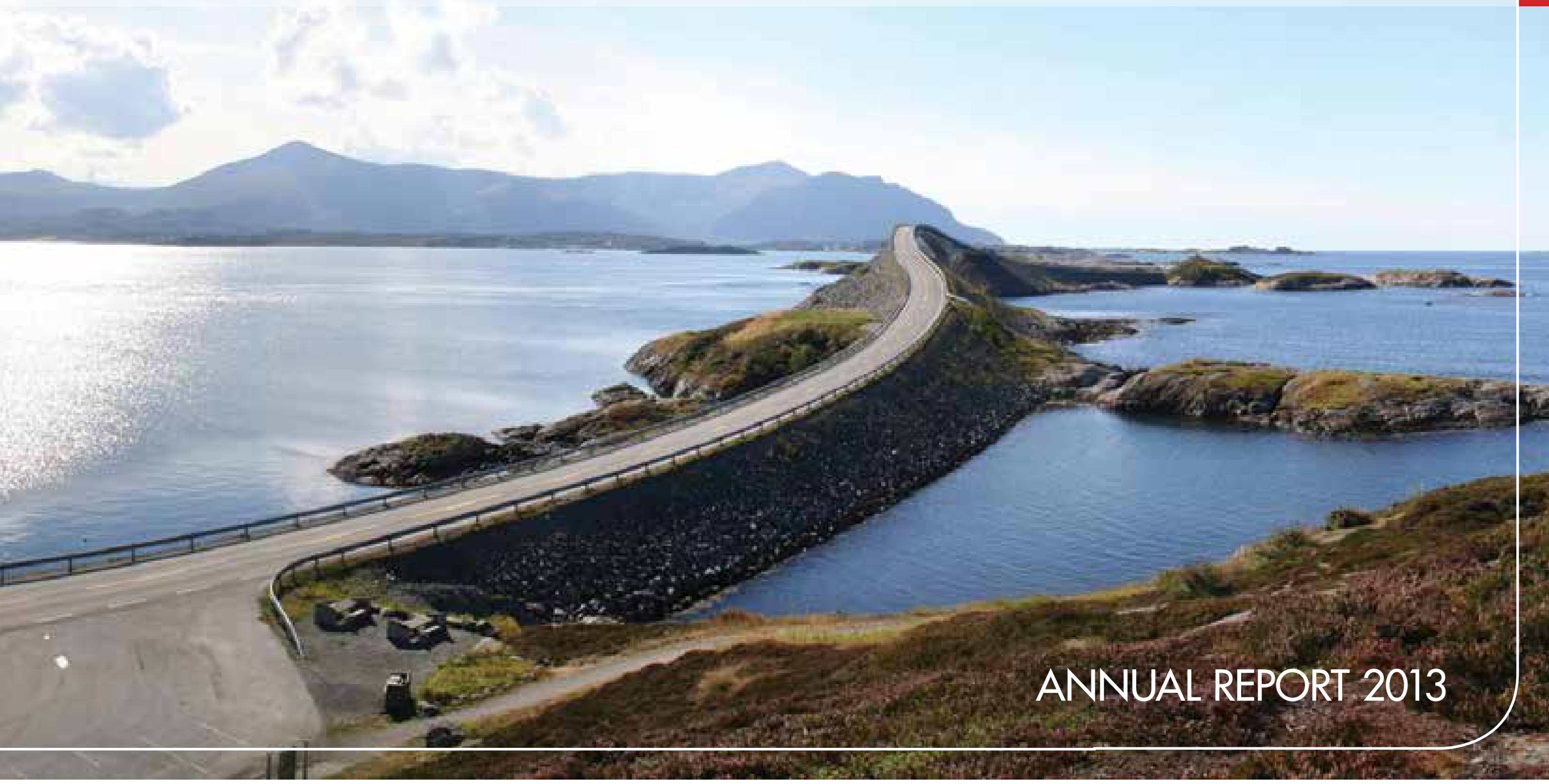
NORTH BRIDGE OPPORTUNITY AS



ANNUAL REPORT 2013

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THE BOARD OF DIRECTORS' REPORT

The nature of the business
North Bridge Opportunity AS (the Company/NBO) was established on 9 August 2007, and 2013 was the Company's sixth full year of operation. The business is operated from Skøyen in Oslo. The Company has since the foundation carried out share issues that have brought a total of MNOK 149,3 into the business as of 31 December 2013.

On 7 May 2013, NBO made an agreement to acquire 100% of the shares in Trollåsveien 34-36 As and 40,63% of the shares in Sømmegården Eiendom AS. The purchases were carried out with a partial settlement in shares in NBO through a private share issue. The capital increase in connection with the purchase constituted MNOK 34. NBO also subscribed for 25,07% in a syndicate, Innherredsveien Eiendom Invest AS, that on 7 May 2013 acquired the shares in Innherredsveien Eiendom AS.

After these transactions, the Group as at 31 December 2013 constituted NBO as the parent company, with Trekanten Eiendom og Drifts AS (TED), Sandvika Kinematografbygg AS (SK AS), Trollåsveien 34-36 AS, Phima AB and Sømmegården Eiendom AS (90,43% stake) as subsidiaries. TED owns and operates real estate and has two subsidiaries with limited activity. SK AS has in the course of 2013 carried out a restructuring process to reduce the number of legal entities in the structure and consists as of 31 December 2013 only of this company as the owner and with the right of ownership to the property Sandvika Kino. Trollåsveien 34-36 AS owns and operates property at Kolboth in Oppegård, whereas Sømmegården Eiendom As owns and operates commercial property in Sandnes outside Stavanger. Phima AB has two subsidiaries that own and operate real estate in Sweden.

As of 31 December 2013, NBO also has an associated company, Innherredsveien Eiendom Invest AS (25,07% stake), being the owner of the shares in Innherredsveien Eiendom AS. The latter owns and operates the property Innherredsveien 7 in Trondheim.

The gross value of the Group's properties according to the valuation in the consolidated accounts prepared pursuant to IFRS is MNOK 512,4 at year-end. In addition, there is the value of the shares in the associated company amounting to MNOK 10,0 for the owner-weighted stake. The Group's values are distributed with 91,6% for the Norwegian properties and 8,4% for the Swedish properties. Adjusted for owner-weighted stakes of property in associated companies, the values of the underlying properties constitute 92,5% for the Norwegian properties and 7,5% for the Swedish properties.

The purpose of the Company is to create value for the shareholders by investing alone or with other partners in real estate, building sites and other related matters. A minimum of 90% of the Company's investments shall be made in Norway, Sweden and Denmark.

With an investment mandate between the «traditional real estate manager» and the «speculative developer», an attractive portfolio shall be established, combining satisfactory cash flow properties with development projects with a high earnings' potential. In the Board's opinion, the portfolio satisfies the requirements of the investment mandate, although the development element has been down-weighted.

The Company is managed by North Bridge Management AS through a separate management agreement. The Board has primarily a control task and shall ensure that the manager follows the guidelines set out in the agreements and generally runs the business in a responsible manner. Investment decisions are made on the basis of the Company's investment strategy, approved by the Board. The Company's Investment Committee makes investment decisions in accordance with the provisions of the Company's articles of association. For the time being, the members of the Investment Committee are the same as those of the Board.

In the Board's opinion, the Company is properly managed and in accordance with the guidelines set down in the agreements.

The consolidated financial statements
The consolidated financial statements have been prepared in accordance with the provisions of the simplified IFRS, and the Company's annual accounts pursuant to Norwegian GAAP. The main principle of the IFRS is to determine a market value for most of the Company's assets as of 31 December each year, including all properties in the portfolio, and that the fair value adjustments that arise be recognised as an expense or income in the income statement.

Performance, profit and status
The Group's income statement for 2013 comprises the operation of the properties Vestre Rosten 81 in Trondheim, Sandvika Kino in Bærum, Trollåsveien 34-36 in Oppegård municipality, Langgata 1c in Sandnes outside Stavanger and the properties included in the Swedish Phima portfolio. All properties are cash flow properties. The consolidated financial statements also include an associated company.

The Group's rental income for the period amounts to MNOK 46,3. Joint expenses recharged to the tenants have been recorded net. Maintenance, property costs and other operating expenses concerning the properties constituted MNOK 9,2, and other operating expenses MNOK 5,2, The operating profit for the Group, before fair value adjustments, amounts to MNOK 31,9.

As a consequence of a positive fair value adjustment of the Group's properties of MNOK 6,1 and a positive fair value adjustment concerning the associated company of MNOK 3,0 in 2013, the Group's operating profit after fair value adjustments constitutes MNOK 41,0.

The Group's interest income and other

finance income, including a change in the market value of financial agreements, was MNOK 4,8. Interest costs and other finance expenses amount to MNOK 18,2, giving a negative finance result of MNOK 13,4.

The Group’s profit before tax is MNOK 27,5, the income tax expense is MNOK 6,9, giving a profit for the year after tax of MNOK 20,6.

The Group’s equity amounted to MNOK 178,7 as at 31 December 2013, compared to MNOK 124,9 last year. The Company’s operating income amounts to MNOK 0,0.

Other operating expenses in the Company, MNOK 5,2, mainly constitute fees.

The operating loss for the Company is MNOK 5,2. Finance income constitutes MNOK 3,7, finance expenses MNOK 3,9, including of write-down of shares in subsidiaries of MNOK 3,3. This gives a net negative finance result of MNOK 0,2.

