HOLMETJERN
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Holmetjern Invest AS

Management Report

December 2021

Organization no. 912 810 089

Index

Holmetjern Invest AS

Comments from the majority shareholder

The nature of the business and the base of operations

Holmetjern Invest AS (hereafter “the company” or “the Parent company”) is a private sector limited liability investment company with the aim to invest in other companies, shares, securities and similar related ventures. The company is headquartered in Trondheim, Norway. The Holmetjern Invest Group (hereafter “the Group”) mainly consists of companies in the field of property development but has also investments within other industries. All the companies in the Group have a tax affiliation to Norway.

Highlights per Q4 2021

During the fiscal year 2021 several of the Group’s major real estate projects have made good progress and have been well received by the market. For most of our projects Holmetjern Invest AS has collaborated with local housing associations with the aim to create affordable, yet good-quality housing for the general population in these residential zones. In Trondheim, the regional housing association TOBB, has had a leading role in our major project: Overvik. In the region of Østfold/Viken our collaboration partner has been the regional housing association HABO. We have through the year had various “Rent to Own” projects in different regions, making it possible for more people to enter the housing market.

In Trondheim, the first phase of project Overvik was finalized during 2021 and the first residents have moved in the completed units. Phase 2 of the project consisting of 61 new units has begun, and completion is expected in 2023. The challenges related to the proposed changes to the zoning plans set by Trondheim Municipality caused major delays in the development of the Overvik area.

The Group decided to sell off portions of the project to other interested parties while still retaining ownership over the remaining area. This sale was concluded 6th of January 2022. Due to the uncertainty related to the future zoning status of the remaining area, the Group has depreciated the values of this part of the project Overvik in its balance sheet.

The Group continues to remain optimistic about further development of the Overvik area, as population of Trondheim Municipality is projected to only grow in the future, and the attractive location combined with easy access to the central areas in Trondheim makes Overvik extremely suitable for further residential development.

Holmetjern Invest AS has profitably divested all its interests in the project Opsahlhaven in the Hokksund region to Partum Eiendom AS. The project Yventunet at Sarpsborg has also been concluded with generally profitable results.

The Group’s associated company Signature Wines AS, with its core business of importing and marketing carefully selected vintages of quality wines from all over the world had a record year in 2021. Established in 2018, Signature Wines AS has in three short years shown itself to be an unqualified success.

The Group has diversified its investment portfolio with acquisition of shares in two new companies, Storage Solutions AS and Norwegian Soda Company AS. Storage Solutions AS has as its core business short- and long-term rental of small- to medium-sized storage units in the b2c market. Norwegian Soda Company AS is a further expansion into the beverage industry by the Group, building on the previous successes of Signature Wines AS. Norwegian Soda Company is co-owned by the renowned master distiller Stig Bareksten, famous for

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his award-winning gins. Norwegian Soda Company aims to produce similarly high-quality mixers and tonics for the high-end beverage market.

It is the Group's opinion that the Board has invested a lot of time and resources into rectifying the situation. Since the last report delivered per 30.06, the Board has responded with several decisions to steady and correct the development, to the positive effect. The profit for the second half period for the Group was MNOK 10,5 and 15,6 for the Parent company. The Group is looking forward to the future, 2022 is already projected to deliver good profits due to the large transaction regarding the partial sale of the Overvik Area. Which also improves the company's LTV considerably. As a result of the above, the company has an improved the LTV at the end of 2021 to 55%. Calculated as stipulated by the bond agreement, and is therefore improved compliance since last report, with its financial covenants.

