



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 917 994 897  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: FROST CO-INVESTOR AS  
Forretningsadresse: v/UNION Eiendomskapital AS  
Bolette brygge 1  
0252 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Torgeir Røstberg  
Dato for fastsettelse av årsregnskapet: 01.02.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*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, 23.07.2023



### Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Annen driftskostnad		241 399	214 065
<b>Sum kostnader</b>		<b>241 399</b>	<b>214 065</b>
<b>Driftsresultat</b>		<b>-241 399</b>	<b>-214 065</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap		8 051 278	4 032 164
Annen renteinntekt			543
<b>Sum finansinntekter</b>		<b>8 051 278</b>	<b>4 032 707</b>
Annen rentekostnad		109	
<b>Sum finanskostnader</b>		<b>109</b>	
<b>Netto finans</b>		<b>8 051 169</b>	<b>4 032 707</b>
<b>Ordinært resultat før skattekostnad</b>		<b>7 809 770</b>	<b>3 818 642</b>
Skattekostnad på ordinært resultat		11 928	
<b>Ordinært resultat etter skattekostnad</b>		<b>7 797 842</b>	<b>3 818 642</b>
<b>Årsresultat</b>		<b>7 797 842</b>	<b>3 818 642</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>7 797 842</b>	<b>3 818 642</b>
<b>Totalresultat</b>		<b>7 797 842</b>	<b>3 818 642</b>
<b>Overføringer og disponeringer</b>			
Avsatt til annen egenkapital		7 797 842	3 818 643
<b>Sum overføringer og disponeringer</b>		<b>7 797 842</b>	<b>3 818 643</b>



### Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investeringer i tilknyttet selskap		62 441 841	93 608 819
<b>Sum finansielle anleggsmidler</b>		<b>62 441 841</b>	<b>93 608 819</b>
<b>Sum anleggsmidler</b>		<b>62 441 841</b>	<b>93 608 819</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter o.l.		1 685 716	7 506 202
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 685 716</b>	<b>7 506 202</b>
<b>Sum omløpsmidler</b>		<b>1 685 716</b>	<b>7 506 202</b>
<b>SUM EIENDELER</b>		<b>64 127 557</b>	<b>101 115 021</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital		2 374 526	2 374 526
<b>Sum innskutt egenkapital</b>		<b>2 374 526</b>	<b>2 374 526</b>
<b>Opptjent egenkapital</b>			
Fond for vurderingsforskjeller		8 051 278	
Annen egenkapital		53 689 824	98 738 620
Udisponert resultat			-2
<b>Sum opptjent egenkapital</b>		<b>61 741 102</b>	<b>98 738 618</b>
<b>Sum egenkapital</b>		<b>64 115 629</b>	<b>101 113 145</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld			1 875
Betalbar skatt		11 928	
<b>Sum kortsiktig gjeld</b>		<b>11 928</b>	<b>1 875</b>
<b>Sum gjeld</b>		<b>11 928</b>	<b>1 875</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>64 127 557</b>	<b>101 115 020</b>



**RSM Norge AS**

To the General Meeting of Frost Co-Investor AS

Ruseløkkveien 30, 0251 Oslo  
Pb 1312 Vika, 0112 Oslo  
Org.nr: 982 316 588 MVA

T +47 23 11 42 00  
F +47 23 11 42 01

## Independent Auditor's Report

[www.rsmnorge.no](http://www.rsmnorge.no)

### Opinion

We have audited the financial statements of Frost Co-Investor AS (the Company) showing a profit of NOK 7 797 842. The financial statements comprise the balance sheet as at 31 December 2021, 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, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### 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 as required by laws and regulations 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 other information presented with the financial statements. 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 other information presented with the financial statements.

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

### 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 simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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.

## THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Norge AS er medlem av/ is a member of Den norske Revisorforening.

