

Annual report

**Brunstadstiftelsen
Group**

2020

Brunstadstiftelsen

ANNUAL REPORT 2020

The nature of the business and where it operates

The foundation's activities are to own, develop, manage, and operate properties in Norway and abroad, mainly conference and mission centers. Most business is done through subsidiaries, but some properties in Norway are owned directly by the foundation.

The foundation's properties and operations are structured in two holding companies, where the foundation's charitable activities are gathered in Global Investment Holding AS and commercial activities in Oslofjord Holding AS.

The foundation's activities are financed through the operation and leasing of these properties. The foundation itself is tax exempt under section 2-32 of the Norwegian Tax Act. Subsidiaries conduct commercial operations and, as such Brunstadstiftelsen is therefore also a commercial foundation with a public-benefit objective.

Global Investment Holding AS:

Global Investment Holding AS manages Brunstadstiftelsen's objectives internationally. The company owns mission centers through real estate companies in all parts of the world. These are used in connection with Christian events and give people the opportunity to gather around the gospel, even in countries with low purchasing power.

The company is organized as a holding company which, among other things, owns 13 mission centers through subsidiaries spread over five continents. For the Brunstad Foundation, this is part of our non-profit business, and our ownership of these companies has no commercial basis.

The various subsidiaries are owners of church buildings and mission centers that are mainly used for religious purposes, such as worship services, Bible schools, activities for children and youth, and Christian conventions. As the conventions usually last for several days, and many of the participants come from far away, there is also investment in accommodation and kitchen capacity at the mission centers.

Oslofjord Holding AS

Oslofjord Holding AS manages Brunstadstiftelsen's objectives by owning and operating Oslofjord Convention Center in Sandefjord municipality through its subsidiaries. The facility is owned by the subsidiary Oslofjord Property AS and the event business is run by Oslofjord Convention Center AS.

Oslofjord Convention Center has been a major player in the convention and event industry since 2006 and will be one of Northern Europe's largest convention centers when the ongoing development is completed, according to the plan in 2022.

Oslofjord companies are operated commercially and are therefore organized in a separate taxable group, separate from the foundation's mission centers.

Going concern

The 2019 financial statements for the foundation have been prepared on the assumption of going concern, and the board confirms that this assumption is present. See also the section below which outlines the foundation's liquidity reserve.

Development, operating results and financial position

The annual accounts show a loss of 1.4 MNOK for the parent company and a loss of 78.2 MNOK for the group.

In the opinion of the Board of Directors, the annual accounts and accompanying notes give a true and fair view of the parent company and the group's results for 2020 and the financial position as at 31.12.2020. No circumstances have occurred since the end of the financial year that are significant in the assessment of the parent company or the group beyond what is discussed below.

Through its subsidiary operations, Brunstadstiftelsen group is affected by the general economic conditions in the industry, primarily in the Norwegian market.

Work environment

In the Board's opinion, the working environment and employee well-being within the parent company and group are good. Details are discussed in the annual reports for the individual companies.

The parent company complies with current regulations regarding occupational health, and safety and the environment. There was no significant absence due to illness in 2020. There were no injuries or accidents.

External environment

In the Board's opinion, there are no circumstances within the parent company or the group that can cause a significant negative impact on the external environment, beyond what is usual for the operation of conference centers. No special measures in this area have been implemented or planned for 2021.

In the development project at Oslofjord, all hotel buildings are classified as low-energy buildings and are placed in the landscape in such a way that they make optimal use of light and sun conditions. The plant also has an energy generation facility that ensures that at least 95% of energy produced and consumed is derived from renewable sources.

We help to ensure the UN's sustainability goal of clean energy for all, and that there is access to safe, inclusive and easily accessible green areas inside our facility.

Equality

The group aims to be a workplace where there is full equality between women and men. The group has incorporated policies that aim to ensure that no discrimination, based on, for example, gender, sexual orientation, age, disability, nationality, ethnicity or political or religious beliefs takes place. All employees must be aware of cultural differences and treat colleagues, business associates and others with respect.

The foundation works actively to promote equality, ensure equal opportunities, rights for all employees and prevent discrimination.

We work with universal design of our facilities so that these can also be used by people with disabilities.

Reference is also made to details discussed in the annual reports for the individual companies.

The parent company has 4 employees, of which 2 women and 2 men. The group had 118 employees on 31.12.2020, of which 68 are women and 50 are men.

The board consists of three men, with two men and one woman as alternate directors.

Corporate responsibility

Brunstadstiftelsen has a strong focus on systematic work to safeguard our responsibilities within human rights, working conditions, the environment, anti-corruption, anti-money laundering and social responsibility. This entails, among other things, procedures for documenting the origin of the funds throughout the group.

By assisting the least developed countries in building sustainable and solid buildings using local materials, including through financial and technical assistance, we also support the UN's sustainability goals 11 c.

Our ethical guidelines apply to all activities run by Brunstadstiftelsen, and focus on ethical, responsible and healthy business practices. More information about these can be found on our website www.brunstadstiftelsen.no.

