

**ANNUAL REPORT  
2020**



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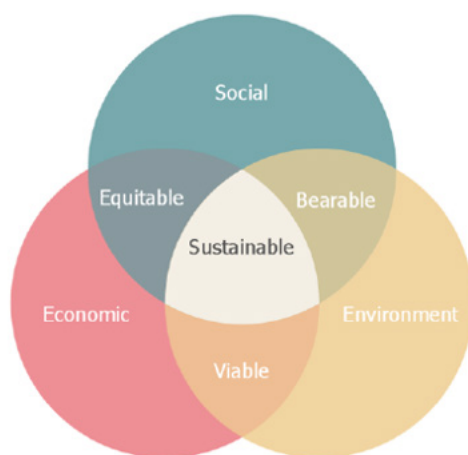
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## Sustainable development

The term sustainable development was introduced for the first time in the report "Our common future" written by the World Commission on Environment and Development in 1987, which is defined as "development that meets their own needs". There are limited amounts of resources on earth, and it is our common interest to care for these in the best possible way.

To ensure sustainable development, work must be done within the three main pillars: Environment, social relations, and economic growth. The dependence between the pillars is illustrated in the diagram below. In 2025, the world societies together agreed on a common framework for sustainable development within all the pillars through the UN's 17<sup>th</sup> sustainable development goal.

Given the total scope of this challenge, it would be impossible to achieve any real progress without cooperation. This is why sustainable development goal 17 is highlighting the importance of partnership between businesses, governments, volunteer organizations and local communities.



### K.A.Rasmussen's sustainable development work

As the leading Nordic enterprise within precious metals, K.A. Rasmussen has a clear responsibility to

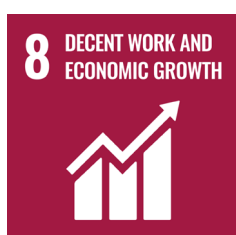
contribute to sustainable development. A lot of good work has already been done, in terms of best practice and K.A. Rasmussen has been recycling precious metals for over 100 years, but not under the name of sustainable development. Recycling of metals has a much lower environmental footprint than acquiring new metals from mining and we have many decades of knowledge and experience which will be helpful when transitioning from a "use and throw away"-mentality to a circular economy society.

At K.A. Rasmussen, the local environment and our reputation has always been important, and policies like "know your customer" is one of the key aspects in our anti-corruption strategy, which is designed to prevent us from financing criminal activities, which is a potential threat in this line of business.

Working towards sustainable development goals is also a good opportunity for K.A. Rasmussen to strengthen its brand and a new way to sustain its notion as an attractive site for both new and present employees, and at the same time prepare for future changes in laws regarding industrial operations.

K.A. Rasmussen now wish to formalize its sustainable development work. In 2020 K.A. Rasmussen took the opportunity to join a project run by BDO. This is a cooperation project where different companies from the Innlandet region participate. It uses widely accepted methods for implementing the UN's sustainable development goals and the participating companies are welcome to share their own experience within the group.

In the autumn of 2020, K.A. Rasmussen performed a thorough mapping to find the sustainable development goals where our company has the most potential to contribute to the society. This was done through communication with our employees, customers, and board of directors. The result of the mapping is the sustainability goals shown at the bottom of this page. From this stage, the work continues through stating clear promises within each goal. This is where K.A. Rasmussen will measure its development. The progress and status will be presented in our yearly summary report, starting from 2021.



## Activities during the year

K.A. Rasmussen AS is an international company with its head office and main production facilities in Hamar, Norway. K.A. Rasmussen manufactures and sells different products and services related to precious metals.

Historically the group has been operating two divisions:

- The semi-finished division refines, manufactures and sells semi-finished products for use by industry and jewellers, industrial catalysts and precious metal-based dental alloys. K.A. Rasmussen operate the largest vertically integrated precious metals refining and manufacturing facility in the Nordic region, recycling significant quantities of precious metals
- The consumer goods division works with steel and silver cutlery and related gift items.

In 2020, The group sold the business activities conducted by Gense in Sweden and in January 2021, the group entered into an agreement for the sale of its shares in Eternum in Belgium. Following the conclusion of these sales, The group no longer has any activities related to production or sale of cutlery.

From 2021 the group will have sales offices in Norway, Sweden, Finland, Estonia, Belgium and England. The Norwegian part of the business has a sales office in Oslo in addition to its head office in Hamar.

## Future objectives

K.A. Rasmussen aims to be the Nordic region's leading precious metals company. As mined resources become scarcer and more expensive, the recycling of metals is gaining increasing importance as a means of meeting market demand. Metal prices have been rising for many years, making recycling profitable for those who have the right expertise and modern refineries.

