Brønnøysundregistrene

# ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

**Enheten**

| | |
|---|---|
| Organisasjonsnummer: | 914 813 905 |
| Organisasjonsform: | Aksjeselskap |
| Foretaksnavn: | NORWEGIAN LIGHTS AS |
| Forretningsadresse: | c/o Union Eiendomskapital AS<br>Bolette brygge 1<br>0252 OSLO |

**Regnskapsår**

| | |
|---|---|
| Årsregnskapets periode: | 01.01.2018 - 31.12.2018 |

**Konsern**

| | |
|---|---|
| Morselskap i konsern: | Nei |

**Regnskapsregler**

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

**Årsregnskapet fastsatt av kompetent organ**

| | |
|---|---|
| Bekreftet av representant for selskapet: | Lars Even Moe |
| Dato for fastsettelse av årsregnskapet: | 22.03.2019 |

**Grunnlag for avgivelse**

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

*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, 03.09.2020

# Resultatregnskap

| Beløp i: NOK | Note | 2018 | 2017 |
|---|---|---|---|
| **RESULTATREGNSKAP** | | | |
| **Inntekter** | | | |
| Annen driftsinntekt | | | 200 000 |
| **Sum inntekter** | | **0** | **200 000** |
| **Kostnader** | | | |
| Annen driftskostnad | | 2 042 150 | 2 738 674 |
| **Sum kostnader** | | **2 042 150** | **2 738 674** |
| **Driftsresultat** | | **-2 042 150** | **-2 538 674** |
| **Finansinntekter og finanskostnader** | | | |
| Inntekt på investering i datterselskap | | 31 112 696 | 99 803 249 |
| Renteinntekt fra foretak i samme konsern | | 1 088 918 | 13 775 585 |
| Annen renteinntekt | | 1 859 291 | 1 747 406 |
| Annen finansinntekt | | 7 960 075 | 41 828 979 |
| **Sum finansinntekter** | | **42 020 981** | **157 155 219** |
| Verdired. av andre finansielle omløpsmidler | | | -85 944 766 |
| Annen rentekostnad | | 1 545 213 | 45 393 248 |
| Annen finanskostnad | | 2 944 976 | 127 117 669 |
| **Sum finanskostnader** | | **4 490 189** | **86 566 151** |
| **Netto finans** | | **37 530 792** | **70 589 068** |
| **Ordinært resultat før skattekostnad** | | **35 488 642** | **68 050 394** |
| Skattekostnad på ordinært resultat | | 1 303 319 | -1 160 750 |
| **Ordinært resultat etter skattekostnad** | | **34 185 323** | **69 211 145** |
| **Årsresultat** | | **34 185 323** | **69 211 145** |
| **Årsresultat etter minoritetsinteresser** | | **34 185 323** | **69 211 145** |
| **Totalresultat** | | **34 185 323** | **69 211 145** |
| **Overføringer og disponeringer** | | | |

# Resultatregnskap

| Beløp i: NOK | Note | 2018 | 2017 |
|---|---|---|---|
| Overf. fond for urealiserte gevinster | | -169 335 843 | |
| Tilleggsutbytte | | | 761 860 799 |
| Overføringer fra overkurs | | | -692 649 655 |
| Overføringer annen egenkapital | | 203 521 166 | |
| **Sum overføringer og disponeringer** | | **34 185 323** | **69 211 145** |

# Balanse

| Beløp i: NOK | Note | 2018 | 2017 |
|---|---|---|---|
| **BALANSE - EIENDELER** | | | |
| **Anleggsmidler** | | | |
| **Immaterielle eiendeler** | | | |
| Utsatt skattefordel | | | 1 303 319 |
| **Sum immaterielle eiendeler** | | | **1 303 319** |
| **Finansielle anleggsmidler** | | | |
| Investering i datterselskap | | | 1 019 414 261 |
| Lån til foretak i samme konsern | | | 161 139 877 |
| Andre langsiktige fordringer | | 8 250 000 | |
| **Sum finansielle anleggsmidler** | | **8 250 000** | **1 180 554 137** |
| **Sum anleggsmidler** | | **8 250 000** | **1 181 857 456** |
| **Omløpsmidler** | | | |
| **Varer** | | | |
| **Fordringer** | | | |
| Kundefordringer | | | 4 512 |
| Andre kortsiktige fordringer | | 3 228 803 | 4 065 295 |
| Konsernfordringer | | | 20 336 551 |
| **Sum fordringer** | | **3 228 803** | **24 406 358** |
| **Bankinnskudd, kontanter og lignende** | | | |
| Bankinnskudd, kontanter o.l. | | 248 921 078 | 58 315 757 |
| **Sum bankinnskudd, kontanter og lignende** | | **248 921 078** | **58 315 757** |
| **Sum omløpsmidler** | | **252 149 881** | **82 722 115** |
| **SUM EIENDELER** | | **260 399 881** | **1 264 579 571** |
| **BALANSE - EGENKAPITAL OG GJELD** | | | |
| **Egenkapital** | | | |
| **Innskutt egenkapital** | | | |