Change in market conditions / future development

The foundation's operating revenues are somewhat higher than in 2019, due to grants to the foundation's non-profit objectives from associated organizations.

For the group, there is a sharp decline in total turnover. The background for the decline is the corona pandemic which has eliminated large parts of event revenues in 2020 for Oslofjord Convention Center AS.

The operations in Oslofjord are in a development phase and construction work will continue at the conference area until the first half of 2022. We expect significant improvements in the group's results through increased sales when the conference center is completed and the authorities' restrictions relating to the corona pandemic cease.

Reference is also made to the boards' annual reports of the subsidiaries.

Statement on the financial accounts

The group's turnover has been affected by general economic conditions. In 2020, the group has been hit hard by the corona pandemic in that the authorities' restrictions have made it impossible to carry out almost all events.

Turnover in the parent company has increased from 36.2 MNOK in 2019 to 49.8 MNOK in 2020. The annual result shows a loss of 1.4 MNOK against a loss of 3.3 MNOK in 2019.

Brunstadstiftelsen has offered operational leases to BCC members with long-term agreements for renting hotel rooms. The scope of this financing has been reduced by about 90 MNOK in 2020.

Lending to the subsidiary Oslofjord Property AS increased by 131 MNOK in 2020.

Borrowings from Brunstad Christian Church and affiliated associations have been reduced by 31 MNOK in 2020.

At the end of the fiscal year, the group's assets have a book value of 5,428 MNOK. Equity was NOK 916 million and constitutes an equity ratio of 17%. Equity has been somewhat reduced as a result of the corona pandemic's impact on the finances of operations, but this is expected to be temporary.

Asset and debt management

The foundation's capital is mainly in properties owned directly or through subsidiaries. The properties must be managed in a way that ensures that the foundation's value does not deteriorate. Rolling maintenance plans have been prepared for existing properties that secure the properties' value. The subsidiaries' business plans must also ensure sound management of Oslofjord's assets.

In its plan for asset and debt management, the foundation has included its decision to provide long-term financing of the development project in the subsidiary Oslofjord Property AS. Borrowings are made with up to 8 years' installment-free period, where the debt is repaid in stages in the period up to 2028. All borrowings in Norwegian kroner are made with a fixed interest rate. In its plan, the foundation has proposed that the group can raise up to 15% of its loan portfolio in foreign currency without hedging. If the share of foreign currency loans exceeds the threshold, the exchange rate must be hedged.

At the end of 2020, 13% of the borrowings were made in foreign currency, resulting in limited currency risk that the foundation has chosen not to hedge.

Agreements for operational leasing to BCC members, with long-term agreements for accommodation at Oslofjord, are secured by using prepaid rent as security for this financing.

Financial and market risk information

The group's debt portfolio mainly consists of loans from the Brunstad Christian Church association and other associations and organizations that share Brunstadstiftelsen's charitable objectives. The subsidiary Oslofjord Property AS also has a loan from a credit institution of 100 NOK at the end of 2020, where a further 100 NOK has also been drawn up after the balance sheet date.

The foundation has fully financed the completion of the ongoing development project at Oslofjord, with planned completion in 2022.

Long-term interest-bearing loan financing amounts to 1,781 MNOK. The other part of the financing is non-interest-bearing loans from Brunstad Christian Church and prepaid rent from the group's tenants, this amounts to 2,578 MNOK at the end of 2020.

When the authorities' restrictions due to the corona pandemic cease and the construction at Oslofjord is completed, a significant increase in turnover and improvement in the group's profit is expected. With a completed facility, Oslofjord Convention Center AS will be able to consolidate its position as a significant player in the event industry.

In the board's opinion, based on the capital structure, there is no significant market risk or risk of losses to the foundation in the near future. There is also no additional financial risk that is significant in assessing assets, liabilities, financial position or results.

Cash reserves

The group's year-end cash reserves were 87 MNOK. The foundation has also entered into its own agreements that ensure the supply of liquidity if this becomes necessary. These agreements have been entered into with associations that share the Brunstadstiftelsen's charitable objectives.

Distribution of funds from the foundation

All available capital for the foundation is used to finance development projects at Oslofjord, which is now in the final phase after a long construction period. The foundation is therefore in a period where no funds are distributed, with the exception of financing its own companies at home and abroad.