The Board believes that the annual accounts provide a true and fair view of the Group's and the company's assets and liabilities, financial position, and results. Management considers both the company's and the Group's liquidity to be good. The Group focuses on maintaining a good liquidity reserve, creating a healthy buffer for unexpected events. On the short term, majority of the Group's focus will be overseeing the maturation of its current investments and projects rather than exploring new ventures. A significant part of liquidity planning is also related to debt financing. The Group has a major obligation loan maturing in the spring of 2022, maturation date which now have been extended further into 2022. The relatively low "Loan to Value" ratio across the Group and the long-established good relationship with the financial institutions involved provide a solid foundation for further developments. Furthermore, it should also be added that the fair value of the company's and the Group's assets are considerably higher than recorded in the ledgers, based on external thirds party valuations. These values will not show before 2022, when the sale process of Overvik is finalized. The Group is expecting a profitable result and a significantly higher equity and lower borrowing costs in the first half of fiscal year 2022.

Overvik – Partial sale and proposed changes in zoning

This report will focus on the project Overvik, situated in Trondheim, Norway. Overvik is a major investment for both the Group and the company. The Board has during Q3/Q4 been working on a major sale transaction regarding parts of Overvik, which is now settled and will be finalized in Q1/Q2 2022.

Background

The City Council of Trondheim proposed in 2021 to revert several areas in Overvik back to "LNF"-zoning designation, thereby rendering them ineligible for further residential development. This is in breach of their previous resolution from May 2019, where the areas were zoned as suitable for residential development. The City Council has decided to stay their final decision until 2023 to coincide with the release of the new "KPA", often referred as the Municipality's master plan for urban development, forcing a temporary pause into the future planning and development of a part of the Overvik land area. The development projects already approved and initiated can be completed within the established timeframes. As an addendum to this report, please refer to previous reports issued by Holmetjern Invest AS and stock exchange notices during the last 12-16 months related to Overvik.

The parts of Overvik open for continued development are a considerable part of the total Overvik area. In total, this area measures ~190 000 sqm (190 decare) of land. Pursuant to a minimum requirement of 1 100 residential units can be constructed on this land, however the potential is higher.

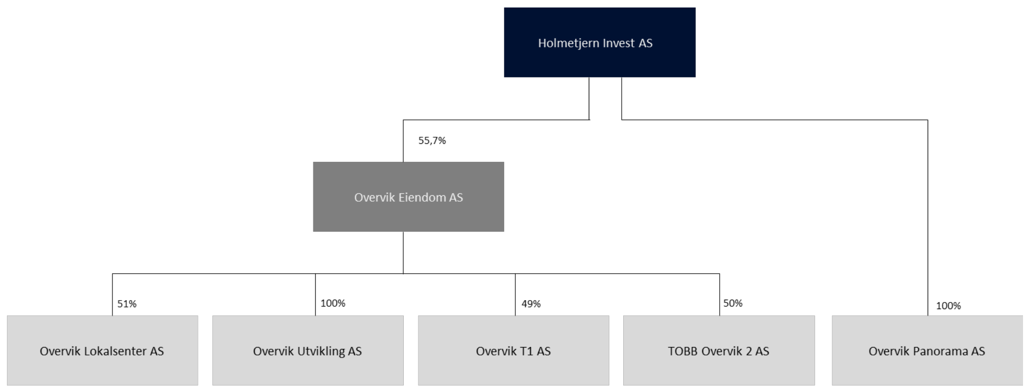
Partial sale

The areas not affected by the proposed changes have been separated and sold to other interested parties in 2022. The sale encompasses subsidiaries Overvik Utvikling AS, Overvik Panorama 1 AS and Overvik T1 AS. This represents a major shift in the Group’s and the parent company’s asset portfolio. The sale will be fully finalized in Q1/Q2 2022. As a consequence of the sale both the Group and the company debts and other liabilities will be significantly reduced. The areas under the threat of zoning reversal will remain within the ownership of the Group.

In connection with the publication of this financial report, the company has obtained updated unaffiliated third-party valuations of its residential assets, including for project Overvik. The reported valuation of Overvik represents a scenario where the remaining undeveloped areas are reverted to “LNF” designation as per Trondheim City Council’s proposal. In order to address the risks associated with the areas under the threat of zoning designation reversal, the appraiser has included in their model that the development starts at a much later date as well as significant increase in the risk premium. The value of this part of the Overvik area has been substantially reduced. To accurately reflect this fact, the Group has during this fiscal year depreciated the ledger values of the associated assets in accordance with the principle of prudence as described in the relevant accounting standards.