# Balanse

| Beløp i: NOK | Note | 2018 | 2017 |
|---|---|---|---|
| Selskapskapital | | 10 000 000 | 10 000 000 |
| **Sum innskutt egenkapital** | | **10 000 000** | **10 000 000** |
| | | | |
| **Opptjent egenkapital** | | | |
| Fonds | | | 169 335 843 |
| Avsatt utbytte | | 46 412 573 | 546 412 573 |
| Annen egenkapital | | 203 521 166 | |
| **Sum opptjent egenkapital** | | **249 933 739** | **715 748 416** |
| | | | |
| **Sum egenkapital** | | **259 933 739** | **725 748 416** |
| | | | |
| **Gjeld** | | | |
| **Langsiktig gjeld** | | | |
| **Annen langsiktig gjeld** | | | |
| Gjeld til kredittinstitusjoner | | | 527 784 094 |
| Øvrig langsiktig gjeld | | | 30 000 |
| **Sum annen langsiktig gjeld** | | | **527 814 094** |
| | | | |
| **Sum langsiktig gjeld** | | **0** | **527 814 094** |
| | | | |
| **Kortsiktig gjeld** | | | |
| Leverandørgjeld | | 451 152 | 1 134 177 |
| Betalbar skatt | | | 280 335 |
| Skyldig offentlige avgifter | | 14 991 | -2 059 047 |
| Kortsiktig konserngjeld | | | 1 111 013 |
| Annen kortsiktig gjeld | | | 10 550 583 |
| **Sum kortsiktig gjeld** | | **466 143** | **11 017 061** |
| | | | |
| **Sum gjeld** | | **466 143** | **538 831 155** |
| | | | |
| **SUM EGENKAPITAL OG GJELD** | | **260 399 881** | **1 264 579 571** |

Skattedirektoratet

| Saksbehandler | Deres dato | Vår dato |
|---|---|---|
| Torstein Kinden Helleland | 31.03.2016 | 11.05.2016 |
| Telefon | Deres referanse | Vår referanse |
| 22078139 | Jannecke Vinjum | 2016/298945 |

NORWEGIAN LIGHTS AS
Postboks 1715 Vika
0121 OSLO

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Norwegian Lights AS, org. nr. 914 813 905

Vi viser til deres brev av 31. mars 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Norwegian Lights AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Norwegian Lights AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

**Bakgrunn**
Norwegian Lights AS er eiet med 98 % av Partners Group som er hjemmehørende i Luxembourg og 2 % av ansatte. Selskapet er et eiendomsfond. Eiendommene som det investeres i organiseres som egne aksjeselskap. All kommunikasjon og intern rapportering til morselskapet skjer på dette språket. En norsk oversettelse vil kun ha til formål å oppfylle 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: skatteetaten.no/sendepost | 22 17 08 60 |

*forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er eiet med 98 % av et utenlandsk selskap. Eierkretsen er begrenset. All kommunikasjon med morselskapet skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
*seniorrådgiver*
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

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

# Norwegian Lights AS
**Annual accounts**

**2018**

RSM

**RSM Norge AS**

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

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

www.rsmnorge.no

To the General Meeting of Norwegian Lights AS

**Independent auditor's report**

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of Norwegian Lights AS showing a profit of NOK 34 185 323, which comprise the balance sheet as at 31 December 2018, the income statement, statement of comprehensive income, 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 2018, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

*Basis for Opinion*

We conducted our audit in accordance with 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.

