Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2017 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2017 - 31.12.2017

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Lars Even Moe
Dato for fastsettelse av årsregnskapet:	20.04.2018

Grunnlag for avgivelse

År 2017: Årsregnskapet er elektronisk innlevert
År 2016: Tall er hentet fra elektronisk innlevert årsregnskap fra 2017

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, 20.09.2019

Resultatregnskap

Beløp i: NOK	Note	2017	2016
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		200 000	229 402
Sum inntekter		**200 000**	**229 402**
Kostnader			
Avskrivning på varige driftsmidler			394 737
Annen driftskostnad		2 738 674	63 308 152
Sum kostnader		**2 738 674**	**63 702 889**
Driftsresultat		**-2 538 674**	**-63 473 487**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap		99 672 349	56 648 388
Innt. på inv. annet foretak i samme konsern			8 000 000
Renteinntekt fra foretak i samme konsern		13 775 585	24 487 593
Annen renteinntekt		1 747 406	262 461
Annen finansinntekt		41 723 713	
Sum finansinntekter		**156 919 053**	**89 398 443**
Verdired. av andre finansielle omløpsmidler		-85 944 766	-370 532 697
Annen rentekostnad		45 393 248	82 973 336
Annen finanskostnad		126 881 503	-34 555 746
Sum finanskostnader		**86 329 985**	**-322 115 107**
Netto finans		**70 589 068**	**411 513 550**
Ordinært resultat før skattekostnad		**68 050 394**	**348 040 063**
Skattekostnad på ordinært resultat		-1 160 750	-6 855 805
Ordinært resultat etter skattekostnad		**69 211 145**	**354 895 868**
Årsresultat		**69 211 145**	**354 895 868**
Årsresultat etter minoritetsinteresser		**69 211 145**	**354 895 868**
Totalresultat		**69 211 145**	**354 895 868**

Resultatregnskap

Beløp i: NOK	Note	2017	2016
Overføringer og disponeringer			
Tilleggsutbytte		761 860 799	
Udekket tap			354 895 868
Overføringer fra overkurs		-692 649 655	
Sum overføringer og disponeringer		**69 211 145**	**354 895 868**

Balanse

Beløp i: NOK	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		1 303 319	23 698 491
Sum immaterielle eiendeler		**1 303 319**	**23 698 491**
Finansielle anleggsmidler			
Investering i datterselskap		1 019 414 261	3 360 471 711
Lån til foretak i samme konsern		161 139 877	629 418 341
Sum finansielle anleggsmidler		**1 180 554 137**	**3 989 890 052**
Sum anleggsmidler		**1 181 857 456**	**4 013 588 543**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		4 512	4 781 482
Andre kortsiktige fordringer		4 065 295	9 932 647
Konsernfordringer		20 336 551	41 923 147
Sum fordringer		**24 406 358**	**56 637 276**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		58 315 757	30 028 484
Sum bankinnskudd, kontanter og lignende		**58 315 757**	**30 028 484**
Sum omløpsmidler		**82 722 115**	**86 665 760**
SUM EIENDELER		**1 264 579 571**	**4 100 254 303**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		10 000 000	10 000 000

Balanse

Beløp i: NOK	Note	2017	2016
Overkurs			642 382 861
Sum innskutt egenkapital		**10 000 000**	**652 382 861**
Opptjent egenkapital			
Fonds		169 335 843	690 533 728
Avsatt utbytte		546 412 573	
Sum opptjent egenkapital		**715 748 416**	**690 533 728**
Sum egenkapital		**725 748 416**	**1 342 916 589**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		527 784 094	2 409 260 369
Langsiktig konserngjeld			199 268 017
Øvrig langsiktig gjeld		30 000	17 879 787
Sum annen langsiktig gjeld		**527 814 094**	**2 626 408 174**
Sum langsiktig gjeld		**527 814 094**	**2 626 408 174**
Kortsiktig gjeld			
Leverandørgjeld		1 134 177	
Betalbar skatt		280 335	3 221 377
Skyldig offentlige avgifter		-2 059 047	
Kortsiktig konserngjeld		1 111 013	7 309 686
Annen kortsiktig gjeld		10 550 583	120 398 477
Sum kortsiktig gjeld		**11 017 061**	**130 929 540**
Sum gjeld		**538 831 155**	**2 757 337 714**
SUM EGENKAPITAL OG GJELD		**1 264 579 571**	**4 100 254 302**

Konsernets resultatregnskap

Beløp i: NOK	Note	2017	2016
RESULTATREGNSKAP			
Inntekter			
Gross rental incom		131 756 000	259 617 000
Property opertating expenses		-16 205 000	-18 803 000
Sum inntekter		**115 551 000**	**240 814 000**
Kostnader			
Adjustment to value of investment property		-72 354 000	-272 548 000
General and administrative expenses		27 690 000	41 124 000
Sum kostnader		**-44 664 000**	**-231 424 000**
Driftsresultat		**160 215 000**	**472 238 000**
Finansinntekter og finanskostnader			
Annen renteinntekt		814 000	9 993 000
Gain on sales of subsidiaries/property		-95 067 000	35 538 000
Sum finansinntekter		**-94 253 000**	**45 531 000**
Annen rentekostnad		44 173 000	94 782 000
Sum finanskostnader		**44 173 000**	**94 782 000**
Netto finans		**-138 426 000**	**-49 251 000**
Ordinært resultat før skattekostnad		**21 789 000**	**422 985 000**
Income tax expense		-95 998 000	85 874 000
Ordinært resultat etter skattekostnad		**117 787 000**	**337 111 000**
Årsresultat		**117 787 000**	**337 111 000**
Årsresultat etter minoritetsinteresser		**117 787 000**	**337 111 000**
Net other comprehensive icome			
Tax relatet to other comprehensive income			
Totalresultat		**117 787 000**	**337 111 000**
Overføringer og disponeringer			

