

Annual report

**Brunstadstiftelsen
Group**

2021

Brunstadstiftelsen

ANNUAL REPORT 2021

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, and by the foundation itself, where the foundation's charitable activities are gathered in Global Investment Holding AS for international properties and in the foundation for Norwegian properties. The commercial activities are gathered 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 different continents. 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 owns eight mission centers in four continents. For Brunstadstiftelsen, this is part of our non-profit business, and our ownership of these companies has no commercial basis. The company's operations were reduced in 2021 after several subsidiaries were sold to new owners, and a further reeduction is expected in 2022.

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 now that redevelopment of the center is complete.

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

Plan for the establishment of a new Oslofjord Foundation

Brunstadstiftelsen has worked with planning and preparation for a process to the properties at Brunstad and the operations of Oslofjord Holding AS into a separate foundation. The background is to establish a definite distinction between Brunstadstiftelsen's non-profit purpose and Oslofjord's commercial activities. This work is done in line with the ownership strategy for Oslofjord with a not-for-profit purpose, now that the development project is complete.

The development project that started in 2013 has added new and important capacity to Oslofjord: 1600 hotel rooms, a new conference center, a new commercial kitchen, as well as activity facilities with a multi-purpose hall, ice hockey hall, outdoor sports fields and activity opportunities. Upon completion of the project, the board has decided that the time is right to carry out the planned separation. Since its inception, Brunstadstiftelsen has had a strategy of "offensive commercial operations" for Oslofjord Convention Center. The development of the project has assumed that more than 50 large events from different customer segments will be held annually.

On 11 November 2021, Brunstadstiftelsen decided to proceed with the planning and implementation of the process to separate the properties at Brunstad and the operations of Oslofjord Holding AS into a separate foundation (Oslofjordstiftelsen). The purpose of the new foundation will be independent of philosophy and will be constructed as a commercial foundation with the purpose of exercising management, operation, development and ownership of Oslofjord Convention Center. There are no plans for the new foundation to be a distributing foundation, so that future profits in the Oslofjord Foundation will flow to the foundation's own purpose.

Upon establishment of the Oslofjordstiftelsen, Brunstadstiftelsen will operate its remaining non-profit activity and eventually could become an organization within the BCC federation.

Going concern

The 2021 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 1.9 MNOK for the parent company and a loss of 67.9 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 2021 and the financial position as at 31.12.2021. 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.

Brunstadstiftelsen's subsidiary Global Investment Holding AS owns a Russian and a Ukrainian real estate company. There is significant uncertainty concerning the fair value of these shares, particularly those of the Russian company, in light of the war and economic and political sanctions imposed on Russia.

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 2021. 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 2022.

All hotel buildings in the Oslofjord development project 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 have a good balance of employees of both genders and work with a focus on recruiting women into leadership positions and governing bodies.

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

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 188 full time equivalent employees on 31.12.2021, of which 51.4% are women and 48.6% are men. This figure also includes part-time and project employees.

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

Average salaries for women and men in various positions in the group are:

	Women	Men
Average salary - management positions	kr. 699,305	kr. 988,109
Average salary - other employees*	kr. 408,000	kr. 545,000

* Includes all % positions, converted to 100% positions. Does not include management positions.

Many women are employed in lower-wage jobs such as housekeeping and cleaning in the conference company. There are also many skilled men who work with technical trades in operations, maintenance and management. These increase the average for men.

The same is also reflected in the average salary for management positions. Here, for example, there are female managers in housekeeping/cleaning/HR. These typically have lower salaries than positions such as the CFO and CEO, who are currently men.

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 2020, due to higher rental income from the foundation's properties.

For the group, there is a sharp increase in total turnover since 2020 was a pandemic year, with reduced operations for the Oslofjord subsidiary throughout the year. In 2021, these restrictions have been eased for parts of the year, so that the company was able to conduct some major events, as well as a major assignment for Sandefjord municipality.

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 2021, the group has been hit hard by the corona pandemic in that the authorities' restrictions have made it impossible to carry more events. Oslofjord Convention Center served as a quarantine hotel for parts of 2021 for visitors to Norway required to quarantine and income from this activity has covered part of the loss of other event income.

