



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 921 893 000
Organisasjonsform: Aksjeselskap
Foretaksnavn: UNION CORE PLUS FUND I HOLDING AS
Forretningsadresse: v/Union Eiendomskapital AS
Bolette brygge 1
0252 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

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: Johan Hamre
Dato for fastsettelse av årsregnskapet: 29.03.2021

Grunnlag for avgivelse

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

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 07.08.2022



Resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|--|---------------|--------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Kostnader | | | |
| General and administrative expenses | 5,6,12, 17 | 1 706 000 | 5 324 000 |
| Sum kostnader | | 1 706 000 | 5 324 000 |
| Driftsresultat | | -1 706 000 | -5 324 000 |
| Finansinntekter og finanskostnader | | | |
| Financial income | 16 | 9 624 000 | 3 000 |
| Sum finansinntekter | | 9 624 000 | 3 000 |
| Change in fair value shares | | -28 089 000 | 600 000 |
| Financial costs | | 1 381 000 | 4 330 000 |
| Sum finanskostnader | | -26 708 000 | 4 930 000 |
| Netto finans | | 36 332 000 | -4 927 000 |
| Ordinært resultat før skattekostnad | 12 | 34 626 000 | -10 251 000 |
| Skattekostnad på ordinært resultat | 8 | | |
| Ordinært resultat etter skattekostnad | | 34 626 000 | -10 251 000 |
| Årsresultat | | 34 626 000 | -10 251 000 |
| Overføringer og disponeringer | | | |
| Retained earnings | | 34 627 000 | -10 251 000 |
| Sum overføringer og disponeringer | | 34 627 000 | -10 251 000 |



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|--|---------------|--------------------|--------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Finansielle anleggsmidler | | | |
| Investering i datterselskap | 2,3,11, 15 | 373 303 000 | 346 164 000 |
| Lån til foretak i samme konsern | 12 | 33 000 | 91 000 |
| Sum finansielle anleggsmidler | | 373 336 000 | 346 255 000 |
| Sum anleggsmidler | | 373 336 000 | 346 255 000 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Other receivables | | 1 000 | 160 000 |
| Sum fordringer | | 1 000 | 160 000 |
| Bankinnskudd, kontanter og lignende | | | |
| Cash and cash equivalents | 16 | 349 000 | 489 000 |
| Sum bankinnskudd, kontanter og lignende | | 349 000 | 489 000 |
| Sum omløpsmidler | 9,12 | 350 000 | 649 000 |
| SUM EIENDELER | | 373 686 000 | 346 904 000 |
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Issues capital | | 3 545 000 | 3 545 000 |
| Overkurs | | 345 724 000 | 351 000 000 |
| Sum innskutt egenkapital | 14 | 349 269 000 | 354 545 000 |



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|-----------------------------------|-------------|--------------------|--------------------|
| Opptjent egenkapital | | | |
| Fund for valuation differences | | 28 190 000 | |
| Retained earning | | -3 820 000 | -10 257 000 |
| Sum opptjent egenkapital | | 24 370 000 | -10 257 000 |
| | | | |
| Sum egenkapital | | 373 639 000 | 344 288 000 |
| | | | |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Annen langsiktig gjeld | | | |
| Langsiktig konserngjeld | 12 | | 1 000 000 |
| Sum annen langsiktig gjeld | | | 1 000 000 |
| | | | |
| Sum langsiktig gjeld | 14 | 0 | 1 000 000 |
| | | | |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | 12 | 1 000 | 30 000 |
| Other current liabilities | 9,12 | 45 000 | 1 585 000 |
| Sum kortsiktig gjeld | 14 | 46 000 | 1 615 000 |
| | | | |
| Sum gjeld | 9 | 46 000 | 2 615 000 |
| | | | |
| SUM EGENKAPITAL OG GJELD | | 373 685 000 | 346 903 000 |



Konsernets resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|--|---------------|--------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Gross rental income | 4 | 43 543 000 | 21 223 000 |
| Property operating expenses | | -9 214 000 | -1 555 000 |
| Other income | | 23 000 | |
| Sum inntekter | 10 | 34 352 000 | 19 668 000 |
| Kostnader | | | |
| Adjustment to value of investment property | 10 | -91 025 000 | -1 092 000 |
| General and administrative expenses | 5,6,12, 17 | 9 317 000 | 10 077 000 |
| Sum kostnader | | -81 708 000 | 8 985 000 |
| Driftsresultat | | 116 060 000 | 10 683 000 |
| Finansinntekter og finanskostnader | | | |
| Financial income | 16 | 239 000 | 3 540 000 |
| Sum finansinntekter | | 239 000 | 3 540 000 |
| Financial costs | | 45 072 000 | 14 799 000 |
| Sum finanskostnader | | 45 072 000 | 14 799 000 |
| Netto finans | 7,13 | -44 833 000 | -11 259 000 |
| Ordinært resultat før skattekostnad | 12 | 71 227 000 | -576 000 |
| Income tax expense | 8 | 12 043 000 | 2 690 000 |
| Ordinært resultat etter skattekostnad | | 59 184 000 | -3 266 000 |
| Net other comprehensive cost/income | 3 | | -500 000 |
| Årsresultat | | 59 184 000 | -3 766 000 |
| Equity holders of the parent company | | -34 679 000 | 10 251 000 |
| Non-controlling interests | | -24 505 000 | -6 485 000 |
| Sum resultatkomponenter for IFRS-foretak | | -59 184 000 | 3 766 000 |
| Totalresultat | | 0 | 0 |



Konsernets balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|--|---------------|----------------------|----------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Varige driftsmidler | | | |
| Investment property | 3,4,10, 11 | 1 257 107 000 | 1 166 082 000 |
| Loans to group companies | | -30 000 | |
| Sum varige driftsmidler | | 1 257 077 000 | 1 166 082 000 |
| Finansielle anleggsmidler | | | |
| Investering i datterselskap | 2,3,11, 15 | 0 | |
| Lån til foretak i samme konsern | 12 | 0 | |
| Sum finansielle anleggsmidler | | 0 | |
| Sum anleggsmidler | | 1 257 077 000 | 1 166 082 000 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Accounts receivable | | | 10 935 000 |
| Other receivables | | 208 000 | 4 124 000 |
| Sum fordringer | | 208 000 | 15 059 000 |
| Bankinnskudd, kontanter og lignende | | | |
| Cash and cash equivalents | 16 | 18 591 000 | 16 323 000 |
| Sum bankinnskudd, kontanter og lignende | | 18 591 000 | 16 323 000 |
| Sum omløpsmidler | 9,12 | 18 799 000 | 31 382 000 |
| SUM EIENDELER | | 1 275 876 000 | 1 197 464 000 |

