Annual Report 2020

Mission-critical real estate and infrastructure

ASSET BUYOUT PARTNERS

Content

Asset Buyout Partners at a glance

Asset Buyout Partners is an industrial real estate company with a dedicated investment strategy aimed towards real estate and infrastructure located in mission critical energy and maritime clusters. The business is characterized by solid tenants on long-term lease contracts. The headquarter is located in Oslo.

ABP

1.7 m
Sqm land area

245 k
Sqm GLA

520 k
Sqm dev. potential

98
Properties

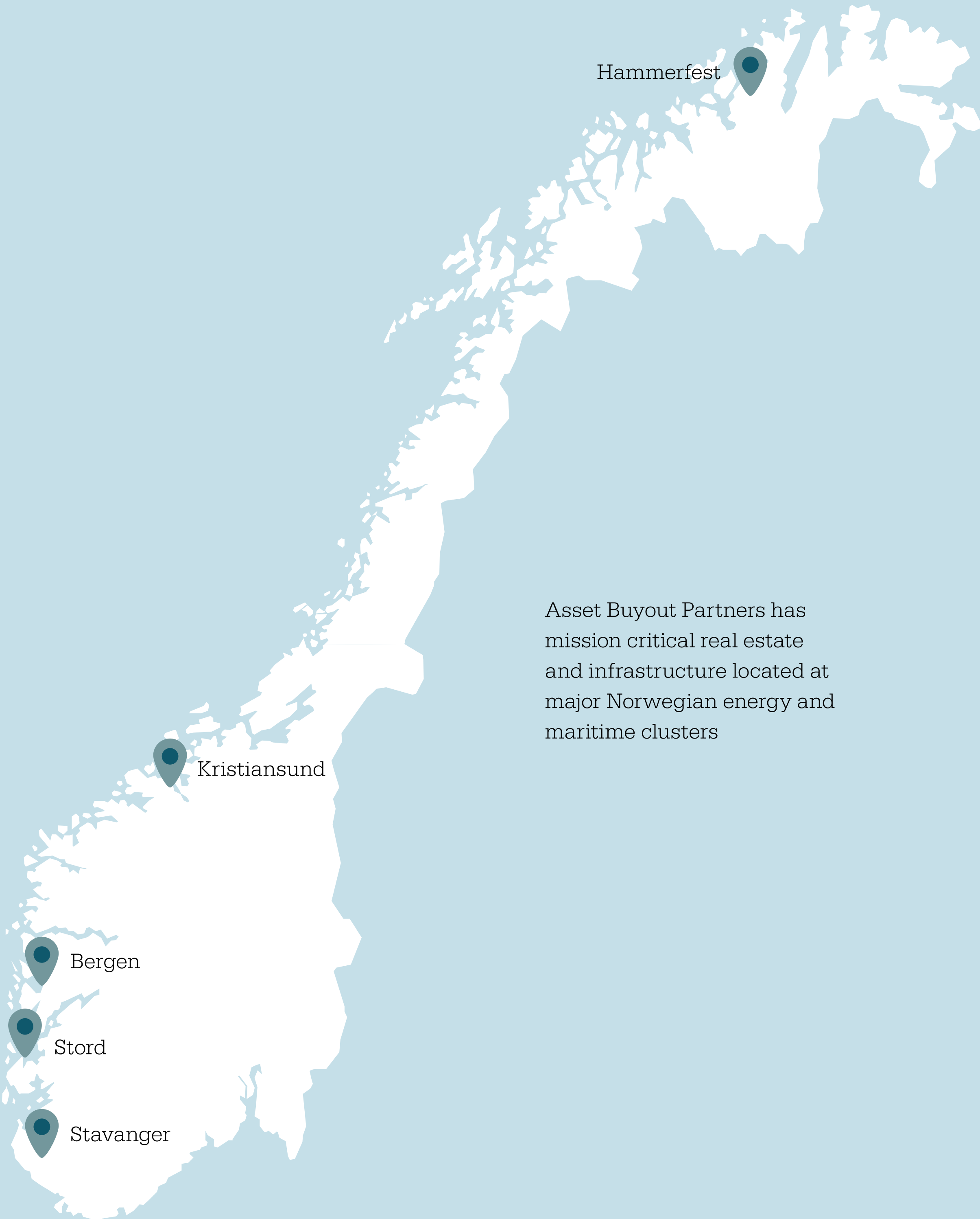
571 m
Rental income

9.1 bn
Market value of investment properties

5.7 bn
Backlog

9.1 yrs
Weighted average contracted lease term

Key locations



Asset Buyout Partners has mission critical real estate and infrastructure located at major Norwegian energy and maritime clusters

ESG report

Asset Buyout Partners Invest AS ("ABP", "the Company" or "the Group") is an industrial real estate company with a dedicated investment strategy aimed towards real estate and infrastructure assets located in Norwegian energy and maritime clusters.

ESG is fundamental to ABP's business strategy. Good corporate governance and corporate management reduces business-related risk, while enabling the Company's resources to be utilized in an effective and sustainable manner. From a strong focus on security, health and safety "(HSE"), ABP works actively to address climate and environmental risks and opportunities. This includes investments in energy efficient properties and infrastructure, facilitate and promote technological development and circular solutions. It is important for the Company to maintain a constructive dialogue with its main stakeholders, and ABP holds a minimum of six board meetings per year, providing valuable feedback and enabling the Company to continue to improve, to build trust and to enhance its reputation. In 2020, ABP held 8 board meetings.

ABP believes that a systematic approach towards understanding and managing the external impacts on society and the environment is a prerequisite for value creation. The main steps in selecting the focus areas involve identifying and understanding topics that are important to the Group's business strategy and to its stakeholders. The focus areas and priorities are based on a broader value chain analysis which emphasize areas where ABP believes the Company can make an important and sustainable impact. The topics are believed to be important for development of environmental-friendly measures and long-term value creation. As a participant in the Norwegian property market, the Company believes that it has an important role to play in supporting Norway's contribution to UN's Sustainable Development Goals ("SDGs"). In addition, as changes are at hand and as the industry structure faces renewal, new business opportunities will materialize in the value chain and adjacent industries for a well-capitalized company like ABP.

To define these focus areas, ABP has reviewed its ESG strategy against the SDGs to highlight where the Company directs its focus. The Group has decided to focus on the following three SDGs: SDG 9 - Industry, Innovation and Infrastructure, SDG 13 - Climate action and SDG 8 - Good jobs and economic growth. These SDGs and the Company's priorities and focus areas in this regard are illustrated in the figure below:

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

It is important for ABP to uphold its position as an attractive landlord. ABP's value chain analysis clarified that efficient properties focusing on technological development and circular solutions are some of the most material topics to the Group and its stakeholders. SDG 9 will help ABP prioritize future work and goals to build resilient and sustainable infrastructure, while maintaining economic growth and foster innovation.

13 CLIMATE ACTION

A core requirement in ABP's investment strategy is to acquire real estate and infrastructure that is resilient in terms of alternative use, but also in terms of dealing with climate change. Risks from climate change could be physical (extreme weather) as well as transitional (regulatory requirements). However, an assessment of ABP's value chain made it clear that addressing and adapting to climate risk also can provide the Company with opportunities. These opportunities could include preparing the local community for future climate change, but also a potential to promote technology transfer and development of solutions for climate change mitigation.

8 DECENT WORK AND ECONOMIC GROWTH

A top priority for ABP will always be to provide fair, safe and healthy working conditions for its employees, customers as well as contributing to economic growth and value creation in local communities. It is of high priority that the Group's assets are physically secure, always meet the highest statutory requirements and emergency preparedness. The SDG 8 is therefore a useful tool to focus on the importance of local value creation and employment.

Promoting green and efficient properties and infrastructure

ABP is a responsible real estate and infrastructure owner and continuously assesses how its assets contribute to a sustainable economy. The Company has established an ESG due diligence framework when acquiring new assets, and ABP has regular dialogue with its tenants regarding initiatives for more environmentally friendly and energy efficient solutions. New contracts contain provisions for annual mandatory environmental meetings between the Company and its tenants to discuss environmental initiatives, and energy optimization measures at a property level to support the tenants' operations.

Currently, ABP is working with tenants to replace traditional energy sources with renewable energy sources such as solar panels, sea-based or geothermal heating systems, and LED lighting.

As a potential to increase the support from tenants for environmental initiatives in ABP's existing property portfolio, ABP has started to investigate Energy Performance Contracting (EPC) as a measure. EPC is a way of financing energy efficiency measures by the future cost reductions. An EPC contract will be a three party contract involving the tenant, the EPC contractor and ABP. Early versions of EPC contracts required the landlord to finance the investments needed. ABP recently initiated dialogue with an EPC contractor considering financing the investments needed, and will continue to investigate this opportunity further in 2021.

To keep control of ABP's own greenhouse gas emissions, Cemasys has produced a carbon accounting report for 2020. Business travels contribute to almost 95 % of the total emissions and a total of 16.7 tons of CO2 equivalents. In addition to reduce emissions, the Company will look to reduce costs and save time by always considering digital meeting solutions as alternatives to business travel and physical meetings. Through the COVID-19 pandemic, ABP has had positive experiences from digital communications in general and expects this trend to continue contributing to reduced business travel going forward. In addition, ABP will continue to operate its own offices in an energy efficient manner.

The Company's ambition is to be a preferred landlord in the industrial real estate and infrastructure segment of the property market and to add value and facilitate for sustainable solutions for ABP's customers. ABP aims to assess its properties and activities in line with EU taxonomy for sustainable activities, and the Company works rigorously with its customers and tenants to further develop its structured approach to ensuring that the Group's real estate portfolio is managed in the most efficient and sustainable way.

Finally, ABP places strict requirements on subcontractors that carry out maintenance or construction work for on the Group's property portfolio. Subcontractors must satisfy requirements related to quality and HSE and have to have adequate routines in place for sustainable waste management. ABP pre-qualifies and performs regular audits of its subcontractors.

Facilitate green technology and circular solutions

High concentration of leading industrial companies clustered together, coupled with strategic locations, make energy and maritime clusters ideal for exploring circular economy initiatives. Solutions where one company's waste, becomes and other company's resource is an exciting opportunity going forward. ABP works actively to promote more sustainable and circular operating models together with the Company's customers. ABP is also actively pursuing alternative industry utilization for tomorrow, including more focus on renewable energy and aquaculture, to name a few.

The Company's largest asset is the Mongstad supply base, the largest supply base port in Norway and a vital part of Mongstad Industrial Park. In 2019, ABP has launched "Greenspot Mongstad", a collaboration between the largest commercial stakeholders at Mongstad Industrial Park and local and national authorities to lay the foundation and attract new projects for sustainable industrial development at Mongstad. Current stakeholders involved in this together with ABP include Equinor, Alver Municipality, and Technology Centre Mongstad, the world's largest technology center for development and testing of CO2 capture technologies.

