



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 819 060 312  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: FROST CO-INVESTOR II AS  
Forretningsadresse: v/UNION Eiendomkapital AS  
Bolette brygge 1  
0252 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### 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: 21.03.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*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, 15.02.2022



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Annen driftskostnad		39 100	33 038
<b>Sum kostnader</b>		<b>39 100</b>	<b>33 038</b>
<b>Driftsresultat</b>		<b>-39 100</b>	<b>-33 038</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap		1 051 402	7 272 441
Annen renteinntekt		32	169
<b>Sum finansinntekter</b>		<b>1 051 434</b>	<b>7 272 610</b>
<b>Netto finans</b>		<b>1 051 434</b>	<b>7 272 610</b>
<b>Ordinært resultat før skattekostnad</b>		<b>1 012 334</b>	<b>7 239 573</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>1 012 334</b>	<b>7 239 573</b>
<b>Årsresultat</b>		<b>1 012 334</b>	<b>7 239 573</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>1 012 334</b>	<b>7 239 573</b>
<b>Totalresultat</b>		<b>1 012 334</b>	<b>7 239 573</b>
<b>Overføringer og disponeringer</b>			
Avsatt til annen egenkapital		1 012 334	7 239 573
<b>Sum overføringer og disponeringer</b>		<b>1 012 334</b>	<b>7 239 573</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investeringer i aksjer og andeler		24 408 843	44 157 597
<b>Sum finansielle anleggsmidler</b>		<b>24 408 843</b>	<b>44 157 597</b>
<b>Sum anleggsmidler</b>		<b>24 408 843</b>	<b>44 157 597</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter o.l.		1 524 714	9 169
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 524 714</b>	<b>9 169</b>
<b>Sum omløpsmidler</b>		<b>1 524 714</b>	<b>9 169</b>
<b>SUM EIENDELER</b>		<b>25 933 557</b>	<b>44 166 766</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital		100 000	100 000
Overkurs		562 166	10 817 522
<b>Sum innskutt egenkapital</b>		<b>662 166</b>	<b>10 917 522</b>
<b>Opptjent egenkapital</b>			
Fond for vurderingsforskjeller		1 051 402	-2 474 031
Annen egenkapital		24 169 989	35 721 488
Udisponert resultat			
<b>Sum opptjent egenkapital</b>		<b>25 221 391</b>	<b>33 247 457</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Sum egenkapital</b>		<b>25 883 557</b>	<b>44 164 979</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld			1 788
Annen kortsiktig gjeld		50 000	
<b>Sum kortsiktig gjeld</b>		<b>50 000</b>	<b>1 788</b>
<b>Sum gjeld</b>		<b>50 000</b>	<b>1 788</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>25 933 557</b>	<b>44 166 766</b>



RSM Norge AS

To the General Meeting of Frost Co-Investor II AS

Filipstad Brygge 1, 0252 Oslo  
Pb 1312 Vikta, 0112 Oslo  
Org.nr: 982 316 588 MVA

T +47 23 1142 00  
F +47 23 1142 01

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

## Independent Auditor's Report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Frost Co-Investor II AS showing a profit of NOK 1 012 334, which comprise the balance sheet as at 31 December 2020, 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 accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

#### Basis for Opinion

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

#### Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### 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: NC6BP-FAFLM87L8-P4NBI-00B6C-JA75P



Independent Auditor's Report 2020 for Frost Co-Investor II AS



### Report on Other Legal and Regulatory Requirements

#### *Opinion on Registration and Documentation*

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

Oslo, 21 March 2021  
RSM Norge AS

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

Penneo Dokumentnøkkel: NC6BP-FAFLM87L8-P4NBI-00B6C-JA7SP



# PENNEO

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## Per-Henning Schulz Lie

Partner

På vegne av: RSM Norge AS

Serienummer: 9578-5997-4-211409

IP: 88.89.xxx.xxx

2021-03-24 06:40:58Z



## Per-Henning Schulz Lie

Statsautorisert revisor

På vegne av: RSM Norge AS

Serienummer: 9578-5997-4-211409

IP: 88.89.xxx.xxx

2021-03-24 06:40:58Z



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The board of directors report 2020 for Frost Co-Investor II AS

## Frost Co-Investor II AS

### Operational review

Frost Co-Investor II AS ("the Company") was established in 2017 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 47 properties out of 58 properties are sold per 31.12.2020.

### 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 31.12.2020 100 000 shares were issued in the Company

The portfolio of properties in the Fund as of 31.12.2020 had a rental occupancy of approx. 95,0 %, and the average duration of the lease contracts were 4.1 years.

The Company had a total comprehensive income of MNOK 1.01.

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 3 525 433
• <u>Transferred from other equity</u>	<u>NOK -2 513 099</u>
• Total transfers	NOK 1 012 334

As per 31.12.2020 the Company had a bank balance of MNOK 1.5.