The Group awaits for the final resolution from the Trondheim City Council before committing to a development strategy for the areas remaining under the Group’s ownership. Regardless of the outcome of the resolution the Group is focused on obtaining highest possible return for shareholder’s investments. It is the Group’s firm belief that the values stipulated by the third-party valuations is a fair representation of the market value of the Group’s residential assets and thus illustrate a robust value foundation for the Group’s shareholders, as the value of the Group’s assets well exceed its liabilities.

The figure below summarizes the main projects in Holmetjern Invest AS and its subsidiaries and associated companies.



	Overvik Lokalsenter AS	Overvik Utvikling AS	Overvik T1 AS	TOBB Overvik 2 AS	Overvik Panorama AS
Area (Sqm)	**20 000**	**221 200**	**42 600**	**3 900**	**50 000**
Area to be developed	*0*	*80 100*	*42 600*	*3 900*	*50 000*
Area currently stopped	*20 000*	*141 100*	*0*	*0*	*0*
Construction start, est.	NA	2023 (H2)	2023 (H2)	2021	2023 (H2)

Trondheim, February 28th 2022

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Kolbjørn Selmer
Chairman of the Board

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Financial Statements, Group

Comments to the financial statements

The financial report is prepared by 31.12 2021, in accordance to IFRS. The numbers are unaudited.

Consolidated statement of profit or loss and other comprehensive income

Holmetjern Invest Group

NOK'000	**Notes**	**2H 2021**	**2021**	**2020**
Revenue from contracts with customers	3	-545	4 450	3 568
Cost of goods sold, property development			0	-924
Cost of goods sold, other activities (impairment charge)		-10 503	-17 297	-5 520
Gross profit		-11 048	-12 847	-2 876
Administrative expenses	8	-9 665	-30 850	-39 837
Impairment losses	9	28 957	-27 145	-6 975
Other gains/losses - net			0	-583
Operating profit		8 244	-70 842	-50 272
Finance income		9 726	12 814	9 021
Borrowing costs		-26 846	-44 550	-39 573
Finance costs - net		-17 120	-31 737	-30 552
Share of net profit from associates accounted for using the equity method	9	2 269	-41 276	16 756
Profit before income tax		-6 606	-143 855	-64 068
Income tax expense		17 104	33 410	16 777
Profit for the period		10 497	-110 445	-47 291
Profit is attributable to:				
Owners of Holmetjern Invest AS		114 170	570	-40 695
Non-controlling interests		-103 672	-111 015	-6 595
		10 497	-110 445	-47 291
Profit for the period		10 497	-110 445	-47 291
Other comprehensive income for the period, net of tax		0	0	0
Total comprehensive income for the period		10 497	-110 445	-47 291
Total comprehensive income for the period is attributable to:				
Owners of Holmetjern Invest AS		114 170	570	-40 695
Non-controlling interests		-103 672	-111 015	-6 595
		10 497	-110 445	-47 291