Turnover in the parent company has increased from 49.8 MNOK in 2020 to 54.4 MNOK in 2021. The annual result shows a profit of 1.9 MNOK against a loss of 1.4 MNOK in 2020.

Brunstadstiftelsen has offered operational leases to BCC members with long-term agreements for renting hotel rooms. The scope of this financing has reduced by about 70 MNOK in 2021.

Lending to the subsidiary Oslofjord Property AS increased by 153 MNOK in 2021.

Borrowings from Brunstad Christian Church and affiliated associations have been reduced by 203 MNOK in 2021.

At the end of the fiscal year, the group's assets have a book value of 5,320 MNOK. Equity was NOK 849 million, which constitutes an equity ratio of 16%. Equity has been somewhat reduced as a result of the corona pandemic's impact on the finances of operations.

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.

The foundation has included its decision to provide long-term financing of the development project in the subsidiary Oslofjord Property AS in its asset and debt management plan. Borrowings are made with up to 8 years' installment-free period, where debt is repaid in stages in the period up to 2030. 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 board must consider hedging.

At the end of 2021, 14% of 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 BCC Fund STI 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 200 NOK at the end of 2021.

The foundation has fully the development project at Oslofjord and will work on assessing the market for other long-term financing solutions in the future.

Long-term interest-bearing loan financing amounts to 1,862 MNOK. The remaining part of the financing is non-interest-bearing prepayments from the foundation's tenants, together with some non-interest-bearing loans from BCC Fund STI for the foundation's charitable objectives. This amounts to 2,436 MNOK at the end of 2021.

The operations at Oslofjord are in a rebuilding phase after the Corona pandemic and the completion of the development project in the first half of 2022. Uncertainty in expected sales has reduced, as the conference center has now been completed and the authorities' restrictions due to the corona pandemic have been lifted.

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 124 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 Brunstadstiftelsen's charitable objectives.

Distribution of funds from the foundation

All available capital for the foundation has been used to finance the development projects at Oslofjord, which is complete after a long construction period. The foundation is therefore in a period where no funds are distributed, except for financing its own companies at home and abroad.

Board liability insurance

Liability insurance has been taken out for board members and the general manager, with a sum insured of MNOK 20 per claim and in total during the insurance period.

Sandefjord, June 24, 2022

Finn Å. Ødegård
Board chairperson

Tore E. Aslaksen
Board member

Alf Aadalen
Board member and general manager

Consolidated accounts Brunstadstiftelsen Income statement 2021

amounts in thousand NOK

PARENT COMPANY			GROUP	
2020	2021	Note	2021	2020
OPERATING INCOME AND EXPENSES				
16 776	23 401	11	350 913	167 358
14 080	28 267	11	31 034	17 832
18 968	2 801	11,17	48 213	49 647
<u>49 824</u>	<u>54 468</u>		<u>430 160</u>	<u>234 837</u>
FINANCIAL INCOME AND EXPENSES				
3 127	2 447		108 417	66 670
3 589	3 750	12	102 713	76 457
8 377	9 582	2	117 306	97 849
36 231	37 196	13	97 814	52 109
0	0	2	23 846	246
<u>51 325</u>	<u>52 974</u>		<u>450 095</u>	<u>293 332</u>
<u>-1 501</u>	<u>1 494</u>		<u>-19 936</u>	<u>-58 494</u>
FINANCIAL INCOME AND EXPENSES				
39 524	14 746	14	47 103	40 782
42 801	47 512	14	0	0
27 949	22 282	14	22 622	34 926
0	0	15	0	1 241
512	802	15	0	0
69 257	66 743	10, 15	68 740	66 669
40 445	16 271	15	59 113	41 187
<u>59</u>	<u>724</u>		<u>-58 128</u>	<u>-32 064</u>
<u>-1 441</u>	<u>2 218</u>		<u>-78 064</u>	<u>-90 558</u>
0	280	9	-10 080	-12 323
<u>-1 441</u>	<u>1 938</u>		<u>-67 984</u>	<u>-78 235</u>
TRANSFERS				
1 441	-1 938		67 984	78 235
0	0		0	0
<u>1 441</u>	<u>1 938</u>		<u>67 984</u>	<u>78 235</u>