The total capital pr. 31.12.2020 was MNOK 44.1. The equity ratio was 100%.

### 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 31.12.2020 MNOK 703,6. The portfolio has a floating interest rate (3-month NIBOR) the margin is applied. The Group complies with all covenants per 31.12.2020.

### Credit risk

The Fund has risks associated with its tenants on the properties. The tenants economy and financial strength, and thus their ability to serve the rent, has great significance for the risk associated with the loss of rent/income. The risk of vacancy depends to a large extent on the economic conditions. Vacancy in a property will lead to loss of rental income and cause the fund to cover the missing common costs. The fund strives to achieve a bank guarantee or rent deposit upon signing or renegotiating lease contracts.

### 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

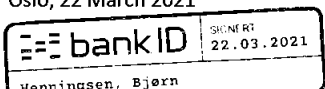
Frost Co-Investor AS has no research and development activities.

## Future development

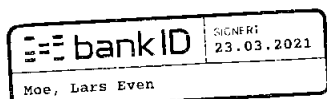
The year 2020 has been very special due to the Coronavirus. The Norwegian government has resolved very good economic support to the most affected sectors. It is however too early to say what the situation will be like at the end of the global pandemic. The macroeconomic indicators are more uncertain, the interest is rising, numbers of unemployed are higher than we have seen the last years, but there are also many positive factors with good conditions for other 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

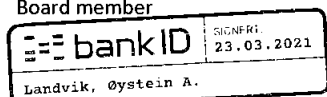
Oslo, 22 March 2021

 bank ID  
SIGNER  
22.03.2021  
Henningsen, Bjørn

Bjørn Henningsen  
Chairman



Lars Even Moe  
Board member



Øystein A. Landvik  
Board member



## 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*



**Frost Co-Investor II AS**

**Annual accounts**

**2020**

**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**



**Frost Co-Investor II AS**

**Statement of comprehensive income**

All amounts in NOK	Note	2020	2019
General and administrative expenses	3, 4, 8	(39 100)	(33 038)
<b>Operating profit / (loss)</b>		<b>(39 100)</b>	<b>(33 038)</b>
Financial income	5	32	169
<b>Net financial items</b>	5	<b>32</b>	<b>169</b>
<b>Profit / (Loss) before tax</b>		<b>(39 068)</b>	<b>(32 869)</b>
Income tax expense	6	-	-
<b>Profit / (Loss) for the year</b>		<b>(39 068)</b>	<b>(32 869)</b>
<b>Other comprehensive income</b>			
Change in fair value on investments		1 051 402	7 272 441
<b>Total comprehensive income / (loss) for the year</b>		<b>1 012 334</b>	<b>7 239 572</b>

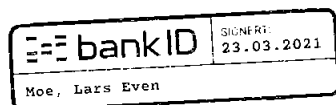


**Frost Co-Investor II AS**

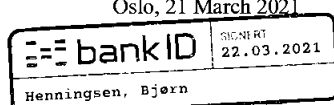
**Statement of financial position at 31 December**

All amounts in NOK	Note	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in shares	2, 7	24 408 843	44 157 597
<b>Total non-current assets</b>		<b>24 408 843</b>	<b>44 157 597</b>
<b>Current assets</b>			
Cash and cash equivalents	7	1 524 714	9 169
<b>Total current assets</b>		<b>1 524 714</b>	<b>9 169</b>
<b>TOTAL ASSETS</b>		<b>25 933 557</b>	<b>44 166 766</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid in capital</b>			
Issued capital	9	100 000	100 000
Share premium		562 166	10 817 522
<b>Total paid in capital</b>		<b>662 166</b>	<b>10 917 522</b>
<b>Accumulated profits</b>			
Fund for unrealised gains		1 051 402	(2 474 031)
Retained earnings / (Accumulated Deficit)		24 169 989	35 721 488
<b>Total accumulated profits</b>		<b>25 221 391</b>	<b>33 247 457</b>
<b>Total equity</b>		<b>25 883 557</b>	<b>44 164 979</b>
<b>Current liabilities</b>			
Accounts payable	7	-	1 788
Other current liabilities	7	50 000	-
<b>Total current liabilities</b>		<b>50 000</b>	<b>1 788</b>
<b>Total liabilities</b>		<b>50 000</b>	<b>1 788</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25 933 557</b>	<b>44 166 766</b>

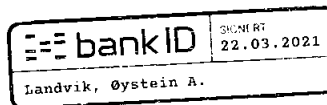
The Board of Frost Co-Investor II AS  
Oslo, 21 March 2021

  
Moe, Lars Even

Lars Even Moe  
Chairman

  
Henningsen, Bjørn

Bjørn Henningsen  
Board member

  
Landvik, Øystein A.