BALANSE - EGENKAPITAL OG GJELD



Konsernets balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|--|--------------|----------------------|----------------------|
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Issued capital | | 3 545 000 | 3 545 000 |
| Overkurs | | 345 724 000 | 351 000 000 |
| Sum innskutt egenkapital | 14 | 349 269 000 | 354 545 000 |
| Opptjent egenkapital | | | |
| Retained earning | | 24 422 000 | -10 257 000 |
| Minoritetsinteresser | 15 | 233 018 000 | 216 028 000 |
| Sum opptjent egenkapital | | 257 440 000 | 205 771 000 |
| Sum egenkapital | | 606 709 000 | 560 316 000 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Utsatt skatt | 8 | 14 733 000 | 2 690 000 |
| Sum avsetninger for forpliktelser | | 14 733 000 | 2 690 000 |
| Annen langsiktig gjeld | | | |
| Langsiktig konserngjeld | 12 | | |
| Interest-bearing loans and borrowings | 11,12, 14 | 617 000 000 | 617 000 000 |
| Sum annen langsiktig gjeld | | 617 000 000 | 617 000 000 |
| Sum langsiktig gjeld | 14 | 631 733 000 | 619 690 000 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | 12 | 1 241 000 | 670 000 |
| Other current liabilities | 9,12 | 36 192 000 | 16 786 000 |
| Sum kortsiktig gjeld | 14 | 37 433 000 | 17 456 000 |
| Sum gjeld | 9 | 669 166 000 | 637 146 000 |
| SUM EGENKAPITAL OG GJELD | | 1 275 875 000 | 1 197 462 000 |



RSM Norge AS

To the General Meeting of UNION Core Plus Fund I Holding AS

Filipstad Brygge 1, 0252 Oslo
Pb 1312 Vika, 0112 Oslo
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Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UNION Core Plus Fund I Holding AS, which comprise:

- The financial statements of the parent company UNION Core Plus Fund I Holding AS (the Company) showing a profit of NOK 34 627 000, which comprise the balance sheet as at 31 December 2020, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the UNION Core Plus Fund I Holding AS and its subsidiaries (the Group) showing a profit of NOK 59 183 000, which comprise the balance sheet as at 31 December 2020, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Basis for Opinion

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

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.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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

Penneo Dokumentnøkkel: YJ6TN-IE816-3FHOB-V844T-TQ7U8-XI25M



Independent Auditor's Report 2020 for UNION Core Plus Fund I Holding AS



Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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, 29 March 2021
RSM Norge AS

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

Penneo Dokumentnøkkel: YJ6TN-IE816-3FH0B-V844T-TQ7U8-XI25M



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"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: 88.89.xxx.xxx

2021-03-30 10:36:18Z



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The board of director report 2020 for UNION Core Plus Fund I Holding AS

UNION Core Plus Fund I Holding AS

Operational reviews

UNION Core Plus Fund I Holding AS ("the Company") was established in 2018 and is registered as an alternative investment fund, investing capital from the feeder entity UNION Core Plus Fund I AS which together with the Company referred to as the Fund. The Company and the Fund are managed by UNION Eiendomskapital UREF AS.

UNION Core Plus Fund I Holding AS invested in Pilestredet 35 in 2019, a real estate property located in Oslo.

Going Company

In accordance with the Accounting Act § 3-3a, the board of directors confirm that the financial statements have been prepared under the assumption of going company, and that the economic and financial position is sound.

Comments related to the financial statements

As of 31.12.2020 3 545 453 shares were issued in the Company. The valuations of the property owned by the Fund as of December implied an increase in values of 9,2% since acquisition.

The property in the Fund as of 31.12.2020 had a rental occupancy of 100 %, and the average duration of the lease contract were 6 years.

UNION Core Plus Fund I Holding AS had an operating loss of MNOK 1,71 . The Group had an operating profit of MNOK 116,06. Profit before tax was positive with MNOK 34,63 for the parent company and MNOK 71,22 for the Group. The Group net profit for the year was positive with MNOK 59,18.

The Board of UNION Core Plus Fund I Holding AS proposes that the positive total comprehensive income for the year of the parent company is allocated as follows:

- Transferred to retained earnings MNOK 6 437
- Transferred to fund for unrealized gains MNOK 28 190

As per 31.12.2020 the Company had a bank balance of TNOK 349 and for the Group MNOK 18,6.

The total capital pr. 31.12.2020 was MNOK 373,68 for the parent company and MNOK 1 275,9 for the Group. The equity ratio was 99,9% for the Company and 47,55% for the Group.

Coronavirus disease (COVID-19) ("Coronavirus")

Through 2020 it was possible to see the impact of the Coronavirus outbreak. When the first lock down was resolved in medio March 2020 it was likely that the outbreak would impact on the valuation of underlying asset held by the Company. However, at the end of 2020 it was a fact that the stock markets had risen after the dramatic fall, and that the valuation of the underlying asset of the company were



not impacted much by the Coronavirus. Specific sectors were thus highly impacted such as the travel and hospitality sectors which the company is less exposed to.

In terms of real estate assets, it is still the assessment the Coronavirus is unlikely to have a direct material impact on valuations as at the statement of financial position date due to the longer-term nature of the asset class. However, should the situation worsen, including but not limited to tenant defaults, insolvent counterparties or supply issues the future valuation models will be updated on a case-by-case basis. The Directors are still monitoring the situation and will consult with the company's managers to ensure that any impacts are reflected appropriately.

Environment and equality

The parent company and the Group do not pollute the environment beyond what is normal for the operations of the Group. Waste and emissions arising from operations are treated under applicable laws and regulations. The company does not discriminate between the sexes and believe that equality is safeguarded thus no specific measures is implemented.

Financial risk

Market risk

The Company is exposed to effects related to macro-economic conditions and local market conditions. This could lead to changes in rent levels, occupancy rate and value of the properties in the Portfolio. There has been increasing focus on location as investment criteria over the past years.

The Group is indirectly exposed to changes in interest rates. Total liabilities to credit institutions in UNION Core Plus Fund I Holding AS are per 31.12.2020 MNOK 617 (grossed amount). Of the total debt to credit institutions, MNOK 462.75 where hedged per 31.12.2020. Average interest rate on the loan portfolio was per 31.12.2020 3.00% (including margin). The loan matures in 2025.

Credit risk

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

Risk of liquidity

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

Research and development

UNION Core Plus Fund I Holding AS has no research and development activities.

Future development


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



more uncertain, the interest is rising, numbers of unemployed are higher than we have seen the last years, but there are also many positive factors with good conditions for other sectors. The Board still believe investments in real estate in Norway are attractive long-term investment opportunities due to factors such as strong public finances and a favorable demographic development.

