768 746 0</u>	<u>718 558</u>	<u>691 000</u>
<b>EQUITY</b>				
Share capital and share premium		110	40	40
Retained earnings		32 150	54 223	94 805
Non-controlling interests		30 502	20 788	32 436
<b>Total equity</b>		<u>62 762</u>	<u>75 051</u>	<u>127 281</u>
<b>Total liabilities and equity</b>		<u>831 508</u>	<u>793 609</u>	<u>818 281</u>

## Consolidated statement of changes in equity

Holmetjern Invest-Group

Attributable to owners

NOK'000	Notes	Attributable to owners			Total	Non-controlling interests	Total equity
		Share capital and premium	Share premium	Retained earnings			
<b>Balance at 1 January 2018</b>		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
<b>Total comprehensive income for the period</b>		0	0	-27 118	-27 118	9 844	-17 274
<b>Transaction with owners in their capacity as owners:</b>							
Purchase of own shares		0	0	0	0	0	0
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
<b>Balance at 31 December 2018</b>		<b>30</b>	<b>10</b>	<b>94 805</b>	<b>94 845</b>	<b>32 436</b>	<b>127 281</b>
Share capital increase		70		-70	0	0	0
Profit for the period		0	0	-52 583	-52 583	9 170	-43 413
Other comprehensive income		0	0	0	0	0	0
<b>Total comprehensive income for the period</b>		70	0	-52 653	-52 583	9 170	-43 413
<b>Transaction with owners in their capacity as owners:</b>							
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
<b>Balance at 31. December 2019</b>		<b>100</b>	<b>10</b>	<b>32 150</b>	<b>32 260</b>	<b>30 502</b>	<b>62 762</b>

## Consolidated statement of cash flows

Holmetjern Invest-Group

<i>NOK'000</i>	<b>Notes</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
<b>Cash flow from operations</b>			
Profit before income taxes		-54 570	-24 914
Taxes paid in the period		0	
Gain/loss from sale of non-current assets		2 614	
Depreciation		426	1 096
Gains/(losses) recognised in other income - fair value		7 578	-1 785
Net profits from associates less dividends received		-4 885	-7 716
Change in inventory	<b>4</b>	-29 704	-38 342
Change in other current items		4 150	2 007
<b>Net cash flow from operations</b>		<b>-74 391</b>	<b>-69 654</b>
<b>Cash flow from investments</b>			
Payment in other loans and receivables		-35 520	-27 047
Repayment in other loans and receivables		32 037	33 553
Proceeds from sale of shares and investments in other companies		7 622	2 639
Purchase of shares and investments in other companies		-17 094	-34 632
Purchase of other investments		0	0
<b>Net cash flow from investments</b>		<b>-12 955</b>	<b>-25 487</b>
<b>Cash flow from financing</b>			
Proceeds from long term loans		57 533	360 759
Proceeds from short term loans			
Repayment of long term loans		0	-164 806
Payment of dividend		-21 106	-21 106
<b>Net cash flow from financing</b>		<b>36 427</b>	<b>174 847</b>
Net change in cash and cash equivalents		-50 919	79 706
Cash and cash equivalents at the beginning of the period		89 347	9 641
<b>Cash and cash equivalents at the end of the period</b>	<b>7</b>	<b>38 428</b>	<b>89 347</b>

Interim Financial Statements, Holmetjern Invest AS

**Profit and loss statement**  
Holmetjern Invest AS-Company

*NOK'000*

<b>INCOME STATEMENT</b>	<b>Note</b>	<b>2. half of 2019</b>	<b>The year of 2019</b>	<b>31.12.2018</b>
<b>Operating expences</b>				
Personel expences		1 318	1 661	916
Depreciation		16	33	33
Other operating expences	8	3 376	17 359	16 227
<b>Total operating expences</b>		<b>4 710</b>	<b>19 052</b>	<b>17 175</b>
<b>NET OPERATING PROFIT</b>		<b>-4 710</b>	<b>-19 052</b>	<b>-17 175</b>
<b>FINANCIAL ITEMS</b>				
<b>Financial income</b>				
Dividend received		20 298	23 065	23 148
Intrest income		6 236	10 066	5 974
<b>Total financial income</b>		<b>26 535</b>	<b>33 131</b>	<b>29 121</b>
<b>Financial expences</b>				
Change in value of marketable investments		-565	742	0
Other interest expences	5,8	10 764	20 208	15 089
Other financial expences		3 365	5 441	1 816
<b>Total financial income</b>		<b>13 563</b>	<b>26 391</b>	<b>16 905</b>
<b>NET FINANCIAL ITEMS</b>		<b>12 971</b>	<b>6 739</b>	<b>12 217</b>
<b>PROFIT BEFORE INCOME TAXES</b>		<b>8 262</b>	<b>-12 313</b>	<b>-4 959</b>
Taxes		-2 059	-6 585	-5 712
<b>NET PROFIT FOR THE PERIOD</b>		<b>10 321</b>	<b>-5 727</b>	<b>753</b>
<b>ALLOCATIONS</b>				
Allocated to dividend for dividend				10 000
Allocated from/to other reserves		10 321	-5 727	-9 247
<b>TOTAL ALLOCATIONS</b>		<b>10 321</b>	<b>-5 727</b>	<b>753</b>