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Consolidated balance sheet

Holmetjern Invest Group

NOK'000	Notes	31.12.2021	30.06.2021	31.12.2020
ASSETS				
Non-current assets				
Property, plant and equipment		38 968	38 330	37 909
Goodwill		7 487	0	0
Deferred tax assets		74 713	58 284	42 316
Investments accounted for using the equity method		50 393	62 764	111 695
Financial asset at fair value through profit or loss		15 196	7 324	25 726
Financial assets at amortised costs		55 501	52 236	40 536
Total non-current assets		242 258	218 937	258 182
Current assets				
Inventories	4	581 033	547 589	551 984
Trade receivables		1 451	1 192	11 273
Other financial assets at amortised cost		15 279	34 074	67 593
Financial asset at fair value through profit or loss		1 000	1 000	2 113
Cash and cash equivalents (excluding bank overdrafts)	6, 7	36 198	45 533	68 140
Total current assets	6	634 961	629 388	701 104
Total assets		877 219	848 325	959 285
LIABILITIES				
Non-current liabilities				
Bank loans	5, 7	15 407	0	0
Bond loan	5	0	0	296 448
Borrowings	5, 8	330 975	95 349	100 901
Total non-current liabilities		346 383	95 349	397 349
Current liabilities				
Trade and other payables		8 978	2 587	3 350
Current tax liabilities		0	27	349
Bank loans	5	201 341	200 008	200 008
Bond loan	5	300 000	296 914	0
Borrowings	5, 8	62 760	306 509	290 063
Other short term liabilities		349	286	580
Total current liabilities	6	573 428	806 331	494 349
Total liabilities		919 810	901 680	891 698
EQUITY				
Share capital and share premium		200	200	210
Other paid-in equity		20 789	20 789	20 779
Retained earnings		33 722	-80 380	33 219
Non-controlling interests		-97 302	6 036	13 379
Total equity		-42 591	-53 355	67 588
Total liabilities and equity		877 219	848 325	959 285

Trondheim, February 28th 2022

Kolbjørn Selmer
Chairman of the Board

Karl Albrecht Opsahl Selmer
CEO/Board member

Consolidated statement of changes in equity

Holmetjern Invest-Group

		Attributable to owners					
NOK'000	**Note**	**Share capital**	**Share premium and other paid-in capital**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2021		100	10	19 788	19 898	30 502	50 399
Changes in accounting policy		0	0	0	0	0	0
Correction of error (net of tax)		0	0	0	0	0	0
Restated total equity at the beginning of the financial year		100	10	19 788	19 898	30 502	50 399
Profit for the period		0	0	-40 695	-40 695	-6 595	-47 291
Other comprehensive income		0	0	0	0	0	0
Total comprehensive income for the period		0	0	-40 695	-40 695	-6 595	-47 291
Transaction with owners in their capacity as owners:							
Contributions of equity net of transaction costs		100	20 779	0	20 879	0	20 879
Transaction with non-controlling interets		0	0	54 128	54 128	579	54 706
Dividends provided for or paid		0	0	0	0	-11 106	-11 106
		100	20 779	54 128	75 006	-10 527	64 480
Balance at 31 December 2021		**200**	**20 789**	**33 220**	**54 209**	**13 379**	**67 588**
Profit for the period		0	0	570	570	-111 015	-110 445
Other comprehensive income		0	0	0	0	0	0
Total comprehensive income for the period		0	0	570	570	-111 015	-110 445
Transaction with owners in their capacity as owners:							
Transaction with non-controlling interets	9	0	0	-69	-68	334	266
		0	0	-69	-68	334	266
Balance at 31 December 2021		200	20 789	33 721	54 711	-97 302	-42 591

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Consolidated statement of cash flows

Holmetjern Invest Group

NOK'000	**Notes**	**31.12.2021**	**30.06.2021**	**31.12.2020**
Cash flow from operations				
Profit before income taxes		-143 855	-137 248	-64 068
Taxes paid in the period		-349	-322	349
Gain/loss from sale of non-current assets		105	0	1 267
Depreciation		4 232	870	1 526
Impairment charges		0	0	6 975
Gains/(losses) recognised in other income - fair value		37 222	40 221	0
Net profits from associates less dividends received		43 369	45 638	-13 506
Change in inventory	4	-29 049	4 396	-18 915
Change in other current items		21 706	10 477	-17 776
Net cash flow from operations		**-66 618**	**-35 969**	**-104 147**
Cash flow from investments				
Purchase of property, plant and equipment		0	-1 291	-7 812
Payment in other loans and receivables		0	0	-35 870
Proceeds from sale of shares and investments in other companies		0	0	65 000
Purchase of shares and investments in other companies		0	0	-18 153
Purchase of other investments		0	0	0
Proceeds from sale of other investments		23 989	3 293	0
Net cash flow from investments		**11 612**	**2 002**	**3 165**
Cash flow from financing				
Proceeds from long term loans		0	0	132 211
Repayment of long term loans		0	0	-1 000
Transactions with non-controling interests		0	0	-10 290
Proceeds from issuance of equity		23 064	11 360	20 879
Payment of dividend		0	0	-11 106
Net cash flow from financing		**23 064**	**11 360**	**130 694**
Net change in cash and cash equivalents		-31 942	-22 607	29 712
Cash and cash equivalents at the beginning of the period		68 140	68 140	38 428
Cash and cash equivalents at the end of the period	7	**36 198**	**45 533**	**68 140**