*Other information*

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Board of Directors (management) is responsible for the preparation and fair presentation of the financial statements in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report 2018 for Norwegian Lights AS

RSM

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

**Report on Other Legal and Regulatory Requirements**

*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

*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, 22 March 2019
RSM Norge AS

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

PENNEO

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

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

**Per-Henning Schulz Lie**
**Partner**
På vegne av: RSM Norge AS
*Serienummer: 9578-5997-4-211409*
*IP: 62.148.xxx.xxx*
*2019-03-26 08:05:56Z*

bank ID

# The board of director's report 2018 for Norwegian Lights AS

## Norwegian Lights AS

### Operational review

Norwegian Lights AS ("the Company") was established 16th of January 2015 and acquired 4th of March a portfolio of commercial real estate properties in Norway with the potential for asset management through re-leasing, repositioning, refurbishment or expansion. The Companys strategy was to manage the real estate portfolio in order to optimize the return on investment, based on a five year business plan. The company is managed by UNION Eiendomskapital Lux AS.

Norwegian Lights AS has invested in 28 office and retail properties in Norway. During 2018 the Company divested four properties, meaning that all real estate assets has been realized.

As of 31 December 2018 the Company has sold all of its subsidiaries; consequently no group accounts are prepared for 2018.

The companies headquarter is in Oslo.

### Going concern

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

### Comments related to the financial statements

The company has sold all real estate assets, and the only assets exempt from cash is MNOK 11,5 in vendor loans related to two real estate disposals.

Norwegian Lights AS had an operating gain in 2018 of MNOK 3,0. Profit before tax was positive with MNOK 35,5.

The Board of Norwegian Lights AS proposes that the positive total comprehensive income for the year of the parent company of MNOK 34,2 is allocated as follows:

| | |
|---|---|
| Transfer from Fund for unrealized gains: | MNOK -169,3 |
| Transfer to retained earnings | MNOK 203,5 |
| Total allocated profit | MNOK 34,2 |

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

As per 31.12.2018 the company had a bank balance of MNOK 248,9.

The total capital pr. 31.12.2018 was MNOK 260,4. Long-term debt equals 0,0 % and short-term debt equals 0,0 %. The equity ratio for the Group was 99,8%.

## Environment

The company do not pollute the environment beyond what is normal for the operations of the company. Waste and emissions arising from operations are treated under applicable laws and regulations.

## Financial risk

Market risk

The company has no real estate assets, and is therefore not exposed to market risk.

Interest rate risk

The company has no external debt, and is therefore not exposed to interest rate risk.

Credit risk

The company has credit risk towards two property companies related to vendor loans. The property companies are considered to be financially solid, and the risk is therefor limited.

Risk of liquidity

The Board assesses the company's liquidity situation as strong and it strives to have a liquidity buffer in case unforeseen events arise through daily operation of the properties.

## Research and development

Norwegian Lights AS is not affected by conditions that can be defined as research and development activities.

## Future development

The company has realized all real estate assets, and will not acquire any new assets.

Oslo, 22th March 2019

Øystein A. Landvik
Chairman

Håkon Sundbye
Board member

Geoffrey Bonnefoy Cudraz
Board member

Stefan Lempen
Board member

# Norwegian Lights AS

## Statement of comprehensive income

| All amounts in NOK 1 000 | Note | 2018 | 2017 |
|---|---|---|---|
| Gain / (loss) on sale of subsidiaries | 2 | 5 015 | (85 158) |
| General and administrative expenses | 4 5 10 | (2 042) | (2 539) |
| **Operating profit** | | **2 973** | **(87 697)** |
| Financial income | 6 11 | 34 061 | 115 195 |
| Change in fair value shares in subsidiaries | 3 | - | 85 945 |
| Financial costs | 6 | (1 545) | (45 393) |
| **Net financial items** | | **32 516** | **155 747** |
| **Profit before tax** | | **35 489** | **68 050** |
| Income tax expense | 7 | (1 303) | 1 161 |
| **Profit for the year** | | **34 185** | **69 211** |
| **Other comprehensive income** | | | |
| Net other comprehensive income | | - | - |
| Tax related to other comprehensive income | | - | - |
| **Total comprehensive income for the year** | | **34 185** | **69 211** |