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


Oslo, 29 March 2021

 **bankID** SIGNERT
29.03.2021

Moe, Lars Even

Lars Even Moe


Chair

 **bankID** SIGNERT
29.03.2021

Hamre, Johan Kristian Sekkenes

Johan Hamre

Board member

 **bankID** SIGNERT
29.03.2021

Vinjum, Jannecke

Jannecke Vinjum

Board member



UNION Core Plus Fund I Holding AS

Annual accounts

2020

Auditor's report

Directors' report

Statement of comprehensive income

Statement of financial position at 31 December

Statement of changes in equity

Statement of cash flows

Notes



UNION Core Plus Fund I Holding AS

Statement of comprehensive income

| Parent company | | All amounts in NOK 1 000 | Note | Consolidated group | |
|----------------|-----------------|--|-----------|--------------------|-----------------|
| 2020 | 2019 | | | 2020 | 2019 |
| - | - | Gross rental income | 4 | 43 543 | 21 223 |
| - | - | Property operating expenses | | (9 214) | (1 555) |
| - | - | Net rental and related income | 10 | 34 329 | 19 668 |
| - | - | Adjustment to value of investment property | 10 | 91 025 | 1 092 |
| (1 706) | (5 324) | General and administrative expenses | 5 6 12 17 | (9 317) | (10 077) |
| (1 706) | (5 324) | Operating profit | | 116 060 | 10 683 |
| 9 624 | 3 | Financial income | 16 | 239 | 3 540 |
| 28 089 | (600) | Change in fair value shares | | - | - |
| (1 381) | (4 330) | Financial costs | | (45 072) | (14 799) |
| 36 333 | (4 927) | Net financial items | 7 13 | (44 834) | (11 259) |
| 34 627 | (10 251) | Profit before tax | 12 | 71 227 | (576) |
| - | - | Income tax expense | 8 | (12 043) | (2 690) |
| 34 627 | (10 251) | Profit for the year | | 59 183 | (3 266) |
| | | Other comprehensive income | | | |
| - | - | Net other comprehensive cost / income | 3 | - | (500) |
| 34 627 | (10 251) | Total comprehensive income for the year | | 59 183 | (3 766) |
| | | Profit for the year attributable to: | | | |
| | | Equity holders of the parent company | | 34 679 | |
| | | Non-controlling interests | | 24 504 | |
| | | | | 59 183 | |
| | | Total comprehensive income attributable to: | | | |
| | | Equity holders of the parent company | | 34 679 | |
| | | Non-controlling interests | | 24 504 | |
| | | | | 59 183 | |



UNION Core Plus Fund I Holding AS
Statement of financial position at 31 December

| Parent company | | Consolidated group | | | |
|--------------------------------|-----------------|---------------------------------------|-----------|------------------|------------------|
| 2020 | 2019 | All amounts in NOK 1 000 | Note | 2020 | 2019 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| - | - | Investment property | 3 4 10 11 | 1 257 107 | 1 166 082 |
| 373 303 | 346 164 | Investments in subsidiaries | 2 3 11 15 | - | - |
| 33 | 91 | Loans to group companies | 12 | - | - |
| 373 335 | 346 255 | Total non-current assets | | 1 257 077 | 1 166 082 |
| Current assets | | | | | |
| - | - | Accounts receivable | | - | 10 935 |
| 1 | 160 | Other receivables | | 208 | 4 124 |
| 349 | 489 | Cash and cash equivalents | 16 | 18 591 | 16 323 |
| 350 | 649 | Total current assets | 9, 12 | 18 799 | 31 382 |
| 373 685 | 346 904 | TOTAL ASSETS | | 1 275 876 | 1 197 464 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Paid in capital | | | | | |
| 3 545 | 3 545 | Issued capital | | 3 545 | 3 545 |
| 345 724 | 351 000 | Share premium | | 345 724 | 351 000 |
| 349 270 | 354 545 | Total paid in capital | 14 | 349 270 | 354 545 |
| Accumulated profits | | | | | |
| 28 190 | - | Fund for valuation differences | | - | - |
| (3 820) | (10 257) | Retained earnings | | 24 422 | (10 257) |
| 24 370 | (10 257) | Total accumulated profits | | 24 422 | (10 257) |
| - | - | Non-controlling interests | 15 | 233 018 | 216 028 |
| 373 640 | 344 289 | Total equity | | 606 710 | 560 317 |
| Non-current liabilities | | | | | |
| - | - | Interest-bearing loans and borrowings | 11 13 14 | 617 000 | 617 000 |
| - | 1 000 | Liabilities to group companies | 12 | - | - |
| - | - | Deferred tax liabilities | 8 | 14 733 | 2 690 |
| - | 1 000 | Total non-current liabilities | 14 | 631 733 | 619 690 |
| Current liabilities | | | | | |
| 1 | 30 | Accounts payable | 12 | 1 241 | 670 |
| 45 | 1 585 | Other current liabilities | 9 12 | 36 192 | 16 786 |
| 45 | 1 616 | Total current liabilities | 14 | 37 433 | 17 457 |
| 45 | 2 616 | Total liabilities | 9 | 669 166 | 637 147 |
| 373 685 | 346 904 | TOTAL EQUITY AND LIABILITIES | | 1 275 876 | 1 197 464 |

The Board of UNION Core Plus Fund I Holding AS
Oslo, 29 March 2021

bankID SIGNERT
29.03.2021
Johan Kristian Sekkenes
Board member
Hamre, Johan Kristian Sekkenes

bankID SIGNERT
29.03.2021
Lars Even Moe
Chair
Moe, Lars Even

bankID SIGNERT
29.03.2021
Jannecke Vinjum
Board member
vinjum, Jannecke



UNION Core Plus Fund I Holding AS
Statement of changes in equity

| All amounts in NOK 1 000 | Note | Attributable to parent company equity holders | | | | Total equity |
|-------------------------------------|------|---|----------------|-------------------|---------------------------|----------------|
| | | Share capital | Share premium | Retained earnings | Non-controlling interests | |
| Consolidated group | | | | | | |
| Group equity at 31.12.2019 | | 3 545 | 351 000 | -10 257 | 216 028 | 560 317 |
| Dividends distributed | | - | (5 276) | - | (7 514) | (12 790) |
| Total comprehensive income | | - | - | 34 679 | 24 504 | 59 183 |
| Equity as at 31.12.2020 | | 3 545 | 345 724 | 24 422 | 233 018 | 606 710 |
| Parent company | | | | | | |
| Parent company equity at 31.12.2019 | | 3 545 | 351 000 | - | (10 257) | 344 289 |
| Dividends distributed | | - | (5 276) | - | - | (5 276) |
| Total comprehensive income | | - | - | 28 190 | 6 437 | 34 627 |
| Equity as at 31.12.2020 | | 3 545 | 345 724 | 28 190 | (3 820) | 373 640 |



