AS PARKS

2021

ANNUAL REPORT
asparks.no

SKIMORE
OSLO • DRAMMEN • KONGSBERG

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asparks.no

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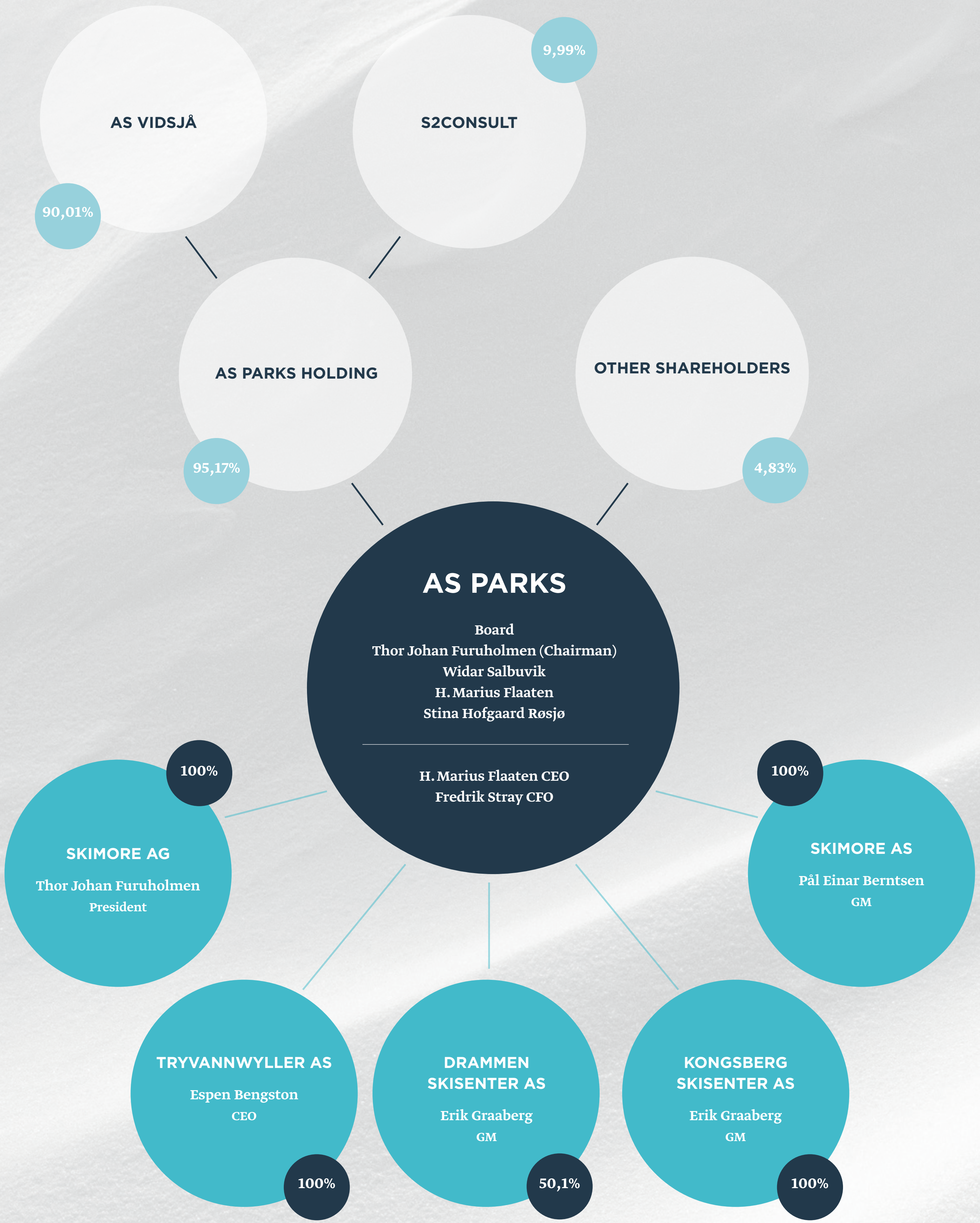
CONTENT

THIS IS AS PARKS

AS Parks is the parent company of the group.
We are forward-thinking, innovative, and have several different operations.
Our vision is "Activating People"



AS Parks is the parent company for the AS Parks group. AS Parks is responsible for the group's accounting, finance, and human resources functions. The company's offices are located in Oslo.

Legal name: AS Parks

Full-time employees: 6

Skimore Oslo is the fourth most visited ski resort in Norway and attracts more than 350.000 visitors in a normal year. Skimore Oslo's winter operations include the ski resort and all of its associated facilities such as ski school, rental, retail, and food and beverage. Sled rental at Frognersetern is also offered for members and guests, and is owned and operated by Skimore Oslo. Some of the food and beverage locations owned by Skimore Oslo are leased to external operators. The company's summer operations include the climbing park and bike rental. Skimore Oslo has its own management team led by their CEO, and is wholly owned by AS Parks.

Legal name: TryvannWyller AS

Full-time employees: 19

Seasonal employees: 219

Skimore Drammen is located on Åssiden in Drammen and had over 75.000 visits in 2021 fiscal year. Skimore Drammen's winter operations include the ski resort, ski school, rental, and retail. The Aron Tunet restaurant is owned by Skimore Drammen but is leased to an outside operator. The summer operations include a downhill mountain bike park, summer scenic chairlift, and bike rental. AS Parks owns 50,1% of Skimore Drammen. The remaining 49,9% of Skimore Drammen is owned by a group of four shareholders with Erik Graaberg owning 27,9%.

Legal name: Drammen Skisenter AS

Full-time employees: 8

Seasonal employees: 41

Skimore Kongsberg was acquired by AS Parks in May of 2020. Skimore Kongsberg operates the ski resort in Funkelia, which is located west of Kongsberg, and has now grown to more than 150.000 visits during the winter season. The ski resort offers 330 vertical meters of ski slopes

Legal name: Kongsberg Skisenter AS

Full-time employees: 9

Seasonal employees: 118

Skimore AS was established in 2018 and has driven the development and ongoing operation of the Skimore application. Skimore AS entered into an exclusive agreement with Skimore Oslo, Drammen, and Kongsberg to provide the sale of access in the form of memberships and guest passes as well as the marketing for all three locations. The main office is located in Oslo.

Legal name: Skimore AS

Full-time employees: 6

Skimore AG was established in October of 2021. The Skimore AG offices are located in Zollikon, which is just outside Zurich. Thor Johan Furuholmen and H. Marius Flaaten make up the current workforce. The company was established to create a foundation for the expansion of Skimore's business model.

Legal name: Skimore AG

Full-time employees: 2

AS PARKS HISTORY

Corporate

Investments

1998 - 2000

Furuholmen & Sundt acquire the Tryvann and Wyller Ski Resorts, and acquires Varingskollen Ski Resort in 2000.

2000 - 2014

The group raises capital to finance investments and to cover operating losses.

2001

The Oslo region's first express chairlift is built in Tryvann.

2003

The Hyttli area is developed and a new chairlift with a mid-station now connects Tryvann and Wyller.

2006

A new welcome center which includes a ticket office, ski rental, and retail shop is built in Tryvann.

2011/2012

A new Beginner area and Café/Restaurant is built in Tryvann. The Wyller area is developed to include three new slopes, a superpipe, a six-seater express chairlift and a ski service facility.

2015

A new strategy is implemented for the 2015/16 season.

2016

Varingskollen Ski Resort is sold to Hakadal Sports Club.

2016

The group pays its first dividend to its shareholders.

2017

A new snow production system is built in Wyller, which increases their snow production capacity substantially.

2018

Furuholmen buys Sundt's shares and changes the group's name to AS Parks. 50.1% of the shares in Drammen Skisenter AS are acquired. Flaaten buys 9.9% of the shares in AS Parks and is appointed CEO.

2018/2019

The group develops the Skimore application for the sale of memberships and guest access.

2020

Kongsberg Skisenter AS is acquired and AS Parks issues 2.4% of new shares to senior executives.

2020

Skimore starts building their organization, and rebrands all of the facilities in AS Park's portfolio. The Vidsjå restaurant at Tryvann with 300 seats is completed.

2021

Skimore AG is established in Switzerland

COMMENTS FROM THE CEO

We are Skimore!

At last – after multiple shutdowns, and restrictions in all operational segments, we were able to gather employees from all of our locations for a proper - We are Skimore - party in October 2021. It was an important milestone for our company, which over the last three years has gone from one to three ski resorts, doubled the number of employees, introduced a unique membership model, rebranded all resorts and invested extensively in both technology and customer experience.
In an industry reliant on snow there will be times when the weather will dictate our operations. The winter and holiday period leading up to the Covid-19 shutdown can be easily summarized with one word; wet. This warm weather coupled with the Covid-19 shutdown had a significant negative effect on the 2020 and 2021 resort operations. Nevertheless, we delivered good growth and solid financial results. A special thank you goes out to all of the employees who have worked so hard to get us to where we are today.

However, we must move on together!

Western Europe makes up about half of the skiers worldwide and that market is currently stagnant. The number of skiers and skier days in no longer growing, and hasn't for several years. *The usual reasons given for this range from climate change to an aging population, however we think these are excuses and not the root cause of the issue. The reality is that the price of access to a well-invested and modern ski resort has become insurmountable for many. The current reality is unlikely to improve as some players in the industry choose to remove visibility by implementing a dynamic pricing model, inspired by the aviation industry. This model can lead to more volatility in revenues and whether or not it will have a lasting positive effect on the bottom line remains to be seen. We believe implementing this model is a strategic mistake.