Consolidated accounts Brunstadstiftelsen Balance sheet at 31.12.2021

amounts in thousand NOK

PARENT COMPANY			GROUP	
2020	2021	Note	2021	2020
ASSETS				
Non-current assets				
Intangible assets				
0	0	Deferred taxation assets	32 707	25 971
0	0	Other intangible assets	834	31 382
0	0	Goodwill	-7 423	-11 226
<u>0</u>	<u>0</u>	Total intangible assets	<u>26 118</u>	<u>46 127</u>
Fixed assets				
3 460	3 460	Assets under construction	678 021	368 154
658 089	644 918	Buildings	3 618 172	3 772 063
168 570	170 318	Land	191 894	274 241
252	592	Furniture, fittings, etc.	240 823	284 078
<u>830 370</u>	<u>819 288</u>	Total fixed assets	<u>4 728 909</u>	<u>4 698 536</u>
Financial assets				
557 915	557 915	Investment in subsidiaries	0	0
1 114 729	1 278 604	Loans to group companies	0	0
364 708	370 323	Other non-current receivables	374 518	368 341
<u>2 037 352</u>	<u>2 206 842</u>	Total financial assets	<u>374 518</u>	<u>368 341</u>
<u>2 867 722</u>	<u>3 026 130</u>	Total non-current assets	<u>5 129 546</u>	<u>5 113 005</u>
Current assets				
0	0	Inventory	6 778	2 524
Receivables				
125 554	9 336	Accounts receivable	50 748	149 187
0	0	Accounts receivable from group companies	0	0
2 466	-16 379	Other non-current receivables	-5 567	36 665
-2 486	447	Other non-current receivables from group companies	15 285	0
<u>125 535</u>	<u>-6 597</u>	Total receivables	<u>60 467</u>	<u>185 852</u>
Investments				
87 821	93 184	Cash at bank	124 024	127 199
<u>213 356</u>	<u>86 588</u>	Total non-current assets	<u>191 268</u>	<u>315 576</u>
<u>3 081 078</u>	<u>3 112 718</u>	TOTAL ASSETS	<u>5 320 814</u>	<u>5 428 580</u>

Consolidated accounts Brunstadstiftelsen Balance sheet at 31.12.2021

amounts in thousand NOK

PARENT COMPANY			GROUP	
2020	2021	Note	2021	2020
EQUITY AND LIABILITIES				
Equity				
Paid-up capital				
1 000	1 000	Share capital	1 000	1 000
Retained earnings				
1 005 487	1 007 425	Other equity	848 780	915 735
1 006 487	1 008 425	Total equity	849 780	916 736
Liabilities				
Non-current liabilities				
0	0	Deferred taxation liabilities	40 991	54 811
0	0	Debt to financial institutions	200 000	100 000
57 254	80 111	Debt to group companies	0	0
1 660 692	1 662 667	Other non-current liabilities	1 931 192	2 017 053
348 729	342 528	Prepaid suites/accomodation units	2 184 297	2 242 178
2 066 675	2 085 306	Total non-current liabilities	4 356 480	4 414 041
Current liabilities				
4 097	2 711	Accounts payable to group companies	2 085	0
1 265	14 067	Accounts payable	74 139	53 343
0	0	Debt to group companies	0	0
0	280	Tax payable	280	0
-66	-247	VAT and other public fees payable	-3 735	14 364
2 619	2 176	Other short term liabilities	41 783	30 096
7 915	18 987	Total non-current liabilities	114 554	97 803
2 074 591	2 104 293	Total liabilities	4 471 034	4 511 844
3 081 078	3 112 718	TOTAL EQUITY AND LIABILITIES	5 320 814	5 428 580

