

Pioneer Property Group ASA 2016

**Report for the period 1 January -
31 December 2016**

The 2016 Board of Directors report Pioneer Property Group ASA.

Highlights of the 2016 annual report

- Total revenues in 2016 were MNOK 217 and with a pre-tax profit of MNOK 286.
- Revenues and profitability were in line with expectations, and represent the Company's new quarterly run-rate level after the completed acquisitions in the second half of the year..
- The Company had total assets of MNOK 4,423, where Investment Property (132 preschools and 1 retirement home) were valued at MNOK 4,042 in addition to a cash balance of MNOK 349 and other receivables MNOK 31. Total debt was MNOK 2,568 and with total equity of MNOK 1,855.
- Towards the end of the year PPG commissioned a valuation report from Newsec, the value of the properties are adjusted for this in the fourth quarter.
- In 2015 PPG initiated its quarterly dividend payments to its preference shareholders equivalent to NOK 1,875 per preference share per quarter, and the Company's ambitions is to continue to pay these dividends quarterly going forward, as described in PPG's Articles of Association.

Operations and location

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 117 Norwegian kindergartens, 14 Finnish kindergartens, 1 Swedish kindergarten and 1 Swedish retirement home, the Norwegian kindergartens are centrally located in the largest cities and which house a total of over eleven thousand children. All the properties are leased out on long-term triple-net contracts to large kindergarten operators, including Norlandia Care Group, Espira, and Touhula. The Company's headquarter is in Oslo, Norway.

Pioneer Property Group ASA has prepared a report on Corporate Governance and Sustainability in accordance with The Norwegian Accounting Act §3-3b og §3-3c. The report is available to the public at the company's headquarter in Rådhusgata 23, Oslo

Going concern

In accordance with the Accounting Act § 3-3, we confirm that the financial statements have been prepared under the assumption of going concern.

Accounting policies:

The annual financial statements have been drawn up in accordance with International Standards for Financial Reporting (IFRS).

Comments the financial statements

The annual report gives an accurate overview of the Group's financial development throughout the year. There have been no events after the end of the fiscal year 2016, which have had any material impact on the financial status of the Company.

Research and development

The group is not involved in any R & D activities.

Work environment, equal opportunities and discrimination

There are no employees in Pioneer Property Group ASA. The Board of Directors consists of 2 women and 3 men.

External environment

The Company's operations do not result in pollution or spillage harmful to the external environment.

Financial risks

The Company is exposed towards various financial risks, but the Board of Directors view the total exposure to be at a controllable level. Some of the most important risk factors are:

The market risk of a general increase in interest rate levels, and through this also an increase of the financial cost of loans to the Company.

Credit risk relating to banks or other financial institutions' willingness to loan money, which may restrict the Company's ability to take up new loans in the future.

Liquidity risk in the case of unforeseen delay of cash payments on income and/or unexpected costs.

The Board of Directors and management performs ongoing assessments of the most important financial risk factors, and also evaluates the necessity of implementing specific measures, such as fixing interest rates. Specific measures are considered in light of the Company's total financial risk exposure.

Total comprehensive income

The Board of Directors propose the following allocation of the net income of 233 567 TNOK:

Transfer to other reserves:	233 567 TNOK
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Total:	233 567 TNOK
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Responsibility Statement of the Board of Directors

We confirm, to the best of our knowledge, that the set of financial statements for the financial year ending 31 December 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 year and their impact on the set of financial statements, a description of the underlying principal risks and uncertainties, and major related parties' transactions.

Oslo,

Board of Directors and Chief Executive Officer of Pioneer Property Group ASA

Roger Adolfsen

Leader Board of Directors

Sandra Henriette Riise

Board member

Geir Hjort

Board member

Even Carlsen

Board member

Nina Hjørdis Torp Høisæter

Board memeber

Runar Rønningen

CEO

Consolidated Income Statement

NOK thousand	Note	2015	2016
Income from rent	2 18	129 319	217 548
Other income	2	-223	193
Total Income		129 097	217 741
Expenses related to property	8	-	-
Payroll expenses	15	314	450
Other operating expenses	8	31 943	27 302
Total Expenses		32 256	27 752
Fair value adjustment on investment properties	12	-	242 392
Operating profit (EBIT)		96 840	432 380
Finance income	13	7 122	2 707
Finance expenses	13	62 189	148 563
Currency expenses	13	-	812
Net Finance		-55 067	-146 668
Profit/(loss) before tax		41 773	285 712
Income taxes	10	5 610	52 145
Profit/(loss) for the period		36 163	233 567
Proposed dividends		-	-
Total distributed		36 163	233 567