## Norwegian Lights AS

### Statement of financial position at 31 December

| All amounts in NOK 1 000 | Note | 2018 | 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investments in subsidiaries | 2 3 | - | 1 019 414 |
| Intercompany loan | 8 | - | 161 140 |
| Other long term receivables | 8 | 8 250 | - |
| Deferred tax assets | 7 | - | 1 303 |
| **Total non-current assets** | | **8 250** | **1 181 857** |
| **Current assets** | | | |
| Other receivables | 8 10 | 3 229 | 24 406 |
| Cash and cash equivalents | 8 | 248 921 | 58 316 |
| **Total current assets** | | **252 150** | **82 722** |
| **TOTAL ASSETS** | | **260 400** | **1 264 580** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| **Paid in capital** | | | |
| Issued capital | | 10 000 | 10 000 |
| **Total paid in capital** | | **10 000** | **10 000** |
| **Accumulated profits** | | | |
| Fund for unrealised gains | | - | 169 336 |
| Retained earnings | | 249 934 | 546 413 |
| **Total accumulated profits** | | **249 934** | **715 748** |
| | | | |
| **Total equity** | | **259 934** | **725 748** |
| **Current liabilities** | | | |
| Interest-bearing loans and borrowings | 8 9 11 | - | 527 814 |
| Accounts payable | 8 10 | 451 | 1 134 |
| Tax payable | 7 | - | 280 |
| Other current liabilities | 8 9 10 | 15 | 9 603 |
| **Total current liabilities** | | **466** | **538 831** |
| **Total liabilities** | | **466** | **538 831** |
| **TOTAL EQUITY AND LIABILITIES** | | **260 400** | **1 264 580** |

The Board of Norwegian Lights AS
Oslo, 22 March 2019

Øystein Landvik
Chairman

Håkon Sundby
Board member

Geoffrey Bonnefoy-Cudraz
Board member

Stefan Lemmen
Board member

2

# Norwegian Lights AS

## Statement of changes in equity

| All amounts in NOK 1 000 | Note | Share capital | Share premium | Fund for unrealised gains | Retained earnings | Total equity |
|---|---|---|---|---|---|---|
| **Equity as at 31.12.2016** | | 10 000 | 642 382 | 690 534 | 29 695 | 1 372 611 |
| Correction of error (net of tax) | 16 | - | - | - | 45 787 | 45 787 |
| **Restated total equity as at 1.1.2017** | | 10 000 | 642 382 | 690 534 | 75 482 | 1 418 398 |
| Total comprehensive income | | - | - | (521 198) | 590 409 | 69 211 |
| Dividends | | - | (642 382) | - | (119 479) | (761 861) |
| **Equity as at 31.12.2017** | | 10 000 | - | 169 336 | 546 412 | 725 748 |
| Total comprehensive income | | - | - | (169 336) | 203 521 | 34 185 |
| Dividends | | - | - | - | (500 000) | (500 000) |
| **Equity as at 31.12.2018** | | 10 000 | - | - | 249 934 | 259 934 |

## Norwegian Lights AS

### Statement of cash flows

| All amounts in NOK 1 000 | 2018 | 2017 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit before tax for the year from comprehensive income | 35 489 | 68 050 |
| Income taxes paid | (280) | (3 221) |
| Adjustment to value of investment in subsidiaries | - | (85 945) |
| (Gain) / loss on sales of subsidiaries / property | (5 015) | 85 158 |
| (Increase)/decrease in accounts receivable | - | 2 992 |
| (Increase)/decrease in other receivables | 12 927 | 21 164 |
| Increase/(decrease) in accounts payable | (683) | 734 |
| Increase/(decrease) in other current liabilities | (9 360) | (12 219) |
| **Net cash flow from operating activities** | **33 078** | **76 713** |
| **Cash flows from investing activities** | | |
| Proceeds from sale of investments in subsidiaries | 1 024 200 | 2 356 844 |
| Repayment of investments in subsidiaries | - | 10 000 |
| (Increase)/decrease in intercompany loan | 161 140 | 445 155 |
| **Net cash flow used in investing activities** | **1 185 340** | **2 811 999** |
| **Cash flows from financing activities** | | |
| Repayment of borrowings | (527 814) | (2 098 564) |
| Dividend paid to equity holders | (500 000) | (761 861) |
| **Net cash flow from financing activities** | **(1 027 814)** | **(2 860 425)** |
| **Net increase/(decrease) in cash and cash equvivalents** | **190 604** | **28 287** |
| Cash and cash equivalents at beginning of period | 58 316 | 30 028 |
| **Cash and cash equivalents at end of period** | **248 921** | **58 316** |

# Norwegian Lights AS

## Notes 2018

### 1 Summary of significant accounting policies

**1.1 Basis for preparation of the annual accounts**
The Norwegian Lights AS' annual accounts have been prepared in accordance with simplified IFRS pursuant to the Norwegian Accounting Act § 3-9 and regulations regarding simplified application of IFRS issued by the Ministry of Finance on 21 January 2008.