UNION Core Plus Fund I Holding AS

Statement of cash flows

| Parent company | | All amounts in NOK 1 000 | Consolidated group | | |
|----------------|------------------|---|--------------------|-----------------|--------------------|
| 2020 | 2019 | | Note | 2020 | 2019 |
| | | Cash flow from operating activities | | | |
| 34 627 | (10 251) | Profit before tax for the year from total operations | | 71 227 | (576) |
| (28 089) | 600 | Change in value shares | | - | - |
| - | - | Adjustment to value of investment property | | (91 025) | (1 092) |
| - | - | (Increase)/decrease in accounts receivable | | 10 935 | (10 935) |
| 159 | (160) | (Increase)/decrease in other receivables | | 3 916 | (4 124) |
| (30) | 30 | Increase/(decrease) in accounts payable | | 571 | 670 |
| (1 531) | 1 585 | Increase/(decrease) in other current liabilities | | 19 436 | 16 786 |
| 5 136 | (8 196) | Net cash flow from operating activities | | 15 058 | 730 |
| | | Cash flows from investing activities | | | |
| - | - | Purchase of investment property | | - | (1 165 489) |
| - | (346 764) | Acquisition of subsidiaries | | - | - |
| - | 909 | (Increase)/decrease in intercompany loan | | - | - |
| - | (345 855) | Net cash flow used in investing activities | | - | (1 165 489) |
| | | Cash flows from financing activities | | | |
| - | 354 570 | Proceeds from issue of share capital | | - | 564 113 |
| - | (30) | Redemption of shares | | - | (30) |
| (5 276) | - | Dividend | | (12 790) | - |
| - | 200 000 | Proceeds from borrowings | | - | 817 000 |
| - | (200 000) | Repayment of borrowings | | - | (200 000) |
| (5 276) | 354 540 | Net cash flow from financing activities | | (12 790) | 1 181 083 |
| (140) | 489 | Net increase/(decrease) in cash and cash equivalents | | 2 268 | 16 323 |
| 489 | - | Cash and cash equivalents at beginning of period | | 16 323 | - |
| 349 | 489 | Cash and cash equivalents at end of period | | 18 591 | 16 323 |



UNION Core Plus Fund I Holding AS

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1 Summary of significant accounting policies

UNION Core Plus Fund I Holding 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 combined consolidated financial statements of the consolidated group and parent company of UNION Core Plus Fund I Holding AS for the fiscal year 2020 were approved in the board meeting at 29 March 2021.

The Group is engaged in the development, letting, management, operation, purchase and sale of office and retail properties in Norway. UNION Core Plus Fund I Holding AS is managed by UNION Eiendomskapital UREF AS (the Manager).

The Group is ultimately controlled by UNION Core Plus Fund I AS, domiciled in Norway, which holds 96,03% of the shares of UNION Core Plus Fund I Holding AS.

1.1 Basis for preparation of the annual accounts

The UNION Core Plus Fund I Holding AS' annual accounts, consisting of the annual accounts of the parent company and the Group's consolidated financial statements, have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2019, and Norwegian disclosure requirements listed in the Norwegian Accounting Act as of December 31 2020.

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

- Financial instruments at fair value through profit or loss, and loans, receivables and other financial liabilities which are recognised at amortised cost.
- 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 UNION Core Plus Fund I Holding AS and companies in which UNION Core Plus Fund I Holding 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 interests 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.



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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.

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) 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.

(c) 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.

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)



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- 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 Segments

UNION Core Plus Fund I Holding's 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.

1.7 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.

1.8 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.



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

1.9 Leases

The Group has applied IFRS 16 using the modified retrospective approach. The application of the new standard has not affected the preparation of the accounts.

Identifying a lease

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Separating components in the lease contract

For a contract that contains a lease component and one or more additional lease or non-lease components, The Group allocates the consideration in the contract applying the principles in IFRS 15 Revenue from Contracts with Customers.

Recognition of leases and income

For contracts where the Group acts as a lessor, it classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The group as a lessor does not have any finance leases.

Operating leases

For operating leases, the Group recognises lease payments as other income, mainly on a straight-line basis, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Group recognises costs incurred in earning the lease income in other operating expenses. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the rental income.

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 annually, 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.

Transfers to or from the category of investment property are only carried out as a result of a change in the use of the property. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. The difference that arises between the carrying amount and the fair value on the reclassification date is recognised directly in equity in the case of a gain. If the property is later sold, the gain is transferred to retained earnings. Losses which arise due to such a reclassification are recognised in the statement of profit or loss immediately.

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.



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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 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 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.

The Group classifies its financial assets in the following categories: at fair value through profit and loss (FVTPL), fair value through other comprehensive income (FVOCI) 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 (EIR) method and are subject to impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. See note 9 for "accounts receivables" and "other receivables".

(b) Fair value through other comprehensive income (FVTOCI)

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

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

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

- a debt instrument or equity instrument held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or
- a derivative, or
- designated as such upon initial recognition where permitted.



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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 and joint ventures 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".

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 or 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

(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 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.



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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

The Group 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 Group always recognise lifetime ELC. The ECL on trade receivables are estimated using a provision matrix based on the Group'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.

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 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.

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

See notes 3, 9 and 13 for "derivatives".

1.13 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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1.14 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.

1.15 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.

1.16 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.

1.17 Application of new and amended standards

No significant changes have been made to accounting principles compared with the principles used in the preparation of the financial statements for 2019. UNION Real Estate Fund Holding AS has not implemented any new standards in the financial statement for 2020. There are no material new standards and interpretations not yet implemented.

1.18 Alternative Investment Funds

UNION Core Plus Fund I Holding AS is registered as a Alternative Investment Fund at the The Financial Supervisory Authority of Norway (*Finanstilsynet*), and must consequently meet certain disclosure requirements in the Act on Alternative Investment Fund Managers (AIF-Act) (*Lov om forvaltning av alternative investeringsfond (AIF-loven)*).

Article 104 in Commission delegated regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU sets out certain requirements as to information in the Annual report, disclosure to investors and reporting to competent authorities.

See note 17 for more information in this context.



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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 |
|---------------------------|-----------------|------------------------------|------------------|--------------------|------------|
| Pilestredet 35 Holding AS | Oslo | 61,57 % | 01.07.2019 | 61,57 % | Directly |
| Pilestredet 35 AS | Oslo | 100,00 % | 01.07.2019 | 100,00 % | Indirectly |
| Core Plus Nystiftet 6 AS | Oslo | 100,00 % | 01.07.2019 | 100,00 % | Directly |
| UNION Drift Core Plus AS | Oslo | 100,00 % | 04.09.2019 | 100,00 % | Directly |

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.

See also note 15 for information about subsidiaries with material non-controlling interests.

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 on observable market data (i.e. unobservable inputs)

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

There were no transfers between levels in the period.

Fair value of investment 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.

Semiannually all the properties are valued by independent, external valuer. The valuations at 31 December 2020 were obtained from Newsec AS. 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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All amounts in NOK 1 000 unless otherwise stated

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.)

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

| Change variable (The Group) | Change in % (plus) | Value change |
|-----------------------------|--------------------|--------------|
| Market rent | 5,00 % | 59 928 |
| Yield adjustment | 0,25 % | 84 821 |

Fair value of investments in subsidiaries and joint ventures

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 and joint ventures 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 and joint ventures, i.e. the investment properties, are classified as level 3 financial instruments, the subsidiaries and joint ventures are also classified as level 3 instruments.