Consolidated Statement of Comprehensive Income:

NOK thousand	Note	2015	2016
Profit/(loss) for the period		36 163	233 567
Total other comprehensive income, net of tax		-	-
Comprehensive income for the period		36 163	233 567
Profit or loss for the period attributable to			
All shareholders of Pioneer Property Group ASA		36 163	233 567
Comprehensive income for the period attributable to			
Ordinary shareholders of Pioneer Property Group ASA		6 179	184 817
Earnings per share (NOK)			
Basic earnings per preference share	6	4.61	7,500
Basic earnings per ordinary share	6	0,700	18,831
Dividend per preference share	6	4.61	7,500
Dividend per ordinary share	6	-	-

Consolidated Statement of Financial Position

NOK thousands	Note	31.12.2015	31.12.2016
Assets			
Investment property	12	3 413 174	4 042 640
Other non-current assets			21 214
Total non-current assets		3 413 174	4 063 854
Trade and other receivables	16	10 607	9 574
Cash and cash equivalents	7	195 329	349 733
Total current assets		205 936	359 307
Total assets		3 619 111	4 423 161
Equity and liabilities			
Share capital	17	16 314	16 314
Share premium	17	1 585 148	1 548 585
Retained earnings		36 163	289 856
Total equity		1 637 625	1 854 756
Borrowings	9	1 698 190	2 416 177
Deferred tax	10	15 844	60 097
Other non-current liabilities		139 508	9 339
Total non-current liabilities		1 853 542	2 485 614
Borrowings	9	86 793	38 391
Current tax payable	10	7 363	7 891
Other current liabilities		33 787	36 509
Total current liabilities		127 944	82 791
Total liabilities		1 981 485	2 568 405
Total equity and liabilities		3 619 111	4 423 161

Oslo,
 Board of Directors and Chief Executive Officer of Pioneer Property Group ASA

Roger Adolfsen
 Leader Board of Directors

Sandra Henriette Riise
 Board member

Geir Hjort
 Board member

Even Carlsen
 Board member

Nina Hjørdis Torp Høisæter
 Board member

Runar Rønningen
 CEO

Consolidated Statement of Changes in Equity

Attributable to owners of the parent				
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			233 567	233 567
Proposed dividends		-36 563		-36 563
Other changes			20 126	20 126
Total comprehensive income for the period	0	-36 563	253 693	217 131
Balance at 31 December 2016	16 314	1 548 585	289 856	1 854 756

Consolidated Statement of Cash Flows

NOK thousands	Note	2015	2016
Cash flows from operating activities:			
Profit before income tax		41 773	285 712
<i>Adjustments for:</i>			
Fair value adjustments on investment property			-242 392
Interest expense - net			
Borrowing cost			
Taxes paid			-7 279
Profit/loss on sale of fixed assets			70
Changes in working capital:			
Trade receivables	16	-807	225
Trade payables			2 722
Other accruals		128 377	-68 892
Cash generated from operations		169 343	-29 834
Interest paid			
Income tax paid			
Net cash generated from operating activities		169 343	-29 834
Cash flows from investing activities:			
Proceeds from sale of properties			1 237
Purchase of property	12	-3 413 174	-368 185
Purchase of net other assets			
Other long term receivables			
Proceeds from sale of shares and bonds			-70
Net cash used in investing activities		-3 413 174	-367 018
Cash flows from financing activities:			
Proceeds from debt to financial institutions	9	1 837 698	1 676 110
Proceeds from other borrowings	9		
Repayments of debt to financial institutions	9		-1 088 291
Proceeds from shares issued	17	1 631 477	
Repayment of shares issued	17	-30 015	
Dividends paid to owners of the parent	6		-36 563
Dividends paid to non-controlling interests			
Net cash from financing activities		3 439 161	551 256
Net change in cash and cash equivalents		195 329	154 404
Cash and cash equivalents at beginning of period	7	195 329	
Exchange gains/(losses) on cash and cash equivalents			
Cash and cash equivalents at period end	7	195 329	349 733

Note 1 | Accounting Principles

1.1 General information

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

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 acquisitions of Pioneer Public Properties I AS, Pioneer Public Properties II AS, Pioneer Public Properties III AS and Pioneer Public Properties IV AS. In 2016 the group founded Pioneer Public Properties V AS that bought real estate companies in Norway, Sweden and Finland. See note 11.