Konsernets resultatregnskap

Beløp i: NOK	Note	2017	2016
Retained earnings		117 787 000	337 111 000
Sum overføringer og disponeringer		**117 787 000**	**337 111 000**

Konsernets balanse

Beløp i: NOK	Note	2017	2016
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Investment property			2 101 260 000
Sum varige driftsmidler			**2 101 260 000**
Finansielle anleggsmidler			
Other long term receivables			8 075 000
Sum finansielle anleggsmidler			**8 075 000**
Sum anleggsmidler		**0**	**2 109 335 000**
Omløpsmidler			
Varer			
Investment Property			2 089 783 000
Sum varer			**2 089 783 000**
Fordringer			
Account recevable			889 000
Other recevables			14 612 000
Sum fordringer			**15 501 000**
Bankinnskudd, kontanter og lignende			
Cash and cash epuivalents			83 901 000
Sum bankinnskudd, kontanter og lignende			**83 901 000**
Sum omløpsmidler		**0**	**2 189 185 000**
SUM EIENDELER		**0**	**4 298 520 000**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Konsernets balanse

Beløp i: NOK	Note	2017	2016
Innskutt egenkapital			
Issued capital			10 000 000
Overkurs			752 645 000
Sum innskutt egenkapital			**762 645 000**
Opptjent egenkapital			
Retainet earnings			517 159 000
Sum opptjent egenkapital			**517 159 000**
Sum egenkapital		**0**	**1 279 804 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt			114 193 000
Sum avsetninger for forpliktelser			**114 193 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner			1 109 370 000
Langsiktig konserngjeld			42 607 000
Other long term liabilities			9 828 000
Sum annen langsiktig gjeld			**1 161 805 000**
Sum langsiktig gjeld		**0**	**1 275 998 000**
Kortsiktig gjeld			
Interest bearing loasn and borrowing			1 572 810 000
Leverandørgjeld			43 602 000
tax payable			3 221 000
Other current liabilities			123 085 000
Sum kortsiktig gjeld			**1 742 718 000**
Sum gjeld		**0**	**3 018 716 000**
SUM EGENKAPITAL OG GJELD		**0**	**4 298 520 000**

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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. The financial statements comprise:

- The financial statements of the parent company showing a profit of NOK 69 211 145, which comprise the balance sheet as at 31 December 2017, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The financial statements of the group showing a profit of NOK 117 787 469, which comprise the balance sheet as at 31 December 2017 and income statement, statement of changes in equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.

- The financial statements give a true and fair view of the financial position of the parent company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

- The financial statements give a true and fair view of the financial position of the group as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the 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 and the Group 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 the Board of Directors' report, but does not include 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

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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 are responsible for the preparation in accordance with law and regulations, including fair presentation 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 and the Group'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 Group 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.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 proposal for the allocation of the profit 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 and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 24 April 2018
RSM Norge AS

Per-Henning Lie
State Authorised Public Accountant

Norwegian Lights AS

Annual accounts
Parent & Group

2017

Auditor's report
Directors' report

Statement of comprehensive income
Statement of financial position at 31 December
Statement of changes in equity
Cash flow statement
Notes

The board of director's report 2017 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 Company will seek to manage the real estate portfolio in order to optimize the return on investment, based on a five year business plan. The company will be managed by UNION Eiendomskapital Lux AS.

Norwegian Lights AS has invested in 28 office and retail properties in Norway. During 2017 the Company divested 19 properties, and entered into unconditional SPAs for additional two properties. Including properties under unconditional SPAsfor divestment, the Company has divested properties representing apr. 95 % of the initial property value.

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 valuations of the owned properties as of December implied an increase in values of 9,9% during 2017 and 22,3 % since acquisition.

The portfolio as of 31.12.2017 had a rental occupancy of approx. 90 %, and the average duration of the lease contracts were 3.8 years.

Norwegian Lights AS had an operating loss of MNOK 87,7. The Group had an operating profit of MNOK 65,1. Profit before tax was positive with MNOK 68,1 for the parent company and positive with MNOK 21,8 for the Group. The Group net rental income was MNOK 115,5 for the year 2017.

The Board of Norwegian Lights AS proposes that the positive total comprehensive income for the year of the parent company of MNOK 69,2 is allocated as follows:

Transfer from Fund for unrealized gains:	MNOK -521,2
Transfer to retained earnings	MNOK 590,4
Total allocated profit	MNOK 69,2

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

As per 31.12.2017 the parent company had a bank balance of MNOK 58,3 and for the Group MNOK 69,0.

The total capital pr. 31.12.2017 was MNOK 1 297,6 for the Group. Long-term debt equals 3,4% and short-term debt equals 41,8 %. The equity ratio for the Group was 54,8%.

Environment

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.

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.

Norwegian Lights AS is exposed to changes in interest rates. Total liabilities to credit institutions in Norwegian Lights AS are per 31.12.2017 MNOK 527,8 (grossed amount). Of the total debt to credit institutions 0% were hedged per 31.12.2017. Average interest rate on the loan portfolio was per 31.12.2017 2,86 % (including margin).

Norwegian Lights AS complies with all covenants per 31.12.2017.

Credit risk

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

Risk of liquidity

The Board assesses the company's liquidity as satisfactory 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 trough in the Norwegian economy have passed, and macroeconomic indicators are pointing to stable growth. The economic outlook is expected to facilitate a stable absorption of office and commercial space. At the same time, the net supply of new office space is relatively low due to a combination of low office construction activity and a trend of converting office buildings to residential units. This leads to expectations of low office vacancy and increasing rental prices. In addition, Norway still stands out as an attractive long-term investment opportunity due to factors such as strong public finances and a favorable demographic development.

