Annual Report 2020

Origo Shopping and Business Centre, Riga

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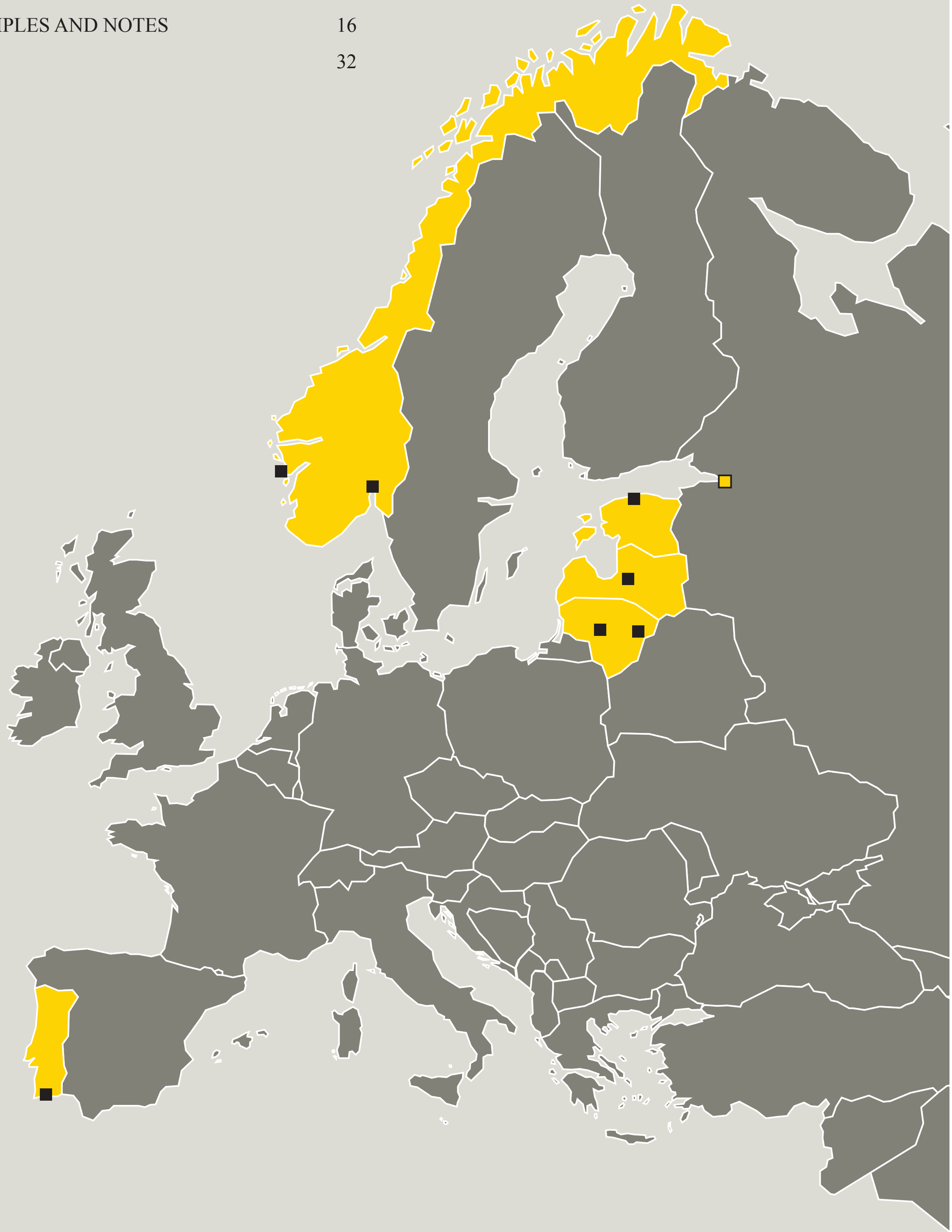

(Square meters)		No of rooms	In Operation	Under Construction	Development Possibilities	TOTAL SQM
Norway	**Hotels**					
	Comfort Hotel Bergen Airport	304	15 477			15 477
	Offices					
	Romerike Helsebygg, Lillestrøm		31 009		20 000	51 009
	Damsgårdsveien 161-171, Bergen		15 858			15 858
	Tollbugt 32, Oslo		6 007			6 007
	Brubakkveien 16, Oslo		4 000			4 000
	Oslo S. Utvikling AS (33,3%)			4 499	10 043	14 542
	Bergen Lufthavn Utvikling AS (50%)		7 263		94 460	101 723
	Furuset Utvikling AS, Oslo (33%)		16 833	2 500	25 000	44 333
	Helsehusene i Fredrikstad (35,7%)		11 323			11 323
	Bergen Lufthavn Utvikling AS (50%)		4 023	3 240	94 460	101 723
	Residential					
	Oslo S. Utvikling AS (33%)			15 725	1 723	17 448
	Agnes Utvikling, Stavern (50%)		6403		55 889	62 292
	Parking					
	Grønland Parkering, Oslo		17 223			17 223
	Galleriet Parkering, Oslo		14 969			14 969
	Residential					
	Citadellet, Nesodden				25 000	25 000
TOTAL NORWAY		**304**	**146 365**	**22 724**	**232 115**	**401 204**
The Baltic`s/Russia	**Hotels**					
	Radisson Blu Hotel Latvija, Riga	571	43 902			43 902
	Radisson Blu Hotel Lietuva, Vilnius	456	40 157			40 157
	Radisson Blu Olümpia, Tallinn	390	30 854		12 000	42 854
	Radisson Blu Elizabete Hotel, Riga	228	13 076			13 076
	Park Inn by Radisson, Kaunas	206	13 018			13 018
	Park Inn by Radisson Central, Tallinn	245	9 888			9 888
	Radisson Sonya Hotel, St. Petersburg	173	7 810			7 810
	Radisson Blu Ridzene Hotel, Riga	95	7 892			7 892
	Shopping					
	Ülemiste, Tallinn		125 000			125 000
	Origo, Riga		81 430			81 430
	Riga Retail Park, Riga				150 000	150 000
	Alfa Home Center, Riga				60 000	60 000
	Block 1, Riga				15 000	15 000
	Other					
	Elisabetes 75, Riga		4 400			4 400
	Bisumuizas Nami, Riga				100 000	100 000
	Jekaba Arcade, Riga		8 600			8 600
TOTAL BALTIC`S/ RUSSIA		**2 364**	**386 027**	**-**	**337 000**	**723 027**
Portugal	**Resort**					
	Dunas Douradas		1 668	816	900	3 384
TOTAL LINSTOW GROUP		**2 668**	**534 060**	**23 540**	**570 015**	**1 127 615**

Radisson Blu Hotel Latvija, Riga

Linstow AS is one of Norway's leading property companies. The company owns, develops and manages property in different segments in both Norway and abroad. The company is wholly-owned by Awilhelmsen AS, a privately-owned investment company with activities in the following business areas: cruise industry, property, shipping & offshore, retail sales and new industrial investments.

Linstow AS and its subsidiaries (hereinafter referred to as Linstow or the Group) play a key role in Norway in several major development projects, and owns and manages office, healthcare, hotel and parking properties. A large proportion of the company's activities take place abroad. In the Baltic region, Linstow is a major player in the hotel and shopping centre market. The Group owns a total of seven hotels and two centrally located shopping centres in the largest cities in the Baltic countries. In addition, the company owns a holiday resort in Portugal and one hotel in St. Petersburg. Linstow's head office is located at Tjuvholmen in Oslo, Norway.

Market developments

Shopping centres

Linstow owns two shopping centres totalling 206 000 m^2 in Riga and Tallinn, respectively. The shopping centres saw a 30% decrease in turnover in local currency terms (2019: 4% increase) from the previous year. The rental income in local currency saw an equivalent decrease of 34% (2019: 6% increase). The change in turnover and rental income is mainly due to the effects of the Covid-19 situation and the renovation of parts of the Origo shopping centre in Riga where the shopping centre has been partly shut down in certain periods. The expansion of Origo with 17 000 m^2 commercial and catering space and 10 000 m^2 office space was completed in March 2020, after which the main part of the old shopping centre was closed for renovation until November 2020.

Hotel activities in the Baltic region and Russia

Linstow owns eight hotels, with a total of 2 364 rooms, in Tallinn, Riga, Vilnius, Kaunas and St. Petersburg. The hotel occupancy rate was 22% in 2020 (2019: 61%), and revenue denominated in euro decreased by 69% from the previous year. The hotels in the Baltic countries and Russia depend on international travel and tourism and is the business area most severely affected by the Covid-19 pandemic. The hotels are operated by Radisson Hospitality AB, a subsidiary of Jin Jiang International, under the brand names Radisson Blu and Park Inn by Radisson.

Norway

Engagement in urban development projects is a key aspect of Linstow's strategy. Linstow is working on the development of office, retail and residential projects in Bjørvika through Oslo S. Utvikling AS (OSU), in which Linstow owns one third of the shares. OSU's total development potential, including properties already completed and sold, is approximately 346 000 m^2 above ground. At end-2020, approximately 84 000 m^2 remained to be completed.

OSU will develop 1 500 homes in Bispevika. 662 of these have been completed, of which 660 have been sold. Another 265 units are under construction, of which more than 115 have already been sold. In 2020, the housing projects Dronninglunden and

Radisson Blu Hotel Latvija, Riga

Vannkunsten were completed and handed over to buyers. In the coming year, the focus will be the construction of Clemenskvartalet, start-up of the foundations for Vannkunsten Syd, and the sale of these residential projects.