Sandefjord June 24, 2022

Finn Å. Ødegård
Board chairperson

Tore E. Aslaksen
Board member

Alf Aadalen
Board member / CEO

**Consolidated accounts
Brunstadstiftelsen
Cash flow statement 2021**

amounts in thousand NOK

PARENT COMPANY			GROUP	
2020	2021		2021	2020
		CASH FLOW FROM OPERATIONS		
-1 441	2 218	Net profit before tax	-78 064	-90 558
0	-280	Tax paid	-280	101
8 377	9 582	Ordinary depreciation	117 306	97 849
0	255	Gain/loss on sale of fixed assets	667	336
0	0	Write downs of fixed and intangible assets	23 846	246
-111 511	127 634	Change in inventory, accounts receivable and accounts payable	117 066	4 338
-5 854	13 834	Change in other non-current assets and other liabilities	7 540	-20 167
<u>-110 429</u>	<u>153 243</u>	Net cash flow from operational activities	<u>188 081</u>	<u>-7 855</u>
		CASH FLOW FROM INVESTING ACTIVITIES		
-327	-3 214	Payments for purchase of fixed assets	-147 679	-327 482
0	6 194	Receipts from sale of fixed assets	6 340	2 965
<u>-327</u>	<u>2 979</u>	Net cash flow from investing activities	<u>-141 339</u>	<u>-324 517</u>
		CASH FLOW FROM FINANCIAL ACTIVITIES		
-68 000	0	Equity increase in subsidiaries	0	0
15 149	-169 490	Non-current receivables	-6 177	91 397
163 795	18 631	Assumption of non-current liabilities	-43 740	161 838
<u>110 944</u>	<u>-150 859</u>	Net cash flow from financial activities	<u>-49 917</u>	<u>253 235</u>
188	5 363	Net change in bank deposits, cash and cash equivalents	-3 175	-79 137
<u>87 633</u>	<u>87 821</u>	Bank deposits, cash and cash equivalents as at 01.01.	<u>127 199</u>	<u>206 336</u>
<u>87 821</u>	<u>93 184</u>	Bank deposits, cash and cash equivalents as at 31.12.	<u>124 024</u>	<u>127 199</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	2021 Included in income statment	31.12.2021 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	merged Jan. 2021	Nei
** Oslofjord Convention Center AS, Melsomvik	100 % owned	acquired Nov. 2015	Yes	Yes
** Skravestad AS, Melsomvik	100 % owned	acquired Sep 2006	Yes	Yes
* 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	disposed Des. 2021	Nei
** 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	disposed Des. 2021	Nei
** 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	disposed Des. 2021	Nei
** Anna Christina Ltd, Russland	100% owned	acquired Sep 2017	Yes	Yes
** Solar Das Primavera, Brasil	100% owned	acquired Sep 2017	disposed Des. 2021	Nei
** Alwaye Conferencecenter, India	100% owned	acquired Dec 2017	disposed Des. 2021	Nei
** Vulcan Trading Company Ltd, Kina	100% owned	acquired Aug 2018	Yes	Yes
** Upriver Development Congo SARL, Congo	100% owned	acquired Sep 2020	disposed Des. 2021	Nei
** The Church Premises Ltd, Malawi	100% owned	founded Nov. 2020	Yes	Yes

The consolidated financial statements for 2021 include the companies listed above in the statement. Oslofjord Operations was merged with Oslofjord Convention Center on January 1, 2021, and the company is therefore not included in the Income Statement for the Consolidated accounts in 2021.

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.	764,929	3,460	168,570	5,101	942,059
Additions	1,466	-	1,748	-	3,214
Disposals	-6,194	-	0	-	-6,194
Acquisition cost 31.12.	760,202	3,460	170,318	5,101	939,080
Acc. depreciation and w/downs, 01.01	-107,541	-	-	-4,148	-111,689
Depreciation for the year	-7,743	-	-	-360	-8,103
Acc. depreciation and w/downs, 31.12.	-115,283	-	-	-4,400	-119,792
Book value 31.12.	644,918	3,460	170,318	592	819,288

Useful life	33 - 100 years	3 - 20 years
Depreciation method	Straight line	Straight line

Group

	Intangible assets (ex. deferred tax asset)	Buildings	Assets under construction	Land and property	Equipment, fittings, inventory, vehicles, etc.	Total
Acquisition cost, 01.01.	6,343	4,043,456	386,154	274,242	363,597	5,055,793
Additions	543	1,466	309,865	1,748	8,337	321,960
Disposals	-	-73,533	0	-65,134	-19,155	-157,873
Acquisition cost, 31.12.	6,886	3,971,389	678,021	210,856	352,779	5,219,931
Acc. depreciation and w/downs, 01.01.	-13,475	-263,382	-	-	-79,601	-356,457
Depreciation for the year	-	-85,112	-	-	-32,194	-117,211
Write downs for the year	-	-4,723	-	-18,962	-161	-23,846
Acc. depreciation and w/downs, 31.12.	-11,849	-353,217	-	-18,962	-111,956	-497,610
Book value 31.12.	-6,589	3,618,172	678,021	191,894	240,823	4,722,321

Useful life	30 years	33 - 100, years	3 - 20 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 Oslofjord Convention Center, an assessment was made in 2021 of both value in use and net sales value to determine the recoverable amount as at December 31, 2020. The fixed assets that were assessed here are capitalized in the group's real estate company Oslofjord Property AS.

