PIONEER PROPERTY

Q1

REPORT 2016

Highlights of the Q1 report

- Total revenues in the first quarter of 2016 were MNOK 52.3, increased with full CPI-adjustments from the start of the year.
- Revenues and profitability were in line with expectations. Operating profit (EBIT) was MNOK 46.5 with pre-tax profit of MNOK 22.8.
- On March 31st PPG paid its quarterly dividend to holders of preference shares[1] – in total NOK 1.875 per preference share. The next scheduled dividend for preference shareholders is at the end of the second quarter 2016. See the company's website for updated financial calendar information.
- The Company had total assets of MNOK 3,608, where Investment Property (112 preschools) were valued at MNOK 3,411 in addition to a cash balance of MNOK 194. Total debt was MNOK 1,953 and with total equity of MNOK 1,655.

Background and strategy

Pioneer Property Group ASA (PPG) is a real estate company focusing on providing high-quality properties for government-backed care-services. The company's current portfolio consists of 112 Norwegian kindergartens centrally located in the largest cities and which house a total of over eleven thousand children. The properties are leased out on long-term triple-net contracts to large kindergarten operators, including Norlandia Care Group and Espira.

The company's property portfolio is a result of the acquisition from several independent preschool operators, again driven by these companies' wish to free-up resources and capital to be able to provide the highest quality possible in their primary focus area – preschool operations. Pioneer Property's kindergartens have during the later years played an important role in the improvement of the Norwegian preschool market, through improved capacity, quality and cost-efficiency.

Going forward the company's strategy is to expand its reach into care-services property with similar characteristics as the Norwegian kindergarten market – i.e. long term contracts with solid operators, again backed by government financing.

PPG's kindergartens are well located in central areas, including Stavanger, Bergen, Kristiansand, and the greater Oslo area. The average age of the properties is at a low eight year average, and the quality of the properties is therefore very high. In total the properties have a capacity in excess of eleven thousand children.

Key material events during the first quarter

All operations progressed as expected and there were no material unexpected events during the first quarter of the year. The company paid its scheduled Q1-dividend payment in the end of March.

Overview of the financial accounts for the first quarter of 2016

Revenues of MNOK 52.3 represents a run-rate of MNOK 17.4 in monthly rental revenues. Operating costs were MNOK 6, and Operating Profit (EBIT) was MNOK 46.5 while reported pre-tax profit for the first quarter was MNOK 22.8.

The balance sheet as of 31/03 includes Investment Property of MNOK 3,411, and no material events took place that should have impacted this valuation level. In addition, the company had MNOK 194 in cash balance at the end of the quarter – higher than required for PPG's underlying operations, but gives additional security to the Company's planned dividend payments to the preference share owners over the next few years. On the debt side, PPG had a total of MNOK 1,953 in debt, including two separate bond-loans in the subsidiaries

[1] For payments in 2016, «Dividend payments» are technically a repayment of paid in capital.

Pioneer Property II AS and Pioneer Property III AS, which are stock exchange listed bonds and report separate financial reports. See the company web-site to access the financial reports for PPPII and PPPIII.

Outlook

No material subsequent events have occurred since the end of the financial quarter which should have an impact on the outlook for the Company.

Responsibility Statement of the Board of Directors

We confirm, to the best of our knowledge, that the set of financial statements for the period ending 31 March 2016 have been prepared in accordance with IFRS, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the financial period and their impact on the set of financial statements, a description of the underlying principal risks and uncertainties, and major related parties' transactions.