Ski resorts are competing for people's free time and are therefore competing with everything from a TV screen to a city holiday to a trip to warmer regions. A common attribute for industries that compete for people's free time is a large degree of corporate consolidation. Proven pricing as well as targeted and effective marketing are some of the advantages a consolidated company has over multiple smaller ones. The European alpine industry is still, with a few exceptions, very fragmented with countless small players.

Our business model, with the vision, "Activating People" has been proven in practice. The membership model will increase visitation and revenue. We believe that modern ski resorts with summer and winter operations are excellent candidates for creating a predictable cash flow with high year-round occupancy. Our business model will increase pricing visibility, future investment ability, and create a basis for further growth. Our goal is to get more people outside and active. The health benefits and sustainability of our business model support what we believe are integral global goals.

In autumn of 2021 Skimore AG was established with offices outside of Zurich, Switzerland. This will be the starting point in working towards our vision.

H. Marius Flaaten

*vanat.ch/RM-world-report-2020.pdf

KPIs

Key performance indicators

Visits, gives us the number of skier and other activity visits at each of the Skimore locations. The number of visits has a direct impact on what we can expect from ancillary revenue, such as retail, rental, food and beverage, and ski school revenue. Visits are accurately tracked and recorded by our access systems.

Yield per visit. The average yield per visit is calculated by dividing the total revenue from visitors by the number of visits.

Visitation frequency, gives us the number of times a unique member visits one of our locations. With the Skimore application and other access systems we are able to calculate this figure accurately for members. However, we are not currently able to do the same for guests.

In 2021, the sale of membership and guest passes made up 81% (78%) of AS Parks total revenue. Over the past six years we have pursued a strategy to increase customer loyalty and visitation frequency. This is based on the fact that the traditional way we priced our product did not optimize the number of visits or total revenue. Therefore, at the beginning of the 2015/16 winter season we made a fundamental change to our pricing strategy. Going into 2019/20 we launched the Skimore membership model which led to further increases in member loyalty and visitation frequency. In 2020 AS Parks purchased Kongsberg Skisenter AS, branded Skimore Kongsberg, to add to the membership offering, and to increase the potential membership base. Membership revenue increased by 41% versus 2019/20 and, the total access revenue increased by 57% compared to 2019/20.

ENVIRONMENTAL SUSTAINABILITY

AS Parks has winter and summer operations. Summer operations, which include two climbing parks and a downhill mountain bike park do not require an extensive amount of energy to operate. However, the winter operations, which includes three ski resorts and their associated facilities requires a substantial amount of energy and water consumption.

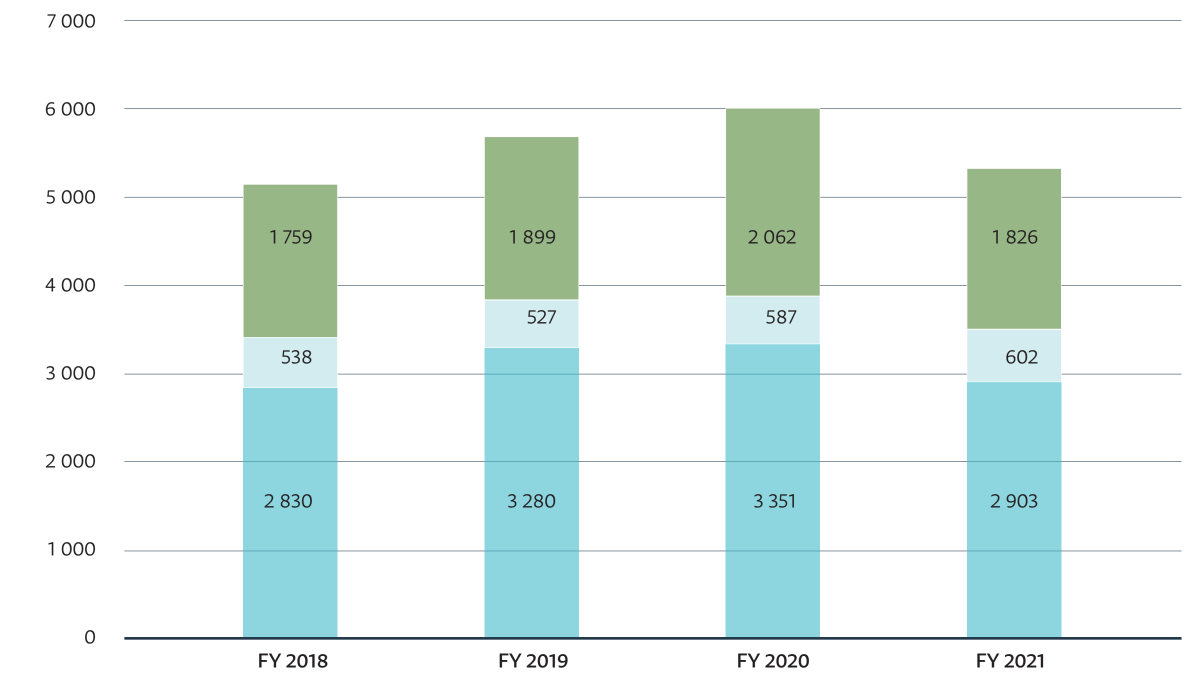
Continuous improvement is at the core of everything AS Parks does. The group is actively working on reducing both energy and water consumption. All of the Skimore resorts have installed systems in the snow grooming machinery to monitor snow depth throughout the season. This is an important tool for optimizing snow production and time spent on grooming. Furthermore, the group is continuing to invest in its snow production systems with the aim to have an energy efficient system. In the daily operations, the group is focused on optimizing lift operations and the use of lights in the slopes.

Multiple variables have an effect on energy and water consumption from year to year. Snow production is substantially more efficient at colder temperatures, between 5 and 7 degrees below zero, than at "marginal" temperatures between 2 and 3 degrees below zero. Furthermore, humidity, wind and water temperature have an impact on the snow production system's efficiency. The result of these factors is that the group's energy and water consumption varies from year to year.

In regards to water usage, all resorts use local water sources for snow production. When the artificial snow melts, it returns to these sources. The public authorities regulate water extraction strictly.