K.A. Rasmussen's products and industrial services are of a high quality, as is its customer service. The company is pursuing growth based on higher activity levels and increased sale volumes. Investment in process and product development is important to achieve these objectives. K.A. Rasmussen strives to offer employees a positive work environment.

## Sales and profits

Most of the group's sales were made in markets outside Norway. The earnings from the group's main activities shows satisfactory growth. Some of the group's business activities were severely affected by the COVID-19 pandemic, especially the business related to sale of cutlery to hotels and restaurants. The businesses related

to precious metals were affected to a lesser extent, and the increased metal prices have led to higher activity and revenues. The board of directors expects a positive financial progression of the group's activities in the coming year.

The group's sales totalled NOK 2,1 billion in 2020 compared to NOK 1,4 billion in 2019. The group achieved an operating profit of NOK 89,4 million in 2020, compared to NOK 52,4 million in 2019

In 2020, the group's pre-tax profit amounted to NOK 61,9 million, compared to NOK 24,7 million in 2019

The annual accounts have been prepared under the going-concern assumption. The board of directors confirms that the assumption is met.

## Capital structure

The value of the company's stocks of precious metals are impacted by metal prices in the market. Metal leases are an important tool in terms of financing precious metals inventory, in addition to serving as a hedge against price fluctuations.

The share of precious metals inventory that is financed with metal leases varies through the year and is managed carefully due to having direct impact on the company's net cash flow. The company also holds an adequate metal credit facility to cover any changes in the value of its metal holdings.

At the end of 2020, the group's capital totalled NOK 712,3 million, compared to NOK 700,2 million at 31.12.19.

The increased value of total assets is mainly related to an increase of the stock value of precious metals as a consequence of higher metal prices.

The group's equity totalled NOK 173,4 million at 31.12.20, equating to 24,3 % of the total capital. Liquid funds, unutilised overdraft facilities and short-term investment totalled NOK 219,6 million at 31.12.20.

The company's liquidity position is considered satisfactory.

## Environment, health and safety

The group is focused on the improvement of general environmental, health and safety conditions. The group addresses health and environmental issues on an ongoing basis. The group's employee management dialogue and general working environment is positive. K.A. Rasmussen AS is certified for ISO14001 Environmental management systems and ISO 9001 Quality management systems.

## Personell

The group and parent company had the following number of employees as of 31.12.2020:

The Group	Total	Men	Women
2020	132	77	55
2019	132	81	51

Parent company	Total	Men	Women
2020	70	46	24
2019	68	46	22

Absence due to sick leave in 2020 was 6,5%. There were no absence due to injuries. In all the countries in which we operate, men and women have equal salaries for work of equal value. The company offers an equitable hiring and promotion process.

Measures have been reviewed and implemented to minimise the risk of infections related to COVID-19 in all the Group's business activities. The absence due to sick leave is to a small degree related to the pandemic.

Recruitment and promotion focus on performance and professional and social skills.

## Allocation of profits

The board of directors proposes that a dividend of NOK 59 per share is to be paid for 2020, and that K.A. Rasmussen's profit will be allocated as follows:

Dividends	24.638.000
Transferred to other equity	24.076.000
Total allocated	48.714.000

*Hamar, February 18th 2021*

*The annual report for 2020 has been signed digitally by all the members of the board.*



1. January to 31. December

Amounts in 1.000 NOK	Note	K.A. Rasmussen AS		The Group	
		2020	2019	2020	2019
<b>OPERATING INCOME AND EXPENSES</b>					
Operating income					
Revenue from sales		1 206 072	924 993	2 032 445	1 434 777
Other operating income		4 767	4 882	41 487	8 011
<b>Total operating income</b>	14	<b>1 264 838</b>	<b>929 875</b>	<b>2 073 932</b>	<b>1 442 788</b>
<b>Operating expenses</b>					
Raw materials and consumables		1 110 688	792 333	1 788 302	1 191 584
Payroll expenses	6	57 003	58 956	97 307	100 703
Ordinary depreciation	7, 8	8 120	7 581	10 535	10 135
Other operating expenses	6	40 694	36 238	88 411	87 963
<b>Total operating expenses</b>		<b>1 216 505</b>	<b>895 108</b>	<b>1 984 555</b>	<b>1 390 386</b>
<b>OPERATING PROFIT</b>	14	<b>48 333</b>	<b>34 767</b>	<b>89 377</b>	<b>52 402</b>
<b>FINANCIAL INCOME AND EXPENSES</b>					
Income from investment in subsidiaries	1	30 127	7 905		
Income from investments in associated companies	1	-7 862	-99	-7 862	-99
Interest income		513	792	520	906
Interest income from group companies		3 802	3 772	-	-
Other financial income		-	-	582	310
Interest expenses		-13 590	-12 210	-14 398	-13 573
Other financial expenses		-5 048	-3 899	-6 289	-5 085
<b>NET FINANCIAL INCOME/EXPENCES</b>		<b>7 942</b>	<b>-3 739</b>	<b>-27 447</b>	<b>-17 541</b>
<b>RESULT BEFORE TAX</b>		<b>56 275</b>	<b>31 028</b>	<b>61 930</b>	<b>34 861</b>
Tax	10	7 561	5 131	13 216	8 964
<b>NET PROFIT OF THE YEAR</b>		<b>48 714</b>	<b>25 897</b>	<b>48 714</b>	<b>25 897</b>
Allocation of the year´s profits					
Allocated to dividend		24 638	15 034		
Transfer to/from other equity		24 076	10 863		
<b>Total of transfers</b>	11	<b>48 714</b>	<b>25 897</b>		

