



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 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: Jannecke Vinjum
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
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad		214 064	157 691
Sum kostnader		214 064	157 691
Driftsresultat		-214 064	-157 691
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap		4 032 164	27 890 082
Annen renteinntekt		543	1 611
Sum finansinntekter		4 032 707	27 891 693
Netto finans		4 032 707	27 891 693
Ordinært resultat før skattekostnad		3 818 643	27 734 001
Ordinært resultat etter skattekostnad		3 818 643	27 734 001
Årsresultat		3 818 643	27 734 001
Årsresultat etter minoritetsinteresser		3 818 643	27 734 001
Totalresultat		3 818 643	27 734 001
Overføringer og disponeringer			
Avsatt til annen egenkapital		3 818 643	27 734 001
Sum overføringer og disponeringer		3 818 643	27 734 001



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap		93 608 819	169 346 027
Sum finansielle anleggsmidler		93 608 819	169 346 027
Sum anleggsmidler		93 608 819	169 346 027
Omløpsmidler			
Varer			
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		7 506 202	1 942 535
Sum bankinnskudd, kontanter og lignende		7 506 202	1 942 535
Sum omløpsmidler		7 506 202	1 942 535
SUM EIENDELER		101 115 021	171 288 562
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		2 374 526	2 374 526
Overkurs			36 575 353
Sum innskutt egenkapital		2 374 526	38 949 879
Opptjent egenkapital			
Fond for vurderingsforskjeller			-4 631 524
Annen egenkapital		98 738 620	136 968 420
Sum opptjent egenkapital		98 738 620	132 336 896
Sum egenkapital		101 113 146	171 286 775



Balanse

Beløp i: NOK	Note	2020	2019
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		1 875	1 788
Sum kortsiktig gjeld		1 875	1 788
Sum gjeld		1 875	1 788
SUM EGENKAPITAL OG GJELD		101 115 021	171 288 562



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 www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	skatteetaten.no/sendepost	



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



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

Frost Co-Investor AS

Operational review

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

Frost Retail Holding AS has invested in a property portfolio consisting of 58 retail properties in Norway ("the Portfolio"), whereas 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 237 452 638 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 4.03.

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	4 631 524
• <u>Transferred to other equity</u>	NOK	<u>- 812 881</u>
• Total transfers	NOK	3 818 643

As per 31.12.2020 the Company had a bank balance of MNOK 7,5.

The total capital pr. 31.12.2020 was MNOK 101,1. 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 tenant's economy and financial strength, and thus their ability to serve the rent, has great significance for the risk associated with the loss of rent/income. The risk of vacancy depends to a large extent on the economic conditions. Vacancy in a property will lead to loss of rental income and cause the fund to cover the missing common costs. The fund strives to achieve a bank guarantee or rent deposit upon signing or renegotiating lease contracts.

Risk of liquidity

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

Research and development

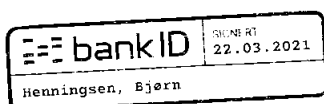
Frost Co-Investor AS has no research and development activities.

Future development

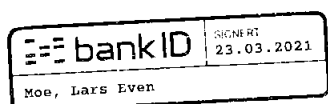
The year 2020 has been very special due to the Coronavirus. The Norwegian government has resolved very good economic support to the most affected sectors. It is however too early to say what the situation will be like at the end of the global pandemic. The macroeconomic indicators are more uncertain, 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

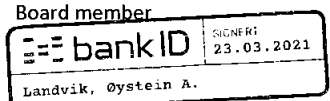
Oslo, 21 March 2021



Bjørn Henningsen
Chairman



Lars Even Moe
Board member



Øystein A. Landvik
Board member



Frost Co-Investor 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 AS

Statement of comprehensive income

All amounts in NOK	Note	2020	2019
Share of net profit/(loss) from associates		4 032 164	27 890 082
General and administrative expenses	3, 4, 8	-214 064	-157 691
Operating profit / (loss)		3 818 100	27 732 391
Financial income	5	543	1 611
Net financial items	5	543	1 611
Profit / (Loss) before tax		3 818 643	27 734 001
Income tax expense	6	-	-
Profit / (Loss) for the year		3 818 643	27 734 001
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		3 818 643	27 734 001



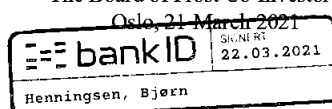
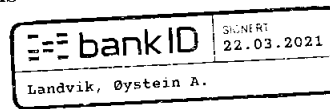
Frost Co-Investor AS