Penneo Dokumentnøkkel: PL7IU-GLENH-DTYES-CEPMK-1638T-Pl670



Independent Auditor's Report 2021 for Frost Co-Investor AS



In preparing the financial statements, management is responsible for assessing the Company'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 Company 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, 3 February 2022  
RSM Norge AS

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

Penneo Dokumentnøkkel: PL7IU-GLENH-DTYES-CEPMK-1638T-Pl670



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## Per-Henning Schulz Lie

Partner

På vegne av: RSM Norge AS

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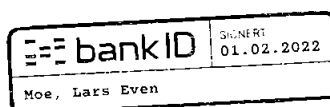
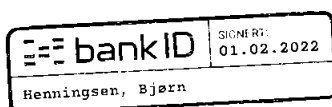
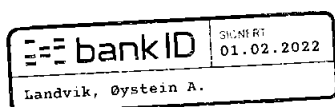
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## **Frost Co-Investor AS**

**Annual accounts**

**2021**

**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 2021 for Frost Co-Investor AS

## Frost Co-Investor AS

### Operational review

Frost Co-investor AS ("the Company") was established in 2016 and is registered as an alternative investment fund, to invest in shares issued by Frost Retail Holding AS, which again is owned by the alternative investment fund UNION Real Estate Fund II Holding AS ("the Fund"). The Company and the Fund are managed by UNION Eiendomskapital UREF AS.

Frost Retail Holding AS has invested in a property portfolio consisting of 58 retail properties in Norway ("the Portfolio"), whereas 53 properties out of 58 properties are sold per 31.12.2021.

### Going Company

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 company, and that the economic and financial position is sound.

### Comments related to the financial statements

As of 31.12.2021 237 452 638 shares were issued in the Company.

The portfolio of properties in the Fund as of 31.12.2021 had a rental occupancy of approx. 97,0%, and the average duration of the lease contracts were 8.5 years.

The Company had a total comprehensive income of MNOK 8.05.

The Board of Frost Co-Investor AS proposes that the positive total comprehensive income for the year of the parent company is allocated as follows:

• Transferred to fund for unrealized gains	NOK	8 051 278
• <u>Transferred to other equity</u>	NOK	<u>- 253 436</u>
• Total transfers	NOK	7 797 842

As per 31.12.2021 the Company had a bank balance of MNOK 1,7.

The total capital pr. 31.12.2021 was MNOK 64,1. The equity ratio was 100%.

### Board liability insurance

The current board is covered for board liability by board liability insurance taken out by the company's Manager.



## 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 company 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. There has been increasing focus on location as investment criteria over the past years.

Frost Co-Investor AS is indirectly exposed to changes in interest rates. Indirectly liabilities to credit institutions in Frost Retail Holding AS are per 31.12.2021 MNOK 96,5. The portfolio has a floating interest rate (3-month NIBOR) the margin is applied. The Group complies with all covenants per 31.12.2021.

### Credit risk

The Fund has risks associated with its tenants on the properties. The tenant's 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.

### Risk of liquidity

The Board assesses the Funds liquidity as satisfactory and it strives to have a liquidity buffer in case unforeseen things arise through daily operation of the properties.

## Research and development

Frost Co-Investor AS has no research and development activities.

## Future development

The year 2021 has been very special due to the Coronavirus. The Norwegian government has resolved very good economic support to the most affected sectors. The Board still believe investments in real estate in Norway are attractive long-term investment opportunities due to factors such as strong public finances and a favorable demographic development.

