

# **Annual report**

**Brunstadstiftelsen  
Group**

**2022**

## **Brunstadstiftelsen**

### **ANNUAL REPORT 2022**

#### **The nature of the business and where it is run**

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

The foundation's subsidiary Global Investment Holding, where foreign conference centers and mission sites are operated, was sold out of the group at the end of 2022. The foundation itself is tax-exempt according to § 2-32 subsection 1 of the Norwegian Tax Act, with tax liability for financial activity according to subsection 2. Subsidiaries conduct commercial operations and, as such Brunstadstiftelsen is therefore also a commercial foundation with a public-benefit objective.

#### **Group structure**

Brunstadstiftelsen group consists of the following companies:

**Oslofjord Holding AS** – the group's holding company which manages the foundation's purpose by owning and operating:

- **Oslofjord Property AS** – owns and operates the real estate at Oslofjord Convention Center
- **Samvirk Hotell AS** – operates hotel and conference operations. Since 2006, Samvirk Hotell AS has been a major player in the hotel and conference industry, and has become one of Northern Europe's largest conference centers.

**Brunstadeiendom AS** – real estate company directly owned by Brunstadstiftelsen. Owns and operates properties adjacent to the property at the Oslofjord Convention Center

The companies in the Brunstadstiftelsen group are run commercially with tax liability.

#### **Plan for the establishment of a new Oslofjord Foundation**

Brunstadstiftelsen has worked on planning and facilitating a process to separate the properties at Brunstad and the business in OslofjordHolding AS into a separate foundation. The background is to establish a definitive separation between the Brunstadstiftelsen's charitable objective and Oslofjord's commercial activities. The work has been done in line with the strategy of ownership for Oslofjord without a non-profit objective now that the development project is complete.

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.

The sharing process is expected to be completed during 2023.

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 rink, 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.

After the project of establishing the Oslofjord Foundation has been completed, Brunstadstiftelsen will run its remaining non-profit activities and, in the long term could become an organization in the BCC federation.

## Going concern

The foundation's annual accounts for 2022 have been drawn up under the assumption of going concern, and the board confirms that this assumption is present. See also the section below that describes the foundation's liquidity reserve.

## Development, operating results and position

The annual accounts show a deficit of NOK 80.4 million for the parent company and a deficit of NOK 113.6 million for the group.

In the board's opinion, the annual accounts with associated notes give a true and fair view of the parent company and the group's result for 2022 and financial position as at 31/12/2022. No circumstances have occurred after the end of the financial year that are significant in the assessment of the parent company or the group beyond what is discussed below.

As a result of the war in Ukraine and the economic sanctions that have been imposed on Russia, there has been uncertainty about the fair value of the shares in the Russian subsidiary of Global Investment Holding. In May 2022, the share value in the Russian subsidiary was written down, and the company was sold at a significant loss.

When Brunstadstiftelsen disposed Global Investment Holding from the group in December 2022, this write-down was reflected in the sale value and resulted in a loss on the sale of Global Investment Holding of NOK 68 million.

One of Brunstadstiftelsen's subsidiaries, Samvirk Hotell AS, received a public subsidy of NOK 20,538,636 in 2022 from the wage support scheme after the Covid-19 pandemic, as well as adjustment grants for tourism, and energy grants from Enova.

The deficit in Brunstadstiftelsen's annual accounts is also due to last year's development in the Norwegian krone measured against foreign currency. Brunstadstiftelsen's

borrowing portfolio partly consists of borrowing in foreign currency which has been significantly affected by the position of the krone as at 31/12/2022.

## **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 were no absences due to illness in 2022 and there were no injuries or accidents.

## **Sustainability**

Brunstadstiftelsen group is in the process of mapping upcoming regulatory requirements against competence needs in the group for further development of sustainability reporting.

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.

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 solar conditions. The facility also has an energy generation plant 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**

Brunstadstiftelsen 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.

The parent company has 4 employees, of whom 3 are women and 1 is a man. The group had 275 full time equivalent employees on 31.12.2022, of which 53.6% women and 46.4% 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.

## **Social responsibility and transparency act**

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 involves, among other things, procedures for documenting the origin of funds throughout the group.

By assisting less-developed countries to build sustainable and solid buildings using local materials, including through financial and professional assistance, we also support the UN's Sustainable Development Goal 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](http://www.brunstadstiftelsen.no).