The Greenspot Mongstad collaboration has identified several specific business opportunities related to inter alia production of hydrogen, onshore wind, aquaculture and CO2 capture technologies. As an example Equinor, the local utility company BKK and Air Liquide has established a consortium to build a plant for production of hydrogen from renewable energy sources (electrolysis to produce green hydrogen), and with ABP to build related infrastructure for shore to ship fueling services at Mongstad supply base. In addition, ABP has further developed plans to establish land-based salmon farming at Mongstad, utilizing the benefits of close proximity to the contemplated plant for production of hydrogen and the Equinor refinery. Circular economy and cost reductions are achieved by the possibility to access oxygen and waste heat that are biproducts from these plants, as input factors in the production of salmon.

Going forward, the Company will continue seek additional opportunities to leverage the Group's existing and new assets to promote and nurture alternative use and sustainability, thereby diversifying the Group's asset exposure and acting as an enabler for the efficient technology transfer to new industries. This includes transferring existing knowledge and technology to help facilitate the energy transition.

Adapting to climate risk and opportunities

Climate change has been a key topic for years, intensifying in strength and conviction in 2020, and it is evident that companies focusing on traditional energy sources will experience pressure and demands related to the transition to a low-carbon economy.

ABP firmly believes that affordable and available energy is a cornerstone to achieve several of UN SDGs and that an efficient switch from coal to gas is an imperative strategic goal in this regard. ABP will continue its efforts to reduce emissions from infrastructure supporting the Norwegian Continental Shelf ("NCS"), a leader in low emission production, thus helping to reduce the overall carbon footprint of the offshore energy industry.

The International Energy Agency ("IEA") Stated Policies Scenario, based on policies announced in November 2020, predicts that oil and gas will account for nearly 48% (1098Mtoe) of the energy mix in Europe in 2040. In the Sustainable Development Scenario, if the world stays below the two-degree target, oil and gas will account for 31% of the energy mix (979 Mtoe) in Europe in 2040, assuming the development of affordable and energy efficient Carbon Capture and Storage technology. In both these scenarios Norwegian oil and gas will continue to play a vital role in the energy mix going forward.

Currently the EU is targeting 55% emissions reduction by 2030, and climate neutrality by 2050. The Paris Agreement has set goals for all countries to increase ambitions on a continuous basis. As a leading real estate and infrastructure investor in energy and maritime clusters in Norway, ABP wants to be an enabler for the best energy solutions going forward. ABP is facilitating solutions that are part of a low carbon future and the Company will continue to strive to diversify industry exposure and promote more sustainable solutions. The Company's assets and infrastructure, such as quays, access to electricity, water and roads, are universal and may be used by a host of industries in addition to oil and gas. This includes offshore wind, aquaculture, hydrogen and biogas. The Greenspot Mongstad project is exploring opportunities in this space and has the potential to pioneer sustainable and circular industrial development in Norway. Several of the Company's tenants have already diversified from oil and gas exposure, and now have considerable backlogs toward alternative industries such as offshore wind, hydrogen and aquaculture.

To better be able to monitor and follow up on potential impacts, both opportunities and threats, on the Company from climate related changes, ABP is currently setting up a framework for TCFD (Task Force on Climate – related Financial Disclosures) reporting.

Culture and employee satisfaction

ABP seeks to have a corporate culture where environmental awareness is strongly embedded at all levels in the organization. This is something that the Company seeks to maintain and further enhance and use as a lever in implementing an even broader environmental focus. The Company strives to ensure that all employees have the relevant knowledge and seek to influence suppliers, customers and partners to make sound environmental choices. ABP seeks to continually increase the sustainability awareness in the Company, as well as making sure that the Company has access to the best industry advisers and experts in the field.

Equal opportunities and diversity are an integral part of the ABP's personnel policy, and today 20% of total staff are female. An important factor in ensuring ABP's success is a continued focus on diversity and gender equality.

Local value creation

ABP plays an important role in several local communities. Mongstad supply base employs around 500 people, as part of the greater Mongstad Industrial Park area employing approximately 2,000 people from Alver Municipality. Local authorities are therefore important stakeholders for the Company, and sustainable and long-term economic growth and local value creation are of high priority for ABP. The co-operation with Alver Municipality on the Greenspot Mongstad initiative is one of the ways the Company works with municipalities to increase local value creation based on the energy transition, and thus more jobs for the community.

The Board of Directors' report 2020

Operations and locations

Asset Buyout Partners ("ABP", "the Company" or "the Group") is an industrial real estate company with a dedicated investment strategy aimed towards real estate and infrastructure assets located in Norwegian energy and maritime clusters. Mission critical infrastructure characteristics provide comfort for cash flows well beyond contracted lifetime – underpinned by attractiveness and longevity of the Norwegian energy industry, maritime industries such as aquaculture and seabed mining, and alternative energy industries such as hydrogen production, battery cell production and offshore wind. The Norwegian Economic Zone is a highly attractive region in this regard, due to a combination of access to high quality infrastructure, a stable regulatory environment and vast natural resources.

The Company is owned by HitecVision, a leading provider of institutional capital to the North Sea region's energy industry, ABP management, and non-executive board members. ABP owns a diversified portfolio of mission critical assets strategically located in key energy and maritime clusters. As of 31 December 2020, the Company owned and managed nearly 100 properties, 1.7 million square meters of land and infrastructure including piping for bulk supply, 245,000 square meters of primarily industrial facilities and 750 meters of quays. In addition, ABP has a combined 520,000 square meters of zoned, undeveloped land that provides expansion opportunities for existing as well as new customers.

ABP plans to grow the Company in scale over the coming years based on both organic and inorganic growth opportunities. ABP will leverage the Company's strategic position, scale, portfolio composition and system value to continue to build value for our customers and shareholders.

The Company has 15 full time employees with sector-specific expertise and relationships with leading companies in the Norwegian energy and maritime industry. ABP is a professional landlord and seeks long-term partnerships with our customers. The Company's expertise extends to structuring, owning, developing, financing and managing real estate and infrastructure. ABP is headquartered centrally in Oslo with regional asset management teams serving customers locally.

2020 in brief

After a positive start to 2020, significant global events created a volatile market environment, both for the general economy and for the oil and gas industry.

Covid-19 was declared a global pandemic by the World Health Organization and forced countries and organizations to take measures to mitigate risks for communities, employees and business operations.

The Covid-19 pandemic adversely impacted the global economy, and as a response to this central banks has cut interest rates globally, and in May 2020 Norges Bank for the first time reduced the policy rate to zero percent.

Throughout 2020 numerous stimulus packages has been introduced to support global economy, and in June 2020, the Norwegian government implemented a temporary tax incentive scheme that has maintained activity in the oil and gas industry and the supply industry during the Covid-19 pandemic.

In response to the Covid-19 pandemic ABP's tenants implemented measures to ensure the health and safety of employees and to reduce operational disruption to a minimum. In addition, tenants completed targeted cost reductions and temporarily postponed investment decision for capital expendi¬tures. However, the Company had no direct impact from Covid-19, as all the Company's tenants have proven capable of adapting to the market volatility, maintaining activity levels, and have fulfilled all lease payment obligations to ABP throughout the year.

The Group has optimized its company structure by the merger of several holding companies resulting in a leaner and simplified structure in addition to reduced running costs.

Comments related to the financial statements

The Group's gross rental income increased from NOK 524.7 million in 2019 to NOK 571 million in 2020, and in the same period net rental income increased from NOK 488.7 million to NOK 530.5 million. The increase in rental income is mainly driven by acquisitions of new investment properties in 2019, where we see the full year effect this year (last year income was recognized from the acquisition date). Net profit in 2020 was NOK 636 million, as compared to NOK 740.2million in 2019. The change in net profit is mainly due to changes to fair value adjustments of financial derivates which was negative with NOK 114.5 million in 2020 and positive with NOK 6.7 million in 2019.

The Group's operating costs are divided in two categories, property operating expenses and administrative expenses. Expenses directly related to the operation of existing properties are recognized as property operating expenses. Other expenses are included as administrative expenses, including salaries and costs related to Group functions. The increase in property operation expenses from 2019 is mainly driven by increase in maintenance cost (activity driven and several extraordinary items in 2020), from 34 million in 2019 to 39 million in 2020. The increase in administrative expenses is mainly driven by increase in personal cost (LTIP), from 35 million in 2019 to 48 million in 2020.

The fair value of the property portfolio at year end 2020 was NOK 9,110 million (2019: NOK 8,448 million). The increase is mainly related to a net change of fair value of NOK 630.3 million (2019: NOK 691.5million). The fair value adjustments are impacted by value changes.

The Group has a strong cash flow from operating activities, and free cash flow is mainly used for reinvestments or repayments on interest bearing debt. Otherwise the cash flow statement reflects the investment activities during the year.

The Group's activities are financed with a combination of equity and interest-bearing debt with different maturities. At year-end, the Group's current liabilities constituted 8% of total liabilities, compared to 10% as of 31 December 2019. The loan to value ratio at year end was 47% (2019: 53%).

Total assets at year-end amounted to NOK 9,153 million, compared to NOK 8,525 million last year. The equity ratio was 43% at year-end, compared to 39% as of 31 December 2019. This is consistent with ABP's capital management policies and the Group's financial strategy.

Parent company financials

The Group's parent company, Asset Buyout Partners Invest AS ("The Parent Company"), is a holding company with limited activity. Costs are related to the Group's administrative functions which are financed with group contributions from its subsidiaries. The net profit for 2020 was NOK 0 (2019: NOK 0). The equity at year-end was NOK 1,510 million (2019: NOK 1,510 million) and the equity ratio was 99.8% at year-end (2019: 99.9%).

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on the Company's long-term profit forecasts. The Group's economic and financial position is sound.

Risk management

Overall view on objectives and strategy

The Group is exposed to both financial and non-financial risks. ABP's main risk factors include market risk (including interest rate risk), credit risk and liquidity risk. The risk policies are continuously being assessed by the Board of Directors ("the Board") and the appropriate policies and procedures to identify, measure and manage the financial risks have been implemented. The Group's overall risk management strategy is targeted to protect the value of ABPs investments.

ABP's risk factors are further described in Note 3.

The working environment and the employees

ABP has 15 employees and the Board believes that the working environment is satisfactory. There have been no injuries, accidents or sick leave during 2020. The Parent Company has no employees.

Equal opportunities

ABP aims to be a workplace with equal opportunities and management has incorporated a policy that aims to prevent discrimination based on gender, religion or other circumstances. ABP intends to carry forward the implemented initiatives as described above regarding equal opportunities. ABP's employees consist of twelve men and three women. The Board consists of three male and two female Board members.

Environmental report

In the Board's opinion, the external environment is to a very limited extent directly affected by the Group's activities. The Board encourages tenants to secure operations according to approved plans and government requirements.

Market outlook

The Company expects to see positive effects of a global vaccine roll-out, although it is anticipated that the Covid-19 pandemic will continue to adversely affect the global economy well into 2021.

However, ABP experiences that tenants uphold operational measures to ensure business continuity and maintain activity levels into 2021, and further expects the Norwegian tax incentive scheme for the oil and gas industry to continue to support tenants' existing business. Industry Body "Norsk Olje og Gass" now foresee robust NCS investments through 2025 with more than 90 discoveries relevant for development.

ABP expects to complete additional acquisitions in 2021, further strengthening the Company's strategic position as a leading industrial real estate and infrastructure company in Norwegian energy and maritime clusters.

