



ANNUAL REPORT

2023

Pioneer Property Group ASA

Contents



A modern interior space featuring a wall of vertical wooden slats and a ceiling with horizontal wooden slats. Large windows provide natural light. In the foreground, there is a seating area with yellow and green chairs and a small table. The background shows a bright room with more seating and a view of the outside.

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The board of directors' report for Pioneer Property Group ASA (PPG) 2023

Highlights of the report

Contractual revenue for 2023 was MNOK 108.2 compared to MNOK 76.2 in 2022, an increase of 42%. The increase in rental income is mostly explained by the acquisitions in 2022, which increased lease income for 2023. In addition to the acquisitions, the rent is also CPI-adjusted, which was 6.5% for 2023.

Total revenue for 2023 was MNOK 126.2 (MNOK 77.3 in 2022).

Pre-tax profit for 2023 was MNOK 26.6 compared to MNOK 76.6 for 2022.

PPG acquired one development property over the period and acquired 50% ownership in three hotels in Sweden. PPG sold 50% of the shares in two hotels in Sweden.

PPG paid four quarterly dividends to the holders of preference shares in total NOK 10 per preference share and additional dividends of 18.069 per share held by Eidissen Consult AS and Grafo AS.

Operations and strategy

Pioneer Property Group ASA (PPG) is an investment company, mainly within real estate. PPG is a public limited company, the Company's registered office is Rådhusgata 23, 0158 Oslo, Norway. PPG has since the beginning of 2020 expanded its real estate activities into new areas. The current portfolio contains different segments, PPG reports based on the characteristics of the properties and hence report on the following segments:

1. Preschools
2. Hotel Properties
3. Retail Properties
4. Property Development
5. Office Properties

The focus area for PPG will be to continue to invest in real estate within these segments and seek to enter into long-term triple-net leases with leading operators. The market conditions for 2023 has been demanding for real estate on a general basis with increasing interest rates, resulting in less net cash flow from the investment portfolio. The general conditions for the real estate market are viewed as stable. The cash flows and result going forward are impacted by the uncertainty related to the interest rate levels.

On the other hand, other factors such as higher estimated CPI adjustments and market rent expectations is positive factors for real estate investments. The board expects an increase in rent levels for 2024 for the investment properties.

PPG's real estate portfolio per year-end 2023 consisted of three properties in the Preschools segment, seven properties in the Retail properties segment, four properties in the Hotel properties segment, one office property in addition to six properties in the Property development segment.

Key material events during 2023

During 2023, PPG has declared quarterly dividends to the holders of preference shares in total NOK 10.00 per preference share. As per the articles of association §5, the annual preferred dividend to the holders of preference share increased by NOK 1 per preference share from 01. July 2022 to 2.500 per quarter. Furthermore PPG paid additional dividends of NOK 18.069 per share held by Eidissen Consult AS and Grafo AS.

In 2023, PPG has increased the real estate income due to the acquisitions made in 2022 and early 2023. PPG has increased its investments within the hotel segment, entering into a joint venture with Västerkulla Hotell Holding AB of owning three hotels located in Eksilstuna, Helsingborg and Jönköping in Sweden. This investment was made through the joint venture company JV Västerkulla Fastighet AB and is recognized according to the equity method.

The purchase price for the shares was MSEK 64.8, net of bank debt and other adjustments, based on a property value of MSEK 270.0 on a 100% basis.

The second largest transaction was the sale of 50% of the shares in two hotels, located respectively in Strand and Köping in Sweden. The sale generated a profit of MNOK 12.7.

Further, PPG increased its holdings in the real estate company Norlandia Holding AS from an ownership of 23.58% to an ownership of 47.80%.

PPG added one development property (combined office and warehouse) in Mo i Rana over the period, due to the acquisition of additional shares in BM3 Eiendom AS which is now regarded as a subsidiary. The transaction was made based on a property value of MNOK 26.0.

Additionally, PPG acquired development rights related to 51 500 m² plot together with local partners in close proximity to Evenes Airport.

Preschools

Preschool (NOKt)	2023	2022
Total Income	6 719	1 912
Fair value adjustment on investment properties	-9 500	797
Operating profit/loss (EBIT)	-3 436	2 308
Investment properties	106 500	116 000
Cash and cash equivalents	6 852	7 414

The Preschool segment consists of three preschool properties owned by PPG as of 31.12.2023. Total lease income for the Preschool segment amounted to MNOK 6.7 in 2023, compared to MNOK 1.9 in 2022, with a fair property value based on third party valuation of the properties owned by PPG per 31.12.23 of MNOK 106.5.

Retail Properties

Retail Properties (NOKt)	2023	2022
Total Income	33 327	29 414
Fair value adjustment on investment properties	-25 370	-30 064
Operating profit/loss (EBIT)	502	-7 529
Investment properties	438 000	461 000
Cash and cash equivalents	8 105	19 037

Pioneer Retail Properties AS was established to procure and build facilities for retail business, mainly for the Ferda group all over Norway. The Retail Properties segment consists of 7 properties owned by PPG. The building of premises for Ferda in Rana and Balsfjord was completed in February 2022 and October 2022 respectively, and has had full effect on the lease income for 2023. Currently, two additional properties are under construction at Evenes, Bare house lease contracts with Tesla and Ferda have been signed for these properties. Ferda Evenes will be completed in Q2 2024, and is regarded as Retail Properties in 2023. Tesla Evenes will be completed in Q1 2025 and is regarded as project in progress for year end 2023.

Total lease income for 2023 for the retail properties segment amounted to MNOK 33.3, with a fair property value based on third party valuations per 31.12.23 of MNOK 438.

Hotel Properties

Hotel Properties (NOKt)	2023	2022
Total Income	70 426	42 582
Fair value adjustment on investment properties	-60 404	-11 701
Operating profit/loss (EBIT)	-5 236	19 165
Investment properties	766 000	924 029
Cash and cash equivalents	23 953	48 580

Pioneer Hotel Properties AS was established to acquire hotel properties through the downturn following the Covid-19 pandemic across the Nordics and Europe. The Hotel Properties segment consist of four hotel properties owned by PPG. During

2023, two hotels in Sweden was sold to partner, entering into a Joint Venture agreement. These two, in addition to four other hotel properties are owned in joint venture with local partners, and regarded as Joint Ventures in the financial statement. Total income for 2023 for the Hotel Properties segment amounted to MNOK 70.4 (MNOK 42.6 in 2022) of which contractual lease income was MNOK 52.5. The increase in total income for this segment was mainly due to profit of MNOK 12.7 from the sale of two hotels in Sweden and other income of MNOK 5.3. The fair property value for the hotel segment based on third party valuations per 31.12.23 amounted to MNOK 766.

Office Properties

Office Properties (NOKt)	2023	2022
Total Income	3 774	16 161
Fair value adjustment on investment properties	-9 760	26 468
Operating profit/loss (EBIT)	-6 966	26 909
	0	
Investment properties	61 000	70 000
Cash and cash equivalents	354	142

The first office property was acquired in March 2022, a seven stories tall building in Bodø. PPG has an ownership of 52 % in the property, controlling the acquired subsidiary that owns the property

Total lease income for 2023 for the office properties segment amounted to MNOK 3.8 with a fair property value based on third party valuations per 31.12.23 of MNOK 61.

Property Development

Property Development (NOKt)	2023	2022
Total Income	11 891	1 740
Fair value adjustment on investment properties	58 471	30 767
Operating profit/loss (EBIT)	65 467	30 078
Investment properties	385 756	227 681
Cash and cash equivalents	30 737	65 366

Through Pioneer Property Development AS, PPG develop properties within general commercial real estate and housing. The segment consists of 6 development properties and the lease income income for the segment is related to parking and tenants in properties that can be developed long term. PPG added one development property (combined office and warehouse) in Mo i Rana with lease income of MNOK 2.2. The main asset is Evenes Holding AS, which holds two properties in Evenes in close proximity to Evenes Airport. In 2023, PPG acquired the development rights related to the plot closest to the airport.

In addition, PPG currently holds two plots together with local partners, treated as associate company in the accounts. One is located at Ramstadsletta in Bærum. The other is located in Mo i Rana with a potential of 400 residential units.

Subsequent events since the end of 2023

There has not been any significant material subsequent events since the end of 2023.

Overview of the financial accounts for 2023

Total revenue was MNOK 126.2 in 2023, compared to MNOK 77.3 in 2022. Revenues consisted of rental income of MNOK 108.2 (MNOK 76.2 in 2022) and other income of 18.0 (MNOK 1.1 in 2022). Approximately 90% of rental income originates from investment properties in Norway. The increase in revenues is mainly explained by rental income from acquisitions made in 2022, with the first whole year of rental income being 2023. The increase in other income is due to sale of hotels in Sweden, generating a profit of MNOK 12.7.

Operating profit (EBIT) for 2023 amounted to MNOK 46.6, compared to MNOK 69.8 in 2022. The difference can primarily be explained by a larger positive fair value revision of MNOK 16.7 in 2022, versus a negative adjustment of MNOK 46.6 in 2023, as interest rates increased, affecting the yields on the properties.

In 2023, a gain of MNOK 49.1 from joint ventures and associated companies was recognised. MNOK 34.0 was related to a sale of land in Ramstadsletta and the MNOK 11.6 was recognized due to a value increase of the properties acquired together with Västerkulla in Sweden. In 2022, a loss of MNOK 1.6 from joint ventures and associated companies was recognised mainly due to share of loss in Kongsparken in Mo i Rana of MNOK 2.6. Norlandia Holding contributed with a positive share of profit of MNOK 1.1.

Net financial expense for the year was MNOK 20.0 compared to a net financial income of MNOK 6.8 in 2022, where the gain recognized from joint ventures and associates was offset by increasing interest rates. Income taxes decreased from MNOK 11.8 to 1.6.

There have not been any discontinued operations in 2023 or 2022.

This year's net profit for the group was MNOK 25.0, compared to MNOK 64.8 in 2022.

Total equity amounted to MNOK 1,283.5 (1,360.6), the difference being explained by the profit for 2023, and the dividends on the ordinary and preference shares paid during the year.

The Group had total assets of MNOK 2,573.8 (2,459.6 in 2022), where MNOK 2,165.4 (1,905.8 in 2022) were related to investment property and shares in associated companies. The additions in investment property and associated company has increased non-current borrowings in PPG. Further PPG had a cash balance of MNOK 112.3 (265.2 in 2022) and MNOK 117.6 (118.9 in 2022) in other short-term investments related to bonds and high yield funds held by PPG.

Net cash flows from operating activities were MNOK 7.7 (MNOK 34.8 in 2022). The reduction is explained by a decrease in working capital, an increase in paid interest, but offset to some extent by an increase in lease income.

Net cash flows used in investing activities were MNOK 247.6 (MNOK 133.2 in 2022). Most of the cash flow is related to the purchase of additional shares in Norlandia, JV Nordväst Fastighet AB and Evenes Utvikling.

Net cash flows from financing activities were MNOK 87.0 (MNOK 133.2 in 2022).

The net change in cash and cash equivalents was MNOK -152.9 (146.9 in 2022).

The annual report gives an accurate overview of the Group's financial development throughout the year. There have not been any events after the end of the fiscal year 2023 which have had any material impact on the financial status of the Group.

Work Environment, Equal opportunities and Discrimination

There were at year end 5 employees in Pioneer Property Group ASA, all men. The sick absence rate in PPG was approximately 1%. There are no employees in any other Group-companies. PPG had no reported incidents of discrimination in 2023. The Board of Directors consists of three women and two men.

PPG strive for a safe work environment, both for our employees and for our properties and construction projects.

The Company works systematically with corporate social responsibility within the areas human rights, employee rights, environment, anti-corruption and social responsibility and integrates these in its business strategy and daily operations through including these considerations into its decision-making process. To ensure human rights and decent working conditions in its operations PPG has developed guidelines and policies.

Managers' remuneration

The board of directors has prepared a declaration on salary and other remuneration for the Company's executive management

pursuant to Section 6-16a of the Norwegian Public Limited Liability Companies Act. The declaration is based on the guidelines for the determination of salaries and other remuneration of leading personnel in the Company. The guidelines include the policies which the Company will use for the determination of salary and other remuneration to its executive management in the calendar year 2024. The declaration of salary and the guidelines guidelines for the determination of salaries and other remuneration of leading personnel are made available at the Group's webpage www.pioneerproperty.no

External Environment

The Group's operation consists of investing in and providing high-quality properties and is considered to have limited environmental impact. The company focuses on making investment and operational decisions that are in line with sustainable environmental practices.

Risks related to nature

Risks related to nature are becoming more relevant and will be monitored closely for our properties. In general, many areas could be affected: from impairment testing, to provisions to fair value measurement. The location of PPG's properties is on a general level not seen as particularly exposed to flooding. However, the property in Voss has experienced flood, and regarding the development and the refurbishment of the property, the management is considering, together with the local authorities, measurements to reduce the risk and potential damage from flooding.

Storms and floods are long-term risks, with potential to physically damage to property values could be severe. Damage to third party equipment and installations may lead to increased insurance cost and/or reduced customer satisfaction. On a general basis, we observe increased premium on insurance due to cost of the incidents and the number of incidents due to extreme weather conditions.

With respect to our portfolio of investment property, PPG actively work to reduce the CO2 consumption together with the tenants, especially within the area of energy efficiency. During 2023 a number of activities was carried out, such as installation of systems of ventilation and warming of the buildings that maintains a healthy and comfortable indoor climate while improving energy efficiency and reducing energy costs.

Reduction of energy consumption per square meter is a goal the management is working towards. In addition, bank and lending institutions are providing green financing which has lower interest rates than traditional financing.

Going concern

The financial statements have been prepared based on the going concern assumption, and the Board confirms that this assumption is valid.

Corporate Governance

Pioneer Property Group AS has prepared a report on Corporate Governance in accordance with the Norwegian Accounting Act Section 3-3b and the Norwegian Code of Practice for Corporate Governance dated 17 October 2018, and a report on Corporate Social Responsibility in accordance with the Norwegian Accounting Act Section 3-3c, both of which are made available at the Group's webpage www.pioneerproperty.no.

