



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	821 838 622
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	UNION REAL ESTATE FUND III HOLDING AS
Forretningsadresse:	v/Union Eiendoms kapital AS Bolette brygge 1 0252 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	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:	Marius Alfredsen
Dato for fastsettelse av årsregnskapet:	15.03.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 08.04.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Net income/(loss) from subsidiaries at FVTPL	2,3	-85 782 000	-47 995 000
Net income/(loss) from joint ventures and associates at FVTPL	2,3	-42 334 000	-31 339 000
Sum inntekter		-128 116 000	-79 334 000
Kostnader			
Other operating expenses	5,6,10, 14	23 405 000	26 790 000
Sum kostnader		23 405 000	26 790 000
Driftsresultat		-151 521 000	-106 124 000
Finansinntekter og finanskostnader			
Finance income		4 059 000	5 994 000
Sum finansinntekter		4 059 000	5 994 000
Finance costs		59 812 000	174 000
Sum finanskostnader		59 812 000	174 000
Netto finans	7,10,1 1,15	-55 753 000	5 820 000
Ordinært resultat før skattekostnad		-207 274 000	-100 304 000
Income tax expense	8	0	0
Ordinært resultat etter skattekostnad		-207 274 000	-100 304 000
Årsresultat		-207 274 000	-100 304 000
Net gain/(loss) on equity instruments designated at FVTOCI	2,4	-29 809 000	-40 035 000
Sum resultatkomponenter for IFRS-foretak		-29 809 000	-40 035 000
Totalresultat		-237 083 000	-140 339 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	2,3	932 394 000	1 049 497 000
Lån til foretak i samme konsern	10	1 235 000	0
Investeringer i tilknyttet selskap	2,3,13	383 001 000	431 335 000
Other non-current investments	2,4	703 675 000	770 985 000
Other non-current assets		2 211 000	0
Sum finansielle anleggsmidler		2 022 516 000	2 251 817 000
Sum anleggsmidler	9	2 022 516 000	2 251 817 000
Omløpsmidler			
Varer			
Fordringer			
Other current receivables		15 980 000	54 000
Sum fordringer		15 980 000	54 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		70 032 000	41 170 000
Sum bankinnskudd, kontanter og lignende		70 032 000	41 170 000
Sum omløpsmidler	9	86 012 000	41 224 000
SUM EIENDELER		2 108 528 000	2 293 041 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Issued capital	5,12	38 169 000	38 169 000
Overkurs		1 589 881 000	1 694 622 000



Balanse

Beløp i: NOK	Note	2023	2022
Sum innskutt egenkapital		1 628 050 000	1 732 791 000
Opptjent egenkapital			
Fund for unrealised gains		427 803 000	560 144 000
Sum opptjent egenkapital		427 803 000	560 144 000
Sum egenkapital		2 055 853 000	2 292 935 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other non-current financial liabilities	15	52 517 000	0
Sum annen langsiktig gjeld		52 517 000	0
Sum langsiktig gjeld		52 517 000	0
Kortsiktig gjeld			
Accounts payable and other current liabilities	10	160 000	105 000
Sum kortsiktig gjeld	9	160 000	105 000
Sum gjeld	15	52 677 000	105 000
SUM EGENKAPITAL OG GJELD		2 108 530 000	2 293 040 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 599128

Enheten
Organisasjonsnummer: 821 838 622
Organisasjonsform: Aksjeselskap
Foretaksnavn: UNION REAL ESTATE FUND III HOLDING AS
Forretningsadresse: v/Union Eiendomskapital AS
Bolette brygge 1
0252 OSLO

Regnskapsår
Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern
Morselskap i konsern: Ja
Konsernregnskap lagt ved: 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: Marius Alfredsen
Dato for fastsettelse av årsregnskapet: 15.03.2024

Revisjon
Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet: Ja

Grunnlag for avgivelse

År 2023: Årsregnskap er elektronisk innlevert.
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

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Brønnøysundregistrene, 09.07.2024



Organisasjonsnr: 821 838 622
UNION REAL ESTATE FUND III HOLDING
AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
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Organisasjonsnr: 821 838 622
UNION REAL ESTATE FUND III HOLDING
AS

BALANSE

Beløp i: NOK Note 2023 2022

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Finansielle anleggsmidler

Investering i datterselskap	2,3	932 394 000	1 049 497 000
Lån til foretak i samme konsern	10	1 235 000	0
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Omløpsmidler Varer

Fordringer

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Sum fordringer		15 980 000	54 000

Bankinnskudd, kontanter og lignende

Cash and cash equivalents		70 032 000	41 170 000
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SUM EIENDELER 2 108 528 000 2 293 041 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Issued capital	5,12	38 169 000	38 169 000
Overkurs		1 589 881 000	1 694 622 000
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Opptjent egenkapital

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Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other non-current			
financial liabilities	15	52 517 000	0
Sum annen langsiktig gjeld		52 517 000	0
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Kortsiktig gjeld			
Accounts payable and			
other current liabilities	10	160 000	105 000
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SUM EGENKAPITAL OG GJELD		2 108 530 000	2 293 040 000



Organisasjonsnr: 821 838 622
UNION REAL ESTATE FUND III HOLDING
AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Regnskapsprinsipper

See accounting policies note for information about why no group accounts have been issued.