Amounts in 1.000 NOK	Note	K.A. Rasmussen AS		The Group	
		2020	2019	2020	2019
ASSETS					
FIXED ASSETS					
Intangible assets					
Deferred tax asset	10	4 442	3 532	5 150	6 973
Intangible assets	8	7 371	8 085	7 836	8 847
Total intangible assets		11 813	11 617	12 986	15 819
Tangible fixed assets					
Land		9 500	9 500	14 922	15 287
Factory buildings		2 976	2 781	20 662	22 239
Machines, inventory and vehicles		19 095	16 973	21 107	19 575
Total tangible assets	7, 9	31 571	29 254	56 691	57 101
Financial fixed assets					
Investment in subsidiaries	1, 2, 9	175 222	145 470		
Investment in associated companies	1, 2	2 844	2 552	2 844	2 575
Internal group recievables	3, 9	8 002	8 155		
Equities and investments			2 000		2 000
Other long-term recievables				10 435	
Total financial fixed assets		186 068	158 177	13 279	4 575
TOTAL FIXED ASSETS		229 452	199 048	82 956	77 495
CURRENT ASSETS					
Stock	4, 9	444 619	437 105	505 133	544 552
Account receivables	9	18 453	8 144	37 647	49 269
Other receivables		2 099	3 430	9 498	12 006
Cash and bank assets	5	2 291	2 254	77 070	16 920
TOTAL CURRENT ASSETS		467 462	450 933	629 348	622 746
TOTAL ASSETS		696 914	649 981	712 304	700 241
EQUITY AND LIABLITIES					
EQUITY					
Restricted equity					
Share capital (417.600 shares at NOK 11 each)	13	4 594	4 594	4 594	4 594
Share premium reserve		9 445	9 445	9 445	9 445
Total restricted equity		14 039	14 039	14 039	14 039
Retained earnings					
Other equity		159 378	125 220	159 378	125 220
Total retained earnings		159 378	125 220	159 378	125 220
TOTAL EQUITY	11	173 416	139 259	173 416	139 258

		K.A. Rasmussen AS		The Group	
Amounts in 1.000 NOK	Note	2020	2019	2020	2019
<b>LIABILITIES</b>					
<b>Provision for liabilities</b>					
Pension liabilities	6	-	1 282	-	1 295
Deferred taxes	10	-	-	3 184	3 150
Other provisions		-	-	10 083	4 991
<b>Total provisions for liabilities</b>		<b>0</b>	<b>1 282</b>	<b>13 267</b>	<b>9 436</b>
<b>Other long-term liabilities</b>					
Liabilities to financial institutions	9, 12	19 982	22 560	29 311	32 253
<b>Total other long-term liabilities</b>		<b>19 982</b>	<b>22 560</b>	<b>29 311</b>	<b>32 253</b>
<b>Short-term liabilities</b>					
Overdraft facilities	5, 9	-	38 147	5 235	52 943
Account payable		9 594	7 182	19 218	18 403
Public liabilities		3 997	5 789	4 066	6 312
Tax payable	10	8 471	5 330	8 972	6 341
Dividend	11	24 638	15 034	24 638	15 034
Metal leases	9	403 162	390 059	403 162	309 059
Other short-term liabilities		16 129	15 353	31 020	30 204
Intra group liabilities	3	37 525	9 989	-	-
<b>Total short-term liabilities</b>		<b>503 516</b>	<b>486 882</b>	<b>496 311</b>	<b>519 295</b>
<b>TOTAL LIABILITIES</b>		<b>523 498</b>	<b>510 724</b>	<b>538 889</b>	<b>506 984</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>696 914</b>	<b>649 981</b>	<b>712 304</b>	<b>700 241</b>

Hamar, February 18th 2021

The annual report for 2020 has been signed digitally by all the members of the board.