10 May 2016

The Board of Directors
Pioneer Property Group ASA

Roger Adolfsen
Chairman

Sandra Henriette Riise
Board Member

Geir Hjort
Board Member

Even Carlsen
Board Member

Nina Hjørdis Torp Høisæter
Board Member

Runar Rønningen
CEO

Consolidated Income Statement

NOK thousand	Note	Q2 15	Q3 15	Q4 15	2015	Q1 16
Income from rent	2	27,209	51,055	51,055	129,319	52,302
Other income	2		-	-223	-223	151
Total Income		27,209	51,055	50,833	129,097	52,452
Payroll expenses	15			314	314	
Other operating expenses	8	19,693	6,102	6,148	31,943	5,962
Total Expenses		7,516	44,953	44,371	96,840	46,490
Fair value adjustment on investment properties	12	-	-	-	-	-
Operating profit (EBIT)		7,516	44,953	44,371	96,840	46,490
Finance income	13	508	2,165	4,449	7,122	631
Finance expenses	13	13,342	28,898	19,949	62,189	24,284
Net Finance		-12,834	-26,733	-15,500	-55,067	-23,653
Profit/(loss) before tax		-5,318	18,220	28,871	41,773	22,838
Income taxes	10	-1,024	4,871	1,763	5,610	5,709
Profit/(loss) for the period		-4,294	13,349	27,108	36,163	17,128

Consolidated Statement of Comprehensive Income

NOK thousand	Note	Q2 15	Q3 15	Q4 15	2015	Q1 16
Profit/(loss) for the period		-4,294	13,349	27,108	36,163	17,128
Total other comprehensive income, net of tax		-	-	-	-	-
Comprehensive income for the period		-4,294	13,349	27,108	36,163	17,128
Profit or loss for the period attributable to						
All shareholders of Pioneer Property Group ASA		-4,294	13,349	27,108	36,163	17,128
Comprehensive income for the period attributable to						
Ordinary shareholders of Pioneer Property Group ASA		-9,903	1,162	14,920	6,179	4,941
Earnings per share (NOK)						
Basic earnings per preference share	6	0.863	1.875	1.880	4.61	1.88
Basic earnings per ordinary share	6	-1.925	0.118	1.520	0.700	0.503
Dividend per preference share	6	0.863	1.875	1.880	4.61	1.88
Dividend per ordinary share	6	-	-	-	-	-

Consolidated Statement of Financial Position

NOK thousands	Note	31-12-15	31-03-16
Assets			
Investment property	12	3,413,174	3,411,937
Total non-current assets		3,413,174	3,411,937
Trade and other receivables		10,607	2,344
Cash and cash equivalents	7	195,329	193,967
Total current assets		205,936	196,311
Total assets		3,619,111	3,608,248
Equity and liabilities			
Share capital	17	16,314	16,314
Share premium	17	1,585,148	1,585,148
Retained earnings		36,163	53,291
Total equity		1,637,625	1,654,754
Borrowings	9	1,698,190	1,539,983
Deferred tax	10	15,844	21,553
Other non-current liabilities		139,508	99,394
Total non-current liabilites		1,853,542	1,660,930
Borrowings	9	86,793	236,947
Current tax payable	10	7,363	7,279
Other current liabilities		33,787	48,338
Total current liabilities		127,944	292,564
Total liabilities		1,981,485	1,953,495
Total equity and liabilities		3,619,111	3,608,248

Consolidated Statement of Changes in Equity

NOK thousands	Share capital	Share premium	Retained earnings	Total Equity
Balance at 31 December 2015	16,314	1,585,148	36,163	**1,637,625**
Profit/(loss) for the period			17,128	**17,128**
Proposed dividends			0	**0**
Other comprehensive income for the period			0	**0**
Total comprehensive income for the period	0	0	17,128	**17,128**
Balance at 31 March 2016	**16,314**	**1,585,148**	**53,291**	**1,654,754**

Consolidated Statement of Cash Flows

NOK thousands	Note	2015	Q1 16
Cash flows from operating activities:			
Profit before income tax		41,773	22,838
Adjustments for:			
Fair value adjustments on investment property	12		
Interest expense - net	13		
Borrowing cost	9		
Net (gain)/loss on sale of shares			70
Changes in working capital:			
Trade receivables	17	-807	774
Trade payables	18		
Other accruals		128,377	21,957
Cash generated from operations		169,343	45,638
Interest paid			
Income tax paid	8		
Net cash generated from operating activities		**169,343**	**45,638**
Cash flows from investing activities:			
Proceeds from sale of properties			1,237
Purchase of property	11	-3,413,174	
Purchase of net other assets	11		
Other long term receivables			
Proceeds from sale of shares and bonds	9, 19		-70
Net cash used in investing activities		**-3,413,174**	**1,167**
Cash flows from financing activities:			
Proceeds from debt to financial institutions	8	1,837,698	
Proceeds from other borrowings	8		
Repayments of debt to financial institutions	9		-48,167
Proceeds from shares issued	18	1,631,477	
Repayment of shares issued	18	-30,015	
Dividends paid to owners of the parent	15		
Dividends paid to non-controlling interests	15		
Net cash from financing activities		**3,439,161**	**-48,167**
		-	
Net change in cash and cash equivalents		**195,329**	**-1,362**
Cash and cash equivalents at beginning of period	6		195,329
Exchange gains/(losses) on cash and cash equivalents			
Cash and cash equivalents at period end	**6**	**195,329**	**193,967**