**Balance sheet statement**  
Holmetjern Invest AS-Company

*NOK'000*

<b>ASSETS</b>	<b>Note</b>	<b>31.12.219</b>	<b>30.06.2019</b>	<b>31.12.2018</b>
<b>NON-CURRENT ASSETS</b>				
<b>Intangible assets</b>				
Deferred tax assets		13 805	11 746	7 220
<b>Total intangible assets</b>		<b>13 805</b>	<b>11 746</b>	<b>7 220</b>
<b>Tangible fixed assets</b>				
Fixtures, office equipment etc		68	84	101
<b>Total tangible fixed assets</b>		<b>68</b>	<b>84</b>	<b>101</b>
<b>Fixed assets investments</b>				
Investments in subsidiaries		21 524	4 837	4 807
Loan to group companies		30 868	24 113	15 889
Investments in associated companies		21 869	22 057	21 992
Loans to associated companies		35 541	43 457	22 016
Equities and investments		25 310	25 310	39 996
Other long-term receivables		1 000	1 000	1 010
<b>Total fixed asset investments</b>		<b>136 113</b>	<b>120 775</b>	<b>105 711</b>
<b>TOTAL FIXED ASSETS</b>		<b>149 986</b>	<b>132 605</b>	<b>113 031</b>
<b>CURRENT ASSETS</b>				
Inventory property	4	36 005	32 405	32 405
<b>Receivables</b>				
Accounts receivable		88	6	0
Receivables from group companies		58 297	38 207	50 180
Other short-term receivables		25 844	23 731	14 461
<b>Total receivables</b>		<b>84 229</b>	<b>61 944</b>	<b>64 641</b>
Marketable shares		4 167	7 450	
Cash and bank deposits	7,6	20 641	25 040	60 015
<b>TOTAL CURRENT ASSETS</b>	<b>6</b>	<b>145 043</b>	<b>126 839</b>	<b>157 061</b>
<b>TOTAL ASSETS</b>		<b>295 028</b>	<b>259 444</b>	<b>270 092</b>

**Balance sheet statement**  
Holmetjern Invest AS-Company

NOK'000

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>31.12.2019</b>	<b>30.06.2019</b>	<b>31.12.2018</b>
<b>EQUITY</b>				
<b>Paid-in-equity</b>				
Share capital		100	30	30
Premium fund		10	10	10
<b>Total paid-in equity</b>		<b>110</b>	<b>40</b>	<b>40</b>
<b>Retained earnings</b>				
Retained equity		31 645	21 394	37 442
<b>Total retained earnings</b>		<b>31 645</b>	<b>21 394</b>	<b>37 442</b>
<b>TOTAL EQUITY</b>		<b>31 756</b>	<b>21 435</b>	<b>37 483</b>
<b>LIABILITIES</b>				
<b>Non-Current liabilities</b>				
<b>Other non-current liabilities</b>				
Bond loans	5	194 263	190 947	191 900
Other long-term liabilities	5,8	36 726	29 905	10 210
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>230 989</b>	<b>220 852</b>	<b>202 110</b>
<b>CURRENT LIABILITIES</b>				
Accounts payable		2 267	1 548	2 177
Values added taxes		83	54	43
Dividend		0	0	10 000
Short-term liabilities to group companies		23 212	0	14 820
Other short-term liabilities	8	6 722	15 556	3 460
<b>TOTAL CURRENT LIABILITIES</b>	<b>6</b>	<b>32 283</b>	<b>17 157</b>	<b>30 500</b>
<b>TOTAL LIABILITIES</b>		<b>263 273</b>	<b>238 009</b>	<b>232 610</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>295 028</b>	<b>259 444</b>	<b>270 092</b>