For further information, please see Note 22.

Allocation of net income

Asset Buyout Partners Invest AS net profit was NOK 0, and no allocation was needed.

Oslo, 5 February 2021
The Board of Directors of Asset Buyout Partners Invest AS

Widar Salbuvik
Chairman of the board

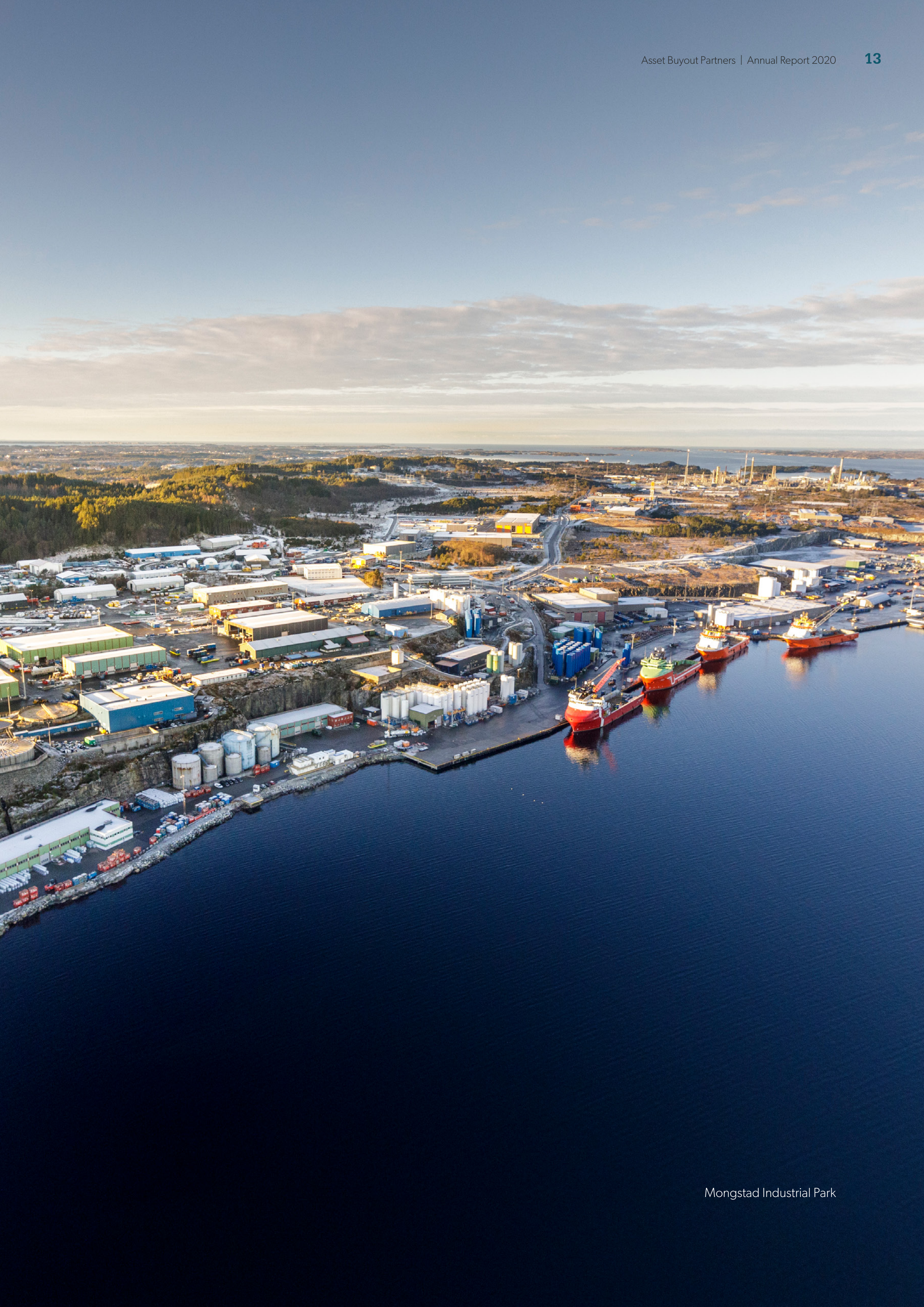
Egil Stokka
Board member

Kristin H. Holth
Board member

Christine Sagen Helgø
Board member

Ola Trygve Gjørtz
Board member

William W. Wittusen
Chief Executive Officer



Mongstad Industrial Park

Consolidated Financial Statements

Consolidated statement of profit and loss and other comprehensive income

For the year ended 31 December 2020

Figures in NOK	Note	2020	2019
Rental income	15	571 020 215	524 664 888
Property operating expenses	16	-38 756 852	-33 668 788
Other property-related expenses	16	-1 770 828	-2 259 960
Net rental income		530 492 535	488 736 139
Administrative expenses	16,17	-48 458 702	-34 648 628
Net other income	15	21 225 081	1 870 055
Operating profit before value adjustments		503 258 914	455 957 566
Fair value adjustments investment property	8	630 311 277	691 521 570
Operating profit		1 133 570 190	1 147 479 136
Financial income	18	386 963	881 282
Financial expenses	18	-206 183 418	-201 966 976
Fair value adjustments financial derivatives	12,18	-114 479 067	6 672 515
Profit before tax		813 294 668	953 065 956
Tax payable	19	-41 054 941	-31 825 529
Change in deferred tax	19	-136 298 451	-181 037 586
Profit for the period		635 941 276	740 202 841
		-	-
Total comprehensive income		635 941 276	740 202 841
Total comprehensive income attributable to shareholders of the parent company		635 941 276	740 202 841

Consolidated statement of financial position

Assets

Figures in NOK	Note	31.12.2020	31.12.2019
Assets			
Intangible assets		521 440	18 550
Investment properties	8, 21	9 110 000 000	8 447 770 000
Other assets	21	2 385 300	4 837 227
Total non-current assets		9 112 906 740	8 452 625 777
Trade receivables	9	8 765 532	6 269 024
Other current assets	9	28 866 759	21 890 094
Cash and short-term deposits	10	2 610 054	43 989 343
Total current assets		40 242 345	72 148 461
Total assets		9 153 149 085	8 524 774 238

Consolidated statement of financial position

Equity and liabilities

Figures in NOK	Note	31.12.2020	31.12.2019
Equity and liabilities			
Paid-in capital	11	**1 509 495 931**	1 509 495 931
Retained earnings		**2 451 740 627**	1 815 799 352
Total equity		**3 961 236 558**	3 325 295 283
Deferred tax liabilities	19	**619 565 561**	483 267 110
Interest bearing long-term debt	3,4,12	**3 969 161 215**	4 108 060 548
Derivative financial instruments	12	**146 771 781**	32 147 992
Other long-term liabilities	14, 21	**41 751 066**	42 139 099
Total non-current liabilities		**4 777 249 623**	4 665 614 749
Trade and other payables	13	**1 797 024**	8 011 715
Current tax liabilities	19	**39 970 643**	31 825 529
Deferred revenue	13	**24 634 719**	67 745 405
Interest bearing short-term debt	3,4,12	**285 351 709**	354 000 000
Other short-term liabilities	13, 21	**62 908 809**	72 281 558
Total current liabilities		**414 662 904**	533 864 206
Total liabilities		**5 191 912 527**	5 199 478 955
Total equity and liabilities		**9 153 149 085**	8 524 774 238

Oslo, 5 February 2021
The Board of Directors of Asset Buyout Partners Invest AS

Widar Salbuvik
Chairman of the board

Egil Stokka
Board member

Kristin H. Holth
Board member

Christine Sagen Helgø
Board member

Ola Trygve Gjørtz
Board member

William W. Wittusen
Chief Executive Officer

Consolidated statement of changes in equity

Figures in NOK	Note	Share capital	Share premium reserve	Total paid inn capital	Retained earnings	Total equity
Total equity 31.12.2018		13 529 928	1 495 966 003	1 509 495 931	1 075 596 512	2 585 092 443
Profit for the period				-	740 202 841	740 202 841
Total equity 31.12.2019		13 529 928	1 495 966 003	1 509 495 931	1 815 799 352	3 325 295 283
Profit for the period				-	635 941 276	635 941 276
Total equity 31.12.2020		13 529 928	1 495 966 003	1 509 495 931	2 451 740 627	3 961 236 558

Consolidated statement of cash flows

Figures in NOK	Note	2020	2019
Profit before tax		813 294 668	953 065 956
Income tax paid		-32 909 827	-9 851 087
Net expensed interest and fees on loan	18, 21	206 183 418	201 966 976
Depreciation (presented as part of administrative expenses)	21	372 416	-3 358 555
Fair value adjustments, investment property	8	-630 311 277	-691 521 570
Fair value adjustments, financial derivatives	18	114 623 789	-6 672 515
Change in working capital		-67 597 291	46 174 838
Net cash flow from operating activities		403 655 896	489 804 043
Purchase of property, plant & equipment		-659 902	-214 000
Purchase of investment properties	7	-	-587 762 238
Capital expenditure on investment properties	8	-31 051 383	-54 577 647
Net cash flow from investing activities		-31 711 285	-642 553 885
Proceeds from interest bearing liabilities	20	11 351 709	420 000 000
Repayment of interest bearing liabilities	3, 20	-234 000 000	-233 688 956
Net paid interest and fees on loans	18, 21	-188 793 948	-171 055 335
Other Cash from Financing	21	-1 881 662	-2 212 505
Net cash flow from financing activities		-413 323 901	13 043 204
Net change in cash		-41 379 289	-139 706 638
Cash and cash equivalents beginning of period		43 989 343	183 695 981
Cash and cash equivalents end of period	10	2 610 054	43 989 343

Notes to the Consolidated Financial Statements

Note 1 General information

Asset Buyout Partners Invest AS ("ABP", "the Company" or "the Group") is an industrial real estate company with a dedicated investment strategy aimed towards real estate and infrastructure assets located in Norwegian energy and maritime clusters.

Asset Buyout Partners Invest AS is the parent company of the real estate group ABP, and the parent company of these financial statements. Asset Buyout Partners Invest AS is a limited liability company registered in Norway. The head office of the Group is located in Olav Vs gate 1, Oslo, Norway. The Group holds a portfolio of investment properties in Norway.

This year's consolidated financial statements were approved for issue by the Board of Directors on 20 January 2021. The ultimate holding company for the Group is HV VII Invest Lagus AS.

Note 2 Accounting Principles

2.1. General

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and additional disclosure requirements listed in the Norwegian Accounting Act as of 31 December 2020.

The consolidated financial statements have been prepared under the historical cost convention, with the following exceptions:

- Investment properties are measured at fair value
- Financial derivatives are measured at fair value with changes through profit and loss

The consolidated financial statements have been prepared with consistent accounting principles for similar transactions and events. The consolidated financial statements provide comparative information in respect of the previous period that has been prepared based on the same accounting principles.

The consolidated financial statements are presented in Norwegian Kroner (NOK), which is the functional currency for the parent company, as well as all the group companies.