Bergen Lufthavn Utvikling AS (BLU) (50% owned by Linstow) is a long-term cooperation project with Flesland Holding AS concerning the development of Bergen Business Park. Bergen Business Park is an innovative new business park at Bergen Airport Flesland, Western Norway's largest transport hub. The site is around 120 hectares and is located close to the new terminal at Flesland, where the end station of the Bergen Light Rail is also located.

In total, approximately 200 000 m^2 of commercial space is planned for Bergen Business Park. The first development stage is approximately 35 000 m^2. As of today, a hotel and two office buildings, Expo- and Midtbygget, with a total area of around 26 000 m^2, have been built. The third office building, Veksthuset, is planned to be built as a solid-wood building of around 8 000 m^2. Commencement of this project is awaiting an improvement in the market situation.

Linstow owns a total property portfolio in Norway of 146 000 m^2 and focuses on the sound technical operation of the properties and excellent service for our tenants. The portfolio primarily comprises the properties Romerike Helsebygg, Damsgårdsveien 161-171, Comfort Hotel Bergen Airport, Tollbugaten 32, Brubakkveien 16 and the multi-storey car parks Galleriet and Grønland Torg in Oslo. In 2020, Linstow increased its ownership interest in Helsehusene Fredrikstad to 36%, and plans further investments in healthcare-related property development. In February 2020, an agreement was entered into for the purchase of 50% of Agnes Utvikling AS. This acquisition includes properties and sites covering an area of around 250 hectares in Stavern, in Larvik municipality, where a completely new district is to be developed, with around 600 homes and around 60 000-80 000 m^2 of commercial space. In December 2020, we invested in 1/3 of Furuset Utvikling AS. At the same time, this company acquired a large property portfolio centrally located at Furuset in the Alna district in Oslo. The portfolio includes approximately 58 000 m^2 of office, commercial and logistics properties, some of which are under construction and restoration. In addition, several plots of land are included, and the portfolio's total long-term residential and commercial development potential, in addition to the current area, amounts to approximately 75 000 m^2.

At Galleriet, the three largest owners, Oslo Areal, Viken county municipality/Viken pension fund and Linstow have bought out all of the smaller section owners, with the intention of developing the property. A planning initiative has been submitted to the City of Oslo as the commencement of a land zoning process. The planning initiative outlines a replacement of the current building stock, with increased utilisation of the site, and with commercial buildings west of Akerselven and mainly residential units to the east.

In 2020, Linstow partnered with the Foundation Kirkens Bymisjon Oslo (SKBO). Linstow and SKBO have together submitted an application for prequalification in the City of Oslo municipality's 2020/2021 procurement of up to 800 units in long-term care

Vannkunsten, Bjørvika in Oslo

homes. SKBO has extensive experience from both the operation and development of nursing homes and other property within the care sector.

Other activities
Linstow manages a holiday and leisure complex in Portugal and owns some development sites for the construction of holiday homes adjacent to the complex. In 2020, the construction of six villas at the complex was completed. So far, five of the six villas have been sold.

Health, safety and the environment

Linstow AS had 24 employees at year-end 2020, which corresponded to 23 FTEs. The Group had a total of 685 employees at year-end 2020 (2019: 1 096), equivalent to approximately 569 FTEs (2019: 927). In 2020, the rate of absence due to illness at Linstow AS was 1% (2019: 0.85%). The company has a good working environment. Despite the shutdown of the office for several periods during the year, our employees have contributed to almost normal operation. In connection with our hotel activities, one minor injury concerning one of the Group's employees was reported in 2020. No occupational injuries were registered at Linstow's construction sites in 2020.

Women account for 33% of Linstow AS' employees. The company's owners and the Board of Directors wish to ensure equal rights and opportunities for all employees and can see the benefit of an even distribution between the genders, also at the management level. The Board of Directors' goal is to eliminate all forms of discrimination related to gender or any other factors. Linstow will ensure good working conditions in all countries in which the Group operates. The Board of Directors of Linstow AS consists of four men.

Preventing economic crime and corruption

Linstow has zero tolerance for corruption and is making an active effort to prevent financial irregularities. Linstow does not accept or make use of facilitating payments.

Sustainability reporting

Development projects and property management
Linstow's activities affect the external environment through waste handling in connection with the demolition of old and the construction of new properties, as well as the operation of the company's properties. In every part of the organisation, Linstow has a strong focus on complying with all public requirements and recommendations relating to the environment. Our projects also have clear goals regarding energy consumption, pollution, use and reuse of materials, indoor climate, development and use of space, which generally extend further than public requirements. Linstow requires that all contractors follow a comprehensive programme for sorting demolition waste for recycling.

Linstow is an advocate of sustainable social development and promotes long-term quality and environmental work in all our activities. We do so by:

- Working in a systematic and focused manner to reduce our environmental impact.
- Erecting buildings with sound environmental solutions.

Vannkunsten, Bjørvika in Oslo

- Constructing space-efficient buildings in order to reduce land requirements.
- Focusing on properties at central locations close to public transport hubs in order to reduce transport requirements and thereby achieve indirect positive environmental impacts.

Linstow uses the BREEAM/BREEAM-NOR Manual for environmental certification of all of our new buildings under construction.

The criteria in the BREEAM Manual are generally stricter than the minimum standards in building regulations and other regulatory provisions. The criteria and performance levels represent good or best practice for sustainable design and procurement.

The new building at Origo in Riga achieved "BREEAM Excellent" in the engineering design phase and is set to achieve the same level on final completion. Within OSU, all ongoing construction projects in Bispevika South are subject to BREEAM certification. BREEAM Excellent was achieved for BLU's first office building at Flesland, the Expo building. Midtbygget is also set to achieve BREEAM Excellent. For Bergen Business Park at Flesland, BLU has also decided to apply BREEAM Communities to the environmental certification of the entire site development project. This is a pilot project for BREEAM Communities and is one of three projects in Norway to be certified for the design phase.

To further strengthen our commitment to sustainability, in 2021 Linstow will be affiliated with the "Property Sector Roadmap Towards 2050". This entails, among other things, that we have commenced the certification of Linstow as an Eco-Lighthouse. Eco-Lighthouse is associated with EMAS – The EU Eco-Management and Audit Scheme, which makes this environmental certification applicable internationally, in relation to our activities outside Norway. We are furthermore in the process of implementing "Greenhouse Gas" reporting, which will commence in 2021. Registration and data collection have commenced for BREEAM In Use certification of Comfort Hotel Bergen Airport and Tollbugata 32.

Hotels

Linstow conducts an active energy follow-up programme for all of our hotels in the Baltic States, Russia and Norway. 2020 was a year marked by the Covid-19 situation and a significantly lower level of activity, with intermittent hotel closures, sharply reduced room occupancy and the partial discontinuation of catering services. It is therefore difficult to make appropriate year-by-year comparisons of energy consumption. Our hotels in the Baltic states and Russia had a total energy consumption of 32 GWh in 2020, compared to 47 GWh the year before, which represents a reduction of 32%.

Linstow's foreign hotels are members of "GREEN KEY", an international organisation that undertakes certification of environmentally-friendly hotels. This requires that the hotels adhere to specific guidelines on energy consumption, waste sorting and staff training. Through the Choice chain, Linstow's Norwegian hotel, Comfort Hotel Bergen Airport, has implemented the internationally recognised environmental standard, ISO 14001,

Vannkunsten, Bjørvika in Oslo

and is working diligently to continuously reduce our environmental impact. All of Linstow's hotels are certified by "Safehotels", an international organisation that among other things assesses infection prevention routines and procedures on the basis of "best practice" for hotels and conference venues.

Due to the extensive negative consequences of the pandemic and the lack of opportunities for social contact, new sustainability measures have been postponed. However, the low level of activity has contributed to a significant reduction in the environmental impact of our activities. As from the second half of 2021, however, activities are expected to gradually return to previous activity levels. At this time, hotel operators and Linstow will continue to focus on sustainability.

Shopping centres

2020 was a year marked by the Covid-19 situation and major redevelopment projects that significantly affected the shopping centres. It is therefore difficult to make appropriate year-by-year comparisons of energy consumption. In 2020, Origo's consumption totalled 9 GWh, compared to 12 GWh the year before. Ülemiste's consumption totalled 21.8 GWh, compared to 22.6 GWh the year before. The focus on energy efficiency will continue in the years ahead.

Norway

For our properties in Norway, the energy consumption is combined for the properties Romerike Helsebygg, Tollbugaten 32, Damsgårdsveien and Comfort Hotel Bergen Airport. For these wholly owned properties, the energy consumption in 2020 was 9.5 GWh, compared to 10.4 GWh in 2019.

Report on the annual financial statements (2019 figures in brackets)

Pursuant to Section 3-3a of the Norwegian Accounting Act, we confirm that the financial statements have been prepared on the basis of the going concern assumption. The annual report includes statements about future operations that are associated with risks and uncertainties. These statements about the future reflect the current view on future conditions and are by nature subject to risks and uncertainties because they are tied to events and depend on conditions that will occur in the future. For various reasons, the actual results may diverge significantly from the expectations expressed in the statements concerning future conditions.

In 2020, Norway and the rest of the world were affected by the consequences of the coronavirus. This affected the financial statements for 2020 and will also have significant effects going forward, as described at the end of the report, under Outlook.