Oslo, 20th April 2018

Øystein A. Landvik
Chairman

Håkon Sundby
Board member

Geoffrey Bonnefoy Cudraz
Board member

Stefan Lempen
Board member

Norwegian Lights AS

Statement of comprehensive income

Parent company				Consolidated group	
2016	2017	All amounts in NOK 1 000	Note	2017	2016
229	-	Gross rental income		131 756	259 617
(257)	-	Property operating expenses		(16 205)	(18 803)
(28)	**-**	**Net rental and related income**	4 10	**115 551**	**240 813**
34 666	(85 158)	Gain / (loss) on sales of subsidiaries / property	2	(95 067)	35 538
-	-	Adjustment to value of investment property	3 10	72 354	272 548
(3 201)	(2 539)	General and administrative expenses	5 6 14 16	(27 690)	(41 124)
31 438	**(87 697)**	**Operating profit**		**65 148**	**507 775**
98 359	115 195	Financial income	7 12	814	9 993
370 533	85 945	Change in fair value shares in subsidiaries	3	-	-
(92 044)	(45 393)	Financial costs	7	(44 173)	(94 782)
376 847	**155 747**	**Net financial items**		**(43 359)**	**(84 789)**
408 285	**68 050**	**Profit before tax**		**21 789**	**422 985**
(7 212)	1 161	Income tax expense	8 16	95 998	(85 874)
401 073	**69 211**	**Profit for the year**		**117 787**	**337 111**
		Other comprehensive income			
-	-	Net other comprehensive income	10	-	-
-	-	Tax related to other comprehensive income	8	-	-
401 073	**69 211**	**Total comprehensive income for the year**		**117 787**	**337 111**

Norwegian Lights AS

Statement of financial position at 31 December

Parent company 2016	Parent company 2017	All amounts in NOK 1 000	Note	Consolidated group 2017	Consolidated group 2016
		ASSETS			
		Non-current assets			
-	-	Investment property	3 4 10 13 15	63 144	2 101 260
3 360 472	1 019 414	Investments in subsidiaries	2 15	-	-
629 418	161 140	Intercompany loan	9	-	-
8 075	-	Other long term receivables	9	-	8 075
-	1 303	Deferred tax assets	8 16	-	-
3 997 965	**1 181 857**	**Total non-current assets**		**63 144**	**2 109 335**
		Current assets			
-	-	Investment property held for sale	10 15	1 161 522	2 089 783
2 992	-	Accounts receivable	9 11 12	301	889
45 570	24 406	Other receivables	9 11 12	3 698	14 612
30 028	58 316	Cash and cash equivalents	9 12	69 001	83 901
78 591	**82 722**	**Total current assets**		**1 234 522**	**2 189 185**
4 076 556	**1 264 580**	**TOTAL ASSETS**		**1 297 666**	**4 298 521**
		EQUITY AND LIABILITIES			
		Equity			
		Paid in capital			
10 000	10 000	Issued capital		10 000	10 000
642 382	-	Share premium		-	752 645
652 382	**10 000**	**Total paid in capital**		**10 000**	**762 645**
		Accumulated profits			
690 534	169 336	Fund for unrealised gains			
75 481	546 413	Retained earnings		701 213	592 640
766 015	**715 748**	**Total accumulated profits**		**701 213**	**592 640**
		Non-controlling interests		-	-
1 418 397	**725 748**	**Total equity**		**711 213**	**1 355 285**
		Non-current liabilities			
1 109 370	-	Interest-bearing loans and borrowings	9 11 13 15		1 109 370
42 607	-	Shareholders loan	9	-	42 607
138	-	Deferred tax liabilities	8 16	40 418	138 029
17 880	-	Other long term liabilities	9	3 482	9 828
1 169 995	**-**	**Total non-current liabilities**		**43 900**	**1 299 834**
		Current liabilities			
1 456 522	527 814	Interest-bearing loans and borrowings	9 11 13 15	527 784	1 572 810
400	1 134	Accounts payable	9 12	3 420	43 602
3 221	280	Tax payable	8	1 613	3 221
28 020	9 603	Other current liabilities	9 12 16	9 737	23 767
1 488 163	**538 831**	**Total current liabilities**		**542 554**	**1 643 399**
2 658 158	**538 831**	**Total liabilities**		**586 454**	**2 943 233**
4 076 556	**1 264 580**	**TOTAL EQUITY AND LIABILITIES**		**1 297 666**	**4 298 521**

The Board of Norwegian Lights AS
Oslo, 20. April 2018

Øystein Landvik
Chairman

Håkon Sundby
Board member

Geoffrey Bonnefoy-Cudraz
Board member

Stefan Lempen
Board member

Norwegian Lights AS

Statement of changes in equity

All amounts in NOK 1 000	Note	Attributable to parent company equity holders			
Consolidated group		**Share capital**	**Share premium**	**Retained earnings**	**Total equity**
Equity as at 31.12 2015		**10 000**	**752 645**	**226 223**	**988 868**
Correction of error (net of tax)	16	-	-	29 695	29 695
Restated total equity as at 1.1.2016		**10 000**	**752 645**	**255 918**	**1 018 563**
Total comprehensive income		-	-	290 935	290 935
Equity as at 31.12 2016		**10 000**	**752 645**	**546 854**	**1 309 499**
Correction of error (net of tax)	16	-	-	45 787	45 787
Restated total equity as at 1.1.2017		**10 000**	**752 645**	**592 641**	**1 355 285**
Total comprehensive income		-	-	117 787	117 787
Dividends		-	(752 645)	(9 216)	(761 861)
Equity as at 31.12 2017		**10 000**	-	**701 213**	**711 213**

Parent company	Note	**Share capital**	**Share premium**	**Fund for unrealised gains**	**Retained earnings**	**Total equity**
Equity as at 31.12 2015		**10 000**	**653 012**	**325 855**	-	**988 867**
Correction of error (net of tax)	16		-	-	29 695	29 695
Restated total equity as at 1.1.2016		**10 000**	**653 012**	**325 855**	**29 695**	**1 018 563**
Total comprehensive income		-	(9 783)	364 679	-	354 896
Effect on equity from merger		-	(848)	-	-	(848)
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**	**1 418 397**
						-
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**	**546 413**	**725 748**