2.2. Changes in accounting principles

a) New standards, interpretations and amendments effective from 1 January 2020

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

b) New standards, interpretations and amendments not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.3. Consolidation

Subsidiaries

When the Group has control over an investee, the investee is classified as a subsidiary. The Group controls an investee if all the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are deconsolidated from the date control ceases.

When a property is acquired, through corporate acquisitions or otherwise, management considers the substance of the transaction in determining whether the acquisition represents an acquisition of a business or a purchase of an asset. All transactions up until the balance sheet date have been treated as purchase of assets. These transactions are not considered to be acquisition of businesses. The cost to purchase such assets is capitalized as a part of the cost for the acquired assets.

Elimination of transactions

Intercompany transactions, balances and unrealized gains and losses on transactions between group companies are eliminated. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

2.4. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The group has defined the Board of Directors as the chief decision maker, and further defined the groups' activities as one single operating segment.

2.5. Classification of assets and debt

Current assets and short-term debt expected to be settled within 12 months, and other items that are included in the Group's normal operating cycle are classified as current. Strategic investments are classified as fixed assets. First year instalments of long-term debt are classified as short-term.

2.6. Impairment

Tangible assets and intangible assets with definite life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less costs of disposal and value in use. For the purposes of impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.7. Investment property

Measurement at recognition

Property held with the purpose of achieving rental income, increase in value, or both are classified as investment property. Investment property is initially recognized at cost including transaction costs. Transaction costs includes legal fees and due diligence costs. Investment property is normally acquired through the purchase of shares in a company that owns the property. When shares are acquired there is no change in the tax base of the property, resulting in lower tax deductions for depreciations for the acquirer. The purchase price in these transactions normally includes a tax compensation. The effect of this is that the property acquired will initially be recorded at a cost lower than fair value.

Measurement after recognition

After initial recognition, the investment property is measured at fair value, which reflects market conditions at the reporting date. Gains or losses from changes in fair value are presented in profit and loss when they arise, under the line item "Fair value adjustments investment property". Subsequent capital expenditure relating to investment property is included in the carrying amount if it is probable that they will result in future economic benefits for the investment property and the costs can be measured reliably. Expenses relating to operations and maintenance of the investment property are charged to the income statement during the financial period in which they are incurred. Tax compensation and transaction costs relating to the acquisition of an investment property (single purpose entities) are recognized in the income statement as part of the value adjustment on investment property in the period after the acquisition.

Derecognition

Investment properties are derecognized when sold or permanently out of operation and no future economic benefit is expected. All gains or losses related to sales or disposals are presented in the income statement in the same year as the disposal. Gains or losses from the disposal of investment property is the difference between net selling price and the carrying amount of the asset. Gains or losses are included in the line item "Fair value adjustments investment property".

2.8. Leases

The group has entered a limited amount of lease agreements as a lessee, mainly for land and office buildings. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used by the group as security for borrowing purposes.

The lease liabilities are measured at the net present value of fixed lease payments due under the contract. The lease term corresponds to the non-terminable period defined in the contract. Extension options are included if it is reasonably certain that these options will be exercised. The discount rate used to calculate the lease liability is determined, for each asset, based on the Group's incremental borrowing rate for leases with under 5 years until maturity. The average incremental borrowing rate applied for all leases is 6 %.

The group applies the fair value model in IAS 40 to its investment properties. The leased properties meet the definition of investment properties in IAS 40, so the fair value model is applied to right-of-use assets associated with the property lease contracts.

For other leased assets, the right-of-use assets are initially measured at cost, comprising the amount of the initial measurement of lease liability in addition to any initial costs, restoration costs and lease payments made at or before the commencement date less any lease incentives received.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are recognized 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 without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Amounts related to lease agreements are included in note 21.

For lessor accounting, refer to section 2.13.

2.9. Financial instruments

Recognition

Financial instruments (financial assets and financial liabilities) are recognized when the Group becomes party to the contractual provisions of the instrument.

Financial assets - Classification and measurement

The Group classifies its financial assets in one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value (see "Financial liabilities" section for out-of-money derivatives classified as liabilities). They are carried in the statement of financial position at fair value with changes in fair value recognized in the consolidated statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortized cost

These assets arise principally from the provision of goods and services to customers ("e.g." trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions for expected losses on current and non-current trade receivables are recognized based on the simplified approach within IFRS 9. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Material financial assets for the Group

Trade receivables

Trade receivables consist of amounts due from customers under the lease contracts for investment properties and are initially recognized at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents

For the purpose of the balance sheet and presentation in the statement of cash flows, cash and cash equivalents consist solely of bank deposits. In the consolidated balance sheet, bank overdrafts are shown as borrowings in current liabilities.

Derecognition

Financial assets are derecognized when the right to receive cash flows from investments has expired or been transferred and the Group has substantially transferred all risks and rewards of ownership.

Financial liabilities - Classification and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities are initially recognized at fair value, and in the case of loans and borrowings and payables, net of incurred transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial instruments. The subsequent measurement of financial liabilities depends on their classification, as described in separate sections below.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as of fair value through profit or loss. IFRS 9.4.2.1(a) Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 is met. The Group has not designated any financial liability as of fair value through profit or loss.

Financial liabilities recognized at amortized cost

This is the category most relevant to the Group and comprises, for the most part, interest bearing loans and borrowings and trade payables. These are initially measured at fair value, net of any transaction costs, and subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

For more information, refer to Note 12.

Material financial liabilities for the Group

Trade payables and other short-term payables
Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Loans and borrowings
Loans and borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit and loss over the duration of the borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Derivative financial instruments and hedge accounting
The Group uses derivative financial instruments such as interest rate swaps to hedge its interest rate risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge accounting is not applied and any gains or losses arising from changes in the fair value of derivatives are recognized in the statement of profit and loss and other comprehensive income.

Derecognition
Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability is substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts are recognized in the statement of profit and loss and other comprehensive income.

Offsetting financial assets and liabilities
Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.10. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid is deducted from equity. When such ordinary shares are subsequently reissued, any consideration received, is included in equity attributable to the Company's equity holders. Voting rights related to treasury shares are annulled and no dividend is allocated to treasury shares.

2.11. Current and deferred income tax

The tax expense for the period consist of current and deferred tax. Tax is recognized in the income statement, except when it relates to items recognized in other comprehensive income or directly in equity. In such cases, the tax amount is also recognized in other comprehensive income or directly in equity. The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.
It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Pursuant to the exception in IAS 12, deferred tax is not recognised when buying a company which is not a business. A provision for deferred tax is made after subsequent increases in the value beyond initial cost, while a fall in value below initial cost will only reverse previous provisions for deferred tax. Furthermore, an increase in temporary differences related to tax depreciation will give grounds for a recognition of deferred tax.

2.12. Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses. Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.13. Revenue recognition

The Group enters into lease agreements as a lessor with respect to its investment properties. Lease contracts where a significant proportion of the risks and benefits of ownership remain with the group are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-lined basis over the lease term. Variable lease payments are recognized when they arise. Fees paid in relation to new lease agreements are included in the cost of the investment property and are amortized over the life of the lease agreement. Initial direct costs incurred in obtaining an operating lease are recognized as an expense over the lease term on the same basis as the lease income. Tenant lease incentives are recognized as a reduction of rental revenue on a straight-lined basis over the lease term. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the statement of profit and loss when the right to receive them arises. Other income is recognized as it is earned.

2.14. Property related expenses and other expenses

Expenses directly related to the operation of existing properties are recognized as property related expenses. Other expenses are included as administrative expenses.

2.15. Interest income

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

2.16. Employee benefits

Pension obligations

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

All other employee benefits are recognized as expenses when they occur, that is when the employee contributes its services for the group.

2.17. Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends is approved by the Company's shareholders.

Note 3 Financial Risk Management

General objectives, policies and processes

The Group's principal liabilities, other than derivatives are loans and borrowings. The main purpose of the Group's loans and borrowings is to finance the acquisition and development of the Group's real estate portfolio. The Group has rent and other receivables, trade and other payables, cash and cash equivalents that arise directly from its operations.

The Group is exposed to different risk factors, including; market risk, interest rate risk, credit risk and liquidity risk. The risk policies are continuously being assessed by the Board of Directors and the appropriate policies and procedures to identify, measure and manage the financial risks has been implemented. The Group's overall risk management strategy is targeted to protect the value of ABPs investments.

Market risk

ABP is exposed to changes in market rents, occupancy in the portfolio and the rate of inflation. Negative development will impact the property portfolio fair value and loan to value ratio. Due to the Covid-19 virus spread the market volatility increased in 2020. In addition to the Covid-19 outbreak, there has been considerable volatility in the oil price. The financial impact due to Covid-19 on ABP's assets and liabilities is assessed as not material. As ABP mainly has long-term lease contracts with fixed revenues over their term the risk is assessed to be minimized in short-term. The Group has all its operations in Norway; thus all lease agreements, financing and expenses are in NOK, consequently there is no foreign exchange risk.

Interest rate risk

The Group's interest rate risk arises in both the short and medium-term perspective as a share of The Group's borrowings are held at floating interest rates. Changes in the interest rate level will have a direct impact on future cash flows and can also affect future investment opportunities.

To manage the interest rate risk, the Group enters into interest rate swaps in which it agrees to exchange at specified intervals, the difference between fixed and variable rates. Interest rate swaps are only used for economic hedging purposes and not as speculative investments. The Group has not applied hedge accounting, and changes in fair value of the derivative contracts are accounted for as fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

The decline in interest rates during 2020 has had a negative impact on the market values of ABPs derivative financial instruments. However, the decrease in long-term interest rates counteract some of these effects, by way of lowering yields and increasing real estate values.

A 1% increase in floating interest rate, assuming 65% of the loans swapped to fixed rate, will result in increased interest costs over the next twelve months of NOK 15 million.

Information about nominal value of swaps as a share of total debt is set out in note 12.

Credit risk

Credit risk is the risk of loss when a party is unable to pay their obligations to the Group. The risk is mainly related to operating cashflow from rent and the value of investment property, in the event that the tenant is unable to service its rent obligation. For total credit exposure see note 9 and note 10. The credit quality of a tenant is assessed based on an extensive and thorough evaluation of the tenant when new lease agreements are entered and as part of the assessments made when acquiring new property with existing lease agreements. Further, credit risk is managed by requiring tenants to pay rentals in advance and by performing regular monitoring of credit quality of the significant tenants. Due to Covid-19 market uncertainty has increased, which may increase the risk that some tenants may default and thus creating a loss for ABP. Most of the tenants are large oil and gas and oil service companies and the credit risk is at an acceptable level.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations at maturity, and the risk that the Group will not be able to meet its obligations without a significant increase in cost. The Group's objective is to maintain a reasonable balance between debt and equity, and to have sufficient available cash to fulfil obligations from the Group's activity. Management monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. Currently the liquidity risk is at an satisfactory level.