Amounts in 1.000 NOK	K.A. Rasmussen AS		The Group	
	2020	2019	2020	2019
<b>CASH FLOW FROM OPERATIONS</b>				
Untaxed results	56 275	31 028	61 930	34 861
Ordinary depreciation	8 120	7 581	10 535	10 135
Payable tax in financial period	-5 330	-4 005	-10 527	-11 861
Income/expences associated with sales of tangible assets	-	-	-18 496	-
Income frmo investment in subsidiaries	-30 127	-7 905	-	-
Income from investment in associates	7 862	99	7 862	99
Recieved dividend for subsidiaries	7 120	3 463	-	-
Recieved dividend from associated companies	-	-	-	-
Change pension liability	- 1 282	-640	-1 295	-645
<b>Addition from annual activity</b>	<b>42 638</b>	<b>29 621</b>	<b>50 009</b>	<b>32 589</b>
Change in stock	-7 514	-108 926	39 419	-99 268
Change in metal liabilities	13 103	114 747	13 103	114 747
Change in customer receivables	-10 309	2 926	11 622	13 652
Change in accounts payable	2 412	2 476	815	-10 187
Change in other receivables	1 484	-75	-7 927	2 152
Change in other short-term liabilities	27 988	11 687	12 539	484
<b>Addition from annual activity</b>	<b>69 802</b>	<b>52 456</b>	<b>119 580</b>	<b>54 169</b>
<b>CASH FLOW FROM INVESTMENTS</b>				
Investment in tangible assets	-11 192	-7 119	-11 682	-8 292
Sale of tangible assets	-	-	21 477	-
Capital increase in subsidiaries	3 186	7 628	-	-
Investment in equities	-6 000	-2 000	-6 000	-2 000
<b>Net cash flow from investments (B)</b>	<b>-14 006</b>	<b>-1 491</b>	<b>3 795</b>	<b>-10 292</b>
<b>CASH FLOW FROM FINANCING</b>				
Change in overdraft facilities	-38 147	-32 290	-47 708	-19 346
Acquisition of long-term liabilities	-	-	-	-
Amortization	-2 578	-3 649	-2 942	-7 178
Dividend	-15 034	-15 034	-15 034	-15 034
<b>Net cash flow from financing (C)</b>	<b>-55 759</b>	<b>-50 973</b>	<b>-65 684</b>	<b>-41 558</b>
<b>Net change in liquid funds (A+B+C)</b>	<b>37</b>	<b>-8</b>	<b>57 691</b>	<b>2 319</b>
Liquid funds 1.1.	2 254	2 262	16 920	15 090
Translation difference liquidity reserves			2 459	-489
<b>Liquid funds 31.12.</b>	<b>2 291</b>	<b>2 254</b>	<b>77 070</b>	<b>16 920</b>

## Group accounting policies

The consolidated accounts include K.A. Rasmussen AS and companies over which K.A. Rasmussen AS exerts a controlling influence. All material transactions and internal company balances within the group are eliminated in full. In the income statement, minority profit participation has been entered under the group profit for the year and presented in separate line under annual profits.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's are initially recognised at their fair values at the acquisition date. Goodwill is depreciated over the expected financial life.

When consolidating subsidiaries in foreign currencies, the items in the profit and loss are converted according to the average currency rate for that period, while balance sheet items are converted to the closing rate at the date of the balance sheet. Currency conversion differences are directly accounted for in the group's equity.

Affiliated companies of which K.A. Rasmussen AS exerts a significant influence are recognised in the consolidated accounts according to the equity method. Profit participation is entered on a separate line.

Affiliated companies are recognised in the consolidated balance sheet at cost price plus accumulated shares in profit.

Shares in subsidiaries and affiliated companies are listed in accounting using the equity method. Share of profit from subsidiaries and foreign companies are listed in a separate line.

The companies are listed in balance sheet to cost price with additions of accumulated shares in profits.

## Accounting for income and expenses

Income is recognised according to the sale and delivery time of goods and according to the time of utilization for the sale of services.

Sales to customers' metal accounts are recognised as income when the metals are credited customers account. Sales from metal accounts at external suppliers or financial institutions are recognised when the metals are drawn from the account.

Costs are matched and charged against income attributable to these costs. Costs that cannot be directly withdrawn from income are accounted for whenever they arise. Research and development costs are also charged on income as they arise.

Costs related to R&D are expensed continuously.