Statement of financial position at 31 December

All amounts in NOK	Note	2020	2019
ASSETS			
Non-current assets			
Investments in associated companies	2, 9	93 608 819	169 346 027
Total non-current assets		93 608 819	169 346 027
Current assets			
Cash and cash equivalents	7	7 506 202	1 942 535
Total current assets		7 506 202	1 942 535
TOTAL ASSETS		101 115 021	171 288 562
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Issued capital	10	2 374 526	2 374 526
Share premium		-	36 575 353
Other paid in capital			
Total paid in capital		2 374 526	38 949 879
Accumulated profits			
Fund for unrealised gains		-	(4 631 524)
Retained earnings / (Accumulated Deficit)		98 738 620	136 968 420
Total accumulated profits		98 738 620	132 336 896
Total equity		101 113 146	171 286 775
Current liabilities			
Accounts payable	7	1 875	1 788
Total current liabilities		1 875	1 788
Total liabilities		1 875	1 788
TOTAL EQUITY AND LIABILITIES		101 115 021	171 288 562

The Board of Frost Co-Investor AS

Oslo, 21 March 2021

Lars Even Moe
ChairmanBjørn Henningsen
Board memberØystein A. Landvik
Board member



Frost Co-Investor AS

Statement of changes in equity

All amounts in NOK	Note	Share capital	Share premium	Other paid in capital	Fund for unrealised gains	Retained earnings / (Accumulated Deficit)	Total equity
Equity as at 01.01.2016		-	-	-	-	-	-
Incorporation		30 000	-	(10 000)	-	-	20 000
Transaction costs		-	-	4 430	-	-	4 430
Total comprehensive income		-	-	-	-	5	5
Equity as at 31.12 2016		30 000	-	(5 570)	-	5	24 435
Share issue		2 374 526	235 078 112	-	-	-	237 452 638
Redemption of shares		(30 000)	-	5 570	-	(5)	(24 435)
Dividends distributed		-	(59 423 204)	-	-	-	(59 423 204)
Total comprehensive income		-	-	-	87 033 679	(1 702 615)	85 331 064
Equity as at 31.12 2017		2 374 526	175 654 908	-	87 033 679	(1 702 615)	263 360 498
Change related to errors in previous years accounts		-	-	-	(6 428 945)	-	(6 428 945)
Equity as at 31.12 2017		2 374 526	175 654 908	-	80 604 734	(1 702 615)	256 931 553
Dividends distributed		-	(65 363 760)	-	-	-	(65 363 760)
Total comprehensive income		-	-	-	(39 410 543)	65 111 319	25 700 776
Equity as at 31.12 2018		2 374 526	110 291 148	-	41 194 190	63 408 705	217 268 569
Dividends distributed		-	(73 715 796)	-	-	-	(73 715 796)
Total comprehensive income		-	-	-	(45 825 714)	73 559 715	27 734 001
Equity as at 31.12 2019		2 374 526	36 575 353	-	(4 631 524)	136 968 420	171 286 775
Dividends distributed		-	(36 575 353)	-	-	(37 416 919)	(73 992 272)
Total comprehensive income		-	-	-	-	3 818 643	3 818 643
Transfer to other equity		-	-	-	4 631 524	(4 631 524)	-
Equity as at 31.12 2020		2 374 526	(0)	-	(0)	98 738 620	101 113 146



Frost Co-Investor AS
Statement of cash flows

All amounts in NOK	Note	2020	2019
Cash flow from operating activities			
Profit before tax for the year from total operations		3 818 643	27 734 001
Change in value shares		-4 032 164	-27 890 082
Tax payment		-	-
Increase/(decrease) in accounts payable		88	1 788
Net cash flow from operating activities		-213 433	-154 293
Cash flows from investing activities			
Purchase of investments in associated companies		-	-
Dividend received		79 769 372	73 715 796
Net cash flow used in investing activities		79 769 372	73 715 796
Cash flows from financing activities			
Proceeds from issue of share capital		-	-
Redemption of shares		-	-
Dividend paid		-73 992 272	-73 715 796
Net cash flow from financing activities		-73 992 272	-73 715 796
Net increase/(decrease) in cash and cash equivalents		5 563 666	-154 294
Cash and cash equivalents at beginning of period		1 942 535	2 096 828
Cash and cash equivalents at end of period		7 506 202	1 942 535



Frost Co-Investor AS

Notes 2020

1 Summary of significant accounting policies

Frost Co-Investor AS is a limited company, incorporated in Norway, headquartered in Oslo. Address headquarter: c/o UNION Eiendomskapital AS, Bolette Brygge 1, 0252 Oslo, Norway.