Brunstadstiftelsen conducts due diligence assessments in accordance with Section 5 of the Transparency Act, which incorporates the companies in the group. The report will be published on Brunstadstiftelsen's website by 30 June 2023.

## **Change in market conditions/future development**

The foundation's operating income is at approximately the same level as in 2022. For the group there is still a significant increase in turnover as a whole. The large increase is mainly due to further increased activity for the subsidiary Samvirk Hotell AS. In recent years, society has been particularly affected by the pandemic, which had a major impact on the operating income of the subsidiaries. As things increasingly returned to normal in 2022, income and the activity-levels have also increased.

In 2022, the war in Ukraine also started, the energy crisis and inflation with subsequent interest rate increases had a significant impact on the group's business. The board considers these to be key uncertainty factors that can potentially have a negative impact on the company's finances.

Refer also to the board's annual reports of subsidiaries.

## **Statement on the financial accounts**

Turnover in the parent company has decreased somewhat from NOK 54.4 million in 2021 to NOK 53.5 million in 2022. The annual result shows a deficit of NOK 80.6 million against a profit of NOK 1.9 million in 2021.

Brunstadstiftelsen has offered operational leases to BCC members with long-term agreements to rent hotel rooms in Samvirk Hotell AS. The scope of this funding has reduced by approximately NOK 94 million in 2022.

Lending to the subsidiary Oslofjord Property AS has been reduced by NOK 51.1 million in 2022.

Borrowing from Brunstad Christian Church and affiliated associations has increased by NOK 65 million in 2022.

At the end of the year, the group's assets have a book value of NOK 4,887 million. Equity was NOK 736 million and represents an equity ratio of 15%.

## **Cash flow**

Worth mentioning in relation to Brunstadstiftelsen's cash flow are significant receipts from redemption of operational leasing, which have meant that the leasing balance has been reduced by approximately NOK 90 million in 2022.

The subsidiary GIH, which was sold out of the group in December 2022, also had its debt settled in relation to the sale, which constitutes a significant proportion of the repayment of long-term debt.

The positive change in the group's liquidity from the beginning to the end of the year is due, among other things, to the fact that accrued interest costs and installments/redemptions on borrowings from Brunstadstiftelsen were not paid out until after the turn of the year 2022/2023.

## **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 considered contributing to long-term financing of the development project in the subsidiary Oslofjord Property AS. The foundation has loans from several different borrowers. The loans have different maturities according to the planned repayment capacity of the foundation. 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.

As a result of a weakened krone in relation to foreign currency through the autumn of 2022, Brunstadstiftelsen has more than 15% of its borrowings in foreign currency at the

end of 2022. The foundation has therefore started a process to look at how the loan portfolio in foreign currency is to be secured if this development continues.

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.

## **Disclosures regarding financial and market risk**

The group's debt portfolio mainly consists of borrowings from the foundation BCC Fund STI and other organizations that share Brunstadstiftelsen's charitable objectives. The subsidiary Oslofjord Property AS also has a loan from a credit institution of NOK 200 million at the end of 2022.

The foundation has fully financed the development project on Oslofjord and will in future work to assess other long-term financing solutions in the market.

Long-term interest-bearing loan financing amounts to NOK 1,939 million. The remaining financing is non-interest-bearing advances rent from the group's tenants. This amounts to a total of NOK 2,106 million at the end of 2022.

Based on the capital structure, in the board's opinion, market risk or risk of loss is not significant for the foundation in the near future. There is also no additional financial risk that is of importance for assessing assets, liabilities, financial position or profit.

The subsidiary Samvirk Hotell AS, has lost much of its equity during the last years of operation during a challenging period for the company. Samvirk Hotell AS is planned to be sold to Samvirk SA in Q1 2023, at the company's net equity as of 31.12.22. A new conference company has been established which will take over the former name of Samvirk Hotell AS, Oslofjord Convention Center AS. The plan is for the new Oslofjord Convention Center AS to be capitalized by its parent company, and to buy out the part of Samvirk Hotell AS that includes the conference business. The conference business will continue under a new organization number in the Brunstadstiftelsen group and later in the Oslofjord Foundation.