In 2020, the Group had rental income of NOK 315 million (360 million). Revenue from hotels and other operations was NOK 392 million (869 million). In 2020, gains from the sale of property totalled NOK 0 million (NOK 359 million from the sale of the Galerija Centrs shopping centre in Riga). Project revenue amounted to NOK 99 million (89 million).

Operating costs were NOK 835 million (1 046 million). Payroll and administration costs amounted to NOK 441 million (635

Midtbygget, Bergen Business Park, Flesland

million). The staffing reductions implemented in 2020 affected hotel activities particularly severely, as a consequence of a sharp decline in hotel stays, due to Covid-19. Net reversals of write-downs on fixed assets amounted to NOK 11 million (1 million). Write-downs and reversals are calculated for each property, based on the average of two valuations made by independent appraisers. Project costs totalled NOK 73 million (77 million). Depreciation amounted to NOK 249 million (224 million).

Net financial items amounted to NOK -38 million (300 million). In 2020, the profit/loss from associates was NOK 83 million (416 million), of which the result from OSU amounted to NOK 96 million (NOK 322 million), and the result from Baltic Park, which sold its subsidiaries in 2019, was NOK 0 million (NOK 105 million).

The Group's profit before tax was NOK -67 million (930 million). After tax, the net profit was NOK -38 million (943 million).

Linstow AS' profit after tax amounted to NOK -89 million (515 million), and includes dividends from subsidiaries and associated companies amounting to NOK 87 million (505 million), net change in value of financial instruments of NOK -41 million (-27 million), and a net exchange rate loss of NOK -94 million (-38 million).

Investments

The Group's investments in 2020 amounted to NOK 458 million (690 million). Investments in the expansion of the shopping centre Origo in Riga of NOK 213 million (289 million), the Zone 8 real estate project in Dunas Douradas, Portugal, at NOK 74 million (32 million) and Romerike Helsebygg at NOK 61 million (11 million), were the largest project investments. Furthermore, equity investments in associated companies amounted to NOK 339 million (NOK 24 million), with the purchase of Furuset Utvikling AS at NOK 197 million, Galleri Oslo Invest AS at NOK 70 million and Agnes Utvikling AS at NOK 68 million, comprising the largest investments.

Equity and cash flow

The Group's equity is NOK 1 817 million (1 816 million). Net cash flow from operations totalled NOK -88 million (427 million). At year-end 2020, total bank deposits and cash equivalents on Group accounts amounted to NOK 564 million (1 486 million).

Financing and liquidity

At year-end 2020, the Group had long-term liabilities of NOK 5 223 million (4 916 million). NOK 1 041 million of long-term debt (bank loans) falls due in 2021. Reference is made to Outlook for further information. The Group's solvency and liquidity are good but are dependent on the ongoing refinancing of bank loans falling due in 2021. The book equity ratio was 24% (24%) at the close of 2020. The Group's property portfolio is valued annually by two independent appraisers. The valuations indicate significant excess values in the Group's property portfolio, despite a decrease in market values for the hotel and shopping portfolio during 2020.

Origo Shopping and Business Centre, Riga

Risk

Financial risk

Linstow is exposed to exchange rate fluctuations, as the Group's activities abroad are primarily in euro-area countries. To reduce currency risk, all external loans are raised in the same currency as the associated assets and revenue.

Linstow is also exposed to a refinancing risk and the risk of changes in the interest rate level. The Group seeks to reduce these risks by entering into fixed-interest-rate swap agreements with varying terms and by entering into long-term loan agreements with a diversified maturity structure. Linstow is also exposed to changes in properties' market values. Market values are highly dependent on earnings, interest rate levels and the attractiveness of the properties.

The risk that counterparties might be unable to meet their financial commitments increased during the year. This applies particularly to the shopping centre activities in the Baltic states, where many tenants were required to stay closed in connection with local Covid-19 restrictions. Most leases with private tenants are covered by bank guarantees or cash deposits equivalent to an amount of between one and six months' rent. The Board of Directors assesses the liquidity of the Group to be good.

Project risk

Contracts for the Group's projects have been entered into with large, well-established contractors. Standard performance bonds have been provided for these projects.

Other risk

The financial results of our hotel activities are highly dependent on the occupancy rate and the room prices that can be charged in the market. This applies particularly to hotels in the Baltic states and St Petersburg, where there is no minimum rent in the agreement with the hotel operator, Radisson Hotel Group.

For the shopping centre activities, the number of visiting customers and the centre's revenue are the primary factors determining the rent that we can charge as landlords. For the shopping centre activities, there are additional risks associated with the increased prevalence of e-commerce.

Property portfolio

At year-end 2020, the Group owned 534 000 m^2 of property. Activities in the Baltic region and Russia accounted for 386 000 m^2, while activities in Norway accounted for 146 000 m^2. For other owners, Linstow also manages a property portfolio of shopping centres in the Baltic region totalling approximately 129 000 m^2. This management agreement lapsed at the end of January 2021.

Outlook

2020 was significantly affected by the coronavirus in all of the countries in which the company operates. This situation still prevailed at the beginning of 2021, and it is expected that the first part of the year, at any rate, will be challenging. The rollout of vaccines in Europe has commenced and if the ongoing prevention of the further spread of the virus is successful, the company's situation can also be expected to improve. Yet the future outlook, especially in the short term, is still uncertain.

Origo Shopping and Business Centre, Riga

At the beginning of the year, the revenue of most of the company's hotels was very low as a consequence of the loss of travel activities, both for tourists and business travellers. We expect that, as soon as a sufficient number of people have been vaccinated and travel restrictions are lifted, tourism will return relatively quickly. It is expected that it will take more time for business travel and large conferences to return to previous levels. During the past year, the company has sought to balance cost-cutting measures against being prepared to start up normal operations again for the hotel activities. We therefore expect to be back to almost normal operation again relatively quickly, as soon as demand recovers.

Concerning our shopping centre activities in the Baltic countries, one of two shopping centres is effectively closed under government orders, and will remain closed for some time to come. When the shopping centres and various retail categories are allowed to reopen, and whether there will be new shutdowns, will depend on the infection situation in Latvia and Estonia. This directly affects our rental income.

Ongoing projects have mainly been continued and carried out without significant problems, but we risk delays and the closure of construction sites in the event of local virus outbreaks. The start-up of new projects is assessed on an ongoing basis, according to the market situation for each project. At the start of 2020, we were uncertain of the effect of the coronavirus on home sales in OSU, but home sales in the second half of 2020 and the start of 2021 were at a very good level. There is currently strong price pressure and high demand in the Oslo housing market, and in practice OSU's housing stock is currently sold out. No immediate change is expected in this picture and new sales stages and projects are being launched in the market.

The office property market in Oslo is not particularly affected by the coronavirus situation and the requirements to work from home. Whether the fact that many people have become accustomed to working from home and to using digital tools will significantly reduce the demand for office space, or whether changes in the nature and use of office space will actually increase demand, remains to be seen.

The required returns for good office properties have declined significantly over the past year and at the start of 2021, based on the low interest rate levels and high demand for what are perceived as safe investments.

Since the coronavirus was still with us at the start of 2021, this will be a challenging year for Linstow. At the present time, it is not possible to estimate the full impact on the 2021 results, but we can already see lower revenue for hotels and shopping centres than predicted in the autumn of 2020. Nevertheless, a gradual improvement is expected in the course of the year, which will then have a positive effect on the company's financial position.

Despite a challenging 2020, and a demanding start to 2021, Linstow still has a good liquidity position, provided that bank loans with maturity in 2021 are refinanced as they fall due. The property portfolio contains significant excess value and the Group's solvency is strong. At 31 December 2020, the average

Origo Shopping Centre, Railway station, Riga

loan-to-value ratio was 53%. Linstow has no bond loans and only solid Nordic banks as counterparties.

The refinancing of bank loans falling due in 2021 has been initiated, and the response from the current lenders, with which Linstow has a longstanding relationship, has been positive. With good liquidity and a sound balance sheet, the Group is well-prepared to handle the challenges we expect to continue for some time to come.

Conditions arising after the balance sheet date

Linstow has entered into option agreements at Hoff and Bekkelaget for the acquisition of land in connection with the City of Oslo's competition for the procurement of 800 units in long-term care homes. The option agreements have a duration that is linked to the time schedule for the nursing home procurement, stipulated as 18 months as from January 2021.

The Board of Directors' proposal for allocation of the annual profit

Linstow AS' profit after tax amounted to NOK -88.8 million (515.3 million). After receipt of Group contributions after tax of NOK 187.2 million (183.3 million) from the Awilhelmsen Group, and the transfer of NOK 41.6 million (-213.6 million) from/to other reserves, the Board of Directors proposes the payment of dividend to A/S Møllergaarden of NOK 140 million (485 million).