Dividends to the owners have been accounted for according to good accounting practice as an exception to IFRS.

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

- Financial instruments measured at amortised cost or at fair value through profit or loss

**1.2 Functional currency and presentation currency**
The functional currency and presentation currency for the company is 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:

- Investment property valuation
- Fair value of investments in subsidiaries
- Financial liabilities including interest rate derivatives

See note 3 for further information.

**1.4 Revenue recognition**

The Company has not had any revenues in 2018.

**1.5 Financial assets and financial liabilities**

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 profit and loss.

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

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The Company classifies its financial assets in the following categories: at fair value through profit and loss (FVPL) and at amortised cost.

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

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

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

Assets in this category are subsequently measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

(b) Fair value through profit or loss (FVPL)

Financial assets not measured at amortised cost 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 FVPL 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.

Investments in subsidiaries are measured at FVPL.

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

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

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

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

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

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

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## Notes 2018

(b) Financial liabilities measured subsequently at amortised cost

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

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and the redemption value being recognised in the income statement over the period of the borrowings, using the effective interest method.

Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

*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 measured at amortised cost, the difference between the asset's carrying value amount and the sum of the consideration received and receivable, is recognised in profit or loss. For financial assets classifies at FVOCI the cumulative gain or loss previously recognised in other comprehensive income and accumulated in equity, is reclassified 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 profit and loss.

*Offsetting of financial assets and liabilities*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when the 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.

*Impairment of financial assets*

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

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

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

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

# Norwegian Lights AS

## Notes 2018

*Derivative financial instruments*

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

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

A derivative with a positive fair value is recognised as a financial asset whilst a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non current asset or non current liability if the remaining maturity of the instrument is more than 12 months, otherwise a derivative will be presented as a current asset or current liability.

Changes in fair values of derivatives are recognised immediately in the statement of profit and loss, classified as financial items.

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

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

**1.7 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 assets (non-current liabilities) in the statement of financial position.

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

**1.8 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.

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## Notes 2018

**1.9 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.

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

**1.11 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.

**1.12 Application of new and amended standards**
The following accounting standards or interpretations were effective for the financial year beginning 1 January 2018 and have been applied in preparing these financial statements to the extent they are relevant to the preparation of financial information:

- IFRS 9 *Financial Instruments* (issued in July 2014)
- IFRS 15 *Revenue from Contracts with Customers* (issued in May 2014 and amended for clarifications in April 2016)
- Amendments to IAS 7 titled *Disclosure Initiative* (issued in January 2016)
- Amendments to IAS 12 titled *Recognition of Deferred Tax Assets for Unrealised Losses* (issued in January 2016)
- Amendments to IFRS 12 (*Annual Improvements to IFRS Standards 2014–2016 Cycle*, issued in December 2016)

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

*IFRS 9*

The Company has adopted IFRS 9 from 1 January 2018. The standard introduced new classification and measurement models for financial instruments.

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

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All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.
For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

See note 13 for more information on IFRS 9.

*IFRS 15*

As the main source of revenue for the Company is rental income through lease of investment property (which is outside the scope of IFRS 15) management has assessed that IFRS 15 will have limited impact on the Company's consolidated financial statements.

None of the other standards above have had a material impact on the Company’s reporting.

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All amounts in NOK 1 000 unless otherwise stated

### 2 Subsidiaries sold in 2018

As of 31 December 2018 the Company has sold all of its subsidiaries; consequently no group accounts are prepared for 2018.