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



Oslo, 31 January 2022

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Bjørn Henningsen  
Chairman

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Lars Even Moe  
Board member

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Øystein A. Landvik  
Board member



**Frost Co-Investor AS**

**Statement of comprehensive income**

All amounts in NOK	Note	2021	2020
Share of net profit/(loss) from associates		8 051 278	4 032 164
General and administrative expenses	3, 4, 8	-241 399	-214 064
<b>Operating profit / (loss)</b>		<b>7 809 879</b>	<b>3 818 100</b>
Financial income	5	-109	543
<b>Net financial items</b>	5	<b>-109</b>	<b>543</b>
<b>Profit / (Loss) before tax</b>		<b>7 809 770</b>	<b>3 818 643</b>
Income tax expense	6	-11 928	-
<b>Profit / (Loss) for the year</b>		<b>7 797 842</b>	<b>3 818 643</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>7 797 842</b>	<b>3 818 643</b>



**Frost Co-Investor AS**

**Statement of financial position at 31 December**

All amounts in NOK	Note	2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in associated companies	2, 9	62 441 841	93 608 819
<b>Total non-current assets</b>		<b>62 441 841</b>	<b>93 608 819</b>
<b>Current assets</b>			
Cash and cash equivalents	7	1 685 716	7 506 202
<b>Total current assets</b>		<b>1 685 716</b>	<b>7 506 202</b>
<b>TOTAL ASSETS</b>		<b>64 127 557</b>	<b>101 115 021</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid in capital</b>			
Issued capital	10	2 374 526	2 374 526
Share premium		-	-
Other paid in capital			
<b>Total paid in capital</b>		<b>2 374 526</b>	<b>2 374 526</b>
<b>Accumulated profits</b>			
Fund for unrealised gains		8 051 278	-
Retained earnings / (Accumulated Deficit)		53 689 824	98 738 620
<b>Total accumulated profits</b>		<b>61 741 102</b>	<b>98 738 620</b>
<b>Total equity</b>		<b>64 115 629</b>	<b>101 113 146</b>
<b>Current liabilities</b>			
Accounts payable	7	-	1 875
Tax payable	6	11 928	-
<b>Total current liabilities</b>		<b>11 928</b>	<b>1 875</b>
<b>Total liabilities</b>		<b>11 928</b>	<b>1 872</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>64 127 557</b>	<b>101 115 021</b>

The Board of Frost Co-Investor AS

Oslo, \_\_\_\_ February 2022

Lars Even Moe  
Chairman

Bjørn Henningsen  
Board member

Øystein A. Landvik  
Board member



## Frost Co-Investor AS

## Statement of changes in equity

All amounts in NOK	Note	Share capital	Share premium	Other paid in capital	Fund for unrealised gains	Retained earnings / (Accumulated Deficit)	Total equity
<b>Equity as at 01.01.2016</b>		-	-	-	-	-	-
Incorporation		30 000	-	(10 000)	-	-	20 000
Transaction costs		-	-	4 430	-	-	4 430
Total comprehensive income		-	-	-	-	5	5
<b>Equity as at 31.12 2016</b>		<b>30 000</b>	-	<b>(5 570)</b>	-	<b>5</b>	<b>24 435</b>
Share issue		2 374 526	235 078 112	-	-	-	237 452 638
Redemption of shares		(30 000)	-	5 570	-	(5)	(24 435)
Dividends distributed		-	(59 423 204)	-	-	-	(59 423 204)
Total comprehensive income		-	-	-	87 033 679	(1 702 615)	85 331 064
<b>Equity as at 31.12 2017</b>		<b>2 374 526</b>	<b>175 654 908</b>	-	<b>87 033 679</b>	<b>(1 702 615)</b>	<b>263 360 498</b>
Change related to errors in previous years accounts		-	-	-	(6 428 945)	-	(6 428 945)
<b>Equity as at 31.12 2017</b>		<b>2 374 526</b>	<b>175 654 908</b>	-	<b>80 604 734</b>	<b>(1 702 615)</b>	<b>256 931 553</b>
Dividends distributed		-	(65 363 760)	-	-	-	(65 363 760)
Total comprehensive income		-	-	-	(39 410 543)	65 111 319	25 700 776
<b>Equity as at 31.12 2018</b>		<b>2 374 526</b>	<b>110 291 148</b>	-	<b>41 194 190</b>	<b>63 408 705</b>	<b>217 268 569</b>
Dividends distributed		-	(73 715 796)	-	-	-	(73 715 796)
Total comprehensive income		-	-	-	(45 825 714)	73 559 715	27 734 001
<b>Equity as at 31.12 2019</b>		<b>2 374 526</b>	<b>36 575 353</b>	-	<b>(4 631 524)</b>	<b>136 968 420</b>	<b>171 286 775</b>
Dividends distributed		-	(36 575 353)	-	-	(37 416 919)	(73 992 272)
Total comprehensive income		-	-	-	-	3 818 643	3 818 643
Transfer to other equity		-	-	-	4 631 524	(4 631 524)	-
<b>Equity as at 31.12 2020</b>		<b>2 374 526</b>	-	-	-	<b>98 738 620</b>	<b>101 113 146</b>
Dividends distributed		-	-	-	-	(44 795 359)	(44 795 359)
Total comprehensive income		-	-	-	8 051 278	(253 436)	7 797 842
Transfer to other equity		-	-	-	-	-	-
<b>Equity as at 31.12 2021</b>		<b>2 374 526</b>	-	-	<b>8 051 278</b>	<b>53 689 824</b>	<b>64 115 628</b>