The Board of Directors of Linstow AS
Oslo, 11 March 2021

Sigurd E. Thorvildsen
Chair of the Board

Henrik Fougner
Board Member

Knut I. Nossen
Board Member

Arve Ree
Board Member

Per Tore Mortensen
CEO

Linstow AS				Linstow Group	
2020	2019	(NOK 1.000)	**Notes**	**2020**	2019
		OPERATING INCOME			
		Rental income, properties		314 666	359 650
	121 643	Profit from sale of fixed assets	1	8	359 105
	40 864	Project income		98 685	89 101
20 333	17 157	Hotel revenues and other operating income	2	391 843	868 516
20 333	**179 664**	**Total operating income**		**805 202**	**1 676 373**
		OPERATING EXPENSES			
-61 699	-68 970	Wages, salaries, employer's national insurance contributions and pension costs	3	-234 290	-299 463
-20 774	-18 499	Other administrative expenses	2	-206 708	-335 278
		Cost of materials		-26 581	-60 516
-13	-49	Operating costs for properties and bad debts		-55 974	-50 403
-388	-41 145	Project expenses		-72 939	-76 608
-8 600	12 165	Impairment and reversal of fixed assets	1,5	11 112	604
-68	-221	Amortisation	5	-249 310	-224 440
-91 543	**-116 720**	**Total operating expenses**		**-834 691**	**-1 046 102**
-71 210	**62 944**	**Operating profit**		**-29 489**	**630 270**
		FINANCIAL ITEMS			
86 921	504 498	Profit/loss from Group companies and associates	4	83 003	416 445
56 852	51 833	Finance income	6	41 965	23 932
-199 594	-134 948	Financial expenses	6	-162 811	-140 183
-55 822	**421 382**	**Net financial items**		**-37 843**	**300 194**
-127 031	**484 327**	**Profit before tax**		**-67 332**	**930 464**
38 218	30 997	Tax	7	28 913	12 473
-88 814	**515 324**	**Profit for the year**	8	**-38 419**	**942 937**
		APPROPRIATIONS			
41 614	-213 624	Transferred to/from other equity			
-140 000	-485 000	Accrued dividend			
187 200	183 300	Group contribution received after tax			
88 814	**-515 324**	**Total appropriations**	8		

BALANCE SHEET AT 31 DEC

Linstow AS				Linstow Group	
2020	2019	(NOK 1.000)	**Notes**	**2020**	2019
		ASSETS			
		Fixed assets			
		Intangible assets			
24 959	20 196	Deferred tax assets	7		
		Tangible fixed assets			
1 500	1 500	Real property	5	5 238 058	4 443 654
		Projects in progress	5	24 528	523 905
916	936	Machinery,fixtures/fittings and vehicles	5	129 395	115 553
		Financial assets			
3 245 437	3 034 477	Shares in subsidiaries	4		
472 318	497 552	Receivables from Group companies			
771 375	432 572	Shares in associates	4	967 158	529 559
87 707	83 493	Receivables from associates		87 707	83 493
1 962	2 272	Other shares	4	1 962	2 272
39	12 500	Other long-term receivables	9	49 050	36 417
4 606 213	**4 085 499**	**Total fixed assets**		**6 497 857**	**5 734 852**
		Current assets			
5 458	2 337	Current receivables	9	67 849	72 751
240 000	235 000	Receivables from Group companies		240 000	235 000
		Projects for sale	5	90 289	83 742
206 732	1 181 408	Bank deposits, Group account	12	564 014	1 485 679
452 190	**1 418 745**	**Total current assets**		**962 153**	**1 877 172**
5 058 403	**5 504 244**	**Total assets**		**7 460 010**	**7 612 024**
		EQUITY AND LIABILITIES			
		Equity			
817 808	817 808	Share capital (1,264,000 shares of NOK 647)		817 808	817 808
775 833	588 633	Other paid-in capital		775 833	588 633
847 653	1 076 466	Retained earnings		223 060	409 962
2 441 294	**2 482 908**	**Total equity**	**8**	**1 816 701**	**1 816 404**
		Long-term liabilities			
		Provisions for liabilities			
		Deferred tax	7	238 517	247 664
101 689	71 168	Other commitments	10	149 461	104 222
		Other non-current liabilities			
1 000 780	1 045 582	Liabilities to Group companies			
1 312 158	1 334 934	Secured debt	10	4 835 275	4 563 878
2 414 627	**2 451 684**	**Total long-term liabilities**		**5 223 254**	**4 915 763**
		Current liabilities			
202 482	569 652	Other current liabilities	11	420 056	879 856
202 482	**569 652**	**Total current liabilities**		**420 056**	**879 856**
5 058 403	**5 504 244**	**Total equity and liabilities**		**7 460 010**	**7 612 024**

Oslo, 11 March 2021

Sigurd E. Thorvildsen
Chair of the Board

Henrik Fougner
Board Member

Knut I. Nossen
Board Member

Arve Ree
Board Member

Per Tore Mortensen
CEO

(NOK 1.000)	Linstow AS 2020	Linstow AS 2019	Linstow Group 2020	Linstow Group 2019
Profit before tax	-127 031	484 327	-67 332	930 464
- Tax payable	-24 333		-37 238	-15 427
- Profit from sale of fixed assets		-121 643	-8	-359 105
+/- Net loss/profit from sale of projects	388	281	-25 746	-12 493
- Profit/loss from associates			-83 003	-416 445
+ Amortisation	68	221	249 310	224 440
+ Impairment/reversal of fixed assets	8 600	-12 165	-11 112	-604
+/- Change in accounts receivable	-2 343	-500	-3 925	5 556
+/- Change in accounts payable	841	-8 069	-46 228	-11 440
+/- Change in interest	-2 501	4 685	-1 866	3 773
+/- Change in other accruals	-16 301	80 580	-60 933	77 937
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**-162 612**	**427 717**	**-88 082**	**426 654**
+ Sale of tangible assets and projects		40 864	99 407	817 584
- Investment in tangible assets and projects	-436	-41 248	-458 137	-690 200
+ Payments from investments in shares		121 643		435 294
- Investment in shares	-338 803	-154 763	-338 793	-24 124
+/- Changes in other receivables/intra-Group balances	-230 571	565 553	21 291	-29 812
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**-569 810**	**532 049**	**-676 232**	**508 742**
+/- Change in external long-term liabilities	7 745	53 361	300 834	23 226
+/- Exchange rate differences			-208 185	24 283
- Equity transactions and loans to parent company	-250 000	-500 000	-250 000	-500 000
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**-242 255**	**-446 639**	**-157 351**	**-452 491**
NET CHANGE IN CASH & CASH EQUIVALENTS DURING THE YEAR (A+B+C)	**-974 676**	**513 127**	**-921 665**	**482 905**
Cash & cash equivalents 1 January (*)	1 181 408	668 281	1 485 679	1 002 774
Cash & cash equivalents 31 December (*)	**206 732**	**1 181 408**	**564 014**	**1 485 679**

(*) Cash and cash equivalents are largely related to the Group account and thus represent a receivable with the parent company under the Group banking scheme.

ACCOUNTING PRINCIPLES

General

The annual financial statements have been prepared in accordance with current legislation and generally accepted accounting principles.

Consolidation and equity investments

Shares and participating interests in subsidiaries are eliminated in accordance with the purchase method. This means that the cost price of the shares and interests is set off against the subsidiaries' equity as at the date of acquisition. Any added/negative values of individual properties arising from this process are depreciated using the same principles as for the properties themselves. Profit/loss from the purchase/sale of subsidiaries and associates is included from/to the date of acquisition/disposal. For gradual investment in/acquisition of subsidiaries, values at the date of consolidation are generally used. The minority interests' share of income and equity is show as a separate line on the income statement and balance sheet. Internal receivables, liabilities and profit/loss items are eliminated in the consolidated accounts.

In the parent company accounts, the cost method is used for all companies, regardless of structure and ownership share. Group contributions and dividend received which lie inside and outside the subsidiaries' accrued earnings in the ownership period are respectively recognised in the parent company's income statement and recognised directly in the balance sheet as an investment. Group contributions from the parent company to a subsidiary are considered as investments in subsidiaries and are capitalised as part of the cost of the shares. Group companies are fully consolidated in the accounts, while associates are accounted for using the equity method. More information can be found in Note 4 where shares and ownership interests are specified.

Translation of foreign companies

In the consolidated accounts, the accounts of foreign subsidiaries and associates are aligned with the Group's accounting principles as far as possible. When these companies' accounts are translated from local currencies to Norwegian kroner (NOK), balance sheet items are translated using the exchange rate prevailing at the balance sheet date, while income statement items are translated using the average rate for each quarter. The difference arising when the company's opening equity is translated based on this method is recognised as a correction to the Group's equity.

Financial instruments

The Group hedges the majority of its variable interest rates by entering into forward rate agreements. The agreements are valued at fair value by external parties. Current payments are presented as interest cost. The effect of value changes is recognised in profit/loss. Unrealised gains are not recognised. See below for further details, as well as Note 6.

Revenue recognition

Transactions are recognised at the value of the compensation at the time of delivery. Income is recognised when it is accrued, i.e. when the service is provided. Income is presented after deduction of VAT, rebates and discounts. Costs are compared with accrued revenues.

Redemption amounts from leases are recognised as income when the premises are leased and the rent covers costs. If the premises remain leased continuously, the income is accrued over the original lease term. If costs are partially covered, the buyout revenues are recognised as income proportionately.

Gains/losses/impairment losses on fixed assets

Profit/loss and impairment losses on fixed assets are classified as ordinary operating income/expenses in the income statement.

Maintenance and improvements

Ongoing maintenance costs to keep the properties in the best state of repair during the Group's ownership are included in operating expenses. Alterations for specific tenants and general work on the buildings which increase their rental value are depreciated over their expected useful life. The cost is included in amortisation. Rehabilitation expenditure raising the property standard from best state of repair during the Group's ownership and increasing future rental income is capitalised and depreciated with the building over its normal amortisation period.