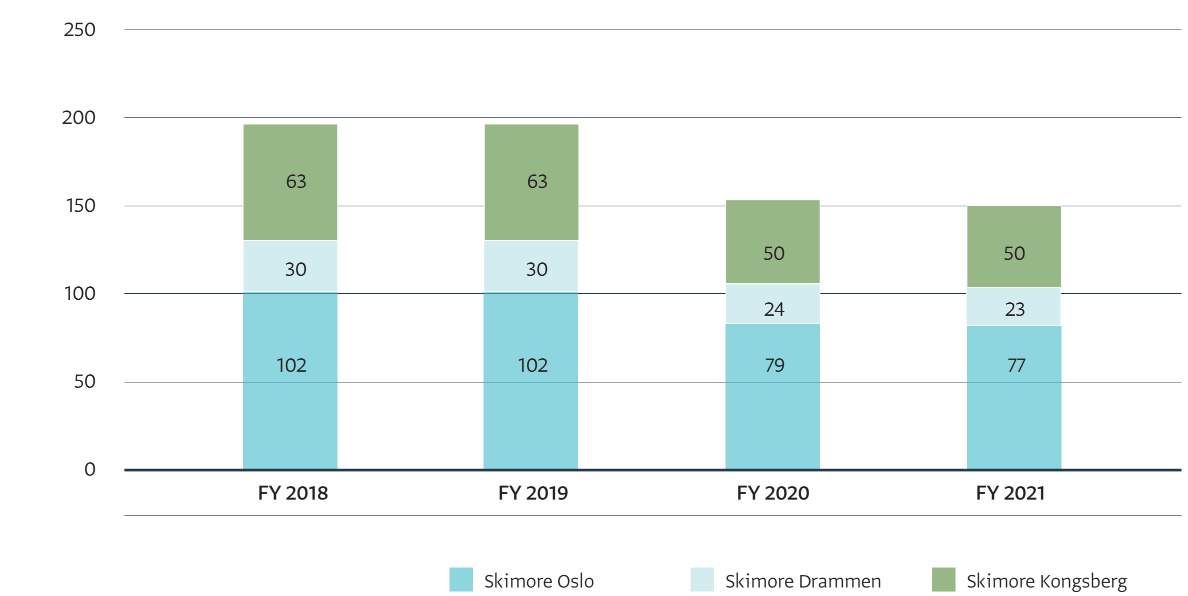
Energy consumption AS Parks

1 000 kWh



Diesel consumption AS Parks

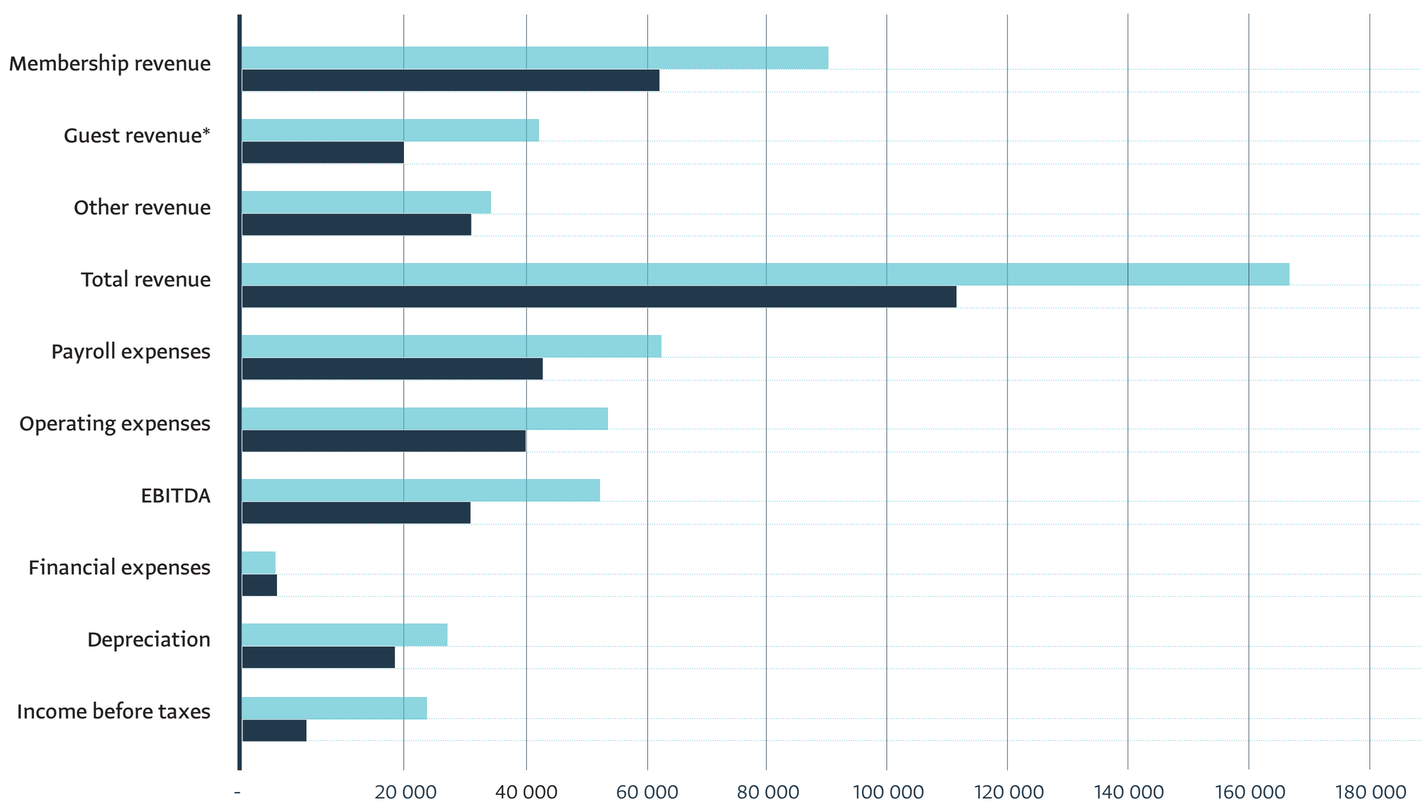
1 000 Liters



FINANCIAL RESULTS

AS Parks consolidated

Tnok

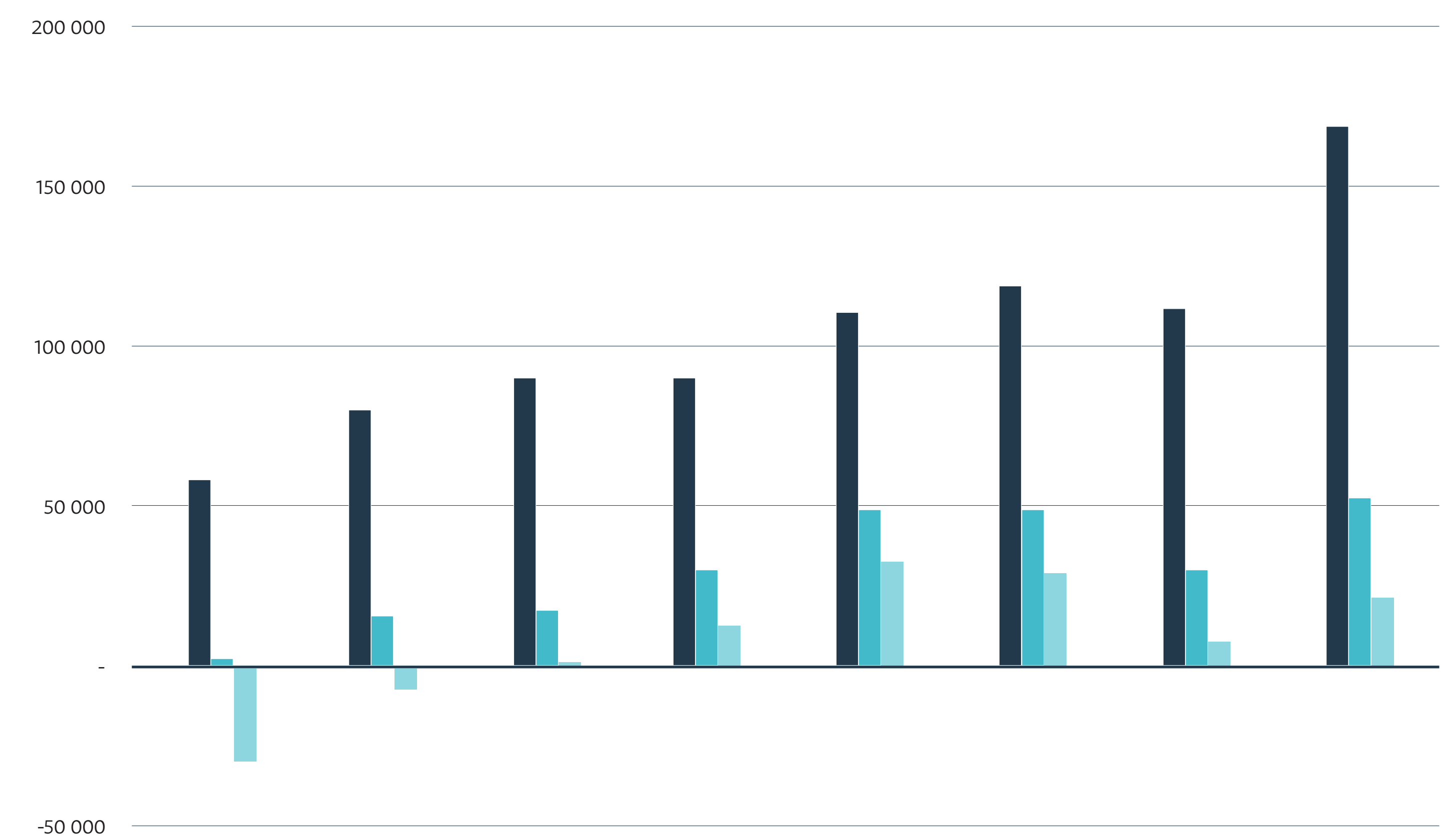


*Guest revenue - winter and summer guest visits

DEVELOPMENT AS PARKS

Year over year result

Tnok



	FY 2014	FY 2015	FY 2016	FY2017	FY 2018	FY 2019	FY 2020*	FY 2021*
Revenue	58 606	79 787	89 210	89 945	111 201	117 127	112 666	167 509
EBITDA	1 744	16 697	17 901	29 189	48 086	48 098	30 324	52 524
Income before taxes	-29 450	-7 988	196	13 241	32 114	28 458	7 711	22 594

* The closures and restrictions put in place due to Covid-19 had a negative impact on EBITDA in FY2020 and FY2021.

CORPORATE STRATEGY

VISION

Activating people

BUSINESS PLAN

To deliver long-term and predictable returns to the stakeholders through innovation.

