
Summary

PIONEER PUBLIC PROPERTIES AS



PIONEER PROPERTY

ISIN: NO 0010767619

Listing on Oslo Børs

29.09.2016

Sole Manager:

 Pareto Securities AS

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

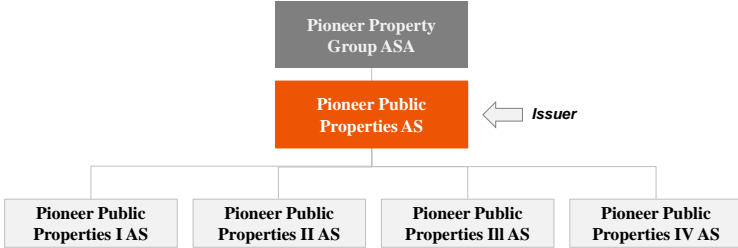
Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

Section A – Introduction and warnings:

Element	Disclosure requirement	Content
A.1	Warning:	<ul style="list-style-type: none"> this summary should be read as introduction to the prospectus; any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor; where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities
A.2.	Consent by the issuer or person responsible for drawing up the prospectus to the use of the prospectus for subsequent resale or final placement of securities by financial intermediaries.	<ul style="list-style-type: none"> N/A

Section B – Issuer and any guarantor

Element	Disclosure requirement	Comments
B.1	The legal and commercial name of the issuer.	The Legal name of the Issuer is Pioneer Public Properties AS and the commercial name is Pioneer Public Properties, also abbreviated PPP.
B.2	The domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation.	Pioneer Public Properties AS is registered as a private limited liability company domiciled in Oslo, Norway, organized and existing under the laws of Norway in accordance with and pursuant to the Norwegian Limited Companies Act (Nw. aksjeloven).
B.4b	A description of any known trends affecting the issuer and the industries in which it operates.	N/A
B.5	If the issuer is part of a group, a description of the group and the issuer’s position within the group.	The Issuer is a midco, owning 100% of its four direct subsidiaries, Pioneer Public properties AS I-IV, and is 100% owned by the Parent, Pioneer Property Group ASA.
B.9	Where a profit forecast or estimate is made, state the figure.	Not applicable, the company has not provided any profit forecast or estimates.

B.10	A description of the nature of any qualifications in the audit report on the historical financial information.	Not applicable as there are no qualifications.
B.12	<p>Selected historical key financial information regarding the issuer, presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year-end balance sheet information.</p> <p>A statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change. A description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information</p>	<p>PPP III's audited financial statements as of 31 December 2015. Note that the company was incorporated 21 May 2015, however the Issuer Group was not registered before 27 November 2015, the consolidated financial statement is therefore only for the period from 27 November 2015 until 31 December 2015.</p> <p>There has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change.</p> <p>Highlights of the 2015 annual report:</p> <ul style="list-style-type: none"> - Total revenues in 2015 were NOK 19.338 million, and with a pre-tax profit of NOK 9.085million. - The Company had total assets of NOK 3 597.823 million where investment property (112 preschools) were valued at NOK 3 413.174 million in addition to a cash balance of NOK 174.042 million. Total debt was NOK 2 206.233million and with total equity of NOK 1 391.591 million. - Towards the end of the year PPP commissioned a valuation report from Newsec, which confirmed the balance sheet valuations of the investment properties.
B.13	A description of any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.	N/A, there are no such events.
B.14	<p>If the issuer is part of a group, a description of the group and the issuer's position within the group. (B5)</p> <p>"If the issuer is dependent upon other entities within the group, this must be clearly stated."</p>	<p>Pioneer Public Properties AS operates with the structure as set out below.</p>  <pre> graph TD A[Pioneer Property Group ASA] --> B[Pioneer Public Properties AS] B -- Issuer --> C[Pioneer Public Properties I AS] B -- Issuer --> D[Pioneer Public Properties II AS] B -- Issuer --> E[Pioneer Public Properties III AS] B -- Issuer --> F[Pioneer Public Properties IV AS] </pre> <p>As the Issuer is a holding company, the Issuer's debt service capabilities will depend on the cash flow provided by its subsidiaries</p>
B.15	A description of the issuer's principal activities.	The principal activities of the Issuer are to own and rent out kindergarten real estate to kindergarten operators.
B.16	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of	The Issuer is 100% owned and controlled by its Parent company Pioneer Property group ASA which is owned by the following shareholders:

	such control	<table border="1"> <thead> <tr> <th>Shareholders PPG</th> <th>Owner (majority)</th> <th>Ownership (%)</th> </tr> </thead> <tbody> <tr> <td>Norlandia Care Group AS</td> <td>Adolfsen Brothers</td> <td>20.1%</td> </tr> <tr> <td>Hospitality Invest AS</td> <td>Adolfsen Brothers</td> <td>22.2%</td> </tr> <tr> <td>Eidissen Consult AS</td> <td>Benn H. Eidissen</td> <td>14.5%</td> </tr> <tr> <td>Grafo AS</td> <td>Even Carlsen</td> <td>14.5%</td> </tr> <tr> <td>Klevenstem AS</td> <td>Kristian Adolfsen</td> <td>14.5%</td> </tr> <tr> <td>Mecca Invest AS</td> <td>Roger Adolfsen</td> <td>14.5%</td> </tr> <tr> <td>Sum</td> <td></td> <td>100.0%</td> </tr> </tbody> </table>	Shareholders PPG	Owner (majority)	Ownership (%)	Norlandia Care Group AS	Adolfsen Brothers	20.1%	Hospitality Invest AS	Adolfsen Brothers	22.2%	Eidissen Consult AS	Benn H. Eidissen	14.5%	Grafo AS	Even Carlsen	14.5%	Klevenstem AS	Kristian Adolfsen	14.5%	Mecca Invest AS	Roger Adolfsen	14.5%	Sum		100.0%
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B.17	Credit ratings assigned to an issuer or its debt securities at the request or with the cooperation of the issuer in the rating process.	No public rating has been made in connection with the bond issue.																								

Section C - Securities

Element	Disclosure requirement	Comments
C.1	A description of the type and the class of the securities being admitted to trading, including any security identification number.	Senior Unsecured Bond Issue with ISIN: NO0010767619
C.2	Currency of the securities issue.	NOK
C.5	A description of any restrictions on the free transferability of the securities.	Bondholders located in the United States will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act in a transaction on the Oslo Børs, and (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available). The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.
C.8	A description of the rights attached to the securities, including ranking and limitations to those rights	<p>The Bond Agreement has been entered into by the Borrower and the Bond Trustee. The Bond Agreement regulates the Bondholder's rights and obligations with respect to the bonds. The Bond Trustee enters into the Bond Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement.</p> <p>The Bonds shall constitute senior debt obligations of the Issuer. The Bonds shall rank pari passu between themselves and shall rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application). The Bonds shall rank ahead of subordinated capital.</p>
C.9	<ul style="list-style-type: none"> “the nominal interest rate” “the date from which interest becomes payable and the due dates for interest” “where the rate is not fixed, description of the underlying on which it is based” “maturity date and arrangements for the amortisation of the loan, including the repayment 	<p>Bond Trustee is Nordic Trustee ASA.</p> <p>Interest becomes payable on 1 July with interest payment date 1 January, April, July and October each year. Maturity date 28 May 2021.</p> <p>The Bonds shall be repaid in full at maturity.</p> <p>6.15% yield to maturity as of issue date. Calculation based on a coupon consisting of margin (5.25%) plus the 5 year interest rate swat at 05/06/07 (0.8985%).</p> <p>Coupon Rate: 3 months NIBOR + 5.25% p.a.</p>