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Financial statement – Parent Company

Profit and loss statement
Holmetjern Invest AS - parent company

NOK'000

INCOME STATEMENT	**Note**	**2H 2021**	**2021**	**2020**
Operating expences				
Personel expences		521	1 064	1 683
Depreciation		16	33	33
Other operating expences	8	-43 038	20 509	21 908
Total operating expences		**-42 501**	**21 605**	**23 624**
NET OPERATING PROFIT		**42 501**	**-21 605**	**-23 624**
FINANCIAL ITEMS				
Financial income				
Dividend received		-2 093	0	3 250
Interest income		10 288	20 002	14 381
Other financial income		8 377	8 415	68 840
Total financial income		**16 572**	**28 417**	**86 471**
Financial expences				
Impairment of financial instruments		43 013	43 013	0
Other interest expences	5,8	9 388	26 240	35 026
Other financial expences		-3 401	15 690	7 407
Total financial expenses		**49 000**	**84 943**	**42 433**
NET FINANCIAL ITEMS		**-32 427**	**-56 526**	**44 038**
PROFIT BEFORE INCOME TAXES		10 074	-78 132	20 414
Taxes		-5 564	-9 515	-9 307
NET PROFIT FOR THE PERIOD		**15 638**	**-68 617**	**29 721**
ALLOCATIONS				
Allocated to dividend for dividend				
Allocated from/to other reserves		15 638	-68 617	29 722
TOTAL ALLOCATIONS		**15 638**	**-68 617**	**29 722**

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Balance sheet statement
Holmetjern Invest AS - parent company

NOK'000

ASSETS	**Note**	**31.12.2021**	**30.06.2021**	**31.12.2020**
NON-CURRENT ASSETS				
Intangible assets				
Deferred tax assets		33 337	27 773	23 822
Total intangible assets		**33 337**	**27 773**	**23 822**
Tangible fixed assets				
Fixtures, office equipment etc		3	19	36
Total tangile fixed assets		**3**	**19**	**36**
Fixed assets investments				
Investments in subsidiaries		38 437	27 328	27 328
Loan to group companies		130 284	114 497	119 144
Investments in associated companies		14 375	30 780	35 523
Loans to associated companies		34 335	8 567	21 176
Investments in other		15 176	7 966	25 894
Other long-term receivables		1 000	34 228	5 033
Total fixed asset investments		**233 608**	**223 365**	**234 097**
TOTAL FIXED ASSETS		**266 948**	**251 157**	**257 954**
CURRENT ASSETS				
Inventory property	4	0	0	0
Receivables				
Accounts receivable		0	925	456
Receivables from group companies		63 621	61 266	59 847
Other short-term receivables		5 861	6 661	55 520
Total receivables		**69 482**	**68 852**	**115 823**
Marketable shares		0	1 000	**2 113**
Cash and bank deposits	6, 7	27 795	32 272	51 762
TOTAL CURRENT ASSETS	**6**	**97 276**	**102 124**	**169 698**
TOTAL ASSETS		**364 225**	**353 281**	**427 653**