The Company’s loss for the year before tax is MNOK 5,4, and after tax MNOK 4.9.

As at 31 December 2013, the Company’s recorded equity amounted to MNOK 141,5, compared to MNOK 112,8 last year.

The Group’s aim is to have a debt ratio of 60-75%. At year-end, the debt ratio constituted 68,1%. At this time, the Group had loans in finance institutions amounting to MNOK 345,0 and MNOK 1,1 in other interest-bearing debt. Interest rate hedging agreements constituting MNOK 205 had been made, with an average interest rate of 3,96% including a margin. Interest rate hedged loans constitute 59,4% of total outstanding loans. The average term on interest rate swap agreements at year end was 2,0 years.

In the Board’s opinion, the presented income statement and balance sheet with notes give a true and fair view of, and adequate information about, operations and the financial position at year-end. The assumptions for going concern apply, hence the 2013 financial statements have been prepared accordingly.

The Company’s liquid assets are deposited in a bank and are considered to have a very low risk. Any additional liquidity requirements can be met by private share issues or portfolio adjustments.

The Company has no employees, and the Board consists of 4 men.

The Group’s properties do not pollute the external environment beyond the norms established for real estate, hence no action has been initiated in this area.

Risk

Market risk

The Company is exposed to systematic risk related to changes in the macro-economic environment, but also to individual events, regardless of economic trends. Examples are events related to the properties, tenants, and political or regulatory decisions.

Changes in economic conditions can result in systematic changes in rent levels, occupancy rates, the value of property and also affect the ability to realise development projects.

Declining rental income is due either to increased vacancies in the portfolio or lower rents and can arise if the Company’s properties are becoming less attractive, if the rental market in general experiences a lower demand and/or the supply side increases, if the Company’s tenants become unable to pay or the rental level declines for other reasons.

The risk that property values decline is mainly due to lower rental income or increasing required rates of return. The latter can arise if the interest level increases, the economic properties deteriorate or the risk premium on property increases in the market.

In the Board’s view, the Company is more or less fully exposed to systematic market risk, and somewhat less exposed to individual events due to a certain diversification related to localizations, property types, properties and tenants.

Financial risk

Financial risk mainly comprises solvency risks and liquidity risks. Solvency risk is the risk that property values become lower than the liabilities, primarily debt obligations.

Liquidity risk is the risk that the Company cannot meet its payment obligations. This can in principle occur as a result of rising interest rates or the lack of payment of rent from tenants.

The Company’s debt ratio aim is 60-75%, and the Company’s financial risk must be considered on this basis. In the Board’s opinion, the Company’s solvency and liquidity risk is on an acceptable level and in line with what an investor must foresee on the basis of the respective subscription presentations. The debt ratio in the consolidated financial statements at 31 December 2013 is 68,1%.

The Board considers the liquidity of the Company to be satisfactory.

The Group has established interest rate swap agreements in order to increase the financial predictability.

Future trends

The property market development in 2014 is expected to be stable or weakly positive. Individual properties can achieve positive added value, whereas other areas and segments can experience increased risk premiums and stagnation or decline. The Board has initiated efforts related to strategies for individual properties and for the Company as a whole. Consequences of this can be sales or adjustments in the property portfolio during 2014 and potential structural changes to optimize the shareholders’ values. The Board expects

THE BOARD OF DIRECTORS' REPORT

that North Bridge Opportunity AS will achieve a positive development in value-adjusted equity.

Events after the financial year-end

There have been no events after the financial year-end of significant importance for the assessment of the Company's operations. It should, however, be mentioned that an investment program has been implemented to replace the heating and ventilation plant at Trekanten, expected to go over 2 years and with a financial frame of appr. MNOK 10.

Allocation of the year's result

In 2013, the net loss in the parent company North Bridge Opportunity AS amounted to NOK 4.949.264, proposed to be allocated as follows:

Transfer from other equity	NOK 4.949.264
Total	NOK 4.949.264

Investments in some of the properties in the portfolio are expected. No dividend distribution from the Company is proposed.

Oslo, 5 June 2014
The Board of North Bridge Opportunity AS

(sign)	(sign)	(sign)	(sign)	(sign)
Jon Gausen	Odd-Einar Christophersen	Kjell-Gunnar Fjeldstad	Lars Thalberg	Jørn H. Hynne
Chairman	*Board Member*	*Board Member*	*Board Member*	*CEO*

INCOME STATEMENT

North Bridge Opportunity AS					Group	
			Amounts in TNOK			
2013	**2012**	**Note**	**Operating income and expenses**	**Note**	**2013**	**2012**
0	0		Rental income	6,9	46 255	26 813
0	100		Other operating income		0	0
0	**100**		**Total operating income**		**46 255**	**26 813**
			Operating costs property	6	9 218	6 635
5 177	3 929	18,22	Other operating costs	18,22	5 177	3 829
5 177	**3 929**		**Total operating expenses**		**14 395**	**10 464**
-5 177	**-3 829**		**Operating result (before change in value)**		**31 861**	**16 349**
0	0		Change in value of investment property	7	6 076	-19 372
0	0		Profit-share, including change in value, associated company	25	3 024	-8 017
-5 177	**-3 829**		**Operating result after change in value**		**40 960**	**-11 041**
			Finance income and expense			
0	0		Gain on sale of shares		0	0
816	1 256		Other interest income		1 136	1 153
781	0		Other finance income		782	1 234
2 092	0		Group contribution		0	-
-	-		Change in market value finance agreements (- income/+ expense)	10	-2 871	1 676
518	0		Other interest expense		18 187	11 674
3 340	10 007	8	Write-down of shares and receivables in subsidiaries		0	-
6	793		Other finance expense		40	212
-175	**-9 543**		**Result of finance income and expense**		**-13 439**	**-11 175**
-5 351	-13 373		Result before tax		27 522	-22 216
-402	-942	16	Income tax expense	16	6 921	-1 677
-4 949	**-12 430**		**Result for the year**		**20 601**	**-20 539**
			Statement of comprehensive income			
			Result for the year		**20 601**	**-20 539**
			Other income and expenses			
			Foreign currency conversion		288	-33
			Total comprehensive result		**20 889**	**-20 572**
			Majority share of total result		19 704	-20 572
			Minority share of total result		1 185	0

BALANCE SHEET

North Bridge Opportunity AS					Group	
			Amounts in TNOK			
2013	**2012**	**Note**		**Note**	**2013**	**2012**
			ASSETS			
			Intangible assets			
4 351	3 948	15	Deferred tax asset		0	0
4 351	**3 948**		**Total intangible assets**		**0**	**0**
			Fixed assets			
0	0		Investment properties	6, 7	512 425	290 910
0	0		Furniture and fixtures		0	0
0	**0**		**Total fixed assets**		**512 425**	**290 910**
			Financial fixed assets			
132 386	87 997	8	Shares in subsidiaries		0	0
2 052	1 498	8	Loans to subsidiaries		0	0
0	0		Financial agreements	10	0	0
8 034	9 769	25	Shares in associated company	25	9 992	16 946
10 146	0		Loan to associated company		10 146	0
152 618	**99 263**		**Total financial non-current assets**		**20 139**	**16 946**
156 969	**103 211**		**Total non-current assets**		**532 563**	**307 857**
			Current assets			
			Receivables			
0	0	11	Trade receivables	11	1 121	114
2 092	0	8	Receivable on group company		0	0
0	39		Other receivables		1 901	1 774
2 092	**39**		**Total receivables**		**3 022**	**1 889**
6 081	31 419	12	Bank deposits and cash	12	24 587	40 967
8 173	**31 458**		**Total current assets**		**27 609**	**42 855**
165 142	**134 669**		**Total assets**		**560 172**	**350 712**

BALANCE SHEET

North Bridge Opportunity AS				Group		
			Amounts in TNOK			
2013	**2012**	**Note**		**Note**	**2013**	**2012**
			EQUITY AND LIABILITIES			
			Equity			
			Paid-in capital			
89 983	72 558	13	Share capital	13	89 983	72 558
49 190	32 934	13	Share premium reserve		53 585	37 328
139 173	**105 492**		**Total paid-in capital**		**143 567**	**109 885**
			Retained earnings			
2 375	7 324	13	Other equity		30 497	15 053
0	0		Minority interests		4 657	0
2 375	**7 324**		**Total retained earnings**		**35 153**	**15 053**
141 547	**112 816**		**Total equity**		**178 721**	**124 938**
			Liabilities			
0	0		Deferred tax	15	14 883	1 254
			Long-term liabilities			
0	0		Debt to credit institutions	6, 14	336 213	204 332
22 277	21 756	8	Other long-term debt		1 125	2 893
22 277	**21 756**		**Total long-term liabilities**		**337 338**	**207 224**
			Current liabilities			
0	0		Debt to credit institutions	6, 14	8 773	5 563
0	0		Financial agreements	10	8 587	6 338
0	0		Dividend		0	0
1 243	50		Trade payables		6 049	996
0	0		Income tax payable		-144	0
75	0		Public duties payable		119	203
0	47		Other short-term debt		5 847	4 195
1 318	**97**		**Total current liabilities**		**29 231**	**17 295**
23 594	**21 854**		**Total liabilities**		**381 452**	**225 774**
165 142	**134 669**		**Total equity and liabilities**		**560 172**	**350 712**