The Transparency Act has been incorporated in PPG and the company is reporting on the Transparency Act for 2023. The report will be available on the company's webpage www.pioneerproperty.no. The report will be published 30th June 2024.

Financial Risks

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

The market risk of a general increase in interest rate levels. Increasing interest rates will reduce the cashflow from the properties, as lease income is not adjusted for increasing interest rate. PPG is exposed to variable interest rates for its borrowings linked to the different investment properties.

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

Credit risk, the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation.

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

Changes in valuation of financial assets that is owned to meet future cash needs. When managing the capital, PPG will take into account the need for sufficient liquidity reserves to meet PPG's financial obligations. These assets are subject to financial risk as price of the assets may vary.

The Board of Directors and management performs continuous assessments of the most important financial risk factors and evaluates the necessity of implementing specific measures.

Specific measures are evaluated considering the Company's total financing risk exposure. PPG has a financing policy that secures a diversified debt maturity profile.

The board of directors

The Articles of Association provide that the Board of Directors shall consist of 3 to 7 board members elected by the general meeting.

Name	Position	Served since	Term expires	
Roger Adolfsen	Chairperson	2015	2025	<u>Roger Adolfsen</u> has broad experience from serving on various boards. Currently, he holds various board positions and has more than 30 years of experience from business and real estate development. Adolfsen is a business graduate from BI Norwegian Business School. He also holds a Master in Business and Administration (MBA) from the University of Wisconsin.
Sandra Henriette Riise	Board member	2015	2025	<u>Sandra Henriette Riise, Board member</u> Sandra H. Riise serves as chair on the Norwegian Better Regulation Council. Riise is educated as public accountant and is former Chief Executive Officer of Accounting Norway, the Norwegian Association of Authorized Accountants, and has held the position of Chief Municipal Executive (<i>Nw. Kommunedirektør</i>) of Andøya municipality. Riise is educated from BI Norwegian School of Management
Geir Hjorth	Board member	2015	2025	<u>Geir Hjorth, Board member</u> Geir Hjorth currently serves on the board of directors of several different companies (including several chairperson positions). He has extensive experience from the hotel industry and has participated in several courses pertaining to marketing and human resource management.
Ane Nordahl Carlsen	Board member	2023	2025	<u>Ane Nordahl Carlsen, Board member</u> Carlsen is a partner in the investment company Arctic Investment Group AS and the CEO of Grafo AS which owns 1 642 024 ordinary shares in Pioneer Property Group ASA. She has experience from various commercial positions for Philip Morris International. Carlsen has held various board positions in private companies and is currently a board member in, among others, Otiga Group AS.
Nina Torp Høisæther	Board member	2015	2025	<u>Nina H. Torp Høisæther, Board member</u> Carlsen has a MSc in Economics and Business administration, an Executive MBA from the Stockholm School of Economics and has extensive experience from early- stage investing.

The directors Sandra Henriette Riise and Ane Nordahl Carlsen are independent of the majority shareholder of the Company, Hospitality Invest AS, and all board members are independent of the Management. All board members attended all board meetings. The composition of the Board of Directors is in compliance with the independence requirements of the Corporate Governance Code. Effective from June 1st 2022, directors and officers are covered by a liability insurance covering personal liabilities caused by performing their duties for the group.

Brief description of the board of directors

Roger Adolfsen, Chairperson

Roger Adolfsen has broad experience from serving on various boards. Currently, he holds various board positions and has more than 30 years of experience from business and real estate development. Adolfsen is a business graduate from BI Norwegian Business School. He also holds a Master in Business and Administration (MBA) from the University of Wisconsin.

Sandra Henriette Riise, Board member

Sandra H. Riise serves as chair on the Norwegian Better Regulation Council. Riise is educated as public accountant and is former Chief Executive Officer of Accounting Norway, the Norwegian Association of Authorized Accountants, and has held the position of Chief Municipal Executive (*Nw. Kommunedirektør*) of Andøya municipality. Riise is educated from BI Norwegian School of Management

Geir Hjorth, Board member

Geir Hjorth currently serves on the board of directors of several different companies (including several chairperson positions). He has extensive experience from the hotel industry and has participated in several courses pertaining to marketing and human resource management.

Ane Nordahl Carlsen, Board member

Carlsen is a partner in the investment company Arctic Investment Group AS and the CEO of Grafo AS which owns 1 642 024 ordinary shares in Pioneer Property Group ASA. She has experience from various commercial positions for Philip Morris International. Carlsen has held various board positions in private companies and is currently a board member in, among others, Otiga Group AS.

Carlsen has a MSc in Economics and Business administration, an Executive MBA from the Stockholm School of Economics and has extensive experience from early- stage investing.

Nina H. Torp Høisæther, Board member

Nina H.T. Høisæther has held various board positions within the Confederation of Norwegian Enterprises ("NHO") (*Nw. Næringslivets Hovedorganisasjon*) and various CEO roles within the Norlandia sphere. She is currently working with business development in Norlandia Health and Care Group AS. Høisæther is educated within nursing from the University of Stavanger and University of Oslo.

Oslo, 21 March 2024

Board of Directors of Pioneer Property Group ASA



Roger Adolfsen
Chairman of the Board



Nina Hjordis Torp Høisæter
Member of the Board



Sandra Henriette Riise
Member of the Board



Geir Hjorth
Member of the Board



Ane Nordahl Carlsen
Member of the Board



John Ivar Busklein
Chief Executive Officer

Responsibility Statement

We confirm to the best of our knowledge, that the set of Financial statements for the financial year ending 31. December 2023 have been prepared in accordance with IFRS and gives a fair view of the Group's assets, liabilities, financial position and profit or loss.

We also confirm to the best of our knowledge, that the 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 principal risks and uncertainties, and major related parties' transactions

Oslo, 21 March 2024

Board of Directors of Pioneer Property Group ASA



Roger Adolfsen
Chairman of the Board



Sandra Henriette Riise
Member of the Board



Ane Nordahl Carlsen
Member of the Board



Nina Hjordis Torp Høisæter
Member of the Board



Geir Hjorth
Member of the Board



John Ivar Busklein
Chief Executive Officer

PIONEER PROPERTY GROUP - CONSOLIDATED

Consolidated Statement of Comprehensive Income

NOK thousand	Note	2023	2022
Contractual rental income	5, 13	108 227	76 176
Other operating income	5, 8	17 955	1 089
Total income		126 182	77 264
Operating expenses			
Employee expenses	14	7 258	4 301
Property expenses		7 416	6 202
Other operating expenses	15	18 360	13 247
Total operating expenses		33 034	23 750
Fair value adjustments on investment properties	5, 6	-46 563	16 267
Operating profit (EBIT)		46 586	69 780
Share of profit (loss) of joint ventures and associates	8	49 147	-1 647
Interest income	9	29 372	17 027
Interest expense	11	80 263	42 396
Other financial gains/losses (-)	9, 16	-18 255	33 805
Net Finance income (+) /expenses (-)		-19 999	6 789
Profit before tax		26 587	76 571
Income taxes	17	1 550	11 795
Profit		25 037	64 775
Profit/(loss) attributable to			
Shareholders of the parent		14 796	38 778
Non-controlling interest		10 241	25 997
Profit/(loss) for the period		25 037	64 775
Other comprehensive income			
<i>Items to be reclassified to P&L in subsequent periods:</i>			
Exchange differences, from translation of foreign operations		4 443	-4 186
Other comprehensive income		4 443	-4 186
Total comprehensive income		29 479	60 589
Comprehensive income attributable to			
Shareholders of the parent		19 238	34 592
Non-controlling interests		10 241	25 997
Comprehensive income		29 479	60 589
Earnings per share (NOK):			
Basic earnings per ordinary share	18	-1,99	0,10
Diluted earnings per share (NOK):			
Diluted earnings per ordinary share	18	-1,99	0,10

PIONEER PROPERTY GROUP

Consolidated Statement of Financial Position

<i>NOK thousands</i>	Note	2023	2022
ASSETS			
Investment properties	6	1 757 256	1 798 709
Project in progress, investment property	7	35 513	739
Other interest in property		986	21 654
Other investment	9	44 391	48 953
Associated companies and joint ventures	8	372 663	107 100
Loan to associated companies and joint ventures	9, 20	72 523	56 948
Loan to other companies	9	6 736	12 296
TOTAL NON-CURRENT ASSETS		2 290 068	2 046 399
Trade and other receivables	9	53 836	29 024
Other short-term investments	9	117 576	118 954
Cash and cash equivalents	10	112 331	265 226
TOTAL CURRENT ASSETS		283 743	413 204
TOTAL ASSETS		2 573 811	2 459 603

PIONEER PROPERTY GROUP

Consolidated Statement of Financial Position

<i>NOK thousands</i>	Note	2023	2022
EQUITY AND LIABILITIES			
Share capital	21	14 683	14 683
Treasury shares	21	-988	-988
Share premium	21	555 637	555 637
Other reserve and retained earnings		652 425	739 604
Non controlling interest		61 827	51 703
TOTAL EQUITY		1 283 583	1 360 639
LIABILITIES			
Non-current borrowings	11	925 924	834 870
Other non-current liabilities		-	1 777
Deferred tax	17	46 437	58 338
TOTAL NON-CURRENT LIABILITIES		972 361	894 985
Current borrowings	11	223 195	137 087
Current tax payable	17	4 471	6 813
Other current liabilities	12	90 201	60 082
TOTAL CURRENT LIABILITIES		317 867	203 980
TOTAL LIABILITIES		1 290 229	1 098 965
TOTAL EQUITY AND LIABILITIES		2 573 811	2 459 603

PIONEER PROPERTY GROUP - CONSOLIDATED

Statement of Changes in Equity

Attributable to owners of the parent

NOK thousands	Notes	Share capital	Treasury shares	Share premium	Curr. Trans. Diff.*	Retained earnings	Total	Non-contr. Interest	Total Equity
Balance at 1 January 2022		14 683	-988	555 637	-257	779 887	1 348 962	28 406	1 377 369
Profit/(loss) for the period	-	-	-	-	-	38 778	38 778	25 997	64 775
Exchange diff. from foreign operations	-	-	-	-	-4 186	-	-4 186	-	-4 186
Total comprehensive Income for the period		-	-	-	-4 186	38 778	34 592	25 997	60 589
Transactions with non-controlling interests	21	-	-	-	-	3 360	3 360	-2 701	659
Dividends on preference shares and ordinary shares	21	-	-	-	-	-78 128	-78 128	-	-78 128
Balance at 31 December 2022		14 683	-988	555 637	-4 443	744 046	1 308 936	51 703	1 360 639
Profit/(loss) for the period	-	-	-	-	-	14 796	14 796	10 241	25 037
Exchange diff. from foreign operations	-	-	-	-	4 443	-	4 443	-	4 443
Total comprehensive Income for the period		-	-	-	4 443	14 796	19 239	10 241	29 479
Capital reduction	-	-	-	-	-	-1 185	-1 185	-	-1 185
Transaction with non-controlling interests	20	-	-	-	-	-7 087	-7 087	-117	-7 204
Dividends on ordinary shares and preference shares	21	-	-	-	-	-98 146	-98 146	-	-98 146
Balance at 31 December 2023		14 683	-988	555 637	-	652 425	1 221 757	61 827	1 283 583

*) Other reserves

PIONEER PROPERTY GROUP - CONSOLIDATED

Statement of Cash Flow

NOK thousands	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		26 587	76 571
Adjustments for:			
Fair value adjustments on investment property	6	46 563	-16 267
Fair value adjustments on financial instruments	9	1 996	-10 718
Other adjustments		20 865	4 000
Share of profit (loss) of joint ventures and associates	8	-49 224	1 647
Interest net		50 872	25 694
Taxes paid		-7 359	-22 229
Exchange gains/(losses)		-2 552	1 066
Gain on sale bonds/shares		-14 653	-28 477
Changes in working capital			
Trade receivables	4	-4 112	-3 529
Trade payables	12	7 594	20 151
Other accruals		-20 790	7 762
CASH GENERATED FROM OPERATIONS		55 785	55 672
Interest received		16 057	6 799
Interest paid		-64 097	-27 707
NET CASH FLOW FROM OPERATING ACTIVITIES		7 746	34 764
INVESTING ACTIVITIES			
Proceeds from sale of shares	9	52 853	372 069
Proceeds from sale of bonds and funds	9	15 000	263 817
Proceeds from loan to other companies	11	48 670	21 291
Loans to other companies	11	-4 213	-12 000
Purchase/sale of subsidiaries / properties	19	-200 968	-284 976
Purchase of shares	9	-	-30 741
Purchase of shares in associated companies	8	-163 047	-93 879
Purchase of bond	9	-	-222 990
Purchase of funds	9	-9 071	-
Proceeds from sale of properties	9	15 975	-
Net purchase of receivables/debt		-	-43 535
Loans to associated companies	9, 20	-	-2 400
Received dividend/repaid paid-in capital other shares	9	-	11 532
Purchase of other items	4	-2 826	-
NET CASH USED IN INVESTING ACTIVITIES		-247 627	-21 812
FINANCING ACTIVITIES			
Proceeds from debt to financial institutions	11	372 850	349 546
Repayments of debt to financial institutions	11	-189 202	-194 873
Repayments other debt	11	-42 855	-
Loans from other companies	11	24 880	51 080
Dividends on ordinary shares	20	-39 881	-35 251
Dividends on preference shares	20	-38 806	-37 351
NET CASH (USED IN) / FROM FINANCING ACTIVITES		86 986	133 151
Net increase in cash and cash equivalents		-152 896	146 102
Cash and cash equivalents at beginning of year		265 226	119 383
Exchange (losses)/gains on cash and cash equivalents		-	-259
CASH AND CASH EQUIVALENTS AT END OF YEAR		112 331	265 226

1. About the business

Pioneer Property Group ASA (the 'Company') and its subsidiaries (together, the 'Group') invests mainly in a broad range of properties including retail properties; hotel properties; preschool properties, office properties and property development within commercial and residential real estate (currently under development). The Group leases out the investment properties on long-term leases. The current real estate portfolio is situated in Norway and Sweden.

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 consolidated annual financial statements cover the period from 1 January 2023 to 31 December 2023, with 2022 shown as comparative period.

These consolidated financial statements are approved by the Board of Directors 21. March 2024.