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Statement of cash flows

Parent company			Consolidated group	
2016	**2017**	All amounts in NOK 1 000	**2017**	**2016**
		Cash flow from operating activities		
408 285	68 050	Profit before tax for the year from comprehensive income	21 789	422 985
-	(3 221)	Income taxes paid	(3 221)	-
(370 533)	(85 945)	Adjustment to value of investment i subsidiaries	-	-
-	-	Adjustment to value of investment property	(72 354)	(272 548)
(34 666)	85 158	Gain / (loss) on sales of subsidiaries / property	95 067	(35 538)
2 510	2 992	(Increase)/decrease in accounts receivable	588	754
(32 911)	21 164	(Increase)/decrease in other receivables	18 990	(10 642)
339	734	Increase/(decrease) in accounts payable	(40 182)	39 292
(6 292)	(12 219)	Increase/(decrease) in other current liabilities	(14 032)	(25 012)
(33 268)	**76 713**	**Net cash flow from operating activities**	**6 645**	**119 292**
		Cash flows from investing activities		
-	-	Additions on investment property	(37 578)	(197 884)
-	-	Proceeds from sale of investment property	2 981 242	227 323
142 122	2 356 844	Proceeds from sale of investments in subsidiaries	-	-
-	10 000	Repayment of investments in subsidiares	-	-
145 428	445 155	(Increase)/decrease in intercompany loan	-	-
287 550	**2 811 999**	**Net cash flow used in investing activities**	**2 943 664**	**29 439**
		Cash flows from financing activities		
(280 169)	(2 098 564)	Repayment of borrowings	(2 203 348)	(171 630)
-	(761 861)	Dividend paid to equity holders of the parent	(761 861)	-
(280 169)	**(2 860 425)**	**Net cash flow from financing activities**	**(2 965 209)**	**(171 630)**
(25 886)	**28 287**	**Net increase/(decrease) in cash and cash equivalents**	**(14 900)**	**(22 900)**
55 915	30 028	Cash and cash equivalents at beginning of period	83 901	106 802
30 028	**58 316**	**Cash and cash equivalents at end of period**	**69 001**	**83 901**

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1 Summary of significant accounting policies

Norwegian Lights 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 was established in 2015. In March 2015 the company bought a portfolio of 44 companies. 2017 is the third year the group is consolidated.

The combined consolidated financial statements of the consolidated group and parent company of Norwegian Lights AS for the fiscal year 2017 were approved in the board meeting at 20. April 2018.

The Group is engaged in the development, letting, management, operation, purchase and sale of office and retail properties in Norway. Norwegian Lights AS is managed by UNION Eiendomskapital Lux AS (the Manager).

The Group is ultimately controlled by Partners Group Futurum S.A.R.L, domiciled in Luxembourg, which holds 98 % of the shares of Norwegian Lights AS.

1.1 Basis for preparation of the annual accounts

The Norwegian Lights AS' annual accounts, consisting of the annual accounts of the parent company and the Group's consolidated financial statements, has 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 2017.

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.
- Investment properties which are assessed at their fair value.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

1.2 Functional currency and presentation currency

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

1.3 Consolidation principles

(a) Subsidiaries

The Group's consolidated financial statements comprise Norwegian Lights AS and companies in which Norwegian Lights AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50 % of the shares in the company and can exercise control over the company. Non-controlling interest are included in the Group's equity.

Business combinations are accounted for under the acquisition method. Any excess of the purchase price of business combinations over the fair value of the assets, liabilities and contingent liabilities acquired and resulting deferred tax thereon is recognised as goodwill. Any discount received is credited to the income statement in the period of acquisition.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any gains or losses arising from such re-measurement are recognised in the income statement.

Acquisition of subsidiaries that are not considered to represent business combinations as defined in IFRS 3, for example the acquisition of a "Single Purpose" subsidiary that only owns a property and neither has employees, management or significant processes, are recognised as an acquisition of an asset. The cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. In such circumstances there is no recognition of deferred tax.

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The Group management is of the opinion that the acquisition of all existing subsidiaries is considered not to represent business combinations.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.
Whenever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The consideration is recognised at fair value and the difference between the consideration and the carrying amount of the asset is recognised at the equity attributable to the parent.

In cases where changes in the ownership interest of a subsidiary lead to loss of control, the consideration is measured at fair value. Assets and liabilities of the subsidiary and non-controlling interest at their carrying amounts are derecognised at the date when the control is lost. Differences between the consideration and the carrying amount of the asset are recognised as a gain or loss in profit or loss.

(b) Associates

An associate is an entity in which the Group has a significant influence but does not control the management of its finances and operations (normally when the Group owns 20 %-50 % of the entity). The consolidated financial statements include the Group's share of the profits/losses from associates, accounted for using the equity method, from the date when a significant influence is achieved and until the date when such influence ceases.

When the Group's share of a loss exceeds the Group's investment in an associate, the amount carried in the Group's statement of financial position is reduced to zero and further losses are not recognised unless the Group has an obligation to cover any such loss.

(c) Other investments

All other investments are recognised in accordance with IAS 39 Financial Instruments: Recognition and Measurement, and additional information are provided in note 9.

(d) Inter-company transactions and balances

Inter-company transactions and inter-company balances, including internal profits and unrealised gains and losses, are eliminated. Correspondingly, unrealised losses are eliminated but only to the extent that there are no indications of impairment in the value of the asset that has been sold internally.

(e) Non-controlling interests

The non-controlling interest in the consolidated financial statements is the non-controlling interest's share of the carrying amount of the equity. In a business combination are the non-controlling interests measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The subsidiary's profit and loss is together with the separate components of other comprehensive income, is attributable to the owners of the parent company and the non-controlling interests. The comprehensive income is attributable to the owners of the parent company and to the non-controlling interest even though this leads to negative non-controlling interests.