Oslo, 5 June 2014
The Board of North Bridge Opportunity AS

(sign)	(sign)	(sign)	(sign)	(sign)
Jon Gausen	Odd-Einar Christophersen	Kjell-Gunnar Fjeldstad	Lars Thalberg	Jørn H. Hynne
Chairman	*Board Member*	*Board Member*	*Board Member*	*CEO*

STATEMENT OF CASH FLOWS

North Bridge Opportunity AS			Group	
		Amounts in TNOK		
2013	**2012**		**2013**	**2012**
		Cash flows from operating activities		
-5 351	-13 373	Result before tax	27 522	-22 216
0	0	Change in value investment properties	-6 076	19 372
0	0	Change in market value financial agreements	-2 871	1 676
0	0	Share of result associated company	-3 024	8 017
-2 053	50	Change in receivables	-1 133	-476
1 220	-981	Change in payables and other short-term debt	6 475	-1 363
3 340	10 007	Write-down of shares and receivables in subsidiaries	0	0
-2 844	**-4 297**	**Net cash flows from operating activities**	**20 893**	**5 011**
		Cash flows from investing activities		
1 735	0	Purchase/sale of associated company	-8 033	0
0	0	Purchase/expenses investment properties etc.	-215 439	-2 347
0	0	Sale of investment property	0	12 579
-47 730	-5 312	Investments in subsidiaries	16 946	0
-45 994	**-5 312**	**Net cash flows from investment activities**	**-206 525**	**10 232**
		Cash flows from financing activities		
520	580	Net change in debt to credit institutions and subordinated loan	135 572	-18 164
-10 146	0	Loan to associated company	0	0
-555	7 494	Loan to subsidiary	0	0
0	-4 353	Dividend	0	-4 353
33 681	0	Issue of share capital	33 682	0
23 500	**3 722**	**Net cash flows from financing activities**	**169 254**	**-22 517**
-25 338	**-5 887**	**Net change in cash and cash equivalents**	**-16 378**	**-7 274**
6 081	**31 419**	**Cash and cash equivalents at year-end**	**24 588**	**40 967**

CHANGES IN THE GROUP'S EQUITY

Statement of changes in equity								
Amounts in TNOK	Equity atributable to the Company's shareholders						Minority interest	Total equity
	Share capital	Share premium reserve	Other paid-in equity	Retained earnings	Currency exchange differences	Total		
Total equity as at 31 December 2007	**35 461**	**37 474**	**0**	**4 979**	**0**	**77 915**	**0**	**77 915**
Capital increase in January 2008	5 693	5 693				11 386		11 386
Capital increase in June 2008	5 000	5 800				10 800		10 800
Share issue costs net after tax		-960				-960		-960
Minority share of equity						0	676	676
Reduction of share premium reserve		-40 000	40 000			0		0
Result for the year 2008				-28 204		-28 204	-1 143	-29 347
Currency exchange differences					-104	-104		-104
Minority's negative equity				-468		-468	468	0
Total equity at 31 December 2008	**46 154**	**8 007**	**40 000**	**-23 692**	**-104**	**70 364**	**0**	**70 364**
Result for the year 2009				15 564		15 564	662	16 226
Currency exchange differences					118	118		118
Reversal of minority's negative equity				468		468	-468	0
Total equity at 31 December 2009	**46 154**	**8 007**	**40 000**	**-7 660**	**13**	**86 513**	**194**	**86 708**
Capital increase July 2010	4 139	4 159				8 298		8 298
Capital increase November 2010	6 313	6 995				13 308		13 308
Share issue costs net after tax		-904				-904		-904
Result for the year 2010				10 840		10 840	-777	10 063
Currency exchange differences					-108	-108		-108
Minority's negative equity				-583		-583	583	0
Total equity at 31 December 2010	**56 605**	**18 257**	**40 000**	**2 597**	**-95**	**117 364**	**0**	**117 364**
Dividend for 2010			-3 628			-3 628		-3 628
Capital increase February 2011	3 059	3 481				6 540		6 540
Capital increase June 2011	9 241	11 995				21 237		21 237
Capital increase June 2011	3 653	4 851				8 503		8 503
Share issue costs net after tax		-1 255				-1 255		-1 255
Capital increase minority						0	957	957
Result for the year 2011				224		224	183	407
Currency exchange differences					-39	-39		-39
Reversal of minority's negative equity				583		583	-583	0
Total equity at 31 December 2011	**72 558**	**37 328**	**36 372**	**3 404**	**-134**	**149 528**	**557**	**150 085**
Dividend for 2011			-4 353			-4 353		-4 353
Result for the year 2012				-20 539		-20 539	0	-20 539
Currency exchange differences					-33	-33		-33
Reversal of minority's negative equity				335		335	-557	-222
Total equity at 31 December 2012	**72 558**	**37 328**	**32 019**	**-16 800**	**-167**	**124 938**	**0**	**124 938**
Capital increase May 2013	17 425	16 606				34 031	0	34 031
Share issue costs		-350				-350		-350
Result for the year				19 444		19 444	1 157	20 601
Currency exchange differences					261	261	28	288
Minority share of equity at group establishement						0	3 470	3 470
Merger Sandvika Kino				-4 258		-4 258		-4 258
Total equity at 31 December 2013	**89 983**	**53 584**	**32 019**	**-1 615**	**94**	**174 065**	**4 655**	**178 721**

Note 1 – General information

North Bridge Opportunity AS (the Company/NBO) was established on 9 August 2007, and carried out a combined cash and non-cash share issue amounting to MNOK 70,7 in November 2007. In January and June 2008, the Company received an additional MNOK 11,4 and MNOK 10,8 in two cash share issues. In 2010, the Company carried out 2 more share issues supplying a total of MNOK 21,6. Moreover, a share issues with a subscription period from 11 November 2010 to 19 January 2011 brought MNOK 6,5 into the Company. Two additional share issues with subscription periods from 28 February to 29 April 2011 and from 2 to 10 May 2011, respectively, were carried out. These two share issues provided the Company with a total of MNOK 34,5 after covering issue costs.

On 7 May 2013, NBO made an agreement to acquire 100% of the shares in Trollåsveien 34-36 AS and 40,63% of the shares in Sømmegården Eiendom AS. After this, the Company owns 90,43% of the shares in Sømmegården Eiendom AS. The purchases were carried out with a partial settlement in shares in NBO through a private share issue. The capital increase in connection with the purchase constituted MNOK 34. NBO also subscribed for 25,07% in a syndicate, Innherredsveien Eiendom Invest AS, that on 7 May 2013 acquired the shares in Innherredsveien Eiendom AS.

After these transactions, the Group as at 31 December 2013 is comprised of NBO as the parent company, with Trekanten Eiendom og Drift AS (TED), Sandvika Kinematografbygg AS (SK AS), Trollåsveien 34-36 AS, Phima AB and Sømmegården Eiendom AS (90,43% stake) as subsidiaries. TED owns and operates property and has two subsidiaries with limited activity. SK AS has in the course of 2013 carried out a restructuring process to reduce the number of legal entities in the structure and consists as of 31 December 2013 only of this company as the owner and with the right of ownership to the property Sandvika Kino. Trollåsveien 34-36 AS owns and operates property at Kolboth in Oppegård, whereas Sømmegården Eiendom AS owns and operates commercial property in Sandnes outside Stavanger. Phima AB has two subsidiaries that own and operate real estate in Sweden.

As of 31 December 2013, NBO also has an associated company, Innherredsveien Eiendom Invest AS (25,07% stake), that owns the shares in Innherredsveien Eiendom AS. The latter is the owner of the shares and operates the property Innherredsveien 7 in Trondheim.

The financial statements are presented in NOK. The Company's shares are registered in the Norwegian Registry of Securities.

In accordance with the Management agreement, North Bridge Management AS (Manager) has taken over the practical day-to-day management of the Company. Manager's duties include assisting the Company in identifying investment objects, carrying out share issues and provide services related to operations, management and developing the properties. Manager purchases services from subsuppliers.

With an investment mandate between the «traditional real estate manager» and the «speculative developer», an attractive portfolio shall be established, combining satisfactory cash flow properties with development projects with a high earnings' potential. In the Board's opinion, the portfolio satisfies the requirements of the investment mandate, although the development element has been down-weighted.

Properties and development projects shall be selected across segments and localizations within the mandate. In addition to the risk reduction achieved by portfolio diversification, measures like advance sales or advance rentals in connection with potential development project, together with an assumed conservative interest term strategy, contribute to reduce risk.

Note 2 – Summary of the most significant accounting principles

The most significant accounting principles applied in the preparation of the consolidated financial statements are described below. These principles have been applied in the same manner in all periods presented if not otherwise stated.

2.1 Basic principles
The consolidated financial statements of North Bridge Opportunity AS have been prepared in accordance with the Norwegian Accounting Act section 3-9 about applying international accounting standards. The Group follows the regulations of the simplified application of international accounting standards (simplified IFRS) as adopted by the Ministry of Finance on 21 January 2008.

The consolidated financial statements have been prepared in accordance with the principles of historical cost, except for the following balances:

- Investment properties are valued at fair value through profit and loss
- Financial assets and liabilities (including financial derivatives) are valued at fair value through profit and loss

The preparation of financial statements in accordance with the IFRS requires the use of estimates, and management also need to exercise judgment in applying the Group's accounting policies. Areas that to a large degree contain such judgmental assessments, are highly complex or where assumptions and estimates are significant for the consolidated financial statements, are described in note 4.