**Frost Co-Investor AS**  
**Statement of cash flows**

All amounts in NOK	Note	2021	2020
<b>Cash flow from operating activities</b>			
Profit before tax for the year from total operations		7 809 770	3 818 643
Change in value shares		-8 051 278	-4 032 164
Tax payment		-	-
Increase/(decrease) in accounts payable		-1 875	88
<b>Net cash flow from operating activities</b>		<b>-243 383</b>	<b>-213 433</b>
<b>Cash flows from investing activities</b>			
Purchase of investments in associated companies		-	-
Dividend received		39 218 256	79 769 372
<b>Net cash flow used in investing activities</b>		<b>39 218 256</b>	<b>79 769 372</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		-	-
Redemption of shares		-	-
Dividend paid		-44 795 359	-73 992 272
<b>Net cash flow from financing activities</b>		<b>-44 795 359</b>	<b>-73 992 272</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-5 820 487</b>	<b>5 563 666</b>
Cash and cash equivalents at beginning of period		7 506 202	1 942 535
<b>Cash and cash equivalents at end of period</b>		<b>1 685 716</b>	<b>7 506 202</b>



## Frost Co-Investor AS

### Notes 2021

All amounts in NOK unless otherwise stated

#### 1 Summary of significant accounting policies

Frost Co-Investor 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 Company is an investment company, and owns shares in one company located in Norway. Frost Co-Investor AS is managed by UNION Eiendomskapital UREF AS (the Manager).

#### 1.1 Basis for preparation of the annual accounts

The Frost Co-Investor AS' annual accounts 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 2021, and Norwegian disclosure requirements listed in the Norwegian Accounting Act as of 31.12.2021.

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

- Financial instruments at fair value through profit or loss, and loans, receivables and other financial liabilities which are recognised at amortised cost.

#### 1.2 Functional currency and presentation currency

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

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

##### 1.3.1 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.

##### 1.3.2 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:

- Fair value of investments in associates (notes 2, 7 and 9)

#### 1.4 Revenue recognition

The company 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 company.

#### 1.5 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 company recognises 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.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.



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

## 1.6 Financial assets and financial liabilities

### *Recognition and measurement*

Financial assets and financial liabilities are recognised when the Company 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 the income statement.

The Company classifies its financial assets in the following categories: at fair value through profit and loss (FVTPL), and loans and receivables. The classification depends on the nature and purpose of the financial assets.

#### (a) Fair value through profit or loss (FVTPL)

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.

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.

The Company's management have designated all investments in associates in the financial statement as Financial instruments at fair value through profit or loss. See note 9 for "Associates".