## Classification in the balance sheet

Assets associated with the company's goods in circulation are classified as current assets. The same rule applies to short-term liabilities. Receivables and liabilities that are not associated with goods in circulation are classified as current assets or liabilities if they are due within a year of the balance sheet date. Other assets classify as fixed assets and other liabilities classify as long-term liabilities.

## Items in foreign currency

Foreign-currency items are converted according to the exchange rate at the date of the balance sheet. Foreign exchange gains and losses are entered as financial incomes or losses.

## Accounts receivable

Accounts receivable are recognised at face value minus any provisions for anticipated losses.

Loss provisions are based on individual assessment of the receivable.

## Inventory - financial and hedge accounting

The value of raw materials is established in accordance with the lowest acquisition cost and fair value. Goods under production as well as home-manufactured finished goods will be valued according to the lowest production cost and fair value. The FIFO principle is applied to inventory liquidation.

The company has financed a significant part of its business by contracting short-term metal leases as well as short-term foreign-currency loans. These metal leases typically have tenors ranging from 1 to 3 months. Loan liabilities are converted into NOK according to the rates of December 31. Liabilities are secured by mortgaging KAR's own stock metals.

The company sets off certain parts of its metal transactions with a corresponding currency transaction to eliminate risks related to fluctuating exchange rates. To secure future metal and currency positions, The company uses active forward contracts to reduce the risk of losses on metals and foreign exchange. The company's metal and currency future and forward contracts are entered into the accounts at the agreed price.

Holdings consisting of metals that are not hedged are recognised in the accounts at the lowest FIFO and London fixing rates at the balance sheet date. Non-hedged metal liabilities are recognised at the highest FIFO and London fixing rates at the balance sheet date. Interest from metal loans are included in other financial income.

## Maintenance

Maintenance costs are recognised in profit or loss. Upgrades and replacements of fixed assets are also included in the balance sheet.

## Fixed assets/depreciation

Fixed assets are included at historic cost adjusted for write-ups/write-downs and accumulated depreciation. Fixed assets are depreciated linearly over their expected financial life. Gains and losses from liquidation of assets are recognised in operating profit.

Research costs are expensed.

Development expenses are capitalized in those cases it's possible to identify future economic benefit associated to an identifiable intangible asset and the expenses can be reliably measured.

## Taxes

Tax costs in the income statement include both taxes payable and deferred taxes. Deferred tax assets and deferred tax liability are calculated on the temporary difference between tax and accounting values.

Temporary differences that will be reversed in the same period are offset.

All amounts in 1.000 NOK, unless otherwise stated.

**Note 1 - Investments under the equity method**

## Subsidiaries

	<b>Book Value 01.01.</b>	<b>Recognised Income</b>	<b>Dividend</b>	<b>Other Changes</b>	<b>Book Value 31.12.</b>
ANA Ädelmetall	3 707	-68	-	377	4 016
K.A. Rasmussen AB	10 401	12 675	-	-10 126	12 950
K.A. Rasmussen A/S	2 443	381	-3 186	362	-
Mema AB	77	-	-	8	85
AB Gense Nordic	27 765	20 511	-	13 866	62 142
Eternum S.A	66 240	-22 780	-	4 552	48 012
LLATEM I AB	1 262	-	-	132	1 394
K.A. Rasmussen OY	28 097	18 272	-7 120	1 292	40 541
Sargenta AB	5 249	1 080	-	-522	5 807
K.A. Rasmussen Ltd.	229	56	-	-10	275
<b>Total subsidiaries</b>	<b>145 470</b>	<b>30 127</b>	<b>-10 306</b>	<b>9 931</b>	<b>175 222</b>

**Associated companies**

	<b>Book Value 01.01.</b>	<b>Recognised Income</b>	<b>Dividend</b>	<b>Other Changes</b>	<b>Book Value 31.12.</b>
KAR AS - Estland	2 552	138	-	154	2 844
Conpart AS	2 000	-8 000	-	6 000	-
<b>Total subsidiaries</b>	<b>4 552</b>	<b>-7 862</b>	<b>-</b>	<b>6 154</b>	<b>2 844</b>

**Note 2 - Group Companies**

## Subsidiaries

The following subsidiaries are consolidated as part of the group 31.12.2020:

	<b>Land</b>	<b>Stake %</b>	<b>Share Capital</b>		<b>Acquisition cost</b>
ANA Ädelmetall AB	Sweden	100 %	SEK	750	1 668
K.A. Rasmussen AB	Sweden	100 %	SEK	500	8 988
K.A. Rasmussen OY	Finland	100 %	EUR	12	21
Sargenta AB	Sweden	100 %	SEK	100	8 016
LLATEM I AB	Sweden	100 %	SEK	6 000	6 513
LLATEM II AB	Sweden	100 %	SEK	400	-
Mema AB	Sweden	100 %	SEK	50	186
Gulsmedaktiebolaget AB	Sweden	100 %	SEK	4 000	-
AB Gense Nordic	Sweden	100 %	SEK	25 000	52 758
Suprok A/S	Denmark	100 %	DKK	4 000	-
St. Medard	France	100 %	EUR	61	-
Eternum S.A	Belgium	100 %	EUR	1 600	41 859
K.A. Rasmussen Ltd.	England	100 %	GBP	10	109

**Affiliated companies**

The following associates are accounted for using the equity method in the consolidated accounts at 31.12.20

	Land	Stake	Share Capital	Acquisition cost
K.A. Rasmussen AS	Estonia	50 %	EUR 42	186
Conpart AS	Norway	40 %	NOK 1 573	8 000

**Note 3 - Receivables and current liabilities****K.A. Rasmussen AS**

Short-term receivables on group companies consist of:

	2020	2019
Current receivables	3 876	9 989
Other current receivables	-	-
Credit within Group cash-pool	33 649	-
<b>Total</b>	<b>37 525</b>	<b>9 989</b>

Long-terms liabilities to companies in the group and other long-term receivables expires after a year or more.

**Note 4 - Stock****K.A. Rasmussen AS**

Account holdings of precious metals are valued according to the lowest of acquisition cost and fair value minus analysis, wastage and production loss risks.

The processing value of goods in progress is valued according to manufacturing cost.

	K. A. Rasmussen AS		The Group	
	2020	2019	2020	2019
Goods under production	4 457	4 809	4 475	4 826
Finished products	8 335	10 423	55 951	110 239
Metal	431 827	421 873	444 707	429 487
<b>Total</b>	<b>444 619</b>	<b>437 105</b>	<b>505 133</b>	<b>544 552</b>

Metal stock contains besides physical stock, also metal receivables from subsidiaries. Receivable metals from subsidiaries constitutes NOK 55.999.

**Note 5 - Liquid Funds****K.A. Rasmussen AS**

Restricted deposits 2 291

**The Group**

The group overall cash, bank and unused overdraft facilities limits amount to NOK 219,6 million. The group has a overdraft limit of NOK 150 million. The parent company and subsidiaries are jointly and severally liable for all the obligations owed under the credit facility.

**Note 6 - Payroll costs**

	<b>K.A. Rasmussen AS</b>		<b>The Group</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Wages and salaries	45 574	45 391	75 639	76 217
Payroll tax	7 249	7 098	13 991	14 413
Pension costs	2 848	5 276	5 559	7 868
Other payments	1 332	1 191	2 118	2 205
<b>Total</b>	<b>57 003</b>	<b>58 956</b>	<b>97 307</b>	<b>100 703</b>
Number of person years	65	60	122	122

**Remuneration to leading officials**

	<b>Adm. dir.</b>
Salary	2 240
Bonus	600
Pension costs	163
Other remuneration	157

The CEO has a bonus agreement which is based on reached operating profits in the group. The CEO is entitled to 12 months pay on termination of employment.

**The Board**

Board fees amount to NOK 1.010.

**Remuneration Auditors**

	<b>Statutory audit</b>	<b>Other assurance services</b>	<b>Tax advice</b>	<b>Other Advice</b>	<b>Total</b>
K.A. Rasmussen AS	416	-	-	7	423
Subsidiaries	750	-	55	13	818
<b>Total</b>	<b>1 166</b>	<b>-</b>	<b>55</b>	<b>20</b>	<b>1 241</b>



**Pensions and pension liabilities**

<b>Net liability at 01.01</b>	<b>-1 282</b>	<b>-1 922</b>
This years pension cost	1 282	640
Actuarial profit and losses led against the equity	-	-
<b>Net liability at 31.12.</b>	<b>-</b>	<b>-1 282</b>

**Note 7 - Tangible fixed assets**

<b>K.A. Rasmussen AS</b>	<b>Machines, equipment and vehicles</b>	<b>Buildnings</b>	<b>Land</b>	<b>Total</b>
Accumulated acquisition cost at 1.1.	85 362	23 635	9 500	118 497
Investments	5 710	647	-	6 357
Disposals at acquisition costs	-	-	-	-
Accumulated acquisition cost at 31.12	91 072	24 282	9 500	124 854
Accumulated ordinary depreciation at 31.12	71 978	21 306	-	93 284
<b>Book vale at 31.12</b>	<b>19 094</b>	<b>2 976</b>	<b>9 500</b>	<b>31 570</b>
<b>Ordinary depreciation</b>	<b>3 588</b>	<b>453</b>	<b>-</b>	<b>4 041</b>
Percentage depreciation applied	10-33 %	4 %		