The restructuring described above will secure the equity capital in Samvirk Hotell AS and the new Oslofjord Convention Center AS, by the parent companies injecting the necessary capital for further operations.

## **Cash reserves**

The group's year-end cash reserves were NOK 166 million. 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. Based on the long-term liquidity forecast and to meet the liquidity need at the turn of the year 2023/2024., the board of Brunstadstiftelsen has assessed that it is necessary to call on some of the liquidity linked to these agreements.

## **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 an insurance sum of MNOK 20 per claim and in total during the insurance period.

Sandefjord, 23 June 2023

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Finn Å. Ødegård  
chairman of the board

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Tore E. Aslaksen  
Board Member

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Alf Aadalen  
Board member and  
general manager



# Consolidated accounts Brunstadstiftelsen Income statement 2022

amounts in thousand NOK

PARENT COMPANY			GROUP	
2021	2022	Note	2022	2021
<b>OPERATING INCOME AND EXPENSES</b>				
23 401	27 262	Operating income	486 221	350 913
28 267	22 755	Rental income	11 038	31 034
2 801	3 533	Other operating income	20 539	48 213
<u>54 468</u>	<u>53 550</u>	<b>Total operating income</b>	<u>517 798</u>	<u>430 160</u>
2 447	2 991	Cost of goods sold	194 409	108 417
3 750	3 251	Salary and wages	102 328	102 713
9 582	8 069	Ordinary depreciation	115 065	117 306
37 196	37 132	Other operating expenses	108 654	97 814
0	0	Write down of fixed assets	431	23 846
<u>52 974</u>	<u>51 443</u>	<b>Total operating expenses</b>	<u>520 887</u>	<u>450 095</u>
<u>1 494</u>	<u>2 107</u>	<b>Operating result</b>	<u>-3 089</u>	<u>-19 936</u>
<b>FINANCIAL INCOME AND EXPENSES</b>				
14 746	20 427	Other financial income	20 776	47 103
47 512	52 517	Interest income from group companies	0	0
22 282	20 518	Interest income	20 872	22 622
802	2 961	Interest expense from group companies	0	0
66 743	71 127	Interest expense	81 597	68 740
<u>16 271</u>	<u>101 870</u>	Other financial expenses	<u>83 396</u>	<u>59 113</u>
<u>724</u>	<u>-82 496</u>	<b>Net financial result</b>	<u>-123 345</u>	<u>-58 128</u>
<u>2 218</u>	<u>-80 389</u>	<b>Net profit/loss before tax</b>	<u>-126 434</u>	<u>-78 064</u>
280	236	Tax expenses	-12 573	-10 080
<u>1 938</u>	<u>-80 625</u>	<b>Net profit/loss after tax</b>	<u>-113 861</u>	<u>-67 984</u>
<b>TRANSFERS</b>				
-1 938	80 625	Transferred to equity	-113 861	67 984
0	0	Received/paid group contributions	0	0
<u>1 938</u>	<u>80 625</u>	<b>TOTAL TRANSFERS</b>	<u>113 861</u>	<u>67 984</u>

# Consolidated accounts Brunstadstiftelsen Balance sheet at 31.12.2022

amounts in thousand NOK

PARENT COMPANY			GROUP	
2021	2022	Note	2022	2021
			2022	2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
0	0	Deferred taxation assets	45 582	32 707
0	0	Other intangible assets	0	834
0	0	Goodwill	0	-7 423
<u>0</u>	<u>0</u>	<b>Total intangible assets</b>	<u>45 582</u>	<u>26 118</u>
<b>Fixed assets</b>				
3 460	3 553	Assets under construction	78 404	678 021
644 918	627 449	Buildings	3 814 823	3 618 172
170 318	170 318	Land	192 131	191 894
592	261	Furniture, fittings, etc.	250 733	240 823
<u>819 288</u>	<u>801 581</u>	<b>Total fixed assets</b>	<u>4 336 091</u>	<u>4 728 910</u>
<b>Financial assets</b>				
557 915	535 380	Investment in subsidiaries	0	0
1 278 604	1 346 395	Loans to group companies	0	0
370 323	281 680	Other non-current receivables	284 546	374 518
<u>2 206 842</u>	<u>2 163 455</u>	<b>Total financial assets</b>	<u>284 546</u>	<u>374 518</u>
<u>3 026 130</u>	<u>2 965 036</u>	<b>Total non-current assets</b>	<u>4 666 219</u>	<u>5 129 546</u>
<b>Current assets</b>				
0	0	Inventory	12 904	6 778
<b>Receivables</b>				
9 336	7 635	Accounts receivable	10 767	50 748
-16 379	3 261	Other non-current receivables	31 218	9 718
447	468	Other non-current receivables from group companies	0	0
<u>-6 597</u>	<u>11 365</u>	<b>Total receivables</b>	<u>41 986</u>	<u>60 467</u>
<b>Investments</b>				
93 184	126 706	Cash at bank	165 807	124 024
<u>86 588</u>	<u>138 070</u>	<b>Total non-current assets</b>	<u>220 696</u>	<u>191 268</u>
<u>3 112 718</u>	<u>3 103 106</u>	<b>TOTAL ASSETS</b>	<u>4 886 915</u>	<u>5 320 814</u>