Sandefjord, June 30, 2021

Finn Å. Ødegård
Board chairperson

Tore E. Aslaksen
Board member

Alf Aadalen
Board member and general manager

Consolidated accounts Brunstadstiftelsen Income statement 2020

amounts in thousand NOK

PARENT COMPANY				GROUP	
2019	2020		Note	2020	2019
OPERATING INCOME AND EXPENSES					
15 398	16 776	Operating income	11	167 358	324 109
17 055	14 080	Rental income	11	17 832	21 189
3 820	18 968	Other operating income	11,17	49 647	-1 228
<u>36 273</u>	<u>49 824</u>	Total operating income		<u>234 837</u>	<u>344 070</u>
3 363	3 127	Cost of goods sold		66 670	136 274
2 637	3 589	Salary and wages	12	76 457	78 846
8 615	8 377	Ordinary depreciation	2	97 849	80 546
30 501	36 231	Other operating expenses	13	52 109	69 086
0	0	Write down of fixed assets	2	246	754
<u>45 117</u>	<u>51 325</u>	Total operating expenses		<u>293 332</u>	<u>365 506</u>
<u>-8 844</u>	<u>-1 501</u>	Operating result		<u>-58 494</u>	<u>-21 436</u>
FINANCIAL INCOME AND EXPENSES					
22 554	39 524	Other financial income	14	40 782	23 261
49 881	42 801	Interest income from group companies	14	0	0
25 004	27 949	Interest income	14	34 926	46 543
0	0	Write down of financial assets	15	1 241	0
1 680	512	Interest expense from group companies	15	0	0
70 216	69 257	Interest expense	10, 15	66 669	65 447
20 043	40 445	Other financial expenses	15	41 187	19 036
<u>5 500</u>	<u>59</u>	Net financial result		<u>-32 064</u>	<u>-14 679</u>
<u>-3 344</u>	<u>-1 441</u>	Net profit/loss before tax		<u>-90 558</u>	<u>-36 115</u>
0	0	Tax expenses	9	-12 323	-19 161
<u>-3 344</u>	<u>-1 441</u>	Net profit/loss after tax		<u>-78 235</u>	<u>-16 955</u>
TRANSFERS					
3 344	1 441	Transferred to equity		78 235	16 955
0	0	Received/paid group contributions		0	0
<u>3 344</u>	<u>1 441</u>	TOTAL TRANSFERS		<u>78 235</u>	<u>16 955</u>

**Consolidated accounts
Brunstadstiftelsen
Balance sheet at 31.12.2020**

amounts in thousand NOK

PARENT COMPANY			GROUP	
2019	2020	Note	2020	2019
ASSETS				
Non-current assets				
Intangible assets				
0	0	Deferred taxation assets	25 971	15 198
0	0	Other intangible assets	31 382	32 103
0	0	Goodwill	-11 226	-15 028
<u>0</u>	<u>0</u>	Total intangible assets	<u>46 127</u>	<u>32 272</u>
Fixed assets				
3 460	3 460	Assets under construction	368 154	687 700
665 956	658 089	Buildings	3 772 063	3 282 373
168 243	168 570	Land	274 241	273 589
763	252	Furniture, fittings, etc.	284 078	231 533
<u>838 421</u>	<u>830 370</u>	Total fixed assets	<u>4 698 536</u>	<u>4 475 196</u>
Financial assets				
489 915	557 915	Investment in subsidiaries	0	0
1 039 194	1 114 729	Loans to group companies	0	0
455 392	364 708	Other non-current receivables	368 341	459 738
<u>1 984 502</u>	<u>2 037 352</u>	Total financial assets	<u>368 341</u>	<u>459 737</u>
<u>2 822 922</u>	<u>2 867 722</u>	Total non-current assets	<u>5 113 005</u>	<u>4 967 205</u>
Current assets				
0	0	Inventory	2 524	3 820
Receivables				
10 370	125 554	Accounts receivable	149 187	126 137
0	0	Accounts receivable from group companies	0	0
1 778	2 466	Other non-current receivables	36 665	49 229
0	-2 486	Other non-current receivables from group companies	0	0
<u>12 148</u>	<u>125 535</u>	Total receivables	<u>185 852</u>	<u>175 365</u>
Investments				
87 633	87 821	Cash at bank	127 199	206 336
<u>99 781</u>	<u>213 356</u>	Total non-current assets	<u>315 576</u>	<u>385 521</u>
<u>2 922 703</u>	<u>3 081 078</u>	TOTAL ASSETS	<u>5 428 580</u>	<u>5 352 726</u>

Consolidated accounts Brunstadstiftelsen Balance sheet at 31.12.2020

amounts in thousand NOK

PARENT COMPANY			GROUP	
2019	2020	Note	2020	2019
EQUITY AND LIABILITIES				
Equity				
Paid-up capital				
1 000	1 000	Share capital	1 000	1 000
Retained earnings				
1 006 929	1 005 487	Other equity	915 735	996 711
<u>1 007 929</u>	<u>1 006 487</u>	Total equity	<u>916 736</u>	<u>997 711</u>
Liabilities				
Non-current liabilities				
0	0	Deferred taxation liabilities	54 811	56 260
0	0	Debt to financial institutions	100 000	0
28 293	57 254	Debt to group companies	0	0
1 661 183	1 660 692	Other non-current liabilities	2 017 053	2 012 709
213 404	348 729	Prepaid suites/accomodation units	2 242 178	2 184 684
<u>1 902 880</u>	<u>2 066 675</u>	Total non-current liabilities	<u>4 414 041</u>	<u>4 253 653</u>
Current liabilities				
1 300	4 097	Accounts payable to group companies	0	0
389	1 265	Accounts payable	53 343	27 251
0	0	Debt to group companies	0	28 652
355	-66	VAT and other public fees payable	14 364	18 572
9 849	2 619	Other short term liabilities	30 096	26 888
<u>11 894</u>	<u>7 915</u>	Total non-current liabilities	<u>97 803</u>	<u>101 363</u>
<u>1 914 775</u>	<u>2 074 591</u>	Total liabilities	<u>4 511 844</u>	<u>4 355 016</u>
<u>2 922 703</u>	<u>3 081 078</u>	TOTAL EQUITY AND LIABILITIES	<u>5 428 580</u>	<u>5 352 726</u>
<u>0</u>	<u>0</u>	Control	<u>0</u>	<u>0</u>