Øystein A. Landvik  
Board member



**Frost Co-Investor II AS**  
**Statement of changes in equity**

All amounts in NOK	Note					
		Share capital	Share premium	Fund for unrealised gains	Retained earnings / (Accumulated Deficit)	Total equity
<b>Equity as at 01.01.2017</b>		-	-	-	-	-
Incorporation		30 000	-	-	-	30 000
Share issue		100 000	62 654 667	-	-	62 754 667
Dividends distributed		(30 000)	(15 658 288)	-	-	(15 688 288)
Total comprehensive income		-	-	21 138 744	(451 398)	20 687 346
<b>Equity as at 31.12 2017</b>		<b>100 000</b>	<b>46 996 379</b>	<b>21 138 744</b>	<b>(451 398)</b>	<b>67 783 725</b>
Change related to errors in previous years accounts		-	-	(1 387 108)	-	(1 387 108)
<b>Equity as at 31.12 2017</b>		<b>100 000</b>	<b>46 996 379</b>	<b>19 751 636</b>	<b>(451 398)</b>	<b>66 396 617</b>
Dividends distributed		-	(16 957 193)	-	-	(16 957 193)
Total comprehensive income		-	-	(10 276 444)	16 984 090	6 707 646
Transfer to other equity		-	-	-	-	-
<b>Equity as at 31.12 2018</b>		<b>100 000</b>	<b>30 039 186</b>	<b>9 475 192</b>	<b>16 532 692</b>	<b>56 147 070</b>
Dividends distributed		-	(19 221 664)	-	-	(19 221 664)
Total comprehensive income		-	-	(11 949 223)	19 188 796	7 239 573
Transfer to other equity		-	-	-	-	-
<b>Equity as at 31.12 2019</b>		<b>100 000</b>	<b>10 817 522</b>	<b>(2 474 031)</b>	<b>35 721 488</b>	<b>44 164 979</b>
Dividends distributed		-	(10 255 356)	-	(9 038 400)	(19 293 756)
Total comprehensive income		-	-	3 525 433	(2 513 099)	1 012 334
<b>Equity as at 31.12 2020</b>		<b>100 000</b>	<b>562 166</b>	<b>1 051 402</b>	<b>24 169 989</b>	<b>25 883 557</b>



**Frost Co-Investor II AS**

**Statement of cash flows**

All amounts in NOK	Note	2020	2019
<b>Cash flow from operating activities</b>			
Profit before tax for the year from total operations		(39 068)	(32 869)
Change in value shares		-	-
Tax payment		-	-
Increase/(decrease) in accounts payable		(1 788)	1 788
Increase/(decrease) in other current liabilities		50 000	-
<b>Net cash flow from operating activities</b>		<b>9 144</b>	<b>(31 081)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments in associated companies		-	-
Dividend received		20 800 156	19 221 664
<b>Net cash flow used in investing activities</b>		<b>20 800 156</b>	<b>19 221 664</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		-	-
Redemption of shares		-	-
Dividend paid		(19 293 756)	(19 221 664)
<b>Net cash flow from financing activities</b>		<b>(19 293 756)</b>	<b>(19 221 664)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1 515 544</b>	<b>(31 081)</b>
Cash and cash equivalents at beginning of period		9 169	40 250
<b>Cash and cash equivalents at end of period</b>		<b>1 524 714</b>	<b>9 169</b>



## Frost Co-Investor II AS

### Notes 2020

#### 1 Summary of significant accounting policies

Frost Co-Investor II 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 II AS is managed by UNION Eiendomskapital UREF AS (the Manager).

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

The Frost Co-Investor II 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 2020, and Norwegian disclose requirements listed in the Norwegian Accounting Act as of 31.12.2020.

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

- Financial instruments at fair value through other comprehensive income, 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 shares (notes 2 and 7)

#### 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.



## Frost Co-Investor II AS

### Notes 2020

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 other comprehensive income (FVTOCI), and loans and receivables. The classification depends on the nature and purpose of the financial assets.

##### (a) Fair value through other comprehensive income (FVTOCI)

Financial assets at FVTOCI 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 unlisted shares in the financial statement as Financial instruments at fair value through other comprehensive income.

##### (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 at amortised cost.

##### *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.



## Frost Co-Investor II AS

### Notes 2020

#### *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 group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

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 2020 reporting periods and have not been early adopted by the group. 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.



## Frost Co-Investor II AS

### Notes 2020

All amounts in NOK unless otherwise stated

#### 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 investment in shares

Frost Co-Investor II AS owns about 8,6 % of Frost Retail Holding AS, which is an unlisted company. Consequently the fair value of this investment is based on valuation techniques that are consistent with generally accepted valuation methodologies for pricing financial instruments and they incorporate all factors and assumptions that market participants would consider in setting the price.

As the main assets of the subsidiaries of the investee, i.e. the investment properties, are classified as level 3 financial instruments, the investee is also classified as a level 3 instrument.