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

1.4.1 Estimates and assumptions

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

1.4.2 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 (further information in notes 3, 9, 10 and 13)
- Fair value of investments in subsidiaries (notes 2, 3 and 9)
- Financial liabilities including interest rate derivatives (notes 3, 9 and 13)

1.5 Revenue recognition

The Group 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 Group.

The Group's revenue includes rental income from investment properties, other income and proceeds from the sale of properties.

Rental income from investment property leased out under an operating lease is recognised in the income statement on a straight-line basis over the term of the lease. The revenue is measured net of any value added tax. Lease incentives being offered to occupiers to enter into a lease, such as an initial rent-free period, are an integral part of the net consideration for the use of the property and are therefore recognised on the same straight-line basis.

Any overhead costs are recognised in the balance sheet along with payments from the tenants and consequently this has no effect on the result.

Other income is recorded as income in the periods in which it is earned.

Proceeds received on the sale of properties are recognised within Revenue when the significant risks and rewards of ownership have been transferred to the buyer.

1.6 Financial assets and financial liabilities

Recognition and measurement

Financial assets and financial liabilities are recognised when the Group 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 Group 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.

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

Financial assets at FVTPL include held for trading derivative financial instruments and debt and equity instruments designated as fair value through profit or loss. A financial asset is classified as at FVTPL 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, or
– if the financial asset is managed, evaluated and reported internally on a fair value basis, in accordance with the Group's documented risk management or investment strategy.

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 Group's management have designated all investments in subsidiaries in the separate financial statements for the parent company as Financial instruments at fair value through profit or loss, because this designation results in more relevant information as the Group manages these investments, evaluate its performance and makes purchase and sale decisions based on their fair value, in accordance with a documented risk management and investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel. See notes 2, 3 and 9 for "investments in subsidiaries".

(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 ("accounts receivables" and "other receivables"; see note 9) except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

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

(a) Financial liabilities at fair value through profit and loss (FVTPL)

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

A financial instrument is classified as at FVTPL 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 FVTPL when the financial liability is held for trading.

Financial liabilities 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. Interest paid on the financial instruments is excluded from the gains on investments and recognised separately within Finance costs.

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(b) Other financial liabilities

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 ("interest-bearing loans and borrowings"; notes 3, 9, 11 and 13).

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 ("accounts payable" and "other current liabilities"; notes 9 and 11).

Derecognition of financial assets and liabilities

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

Offsetting of financial assets and liabilities

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

With the exception of financial assets classified as fair value through profit or loss, the Group assesses whether there is objective evidence that financial assets may be impaired at each reporting date such as a covenant breach or restructuring. A financial asset is impaired when objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the estimated future flows.

Financial assets valued at amortised cost are written down when it is probable, based on objective evidence, that the instrument's cash flows have been negatively affected by one or more events occurring after the initial recognition of the instrument. The impairment loss is recognised in the statement of comprehensive income. If the reason for the impairment loss disappears in a later period and this disappearance can be objectively linked to an event which takes place after the impairment loss has been recognised, the previous write-down is reversed. The reversal must not result in the carrying amount of the financial asset exceeding the amount that the amortised cost would have been if the impairment loss had not been recognised on the date when the write-down was reversed. The reversal of a previous impairment loss is presented as income.

Financial assets that are classified as available for sale are written down when there are objective indications that the asset has fallen in value. The accumulated loss that has been recognised directly in equity (the difference between the cost and fair value minus impairment that has previously been recognised in the statement of comprehensive income and any amortisation amounts) is removed from equity and recognised in the statement of comprehensive income. If the fair value of a debt instrument which is classified as available for sale increases during a later period and the increase can be objectively linked to an event which took place after the impairment loss was recognised in the statement of comprehensive income, the impairment loss is to be reversed in the statement of comprehensive income. An impairment loss recognised in the statement of comprehensive income relating to an investment in an equity instrument is not to be reversed in the statement of comprehensive income.

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Derivative financial instruments

The Group 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 Group 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 income statement.

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.

The Group does not currently apply hedge accounting to its interest rate swaps.

1.7 Segments
Norwegian Lights AS operations consist primarily of ownership and management of commercial properties in Norway. There are no significant differences in risk and profitability in areas where the company operates. The Company and the Group operates in one business segment and one geographical market, thus no further segment information will be prepared.

1.8 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.

1.9 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.

Accordingly to the exception in IAS 12 deferred tax is not recognised when buying a company that is not a business. A provision for deferred tax is made after subsequent increases and decreases in the value beyond initial cost.

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

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

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

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1.10 Investment property
Investment property consists of properties (land, buildings or both) that are used to accrue rental income, to increase the value of capital or both. Investment properties are recognised at their fair value. The fair value equals the estimated market value without any deductions for expenses incurred in the case of any sale. Changes to the fair value are recognised in the statement of comprehensive income during the period when it arises.

The fair value is assessed twice a year, based on a valuation by an independent valuation expert that is qualified and has extensive experience of the area and the type of property that is valued. The valuation is prepared by discounting the total net annual rental income by a required rate of return that reflects the risk in net cash flows.

1.11 Non-current assets held for sale and discontinued operations
Non-current assets and groups of non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sales transaction instead of through continued use. This is only regarded as having been fulfilled when a sale is highly probable and the non-current asset (or groups of non-current assets and liabilities) is available for immediate sale in its present form. The management must be committed to a sale and the sale must be expected to be carried out within one year after the classification date.

Non-current assets and groups of non-current assets and liabilities that are classified as held for sale are valued at the lower of their former carrying amount or fair value minus sales costs.

1.12 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.

1.13 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.

1.14 Provisions
A provision is recognised when the Group 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.

1.15 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.

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1.16 Application of new and amended standards
The following accounting standards or interpretations were effective for the financial year beginning 1 January 2017 and have been applied in preparing these financial statements to the extent they are relevant to the preparation of financial information:

- 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)

None of the standards above have had a material impact on the Group's reporting.