Current/fixed assets
Current/long-term liabilities

Items are classified as fixed assets/long-term liabilities if they are intended for long-term ownership or use or their settlement date is after the end of the next accounting period. The first year's instalments for long-term liabilities are accounted for as long-term liabilities. Other items are classified as current assets/current liabilities. Current assets are recognised in the balance sheet at the lower of cost and fair value. See separate note on the valuation of fixed assets. The Group account arrangement is classified as a bank deposit.

Projects for sale
Projects defined as for sale are treated in accordance with Norwegian accounting standard NRS 2, construction contracts. Linstow utilises current revenue recognition based on expected final result. Revenue is recognised in step with the performance of the work, based on the stage of completion of the contract and sale. The result for the period is the expected final result multiplied by the stage of completion of the contract and sale. Projects expected to make a loss are recognised as an expense. Accrued costs at the reporting date comprise recognised costs allowing for any invoicing lag. Income comprises accrued costs plus the project margin. Income is not recognised until a substantial part of the project has been sold and the construction is well in progress, making it possible to give a reliable estimate of profit. If in doubt, the project is booked without profit. The same principle is applied, where natural, in the parent company accounts.

Fixed assets
Fixed assets are recognised at cost less accumulated depreciation and impairment losses. Leased assets which qualify as finance leases are capitalised and depreciated with other fixed assets. In general, fixed assets are written down if their fair value as defined in the Norwegian Accounting Act is lower than their carrying amount. If the recoverable amount of an asset is lower than the carrying value, the asset will be written down to the recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Fixed assets for which a decision to sell has been made are not reclassified as a rule, and the estimated sales value is used as the fair value.

At some of the Group's properties, new rental projects are subject to project design/construction. The cost of these projects, including interest on capital expenditure, is capitalised until the projects are completed/have full rental coverage. Interest on capital expenditure on projects acquired through the purchase of companies is capitalised. For projects where a decision has been taken to delay/halt the construction process, the interest on capital expenditure is expensed as it arises. Development projects and major conversions are transferred to properties and depreciated from the time the premises have been put into use.

Pensions
Pension costs are accounted for in accordance with NRS 6. Gross earned pension liabilities, less pension funds, are booked as a liability at the start of the year based on actuarial calculations. Changes in the underlying economic and actuarial assumptions are systematically distributed over the remaining service period.

Linstow also has unfunded pension liabilities, and their present value is entered on the balance sheet in the same way. The pension cost for the year is included in wages, salaries, etc. in the income statement, and comprises the current service cost, plus interest on pension liabilities less the return on pension funds. For unfunded pension liabilities the pension cost for the year is mainly interest on the accrued liabilities. Estimate discrepancies are accrued. When non-amortised estimate variances exceed 10% of the higher of obligations including employer's national insurance contributions and pension fund assets, the excess amount is amortised over the average remaining earning period.

Deferred tax
Deferred tax is calculated on the basis of the temporary differences that exist at the end of the financial year between accounting and taxable values. Temporary differences which reverse or may reverse in the same period are offset.

Deferred tax is generally recognised at nominal value using the enacted tax rate on the balance sheet date. Deferred tax on value added arising from acquisitions is valued at the present value, due to the long reversal time. Deferred tax liabilities and assets abroad are not offset against deferred tax benefits in Norway. In accordance with the exemption model, tax on temporary differences in share values is not recorded. Deferred tax assets/liabilities are classified as fixed assets and provision for liabilities, respectively. Change in deferred tax for the year is entered as a tax expense in the income statement.

OTHER

Financial market risk

The Group's market risk can be related to interest rate risk, currency risk and other risk. Please also see the Board of Directors' Annual Report for further comments

Interest rate risk

See also Note 10, where the repayment schedule for long-term liabilities is described. The principals for the mortgage debt owed by the Group and the dates of margin adjustment thereof are listed below:

The average interest rates presented in the table are equivalent to the sum of the margin and reference interest rate as at 31 December 2020 for each individual loan.

(NOK 1.000)

Year	Subtotal	Average interest rate	Percentage of portfolio	Accumulated percentage
1 year	1 746 797	1,7 %	36 %	36 %
2 years	298 840	1,4 %	6 %	42 %
3 years	2 768 651	1,6 %	57 %	100 %
4 years	20 988	2,1 %	0 %	100 %
Total	**4 835 275**	**1,6 %**		

In order to reduce interest rate risk, the Group has entered into fixed interest rate swap agreements. Below, the redemption structure for fixed interest rate swap agreements in the Group is presented.

(NOK 1.000)

Year	Amount	Fixed rate (average)	Shareholding %	Accumulated percentage
1 year	297 531	0,3 %	11 %	11 %
2 years	194 032	0,2 %	7 %	18 %
3 years				18 %
4 years				18 %
5 years	300 000	0,7 %	11 %	29 %
6 years +	1 927 600	0,3 %	71 %	100 %
Total	**2 719 163**	**0,3 %**		

Currency risk

The Group uses Norwegian kroner (NOK) as its base and presentation currency, but through its activities outside Norway is also exposed to fluctuations in other countries' currencies, mainly euro. The Group has currency risks related to both recognised monetary items and shares in foreign companies. Investments in foreign companies are made in a long-term perspective and do not have currency hedging. Monetary items are exchanged continuously to the currency that best corresponds to the Group's future liquidity requirements.

Exchange losses of TNOK 8,483 million on Linstow's international investments were carried to Group equity in 2020.

Exchange rates used at 31 December were:

	2020	2019
1 USD = NOK	8,5326	8,7803
1 EUR = NOK	10,4703	9,8638
1 RUB = NOK	0,1145	0,1410

Large individual transactions

The Group's investments in properties amounted to NOK 458 million in 2020. The largest investment was the expansion and redevelopment of Origo shopping centre in Latvia, for an amount of NOK 213 million. There were investments in the purchase of affiliated companies for NOK 339 million, with the largest investment concerning Furuset Utvikling AS, at NOK 197 million.

NOTE 1 PROFIT AND LOSS ON SALE OF FIXED ASSETS, IMPAIRMENT AND REVERSALS

Profit from sale of fixed assets

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Profit from sale of properties			0	358 894
Profit from sale of shares		121 643		
Profit from sale of fixtures, fittings and vehicles			8	211
Total	**-**	**121 643**	**8**	**359 105**

Impairment of fixed assets and reversals

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Impairment/reversal of projects				-389
Impairment/reversal of shares	-8 600	12 165	-310	-99
Impairment/reversal of fixed assets, etc.			38 138	3 483
Impairment/reversal of properties			-25 210	-2 392
Total	**-8 600**	**12 165**	**12 618**	**604**

Impairment/reversal are shown as net values in the Group above. Reference is made to the segment information in Note 15 for further specification. In addition to the write-down and reversal of tangible fixed assets, write-downs were made for projects for sale in 2020, see Note 5.

NOTE 2 HOTEL REVENUES AND OTHER OPERATING INCOME - OTHER ADMINISTRATIVE EXPENSES

Hotel revenues and other operating income
This includes income from the Group's international hotel operations, with the main items being restaurant and room revenues. The Group also receives fees for the management of properties in Portugal, Latvia and Norway. See also the distribution of Group income by segment.

Other administrative expenses
International operations also include costs related to the running of the Group's hotels. Costs such as maintenance, marketing and cleaning are therefore included.

NOTE 3 WAGES, SALARIES, EMPLOYER'S NATIONAL INSURANCE CONTRIBUTIONS AND PENSION COSTS

Wages, salaries and employer's national insurance contributions

	Linstow AS		Linstow Group	
	2020	**2019**	**2020**	**2019**
Wages/salaries and pensions	-54 666	-60 530	-208 782	-257 176
Public duties payable	-7 033	-8 440	-28 651	-44 870
Other			3 143	2 584
Total	**-61 699**	**-68 970**	**-234 290**	**-299 463**

Pension expense

	Linstow AS		Linstow Group	
Net pension expense	**2 020**	**2 019**	**2 020**	**2 019**
Current service cost	-5 390	-5 700	-5 390	-5 700
Cost of interest on pension liabilities	-2 265	-2 565	-2 265	-2 565
Return on plan assets	2 168	2 186	2 168	2 186
Accrued employer contributions	-771	-855	-771	-855
Administration	-825	-770	-825	-770
Recognised actuarial gains/losses	-1 793	-328	-1 793	-328
Net pension expense	**-8 876**	**-8 031**	**-8 876**	**-8 031**
Net pension expense, inclusive of defined contribution pensions	**-9 470**	**-8 352**	**-9 470**	**-8 352**
Pension liabilities - funded pension plans				
Calculated pension liabilities	80 798	71 778	80 798	71 778
Plan assets	-61 204	-55 020	-61 204	-55 020
Employer contributions	2 763	2 363	2 763	2 363
Unrecognised changes in plan	-12 730	-8 336	-12 730	-8 336
Net pension liabilities	**9 627**	**10 785**	**9 627**	**10 785**
Pension liabilities - unfunded pension plans				
Calculated pension liabilities	29 346	33 433	29 346	33 433
Employer contributions	4 122	4 698	4 122	4 698
Unrecognised actuarial gains/losses	-9 880	-5 645	-9 880	-5 645
Net pension liabilities	**23 589**	**32 487**	**23 589**	**32 487**
Composition of pension fund assets				
Shares	11,0 %	14,8 %	11,0 %	14,8 %
Negotiable bonds	20,3 %	11,2 %	20,3 %	11,2 %
HTF bonds	33,6 %	36,4 %	33,6 %	36,4 %
Money market	0,0 %	8,3 %	0,0 %	8,3 %
Property	15,6 %	13,4 %	15,6 %	13,4 %
Loans	19,6 %	14,7 %	19,6 %	14,7 %
Other	0,0 %	1,2 %	0,0 %	1,2 %