All new and amended standards and interpretations of relevance for the Group, and effective for accounting periods starting 1 January 2013, have been applied in the preparation of the financial statements.

2.2 Consolidation principles
Subsidiaries are all entities (including enterprises with limited objectives – Special Purpose Vehicles – SPVs) where the Company has controlling influence over the entity's financial and operating strategy, normally through ownership of more than half of the capital with voting rights. In deciding whether controlling influence is achieved, the effect of potential voting rights that can be executed or converted on the balance sheet date is considered. Subsidiaries are consolidated from the date on which control is transferred to the Group and excluded from the consolidation when control ceases.

Purchases of SPVs only owning property and neither have employees, management nor significant processes, have not been treated as business combinations (IFRS 3 Business Combinations is not applicable).

The purchase method is applied when accounting for the acquisition of subsidiaries. The purchase cost is measured at fair value of assets rendered as compensation at the purchase, equity instruments issued and incurred obligations at the transfer of control.

Associated companies are entities where the Company has significant influence, but not control over the financial and operational management (normally at a stake between 20% and 50%). The consolidated financial statements include the Group's share from associated companies accounted for by using the equity method from the time significant influence is achieved and until such influence ceases.

Intercompany transactions, balances and unrealized gain between group companies are eliminated. Unrealized loss is eliminated, but is considered to be an indicator of impairment in terms of a write-down of the transferred asset. The accounting principles in subsidiaries and associated companies are changed when this is necessary to correspond with the Group's accounting principles.

2.3 Translation of foreign currencies
The financial statements of some of the Group's entities are measured in the currency that is generally applied in the area where the entity operates (functional currency). For 2013, the Norwegian subsidiaries and the associated companies have NOK as their functional currency, whereas the Swedish subsidiaries have SEK as their functional currency. The consolidated financial statements are presented in NOK as both the functional currency and the presentation currency for the parent company.

2.4 Investment property
Investment property acquired to achieve a long-term yield on rental income and/or increase in value is classified as investment property. Investment properties are valued at acquisition cost including transaction costs at the acquisition date. In subsequent periods, investment property is accounted for at fair value, based on market values, adjusted for the individual asset's specific attributes, location and state. The fair value of investment property reflects, i.a., rental income from rental contracts and assumptions on future rental levels based on the present market situation.

Changes in fair value are recognised and disclosed in the income statement as «changes in value of investment properties.»

Costs related to the property are added to the investment property if it is probable that these will provide future value, and the costs can be reliably measured. Other costs for repairs and maintenance are expensed when incurred. If tenant adjusted changes are made, like replacing walls, the cost is capitalized, and the value of the walls taken down, are written down.

2.5 Financial assets
The classification depends on the purpose of the assets. Management classifies financial assets at the acquisition. The Group classifies financial assets in the following categories:

(a) Financial assets at fair value through profit and loss
Financial assets at fair value through profit and loss are financial assets held for trading purposes. A financial asset is classified in this category if it primarily has been acquired with a view to provide profit from short-term price fluctuations. Derivatives are classified as held for trading purposes, unless they are part of a hedging.

(b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed payments not negotiated in an active market. They are classified as current assets, unless they mature later than 12 months after the balance sheet date, in which case they are classified as non-current assets. Loans and receivables are classified as «trade receivables and other receivables» in the balance sheet (note 11).

2.6 Derivatives and hedging
Derivatives are carried at fair value at the time when the derivative contract is made, and subsequently currently at fair value. The accounting of related gain and loss depends on whether the derivative is issued as a hedging instrument, and if this is the case, the type of hedging.

At the start of the hedging transaction, the Group documents the relation between the hedging instruments and the hedging objects, the purpose of risk management and the strategy behind the various hedging transactions.
The Group also documents whether the derivatives applied are effective in netting changes in fair value or cash flows connected with the hedging objects. Such considerations are documented both at the start of the hedging and currently in the course of the hedging period.

Changes in the equity item hedging are shown in the statement of changes in equity. The fair value of a hedging derivative is classified as a non-current asset or non-current liability if the remaining term of the hedging object is more than 12 months, and as a current asset or current liability if the remaining term of the hedging object is less than 12 months.

The Group has no derivatives applied in hedging relations in 2013.

2.7 Trade receivables
Trade receivables are measured at fair value on initial recognition. In subsequent measurements, trade receivables are assessed at amortized cost determined by using the effective interest rate method, less a provision for incurred losses. The provision for losses is accounted for when there are objective indicators for the fact that the Group will not receive settlement in accordance with the original terms. Situations like a customer having significant financial problems, the probability that a customer goes into bankruptcy or is subject to financial restructuring and delays and lacking payments (more than 30 days due) are considered to be indicators for writing down trade receivables. The provision is the difference between the nominal value and the recoverable amount, being the present value of expected cash flows, discounted at the original effective interest rate. The carrying value of trade receivables is reduced by applying a provision account, and changes in the provision is recognized in the income statement. When a trade receivable is lost, it is recorded in the provision account for losses on receivables. Any subsequent payments on receivables previously recorded as lost are accounted for as other operating expenses.

2.8 Cash and cash equivalents
Cash and cash equivalents include cash, bank deposits, other short-term, liquid investments with a maximum term to maturity of three months. and bank overdraft.

2.9 Share capital and share premium
Ordinary shares are classified as equity if there are no obligations to transfer cash or assets. Expenses directly related to the issuance of new shares or options with tax deduction, are recognized as a reduction of received compensation in equity.

2.10 Trade payables
Trade payables are measured at fair value on initial recognition. At subsequent measurements, trade payables are valued at amortized cost determined by applying the effective interest rate method.

2.11 Loans
Loans are carried at fair value when payment is made, less transaction costs. In subsequent periods, loans are carried at amortized cost using the effective interest rate. The difference between the loan (net of transaction costs) and the redemption value is recognized over the life of the loan.

Loans are classified as non-current liabilities unless there is an unconditional right to delay payment of the debt for more than 12 months from the balance sheet date.

2.12 Deferred tax
Deferred tax is calculated on all temporary differences between taxable and consolidated accounting values on assets and liabilities by applying the liability method. If deferred tax arises on the initial recognition of a liability or asset in a transaction, not being a business combination, without any effect on the accounting or taxable result, it is not carried in the balance sheet. Deferred tax is calculated by applying tax rates and legislation approved or more or less totally approved on the balance sheet date, and is assumed to be applied when the deferred tax asset is realized or when the deferred tax liability is settled.

Deferred tax assets are recognized when it is probable that the Company will have future taxable income, and the temporary differences can be deducted from this income.

Deferred tax is calculated on temporary differences from investments in subsidiaries and associated companies, except when the Group can control the date for reversing the temporary differences, and it is probable that they will not be reversed in the foreseeable future.

2.13 Revenue recognition
Revenue includes rental income and gain from sales of property. The fair value of the compensation received for services within the Company's ordinary business is recognized in revenue. Revenue is shown net excluding VAT, discounts and reductions. Intercompany transactions are eliminated in the consolidated financial statements.

a) Rental income
Rental income is recognized over the term of the lease.

b) Other income
Other income is recognized when earned.

c) Dividend
Dividend payments to the Company's shareholders are classified as liabilities from the date when the General Meeting approved the dividend.

d) Interest cost
Interest is recognized as «finance expense» in the income statement by applying the effective interest rate method. The effective interest rate method is applied to allocate amortized cost to financial assets and liabilities, and in order to accrue interest income and expense in the correct period. The effective interest distributes future cash flows over the term of the loan, and states the real net value of the financial asset or loan amount.

When the effective interest is calculated, the Group estimates all contractual cash flows in relation to the financial instrument (like payment terms), but does not take future losses into account. In calculating the effective interest, all establishment costs are included and distributed over the relevant period (the term of the loan).

Note 3: Operating and financial risk management

The Group's activities imply various financial risks. Operating risk is related to the quality of the buildings, the erection and extension of buildings and operating them, including managing access roads and outdoors areas. Financial risk concerns interest costs, the stability and predictability of rental income and the Group's liquidity and financial flexibility. Fraud risk relates to intentional neglect of duty and/or illegal/ incorrect application of the Company's funds.

The Group's overall risk management plan is focused on how unpredictable the capital markets are and tries to minimize the potential negative effects on the Group's financial result. The Group applies financial derivatives to hedge against interest risk.

The Group's risk management is attended to by Manager in accordance with the guidelines laid down by the Board and in the Management agreement. Manager identifies, evaluates and secures financial risk in close cooperation with the various operating entities.

3.1 Operating risk
The Groups property is operated by professional property managers with a clear written mandate to hire or engage the required competence and resources to comply with legal standards.

The Group has insurance policies covering unforeseen physical damage, or loss, of insured property due to perils like fires, water damage, storms etc. in addition to liability insurance. The insurance value of the buildings is normally the same as the replacement value. The insurance terms also cover the loss of rental income when the cause is one of the above mentioned dangers. The insurance agreements are made with reputable insurance companies.

3.2 Financial risk
Financial risk relates to interest expense, tenant stability and predictability, as well as the Group's liquidity and financial flexibility.

The Group aims to achieve borrowings constituting 60- 75% of the total property portfolio. If the cost of debt financing is lower than the return of properties, this will ensure an increased return on equity. Loans on the properties can, however, entail a risk that the Company or its subsidiaries, in the event of significant impairments in the property market, will not be able to meet the necessary requirements for equity set by the lenders or the government. As a worst case consequence, this could imply that the Company and its investors lose their capital.