<u>Sum</u>	<u>Beløp</u>		
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>	
<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Pantstillelse</u>	<u>Beløp</u>		
<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>



The board of directors' report 2023 for UNION Real Estate Fund III Holding AS

UNION Real Estate Fund III Holding AS

Operational review

UNION Real Estate Fund III Holding AS ("the Fund") was established in 2020 as an alternative investment fund to focus on the 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 will seek to continue the successful value-add investment strategy of UNION Eiendoms kapital ("UNION") and is managed by UNION Eiendoms kapital UREF AS. The Fund's investment strategy is to make investments in mid-sized, multi-tenant, commercial properties that are located primarily in the larger Norwegian cities and display value creation potential over an expected two to five year holding period.

UNION Real Estate Fund III Holding AS had as of December 2023 nine investments consisting of residential units development, neighborhoods, student residential units, nursing homes and commercial properties in Norway and Sweden.

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 investee's economic and financial position is sound.

Comments related to the financial statements

As of 31.12.2023 38,168,984 shares were issued in the Fund. The valuations of the properties as of December implied an increase in values of 3,0 % since acquisition.

UNION Real Estate Fund III Holding AS had an operating loss of MNOK 151.5 (loss in 2022: 106.1). Profit before tax was negative with MNOK 207.2 (negative in 2022: 100.3).

The Board of UNION Real Estate Fund III Holding AS proposes that the negative total comprehensive income for the year of - MNOK 237.1 (loss in 2022: 140.3) is allocated as follows:

- | | |
|--|------------------|
| • Transferred from fund for unrealized gains | NOK -132 341 000 |
| • Transferred from share premium reserve | NOK -104 742 000 |
| • Net change in equity | NOK -237 083 000 |

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

As per 31.12.2023 the company had a bank balance of MNOK 70.0 (2022: 41.2).

The total capital pr. 31.12.2023 was MNOK 2,108.5. There are no long-term debt and short-term debt equals 2.5 %. The equity ratio for the Company was 97.5%.



Environment

The parent company and the Investees 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.

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.

The company is indirectly exposed to changes in interest rates through their investments. The company has no direct liabilities to credit institutions as of 31.12.2023.

Credit risk

The Fund has risks associated with its tenants in the investees 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.

Risk of liquidity

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

Research and development

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

Other matters

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 Transparency 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 diligence assessments cf. Section 5 of the Transparency Act is available on the Company's website - <https://union.no/>.

Future development

Interest rates continued to rise throughout 2023, pushing property yields even higher. Concurrently, growth in office rents plateaued. However, several years of rent growth and high inflation resulted in improved cash flows for many assets. The expansion in yields nevertheless contributed to significant declines in property values.



The outlook for 2024 is more optimistic, as property yields are now aligning with the prevailing interest rate environment. Simultaneously, inflation is decreasing 'across the board,' and many market players anticipate central banks initiating base rate cuts this year.

The Board still believes that investments in the Norwegian property market offer attractive long-term opportunities, supported by factors such as robust economic growth, sound public finances, inflation protection in rent contracts, and low volumes of new construction.

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

Oslo, 15 March 2024

Bjørn Henningsen
Chairman

Lars Even Moe
Board member

Øystein A. Landvik
Board member



UNION Real Estate Fund III Holding AS

Statement of comprehensive income

1 January - 31 December 2023 (1 January 2022 - 31 December 2022)

(NOK 1000)

	Note	2023	2022
Net income/(loss) from subsidiaries at FVTPL	2,3	(85 782)	(47 995)
Net income/(loss) from joint ventures and associates at FVTPL	2,3	(42 334)	(31 339)
Total revenue		(128 117)	(79 333)
Other operating expenses	5,6,10,14	(23 405)	(26 790)
Operating profit		(151 522)	(106 123)
Finance income		4 059	5 994
Finance costs		(59 812)	(174)
Net financial items	7,10,11,15	(55 753)	5 819
Profit before tax		(207 274)	(100 304)
Income tax expense	8	-	-
Profit for the year		(207 274)	(100 304)
Other comprehensive income			
<i>Items which will not be reclassified to profit and loss</i>			
Share of transactions costs from joint ventures		-	-
Net gain/(loss) on equity instruments designated at FVTOCI	2,4	(29 809)	(40 035)
Total comprehensive income for the year		(237 084)	(140 339)