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

Reconciliation of Level 3 fair value measurements of subsidiaries, joint ventures and investment property:

| | Parent Subsidiaries 2020 | Parent Subsidiaries 2019 | Group Investment property 2020 | Group Investment property 2019 |
|---|--------------------------------|--------------------------------|---|---|
| Balance as of 1 January 2020 | 346 164 | - | 1 166 082 | - |
| Additions | - | 346 764 | - | 1 165 489 |
| First day profits/loss (other comprehensive income) | - | - | - | (500) |
| Change in fair value | 28 089 | (600) | 91 025 | 1 092 |
| Balance as of 31 December 2020 | 373 302 | 346 164 | 1 257 107 | 1 166 082 |

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.

Operating leases

The Group leases out its owned investment properties to third parties with contracted non-cancellable lease terms between 3 and 15 years. The Group has classified all of these leases as operating because they do not transfer substantially all the risks and rewards incidental to ownership of the properties to the counterparties. For the Group's investment property leases the rental income is largely fixed under the contracts, however, subject to an annual price adjustment based on inflation.

The Group also leases out part of its owned machinery and equipment to third parties with contracted non-cancellable lease terms between 1 and 3 years. The Group has classified these leases as operating because they do not transfer substantially all the risks and rewards incidental to ownership of the counterparties. The lease payment in these contracts are fixed over the lease term.

The Group's lease income from operating leases are presented in the table below:

| Lease income from operating leases | Consolidated group | |
|---|--------------------|---------------|
| | 2020 | 2019 |
| Lease income from investment properties | 43 543 | 21 223 |
| Total | 43 543 | 21 223 |



UNION Core Plus Fund I Holding AS

Notes 2020

All amounts in NOK 1 000 unless otherwise stated

4 Operating leases continues

| The Group's future accumulated rent from non-terminable operational lease contracts at 31.12. | 2020 | 2019 |
|---|----------------|----------------|
| Within 1 year | - | 43 623 |
| Between 1 and 5 years | 43 623 | 175 182 |
| Later than 5 years | 175 182 | 42 514 |
| Total | 218 805 | 261 319 |

5 Wages and remuneration

Number of employees

The parent company and group have no employees.

Remuneration to members of the Board

The Board has not received any remuneration for their work.

| | Parent company ¹ 2020 | Parent company ¹ 2019 | Consolidated group 2020 | Consolidated group 2019 |
|---|--|--|-------------------------------|-------------------------------|
| Expensed audit fee (excl. VAT) | | | | |
| Statutory audit | 84 | 36 | 176 | 52 |
| Other assurance services | 35 | 15 | 57 | 51 |
| Other non-assurance services | - | 2 | - | 201 |
| Tax consultant services | - | 2 | - | 7 |
| Total expensed audit fee | 119 | 55 | 233 | 309 |
| Non-expensed other non-assurance services | - | 120 | - | 120 |
| Total audit fee | 119 | 175 | 233 | 430 |

¹ Fees to RSM Norge AS and affiliated companies.

Shares held by Board members²

| | Position | 2020 |
|-----------------|--------------|---------------|
| Lars Even Moe | Chair | 0,82 % |
| Johan Hamre | Board member | 0,40 % |
| Jannecke Vinjum | Board member | 0,00 % |
| Total | | 1,21 % |

² The shares are owned indirectly in the form of ownership in UCP Sponsor AS and through private holding companies. UCP Sponsor AS owns directly shares in UNION Core Plus Fund I Holding AS.

6 General and administrative expenses

| | Parent company 2020 | Parent company 2019 | Consolidated group 2020 | Consolidated group 2019 |
|--|---------------------------|---------------------------|-------------------------------|-------------------------------|
| General and administrative expenses | | | | |
| Auditor's fee | 119 | 55 | 233 | 309 |
| Management fee | 1 204 | 609 | 5 801 | 2 981 |
| Other fees | 382 | 458 | 3 063 | 1 067 |
| Establishing Costs pooling vehicle | - | 4 190 | - | 4 971 |
| Other general and administrative expenses | 2 | 13 | 220 | 748 |
| Total general and administrative expenses | 1 706 | 5 324 | 9 317 | 10 077 |

7 Financial income and costs

| | Parent company 2020 | Parent company 2019 | Consolidated group 2020 | Consolidated group 2019 |
|--|---------------------------|---------------------------|-------------------------------|-------------------------------|
| Financial income | | | | |
| Change fair value shares | 28 089 | - | - | - |
| Interest income on cash and cash equivalents | - | 1 | 239 | 133 |
| Interest income on group receivables | 5 | 2 | - | - |
| Dividends and other contributions | 9 619 | - | - | - |
| Change fair value swaps | - | - | - | 3 407 |
| Total financial income | 37 713 | 3 | 239 | 3 540 |
| Financial costs | | | | |
| Change fair value shares | - | 600 | - | - |
| Interest expense on financial liabilities | 1 342 | 2 313 | 16 788 | 12 763 |
| Interest expense on group liabilities | 39 | 5 | - | - |
| Other financial costs | - | 2 012 | 28 284 | 2 036 |
| Total financial costs | 1 381 | 4 930 | 45 072 | 14 799 |
| Net financial items | 36 333 | (4 927) | (44 834) | (11 259) |



UNION Core Plus Fund I Holding AS

Notes 2020

All amounts in NOK 1 000 unless otherwise stated

8 Income tax

| | Parent company 2020 | Parent company 2019 | Consolidated group 2020 | Consolidated group 2019 |
|---|---------------------------|---------------------------|-------------------------------|-------------------------------|
| Income tax expense | | | | |
| <i>Current tax:</i> | | | | |
| Tax payable | - | - | - | - |
| <i>Deferred tax:</i> | | | | |
| Changes in deferred tax | - | - | (7 982) | 32 |
| Changes in deferred tax on value of investment property | - | - | 20 026 | 2 658 |
| Total income tax expense | - | - | 12 043 | 2 690 |
| | Parent company 2020 | Parent company 2019 | Consolidated group 2020 | Consolidated group 2019 |
| Reconciliation of the effective rate of tax | | | | |
| Income taxes calculated at 22% (2019: 22%) of profit before tax | 7 563 | (2 255) | 15 670 | (127) |
| Adjustment in respect of current income tax of previous years | - | - | - | - |
| Changes in unrecognised deferred tax (asset)/liabilities | 569 | - | 569 | - |
| IFRS tax adjustments | - | - | - | - |
| Tax related to change in value of shares | (6 125) | 132 | - | - |
| Tax effect on non deductible expenses | 45 | 29 | 45 | 2 036 |
| Non-taxable income | (2 116) | - | - | - |
| Tax effect on non-recognised tax asset / acquired tax assets | 63 | 2 094 | (4 241) | 780 |
| Total income tax expense | - | - | 12 043 | 2 690 |
| | Parent company 2020 | Parent company 2019 | Consolidated group 2020 | Consolidated group 2019 |
| Deferred tax and deferred tax assets: | | | | |
| <i>Deferred tax assets</i> | | | | |
| Tax losses carried forward | 12 112 | 9 520 | 24 288 | 18 518 |
| Other deferred tax assets | - | - | 23 963 | 3 262 |
| Deferred tax assets - gross | 12 112 | 9 520 | 48 250 | 21 780 |
| <i>Deferred tax liabilities</i> | | | | |
| Investment property | - | - | 103 107 | 12 082 |
| Other deferred tax liabilities | - | - | - | 3 407 |
| Deferred tax liabilities - gross | - | - | 103 107 | 15 489 |
| Net deferred tax asset/(liabilities) | 12 112 | 9 520 | 54 856 | 6 291 |
| Net recognised deferred tax asset/(liabilities) | - | - | (66 969) | (12 227) |
| Book value at 31.12 (22 %) | - | - | (14 733) | (2 690) |

