Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	999 326 633
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	UNION REAL ESTATE FUND HOLDING AS
Forretningsadresse:	v/UNION Eiendomskapital AS Bolette brygge 1 0252 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Bjørn Henningsen
Dato for fastsettelse av årsregnskapet:	02.03.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 07.06.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		**0**	**0**
Kostnader			
Annen driftskostnad		-2 265 477	33 136 408
Sum kostnader		**-2 265 477**	**33 136 408**
Driftsresultat		**2 265 477**	**-33 136 408**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap		-6 407 183	122 155 545
Renteinntekt fra foretak i samme konsern		483 059	391 517
Annen renteinntekt		1 207 053	1 328 025
Verdiøkning av andre finansielle oml.m.		-991 962	-1 467 053
Sum finansinntekter		**-5 709 033**	**122 408 034**
Rentekostnad til foretak i samme konsern			96 592
Annen rentekostnad		100 603	
Annen finanskostnad			120 406
Sum finanskostnader		**100 603**	**216 998**
Netto finans		**-5 809 636**	**122 191 036**
Ordinært resultat før skattekostnad		**-3 544 159**	**89 054 628**
Skattekostnad på ordinært resultat		3 274 517	2 885 483
Ordinært resultat etter skattekostnad		**-6 818 676**	**86 169 145**
Årsresultat		**-6 818 676**	**86 169 145**
Årsresultat etter minoritetsinteresser		**-6 818 676**	**86 169 145**
Totalresultat		**-6 818 676**	**86 169 145**
Overføringer og disponeringer			
Overf. fond for urealiserte gevinster		-135 057	158 116 991

Resultatregnskap

Beløp i: NOK	Note	2022	2021
Udekket tap		-6 683 619	
Overføringer annen egenkapital			-71 947 846
Sum overføringer og disponeringer		**-6 818 676**	**86 169 145**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel			3 274 517
Sum immaterielle eiendeler			**3 274 517**
Finansielle anleggsmidler			
Investering i datterselskap		9 128 229	261 022 626
Sum finansielle anleggsmidler		**9 128 229**	**261 022 626**
Sum anleggsmidler		**9 128 229**	**264 297 143**
Omløpsmidler			
Varer			
Fordringer			
Andre kortsiktige fordringer		26 694 658	31 586 514
Sum fordringer		**26 694 658**	**31 586 514**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		3 661 621	4 208 468
Sum bankinnskudd, kontanter og lignende		**3 661 621**	**4 208 468**
Sum omløpsmidler		**30 356 279**	**35 794 982**
SUM EIENDELER		**39 484 508**	**300 092 125**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		30 890 519	30 890 519
Sum innskutt egenkapital		**30 890 519**	**30 890 519**
Opptjent egenkapital			

Balanse

Beløp i: NOK	Note	2022	2021
Fonds		-3	158 116 991
Annen egenkapital			42 359 511
Udekket tap		8 983 384	
Sum opptjent egenkapital		**-8 983 387**	**200 476 502**
Sum egenkapital		**21 907 132**	**231 367 021**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld		318 865	2 339 311
Skyldig offentlige avgifter			-813 783
Kortsiktig konserngjeld			4 766 969
Annen kortsiktig gjeld		17 258 512	62 432 607
Sum kortsiktig gjeld		**17 577 376**	**68 725 104**
Sum gjeld		**17 577 376**	**68 725 104**
SUM EGENKAPITAL OG GJELD		**39 484 508**	**300 092 125**

Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Net rental and related income	10	1 405 000	44 739 000
Other income			
Adjustment to value of investment property	10		150 698 000
Profit/(loss) sale of property		-28 393 000	-35 421 000
Sum inntekter		**-26 988 000**	**160 016 000**
Kostnader			
General and administrative expenses	5,6,14, 18	-1 220 000	41 455 000
Sum kostnader		**-1 220 000**	**41 455 000**
Driftsresultat		**-25 768 000**	**118 561 000**
Finansinntekter og finanskostnader			
Financial income	16	2 001 000	3 487 000
Sum finansinntekter		**2 001 000**	**3 487 000**
Financial costs	5	519 000	17 463 000
Share of net profit /(loss) form joint ventures	16		1 467 000
Sum finanskostnader	5	**519 000**	**18 930 000**
Netto finans		**1 482 000**	**-15 443 000**
Ordinært resultat før skattekostnad		**-24 286 000**	**103 118 000**
Income tax expense	8	-45 386 000	46 595 000
ørediff			
Ordinært resultat etter skattekostnad		**21 100 000**	**56 523 000**
Årsresultat		**21 100 000**	**56 523 000**
Årsresultat etter minoritetsinteresser		**21 100 000**	**56 523 000**
Overføringer og disponeringer			
Total comprehensive income attributable to		21 100 000	56 523 000

Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
Sum overføringer og disponeringer		**21 100 000**	**56 523 000**

Konsernets balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Investments property			
Finansielle anleggsmidler			
other non-currents assets			40 310 000
Sum finansielle anleggsmidler			**40 310 000**
Sum anleggsmidler		**0**	**40 310 000**
Omløpsmidler			
Varer			
Fordringer			
Accounts receivable			23 000
Other receivables	9,12	26 695 000	5 154 000
Investments property held for sale			
Sum fordringer		**26 695 000**	**5 177 000**
Investeringer			
Investment property held for sale			577 622 000
Sum investeringer			**577 622 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	9,12,17	12 796 000	11 495 000
ørediff			
Sum bankinnskudd, kontanter og lignende		**12 796 000**	**11 495 000**
Sum omløpsmidler		**39 491 000**	**594 294 000**
SUM EIENDELER		**39 491 000**	**634 604 000**

BALANSE - EGENKAPITAL OG GJELD

Konsernets balanse

Beløp i: NOK	Note	2022	2021
Egenkapital			
Innskutt egenkapital			
Issued capital	5,14	30 891 000	30 891 000
Overkurs			113 674 000
Sum innskutt egenkapital		**30 891 000**	**144 565 000**
Opptjent egenkapital			
Retained earnings		-8 983 000	58 885 000
ørediff			
Sum opptjent egenkapital		**-8 983 000**	**58 885 000**
Sum egenkapital		**21 908 000**	**203 450 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt			45 386 000
Other long term liabilities			
Sum avsetninger for forpliktelser			**45 386 000**
Annen langsiktig gjeld			
Interest-bearing loans and borrowings			
ørediff			
Sum langsiktig gjeld		**0**	**45 386 000**
Kortsiktig gjeld			
Leverandørgjeld		325 000	2 706 000
Liabilities for current tax			
Other current liabilites		17 259 000	108 063 000
Interest-bearing loans and borrowings			275 000 000
ørediff			
Sum kortsiktig gjeld		**17 584 000**	**385 769 000**
Sum gjeld		**17 584 000**	**431 155 000**
SUM EGENKAPITAL OG GJELD		**39 492 000**	**634 605 000**

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Geir Johannessen	12.02.2014	25.02.2014
Telefon	Deres referanse	Vår referanse
22 66 11 14	Jannecke Vinjum	2014/98637

UNION REAL ESTATE FUND HOLDING AS
v/UNION Eiendomskapital AS Postboks 1715 Vika
0121 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Union Real Estate Fund Holding AS, org.nr. 999 326 633

Vi viser til deres brev av 12. februar 2014, samt utfyllende opplysninger gitt i e-post, hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for ovennevnte selskap. Søknaden gjelder fra og med regnskapsåret 2014.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Union Real Estate Fund Holding AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Union Real Estate Fund Holding AS er et eiendomsfond. I 2014 vil anslagsvis 70 % av eierne være utenlandske investorer. All rapportering og kommunikasjon foregår i hovedsak på engelsk. Hovedtyngden av brukerne er utenlandske eller benytter engelsk som arbeidsspråk. Søknaden gjelder kun selskapsregnskapet og konsernregnskapet til Union Real Estate Fund Holding AS. Underliggende datterselskaper utarbeider årsregnskap og årsberetning på norsk

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal "*årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.*"

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal*

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60

gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet hovedsakelig retter seg mot utenlandske investorer og at arbeidsspråket er engelsk. Videre er det vektlagt at ingen vesentlige brukere blir negativt berørt.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Geir Johannessen

UNION Real Estate Fund Holding AS

Annual accounts

2022

Auditor's report
Director's report

Statement of comprehensive income
Statement of financial position at 31 December
Statement of changes in equity
Cash flow statement
Notes

The board of directors` report 2022 for UNION Real Estate Fund Holding AS

UNION Real Estate Fund Holding AS

Operational review

UNION Real Estate Fund Holding AS ("the Fund") was established in 2013 to focus on acquisition of commercial real estate properties primarily in Norway with the potential for value-add asset management through re-leasing, repositioning, refurbishment or expansion. The Fund's investment strategy has been to make investments in mid-sized, multi-tenant, commercial properties that are located primarily in the larger Norwegian cities and which have displayed a value creation potential over an expected two to five year holding period. The Fund is managed by UNION Eiendomskapital UREF AS.