Sandefjord June 30, 2021

Finn Å. Ødegård
Board chairperson

Tore E. Aslaksen
Board member

Alf Aadalen
Board member

Consolidated accounts
Brunstadstiftelsen
Cash flow statement

amounts in thousand NOK

PARENT COMPANY			GROUP	
2019	2020		2020	2019
		CASH FLOW FROM OPERATIONS		
-3 344	-1 441	Net profit before tax	-90 558	-36 115
0	0	Tax paid	101	-105
8 615	8 377	Ordinary depreciation	97 849	80 546
0	0	Gain/loss on sale of fixed assets	336	264
0	0	Write downs of fixed and intangible assets	246	754
-750	-111 511	Change in inventory, accounts receivable and accounts payable	4 338	-26 179
21 926	-5 854	Change in other non-current assets and other liabilities	-20 167	30 598
<u>26 447</u>	<u>-110 429</u>	Net cash flow from operational activities	<u>-7 855</u>	<u>49 763</u>
		CASH FLOW FROM INVESTING ACTIVITIES		
-911	-327	Payments for purchase of fixed assets	-327 482	-477 840
0	0	Receipts from sale of fixed assets	2 965	4 003
0	0	Payments for investment in financial assets	0	0
0	0	Cash balance in acquired companies	0	0
0	0	Receipts from sale of financial assets	0	0
<u>-911</u>	<u>-327</u>	Net cash flow from investing activities	<u>-324 517</u>	<u>-473 837</u>
		CASH FLOW FROM FINANCIAL ACTIVITIES		
-78 793	-68 000	Equity increase in subsidiaries		
-64 962	15 149	Non-current receivables	91 397	-201 737
226 903	163 795	Assumption of non-current liabilities	161 838	704 871
-45 007	0	Payment of long-term debt	0	0
<u>38 141</u>	<u>110 944</u>	Net cash flow from financial activities	<u>253 235</u>	<u>503 134</u>
63 677	188	Net change in bank deposits, cash and cash equivalents	-79 137	79 060
<u>23 955</u>	<u>87 633</u>	Bank deposits, cash and cash equivalents as at 01.01.	<u>206 336</u>	<u>127 276</u>
<u>87 633</u>	<u>87 821</u>	Bank deposits, cash and cash equivalents as at 31.12.	<u>127 199</u>	<u>206 336</u>

1. Accounting principles

The annual accounts have been prepared in accordance with the provisions of the Norwegian Accounting Act, and in accordance with Norwegian accounting standards and generally accepted accounting principles for other companies.

Revenue recognition takes place in accordance with current accounting principles, i.e., sales of goods take place at the time of delivery. Services are recognized as revenue as they are provided. Rental income is recognized as income when it has been earned, i.e., at the time of the transaction when the service has been provided and the seller has established a right to consideration.

For the group's operational leases (rental of suites/accommodation units), the rental income is earned through real use. If actual use is less than the annually agreed rent, the remaining amount ("no-show") is recognized as income for all relevant agreements at the end of the year.

The group is comprised of the following

Brunstadstiftelsen group, with 100% owned	Acquired	Disposed	2020 Included in income statement	31.12.2020 Included in balance sheet
* Oslofjord Holding AS, Melsomvik with subsidiaries	100% owned	founded Oct. 2011	Yes	Yes
** Oslofjord Property AS, Oslo	100% owned	founded Oct. 2011	Yes	Yes
** Oslofjord Operations AS, Melsomvik	100% owned	acquired Nov. 2010	Yes	Yes
** Oslofjord Convention Center AS, Melsomvik	100% owned	acquired Nov. 2015	Yes	Yes
** Skravestad AS, Melsomvik	100% owned	acquired Sep 2006	Yes	Yes
** Globeserve AS, Vestby	100% owned	Discontinued Mar 2020	Yes	No
* Global Investment Holding AS	100% owned	acquired Dec 2019	Yes	Yes
** Paso Flores SA, Argentina	100% owned	acquired Sep 2017	Yes	Yes
** Bayhill Functions, New Zealand	100% owned	acquired Sep 2017	Yes	Yes
** RMS Conference, Romania	100% owned	acquired Sep 2017	Yes	Yes
** Action Development Cameroon, Kamerun	100% owned	acquired Sep 2017	Yes	Yes
** Nokesa Limited, Kenya	100% owned	acquired Sep 2017	Yes	Yes
** Smiga Ltd, Ukraina	100% owned	acquired Sep 2017	Yes	Yes
** Finca Alamo, Spania	100% owned	acquired Sep 2017	Yes	Yes
** Kolme Mexico, Mexico	100% owned	acquired Sep 2017	Yes	Yes
** Anna Christina Ltd, Russland	100% owned	acquired Sep 2017	Yes	Yes
** Solar Das Primaveras, Brasil	100% owned	acquired Sep 2017	Yes	Yes
** Always Conferencecenter, India	100% owned	acquired Dec 2017	Yes	Yes
** Vulcan Trading Company Ltd, Kina	100% owned	acquired Aug 2018	Yes	Yes
**Upriver Development Congo SARL, Congo	100% owned	acquired Sep 2020	Yes	Yes