The consolidated interim financial statements covers the period from 1 January 2016 to 31 December 2016 (Q1-Q4 column)

1.2 Basis of preparation

The annual consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The interim consolidated financial statements have been prepared under the historical cost convention, as modified by fair value adjustments to investment properties.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The consolidated financial statements have been prepared on a going concern basis.

All financial numbers are presented in thousand NOK, unless otherwise stated.

Quarterly figures in the report are unaudited.

1.3 Consolidation

Subsidiaries:

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

Acquisition of subsidiaries or other entities not viewed as a business combination

An acquisition of entities not comprising any business activities is viewed as a purchase of assets. The acquisition cost is allocated to the acquired assets and no deferred tax is calculated for temporary differences that arise at their initial recognition

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

1.4 Changes in accounting principles

The financial statements and accompanying notes are in accordance with standards currently effective under IFRS as adopted by the EU.

A number of new standards and amendments to standards and interpretations are effective for periods beginning after 31 December 2016, and have not been applied in preparing these annual consolidated financial statements. None of the new Standards are expected to have a significant effect on the consolidated financial statements of the Group. The following new standards have not been implemented in the preparation of these financial statements:

- IFRS 9 Financial instruments 2018
- IFRS 15 Revenue from contracts with customers 2018
- IFRS 16 Leases 2019

IFRS 9 "Financial Instruments" regulates the classification, measurement and recognition of financial assets and financial obligations. The complete version of IFRS 9 was issued in July 2014. It replaces IAS 39. IFRS 9 classified financial assets in three categories, revalued through other comprehensive income, fair value through profit and amortized cost. Measuring categories determined by first time accounting. Classification depends on entity's business model for managing its financial instruments and characteristics of the cash flows.

For financial liabilities continued mainly regulation from IAS 39. IFRS 9 simplifies the requirements for hedge accounting something in relation to the current rules under IAS 39. The standard represents a change in relation to the assessment of losses claim. Current rules only require first provision when it occurrence of a loss event, while new regulations require provision for anticipated requirements. The standard is effective for accounting beginning 1.1.2018 or later. Group have not yet completed the evaluation of the impact IFRS 9 will have on the Group.

IFRS 15 replaces the existing standards for revenue (IAS 11 and IAS 18) with effect from 01.01.2018. IFRS 15 introduces 1:05 step method of accounting income: 1. Identification of the contract with the customer, 2. Identification of the delivery commitments, 3. Determination the transaction price, 4 Allocation of the transaction price and 5 Recognition of income as commitments to be met. The standard may result changes in relation to the timing of revenue recognition and measurement of income. The group has still not completed the assessment what effect IFRS 15 will have for the group

IFRS 16 LEASES
IASB issued a new standard for leasing 13 January 2016. The standard is effective for fiscal years beginning after 01/01/2019. The standard requires that the lessee capitalizes a right of use with corresponding liability for any material leases. The Group has not yet completed assessing the impact of IFRS 16 will have on the Group.

1.5 Investment properties

Property held with the purpose of achieving rental income, increase in value or both are classified as investment property. Investment property also include property under development for future use as investment property. Investment property is initially recognised at cost included transaction costs.

Upon purchase of property management assess whether the purchase constitute purchase of a business or purchase of an asset in accordance with IFRS 3. Transaction costs include stamp duty, lawyer's fees and commission to bring the property to the condition that is necessary to put the property into operation. Recognised value also include replacement cost for parts of the existing investment property at the time when the cost is incurred and the terms for recognition has been met.

After initial recognition the investment property is then recognised at fair value. Profit or loss from changes in fair value are presented in the income statement when they arise.

Subsequent costs relating to investment property are included in the carrying amount if it is probable that they will result in future economic benefits for the investment property and the costs can be measured reliably. Expenses relating to operations and maintenance of the investment property are charged to the income statement during the financial period in which they are incurred.

Investment properties are derecognised when they are sold or are permanently out of operations and no future economic benefit is expected if disposed of. All gains or losses relating to sales or disposal are presented in the income statement the same year as disposal. Gains or losses from disposal of investment property is the difference between net selling price and the carrying amount of the asset in the previous year's financial statements.

1.6 Lease agreements

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, the right to use an asset for an agreed period of time. All the Group's properties are leased out under operating leases. The properties are included in the balance sheet as Investment Property.

Revenue comprise of rental income from the properties. Lease income on operating leases is recognized over the term of the lease on a straight line basis.

1.7 Real estate related costs and other costs

Costs directly related to the operations of existing properties are recognized as real estate related costs, other costs are included as administrative costs. Costs are recognised as they are accrued.