The composition of the pension fund assets as at 30 September 2020/31 December 2019

Financial assumptions:				
Expected return on plan assets	2,70 %	3,80 %	2,70 %	3,80 %
Discount rate	1,70 %	2,30 %	1,70 %	2,30 %
Annual wage increases	2,25 %	2,25 %	2,25 %	2,25 %
Annual adjustment of G	2,00 %	2,00 %	2,00 %	2,00 %
Annual pension increases	1,24 %	1,24 %	1,24 %	1,24 %
Mortality table	K2013	K2013	K2013	K2013

The company’s occupational pension scheme fulfils legal requirements.
Linstow AS has a defined benefit pension scheme for most employees in Norway in the form of a collective pension insurance scheme for pay up to 12 G (G = the National Insurance scheme’s basic amount). Full pension requires an earning period of 30 years and gives the right to a retirement pension of the difference between 70% of pay and calculated National Insurance benefits. This scheme fulfils the requirements of the Occupational Pensions Act. The company’s defined-benefit pension scheme was closed as of 1 January 2012. People employed after this date have a fixed-contribution pension scheme. In 2020, seven persons are covered by with this scheme.

Linstow AS also has obligations related to salaries above 12 G. Pension liabilities related to salaries above 12 G are financed via the company’s operations. Subsidiaries outside Norway only have pension schemes for their employees to a limited degree. Such schemes are mainly defined contribution.

Number of employees
The number of employees in the Group at year-end 2020 was 685 (around 569 FTEs), compared with 1 096 (around 927 FTEs) in the Group in the previous year, excluding associated companies. The decrease in employees can be attributed almost entirely to the hotel activities. The parent company employed 23 FTEs in 2020, compared to 22 FTEs in 2019. There were 24 employees at the end of 2020.

Remuneration of key management personnel - auditor’s fees

Auditor’s fees	**Linstow AS**		**Linstow Group**	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Auditor’s fees (incl. VAT)	-463	-449	-2 872	-3 195
Attestation and other fees - audit (incl. VAT)	-251	-118	-599	-575
Total	**-714**	**-567**	**-3 471**	**-3 769**

Remuneration of key management personnel and/or the Board of Directors

	Linstow AS	
(NOK 1.000)	**2020**	**2019**
Salary of Managing Director	-4 535	-4 399
Bonus scheme paid to Managing Director	-4 532	-4 431
Bonus scheme provision for the Managing Director	2 390	173
Pension Managing Director	-1 344	-1 410
Total	**-8 021**	**-10 067**

There are no agreements for the Board or Managing Director with regard to special compensation on termination of employment.

There is a bonus scheme for the company’s Managing Director and other key management personnel based on the growth of the Linstow Group. Payment of the accrued bonus scheme is dependent on future growth for the Group. Payment is based on value-adjusted equity at 31 December 2009 and on future growth in this exceeding the return on five-year government bonds. For the parent company, 24 400 shares have been issued under the scheme and the accounting obligation including employer’s national insurance contributions is TNOK 27 690 for 2020 and TNOK 40 891 for 2019. As at 31 December 2012 and for subsequent years, payment is made of 20% of any increase in value, while equivalent new shares are also awarded. It is a condition for payment and award of shares that the employee remains in the position. A net total of TNOK 7 666, including employer’s national insurance contributions, was expensed for the scheme in 2020, compared with TNOK 16 322 for the previous year. The bonus scheme is valued in accordance with NRS 15A.

NOTE 4 RESULTS AND INVESTMENTS IN ASSOCIATES - INVESTMENTS IN GROUP COMPANIES

Profit/loss from associated companies can be found below under shares in associated companies. The parent company's profit represents Group contributions received and dividend from subsidiaries.

Shares in subsidiaries

Company (NOK 1.000)	**Registered office**	**Linstow AS Number of shares**	**Linstow AS shares/votes %**	**Linstow AS Carrying amount**
Attistibas Agentura SIA	Riga	42 250 000	100,0 %	452 200
Flesland 110/15 and 22 AS	Oslo	3 000 000	100,0 %	373 036
Viesnica Latvija SIA	Riga	18 212 759	100,0 %	333 461
Romerike Helsebygg AS	Oslo	157 874	100,0 %	275 822
Damsgårdsveien 161-171 AS	Oslo	40 000	100,0 %	249 476
Olümpia Holding Nederland B.V.	Amsterdam	40 100	100,0 %	183 191
Tollbugaten 32 AS	Oslo	7 000	100,0 %	158 166
Galleriet Parkering AS	Oslo	25 658	100,0 %	124 744
Liteiny 5 LLC	St. Petersburg	1	100,0 %	120 185
Saliena Retail SIA	Riga	3 486 456	100,0 %	107 779
Dunas Portugal – Sociedade de Gestão, SA	Loulé	50 000	100,0 %	97 573
Viesbutis "Lietuva" UAB	Vilnius	845 612	100,0 %	96 848
Hotel Neris UAB	Kaunas	1 000 000	100,0 %	86 601
Grønland Torg Parkering AS	Oslo	30 751	100,0 %	83 551
Linstow SIA	Riga	25 899 814	100,0 %	78 852
Elizabetes Centrs SIA	Riga	66 099	100,0 %	75 067
Central Holding Nederland B.V.	Amsterdam	40 100	100,0 %	59 125
Brivibas 382 SIA	Riga	9 130 139	100,0 %	40 357
Attistibas E75 SIA	Riga	4 525 000	100,0 %	37 488
Attistibas ADX SIA	Riga	4 350 000	100,0 %	37 413
Jekaba Arcade SIA	Riga	121 249	100,0 %	33 153
Bisumuizas Nami SIA	Riga	19 191 600	100,0 %	30 252
Brubakkveien 16 AS	Oslo	10 000	100,0 %	28 548
Linstow Airport Bratislava s.r.o.	Bratislava	1	100,0 %	21 028
Buone SIA	Riga	2 000 000	100,0 %	18 854
A/S Storetvedt Utbyggingsselskap	Oslo	25 000	100,0 %	15 527
Viesnica Ridzene SIA	Riga	3 600 000	100,0 %	11 978
Linstow Baltic SIA	Riga	1 100 000	100,0 %	10 789
Linstow Eiendom AS	Oslo	1 000	100,0 %	2 750
Ülemiste Holding Nederland B.V.	Amsterdam	40 100	100,0 %	1 605
Reval Hotel Management OÜ	Tallinn	1	100,0 %	19
Total				**3 245 437**

Shares and interests in associated companies

Company (NOK 1.000)	**Registered office**	**Linstow Group Number of shares**	**Linstow Group Shares/votes %**	**Linstow Group Carrying amount**
Oslo S. Utvikling AS	Oslo	3 000	33,3 %	295 333
Furuset Utvikling AS	Oslo	100	33,3 %	196 679
Helsehusene Fredrikstad AS	Oslo	436 417	35,7 %	115 057
Agnes Utvikling AS	Larvik	566 896	50,0 %	87 460
Galleri Oslo Invest AS	Oslo	10 000	33,3 %	70 010
Bergen Lufthavn Utvikling AS	Oslo	1 200	50,0 %	5 461
Baltic Park AS	Oslo	1 375	50,0 %	1 375
Total				**771 375**

Company (NOK 1.000)	Linstow Group Carrying amount 2019	Linstow Group Profit/loss	Linstow Group Acquisitions and other	Linstow Group Carrying amount 2020
Oslo S. Utvikling AS	398 266	96 401		494 667
Furuset Utvikling AS		-12	196 679	196 667
Helsehusene Fredrikstad AS	111 486	6 003	3 393	120 882
Agnes Utvikling AS		-3 876	87 163	83 287
Galleri Oslo Invest AS	10	-104	70 000	69 906
Baltic Park AS	1 356	393		1 748
Sjøparken Helse AS	18 442		-18 442	
Bergen Lufthavn Utvikling AS		-15 803		
Total	**529 559**	**83 003**	**338 793**	**967 158**

The equity ratio of the shares in Bergen Lufthavn Utvikling AS is presented as part of the long-term debt in accordance with NRS(F) on investments in associated companies. In the consolidated accounts, the amount was NOK 44.97 million, compared to NOK 29.16 million for the previous year.