<b>The Group</b>	<b>Machines, equipment and vehicles</b>	<b>Buildnings</b>	<b>Land</b>	<b>Total</b>
Accumulated acquisition cost at 1.1	108 825	59 296	14 590	182 711
Conversions/other corrections	1 307	1 354	332	2 993
Investments	5 927	920	-	6 847
Disposals at acquisition costs	-4 482	-13 765	-	-18 247
Accumulated acquisition costs at 31.12	111 577	47 805	14 922	174 304
Accumulated ordinary depreciation at 31.12	90 470	27 143	-	117 613
<b>Booked value at 31.12</b>	<b>21 107</b>	<b>20 662</b>	<b>14 922</b>	<b>56 691</b>
<b>Ordinary depreciation</b>	<b>4 604</b>	<b>1 514</b>	<b>-</b>	<b>6 118</b>
Percentage depreciation applied	10-33%	4 %		

**Note 8 - Intangible assets**

<b>K.A. Rasmussen AS</b>	<b>Goodwill</b>	<b>Andre imm. eiendeler</b>	<b>Total</b>
Accumulated cost price at 1.1.	6 548	8 321	14 869
Tilgang	-1 470	4 835	3 365
Disposals at acquisition costs	-	-	-
Accumulated cost price at 31.12	5 078	13 156	18 234
Accumulated ordinary depreciation at 31.12.	5 078	5 785	10 863
<b>Booked value as of 31.12</b>	<b>-</b>	<b>7 371</b>	<b>7 371</b>
<b>Ordinary depreciation</b>	<b>2 350</b>	<b>1 729</b>	<b>4 079</b>
Percentage depreciation applied	33 %	20 %	

<b>The Group</b>	<b>Goodwill</b>	<b>Other intangible assets</b>	<b>Total</b>
Accumulated cost price 1.1.	6 548	16 806	23 354
Translation differences	-	522	522
Investments	-1 470	4 835	3 365
Disposals	-	-12	-12
Accumulated cost price at 31.12	5 078	22 151	27 229
Accumulated ordinary depreciation at 31.12	5 078	14 315	19 393
<b>Booked vaye at 31.12</b>	<b>-</b>	<b>7 836</b>	<b>7 836</b>
<b>Ordinary depreciation</b>	<b>2 350</b>	<b>2 067</b>	<b>4 417</b>
Percentage depreciation applied	33 %	20 %	

**Note 9 - Pledged assets**

Liabilities secured by mortgage:	<b>K.A. Rasmussen AS</b>		<b>The Group</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Long-term liabilities to credit institution	19 982	22 560	29 311	32 253
Overdraft facilities	-	38 147	5 235	52 943
<b>Total</b>	<b>19 982</b>	<b>60 707</b>	<b>34 546</b>	<b>85 196</b>

Liabilities secured by guarantees:

Metal leases	403 162	390 059	403 162	390 059
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The book value of assets pledged as collateral for debt:

Account receivables	18 453	8 144	37 647	49 269
Shares	175 222	145 470	-	-
Intra-group receivables	8 002	8 155	-	-
Inventory	444 619	437 105	505 133	544 552
Machines	19 095	16 973	21 107	19 575
Factory buildings	2 976	2 781	20 662	22 239
Land	9 500	9 500	14 922	15 287
<b>Total</b>	<b>677 867</b>	<b>628 128</b>	<b>599 471</b>	<b>650 922</b>

**Note 10 - Income taxes**

This year's tax consists of:

	<b>K.A. Rasmussen AS</b>		<b>The Group</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Payable taxes	8 471	5 330	13 158	10 972
Changes in deferred taxes/tax benefits	-910	-198	58	-2 008
<b>Tax cost</b>	<b>7 561</b>	<b>5 131</b>	<b>13 216</b>	<b>8 964</b>

Reconciliation between profit before tax and ordinary income:

	<b>K.A. Rasmussen AS</b>	
	<b>2020</b>	<b>2019</b>
Pre-tax profits	56 275	31 028
Permanent differences	-21 905	-7 703
Changes in temporary differences	4 136	901
Taxable amount	38 506	24 226
<b>Tax payable, 22%</b>	<b>8 471</b>	<b>5 330</b>
Temporary differences:	<b>2020</b>	<b>2019</b>
Fixed assets	-9 274	-8 570
Current assets	-9 411	-4 470
Provisions for liabilities	-1 507	-3 015
Total temporary differences	-20 192	-16 055
Loss carried forward	-	-
Deferred tax/tax assets	-20 192	-16 055
<b>Basis for deferred tax/tax assets, 22%</b>	<b>-4 442</b>	<b>-3 532</b>