The following accounting standards and interpretations which are relevant to the Group have been issued, but are not yet effective:

- IFRS 9 *Financial Instruments* (issued in July 2014)
- Amendments to IFRS 10 and IAS 28 titled *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (issued in September 2014)
- IFRS 15 *Revenue from Contracts with Customers* (issued in May 2014 and amended for clarifications in April 2016)
- IFRS 16 *Leases* (issued in January 2016)

These standards and interpretations have not been early adopted by the Group.

Based on a preliminary assessment and due to the type and nature of the Group's financial instruments, the management is not expecting any significant impacts on the Group's consolidated financial statements from IFRS 9.

As the main source of revenue for the Group 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 Group's consolidated financial statements.

Based on a preliminary assessment management is expecting a limited impact from IFRS 16 as the Group is a lessor and therefore already has recorded the leased asset on its balance sheet.

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

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All amounts in NOK 1 000 unless otherwise stated

2 List of subsidiaries

The following subsidiaries are included in the consolidated financial statements:

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
Sverdrupsgate 27 Hjemmel AS *	Stavanger	100,0 %	04.03.2015	100,0 %	Indirectly

* Subsidiaries that are classified as Held for sale. See note 15 for more information.

Subsidiaries sold in 2017 (consolidated in the ownership period):					
B80 Bygg 18 AS **	Oslo	100,0 %	04.03.2015	100,0 %	Directly
Dagligvare Otta Eiendom ANS ****	Otta	100,0 %	04.03.2015	100,0 %	Directly
Bilittveien 6 AS **	Oslo	100,0 %	04.03.2015	100,0 %	Directly
Dronningens Gate 3 AS *	Oslo	100,0 %	04.03.2015	100,0 %	Directly
Gidsken Jacobsens Vei 12 AS ****	Bodø	100,0 %	04.03.2015	100,0 %	Directly
Gidsken Jacobsens Vei 14 AS ****	Bodø	100,0 %	04.03.2015	100,0 %	Directly
Gidsken Jacobsens Vei 22 AS ****	Bodø	100,0 %	04.03.2015	100,0 %	Directly
Hans Nilsen Hauges vei 1 AS ***	Fredrikstad	100,0 %	04.03.2015	100,0 %	Directly
Hans Nilsen Hauges vei 1 Hjemmel AS ***	Fredrikstad	100,0 %	04.03.2015	100,0 %	Indirectly
Industriveien 7 Eiendom AS **	Trondheim	100,0 %	04.03.2015	100,0 %	Directly
Karl Johans Gate 12 AS *	Oslo	100,0 %	04.03.2015	100,0 %	Directly
Kirkegaten 32 AS *	Oslo	100,0 %	04.03.2015	100,0 %	Directly
Luramyrveien 65 AS ****	Stavanger	100,0 %	04.03.2015	100,0 %	Directly
Markveien 35 AS **	Oslo	100,0 %	04.03.2015	100,0 %	Directly
Mjåvannsvegen 69 AS *	Kristiansand	100,0 %	04.03.2015	100,0 %	Directly
Moveien 53/55 Eiendom AS ****	Sandefjord	100,0 %	04.03.2015	100,0 %	Directly
Moveien 53/55 Hjemmel AS ****	Sandefjord	100,0 %	04.03.2015	100,0 %	Indirectly
Orkdalsvegen 100 AS ***	Orkdal	100,0 %	04.03.2015	100,0 %	Directly
Revierstredet 2 AS *	Oslo	100,0 %	04.03.2015	100,0 %	Directly
Storgata 22 Otta AS ****	Otta	100,0 %	04.03.2015	100,0 %	Directly
Trollåsveien 6 AS ****	Oslo	100,0 %	04.03.2015	100,0 %	Directly
Trollåsveien Hjemmel ANS ****	Oslo	100,0 %	04.03.2015	100,0 %	Directly
Vestre Rosten 79 AS *	Trondheim	100,0 %	04.03.2015	100,0 %	Directly

* Sold in Q1 2017
** Sold in Q2 2017
*** Sold in Q3 2017
**** Sold in Q4 2017

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

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All amounts in NOK 1 000 unless otherwise stated

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 2017 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.

The valuers perform their valuations on the basis of the information the 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 Group 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.

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3 Critical accounting estimates and subjective judgements - continues

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:	Parent company 2017	Parent company 2016
Balance as of 1 January	3 360 472	3 097 395
Additions	-	-
Disposals	(2 255 113)	(107 456)
Change in fair value	(85 945)	370 533
Balance as of 31 December	**1 019 414**	**3 360 472**

Fair value of derivatives
The interest rate swaps used by the Group 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 Group's banks, and these valuations have been tested for reasonableness by the Group's Management.

4 Operating leases

The Group mainly enters into contracts with a fixed rent for the lease of property.
The future accumulated rent includes properties held for sale.

The Group's future accumulated rent from non-terminable operational lease contracts at 31.12.	Consolidated group 2017	Consolidated group 2016
Within 1 year	79 805	221 829
Between 1 and 5 years	-	461 708
Later than 5 years	-	416 128
Total	**79 805**	**1 099 665**

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

Number of employees
The parent company and the group companies have no employees.

Remuneration to members of the Board
The Board has not received any remuneration for their work.