Financing costs - interest rate risk
The Group is exposed to market risk related to interest rate changes, given the existence of loans with floating interest rates. At the end of 2013, total average margin on loans with floating interest was 222 basis points.

To reduce the interest rate risk, the Group has taken over and entered into interest rate swaps amounting to MNOK 205,0 at year-end. The agreements have an average basis interest rate of 3,96% with the addition of a margin and a remaining term on the interest rate swap agreement of 2.0 years. At year-end, appr. 59,4% of the Group's interest-bearing debt was hedged.

The market value of the properties varies with long-term interest rate expectations in the market. Such fair value changes are recognized and reported in accordance with IFRS (note 7).

Tenant stability and predictability
Rental income is exposed to changes in the market and sales-based rent, as well as credit risk and currency risk.

(I) Market
The Group has had a mix of shorter and longer leases. The average remaining term of the leases, considering the value of the lease contracts, is appr. 5,5 years.

(Ii) Inflation
The majority of the Group's leases are fully adjusted in line with the consumer price index (KPI), enabling the Group to adjust rents in line with developments in the KPI. The Group aims at ensuring such regulation in all future leases.

(Iii) Credit risk
The majority of the Group's rental income is derived from generally solvent tenants. The Company checks the credit rating and credit history of new tenants. Most tenants have provided bank guarantees or deposit accounts with amounts equivalent to 3-12 months' rent or provided other types of security.

Credit losses in 2013 have been negligible.

Liquidity risk and financial flexibility
The Group seeks to maintain sufficient liquidity/credit facilities to meet its obligations. The financial strategy aims at maintaining flexibility in the market and withstand fluctuations in rental income.

At year-end the Group had a satisfactory liquidity and financial flexibility.

3.3 The risk for fraud and errors
In the Management agreement, the main principles have been determined for the ethical standards within management and business performance.

The Group has not uncovered any instances of fraud.

Note 4: Significant accounting estimates and judgmental assessments

Estimates and judgmental assessments are continuously evaluated based on historical experience and other factors, including expectations of future events considered to be probable under the present circumstances.

Management prepares estimates and makes assumptions related to the future. The resulting accounting estimates will, by definition, seldom be fully consistent with the final outcome. Estimates and assumptions that represent a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next fiscal year, are discussed below.

The fair value of investment property
Investment property is assessed on the basis of semi-annually updated valuations.

A separate valuation is carried out by independent experts, whereby all properties are valued using the current macro-economic assumptions (interest rates, inflation expectations etc.) and adjustments for significant changes in the rental portfolio. In line with this, the Group's property has been externally assessed as at 30 June 2013 and 31 December 2013.

Based on the external valuation, supplied by an internal assessment of the market for the rental portfolio, management carries out an evaluation and concludes on whether this gives a correct picture of the fair value of the investment properties.

The value of a cash flow property is calculated primarily by discounting the property's rental income, based on the current market rent, and adjust for excess/shortfall values in the portfolio of signed leases, together with any permanent vacancies, if applicable.

Fair value of derivatives and other financial instruments
The Group obtains external confirmations on the value of such instruments, to be included in the consolidated financial statements, from external parties.

Note 5: Accounting principles for the parent company

The parent company prepares the financial statements pursuant to Norwegian GAAP. As described in note 2, the consolidated financial statements are prepared according to simplified IFRS. The notes to the consolidated financial statements also apply for the parent company with the exception of notes 2.4, 2.6, 2.11 and 2.14.

Note 6: Segment information

Geographical segment
The Group's rental income is derived from the regions Norway and Sweden. The distribution of income is based on the assets' geographical localization in 2013:

Segment	Gross rental income		Property related expenses		Net contribution from property	
	2013	2012	2013	2012	2013	2012
Norway	42 457 721	21 956 817	6 795 169	2 995 443	35 662 552	18 961 374
Sweden	3 797 483	4 855 900	2 422 718	3 639 219	1 374 765	1 216 681
Total	**46 255 204**	**26 812 717**	**9 217 887**	**6 634 662**	**37 037 317**	**20 178 055**

Segment	Investment property		Interest-bearing debt	
	2013	2012	2013	2012
Norway	469 376 825	248 859 079	310 216 656	177 000 000
Sweden	43 047 872	42 051 341	34 769 344	32 894 415
Total	**512 424 697**	**290 910 420**	**344 986 000**	**209 894 415**

Interest-bearing debt in Sweden is drawn in SEK, presented here in NOK.

Business segment
Both in 2012 and 2013 the Company's entire business is classified as «cash flow properties», and no properties fall into the category «development properties».

Note 7: Investment property

Additions by purchasing property are measured at fair value on the acquisition date. The carrying value as at 31 December 2013 is based on a fair value of the properties, less any initial tax compensation.

Restrictions related to investment property
Except covenant concerning loan agreements (note 14), there are no restrictions on when the investment properties can be realized, or on how proceeds from sales can be utilized.

	2013	2012
Book value on 31 December 2011		**321 131 462**
Net additions property 2012		2 347 825
Net disposals property 2012		-12 579 536
Currency exchange differences		-617 013
Change in value on investment property		-19 372 318
Book value on 31 December 2012	**290 910 420**	**290 910 420**
Net additions property 2013	211 066 802	
Currency exchange differences	4 371 846	
Change in value on investment property	6 075 629	
Book value on 31 December 2013	**512 424 697**	
Rental income	46 255 204	26 812 717
Direct property related expenses	9 217 887	6 634 662
Net rental income	**37 037 317**	**20 178 055**

The subsidiary Phima AB has provided a guarantee to Danske Bank for the loans that the bank has given to Phima's subsidiaries. NBO has pro rata together with the minority shareholders in Sømmegården Eiendom AS guaranteed for a total of MNOK 1,4 of the Company's debt to BN Bank as at 31 December 2013. The guarantee liability is reduced in line with the payments on the loan and expires on 15 April 2015.

Note 8: Shares in subsidiaries in the parent company's balance sheet

On 4 January 2008, the Company acquired 80% of the shares in the Swedish limited company Phima AB, having 3 wholly owned subsidiaries in Sweden. The companies own and operate real estate. In 2012, Phima AB sold shares in one of the subsidiaries, Fastighets AB Bäckahästen. At the same time, NBO purchased the remaining 20% of the shares in Phima AB from the company Lundh-Gruppen AB, and owns after this 100% of the shares in the company.

On 1 July 2008, the Company transferred all shares in the company Trekanten Eiendom og Drift AS (TED), owning the property Vestre Rosten 81 in Trondheim, to the wholly-owned subsidiary NB Startup 1 AS, which at the same time changed name to Trekanten Eiendom og Drift Holding AS (TEDH). In 2010, TED and TEDH were merged, with the result that NBO again became a direct shareholder in TED.

NBO Startup 2 AS, renamed to Sandvika Kinematografbygg AS (SK AS), established on 23 December 2007, and the purchased «empty» company NB Startup 1 AS, established in May 2011 the company Sandvika Kinematografbygg DA (SK DA), which then acquired 100% of the shares in Claude Monets Alle 25 Komlementar AS (CMA Komplementr AS) and 90% of the stake in Claude Monets Alle 25 KS (CMA 25 KS) (the remaining 10% is owned by the general partner). CMA 25 KS owned all shares in Claude Monets Alle Hjemmel As (CMA Hjemmel AS), having the right of ownership to the property.

In 2012, CMA 25 KS established the subsidiary Claude Monets Alle AS, and the activities in CMA 25 KS were transferred as a non-cash deposit in the newly established limited company pursuant to the tax legislation's rules on tax-free conversion. CMA 25 KS was then notified to be liquidated, and the same was made for SK DA. At the liquidation, assets, rights and obligations became the property of the part owners through a distribution in kind. CMA 25 KS and SK DA were finally deleted in 2013.

The planned restructuring process was completed in 2013 by carrying out a subsidiary merger between SK AS and NB Startup 1 AS and a parent-daughter merger between CMA 25 AS and SK AS. CMA Komplementar AS' shares in CMA 25 AS were sold to SK AS at fair value with subsequent parent-daughter mergers between CMA 25 AS and SK AS, and CMA Komplementar AS and SK AS, respectively. The mergers were carried out pursuant to the simplified rules in the Companies Act sections 13-23 and 13-24, and at accounting and tax continuity. Following this, only one company, SK AS, remains in the structure.

On 7 Mary 2013, the Company acquired 100% of the shares in Trollåsveien 34-36 AS, being the owner of and operating real estate in Oppegård municipality. On the same date, the Company acquired an additional 9 547 shares in Sømmegården Eiendom AS and now owns a total of 21 250 shares, constituting a stake of 90,43%. Following the acquisition, the shares have been reclassified from shares in associated companies to shares in subsidiaries in the Company's balance sheet.

Company		Company capital	Number of shares	Balance value NOK
Trekanten Eiendom og Drift AS	NOK	1 270 000	12 700	58 020 891
Phima AB	SEK	4 000 000	4 000	1 004 139
Sandvika Kinematograftbygg AS	NOK	2 600 000	100 000	25 631 612
Trollåsveien 34-36 AS	NOK	1 250 000	1 000	23 181 195
Sømmegården Eiendom AS*	NOK	235 000	21 250	24 548 344
Total				**132 386 181**

* The company owns 21 250 shares of a total of 23 500 shares, giving a stake of 90,43%.