UNION Real Estate Fund III Holding AS

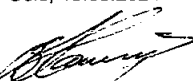
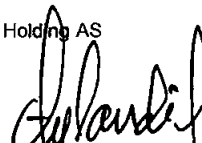
Statement of financial position at 31 December

(NOK 1000)

	Note	2023	2022
ASSETS			
Non-current assets			
Investments in subsidiaries	2,3	932 394	1 049 497
Loans to subsidiaries	10	1 235	-
Investments in associated companies and joint ventures	2,3,13	383 001	431 335
Other non-current investments	2,4	703 675	770 985
Other non-current assets		2 211	-
Total non-current assets	9	2 022 516	2 251 817
Current assets			
Other current receivables		15 980	54
Cash and cash equivalents		70 032	41 170
Total current assets	9	86 012	41 224
TOTAL ASSETS		2 108 529	2 293 041
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Issued capital	5,12	38 169	38 169
Share premium		1 589 881	1 694 622
Total paid in capital		1 628 050	1 732 791
Other equity			
Fund for unrealised gains		427 803	560 144
Total other equity		427 803	560 144
Total equity		2 055 852	2 292 936
Non-current liabilities			
Other non-current financial liabilities	15	52 517	-
Total non-current liabilities		52 517	-
Current liabilities			
Accounts payable and other current liabilities	10	160	105
Total current liabilities	9	160	105
Total liabilities	15	52 676	105
TOTAL EQUITY AND LIABILITIES		2 108 529	2 293 041

The Board of UNION Real Estate Fund III Holding AS

Oslo, 15.03.2024


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



UNION Real Estate Fund III Holding AS

Statement of cash flows

(NOK 1000)

	Note	2023	2022
Cash flow from operating activities			
Profit before tax and interest for the year		(209 123)	(100 489)
Change in value shares		128 117	79 333
(Profit)/loss on sale of investments		-	(38)
Increase/(decrease) in accounts payable		(105)	59
Change in other accruals		160	(54)
Allowance loan loss provision		7 151	-
Guarantee allowance		52 517	-
Interest paid		(144)	(170)
Interest received		1 992	356
Net cash flow from operating activities		(19 435)	(21 004)
Cash flows from investing activities			
Purchase of equity instruments		(8 750)	(610 740)
Sale of equity instruments		-	80
Repayment of contributed capital		83 571	31 500
Net change in loans to subsidiaries and other investments		(26 524)	59
Net cash flow used in investing activities		48 297	(579 101)
Cash flows from financing activities			
Proceeds from issue of share capital		-	624 100
Net cash flow from financing activities		-	624 100
Net increase/(decrease) in cash and cash equivalents		28 862	23 995
Cash and cash equivalents at beginning of period		41 170	17 174
Cash and cash equivalents at end of period		70 032	41 170



UNION Real Estate Fund III Holding AS

Statement of changes in equity

(NOK 1000)

	Share capital	Share premium reserve	Fund for unrealised gains	Retained earnings	Total equity
Equity as at 31.12 2021	25 687	1 252 637	530 851	-	1 809 175
Profit for the period	-	(169 633)	69 329	-	(100 304)
Other comprehensive income	-	-	(40 035)	-	(40 035)
Issue of share capital	12 482	611 618	-	-	624 100
Equity as at 31.12 2022	38 169	1 694 622	560 144	-	2 292 936
Profit for the period	-	(104 742)	(102 532)	-	(207 274)
Other comprehensive income	-	-	(29 809)	-	(29 809)
Equity as at 31.12 2023	38 169	1 589 881	427 803	-	2 055 852



UNION Real Estate Fund III Holding AS

Notes 2023

1 Summary of significant accounting policies

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

The financial statements of UNION Real Estate Fund III Holding AS for the fiscal year 2022 were approved in the board meeting at 15.03.2024.

These separate financial statements of the Company are its only financial statements. As an investment company the Company is exempted from preparing consolidated financial statements.

The Company is engaged in development, letting, management, operation, purchase and sale of properties in Norway. UNION Real Estate Fund III 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 III Holding AS's 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 2023, and Norwegian disclose requirements listed in the Norwegian Accounting Act as of 31.12.2023.

The financial statements are based on historical cost, with the exception of the following:

- Financial instruments in subsidiaries, joint ventures and associates at fair value through profit or loss (FVPL)
- Other financial instruments at fair value through other comprehensive income (FVOCI)
- Loans, receivables, and other financial liabilities at amortised cost

1.2 Changes in accounting policies and disclosures

No changes in IFRS effective for the 2023 financial statements are relevant this financial year.

1.3 Functional currency and presentation currency

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

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 Judgments

The management has, when preparing the financial statements; made certain significant assessments based on critical judgment when it comes to application of the accounting principles. The following notes include the Company's assessments regarding:

- Subsidiaries, note 2 and 3
- Joint ventures, note 2, 3 and 13



UNION Real Estate Fund III Holding AS

Notes 2023

1.6 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.