2. Key transactions and events in 2023

In 2023, PPG has increased the real estate income due to the acquisitions made in 2022 and early 2023. PPG has increased its investments within the hotel segment, entering into a joint venture with Västerkulla Hotell Holding AB of owning three hotels located in Eksilstuna, Helsingborg and Jönköping. This investment was made through the joint venture company JV Västerkulla Fastighet AB and is regarded as an joint venture company.

The purchase price for the shares was MSEK 64, net of bank debt and other adjustments, based on a property value of MSEK 270 on a 100% basis..

The second largest transaction was the sale of 50% of the shares in two hotels to partner. These investemtns is now regarded as investment in joint venture. The hotels is located respectively in Strand and Köping in Sweden. Refer to note 5, note 6 and note 8 for additional information.

Further, PPG increased its holdings in the real estate company Norlandia Holding through purchase of shares received as payment in kind for the transaction mentioned above. Refer to note 8 for additional information

PPG added one office property (combined office and warehouse) in Mo i Rana over the period due to the acquisition of additional shares in BM3 Eiendom which is now regarded as a subsidiary. Refer to note 5 and note 6 for additional information.

Additionally, PPG acquired development rights related to 51 500 m² plot together with local partners in close proximity to Evenes Airport. Refer to note 5 and note 6 for additional information.

3. General Accounting Principles

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS® Accounting standards and interpretations by the IFRS Interpretations Committee (IFRIC) as adopted by the EU. The consolidated financial statements have been prepared under the historical cost convention, except for fair value adjustments of bonds, funds, shares and 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 related to valuation of investment properties as described in note 6 and the valuation of financial instruments measured at fair value as described in note 9.

The statement of cash flow has been prepared using the indirect method.

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

Consolidation

Subsidiaries are all 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. They are deconsolidated from the date that control ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet, respectively.

Foreign currency translation.

The Group's presentation currency is NOK, which is also the parent company's functional currency.

Transactions in foreign currencies are initially recognised in the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rate at the reporting date. All exchange differences are recognised in the consolidated income statement.

Dividend

Pioneer Property Group ASA has two classes of shares, ordinary shares and preference shares. The preference shares are entitled to annual dividend payments amounting to NOK 10.00 per preference share, in accordance with the company's Articles of Association. The board of directors approves payment of dividends based on an authorisation from the Annual General Meeting. The dividend payments have been made quarterly with NOK 2.50 over the course of 2023. The Preference shares are currently redeemable at a price of NOK 100 per share, which was valid from 1 July 2020, when it was stepped down from NOK 130 per preference share. The coupon for the preference share has reached its maximum coupon, which is set to NOK 10 per share.

Dividend distribution to Ordinary shares and Preference Shares is recognised as a liability in the Group's financial statement in the period in which the dividend is approved by the Board of Directors based on the authorisation given by the Company's shareholders in the General Assembly.

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

Estimates and assumptions

Estimated and assumptions are used by the management to assess that the value of investment property and financial instruments. These estimates may have affected assets, liabilities, revenues, expenses and information on potential liabilities. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Management has, when preparing the financial statements; made certain significant assessments based on critical judgment when it comes to application of the accounting principles.

Material exercise of judgment and estimates relate to the following matters:

- Investment properties, note 6
- Financial instruments, note 9

4. Financial risk management

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, currency 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 acts upon financial risks.

a) Market risk

Market risk for the Group is the risk that future cash flows in the form of interest payments change as a result of changes in market interest rates in addition to fluctuations in currencies. The level of interest rate exposure and currency risk exposure are determined based on an assessment by management and the Board of Directors 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 and bonds. Fluctuations in interest rates would yield a higher or lower interest income. At the current level of cash deposits, a change in interest rate of +/- 1 % will not be material for the financial statements. Further, a change in interest levels may cause changes in the fair value of the real estate portfolio in addition to the performance of the bonds and bond funds held on PPG's balance sheet.

(ii) Cash flow interest rate risk

Exposure to cash flow interest rate risk is assessed when necessary. As of 31.12.2023, the Group is exposed to variable interest rates for its borrowings linked to the different investment properties. The Group also holds borrowings with fixed interest rates. See note 11 for further details.

The need for a fixed rate is periodically assessed, depending on the effects of adverse fluctuations in interest payment cash flows 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.

The following table summarises how the profit or loss, before tax, and equity in the 2023 reporting period would have been affected by changes in the interest rate that Management considers are reasonably possible:

Interest rate sensitivity for reporting year 2023				
(in TNOK)	-0,50 %	-0,25 %	0,25 %	0,50 %
Change P&L/Equity	5 302.7	2 651.3	-2 651.3	-5 302.7

Interest rate sensitivity for reporting year 2022				
(in TNOK)	-0,50 %	-0,25 %	0,25 %	0,50 %
Change P&L/Equity	4 173.2	2 086.6	-2 086.6	-4 173.2

(iii) 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.

Monetary assets and liabilities are sensitive to movements in foreign exchange rates. As the operations of the Group are located in Norway and only joint venture operations are carried out in NOK, and all financing activities are denominated in NOK (see note 11), Management considers that the exposure to foreign exchange risk is low, as all loans are nominated in NOK and the consolidated cash funds in Swedish Krona at year end was MSEK 0.

For its operating activities in Sweden, the Group manages its foreign currency risk by maintaining a policy to hold the foreign currency received to meet its future obligations in foreign currency, such as refurbishment needs.

b) Credit risk

Credit risk is the loss that the Group would suffer if a counterparty fails to perform its financial obligations. Credit risk is managed on Group basis. Credit risk arises from cash and cash equivalents; loans granted and trade receivables, including committed transactions. The Group assess the expected credit losses in relation to its financial assets taking into account its past experience and also taking into account forwards looking information

Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Management does not expect any losses from non-performance by the contractual counterparties. The impairment analysis on trade receivables is performed at each reporting period based on a provision matrix, grouping its receivables in the number of days past due. As of the end of the 2023 and 2022 reporting periods, there has not been recorded any loss and there are no significant amount of trade receivables past due at the date of the approval of the financial statements.

Receivables due

	Total	Not due	between 1 and 60 days overdue	more than 60 days overdue
Trade Receivables	12 178	8 473	1 311	2 393
Other Receivables	41 658	41 658	-	-
As per 31.12.2023	53 836	29 024	1 311	2 393

	Total	Not due	between 1 and 60 days overdue	more than 60 days overdue
Trade Receivables	8 066	1 976	6 090	-
Other Receivables	20 958	20 958	-	-
As per 31.12.2022	29 024	22 934	6090	-

The credit quality of the issuer is also taken into consideration when acquiring bonds.

With respect to the loans to associates and other parties, the Groups applies general approach to assess the impairment of financial assets measured at amortised cost. Loans to associates are closely monitored by Management, and concludes that the credit risk, including the probability of default within the next 12 months is very low. There has not been a significant increase in the credit risk since the initial recognition.

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 pay out quarterly dividends to holders of preference shares. The monitoring takes into account the possibility to raise external debt, as the Group keeps unleveraged assets and properties. The Group also keeps its liquid funds in cash and cash equivalents, and in high yield funds with high liquidity.

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 2023 reporting period:

NOK thousand	31.12.2023				
	<1y	1y-2y	2y-5y	>5y	Total
Borrowings	223 195	48 431	507 923	354 347	1 133 896
Interest on borrowings	78 196	65 390	135 903	155 090	434 578
Other current liabilities	78 679				78 679
Total	380 070	113 821	643 826	509 437	1 647 153

During 2023, the Group became the counterparty to a number of loan agreements, mostly in connections with its acquisitions of investment properties. See Note 11 for further details.

As of the end of the 2023 reporting period, Management considers it highly likely that the Group will enter into refinancing agreement for one of the loans maturing in less than 12 months, with an amortised cost value of MNOK 134.5. The new agreement is expected to be paid in periodic payments over a term of 5 years. However, since at the end of the 2023 reporting period the Group has not completed the agreement (i.e. no unconditional right to defer settlement for at least 12 months after the reporting period), the loan is presented as current liabilities.

Maturity of financial liabilities at the end of the 2022 reporting period:

NOK thousand	31.12.2022				
	<1y	1y-2y	2y-5y	>5y	Total
Borrowings	137 087	244 667	375 310	207 650	964 713
Interest on borrowings	50 110	41 027	84 259	106 550	281 947
Other current liabilities	51 412				
Interest on other current liabilities					
Total	238 608	285 694	459 569	314 200	1 246 659

Capital management

The group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern; to maintain an optimal capital structure to reduce the cost of capital; and to comply with all covenants agreed with the lenders to the Group. Compliance with covenants is further described in note 11.

When managing the capital, PPG will take into account the need for sufficient liquidity reserves to meet PPG's financial obligations.

Management determines that the current liquidity in the Group and the current liquidity forecasts as of 31.12.23 grants the Group enough resources to meet its obligations and continue with its current investment plan. Management continues to monitor the optimal capital structure going forward, depending on operational needs. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to repay debt.

5. Segments

Accounting principles

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Furthermore, the entity's component's operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and thus separate financial information is available. The company has determined that the Board of Directors is collectively the chief operating decision maker.

Description

During 2023, the Group has increased its investments across a broad range of properties, both in Norway and Sweden. As of the end of the reporting period, the Group's real estate portfolio was comprised of retail properties; hotel properties; preschool properties; office properties and development properties with both commercial and residential use. The Office properties segment was a new segment in 2022, as a consequence of the acquisition of an office property in Bodø (see Note 6 for further information).

Management has therefore identified five different segments, all of them held with a view to enter into lease agreements where the Group acts as a lessor.

Preschools

The Preschool segment consists of three preschool properties owned by PPG, located in Bergen and Oslo. Two preschools were acquired in September 2022 from Hi Capital AS and Hospitality Invest AS. Total lease income for the Preschool segment amounted to MNOK 1.9 in 2022 and increased to MNOK 6.7 in 2023 due to the full effect of the acquisitions. The fair property value based on third party valuation of the property owned by PPG per 31.12.23 was MNOK 106,5.

Retail Properties

The retail property segment constitutes of properties owned by the subsidiary Pioneer Retail Properties AS, which was established to procure and build facilities for retail properties, mainly for the Ferda group all over Norway. The segment consists currently of 7 retail properties owned by PPG. Total lease income for 2023 for the retail properties segment amounted to MNOK 33.3 with a fair property value based on third party valuations per 31.12.23 of MNOK 438.

Property Development

Pioneer Property Development AS develop general commercial real estate and housing. The segment consists of 6 development projects at the end of 2023.

Currently, the Group has two building projects with new premises for Ferda and Tesla in Evenes under construction. The premises consist of two buildings of 1 200 m² and 2 000 m² respectively. The buildings will be let out on long term barehouse lease agreements. Annual lease when finished is expected to be MNOK 8 combined for the two new properties. The building of Ferda Evenes was initialized autumn 2022 and is expected to be completed by the end of spring 2024. The building of new premises for Tesla commenced in late 2023, and is expected to open in Q1 2025.

The existing development project in Evenes, Nordland of 400 000 m² greenfield area in close proximity to Harstad/Narvik airport in Northern Norway was expanded with an additional plot of 51 500 m², mainly used for parking, in November 2022. In January 2023, the Group also acquired the development rights for the additional plot. For 2023, the parking activity generated an income of MNOK 10. Total lease income for 2023 for the development properties segment amounted to MNOK 11.9 with a fair property value based on third party valuations per 31.12.23 of MNOK 385.8.

Hotel Properties

The hotel properties segment included four hotels in Norway and two hotels in Sweden in the beginning of 2023. In December 2023, 50% of the shares in the two hotels in Sweden were sold in the end of 2023, generating a profit of MNOK 12.7. The hotels in this segment are rented out to Norlandia Hotel Group AS and Up North Hospitality AS, who has a management agreement with Norlandia Hotel Group, or directly to Norlandia Hotel Group. Norlandia Hotel Group operates the hotels on franchise agreements with leading hotel brands. Norlandia Hotel Group is owned by Hospitality Invest AS.

The properties are owned by subsidiaries of Pioneer Hotel Properties AS, which was established to acquire hotel properties through the downturn following the Covid-19 pandemic across the Nordics and Europe. The Hotel Properties segment consists of four hotel properties owned by PPG. Total lease income for 2023 for the Hotel Properties segment amounted to MNOK 52.5 with a fair property value based on third party valuations per 31.12.23 of MNOK 766. Other income related to this segment were MNOK 18.0, mainly related to the profit from sale of the two hotels in Sweden.

In relation to the creation of the Hotel Properties segment, PPG also established Up North Property AS, which is 90.1% owned by Pioneer Hotel Properties and 9.9% indirectly owned by Svein Arild Mevold, who was the previous CEO of Scandic Norway. Up North Property's strategy is to acquire hotel properties in the Nordics and Europe, where there is an opportunity to change the hotel's market position through reconfigurations and renovations of the hotel to adapt it to a changed hotel market.

Currently, the hotels in Stavanger and Gardermoen are undergoing renovations. When completed, the minimum rent and the expected rent will both be increased.

Office Properties

The first office property was acquired in March 2022, a seven stories tall building in Bodø. PPG has an ownership of 52 % in the property, controlling the acquired subsidiary that owns the property. Total lease income for 2023 for the Office Properties segment amounted to MNOK 3.8 with a fair property value based on third party valuations per 31.12.23 of MNOK 61.

Other

“Other” includes activities and revenue in the parent company PPG that does not fall into the other categories.

The information provided to the chief operating decision maker during 2023 includes:

<i>NOK thousand</i>	Preschool Properties	Retail Properties	Development Properties	Hotel Properties	Office Properties	Other	Group
Contractual rental income	6 719	33 327	11 891	52 450	3 774	-	108 227
Other income				5 287			5 287
Profit/loss (-) sale of property				12 668			12 668
Fair value adjustment on investment properties	-9 500	-25 370	58 471	-60 404	-9 760	-	-46 563
Operating profit/loss (EBIT)	-3 436	502	65 467	-5 236	-6 966	-3 746	46 585
Investment properties	106 500	438 000	385 756	766 000	61 000		1 757 256
Cash and cash equivalents	6 852	8 105	30 737	23 953	354	42 332	112 331

The comparative period for 2022 is stated below:

<i>NOK thousand</i>	Preschool Properties	Retail Properties	Development Properties	Hotel Properties	Office Properties	Other	Group
Contractual rental income	1 912	29 414	1 740	42 582	1 616	0	77 264
Fair value adjustment on investment properties	797	-30 064	30 767	-11 701	26 468	0	16 267
Operating profit/loss (EBIT)	2 308	-7 529	30 078	19 165	26 909	-1 151	69 781
Investment properties	116 000	461 000	227 681	924 029	70 000		1 798 709
Cash and cash equivalents	7 414	19 037	65 366	48 580	142	124 688	265 226

6. Investment properties

Accounting principles

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 including transaction costs.