1.8 Financial assets

1.8.1 Classification

The group classifies its financial assets in the following category: Loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Currently the Group only holds financial assets in the category loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet

1.8.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

1.8.3 Impairment of financial assets

Assets carried at amortised cost:

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

1.9 Trade receivables

Trade receivables are amounts due from customers for rental of premises. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.10 Cash and cash equivalents

Cash and cash equivalents includes bank deposits.

1.11 Share capital

The Company has two classes of shares, ordinary shares and preference shares. Both classes are classified as equity.

1.12 Trade payables and other short term payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

1.14 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.15 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

1.16 Current and deferred income tax

Tax on income in the interim periods are accrued using the tax rate that would be applicable to expected annual profit.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in Norway. Management periodically evaluates positions taken in tax calculations with respect to situations in which applicable tax regulation is subject to interpretation. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit.

Deferred income tax is determined using tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

1.17 Dividend distribution

The Company has two classes of shares, ordinary shares and preference shares. The preference shares are entitled to annual dividend payments amounting to NOK 7,50 per preference share, if the General Assembly approves payment of dividends. If payable, the dividend payments will be made quarterly with NOK 1,875 per preference share.

The quarterly dividend distribution to the preference shares is recognised as equity in the Group's financial statements in the period in which the dividends are approved by the General Assembly.

Dividend distribution to Ordinary shares is recognised as a liability in the Group's financial statement in the period in which the dividend is approved by the Company's shareholders in the General Assembly to payment.

1.18 Segements

The Group's only business is to own and rent out preschool properties and retirement homes. All properties are in the same business segment. All properties are in Norway, Sweden and Finland.

1.19 Cash flow

The statement of cash flow has been prepared using the indirect method, and in accordance with IAS 34 a condensed statement is presented.

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 programme focuses on the unpredictability of financial markets and seeks to minimise 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 of 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 9 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 Q4 2016 the result after tax would be +/- MNOK 6,1 million, all other conditions unchanged and assuming a floating interest rate on 100% of the Company's borrowings.

The average effective interest rate of the Group's borrowings was at period end 31 December 2016: 3,3 %

b) Credit risk

Credit risk is the risk of loss when a party is unable to redeem their obligations to the Group.

Credit risk is managed on 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 utilisation 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:	31.12.2016	31.12.2015
Accounts receivable	582	807
Other Short term receivable	8 992	9 801
Cash balance	341 681	195 329
Total exposure	351 255	205 937

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:

Maturity of financial liabilities at the end of the period:

	31.12.2016				
	< 3mnths	3m-1y	1y-2y	2y-5y	>5y
Borrowings (bank)	9 724	28 667	64 932	721 045	642 531
Interest on borrowings (bank)	13 418	36 262	46 710	149 695	177 907
Bond loans	-	-	-	1 000 000	-
Interest on bond loans	16 000	48 000	64 000	152 000	-
Other liabilities					

	31.12.2015				
	< 3mnths	3m-1y	1y-2y	2y-5y	>5y
Borrowings (bank)	9 901	29 942	190 450	340 854	645 719
Interest on borrowings (bank)	11 366	33 727	38 050	107 761	194 518
Bond loans	-	46 500	59 900	478 150	-
Interest on bond loans	9 235	27 705	36 940	39 235	-
Other liabilities	33 787	-	139 508	-	-

d) Currency risk

Currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. Currency risk also exists when the foreign subsidiary of a firm maintains financial statements in a currency other than the reporting currency of the consolidated entity. The risk is that there may be an adverse movement in the exchange rate of the denomination currency in relation to the base currency before the date when the transaction is completed.

As the Group has subsidiaries in Sweden and Finland where the currencies are SEK and EUR, respectively, the company is exposed to currency risk as the Group's consolidated financial statements is reported in NOK.

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	31.12.2016	31.12.2015
Total borrowings	2 463 220	1 923 099
Less: Cash and cash equivalents	349 733	195 329
Net debt	2 113 486	1 727 770
Total equity	1 854 756	1 637 625
Total capital	3 968 243	3 365 395
Gearing ratio	53 %	51 %

Note 3 | Segment summary

The Group's business is to own and manage investment properties in Norway, Sweden and Finland and rent them out to operators of pre-school and retirement homes. 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 three geographical area

The Group have seven customers: Norlandia Barnehagene, Kadsa Barnehager, Espira Barnehagene, Suomen Tenava Päiväkodit, Norlandia Förskolor, Touhula and Casparssons Vårdhem.