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

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.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.8.1 Financial assets

The Company's financial assets are: non-listed equity instruments, non-current receivables, current receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Company classified its financial assets in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit and loss (FVTPL)

a) Financial assets at amortised cost

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 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 8 for "accounts receivables" and "other receivables".

b) Financial assets at fair value through OCI (FVTOCI)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.



UNION Real Estate Fund III Holding AS

Notes 2023

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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.

The Company's management have designated all investments in subsidiaries and joint ventures as Financial instruments at fair value through profit or loss, because this designation results in more relevant information as the Company manages these investments, evaluate its performance and makes purchase and sale decisions based on their fair value, in accordance with a documented risk management and investment strategy, and information about the Company is provided internally on that basis to the entity's key management personnel. See notes 2 and 3 for "investments in subsidiaries" and notes 2, 3 and 13 for "investments in joint ventures and associates".

1.8.2 Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Derivatives are recognised initially at fair value. Loans, borrowings and payables are recognised at fair value net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

1.9 Investments in subsidiaries

Subsidiaries are investees controlled by Company. The Company controls an investee if it is exposed to, or has rights to, variable returns from its involvement with investee and has the ability to affect those returns through its power over the investee.



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The Company is an investment entity and measures investments in its subsidiaries at fair value through profit or loss. In determining whether the Company meets the definition of an investment entity, management considered the investment structure as a whole. The Company has more than one investment, it has more than one investor, it has investors that are not related parties of the entity and it has ownership interests in form of equity or similar interests.

Management concluded that the Company meet the definition of an investment entity. Consequently, management concluded that the Company should not consolidate the investments in subsidiaries.

1.10 Investment in associates and joint ventures

The Company has investments in associates and joint ventures. Associates are entities over which the Company 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 Company has joint control or significant influence over an entity are similar to those necessary to determine control over subsidiaries. For more detailed description of the Company's considerations regarding level of influence and joint control as well as classification of joint arrangement, see note 12.

Investments in associates and joint ventures have been designated as financial assets at fair value through profit or loss (FVTPL) upon initial recognition.

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognises any retained investment at fair value through OCI (FVTOCI).

1.11 Cash and cash equivalents

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

1.12 Equity

1.12.1 Equity and liabilities

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

1.12.2 Costs of equity transactions

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

1.12.3 Fund for unrealized gains

The reserves contains the total net increase in the fair value of non-current assets that have been revalued at an amount which exceeds their cost.

1.13 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



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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.

1.14 Amendments to standards and interpretations with a future effective date

Standards and interpretations that are issued up to the date of issuance of the consolidated financial statements, but not yet effective are disclosed below. The Company's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

There are no IFRS or IFRIC interpretations that have not come into effect that are expected to significantly impact the Company's financial statements.

1.15 Alternative Investment Funds

UNION Real Estate Fund III Holding AS is registered as an Alternative Investment Fund at 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 14 for more information in this context.



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2 Critical accounting estimates and 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)

There were no transfers between levels in the period.

Fair value of investments in subsidiaries, joint ventures and equity instruments

The sole purpose of the investments of the Company is to own investment properties. Fair value of investment properties are described below. Any other assets or liabilities that the investments 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, joint ventures and other investments, i.e. the investment properties, are classified as level 3 financial instruments, the subsidiaries, joint ventures and other investments are also classified as level 3 instruments.

The valuation technique for measuring the fair value of the investments 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 investments 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, joint ventures and associates will correspond with those for the investment properties.

Fair value of investment properties

Investment properties are measured at their fair value based on external, independent valuations. One valuation per property are obtained.

Property valuations are inherently subjective as they are made on the basis of assumptions made by the valuer which may not prove to be accurate. For these reasons, and consistent with EPRA's guidance, the Group have classified the valuations of the investment property portfolio as Level 3 as defined by IFRS 13.

Annually all the properties and projects are valued by independent, external valuer.

The valuations are mainly based on the discounted cash flow method, which involves discounting future cash flow over a specified period using an estimated discount rate and then adding a residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as future cash flows based on an expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates and inflation. The market rent for each property takes into account the property's situation, standard and leases signed for comparable properties in the area. For the duration of existing lease terms, the discount rate is mainly based on an assessment of the individual tenant's financial solidity and classification. After the end of the lease term, cash flows are discounted using a discount rate that takes into account the risk relating to letting and location. Inflation is estimated using the consensus of a selection of banks and official statistics.

When carrying out their valuations, the valuers receive comprehensive details of the leases for the properties, floor space and details of any vacant premises, and up-to-date information about all ongoing projects. Any uncertainties relating to the properties/projects and leases are also clarified verbally and in writing as and when required. The Group management performs internal controls to ensure that all relevant information is included in the valuations.