The table below illustrates the maturity profile of the Group's financial liablities based on contractual undiscounted payments

2020

		Maturity structure			
Financial liability	Booked amount	Year 1	Year 2	Year 3-5	After year 5
Borrowings (bank)	3 969 161 215		182 712 587	3 828 266 570	
Derivative financial intruments (interest swaps)	146 771 781				
Payment of interest and interest swaps		169 960 577	168 658 478	153 604 952	
Other long-term liabilities	41 751 066	4 027 445	16 984 146	7 190 552	51 150 154
Trade payables	1 797 024	1 797 024			
Interest bearing short-term debt	285 351 709	285 351 709			
Other short-term liabilities	62 908 809	62 908 809			

2019

		Maturity structure			
Financial liability	Booked amount	Year 1	Year 2	Year 3-5	After year 5
Borrowings (bank)	4 108 060 548		154 000 000	4 009 184 099	
Derivative financial intruments (interest swaps)	32 147 992				
Payment of interest and interest swaps		196 465 692	192 400 799	353 155 096	
Other long-term liabilities	42 139 099	4 199 412	4 166 412	21 862 648	45 272 040
Trade payables	8 011 715	8 011 715			
Interest bearing short-term debt	354 000 000	354 000 000			
Other short-term liabilities	72 281 558	72 281 558			

The table below illustrates financial instruments by category

2020

Financial liability	Financial liabilities measured at fair value through profit and loss	Assets measured at amortized cost	Financial liabilities recognised at amortized cost	Total
Assets				
Trade receivables		8 765 532		8 765 532
Cash and short-term deposits		2 610 054		2 610 054
Total Financial assets	-	11 375 586	-	11 375 586
Liabilities				
Interest bearing long-term debt			3 969 161 215	3 969 161 215
Interest bearing short-term debt			285 351 709	285 351 709
Derivative financial instruments	146 771 781			146 771 781
Other long-term liabilities			41 751 066	41 751 066
Trade payables and other short-term liabilities			64 705 833	64 705 833
Total Financial liabilities	146 771 781	-	4 360 969 823	4 507 741 604

2019

Financial liability	Financial liabilities measured at fair value through profit and loss	Assets measured at amortized cost	Financial liabilities recognised at amortized cost	Total
Assets				
Trade receivables		6 269 024		6 269 024
Cash and short-term deposits		43 989 343		43 989 343
Total Financial assets	-	50 258 367	-	50 258 367
Liabilities				
Interest bearing long-term debt			4 108 060 548	4 108 060 548
Interest bearing short-term debt			354 000 000	354 000 000
Derivative financial instruments	32 147 992			32 147 992
Other long-term liabilities			42 139 099	42 139 099
Trade payables and other short-term liabilities			80 293 273	80 293 273
Total Financial liabilities	32 147 992	-	4 584 492 919	4 616 640 911

Information about fair value of financial instruments

Trade and other receivables

The fair value of trade and other receivables are assumed to be the same as the net book value. The fair value of cash and cash equivalents are assumed to be equal to the book value.

Fair value hierarchy for financial instruments measured through profit and loss

Financial derivatives recognized at fair value are interest rate swaps. The fair value of the interest rate swaps is calculated by banks and are determined based on the net present value of future cash flows using quoted interest rate curves at the balance sheet date.

The calculations obtained from the banks have been tested for reasonableness by the Group's management. The fair value of these derivatives is classified as Level 2 in the fair value hierarchy, ref. note 5.

Fair value of financial instruments recognized at amortized cost

Financial instruments recognized at amortized cost consist of liabilities with floating rates. Recognized value is assumed to be a good indication of fair value for these liabilities taking into consideration the current margin and market conditions.

Note 4 Capital structure and capital management

The main purpose of the Group's capital management is to maintain a reasonable balance between debt and equity. The Group has defined a target for the loan to value ratio of acquisitions of approximately 65% over the economic cycle. This target is set with consideration to value development in the Group and the opportunity to obtain the necessary financing.

There are covenants on existing financing related to; loan to value, interest cover ratio and debt to EBITDA levels. Both during 2020, and at 31 December 2020, the Group was in compliance with all financial covenants, and the Group expects to be in compliance going forward.

The table below specifies the Groups interest bearing debt at 31 December 2020. The Group's financing holds different maturities from 1-3 years. Consequently, a share of total debt will be due within 12 months. The Group continuously refinances debt and considers both bank and bond market as funding sources.

Figures in NOK	2020	2019
Interest bearing long-term debt	**3 969 161 215**	4 108 060 548
Interest bearing short-term debt	**285 351 709**	354 000 000
Unamortized borrowing costs	**41 817 942**	55 123 551
Principal amount of interest bearing loans and borrowings	**4 296 330 866**	4 517 184 099
External valuation of investment property	**9 110 000 000**	8 447 770 000
Loan to value ratio	**47,16 %**	53,47 %

Note 5 Critical accounting estimates and judgements

Preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect reported amounts in the consolidated financial statements. Uncertainty about these assumptions could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Management estimates include assumptions on future events which by definition hold a significant risk related to estimation uncertainty. The following sections present the judgements which have the most significant effect on the amounts recognized in the consolidated financial statements:

Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

Fair value of investment properties

Group management is responsible for the valuation of the investment properties, both when acquiring an investment property and for the valuation of the properties at year-end. The valuation process includes both preparing internal valuations and obtaining separate valuations from the external valuation expert, Cushman & Wakefield Realkapital ("C&W"). Internal valuations are performed when acquiring new properties and external valuations are performed for accounting purposes. The same method has been used for both the internal and the external valuations. C&W has valued the properties with the use of a discounted cash flow analysis. Different discount rates have been used depending on the risk associated with each segment of the cash flows.

At year-end all properties were valued by C&W. Each property is considered a separate asset based on its unique nature, characteristics and risks. The internal valuation team did not prepare a full valuation for all properties at year-end. However, analysis based on historical experience and expectations on future events were made of the movements in each property's value. Furthermore, the analysis performed includes inspections and technical reviews of all properties. The external valuation report was also considered during the process. The internal valuation team verifies major inputs applied in the external valuation report by agreeing the information in the valuation computation to amounts in lease agreements, market reports and other relevant documentation. If the fair value changes in the external valuation report are different from expectations based on internal analysis, the changes are further discussed with the external valuation expert.

When the Group's management has finalized their assessment, the valuation results are presented to the Board of Directors and the major assumptions used in the valuations are discussed with the Board of Directors. It has been concluded that the valuations prepared by the external valuation expert may be used as basis for the accounting of investment properties at fair value at the balance sheet date.

The following assumptions are considered to be the key inputs to the valuations:

Rental cash inflows
Future cash inflows consist of both contracted cash flows, from non-cancellable leases, and future lease income which is estimated based on assumptions on market rent and re-let costs. The market rent is estimated based on property location and type. C&W assists in estimating market rent by performing individual assessments of each property based on research and knowledge of the relevant area. The assessment of market rent distinguishes between property and land in line with contractual rent.

Property costs
Cost levels used in the valuation are based on normalized cost levels over the life of the building. Costs mainly consist of owner's costs (e.g. maintenance, administration, insurance and taxes) and common costs.

Inflation rate
The inflation rate is used to forecast the development in rent levels. Inflation prognosis is based on yearly average forecast from Norges Bank, commercial bank(s) and Statistics Norway.

Discount rates
Discount rates are used for discounting contracted cash flows. Applied discount rates are set by performing individual assessments of tenants and properties.

Exit yields
Exit yield equals the expected normalized net initial yield for a property in a given geographical location and type. The overall building type and age is taken into account and seen against lifetime and reletting cost. The exit yield is given in real terms but is discounted with a higher nominal discount rate to take the effect of inflation in the DCF model. It is the expected real return for a property within a given geographical location and type. Exit yield is used for discounting future lease income and residual value of each asset.

Undeveloped land
The value of undeveloped land is estimated as if the land were subdivided, developed, and sold. Development costs, incentive costs, and carrying charges are subtracted from the estimated proceeds of sale, and the net income projection is discounted over the estimated period required for market absorption of the developed sites.

The table below shows to which degree the investment property portfolio is affected by change in exit yield, property cost, discount rate, inflation and market rent, given that all other factors are unchanged (undeveloped land not included).

Assumption	Changes (p.p.)	Effect on fair value (NOK)	%	Changes (p.p.)	Effect on fair value (NOK)	%
Market rent	10,00 %	534 300 000	6,23 %	-10,00 %	-534 280 000	-6,23 %
Property costs	10,00 %	-60 500 000	-0,70 %	-10,00 %	64 200 000	0,74 %
Inflation year 1	1,00 %	77 700 000	0,91 %	-1,00 %	-77 500 000	-0,90 %
Discount rate	0,25 %	-178 100 000	-2,08 %	-0,25 %	227 690 000	2,65 %
Exit yield	0,25 %	-131 100 000	-1,53 %	-0,25 %	142 750 000	1,66 %

1) Estimates by Cushman & Wakefield Realkapital in conjunction with valuations at 31 December 2020

Business combinations vs acquisition of assets

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of assets. The Group accounts for an acquisition as a business combination where an integrated set of activities are acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping, etc.).

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized. All acquisitions made up until the balance sheet date have been considered acquisition of a group of assets and liabilities.

Operating lease contracts – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Fair value of financial liabilities

The fair value of the interest rate swaps is calculated by banks and is determined based on the net present value of future cash flows using quoted interest rate curves at the balance sheet date. See also note 3.

Note 6 Segment information

ABP is an industrial real estate company with a dedicated investment strategy aimed towards real estate and infrastructure assets located in energy and maritime clusters. There are no material differences in risks and returns in the economic environments in which the Company operates. Consequently, the Company is only present in one business segment and one geographic market, and no further segment information has been prepared.

The segment presentation in the financial statements matches ABP's internal operational monitoring as it is reviewed by management and the Company's stakeholders.

Note 7 Investments in subsidiaries and changes in group structure

Subsidiaries:	Acquired	Office location	Vote / Ownership 31.12
Asset Buyout Partners AS	12.11.2015	Oslo	100 %
Dusavik Næringspark Eiendom ANS	21.06.2017	Dusavik	100 %
Dusavika Eiendomsinvest AS	17.09.2019	Dusavik	100 %
Dusavika Park AS	21.06.2017	Dusavik	100 %
Dusavika Park Holding AS	21.06.2017	Dusavik	100 %
Finnestadgeilen 5 AS	09.04.2018	Dusavik	100 %
Finnestadgeilen 8 AS	09.04.2018	Dusavik	100 %
Finnestadjordet 6 AS	09.04.2018	Dusavik	100 %
Finnestadjordet 8 AS	09.04.2018	Dusavik	100 %
Finnestadveien 28 AS	09.04.2018	Dusavik	100 %
Finnestadveien 38 AS	09.04.2018	Dusavik	100 %
Grenseveien 6 AS	01.11.2017	Forus	100 %
Grunnevika Eiendom AS	09.04.2018	Mongstad	100 %
Hamrasletta 10 AS	01.10.2019	Risavika havn	100 %
IMR Property AS	09.04.2018	Mongstad	100 %
Mojo Eiendom AS	09.04.2018	Mongstad	100 %
Mongstad Administrasjon AS	09.04.2018	Mongstad	100 %
Mongstad Eiendomsselskap AS	09.04.2018	Mongstad	100 %
Omagata 124 AS	06.01.2016	Kristiansund	100 %
Risavika 1 AS	22.12.2016	Risavika havn	100 %
Risavika 2 AS	22.12.2016	Risavika havn	100 %
Risavika 3 AS	22.12.2016	Risavika havn	100 %
Risavika 4 AS	22.12.2016	Risavika havn	100 %
Risavika 5 AS	22.12.2016	Risavika havn	100 %
Risavika 6 AS	22.12.2016	Risavika havn	100 %
Stord Hammerfest Eiendom AS	11.10.2019	Stord / Hammerfest	100 %
Storemyra 239 AS	09.04.2018	Mongstad	100 %
Storemyra 247 AS	09.04.2018	Mongstad	100 %
Storemyra 271 AS	09.04.2018	Mongstad	100 %
Stormyra Eigedom AS	01.03.2019	Mongstad	100 %
Strandparken Eiendom AS	06.01.2016	Hammerfest	100 %
Strandparken Nord Kontor AS	06.01.2016	Hammerfest	100 %
Øvre Dusavik AS	09.04.2018	Dusavik	100 %
Ågotnes Arealutvikling AS	06.01.2016	Ågotnes	100 %
Ågotnes Kontorpark AS	06.01.2016	Ågotnes	100 %
Åsane Næringspark AS	12.05.2017	Åsane	100 %

During 2020 there has been performed a merger of a holding company to further simplify the legal structure and minimize administration.