After initial recognition the investment property is subsequently recognised at fair value. Changes in fair value are presented in the consolidated statement of comprehensive income in the reporting period when change occurs.

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 have no expected future economic benefit. All gains or losses relating to sales or disposal are presented as “other operating income” in the statement of comprehensive income the same year as disposal.

Critical accounting estimates

The investment properties are valued in accordance with the fair value method and all have been valued in accordance with valuation Level 3 in the fair value hierarchy (Level 3 - where inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)), see also note 9.

The yield level of the property has been determined on the basis of the unique risk and transactions based on the respective locations.

At the end of the year, the Group commissioned external cash-flow valuations for the properties from an independent valuer, except some properties that are under development or immaterial. For these properties, the Management has estimated the property value. The property value is estimated on an individual basis using a combination of discounted cash-flow analysis and property yield level. When estimating the value, key metrics, such as price per sqm and rent levels, together with market transactions is used as reference points. The level of transactions thus influences the level of uncertainty in the assumptions used in the valuation.

The discounted cash flow method involves discounting future cash flows over a specified period using an estimated discount rate and then adding a residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as estimated future cash flows based on an expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates, inflation, and capex. Individual factors for the properties such as relevant country, the property's location in relation to a major city, net-population change, size of the property, year of build and whether the property is on leased land (Norwegian: festetomt) were applied to assess the yield for the respective property/location.

PPG provides comprehensive details on the properties, lease contracts, floor space, built year and details of any vacant premises, and up-to-date and comprehensive information about all ongoing and planned projects.

The external valuer has set the following net yields and market rent per square meter in their valuation report:

	Preschool Properties	Retail Properties	Development Properties*	Hotel Properties	Office Properties	Total
Net yield	6.2%	7.6%	8.1%	6.0%	6.4%	6.8%
Market rent in NOK per sqm	3 214	1 215	n/a	2 211	2 102	1 872

*For the development property segment, the only property included is the property in Evenes which generates lease income from parking for the net yield calculation. The market rent per square meter is not relevant for this segment as most of the value is related to larger plots without buildings or rental income.

As of the end of the 2023 reporting period, the following gross yield for the investment properties is observed for the properties and the valuation of the properties implies the following gross yields:

	Preschool Properties	Retail Properties	Development Properties	Hotel Properties	Office Properties	Total
Gross yield range 2023	4.8% - 6.7%	7.3% - 8.5%	n/a	6.0% - 8.5%	7.2% - 7.2%	4.8% - 8.5%
Weighted average gross yield 2023	6.4%	7.9%	n/a	7.0%	7.2%	7.2%
Gross yield range 2022	3.7% - 5.6%	6.5% - 7.7%	n/a	5.4% - 8.1%	6.2% - 6.2%	3.7% - 8.1%
Weighted average gross yield 2022	5.3%	7.1%	n/a	6.7%	6.2%	6.5%

The calculated weighted average gross yield is based on annual contractual lease income of 2024 of MNOK 99.3 after refurbishment of Forum and Voss and is based on an CPI-adjustment of contractual lease of 4.8%.

Description

As of 31.12.23 the Groups investment property portfolio consists of three preschool properties, seven retail properties, four hotels in Norway, one office property, one large parking lot and a warehouse, and land in Oslo, Rana, Evenes and Indre Østfold. The Group owns and manages a total area of approximately 60.500 square meters, not including associated companies and development properties.

Overview of account movements 2023

<i>NOK thousand</i>	Preschool Properties	Retail Properties	Development Properties	Hotel Properties	Office Properties	Group
Fair value in the beginning of the year	116 000	461 000	227 681	924 029	70 000	1 798 710
Investment in subsidiaries /properties		2 370	115 516	51 693	760	170 338
Effect of curr. exch. differences in foreign operations				11 653		11 653
Sale of operations			-15 912	-160 970		-176 882
Fair value adjustments on investment properties	-9 500	-25 370	58 471	-60 404	-9 760	-46 563
Fair value in the end of the year	106 500	438 000	385 756	766 000	61 000	1 757 256
Net change in unrealized gain	-9 500	-22 000	58 471	-60 404	-9 760	-46 563

The segment of hotel properties represented the biggest share of value of properties in the Group at year end of 2023. The largest acquisitions in 2023 were purchase of development rights related to additional land close to Evenes. The investments is also related to groundworks at Evenes. During 2023, it was also sold real estate/housing for a value of MNOK 15.9.

For Hotel Properties, the investments in 2023 is mainly related to the renovation of Forum Hotell, which will be completed in Q1 2024.

With respect to the retail properties, the additions made during 2023 is related to the additional investments in the existing buildings, such as improvement of technical installations.

In summary the total Group's portfolio as of 31 December 2023 was valued to MNOK 1 757.2 MNOK, a decrease from MNOK 1 798.7 from year-end 2022.

Overview of account movements 2022

As of 31.12.22 the Groups investment property portfolio consisted of three preschool properties, seven retail properties, four hotels in Norway, two in Sweden, and land in Rana and Evenes.

<i>NOK thousand</i>	Preschool Properties	Retail Properties	Development Properties	Hotel Properties	Office Properties	Group
Fair value in the beginning of the year	11 500	428 070	37 500	915 971	-	1 393 041
Completed project in progress, transferred to Investment Property		44 882				44 882
Investment in subsidiaries /properties	103 703	18 112	159 414	24 372	43 532	349 134
Effect of currency exchange differences in foreign operations				-4 614		-4 614
Fair value adjustments on investment properties	797	-30 064	30 767	-11 701	26 468	16 267
Fair value in the end of the year	116 000	461 000	227 681	924 029	70 000	1 798 709
Net change in unrealized gain	797	-30 064	30 767	-11 701	26 468	16 267

Commitments

As of the end of the 2023, there were refurbishments ongoing in Forum Hotel and Guard Hotel, and the planned renovation of Park Hotel Vossevangen. During renovation, it is limited rent income contributions from the properties as the rent is based on a lower percentage of the hotel turnover in the renovation period, agreed with its tenants. When renovation is completed, the annual minimum rent will increase, as well the turnover-based rent.

The Group had similar commitments of this type at the end of the 2022 reporting period, with both Park Hotel Vossevangen, Guard Hotel and Forum Hotel under renovation.

Total property operating expenses

The Group did not incur any direct operating expenses (including repairs and maintenance) in any investment property that did not generate rental income during the 2023 and 2022 reporting periods. As for the investment properties that did generate rental income during the 2023 and 2022 reporting periods, there were no material direct operating expenses incurred during the period, as most of the contracts are triple net (i.e. net of insurance, taxes and maintenance).

Climate related matters

Storms and floods are long-term risks, with potential to inflict physical damage to properties, something that could severely reduce property value. However, all properties are insured. In general, extreme weather, flood and drought are potential risks to our business. In 2022, a flood in Voss caused damage on some equipment and installations, however all costs have been covered by the insurance company. However, climate change and extreme weather lead to increased insurance cost. We have not experienced similar matters in 2023.

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 tables below give an indication of the effects on the value of the property portfolio if yield levels change with 0.5% or rental income change with 5% NOI is defined as net operating income, meaning all revenue from properties minus all reasonable operating expenses.

Preschool properties

As of 31 December 2023, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million	Yield sensitivity			
	-0,5%	0,0%	0,5%	
NOI sensitivity	-5 %	110	101	94
	0 %	116	107	99
	5 %	121	112	104

Preschool properties - Comparative period 2022

As of 31 December 2022, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million	Yield sensitivity			
	-0,5%	0,0%	0,5%	
NOI sensitivity	-5 %	122	110	101
	0 %	128	116	106
	5 %	134	122	111

Retail properties

As of 31 December 2023, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million	Yield sensitivity			
	-0,5%	0,0%	0,5%	
NOI sensitivity	-5 %	444	416	391

0 %	468	438	412
5 %	491	460	433

Retail properties - Comparative period 2022

As of 31 December 2022, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million	Yield sensitivity			
	-0,5%	0,0%	0,5%	
NOI sensitivity	-5 %	471	438	409
	0 %	496	461	431
	5 %	521	484	452

Development properties

The fair value of the properties classified as property development use the same significant unobservable inputs as the other categories presented. However, for this segment, most of the properties does not generate lease income. The valuation of the properties in this segment is not to the same extent as the other segments yield based valuations. Hence, sensitivity regards change in yield and NOI is not considered relevant.

Hotel properties

As of 31 December 2023, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million	Yield sensitivity			
	-0,5%	0,0%	0,5%	
NOI sensitivity	-5 %	784	728	679
	0 %	825	766	715
	5 %	866	804	751

Hotel Properties - Comparative period 2022

As of 31 December 2022, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million	Yield sensitivity			
	-0,5%	0,0%	0,5%	
NOI sensitivity	-5 %	948	878	817
	0 %	998	924	860
	5 %	1 048	970	903

Office properties

As of 31 December 2023, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million	Yield sensitivity			
	-0,5%	0,0%	0,5%	
NOI sensitivity	-5 %	62	58	54
	0 %	66	61	57
	5 %	69	64	60

As of 31 December 2022, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million	Yield sensitivity		
	-0,5%	0,0%	0,5%
NOI sensitivity	-5 %	72	67
	0 %	76	70
	5 %	80	74
			68

7. Projects in progress, investment properties

Accounting principles

The Group measures its investment properties under development ("project in progress, investment properties") following the same fair value model as for the investment property. There have been no adjustments to the fair value in 2023 and management anticipates that historical cost reflects the fair value of the projects in progress. For the current projects in progress, the cost is mainly related to groundworks and engineering in Evenes and Brennemoen, costs that are likely to be compensated with approximately the same amount as the historical cost of the ground works.

Description

NOK in thousand	Project in progress, investment properties	
	2023	2022
Cost 1 January	739	45 383
Additions	34 774	238
Completed projects, transferred to investment properties		-44 882
Depreciation		
Exchange differences		
Carrying value 31 December	35 513	739

The project in progress is mainly related to groundworks and construction of additional 550 parking lots in Evenes, and the Studio City Project in Brennemoen, Indre Østfold.

8. Associated companies and joint ventures

Accounting principles

Associated companies are all entities over which the company has significant influence, but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without the ability to have control over those policies.

Joint ventures are those companies that are jointly controlled by the Group and another party.

Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognized at cost.

Description

Kongsparken AS - joint venture

Kongsparken AS was established 11 September 2020 by Eiendomsselskapet Ranheim AS and the Group. Both owns 50% of the company and contributed each with kroner 50.000. Kongsparken AS have acquired an old closed school, which shall be demolished and replaced by approximately 400 apartments.

The Group is controlling 50 of the votes in the Board of Directors. The project management and daily operations are performed by Eiendomsselskapet Ranheim AS, thus it is PPG consideration that the group does not have control in Kongsparken.

Forus Holdco AS - joint venture

Forus Holdco AS was established by Vico Eiendom AS and Up North Property AS to acquire 100 % of the shares in Forusveien 31 - Hotell AS from Vico Eiendom AS. Forusveien 31 - Hotell AS owns Scandic Forus Hotel in Stavanger municipality. The hotel is let out to Scandic Hotels AS. The owners of Vico Eiendom AS is Hauglandgruppen, a family office located in Bergen.

The Group is controlling 50 % of the votes in the Board of Directors. Project management and daily operations are performed by Hauglandgruppen. It is the Group's evaluation that PPG does not have control in Forus Holdco AS and is regarded as an associated company. Forus Holdco AS was acquired on 29.12.2021.

Ramstadsletta Utvikling AS – associated company

During the first half of 2021 PPG, through Pioneer Development AS, acquired a 49 000 m² plot together with local partners at Ramstadsletta in Bærum, Norway. The plot has an expected potential to develop around 70 000 m² of residential and commercial real estate, and PPG has an ownership in the project of 40.08% as of 31.12.2023. Daily operations is carried out by ORO Eiendom as business manager, which also holds a 10% share of the company. PPG is represented in the board, which consists of four members. It is the Group's evaluation that PPG does not have control in Ramstadsletta Utvikling AS and is treated as an associated company.

Norlandia Holding AS – associated company

In September 2022 PPG acquired 23,58% of the shares in Norlandia Holding AS. In December 2023 PPG acquired additional 24.22% increasing its holdings to 47,80%. Norlandia Holding is an investment company within hotels and development properties. Through its subsidiaries the company owns 21 properties and has 9 associated companies. The net profit in the company was MNOK 9.8 and the total book value of equity was MNOK 393.3. The company is treated as an associated company.

Vossevangen utvikling AS – associated company

In July 2023, PPG acquired 41,49% of the shares in Vossevangen Utvikling. The company owns three properties in Voss which shall be developed to residential. The company has four board members, where PPG has one representative in the board. It is the Group's evaluation that PPG does not have control in Vossevangen Utvikling and the company is regarded as an associated company.

JV Nordväst Fastighet AB - joint venture

In July 2023 PPG acquired 50,00% of the shares in JV Nordväst AB. JV Nordväst AB was established together with the Swedish property company Västerkulla Hotell Holding AB, and has acquired three hotels in Jönköping, Eskilstuna and Helsingborg, a total of 319 hotel rooms and 13.551 sqm. The net profit in the company was MSEK 24.1 and the total book value of equity was MSEK 154.6.

The Group is controlling 50 % of the votes in the Board of Directors. Project management and daily operations are performed by Västerkulla Hotell Holding AB. It is the Group's evaluation that PPG does not have control in JV Nordväst Fastighet AB and is regarded as an associated company.