UNION Real Estate Fund Holding AS has invested in a total of 44 commercial properties in Norway from 2013 until the end of 2017, whereas 43 properties were sold in the period 2015 to 2021, and the last property was sold in January 2022. The investment operations through 2022 were based on the Fund`s investment strategy outlined above in accordance with the investment committee and the Board of Directors.

Going concern

In accordance with the Accounting Act § 3-3a, the board of directors confirm that the financial statements have been prepared under the assumption of going concern. The Group's economic and financial position is sound.

Comments related to the financial statements

As of 31.12.2022 308 905 290 shares were issued in the Fund.

UNION Real Estate Fund Holding AS had an operating profit of MNOK 2.3 (2021: -33.1). The Group had an operating loss of MNOK 25.8 (2021: +118.6). Profit before tax was negative with MNOK 3.5 (2021: +89.1) for the parent company and negative with MNOK 24.3 (2021: +103.1) for the Group. The Group net rental and related income was MNOK 1.4 (2021: 44.7) for the year 2022.

The Board of UNION Real Estate Fund Holding AS proposes that the negative total comprehensive income for the year of the parent company of MNOK 6.8 (2021: +86.2) is allocated as follows:

- Transferred from fund for unrealized gains NOK 158 117 000
- Transferred from retained earnings NOK 151 298 000
- Net change in equity NOK -6 819 000

The company's liquid assets are invested in a bank and considered to be low risk.

As per 31.12.2022 the parent company had a bank balance of MNOK 3.6 (2021: 4.2) and for the Group MNOK 12.8 (2021: 11.5).

The total capital pr. 31.12.2022 was MNOK 39.5 (2021: 634.6) for the Group. Long-term debt equals 0% (2021: 7.15 %) and short-term debt equals 44.53% (2020: 60.79 %). The equity ratio for the Group was 55.47% (2021: 32.06 %). Non-controlling interest represents 0% (2021: 0%) of total assets.

Environment and equality

The parent company and the Group do not pollute the environment beyond what is normal for the operations of the Group. Waste and emissions arising from operations are treated under applicable laws and regulations. The company does not discriminate between the sexes and believe that equality is safeguarded thus no specific measures is implemented.

Financial risk

Market risk

The real estate market is exposed to effects related to macro-economic conditions and local market conditions. This could lead to changes in rent levels, occupancy rate and value of the properties. As of 31.12.2022 UNION Real Estate Fund Holding AS is not exposed to property related risks or changes in interest rates as they have no properties or liabilities to credit institutions.

Credit risk

The real estate market has risks associated with its tenants on the properties. The tenants economy and financial strength, and thus their ability to serve the rent, has great significance for the risk associated with the loss of rent/income. The risk of vacancy depends to a large extent on the economic conditions. Vacancy in a property will lead to loss of rental income, and cause the fund to cover the missing common costs. The fund strives to achieve a bank guarantee or rent deposit upon signing or renegotiating lease contracts. As of 31.12.2022 the Fund has credit risk related to a sellers credit to the buyer of one of the properties. The sellers credit is secured through a lien on the shares in the property company.

Risk of liquidity

The Board assesses the Fund's liquidity as satisfactory and it strives to have a liquidity buffer in case unforeseen situations occurs through daily operation of the properties.

Research and development

UNION Real Estate Fund Holding AS has no research and development activities.

Future development

The Fund has divested all its properties as of January 2022 and the Manager has initiated matters related to the liquidation process of the Fund.

The Board of Directors are covered by the directors` and officers` Liability Insurance policy entered into by UNION with a limit of liability of NOK 100 000 000.

The Transparancy Act came into force on 1 July 2022, and will promote companies' respect for human rights and decent working conditions, as well as ensure the public's access to information.

Explanation of due dilligence assessments cf. Section 5 of the Transparancy Act will be made available on the Company's website - https://union.no/ - by 30 June 2023.

The Board is not aware of any other incidents that has occurred which may impact the Company`s annual results or financial position.

Oslo, 2 March 2023

Bjørn Henningsen
Chairman

Lars Even Moe
Board member

Øystein A. Landvik
Board member

UNION Real Estate Fund Holding AS

Statement of comprehensive income

Parent company				Consolidated group	
2022	2021	All amounts in NOK 1 000	Note	2022	2021
-	-	Gross rental income		1 511	53 203
-	-	Property operating expenses		(107)	(8 464)
-	**-**	**Net rental and related income**	10	**1 405**	**44 739**
-	-	Profit/(loss) sale of property		(28 393)	(35 421)
-	-	Adjustment to value of investment property	10	-	150 698
2 265	(33 136)	General and administrative expenses	5 6 14 18	1 221	(41 455)
2 265	**(33 136)**	**Operating profit**		**(25 768)**	**118 561**
1 690	1 720	Financial income	16	2 001	3 487
(992)	151 877	Change in fair value shares		-	-
(6 508)	(29 939)	Financial costs	5	(519)	(17 463)
-	(1 467)	Share of net profit/(loss) from joint ventures	16	-	(1 467)
(5 810)	**122 191**	**Net financial items**	7	**1 482**	**(15 444)**
(3 544)	**89 055**	**Profit before tax**		**(24 286)**	**103 117**
(3 275)	(2 885)	Income tax expense	8	45 386	(46 595)
(6 819)	**86 169**	**Profit for the year**		**21 100**	**56 523**
		Other comprehensive income			
-	-	Net other comprehensive income		-	-
-	-	Tax related to other comprehensive income	8	-	-
(6 819)	**86 169**	**Total comprehensive income for the year**		**21 100**	**56 523**
		Profit for the year attributable to:			
		Equity holders of the parent company		21 100	58 251
		Non-controlling interests		-	(1 728)
				21 100	**56 523**
		Total comprehensive income attributable to:			
		Equity holders of the parent company		21 100	58 251
		Non-controlling interests		-	(1 728)
				21 100	**56 523**

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UNION Real Estate Fund Holding AS

Statement of financial position at 31 December

Parent company				Consolidated group	
2022	**2021**	All amounts in NOK 1 000	**Note**	**2022**	**2021**
		ASSETS			
		Non-current assets			
9 128	261 023	Investments in subsidiaries	2 9 15	-	-
-	-	Other non-current assets		-	40 310
-	3 275	Deferred tax assets	8	-	-
9 128	**264 297**	**Total non-current assets**		**-**	**40 310**
		Current assets			
-	-	Investment property held for sale	3 4 10 11	-	577 622
-	-	Accounts receivable	9 12	-	23
26 695	31 587	Other receivables	9 12	26 695	5 154
3 662	4 208	Cash and cash equivalents	9 12 17	12 796	11 495
30 356	**35 795**	**Total current assets**		**39 491**	**594 294**
39 485	**300 092**	**TOTAL ASSETS**		**39 491**	**634 604**
		EQUITY AND LIABILITIES			
		Equity			
		Paid in capital			
30 891	30 891	Issued capital	5 14	30 891	30 891
-	-	Share premium		-	113 674
30 891	**30 891**	**Total paid in capital**		**30 891**	**144 564**
		Accumulated profits			
-	158 117	Fund for unrealised gains		-	-
(8 983)	42 360	Retained earnings		(8 983)	58 885
(8 983)	**200 477**	**Total accumulated profits**		**(8 983)**	**58 885**
		Non-controlling interests	15	-	-
21 907	**231 367**	**Total equity**		**21 907**	**203 449**
		Non-current liabilities			
-	-	Deferred tax liabilities	8	-	45 386
-	**-**	**Total non-current liabilities**		**-**	**45 386**
		Current liabilities			
-	-	Current interest-bearing loans and borrowings	9 13 14 17	-	275 000
319	2 339	Accounts payable	9 12 14	325	2 706
17 259	66 386	Other current liabilities	9 12 14	17 259	108 063
17 577	**68 725**	**Total current liabilities**		**17 584**	**385 770**
17 577	**68 725**	**Total liabilities**		**17 584**	**431 155**
39 485	**300 092**	**TOTAL EQUITY AND LIABILITIES**		**39 491**	**634 604**