#### (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They 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.

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

### *Derecognition of financial assets and liabilities*

The Company 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 in its entirety, the difference between the asset's carrying value amount and the sum of the consideration received and receivable, and the cumulative gain or loss previously recognised in other comprehensive income and accumulated in equity, is recognised in profit or loss.

The Company derecognises financial liabilities when, and only when, the Company'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 the income statement.



## *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 Company 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.

## **1.7 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.

## **1.8 Equity**

### **Equity and liabilities**

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

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.

## **1.9 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.

## **1.10 Application of new and amended standards**

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- Covid-19-Related Rent Concessions – amendments to IFRS 16, and
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



## 2 Critical accounting estimates and subjective judgements

In accordance with IFRS 13, disclosure is required for financial instruments that are measured in the 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 on 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 associates

The sole purpose of the associate is to own subsidiaries. Any other assets or liabilities that the associate 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.

The valuation technique for measuring the fair value of the associate 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 associate is then estimated by adjusting for any other assets and liabilities.

Reconciliation of Level 3 fair value measurements of associated companies:

Balance as of 1 January 2021	93 608 819
Additions	-
Disposals	-
Dividends	(39 218 256)
Change in fair value	8 051 278
<b>Balance as of 31 December 2021</b>	<b>62 441 841</b>



### 3 Wages and remuneration

#### Number of employees

The company has no employees.

#### Remuneration to members of the Board

The Board has not received any remuneration for their work.

<b>Expensed audit fee (inc. VAT)</b>	<b>2021</b>	<b>2020</b>
Statutory audit	30 406	32 125
Other assurance services	-	14 406
Other non-assurance services	31 875	-
Tax consultant services	-	-
<b>Total expensed audit fee</b>	<b>62 281</b>	<b>46 531</b>

<b>Shares held by Board members<sup>*</sup></b>	<b>Position</b>	<b>2021</b>
Lars Even Moe	Chairman	0,24 %
Bjørn Henningsen	Board member	0,24 %
Øystein A. Landvik	Board member	0,24 %
<b>Total</b>		<b>0,73 %</b>

\* The shares are owned indirectly in the form of ownership in UREF II Sponsor AS through private holding companies. UREF II Sponsor AS owns directly shares in Frost Co-Investor AS.

### 4 General and administrative expenses

<b>General and administrative expenses</b>	<b>2021</b>	<b>2020</b>
Auditor's fee	62 281	46 531
Management fee	-	-
Provision for performance fee to manager	-	-
Legal fees	60 563	-
Other general and administrative expenses	118 556	167 533
<b>Total general and administrative expenses</b>	<b>241 399</b>	<b>214 064</b>

### 5 Financial income and costs

<b>Financial income</b>	<b>2021</b>	<b>2020</b>
Interest income on cash and cash equivalents	-	543
Dividends and other contributions	-	-
<b>Total financial income</b>	<b>-</b>	<b>543</b>
<b>Net financial items</b>	<b>-</b>	<b>543</b>



## 6 Income tax

<b>Income tax expense</b>	<b>2021</b>	<b>2020</b>
<i>Current tax:</i>		
Tax payable	11 928	-
<i>Deferred tax:</i>		
Changes in deferred tax	-	-
Changes in tax rate	-	-
<b>Total income tax expense</b>	<b>11 928</b>	<b>-</b>
<b>Reconciliation of the effective rate of tax</b>	<b>2021</b>	<b>2020</b>
Income taxes calculated at 22% of profit before tax	1 718 149	840 102
Changes in unrecognised deferred tax (asset)/liabilities	(193 805)	(271 870)
Tax related to change in value of shares	(1 771 281)	(887 076)
Tax effect on non deductible expenses	24	-
Dividends received (of which 97 % are tax free)	258 840	-
Other	-	318 844
<b>Total income tax expense</b>	<b>11 928</b>	<b>-</b>
<b>Deferred tax and deferred tax assets:</b>	<b>2021</b>	<b>2020</b>
<i>Deferred tax assets</i>		
Tax losses carried forward	-	(880 930)
Deferred tax assets - gross	-	(880 930)
<b>Net deferred tax asset/(liabilities)</b>	<b>-</b>	<b>(880 930)</b>
<b>Net recognised deferred tax asset/(liabilities)</b>	<b>-</b>	<b>-</b>
<b>Book value at 31.12 (22%)</b>	<b>-</b>	<b>-</b>