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Balance sheet statement
Holmetjern Invest AS - parent company

NOK'000				
EQUITY AND LIABILITIES	**Note**	**31.12.2021**	**30.06.2021**	**31.12.2020**
EQUITY				
Paid-in-equity				
Share capital		200	200	200
Premium fund		20 790	20 790	20 790
Total paid-in equity		**20 990**	**20 990**	**20 990**
Retained earnings				
Retained equity		-12 270	-27 908	56 346
Total retained earnings		**-12 270**	**-27 908**	**56 346**
TOTAL EQUITY		**8 719**	**-6 919**	**77 336**
LIABILITIES				
Non-Current liabilities				
Other non-current liabilities				
Bond loans	5	0	0	296 448
Other long-term liabilities	5,8	52 234	51 472	49 088
TOTAL NON-CURRENT LIABILITIES		**52 234**	**51 472**	**345 536**
CURRENT LIABILITIES				
Bond loans	5	300 000	296 914	0
Accounts payable		195	66	302
Values added taxes		35	63	106
Other short-term liabilities	8	3 041	11 684	4 372
TOTAL CURRENT LIABILITIES	**6**	**303 272**	**308 728**	**4 780**
TOTAL LIABILITIES		**355 505**	**360 200**	**350 317**
TOTAL EQUITY AND LIABILITIES		**364 225**	**353 281**	**427 653**

Trondheim, February 28th 2022

Kolbjørn Selmer
Chairman of the Board

Karl Albrecht Opsahl Selmer
CEO/Board member

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Cash flow statement
Holmetjern Invest AS - parent company

NOK'000

	Note	31.12.2021	30.06.2021	31.12.2020
Cash flow from operations				
Earings before taxes		-88 205	-88 205	20 415
-Tax payable		0		0
+Loss/-gain on sale of assets		284	284	-64 667
+Depreciation and amortization		16	16	7 104
+Impairment charge on investments in shares in other companies		18 779	18 779	-1 983
+Impairment charge on other financial instruments		63 145	53 277	0
+/- Changes inventory		0	0	32 780
+/- Changes in accounts receivables		-469	-469	-370
+/- Changes in accounts payable		-236	-236	-1 965
+/- Changes in other accruals		-6 744	-1 042	185
=Net cash flow from operations		**-13 430**	**-17 596**	**-8 499**
Cash flow from investments				
+Repayment in other loans		0	0	-107 386
-Payment in other loans and receivables		-17 776	-17 776	0
+Sale of shares		6 079	6 079	64 670
-Investments in shares		-359	-359	-29 033
= Net cash flow from investments		**-12 056**	**-12 056**	**-71 748**
Cash flow from financing activities				
+New loans		1 519	10 162	134 579
-Repayment of long term liabilities		0		-23 212
=Net cash flow fom financing activities		**1 519**	**10 162**	**111 367**
=Net change in cash and cash equivalents		**-23 967**	**-19 490**	**31 120**
+Cash balance as og the beginning of the period		51 762	51 762	20 642
=Cash balanse as at the end of the period	**7**	**27 795**	**32 272**	**51 762**
Balance of cash and cash equivalents is distributed as follows:				
Cash and bank deposits as at the end of the period		27 781	32 243	51 698
+Tax witholdings etc as at the end of the period		14	29	64
=Balance of cash and cash equivalents as at the end of the period		**27 795**	**32 272**	**51 762**

Notes to the financial statement

Note 1 – Summary of significant accounting policies

Accounting principles for Holmetjern Invest - Group

The principal accounting policies are set out below and have been consistently applied to all accounting periods 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 residential properties, predominantly in Trondheim, in collaboration with experienced blue-chip partners. The Group includes six subsidiaries focusing on the property segment and eight 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 2021.

These consolidated financial statements were authorised for issue by the board of directors on 28th February 2022.

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.

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 can 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 material 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 (i.e., 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 location and 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.