The Board of UNION Real Estate Fund Holding AS
Oslo, 2 March 2023

Lars Even Moe	Bjørn Henningsen	Øystein A. Landvik
Board member	Chair	Board member

UNION Real Estate Fund Holding AS

Statement of changes in equity

All amounts in NOK 1 000

Consolidated group	Note	Attributable to parent company equity holders				
		Share capital	Share premium	Retained earnings	Non-controlling interests	Total equity
Equity as at 31.12 2020		**30 891**	**299 016**	**634**	**5 368**	**335 908**
Dividends distributed		-	(185 343)	-	(3 639)	**(188 982)**
Total comprehensive income		-	-	58 251	(1 728)	**56 523**
Equity as at 31.12 2021		**30 891**	**113 674**	**58 885**	**-**	**203 449**
Dividends distributed		-	(113 674)	(88 968)	-	**(202 641)**
Total comprehensive income		-	-	21 100	-	**21 100**
Equity as at 31.12 2022		**30 891**	**-**	**(8 983)**	**-**	**21 907**

Parent company	Share capital	Share premium	Fund for unrealised gains	Retained earnings	Total equity
Equity as at 31.12 2020	**30 891**	**173 517**	**-**	**126 132**	**330 540**
Dividends distributed	-	(173 517)		(11 826)	**(185 343)**
Total comprehensive income	-	-	158 117	(71 947)	**86 169**
Equity as at 31.12 2021	**30 891**	**-**	**158 117**	**42 360**	**231 367**
Dividends distributed	-	-	-	(202 641)	**(202 641)**
Total comprehensive income	-	-	(158 117)	151 298	**(6 819)**
Equity as at 31.12 2022	**30 891**	**-**	**-**	**(8 983)**	**21 907**

UNION Real Estate Fund Holding AS

Statement of cash flows

Parent company 2022	Parent company 2021	All amounts in NOK 1 000	Note	Consolidated group 2022	Consolidated group 2021
		Cash flow from operating activities			
(3 544)	89 055	Profit before tax for the year from total operations		(24 286)	103 117
992	(150 410)	Change in value shares		-	1 467
6 407	29 722	(Profit)/loss sale of shares		-	-
-	-	Tax payment		-	-
-	-	Adjustment to value of investment property		-	(150 698)
-	-	(Profit) / loss sale of property		28 393	35 421
-	-	(Increase)/decrease in accounts receivable		23	2 294
(1 058)	21 335	(Increase)/decrease in other receivables		13 894	15 774
(2 020)	1 355	Increase/(decrease) in accounts payable		(2 381)	(115)
(39 083)	(56 779)	Increase/(decrease) in other current liabilities		(84 190)	(16 006)
(6 614)	30 874	Provision for performance fee to manager		(6 614)	30 873
(44 921)	**(34 849)**	**Net cash flow from operating activities**		**(75 161)**	**22 129**
		Cash flows from investing activities			
-	-	Sale of properties		554 103	480 418
237 757	136 975	Sale of subsidiaries		-	-
11 613	22 535	Repayment of investments in subsidiares / distributions		-	500
(2 355)	3 204	(Increase)/decrease in intercompany loan		-	-
	63 145	Sale of investment in joint venture			63 145
247 015	225 859	**Net cash flow used in investing activities**		**554 103**	**544 063**
		Cash flows from financing activities			
(202 641)	(185 343)	Dividend		(202 641)	(188 982)
	(1 459)	Repayment of borrowings		(275 000)	(379 059)
(202 641)	(186 802)	**Net cash flow from financing activities**		**(477 641)**	**(568 041)**
(547)	**4 208**	**Net increase/(decrease) in cash and cash equvivalents**		**1 302**	**(1 848)**
4 208	-	Cash and cash equivalents at beginning of period		11 495	13 343
3 662	**4 208**	**Cash and cash equivalents at end of period**		**12 796**	**11 495**

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UNION Real Estate Fund Holding AS

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1 Summary of significant accounting policies

UNION Real Estate Fund Holding AS is a limited company, incorporated in Norway, headquartered in Oslo. Address headquarter: c/o UNION Eiendomskapital AS, Bolette Brygge 1, 0252 Oslo, Norway.

The combined consolidated financial statements of the consolidated group and parent company of UNION Real Estate Fund Holding AS for the fiscal year 2022 were approved in the board meeting at 01.03.2023.

The Group is engaged in the development, letting, management, operation, purchase and sale of office and retail properties in Norway. UNION Real Estate Fund Holding AS is managed by UNION Eiendomskapital UREF AS (the Manager).

1.1 Basis for preparation of the annual accounts

The UNION Real Estate Fund Holding AS' annual accounts, consisting of the annual accounts of the parent company and the Group's consolidated financial statements, have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2022, and Norwegian disclose requirements listed in the Norwegian Accounting Act as of 31.12.2022.

The annual accounts are based on historical cost, with the exception of the following:

- Financial instruments measured at amortised cost or at fair value through profit or loss
- Investment properties which are assessed at their fair value.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

1.2 Functional currency and presentation currency

The functional currency and presentation currency for the parent company is NOK. The consolidated financial statements are presented in NOK.

1.3 Consolidation principles

(a) Subsidiaries

The Group's consolidated financial statements comprise UNION Real Estate Fund Holding AS and companies in which UNION Real Estate Fund Holding AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50 % of the shares in the company and can exercise control over the company. Non-controlling interests are included in the Group's equity.

Business combinations are accounted for under the acquisition method. Any excess of the purchase price of business combinations over the fair value of the assets, liabilities and contingent liabilities acquired and resulting deferred tax thereon is recognised as goodwill. Any discount received is credited to the income statement in the period of acquisition.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any gains or losses arising from such re-measurement are recognised in the income statement.

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Acquisition of subsidiaries that are not considered to represent business combinations as defined in IFRS 3, for example the acquisition of a "Single Purpose" subsidiary that only owns a property and neither has employees, management or significant processes, are recognised as an acquisition of an asset. The cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. In such circumstances there is no recognition of deferred tax.

The Group management is of the opinion that the acquisition of all existing subsidiaries is considered not to represent business combinations.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.
Whenever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The consideration is recognised at fair value and the difference between the consideration and the carrying amount of the asset is recognised at the equity attributable to the parent.

In cases where changes in the ownership interest of a subsidiary lead to loss of control, the consideration is measured at fair value. Assets and liabilities of the subsidiary and non-controlling interest at their carrying amounts are derecognised at the date when the control is lost. Differences between the consideration and the carrying amount of the asset are recognised as a gain or loss in profit or loss.

(b) Associates and joint ventures

The Group has investments in associates and joint ventures. Associates are entities over which the Group has significant influence, but not control or joint control over the financial and operating management.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether the Group has joint control or significant influence over an entity are similar to those necessary to determine control over subsidiaries.

Associates and joint ventures are accounted for using the equity method from the date when significant influence or joint control is achieved until such influence ceases.