GOAL

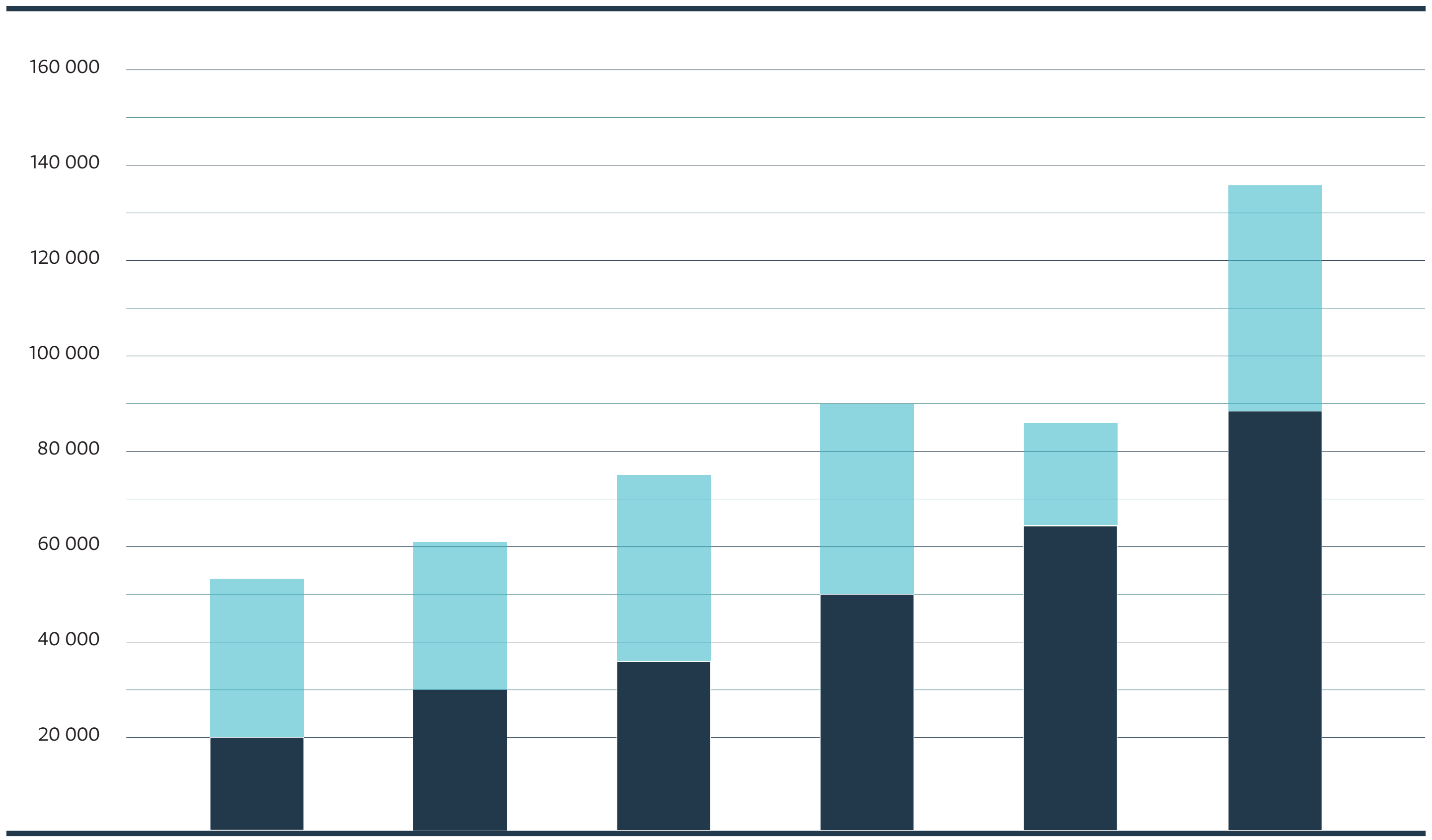
- Organic Growth
- Competitive advantage through Skimore model
- Technology development

ACCESS REVENUE

Through the membership model applied at AS Parks' facilities in Oslo, Drammen, and Kongsberg we have built up a base of highly predictable revenue, which helps to mitigate our financial risk significantly.
History shows us that the proportion of traditionally more volatile guest revenue is constant when access revenue increases. The exception being fiscal year 2020 and fiscal year 2021 with Covid-19 shutdowns and restrictions limiting visitor numbers.

Revenue by customer type

Tnok



	FY 2016	FY2017	FY 2018	FY 2019	FY 2020	FY 2021
Guest	34 289	32 272	40 240	39 898	23 450	47 145
Member	20 252	29 369	37 734	49 566	62 933	88 630

AS PARKS

Annual Report – Board of Directors AS Parks

1. **Business Overview**

The purpose of the AS Parks group is to own and operate ski resorts through subsidiaries, as well as the operations that accompany them. This includes owning and operating other companies with similar activities. The group owns:

- 100% of TryvannWyller AS, which operates the ski resort and summer activities branded Skimore Oslo
- 50,1% of Drammen Skisenter AS, which operates the ski resort and summer activities branded Skimore Drammen
- 100% of Kongsberg Skisenter AS, which operates the ski resort branded Skimore Kongsberg
- 100% of Skimore AS, which sells membership and guest access to the facilities through its own application. The company's business offices are in Oslo, Norway
- 100% of Skimore AG, which is focused on the expansion of the Skimore model internationally. The company's business offices are in Zollikon, Switzerland

2. **The basis for continued operation**

The group's financial statements have been prepared under the assumption of continued operations of the companies in the group. The board confirms that the assumption is present. The group's current liquidity reserves, revenue development and forecasts for 2022 are the basis for the board's assessment.

3. **Statement of income and financial position**

It is the board's opinion that the financial statements give a true and fair representation of the AS Parks group's assets, liabilities, financial position and financial results. The annual financial statements have been prepared in accordance with the Accounting Act and Generally Accepted Accounting Principles in Norway ("NGAAP").

The group has a positive equity as at the 31st of October 2021 amounting to MNOK 173 compared to MNOK 157 while the parent company has a positive equity amounting to MNOK 119 compared to MNOK 114 previous year. The board believes that the group has sufficient equity based on the risk and scope of the group's operating activities.

The group's operating revenues in the 2021 fiscal year was MNOK 168 compared to MNOK 113 in the 2020 fiscal year. The operating revenues of the parent company in the 2021 fiscal year was MNOK 0 compared to MNOK 0,2. The revenue growth of the group was due to several factors. The main being that Kongsberg Skisenter AS contributed to the full fiscal year. In the financial statements for fiscal year 2020 the company had expenses but no revenue. The Covid-19 restrictions were severe in fiscal year 2021. The group's resorts were not shut down, but had to put strict limitations on operations. Restrictions resulted in the canceling of guest ticket sales restricting daily visits, and limiting/stopping sales of food and beverage, ski school, rental and other goods and services. Even with these limitations, the group is satisfied with the organic year-on-year growth in revenues.

The group's net profit in the 2021 was MNOK 17,6 compared to MNOK 6,0 in the 2020 fiscal year. The net profit of the parent company in the 2021 fiscal year was MNOK 4,4 compared to negative MNOK 3,9 in the 2020 fiscal year. The main reason for the improved financial result of the group was due to the inclusion of a full fiscal year for Kongsberg Skisenter AS in the consolidated financial statements. The Covid-19 restrictions resulted in reduced revenue, but increased expenses. The resorts had to increase staff to be able to follow the rules and regulations put in place to slow the spread of Covid-19. This was offset somewhat by a late opening of the winter resorts. Furthermore, staffing in Skimore AS has been increased to handle the growth in members and guest sales through the Skimore application. The growth in other operating expenses is a result of increased expenses in Skimore AS and seasonal variations in the resorts.

Net cash flows from operations for the group was MNOK 44,4 compared to MNOK 26,2 last year which was mainly due to improved results. For the parent company net cash flows from operations was MNOK -7,2 which was the same as last year. Net cash flows from investing activities was MNOK 33,4 for the group which mainly relates to investments in fixed assets and acquisitions. Net cash flows from financing activities for the group amounted to MNOK 9,7 which relates to proceeds from share capital issues and repayment of loans. A share issuance was conducted in AS Parks. One external investor and selected key employees in the group participated with a total capital contribution of MNOK 15,4. Liquidity is, in large part, secured through positive cash flows from operations and the group's credit facilities. Despite the pandemic, the group has managed to pay installments on loans in line with existing loan agreements. Based on operations in the period leading up to the presentation of the financial statements and liquidity forecasts for the next 10 months, the group's liquidity is considered to be satisfactory at the time of financial reporting.

The group's equity ratio is 53% of the total capital as at year-end 31 October 2021. The net result of TNOK 4 442 in the parent company is proposed to be allocated to dividends with TNOK 15 000 and with TNOK 10,558 from share premium reserve.

4. Working Environment

The group provides a good working environment. Registered sick leave was 2.9% in 2021. The board is pleased the group is able to maintain a low level of sick leave in light of the challenges that have arisen due to the current pandemic. The group aims to maintain this level of sick leave going forward. Employees on sick leave are actively followed up on by their direct report. Leadership teams are focused on creating a positive and safe working environment. There were no serious accidents or injuries in the workplace during the financial year. The Board of Directors, CEO, members of the management team and other employees that can, or have management responsibilities, are all covered by the Group's board and management insurance. The insurance cover all companies in the Group. The insurance covers all personal claims towards the individual regarding third party injuries and property damage. The insurance also covers reasonable cost regarding communication consulting and psychological treatment if this is deemed necessary.

5. Gender equality

As of the 31st of October 2021, the group had 47 permanent employees who performed 42 year-long assignments. 14 permanent employees are women. In addition, the group had 378 seasonal employees throughout the year. The seasonal employees performed a total of 61 year-long assignments. 37% of the seasonal employees were women. The group has not found it necessary to implement any special measures in relation to gender equality. The board consists of one woman and three men.

6. Conditions in the business that may affect the external environment

The board and owners are focused on sustainability, and health and safety. The group does not significantly pollute the environment, and places great emphasis on operating in an environmentally friendly manner. The group is focused on continuous improvement and focus on identifying environmentally friendly solutions to reduce the group's impact on the environment. The group has several partners who facilitate in ensuring as many people as possible have access to the group's offerings. There were no serious accidents at any of the group's facilities in the 2021 fiscal year.

7. Financial Statements

The groups financial statements and notes provide a comprehensive overview of the company's financial position and financial results for the last fiscal year.

8. Prospects

The group is focused on long-term growth through the development of TryvannWyller AS, Drammen Skisenter AS, Kongsberg Skisenter AS and Skimore AS. In fiscal year 2021, the group had a nine percent increase in the number of visits compared to fiscal year 2019, the last "normal" operating year. This is satisfactory when considering the restrictions, the resorts have operated under in fiscal year 2021, and the late opening of the resorts. The board emphasizes that there is uncertainty related to the future development of the group, but believes that the group will see significant growth in visits and revenues through further development of the resorts. There are a number of plans for further investments to be made at the resorts which will improve the customer experience as well as create a more dynamic and robust organization for the future. The group expects to continue to deliver profits in the future.