Strand Hotell Borgholm AB - joint venture

PPG sold 50% of the shares in Strand Hotell Borgholm to Norlandia Fastighet AB in December 2023. For the accounts of 2022, the company was regarded as a subsidiary. The sale of the 50% share and reclassification in the accounts to joint venture company was made in December 2023. The sale of the 50% share generated a profit, refer to table below.

The company owns a hotel property in Sweden. The net profit in the company was MSEK 2.1 and the total book value of equity was MSEK 4.6. The Group is controlling 50 % of the votes in the Board of Directors. Project management and daily operations are performed by Norlandia Fastighet AB. It is the Group's evaluation that PPG does not have control in Strand Hotell Borgholm AB and the company is regarded as an associated company.

Köping Hotellfastighet AB - joint venture

PPG sold 50% of the shares in Köping Hotellfastighet AB to Norlandia Fastighet AB in December 2023. For the accounts of 2022, the company was regarded as a subsidiary. The sale of the 50% share and reclassification in the accounts to joint venture company was made in December 2023. The sale of the 50% share generated a profit, refer to table below.

The company owns a hotel property in Sweden. The net profit in the company was MNOK 0.9 and the total book value of equity was MSEK 6.2. The Group is controlling 50 % of the votes in the Board of Directors. Project management and daily operations are performed by Norlandia Fastighet AB. It is the Group's evaluation that PPG does not have control in Köping Hotellfastighet AB and the company is regarded as an associated company.

The effects from sale/derecgnition of subsidiary to joint venture is shown in the table below

NOK thousand	Köping hotellfastighet AB	Strand Hotell Borgholm AB	Total
Investment property	55.0	105.6	
Trade and other receivables	0.4	4.8	
Cash and cash equivalents	5.3	0.4	
Deferred tax	-2.1	-4.1	
Loan to group companies	-13.3	-38.5	
Other current liabilities	-0.9	-3.6	
Net assets	44.5	65.0	
Exit value (100% basis)	46.7	75.4	
Gain recognized from sale of 50% of shares	2.2	10.4	12.6

As of year end, the Group's shares of the financial positions in the companies owned is shown below:

NOK thousand	31.12.2023	31.12.2022
Goodwill		
Deferred tax	-78 245	-63 195
Licenses, patents, rights	18 348	19 047
Investment properties	1 313 630	783 910
Other non-current loans	207 306	157 702
Other non-current assets	84 904	318 841
Cash	82 721	21 160
Other current assets	4 160	38 889
Borrowings (current and non-current)	-1 203 064	-835 964
Other current liabilities	-28 120	-19 142
Net assets	401 640	421 249
Share of ownership	372 663	107 100
Distribution of loss unevenly between share classes		
Carrying amount (at percentage of part. by the Group)	372 663	107 100

Changes in the Group's carrying amount in the periods:

NOK thousand	2023	2022
Carrying amount at 01.01	107 100	14 869
Invested capital in Norlandia Holding AS	92 884	87 783
Invested/repaid (-) capital in Ramstadsletta Utvikling AS	-2 695	2 795
Interest free loan to Ramstadsletta Utvikling AS (refer to note 20)	-1 811	
Invested capital in Forus Holdco AS	-	-
Invested capital Bm3 Eiendom AS /change to subsidiary	-3 377	3 301
Invested capital in Vossevangen Utvikling AS	9 921	-
Invested capital in JV Nordväst Fastighet AB	62 903	-

Invested capital in Köping Hotellfastighet AB	21 619	-
Invested capital in Strand Hotell Borgholm AB	36 895	-
Share of gain in joint ventures and associated companies	49 223	-1 647
Carrying amount at 31.12	372 663	107 100

The share of profit (loss) is calculated in the following table, showing the breakdown by Joint Ventures (JV) and associated companies and its contribution to the current year consolidated income statement of the Group, for the year 2023:

NOK thousand	JV	JV	JV	JV	JV
	Kongsparken AS	JV Nordväst Fastighet AB	Forus Holdco AS	Köping Hotellfastighet AB	Strand Hotell Borgholm AB
Net income	3 174	23 132	5 798		
The Group' share of ownership	50,00 %	50,00 %	50,00 %	50,00 %	50,00 %
Share of profit or loss in the owner period	-1 587	11 566	2 899		
NOK thousand	Associates	Associates	Associates	Associates	
	Ramstadsletta Utvikling AS	Vossevangen Utvikling AS	Bm3 Eiendom AS	Norlandia Holding AS	Total
Net income	84 754		146	10 083	120 738
The Group' share of ownership	40,08 %	41,49 %	30,71	48,10 %	
Share of profit or loss in the owner period	33 969		45	2 332	49 147

Share of profit (loss) is calculated in the following table, showing the breakdown by joint venture and associates and its contribution to the current year consolidated income statement of the Group, for the year 2022 is calculated as:

NOK thousand	JV	Associates	JV	Associates	Associates	
	Kongsparken AS	Ramstadsletta Utvikling AS	Forus Holdco AS	Norlandia Holding AS	Bm3 Eiendom AS	Total
Net income	-5 145	-53	-430	4 795	103	-730
The Group' share of ownership	50,00 %	40,08 %	50,00 %	23,58 %	30,71 %	
Share of profit or loss in the owner period	-2 573	-21	-215	1 131	32	-1 647

9. Financial Instruments

Accounting principles

A financial instrument is a contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments are generally recognized as soon as the group becomes a party to the terms of the financial instrument.

Financial assets

Financial assets include cash and cash equivalents, trade receivables and other loans and receivables. Financial instrument classification is based on the business model in which the instruments are held as well as the structure of the contractual cash flows.

Financial assets measured at amortized cost

Financial assets measured at amortized cost in the Group consist of loans and receivables, trade receivables or cash and cash equivalents.

After initial recognition, these financial assets are measured at amortized cost using the effective interest method less impairment.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss, comprise financial assets whose cash flows do not relate solely to payments of interest and repayments of principal on the outstanding nominal amount. Gains or losses on these financial assets are recognized through profit or loss.

Financial liabilities

Financial liabilities regularly give rise to a redemption obligation in cash or another financial asset. These include in particular bonds and other securitized liabilities, trade payables, liabilities to banks, liabilities to affiliated companies and derivatives designated as hedges. Financial liabilities are classified into the following categories:

- Financial liabilities measured at fair value through profit or loss, and
- Financial liabilities measured at amortized cost.

Upon initial recognition, all financial liabilities are measured at fair value. Trade payables and other non-derivative financial liabilities are generally measured at amortized cost using the effective interest method.

Fair Value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments and investment properties that are measured at fair value in the financial statements require disclosure of fair value measurements by level based on the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Critical accounting estimates

For the shares in Pancom, the estimated value is based on assumptions of future cash flow in the companies and its subsidiaries. Pancom is an investment company within the real estate and construction sector and key metrics such as yield, future cash flow and EBITDA-multiples are assessed to estimate the value of the investment. For Hospitality Invest, the same type of estimates are made, with the book value of equity of the company as reference point, of which the financial statements have been prepared in accordance with International Financial Reporting Standards.

Specification of financial assets and liabilities:

The Group holds the following financial assets and liabilities:

<i>NOK thousand</i>	31.12.2023	31.12.2022
<i>Financial assets at amortised cost</i>		
Loan to associated companies	72 523	56 948

Loan to other companies	6 736	12 296
Cash and cash equivalents	112 331	265 226
Trade and other receivables	53 836	29 024

Financial assets at fair value through profit or loss

Other investments ¹⁾	117 576	118 954
Other Shares ²⁾	44 391	48 953
Sum	411 956	531 401

Financial liabilities at amortised cost

Borrowings	1 149 120	971 955
Other current liabilities	75 492	49 936
Sum	1 224 612	1 021 891

- 1) Other investments are measured at fair value as level 1 in the fair value hierarchy in accordance with quoted prices
- 2) Other Shares included other investments in shares where the company have no significant influence or control, which is measured according to level 3 in the hierarchy.

Specification of investments measured at fair value held as of 31 December 2023:

- 1) Bonds are measured at fair value as level 2 in the fair value hierarchy in accordance with observed prices.
- 2) Funds are measured at fair value as level 1 in the fair value hierarchy in accordance with quoted prices.
- 3) Investments in shares where the company have no significant influence or control, is measured according to level 3 in the hierarchy. The shares are not traded, not quoted.

NOK thousand	3) Hospitality				
	1) Bonds	2) Funds	Invest AS	3)Pancom AS	Total
Fair value in the beginning of the year	62 000	56 954	18 212	30 741	167 907
Purchase in 2023		9 071			9 071
Sold in 2023		-13 015			-13 015
Fair value adjustments	620	1 946	-4 562		-1 996
Fair value in the end of the year	62 620	54 956	13 650	30 741	161 967

Specification of investments measured at fair value held as of 31 December 2022:

NOK thousand	3) Odin Bidco 3)Hospitality				
	1) Bonds	2) Funds	AS	Invest AS	3)Pancom AS
Fair value in the beginning of the year	49 625	104 600	900	7 541	519 666
Purchase in 2022	222 990	2 758	-		30 741 256 490
Sold in 2022	-210 615	-50 451	368 -346 -11		-607 434
Repaid capital			532	-	-11 532
Fair value adjustments		47		10 670	10 718
Fair value in the end of the year	62 000	56 954	0	18 210	30 741 167 907
NOK thousand	31.12.2023				

10. Cash and cash equivalents

Accounting principles

Cash comprises demand deposits. Cash equivalents are short-term, highly liquid investments that are convertible to cash in three months or less to known amounts of cash and which are subject to an insignificant risk of changes in value. The Group had no cash equivalents as of the end of the periods presented.

Description

Cash and cash equivalents include bank deposits:

<i>NOK in thousand</i>	31.12.2023	31.12.2022
Bank deposits	112 231	265 226
Total	112 231	265 226

All interest income relates to interest on bank deposits.

The bank deposits include restricted cash related to tax withholding account of TNOK 241 per 31 December 2023 (TNOK 224 per 31 December 2022).

11. Borrowings

Accounting principles

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Description

Borrowings and available cash and cash equivalents constitute the capital of the Group. The Group's main source of financing are bank loans and trade credit.

The Group had the following borrowing as of 31 December 2023:

<i>NOK thousand</i>	31.12.2023	31.12.2022
Non-current		
Commercial bank loans	881 902	736 761
Other loans	28 799	98 107
Total	910 701	834 869

<i>NOK thousand</i>	31.12.2023	31.12.2022
Current		
Commercial bank loans	122 503	84 248
Other loans	100 692	52 838
Total	223 195	137 087

<i>NOK thousand</i>	31.12.2023	31.12.2022
Total non-current and current		
Commercial bank loans	1 004 405	821 010
Other loans	129 491	150 946
Total	1 133 896	971 955

The borrowings the Group holds as of the end of 2023 and 2022 are linked to the investment properties owned by the Group. The following assets have been pledged as security for liabilities:

<i>NOK thousand</i>	31.12.2023	31.12.2022
Investment property	1 792 909	1 637 880
Total pledged assets	1 792 909	1 637 880

For the properties that are pledged as security for liabilities, the amount pledged corresponds to the fair value of the investment properties. (see note 6 for further information).

Relevant terms and conditions

Out of the total amortised cost value of all borrowings held as of 31.12.2023, MNOK 88,5 have a fixed annual interest rate that ranges from 1 to 4%. The rest of the borrowings are subject to an interest rate structure that is comprised of a variable interest rate based on the 3-month NIBOR plus a margin that typically approximates 2-3% annually. On average, the annual average interest rates realised for 2023 has been 7,62%. All loans are denominated in NOK.

See note 4 for the maturity of financial liabilities at the end of the period, and for a description of the financial risks arising from changes in the interest rates.

Compliance with covenants

The borrowing agreements typically include covenants that the Group must fulfil. The nature and characteristics of the covenants vary from agreement to agreement, but the typical financial covenants are loan-to-value ratios ranging from 60 to 70%; and minimum liquidity requirements in the subsidiary that is the counterparty to the borrowing agreement with the lender.

Management has determined that, as of the end of the 2023 reporting period, the Group is in compliance with all the covenants required by the lender.

Changes in borrowings from financing activities:

<i>NOK thousand</i>	Non-current borrowings	Current borrowings	Total
At 1 January 2023	834 869	137 087	971 955
<u>Cash flows</u>			
Cash flow received	397 730		397 730
Repayments	-94 969	-137 087	-232 056
<u>Non-cash:</u>			
Reclassification from 2022 to 2023	-14 060		
Borrowing classified as non-current at 31 December 2022 becoming current during 2023	-221 869	221 869	
Purchase of operations	16 243	1 326	17 569
Interest	7 982		7 982
At 31 December 2023	925 924	223 195	1 149 120
 At 1 January 2022			
<u>Cash flows</u>			
Cash flow received	367 001	33 624	400 626
Repayments	-16 000	-178 873	-194 873
<u>Non-cash:</u>			

Borrowing classified as non-current at 31 December			
2021 becoming current during 2022	-102 582	102 582	-
Purchase of operations	58 529	2 900	61 429
Interest	7 437		7 437
At 31 December 2022	834 869	137 087	971 955

12. Other current liabilities

<i>NOK in thousand</i>	31.12.2023	31.12.2022
Trade payable	36 503	28 909
Government taxes	-1 703	-1 379
Accrued interest	12 665	8 537
Dividend	34 200	14 742
Accrued cost, Prepaid revenues	1 482	1 226
Other current liabilities	7 052	8 047
Total other current liabilities	90 200	60 082

Dividend relates to Q4 2023 dividend approved by the board 12. October 2023, with payment date in January 2024.

13. Rental income

Accounting principles

The Group enters into lease agreements where it acts as a lessor. This constitutes the Group's main source of income. See note 13 for the description of the Group's accounting policies on Rental Income. The Group enters into lease agreements where it acts as a lessor. This constitutes the Group's main source of income. All leases held by the Group are considered operating leases. This is the case because, even though lease agreements have a typical duration of several years, the lease term is substantially shorter than the asset's economic life, and the minimum lease payments does not amount to substantially all of the fair value of the investment property. Management has not identified any other indications that the Group has transferred substantially all of the risks and rewards incidental to ownership of its investment properties.