Investments in an associates or joint ventures are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If there are indication of that the investment in the associate or joint venture is impaired, the Group will perform an impairment test of the carrying amount of the investment. Any impairment losses are recognised as share of profit of an associate and a joint venture in the statement of profit or loss.

If the Group's share of the loss surpasses the carrying amount of the associate, the carrying amount is set to zero and further loss is not recognised unless the Group has an obligation to make up for the loss.

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Upon loss of significant influence over the associate or joint control over the joint venture, and as such the equity method ceases, the Group measures and recognises any retained investment at its fair value. It will not be performed a new measurement of remaining ownership interests if the equity method is still applicable, for example by transition from an associate to a joint venture.

(c) Other investments

All other investments are recognised in accordance with IFRS 9 Financial Instruments, and additional information are provided in notes 3 and 9.

(d) Inter-company transactions and balances

Inter-company transactions and inter-company balances, including internal profits and unrealised gains and losses, are eliminated. Correspondingly, unrealised losses are eliminated but only to the extent that there are no indications of impairment in the value of the asset that has been sold internally.

(e) Non-controlling interests

The non-controlling interest in the consolidated financial statements is the non-controlling interest's share of the carrying amount of the equity. In a business combination are the non-controlling interests measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The subsidiary's profit and loss is together with the separate components of other comprehensive income, is attributable to the owners of the parent company and the non-controlling interests. The comprehensive income is attributable to the owners of the parent company and to the non-controlling interest even though this leads to negative non-controlling interests.

1.4 The use of estimates and assessment of accounting policies when preparing the annual accounts

1.4.1 Estimates and assumptions

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Changes in accounting estimates are recognised during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods.

1.4.2 Judgements

The management has, when preparing the financial statements; made certain significant assessments based on critical judgement when it comes to application of the accounting principles. The following items have been subjected to a significant level of judgement when applying the accounting principles:

- Investment property valuation (further information in notes 3, 9, 10 and 13)
- Fair value of investments in subsidiaries (notes 2, 3 and 9)
- Investments in joint ventures and associates at equity value (notes 3, 9 and 16)
- Financial liabilities including interest rate derivatives (notes 3, 9 and 13)

UNION Real Estate Fund Holding AS

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1.5 Revenue recognition
The Group recognises revenue on an accruals basis, when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group.

The Group's revenue includes rental income from investment properties, other income and proceeds from the sale of properties.

Rental income from investment property leased out under an operating lease is recognised in the income statement on a straight-line basis over the term of the lease. The revenue is measured net of any value added tax. Lease incentives being offered to occupiers to enter into a lease, such as an initial rent-free period, are an integral part of the net consideration for the use of the property and are therefore recognised on the same straight-line basis.

Any overhead costs are recognised in the balance sheet along with payments from the tenants and consequently this has no effect on the result.

Other income is recorded as income in the periods in which it is earned.

Proceeds received on the sale of properties are recognised within Revenue when the significant risks and rewards of ownership have been transferred to the buyer.

1.6 Segments
UNION Real Estate Fund Holding's operations consist primarily of ownership and management of commercial properties in Norway. There are no significant differences in risk and profitability in areas where the company operates. The Company and the Group operates in one business segment and one geographical market, thus no further segment information will be prepared.

1.7 Borrowing costs related to construction and rehabilitation
Borrowing costs are recognised in the statement of comprehensive income when they arise. Borrowing costs are capitalised to the extent that they are directly related to the purchase, construction or rehabilitation of a non-current asset. The interest costs accrued during the period until the non-current asset is capitalised. Borrowing costs are capitalised until the date when the non-current asset is ready for its intended use. If the cost price exceeds the non-current asset's fair value, an impairment loss is recognised.

1.8 Income tax
The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The companies recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Accordingly to the exception in IAS 12 deferred tax is not recognised when buying a company that is not a business. A provision for deferred tax is made after subsequent increases and decreases in the value beyond initial cost.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset (non-current liabilities) in the statement of financial position.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

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1.9 Leases
The Group has applied IFRS 16 using the modified retrospective approach. The application of the new standard has not affected the preparation of the accounts.

Identifying a lease
At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Separating components in the lease contract
For a contract that contains a lease component and one or more additional lease or non-lease components, The Group allocates the consideration in the contract applying the principles in IFRS 15 Revenue from Contracts with Customers.

Recognition of leases and income
For contracts where the Group acts as a lessor, it classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The group as a lessor does not have any finance leases.

Operating leases
For operating leases, the Group recognises lease payments as other income, mainly on a straight-line basis, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Group recognises costs incurred in earning the lease income in other operating expenses. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the rental income.

1.10 Investment property
Investment property consists of properties (land, buildings or both) that are used to accrue rental income, to increase the value of capital or both. Investment properties are recognised at their fair value. The fair value equals the estimated market value without any deductions for expenses incurred in the case of any sale. Changes to the fair value are recognised in the statement of comprehensive income during the period when it arises.

The fair value is assessed annually, based on a valuation by an independent valuation expert that is qualified and has extensive experience of the area and the type of property that is valued. The valuation is prepared by discounting the total net annual rental income by a required rate of return that reflects the risk in net cash flows.

Transfers to or from the category of investment property are only carried out as a result of a change in the use of the property. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. The difference that arises between the carrying amount and the fair value on the reclassification date is recognised directly in equity in the case of a gain. If the property is later sold, the gain is transferred to retained earnings. Losses which arise due to such a reclassification are recognised in the statement of profit or loss immediately.

1.11 Non-current assets held for sale and discontinued operations
Non-current assets and groups of non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sales transaction instead of through continued use. This is only regarded as having been fulfilled when a sale is highly probable and the non-current asset (or groups of non-current assets and liabilities) is available for immediate sale in its present form. The management must be committed to a sale and the sale must be expected to be carried out within one year after the classification date.

Non-current assets and groups of non-current assets and liabilities that are classified as held for sale are valued at the lower of their former carrying amount or fair value minus sales costs.

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1.12 Financial assets and financial liabilities

Recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit and loss.

Financial assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

The Group classifies its financial assets in the following categories: at fair value through profit and loss (FVTPL), fair value through other comprehensive income (FVOCI) and at amortised cost.

(a) Debt instruments at amortised cost and effective interest method

Financial assets that is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and that the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost.

Assets in this category with fixed or determinable payments that are not quoted in an active market, are included in current assets except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Assets in this category are subsequently measured at amortised cost using the effective interest (EIR) method and are subject to impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. See note 9 for "accounts receivables" and "other receivables".

(b) Fair value through other comprehensive income (FVTOCI)

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

(c) Fair value through profit or loss (FVTPL)

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:
- a debt instrument or equity instrument held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or
- a derivative, or
- designated as such upon initial recognition where permitted.

Financial assets at FVTPL are initially recognised and subsequently measured at fair value on a recurring basis with gains or losses arising from changes in fair value recognised through gains in investments in the income statement. Dividends or interest earned on the financial asset are excluded from the gains on investments and recognised separately within finance income.

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Assets in this category are classified as current if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. Otherwise, they are classified as non-current.

All investments in subsidiaries and joint ventures in the separate financial statements for the parent company, are measured at fair value through profit or loss. See notes 2, 3 and 9 for "investments in subsidiaries" and notes 9 and 16 for "joint arrangements".

The Group classifies its financial liabilities in the following categories: at fair value through profit or loss (FVTPL), and other financial liabilities.

(a) Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include derivative liabilities and other financial liabilities designated as FVTPL.

A financial instrument is classified as at FVTPL if it is a derivative that is not designated and effective as a hedging instrument, or the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Financial liabilities are also classified as at FVTPL when the financial liability is held for trading.

Financial liabilities at FVTPL are initially recognised and subsequently measured at fair value on a recurring basis with gains or losses arising from changes in fair value recognised through gains in investments in the income statement. Interest paid on the financial instruments is excluded from the gains on investments and recognised separately within Finance costs

(b) Financial liabilities measured subsequently at amortised cost

Other financial liabilities (including borrowings and trade and other payables) are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and the redemption value being recognised in the income statement over the period of the borrowings, using the effective interest method ("interest-bearing loans and borrowings"; notes 9, 11 and 13).

Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities ("accounts payable" and "other current liabilities"; notes 9 and 11).

Derecognition of financial assets and liabilities

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when substantially all the risks and rewards of ownership of the asset are transferred to another party. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value amount and the sum of the consideration received and receivable, is recognised in profit or loss. For financial assets classifies at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income and accumulated in equity, is reclassified in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when the Group has a legal right to offset the amounts and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

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Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

For trade receivables, contract assets and lease receivables, the Group always recognise lifetime ELC. The ECL on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial instruments where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month ECL allowance is estimated. This represents a portion of the asset's lifetime ECL that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime ECL. The amount of ECL recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments to manage exposure to interest rate risk. They are initially recognised on the trade date at fair value and subsequently re-measured at fair value.

In assessing fair value the Group uses its judgement to select suitable valuation techniques and make assumptions which are mainly based on market conditions existing at the balance sheet date.

A derivative with a positive fair value is recognised as a financial asset whilst a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non current asset or non current liability if the remaining maturity of the instrument is more than 12 months, otherwise a derivative will be presented as a current asset or current liability. Changes in fair values of derivatives are recognised immediately in the statement of profit and loss, classified as financial items.

Amounts paid under interest rate swaps, both on obligations as they fall due and on early settlement, are recognised in the income statement as finance costs. Fair value movements on revaluation of derivative financial instruments are shown in the income statement through changes in fair value of financial instruments.

The Group does not currently apply hedge accounting to its interest rate swaps.

See notes 3, 9 and 13 for "derivatives".

1.13 Cash and cash equivalents
Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be converted immediately into a known amount of cash and have a maximum term to maturity of three months.

1.14 Equity
Equity and liabilities
Financial instruments are classified as liabilities or equity in accordance with the underlying economical realities.

UNION Real Estate Fund Holding AS

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Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

Transaction costs directly related to an equity transaction are recognised directly in equity after deducting tax expenses.

1.15 Provisions
A provision is recognised when the Group has an obligation (legal or self-imposed) because a result of a previous event, it is probable (more likely than not) that a financial settlement will take place because a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market is pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

1.16 Events after the reporting period
New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position on the end of the reporting period but which will affect the company's financial position in the future are disclosed if significant.

1.17 Application of new and amended standards
No significant changes have been made to accounting principles compared with the principles used in the preparation of the financial statements for 2021. UNION Real Estate Fund Holding AS has not implemented any new standards in the financial statement for 2022. There are no material new standards and interpretations not yet implemented.

Amendments to standards and interpretations with a future effective date

Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current

The International Accounting Standards Board has issued amendments to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The amendments clarify:

- The meaning of right to defer settlement
- That the right to defer must exist at the end of the reporting period
- That classification is not affected by the probability that an entity will exercise its deferral right
- That the terms of a liability would not impact its classification, only if an embedded derivative is an equity instrument itself.

The amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2023. The Group does not intend to early adopt the amendments.

It is not expected that the amendments will have any major effect to the financial statement of the Company.

Amendments to IAS 8 - Definition of Accounting Estimates

IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

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The amendments are effective for annual periods beginning on or after 1 January 2023, but earlier application is permitted. The Group does not intend to early adopt the amendments.

It is not expected that the amendments will have any major effect to the financial statement of the Company.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies

Following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed, IASB has issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments are effective for annual periods beginning on or after 1 January 2023, but earlier application is permitted as long as this fact is disclosed. The Group does not intend to early adopt the amendments.

Some of the accounting policies presented in the annual accounts for 2022 may in this not be required for the 2023 annual accounts.

1.18 Alternative Investment Funds
UNION Real Estate Fund Holding AS is registered as a Alternative Investment Fund at the The Financial Supervisory Authority of Norway (*Finanstilsynet*), and must consequently meet certain disclosure requirements in the Act on Alternative Investment Fund Managers (AIF-Act) (*Lov om forvaltning av alternative investeringsfond* (*AIF-loven*)).

Article 104 in Commission delegated regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU sets out certain requirements as to information in the Annual report, disclosure to investors and reporting to competent authorities.

See note 18 for more information in this context.

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All amounts in NOK 1 000 unless otherwise stated

2 List of subsidiaries

The following subsidiaries are included in the consolidated financial statements:

Company	Business Office	Shareholding / voting rights	Acquisition date	Ownership interest	Ownership
Reevegen 13 Holding AS	Oslo	100,0 %	24.06.2014	100,0 %	Directly

Sold and liquidated companies in 2022 (consolidated in the ownership period):

Company	Business Office	Sale date	Shareholding / voting rights	Acquisition date	Ownership interest	Ownership
Kjelsåsveien 161 AS	Oslo	20.01.2022	100,0 %	30.01.2015	100,0 %	Directly

There are no particular significant restrictions on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans or advances.

3 Critical accounting estimates and subjective judgements

In accordance with IFRS 13, disclosure is required for financial instruments that are measured in the consolidated statement of financial position at fair value.
This requires disclosure of fair value measurements by level for the following fair value measurement hierarchy:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based observable market data (i.e. unobservable inputs)

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

There were no transfers between levels in the period.

Fair value of investments in subsidiaries and joint ventures
The sole purpose of the subsidiaries of the Group is to own the investment properties described above. Any other assets or liabilities that the subsidiaries and joint ventures may have will for the most part consist of cash and cash equivalents and short-term payables and receivables, and the fair value of these items is expected to approximate the nominal and carrying amounts.

As the main assets of the subsidiaries and joint ventures, i.e. the investment properties, are classified as level 3 financial instruments, the subsidiaries and joint ventures are also classified as level 3 instruments.

The valuation technique for measuring the fair value of the subsidiaries and the joint ventures is an adjusted net asset value method, where the fair value of the main assets are measured by an income approach, and the fair value of the subsidiaries and joint ventures is then estimated by adjusting for any other assets and liabilities.

Consequently the inputs and the relationship of unobservable inputs to fair value for the subsidiaries and joint ventures will correspond with those for the investment properties.

UNION Real Estate Fund Holding AS

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All amounts in NOK 1 000 unless otherwise stated

Reconciliation of level 3 fair value measurements of subsidiaries, joint ventures and investment property:

	Parent	Parent / Group	Group	Group
	Subsidiaries	Joint ventures	Investment property	Investment property held for sale
Balance as of 1 January 2022	261 023	-	-	577 622
Disposals	(239 290)	-	-	(577 622)
Dividends	(11 613)	-	-	-
Change in fair value	(992)	-	-	-
Balance as of 31 December 2022	**9 128**	-	-	-
Balance as of 1 January 2021	328 252	65 112	656 399	316 741
Disposals	(197 072)	(63 145)	(229 475)	(316 741)
Dividends	(22 035)	(500)	-	-
Transfer between categories	-	-	(426 924)	426 924
Change in fair value	151 877	(1 467)	-	150 698
Balance as of 31 December 2021	**261 023**	-	-	**577 622**

4 Operating leases

The Group mainly enters into contracts with a fixed rent for the lease of property.

Operating leases
The Group leases out its owned investment properties to third parties with contracted non-cancellable lease terms between 3 and 15 years. The Group has classified all of these leases as operating because they do not transfers substantially all the risks and rewards incidental to ownership of the properties the counterparties. For the Group's investment property leases the rental income is largely fixed under the contracts, however, subject to an annual price adjustment based on inflation.

The Group also leases out part of its owned machinery and equipment to third parties with contracted non-cancellable lease terms between 1 and 3 years. The Group has classified these leases as operating because they do not transfers substantially all the risks and rewards incidental to ownership of the counterparties. The lease payment in these contracts are fixed over the lease term.

The Group's lease income from operating leases are presented in the table below:

4 Operating leases - continues

	Consolidated group	
Lease income from operating leases	**2022**	**2021**
Lease income from investment properties	-	53 203
Total	-	53 203

	Consolidated group	
The Group's future undiscounted accumulated rent from non-terminable operational lease contracts at 31.12.	**2022**	**2021**
Within 1 year	-	-
Between 1 and 5 years	-	-
Later than 5 years	-	-
Total	-	-

5 Wages and remuneration

Number of employees
The parent company and the group companies have no employees.