## 7 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:

<b>Financial assets - non current</b>	<b>2021</b>	<b>2020</b>
<i>Financial assets designated as FVTPL</i>		
Investments in associated companies	62 441 841	93 608 819
<b>Total non current financial assets</b>	<b>62 441 841</b>	<b>93 608 819</b>
<b>Financial assets - current</b>		
<i>Loans and receivables held at amortised cost</i>		
Cash and cash equivalents	1 685 716	7 506 202
<b>Total current financial assets</b>	<b>1 685 716</b>	<b>7 506 202</b>
<b>Financial liabilities - current</b>		
<i>Financial liabilities at amortised cost</i>		
Accounts payables	-	1 875
<b>Total current liabilities</b>	<b>-</b>	<b>1 875</b>

The fair values for all "Loans and receivables held at amortised cost", "Cash and cash equivalents", and all current "Financial liabilities held 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.

## 8 Related parties

There are no significant transactions with related parties in 2021.



## 9 Investment in associates

The only associate is a 33,01 % interest in Frost Retail Holding AS, a company located in Oslo. Frost Retail Holding AS owns 100% of Frost Retail Invest AS.

The associate is accounted for using the equity method in the financial statement.

The table below provides summarised financial information for the associate. The information disclosed is based on a consolidation in accordance with IFRS for the associate. The information have been amended to reflect adjustments made by the Company 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.

<b>Frost Retail Holding AS</b>		
<b>Income statement</b>	<b>2021</b>	<b>2020</b>
Revenues	27 097 215	43 291 571
Operating costs	(12 655 400)	(14 394 384)
Depreciation and amortisation	-	-
Net interest	8 451 099	(14 358 480)
Income/loss of underlying investments	(18 757 399)	4 732 514
Gain/loss sale of properties	-	-
Income tax expense	(15 610 706)	(8 027 892)
<b>Profit for the period</b>	<b>(11 475 192)</b>	<b>11 243 328</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(11 475 192)</b>	<b>11 243 328</b>
<b>Assets and liabilities</b>		
Investment properties	128 943 983	522 860 754
Investment in Joint Ventures	38 146 367	26 308 047
Other non current assets	-	-
Cash and cash equivalents	47 775 732	57 828 563
Other current assets	60 411 683	49 588 984
Current liabilities	(5 069 676)	(10 684 709)
Non current liabilities	(70 162 043)	(338 415 720)
<b>Net assets</b>	<b>200 046 052</b>	<b>307 485 924</b>
Minority interests	10 897 132	23 925 949
<b>Net assets to majority</b>	<b>189 148 920</b>	<b>283 559 975</b>
Dividends received from the associate	-	-
<b>Reconciliation to carrying amounts</b>		
	<b>2021</b>	<b>2020</b>
Opening net assets 1 January	283 559 975	512 983 237
Capital increase/capital decrease	-	-
Acquisition	-	-
Profit/(loss) for the period	(11 475 192)	11 243 328
Minority's share of profit/(loss) for the period	-	970 911
Other comprehensive income	-	-
Other changes	35 864 136	-
Dividends paid	(118 800 000)	(241 637 501)
<b>Closing net assets</b>	<b>189 148 920</b>	<b>283 559 975</b>
Company's share in %	33,01 %	33,01 %
Carrying amount	62 441 841	93 608 820

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

The Company have no commitments or contingent liabilities in respect of this associate.