Geographical segment 30.09.16 (Q3):

NOK thousand	Norway	Sweden	Finland	Group
Income from rent	52 302	207	166	52 674
Other income	14	-	-	14
Total Income	52 316	207	166	52 688
Expenses related to property	760	2	762	
Payroll expenses	263		263	
Other operating expenses	4 984	2	0	4 986
Total Expenses	6 006	4	0	6 010
Fair value adjustment on investment properties	-	-	-	-
Operating profit (EBIT)	46 310	203	165	46 678
Finance income	917	2	918	
Finance expenses	70 961	8	99	71 068
Currency expenses	1 613	5	-0	1 618
Net Finance	-71 657	-13	-97	-71 768
Profit/(loss) before tax	-25 347	190	68	-25 089
Income taxes	-6 337	47	17	-6 272
Profit/(loss) for the period	-19 010	142	51	-18 817

Geographical segment 31.12.16 (Q4):

NOK thousand	Norway	Sweden	Finland	Group
Income from rent	55 880	1 001	3 389	60 270
Other income	14	-	-	14
Total Income	55 894	1 001	3 389	60 285
Expenses related to property	-760	-2	-	-762
Payroll expenses	188	-	-	188
Other operating expenses	8 829	229	2 528	11 586
Total Expenses	8 257	227	2 528	11 012
Fair value adjustment on investment properties	259 545	-10 230	-6 923	242 392
Operating profit (EBIT)	307 183	-9 455	-6 063	291 664
Finance income	469	-	-	469
Finance expenses	28 961	215	1 243	30 419
Currency expenses	0	152	-959	-807
Net Finance	-28 492	-368	-284	-29 143
Profit/(loss) before tax	278 691	-9 823	-6 347	262 521
Income taxes	50 390	-2 456	-1 587	46 347
Profit/(loss) for the period	228 301	-7 367	-4 760	216 174

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 5,25%. 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: *festetom*).

The average gross yield for the investment property portfolio is 5,8 %.
Refer to note 12 for sensitivities.

The valuation report is commissioned from a well known and reputable company, and for 2016 a valuation report was commissioned from Newsec.

Note 5 | Contingencies and commitments

The Group has no contingent liabilities nor commitments at 31 December 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	Q2	Q3	Q4	31.12.2016
Net profit	17 128 165	19 081 912	-18 817 066	216 173 785	233 566 796
Less pref share dividends	-12 187 500	-12 187 500	-12 187 500	-12 187 500	-48 750 000
Profit attributable to ord shares	4 940 665	6 894 412	-31 004 566	203 986 285	184 816 796
Weighted avg ord shares	9 814 470	9 814 470	9 814 470	9 814 470	9 814 470
EPS to ord shares	0,50	0,70	0,00	20,78	18,83

b) Diluted

As per 31 December 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	31.12.2016	31.12.2015
Bank deposits	349 733	195 329
Total	349 733	195 329

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

Note 8 | Expenses

Specification of expenses related to properties

	31.12.2016	31.12.2015
Maintenance properties	0	0
Total expenses related to properties	0	0

Specification of other operating expenses

	31.12.2016	31.12.2015
Management fee	11 861	13 525
Other operating expenses	15 441	18 418
Total other operating expenses	27 302	31 943

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 December 2016

NOK thousand	31.12.2016	31.12.2015
Non-current		
Commercial bank loans	659 395	404 086
Husbank loans (state bank)	769 113	772 937
Bonds in Pioneer Public Properties II AS		174 425
Bonds in Pioneer Public Properties III AS		346 742
Bonds in Pioneer Public Properties AS	987 669	
Total	2 416 177	1 698 190

NOK thousand	31.12.2016	31.12.2015
Current		
Commercial bank loans	7 356	19 151
Husbank loans (state bank)	31 036	20 692
Bonds in Pioneer Public Properties II AS		20 000
Bonds in Pioneer Public Properties III AS		26 950
Bonds in Pioneer Public Properties AS	-	
Total	38 391	86 793

NOK thousand	31.12.2016	31.12.2015
Total non-current and current		
Commercial bank loans	666 751	423 237
Husbank loans (state bank)	800 149	793 629
Bonds in Pioneer Public Properties II AS		194 425
Bonds in Pioneer Public Properties III AS		373 692
Bonds in Pioneer Public Properties AS	987 669	-
Total	2 454 569	1 784 983

a) bank borrowings

The Group's bankloans are with Husbanken, DNB, SR-Bank, Handelsbanken, Swedbank and Danske Bank. The bank borrowings mature until 2035. Of the total bank borrowings per 31 December 2016 NOK 581 million are on a fixed rate. The remaining NOK 1 466 million are on floating rates.

b) Bond loans

The Group has issues one bonds:

Pioneer Public Property (ticker PPU01) at Oslo Børs amounting to NOK 1 000 million with maturity Mai 2021. The bond is a senior secured callable bond with voluntary redemption at specified premiums up until maturity.