Remuneration to members of the Board
The Board has not received any remuneration for their work.

	Parent company[1]		Consolidated group	
Expensed audit fee (excl. VAT)	**2022**	**2021**	**2022**	**2021**
Statutory audit	167	195	213	418
Other assurance services	111	21	111	25
Other non-assurance services	63	65	63	71
Tax consultant services	-	-	-	1
Total audit fee	**341**	**282**	**387**	**515**

[1] Fees to RSM Norge AS and affiliated companies.

UNION Real Estate Fund Holding AS

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All amounts in NOK 1 000 unless otherwise stated

5 Wages and remuneration - continues

Shares held by Board members[2]	Position	2022
Bjørn Henningsen	Chair	0,90 %
Lars Even Moe	Board member	1,77 %
Øystein A. Landvik	Board member	0,90 %
Total		**3,57 %**

[2] The shares are owned indirectly in the form of ownership in UNION Gruppen AS and through private holding companies.
UNION Gruppen AS owns directly shares in UNION Real Estate Fund Holding AS.

6 General and administrative expenses

	Parent company		Consolidated group	
General and administrative expenses	**2022**	**2021**	**2022**	**2021**
Auditor's fee	341	282	387	515
Management fee	19	1 130	96	5 785
Provision for performance fee to manager	(6 614)	30 873	(6 614)	30 873
Other fees	1 137	770	1 134	3 498
Other general and administrative expenses	2 852	82	3 777	784
Total general and administrative expenses	**(2 265)**	**33 136**	**(1 221)**	**41 455**

7 Financial income and costs

	Parent company		Consolidated group	
Financial income	**2022**	**2021**	**2022**	**2021**
Change fair value shares	-	151 877	-	-
Interest income on cash and cash equivalents	483	45	494	31
Interest income on group receivables	-	347	-	-
Other interest income	1 207	-	1 507	-
Profit sale of shares	-	-	-	-
Change fair value swaps	-	-	-	1 728
Share of net profit from joint ventures	-	-	-	-
Other financial income	-	1 328	-	1 728
Total financial income	**1 690**	**153 597**	**2 001**	**3 487**
Financial costs				
Interest expense on financial liabilities	101	24	519	16 355
Interest expense on group liabilities	-	73	-	-
Change fair value shares	992	-	-	-
Loss sale of shares	6 407	29 722	-	-
Change fair value swaps	-	-	-	-
Share of net profit from joint ventures	-	1 467	-	1 467
Other financial costs	-	120	-	1 108
Total financial costs	**7 500**	**31 406**	**519**	**18 930**
Net financial items	**(5 810)**	**122 191**	**1 482**	**(15 444)**

8 Income tax

	Parent company		Consolidated group	
Income tax expense	**2022**	**2021**	**2022**	**2021**
Current tax:				
Tax payable	-	-	-	-
Deferred tax:				
Changes in deferred tax	3 275	2 885	-	278
Changes in deferred tax on value of investment property	-	-	(45 386)	46 317
Total income tax expense / (income)	**3 275**	**2 885**	**(45 386)**	**46 595**

	Parent company		Consolidated group	
Reconciliation of the effective rate of tax	**2022**	**2021**	**2022**	**2021**
Income taxes calculated at 22% of profit before tax	(780)	19 592	(5 343)	22 686
Changes in unrecognised deferred tax (asset)/liabilities	2 427	(3 799)	9 750	8 377
Tax related to change in value of shares	218	(33 090)	-	-
Tax effect on non deductible expenses	1 410	6 542	-	6 542
Other tax effects	-	13 640	(49 793)	8 989
Total income tax expense / (income)	**3 275**	**2 885**	**(45 386)**	**46 595**

UNION Real Estate Fund Holding AS

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All amounts in NOK 1 000 unless otherwise stated

8 Income tax - continues

Deferred tax and deferred tax assets:	Parent company 2022	Parent company 2021	Consolidated group 2022	Consolidated group 2021
Deferred tax assets				
Tax losses carried forward	184 427	145 892	185 052	145 892
Investment property			-	-
Other deferred tax assets	5 158	62 433	5 158	-
Deferred tax assets - gross	189 585	208 324	190 210	145 892
Deferred tax liabilities				
Investment property	-	-	-	206 298
Other deferred tax liabilities	-	-	-	-
Deferred tax liabilities - gross	-	-	-	206 298
Net deferred tax asset/(liabilities)	**189 585**	**208 324**	**190 210**	**(60 407)**
Net recognised deferred tax asset/(liabilities)	**-**	**14 884**	**-**	**(206 298)**
Book value at 31.12 (at 22%)	**-**	**3 275**	**-**	**(45 386)**

9 Carrying amounts and fair value of financial instruments

The following table provides information about the carrying amounts and the fair value of all classes of financial instruments:

Financial assets - non current	Parent company 2022	Parent company 2021	Consolidated group 2022	Consolidated group 2021
Investments in equity instruments at FVTPL				
Investments in subsidiaries	9 128	261 023	-	-
Investments in joint ventures	-	-	-	-
Total non current financial assets	**9 128**	**261 023**	**-**	**-**
Financial assets - current				
Investments in dept instrument measured at amortised cost				
Accounts receivables		-	-	23
Other receivables	26 695	31 587	26 695	5 154
Cash and cash equivalents	3 662	4 208	12 796	11 495
Total current financial assets	**30 356**	**35 795**	**39 491**	**16 672**
Financial liabilities - current				
Financial liabilities at amortised cost				
Secured bank debt	-	-	-	275 000
Accounts payables	319	2 339	325	2 706
Debt to group companies	-	3 953	-	-
Performance fee	5 158	62 433	5 158	62 433
Accrued expenses	12 101	-	12 101	45 630
Total current liabilities	**17 577**	**68 725**	**17 584**	**385 770**

The fair values for all "Investments in dept instrument measured at amortised cost", and all current "Financial liabilities measured at amortised cost" are expected to approximate their carrying amounts given the short-term nature of these financial instruments.

The total carrying value of non current "Financial liabilities measured at amortised cost" is a reasonable approximation of their fair value at the year end date.

10 Investment property

Investment property	Consolidated group 2022	Consolidated group 2021
Opening balance as at 1 January	577 622	973 139
Enhancement expenditure capitalised	-	-
Disposed entities	(577 622)	(546 215)
Net gain/loss on changes in fair value	-	150 698
Balance at 31 December	**-**	**577 622**

At 31 December 2022 the company has no investment properties.

UNION Real Estate Fund Holding AS

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All amounts in NOK 1 000 unless otherwise stated

10 Investment property - continues

Income and expenditure relating to investment properties	Parent company 2022	2021	Consolidated group 2022	2021
Rental income	-	-	1 511	53 203
Direct operating expenses of properties that generated income	-	-	(107)	(8 464)
Balance at 31 December	-	-	1 405	44 739

11 Pledged assets

	Parent company 2022	2021	Consolidated group 2022	2021
Carrying amount secured debt				
Secured long-term debt	-	-	-	-
Secured short-term debt	-	-	-	275 000
Book value pledged assets				
Investment property held for sale	-	-	-	577 622
Fair value of investment property (land, building and fixtures)	-	-	-	-

12 Related parties

12.1 Identification of related parties
Amongst the identified related parties there have been transactions with the Group's subsidiaries, the Group's management, UNION Eiendomskapital UREF AS and UNION Real Estate Fund AS (owns 79,54% of UREF Holding AS). Subsidiaries are listed in Note 2.
Apart from the transactions described below, there are no significant transactions with related parties.
Information about the parent company is provided in note 14.

12.2 Group related transactions
Interests on internal long-term loans are calculated on the basis of the groups external borrowing cost plus an margin of 0,25%. Transactions with group companies have been eliminated in the Consolidated Group.

The parent company recharge the group companies management fee based on an distribution model. The distribution model is based on work carried out for group companies.