The consolidated financial statements for 2020 include the companies listed above in the statement.

Consolidation principles

Shares in subsidiaries forming part of the Group have been consolidated according to the acquisition method, i.e. the cost price has been eliminated against corresponding equity at the original historical acquisition date. Price paid in excess of equity is allocated to identifiable assets and amounts beyond this recorded as goodwill or negative goodwill when fair value exceeds acquisition cost. Receivables and liabilities between group companies have been eliminated. The same applies to transactions of an internal nature.

Related party transactions

Transactions with related parties have taken place on market terms.

Classification and assessment of assets and liabilities

Fixed assets include assets intended for permanent ownership or use. Fixed assets are valued at cost. Tangible fixed assets are capitalized and depreciated over the economic life of the fixed asset. Tangible fixed assets are written down to the recoverable amount in the event of impairment that is not expected to be temporary.

The recoverable amount is the higher of net sales value and value in use. Value in use is the present value of future cash flows associated with the asset.

Impairment losses are reversed when the basis for impairment is no longer present.

Current assets and current liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items related to the product cycle. Current assets are valued at the lower of cost and estimated fair value.

The accounting principles are discussed in more detail in the accompanying notes to the individual accounting items.

All amounts in the notes to the accounts are stated in thousands of NOK.

2. Fixed assets

Parent company and group

Fixed assets are valued at historical cost less depreciation. Depreciation is calculated based on cost and distributed linearly over the estimated economic life.

Tangible fixed assets consist of the following elements from the underlying companies:

Parent company

	Buildings	Assets under construction	Land and property	Equipment and fittings	Total
Acquisition cost 01.01.	767,090	3,460	168,243	4,401	943,193
Additions	-	-	327		327
Acquisition cost 31.12.	767,090	3,460	168,570	4,401	943,520
Acc. depreciation and w/downs, 01.01	101,134	-	-	3,638	104,772
Depreciation for the year	7,867	-	-	510	8,377
Acc. depreciation and w/downs, 31.12.	109,001	-	-	4,148	113,150
Book value 31.12.	658,089	3,460	168,570	763	830,370

Useful life	20 - 100 years	3 - 10 years
Depreciation method	Straight line	Straight line

Group

	Intangible assets	Buildings	Assets under construction	Land and property	Equipment, fittings, inventory, vehicles, etc.	Total
Acquisition cost, 01.01.	8,308	3,484,113	687,700	273,589	285,285	4,729,351
Additions	-	559,360	313,503	652	87,015	960,531
Disposals	-	1,443	633,049	-	1,522	636,020
Acquisition cost, 31.12.	8,308	4,042,030	368,154	274,242	370,778	5,063,512
Acc. depreciation and w/downs, 01.01.	-8,767	201,740	-	-	53,752	246,724
Depreciation for the year	-3,081	68,227	-	-	32,702	97,848
Write downs for the year	-	-	-	-	246	246
Disposals for the year	-	-	-	-	-	-
Acc. depreciation and w/downs, 31.12.	-11,849	269,967	-	-	86,700	344,818
Book value 31.12.	20,156	3,772,063	368,154	274,242	284,078	4,718,693

Useful life	30 years	20 -100,years	3 - 10 years
Depreciation method	Straight line	Straight line	Straight line

The building stock is divided into buildings, technical and fixtures/fittings, because economic life is assessed differently, for example for buildings (50-100 years), technical facilities (33 years), permanently installed kitchens (20 years) and furniture and fixtures (10 years).

As a result of the completion of the facility at the Oslofjord Convention Center, an assessment has been made of both value in use and net sales value to determine the recoverable amount. The fixed assets that are assessed here are capitalized in the group's real estate company Oslofjord Property AS.

In this work, external expertise has also been used to ensure the quality of the assessments. The recoverable amount is higher than the book value of the fixed assets, and it is therefore the company's assessment that there is no basis for write-downs.