	<p>procedures”</p> <ul style="list-style-type: none"> • “an indication of yield” • “name of representative of debt security holders” 	<p>NIBOR: means the interest rate fixed for a period comparable to the relevant Interest Period on Oslo Børs’ webpage at approximately 12.15 (Oslo time) on the Interest Quotation Day or, on days on which Oslo Børs has shorter opening hours (New Year’s Eve and the Wednesday before Maundy Thursday), the data published at approximately 10.15 a.m. (Oslo time) on the Interest Quotation Day shall be used. In the event that such page is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the relevant interest rate, an alternative page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate shall be used. If this is not possible, the Bond Trustee shall calculate the relevant interest rate based on comparable quotes from major banks in Oslo. If any such rate is below zero, NIBOR will be deemed to be zero.</p> <p>Bond Trustee: Nordic Trustee ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway.</p> <p>The Bond Trustee shall monitor the compliance by the Issuer of its obligations under the Bond agreement and applicable laws and regulations which are relevant to the terms of the Bond agreement, including supervision of timely and correct payment of principal or interest, inform the Bondholders, the Paying Agent and the Exchange of relevant information which is obtained and received in its capacity as Bond Trustee (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders’ meetings, and make the decisions and implement the measures resolved pursuant to the Bond agreement. The Bond Trustee is not obligated to assess the Issuer’s financial situation beyond what is directly set forth in the Bond agreement.</p>
C.10	<ul style="list-style-type: none"> • “if the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident” 	Not applicable, as there is no derivative component in the interest payment.
C.11	An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question.	Listing at Oslo Børs

Section D - Risks

Element	Disclosure requirement	Comments
D.2	Key information on the key risks that are specific to the issuer.	<p>Industry risks</p> <p>General market conditions: There can be no guarantee that the current level and form of support to private operators will continue. Should these market conditions</p>

		<p>deteriorate, the financial position of the tenants and the Company's financial situation will be adversely affected.</p> <p>Government regulations - the real estate sector is affected by changes in taxes, regulations and other laws or policies affecting the properties generally which could have a material adverse effect on the Company.</p> <p>Operational and company specific risks</p> <p>Tenant credit risk: the Group's current and potential tenants may get in a financial situation where they cannot pay the agreed rent as it falls due or otherwise abstain from fulfilling their obligations.</p> <p>Management of assets: If the management agreements ceases to exist, and the Company fails to enter into a new management agreement, or retain management and key personnel who can manage the Company's assets efficiently, it will have a material adverse effect on the value of the properties, the Company's business, operating results and financial condition.</p> <p>Property values: In the event that one or more of the master lease agreements terminate or otherwise cease to exist and the Group is unable to enter into a new lease contract on similar terms, the value of the Group's properties may be adversely affected</p>
D.3	Key information on the key risks that are specific to the securities	<p>Risks related to the bonds</p> <p>Unsecured bonds – the Bonds are unsecured and consequently the Bondholders have, upon an insolvency event in the Issuer, no preferential right to collect in the real estate properties or other assets of the subsidiaries. In the event of insolvency any secured debt will prevail.</p> <p>Additional gearing/no negative pledge - the Bond Agreement will not include any negative pledge clause. The Issuer's ability to acquire new financial indebtedness will be limited under financial covenants in the Bond Agreement however these covenants will allow for new debt/increased gearing. The bond issue will imply increased gearing.</p> <p>Change of control - upon the occurrence of a change of control event, each individual Bondholder has a right of prepayment of the Bonds. However, it is possible that the Issuer will have insufficient funds at the time of the change of control event to make the required redemption of bonds. The Issuer's failure to redeem tendered bonds would constitute an event of default under the bond agreement.</p>

Section E - Offer

Element	Disclosure requirement	Comments
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.	The net proceeds from the Bond Issue (net of legal costs, fees of the Manager and the Trustee and any other agreed costs and expenses) shall be employed to refinance outstanding bond debt in subsidiaries and for general corporate purposes.
E.3	A description of the terms and conditions of the offer.	N/A.
E.4	A description of any interest that is	There are no conflicts of interest in connection with the bond issue.

	material to the issue/offer including conflicting interests.	
E.7	Estimated expenses charged to the investor by the issuer or the offeror	N/A, as there are no such expenses.