12.3 Board, management and owners
UNION Eiendomskapital UREF AS have entered into a management agreement with UNION Real Estate Fund Holding AS. The management fee for the investment period amounts to 1,65% of total commitments per annum. After expiration of the investment period, management fee amounts to 1,65% of invested capital per annum.

Managers performance fee:
Distributions after payment of the Fund's fees, costs, expenses and liabilities;
- First, return to investors of drawn down commitments;
- Second, a preferred return of 8% p.a. to investors;
- Third, 20% to the manager as performance fee and 80% to investors until the investors have received a return of 11% p.a.;
- Fourth, 40% to the manager as performance fee and 60% to investors until the manager has received a Performance fee equal to 20% of cumulative profits distributed; and
- Fifth, 80% to investors and 20% to the manager as performance fee

If the management agreement is terminated, the manager is entitled to a performance fee for the period up to the termination date.

Other fees:
When UNION Eiendomskapital UREF AS negotiate lease contracts on behalf of group companies, the manager receives a fee of between 7,5% and 15% of the annual rent, depending on whether it applies to extension of existing contracts and finding new tenants.

Transactions with the manager (UNION Eiendomskapital UREF AS)

Amount of transactions	Parent company 2022	2021	Consolidated group 2022	2021
Management fee	19	1 130	96	5 785
Rental fee	-	-	-	2 164
Performance fee	(6 614)	30 873	(6 614)	30 873
Other fees and expenses	-	-	-	622

Outstanding balances	Parent company 2022	2021	Consolidated group 2022	2021
Accounts receivable	-	-	-	-
Other receivables	-	-	-	-
Accounts payable	-	-	-	-
Other current liabilities	(5 158)	(62 433)	(5 158)	(62 433)
Balance at 31 December	(5 158)	(62 433)	(5 158)	(62 433)

UNION Real Estate Fund Holding AS

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All amounts in NOK 1 000 unless otherwise stated

12 Related parties - continues

Transactions with subsidiaries

Amount of transactions	Parent company 2022	Parent company 2021	Consolidated group 2022	Consolidated group 2021
Interest received	-	347	-	-
Interest paid	-	(73)	-	-
Dividends received	-	58 970	-	-

Outstanding balances	Parent company 2022	Parent company 2021	Consolidated group 2022	Consolidated group 2021
Loans to goup companies	-	-	-	-
Accounts receivable	-	-	-	-
Other receivables	-	-	-	-
Accounts payable	-	-	-	-
Other current liabilities	-	(3 953)	-	-
Balance at 31 December	**-**	**(3 953)**	**-**	**-**

Transactions with joint ventures

Amount of transactions	Parent company 2022	Parent company 2021	Consolidated group 2022	Consolidated group 2021
Dividends received	-	500	-	500

13 Information on financial risks

UNION Real Estate Fund Holding AS will through recognised financial instruments be exposed to various forms of risk. The main types of risk will be liquidity risk, credit risk and market risk. It is the responsibility of the fund's manager to determine the strategies for managing risk associated with financial instruments and to operationalize and implement the chosen strategy. Selected strategies, fixed limits and actual exposure in relation to established limits are reported periodically to the Board of UNION Real Estate Fund Holding AS. UNION Real Estate Fund Holding AS has adopted an moderate risk profile, and this consideration is also governing the determination of the strategy for risk management in financial instruments.

13.1 Liquidity risk
UNION Real Estate Fund Holding AS are exposed to liquidity risk in the form of repayment of loans from credit institutions, current interest on such obligations, and the use of interest rate swaps result in payment obligations when paid interest exceeds interest received. The manager prepares liquidity forecasts, which include maturity overviews of debt. The cash flow projection are reported to the group board and form the basis for future financing plans.

The maturity plan below shows how commitments are payable in nominal amounts in accordance with the agreed instalment plans and expected payments under financial interest rate swaps based on current market rates. Commitments are here presented in nominal amounts.

13.2 Credit risk
For the financial assets in the balance sheet, financial derivatives and receivables, the maximum credit risk may be best expressed by the recognised value of the assets. No security have been established for financial assets. The risk connected with the financial derivatives and bank deposits are perceived in practice limited due to the counterparts being major Norwegian commercial banks. In terms of exposure to other counterparties than banks are at any given time is relatively limited compared to the total balance. For most rental agreements security in the form of cash or bank guarantees equivalent to half the annual rent including share of common costs have been established.

At 31 December 2022 the group have accounts receivable of nil. The group have made provision for bad debts on overdue receivables not covered by the rental guarantees.

13.3. Interest rate risk
The Group's exposure to interest rate risk mainly concerns financial liabilities which are floating rate.

The Group uses interest rate swaps to hedge exposure to the variability in cash flows on floating rate debt, such as bank facilities, caused by movements in market rates of interest.

Due to a combination of factors, principally the high level of certainty required under IAS 39 'Financial Instruments: Recognition and Measurement', hedging instruments used in this context do not qualify for hedge accounting.

At 31 December 2022, the Group had no pay-fixed interest-rate swaps in place.

13.4. Foreign exchange risk
The Group is not exposed to currency risk in relation to the translation of net assets, currency transactions or the translation of net assets and income statement of foreign subsidiaries.

UNION Real Estate Fund Holding AS

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All amounts in NOK 1 000 unless otherwise stated

14 Share capital, shareholder information and dividend

(Number of shares are in whole numbers)

14.1 Share capital	2022	2021
Ordinary shares, nominal amount NOK 0,1	308 904 290	308 904 290
B-shares, nominal amount NOK 0,1	1 000	1 000
Total number of shares	**308 905 290**	**308 905 290**

B-shares are without voting rights. The B-shares have the right to elect the board members of the company, ordinary shares are without voting rights concerning the board election.

14.2 Shareholders

	Ordinary shares	B-shares	Ownership interest	Voting interest
Aakvik Holding AS	3 830 183		1,2 %	1,2 %
Banan II AS	2 872 637		0,9 %	0,9 %
Canica AS	15 320 733		5,0 %	5,0 %
Det Norske Eiendomscompagniet AS	3 830 183		1,2 %	1,2 %
Geveran Trading Co Ltd	95 754 583		31,0 %	31,0 %
Harbarn AS	4 787 729		1,5 %	1,5 %
Lærdal Finans AS	4 787 729		1,5 %	1,5 %
Nordea Liv Norge AS	13 405 642		4,3 %	4,3 %
Norwegian Hull Club	9 575 458		3,1 %	3,1 %
Pactum AS	11 490 550		3,7 %	3,7 %
Petroservice AS	5 745 275		1,9 %	1,9 %
Seamt Invest AS	3 830 183		1,2 %	1,2 %
Sjømennenes Hus Eiendom AS	3 830 183		1,2 %	1,2 %
Skips AS Tudor	9 575 458		3,1 %	3,1 %
Spleismark Næring AS	9 575 458		3,1 %	3,1 %
Stormbull Eiendom AS	2 872 637		0,9 %	0,9 %
UFI AS	8 338 309		2,7 %	2,7 %
UNION Real Estate LP	39 259 380	-	12,7 %	12,7 %
UNION Real Estate B LP	23 938 650	-	7,7 %	7,7 %
Wani Investering AS	3 830 183		1,2 %	1,2 %
Sum top 20 shareholders	**276 451 143**	-	**89,5 %**	**89,5 %**
Other shareholders	32 453 147	-	10,5 %	10,5 %
UNION Eiendomskapital UREF AS	-	1 000	0,0 %	0,0 %
Total number of shares 31.12.2022	**308 904 290**	**1 000**	**100 %**	**100 %**

Reconciliation of total number of shares in issue:

	Ordinary shares	B-shares	Total
As at December 31 2021	308 904 290	1 000	308 905 290
Issued as of 31 December 2022 - fully paid in	**308 904 290**	**1 000**	**308 905 290**
As at December 31 2020	308 904 290	1 000	308 905 290
Issued as of 31 December 2021 - fully paid in	**308 904 290**	**1 000**	**308 905 290**

14.3 Dividends

	2022		2021	
Cash dividends approved and paid	**NOK pr share**	**Total**	**NOK pr share**	**Total**
Ordinary shares				
Total dividends approved and paid	0,66	202 641	0,60	185 343
B-shares				
Total dividends approved and paid	-	-	-	-
Total		**202 641**		**185 343**

Dividends to non-controlling shareholders in UNION Real Estate Fund Holding's subsidiaries are reported as dividends in the consolidated statement of changes in equity.