The valuers perform their valuations on the basis of the information they have received, and estimate future market rents, yields, inflation and other relevant parameters. Each individual property is assessed in terms of its market position, rental income (contractual rents versus market rents) and ownership cost, with estimates being made for anticipated vacancy levels and the need for alterations and upgrades. The remaining term of leases is also assessed for risk, along with any special clauses in the contracts. Each property is also compared with recently sold properties in the same segment (location, type of property, mix of tenants, etc.)



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All amounts in NOK 1 000 unless otherwise stated

2 Critical accounting estimates and judgements - continues

Reconciliation of Level 3 fair value measurements of subsidiaries, joint ventures and other investments:

	Subsidiaries	Joint ventures & associates	Other equity instruments	Total
Balance as of 1 January 2023	1 049 497	431 335	770 985	2 251 817
Additions	8 750	-	-	8 750
Disposals	-	-	-	-
Dividends	(40 071)	(6 000)	(37 500)	(83 571)
Change in fair value	(85 782)	(42 334)	(29 809)	(157 926)
Balance as of 31 December 2023	932 394	383 001	703 675	2 019 069
Balance as of 1 January 2022	674 294	306 674	811 020	1 791 988
Additions	423 219	187 500	-	610 719
Disposals	(22)	-	-	(22)
Dividends	-	(31 500)	-	(31 500)
Change in fair value	(47 995)	(31 339)	(40 035)	(119 368)
Balance as of 31 December 2022	1 049 497	431 335	770 985	2 251 817

3 Investments in subsidiaries, joint ventures and associates

The Company have the following subsidiaries:

Company	Business Office	Shareholding / voting rights	Ownership interest	Equity at 31.12.2023 (100%)	Profit/(loss) for 2023 (100%)	Type
360 Campus AS	Oslo	70,00 %	70,00 %	159 599	(10 912)	* Subsidiary
Campus Voll AS	Oslo	70,00 %	70,00 %	257 087	(10 581)	* Subsidiary
Grenseveien 107 Invest AS	Oslo	100,00 %	100,00 %	(66 222)	(84 225)	* Subsidiary
K8 og K9 Holding AS	Oslo	50,00 %	50,00 %	262 655	(4 776)	* Joint venture
Midtåsen 30 Invest AS	Oslo	100,00 %	100,00 %	139 611	(3 188)	* Subsidiary
Realkapital NAF Eiendom AS	Oslo	68,26 %	68,26 %	665 662	(30 569)	* Subsidiary
Tollbugata 25 Holding AS	Oslo	47,70 %	50,00 %	91 974	(8 051)	* Associate
Trondheim Areal Invest AS	Oslo	21,80 %	21,80 %	694 129	(36 295)	* Associate

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.

* = All the investments are in companies investing in investment properties

4 Other non-current investments

Other non-current investments is a 15% interest in Nordr Holding AS.

Nordr Holding AS

Nordr Holding AS is a company located in Oslo who develops residential units, neighborhoods and commercial properties in Norway and Sweden.

	Nordr Holding AS	Total
Balance as of 1 January 2023	770 985	770 985
Dividends	(37 500)	(37 500)
Change in fair value	(29 809)	(29 809)
Balance as of 31 December 2023	703 675	703 675
Balance as of 1 January 2022	811 020	811 020
Change in fair value	(40 035)	(40 035)
Balance as of 31 December 2022	770 985	770 985



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5 Wages and remuneration

Number of employees

The Company have no employees.

Remuneration to members of the Board

The Board has not received any remuneration for their work.

Expensed audit fee (incl. VAT) ¹	2023	2022
Statutory audit	206	150
Other assurance services	-	56
Other non-assurance services	77	167
Tax consultant services	11	118
Total expensed audit fee	294	491
Non-expensed other non-assurance services	-	496
Total audit fee	294	987

¹ Fees to RSM Norge AS and affiliated companies.

Shares held by Board members ²	Position	2023
Bjorn Henningsen	Chair	0,34 %
Lars Even Moe	Board member	0,34 %
Oystein A. Landvik	Board member	0,34 %
Total		1,01 %

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

6 General and administrative expenses

General and administrative expenses	2023	2022
Auditor's fee	294	491
Management fee	21 445	24 156
Other fees	1 637	1 584
Establishing Costs	-	408
Other general and administrative expenses	28	151
Total general and administrative expenses	23 405	26 790

7 Financial income and costs

Financial income	2023	2022
Interest income on cash and cash equivalents	1 992	356
Interest income on group receivables	205	-
Other interest income	680	-
Dividends and other contributions	1 181	5 600
Profit sale of shares	-	38
Total financial income	4 059	5 994
Financial costs		
Interest expense on financial liabilities	144	170
Allowance loan loss provision	7 151	-
Guarantee allowance	52 517	-
Other financial costs	-	4
Total financial costs	59 812	174
Net financial items	(55 753)	5 819