Expensed audit fee (excl. VAT)	Parent company[1] 2017	Parent company[1] 2016	Consolidated group 2017	Consolidated group 2016
Statutory audit	342	330	771	1 007
Other assurance services	179	9	179	33
Other non-assurance services	228	179	267	403
Tax consultant services	40	12	74	31
Total expensed audit fee	**789**	**529**	**1 292**	**1 474**

[1] 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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6 General and administrative expenses

General and administrative expenses	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Auditor's fee	694	529	1 175	1 474
Management fee	1 395	1 443	10 945	19 679
Other fees	258	220	3 472	14 430
Other general and administrative expenses	192	1 009	12 098	5 541
Total general and administrative expenses	2 539	3 201	27 690	41 124

7 Financial income and costs

Financial income	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Interest income on cash and cash equivalents	1 747	262	814	1 033
Interest income intercompanies	13 776	24 488	-	-
Dividends and Group contribution	99 672	64 648	-	-
Other financial income	-	8 961	-	8 961
Total financial income	115 195	98 359	814	9 993

Financial costs				
Interest expense on financial liabilities	45 393	87 993	44 173	81 881
Interest expense loan from owners	-	3 941	-	3 941
Other financial costs	-	111	-	8 961
Total financial costs	45 393	92 044	44 173	94 782

8 Income tax

Income tax expense	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Current tax:				
Tax payable	280	3 221	1 613	3 221
Deferred tax:				
Changes in deferred tax/(deferred tax asset)	(1 441)	3 991	(97 611)	82 653
Total income tax expense	(1 160)	7 212	(95 998)	85 874

Reconciliation of the effective rate of tax	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Income taxes calculated at 24%/25% of profit before tax	16 332	102 071	5 229	105 746
Other	(85)	(993)	(79 285)	(993)
Tax group contribution	6 561	7 388	-	-
Tax related to change in value of shares	(189)	(92 633)	-	-
Tax effect on non deductible expenses	-	(8 621)	(21 942)	(18 879)
Tax effect from restating opening balance on deferred tax (see note 16)	(23 836)	-	-	-
Tax effect on deferred tax from changes in tax rates	57	-	-	-
Total income tax expense	(1 160)	7 212	(95 998)	85 874

Deferred tax and deferred tax assets:	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Deferred tax assets				
Tax losses carried forward	-	-	-	-
Deferred tax asset SWAP	2 562	3 767	2 562	3 767
Other deferred tax assets	3 104	3 734	-	8 058
Deferred tax assets - gross	5 667	7 501	2 562	11 825
Deferred tax liabilities				
Deferred tax change in value of properties	-		(181 398)	(576 615)
Deferred tax establishment cost loan	-	(8 075)	-	(8 075)
Other deferred tax liabilities	-	-	3 104	(2 257)
Deferred tax liabilities - gross	-	(8 075)	(178 294)	(586 947)
Net deferred tax asset/(liabilities)	5 667	(574)	(175 731)	(575 122)
Net recognised deferred tax asset/(liabilities)	5 667	(574)	(175 731)	(575 122)
Book value at 31.12 (23 % at 31.12.2017)	1 303	(138)	(40 418)	(138 029)

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9 Carrying amounts and fair value of financial instruments

The following table provides information about the carrying amounts and the fair value of all classes of financial instruments:

Financial assets - non current	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Financial assets designated as FVTPL				
Investments in subsidiaries	1 019 414	3 360 472	-	-
Loans and receivables held at amortised cost				
Intercompany loan	161 140	629 418	-	-
Other long term receivables	-	8 075	-	8 075
Total non current financial assets	1 180 554	3 997 965	-	8 075
Financial assets - current				
Loans and receivables held at amortised cost				
Accounts receivables	-	6 141	301	889
Other receivables from group companies		40 564	-	-
Other receivables	24 406	1 858	3 698	14 612
Cash and cash equivalents	58 316	30 028	69 001	83 901
Total current financial assets	82 722	78 591	73 000	99 403
Financial liabilities - non current				
Financial liabilities held at amortised cost				
Secured bank debt	-	1 109 370	-	1 109 370
Owners loan	-	42 607	-	42 607
Intercompany loan	-	9 000	-	-
Other non current liabilities	-	8 880	3 482	9 828
Total non current liabilities	-	1 169 857	3 482	1 161 805
Financial liabilities - current				
Financial liabilities at FVTPL				
Interest rate swap	-	3 767	-	3 767
Financial liabilities held at amortised cost				
Secured bank debt	527 814	1 456 522	527 784	1 572 810
Accounts payables	1 134	-	3 420	43 602
Accounts payables to group companies	-	400	-	-
Other payables to group companies	-	6 910	-	-
Interest debt to owner	-	354	-	354
Current debt to owner	30	30	30	30
Other current liabilities	9 853	20 182	11 320	22 837
Total current liabilities	538 831	1 488 163	542 554	1 643 399

These figures are including any assets or liabilities classified as held for sale. See note 15 for information about assets and liabilities classified as held for sale.

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.

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10 Investment property

Investment property	Consolidated group 2017	Consolidated group 2016
Opening balance as at 1 January	2 101 260	3 912 396
Additions from acquisitions	-	-
First day gain change in fair value	-	-
Additions during the year	26 089	197 884
Disposals (at book value)	(975 037)	(191 785)
Fair value adjustments of investment properties	72 354	272 548
Transfer to investment properties held for sale	(1 161 522)	(2 089 783)
Balance at 31 December	**63 144**	**2 101 260**

Investment property at 31 December includes only Delivveien 10. This property is as of 31.12.2017 100% vacant.
The fair value estimate takes into account that the property currently is fully vacant, but with expectaions that the property will be let in the future.

Income and expenditure relating to investment propertie:	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Rental income	-	229	131 756	259 617
Direct operating expenses of properties that generated income	-	(257)	(8 134)	(11 568)
Direct operating expenses of properties that generated no income	-	-	(8 071)	(7 235)
Balance at 31 December	-	**(28)**	**115 551**	**240 813**

11 Pledged assets

	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Secured long-term debt	-	1 109 370	-	1 109 370
Secured short-term debt	527 814	1 456 522	527 784	1 572 810
Fair value of investment property (land, building and fixtures) less tax	-	4 191 042	1 224 666	4 191 042

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12 Related parties

12.1 Identification of related parties
Amongst the identified related parties there have been transactions with the Group's subsidiaries, the Group'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 parent company is provided in note 14.

12.2 Group related transactions
Interests on internal long-term loans is equal to the groups interest rate + 0,25 % per annum.
Transactions with group companies have been eliminated in the Consolidated Group.

The parent company recharge the group companies management fee based on an distribution model. The distribution model is based on work carried out for group companies.