Carrying amount of undeveloped land is tested against net realisable value semi-annually. If carrying amount 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 semi-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 semi-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 calculation of the profit or loss on disposal.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the group are disclosed in note 1. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

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.

Financial instruments
A financial instrument is defined as being any contract that gives rise to a financial asset at one entity and a financial liability or equity instrument at another entity. From 1 January 2019, the group classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through OCI or through profit or loss), and
• those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

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. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due.

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 costs incurred, and subsequently measured 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.

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 costs (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.

Accounting principles for Holmetjern Invest AS – Parent 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.

Assesment 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.

Note 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 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 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 expert's assessment of value.

Fair value - financial assets

The main parts 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.

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The Corona virus
The Corona virus affects the property segment, which is included in the Company's core business. To date, the pandemic has not had a direct impact on our investments, but the general effect of overall increase in inflation has been felt. The Group is in close dialogue with their collaborators and continues to closely monitor the situation and the development of the economy. The entry prices on the Group's properties are such as to make them attractive even if the market should be weaker for a period. In addition, implementing other types of concepts that are more suited to capital challenged market situation is a possibility, including "rent-before-own" schemes. The Group is well prepared to react to any market changes due to the Corona virus.

Note 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 are done through different legal entities, with similar business activity. Management monitors and follows up on a company-by-company basis.

Note 4 – Inventories

	31.12.2021	**30.06.2021**	**30.06.2020**	**31.12.2020**
	000'NOK	*000'NOK*	*000'NOK*	*000'NOK*
Property portfolio				
Overvik Utvikling AS	493 153	502 863	445 766	457 067
Overvik Lokalsenter AS	52 700	-37 996	51 886	54 087
Opsahlhaven AS	0	0	544	2 650
Overvik Panorama 1 AS	35 180	35 180	35 180	35 180
Total property inventory	581 033	500 046	533 377	548 984
Other inventory	0	0	8 705	3 000
Total	581 033	500 046	542 082	551 984

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.

	31.12.2021	**30.06.2021**	**30.06.2020**	**31.12.2020**
	000'NOK	*000'NOK*	*000'NOK*	*000'NOK*
Land cost	392 634	392 634	392 634	386 165
Borrowing cost prior years	71 311	71 311	32 382	51 021
Capitalized borrowing costs this year	32 532	2 082	9 252	20 290
Capitalized project costs	98 114	34 019	99 109	91 509
Impairment charge	-13 558	0	0	0
Total	581 033	500 046	533 377	548 985

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All inventory property is accounted for at historic cost and an impairment charge in case the fair value of the inventory is assessed to be lower than cost.

In a City Council meeting 28 April 2021, Trondheim Municipality has proposed to transfer parts of the Overvik estate to LNF at the next rollout of KPA, while the rest of the areas will be developed in line with the provisions in the current area zoning plan. This decision implies that the development and construction at Overvik will continue, however, with a reduced development volume potential compared to the current area zoning plan.

Following the City Council meeting on 28 April 2021, management has updated the impairment analysis to reflect the revised development potential. This updated impairment analysis identified an impairment in the Overvik Lokalsenter project. Based on the impairment analysis the carrying amount as per 31.12.2021 of the Overvik Lokalsenter project has been reduced with an impairment charge of NOK 13,558 mill.

No impairment was identified in the remaining project portfolio of the Group. Hence, the remaining project portfolio is accounted for at historical cost.

Please refer to note 9 for further impairment charges related to the revised zoning plan.