Revenue consists of rental income, which is typically recognised on a straight-line basis over the period of the lease agreements with its lessees (see note 3 for further information). Revenues are presented net of VAT, discounts, and rebates. Service charge expenses are charged to tenants and recognised in the balance sheet together with payments on account of tenants, and therefore does not affect the result beyond an administrative premium recognised under revenue.

Description

The group holds twenty revenue generating properties per year end, in general leased out on long-term triple net contracts.

The group is the lessor of investment properties. The group's contractual rental income is distributed as follows, where the numbers are adjusted annually to reflect the change in CPI. The rent in the table below are adjusted with an annual CPI-adjustment of 2%:

<i>NOK in thousand</i>	31.12.2023	31.12.2022
Within 1 year	101 425	94 966
Year 2	102 442	81 946
Year 3	104 491	83 585
Year 4	101 520	80 648
Year 5	98 709	77 442
After 5 years	777 776	619 784
Total	1 384 270	1 038 372

The Group typically rents out the investment properties to tenants on long term triple-net contracts where the operator has the main responsibility for annual maintenance, insurance, and other directly related property. All agreements are fully adjusted annually to reflect the change in CPI. However, the hotel investment properties typically have the characteristic that rental income is subject to certain positive variables over an agreed minimum lease payment: lease payments are based on the highest of a minimum rent and a percentage of the hotel's turnover.

All revenue during 2023 and 2022 has been originated in Norway and Sweden.

14. Employee expenses and management remuneration

NOK	2023	2022
Salary	6 091 596	3 620 160
Payroll tax	967 781	583 585
Pension benefits	94 012	61 149
Other benefits	104 016	35 744
Total salary and pension costs	7 257 505	4 300 638
Average Employees	4	3

The remuneration to the management in 2023:

NOK	Salary	Other benefits	Bonus	Pension benefits	Total compensation
John Ivar Busklein (CEO)	560 048	-	166 667	8 204	734 919
Øystein B. Grini (CFO)	1 416 000	4 392	126 000	26 312	1 572 704
Total management remuneration	1 976 048		292 667	34 516	2 307 623

The remuneration to the management in 2022:

NOK	Salary	Other benefits	Bonus	Pension benefits	Total compensation
John Ivar Busklein (CEO)	525 713		150 000	7 299	683 012
Øystein B. Grini (CFO)	1 282 000	4 392	150 000	24 757	1 461 149
Total management remuneration	1 807 713	4 392	300 000	32 056	2 144 161

John Ivar Busklein has been CEO of Pioneer Property Group ASA in a part time position at 28,4%. Øystein Grini was appointed as new CFO of the Group as of 1. September 2021.

No member of the management has in their agreement that they will get any right to compensation after termination of employment. No loans or guarantees have been given to any members of the management, the Board of directors or other corporate bodies.

The board of directors of PPG has prepared a determination of salary and other remuneration to the executive management, in accordance with applicable law. The declaration includes the policies which PPG uses for the determination of salary and other remuneration to its executive management in the calendar year 2023 as published on the company's web page pioneerproperty.no.

The remuneration to the Board of Directors:

NOK	2023	2022
-----	------	------

Roger Adolfsen (Chairman of the board)	120 000	130 000
Geir Hjorth (board member)	130 000	130 000
Sandra Riise (board member)	130 000	130 000
Even Carlsen (board member)	110 000	130 000
Nina Høisæter (board member)	130 000	130 000
Total remuneration	620 000	650 000

15. Other operating expenses

<i>NOK in thousand</i>	2023	2022
Accounting fees, auditing, legal expenses and other fees	10 799	5 908
Other operating expenses	7 561	7 339
Total other operating expenses	18 360	13 247

Fees from the auditor:

Fees from the auditor	2022	2022
<i>NOK in thousand</i>		
Auditing fees	2 393	1 203
Other fees from the auditor	0	25
Total auditing fees	2 393	1 227

16. Other financial gains (losses)

<i>NOK thousand</i>	2023	2022
Currency gain/loss	2 227	-1 065
Gain on sale shares	-	25 701
Gain on sale bonds	1 985	3 385
Loss on sale funds	-	-609
Loss on sale of properties	- 61	-
Changes in fair value (see note 9)	- 1 996	10 718
Other adjustments	-22 609	-4 000
Other financial income	456	-
Other financial expenses	0	-325
Sum	-19 999	33 805

The gain on sale of bonds is related to the sale of the shares in Holberg Kreditt.

Other adjustments are related to reduced value of the option to buy additional land in Brennemoen.

Gain from sale of subsidiary is related to sale of 50% of the shares in Strand Hotell Borgholm AB and Köping Hotellfastighet AB, which is recognized as associated company as of year end.

The change in fair value is mainly related to the shares in Hospitality Invest AS.

17. Income taxes

Accounting principles

The tax expense for the period comprises current and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

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.

The Group has applied the main rule for recognition of deferred tax in connection with the purchase of shares in property companies that are not acquired through a business combination. This means that deferred tax is recognised as the difference between the tax value and accounting value of investment property in the subsidiary, and value changes of the investment property. Not recognised deferred tax linked to initial recognition exemption for investment properties per 31 December 2023 is MNOK 155.5 (MNOK 175.1 in 2022).

Changes in deferred tax liabilities:

<i>NOK in thousand</i>	<i>Investment property</i>	<i>Other items</i>	<i>Total</i>
01.01.2022	54 423	-205	54 218
Recognized deferred tax	9 544	-5 424	4 120
31.12.2022	63 967	-5 629	58 338
Recognized deferred tax	-3 630	-2 549	-6 179
Loss of control in subsidiary	-5 722		-5 722
31.12.2023	63 967	-8 178	46 437

Income tax expense:

<i>NOK in thousand</i>	<i>2023</i>	<i>2022</i>
Tax payable	4 471	6 812
Change in deferred tax	-6 179	4 120
Changes related to loss of control in subsidiary	1 690	
Changes related to currency translation	0	135
Other changes	1 568	729
Income tax expense	1 550	11 795

Reconciliation of tax expense:

<i>NOK in thousand</i>	<i>2023</i>	<i>2022</i>
Profit before income tax	26 587	76 571
Tax expense based on standard rate of Norwegian (22%)	5 849	16 846
Adjustments for:		
Effect of tax rates outside Norway	65	377
Changes related to currency translation		135
Permanent differences	-4 146	-5 305
Other differences	-218	-258
Income tax expense for the period	1 550	11 795

18. Earnings per share

Accounting principles

The Group's preference shares are entitled to a fixed dividend of NOK 10.00 per annum from 01 July 2022, 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.

Earnings per share from total operations.

NOK	31.12.2023	31.12.2022
Profit/(loss) attributable to shareholders of parent	19 238 251	38 778 290
Less pref share dividends	-38 805 870	-37 835 722
Profit attributable to ord shares	-9 567 619	942 568
Weighted average ordinary shares	9 814 470	9 814 470
EPS to ordinary shares	-1,99	0,10

Diluted

As per 31 December 2023 no rights are issued which would cause diluted earnings per share to be different to basic earnings per share. Refer to note 21 for information related to the classes of shares.

19. Group structure and acquisition of companies

Accounting Principles

Acquisition of subsidiaries not viewed as a business combination

Upon purchase of property management assess whether the purchase constitute purchase of a business or purchase of an asset in accordance with IFRS 3. The Group assesses whether companies acquired constitute a business, which is when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

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. Acquisition related costs are capitalized with the asset.

All acquisition of subsidiaries made by the Group were classified as purchase of assets, as no substantive processes have been identified.

Acquisition of companies regarded as asset purchase:

Within the property development segment, PPG increased its ownership to 88% in BM3 Eiendom AS.

The non-controlling interest in PPG is related to the shares in Park Hotel Holdco, Evenes Tomteselskap AS, T10 Holdco AS and BM3 Eiendom AS. For 2023, the transactions with non-controlling interest have been purchase of additional shares in Bm3 AS.

NOK in thousand	2023	2022
Purchase of subsidiaries/Properties -cash	200 968	287 722
Cash acquired companies	375	18 620
Debt acquired companies	17 569	108 968
Sale of subsidiaries/Properties -cash	-52 853	

Companies bought or incorporated in 2023:

Company Name	Location	Share of ownership	Share of voting rights
BM3 Eiendom AS	Norway	88%	88%
Evenes Utvikling AS	Norway	100%	100%

Companies sold in 2023:

Köping Hotellfastighet AB	Sweden	50%	50%
Strand Hotell Borgholm Fastighets AB	Sweden	50%	50%
PPG Hylle 2 AS	Norway	100%	100%

Companies bought or incorporated in 2022:

Company Name	Location	Share of ownership	Share of voting rights
T10 Holdco AS	Norway	52%	52%
T10 Eiendom AS	Norway	100%	100%
ET Nord AS	Norway	100%	100%
ET Midt AS	Norway	100%	100%
ET Øst N AS	Norway	100%	100%
ET Øst S AS	Norway	100%	100%
ET Vest N AS	Norway	100%	100%
ET Vest S AS	Norway	100%	100%
PPG Hylle 1 AS	Sweden	100%	100%
PPG Hylle 2 AS	Norway	100%	100%
PPG Hylle 3 AS	Norway	100%	100%
Gaustadskogen Eiendom AS	Norway	100%	100%
Tjuvholmen Eiendom AS	Norway	100%	100%
Norab Eiendom Vest AS	Norway	100%	100%
Neptun Eiendom Invest AS	Norway	100%	100%
Steinbekkhaugen AS	Norway	100%	100%
Brennemoen Eiendom AS	Norway	100%	100%

The Group consists of the following subsidiaries per 31 December 2023:

Company Name	Location	Share of ownership	Share of voting rights
Pioneer Property Group International AS	Norway	100%	100%
Pioneer Preschools AS	Norway	100%	100%
Kidsa Ospeli Eiendom AS	Norway	100%	100%
Gaustadskogen Eiendom AS	Norway	100%	100%
Tjuvholmen Eiendom AS	Norway	100%	100%
Pioneer Retail Properties AS	Norway	100%	100%
Bobil Eiendom Rana AS	Norway	100%	100%
Bobil Eiendom Evenes AS	Norway	100%	100%
Håhjem AS	Norway	100%	100%
Ås Næring AS	Norway	100%	100%
Askjem Eiendom AS	Norway	100%	100%
Bobil Eiendom Grimstad AS	Norway	100%	100%
Bobil Eiendom Fauske AS	Norway	100%	100%
Bobil Eiendom Balsfjord AS	Norway	100%	100%
Pioneer Property Development AS	Norway	100%	100%

Bm3 Eiendom AS	Norway	100%	100%
Brennemoen Eiendom AS	Norway	100%	100%
Steinbekkhaugen AS	Norway	100%	100%
Norab Eiendom Vest AS	Norway	100%	100%
Neptun Eiendom Invest AS	Norway	100%	100%
Evenes Holding AS	Norway	53%	53%
Evenes Tomteselskap AS	Norway	100%	100%
ET Nord AS	Norway	100%	100%
ET Midt AS	Norway	100%	100%
ET Øst N AS	Norway	100%	100%
ET Øst S AS	Norway	100%	100%
ET Vest N AS	Norway	100%	100%
ET Vest S AS	Norway	100%	100%
PPG Hylle 1 AS	Norway	100%	100%
Evenes Utvikling AS	Norway	85%	85%
Pioneer Hotel Properties AS	Norway	100%	100%
Up North Property AS	Norway	90%	90%
Forum Holdco AS	Norway	100%	100%
Forum Hotellbygg AS	Norway	100%	100%
Park Hotel Holdco AS	Norway	50%	50%
Park Hotel Eiendom AS	Norway	50%	50%
Brennemoen Hotel Eiendom AS	Norway	100%	100%
Guard Hotel AS	Norway	100%	100%
PPG Hylle 3 AS	Norway	100%	100%
T10 Holdco AS	Norway	52%	52%
T10 Eiendom AS	Norway	100%	100%

The Group consists of the following subsidiaries per 31 December 2022:

Company Name	Location	Share of ownership	Share of voting rights
Pioneer Property Group International AS	Norway	100%	100%
Pioneer Preschools AS	Norway	100%	100%
Kidsa Ospeli Eiendom AS	Norway	100%	100%
Gaustadskogen Eiendom AS	Norway	100%	100%
Tjuvholmen Eiendom AS	Norway	100%	100%
Pioneer Retail Properties AS	Norway	100%	100%
Bobil Eiendom Rana AS	Norway	100%	100%
Bobil Eiendom Evenes AS	Norway	100%	100%
Håhjem AS	Norway	100%	100%
Ås Næring AS	Norway	100%	100%
Askjem Eiendom AS	Norway	100%	100%
Caravan Eiendom Grimstad AS	Norway	100%	100%
Bobil Eiendom Grimstad AS	Norway	100%	100%
Bobil Eiendom Fauske AS	Norway	100%	100%
Bobil Eiendom Balsfjord AS	Norway	100%	100%
Pioneer Property Development AS	Norway	100%	100%
Brennemoen Eiendom AS	Norway	100%	100%
Steinbekkhaugen AS	Norway	100%	100%
Norab Eiendom Vest AS	Norway	100%	100%
Neptun Eiendom Invest AS	Norway	100%	100%
Evenes Holding AS	Norway	53%	53%
Evenes Tomteselskap AS	Norway	85%	85%
ET Nord AS	Norway	100%	100%
ET Midt AS	Norway	100%	100%

ET Øst N AS	Norway	100%	100%
ET Øst S AS	Norway	100%	100%
ET Vest N AS	Norway	100%	100%
ET Vest S AS	Norway	100%	100%
PPG Hylle 1 AS	Norway	100%	100%
Pioneer Hotel Properties AS	Norway	100%	100%
Up North Property AS	Norway	90%	90%
Forum Holdco AS	Norway	100%	100%
Forum Hotellbygg AS	Norway	100%	100%
Park Hotel Holdco AS	Norway	50%	50%
Park Hotel Eiendom AS	Norway	50%	50%
Brennemoen Hotel Eiendom AS	Norway	100%	100%
Guard Hotel AS	Norway	100%	100%
Guard Hotel II AS	Norway	100%	100%
Köping Hotellfastighet AB	Sweden	100%	100%
Strand Hotell Borgholm Fastighets AB	Sweden	100%	100%
PPG Hylle 2 AS	Norway	100%	100%
PPG Hylle 3 AS	Norway	100%	100%
T10 Holdco AS	Norway	52%	52%
T10 Eiendom AS	Norway	100%	100%

20. Related party transactions

Balances and transactions between the company and its subsidiaries, which are related parties to the company, have been eliminated on consolidation and are not disclosed in this note.