## 10 Share capital, shareholder information and dividend

(Number of shares are in whole numbers)

10.1 Share capital	2021	2020
Ordinary shares, nominal amount NOK 0,01	235 078 112	235 078 112
Sponsor shares, nominal amount NOK 0,01	2 374 526	2 374 526
<b>Total number of shares</b>	<b>237 452 638</b>	<b>237 452 638</b>

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

### 10.2 Shareholders

	Ordinary shares	Sponsor shares	Ownership interest	Voting interest
Geveran Trading Co. Limited	103 229 953	-	43,5 %	43,5 %
Partners Group VBV Private Markets SCA SICAV-RAIF-	58 631 304	-	24,7 %	24,7 %
Crown Small Cap Real Estate Fund II-UK LP	35 627 884	-	15,0 %	15,0 %
Partners Group Red Dragon LP	22 971 220	-	9,7 %	9,7 %
Partners Group Generation S.A SICAB-SIF-Privat Markets	10 282 356	-	4,3 %	4,3 %
Crown Small Cap Real Estate Fund II-T LP	4 335 395	-	1,8 %	1,8 %
UREF II Sponsor AS	-	2 374 526	1,0 %	1,0 %
<b>Total number of shares 31.12.2021</b>	<b>235 078 112</b>	<b>2 374 526</b>	<b>100 %</b>	<b>100 %</b>

Reconciliation of total number of shares in issue:

	Ordinary shares	Sponsor shares	Total
As at December 31 2020	235 078 112	2 374 526	237 452 638
Redemption during the period	-	-	-
Issued during the period	-	-	-
<b>Issued as of 31 December 2021 - fully paid in</b>	<b>235 078 112</b>	<b>2 374 526</b>	<b>237 452 638</b>
As at December 31 2019	235 078 112	2 374 526	237 452 638
Redemption during the period	-	-	-
Issued during the period	-	-	-
<b>Issued as of 31 December 2020 - fully paid in</b>	<b>235 078 112</b>	<b>2 374 526</b>	<b>237 452 638</b>
As at December 31 2018	235 078 112	2 374 526	237 452 638
Redemption during the period	-	-	-
Issued during the period	-	-	-
<b>Issued as of 31 December 2019 - fully paid in</b>	<b>235 078 112</b>	<b>2 374 526</b>	<b>237 452 638</b>

### 10.3 Dividends

	2021		2020	
Cash dividends approved and paid	NOK pr share	Total	NOK pr share	Total
Ordinary shares				
Total dividends approved and paid	0,17	41 050 556	0,31	73 252 349
Sponsor shares				
Total dividends approved and paid	1,58	3 744 803	0,31	739 923
<b>Total</b>		<b>44 795 359</b>		<b>73 992 272</b>



## Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	12.01.2018	29.01.2018
Telefon	Deres referanse	Vår referanse
90076012	Jannecke Vinjum	2018/32968

UNION EIENDOMSKAPITAL UREF AS  
c/o Union Gruppen AS Postboks 1715 Vika  
0121 OSLO

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 12. januar 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for:

- Frost Co Investor AS, org.nr. 917 994 897
- Frost Co Investor II AS, org.nr. 819 060 312

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering ovenstående selskaper 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

Selskapene har kun internasjonale eiere, og virksomheten består i å eie aksjer i et stort eiendomsfond. Den funksjonelle valutaen er NOK, og regnskapsspråket er IFRS. Arbeidsspråket er engelsk. Brukerne av regnskapet er utenlandske.

En norsk oversettelse av årsregnskap og årsberetning vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

### 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 gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en*

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	<a href="mailto:skatteetaten.no/sendepost">skatteetaten.no/sendepost</a>	



*forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut speulasjonsgevinster 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 vekt på at selskapene er eid av utenlandske investorer. Eierkretsen er begrenset. Selskapene driver virksomhet i en internasjonal bransje og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale brukere av regnskapet behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jeanette Munkvold Skovholt

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*