12.3 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.

Carried interest
Distributions after payment of the Fund's fees, costs, expenses and liabilities;
- First, return to investors of drawn down commitments equal to 12% IRR
- Second, if the IRR is at least 12% and until the IRR is 15%, 85% to the A-shares and 15% to the B-shares
- Third, if the IRR is over 15%, 100% to the B- shares until the B-shares have received an amount equal to 20% of the total distribution
- Remaining distributable proceeds shall thereafter be distributed 80% to the A-shares and 20% to the B-shares

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	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Management fee	1 395	1 443	12 541	19 679
Rental fee/development fee	-	-	2 483	(6 165)
Other fees and expenses	-	-	-	-

Outstanding balances	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Accounts payable	(720)	(4 968)	(720)	(1 466)
Other current liabilities	-	-	-	-

Transactions with the subsidiaries

Amount of transactions	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Interest received from subsidiaries	13 776	24 488	-	-
Dividends and Group contributions received from subsidiaries	99 803	64 648	-	-
Management fee paid by subsidiaries	11 422	18 236	-	-

In the parent company's separate financial statement the management fees paid by subsidiaries are presented net of management fee that the parent has paid to the manager.

Outstanding balances	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
Non current loans to subsidiaries	161 140	629 418	-	-
Accounts receivable from subsidiaries	20 337	41 923	-	-
Accounts payable to subsidiaries	1 111	7 310	-	-
Other current liabilities payable to subsidiaries	-	9 000	-	-

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13 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.

13.1 Liquidity risk
Norwegian Lights AS are 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 projection are reported to the group board and form the basis for future financing plans.

All interest bearing debt is settled as of December 31 2017.

13.2 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. For most rental agreements security in the form of cash or bank guarantees equivalent to half the annual rent including share of common costs have been established.

13.3 Interest rate risk
The Group's exposure to interest rate risk will not applicable as the loan have been settled in January 2018
This is the same for the Group's Swaps.

The expected maturity profiles of the Group's interest rate swaps are as follows (based on nominal values):

	Parent company 2017	Parent company 2016	Consolidated group 2017	Consolidated group 2016
One year or less, or on demand	2 562	341 688	2 562	341 688
More than one year but not more than two years	-	389 813	-	389 813
More than two years but not more than five years	-	399 438	-	399 438
More than five years	-	-	-	-

13.4 Foreign exchange risk
The Group is not exposed to currency risk in relation to the translation of net assets, currency transactions or the translation of net assets and income statement of foreign subsidiaries.

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14 Share capital, shareholder information and dividend

(Number of shares are in whole numbers)

14.1 Share capital	2017
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.

14.2 Shareholders at 31 December 2017	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 %**

Reconciliation of total number of shares in issue:

	Ordinary A-shares	Ordinary B-shares	Total
As at December 31 2016	9 800 000	200 000	10 000 000
Issued during the period	-	-	-
Issued as of 31 December 2017 - fully paid in	**9 800 000**	**200 000**	**10 000 000**
As at December 31 2015	9 800 000	200 000	10 000 000
Issued during the period	-	-	-
Issued as of 31 December 2016 - fully paid in	**9 800 000**	**200 000**	**10 000 000**

14.3 Dividends

	2017		2016	
	NOK pr share	Total	NOK pr share	Total
A-shares				
Total dividends apporoved and paid	76,19	746 623 583	-	-
	-	-	-	-
B-shares				
Total dividends apporoved and paid	76,2	15 237 216	-	-
	-	-	-	-
Total	**152**	**761 860 799**	**-**	**-**

14.4 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.

15 Investment property held for sale

As of 31 December 2017, the Group had entered into contracts for the sale of the subsidiaries set out below. The risks and returns of ownership had not fully transferred to the buyer as of this date, and as a result the investment properties for these subsidiaries are classified as assets held for sale.

Brobekkveien 80 AS
Alf Bjerckes vei 14 AS
Parkeringshuset Sandgata 28 AS
Sverdrupsgate 27 Eiendoms AS

The transaction is expected to close in the first quarter of 2018, and it is currently estimated that the disposal group will realise its carrying amount (net of disposal costs).

Gross rental income from these investment properties was TNOK 79 805 in 2017.

The subsidiaries that have been sold in 2017 (see note 2) are not considered to represent a separate major line of business, and consequently the requirements for discontinued operations in IFRS 5 does not apply.

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16 Correction of error in the statement of changes in equity

The Group management has in the consolidated annual accounts up to and including 2016 made provisions for a performance fee. After a revision of this practice in 2017 it was decided that it should not be made such provisions in the consolidated accounts. Consequently the provisions made in prior periods are reversed.

The accrued amount as of December 31 2016 was TNOK 99 318 (before tax).

This error have been corrected by restating each of the affected financial statement line items for 2016, as follows:

	Parent company			Consolidated group		
	2016	Profit/asset Increase/ (Decrease)	2016 (Restated)	2016	Profit/asset Increase/ (Decrease)	2016 (Restated)
Statement of profit or loss (extract)						
General and administrative expenses	(63 446)	60 245	(3 201)	(101 369)	60 245	(41 124)
Profit before tax	348 040	60 245	408 285	362 741	60 245	422 985
Income tax expense	6 856	(14 068)	(7 212)	(71 806)	(14 068)	(85 874)
Profit for the year	**354 896**	**46 177**	**401 073**	**290 935**	**46 177**	**337 111**
Statement of financial position (extract)						
Deferred tax assets	23 698	(23 698)	-	-	-	-
Deferred tax liabilities	-	(138)	(138)	(114 193)	(23 836)	(138 029)
Other current liabilities	(127 338)	99 318	(28 020)	(123 084)	99 318	(23 767)

The operating cash flow is changed correspondingly.

The effects on the equity for prior periods are described in the statement of changes in equity.

The error did not have an impact on the Group's statement of other comprehensive income or investing and financing cash flows.