External expertise was used to ensure the quality of these assessments. The recoverable amount is higher than the book value of the fixed assets, and it is therefore the company's assessment that there was no basis for write-downs. The same assessment holds true as at December 31, 2021.

3. Investment In subsidiaries

Parent company

Brunstadstiftelsen has ownership interest in the following companies	Head office	Ownership/ voting rights	Acquisition cost at 31.12.20	Disposals 2021	Retained earnings increase in 2021	Book value 31.12.2021
Oslofjord Holding AS	Melsomvik	100%	535,350	0	0	535,350
Global Investment Holding AS	Vestby	100%	22,565	0	0	22,565
Book value			557,915	0	0	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 paid to lender on a monthly basis.

The loan is to be regarded as a construction loan and will not be repaid 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 2021, the balance on this loan receivable is 1,278.6 MNOK.

5. Andre non-current receivables

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

Parent company			Group	
2020	2021		2021	2019
311,184	254,840	Loan financing of agreements for operational leasing, 10-year agreements	254,840	311,184
53,524	115,483	Loan financing of agreements for operational leasing, 20-year agreements	115,483	53,524
0	0	Other non-current receivables	4,195	3,633
364,708	370,323		374,518	368,341

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	
2020	2020		2021	2020
126,154	9,936	Accounts receivable including group accounts receivable at face value.	52,179	150,055
-600	-600	Provision for doubtful debts	-1,431	-868
125,554	9,336	Accounts receivable recorded in the balance sheet	50,748	149,187

7. Bank deposits, cash and equivalents

The item includes restricted funds as follows:

Parent company			Group	
2020	2021		2021	2020
131	125	Restricted funds	4,680	3,479
131	125	Total restricted funds	4,680	3,479

8. Equity

Parent company

	Share capital	Retained earnings	Total
Equity 01.01	1,000	1,005,487	1,006,487
Profit/loss for the year		1,938	1,938
Equity 31.12	1,000	1,007,425	1,008,425

Group

	Share capital	Retained earnings	Total
Equity 01.01	1,000	915,736	916,736
Translation differences (CTA*)	0	1,028	1,028
Profit/loss for the year	0	-67,984	-67,984
Equity 31.12	1,000	848,780	849,780

*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.

Brunstadstiftelsen has a calculation basis for deferred tax/tax benefit equal to 0, at the end of years 2018 to 2021. Deferred tax/tax assets as of December 31, 2021, are not included in the balance sheet of Brunstadstiftelsen. In the consolidated financial statements, however, 32,7 MNOK has been recorded in deferred tax assets accrued in the subsidiaries. 41 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 8,3 MNOK.

Comment on this year's taxable income:

Brunstadstiftelsen previously received tax-exempt status under §2-32 of the Norwegian Taxation Act, Section 1, with tax liability for commercial activities in accordance with Section 2. In 2021, part of Brunstadstiftelsen's income falls under Section 2, and tax has therefore been calculated in connection with this income in 2021.

Communication is ongoing with the tax office, which will further clarify the principles for distribution of costs between the foundation's charitable purpose and the commercial activities, which are considered taxable.

This year's tax expense are as follows:

Parent company			Group	
2020	2021		2021	2020
0	280	Tax payable on operating profit	280	429
0	0	Correction to taxation for previous years	0	8,331
0	0	Change in deferred tax	-8,873	-21,146
0	0		-8,593	-12,323

Differences offset in group:

	2021	2020	Change
Fixed assets	427,959	362,722	65,237
Receivables	-799	-53	-747
Gains and losses	21	27	-5
Carried-forward losses	-610,714	-497,005	-113,710
Accounting provisions	-787	112	-899
Other temporary differences	-607	-1,256	650
Differences not included in deferred tax assets	1,417	17,922	16,505
Total	-148,667	-115,096	-33,572
Deferred taxation	-32,707	-25,321	-7,386