Changes in Group structure

Acquisitions in 2020

No acquisitions were made in 2020. However, late December two share purchase agreements was signed relating to acquisition of eight new properties. The transactions add 15 521 sqm and 107 581 sqm of building area and plot, respectively. These transactions will be closed 1 February 2021 and has had no financial impact on the 2020 financials presented in this annual report.

Asset Buyout Partners has also during 2020 entered into an option agreement with Gjelsten Holding AS. The option agreement provides that ABP may acquire the majority of a holding company which holds shares in both Mo Industripark and Helgelandsbase.

Acquisitions in 2019

During 2019 ABP has acquired six new properties, further strengthening our presence in Stavanger, Bergen and Hammerfest, and adding Stord as a new location. The transactions add 33 100 sqm and 60 500 sqm of building area and plot, respectively.

Figures in NOK	Note	2020	2019
Cash consideration			592 572 336
Total consideration for shares		-	592 572 336
Net cash payment			
Cash consideration including transaction costs			592 572 336
Cash received			-4 810 098
Net cash payment		-	587 762 238
Allocation of purchase price			
Investment property	8		607 491 416
Working capital items	20		-10 496 706
Cash			4 810 098
Other liabilities	20		-9 232 471
Purchase price		-	592 572 336

Note 8 Investment property

The table below specifies the changes in the carrying amount of investment property. Information on acquisitions performed are specified in note 7.

Figures in NOK	2020	2019
Fair value 1.1 previous period	8 447 770 000	7 065 500 000
- Change in accounting principle IFRS 16	-	26 353 054
Fair value 1.1	8 447 770 000	7 091 853 054
Additions:		
- Upgrades of investment properties	31 051 383	54 577 647
- Purchase of investment properties	-	607 491 416
- Net change in adjustments of fair value	630 311 277	691 521 570
- Additions of right-of-use assets	867 340	2 326 314
Fair value 31.12	9 110 000 000	8 447 770 000

Profit and loss relating to investment property

Figures in NOK	2020	2019
Income from rents	571 020 215	524 664 888
Expenses related to property generating rental income	-40 527 680	-35 928 749
Net rental income	530 492 535	488 736 139

Rent income from purchased property is included from the transaction date. For details on annual rent income see note 15.

Overview over input used for valuation at 31 December

	2020	2019
Properties (#)	98	98
Properties (square meters)	245k	244k
Land (square meters)	1700k	1 750k
Undeveloped land (square meters)	520k	515k
Tank farms (#)	36	37
Quay (meters)	750	750
Fair value as of 31.12 (NOK millions)	9 110	8 448
WAULT (yrs) [1)]	9,1	9,8
Weighted CPI adjustment (%)	81 %	82 %
Actual vacancy (%)	3,4 %	0,1 %

The valuation is performed in accordance with IFRS, as a level 3 valuation in the fair value hierarchy in IFRS 13.

1) WAULT (yrs) is calculated by using contract end date. Early termination rights exists on some contracts.

Note 9 Trade and other current assets

All trade and other receivables are current and there has been no impairment or loss on receivables. Trade receivables are related to rental income and other current assets consist of prepaid expenses and common costs to be distributed amongst tenants.

Figures in NOK	2020	2019
Trade receivables	8 765 532	6 269 024
Other current assets	28 866 759	21 890 094
Total	37 632 291	28 159 118

Ageing of trade receivables

Figures in NOK	Total	Not due and within < 30 days	30-60d	60-90d	>90d
2020	8 765 532	7 120 708	1 644 824		
2019	6 269 024	5 981 443	287 581		

Note 10 Cash and short-term deposits

Figures in NOK	2020	2019
Cash at bank [1)]	1 529 539	43 125 905
Restricted funds	1 080 515	863 438
Total	2 610 054	43 989 343

1) The Group has an overdraft facility. Drawn amount at 31.12.2020 is classified as interest bearing short-term debt. See note 12.

Note 11 Paid in equity, shareholders and dividend

Figures in NOK	2020	2019
Ordinary shares, nominal value NOK 0.01 (2019: NOK 0.01)	**70 578 334**	70 578 334
Preference shares, nominal value NOK 0.01 (2019: NOK 0.01)	**1 282 414 560**	1 282 414 560
Total number of shares	**1 352 992 894**	1 352 992 894

Change in paid in equity and share premium:

	Total shares		Paid in equity (NOK)		Share premium (NOK)	
	2020	2019	2020	2019	2020	2019
Ordinary shares						
At the beginning of the year	**1 352 992 894**	1 352 992 894	**13 529 928**	13 529 928	**1 495 966 003**	1 495 966 003
Issued stock and paid in capital	**-**	-	**-**	-	**-**	-
At the end of the year	**1 352 992 894**	1 352 992 894	**13 529 928**	13 529 928	**1 495 966 003**	1 495 966 003

Preference shares are entitled to an 8% per annum cumulative dividend of paid in capital before any dividend may be distributed to ordinary shares. Upon liquidation the preference shares are entitled to the paid in capital and the unpaid cumulative dividend, and the remaining amount is distributed to the ordinary shares. All shares have equal voting rights.

Shareholders at 31 December 2020:

Shareholders	Country	Number of ordinary shares	Number of preference shares	Total Number of shares	Share %
Asset Buyout Partners Holding AS	Norway	67 334 112	1 281 577 159	1 348 911 271	99,70 %
Momentum Holding AS	Norway	2 117 349	-	2 117 349	0,16 %
Breiangen AS	Norway	347 659	580 934	928 593	0,07 %
BSV Invest AS	Norway	427 256	-	427 256	0,03 %
Astrania AS	Norway	318 551	-	318 551	0,02 %
Korak AS	Norway	33 407	256 467	289 874	0,02 %
Total number of shares at 31.12		70 578 334	1 282 414 560	1 352 992 894	100,00 %

Dividend

The Company did not pay out dividends in 2020 nor is any dividend proposed to be paid out in 2021 for the 2020 financial year.

Note 12 Interest bearing debt and interest rate derivatives

Figures in NOK	2020	2019
Total interest bearing debt, nominal value	4 296 330 866	4 517 184 099
Nominal value of interest rate derivatives at year end	2 832 612 505	2 623 095 837
Nominal value of swaps as share of total debt	66 %	58 %
Average interest rate, including margin (%)	3,49 %	3,86 %
Average remaining duration, borrowings (years)	3,0	4,0
Average remaining duration, interest rate swaps (years)	3,7	4,5
Total interest bearing debt, nominal value	4 296 330 866	4 517 184 099
Capitalized finance fee	-41 817 942	-55 123 551
Total book value interest bearing debt	4 254 512 924	4 462 060 548
Interest bearing long-term debt	3 969 161 215	4 108 060 548
Interest bearing short-term debt	285 351 709	354 000 000
Total book value interest bearing debt	4 254 512 924	4 462 060 548
Maturity on interest bearing debt		
Maturity within 1 year [1]	285 351 709	354 000 000
Maturity within 2 years	182 712 587	154 000 000
Maturity within 3-5 years	3 828 266 570	4 009 184 099
Maturity above 5 years	-	-
Total	4 296 330 866	4 517 184 099

1) Short-term debt consists of bank debt with maturity within twelve months, revolving credit facility and overdraft.

Composition of interest bearing debt

Figures in NOK	2020	2019
Bank loans	4 139 250 000	4 293 250 000
Revolving credit facility	120 000 000	200 000 000
Overdraft facility	11 351 709	-
Seller credits	25 729 157	23 934 099
Total	4 296 330 866	4 517 184 099

Available undrawn facilities

NOK at year end in current year	2020	2019
Capex facility	200 000 000	200 000 000
Revolving credit facility	100 000 000	20 000 000
Overdraft facility	68 648 291	80 000 000
Total	368 648 291	300 000 000

Borrowings secured with pledged assets

Investment properties, shares in subsidiaries, receivables (external and internal) and bank accounts has been pledged as security for the interest bearing debt. The recognized Group value of the assets pledged as security for liabilities as per 31.12 are specified in the table below.

Figures in NOK	2020	2019
Trade receivables	8 765 532	6 269 024
Cash and short-term deposits	2 610 054	43 989 343
Investment properties	9 110 000 000	8 447 770 000
Total pledged assets	9 121 375 586	8 498 028 367

Derivative financial instruments

Derivatives not designated as hedging instruments

Figures in NOK	2020	2019
Fair value of interest rate swaps	146 771 781	32 147 992
Total liabilities	146 771 781	32 147 992

Figures in NOK	2020	2019
Notional amount interest rate swaps	2 832 612 505	2 623 095 837
Total notional amount	2 832 612 505	2 623 095 837

The Group has entered into interest rate swap contracts whereby it pays a fixed rate of interest of between 1.43 % and 3.62% and receives a variable rate based on NIBOR. The swap is used to hedge the exposure to the variable interest rate payments on the variable rate secured bank loans.

Note 13 Trade and other current liabilities

Figures in NOK	2020	2019
Trade payables	1 797 024	8 011 715
Prepayments from customers	24 634 719	67 745 405
Accrued interest	31 047 164	32 272 561
Other short-term liabilities	31 861 645	40 008 997
Total	89 340 552	148 038 677

Note 14 Provisions and contingent consideration

Figures in NOK	Contingent consideration	Other	Total
At the beginning of the year	12 433 452	-	12 433 452
Changes during the year	-	-	-
Accrued interest	996 306	-	996 306
At year end	13 429 758	-	13 429 758
Due within one year or less	-	-	-
Due after more than one year	13 429 758	-	13 429 758

Contingent consideration is linked to purchase of investment property. Part of the consideration was linked to future events related to the investment property. The Group has included a provision for the most likely amount payable based on the most likely outcome of the contingent event. The valuation of the property reflects the same outcome as the basis for the provision.

Note 15 Income from rent

The Groups rental income for 2020 amounted to NOK 571 millions (2019: NOK 525 millions). The increase in rental income is mainly driven by acquisitions of new investment properties in 2019, where we see the full year effect this year (last year income was recognized from the acquisition date).