Notes to the Financial Statements

Note 1: Accounting Principles

1.1 General information

Pioneer Property Group ASA (the 'Company') and its subsidiaries (together, the 'Group') invests in preschool properties and rents the properties out on long term leases. The Group holds investment properties in Norway.

Pioneer Property Group ASA is a public limited company incorporated and domiciled in Norway. The address of the Company's registered office is Rådhusgata 23, 0158 Oslo.

The Company was incorporated 5 January 2015. The Group was formed 12 May 2015 after the acquisition of Pioneer Public Properties I AS, Pioneer Public Properties II AS, Pioneer Public Properties III AS and Pioneer Public Properties IV AS. See note 11.

The consolidated interim financial statements covers the period from 1 January 2016 to 31 March 2016.

1.2 Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The consolidated accounts for the first quarter have been prepared in accordance with IAS 34 Interim Financial Reporting.

The first quarter report represents an update on new circumstances arising after the annual report of 2015, and is therefore intended to be read in connection with this report.

The first quarter report has not been audited.

Note 2: Financial Risk Management

2.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by management under guidance by the Board of Directors. Management identifies, evaluates and act upon financial risks.

a) Market risk

Market risk is the risk that future cash flows in the form of interest payments change as a result of changes in market interest rates. Management and the Board of Directors agree on an acceptable level of interest rate exposures, which are monitored continuously by management. The level of interest rate exposure is determined based on an assessment of existing cash flows, general assessment of financial condition and available liquidity.

(i) Fair value interest rate risk

The Group holds interest bearing assets in terms for cash deposits. Fluctuations in interest would yield a higher or lower interest income. At the current level of cash deposits a change in interest rate of +/- 1 % would not be material for the financial statements.

The Group's interest rate risk arises from long-term borrowings. The Group holds several types of borrowings. Refer to note 10 for details. Borrowings at fixed rates expose the Group to fair value interest rate risk.

(ii) Cash flow interest rate risk

Exposure to cash flow interest rate risk is assessed continuously. The need for a fixed rate is under constant review in relation to the Group to withstand adverse fluctuations in profit due to higher interest rates. Management's assessment is that the Group's current financial position does not indicate a further need for fixed interest rates.

If the interest rate had been +/- 1 % in Q1 2016 the result after tax would be +/- MNOK 4,7 million, all other conditions unchanged and assuming a floating interest rate on 100% of the Company's borrowings.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders holding ordinary shares, return capital to shareholders, refinance existing loans, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

b) Credit risk

Credit risk is the risk of loss when a party is unable to redeem their obligations to the Group, and credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, and credit exposures customers, including outstanding receivables and committed transactions. Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on ratings. The utilization of credit limits is monitored regularly.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Exposure to credit risk at the end of the period:	31-03-16
Accounts receivable	33
Other Short term receivable	2,310
Cash balance	193,967
Total exposure	**196,311**

The credit risk related to outstanding to related parties and banks is considered to be low.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations at maturity without incurring a significant increase in finance cost or not being able to meet its obligations at all. The risk also includes that the Group must forfeit investment opportunities. Cash flow forecasting is performed at Group level. Group management monitors the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom to avoid breaches in covenants on relevant borrowing facilities (refer to note 9), as well as capability to pay out quarterly dividends to holders of preference shares. The monitoring takes into account the Group's debt financing plans and covenant compliance.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	31-03-16				
	< 3mnths	3m-1y	1y-2y	2y-5y	>5y
Borrowings (bank)	9,944	180,054	40,603	343,742	632,313
Interest on borrowings (bank)	11,301	33,353	35,712	104,607	188,738
Bond loans	46,950	-	32,950	505,100	-
Interest on bond loans	9,235	27,705	36,940	30,000	-
Other liabilities		48,338		99,394	-