9. Measures against discrimination

The group works actively against discrimination. No distinction is made between employees on the basis of ethnicity, gender, language, or outlook on life. Every effort is made to facilitate for people with disabilities.

10. Financial Risk

The group is exposed to interest rate risk through bank loans with Danske Bank (NIBOR+Margin). The group has limited currency risk as it invoices very few customers in a foreign currency, and purchases very little from foreign vendors. Larger investments with foreign currency exchange exposure are generally secured through forward contracts. The credit risk is also low. Most of the revenue comes in the form of cash purchases from guests. The group believes that the current percentage of receivables lost to bad debt is acceptable and has decided that credit checks for major customers are not necessary. The group operates ski resorts, which are very seasonal and weather dependent. Due to this the liquidity risk is significant. This risk is limited in several ways. The strong increase in membership sales has a positive effect on the group's liquidity and its ability to produce forecasts. Furthermore, summer operations, which are less weather dependent, provide liquidity through the year. Investment in snow production systems, which extend the season in dryer years also increases the group's liquidity. Finally, a large percentage of the work force is seasonal, allowing the group to staff up or down depending on the time of year.

11. Covid-19 Risk assessment

The board and the group's management team follow the ongoing development of the Covid-19 pandemic and the authorities' recommendations closely, and have implemented several Covid-19 safety measures in the ski resorts and summer activity centers to comply with the current infection control rules. The main safety measures put in place are, ensuring the proper distance is maintained between different family groups and individuals, pre-ordering tickets online, and capacity restrictions in accordance with the national infection control council. Since the WHO declared Covid-19 an emergency for public health on the 30th of January 2020 the situation has been unpredictable. Therefore, uncertainty will continue to shape the near future, and at the time the annual financial results were presented management is unable to estimate the full extent and duration of the financial and business effects of Covid-19.

In addition to what has been discussed above, no significant events have occurred since the end of year balance sheet date which would materially affect the financial statements.

Oslo, 7th of February. 2022

Thor Johan Furuholmen
Chairman of the board
AS Parks

Harald Marius Flaaten
Board member
AS Parks

Widar Salbuvik
Board member
AS Parks

Stina Hofgaard Røsjø
Board member
AS Parks

THE BOARD OF DIRECTORS

Chairman of the Board

Thor Johan Furuholmen

Thor Johan Furuholmen, born 1973, holds a Master of business administration from Heriott-Watt University in Edinburgh, Scotland. Thor Johan owns and manages AS Vidsjå, a private investment company in Oslo. Thor Johan has 25 years of experience in the financial markets and has established a number of management companies in Norway as well as England. From 1997 to 1999 Thor Johan worked as a stockbroker for D. Carnegie AB, UK Branch, and from 2000 to 2002 as a stockbroker for Morgan Stanley, London.

AS Vidsjå has, among other companies, active ownership in the real estate company Furuholmen Eiendom AS, the retail clothing company Amundsen Sports AS, Taiga Fund Management, Bien Sparebank1, and Equitile Investments PLC.

Thor Johan is the chairman of the board for AS Vidsjå, and a board member for Furuholmen Eiendom AS, Taiga Fund Partners AS and Taiga Fund Management AS.

Board Member

H. Marius Flaaten

H. Marius Flaaten, born 1972, holds a Bachelor Degree in economics from BI Norwegian School of Management, as well as commander training from the Norwegian Armed Forces. He grew up in Beiostølen where his family built and operated Beito, Høyfiellshotell and Beitostølen ski lifts.

Marius has extensive finance experience through obligation and as a stockbroker at Pareto, Nordea, and ABG. In 2012 he took the job as General Manager in the newly formed company Alpinco, which eventually became the owner of Hafjell Alpinsenter and Kvitfiell Alpinanlegg. From 2015 Marius worked as a strategic development consultant, spending the majority of his time working for AS Parks and

In 2018, Furuholmen and Flaaten agreed on an appropriate ownership structure for AS Parks' consolidation and Marius took on the role of CEO.

Board Member

Widar Salbuvik

Widar Salbuvik, born 1958, holds a Master Degree in economics from the Norwegian School of Management in Bergen. He manages his own investments. Widar has years of experience gained by serving on the board in multiple private and publicly listed companies, but with an emphasis on family-owned companies. He stands, among other things, behind the «Board Leadersh ip School».

Widar founded and led the brokarage house Pareto after being employed as a scientist assistant from 1982 to 1983 at NHH and as a broker at Fearnley Finans AS from 1983 to 1986.

Widar is the chairman of the board for Nysnø Klimainvesteringer AS, Havfonn AS, Asset Buyout Partners AS, Skolt Holding AS, HR Gruppen AS and many others. Widar is on and a member of the corporate assembly of Telenor ASA, and a board member for Entra ASA, Zeiner Gruppen AS, and Kings Bay AS. He was also previously chairman of the board at Argentum, Pareto, Furuholmen Eiendom AS, Troms Offshore, Fesil, Sævik Supply and Oslo Børs ASA.

Board Member

Stina Hofgaard Røsjø

Stina Hofgaard Røsjø, born 1979, holds a Master Degree in management from BI Norwegian School of Management. Stina is a former alpine skier, and spent 6 years on the Norwegian national ski team. She has a world cup victory in giant slalom from 2002 as well as other podium positions. Stina competed in the 2002 Olympic Games in Salt Lake City. After her ski racing career Stina gained 14 years of experience in the media industry where she has worked for Schibsted within business and organizational development/HR. Her latest role was HR Director for the Norwegian newspaper VG. Today she runs her own company "Mowe Røsjø", which offers organizational development consulting services. She also collaborates closely with "Ordtilhandling", a company which specializes in leadership development for individuals with a background in sports. She joined AS Parks' board in 2021

LEADERSHIP GROUP

Pål Einar Berntsen
Skimore

Born: 1966
Education: BI

Other positions:
Several board positions in the IT industry

Other experience:
Pål has led and built various IT companies over the years. He also has experience in the alpine industry through 9 years as CEO of View Software, a supplier of maintenance management systems to, among others, the ski industry.

AS Parks / Subsidiaries current position since:
2019

Espen Bengston
Skimore Oslo

Born: 1969
Education: Pilot / Photographer

Other experience:
GM Varingskolen Alpinsenter AS

AS Parks / Subsidiaries current position since:
2014

Øivind Karlsen
Skimore shop, rental, and sled rental

Born: 1967
Education: BI

Other experience:
Extensive experience in the alpine industry with Skiservice AS, parts of which were acquired by AS Parks in 2008, focusing on retail, rental, and ski workshop for 28 years.

AS Parks / Subsidiaries current position since:
2020

Erik Graaberg
Skimore Drammen & Kongsberg

Born: 1964
Education: BI

Other experience:
Spent two years working for Esso Norway, and eight years at Aass Breweries. In 1990 Erik took over responsibility for Drammen Turheis AS, and in 1991 bought the shares in the company. In 1994 he founded Drammen Skisenter AS and has been working there as the general manager since 1998. In October of 2018 the majority of the share in Drammen Skisenter AS were sold to AS Parks and Drammen Skisenter AS became a subsidiary of AS Parks.
AS Parks / Subsidiaries current position since:
1998

AS Parks / Subsidiaries current position since:
1998

Fredrik Stray
AS Parks

Born: 1975
Education: Masters of Business Administration from BI Norwegian Business School

Other experience:
Fredrik has worked in financial management and business development since 2001. He has extensive experience gained by working from companies such as Det Norwegian Veritas, and Tine. He also worked as a consultant for a smaller consulting company where his main focus was streamlining work processes.

AS Parks / Subsidiaries current position since:
2012

ANNUAL REPORT 2020/2021

AS Parks Group

Income statement

OPERATING INCOME AND OPERATING EXPENSES	Note	2021	2020
Revenue	2	165 221	111 724
Other operating income		2 287	942
OPERATING INCOME		**167 509**	**112 666**
Cost of goods sold and consumables used		9 605	6 446
Payroll expenses	5	58 504	38 520
Depreciation and amortisation expense	7, 8	25 921	18 625
Other operating expenses	4, 5	46 876	37 376
OPERATING EXPENSES		**140 905**	**100 967**
OPERATING PROFIT		**26 604**	**11 699**
FINANCIAL INCOME AND EXPENSES			
Income from subsidiaries and other group entities		0	0
Interest income from group entities		0	0
Other interest income		674	355
Other financial income		188	300
Interest expense to group entities		0	0
Other Interest expenses		3 609	3 367
Other financial expenses		1 262	1 219
NET FINANCIAL INCOME AND EXPENSES		**-4 010**	**-3 930**
OPERATING RESULT BEFORE TAX		**22 594**	**7 768**
Tax on ordinary result	10	4 999	1 738
NET PROFIT		**17 595**	**6 031**
Minority share	11	488	-491
MAJORITY SHARE	11	17 107	6 522
DISTRIBUTIONS AND TRANSFERS			
Dividends		0	0
To (+) from(-) share premium reserve		0	0
TOTAL DISTRIBUTED		0	0