The Group has the following related parties as of 31.12.2023:

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
Ane Nordahl Carlsen	Board member and owner of Grafo AS
Nina Hjørdis Torp Høisæter	Board member
John Ivar Busklein	Chief Executive Officer
Øystein Grini	Chief Financial Officer
Hospitality Invest AS	Substantial shareholder
Grafo AS	Substantial shareholder
Klevenstern AS	Substantial shareholder
Mecca Invest AS	Substantial shareholder
Norlandia Health & Care Group AS	Controlled by substantial shareholders, refer to note 21
Norlandia Holding AS	Controlled by substantial shareholders, refer to note 21
Kara Invest AS	Controlled by substantial shareholders, refer to note 21
Ferda Norge AS	Controlled by substantial shareholders, refer to note 21
Acea Invest AS	Controlled by substantial shareholders, refer to note 21
Kidprop AS	Controlled by substantial shareholders, refer to note 21
Caravan Eiendom AS	Controlled by substantial shareholders, refer to note 21
Norlandia Hotel Group	Controlled by substantial shareholders, refer to note 21
Up North Hospitality AS	Controlled by substantial shareholders, refer to note 21
Kongsparken AS	Associated company
Forus Holdco AS	Associated company
Ramstadsletta Utvikling AS	Associated company

The Group had the following related parties as of 31.12.2022:

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
John Ivar Busklein	Chief Executive Officer
Øystein Grini	Chief Financial Officer
Hospitality Invest AS	Substantial shareholder
Grafo AS	Substantial shareholder
Klevstern AS	Substantial shareholder
Mecca Invest AS	Substantial shareholder
Norlandia Health & Care Group AS	Controlled by substantial shareholders, refer to note 21
Norlandia Holding AS	Controlled by substantial shareholders, refer to note 21
Kara Invest AS	Controlled by substantial shareholders, refer to note 21
Ferda Norge AS	Controlled by substantial shareholders, refer to note 21
Acea Invest AS	Controlled by substantial shareholders, refer to note 21
Kidprop AS	Controlled by substantial shareholders, refer to note 21
Caravan Eiendom AS	Controlled by substantial shareholders, refer to note 21
Norlandia Hotel Group	Controlled by substantial shareholders, refer to note 21
Up North Hospitality AS	Controlled by substantial shareholders, refer to note 21
Kongsparken AS	Associated company
Forus Holdco AS	Associated company
Ramstadsletta Utvikling AS	Associated company

Indirect ownership of shares by board member per the balance sheet date:

	2023		2022	
	Ord. Shares	Pref. shares	Ord. Shares	Pref. shares
Roger Adolfsen	3 160 192	-	3 160 192	-
Ane Nordahl Carlsen	311 985	-	0	-

The Group had the following material transactions with related parties:

<i>NOK in thousand</i>	2023	2022
Rent revenue from Norlandia Health & Care Group AS including subsidiaries	7 417	1 912
Rent revenue from Ferda Norge AS	33 312	29 414
Rent revenue from Norlandia Hotel group	57 738	42 582
Management fee from Up North Hospitality AS	1 342	1 875
Management fee from Oslo Corporate Holding AS	909	423
M&A services and Management fee to Hospitality Invest AS	4 889	2 877
Interest income from associated companies	3 417	2 300
Sale of bonds to related parties	-	153 500
Sale of receivables to related parties	251	-
Purchase of shares and properties from related parties	106 132	194 498

Transactions made between the related parties are made on terms equivalent to those that prevail in the market at arm's length.

Receivables from related parties

<i>NOK in thousand</i>	31.12.2023	31.12.2022
Norlandia companies	4 585	9 260
Kongsparken AS	-	14 644
Ramstadsletta Utvikling AS	12 000	48 000

Smedplassen Eiendom AS	-	1 432
HI Capital AS	18 163	-
Wayfare Invest AS	-	12 270
Liabilities to related parties		
<i>NOK in thousand</i>	31.12.2023	31.12.2021
Norlandia companies	10 679	30 742

For compensation to key management personnel, see note 14.

Loans to associate entities

During the 2023 reporting period, the Group lent its associates funds in the form of loans to finance its investments, in agreement with the other shareholders of the associates.

The loan to its associate Ramstadsletta Utvikling AS has a nominal amount of MNOK 12.0. The contract does not contemplate the payment of interests. As a consequence, the amount of the loan has been re-calculated to reflect the present value of all future cash receipts discounted using an interest rate similar to the ones borne by the Group (see note 11 for further information), resulting in an amortised cost value of MNOK 10.8. As the contributions from the other shareholders were of a different nature and amount, the difference between the increase in net assets for the Group, and the contribution made has been considered a financial expense in the consolidated income statement. For 2022, this amounted to MNOK 7.1, for 2023 the amount is MNOK 1.2. As there were a downpayment of MNOK 36.0 in 2023, the amortised cost value has changed, the contribution made has been considered a financial gain for an amount of MNOK 5.9 for 2023.

21. Share capital and shareholder information

The Company have two classes of shares, ordinary shares and preference shares. As of 31 December 2023, Pioneer Property Group ASA had a share capital of NOK 14,683,023, divided into 9,814,470 ordinary shares and 4,868,553 preference shares with a nominal value of NOK 1 per share for both categories.

The differences between the share classes are differing voting rights and differing rights to the Company's profit. 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 shares

The Company's preference shares confer a preferential right over ordinary shares to an annual dividend of NOK 10.00 per preference share per annum. Dividend payments are made quarterly with NOK 2.500 per preference share, if approved by the Board of Directors based on the authorisation given 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 2.500 per preference share during a quarter, the difference between paid dividends and NOK 2.500 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.

		Share value in NOK				
	Number of shares	Ordinary shares	Preference shares	Share premium	Treasury shares	Total
At 1 January 2022	14 683 023	9 814 470	4 868 553	555 636 899	-987 966	569 331 956
Capital reduction						-
Payment premiums 2022						-
Acquisition of treasury shares						-

At 31 December 2023	14 683 023	9 814 470	4 868 553	555 636 899	-987 966	569 331 956
Capital reduction	-	-	-	-	-	-
Payment premiums 2023	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-
At 31 December 2023	14 683 023	9 814 470	4 868 553	555 636 899	-987 966	569 331 956

PPG holds 987,966 preference shares in PPG at purchased a price of NOK 102.00 per preference share. This equals approximately 6.73% of the share capital, which represents 0.96% of the votes. 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.

During 2023, PPG has declared quarterly dividends to the holders of preference shares, in total MNOK 38.8. Furthermore PPG paid dividends to holders of the ordinary shares of MNOK 59.3.

10 largest shareholders registered in VPS as of 31 December 2023:

	Ordinary shares	Preference shares	Voting share
Hospitality Invest AS	32,62%	0,00%	31,08%
Eidissen Consult AS	16,73%	0,00%	15,94%
Grafo AS	16,73%	0,00%	15,94%
Mecca Invest AS	15,78%	0,00%	15,04%
Klevenstern AS	15,78%	0,00%	15,04%
HI Capital AS	2,34%	0,00%	2,23%
Skandinaviska Enskilda Banken AB	0,00%	12,88%	0,61%
Nordnet Bank AB	0,00%	9,85%	0,47%
Avanza Bank AB	0,00%	9,54%	0,45%
The Bank of New York Mellon	0,00%	7,54%	0,36%
Other Shareholders	0,00%	60,18%	2,84%
Total	100 %	100 %	100%

10 largest shareholders registered in VPS as of 31 December 2022:

	Ordinary shares	Preference shares	Voting share
Hospitality Invest AS	32,62%	0,00%	31,08%
Eidissen Consult AS	16,73%	0,00%	15,94%
Grafo AS	16,73%	0,00%	15,94%
Mecca Invest AS	15,78%	0,00%	15,04%
Klevenstern AS	15,78%	0,00%	15,04%
HI Capital AS	2,34%	0,00%	2,23%
Skandinaviska Enskilda Banken AB	0,00%	12,88%	0,61%
Avanza Bank AB	0,00%	10,25%	0,48%
Nordnet Bank AB	0,00%	8,44%	0,40%
The Bank of New York Mellon	0,00%	7,54%	0,36%
Other Shareholders	0,00%	60,88%	2,88%
Total	100 %	100 %	100%

22. Contingent liabilities

The group has not been involved in any legal or financial disputes in the period covered by these consolidated financial statements, where an adverse outcome is considered more likely than remote.

23. New standards not yet adopted

There are no new or amended standards that affect the Group as of the year 2023.

There are a number of standards, amendments to standards, and interpretations which have been issued by the International Accounting Standards Board (IASB) that are effective in future accounting periods that the Group has decided not to adopt early. None of these would be expected to have a material impact on the entity in the future reporting periods and on foreseeable future transactions.

24. Subsequent events

No significant subsequent events has occurred in 2024.

Alternative Performance Measures

Pioneer Property Group ASA reports Alternative Performance Measures (APMs) as a supplement, but not as a substitute, to the financial statements prepared in accordance with IFRS. Financial APMs are intended to enhance comparability of the results and cash flows from period to period. The financial APMs reported by PPG are the APMs that, in management's view, provide relevant supplemental information of the company's financial position and performance. Operational measures such as, but not limited to, occupancy and WAULT are not defined as financial APMs according to ESMA's guidelines.

The company reports the following alternative performance measures (APMs):

APM amounts in NOK thousand	Explanation	2023	2022	2021
EBIT	<i>Earnings before interest and taxes</i>	46 586	23 750	251 535
Weighted average gross yield	<i>The weighted average gross yield on estimated rent calculated by adjusting for property value. Gross yield for a property or portfolio of properties is calculated as contractual annualised rental income for the upcoming financial year divided by the market value as of balance sheet date.</i>	Preschool Hotel Retail Office	6.4% 7.2% 7.9% 7.2%	5.3% 6.8% 7.1% 6.2% n/a
NOI	<i>Net Operating Income, meaning all revenue from properties minus all reasonable direct property related expenses.</i>	118 766	69 974	41 256
Market value of the property portfolio	<i>The market value of the Groups investment properties</i>	1 757 256	1 798 709	1 393 041
Effective leverage	<i>Total interest bearing debt divided by total assets</i>	44.6%	39.5%	31.9%



ANNUAL REPORT (PARENT COMPANY)

2023

PIONEER PROPERTY GROUP ASA

PIONEER PROPERTY GROUP ASA

STATEMENT OF INCOME

	Note	2023	2022
OPERATING REVENUE AND EXPENSE			
Revenue	1	12 092 860	9 689 910
TOTAL OPERATING REVENUE		12 092 860	9 689 910
Employee benefits expense	2	7 191 448	4 752 215
Depreciation and amortisation expense	3	27 572	12
Other operating expenses	2	8 592 853	6 802 962
TOTAL OPERATING EXPENSES		15 811 873	11 567 456
OPERATING PROFIT OR LOSS		-3 719 013	-1 877 546
FINANCIAL INCOME AND EXPENSES			
Financial income			
Changes in market value of fin. cur. assets	4,5	2 565 674	47 160
Income from subsidiaries	5	1 726 910	1 692 676
Interest received from group companies	1,5	16 554 489	34 561 471
Other interest	5	14 715 353	10 276 108
Other financial income	5	2 426 274	83 542 310
Total financial income		37 988 700	130 119 724
Financial expenses			
Changes in market value of fin. cur. assets	4,5	-	-
Interest paid to group companies	1,5	528 229	391 355
Other interest	5	261 721	43 578
Other financial expense	5	325 460	609 227
Total financial expenses		1 115 410	1 044 160
NET FINANCE		36 873 289	129 075 565
ORDINARY RESULT BEFORE TAX		33 154 276	127 198 019
Tax on ordinary result	6	7 291 088	13 545 387
PROFIT		25 863 188	113 652 632
ATTRIBUTABLE TO			
To additional dividends payable		98 146 187	78 127 825
Given intra-group contribution		11 637 716	35 524 807
To other equity		-83 920 715	-
Net brought forward		25 863 187	113 652 631

PIONEER PROPERTY GROUP ASA

Balance sheet pr. 31.12.2022

	Note	2023	2022
ASSETS			
Fixed assets			
Tangible assets			
Fixtures and fittings, office machinery etc.	3	41 431	51 793
Total tangible assets		41 431	51 793
Financial fixed assets			
Investments in subsidiaries	7	636 059 247	585 011 829
Loans to group companies	1	252 316 976	321 152 191
Investments in associates	7	87 782 718	87 782 718
Investments in shares or units		38 282 669	38 282 669
Total financial fixed assets		1 014 441 610	1 032 229 407
TOTAL FIXED ASSETS		1 014 483 041	1 032 281 200
CURRENT ASSETS			
Receivables			
Receivables on group companies	1	18 110 418	2 299 170
Other short-term receivables		2 615 318	9 202 846
Total receivables		20 725 736	11 502 016
Investments			
Quoted bonds	4	62 620 000	62 000 000
Other financial Instruments	4	54 956 108	56 953 866
Total receivables		117 576 108	118 953 866
Cash and bank deposits	8	42 280 425	124 545 576
TOTAL CURRENT ASSETS		180 582 269	255 001 458
TOTAL ASSETS		1 195 065 310	1 287 282 658