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:

| | Parent company 2020 | Parent company 2019 | Consolidated group 2020 | Consolidated group 2019 |
|--|---------------------------|---------------------------|-------------------------------|-------------------------------|
| Financial assets - non current | | | | |
| <i>Financial assets designated as FVTPL</i> | | | | |
| Investments in subsidiaries | 373 303 | 346 164 | - | - |
| <i>Financial assets at amortised cost</i> | | | | |
| Loans to group companies | 33 | 91 | - | - |
| Total non current financial assets | 373 335 | 346 255 | - | - |
| Financial assets - current | | | | |
| <i>Financial assets at FVTPL</i> | | | | |
| Interest rate swap | - | - | - | 3 407 |
| <i>Investments in debt instrument measured at amortised cost</i> | | | | |
| Accounts receivables | - | - | - | 10 935 |
| Other receivables | 1 | 160 | 208 | 717 |
| <i>Cash and cash equivalents</i> | 349 | 489 | 18 591 | 16 323 |
| Total current financial assets | 350 | 649 | 18 799 | 31 382 |



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9 Carrying amounts and fair value of financial instruments continues

Financial liabilities - non current

| <i>Financial liabilities held at amortised cost</i> | | | | |
|---|----------|--------------|----------------|----------------|
| Secured bank debt | - | - | 617 000 | 617 000 |
| Debt to group companies | - | 1 000 | - | - |
| Other non current liabilities | | | | |
| Total non current liabilities | - | 1 000 | 617 000 | 617 000 |

Financial liabilities - current

| <i>Financial liabilities at FVTPL</i> | | | | |
|--|-----------|--------------|---------------|---------------|
| Interest rate swap | - | - | 20 701 | - |
| <i>Financial liabilities at amortised cost</i> | | | | |
| Accounts payables | 1 | 30 | 1 241 | 670 |
| Debt to group companies | - | 1 215 | - | - |
| Deferred revenue | - | - | 10 825 | 10 847 |
| Accrued expenses / other current liabilities | 45 | 370 | 4 666 | 5 939 |
| Total current liabilities | 46 | 1 616 | 37 433 | 17 457 |

The fair values for all "Investments in debt instrument measured at amortised cost", and all current "Financial liabilities measured at amortised cost" are expected to approximate their carrying amounts given the short-term nature of these financial instruments.

The total carrying value of non current "Financial liabilities measured at amortised cost" is a reasonable approximation of their fair value at the year end date.

10 Investment property

| | Consolidated group 2020 | Consolidated group 2019 |
|--|-------------------------------|-------------------------------|
| Investment property | | |
| Opening balance as at 1 January | 1 166 082 | - |
| Additions from acquisitions | - | 1 163 329 |
| Enhancement expenditure capitalised | - | 2 160 |
| First-day-profit/(loss) | - | (500) |
| Net gain/loss on changes in fair value | 91 025 | 1 092 |
| Balance at 31 December | 1 257 107 | 1 166 082 |

An external appraiser performs the Fund's property valuations semi-annually. The appraiser has the mandate to estimate the market value of the property if sold on the open market in an arm's length transaction between a willing seller and buyer. A number of factors, including tenancy schedules, maintenance requirements, tenant improvements, location, the technical condition of the property, etc are considered for the valuation. In addition, comparable transactions, availability and cost of financing, general vacancy levels, rental levels and economic activity are all factors contributing to the analysis. Overall, these factors contribute to providing a realistic picture of the price level achievable in the market should the property be sold. The Fund use Newsec AS as their external appraiser. Newsec is one of the leading providers of valuation services in the Norwegian real estate market.

The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and seller in an arm's length transaction at the date of valuation. The following main inputs have been used:

| | 2020 |
|--|--------|
| Yields (%) | 3,30 % |
| Inflation rate (%) | 1,70 % |
| Long term vacancy rate (%) | 0,00 % |
| Long term growth rate in real rental terms (%) | 2,00 % |

The Fund's portfolio was as of 31 December 2020 valued at an average net yield of 3.0 %. The corresponding gross yield was 3.2 % and average owner's costs were 7.3%. We believe the current valuation is reflective of the underlying values of the properties in the Fund, taking into consideration property specific value drivers such as Weighted Average Lease Term (WALT), locations, rent levels, counterparties, vacancy rates, etc.

The inflation rate of 1.7 % in 2020 was above expectations and above the Norwegian Central Bank's inflation rate target. The underlying property values in the Fund has as a result increased correspondingly. Long term vacancy rate is set to the portfolio's current vacancy rate of 0 %. In 2020 the Fund acquired properties with substantial vacant areas with an underlying business plan to refurbish and re-let these areas. The manager is currently underway in reducing the current vacancy rate according to business plan. The long term growth rate in real rental terms is set according to the Norwegian Central Bank's inflation target as of 31 December 2020, of 2.0 %.

Changes in fair value is recognised in the period to which the profit/loss relates. The latest independent valuation was carried out on 31 December 2020. Investment properties are not depreciated.

There are no restrictions on when the investment property can be realised, or how the revenue and cash flow on any sale can be used.

There are no significant contractual obligations to buy, build or develop investment properties.



UNION Core Plus Fund I Holding AS

Notes 2020

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10 Investment property continues

| | Parent company 2020 | Parent company 2019 | Consolidated group 2020 | Consolidated group 2019 |
|---|---------------------------|---------------------------|-------------------------------|-------------------------------|
| Income and expenditure relating to investment properties | | | | |
| Rental income | - | - | 43 543 | 21 223 |
| Direct operating expenses of properties that generated income | - | - | (9 214) | (1 555) |
| Balance at 31 December | - | - | 34 329 | 19 668 |

11 Pledged assets

| | Parent company 2020 | Parent company 2020 | Consolidated group 2020 | Consolidated group 2020 |
|---|---------------------------|---------------------------|-------------------------------|-------------------------------|
| <i>Carrying amount secured debt</i> | | | | |
| Secured long-term debt | - | - | 617 000 | 617 000 |
| <i>Book value of pledged assets</i> | | | | |
| Fair value of investment property (land, building and fixtures) | - | - | 1 257 107 | 1 166 082 |

It has been issued mortgages on the investment properties, as collateral for floating interest bank loans. At 31 December 2020 the loans are recognised at TNOK 617 000.