3. Investment In subsidiaries

Parent company

Brunstadstiftelsen has ownership interest in the following companies	Head office	Ownership/ voting rights	Acquisition cost at 31.12.19	Disposals 2020	Retained earnings increase in 2020	Book value 31.12.2020
Oslofjord Holding AS	Melsomvik	100%	467,350	0	68,000	535,350
Global Investment Holding AS	Vestby	100%	22,565	0	0	22,565
Book value			489,915	0	68,000	557,915

4. Loans to group companies

In connection with the development of the Oslofjord Convention Center, Brunstadstiftelsen has made a fixed-interest loan with a market interest rate to the real estate company Oslofjord Property AS. Interest accrues daily and is capitalized monthly.

The loan is to be regarded as a construction loan and shall be interest-free until and including 31.12.2025.

Thereafter, the Loan shall be repaid as an annuity loan in accordance with an agreed 35-year repayment plan.

As of 31 December 2020, the balance on this loan receivable is 1,114.7 MNOK.

5. Andre non-current receivables

The foundation has the following receivables that mature more than one year after 31.12.

Parent company			Group	
2019	2020		2020	2019
377,538	311,184	Loan financing of agreements for operational leasing, 10-year agreements	311,184	377,538
77,854	53,524	Loan financing of agreements for operational leasing, 20-year agreements	53,524	77,854
0	0	Other non-current receivables	3,633	4,346
455,392	364,708		368,341	459,738

Loan agreements for extended use rights and car parking spaces extend over 20 years. Loan agreements for financing long-term suite rental agreements extend over 10 years. Interest is calculated on the amounts.

6. Accounts receivable

Accounts receivable are recorded at face value after deduction of provisions for doubtful debts. Provisions are made on the basis of an individual assessment of the individual receivables. In addition, for other accounts receivable, an unspecified provision is made to cover expected losses.

Accounts receivable in the balance sheet appear as follows:

Parent company			Group	
2019	2020		2020	2019
10,970	126,154	Accounts receivable including group accounts receivable at face value.	150,055	127,255
-600	-600	Provision for doubtful debts	-868	-1,118
10,370	125,554	Accounts receivable recorded in the balance sheet	149,187	126,137

7. Bank deposits, cash and equivalents

The item includes restricted funds as follows:

Parent company			Group	
2019	2020		2020	2019
127	131	Restricted funds	3,479	3,916
127	131	Total restricted funds	3,479	3,916

8. Equity

Parent company

	Share capital	Retained earnings	Total
Equity 01.01	1 000	1 006 929	1 007 929
Profit/loss for the year		-1 441	-1 441
Equity 31.12	1 000	1 005 487	1 006 487

Group

	Share capital	Retained earnings	Total
Equity 01.01	1,000	996,711	997,711
Translation differences (CTA*)	0	-2,740	-2,740
Profit/loss for the year	0	-78,235	-78,235
Equity 31.12	1,000	915,736	916,736

*Cumulative Translation Adjustment

9. Taxes

Taxes are expensed as incurred, that is, the tax expense is linked to the accounting profit/loss before tax.

The tax expense consists of tax payable on ordinary profit and changes to deferred tax. Pursuant to the new Accounting Act, tax payable on allocated group contributions is recognized on a net basis. The tax expense in the income statement is therefore before the deduction of tax payable, which follows from the group contribution provided. Deferred tax in the balance sheet is calculated on the basis of temporary differences between accounting and tax values. The reason for deferred tax is differences in accrued items between accounting and tax profits.

At the end of 2018, 2019 and 2020, Brunstadstiftelsen a calculation basis for deferred tax/tax benefit equal to 0,

Deferred tax/tax assets as of 31.12.2019, are not included in the balance sheet of Brunstadstiftelsen. In the consolidated financial statements, however, 26 MNOK has been recorded in deferred tax assets accrued in the subsidiaries. 54.8 MNOK has also been recorded in deferred tax, which comes from deferred tax on investments outside Norway. Net deferred tax for the group will thus be 28.8 MNOK.

Comment on this year's taxable income:

Due to ongoing communication with the tax office after the foundation received tax-exempt institution status under the § 2-32 Tax Act, Section 1, with tax liability for economic activities in accordance with Section 2, no tax is calculated for 2020. Communication with the tax office will clarify the distribution principles for costs between the foundation's charitable purpose and the financial activities considered taxable.

This year's tax expense are as follows:

Parent company			Group	
2019	2020		2020	2019
0	0	Tax payable on operating profit	429	6,489
-993	0	Correction to taxation for previous years	8,331	0
0	0	Tax payable	0	0
0	0	Change in deferred tax	-21,146	-25,650
-993	0		-12,323	-19,161

Tax charge of -993,2902 NOK in the parent company relates to refunded tax from the tax years 2012, 2013 and 2014.