PIONEER PROPERTY GROUP ASA

Balance sheet pr. 31.12.2021

	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
EQUITY AND LIABILITIES			
Share capital	9,10	14 683 023	14 683 023
Treasury shares	9	-987 966	-987 966
Share premium reserve	9	555 636 899	555 636 899
TOTAL PAID-IN EQUITY		569 331 956	569 331 956
Other equity	9	550 061 290	622 344 289
TOTAL EQUITY		1 119 393 245	1 191 676 245
Liabilities			
Provision			
Deferred tax	6	846 055	283 680
Total provisions		846 055	283 680
Other non-current liabilities			
Liabilities to group companies	1	9 332 054	9 136 724
Total other non-current liabilities		9 332 054	9 136 724
TOTAL NON-CURRENT LIABILITIES		10 178 109	9 420 404
Current liabilities			
Accounts payable		3 137 398	3 912 344
Income tax payable	6	4 168 415	6 961 967
Public duties payable		411 373	94 621
Dividends payable		34 200 466	14 742 481
Liabilities to group companies	1	11 637 716	28 637 189
Other current liabilities		11 938 588	31 837 408
TOTAL SHORT-TERM LIABILITIES		65 493 955	86 186 010
TOTAL LIABILITIES		75 672 064	95 606 414
TOTAL EQUITY AND LIABILITIES		1 195 065 310	1 287 282 658

Oslo, 21 March 2024

Board of Directors of Pioneer Property Group ASA


Roger Adolfsen

Chairman of the Board


Sandra Henriette Riise

Member of the Board


Ane Nordahl Carlsen

Member of the Board


Nina Hjørdis Torp Høisæter

Member of the Board


Geir Hjorth

Member of the Board


John Ivar Busklein

Chief Executive Officer

PIONEER PROPERTY GROUP ASA

Statement of Cash Flow

	Note	2023	2022
Cash flows from operating activities			
Profit before tax		33 154 276	127 198 018
Taxes paid		-6 961 967	-18 905 888
Gains and losses on sale bonds	4	-1 985 076	-3 385 000
Gains and losses on sale funds	4	-	609 227
Depreciation	3	27 572	12 279
Gains and losses on sale shares		-	-80 157 310
Group contributions	1	-1 726 910	-1 692 676
Exchange gains/(losses)		211 497	-
Fair value adjustmenst on quoted bonds	4	-2 565 674	-47 160
Trade receivables		-15 970 711	933 756
Trade payables		-774 946	2 892 666
Other accruals		-13 013 933	1 699 835
Net cash flow from operating activities		-9 605 872	29 157 747
Cash flows from investing activities			
Payments for purchase of shares		-42 000 000	-650 140 606
Payments for purchase of other investments	3	-17 209	-43 972
Payments from other loans		-	30 741 488
Proceeds from loan to group companies	1	69 030 545	350 798 408
Proceeds from sale of shares		30 000	383 631 273
Proceeds from sale of funds	4	15 000 000	49 816 734
Proceeds from sale of bonds	4	-	214 000 000
Payments to buy other investments		-9 071 492	-2 758 056
Payments for purchase of quoted bonds		-	-222 990 000
Net cash flow from investments activities		32 971 844	153 055 269
Cash flow from financing activities			
Payments for purchase of own shares		-	-
Dividends paid		-78 686 610	-72 601 738
Repayment of share premium reserve		-	-
Group contributions paid		-28 637 189	-35 770 318
Group contributions received		1 692 676	994 910
Received share premium		-	-
Net cash flow from financing activities		-105 631 123	-107 377 146
Net change in cash and cash equivalents		-82 265 151	74 835 869
<u>Cash and cash equivalents at the beginning of the period</u>		124 545 576	49 709 708
Cash and cash equivalents at the end of the period		42 280 425	124 545 576

Notes to the financial statements 2023

Accounting Principles:

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The Company's financial statements are prepared on a going concern basis.

Sales revenue

Revenue is recognized from the sale of goods at the time of delivery. Services are recognized as revenue as they are delivered.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Subsidiaries and investment in associates

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends / group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss comprise financial assets whose cash flows do not relate solely to payments of interest and repayments of principal on the outstanding nominal amount. Gains or losses on these financial assets are recognized through profit or loss.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Cash

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Note 1 - Liabilities to/receivables from group companies

Interest received from group companies is NOK 16 554 489 and interest paid to group companies is NOK 528 299. Total income on management fee to group companies is NOK 12 092 860. Management fee income from Swedish subsidiaries is NOK 958 763, and management fee income from Norwegian subsidiaries is NOK 11 134 097.

	2023	2022
Receivables		
Accounts receivable	15 970 711	0
Group contributions	1 726 910	1 692 676
Other short term receivables	412 797	606 494
Loans to group companies	252 316 976	321 152 191
Total receivables	276 282 283	323 451 361
Liabilities		
Group contributions	11 637 716	28 637 189
Other liabilities	9 332 054	9 136 724
Total Liabilities	20 969 770	37 773 913

Note 2 - Management and auditor compensation

The company's auditor expenses (VAT included) :

	2023	2022
Statutory audit	749 666	610 940
Other services	9 090	0
Total	758 756	610 940

	2023	2022
Payroll	6 091 596	4 070 852
Payroll expenses (employer tax)	967 781	583 585
Pension cost	94 012	61 149
Other payments	38 060	36 629
Total	7 191 448	4 752 215

It's been paid remuneration for directors with NOK 620 000.

Roger Adolfsen (Chairman of the board)	120 000
Geir Hjorth (board member)	130 000
Sandra Riise (board member)	130 000
Even Carlsen (board member)	110 000
Nina Høisæter (board member)	130 000

The company has five employees, four in full time positions and one employee in part time position (28.4%) and is regulated under the Act on Mandatory occupational pensions act, and the company has established mandatory occupational pensions and contribution pension for the employees.

NOK	Salary	Bonus	Other benefits	Pension cost	Total Compensation
Øystein B. Grini (CFO)	1 416 000	126 000	4 392	26 312	1 572 794
John Ivar Busklein (CEO) (28,4% part time position)	560 048	166 667	0	8 204	734 919
Total	1 976 048	292 667	4 392	34 516	2 307 623

John Ivar Busklein (CEO) and Øystein Grini (CFO) received a bonus of NOK 166 667 and NOK 126 000 respectively for their performance in Pioneer Property Group ASA. Both bonuses were paid in first quarter of 2024.

No member of the management have in their agreement that they will get any right to compensation after termination of employment.

No loans or guarantees have been given to any members of the management, the Board of directors or other corporate bodies.

The board of directors of PPG has prepared guidelines for a determination of salary and other remuneration to the executive management, in accordance with applicable law. The guidelines include the policies which PPG uses for the determination of salary and other remuneration to its executive management. The guidelines are published on the company's web page pioneerproperty.no.

Note 3 - Fixtures and fittings, office machinery etc.

	Fixtures and fittings, office machinery etc.
Acquisition cost as at. 1/1	69 815
+ Additions	17 209
Acquisition cost as at. 31/12	87 024
Accumulated depreciation 1/1	18 021
+ Depreciation for the year	27 572
Accumulated depreciation 31/12	45 594
 Net Value 31/12	 41 431
Depreciation percentage / estimated useful life	33% - 3 years
Assets are depreciated on a straight line basis	

Note 4 - Quoted bonds

Financial instruments have been assessed at fair value.

The fair value has been set in accordance with the value observable in the market at the balance sheet date.

Quoted bonds:	Acquisition cost	Change in value	Market Value
Hospitality Invest AS	62 000 000	620 000	62 620 000
Total	62 000 000	620 000	62 620 000

Funds:	Acquisition cost	This year change in value	Market Value
Holberg Kreditt Fond	46 729 328	1 444 368	49 454 801
Valmue Private Debt	5 000 000	501 307	5 501 307
Total	52 914 704	1 945 675	54 956 108

Funds purchased/redeemed in 2023:

	Purchase	Sale	Realized gain
Holberg Kreditt	4 071 492	13 014 925	1 985 075
Valmue	5 000 000		
Total	9 071 492	13 014 925	1 985 075

Note 5 - Financial income and expenses

	2023	2022
Financial income:		
Change in market value of financial current assets	2 565 674	47 160
Group contribution	1 726 910	1 692 676
Interest received from group companies	16 554 489	34 561 471
Other interest	14 715 353	10 276 108
Currency gain	15 485	0
Other financial income	425 714	0
Gain on sale quoted bonds	1 985 075	83 542 310
Total financial income	37 988 700	130 119 725
Financial expenses:		
Interest paid to group companies	528 229	391 355
Other interest	261 721	43 579
Currency loss	325 460	0
Loss on sale of shares	0	609 277
Total financial expenses	1 115 410	1 044 161

Note 6 - Tax

Calculation of this years tax basis:

Net profit/loss before tax expense	33 154 276
+ Permanent differences	-2 578 593
+ Changes in temporary differences	9 376
+ Received group contributions	1 692 676
- Paid group contributions	-11 637 716
= Income	18 947 342

This years income tax expense consist of:

Estimated tax of net profit	6 728 713
= Tax payable	6 728 713
+/- Change in deferred tax	562 375
= Total tax expense	7 291 088
Tax rate	22%

Current tax liability:

Tax payable	6 348 792
+/- Effect on tax of group contributions	-2 180 378
= Tax payable	4 168 415

Temporary differences:

	2023	2022	Change
Fixed assets	- 1 027	8 349	9 376
Quoted bonds and other financial instruments	3 846 730	1 281 106	-2 565 624
Sum temporary differences	3 845 704	1 289 455	-2 556 249
Deferred tax	846 055	283 680	-562 375

Note 7 - Investments in subsidiaries

Subsidiaries are valued at cost in the company's accounts.

The company has shares in the following subsidiaries:

Subsidiary, office location:	Owner- ship %	Voting rights %	Net profit 2023	Equity 2023
Pioneer Preschools AS, Oslo	100,00 %	100,00 %	-2 546 676	48 411 193
Pioneer Property Group International AS, Oslo	100,00 %	100,00 %	370 943	8 865 765
Pioneer Hotel Properties AS, Oslo	100,00 %	100,00 %	18 839 304	337 701 969
Pioneer Retail Properties AS, Oslo	100,00 %	100,00 %	4 012 088	75 769 518
Pioneer Property Development AS, Oslo	100,00 %	100,00 %	1 686 375	154 982 317
T10 Holdco AS	52,00 %	52,00 %	- 515 569	9 815 747
PPG Hylle 3 AS	100,00 %	100,00 %	0	24 000
The company has shares in the following associates:		Owner- ship %	Net profit 2023	Equity 2023
Norlandia Holding AS		23,58 %	23,58 %	9 761 640
				393 256 938

Note 8 - Bank deposits

Employees tax deduction, deposited in a separate bank account with total amount 31.12.23 NOK 241 259.

Note 9 - Other equity

	Share capital	Own Shares	Share premium reserve	Other equity	Total equity
Per 1.1	14 683 023	-987 966	555 636 899	622 344 289	1 191 676 245
Ordinary result				25 863 188	25 863 188
Dividends				-98 146 187	-98 146 187
Per 31.12	14 683 023	-987 966	555 636 899	550 061 290	1 119 393 245

Note 10 - Share capital

The company have 14 683 023 shares with a book value NOK 1 per share, and total share capital is NOK 14 683 023.

The company have two classes of shares, ordinary shares and preference shares:

Class of shares	shares	Total value	Voting rights
Ordinary shares	9 814 470	9 814 470	Each share has 1 vote
Preference shares	4 868 553	4 868 553	Each share has 0,1 vote
Total	14 683 023	14 683 023	

The company's shareholders ordinary shares:

Shareholders	Ord. shares
Hospitality Invest AS	3 201 926
Eidissen Consult AS	1 642 024
Grafo AS	1 642 024
Klevestern AS	1 549 214
Mecca Invest AS	1 549 219
Hi Capital AS	230 068

The company's largest shareholders pref.shares (>1%) :

Shareholders:	Pref. Shares
Pioneer Property Group ASA	-987 966
Skandinaviska Enskilda Banken AB	500 000
Nordnet Bank AB	382 109
Avanza Bank AB	370 110
The Bank of New York Mellon	292 714
Union Bancaire Privee	141 304
Danske Bank A/S	124 040
SIX SIS AG	113 000
Skandinaviska Enskilda Banken AB – Lux Branch	96 138
The Bank of New York Mellon	68 307
Nordnet Livsforsikring	63 767
Swedbank AB	59 667

Indirectly owned shares of executives in the company:

	Ordinary shares	Pref. shares
Roger Adolfsen (Chairman)	3 160 192	0
Ane Nordahl Carlsen (Board member)	311 985	0

Note 11 - Transactions with related parties

The company has various transactions with associated companies. All the transactions have been carried out as part of the ordinary operations and at arm's length prices. The most significant transactions are as follows:

Hospitality Invest AS, management fee NOK 4 138 945

Hospitality Invest AS, Other short-term receivables NOK 285 990



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Independent Auditor's Report

To the General meeting of Pioneer Property Group ASA

Opinion

We have audited the financial statements of Pioneer Property Group ASA.

<p>The financial statements comprise:</p> <ul style="list-style-type: none">• The financial statements of the parent Company, which comprise the balance sheet as at 31 December 2023, income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and• The financial statements of the Group, which comprise the balance sheet as at 31 December 2023, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.	<p>In our opinion:</p> <ul style="list-style-type: none">• The financial statements comply with applicable statutory requirements,• The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.• The accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.
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Our opinion is consistent with our additional report to the Board of Directors.

Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Pioneer Property Group ASA for 9 years from the election by the general meeting of the shareholders on April 16th, 2015, for the accounting year 2023.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How the key audit matter was addressed in the audit
Valuation of investment properties	
The Group's value of investment properties in the financial statements amounts to TNOK 1 757 256, equivalent to 68,3 % of the group's total assets. The valuation of the properties is performed by an external, independent party and is described in note 6 to the financial statements. The significant amount, the complexity and the judgements involved in the valuation, lead us to identify this as a risk area in our audit.	Our audit procedures included, among others, involving our internal valuation specialists to assist in evaluating the assumptions and methodologies used by the independent party, in particular those relating to the discounted cash flow model and marked based yield for the rental properties. We also focused on the adequacy of the Group's disclosures about those assumptions to which the outcome of the valuation is most sensitive, i.e., those that have the most significant effect on the determination of the value of the properties. We have also evaluated the independent party's competence and independence in performing the valuation of the investment properties.

Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Opinion on the Board of Directors' report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly for the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Report on compliance with requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Pioneer Property Group ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name PPGASA-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant



to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, March 22nd 2024
BDO AS

Sven Mozart Aarvold
State Authorised Public Accountant
(This document is signed electronically)

GROUP WEB PAGES

PARENT & SUBSIDIARIES

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