UNION Real Estate Fund Holding AS

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All amounts in NOK 1 000 unless otherwise stated

14 Share capital, shareholder information and dividend continues

14.4 Capital Resources

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to be able to implement future investments. The fund will target a gross leveraged internal rate of return of 15% to 17% with a targeted average dividend of at least 5% on invested capital per annum over the life of the fund, utilising target leverage of up to 60% of portfolio value.

The table below illustrates the gearing ratio for the consolidated group at December 31. Non-controlling interests are included in the total equity.

	2022	2021
Borrowings	17 584	431 155
Less cash and cash equivalents	(12 796)	(11 495)
Net debt	4 788	419 660
Total equity	21 907	203 449
Total capital resources	26 695	623 109
Gearing ratio	17,9 %	67,3 %

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021.

14.5 Financial Covenants

Under the terms of the major borrowing facilities, the Group is required to comply with certain financial covenants.
The parent company does not have any interest-bearing debt; instead many of the subsidiaries have separate loan facilities where they are the borrower, and where they have used it's property as a collateral.

The covenants under these facilities vary. The Group has complied with all covenants throughout the reporting period.

15 Subsidiaries with material non-controlling interests

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.
The information below represents the consolidated figures of the subsidiaries at 100 per cent, and the amounts are before intercompany eliminations.

		2022	2021
The Company's ownership			
	Tønsberg Helsehus AS	N/A	N/A
Summarised income statement			
Revenue			
	Tønsberg Helsehus AS	-	716
Profit/(Loss) for the year			
	Tønsberg Helsehus AS	-	(123)

There has been paid a total dividend of TNOK 3 639 to non-controlling interests in 2021.

16 Joint ventures

The only joint venture was a 50% interest in Morenen Handelspark AS, a company located in Oslo which owns a retail park in Eidsberg Municipality. Morenen Handelspark AS is jointly controlled with one other party as a result of a contractual agreement involving sharing of control over the relevant activities of Morenen Handelspark AS. The 50% share were sold on 1 December 2021.

Since the contractual arrangement specifies that the parties with joint control have rights to the net assets of the arrangement, the Group is assessed to be party to a joint venture.

Morenen Handelspark AS owns, directly and indirectly, 100% of Morenen Senter AS, Morstongveien 47 AS, Morenen Eiendom AS and Morenen Eiendom II AS.

The joint venture is accounted for using the equity method in the consolidated group and at fair value through profit or loss in the separate financial statements for the parent company.

The table below provides summarised financial information for the joint venture. The information disclosed is based on a consolidation in accordance with IFRS for the joint venture. The information have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

These are consolidated figures at 100% and is not adjusted for holding period.

UNION Real Estate Fund Holding AS

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All amounts in NOK 1 000 unless otherwise stated

16 Joint ventures - continues

Morenen Handelspark AS

Income statement	2022	2021
Revenues	-	24 211
Adjustment to value of investment property	-	(8 676)
Operating costs	-	(13 420)
Net interest	-	(6 675)
Income tax expense	-	438
Profit for the period	-	**(4 122)**
Other comprehensive income	-	1 187
Total comprehensive income	-	**(2 934)**
Dividends received from the joint venture	-	-

Reconciliation to carrying amounts	2022	2021
Opening net assets 1 January	-	130 223
Divestment	-	(127 289)
Profit/(loss) for the period	-	(4 122)
Other comprehensive income	-	1 187
Closing net assets	-	-
Group's share in %	50 %	50 %
Group's share of total comprehensive income in Morenen Handelspark AS	-	(1 467)
Carrying amount	-	-

There are no particular significant restrictions on the ability of the joint venture to transfer funds to the Group in the form of cash dividends or to repay loans or advances.

The Group have no commitments or contingent liabilities in respect of this joint venture.

17 Reconciliation of liabilities arising from financing activities

This section sets out an analysis of net debt and the movements in net debt at Group level for each of the periods presented.

Net debt	2022	2021
Cash and cash equivalents	12 796	11 495
Borrowings - repayable within one year (including overdraft)	-	(275 000)
Borrowings - repayable after one year	-	-
Net debt at 31.12	**12 796**	**(263 505)**
Cash and liquid investments	12 796	11 495
Gross debt - fixed interest rates	-	-
Gross debt - variable interest rates	-	(275 000)
Net debt at 31.12	**12 796**	**(263 505)**

	Other assets	**Liabilities from financing activities**		
	Cash/cash equivalents	**Borrowings due within 1 year**	**Borrowings due after 1 year**	**Net debt**
Net debt as at 01.01.2021	13 343	(206 458)	(447 600)	(640 715)
Cash flows	(1 848)	204 731	172 600	375 482
Other non-cash movements				
Amortised loan fees		-	-	-
Fair value change swap		1 728	-	1 728
Reclassification to short term debt		(275 000)	275 000	-
Net debt as at 31.12.2021	11 495	(275 000)	-	(263 505)
Cash flows	1 301	275 000	-	276 301
Other non-cash movements				
Fair value change swap		-	-	-
Reclassification to short term debt		-	-	-
Net debt as at 31.12.2022	12 796	-	-	12 796

UNION Real Estate Fund Holding AS

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18 Alternative Investment Fund disclosure

Compensation to the Manager

UNION Real Estate Fund Holding AS is managed by UNION Eiendomskapital UREF AS. As UNION Eiendomskapital UREF AS also manages other funds, the managers' compensation also derives from the results from managing these funds. For 2022 the employees in the management company received a total of TNOK 55,171 as compensation (including fixed and variable compensation). The leading management of the management company received a total of TNOK 10,580 as compensation (including fixed and variable compensation). Final variable compensation for leading employees will be decided by the board of directors after the annual accounts are approved. Total compensation is charged the 2022-accounts.

Annual report, disclosure to investors and reporting to competent authorities

The following table provides information about the direct and indirect costs, where the columns "direct costs" illustrate the costs expensed in UNION Real Estate Fund Holding AS and the columns "indirect costs" illustrate UNION Real Estate Fund Holding AS' share of the costs, according to ownership share, in the consolidated accounts (where UNION Real Estate Fund Holding AS is the parent), adjusted for joint ventures. Performance fee is in full presented as a direct cost for UNION Real Estate Fund Holding AS.

	Direct costs		Indirect costs	
	2022	**2021**	**2022**	**2021**
Auditor's fee	341	282	46	233
Management fee	19	1 130	77	4 655
Provision for performance fee to manager	(6 614)	30 873	-	-
Other fees	1 137	770	(4)	2 728
Other general and administrative expenses	2 852	82	925	703
Total general and administrative expenses	**(2 265)**	**33 136**	**1 045**	**8 318**

RSM

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To the General Meeting of UNION Real Estate Fund Holding AS

Independent Auditor's Report

Opinion

We have audited the financial statements of UNION Real Estate Fund Holding AS, which comprise:

- the financial statements of the parent company UNION Real Estate Fund Holding AS (the Company) showing a loss of NOK 6 819 000, which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- the consolidated financial statements of UNION Real Estate Fund Holding AS and its subsidiaries (the Group) showing a profit of NOK 21 100 000, which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and statement of 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 comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and

- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

Independent Auditor's Report 2022 for UNION Real Estate Fund Holding AS

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, 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 and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Oslo, 7 March 2023
RSM Norge AS

Per-Henning Lie
State Authorised Public Accountant
(This document is signed electronically)

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Per-Henning Schulz Lie
Partner
Serienummer: 9578-5997-4-211409
IP: 188.95.xxx.xxx
2023-03-07 14:50:20 UTC

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