Balance sheet

ASSETS	Note	31.10.2021	31.10.2020
FIXED ASSETS			
Intangible fixed assets			
Software applications	7	24 634	20 454
Goodwill	7	13 140	8 977
Other intangible assets	7	1 269	1 807
Total intangible assets		**39 043**	**31 238**
Tangible fixed assets			
Buildings and land	8	86 205	84 180
Ground works	8	85 747	89 584
Machinery	8	105 162	114 280
Equipment and other movables	8	8 306	3 338
Total tangible fixed assets		**285 420**	**291 381**
Financial fixed assets			
Loan to related parties/ shareholders	5	7 690	7 000
Investments in shares		11	11
Total financial fixed assets		**7 701**	**7 011**
TOTAL FIXED ASSETS		332 163	329 629
CURRENT ASSETS			
Inventories	3	3 481	2 825
Debtors			
Accounts receivables	13, 14	4 548	914
Other receivables		6 976	9 465
Total debtors		**11 524**	**10 379**
Cash and bank deposits	1	3 579	2 368
TOTAL CURRENT ASSETS		18 584	15 572
TOTAL ASSETS		350 747	345 202

Balance sheet

ASSETS	Note	31.10.2021	31.10.2020
EQUITY AND LIABILITIES			
Restricted equity			
Paid in equity	11, 12	3 178	3 178
Share premium reserve	11	115 845	110 984
Total restricted equity		**119 022**	**114 161**
Retained earnings			
Other equity	11	42 584	32 622
Total retained earnings		**42 585**	**32 622**
Non-controlling interests	11	11 148	10 472
TOTAL EQUITY	11	172 755	157 256
LIABILITIES			
Provisions			
Deferred tax	10	27 270	22 537
Total provisions		**27 270**	**22 537**
Other long-term liabilities			
Loans to financial institutions	9, 13	89 211	104 957
Other long term loans		1 999	4 639
Total of other long term liabilities		**91 210**	**109 595**
Current liabilities			
Loans to financial institutions	9	15 982	8 967
Other interest bearing debt		4 255	21 327
Trade creditors	14	9 836	8 956
Tax payable	10	309	0
Public duties payable		3 226	2 668
Dividends		15 000	0
Other short term liabilities		10 906	13 896
Total short term liabilities		**59 513**	**55 814**
TOTAL LIABILITIES		177 993	187 946
TOTAL EQUITY AND LIABILITIES		350 747	345 202

AS Parks board. Oslo, 7th February 2022

Thor Johan Furuholmen	Harald Marius Flaaten	Widar Salbuvik	Stina Hofgaard Røsjø
Chairman of the board	Board member	Board member	Board member

Statement of cash flows

CASH FLOW	Note	2021	2020
Cash flows from operating activities			
Profit/loss before tax		22 594	7 768
Loss/gain on the sale of fixed assets		35	1 603
Depreciation and amortization expense	7, 8	25 921	18 625
Change in inventory		-628	360
Change in accounts receivable		-3 633	234
Change in accounts payable		880	-3 875
Net change in other accrual items		-813	1 477
Net cash flows from operating activities		**44 356**	**26 193**
Cash flows from investment activities			
Proceeds from sale of fixed assets	7, 8	661	592
Payments for purchase of fixed assets	7, 8	23 631	42 514
Payments for shares in subsidiaries		9 995	37 124
Payments to group companies/ shareholders		479	7 000
Net cash flows from investment activities		**-33 444**	**-86 046**
Cash flows from financing activities			
Proceeds from the issuance of new long-term loans	9	0	26 493
Proceeds from the issuance of new current loans		0	10 000
Payments from the repayment of long-term loans		18 003	0
Payments from the repayment of current loans		10 712	0
Net change in bank overdraft	9	7 014	8 967
Proceeds from share capital increases	11	12 000	10 000
Payment of dividends	11	0	12 000
Net cash flows from financing activities		**-9 701**	**43 460**
Net change in cash and cash equivalents		1 212	-16 394
Cash and cash equivalents at the start of the period		2 368	18 762
Cash and cash equivalents at the end of the period	**1**	**3 579**	**2 368**

AS PARKS

Summary of significant accounting principles

Basis of preparation

The consolidated financial statements of AS Parks and its subsidiaries (collectively, "the Group") covers the period 1 November 2020 to 31 October 2021. The Group is the leading operator of ski resorts in the greater Oslo area in Norway and offers high-end outdoor activities all year-round. Access to the ski resorts is granted primarily through subscriptions and single day passes sold through its subsidiary Skimore AS. The Group currently operates three ski resorts and two summer parks.

The consolidated financial statements of the Group comprise consolidated statement of profit and loss, consolidated statement of financial position, consolidated statement of cash flows and related notes. The consolidated financial statements have been prepared by the company's Board of Directors and management in accordance with the Accounting Act and generally accepted accounting principles in Norway "NGAAP".
The Board of Directors' report and the auditor's report are an integral part of the financial statements.

For income statement, balance sheet and statement of cash flows of the parent company we refer to the official consolidated financial statements of AS Parks for 2020/2021. These official consolidated financial statements can be obtained on request sent to company's administration; AS Parks, P.B. 58 Slemdal, 0710 Oslo, Norway.

Consolidation

The consolidated financial statements comprise the financial statements of AS Parks and its subsidiaries. The subsidiaries are consolidated when control is achieved. Generally, there is a presumption that a holding of majority of the voting rights results in control. However, the Group considers all relevant facts and circumstances when assessing whether it has power over an investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group looses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss is attributed to the equity holders of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented within equity separately from the equity attributable to the owners of the parent. For each business combination non-controlling interests are measured initially, at either the proportionate fair value of net identifiable assets or of fair value of those interests at the date of acquisition.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Consideration in excess of or lower than carrying amount of non-controlling interests is recognized to equity attributable to the owners of the parent.

The subsidiaries of AS Parks are presented below:

The following companies were a part of the group as of 31.10.2021	**Office**	**Shareholding and the group's office voting ownership share**
TryvannWyller AS	Oslo	100%
Skimore AS *	Oslo	100%
Drammen Skisenter AS	Drammen	50,1%
Kongsberg Skisenter AS	Kongsberg	100%
Skiservice Tomm Murstad jr. AS**	Oslo	100%
Skimoe AG	Zollikon, Switzerland	100%

* In April 2021 AS Park acquired additional 9,99% of the remaining shares and increased its ownership to 100% in Skimore AS.
** 100% of the shares in Skiservice Tomm Murstad jr. AS was acquired 22 October 2021. Consequently, the consolidated financial statements comprise the financial positions as at 31 October 2021 and there was no profit or loss effects for the year ended 31 October 2021

Estimation uncertainty

The preparation of the consolidated financial statements in conformity with NGAAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Reassessments of accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Classification principles

Assets with a maturity of one year or less and assets the Group expects to realize, or intends to sell or consume, in its normal operating cycle are presented as current assets in the financial statements. Assets held for long term use or long-term ownership are presented as non-current assets.

Revenue

The Group's revenue consists of revenue from membership subscriptions and single- or multi day visit passes, ski equipment and clothing, rentals (skis, bikes, etc), ski school, ski repairs, events and sale of food and beverages.

Members subscribe for 12 months from the month they become members, where members upon subscription elect to pay 12 months upfront or in monthly instalments. Membership revenue is recognized according to a straight-line method over the subscription period, as the Group offers access to the resorts year round. Other revenue is recognized at the time of delivery of services and goods.

Taxes

The tax expense in the income statements consists of current taxes payable and changes in deferred tax/deferred tax assets.

Deferred tax/deferred tax assets are calculated based on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Intangible assets

The Group has identified and capitalized acquired goodwill and customer relations as intangible assets, in addition to capitalized software development expenditures for the Skimore application

Research and development

Expenditures related to development are capitalized as intangible assets when a reliable measurement of the cost can be performed and an identifiable future economic benefit can be justified. When this is not the case, the expenditures related to development is expensed when incurred. The Group has an ongoing project that is eligible for "SkatteFUNN" funding. The project period is 2020 until 2022. In the case a government type grant is received in relation to a capitalized R&D/IT-project, the cost of acquisition is reduced with the grant at the time of capitalization and amortization.

Property, plant and equipment

Property, plant, and equipment are recognized at cost of acquisition less depreciation and impairment charges. These assets are recognized at acquisition cost less depreciation and impairment charges. Acquisition cost includes costs directly associated with the acquisition of a certain item of property, plant and equipment.

Costs that significantly increase the life of assets and/or increase capacity are capitalized as enhancements as part of the property, plant and equipment, when it is probable that future economic benefits associated with the expense will flow to the Group, and the expense can be reliably estimated. Other repair and maintenance costs are recognized in the income statement when incurred.

Property, plant and equipment that are available for use are depreciated according to a straight-line plan, so that the acquisition costs of property, plant and equipment are depreciated to their residual value at the annual depreciation over their estimated useful lives.

The book value of the company's assets is reviewed on the balance sheet date to assess whether there are indications of impairment. If there are such indications, the asset's recoverable amount is estimated.

Impairment losses are recognized in the income statement when the carrying amount of an asset or cash- generating unit exceeds recoverable amount.

The recoverable amount is the higher of the net selling price and value in use. Value in use
is calculated by discounting expected future cash flows to present value by using discount rate before tax that reflects the market's pricing of the time value of money and the risk associated with the specific asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group determine the recoverable amount of the cash-generating unit to which the asset belongs.

Shares in subsidiaries, associates and other companies

Shares in subsidiaries and shares in associates are presented according to the cost method in the parent separate financial statements. If the fair value of these shares is lower than the carrying amount and this reduction in value is not regarded to be temporary, a write down of the shares is recorded to reflect the fair value in the financial statements.