The pledge under the facilities vary, but typically the lender has a first priority pledge over the property, a first priority pledge over the shares in the borrower, target company, property company and the title company. In some cases the lender also have a first priority assignment by the Borrower over any monetary under any Intra-group loan.

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, UCP Sponsor AS and UNION Core Plus Fund I AS (owns ca. 96% of UNION Core Plus Fund I Holding 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 loans are calculated on the basis of Nibor 3 month plus a margin of 2,00%. 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 UREF AS have entered into a management agreement with UNION Core Plus Fund I Holding AS. The management fee for the investment period amounts to 1% of total commitments per annum and 1,3% of total invested per annum. After expiration of the investment period, management fee amounts to 1,3% of invested capital per annum.

Rental fees:

When UNION Eiendomskapital UREF AS negotiate lease contracts on behalf of group companies, the manager receives a fee of between 7,5% and 15% of the annual rent, depending on whether it applies to extension of existing contracts and finding new tenants.

Transactions with the manager (UNION Eiendomskapital UREF AS)

| | Parent company 2020 | Parent company 2019 | Consolidated group 2020 | Consolidated group 2019 |
|-------------------------------|---------------------------|---------------------------|-------------------------------|-------------------------------|
| Amount of transactions | | | | |
| Management fee | 1 204 | 609 | 5 801 | 2 981 |
| Rental fee | - | - | - | - |
| Project fee | - | - | - | - |
| Aquisition fee | - | - | - | 3 805 |
| Outstanding balances | | | | |
| Accounts receivable | - | - | - | - |
| Accounts payable | - | - | - | - |
| Balance at 31 December | - | - | - | - |



UNION Core Plus Fund I Holding AS

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All amounts in NOK 1 000 unless otherwise stated

12 Related parties continues

Transactions with subsidiaries

| Amount of transactions | Parent | Parent | Consolidated | Consolidated |
|-------------------------------|----------------|----------------|---------------------|---------------------|
| | company | company | group | group |
| | 2020 | 2019 | 2020 | 2019 |
| Interest received / paid | - | - | - | - |
| Dividends received | - | - | - | - |
| Management fee | - | - | - | - |
| Outstanding balances | Parent | Parent | Consolidated | Consolidated |
| | company | company | group | group |
| | 2020 | 2019 | 2020 | 2019 |
| Non-current receivable | 33 | 91 | - | - |
| Non-current liabilities | - | (1 000) | - | - |
| Balance at 31 December | 33 | (909) | - | - |

13 Information on financial risks

UNION Core Plus Fund I Holding AS will through recognised financial instruments be exposed to various forms of risk. The main types of risk will be liquidity risk, credit risk and market risk. It is the responsibility of the fund's manager to determine the strategies for managing risk associated with financial instruments and to operationalize and implement the chosen strategy. Selected strategies, fixed limits and actual exposure in relation to established limits are reported periodically to the Board of UNION Core Plus Fund I Holding AS. UNION Core Plus Fund I Holding AS has adopted an moderate risk profile, and this consideration is also governing the determination of the strategy for risk management in financial instruments.

13.1 Liquidity risk

UNION Core Plus Fund I Holding 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.

The maturity plan below shows how commitments are payable in nominal amounts in accordance with the agreed instalments plans and expected payments under financial interest rate swaps based on current market rates. Commitments are here presented in nominal amounts.

| Maturity plan - Parent company | 2021 | 2022 | 2023 | 2024 | 2025 and later |
|---|-------------|-------------|-------------|-------------|-----------------------|
| Interest-bearing loans and borrowings | - | - | - | - | - |
| Maturity plan - Consolidated group | 2021 | 2022 | 2023 | 2024 | 2025 and later |
| Interest-bearing loans and borrowings | - | - | - | - | 617 000 |

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.

At 31 December 2020 the group have accounts receivable of TNOK 0. The group have made provision for bad debts on overdue receivables not covered by the rental guarantees.

13.3. Interest rate risk

The Group's exposure to interest rate risk mainly concerns financial liabilities which are floating rate.

The Group uses interest rate swaps to hedge exposure to the variability in cash flows on floating rate debt, such as bank facilities, caused by movements in market rates of interest.

Due to a combination of factors, principally the high level of certainty required under IAS 39 'Financial Instruments: Recognition and Measurement', hedging instruments used in this context do not qualify for hedge accounting.

At 31 December 2020, the Group had pay-fixed interest-rate swaps in place with a nominal value of TNOK 462 750, and its net debt was 75 % fixed. Based on the Group's debt balances at 31 December 2020, a 1% increase in interest rates would increase the annual net interest payable in the income statement and reduce equity by TNOK 1 542 (before tax). The fair value of the interest rate swaps would increase by TNOK 19 648.

The sensitivity has been calculated by applying the interest rate change to the variable rate borrowings, net of interest-rate swaps and cash and cash equivalents.



UNION Core Plus Fund I Holding AS

Notes 2020

All amounts in NOK 1 000 unless otherwise stated

13 Information on financial risks continues

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

| | Parent company 2020 | Consolidated group 2020 |
|--|---------------------------|-------------------------------|
| One year or less, or on demand | - | - |
| More than one year but not more than two years | - | - |
| More than two years but not more than five years | - | - |
| More than five years | - | 462 750 |

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.

14 Share capital, shareholder information and dividend

(Number of shares are in whole numbers)

| | 2020 | 2019 |
|---------------------------------------|------------------|------------------|
| 14.1 Share capital | | |
| Ordinary shares, nominal amount NOK 1 | 3 404 761 | 3 404 761 |
| Sponsorshares, nominal amount NOK 1 | 140 692 | 140 692 |
| Total number of shares | 3 545 453 | 3 545 453 |

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

Reconciliation of total number of shares in issue:

| | Ordinary shares | Sponsor shares | Total |
|--|------------------|----------------|------------------|
| As at December 31 2019 | 3 404 761 | 140 692 | 3 545 453 |
| Issued as of 31 December 2020 - fully paid in | 3 404 761 | 140 692 | 3 545 453 |

14.2 Shareholders

| | Ordinary shares | Sponsor shares | Ownership interest | Voting interest |
|--|--------------------|-------------------|-----------------------|-----------------|
| UNION Core Plus Fund I AS | 3 404 761 | - | 96,03 % | 96,03 % |
| UCP Sponsor AS | - | 140 692 | 3,97 % | 3,97 % |
| Total number of shares 31.12.2020 | 3 404 761 | 140 692 | 100 % | 100 % |

14.3 Dividends

| Cash dividends approved and paid | 2020 | | 2019 | |
|-----------------------------------|--------------|--------------|--------------|----------|
| | NOK pr share | Total | NOK pr share | Total |
| Ordinary shares | | | | |
| Total dividends approved and paid | 1,49 | 5 066 | - | - |
| Sponsor shares | | | | |
| Total dividends approved and paid | 1,49 | 209 | - | - |
| Total | | 5 276 | | - |

Dividends to non-controlling shareholders in UNION Core Plus Fund I Holding's subsidiaries are reported as dividends in the consolidated statement of changes in equity.