Note 5 – Maturities, terms and conditions of financial liabilities

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

Contractual maturities of financial liabilities	**Less than 1 year**	**More than 1 year**	**Carrying amount (assets)/ liabilities**
At 31.12.21	*NOK'000*	*NOK'000*	*NOK'000*
Bond loan*	300 000		300 000
Bank loans**	201 341	15 407	216 748
Other long-term borrowings		330 975	330 975
Short-term loans borrowings	72 087		72 087
Total	573 428	346 383	919 810

Covenants related to Financial liabilities

*Covenants related to bond loan Holmetjern Invest: 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 June 2022

Bond loan	**Amount 31.12.21**	**Interest pr 31.12.21**	**Amount 31.12.20**	**Interest 2020**
NO0010815632Holme 18/22	299 229	22 560	294 600	25 055

	Cost pr 31.12.21	**Capitalized as of 31.12.21**
	4 629	771

Accured costs associated with the bond is recorded against Bond in the balance sheet and expensed linear

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Note 6 – Current net assets

Group		
	31.12.2021	**31.12.2020**
	NOK'000	*NOK'000*
Current assets		
Cash and cash equivalents	36 198	68 140
Other Current assets	598 763	632 964
Current liabilities	573 428	494 349
Current net assets	**61 533**	**206 755**

Company	**31.12.2021**	**31.12.2020**
	NOK'000	*NOK'000*
Current assets		
Cash and cash equivalents	27 795	51 762
Other Current assets	69 482	117 936
Current liabilities	303 272	4 780
Current net assets	**-205 995**	**164 918**

Note 6 – Cash and cash equivalents

Group:	**31.12.2021**	**31.12.2020**
Restricted cash, payroll tax	123	167
Restricted cash, other	26 313	27 378
Total restricted cash	26 435	27 545
Unrestricted cash	9 763	40 595
Total cash and cash equivalents	36 198	68 140
Cash and Cash equivalents pledged as security	6 313	8 475

Company:	**31.12.2021**	**31.12.2020**
Restricted cash, payroll tax	14	63
Restricted cash, other	20 000	20 000
Total restricted cash	20 014	20 063
Unrestricted cash	7 780	31 698
Total cash and cash equivalents	27 795	51 762

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Note 8 – Related parties

Parent entities

The group is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest 31.12.2021	Ownership interest 31.12.2021
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 chairman of the board Kolbjørn Selmer.

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

3) This company is solely owned by Endre Kolbjørnsen

Group:

Transactions with and loans to/from related parties

	31.12.2021 NOK'000	31.12.2020 NOK'000
Purchase of management services from parent company	30 238	24 689
Loans from key management personnel *	237 442	237 172
Loans from parent company and other ownership companies	53 005	48 572
Loans to associates	67 799	67 760

*Loan from key managing personnel is related do purchase of land/property in 2016. The loan is charged with a interest rate of NIBOR+2%, and has a down payment plan over maximum 15 years (minimum down payment rates of MNOK 15 per year). The lender has a 2nd priority security in the sold property until the loan is fully repaid.

Loans from parent companies are charged with a interest rate from 4-8%. Unpaid dividends are not charged with interest until the year after the dividend is given.

Loans to associates are normally charged with an interest rate from 3-8%.

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

Company:

Transactions with and loans to/from related parties

	31.12.2021	**31.12.2020**
	NOK'000	NOK'000
Purchase of management services from parent company	16 919	16 200
Loans from parent company and other ownership companies	53 005	35 437
Interest paid on loans from parent companies and other ownership companies	3 667	3 004
Loans to associates	38 521	65 228

Note 9 – Impairment of investments in financial instruments, associated companies and receivables

Following the Trondheim Municipality City Council meeting on 28 April 2021 as described under note 4, management has carried out an impairment review focusing on the Group's financial exposure towards companies affected by the reduced development potential in the Overvik area.

This review has identified the following impairment charges in addition to the impairment on inventory as described in note 4 (numbers in NOK thousands):

		Charged to line item in P&L
- Investment in associated companies:	39 301	Share of net profit from associates
- Investment in financial instruments:	27 145	Impairment losses
- Total impairment charges:	66 446	

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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 interim financial statements for six months ended at 31.12.2021 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 December 31st, 2021.

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, February 28th 2022

Kolbjørn Selmer	Karl Albrecht Opsahl Selmer
Chairman of the Board	Director and Board member