Dividends, group contributions and other distributions of retained earnings from subsidiaries is recognized as financial income. Distributions exceeding the portion of retained equity after the purchase are reflected as a reduction in the carrying amount.

Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less necessary cost to sell. The cost of inventories is measured using the first-in, first-out (FIFO) method and includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Receivables

Accounts receivable are amounts due from customers for services and products sold as part of the ordinary course of business. Accounts receivables are initially measured at the transaction price and allowance for losses is recognized when there are objective indicators that the recoverable amount is lower than the transaction price. Allowance for bad debt consists of the difference between nominal value and fair value, which is the present value of expected cash flows to be received.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as payroll expenses in the periods during which services are rendered by the employees.

The Group has defined contribution pension plans for its employees. These plans satisfy the statutory requirements in the Norwegian law for mandatory pension plan for employees ("lov om obligatorisk tjenestepensjon").

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash, and these assets are subject to an insignificant risk of changes in fair value and have a maturity of three months or less from the acquisition date. The revolving credit facilities are presented in the balance sheet under short-term debt.

The consolidated statements of cash flows are prepared using the indirect method where the Group's cash flow has been broken into cash from operating-, investing- and financing activities.

Adjustment of opening balances to the comparable consolidated financial statements

In connection with the acquisition of a 50.1% ownership interest in the subsidiary Drammen Skisenter AS and the acquisition of 90,1% ownership interest in the subsidiary Skimore AS in 2018, no excess values were calculated on a 100% basis, for assets and liabilities in addition to goodwill, but only for the majority share. When presenting the consolidated financial statements for 2018/2019, historical acquisition analyzes are used as a basis, but where the added value recognized in the comparative figures for the 2019/2020 consolidated financial statements have been corrected to reflect excess values on a 100% basis. Goodwill is not allocated to minority shareholders.

	Adjusted balance sheet values at 01.11.2019	**Reported balance sheet values at 01.11.2019**	**Change**
Goodwill	1 797	1 101	696
Software applications	10 268	10 038	230
Ground works	44 569	34 493	10 076
Other equity	-1 499	-1 458	-41
Minority	10 963	2 619	8 344
Deferred tax	11 680	8 982	2 698

1 : Cash and cash equivalents

	2021	2020
Bank deposits*	1 934	1 628

* This is restricted deposits related to taxes withheld from employees.

2 : Sales

Sales by subsidiary	2021	2020
TryvannWyller	85 580	94 997
Drammen Skisenter	18 089	14 295
Kongsberg Skisenter	38 564	1 816
Skimore	22 988	592
Other	0	24
Total	165 221	111 724

3 : Inventory

	2021	2020
Inventory valued at cost	3 523	2 839
Provision for obsolescence	-42	-14
Total	3 481	2 825

4 : Operating expenses

Annual lease costs and commitments related to long term lease agreements for fixed assets.

	Duration	1 year	1-5 years	< 5 years
Ground areas	21 - 77 years	1 403	7 015	39 888
Rent of premises	1 - 4 years	827	2 649	0
Machinery and vehicles	1 - 5 years	1 864	5 497	0
Total		4 094	15 160	39 888

5 : Payroll expenses and audit fees

	2021	2020
Wages	49 316	32 658
Social security contributions	7 143	4 507
Pensions	1 283	907
Other personnel expenses	762	449
Total	58 504	38 520

Average number of FTEs	103	70

The group is obliged to have an occupational pension scheme in accordance with the Act on Mandatory Occupational Pensions. The group's pension schemes satisfy the requirements of this Act.

Remuneration executive personnel	Managing Director	Board
Wages	1 822	215
Pensions	91	0
Other personnel expenses	1	0
Total	1 914	215

AS Parks has not provided loans to nor issued any financial guarantees in favor of the Managing Director. AS Parks has provided loan to the below listed shareholders to finance share purchases in AS Parks under the management incentive program. The interest rate is set to 3% p.a. These loans become due for payment once the employees sells their shares in AS Parks or in the employee's investment company.

Shareholder	2021	2020
Code Zero AS	2 048	1 988
EG Holding AS	2 048	1 988
Stray Invest AS	2 048	1 988
Snowy Consulting AS	346	336
Breiangen AS	721	700
Total	7 213	7 000

Expensed remuneration to the auditor, excluding VAT, is as follows:

	2021	2020
Audit services	1 004	921
Other asurance services	220	0
Other services	515	309
Total	1 739	1 230

6 : Subsidiaries

Parent company
Investments in subsidiaries are booked according to the cost method.

Subsidiary	Profit/loss 2021	Equity 2021	Book value
TryvannWyller AS	12 132	152 981	107 777
Skimore AS	5 655	1 742	5 100
Drammen Skisenter AS	1 549	6 929	12 753
Kongsberg Skisenter AS	5 567	15 302	56 585
Skiservice Tomm Murstad jr. AS *	69	71	4 560
Skimore AG	-132	786	936
Total			187 711

Skiservice Tomm Murstad jr. AS:
AS Parks acquired the shares in Skiservice Tomm Murstad jr. AS on the 22. October 2021. As the company became part of the Group at year end the 2021 income statement does not include results from operations. The purchase price was settled in a combination of shares issued in AS Parks and loans issued from previous owners in Skiservice Tomm Murstad Jr AS.

Consideration paid:	
Shares in AS Parks	3 380
Loan from Tomm Murstad	1 180
Purchase price	4 560

Purchase price allocation:	
Purchase price	4 560
Equity	71
Goodwill	4 489

The loan from Tomm Murstad becomes due in October 2022. All of the excess value within Skiservice Tomm Murstad jr. AS has been allocated to goodwill in the company's purchase price allocation. The allocated goodwill will be amortized over a period of 5 years.

Kongsberg Skisenter AS:
AS Parks acquired Kongsberg Skisenter AS as of 1. May 2020. The comparative number in the group income statement includes the results from Kongsberg Skisenter AS only for six months; from 1 May to 31 October 2020. As this is the summer season with very limited activity, the group income statement for the financial year ended 31 October 2020 has primarily been negatively affected by operating expenses with very limited revenue from Kongsberg Skisenter AS. The group income statement for the financial year ended 31 October 2021 include a full year of results from Kongsberg Skisenter.

Purchase price allocation:	
Purchase price	44 585
Equity	985
Excess values	43 600

Excess values:	
Goodwill	7 369
Customer relations	1 119
Groundworks	45 332
Deferred tax	-10 219
Excess values	43 600

7 : Intangible assets

The parent company has no intangible assets.

Group	Goodwill	IT-solution	Customer relations	Web-page	Total
Purchase cost as of 01.11	9 225	20 454	1 119	828	31 625
Additions	4 489	7 101	0	0	11 590
Disposals	0	0	0	0	0
Purchase cost as of 31.10	13 714	27 555	1 119	828	43 216
Acc. depreciation 01.11	247	0	140	0	387
This year's ordinary depreciations	326	2 920	280	259	3 785
Acc. depreciation disposals	0	0	0	0	0
Acc. depreciation 31.10	574	2 920	419	259	4 173
Net book value	13 140	24 634	699	569	39 043
Economic life	5 and 30 years	7 years	4 years	3 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line	

The parent company has no intangible assets.

In connection with acquisition of subsidiaries with ski resorts significant portions of the excess values have been allocated to ground works, see note 6. These excess values generate a technical goodwill related to absence of tax amortizations related to fair value allocations. Consequently, this portion of goodwill is amortized over the same period as the attributable excess values related to ground works.

During the financial period of 2018/2019 and 2019/2020 the Group has developed a web and application system for supporting sales of subscriptions and providing access to the ski slopes. This IT solution supports the whole front-end process from customer communication, marketing, subscription, payment and management reporting. This system is integrated with the respective ticket- and access system including other relevant systems within the AS Parks Group. This IT solution was put into operation during the financial year 2019/2020, however, throughout this year further developments and integration with other systems has been capitalized. During 2020/2021 the main modules of this IT solution has been completed and consequently these parts have started their amortization. Additional functionality will be considered for capitalization and amortization going forward.

8 : Fixed assets

Group	Ground-works	Land and buildings	Machines and inventory	Lifts	Other equipment	Total
Purchase cost 01.11	114 229	113 860	158 847	106 038	24 880	517 854
Additions	0	4 923	2 266	1 266	8 075	16 530
Additions purchase subsidiaries	0	0	0	0	345	345
Disposals	0	0	0	0	-732	-732
Purchase cost 31.10	114 229	118 783	161 114	107 304	32 568	533 997
Acc. depreciation 01.11	24 645	29 681	92 076	58 511	21 580	226 492
This year's ordinary depreciations	3 837	2 897	8 677	3 992	2 682	22 085
Acc. depreciation disposal	0	0	0	0	0	0
Acc. depreciation 31.10	28 482	32 578	100 752	62 503	24 262	248 577
Net book value	85 747	86 205	60 361	44 801	8 306	285 420
Economic life	30 years	40 years	10-25 years	30 years	5 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	

The parent company has no fixed assets.

In connection with the construction of Wyller Multi Arena, that was completed in 2012, the company received a grant equal to TNOK 36 458 from Oslo Municipality. The subsidy was used to cover part of the construction cost and covers capitalized expenditures within all fixed asset categories shown above. The subsidy was deducted from the capitalized expenditures at completion. As security that the subsidized fixed assets have been used in accordance with the required purpose, a low priority mortgage has been pledged on these fixed assets.