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All amounts in NOK 1 000 unless otherwise stated

8 Income tax

	2023	2022
Income tax expense		
<i>Current tax:</i>		
Tax payable	-	-
<i>Deferred tax:</i>		
Changes in deferred tax	-	-
Total income tax expense	-	-
Reconciliation of the effective rate of tax	2023	2022
Income taxes calculated at 22% of profit before tax	(45 600)	(22 067)
Tax related to change in value of shares	28 186	17 453
Tax effect on non deductible share loss / gain	-	(8)
Tax effect on non deductible expenses	-	120
Tax effect on dividends	(260)	(1 195)
Tax effect on non-recognised tax asset / acquired tax assets	17 674	5 697
Total income tax expense	-	-
Deferred tax and deferred tax assets:	2023	2022
<i>Deferred tax assets</i>		
Tax losses carried forward	109 004	89 514
Receivables	7 151	-
Guarantee allowance	52 517	-
Deferred tax assets - gross	168 672	89 514
Net deferred tax asset/(liabilities)	168 672	89 514
Net recognised deferred tax asset/(liabilities)	-	-
Book value at 31.12 (22%)	-	-

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:

	2023	2022
Financial assets - non current		
<i>Financial assets designated as FVTPL</i>		
Investments in subsidiaries	932 394	1 049 497
Investments in joint ventures	383 001	431 335
<i>Financial assets designated as FVTOCI</i>		
Other non-current investments	703 675	770 985
<i>Financial assets at amortised cost</i>		
Loans to group companies	1 235	-
Other non-current assets	2 211	-
Total non current financial assets	2 022 516	2 251 817
Financial assets - current		
<i>Investments in debt instrument measured at amortised cost</i>		
Other current receivables	15 980	54
<i>Cash and cash equivalents</i>	70 032	41 170
Total current financial assets	86 012	41 224
Financial liabilities - non current		
<i>Financial liabilities held at amortised cost</i>		
Other non-current financial liabilities	52 517	-
Total non current liabilities	52 517	-
Financial liabilities - current		
<i>Financial liabilities at amortised cost</i>		
Accounts payables	160	105
Total current liabilities	160	105

The fair values for all "Investments in debt 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.



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10 Related parties

10.1 Identification of related parties

Amongst the identified related parties there have been transactions with the Group's management and UREF III Sponsor AS.

Apart from the transactions described below, there are no significant transactions with related parties.

10.2 Board, management and owners

UNION Eiendomskapital UREF AS have entered into a management agreement with UNION Real Estate Fund III 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.

Transactions with the manager (UNION Eiendomskapital UREF AS)

Amount of transactions (excl. VAT)	2023	2022
Management fee	21 445	24 156
Rental fee	-	811
Project fee	-	-
Outstanding balances	2023	2022
Accounts payable	-	-
Balance at 31 December	-	-

Transactions with UREF III Sponsor AS

Amount of transactions	2023	2022
Recharge of costs	-	-
Outstanding balances	2023	2022
Accounts payable	-	-
Balance at 31 December	-	-

Transactions with subsidiaries

Amount of transactions	2023	2022
Interest received	205	-
Outstanding balances	2023	2022
Non-current loans	8 386	-
Allowance for loss	(7 151)	-
Balance at 31 December	1 235	-

Transactions with joint ventures and associates

There have been no transactions with joint ventures and associates in 2023 and 2022.

UNION Real Estate Fund III 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 III Holding AS. UNION Real Estate Fund III Holding AS has adopted a moderate risk profile, and this consideration is also governing the determination of the strategy for risk management in financial instruments.

11 Information on financial risks

11.1. Interest rate risk

The Company had no interest bearing debts at 31 December 2023.

11.2. 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.

11.3. 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. The company is indirectly exposed to changes in interest rates through their investments.



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11 Information on financial risks - continued

11.4. Sensitivity

The table below shows to what extent the investment portfolio is affected by inflation, market rents, discount rates (interest rates) and exit yields (market yields), assuming that all other factors are equal.