Summary of bond loans:

Bonds	Book value 31.12.2016	Marked value 31.12.2016	Coupon	Term
PPP	1 000 000	1 047 500	NIBOR + 5,25 %	2016/2021
Transaction costs	-13 701			
Amortization	1 370			
Total bond	987 669	1 047 500		
Whereof current	-	-		

Bonds	Book value 31.12.2015	Marked value 31.12.2015	Coupon	Term
PPP01 PRO	200 000	202 000	NIBOR + 5 %	2013/2018
PIII01	385 000	386 694	NIBOR + 4,5 %	2014/2019
Transaction costs	-24 896			
Amortization	8 013			
Total bond	568 117	588 694		
Whereof current	987 669	47 269		

In the Bond agreement entere into are there limitations on the borrower (PPP):

- The Group have to maintain an Equity of minimum 25 per cent on a consolidated basis
- The Group maintains Cash and Cash Equivalents of minimum NOK 75 million on a consolidated basis
- Make sure that the ratio between Unsecured Debt to total Financial Indebtedness of the Group shall not fall below 30 per cent

The recognised value of assets pledged as security for bank borrowings as per 31 December 2016

	31.12.2016	31.12.2015
Investment property	4 042 640	3 413 174
Total pledged assets	4 042 640	3 413 174

Note 10 | Income taxes

Income tax expense is recognised 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 December 2016 income tax expense is 25 %.

Tax expense	Q1 16	Q2 16	Q3 16	Q4 16	2016
Profit before tax	22 838	25 443	-25 089	262 521	285 712
Adjustments for:					
- temporary differences					165 259
- Permanent differences					-242 392
Taxable result for the period	22 838	25 443	-25 089	262 521	208 580
Income tax expense for the period	5 709	6 361	-6 272	46 347	52 145
Estimated effective tax rate for the period	25 %	25 %	25 %	18 %	18 %

Change in deferred tax/deferred tax asset YTD	Properties	Deferred loss	Other	Total
As per 1 January 2016	-	-	15 844	15 844
Recognized upon acquisition of assets	-	-	4 591	4 591
Change in the period			39 662	39 662
As per 31 December 2016	-	-	60 097	60 097

Change in deferred tax/deferred tax asset	Investment properties	loss carried forward	Other items	Total
As per 1 January 2016	-	-	15 844	15 844
Recognized upon acquisition of assets	-	-	4 591	4 591
Change in the period			39 662	39 662
As per 31 December 2016	-	-	60 097	60 097

Current income tax liabilities	2 016	2 015
Current income tax	7 891	7 363
Change in prior years		0
Total current income tax liabilities	7 891	7 363

Note 11 | Changes in Group structure, aquisitions during the year and subsidiaries

In 2016 the Group bought real estate companies in Sweden, Finland and Norway.

The Group also founded a Norwegian holding company PPPV AS

The Group consists of the following subsidiaries per 31 December 2016:

Company Name	Location	Percent of stock
Pioneer Public Properties AS	Norway	100 %
Pioneer Public Properties I AS	Norway	100 %
Bodø Eiendomsselskap AS	Norway	100 %
Vestlandske Eiendomsselskap AS	Norway	100 %
Tromsø Eiendomsselskap AS	Norway	100 %
Pioneer Public Properties II AS	Norway	100 %
Idunsvei 8 Eiendom DA	Norway	100 %
Oslo Barnehager Eiendom AS	Norway	100 %
Vifo Romeriket Eiendom AS	Norway	100 %
Bergen Barnehager Eiendom AS	Norway	100 %
Pioneer Public Properties III AS	Norway	100 %
Service Property AS	Norway	100 %
Bjørgene Barnehage AS	Norway	100 %
Brådalsfjellet Barnehage AS	Norway	100 %
Dragerskogen Barnehage AS	Norway	100 %
Dvergsnestangen Barnehage AS	Norway	100 %
Furuholmen Barnehage AS	Norway	100 %
Garhaug Barnehage AS	Norway	100 %
Gullhella Barnehage AS	Norway	100 %
Gåserud Barnehage AS	Norway	100 %
Halsnøy Kloster Barnehage AS	Norway	100 %
Helldalsåsen Barnehage AS	Norway	100 %
Høytorp Fort Barnehage AS	Norway	100 %
Kløverenga Barnehage AS	Norway	100 %
Kniveåsen Barnehage AS	Norway	100 %
Krystallveien Barnehage AS	Norway	100 %
Kuventræ Barnehage AS	Norway	100 %
Litlasund Barnehage AS	Norway	100 %
Løvestad Barnehage AS	Norway	100 %
Marthahaugen Barnehage AS	Norway	100 %
Myraskogen Barnehage AS	Norway	100 %
Nordmo Barnehage AS	Norway	100 %
Opaker Barnehage AS	Norway	100 %
Opsahl Barnehage AS	Norway	100 %
Ormadalen Barnehage AS	Norway	100 %
Rambjøra Barnehage AS	Norway	100 %
Ree Barnehage AS	Norway	100 %
Romholt Barnehage AS	Norway	100 %
Rubbestadneset Barnehage AS	Norway	100 %
Rå Barnehage AS	Norway	100 %
Salamonskogen Barnehage AS	Norway	100 %
Skolegata Barnehage AS	Norway	100 %
Skåredalen Barnehage AS	Norway	100 %
Snurrefjellet Barnehage AS	Norway	100 %

Solknatten Barnehage AS	Norway	100 %
Stongafjellet Barnehage AS	Norway	100 %
Sundbyfoss Barnehage AS	Norway	100 %
Tjøsvoll Barnehage AS	Norway	100 %
Torsbergskogen Barnehage AS	Norway	100 %
Ulsetskogen Barnehage AS	Norway	100 %
Vagletjørn Barnehage AS	Norway	100 %
Vannverksdammen Barnehage AS	Norway	100 %
Vanse Barnehage AS	Norway	100 %
Veldetun Barnehage AS	Norway	100 %
Østrem Barnehage AS	Norway	100 %
Åbol Barnehage AS	Norway	100 %
Århaug Barnehage AS	Norway	100 %
Pioneer Public Properties IV AS	Norway	100 %
Kidsa Bygg AS	Norway	100 %
Kidsa Eiendom AS	Norway	100 %
Kidsa AS	Norway	100 %
Kidsa Eiendom II AS	Norway	100 %
Norlandia Barnehagebygg AS	Norway	100 %
Arken Barnehage Eiendom AS	Norway	100 %
Kidsa Hylkje AS	Norway	100 %
Kidsa Sandgotna AS	Norway	100 %
Kidsa Ladegården AS	Norway	100 %
Kidsa Festtangen AS	Norway	100 %
Kidsa Øvre Sædal AS	Norway	100 %
Kidsa Kokstad AS	Norway	100 %
Kidsa Øvsttun AS	Norway	100 %
Kidsa Øyrane AS	Norway	100 %
Pioneer Public Properties V AS	Norway	100 %
Kidsa Ospeli Eiendom AS	Norway	100 %
Soløyvannveien 100 AS	Norway	100 %
ITS Solbarnehager AS	Norway	100 %
Norlandia Barnehagene Porsgrunn AS	Norway	100 %
Pioneer Public Finland OY	Finland	100 %
Kiinteistö OY Akaan Tenavajoti	Finland	100 %
Kiinteistö OY Lohjan Tenavajoti	Finland	100 %
Kiinteistö Esoo Palolammentie OY	Finland	100 %
Kiinteisö Hyvinkää Pavimäenkatu OY	Finland	100 %
Kiinteistö Keravan Kurkela OY	Finland	100 %
Kiinteistö Bromkuja Kirkkonummi OY	Finland	100 %
Päiväkotikiinteistö Klaukkala Pikkutikankuja OY	Finland	100 %
päiväkotikiinteistö Aapraminkaari Vantaa OY	Finland	100 %
Päiväkotikiinteistö Vihti Nummela OY	Finland	100 %
Päiväkotikiinteistö Touhula Karistonkatu Lahti OY	Finland	100 %
Oulunsalon Tetrilänku KOY	Finland	100 %
Touhula Ritaharju KOY	Finland	100 %
Kangasala Ilkontie KOY	Finland	100 %
Päiväkoti Ylöjärvi rimpitie OY	Finland	100 %
Casparrsons Fastighetsbolag AB	Sweden	100 %
Västeråsfjärdens fastighetsbolag AB	Sweden	100 %

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 16 years remaining on the lease agreements. All agreements are fully CPI-adjusted annually. The Group does not have any future maintenance 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 and certain locations in Sweden and Finland. 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 the year, the Group commissioned an external cash-flow valuation for all the individual properties from Newsec.