As at 31 December 2013, the write-down of shares in Phima AB increased by MNOK 3,3.

Loans to subsidiaries mainly concern the written-down value of receivable on Phima and subsidiary, whereas short-term receivable group company concerns group contribution from Trollåsveien 34-36 AS and SK AS. Other long-term debt is debt to the subsidiary Trekanten Eiendom og Drift AS.

Cf. also note 24 on associated companies.

Note 9: Rental contracts

The Group has entered into contracts for renting real estate. The contracts have remaining terms as shown in the table below.

Weighted remaining term NBO on 31 December 2013

		Annual rent	Tenancy*	Stake	Rent (MNOK)**
Trekanten	MNOK	12.0	7.0	100%	12.0
Sandvika Kino	MNOK	9.0	1.8	100%	9.0
Trollåsveien 34-35	MNOK	8.3	1.7	100%	8.3
Sømmegården	MNOK	12.4	5.2	90.43%	11.2
Esløv	MSEK	0.2	0.8	100%	0.2
Trelleborg	MSEK	3.6	3.0	100%	3.6
Total NBO Group		**45.4**	**5.0**		**44.3**
Innherredsveien	MNOK	22.0	6.1	25.07%	5.5
Total NBO associated companies			**6.1**		**5.5**

*) Remaining tenancy weighted after rent and stake
**)Annual rent adjusted for stake

The property in Eslöv had no rental income of significance in 2013.

Note 10 - Interest rate swap contracts

The Group's financial risk related to the development of financial expenses and cash flows as a result of changes in interest rates is reduced by having a balanced interest rate adjustment profile on the debt portfolio. The Group's debt is absorbed primarily at floating interest rates, and in order to tailor the debt portfolio to the Group's goals for the interest rate profile, the following financial instruments are applied:

Interest rate swaps – agreements to change interest rate terms for a particular nominal amount over a specific number of periods.

The interest rate swap contracts imply that compensation is given for the difference between the floating and fixed rate agreed upon, and the interest paid is the actual fixed interest.

As of 31 December 2013, the Group had closed contracts regarding the following interest rate instruments:

Company		Contract amount [1]	Year of expiration	Floating interest rate	Fixed interest rate	Fair value (NOK) [2]
Trekanten Eiendom og Drift AS	NOK	65 000 000	2015	3m nibor	4.02%	-2 513 763
Claude Monets Alle (Sandvika Kino)	NOK	35 000 000	2016	3m nibor	4.00%	-1 913 527
Claude Monets Alle (Sandvika Kino)	NOK	30 000 000	2014	3m nibor	3.17%	-276 524
Sømmegården Eiendom AS	NOK	50 000 000	2017	3m nibor	4.26%	-3 425 172
Sømmegården Eiendom AS	NOK	25 000 000	2015	3m nibor	4.06%	-457 742
Total Group	**NOK**	**205 000 000**				**-8 586 728**

1) Contract amount defined as the principal of the instrument
2) Fair value defined as the potential market value excluding incurred interest at the date based on reports from the contract counterparts.

Note 11: Trade receivables

	31.12.2013	31.12.2012
Trade receivables	1 420 576	114 275
Earned, not billed	0	0
Provision for losses on receivables	-300 000	0
Net trade receivables	**1 120 576**	**114 275**

There are no significant legal claims or disagreements concerning service and/or maintenance costs against the Group at the time of the preparation of the financial statements.

A maximum credit exposure equals book values and mainly includes receivables and bank deposits. The risk that a counterpart in a financial instrument could inflict a financial loss on the Group due to inability to redeem an obligation is considered to be insignificant.

Note 12: Cash and cash equivalents

	31.12.2013		31.12.2012	
	Group	Parent company	Group	Parent company
Total cash and cash equivalents	**24 587 340**	**6 080 653**	**40 966 585**	**31 418 891**

Note 13: Share capital

Parent company's equity	Share capital	Share premium reserve	Other equity	Total
Total 31 December 2012	72 557 700	32 934 108	7 324 009	112 815 817
Capital increases 2013	17 424 950	16 605 975		34 030 925
Share issue costs		-350 000		-350 000
Result for the year			-4 949 264	-4 949 264
Total 31 December 2013	**89 982 650**	**49 190 083**	**2 374 745**	**141 547 478**

Date	Type of change	Share capital	Number of shares	Nominal value (NOK)	Price per share (NOK)
31 December 2012	**Total**	**72 557 700**	**1 451 154**	**50**	
7 May 2013	Conversion of debt at share purchase	17 424 950	348 499	50	97,65
31 December 2013	**Total**	**89 982 650**	**1 799 653**	**50**	

Shareholders with more than 1% stake in NBO as of 31 December 2013

Shareholder	Number of shares	Stake in %
NORTH BRIDGE NORDIC PROPERTY AS	348 499	19.4%
ASEO AS	40 800	2.3%
AS ESSDAL	37 002	2.1%
KJETIL GRØNSKAG	32 140	1.8%
BC INVEST AS	28 179	1.6%
CORUNA AS	22 960	1.3%
BRØDRENE MO AS	22 396	1.2%
CENOR LTD BERMUDA	20 400	1.1%
FOTO SCHRØDER AS	20 400	1.1%
ASBJØRG KRISTINE LANGBERG	20 400	1.1%
OPDALS SPAREBANK	20 400	1.1%
SELBU SPAREBANK	20 400	1.1%
OTTO TEKSUM LUND	19 040	1.1%
MAGNUS HELLESYLT	17 779	1.0%
OTHERS	1 128 858	62.7%
TOTAL	**1 799 653**	**100.00%**

Shares owned by the Board and executives, directly or indirectly through separate companies:

Shareholder	Number of shares
The Board	
Jon Gausen	13 260
Total	**13 260**

Note 14: Mortgage debt

Mortgage debt office property		31.12.2013	31.12.2012
Norway	NOK	302 816 656	172 600 000
Sweden (the debt is drawn in SEK, here presented in NOK)	NOK	33 395 904	31 731 751
Total mortgage debt, long-term	**NOK**	**336 212 560**	**204 331 751**
Short-term part of mortgage debt in Norway	NOK	7 400 000	4 400 000
Short-term part of mortgage debt in Sweden	NOK	1 373 440	1 162 664
Total mortgage debt, short-term	**NOK**	**8 773 440**	**5 562 664**
Total mortgage debt	**NOK**	**344 986 000**	**209 894 415**

Due dates mortgage office property	Instalment (NOK)
1-2 years (2014 and 2015)	23 543 040
3-5 years (2016, 2017 and 2018)	116 504 576
Over 5 years (from 2019)	204 938 384
Total	**344 986 000**

The most significant terms for the long-term loan facilities as at 31 December 2013:

- The interest terms for the loan is NIBOR/STIBOR + margin
- The Norwegian loans are also interest hedged through agreements covering MNOK 205 or 59,4% of total debt in the Group.

As security for the loans, the lenders have mortgage as described below.

Changes in market interest affect the Group’s cash flows, result and equity. If, as an example, the average interest at the end of 2013 should be changed by 10 basis points, this will affect the annual interest expense for the Group with appr. NOK 139.986, having considered the interest rate swap agreement. The sensitivity on interest payments (cash flow and result/equity) at changes in market interest is significantly reduced by the Group’s interest hedging strategy. Changes in the market interest also affect the market values of interest rate hedging contracts and investment properties (note 10). An increase/reduction in market interest increases/reduces the value of the interest rate hedging contracts in the balance sheet. The changes in value of interest rate hedging contracts are generally compensated by a contrary development in the value of investment properties in the balance sheet.

Book value of the Group's assets provided as security		2013	2012
Investment properties		512 424 697	290 910 420
Receivables		13 167 979	1 888 667
Total		**525 592 676**	**292 799 087**
Debt secured by mortgage			
Loan Phima companies (loan in SEK)	NOK	34 769 344	32 894 415
Loan Trekanten Eiendom og Drift AS	NOK	93 600 000	96 000 000
Sandvika Kinematografbygg AS	NOK	78 250 000	81 000 000
Trollåsveien 34-36 AS	NOK	53 500 000	
Sømmegården Eiendom AS	NOK	84 866 656	
Total debt secured by mortgage	**NOK**	**344 986 000**	**209 894 415**

Specification of degree of security, average interest and remaining time to maturity (NOK)	2013	2012
Total interest-bearing debt at nominal value	344 986 000	209 894 415
- of which interest rate hedged	205 000 000	160 000 000
Degree of security, excl. liquidity	59.4%	76.2%
Liquid funds	24 587 340	40 966 585
Effective degree of security, incl. liquidity	66.5%	95.7%
Average interest (including margin)	5.21%	5.37%
Average basis interest on hedging contracts (incl. margin)	6.18%	5.65%
Average margin	2.22%	2.36%
Average remaining term to maturity, loans (years)	10.1	9.8
Average remaining contractual obligation interest rate swap agreement (years)	2.0	2.3
Values provided as security	**525 592 676**	**292 799 087**

In addition to bank loans as stated above, the subsidiary Phima AS has a subordinated loan from the Company of MNOK 4,7, which has been eliminated in the consolidated financial statements.

The fair value of long-term debt differs only marginally from the accounting value.