Reconciliation of Level 3 fair value measurements of investment in shares:

Balance as of 1 January 2020	44 157 597
Additions	-
Disposals	-
Dividends	(20 800 156)
Change in fair value	1 051 402
<b>Balance as of 31 December 2020</b>	<b>24 408 843</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>2020</b>	<b>2019</b>
Statutory audit	26 375	19 375
Other assurance services	-	11 875
Other non-assurance services	10 625	-
Tax consultant services	-	-
<b>Total expensed audit fee</b>	<b>37 000</b>	<b>31 250</b>

<b>Shares held by Board members*</b>	<b>Position</b>	<b>2020</b>
Lars Even Moe	Chairman	0,24 %
Bjorn 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 II AS.



## 4 General and administrative expenses

General and administrative expenses	2020	2019
Auditor's fee	37 000	31 250
Other general and administrative expenses	2 100	1 788
<b>Total general and administrative expenses</b>	<b>39 100</b>	<b>33 038</b>

## 5 Financial income and costs

Financial income	2020	2019
Interest income on cash and cash equivalents	32	169
Dividends and other contributions	-	-
<b>Total financial income</b>	<b>32</b>	<b>169</b>
<b>Net financial items</b>	<b>32</b>	<b>169</b>

## 6 Income tax

Income tax expense	2020	2019
<i>Current tax:</i>		
Tax payable	-	-
<i>Deferred tax:</i>		
Changes in deferred tax	-	-
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>

Reconciliation of the effective rate of tax	2020	2019
Income taxes calculated at 22% of profit before tax	222 713	1 592 706
Changes in unrecognised deferred tax (asset)/liabilities	(61 001)	7 231
IFRS tax adjustments	-	-
Tax related to change in value of shares	(231 308)	(1 599 937)
Tax effect on non deductible expenses	-	-
Tax on received dividends	69 596	-
Other	-	-
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>

Deferred tax and deferred tax assets:	2020	2019
<i>Deferred tax assets</i>		
Tax losses carried forward	(266 740)	(544 016)
Deferred tax assets - gross	(266 740)	(544 016)
<b>Net deferred tax asset/(liabilities)</b>	<b>(266 740)</b>	<b>(544 016)</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:

	2020	2019
<b>Financial assets - non current</b>		
<i>Financial assets designated as FVTOCI</i>		
Investments in shares	24 408 843	44 157 597
<b>Total non current financial assets</b>	<b>24 408 843</b>	<b>44 157 597</b>
<b>Financial assets - current</b>		
<i>Loans and receivables held at amortised cost</i>		
Cash and cash equivalents	1 524 714	9 169
<b>Total current financial assets</b>	<b>1 524 714</b>	<b>9 169</b>
<b>Financial liabilities - current</b>		
<i>Financial liabilities at amortised cost</i>		
Accounts payables	-	1 788
Other current liabilities	50 000	-
<b>Total current liabilities</b>	<b>50 000</b>	<b>1 788</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 2020.

## 9 Share capital, shareholder information and dividend

(Number of shares are in whole numbers)

	2020	2019
<b>9.1 Share capital</b>		
Ordinary shares, nominal amount NOK 1	99 000	99 000
Sponsor shares, nominal amount NOK 1	1 000	1 000
<b>Total number of shares</b>	<b>100 000</b>	<b>100 000</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

### 9.2 Shareholders

	Ordinary shares	Sponsor shares	Ownership interest	Voting interest
DREOF Europe II Holdings Limited	99 000	-	99,0 %	99,0 %
UREF II Sponsor AS	-	1 000	1,0 %	1,0 %
<b>Total number of shares 31.12.2020</b>	<b>99 000</b>	<b>1 000</b>	<b>100 %</b>	<b>100 %</b>

Reconciliation of total number of shares in issue:

	Ordinary shares	Sponsor shares	Total
As at December 31 2019	99 000	1 000	100 000
Redemption during the period	-	-	-
Issued during the period	-	-	-
<b>Issued as of 31 December 2020 - fully paid in</b>	<b>99 000</b>	<b>1 000</b>	<b>100 000</b>
As at December 31 2018	99 000	1 000	100 000
Redemption during the period	-	-	-
Issued during the period	-	-	-
<b>Issued as of 31 December 2019 - fully paid in</b>	<b>99 000</b>	<b>1 000</b>	<b>100 000</b>

### 9.3 Dividends

	2020		2019	
Cash dividends approved and paid	NOK pr share	Total	NOK pr share	Total
Ordinary shares				
Total dividends approved and paid	192,94	19 100 818	192,22	19 029 447
Sponsor shares				
Total dividends approved and paid	192,94	192 938	192,22	192 217
<b>Total</b>		<b>19 293 756</b>		<b>19 221 664</b>