Other shares

Company (NOK 1.000)	Registered office	Linstow AS Number of shares	Linstow AS Shares/votes %	Linstow Group Carrying amount
Koksa Eiendom AS	Oslo	16 146 670	12,5 %	1 962
Norefjell Golfbane AS	Krødsherad	311	31,2 %	
Total Linstow AS				**1 962**

NOTE 5 INTANGIBLE ASSETS AND FIXED ASSETS

Fixed assets - Linstow AS

(NOK 1.000)	Machinery, fixtures and vehicles	Land	Total
Cost, 1 January	9 745	1 500	11 245
Additions	48		48
Disposals	-6 556		-6 556
Cost, 31 December	**3 237**	**1 500**	**4 737**
Accumulated amortisation and impairment, 1 January	-8 809		-8 809
Depreciation for the year	-68		-68
Disposal of depreciation and impairment	6 556		6 556
Accumulated depreciation and impairment, 31 December	**-2 321**	**0**	**-2 321**
Carrying amount, 31 December	**916**	**1 500**	**2 416**

Fixed assets - Linstow Group

(NOK 1.000)	Machinery, fixtures and vehicles	Properties	Land	Projects in progress	Total
Cost, 1 January	520 553	6 193 998	1 306 142	572 572	8 593 265
Transferred from/to projects in progress and for sale	1 197	828 306		-829 502	0
Exchange differences	27 037	255 666	59 878	27 362	369 942
Additions	43 939	53 068	12 592	274 631	384 231
Disposals	-42 291	5 746	0	-170	-36 715
Cost, 31 December	**550 435**	**7 336 783**	**1 378 612**	**44 892**	**9 310 722**
Accumulated amortisation and impairment, 1 January	-405 000	-2 539 232	-517 256	-48 667	-3 510 154
Depreciation for the year	-37 489	-211 821			-249 311
Impairment/reversal for the year		34 815	-59 166	-859	-25 210
Exchange differences	-20 298	-146 825	-32 107	29 161	-170 069
Disposal of depreciation and impairment	41 747	-5 746	0	0	36 002
Accumulated depreciation and impairment, 31 December	-421 040	-2 868 809	-608 529	-20 365	-3 918 742
Carrying amount, 31 December	**129 396**	**4 467 974**	**770 084**	**24 527**	**5 391 980**
Interest on capital expenditure in 2020 recognised in the balance sheet					1 844
Depreciation rates	20-30%	1-8%	0%	0%	

Projects for sale

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	2019	**2020**	2019
Cost, 1 January			83 743	91 015
Impairment			-1 506	-389
Transferred from/to fixed assets				-1 940
Exchange differences			7 086	-714
Additions	388	41 145	73 906	72 379
Disposals	-388	-41 145	-72 939	-76 608
Carrying amount, 31 December	**0**	**0**	**90 290**	**83 743**

NOTE 6 FINANCIAL ITEMS

Finance income

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	2019	**2020**	2019
Finance income from Group companies	16 829	20 072		
Finance income from Group account arrangement	3 053	7 408	3 114	8 444
Finance income from associates	4 214	4 031	4 214	4 031
Currency gains	32 740	20 234	32 316	10 000
Adjustment to value of financial instruments			2 009	
Other finance income	16	87	312	1 456
Total	**56 852**	**51 833**	**41 965**	**23 932**

Finance expense

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Finance costs - Group companies	-24 440	-24 605		
Currency losses	-93 652	-37 755	-24 449	-11 471
Adjustment to value of financial instruments	-40 577	-27 269	-40 544	-28 051
Other finance expense	-40 924	-45 319	-97 818	-100 662
Total	**-199 594**	**-134 948**	**-162 811**	**-140 183**

NOTE 7 TAX EXPENSE

Tax expense for the year consists of:

	Linstow AS		Linstow Group	
(NOK1.000)	**2020**	**2019**	**2020**	**2019**
Income tax payable	-19 345	-24 333	-25 060	-47 274
Change in deferred tax	57 563	55 330	53 972	59 747
Total tax expense	**38 218**	**30 997**	**28 913**	**12 473**

Tax impact of temporary differences:

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Current assets			-23	-381
Tangible fixed assets	-861	-1 000	72 242	95 325
Profit and loss account	4 366	5 457	5 364	6 705
Pensions	-7 308	-9 520	-7 308	-9 520
Other temporary items	-21 156	-15 133	189 750	172 238
Tax loss carryforwards			-21 508	-16 704
Differences not offset				
Deferred tax/tax benefit	**-24 959**	**-20 196**	**238 517**	**247 664**
Tax rate at the end of the year	22 %	22 %		
Of which Norwegian business	-24 959	-20 196	17 099	22 173
Of which foreign business			221 418	225 491
Change in deferred tax				
Change in deferred tax	4 763	4 559	9 147	12 821
Disposed of through sales				
Group contributions, currency gains/losses and other	52 800	50 771	44 826	46 926
Change in deferred tax in income statement	**57 563**	**55 330**	**53 972**	**59 747**

Explanation of the Group's tax expense

(NOK 1.000)	Linstow AS 2020	Linstow AS 2019	Linstow Group 2020	Linstow Group 2019
Profit before tax	-127 031	484 327	-67 332	930 464
22% tax	27 947	-106 552	14 813	-204 702
Tax effect of:				
Permanent differences	10 271	137 549	14 100	217 175
Changes to and tax rate differences				
Calculated tax expense	38 218	30 997	28 913	12 473
Effective tax rate for the Group	30 %	-6 %	43 %	-1 %

NOTE 8 CHANGES IN EQUITY

Changes in equity - Linstow AS

	Paid-in capital		Retained earnings	
(NOK 1.000)	Share capital	Other paid-in capital	Retained equity	Total equity
Balance, 1 January	817 808	588 633	1 076 466	2 482 908
Accrued dividend			-140 000	-140 000
Group contribution received after tax		187 200		187 200
Profit for the year			-88 814	-88 814
Balance sheet as at 31 December	**817 808**	**775 833**	**847 653**	**2 441 294**

Changes in equity - Linstow Group

(NOK 1.000)	Share capital	Other paid-in capital	Retained earnings	Total equity
Balance, 1 January	817 808	588 633	409 962	1 816 404
Accrued dividend			-140 000	-140 000
Group contribution received after tax		187 200		187 200
Translation effects (*)			-8 483	-8 483
Profit for the year			-38 419	-38 419
Balance sheet as at 31 December	**817 808**	**775 833**	**223 060**	**1 816 701**
(*) Accumulated translation effect included in retained earnings			41 709	41 709

NOTE 9 OTHER RECEIVABLES

Current receivables

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Accounts receivable	4 102	1 759	32 174	28 249
Inventories			6 119	8 460
Accruals and other receivables	1 356	578	29 556	36 041
Total	**5 458**	**2 337**	**67 849**	**72 751**

Accounts receivable are measured at their nominal value, less provisions for expected losses.

Long-term receivables

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Advance payments, etc. the Baltics			49 011	23 917
Other receivables	39	12 500	39	12 500
Total	**39**	**12 500**	**49 050**	**36 417**

NOTE 10 MORTGAGES

Carrying amounts of assets provided as collateral for mortgage liabilities are:

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Mortgage liabilities	1 312 158	1 334 934	4 835 275	4 563 878
Carrying amounts of assets pledged as collateral for liabilities:				
Shares (*)	1 619 735	1 295 826		
Real property and projects in progress			4 977 310	4 697 191
Fixtures & fittings			98 644	81 221
Other			83 438	49 980
Total	**1 619 735**	**1 295 826**	**5 159 391**	**4 828 392**

(*) Linstow AS has taken out several loans secured on property owned by subsidiaries. For one of the loans, shares have also been pledged as security.

All secured debt is deducted in the currency in which the corresponding/mortgaged property has income and costs. Of the total secured debt, translated into NOK at 4 835 275, 74% is denominated in EUR and the remainder in NOK. There are requirements concerning the financial ratios for the secured debt. The requirements mainly concern the loan-to-value ratio (LTV), and the debt-service coverage ratio (DSCR), as well as value-adjusted equity and value-adjusted equity ratio. For further comments, reference is made to the annual report and the description of the future outlook.

Guarantees for parent company
Linstow AS is wholly owned by Møllegaarden AS. Møllegaarden AS is wholly owned by AS Investa, and the latter is wholly owned by Awilhelmsen AS. Møllegaarden AS has provided 1st priority collateral in all its shares in Linstow AS as security for a syndicated loan raised by Awilhelmsen AS. The guarantee has an upper limit of NOK 2.2 billion.

Repayment schedule for secured debt and credit facilities

	Linstow AS		Linstow Group	
Long-term liabilities due within:	**2020**	**2019**	**2020**	**2019**
1 year	606 400		1 041 040	
2 years	705 758	668 284	1 004 597	1 086 723
3 years		666 650	2 768 651	949 166
4 years			20 988	2 507 167
5 years				20 822
Total	**1 312 158**	**1 334 934**	**4 835 275**	**4 563 878**

Other liabilities/Other long-term liabilities	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Plan liabilities (see Note 3)	33 216	43 272	33 216	43 272
Other liabilities and provisions	68 473	27 896	116 245	60 950
Total	**101 689**	**71 168**	**149 461**	**104 222**

Other liabilities were primarily losses on swap contracts.

NOTE 11 CURRENT INTEREST-FREE LIABILITIES

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Trade payables	1 113	271	54 067	100 295
Accrued interest	2 449	4 951	10 333	12 199
Income tax payable	19 345	24 333	20 016	32 195
Dividends	140 000	485 000	140 000	485 000
Advances from tenants and customers			79 951	83 642
Public duties payable, holiday pay etc.	6 135	5 149	20 780	28 219
Other accruals	33 440	49 948	94 908	138 306
Total	**202 482**	**569 652**	**420 056**	**879 856**

NOTE 12 BANK DEPOSITS, GROUP ACCOUNT

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Cash and bank deposits	19 916	2 905	322 711	280 161
Group account	186 815	1 178 503	241 303	1 205 503
Total	**206 732**	**1 181 408**	**564 014**	**1 485 664**

Linstow AS and some of its subsidiaries form a Group banking system with Awilhelmsengruppen. The balance in the Group banking system thus represents a receivable from the parent company of the Group. Only an insignificant amount of bank deposits in the Group are related to frozen tax deductions.