Recognized income from rent

Figures in NOK	2020	2019
Recognized rent from fixed lease payments	**571 020 215**	524 664 888
Recognized variable rent	**-**	-
Total income from rent	**571 020 215**	524 664 888

ABP's property portfolio consists of long-term contracts with solid counterparties. The weighted average contracted lease term amounted to 9,1 years (2019: 9,8 years). Future minimum payments under non-cancellable leases expire as follows:

Figures in NOK	2020	2019
Within 1 year	**558 286 875**	566 179 646
During year 2	**546 254 348**	557 476 268
During year 3	**520 440 111**	544 263 397
During year 4	**514 564 365**	520 609 827
During year 5	**509 885 648**	513 622 436
After 5 years	**3 010 693 843**	3 450 937 755
Total	**5 660 125 190**	6 153 089 330

Carrying amount of assets leased under operating leases are as follows:

Figures in NOK	2020	2019
Investment property	**9 110 000 000**	8 447 770 000
Total	**9 110 000 000**	8 447 770 000

Net other income presented in the statement of profit and loss is not related to rental income from tenants.
The amount for 2020 relates mainly to a settlement in a claim for damages against a contractor for one of the properties in the portfolio.

Note 16 Property related costs and other operating expenses

Property related costs

Figures in NOK	2020	2019
Maintenance	19 706 085	14 902 774
Property administrative expenses	11 347 904	10 603 745
Insurance	1 544 644	1 625 118
Property tax	3 851 503	3 945 647
Other operating expenses	2 306 716	2 591 504
Property operating expenses	38 756 852	33 668 788
Other property related expenses	1 770 828	2 259 960

Other property related expenses are expenses not related to operating expenses. These expenses are related to integration of existing and aquired properties in to ABP's platform of systems and other non-recurring expenses.

Administrative expenses

Figures in NOK	2020	2019
Salary and personnel costs	34 523 873	21 524 218
IT and communication costs	1 048 212	978 240
Professional services	7 931 946	6 690 064
Depreciations	372 417	329 353
Office costs, fixtures and equipment	1 933 904	1 961 764
Other administrative expenses	2 648 351	3 164 988
Total administrative expenses	48 458 702	34 648 628

Note 17 Employee benefit expense

Figures in NOK	2020	2019
Wages and salaries	29 804 167	17 518 926
Social security costs	3 369 522	2 911 927
Pension costs	1 271 228	1 069 236
Other benefits	78 956	24 129
Total Salary and personnel costs	34 523 873	21 524 218
Average full time employees	15,0	12,5

CEO Remuneration

Figures in NOK	2020	2019
Wages and salaries	4 390 462	3 618 128
Pension costs	134 723	133 476
Other benefits	15 240	13 452
Total benefits	4 540 425	3 765 056

ABP's management is part of a Management Investment Programme and has through this arrangement co-invested in the Company. Refer to the table presented below and note 11 for information on stock holdings at year end. The management, hereunder the CEO, is not part of any bonus scheme. The CEO has an agreement on remuneration in case of termination of employment equal to nine months salary.

All employees except management is part of a Long Term Incentive Plan (LTIP). The LTIP is a bonus arrangement linked to the development in value-adjusted equity for the group. In 2020 NOK 10.7 millions was expensed and presented as salary and personnel cost included in administrative expenses.

Figures in NOK	2020	2019
Remunerated Board Payments	1 500 000	1 400 000

Shares held by executive officers and directors

	Position	Number of ordinary shares	Number of preference shares	Total Number of shares	Share %
Momentum Holding AS	CEO	2 117 349	-	2 117 349	0,16 %
BSV Invest AS	CFO	427 256	-	427 256	0,03 %
Astrania AS	COO	318 551	-	318 551	0,02 %
Breiangen AS	Chairman	347 659	580 934	928 593	0,07 %
Korak AS	Director	33 407	256 467	289 874	0,02 %

Audit fees

Figures in NOK	2020	2019
Statutory audit	1 368 129	1 519 844
Other assurance services	35 842	111 828
Other services not related to audit [1)]	180 000	498 955
Total audit costs	1 583 971	2 130 627

1) Fees for other services are related to ESG reporting.

Note 18 Financial income and expenses

Financial income

Figures in NOK	2020	2019
Interest income	386 963	881 282
Total financial income	386 963	881 282

Financial expenses

Figures in NOK	2020	2019
Interests on borrowings measured at amortized cost	160 597 811	178 098 595
Amortized and expensed finance fee	15 581 213	15 846 882
Financial expense on derivatives	26 798 020	5 100 030
Interest expenses on lease liabilities (Note 21)	1 881 662	1 885 917
Other financial expenses	1 324 710	1 035 551
Total financial expenses	206 183 418	201 966 976
Fair value adjustments financial derivatives (gain /-loss)	-114 479 067	6 672 515
Net financial items (expenses /-income)	320 275 522	194 413 179

Reconciliation between expense and cash flows

Figures in NOK	2020	2019
Total financial expenses	206 183 418	201 966 976
Interest received	-386 963	-881 282
Net expensed interest and fees on loan	205 796 455	201 085 694
Change in amortization items	-18 086 238	-7 488 210
Change in accrued interest	1 083 730	-22 542 150
Net paid interest and fees (cash flow statement)	188 793 948	171 055 335

Note 19 Income tax and deferred tax

Income tax

Figures in NOK	2020	2019
Tax payable, current year	-39 970 643	-31 825 529
Tax payable, change in prior year	-1 084 298	-
Change in deferred tax	-136 298 451	-181 037 586
Income tax expense	-177 353 392	-212 863 115
Profit/loss before income tax	813 294 668	953 065 956
Income tax expense calculated at 22%	-178 924 827	-209 674 510
Changes relating to prior years	1 656 942	-813 579
Changes in deferred tax not recognized at intital recognition	-	-
Expenses not deductible for tax purposes	-85 507	-145 068
Changes in recognized value of acquired tax losses	-	-2 229 958
Effect of changes in tax rates	-	-
Income tax expense	-177 353 392	-212 863 115

Deferred tax liabilities

Figures in NOK	Loss carried forward	Financial derivative instruments	Investment property	Other items	Total
01.01.2019	68 711	529 820	-286 540 833	-13 437 005	-299 379 309
Change related to new acquisitions				-2 850 216	-2 850 216
Changes in deferred tax recognized in income statement	-68 711	-165 563	-184 550 425	3 747 112	-181 037 586
Deferred tax as of 31.12.2019	-	364 258	-471 091 258	-12 540 109	-483 267 111
Changes in deferred tax recognized in income statement	-	26 326 634	-163 886 958	1 261 874	-136 298 451
Deferred tax as of 31.12.2020	-	26 690 892	-634 978 216	-11 278 235	-619 565 561

Movement in deferred tax liabilities

Figures in NOK	2020	2019
01.01.	-483 267 110	-299 379 309
Changes not recognized in income statement (mainly acquired tax losses)	-	-2 850 216
Changes in deferred tax recognized in income statement	-136 298 451	-181 037 586
31.12.	-619 565 561	-483 267 110

According to IFRS a deferred tax liability is not recognized on initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. The exception is generally referred to as the "initial recognition exception". The acquisition of investment properties through single purpose entities that are not viewed as business combinations fall under the initial recognition exception. As a consequence, deferred tax liability of NOK 761.3 million was not recognized at the balance sheet date (31.12.19: NOK 761.3 million) relating to a difference between the initial carrying amount and tax base of investment properties.

Current income tax liabilities

Figures in NOK	2020	2019
Current income tax	-39 970 643	-31 825 529
Total current income tax liabilities	-39 970 643	-31 825 529

Loss carried forward

Loss carried forward as of 31 December:

Figures in NOK	2020	2019
Indefinite	-	-
Total loss carried forward	-	-

Note 20 Supporting information for the cash flow statement

Non-cash transactions from financing activities are shown in the reconciliation of liabilities from financing transactions below.

2020

Figures in NOK	Interest bearing long-term debt	Interest bearing short-term debt	Derivative financial instruments	Other long-term liabilities	Total
At 1 January 2019	4 108 060 548	354 000 000	32 147 992	42 139 099	4 536 347 639
Cash flows		-222 648 291			-222 648 291
- Paid transaction fees	-1 323 278				-1 323 278
Non-cash items					-
- Amounts recognised on acquisition of companies					-
- Accrued interest	1 795 058			996 306	2 791 364
- Fair value changes excluding interest accrued			114 623 789		114 623 789
- Amortized transaction fees	14 628 887				14 628 887
- Leasing liabilities (IFRS 16)				-1 384 339	-1 384 339
- Reclassified to current	-154 000 000	154 000 000			-
At 31 December 2020	3 969 161 215	285 351 709	146 771 781	41 751 066	4 443 035 771

2019

Figures in NOK	Interest bearing long-term debt	Interest bearing short-term debt	Derivative financial instruments	Other long-term liabilities	Total
At 1 January 2019	3 480 594 502	784 009 708	38 820 507	20 263 769	4 323 688 486
Cash flows	400 000 000	-213 688 956			186 311 044
- Paid transaction fees	-8 932 615				-8 932 615
Non-cash items					-
- Amounts recognised on acquisition of companies					-
- Accrued interest	1 669 822	5 429 248			7 099 070
- Fair value changes excluding interest accrued			-6 672 515		-6 672 515
- Amortized transaction fees	12 978 840				12 978 840
- Leasing liabilities (IFRS 16)				29 705 647	29 705 647
- Reclassified to current	221 750 000	-221 750 000		-7 830 317	-7 830 317
At 31 December 2019	4 108 060 548	354 000 000	32 147 992	42 139 099	4 536 347 639

Note 21 Leases

Group as a lessor

The Group has entered into leases on its property portfolio. Refer to Note 15 for further information.

The Group as a lessee

The most significant lease contracts for the group relates to leases of land. The right of use asset from these leases are classified as investment property. Other leases relates to office space and equipment.

Right-of-use assets

The Group's right-of-use assets are categorised and presented in the tables below:

2020

Figures in NOK	Office buildings	Other leases	Total property plant and equipment	Investment properties (Land)
Right-of-use assets				
Acquisition cost at 1 January 2020	4 317 588	1 238 989	5 556 576	28 679 367
Addition of right-of-use assets	-	-	-	-
Disposals	-	-	-	-
Adjustements [1]	-516 768	38 070	-478 697	1 433 747
Acquisition cost at 31 December 2020	3 800 820	1 277 059	5 077 879	30 113 114
Accumulated depreciation and impairment at 1 January 2020	**-1 335 212**	**-425 499**	**-1 760 711**	**-525 637**
Depreciation	-1 335 212	-422 614	-1 757 825	-566 407
Impairment losses in the period	-	-	-	-
Disposals	-	-	-	-
Accumulated depreciation and impairment at 31 December 2020	-2 670 423	-848 113	-3 518 536	-1 092 044
Carrying amount of right-of-use assets at 31 December 2020	1 130 397	428 946	1 559 343	29 021 070

1) adjustments include CPI adjustment

2019

Figures in NOK	Office buildings	Other leases	Total property plant and equipment	Investment properties (Land)
Right-of-use assets				
Acquisition cost at 1 January 2019	4 317 588	1 238 989	5 556 576	26 353 054
Addition of right-of-use assets	-	-	-	2 326 314
Disposals	-	-	-	-
Acquisition cost at 31 December 2019	4 317 588	1 238 989	5 556 576	28 679 367
Accumulated depreciation and impairment at 1 January 2019	**-**	**-**	**-**	**-**
Depreciation/fair value adjustments	-1 335 212	-425 499	-1 760 711	-525 637
Impairment losses in the period	-	-	-	-
Disposals	-	-	-	-
Accumulated depreciation and impairment at 31 December 2019	-1 335 212	-425 499	-1 760 711	-525 637
Carrying amount of right-of-use assets at 31 December 2019	2 982 376	813 490	3 795 866	28 153 730
Lower of remaining lease term or economic life	2-4 years	1-3 years		40-45 years
Depreciation method	Linear	Linear		Fair value

Right-of-use asset related to Property, plant and equipement is presented as part of "Other assets".