**Cash flow statement**  
Holmetjern Invest AS-Company

NOK'000

	Note	31.12.2019	30.06.2019	31.12.2018
<b>Cash flow from operations</b>				
Earnings before taxes		-12 313	-20 574	-4 959
-Tax payable				0
+Loss/-gain on sale of fixed assets		2 614	2 076	0
+Depreciation and amortization		775	1 324	33
+/- Changes inventory		-3 600	0	0
+/- Changes in accounts receivables		-88	-6	56
+/- Changes in accounts payable		90	-630	1 592
+/- Changes in other accruals		244	10	-63 879
<b>=Net cash flow from operations</b>		<b>-12 277</b>	<b>-17 799</b>	<b>-67 156</b>
<b>Cash flow from investments</b>				
+Repayment in other loans to group companies		16 687	0	0
-Payment in other loans and receivables		-64 681	-26 953	0
+ Fixed assets sold		7 622	3 853	0
-Investments in shares and units		-17 094	-95	-33 124
-Other investments		0	0	-5 033
<b>= Net cash flow from investments</b>		<b>-57 467</b>	<b>-23 195</b>	<b>-38 156</b>
<b>Cash flow from financing activities</b>				
+New loans		55 190	30 838	0
-Repayment of long term liabilities		-14 820	-14 820	-172 092
-Dividend		-10 000	-10 000	10 000
<b>=Net cash flow fom financing activities</b>		<b>30 370</b>	<b>6 018</b>	<b>162 092</b>
<b>=Net change in cash and cash equivalents</b>		<b>-39 374</b>	<b>-34 975</b>	<b>56 779</b>
+Cash balance as og the beginning of the period		60 015	60 015	3 236
<b>=Cash balance as at the end of the period</b>	7	<b>20 641</b>	<b>25 040</b>	<b>60 015</b>
<b>Balance of cash and cash equivalents is distributed as follows:</b>				
Cash and bank deposits as at the end of the period		20 597	25 010	59 993
+Tax withholdings etc as at the end of the period		44	29	22
<b>=Balance of cash and cash equivalents as at the end of the period</b>		<b>20 641</b>	<b>25 040</b>	<b>60 015</b>

## 1 Summary of significant accounting policies

### Significant accounting policies-Holmetjern Invest -Group

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

The 2018 financial statements were the first consolidated financial statements presented by the group.

#### 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 focusing 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.

#### 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 use 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.

## 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
- 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.

## Accounting principles Holmetjern Invest-Company

### Basic principles

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

Income from the sale of services 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.

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.

## 2 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 judgements

#### Inventory property

The net realizable value is 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. Management's 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.

## 3 Segment information

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.

#### 4 Inventories

##### Inventories

	2019	2018	2017
	000'NOK	000'NOK	000'NOK
<b>Property portfolio</b>			
Holmetjern Invest AS	36 005	32 405	32 405
Overvik Utvikling AS	427 712	404 235	371 927
Overvik Lokalsenter AS	49 440	47 218	45 097
Opsahlhaven AS	14 615	14 212	13 798
Total property inventory	527 773	498 071	463 228
Other inventory	8 520	8 520	5 020
Total	536 294	506 590	468 248

##### *Assigning cost to inventories*

Borrowing costs on external land loans in group entity that owns the inventory property, are capitalised from the day the group initiates activities to develop the property. Borrowing costs are recognised in profit and loss as part of the cost of sales when the units are delivered.

	2019	2018	2017
	000'NOK	000'NOK	000'NOK
Land cost	392 634	392 634	392 634
Borrowing cost prior years	32 382	13 171	1 597
Capitalized borrowing costs this year	18 889	19 071	11 574
Capitalized project costs	83 868	73 194	57 422
Total	527 773	498 071	463 228

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

The market value of the inventory is assessed to be higher.