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

1.1 Basis for preparation of the annual accounts

The Frost Co-Investor AS' annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2020, and Norwegian disclosure 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 profit or loss, and loans, receivables and other financial liabilities which are recognised at amortised cost.

1.2 Functional currency and presentation currency

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

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

1.3.1 Estimates and assumptions

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

1.3.2 Judgements

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

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

1.4 Revenue recognition

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

1.5 Income tax

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

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

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

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



Frost Co-Investor 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 profit and loss (FVTPL), and loans and receivables. The classification depends on the nature and purpose of the financial assets.

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

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

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

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

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

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

Derecognition of financial assets and liabilities

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

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



Frost Co-Investor 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 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 investments in associates

The sole purpose of the associate is to own subsidiaries. Any other assets or liabilities that the associate may have will for the most part consist of cash and cash equivalents and short-term payables and receivables, and the fair value of these items is expected to approximate the nominal and carrying amounts.

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

Reconciliation of Level 3 fair value measurements of associated companies:

Balance as of 1 January 2020	169 346 027
Additions	-
Disposals	-
Dividends	(79 769 372)
Change in fair value	4 032 164
Balance as of 31 December 2020	93 608 819



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.

Expensed audit fee (inc. VAT)	2020	2019
Statutory audit	32 125	23 125
Other assurance services	14 406	16 250
Other non-assurance services	-	-
Tax consultant services	-	-
Total expensed audit fee	46 531	39 375

Shares held by Board members *	Position	2020
Lars Even Moe	Chairman	0,24 %
Bjørn Henningsen	Board member	0,24 %
Øystein A. Landvik	Board member	0,24 %
Total		0,73 %

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

4 General and administrative expenses

General and administrative expenses	2020	2019
Auditor's fee	46 531	39 375
Management fee	-	-
Provision for performance fee to manager	-	-
Legal fees	-	-
Other general and administrative expenses	167 533	118 316
Total general and administrative expenses	214 064	157 691

5 Financial income and costs

Financial income	2020	2019
Interest income on cash and cash equivalents	543	1 611
Dividends and other contributions	-	-
Total financial income	543	1 611
Net financial items	543	1 611



6 Income tax

Income tax expense	2020	2019
<i>Current tax:</i>		
Tax payable	-	-
<i>Deferred tax:</i>		
Changes in deferred tax	-	-
Changes in tax rate	-	-
Total income tax expense	-	-
Reconciliation of the effective rate of tax	2020	2019
Income taxes calculated at 22% of profit before tax	840 102	6 101 480
Changes in unrecognised deferred tax (asset)/liabilities	(271 870)	34 338
Tax related to change in value of shares	(887 076)	(6 135 818)
Tax effect on non deductible expenses	-	-
Non-taxable income	-	-
Other	318 844	-
Total income tax expense	0	-
Deferred tax and deferred tax assets:	2020	2019
<i>Deferred tax assets</i>		
Tax losses carried forward	(880 930)	(2 116 701)
Deferred tax assets - gross	(880 930)	(2 116 701)
Net deferred tax asset/(liabilities)	(880 930)	(2 116 701)
Net recognised deferred tax asset/(liabilities)	-	-
Book value at 31.12 (22%)	-	-

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:

Financial assets - non current	2020	2019
<i>Financial assets designated as FVTPL</i>		
Investments in associated companies	93 608 819	169 346 027
Total non current financial assets	93 608 819	169 346 027
Financial assets - current		
<i>Loans and receivables held at amortised cost</i>		
Cash and cash equivalents	7 506 202	1 942 535
Total current financial assets	7 506 202	1 942 535
Financial liabilities - current		
<i>Financial liabilities at amortised cost</i>		
Accounts payables	1 875	1 788
Total current liabilities	1 875	1 788