NOTE 13 GUARANTEE LIABILITIES AND OTHER COMMITMENTS

	Linstow AS		Linstow Group	
(NOK 1.000)	**2020**	**2019**	**2020**	**2019**
Guarantee commitments	467 350	450 624		

The guarantee liability for the parent company is related to loans raised by foreign subsidiaries and loans raised by partly-owned Norwegian companies, as well as guarantees provided in connection with the sale of partly-owned Norwegian companies. Linstow AS has also provided standard vendor guarantees in connection with the sale of the Galerija Centrs shopping centre in 2019. The property value in connection with the sale was approximately EUR 75 million.

NOTE 14 SHAREHOLDER INFORMATION

Shareholders at 31 December 2020

	Number of shares	Nominal	Shareholding %
Møllegaarden AS	1 264 000	647	100,0%

All the company’s shares carry one vote.

Related parties
Linstow AS also contributes to the management of wholly and partly owned companies in Norway and abroad. Loans and interest have been given to and received from wholly and partly owned companies. Fees are paid at market prices. Linstow AS’ transactions with related parties can be grouped as follows:

2020 (NOK 1.000)	Shareholders	Group companies	Associates	Total
Fee income		12 216	8 095	20 311
Administrative costs		-2 368		-2 368
Finance income		16 829	4 214	21 043
Finance income Group banking system		3 053		3 053
Finance expenses		-24 440		-24 440
Intra-Group contributions	187 200	29 690		216 890
Dividends	-140 000			-140 000
Total	**47 200**	**34 981**	**12 309**	**94 489**
Lending	240 000	472 318	87 707	800 025
Borrowing		1 000 780		1 000 780
Group account		241 303		241 303

2019 (NOK 1.000)	Shareholders	Group companies	Associates	Total
Fee income		8 182	8 700	16 882
Administrative costs		-1 739		-1 739
Finance income		20 072	4 031	24 103
Finance income Group banking system		7 408		7 408
Finance expenses		-24 605		-24 605
Intra-Group contributions	183 300			183 300
Dividends	-485 000		417 716	-67 284
Total	**-301 700**	**9 318**	**430 447**	**138 065**
Lending	235 000	497 552	83 493	816 045
Borrowing		1 045 582		1 045 582
Group account		1 205 503		1 205 503

NOTE 15 SEGMENT INFORMATION LINSTOW AS GROUP

Income statement 1 January - 31 December

	Hotels Baltics/Eastern Europe		Shopping centres Baltics		Other including Portugal		Investments Norway		Total	
(NOK 1.000)	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
OPERATING INCOME										
Rental income, properties			165 633	213 914	9 975	10 850	139 059	134 886	314 666	359 650
Profit from sale of fixed assets	-70	154	77	358 878	1	11		62	8	359 105
Project income					98 685	48 237		40 864	98 685	89 101
Hotel revenues and other operating income	284 158	726 942	33 861	49 174	60 291	81 164	13 533	11 236	391 843	868 517
Total operating income	**284 088**	**727 096**	**199 571**	**621 967**	**168 952**	**140 262**	**152 592**	**187 048**	**805 203**	**1 676 373**
OPERATING EXPENSES										
Wages, salaries, employer's national insurance contributions and pension costs	-113 747	-165 992	-40 242	-42 892	-18 146	-21 170	-62 154	-69 409	-234 290	-299 463
Other administrative expenses	-128 792	-241 107	-15 893	-23 227	-40 815	-53 012	-21 208	-17 932	-206 709	-335 278
Cost of materials	-22 029	-53 939			-4 553	-6 576			-26 581	-60 516
Operating costs for properties and bad debts	-9	37	-27 990	-26 061	-2 205	-1 102	-25 771	-23 278	-55 974	-50 403
Project expenses					-72 551	-35 463	-388	-41 145	-72 939	-76 608
Impairment of fixed assets	-58 781	5 161	73 962	4 099	-3 759	-8 557	-310	-99	11 112	605
Amortisation	-111 912	-106 829	-63 488	-46 145	-6 278	-5 745	-67 633	-65 721	-249 310	-224 439
Total operating expenses	**-435 270**	**-562 669**	**-73 652**	**-134 225**	**-148 307**	**-131 624**	**-177 463**	**-217 584**	**-834 692**	**-1 046 102**
Operating profit	**-151 182**	**164 426**	**125 920**	**487 742**	**20 645**	**8 638**	**-24 871**	**-30 536**	**-29 489**	**630 271**
FINANCIAL ITEMS										
Profit/loss from Group companies and associates					393	105 365	82 610	311 081	83 003	416 445
Finance income	47	251	242	627			7 351	13 054	7 639	13 932
Finance expenses	-25 815	-25 023	-29 858	-26 836	-1 017	-461	-41 129	-48 341	-97 818	-100 662
Net financial instruments	1 615	735	428	-1 516			-40 577	-27 269	-38 535	-28 051
Net currency gains/losses	-217	-358	544	-81			7 540	-1 033	7 867	-1 471
Net financial items	**-24 370**	**-24 396**	**-28 645**	**-27 806**	**-624**	**104 903**	**15 795**	**247 492**	**-37 844**	**300 193**
Profit before tax	**-175 553**	**140 031**	**97 275**	**459 936**	**20 021**	**113 541**	**-9 076**	**216 957**	**-67 333**	**930 465**
Investments, not incl. associates	69 238	38 329	229 096	493 936	78 367	93 899	81 436	64 035	458 137	690 200
Sale of fixed assets and projects, not incl. associates	722	154		728 266		1		62	722	728 483

SEGMENT INFORMATION LINSTOW AS GROUP

Balance sheet at 31 December

	Hotels Baltics/Eastern Europe		Shopping centres Baltics		Other including Portugal		Investments Norway		Total	
(NOK 1.000)	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
ASSETS										
Real property	1 628 669	1 672 417	1 983 519	1 167 982	120 596	116 951	1 505 273	1 486 305	5 238 058	4 443 654
Projects in progress	6 311	1 165	9 257	512 135	1 320	554	7 640	10 052	24 528	523 905
Machinery, fixtures/fittings and vehicles	93 397	84 363	23 937	15 525	2 736	3 197	9 325	12 468	129 395	115 553
Other shares							1 962	2 272	1 962	2 272
Receivables from Group companies and associates							87 706	83 493	87 706	83 493
Interests in associates						1 356	967 158	528 203	967 158	529 559
Other long-term receivables	1 024	4 043	47 409	19 296	195	195	422	12 882	49 050	36 417
Total fixed assets	**1 729 401**	**1 761 988**	**2 064 122**	**1 714 938**	**124 847**	**122 253**	**2 579 487**	**2 135 674**	**6 497 857**	**5 734 852**
Current receivables	17 547	32 182	32 145	26 066	10 486	8 736	247 671	240 767	307 849	307 751
Projects for sale					90 289	83 742			90 289	83 742
Bank deposits, Group account	46 515	122 470	191 680	102 664	64 586	52 123	261 234	1 208 422	564 014	1 485 679
Total current assets	**64 062**	**154 653**	**223 825**	**128 730**	**165 361**	**144 601**	**508 905**	**1 449 188**	**962 153**	**1 877 172**
Total assets	**1 793 463**	**1 916 640**	**2 287 947**	**1 843 667**	**290 208**	**266 854**	**3 088 392**	**3 584 863**	**7 460 010**	**7 612 024**
EQUITY AND LIABILITIES										
Share capital (1 264 000 shares of NOK 647)							817 808	817 808	817 808	817 808
Other equity	2 483	137 544	216 284	-16 899	200 559	170 567	579 566	707 385	998 892	998 596
Total equity	**2 483**	**137 544**	**216 284**	**-16 899**	**200 559**	**170 567**	**1 397 374**	**1 525 193**	**1 816 700**	**1 816 404**
Deferred tax	96 683	119 952	125 664	106 680	-930	-1 142	17 100	22 173	238 517	247 663
Secured debt	1 643 924	1 572 471	1 838 574	1 616 170	40 620	40 303	1 312 158	1 334 934	4 835 275	4 563 878
Other non-current liabilities		767	2 139	2 480	661	639	146 661	100 337	149 461	104 222
Total long-term liabilities	**1 740 608**	**1 693 190**	**1 966 377**	**1 725 330**	**40 351**	**39 800**	**1 475 918**	**1 457 443**	**5 223 254**	**4 915 763**
Other current liabilities	50 372	85 907	105 286	135 237	49 298	56 487	215 099	602 226	420 056	879 856
Total current liabilities	**50 372**	**85 907**	**105 286**	**135 237**	**49 298**	**56 487**	**215 099**	**602 226**	**420 056**	**879 856**
Total equity and liabilities	**1 793 463**	**1 916 640**	**2 287 947**	**1 843 667**	**290 208**	**266 854**	**3 088 392**	**3 584 862**	**7 460 010**	**7 612 023**

Segment information is subject to a higher degree of uncertainty than non-segment data.

Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Linstow AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Linstow AS, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the balance sheets as at 31 December 2020, income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. We obtained the Board of Directors' report prior to the date of our auditor's report. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

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

Opinion on registration and documentation

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

Oslo, 11 March 2021
ERNST & YOUNG AS

Finn Ole Edstrøm
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

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