## 5 Maturities, terms and conditions of financial liabilities

The tables below show the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

<b>Contractual maturities of financial liabilities</b>	<b>Less than 1 year</b>	<b>Between 1 to 2 years</b>	<b>More than 2 years</b>	<b>Carrying amount (assets)/ liabilities</b>
<b>At 31.12.19</b>	<i>NOK'000</i>		<i>NOK'000</i>	<i>NOK'000</i>
Bond loan*	0	0	200 000	200 000
Bank loans**	342	150 467	50 540	201 348
Other long-term borrowings	0	23 021	142 549	165 570
Short-term loans borrowings	196 305		0	196 305
<b>Total</b>	<b>196 647</b>	<b>173 488</b>	<b>393 089</b>	<b>763 224</b>

### Coventants related to Financial liabilities

\* Coventants related to bond loan Holmetjern Invest (Company) :

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

Bondholders holds a charge against the shares of Holmetjern Invest AS

The loan is due for redemption in 2022

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

<b>Bond loan</b>	<b>Amount 31.12.19</b>	<b>Intrest pr 31.12.19</b>	<b>Amount 31.12.2018</b>	<b>Interest 2018</b>
NO0010815632Holme 18/22	194 263	17 204	191 900	13 277

### Cost pr 31.12.19 Capitalized as of 31.12.19

Accured costs associated with the bond is recorded against Bond in the balance sheet and expensed linear	2 301	-6 903
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\*\* Coventants related to long term bank loan Overvik Lokalsenter:

Liquidity > NOK 4 millions

## 6 Current net assets

### Group

	<b>31.12.2019</b>	<b>31.12.2018</b>
	<i>NOK'000</i>	<i>NOK'000</i>
<i>Current assets</i>		
Cash and cash equivalents	38 428	89 347
Other Current assets	567 520	521 904
<i>Current liabilities</i>	207 565	91 985
<b>Current net assets</b>	<b>398 383</b>	<b>519 266</b>

### Company

	<b>31.12.2019</b>	<b>31.12.2018</b>
	<i>NOK'000</i>	<i>NOK'000</i>
<i>Current assets</i>		
Cash and cash equivalents	20 641	60 015
Other Current assets	124 402	97 046
<i>Current liabilities</i>	32 283	30 500
<b>Current net assets</b>	<b>112 759</b>	<b>126 562</b>

## 7 Cash and Cash equivalents

### Group:

	<b>31.12.2019</b>	<b>31.12.2018</b>
Restricted cash	24 000	24 000
Cash and Cash equivalents	14 428	65 347
<b>Total Cash and cash equivalents</b>	<b>38 428</b>	<b>89 347</b>

Cash and Cash equivalents pledged as security	8 475	8 475
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### Company:

	<b>31.12.2019</b>	<b>31.12.2018</b>
Restricted cash	20 000	20 000
Cash and Cash equivalents	5 040	27 632
<b>Total Cash and cash equivalents</b>	<b>25 040</b>	<b>47 632</b>

## 8 Related parties

### Parent entities

The group is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest	
			31.12.2019	31.12.2018
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 Selmer.

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

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

### Group:

#### Transactions with and loans to/from related parties

	31.12.2019	31.12.2018
	NOK'000	NOK'000
Purchase of management services from parent company	28 220	18 461
Loans from key management personnel *	222 806	215 230
Loans from parent company and other ownership companies	73 671	28 431
Loans to associates	40 858	34 901

\*Loan from key managing personell is related do purchase of land/property in 2016. The loan is charged with 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 with a intrest rate from 4-8%. Unpaid dividens are not charged with intrest until the year after the dividend is given.

Loans to associates are normally charged with an intrest rate from 3-8%. High risk loans are charged with 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.

### Company:

#### Transactions with and loans to/from related parties

	31.12.2019	31.12.2018
	NOK'000	NOK'000
Purchase of management services from parent company	16 200	9 086
Loans from parent company and other ownership companies	66 437	28 431
Intrest paid on loans from parent companies and other ownership companies	3 004	901



## **Responsibility statement from the Board of Directors and Chief Executive Officer**

We confirm that, to the best of our knowledge, the interim financial statements for the six months ended 31 December 2019 has been prepared in accordance with IAS 34-Interim Financial Reporting, 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 2019.

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, 28th February 2020

A handwritten signature in blue ink, appearing to read 'KAS', with a long, sweeping horizontal stroke extending to the right.

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Karl Albrecht Opsahl Selmer  
CEO/Director

A handwritten signature in blue ink, consisting of a series of connected, wavy horizontal strokes.

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Endre Kolbjørnsen  
Chairman

A handwritten signature in blue ink, appearing to read 'KOS', with a long, sweeping horizontal stroke extending to the right.

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Kolbjørn Opsahl Selmer  
Director