Note 15: Deferred tax

Specification of temporary differences and losses to carry forward:

	Opening balance	Additions by purchases	Changes through profit and loss	Changes through equity	Closing balance
Parent company 2013					
Losses to carry forward	-14 101 688	-	-2 011 480		-16 113 168
Deferred tax asset	**-3 948 473**		**-402 083**	**-**	**-4 350 555**
Group 2013					
Property	34 992 856	14 408 227	29 850 816	15 771 156	95 023 055
Receivables	-	-300 000			-300 000
Interest rate swap agreements	-6 338 408	-5 036 536	2 788 216		-8 586 728
Accrual reserve	147 224		15 895		163 119
Provision for obligations	-76 368		68 556		-7 812
Loss	-22 450 022		-5 968 435		-28 418 457
Total temporary differences	**6 275 282**	**9 071 691**	**26 755 048**	**15 771 156**	**57 873 177**
Deferred tax	**1 254 364**	**2 449 357**	**6 920 667**	**4 258 212**	**14 882 600**

Note 16: Income tax expense

	Group 2013	Parent company 2012	Group 2013	Parent company 2012
Income tax calculation:				
Change in deferred tax	6 920 667	-402 083	1 938 761	942 467
Deferred tax reclassified to equity				
Change in group composition and currency exchange difference			-261 812	
Income tax expense on ordinary result	**6 920 667**	**-402 083**	**1 676 949**	**942 467**
Reconciliation of nominal and actual tax rate				
Ordinary result before tax	27 521 699	-5 351 347	-22 215 758	-3 365 955
Expected income tax at nominal tax rate of 28%	7 706 076	-1 498 377	-6 220 412	-942 467
Permanent differences	-410 373	935 163	4 529 722	
Effect of different tax rates in subsidiaries abroad	55 067		13 741	
Effect of change in tax legislation	-430 102	161 132		
Income tax expense	**6 920 667**	**-402 082**	**-1 676 949**	**-942 467**
Effective tax rate	**25.1%**	**7.5%**	**7.5%**	**28.0%**

Note 17: Personnel costs

The parent company has no employees, and the subsidiaries have not had salary costs of any significance during the relevant owner period.

Note 18: Payments to employees and auditor

As of 31 December 2013, neither the parent company, nor the Group had any employees. Hence, no OTP (employee insurance) scheme has been established.

The managing director in North Bridge Opportunity AS is employed by North Bridge Management AS and is remunerated by this company.

The Board's shareholder appointed members received board fees totaling NOK 120.000 in 2013.

No fees are paid to North Bridge Management apart from those accounted for in note 22 (the Management agreement).

The Group auditors' fees for services in 2013 (NOK):

Group	**2013**	**2012**
To Deloitte:		
Audit fees/services		
Statutory audit	117 000	117 000
Attestation services	40 000	-
Other assistance	79 700	103 800
Total Deloitte	**236 700**	**220 800**
To other auditors in the Group		
Statutory audit	335 370	248 724
Other assistance	20 907	-
Total others	**356 278**	**248 724**
Total Group	**592 978**	**469 524**

Parent company		
Statutory audit	75 000	75 000
Attestation services	40 000	-
Other assistance	79 700	103 800
Total	**194 700**	**180 808**

Note 19: Non-recurring costs

Neither the parent company, nor the Group has recognized non-recurring costs of significance.

Note 20: Earnings per share

Earnings per share is calculated as the ratio of profit for the period attributable to the shareholders and the average number of ordinary shares during the period, which is 1 625 404 shares. This year's result showed a profit.

	2013	2012
Result for the period attributable to the shareholders (loss in 2012)	20 601 012	-20 538 809
Number of outstanding shares at 31 December	1 799 653	1 451 154
Average number of shares during the year	1 625 404	1 451 154
Earnings per share for the period (NOK per share)	**12.67**	**-14.15**

North Bridge Opportunity AS has not issued options or other financial instruments implying a diluting effect for the outstanding number of shares, nor owns the Company treasury shares. The diluted earnings per share therefore equal ordinary earnings per share.

Note 21: Dividend per share and dividend policy

The Company's aim is to make annual payments to the shareholders of between 2% and 4% of paid-in capital, provided that the Company has adequate liquidity and it is otherwise justifiable. The payments can be dividends to the extent that the financial statements give room for it. Alternatively, the payments will be carried out as repayments of paid-in capital by means of capital reductions.

Note 22: Related parties

The objective of IAS 24 is to ensure that the financial statements contain information about whether the financial position or the result can be influenced by related parties or by transactions with and balances between related parties.

The Company is not directly controlled or dominated by any specific shareholder.

The main categories of transactions between related parties and the Company / Group are as follows:

- Purchase of real estate, where shares in the Company constitute all or parts of the compensation to the individual seller
- Service and management contracts
- Intercompany loans

Property transactions
On 7 May 2013, the Company acquired 100% of the shares in Trollåsveien 34-36 AS and 40,63% of the shares in Sømmegården Eiendom AS from North Bridge Nordic Property AS (NBNP). After this, the Company owns 90,43% of the shares in Sømmegården Eiendom AS. The purchase was carried with a part settlement in shares in NBO through a private share issue, making NBNP the largest shareholder in the Company. At the same time, the Company subscribed for a 25,07% stake in the syndicate Innherredsveien Eiendom Invest AS, that purchased 100% of the shares in Innherredsveien Eiendom AS from NBNP's subsidiary Innherredsveien Eiendom Holding AS.

The chairman in NBO is also a board member in NBNP. The chairman in NBNP and his related parties subscribed for a stake equivalent to 27,1% in the syndicate Innherredsveien Eiendom Invest AS.

The transactions are made based on market prices.

There have been no other property transactions with related parties in 2013.

Agreements on operations and maintenance (property management)
The Company has an agreement with North Bridge Eiendomsforvaltning AS about operating and maintaining Vestre Rosten 81 and Trollåsveien 34-36 and Innherredsveien 7, where the Company has a stake through the associated company Innerredsveien Eiendom Invest AS.

In addition, the Company has an agreement on the management of Sandvika Kino with Fazenda AS. Fazenda also has a management agreement for Sømmegården. Fazenda was the facilitator of the purchase of Sømmegården and has an agreement on success fees. NBC was co-facilitator and may receive some of Fazenda's success fee.

The Company has made a management agreement with North Bridge Management AS, comprising total operations of the Company. The fee structure for the relevant services is as follows:

Asset management and administration fees
For developed properties, an asset management and administration fee for the Manager is calculated at a total 0.75% per annum of the principal's total capital, defined as gross property value (either the principal or the properties directly or indirectly) with an addition of other assets in principal and the underlying SPV companies. .

For undeveloped properties, an asset management and administration fee for the Manager is calculated at 1,85% per annum of the market value of the property until the investment committee has approved the development for a particular purpose and obtained approval for the regulation for this purpose.

The following definitions apply to the calculation of total capital:
- Until the first valuation is available, total capital is set to equal the gross purchase price for the property including costs (at the purchase of companies, cost is defined as the value paid for the shares or stakes (equity) and liabilities taken over or established by the transaction).
- For properties and projects to be developed where the investment committee has approved the development for a particular purpose and obtained approval for the regulation for this purpose, a fee for the Manager of 0.75% of total capital is calculated, where total capital is defined as:
- 40% of the estimated sales value of the properties or the project until the building starts, and
- 80% of the estimated sales value of the properties or the project after the building starts and to completion
- 100% of gross total capital for the property after completion if the development property is not sold.
- For properties and project that are developed/built in several stages, the above principles shall be applied on each individual stage.
- For properties that are not wholly owned, total capital is calculated to be the principals' stake of the values determined in accordance with the same above principles.

The fee is calculated monthly and billed in arrears per quarter. The fee includes the Manager's work, but not
(i) purchased competence related to the principal or SPV company, and costs related to suppliers like consultants, valuation experts, real estate agents, technical consultants, lawyers, auditors, architects, project leaders and other operating development competency. Companies that in terms of ownership are directly or indirectly associated with Manager, can be applied on commercial terms.
(ii) security registration costs related to registration of the share, settlements at share issues and costs connected with the production and submission of material to investors.
(iii) fees to external board members in the principal or SPV companies, or to external members of the investment committee, standard board liability insurance and the necessary travel, allowance and meeting expenses for the above persons and employees in Manager.

Costs referred to in paragraphs (i) to (iii) are billed and paid by the principal or the relevant SPV company.

Success fee
The Manager is entitled to a success fee related to achieving a minimum return on invested capital (excluding subscription and facilitation fees) in the principal. The calculation is made on the basis of the valuation of the principal's properties, including the value of the contracts on purchased, but not taken over properties, and the real value of call options on property. The calculation is made in total for the principal and is performed and each time a valuation is prepared by an external assessor, at least quarterly or semi-annually upon the Manager's request.

For the part of the return on equity exceeding a return of «1 year's LIBOR + 1%», 18% goes to the Manager as a success fee.

Payments are subject to a «high water mark», implying that the cumulative return must exceed the «1 year's LIBOR + 1%» on an annual basis for all previous periods, before a new success fee is paid.

Success fees are earned continuously in accordance with the provisions above. No success fees shall, however, be paid before 1 January 2009, after which a total payment of success fees, if applicable, shall be made within 60 days. After that, any success fees shall be paid out every six months and no later than 1 September and 1 March in the calendar year.

Rental fees
When renting premises where a real estate agent is used, the administration of the process is considered to be part of Manager's duties under the agreement and included in ordinary fees.