2.2 Capital management

The group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders holding ordinary shares, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

Gearing ratio at the end of the period	31-03-16
Total borrowings	1,875,594
Less: Cash and cash equivalents	193,967
Net debt	1,681,627
Total equity	1,654,754
Total capital	3,336,380
Gearing ratio	50%

Note 3: Segment Summary

The Group's business is to own and manage investment properties in Norway and rent them out to operators of pre-schools. There is no material difference in risk and margins in the different investment properties. The Group is therefore considered to operate in one business area and in one geographical area. Further segment information is therefore not prepared.

The Group have three customers: Norlandia Barnehagene, Kidsa Barnehager and Espira all of which contribute with more than 10 % of operating revenue.

Note 4: Critical accounting estimates and judgement

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of items in the statement of financial position within the next financial year are addressed below.

a) Fair value of Investment Properties.

The fair value of investment properties is assessed quarterly by management. The Investments Properties are on a regular basis subject to on-site inspections and technical evaluations.

The properties are valued using a combination of discounted cash flow models and market based property yield. The Investment Properties are measures at level 3. All significant inputs are disclosed in note 12. All cash flows used in the calculations are based on long term contracts. Management assess the cash flows to be stable without material uncertainty. The critical accounting estimates in the calculation, based on management's judgement is the yield.

The yield is calculated per investment property. The prime yield for pre-school properties is 5.50 %. Factor such as the property's location in relation to a major city, net-population change, size of the property/per child, year of build and whether or not the property is on a leased land(Norwegian: *festetomt*).

The average gross yield for the investment property portfolio is 6,0 %.

Refer to note 12 for sensitivities.

Note 5: Contingencies and commitments

The Group has no contingent liabilities nor commitments as at 31 March 2016.

Note 6: Earnings per share

a) Basic

The Group's preference shares are entitled to a fixed dividend of NOK 7.50 per annum, if the General Assembly approves payment of dividends. To calculate the earnings per share the entitled dividend to the preference shares is deducted from comprehensive income for the period. The earnings per ordinary share is the remaining comprehensive income deducted the preference share dividend divided by the weighted average number of shares in issue during the period.

Calculation of earnings per share for the period	Q1
Net profit	17,128,165
Less pref share dividends	-12,187,500
Profit attributable to ord shares	4,940,665
Weighted avg ord shares	9,814,470
EPS to ord shares	0.50

b) Diluted

As per 31 March 2016 no rights are issued which cause diluted earnings per share to be different to basic earnings per share.

Refer to note 17 for information related to the classes of shares.

Note 7: Cash and cash equivalents

Cash and cash equivalents	31.03.2016
Bank deposits	193 967
Total	193 967

There are no restricted funds at the end of the period.

Note 8: Expenses

Specification of other operating expenses	31-03-16
Expenses related to initial public offering	-
Other operating expenses including management fee	5,962
Total other operating expenses	**5,962**

Note 9: Borrowings

Interest-bearing liabilities and available cash and cash equivalents constitute the capital of the Group.

The Group's main source of financing are bank loans, bond loans in the Norwegian bond market and shareholder loans.

Summary of external bank- and bond loans by tranche as of 31 March 2016:

NOK thousand	31-03-16
Non-current	
Commercial bank loans	259,332
Husbank loans (state bank)	758,057
Bonds in Pioneer Public Properties II AS	175,044
Bonds in Pioneer Public Properties III AS	347,550
Total	**1,539,983**

NOK thousand	31-03-16
Current	
Commercial bank loans	161,124
Husbank loans (state bank)	28,873
Bonds in Pioneer Public Properties II AS	20,000
Bonds in Pioneer Public Properties III AS	26,950
Total	**236,947**

NOK thousand	31-03-16
Total non-current and current	
Commercial bank loans	420,456
Husbank loans (state bank)	786,931
Bonds in Pioneer Public Properties II AS	195,044
Bonds in Pioneer Public Properties III AS	374,500
Total	**1,776,930**

a) bank borrowings

The Group's bank loans are with Husbanken, Pareto Bank and Handelsbanken. The bank borrowings mature until 2035. Of the total bank borrowings per 31 March 2016 NOK 598 million are on a fixed rate. The remaining NOK 608 million are on floating rates.

b) Bond loans

The Group has issues two bonds:

Pioneer Public Property II (PPP01 PRO) at Oslo ABM amounting to NOK 200 million with maturity April 2018 and Pioneer Public Property III (PIII01) at Oslo Børs amounting to NOK 385 million with maturity June 2019. The bonds are a senior secured callable bonds with voluntary redemption at specified premiums up until maturity.