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 Investment in associates

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

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

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

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

Frost Retail Holding AS		
Income statement	2020	2019
Revenues	43 291 571	130 069 251
Operating costs	(14 394 384)	(13 593 945)
Depreciation and amortisation	-	-
Net interest	(14 358 480)	(18 204 206)
Income/loss of underlying investments	4 732 514	8 147 315
Gain/loss sale of properties	-	4 339 839
Income tax expense	(8 027 892)	(18 855 349)
Profit for the period	11 243 328	91 902 904
Other comprehensive income	-	-
Total comprehensive income	11 243 328	91 902 904
Assets and liabilities		
Investment properties	522 860 754	796 116 505
Investment in Joint Ventures	26 308 047	44 287 173
Other non current assets	-	330 982
Cash and cash equivalents	57 828 563	51 267 375
Other current assets	49 588 984	59 683 197
Current liabilities	(10 684 709)	(20 221 437)
Non current liabilities	(338 415 720)	(371 746 011)
Net assets	307 485 924	559 717 784
Minority interests	23 925 949	46 734 547
Net assets to majority	283 559 975	512 983 237
Dividends received from the associate	-	-
Reconciliation to carrying amounts		
	2020	2019
Opening net assets 1 January	512 983 237	651 798 560
Capital increase/capital decrease	-	-
Acquisition	-	-
Profit/(loss) for the period	11 243 328	91 902 904
Minority's share of profit/(loss) for the period	970 911	(7 418 224)
Other comprehensive income	-	-
Dividends paid	(241 637 501)	(223 300 000)
Closing net assets	283 559 975	512 983 237
Company's share in %	33,01 %	33,01 %
Carrying amount	93 608 820	169 346 026

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

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



10 Share capital, shareholder information and dividend

(Number of shares are in whole numbers)

10.1 Share capital	2020	2019
Ordinary shares, nominal amount NOK 0,01	235 078 112	235 078 112
Sponsor shares, nominal amount NOK 0,01	2 374 526	2 374 526
Total number of shares	237 452 638	237 452 638

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

10.2 Shareholders

	Ordinary shares	Sponsor shares	Ownership interest	Voting interest
Geveran Trading Co. Limited	103 229 953	-	43,5 %	43,5 %
VBV-Pensionskasse 2 FCP-SIF-VBV Real Estate 2	58 631 304	-	24,7 %	24,7 %
Crown Small Cap Real Estate Fund II-UK LP	35 627 884	-	15,0 %	15,0 %
Partners Group Red Dragon LP	22 971 220	-	9,7 %	9,7 %
Partners Group Generation S.A SICAB-SIF-Privat Markets	10 282 356	-	4,3 %	4,3 %
Crown Small Cap Real Estate Fund II-TLP	4 335 395	-	1,8 %	1,8 %
UREF II Sponsor AS	-	2 374 526	1,0 %	1,0 %
Total number of shares 31.12.2020	235 078 112	2 374 526	100 %	100 %

Reconciliation of total number of shares in issue:

	Ordinary shares	Sponsor shares	Total
As at December 31 2019	235 078 112	2 374 526	237 452 638
Redemption during the period	-	-	-
Issued during the period	-	-	-
Issued as of 31 December 2020 - fully paid in	235 078 112	2 374 526	237 452 638
As at December 31 2018	235 078 112	2 374 526	237 452 638
Redemption during the period	-	-	-
Issued during the period	-	-	-
Issued as of 31 December 2019 - fully paid in	235 078 112	2 374 526	237 452 638
As at December 31 2017	235 078 112	2 374 526	237 452 638
Redemption during the period	-	-	-
Issued during the period	-	-	-
Issued as of 31 December 2018 - fully paid in	235 078 112	2 374 526	237 452 638
As at December 31 2016	1 000	-	1 000
Redemption during the period	(1 000)	-	(1 000)
Issued during the period	235 078 112	2 374 526	237 452 638
Issued as of 31 December 2017 - fully paid in	235 078 112	2 374 526	237 452 638

10.3 Dividends

Cash dividends approved and paid	2020		2019	
	NOK pr share	Total	NOK pr share	Total
Ordinary shares				
Total dividends approved and paid	0,31	73 252 349	0,31	72 978 638
Sponsor shares				
Total dividends approved and paid	0,31	739 923	0,31	737 158
Total		73 992 272		73 715 797



RSM Norge AS

To the General Meeting of Frost Co-Investor AS

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Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Frost Co-Investor AS showing a profit of NOK 3 818 643, 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>

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

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Independent Auditor's Report 2020 for Frost Co-Investor 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)

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Per-Henning Schulz Lie

Partner

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Per-Henning Schulz Lie

Statsautorisert revisor

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