The following subsidiaries are sold in 2018:

| Company | Business Office | Shareholding / voting rights | Acquisition date | Ownership interest | Ownership |
|---|---|---|---|---|---|
| Alf Bjerckes vei 14 AS * | Oslo | 100,0 % | 04.03.2015 | 100,0 % | Directly |
| Brobekkveien 80 AS * | Oslo | 100,0 % | 04.03.2015 | 100,0 % | Directly |
| Deliveien 10 AS ** | Oslo | 100,0 % | 04.03.2015 | 100,0 % | Directly |
| Parkeringshuset Sandgata 28 AS *** | Oslo | 100,0 % | 04.03.2015 | 100,0 % | Directly |
| Sverdrupsgate 27 Eiendom AS **** | Stavanger | 100,0 % | 04.03.2015 | 100,0 % | Directly |

* Sold in Q1
** Sold in Q4
*** Sold in Q2
**** Sold in Q3

### 3 Critical accounting estimates and subjective judgements

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based observable market data (i.e. unobservable inputs)

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

There were no transfers between levels in the period

**Fair value of investment properties**
Investment properties are measured at their fair value based on external, independent valuations.

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.

All the properties are valued by independent, external valuer two times a year. The valuations at 31 December 2018 were obtained from Newsec AS (www.newsec.no) 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.

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### 3 Critical accounting estimates and subjective judgements - continues

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.).

**Fair value of subsidiaries**
The sole purpose of the subsidiaries of the company is to own the investment properties described above. Any other assets or liabilities that the subsidiaries 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, i.e. the investment properties, are classified as level 3 financial instruments, the subsidiaries are also classified as level 3 instruments.

The valuation technique for measuring the fair value of the subsidiaries is an adjusted net asset value method, where the fair value of the main assets are measured by an income approach, and the fair value of the subsidiaries 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 will correspond with those for the investment properties.

Reconciliation of Level 3 fair value measurements of subsidiaries:

| | 2018 | 2017 |
|---|---|---|
| Balance as of 1 January | 1 019 414 | 3 360 472 |
| Additions | - | - |
| Disposals | (1 019 414) | (2 255 113) |
| Change in fair value | - | (85 945) |
| **Balance as of 31 December** | - | 1 019 414 |

**Fair value of derivatives**
The interest rate swaps used by the company are not traded in an active market. As a result, their fair value 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.

The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations The valuations are market observable, internally calculated and verified to externally sourced data and are therefore included within level 2.

The derivatives have been valued by the company's banks, and these valuations have been tested for reasonableness by the company's management.

### 4 Remuneration to senior executives, auditors etc. and number of employees

**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 (excl. VAT) | 2018 | 2017 |
|---|---|---|
| Statutory audit | 202 | 342 |
| Other assurance services | 100 | 179 |
| Other non-assurance services | 120 | 228 |
| Tax consultant services | - | 40 |
| **Total expensed audit fee** | 422 | 789 |

Fees to RSM Norge AS and affiliated companies.

**Shares held by Board members**

Shares are owned indirectly by Øystein A Landvik in the form of ownership in UNION Eiendomskapital Lux AS through UNION Gruppen and their private holding companies UNION Eiendomskapital Lux AS owns directly shares in Norwegian Lights AS. The Holding companies owns 26,67% of the UNION Gruppen. Håkon Sundbye owns shares in Union Investeringsselskap AS, which has 0,27 % ownership in Norwegian Lights AS.

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All amounts in NOK 1 000 unless otherwise stated

### 5 General and administrative expenses

| General and administrative expenses | 2018 | 2017 |
|---|---|---|
| Auditor's fee | 337 | 694 |
| Management fee | 730 | 1 395 |
| Other fees | 230 | 258 |
| Other general and administrative expenses | 745 | 192 |
| **Total general and administrative expenses** | **2 042** | **2 539** |

### 6 Financial income and costs

| Financial income | 2018 | 2017 |
|---|---|---|
| Interest income on cash and cash equivalents | 1 859 | 1 747 |
| Interest income from group companies | 1 089 | 13 776 |
| Dividends and Group contribution | 31 112 | 99 672 |
| **Total financial income** | **34 061** | **115 195** |

| Financial costs | | |
|---|---|---|
| Interest expense on financial liabilities | 1 545 | 45 393 |
| **Total financial costs** | **1 545** | **45 393** |