# Consolidated accounts Brunstadstiftelsen Balance sheet at 31.12.2022

amounts in thousand NOK

PARENT COMPANY			GROUP	
2021	2022	Note	2022	2021
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Paid-up capital</b>				
1 000	1 000	Share capital	1 000	1 000
<b>Retained earnings</b>				
1 007 425	926 799	Other equity	734 726	848 780
<b>1 008 425</b>	<b>927 799</b>	<b>Total equity</b>	<b>735 726</b>	<b>849 780</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
0	0	Deferred taxation liabilities	0	40 991
0	0	Debt to financial institutions	200 000	200 000
80 111	105 204	Debt to group companies	0	0
1 662 667	1 738 848	Other non-current liabilities	1 752 238	1 931 192
342 528	331 084	Prepaid suites/accomodation units	2 105 502	2 184 297
<b>2 085 306</b>	<b>2 175 136</b>	<b>Total non-current liabilities</b>	<b>4 057 740</b>	<b>4 356 480</b>
<b>Current liabilities</b>				
2 711	3 916	Accounts payable to group companies	0	0
14 067	1 184	Accounts payable	29 647	76 224
0	0	Debt to group companiess	0	0
280	236	Tax payable	302	280
-247	-288	VAT and other public fees payable	20 661	-3 735
2 176	-4 877	Other short term liabilities	43 688	41 783
<b>18 987</b>	<b>171</b>	<b>Total non-current liabilities</b>	<b>93 256</b>	<b>114 554</b>
<b>2 104 293</b>	<b>2 175 306</b>	<b>Total liabilities</b>	<b>4 150 996</b>	<b>4 471 034</b>
<b>3 112 718</b>	<b>3 103 106</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 886 915</b>	<b>5 428 580</b>

Sandefjord June 23, 2023

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Finn Å. Ødegård  
Board chairperson

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Tore E. Aslaksen  
Board member

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Alf Aadalen  
Board member / CEO

**Consolidated accounts  
Brunstadstiftelsen  
Cash flow statement 2022**

amounts in thousand NOK

PARENT COMPANY			GROUP	
2021	2022		2022	2021
		<b>CASH FLOW FROM OPERATIONS</b>		
2 218	-80 389	Net profit before tax	-126 434	-78 064
-280	-236	Tax paid	-67	-280
9 582	8 069	Ordinary depreciation	115 496	117 306
255	506	Gain/loss on sale of fixed assets	86	667
0	0	Write downs of fixed and intangible assets	0	23 846
127 634	-9 977	Change in inventory, accounts receivable and accounts payable	-12 722	117 066
13 834	-30 565	Change in other non-current assets and other liabilities	-40 187	7 540
<u>153 243</u>	<u>-112 592</u>	<b>Net cash flow from operational activities</b>	<u>-63 828</u>	<u>188 081</u>
		<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
-3 214	94	Payments for purchase of fixed assets	267 838	-147 679
6 194	12 803	Receipts from sale of fixed assets	5 550	6 340
<u>2 979</u>	<u>12 897</u>	<b>Net cash flow from investing activities</b>	<u>273 388</u>	<u>-141 339</u>
		<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
0	22 535	Equity increase in subsidiaries	0	0
-169 490	20 852	Non-current receivables	89 972	-6 177
18 631	89 830	Assumption of non-current liabilities	-257 749	-43 740
<u>-150 859</u>	<u>133 217</u>	<b>Net cash flow from financial activities</b>	<u>-167 777</u>	<u>-49 917</u>
5 363	33 522	Net change in bank deposits, cash and cash equivalents	41 783	-3 175
<u>87 821</u>	<u>93 184</u>	Bank deposits, cash and cash equivalents as at 01.01.	<u>124 024</u>	<u>127 199</u>
<u>93 184</u>	<u>126 706</u>	<b>Bank deposits, cash and cash equivalents as at 31.12.</b>	<u>165 807</u>	<u>124 024</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