9 : Mortages

	2021	2020
Short-term debt to credit institutions	15 982	8 967
Long-term debt to credit institutions	89 211	104 957
Total	105 193	113 924

The group has several long-term loans with external bank connections. The loans are mainly used for acquisitions of subsidiaries and investments in fixed assets in the ski resorts and IT solutions. Per 31.10.2021 the following long-term loans exists:

	Book value 31.10.2021	Maturity	Instalment < 1 year	Instalment 1-5 years	Instalment > 5 years
Danske Bank	7 500	10.10.2022	1 429	7 143	0
Danske Bank	32 857	05.06.2023	5 714	32 857	0
Danske Bank	39 357	20.05.2022	8 286	39 357	0
Sparebanken Øst	1 816	15.04.2031	207	1 035	764
Sparebanken Øst	7 681	01.05.2033	510	2 548	5 106
	89 211		16 145	82 941	5 870

As collateral for long-term loans, there are liens and mortgages on buildings, moveable property, shares in subsidiaries and inventories. There is a cross-lien between TryvannWyller, Skimore and AS Parks, which means that the companies are jointly liable for each other's debt towards Danske Bank.

The Group has a group cash pool scheme where AS Parks is the main account holder. AS Parks, TryvannWyller AS and Skimore AS participates in this scheme. The scheme includes an accumulated credit facility for the Group up to 12 000 TNOK. In the event of there is a net drawn amount on this group credit facility, the Group is charged a 3-month NIBOR + a margin. All the subsidiaries included in the scheme are joint and several liable for the net drawn amount on the credit facility for a total nominal value of 12 000 TNOK. In addition, the Group has other credit facilities with a total value of 10 500 TNOK. As of 31.10.2021, the Group has drawn a total net amount 15 982 TNOK from the total credit lines of
22 500 TNOK.

There are covenants with in the loan agreements related to the group's NIBD/EBITDA- and net equity ratio. The Group was per 31.10.2021 in compliance with loan covenants agreed upon Danske Bank. Drammen Skisenter AS was in breach with the financial covenant agreed with Sparebanken Øst related to net equity. The company has not received any request for down payment from the bank, as in previous year this has been regarded as an acceptance of the breach, i.e. a form of a waiver, hence the loan has not been reclassified as short-term debt.

The Group has refinanced all its loans with external financial institutions in October 2021 with Danske Bank where the new loan facilities amounts to 105 MNOK. In addition loan financing amounting to 100 MNOK is secured to finance planned investments primarily for new ski lifts. In November 2021, loans in the parent company and its subsidiaries was repaid following the refinancing and loans in subsidiaries was replaced with a long-term financing from AS Parks that now holds all loans with financial institutions. The new loan agreements have covenants related to the group's NIBD/EBITDA- and net equity ratio.

10 : Tax

	2021	2020
This year's tax expense:		
Current tax payable	278	0
Changes in deferred tax assets	4 721	1 738
Tax expense of operating result	4 999	1 738
Calculation of this year's tax base:		
Operating result before tax	22 594	7 768
Permanent differences	-1 689	138
Received group contribution	0	0
Depreciation of group goodwill and groundworks	2 961	1 816
Changes in temporary differences	-2 482	1 045
Total	21 385	10 767
Tax losses carried forward	-17 217	-19 078
Adjustment of interest limitation rules for tax purposes	-2 905	-3 294
This year's tax base	1 263	-11 606
Tax payable on this year's tax base	278	0
Payable tax in the balance		
Payable tax on this year's result	278	0
Payable tax prior to acquisition of subsidiary	31	0
Total payable tax in the balance	309	0
Deferred tax relates to the following temporary differences:		
Fixed- and intangible assets	138 993	133 635
Inventories	-189	223
Outstanding receivables	-706	-261
Accumulated tax losses carried forward	-2 484	-19 275
Carry-forward interest limitations for tax purposes	0	-2 905
Net temporary differences	135 614	111 417
Non-included temporary differences	-11 662	-8 977
Basis for deferred tax assets	123 952	102 440
Deferred tax assets (22%)	27 269	22 537

Non-included temporary differences is related to received government funding (SkatteFUNN) and identified values at group level.

Reconciliation of effective tax rate		
Calculated tax based on nominal tax rate	4 971	1 709
Effect of permanent differences	-299	29
Effect of unrecognized deferred tax asset	327	0
Tax expense	4 999	1 738
Effective tax rate	22 %	22 %

11 : Equity

Parent company	Share capital	Other paid in capital	Other equity	Total
Equity 31.10.2019/ 01.11.2019	3 100	140 661	-23 749	120 011
Dividend payments	0	-12 000	0	-12 000
Profit/ loss for the year	0	-27 600	23 749	-3 851
Capital increase	78	9 923	0	10 000
Equity 01.11.2020	3 178	110 983	0	114 161
Provision for dividend payments	0	-10 558	-4 442	-15 000
Capital increase not yet formally registered	0	15 420	0	15 420
Profit/loss for the year	0	0	4 442	4 442
Equity 31.10.2021	3 178	115 845	0	119 023

Group	Share capital	Other paid in capital	Other equity	Non-controlling intrest	Total
Equity 31.10.2019	3 100	140 661	-1 458	2 619	144 922
Adjustment opening balance	0	0	-41	8 344	8 303
Equity 01.11.2019	3 100	140 661	-1 499	10 963	153 224
Dividend payments	0	-12 000	0	0	-12 000
Profit/ loss for the year	0	-27 600	34 121	-491	6 031
Capital increase	78	9 923	0	0	10 000
Equity 01.11.2020	3 178	110 983	32 622	10 472	157 255
Provision for dividend payments	0	-10 558	-4 442	0	-15 000
Capital increase not yet formally registered	0	15 420	0	0	15 420
Purchased minority interest in Skimore	0	0	-2 687	187	-2 500
Translation differences	0	0	-17	0	-17
Profit/loss for the year	0	0	17 107	488	17 595
Equity 31.10.2021	3 178	115 845	42 584	11 148	172 755

12 : Share capital and shareholder information

A capital increase of 79 670 NOK in share capital and 15 340 330 NOK in share premium reserve was formally decided and completed on 21. October 2021. The capital increase was not registered in the Norwegian business register ("Brønnøydsundregisterne") as at year end. The capital increase is presented as share premium reserve in the 2021 Consolidated Financial Statements until it was formally registered 16.11.2021.

Considering the formal registration of the new capital increase the share capital of 3 257 170 NOK consists of 10 507 shares with a par value of 310 NOK per share.

Shareholder overview as of 31.10.2021 considering the capital increase on 21.10.2021:

Shareholder	Ordinary share	Ownership share	Voting share
AS Parks Holding	10 000	95,17 %	95,17 %
Snowy Invest AS *	12	0,11 %	0,11 %
Stray Invest AS *	71	0,68 %	0,68 %
Breiangen AS **	25	0,24 %	0,24 %
Code Zero AS *	71	0,68 %	0,68 %
EG Holding AS *	71	0,68 %	0,68 %
Storstein AS	167	1,59 %	1,59 %
One Communication AS *	33	0,31 %	0,31 %
Kanic Invest AS *	38	0,36 %	0,36 %
Tomm Murstad	19	0,18 %	0,18 %
Total	10 507	100%	100%

* Shares are held by management.
** Shares are held by board member

13 : Receivables and liabilities

	2021	2020
Accounts receivable at face value	5 413	1 193
Provision for losses on accounts receivables	-866	-279
Accounts receivables in the balance	4 548	914

14 : Intercompany

Parent company - 2021	AS Parks Holding	Skimore AS	Skimore AG	Tryvann Wyller	Kongsberg Skisenter	Sum
Long-term loan	477	9 507	531	0	0	10 516
Receivable/ liability cashpool	0	-1 841	0	-1 411	0	-3 252
Group contribution	0	4 055	0	7 786	0	11 840
Trade receivables	2 357	0	0	0	0	2 357
Short-term receivables	0	0	0	2 674	0	2 674
Long-term debt	0	0	0	-19 181	-7 177	-26 358
Trade payables	0	0	0	-390	-62	-452
Dividend	-14 276	0	0	0	0	-14 276
Total	-11 442	11 721	531	-10 522	-7 239	-16 951

Parent company - 2020	AS Parks Holding	Skimore AS	Skimore AG	Tryvann Wyller	Kongsberg Skisenter	Sum
Long-term loan	0	12 151	564	0	4 785	17 499
Receivable/ liability cashpool	0	3 223	0	801	0	4 024
Group contribution	0	0	0	0	-12 000	-12 000
Trade receivables	0	0	0	0	0	0
Short-term receivables	0	0	0	714	0	714
Long-term debt	0	0	0	-13 480	0	-13 480
Trade payables	0	0	0	0	0	0
Total	0	15 374	564	-11 966	-7 215	-3 243

15 : Transactions with related parties

Parent company	2021	2020
Group contributions from subsidiaries	11 840	0
Interest income	731	470
Interest expense	-611	-324
Total	11 961	145

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AS Parks showing a profit of NOK 4 442 000 in the financial statements of the parent company and profit of NOK 17 595 000 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company AS Parks (the Company), which comprise the balance sheet as at 31 October 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 AS Parks and its subsidiaries (the Group), which comprise the balance sheet as at 31 October 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 are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 October 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 October 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Oslo, 2 March 2022
KPMG AS

Thomas Sørhaug

John Thomas Sørhaug
State Authorised Public Accountant

ACTIVATING PEOPLE

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