Change variable	Change in % (minus)	Value change			Total
		Subsidiaries	ventures & associates	Other equity instruments	
Market rent	-5.00 %	(237 019)	(68 874)	N/A	(305 893)
Discount rates	-0,25 %	(215 605)	(64 602)	(19 191)	(299 398)

12 Share capital, shareholder information and dividend

(Number of shares are in whole numbers)

12.1 Share capital	2023	2022
Ordinary shares, nominal amount NOK 1	37 653 187	37 653 187
Sponsorshares, nominal amount NOK 1	515 797	515 797
Total number of shares	38 168 984	38 168 984

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

Reconciliation of total number of shares in issue:

	Ordinary shares	Sponsor shares	Total
As at 31 December 2022	37 653 187	515 797	38 168 984
Issued during the period	-	-	-
Issued as of 31 December 2023 - fully paid in	37 653 187	515 797	38 168 984
As at 31 December 2021	25 339 863	347 121	25 686 984
Issued during the period	12 313 324	168 676	12 482 000
Issued as of 31 December 2022 - fully paid in	37 653 187	515 797	38 168 984

12.2 Shareholders

	Ordinary shares	Sponsor shares	Ownership interest	Voting interest
UNION Real Estate Fund III SCSp	9 181 187	-	24,05 %	24,05 %
Geveran Trading Co. Limited	8 596 619	-	22,52 %	22,52 %
Joh Johansson Eiendom AS	3 438 646	-	9,01 %	9,01 %
Livselskapet Nordea Liv AS	1 289 492	-	3,38 %	3,38 %
V-Invest 2 AS	1 203 526	-	3,15 %	3,15 %
Garmar Holding AS	1 203 525	-	3,15 %	3,15 %
Pactum AS	1 031 595	-	2,70 %	2,70 %
Harbam AS	980 015	-	2,57 %	2,57 %
Farvatn AS	859 662	-	2,25 %	2,25 %
Lærdal Finans AS	859 662	-	2,25 %	2,25 %
Spleismark Næring AS	859 662	-	2,25 %	2,25 %
Det Norske Eiendomscompagnie AS	515 798	-	1,35 %	1,35 %
Tomte Forvaltning AS	515 798	-	1,35 %	1,35 %
Artei AS	429 831	-	1,13 %	1,13 %
EWS Stifelsen	429 831	-	1,13 %	1,13 %
Haslelund Holding AS	429 831	-	1,13 %	1,13 %
Other shareholders below 1%	5 828 507	-	15,27 %	15,27 %
UREF III Sponsor AS	-	515 797	1,35 %	1,35 %
Total number of shares 31.12.2023	37 653 187	515 797	100 %	100 %

12.3 Dividends

Cash dividends approved and paid	2023		2022	
	NOK pr share	Total	NOK pr share	Total
Ordinary shares	-	-	-	-
Sponsor shares	-	-	-	-
Total	-	-	-	-



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12 Share capital, shareholder information and dividend - continues

12.4 Estimated allocation of equity

The shareholders of UNION Real Estate Fund III Holding AS have entered into a shareholders agreement where the allocation of profits have been set out. This allocation will be settled on the date of liquidation of the fund.

12.5 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 compounded annual internal rate of return of 15% to 17 % with a targeted average dividend of at least 5% to 7% on invested capital per annum over the life of the fund, utilising target leverage of 50% to 60% of portfolio value.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as borrowings less cash and cash equivalents.

The Company has no borrowings at period end either in 2023 or 2022.

13 Joint ventures and associates

The joint ventures is a 50% interest in K8 og K9 Holding AS. The associate is a 47,7% interest in Tollbugata 25 Holding AS and a 21,8% interest in Trondheim Areal Invest AS.

K8 og K9 Holding AS

K8 og K9 Holding AS is a company located in Oslo which owns the buildings in Kongensgate 8 and Kirkegaten 9. K8 og K9 Holding AS is jointly controlled with other investors as a result of a contractual agreement involving sharing of control over the relevant activities of K8 og K9 Holding AS.

Tollbugata 25 Holding AS

Tollbugata 25 Holding AS is a company located in Oslo, which owns a hotel property centrally located in Oslo. The company holds an 47,7% share, and have classified the investment as an associate.

Trondheim Areal Invest AS

Trondheim Areal Invest AS is a company located in Oslo, which owns properties centrally located in Trondheim. The company holds an 21,8% share, and have classified the investment as an associate.

The joint ventures and investments in associates are accounted for using fair value through profit or loss.

The table below provides summarised financial information for investments. The information disclosed is based on consolidated financial statements in accordance with Norwegian GAAP. No IFRS adjustments have been made.

Income statement	Tollbugata 25 Holding AS		K8 og K9 Holding AS	
	2023	2022	2023	2022
Revenues	12 360	11 516	54 092	53 984
Operating costs	(5 045)	(1 636)	(5 989)	(10 359)
Depreciation	(2 526)	(2 526)	(28 522)	(28 497)
Share of (loss)/profit from subsidiaries	-	-	-	-
Net interest	(9 411)	(5 759)	(23 238)	(23 093)
Income tax expense	(1 083)	(1 613)	(3 916)	(9 300)
Profit for the period	(5 705)	(19)	(7 572)	(17 266)
Other comprehensive income	-	-	-	-
Total comprehensive income	(5 705)	(19)	(7 572)	(17 266)



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13 Joint ventures and associates - continues