				2022	31.12.2022
		Acquired	Disposed	Included in income statement	Included in balance sheet
Brunstadstiftelsen group, with 100% owned					
* Brunstad Holding AS, Melsomvik with subsidiaries	100% eiet	founded Oct 2011		Yes	Yes
** Oslofjord Property AS, Melsomvik	100% eiet	founded Oct 2011		Yes	Yes
** Samvirk Hotell AS	100% eiet	acquired Nov 2015		Yes	Yes
** Oslofjord Convention Center AS, Melsomvik	100% eiet	founded Nov 2022		No	Yes
** Skravestad AS, Melsomvik	100% eiet	acquired Sep 2006	disposed May 2022	Yes	No
* Brunstadeiendom AS	100% eiet	founded Jan 2022		Yes	Yes
* Global Investment Holding AS	100% eiet	acquired Dec 2019	disposed Dec 2022	Yes	No
** Paso Flores SA, Argentina	100% eiet	acquired Sep 2017	disposed Dec 2022	Yes	No
** RMS Conference, Romania	100% eiet	acquired Sep 2017	disposed Dec 2022	Yes	No
** Action Development Cameroon, Kamerun	100% eiet	acquired Sep 2017	disposed Dec 2022	Yes	No
** Smiga Ltd, Ukraina	100% eiet	acquired Sep 2017	disposed Dec 2022	Yes	No
** Finca Alamo, Spania	100% eiet	acquired Sep 2017	disposed Dec 2022	Yes	No
** Anna Christina Ltd, Russland	100% eiet	acquired Sep 2017	disposed May 2022	Yes	No
** Vulcan Trading Company Ltd, Kina	100% eiet	acquired Aug 2018	disposed Dec 2022	Yes	No
** The Chirch Premises Ltd, Malawi	100% eiet	founded Nov 2020	disposed Dec 2022	Yes	No

The consolidated financial statements for 2022 include the companies listed in the statement above. Global Investment Holding AS with subsidiaries, was sold out of the group in December 2022. Nye Oslofjord (planned to be renamed Oslofjord Convention Center later in 2023) was founded in November 2022. There were no operations in the company in 2022.

The original Oslofjord Convention Center AS is planned to be sold to Samvirk SA in 2023 and renamed Samvirk Hotell AS.

### 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. 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.

## 3. Public grants

One of Brunstadstiftelsen's subsidiaries, Samvirk Hotell AS, received a public grant of NOK 30 538 636 in 2022 in connection with the compensation scheme, which was established after the consequences of the Covid-19 pandemic. In addition, the company received a tourism adjustment grant and an energy grant from Enova. The amount is recognized in full in 2022, under other operating income.

## 4. Payroll, number of employees, allowance, loans to employees, etc.

Payroll, etc.

Parent company			Group	
2021	2022		2022	2021
3,090	2,627	Salaries and wages	141,837	109,103
460	393	National insurance scheme	21,371	15,471
150	165	Pensions	5,981	4,422
50	66	Other employee benefits	3,919	6,041
0	0	Project labor costs and reclassification of salary to cost of goods sold	-59,501	-32,324
3,750	3,251	<b>Total payroll</b>	<b>102,328</b>	<b>102,713</b>

Full time equivalents

Parent company			Group	
2021	2022		2022	2021
4.31	3.5		275.13	223.66

Management remuneration in Brunstadstiftelsen

Parent company		
2021	2022	
1,218	1,260	Salary, pension expenses general manager
0	0	Salary, pension expenses, board of directors
63	72	Other remuneration
<b>1,281</b>	<b>1,332</b>	<b>Total management remuneration</b>

Auditor's remuneration (ex VAT)