### 7 Income tax

| Income tax expense | 2018 | 2017 |
|---|---|---|
| *Current tax:* | | |
| Tax payable | - | (280) |
| *Deferred tax:* | | |
| Changes in deferred tax/(deferred tax asset) | (1 303) | - |
| Changes in tax rate | - | 1 441 |
| **Total income tax expense (-) / tax income (+)** | **(1 303)** | **1 161** |

| Reconciliation of the effective rate of tax | 2018 | 2017 |
|---|---|---|
| Income taxes calculated at 23%/24% of profit before tax | (8 162) | (16 332) |
| Permanent differences (gain/loss on sale of shares) | 1 153 | - |
| Other permanent differences | (9) | - |
| Other | - | 85 |
| Tax group contribution | 7 156 | (6 561) |
| Tax related to change in value of shares | - | 189 |
| Tax effect from restating opening balance on deferred tax | - | 23 836 |
| Tax effect on deferred tax from change in tax rates | (63) | (57) |
| Deferred tax asset, outgoing balance expensed | (1 379) | - |
| **Total income tax expense (-) / tax income (+)** | **(1 303)** | **1 161** |

| Deferred tax and deferred tax assets: | 2018 | 2017 |
|---|---|---|
| *Deferred tax assets* | | |
| Tax losses carried forward | 3 678 | - |
| Deferred tax asset SWAP | - | 2 562 |
| Other deferred tax assets | 2 588 | 3 104 |
| Deferred tax assets - gross | 6 266 | 5 667 |
| **Net deferred tax asset/(liabilities)** | **6 266** | **5 667** |
| **Net recognised deferred tax asset/(liabilities)** | **6 266** | **5 667** |
| **Book value at 31.12 (22 % at 31.12.2018)** | **-** | **1 303** |

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### 8 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 | 2018 | 2017 |
|---|---|---|
| *Equity instruments designated as FVTPL* | | |
| Investments in subsidiaries | - | 1 019 414 |
| *Debt instruments measured at amortised cost* | | |
| Intercompany loan | - | 161 140 |
| Other non current receivables | 8 250 | - |
| **Total non current financial assets** | 8 250 | 1 180 554 |

| Financial assets - current | | |
|---|---|---|
| *Debt instruments measured at amortised cost* | | |
| Accounts receivables | - | - |
| Other receivables from group companies | - | - |
| Other receivables | 3 329 | 24 406 |
| *Cash and cash equivalents* | 248 921 | 58 316 |
| **Total current financial assets** | 252 150 | 82 722 |

| Financial liabilities - current | | |
|---|---|---|
| *Derivatives at FVTPL* | | |
| Interest rate swap | - | 2 562 |
| *Financial liabilities measured at amortised cost* | | |
| Secured bank debt | - | 527 814 |
| Accounts payables | 451 | 1 134 |
| Current debt to owner | - | 30 |
| Other current liabilities | 15 | 7 291 |
| **Total current liabilities** | 466 | 538 831 |

The fair values for all "Debt instruments measured at amortised cost", "Cash and cash equivalents", 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.

### 9 Pledged assets

| | 2018 | 2017 |
|---|---|---|
| Secured long-term debt | - | - |
| Secured short-term debt | - | 527 814 |
| Fair value of investment property (land, building and fixtures) less tax | - | - |

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#### 10 Related parties

*10.1 Identification of related parties*
Amongst the identified related parties there have been transactions with the company's subsidiaries, the company's management and UNION Eiendomskapital Lux AS Subsidiaries are listed in Note 2 Apart from the transactions described below, there are no significant transactions with related parties.
Information about the shareholders in the company is provided in note 12.

*10.2 Group related transactions*
Interests on internal long-term loans is equal to the groups interest rate + 0,25 % per annum

The Company has recharged the subsidiaries management fee based on an distribution model. The distribution model is based on work carried out for group companies.

*10.3 Board, management and owners*
UNION Eiendomskapital Lux AS have entered into a management agreement with Norwegian Lights AS. The management fee for the investment period amounts to 1,5% of Net asset value.