10. Debts and mortgages

Debt to financial institutions

Parent company			Group	
2020	2021		2021	2020
0	0	Debt to financial institutions	200,000	100,000

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	
2020	2021		2021	2020
57,254	80,111	Debt to group companies*	0	0

Relates to loans to Brunstadstiftelsen from:

- Oslofjord Convention Center AS: 75,0 MNOK
- Oslofjord Holding AS: 5,1 MNOK

Other non-current liabilities

Parent company			Group	
2020	2021		2021	2010
479,121	521,399	Loans from BCC Fund*	612,744	815,496
1,121,324	1,079,094	Loans from other associations and foundations**	1,079,094	1,121,324
60,248	62,174	Other debt***	239,354	80,233
1,660,692	1,660,692		1,931,192	2,017,053

* Loans from BCC Fund

- to Brunstadstiftelsen: Interest-bearing line of credit. Interest calculated monthly and added to loan balance.
- to Global Investment Holding: Part of the interest-free loan from BCC to GIH, changed creditor in December 2021 while another part of the loan was repaid in connection with sale of GIH's subsidiaries, explaining the balance reduction from 2020.

** Loans from associations and foundations

	2021	2022	2023	2024	2025	After 2025
Acc. loan balance at 31.12	1,079,094	994,709	852,905	714,900	487,086	
Payment of interest and principal	-77,109	-84,385	-141,804	-138,005	-227,814	-487,086

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

Loans from associations and foundations consist of 52 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.

Debt secured by mortgage, etc.

Parent company			Group	
2020	2021		2021	2020
325,357	314,659	Long-term debt to financial institutions	514,659	425,357
325,357	314,659		514,659	425,357

Book value of assets used as security for this debt

Parent company			Group	
2020	2021		2021	2020
658,089	649,078	Buildings	3,355,428	3,431,741
168,570	170,318	Land	170,318	168,570
0	0	Equipment, operating assets	0	0
0	0	Accounts receivable	0	0
828,700	819,396		3,525,746	3,600,311

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 2021.

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	
2020	2021		2021	2020
2,982	3,090	Salaries and wages	109,103	82,074
437	460	National insurance scheme	15,471	11,578
120	150	Pensions	4,422	2,630
51	50	Other employee benefits	6,041	2,795
0	0	Project labor costs and reclassification of salary to cost of goods sold	-32,324	-22,625
3,589	3,750	Total payroll	102,712	76,457

Full time equivalents

Parent company		Group	
2020	2021	2021	2020
4.19	4.31	223.66	185.51

Management remuneration in Brunstadstiftelsen

Parent company		
2020	2021	
1,106	1,218	Salary, pension expenses general manager
0	0	Salary, pension expenses, board of directors
143	63	Other remuneration
1,249	1,281	Total management remuneration

Auditor's remuneration (ex VAT)

Parent company		Group	
2020	2021	2021	2020
411	521	1,201	868

13. Other operating expenses

Parent company			Group	
2020	2021		2021	2020
151	67	Vehicles, travel, freight, etc.	1,656	961
20,591	25,865	Maintenance, operations, machines, inventory and tools	45,375	12,886
14,310	5,404	Professional services	31,582	26,162
0	0	Sales and warranty expenses	6,784	4,357
789	789	Insurance premiums	2,978	3,329
390	5,060	Other operating expenses	9,440	4,408
36,231	37,196	Other operating expenses	97,814	52,109

14. Financial income

Other financial income:

Parent company			Group	
2020	2021		2021	2020
7,160	20	Foreign exchange gains (agio)	67	8,357
32,228	14,631	Unrealized agio	14,631	32,228
136	94	Other financial income	32,405*	197
39,524	14,746	Total	47,103	40,782

*The large increase in other financial income relates to gains on the realization of shares through the sale of subsidiaries in GIH.