Assets and liabilities	Tollbugata 25 Holding AS		K8 og K9 Holding AS	
	2023	2022	2023	2022
Investment in subsidiaries / investment properties	259 908	264 012	824 529	853 051
Other non current assets	-	-	1 551	7 000
Cash and cash equivalents	10 442	8 929	11 108	4 959
Other current assets	1 067	3 017	4 677	5 882
Deferred tax liabilities	(6 894)	(5 811)	-	-
Current liabilities	(2 192)	(2 112)	(10 450)	(19 904)
Non current liabilities	(165 000)	(165 000)	(547 453)	(547 453)
Net assets	97 330	103 035	283 963	303 535

Income statement	Trondheim Areal Invest AS	
	2023	2022
Revenues	146 471	136 633
Operating costs	(95 446)	(15 646)
Net interest	(91 413)	(58 390)
Income tax expense	-	-
Profit for the period	(40 388)	62 597
Other comprehensive income	-	-
Total comprehensive income	(40 388)	62 597

Assets and liabilities	Trondheim Areal Invest AS	
	2023	2022
Investment in subsidiaries / investment properties	2 199 012	2 251 822
Other non current assets	2 833	3 722
Cash and cash equivalents	58 125	91 973
Other current assets	24 733	14 719
Current liabilities	(25 891)	(31 806)
Non current liabilities	(1 596 794)	(1 622 700)
Net assets	662 019	707 729

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.

14 Alternative Investment Fund disclosure

Compensation to the Manager

UNION Real Estate Fund III 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 2023 the employees in the management company received a total of MNOK 33,501 as wage compensation (including fixed and variable compensation). The leading management of the management company received a total of MNOK 4,200 as wage 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 2023-accounts.

Annual reports, 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 III Holding AS and the columns "indirect costs" illustrate UNION Real Estate Fund III Holding AS' share of the costs, according to ownership share adjusted for joint ventures.

	Direct costs		Indirect costs	
	2023	2022	2023	2022
Auditor's fee	294	491	-	-
Management fee	21 445	24 156	-	-
Other fees	1 637	1 584	-	-
Other general and administrative expenses	28	559	-	-
Total general and administrative expenses	23 405	26 790	-	-



UNION Real Estate Fund III Holding AS

Notes 2023

All amounts in NOK 1 000 unless otherwise stated

15 Guarantees

UNION Real Estate Fund III Holding AS have guaranteed for the repayment of a bank loan on behalf of Grenseveien 107 Invest AS limited to MNOK 35. Furthermore the company have guaranteed for the repayment of an sellers credit on behalf of Grenseveien 107 Invest AS limited to MNOK 110.

Under these two guarantees the company have made an provision of MNOK 52.5.



To the General Meeting of UNION Real Estate Fund III Holding AS

RSM Norge AS

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

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Independent Auditor's Report

www.rsmnorge.no

Opinion

We have audited the financial statements of UNION Real Estate Fund III Holding AS (the Company) showing a loss of NOK 207 274 000, which comprise the balance sheet as at 31 December 2023, 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 material accounting policy information.

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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 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.

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.

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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 DokumentID: 70UBH-CE8XY-EXOCZ-USAMF-IEPH3-E5CT8



Independent Auditor's Report 2023 for UNION Real Estate Fund III Holding AS



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 IFRS Accounting 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 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, 19 March 2024
RSM Norge AS

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

Penneo Dokumentnr: 70UBH-CE8XY-EX0CZ-US8AMF-IEPH3-E5CT8



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

Per-Henning Schulz Lie

Statsautorisert revisor

På vegne av: RSM Norge AS

Serienummer: UN:NO-9578-5997-4-211409

IP: 188.95.xxx.xxx

2024-03-19 09:43:44 UTC



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Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
11.11.2020	23.10.2020	Lars Waaltorp
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no	AR394694574	32212244
Org.nr	Vår referanse	Postadresse
974761076	2020/6019698	Postboks 9200 Grønland 0134 OSLO

UNION REAL ESTATE FUND III HOLDING AS
c/o Union Gruppen AS
0252 OSLO

Att. Jannecke Vinjum

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for UNION Real Estate Fund III Holding AS, org.nr. 821 838 622

Vi viser til deres brev av 23. oktober 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for UNION Real Estate Fund III Holding AS. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering UNION Real Estate Fund III Holding AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

UNION Real Estate Fund III Holding AS er et eiendomsfond for investering i forretningseiendommer. Fondet vil være rettet mot både norske og internasjonale investorer. Arbeidsspråket i selskapet er engelsk, og regnskapet rapporteres etter IFRS.

Skattekontorets 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 mv., 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 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 skattekontorets 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 skattekontoret lagt særlig vekt på at selskapet har en begrenset eierkrets og at virksomheten er rettet mot internasjonale investorer/markeder. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.