*Other fees:*
When UNION Eiendomskapital Lux AS negotiate lease contracts on behalf of group companies, the manager receives a letting fee of 10% for the first year's rent for a new lease and for the following percentages of the first year's rent upon renewal of an existing lease depending on the period of renewal as follows in the range of 0%-6%.
When UNION Eiendomskapital Lux AS work on a development project the manager receives a project fee which equal to 0-2,5% of the value of the investments

*Transactions with the manager (UNION Eiendomskapital Lux AS)*

| Amount of transactions | 2018 | 2017 |
|---|---|---|
| Management fee | 730 | 1 395 |
| Rental fee/development fee | - | - |
| Performance fee | - | - |
| Other fees and expenses | - | - |

| Outstanding balances | 2018 | 2017 |
|---|---|---|
| Accounts payable | - | (720) |
| Other current liabilities | - | - |

*Transactions with the subsidiaries*

| Amount of transactions | 2018 | 2017 |
|---|---|---|
| Interest received from subsidiaries | 1 089 | 13 776 |
| Dividends and Group contributions received from subsidiaries | 31 113 | 99 803 |
| Management fee paid by subsidiaries | 1 338 | 11 422 |
| Recharge of costs | - | - |

The management fees paid by subsidiaries are presented net of management fee that the parent has paid to the manager.

| Outstanding balances | 2018 | 2017 |
|---|---|---|
| Non current loans to subsidiaries | - | 161 140 |
| Accounts receivable from subsidiaries | - | 20 337 |
| Accounts payable to subsidiaries | - | 1 111 |
| Other current liabilities payable to subsidiaries | - | - |

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**11 Information on financial risks**

Norwegian Lights 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 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 Norwegian Lights AS. Norwegian Lights AS has adopted a moderate risk profile, and this consideration is also governing the determination of the strategy for risk management in financial instruments.

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

All interest bearing debt is settled as of 31 December 2018.

*11.2 Credit risk*
For the financial assets in the balance sheet, financial derivatives and receivables, the maximum credit risk may be best expressed by the recognised value of the assets. No security have been established for financial assets. The risk connected with the financial derivatives and bank deposits are perceived in practice limited due to the counterparts being major Norwegian commercial banks. In terms of exposure to other counterparties than banks are at any given time is relatively limited compared to the total balance

*11.3 Interest rate risk*
The Company has no exposure to interest rate risk as of 31 December 2018 as all interest bearing debt have been settled in January 2018.
The Company has no interest rate swaps as of 31 December 2018.

*11.4 Foreign exchange risk*
The company 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

**12 Share capital, shareholder information and dividend**

(Number of shares are in whole numbers)

| 12.1 Share capital | 2018 |
|---|---|
| Ordinary A-shares, nominal amount NOK 1 | 9 800 000 |
| Ordinary B-shares, nominal amount NOK 1 | 200 000 |
| **Total number of shares** | 10 000 000 |

Both A- and B-shares have one voting right each

| 12.2 Shareholders at 31 December 2018 | A-shares | B-shares | Ownership interest | Voting interest |
|---|---|---|---|---|
| Partners Group Futurum S.A.R.L | 9 800 000 | - | 98,000 % | 98,000 % |
| NLAS Holding AS | - | 173 448 | 1,734 % | 1,734 % |
| Union Investeringsselskap AS | - | 26 552 | 0,266 % | 0,266 % |
| Total number of shares | 9 800 000 | 200 000 | 100,00 % | 100,00 % |

**12.3 Estimated allocation of equity**

The shareholders of Norwegian Lights 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.

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**Notes 2018**

All amounts in NOK 1 000 unless otherwise stated

### 13 Changes in significant accounting policies

This note explains the impact of the adoption of IFRS 9 *Financial Instruments* on the Company's financial statements.

The Company has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

There has been no impact on the Company's opening retained earnings as at 1 January 2018.

On 1 January 2018 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Company.

The following are the changes in the classification of the Company's financial assets:

Account receivables and Other current and non current financial assets previously classified as Loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as Debt instruments at amortised cost.

Equity investments in non-listed companies previously classified as financial instruments designated as at fair value through profit or loss (i.e., the investments in subsidiaries) are now classified and measured as financial assets at fair value through profit or loss.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities

The change did not have any material impact on the Company's operating, investing and financing cash flows

The Company's management have assessed the expected credit losses for the Company's financial assets that are subject to IFRS 9's new expected credit loss model (i.e., for Account receivables and other current and non current receivables), both as of 31 December 2017 and as of 31 December 2018, and concluded that there is no need for any provisions for expected credit loss for financial assets, at neither balance sheet date.

These assessments are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, but the identified impairment loss was immaterial