14.4 Estimated allocation of equity

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



UNION Core Plus Fund I Holding AS

Notes 2020

All amounts in NOK 1 000 unless otherwise stated

14 Share capital, shareholder information and dividend continues

14.5 Capital Resources

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to be able to implement future investments. The fund will target a gross compounded annual internal rate of return of 10% to 12 % with a targeted average dividend of at least 3% on invested capital per annum over the life of the fund, utilising target leverage of 50% of portfolio value.

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

The table below illustrates the gearing ratio for the consolidated group at December 31. Non-controlling interests are included in the total equity.

| | 2020 | 2019 |
|--------------------------------|-----------|-----------|
| Borrowings | 617 000 | 617 000 |
| Less cash and cash equivalents | (18 591) | (16 323) |
| Net debt | 598 409 | 600 677 |
| Total equity | 606 710 | 560 317 |
| Total capital resources | 1 205 119 | 1 160 994 |
| Gearing ratio | 49,7 % | 51,7 % |

14.6 Financial Covenants

Under the terms of the borrowing facility, the Group is required to comply with certain financial covenants. There are loan agreements with a total carrying amount of NOK 617 million for which the banks have imposed requirements in the form of financial covenants.

The covenants under these facility the Group must achieve a maximum Loan to Value (LTV) of 75 per cent as. At least 75 per cent of the loan portfolio has to be secured.

15 Subsidiaries with material non-controlling interests

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

The information below represents the consolidated figures of the subsidiary at 100 per cent, and the amounts are before intercompany eliminations.

| | 2020 | 2019 |
|--|-----------|-----------|
| The Company's ownership | | |
| Pilestredet 35 Holding AS | 61,6 % | 61,6 % |
| Summarised income statement for Pilestredet 35 Holding AS | | |
| Revenue | 43 543 | 21 223 |
| Profit/(Loss) for the year | 37 891 | 16 875 |
| Summarised balance sheet for Pilestredet 35 Holding AS | | |
| Total assets | 2 485 388 | 1 198 858 |
| Total liabilities | (739 621) | (636 746) |
| Net assets | 1 745 768 | 562 112 |
| Non-controlling interests | 233 018 | 216 028 |
| Equity attributable to shareholders of UNION Core Plus Fund I Holding AS | 1 512 750 | 346 084 |

There has been paid a total dividend of TNOK 209 to non-controlling interests in 2020 (2019: TNOK 0).



UNION Core Plus Fund I Holding AS

Notes 2020

All amounts in NOK 1 000 unless otherwise stated

16 Reconciliation of liabilities arising from financing activities

This section sets out an analysis of net debt and the movements in net debt at Group level for each of the periods presented.

| Net debt | 2020 | 2019 |
|---------------------------------------|------------------|------------------|
| Cash and cash equivalents | 18 591 | 16 323 |
| Borrowings - repayable after one year | (617 000) | (617 000) |
| Net debt at 31.12 | (598 409) | (600 677) |
| Cash and liquid investments | 18 591 | 16 323 |
| Gross debt - fixed interest rates | (462 750) | (462 750) |
| Gross debt - variable interest rates | (154 250) | (154 250) |
| Net debt at 31.12 | (598 409) | (600 677) |

| | Other assets | Liabilities from financing activities | | Net debt |
|----------------------------------|---------------|---------------------------------------|------------------------------|--------------------|
| | | Cash/cash equivalents | Borrowings due within 1 year | |
| Net debt as at 31.12.2019 | 16 232 | - | (617 000) | (600 767) |
| Cash flows | 18 591 | - | (617 000) | (598 409) |
| Net debt as at 31.12.2020 | 34 823 | - | (1 234 000) | (1 199 176) |

17 Alternative Investment Fund disclosure

Compensation to the Manager

UNION Core Plus Fund I Holding AS is managed by UNION Eiendomskapital UREF AS. As UNION Eiendomskapital UREF AS also manages other funds, the managers' compensation also derives from the results from managing these funds. For 2020 the employees in the management company received a total of MNOK 46 628 as wage compensation (including fixed and variable compensation). The leading management of the management company received a total of MNOK 16 357 as wage compensation (including fixed and variable compensation). Final variable compensation for leading employees will be decided by the board of directors after the annual accounts are approved. Total compensation is charged the 2019-accounts.

Annual report, disclosure to investors and reporting to competent authorities

The following table provides information about the direct and indirect costs, where the columns "direct costs" illustrate the costs expensed in UNION Core Plus Fund I Holding AS and the columns "indirect costs" illustrate UNION Core Plus Fund I Holding AS' share of the costs, according to ownership share, in the consolidated accounts (where UNION Core Plus Fund I Holding AS is the parent).

| | Direct costs | | Indirect costs | |
|--|--------------|--------------|----------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| Auditor's fee | 119 | 55 | 114 | 255 |
| Management fee | 1 204 | 609 | 4 598 | 2 372 |
| Other fees | 180 | 458 | 2 883 | 609 |
| Establishing Costs pooling vehicle | - | 4 190 | - | 781 |
| Other general and administrative expenses | 203 | 13 | 666 | 735 |
| Total general and administrative expenses | 1 705 | 5 325 | 8 260 | 4 752 |



Skatteetaten

| | | |
|-------------------------------|------------------------------------|--|
| Vår dato 05.12.2019 | Din/Deres dato 14.11.2019 | Saksbehandler Lars Waalorp |
| 800 80 000 Skatteetaten.no | Din/Deres referanse AR343531798 | Telefon 32212244 |
| Org.nr 974761076 | Vår referanse 2019/6690975 | Postadresse Postboks 9200 Grønland 0134 OSLO |

UNION CORE PLUS FUND I HOLDING AS
v/ Union Gruppen AS Bolette brygge 1
0252 OSLO

Att. Jannecke Vinjum

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for UNION Core Plus Fund I Holding AS, org.nr. 921 893 000

Vi viser til deres brev av 14. november 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for UNION Core Plus Fund I Holding AS. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

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

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

Bakgrunn

UNION Core Plus Fund I Holding AS er et eiendomsfond som er etablert og forvaltet av Union Eiendoms kapital AS. Selskapet skal være et eiendomsfond for investering i forretningseiendommer, og virksomheten vil være rettet mot både norske og internasjonale investorer. Arbeidsspråket i selskapet er engelsk, og regnskapet rapporteres etter IFRS.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives,



f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet kun har en eier og driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.