Parent company			Group	
2021	2022		2022	2021
521	438	Recorded auditor's fees	1,484	1,201

## 5. 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.	760,787	3,460	170,318	5,215	939,080
Additions	-	94	-	-	94
Disposals	-10,431	-	-	-	-12,803
Acquisition cost 31.12.	750,356	3,553	170,318	5,215	926,371
Acc. depreciation and w/downs, 01.01	-115,169	-	-	-4,623	-119,792
Depreciation for the year	-7,738	-	-	-331	-8,069
Acc. depreciation and w/downs, 31.12.	-122,907	-	-	-4,954	-124,790
<b>Book value 31.12.</b>	<b>627,449</b>	<b>3,553</b>	<b>170,318</b>	<b>261</b>	<b>801,581</b>

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.	6,886	3,971,389	678,021	210,856	352,779	5,219,931
Additions	7,477	557,205	23,725	21,813	47,365	657,584
Disposals	-	-279,099	-623,342	-21,576	-4,302	-928,319
Acquisition cost, 31.12.	14,363	4,249,495	78,404	211,093	395,841	4,949,197
Acc. depreciation and w/downs, 01.01.	-13,475	-353,217	-	-18,962	-111,956	-497,610
Depreciation for the year	-888	-81,456	-	-	-33,152	-115,496
Write downs for the year	-	-	-	-	-	-
Acc. depreciation and w/downs, 31.12.	-14,363	-434,672	-	-18,962	-145,108	-613,106
<b>Book value 31.12.</b>	<b>0</b>	<b>3,814,823</b>	<b>78,404</b>	<b>192,131</b>	<b>250,733</b>	<b>4,336,091</b>

Useful life	30 years	33-100,years	3 - 20 years
Depreciation method	Straight line	Straight line	Straight line

Building assets are divided into buildings, technical, and fixtures/fittings, as 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, 2022.

## 6. Other operating expenses

Parent company			Group	
2021	2022		2022	2021
67	159	Vehicles, travel, freight, etc.	2,314	1,656
25,865	29,604	Maintenance, operations, machines, inventory and tools	74,547	45,375
5,404	5,936	Professional services	15,980	31,582
0	0	Sales and warranty expenses	4,053	6,784
789	871	Insurance premiums	3,471	2,978
5,060	693	Other operating expenses	9,137	9,440
<b>37,196</b>	<b>37,132</b>	<b>Other operating expenses</b>	<b>108,654</b>	<b>97,814</b>

## 7. Financial income

### Other financial income:

Parent company			Group	
2021	2022		2022	2021
20	14	Foreign exchange gains (agio)	127	67
14,631	20,324	Unrealized agio	20,324	14,631
94	89	Other financial income	325	32,405
<b>14,746</b>	<b>20,427</b>	<b>Total</b>	<b>20,776</b>	<b>47,103</b>

### Interest income from group companies

Parent company			Group	
2021	2022		2022	2021
47,512	52,517	Interest income from group companies	0	0
<b>47,512</b>	<b>52,517</b>	<b>Sum</b>	<b>0</b>	<b>0</b>

See note 11 for further information on the interest calculation basis.

### Interest income:

Parent company			Group	
2021	2022		2022	2021
22,281	20,277	Interest income from operational leases	22,872	22,622
0	241	Other interest income	0	0
<b>22,281</b>	<b>20,518</b>	<b>Sum</b>	<b>22,872</b>	<b>22,622</b>

See notes 12 and 18 for further information on the interest calculation basis.

## 8. Financial expenses

### Interest expense from group companies:

Parent company			Group	
2021	2022		2022	2021
		Interest expense from group companies	0	0
802	2 961			
802	2 961	Sum	0	0

### Interest expense:

Parent company			Group	
2021	2022		2022	2021
		Interest on loans from Brunstad Christian Church, associations, foundations and other lenders	81,597	68,758
66,743	71,127			
66,743	71,127	Sum	81,597	66,669

### Other financial expenses:

Parent company			Group	
2021	2022		2022	2021
135	7	Foreign exchange losses (disagio)	77	454
16,136	33,908	Unrealized disagio	33,908	16,136
0	67,955*	Other financial expenses	49,412	42,524
16,271	101,870	Sum	83,396	59,113

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

## 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 2022. Deferred tax/tax assets as of December 31, 2022, are therefore not included in the balance sheet of Brunstadstiftelsen. In the consolidated financial statements, however, 45,6 MNOK has been recorded in deferred tax assets accrued in the subsidiaries.