Lease liabilities

Figures in NOK	2020	2019
Undiscounted lease liabilities and maturity of cash outflows		
Less than 1 year	4 027 445	4 199 412
1-2 years	2 437 067	4 166 412
2-3 years	2 396 851	2 660 745
3-4 years	2 396 851	2 327 412
4-5 years	2 396 851	2 327 412
More than 5 years	51 150 154	45 272 040
Total undiscounted lease liabilities	64 805 218	60 953 434

Figures in NOK	2020	2019
Summary of the lease liabilities		
At initial application (at 1 January 2019)		31 909 630
Total lease liabilities at 1 January	32 023 438	31 909 630
New lease liabilities recognised in the year	0	2 326 314
Cash payments for the principal portion of the lease liability	-2 317 750	-2 212 505
Adjustments to the lease liability due to changes in the CPI	955 057	
Cash payments for the interest portion of the lease liability	-1 881 662	-1 885 917
Interest expense on lease liabilities	1 881 662	1 885 917
Total lease liabilities at 31 December	30 660 745	32 023 438

Total lease liability is presented as part of other long-term and other short-term liabilities with the following amounts:

Figures in NOK	2020	2019
Current lease liabilities	2 339 437	2 317 792
Non-current lease liabilities	28 321 308	29 705 647

The leases do not contain any restrictions on the Group's dividend policy or financing. The Group does not have significant residual value guarantees related to its leases to disclose.

The following are the amounts recognised in profit or loss:

Figures in NOK	2020	2019
Depreciation expense of right-of-use assets	1 757 825	1 760 711
Fair value adjustments on leases classified as investment property	566 407	525 637
Interest expense on lease liabilities	1 881 662	1 885 917
Total amount recognised in profit or loss	4 205 894	4 172 265
Total cash outflows for leases	4 199 412	4 098 423

Figures in NOK	2020	2019
Summary of other lease expenses recognised in profit or loss		
Variable lease payments expensed in the period	264 860	0
Operating expenses in the period related to short-term leases (including short-term low value assets)	0	0
Operating expenses in the period related to low value assets (excluding short-term leases included above)	0	0
Total lease expenses included in other operating expenses		-

The lease contracts in the group do not contein any material lease payment or options to aquire the underling assets.
For leases of land (invesment property) the lease term is assessed to be the same as the useful life the buildings on the land.

Note 22 Subsequent events

The deals referenced in note 7 was closed 1 February 2021. Other than this, there have been no significant events since year end.

Financial statements for the parent company

ASSET BUYOUT PARTNERS PARENT COMPANY

Income statement

For the year ended 31 December 2020

Figures in NOK	Note	2020	2019
Other operating expenses	3	-994 512	-1 178 552
Total operating expenses		-994 512	-1 178 552
Operating profit		-994 512	-1 178 552
Financial income	6	994 512	1 178 552
Financial expenses		-	-
Profit before tax		-	-
Tax payable		-	-
Change in deferred tax	4	-	-
Profit for the period		-	-

ASSET BUYOUT PARTNERS PARENT COMPANY

Consolidated statement of financial position

Figures in NOK	Note	31.12.2020	31.12.2019
Assets			
Investments in subsidiaries	2	1 510 219 298	1 510 219 298
Total non-current assets		1 510 219 298	1 510 219 298
Other current assets		23 802	16 000
Receivables from group companies	6	994 512	1 178 351
Cash and short-term deposits		1 529 438	383 737
Total current assets		2 547 752	1 578 088
Total assets		1 512 767 050	1 511 797 386

ASSET BUYOUT PARTNERS PARENT COMPANY

Consolidated statement of financial position

Figures in NOK	Note	31.12.2020	31.12.2019
Equity and liabilities			
Paid-in capital	5	**1 509 495 932**	1 509 495 932
Retained earnings	5	**1 000 000**	1 000 000
Total equity		**1 510 495 932**	1 510 495 932
Liabilities to group companies	6	**2 200 000**	1 200 000
Other short-term liabilities		**71 118**	101 454
Total current liabilities		**2 271 118**	1 301 454
Total liabilities		**2 271 118**	1 301 454
Total equity and liabilities		**1 512 767 050**	1 511 797 386

Oslo, 5 February 2021
The Board of Directors of Asset Buyout Partners Invest AS

Widar Salbuvik
Chairman of the board

Egil Stokka
Board member

Kristin H. Holth
Board member

Christine Sagen Helgø
Board member

Ola Trygve Gjørtz
Board member

William W. Wittusen
Chief Executive Officer

ASSET BUYOUT PARTNERS PARENT COMPANY

Cash flow statement

Figures in NOK	2020	2019
Change in other accrual items	-38 138	19 856
Group contribution not recieved	-994 512	-1 178 351
Net cash flow from operating activities	-1 032 650	-1 158 495
Change in group receivables and liabilities	2 178 350	1 223 850
Net cash flow from financing activities	2 178 350	1 223 850
Net change in cash	1 145 700	65 355
Cash and cash equivalents as of 1 Jan	383 737	318 382
Cash and cash equivalents as of 31 Dec	1 529 437	383 737

Notes to the Financial statements for the parent company

Note 1 Accounting principles

The financial statements have been prepared in compliance with the Accounting Act and good accounting practice.

Classification and assessment of balance sheet items

Assets intended for long-term ownership or use have been classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year of the transaction date. Similar criteria apply to liabilities. First year's instalment on long-term liabilities and long-term receivables are however not classified as short-term liabilities and current assets.

Investments in other companies

The cost method is applied to investments in other companies. The carrying amount is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are generally recognized as income. Dividends/group contribution from subsidiaries are booked in the same year as the subsidiary makes the provision for the amount. Dividends from other companies are reflected as financial income when dividends is approved. Investments are written down to fair value if the fair value is lower than the carrying amount.

Receivables

Accounts receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made based on individual assessments of the individual receivables. Additionally, for accounts receivables, an unspecified provision is made to cover expected losses.

Tax

The tax charge in the income statement consists of tax payable and changes in deferred tax. Deferred tax is calculated at 22% based on the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted.

Cash Flow Statement

The cash flow statement has been prepared by NRS indirect model. Cash and cash equivalents include cash, bank deposits and other short-term liquid assets.

Note 2 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries are booked according to the cost method.

Figures in NOK	Location	Ownership / voting rights	Equity at year end	Profit for the year	Book value at year end
Asset Buyout Partners AS	Oslo	100 %	1 467 354 867	206 270 504	1 510 219 298

Note 3 Personnel expenses, number of employees, remuneration, loan to employees

No remuneration has been paid to senior executives or members of the board.

No loans or collateral has been granted to the general manager, the Board chairman, the board members, the shareholders or other related parties.

OTP (Statutory occupational pension)

The Company does not have employees, consequently it has not been necessary to establish a statutory occupational pension scheme in accordance with the Norwegian law on required occupational pension (“lov om obligatorisk tjenestepensjon”).

Expensed audit fee

Expenses paid to the auditor amounts is specified in the table below:

Figures in NOK	2020
Statutory audit	378 820
Other services	-
Total audit costs	378 820

Note 4 Tax

Figures in NOK	2020	2019
Tax expense		
Tax payable	-	-
Change in deferred tax	-	-
Tax expense	-	-
Taxable income		
Ordinary profit/loss before tax	-	-
Permanent differences	-	-
Changes temporary differences	-	-
Taxable income	-	-
Tax payable in the balance sheet		
Tax payable on this year's result	-218 793	-259 237
Tax payable on received group contributions	218 793	259 237
Total tax payable in the balance sheet	-	-

There was no temporary differences.

Note 5 Equity

Figures in NOK	Share capital	Share premium reserve	Retained earnings	Total equity
Equity 01.01	13 529 929	1 495 966 003	1 000 000	1 510 495 932
Annual net profit/loss			0	0
Equity 31.12	13 529 930	1 495 966 003	1 000 000	1 510 495 932

Figures in NOK	2020	2019
Ordinary shares, nominal value NOK 0.01 (2019: NOK 0.01)	**70 578 334**	70 578 334
Preference shares, nominal value NOK 0.01 (2019: NOK 0.01)	**1 282 414 560**	1 282 414 560
Total number of shares	**1 352 992 894**	1 352 992 894

Preference shares have a preferred right on dividends. All shares have equal voting rights.

Shareholders at 31 December 2020:

Figures in NOK	Country	Number of ordinary shares	Number of preference shares	Total Number of shares	Share %
Asset Buyout Partners Holding AS	Norway	67 334 112	1 281 577 159	1 348 911 271	99,70 %
Momentum Holding AS	Norway	2 117 349	-	2 117 349	0,16 %
Breiangen AS	Norway	347 659	580 934	928 593	0,07 %
BSV Invest AS	Norway	427 256	-	427 256	0,03 %
Astrania AS	Norway	318 551	-	318 551	0,02 %
Korak AS	Norway	33 407	256 467	289 874	0,02 %
Total number of shares at 31.12		70 578 334	1 282 414 560	1 352 992 894	100 %

Note 6 Intercompany balances

Receivables

Figures in NOK	2020	2019
Other receivables	0	0
Group contribution	994 512	1 178 351
Total receivables	994 512	1 178 351

Liabilities

Figures in NOK	2020	2019
Short-term liabilities	2 200 000	1 200 000
Total liabilities	2 200 000	1 200 000

Note 7 Transactions

Refer to note 7 in the consolidated statements for more information on acquisitions during the year.

Independent auditor's report

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Asset Buyout Partners Invest AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Asset Buyout Partners Invest AS comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the balance sheet as at 31 December 2020, the 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. The consolidated financial statements comprise the balance sheet as at 31 December 2020, the statements of profit and loss and other comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations
- the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group 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. 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 on the other information obtained prior to the date of the auditor's report, 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 these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, 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.

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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.

Stavanger, 12 February 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Jan Kvalvik
State Authorised Public Accountant (Norway)

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Jan Kvalvik
Statsautorisert revisor
On behalf of: Ernst & Young AS
Serial number: 9578-5994-4-497669
IP: 88.88.xxx.xxx
2021-02-12 12:44:46Z

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