Newsec has in this report valued each property on an individual basis using a combination of discounted cash-flow analysis and property yield level. The prime-yield used as a benchmark of individual yield assumptions in Newsec's analysis was 5,25%, and a number of individual factors for each property were applied to assess the individual yield for the respective property/location.

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 be 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 202 million.

If yield is changed by 0,5 per cent the book value of the properties change with MNOK 370, and with -0,5 MNOK 580.

If the rent changed by +/- 5 per cent value of the properties change with MNOK 202

		Yield sensitivity		
		-0,5%	0,0%	1,0%
NOI sensitivity	-5 %	3 260,2	3 840,5	4 412,4
	0 %	3 462,3	4 042,6	4 412,4
	5 %	3 664,5	4 244,8	4 614,5

Note 13 | Net financial items

NOK thousands	2016	2015
Interest income	2 707	7 122
Currency expense	812	-
Interest expense	148 563	62 189
Net financial items	146 668	55 067

Note 14 | Related-party transactions

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 AS
Pioneer Capital Partners AS	Shareholder and Deliverer of management 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 17
Pioneer Bidco I AS	Controlled by substantial shareholders, refer to note 17
Kidsa Drift AS	Controlled by substantial shareholders, refer to note 17
Kidsa Barnehager AS	Controlled by substantial shareholders, refer to note 17
Acea Properties AS	Controlled by substantial shareholders, refer to note 17

Indirect ownership of shares by board member:

	Ord. Shares	Pref. shares
Roger Adolfsen	2 938 912	437 805
Even Carlsen	1 773 386	338 600
Runar Rønningen	0	59 650

The Group had the following material transactions with related parties:

Transactions with related parties	Q1 16	Q2 16	Q3 16	Q4 16	2016
Rent revenue from Norlandia Care Group AS including subsidiaries	14 845	14 845	14 845	14 845	59 380
Rent revenue from Kidsa Drift including subsidiaries	9 775	9 775	9 775	9 775	39 099
Management fee to Pioneer Capital Partners AS including subsidiaries	2 830	2 830	2 830	3 372	11 861
Purchase of shares from related parties (refer to note 11)	-	-	100 127	0	100 127

Receivables from related parties	31.12.2016
Kidsa Barnehager AS	29 535

The outstanding balances between the related parties are unsecured. The receivables occurred in late December, it is expected that these will be settled early in 2017, therefore it is not calculated interest on these receivables. Other 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 og Directors receives an annual compensation based on the total number of board-meetings during the year.

As of 2016 the accrued compensation for the board members totals TNOK 375. which have been paid out i 2017.

Note 16 | Trade receivables

	31.12.2016	31.12.2015
Trade Receivables	582	807
Other Receivables	8 992	9 801
Total Receivables	9 574	10 607

No provisions have been made for loss in receivables

None of the receivables are due.

Note 17 | Share capital and shareholder information

2016	Number of shares	Share value in NOK			Total
		Ordinary shares	Preference shares	Share premium	
At 31 December 2016	16 314 470	9 814 470	6 500 000	1 548 585 441	1 564 899 911

The Company have 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 96 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 31.12.16	Ord shares	Pref shars
Hospitality Invest AS	39,87 %	0,02 %
HI Capital AS	2,34 %	2,79 %
Eidissen Consult AS	14,45 %	4,22 %
Grafo AS	14,45 %	4,22 %
Klevstern AS	14,45 %	4,39 %
Mecca Invest AS	14,45 %	4,39 %
Avanza Bank AB	0,00 %	10,13 %
Skandinaviska Enskilda bank AB	0,00 %	9,43 %
J.P. Morgan bank Luxembourg SA	0,00 %	4,24 %
Skandinaviska Enskilda bank AB	0,00 %	3,55 %
Other minority shareholders	0,00 %	52,62 %
Total	100 %	100 %

Related party:

Pioneer Capital Partners	0,00 %	2,54 %
Norlandia Care Group AS	0,00 %	1,53 %
Acea Properties AS	0,00 %	0,56 %
Northstar Properties AS	0,00 %	0,29 %

Note 18 | Operational leases

Properties are leased out on long term triple net contracts to solid pre-school operators (Espira, Norlandia Preschools, Kads Drift and Norlandia förskolor) 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

	31.12.2016
Within 1 year	228 696
Between 1 and 5 years	961 445
After 5 years	4 366 560

Note 19 | Subsequent events

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