Interest income from group companies

Parent company			Group	
2020	2021		2021	2020
42,801	47,512	Interest income from group companies	0	0
42,801	47,512	Sum	0	0

Interest income:

Parent company			Group	
2020	2021		2021	2020
27,949	22,281	Interest income from operational leases	22,622	34,926
27,949	22,281	Sum	22,622	34,926

15. Financial expenses

Write down of financial assets:

Parent company			Group	
2020	2021		2021	2020
0	0	Write down of financial assets	0	1,241
0	0	Sum	0	1,241

Interest expense from group companies:

Parent company			Group	
2020	2021		2021	2020
512	802	Interest expense from group companies	0	0
512	802	Sum	0	0

Interest expense:

Parent company			Group	
2020	2021		2021	2020
		Interest on loans from Brunstad Christian Church, associations, foundations and other lenders		
69,257	66,743		68,758	66,669
69,257	66,743	Sum	68,758	66,669

Other financial expenses:

Parent company			Group	
2021	2021		2021	2020
1,588	135	Foreign exchange losses (disagio)	454	2,309
38,858	16,136	Unrealized disagio	16,136	38,858
0	0	Other financial expenses	42,524	21
40,445	16,271	Sum	59,113	41,187

* The large increase in other financial expenses is related to losses on the realization of shares through the sale of subsidiaries in GIH.

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	
2020	2021		2021	2020
405,620	410,880	Prepaid rental of suites/accommodation	2,499,198	2,459,073
-56,892	-68,353	- Revenue recognition	-314,901	-216,895
348,729	342,528	Net prepaid suite/accommodation rental	2,184,297	2,242,178

17. Compensation scheme for Covid-19

One of Brunstadstiftelsen's subsidiaries, Oslofjord Convention Center AS, received a public grant of NOK 38,216,538 in 2021 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 2021, 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 BCC Foundation and subsidiaries, and other related parties

BCC Foundation

Parent company			Group	
2020	2021		2021	2020
652	671	Operating income	42,622	15,334
0	0	Operating expenses	1,025	515
0	0	Financial income	0	0
20,322	19,668	Financial expenses	19,668	20,322
0	0	Current receivables	0	77
0	0	Non-current receivables	0	0
0	0	Current liabilities	0	0
479,121	521,399	Non-current liabilities	612,744	832,427

Other related parties

In 2021, one of the board members invoiced fees to Brunstadstiftelsen for consultancy services. In total, this amounted to NOK 909,580, excluding VAT for 2021.

19. Other matters and events after the balance sheet date

Two years of pandemic has significantly affected Brunstadstiftelsen and its subsidiaries and altered the group's long-term financial plan. The Group companies have worked hard and purposefully through 2021 to restore the business back to normal operations following the pandemic.

The business mainly applies to large events. The Pandemic has already had a significant impact on revenues. The sales- and scheduling-department are now working with a long-term focus on new future major events.

The construction project at the Oslofjord Convention Center has now been almost completed. There is still some work to be done in the sports area.

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

The foundation has high equity as a guarantee that the group is well equipped to meet future challenges.

In November 2021, it was also announced that the Brunstadstiftelsen would initiate a planning and implementation process to separate the properties at Brunstad from the business operations in Oslofjord Holding AS into a separate foundation (Oslofjordstiftelsen) The new foundation will be philosophically independent and ensure a definite distinction between Brunstadstiftelsen's non-profit objectives and Oslofjord's commercial activities. The decision is in line with the non-profit ownership strategy as the construction project is completed. It is expected that all formalities will be in place by year end 2022.

Brunstadstiftelsen's subsidiary Global Investment Holding AS owns a Russian and a Ukrainian real estate company. There is significant uncertainty concerning the fair value of these shares, particularly those of the Russian company, in light of the war and economic and political sanctions imposed on Russia. The shares in the Russian subsidiary a written down value of NOK 49.9 million, while the shares in the Ukrainian subsidiary have a written down value of NOK 51.7 million.



To the Board of Directors of Brunstadstiftelsen

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

have audited the financial statements of Brunstadstiftelsen, which comprise:

- the financial statements of the parent company Brunstadstiftelsen (the Foundation), which comprise the balance sheet as at 31 December 2021, 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 2021, 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with 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 Foundation and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the



Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report,

- is consistent with the financial statements and
- contains the information required by applicable legal requirements

Responsibilities of the Management for the Financial Statements

The management is responsible for the preparation of financial statements that give a true and fair view 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 Foundation'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 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 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, 29 June 2022

PricewaterhouseCoopers AS

Gøril Hyni

State Authorised Public Accountant

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