Differences offset in group:

	2020	2019	Change
Fixed assets	362,722	254,661	108,060
Receivables	-53	-1,562	1,509
Gains and losses	27	34	-7
Carried-forward losses	-497,005	-292,298	-204,706
Accounting provisions	112	861	-749
Other temporary differences	-1,256	2,754	1,497
Differences not included in deferred tax assets	17,922	16,634	1,288
Total	-115,096	-18,978	-96,118
Deferred taxation	-25,321	-4,175	-21,146

10. Debts and mortgages

Debt to financial institutions

Parent company			Group	
2019	2020		2020	2019
0	0	Debt to financial institutions	100,000	0

Loan with monthly, in arrears, interest payment. The loan will be repaid in full on 31.07.2025

Debt to group companies

Parent company			Group	
2019	2020		2020	2019
28,293	57,254	Debt to group companies*	0	0

Relates to loans to Brunstadstiftelsen from:

- Oslofjord Convention Center AS: 52.2 MNOK
- Oslofjord Holding AS: 5.0 MNOK

Other non-current liabilities

Parent company			Group	
2019	2020		2020	2019
519,750	479,121	Loans from Brunstad Christian Church*	815,496	856,123
1,100,767	1,121,324	Loans from other associations and foundations**	1,121,324	1,111,873
40,667	60,248	Other debt***	80,233	44,713
1,661,183	1,660,692		2,017,053	2,012,709

* Loans from Brunstad Christian Church

- to Brunstadstiftelsen: Interest-bearing line of credit. Interest calculated monthly and added to loan balance.
- to Global Investment Holding: Interest-free loan for objectives-based investments in international mission centers related to the foundation's charitable objectives. Falls due in its entirety on 31.12.2025.

** Loans from associations and foundations

	2020	2021	2022	2023	2024	2025	After 2025
Acc. loan balance at 31.12	1,121,324	1,043,473	903,003	635,248	418,994	208,055	
Payment of interest and principal	-28,365	-77,851	-140,470	-267,755	-216,254	-210,939	-208,055

Interest rates: Foreign currency loans 1% + 6-month Nibor, NOK-loans: 5%

Loans from associations and foundations consist of 53 different loan agreements where interest is paid, monthly, annually or added to the principal at the end of the year.

*** Other debt

Interest-bearing loans from others than BCC, associations and foundations to Brunstadstiftelsen, falling due on 31.12.2023 and 30.06.2026.

Debt secured by mortgage, etc.

Parent company			Group	
2019	2020		2020	2019
305,791	325,357	Long-term debt to financial institutions	425,357	305,791
305,791	325,357		425,357	305,791

Book value of assets used as security for this debt

Parent company			Group	
2019	2020		2020	2019
667,935	658,089	Buildings	3,431,741	3,116,785
168,243	168,570	Land	168,570	168,570
0	0	Equipment, operating assets	0	0
0	0	Accounts receivable	0	0
836,178	828,700		3,600,311	3,285,355

Mortgages and liens

There are previously registered mortgages for several lenders in connection with borrowing by Brunstadstiftelsen. Registered mortgage liens have also been registered for a loan facility provided by the credit institution that granted loans in 2020.

Guarantees

The foundation has not provided security in its assets for debt, other than that mentioned above.

11. Operating revenues

The group's operating revenue mainly comes from revenues related to real estate, rental of hotel rooms and conference facilities and shared costs. The foundation with subsidiaries has operations in Vestfold.

12. Payroll, number of employees, allowance, loans to employees, etc.

Payroll, etc.

Parent company			Group		
2019	2020		2020	2019	
2,186	2,982	Salaries and wages	82,074	70,922	
342	437	National insurance scheme	11,578	10,159	
81	120	Pensions	2,630	894	
28	51	Other employee benefits	2,795	922	
0	0	Project labor costs and reclassification of salary to cost of goods sold	-22,625	-4,630	
2,637	3,589	Total payroll	76,457	78,845	

Full time equivalents

Parent company			Group	
2019	2020		2020	2019
2.5	4.19		185.51	190.44

Management remuneration in Brunstadstiftelsen

Parent company			
2019	2020		
1,001	1,106	Salary, pension expenses general manager	
0	0	Salary, pension expenses, board of directors	
155	143	Other remuneration	
1,156	1,249	Total management remuneration	

One board member is remunerated for work he performs for the foundation and its subsidiaries. The remuneration was NOK 527,897 for 2020. In 2019, this remuneration was NOK 1,128,204.