Manager is entitled to rental fees when he has initiated the leasing and/or renegotiates the lease of premises.

Manager shall receive rental fees of 10% of the first year's rent at the lease of premises to new tenants and the lease of new premises/extensions to existing tenants, when the new premises do not replace existing premises («new leases»). Upon renewal, and/or extension of the existing lease, the rental fee will be calculated at 5% of the first year's rent. The Manager is not entitled to rental fees in cases where the lessee uses the contractual option to extend the already leased space. The rental fee shall be paid 2 weeks after the start of the lease in question.

Facilitation fee
The Manager shall receive a facilitation fee for assistance in connection with raising capital for the principal as agreed upon separately for each transaction, and which shall be within the parameters stated in the subscription invitation.

Transaction fees
At purchases, sales or other transactions concerning the properties and/or SPV companies, Manager shall receive a transaction fee of 0,50% of the transaction value (normally the property value). At purchases of building sites or projects, the gross market value is set at 80% of the estimated sales value, if the project work has been completed or at four times the site value, if a «greenfield» site is purchased. The additional fee is due for payment 2 weeks after the transaction has been completed.

In an extraordinary general meeting on 15 March 2010, this clause was changed as a consequence of the fact that Manager in the future will not make any claims on transaction fees at purchases of property.

Joint rules for all fees
Manager can, in whole or partly, forward his own, earned fee according to items 8.1 to 8.5 to cooperating partners or other subsuppliers like facilitators and distributors.

Manager and cooperating partners entitled to fees according to this item's first section, can bill agreed fees directly to the SPV company that the fees concern, in whole or partly, as an alternative to billing the principal for the same fee. If the SPV company in question cannot pay the fee, the principal will always be responsible for paying it. The agreement has more detailed clauses on the distribution and billing of fees between the principal and the SPV companies.

Other costs than those stated in the agreement cannot be charged to the client. Any extraordinary costs incurred as a result of an emergency, however, will be covered separately by the client.

For 2013, NBM has charged NBO for the following fees:

Fees	**2013**	**2012**
Management fees	3 874 303	3 056 509
Transaction fees	0	0
Facilitation fees	0	0
Total	**3 874 303**	**3 056 509**

Note 23: Business combinations

In 2009, NBO invested a 49,8% stake in the associated company Sømmegården Eiendom AS. On 7 May 2013, the Company purchased an additional stake of 40,63% of the shares in Sømmegården Eiendom AS, and owns at 31 December 2013 90,43% of the shares in the company. The investment is classified as a subsidiary from the date of the purchase and is consolidated (cf. also note 8).

The purchase of Sømmegården Eiendom AS is accounted for pursuant to the rules of acquisitions in stages and is based on fair values at the time when the Group was established. Differences between acquisition cost and cost values compared to previously recorded values pursuant to the equity method are recognized in the income statement. The minority share of the annual result and equity at 31 December 2013 is specified on a separate line in the financial statements.

On 7 May 2013, NBO made an agreement on purchasing 100% of the shares in Trollåsveien 34-36 AS, the owner of 10.159 square meters of business property at Kolbotn in Oppegård municipality. The purchase price represents the fair value of the acquired assets and liabilities, and is recognized in the consolidated financial statements at the date of the purchase.

The investments in Trollåsveien 34-36 AS and Sømmegården Eiendom AS in 2013 were partly settled by cash and partly by shares in NBO thrugh a private share issue.

	Trollåsveien 100%	**Sømmegården 40,63%**	**Sum**
Total purchase price for the shares incl. costs	23 181 195	14 779 409	37 960 604
Total acquisition costs	23 181 195	14 779 409	37 960 604
Fair value of net acquired assets (cf. below)	23 181 195	14 779 409	37 960 604
Excess values	**0**	**0**	**0**
Assets and liabilities related to the acquisition:			
Investment property	76 750 000	52 006 400	128 756 400
Deferred tax asset	-2 999 322	-1 138 004	-4 137 326
Net working capital/other items	4 930 516	-537 740	4 392 776
Interest-bearing debt	-55 500 000	-35 551 247	-91 051 247
Net acquired assets	**23 181 194**	**14 779 409**	**37 960 603**
Net cash payments in connection with the acquisition			3 781 214
Share of settlement of shares in NBO			34 030 925
Purchase costs			148 464
Total settlement purchase of shares in subsidiaries			**37 960 603**

Note 24: Contingent liabilities

The Group has no contingent liabilities in the form of guarantees or other matters arisen as a consequence of ordinary operations.

Note 25: Associated companies

Following further purchases in 2013, Sømmegården Eiendom AS is classified as a subsidiary as at 31 December 2013 (cf. notes 8 and 23). Differences between acquisition cost and book value compared to previously recorded values pursuant to the equity method have been recognized in the income statement as profit share from associated companies.

In 2013, NBO subscribed for a 25,07% stake in a syndicate, Innherredsveien Eiendom Invest AS, which on 7 May 2013 purchased the shares in Innherredsveien Eiendom AS.

Innherredsveien Eiendom Invest AS is classified as an associated company and accounted for pursuant to the equity method, whereby the Company's share of operating result and value changes are shown on a separate line in the income statement, and the Company's share of the underlying values is shown on a separate line in the balance sheet.

Company name	Type of property	Stake	Purchase date	Sold
Innherredsveien Eiendom Invest AS	Office and trade	25.07%	7 May 2013	-

Innherredsveien Eiendom Invest AS owns 100% of the shares in Innherredsveien Eiendom AS, the owner of a the business property of 18.533 square meters in Innherredsveien 7 in central Trondheim.

A summary of the financial key ratios from the balance sheet and income statement is shown below.

In the Group's balance sheet, investments in associated companies are disclosed on a separate line showing NBO's equity share in the companies, including value regulation of investment property and financial contracts.

	31.12.2013	31.12.2012
Total assets in associated companies, after value regulations	262 272 617	133 760 168
Total liabilities and deferred tax in associated companies	222 417 191	99 731 712
Equity in associated companies	39 855 426	34 028 456
NBO's equity share	**9 991 755**	**8 530 934**

Correspondingly, net result from investments in associated companies, after tax, including value regulation, is shown on a separate line in the Group income statement.

	2013	2012
Total operating income	22 034 709	12 153 883
Total result after value regulation	**7 813 442**	**-16 098 785**
NBO's share of result after value regulation	1 958 830	-8 017 195
Income statement recognition at acquisitions in stages	1 065 175	0
Total share of result in associated companies	**3 024 005**	**-8 017 195**

Note 26: Events after the balance sheet date – 31 December 2013

There have been no events after the financial year-end of significant importance for the assessment of the Company's operations. It should, however, be mentioned that an investment program has been implemented to replace the heating and ventilation plant at Trekanten, expected to go over 2 years and with a financial frame of appr. MNOK 10.

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Til generalforsamlingen i North Bridge Opportunity AS

REVISORS BERETNING

Uttalelse om årsregnskapet

Vi har revidert årsregnskapet for North Bridge Opportunity AS som består av selskapsregnskap og konsernregnskap. Selskapsregnskapet består av balanse per 31. desember 2013, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger. Konsernregnskapet består av oppstilling av finansiell stilling per 31. desember 2013, og oppstilling av totalresultat, oppstilling av endringer i egenkapital og oppstilling av kontantstrømmer for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Styret og daglig leders ansvar for årsregnskapet

Styret og daglig leder er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge for selskapsregnskapet og i samsvar med International Financial Reporting Standards som fastsatt av EU, for konsernregnskapet, og for slik intern kontroll som styret og daglig leder finner nødvendig for å muliggjøre utarbeidelsen av et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Revisors oppgaver og plikter

Vår oppgave er å gi uttrykk for en mening om dette årsregnskapet på bakgrunn av vår revisjon. Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder International Standards on Auditing. Revisjonsstandardene krever at vi etterlever etiske krav og planlegger og gjennomfører revisjonen for å oppnå betryggende sikkerhet for at årsregnskapet ikke inneholder vesentlig feilinformasjon.

En revisjon innebærer utførelse av handlinger for å innhente revisjonsbevis for beløpene og opplysningene i årsregnskapet. De valgte handlingene avhenger av revisors skjønn, herunder vurderingen av risikoene for at årsregnskapet inneholder vesentlig feilinformasjon, enten det skyldes misligheter eller feil. Ved en slik risikovurdering tar revisor hensyn til den interne kontrollen som er relevant for selskapets utarbeidelse av et årsregnskap som gir et rettvisende bilde. Formålet er å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll. En revisjon omfatter også en vurdering av om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene utarbeidet av ledelsen er rimelige, samt en vurdering av den samlede presentasjonen av årsregnskapet.

Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon om selskapsregnskapet og vår konklusjon om konsernregnskapet.

Konklusjon om selskapsregnskapet

Etter vår mening er selskapsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av den finansielle stillingen til North Bridge Opportunity AS per 31. desember 2013 og av selskapets

Deloitte.

resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Konklusjon om konsernregnskapet

Etter vår mening er konsernregnskapet avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av den finansielle stillingen til konsernet North Bridge Opportunity AS per 31. desember 2013 og av konsernets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med International Financial Reporting Standards som fastsatt av EU.

Uttalelse om øvrige forhold

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til dekning av tap er konsistente med årsregnskapet og er i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Oslo, 16. juni 2014
Deloitte AS

Eivind Skaug
statsautorisert revisor

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