Summary of bond loans:

Bonds	Book value 31.03.2016	Marked value 31.03.2016	Coupon	Term
PPP01 PRO	200 000	200 500	NIBOR + 5 %	2013/2018
PIII01	385 000	385 000	NIBOR + 4,5 %	2014/2019
Transaction costs	-24 896			
Amortization	9 440			
Total bond	**569 544**	**585 500**		
Whereof current	46 950	47 000		

In both bond agreements entered into there are limitations on the borrower (PPPII and PPPIII) in regard to additional financial indebtnes, distributions and renegotiatons on borrowing. Also, the two bond loans are subject to the following main financial covenants.

Note 10: Income Tax

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to date 31 March 2016 income tax expense is 25 %.

Note 11: Changes in Group structure, acquisitions during the year and subsidiaries

There have been no changes in the Group's structure in the first quarter.

Note 12: Investment Property

The Group rents out the investment properties on long term triple net contracts, with an exception on the properties leased to Espira, one of the Group's three customers (ref note 3). On average there are 17 years remaining on the lease agreements. All agreements are fully CPI-adjusted annually. The Group does not have any future capital expenditure on properties as all maintenance is carried by the tenant as agreed upon in the lease agreements. The properties are primarily located in the greater Oslo area, Bergen, the greater Stavanger area, Bodø and Tromsø. See the Company's web site for a full list and map of all the properties. The investment properties are valued in accordance with the fair value method and all have been valued in accordance with valuation Level 3. The yield level of the properties has been determined on the basis of their unique risk and transactions made at the respective location according to the location price method. At the end of Q1/2016, the Company has maintained its portfolio value based upon a gross average 6% yield, similar to the valuation level at the end of the previous quarter.

Valuation

The Group uses yield valuation according to the cash flow method for external and internal valuations. The same valuation method has been used for all of the Group's properties.

Sensitivity analysis

A property analysis is an estimate of the value that an investor is willing to pay for the property at a given time. The valuation is made on the basis of generally accepted models and certain assumptions on different parameters. The market value of the properties can only reliably established in a transaction between two independent parties. An uncertainty interval is stated in the property values and is between +/– 5 per cent in a normal market. A changed property value of +/– 5 per cent affects the Group's property value by +/– NOK 171 million.

Note 13: Net financial item

NOK thousands	Q1 16
Interest income	631
Interest income from related parties	-
Interest expense	24,284
Net financial items	**23,653**

In the first quarter, interest expense on bank - and bond loans totalled MNOK 24.3. Also included in this reported Interest expense was a calculated, but not payable, expense of MNOK 1.5 relating to the subordinated shareholder loans. Furthermore an additional MNOK 1.6 in miscellaneous financial costs, partially relating to sale credit to Kidsa, and also relating to amortization of bond-related start-up costs according to IFRS (PPPII and PPPIII).

Note 14: Related-party transactions

Overview of related parties

Related party	Relation to the Group
Roger Adolfsen	Chairman of the Board and owner of Mecca Invest AS
Sandra Henriette Riise	Board member
Geir Hjort	Board member
Even Carlsen	Board member and owner of Grafo AS
Nina Hjørdis Torp Høisæter	Board member
Runar Rønningen	CEO Pioneer Capital Partners
Pioneer Capital Partners AS	Shareholder andDeliverer of managment services
Hospitality Invest AS	Substantial shareholder
Grafo AS	Substantial shareholder
Kevenstern AS	Substantial shareholder
Mecca Invest AS	Substantial shareholder
Norlandia Care Group AS	Controlled by substantial shareholders, refer to note 18
Kidprop AS	Controlled by substantial shareholders, refer to note 18
Kidsa Drift AS	Controlled by substantial shareholders, refer to note 18
Acea Properties AS	Controlled by substantial shareholders, refer to note 18