Employee loans

Parent company			Group	
2019	2020		2020	2019
0	0	Employees	0	0
0	0	General manager	0	0
0	0	Sum lån til ansatte	0	0

Auditor's remuneration (ex VAT)

Parent company			Group	
2019	2020		2020	2019
429	411	Recorded auditor's fees	868	1 159

13. Other operating expenses

Parent company			Group	
2019	2020		2020	2019
135	151	Vehicles, travel, freight, etc.	961	2,025
20,156	20,591	Maintenance, operations, machines, inventory and tools	12,886	22,399
8,937	14,310	Professional services	26,162	37,312
0	0	Sales and warranty expenses	4,357	2,521
803	789	Insurance premiums	3,329	3,286
469	390	Other operating expenses	4,408	1,544
30,501	36,231	Other operating expenses	52,109	69,086

14. Financial income

Other financial income:

Parent company			Group	
2019	2020		2020	2019
1,058	7,160	Foreign exchange gains (agio)	8,357	1,644
21,401	32,228	Unrealized agio	32,228	21,401
95	136	Other financial income	197	216
22,554	39,524	Total	40,782	23,261

Interest income from group companies

Parent company			Group	
2019	2020		2020	2019
49,881	42,801	Interest income from group companies	0	0
22,554	39,524	Sum	0	0

Interest income:

Parent company			Group	
2019	2020		2020	2019
25,004	27,949	Interest income from operational leases	34,926	46,543
25,004	27,949	Sum	34,926	46,543

15. Financial expenses

Write down of financial assets:

Parent company			Group	
2019	2020		2020	2019
0	0	Write down of financial assets	1,241	0
0	0	Sum	1,241	0

Interest expense from group companies:

Parent company			Group	
2019	2020		2020	2019
1,680	512	Interest expense from group companies	0	0
1,680	512	Sum	0	0

Interest expense:

Parent company			Group	
2019	2020		2020	2019
70,216	69,257	Interest on loans from Brunstad Christian Church, associations, foundations and other lenders	66,669	65,447
70,216	69,257	Sum	66,669	65,447

Other financial expenses:

Parent company			Group	
2019	2020		2020	2019
10	1,588	Foreign exchange losses (disagio)	2,309	-1,014
20,033	38,858	Unrealized disagio	38,858	20,033
0	0	Other financial expenses	21	18
20,043	40,445	Sum	41,187	19,036

16. Prepaid rental income

In connection with the large development project at Oslofjord, long-term agreements for renting hotel apartments for parts of the year have been entered into with a large number of tenants.

The rent is recognized as income on a straight-line basis over the rental period and the share that is linked to future rent is classified as long-term debt.

Parent company			Group	
2019	2020		2020	2019
213,404	405,620	Prepaid rental of suites/accommodation	2,459,073	2,273,873
0	-56,892	- Revenue recognition	-216,895	-89,189
213,404	348,729	Net prepaid suite/accommodation rental	2,242,178	2,184,684

17. Compensation scheme for Covid-19

One of the Brunstad Foundation's subsidiaries, Oslofjord Convention Center AS, received a public grant of NOK 25,742,861 in 2020 in connection with the compensation scheme, which was established after the consequences of the Covid-19 pandemic impacted on society from March 2020. The amount is recognized in full in 2020, under other operating income.

The company was granted the subsidy due to a large temporary drop in turnover, given all event activity was canceled with immediate effect.

18. Transactions and balances with Brunstad Christian Church and subsidiaries

Parent company			Group	
2019	2020		2020	2019
2,294	652	Operating income	15,334	54,855
0	0	Operating expenses	515	4,669
0	0	Financial income	0	0
18,464	20,322	Financial expenses	20,322	18,464
41	0	Current receivables	77	3,127
0	0	Non-current receivables	0	0
0	0	Current liabilities	0	963
519,753	479,121	Non-current liabilities	832,427	873,179

19. Other matters

The foundation's subsidiaries are in industries that have been hard hit by the consequences the coronavirus on society. The crisis hit us and the whole society abruptly. The board has analyzed the situation and how it has affected the group. Various scenarios have been prepared for the duration and degree of impact on operations. The situation has been closely monitored over the past year, and if required, necessary measures will be implemented to address long-term consequences of this global crisis.

Our business mainly concerns large events and our subsidiaries have been and are strongly affected by restrictions imposed by the authorities as a result of the coronavirus. This has already had, and will continue to have, a significant impact on revenues. Measures have been implemented to ensure necessary liquidity in the group.

The foundation has a plan for the completion of the development project and all necessary financing for this has been secured.

We have also entered into a liquidity-security arrangement whereby current lenders have entered into an agreement to make available further capital if necessary, on one year's notice. We have established procedures to monitor the need for liquidity and ensure that we comply with the agreements' requirements for reporting and deadlines for calling on any necessary capital.

In addition to this, the foundation has high equity as security that the group is well equipped to get through the crisis.

The construction at Oslofjord will soon be completed and we believe that the construction's value in the long term has not been affected by the corona crisis. If the crisis persists, the board will implement further measures to secure the foundation's value.



To the General Meeting of Brunstadstiftelsen

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Brunstadstiftelsen, which comprise:

- The financial statements of the parent company Brunstadstiftelsen (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Brunstadstiftelsen and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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



Other information

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

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

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

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

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

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>



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 and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

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

Opinion on Governance

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 the Foundation is governed in accordance with the law, the Foundation's purpose and the articles of association.

Oslo, 1 July 2021

PricewaterhouseCoopers AS

Gøril Hyni
State Authorised Public Accountant

(This document is signed electronically)

Note: This translation from Norwegian has been prepared for information purposes only.