### 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 2022, part of Brunstadstiftelsen's income falls under Section 2, and tax has therefore been calculated in connection with this income in 2022.

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	
2021	2022		2022	2021
280	236	Tax payable on operating profit	302	280
0	0	Correction to taxation for previous years	0	0
0	0	Change in deferred tax	-12,875	-10,280
<b>280</b>	<b>236</b>		<b>-12,573</b>	<b>-10,080</b>

### Differences offset in group:

	2022	2021	Ending
Fixed assets	537,466	427,959	109,507
Receivables	-135	-799	-664
Gains and losses	17	21	-4
Carried-forward losses	-718,088	-610,714	-107,373
Accounting provisions	0	-787	787
Other temporary differences	-26,320	-607	-25,713
Differences not included in deferred tax assets	-132	1,417	-1,550
<b>Total</b>	<b>-207,192</b>	<b>-148,667</b>	<b>-58,525</b>
<b>Deferred taxation</b>	<b>-45,582</b>	<b>-32,707</b>	<b>-12,875</b>

## 10. 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
Brunstadeiendom AS	Moss	100%	30	0	30	30
<b>Book value</b>			<b>535,380</b>	<b>0</b>	<b>0</b>	<b>535,380</b>

## 11. 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 the lender on a monthly basis.

The loan is regarded as a construction loan and will not be repaid until 31.12.2025. Thereafter, the Loan shall be repaid as an annuity loan in accordance with an agreed 35-year repayment plan.

As at 31 December 2022, the balance of this loan is 1,216,1 MNOK.

In addition, Brunstadstiftelsen carries a loan of 100.2 MNOK to its subsidiary Oslofjord Holding and a loan of 30 MNOK to its subsidiary Brunstadeiendom AS.

## 12. Other non-current receivables

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

Parent company			Group	
2021	2022		2022	2021
254,840	182,573	Loan financing of agreements for operational leasing, 10-year agreements	182,573	254,840
115,483	93,511	Loan financing of agreements for operational leasing, 20-year agreements	93,511	115,483
0	5,596	Other non-current receivables	8,462	4,195
<b>364,708</b>	<b>276,084</b>		<b>284,546</b>	<b>374,518</b>

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.

## 14. 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	
2021	2022		2022	2021
9,936	8,235	Accounts receivable including group accounts receivable at face value.	11,582	52,179
-600	-600	Provision for doubtful debts	-815	-1,431
<b>9,336</b>	<b>7,635</b>	<b>Accounts receivable recorded in the balance sheet</b>	<b>10,767</b>	<b>50,748</b>

## 15. Bank deposits, cash and equivalents

The item includes restricted funds as follows:

Parent company			Group	
2021	2022		2022	2021
125	122	Restricted funds	5,523	4,680
<b>135</b>	<b>122</b>	<b>Total restricted funds</b>	<b>5,523</b>	<b>4,680</b>

## 16. Equity

### Parent company

	Share capital	Retained earnings	Total
Equity 01.01	1 000	1,007,425	1,008,425
Profit/loss for the year		-80,625	-80,625
Equity 31.12	1 000	926,799	927,799

### Group

	Share capital	Retained earnings	Total
Equity 01.01	1 000	848,780	849,780
Profit/loss for the year		-113,861	-113,861
Equity 31.12	1 000	734,919	735,379

## 17. Debts and mortgages

### Debt to financial institutions

Parent company		Group	
2021	2022	2022	2021
0	0	200,000	100,000
		Debt to financial institutions	

Bank loan with monthly, in arrears, interest payments. The loan will be repaid in full on 31.07.2025

### Debt to group companies

Parent company		Group	
2021	2022	2022	2021
80,111	105,204	0	0
		Debt to group companies*	

Relates to loans to Brunstadstiftelsen from:

- Samvirk Hotell AS: 84,0 MNOK
- Oslofjord Holding AS: 21,2 MNOK

### Other non-current liabilities

Parent company		Group	
2021	2022	2022	2021
521,399	586,254	586,254	612,744
		Loans from BCC Fund*	
1,079,094	1,098,094	1,098,094	1,079,094
		Loans from other associations and foundations**	
62,174	54,500	67,890	239,354
		Other debt***	
1 662 667	1,738,848	1,752,238	1,931,192

\* Loans from BCC Fund

- to Brunstadstiftelsen: Interest-bearing line of credit. Interest is calculated monthly and added to loan balance.