The Group had the following material transactions with related parties in the first quarter:

Transactions with related parties	Q1 16
Rent revenue from Norlandia Care Group AS including subsidiaries	14,845
Rent revenue from Kidsa Drift including subsidiaries	9,775
Management fee to Pioneer Capital Partners AS including subsidiaries	2,830
Purchase of shares from related parties (refer to note 11)	-

Receivables from related parties	31-03-16
Kidprop AS	8,002
Hospitality Invest AS	5,947

Liabilities to related parties	31-03-16
Pioneer Capital Partners AS	77,599
Norlandia Care Group AS	2,093
Kidsa Drift AS	17,999
Acea Properties AS	15,652

The outstanding balances between the related parties are unsecured. The interest rate used to calculate interest are based on current market rates. There are no provisions for loss on receivables. Transactions made between the related parties are made on terms equivalent to those that prevail in the market at arms length.

Note 15: Payroll

The company does not have any employees. Refer to Note 14 for information regarding management fee to Pioneer Management AS, a fully owned subsidiary of Pioneer Capital Partners AS. The Board of Directors receives an annual compensation based on the total number of board-meetings during the year.

Note 16: Trade receivables

	31.03.2016
Trade Receivables	33
Other Receivables	2 310
Total Receivables	2 344

None of the receivables are due.

Note 17: Share capital and shareholder information

2016		Share value in NOK			
	Number of shares	Ordinary shares	Preference shares	Share premium	Total
At 31 March 2016	16 314 470	9 814 470	6 500 000	1 585 147 941	1 601 462 411

The Company has two classes of shares - ordinary shares and preference shares. The face value per share for both ordinary and preference shares classes is NOK 1. Share premium for all shares issued in the period is of NOK 99 per share.

About the shares

The differences between the share classes are differing voting rights and differing rights to the Company's profit. Besides voting rights, the difference between the Company's share classes is that the preference shares entail a preferential right to the Company's profit through a preferential right over ordinary shares to dividends. The regulations on voting rights and dividends are decided upon by the Shareholders' Meeting and can be found in the Articles of Association.

The ordinary share

The Company's ordinary share confers one vote unlike the preference shares that confer one-tenth of a vote.

The preference share

The Company's preference shares confer a preferential right over ordinary shares to an annual dividend of NOK 7.50 per preference share. Dividend payments are made quarterly with NOK 1.875 per preference share, if approved by the General Assembly. The preference share does not otherwise confer a right to dividend. If the general meeting decided not to pay dividends or to pay dividends that fall below NOK 1.875 per preference share during a quarter, the difference between paid dividends and NOK 1.875 per preference share shall be accumulated and adjusted upwards with an annual interest rate of 5 per cent until full dividends have been distributed. No dividends may be distributed to the ordinary shareholders until the preference shareholders have received full dividends including the withheld amount. Any difference between NOK 1.875 per preference share and the dividend paid per preference share is accumulated for each quarter.
Detailed information regarding dividends, issues and redemption can be found in the Company's Articles of Association, available in the prospectus at the Company's website.

Top 10 shareholder Q1	Ord shares	Pref shars
Norlandia Care Group AS	20,05 %	9,37 %
Hospitality Invest AS	19,82 %	0,00 %
HI Capital AS	2,34 %	2,79 %
Eidissen Consult AS	14,45 %	4,22 %
Grafo AS	14,45 %	4,22 %
Klevenstern AS	14,45 %	4,39 %
Mecca Invest AS	14,45 %	4,39 %
PCP AS	0,00 %	2,54 %
Other minority shareholders	0,00 %	68,08 %
Total	**100 %**	**100 %**

Note 18: Operational leases

Properties are leased out on long term triple net contracts to solid pre-school operators (Espira, Norlandia Preschools and Kidsa Drift, of which all have lease guarantees from Norlandia Care Group.
Future payments under non-cancellable operating leases are as follows in nominal amounts excluding CPI adjustments

	31.03.2016
Within 1 year	208 114
Between 1 and 5 years	836 423
After 5 years	2 509 269

Note 19: Subsequent events

No material subsequent events have occurred since the end of the first quarter 2016.