**Note 11 - Equity**

<b>K.A. Rasmussen AS</b>	<b>Share capital</b>	<b>Share premium account</b>	<b>Annen Equity</b>	<b>Total</b>
Equity at 1.1.	4 594	9 445	125 220	139 258
Net profit			48 733	48 733
Conversion differences/other correction			10 064	10 064
Dividend			-24 638	-24 638
<b>Equity at 31.12.</b>	<b>4 594</b>	<b>9 445</b>	<b>159 379</b>	<b>173 416</b>

Fund for valuation differences in part of Onter Equity amounts to NOK 55.545.

<b>The Group</b>	<b>Share capital</b>	<b>Share premium account</b>	<b>Other equity</b>	<b>Total</b>
Equity at 1.1.	4 594	9 445	125 220	139 258
Net profit			48 733	48 733
Conversion differences/other corrections			10 064	10 064
Dividend			-24 638	-24 638
<b>Equity at 31.12.</b>	<b>4 594</b>	<b>9 445</b>	<b>159 379</b>	<b>173 416</b>

**Note 12 - Long-term liabilities**

Long-term liabilities by currency		<b>K.A. Rasmussen AS</b>	<b>The Group</b>
	Rate	<b>2020</b>	<b>2020</b>
NOK		19 982	19 982
EUR	10,4703		9 329
Total		19 982	29 311
Liabilities which are due beyond 5 years amount to		7 092	15 355



**Note 13 - Shareholders**

There are 417.600 shares, each with a face value of NOK 11.

The shareholders are:

	<b>Stake in %</b>	<b>Number of shares</b>
BES Rasmussen AS	22,5 %	93 810
KAR Invest 2 AS	18,0 %	75 000
H.Sverdrup Industrier AS	25,9 %	108 280
Torleiv Sverdrup AS	16,0 %	66 770
Sverdrupgruppen a.s	14,6 %	60 840
Harald U. Sverdrup	2,9 %	12 300
Knud A. Rasmussens Legat	0,1 %	600
<b>Total</b>	<b>100,0 %</b>	<b>417 600</b>

The Board members directly or indirectly own the following shares:

	<b>Direct</b>	<b>Indirectly</b>	<b>Total</b>
Harald U. Sverdrup	2,9 %	40,5 %	43,4 %
Kjell-Arne Rasmussen		18,0 %	18,0%
Torleiv G. Sverdrup (vamedlem)		16,0 %	16,0 %

**Note 14 - Revenue from sales**

Revenue by geographical region:

Mill. NOK	K.A. Rasmussen AS		The Group	
	2020	2019	2020	2019
Norway	220	157	220	157
Finland	19	16	433	235
Sweden	141	86	335	233
Denmark	2	1	29	15
Rest of Europe	869	659	996	782
Asia/Australia/USA	9	6	19	13
<b>Total</b>	<b>1 260</b>	<b>925</b>	<b>2 032</b>	<b>1 435</b>

Revenue by business entity:

Mill. NOK	Sales revenue		Operating profit	
	2020	2019	2020	2019
K.A. Rasmussen, Norway	1 260	925	48,3	34,7
K.A Rasmussen, Sweden	627	411	14,5	6,1
K.A. Rasmussen, Finland	934	521	24,3	9,7
Sargenta, Sweden	33	34	1,3	2,5
Other / elimineringer	-917	-591	0,4	-0,8
<b>Semi-finished Good Division</b>	<b>1 937</b>	<b>1 300</b>	<b>88,8</b>	<b>52,2</b>
Eternum, Belgium	68	121	-21,5	8,7
Gense, Sweden	28	15	22,2	-8,4
Other / elimineringer	-	-	-0,1	-0,1
<b>Consumer Goods Division</b>	<b>96</b>	<b>136</b>	<b>0,6</b>	<b>0,2</b>
Eliminations	-1	-1		
<b>The Group</b>	<b>2 032</b>	<b>1 435</b>	<b>89,4</b>	<b>52,4</b>



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## Independent Auditor's Report

To the General Meeting in K A Rasmussen AS

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of K A Rasmussen AS.

#### The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2020, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2020, the income statement and cash flows 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 K A Rasmussen AS as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group K A Rasmussen AS as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### Basis for Opinion

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

#### Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report.



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 and fair presentation 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

### Report on Other Legal and Regulatory Requirements

#### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit 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 and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Hamar, 24 February 2021  
BDO AS

Håvard Hammertrø  
State Authorised Public Accountant

Note: Translation from Norwegian prepared for information purposes only.

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