**\*\* Loans from associations and foundations**

	2022	2023	2024	2025	2026	Etter 2026
Acc. loan balance at 31.12	1,065,368	929,675	711,141	511,519	458,418	
Payment of interest and principal	-135,692	-135,692	-218,534	-199,621	-53,101	-405,317

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

Loans from associations and foundations consist of 51 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	
2021	2022		2022	2021
314,659	314,659	Long-term debt to financial institutions	514,659	514,659
314,659	314,659		514,659	514,659

**Book value of assets used as security for this debt**

Parent company			Group	
2021	2022		2022	2021
649,078	631,702	Buildings	3,814,823	3,355,428
170,318	170,318	Land	192,131	170,318
0	0	Equipment, operating assets	0	0
0	0	Accounts receivable	0	0
819,396	802,020		4,006,954	3,525,746

**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 2022.

**Guarantees**

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

## 18. 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	
2021	2022		2022	2021
410,880	410,880	Prepaid rental of suites/accommodation	2,523,978	2,499,198
-68,353	-79,794	- Revenue recognition	-418,475	- 314,901
342,528	331,084	Net prepaid suite/accommodation rental	2,105,502	2,184,297

## 19. Transactions and balances with BCC Foundation and subsidiaries, and other related parties

### BCC Foundation

Parent company			Group	
2021	2022		2022	2021
671	0	Operating income	45,710	420,622
0	0	Operating expenses	7,043	1,025
0	0	Financial income	0	0
19,668	18,003	Financial expenses	22,052	20,322
0	0	Current receivables	0	0
0	0	Non-current receivables	0	0
0	0	Current liabilities	0	0
521,399	586,254	Non-current liabilities	586,254	612,744

### Other related parties

In 2022, one of the board members invoiced fees to Brunstadstiftelsen for consultancy services. In total, this amounted to NOK 254,968, excluding VAT for 2022.

## 20. Other matters and events after reporting period

The recent years of pandemic, war in Europe, energy crisis and inflation have significantly affected Brunstadstiftelsen and its subsidiaries and altered the group's long-term financial plan. This has resulted in a shift in the group's long-term financial plan. 2022 was therefore also a special year where the focus has been on taking both cost-reducing measures, as well as increasing the income base.

The business mainly consists of large events. The above factors have already had a significant impact on income. We are therefore working on sales over the long-term and planning for new future large-scale events.

The construction project at the Oslofjord Convention Center has largely been completed. There is still some work to be done in relation to sports facilities.

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 focuses on liquidity management to ensure continued operations, so that future challenges can be met.

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. According to the plan, the demerger will be completed during 2023.

As part of this process, Brunstadstiftelsen sold several of its subsidiaries in 2022. As a result of the war in Ukraine and the economic sanctions that have been imposed on Russia, there has been great uncertainty related to the fair value of the shares in the Russian subsidiary of Global Investment Holding. In May 2022, the share value in the Russian subsidiary was written down, and the company was sold at a significant loss.

When Brunstadstiftelsen sold Global Investment Holding out of the group in December 2022, this write-down was reflected in the sale value and resulted in a loss on the sale of the Global Investment Holding shares of NOK 68 million.

In the first quarter of 2023, Samvirk Hotell AS is planned to be sold to Samvirk SA at a sale price equal to net equity. The book value of the shares for Samvirk Hotell AS in the parent company Oslofjord Holding AS was NOK 74.3 million as of 31.12.22. It has therefore been decided to write down the share value by NOK 62.1 million as of 31.12.22 to the expected selling price of NOK 12.2 million.





To the Board of Directors 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 Foundation), which comprise the balance sheet as at 31.12.2022, 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 31.12.2022, 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 2022, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of 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. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. 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, it is our opinion that the Board of Directors' report

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

### **Responsibilities of Management for the Financial Statements**

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, 23 June 2023

**PricewaterhouseCoopers AS**

Gøril Hyni  
State Authorised Public Accountant

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