



Pioneer Property Group ASA

**Offering of up to 2,800,000 Preference Shares with an Offer Price of NOK 100 per Preference Share  
Listing of the Company's Preference Shares on Oslo Axess**

This Prospectus (the "**Prospectus**") has been prepared by Pioneer Property Group ASA, a public limited liability company incorporated under the laws of Norway (the "**Company**" and together with its subsidiaries and affiliated companies the "**Group**"), solely for use in connection with (i) the initial public offering of up to 2,800,000 preference shares of the Company (the "**Offering**") and (ii) the related listing of the Company's preference shares (the "**Preference Shares**") on Oslo Axess (the "**Listing**").

The Preference Shares included in the Offering are offered by ten holders of existing Preference Shares in the Company as further described in Section 7.10 "The Selling Shareholders" (collectively, the "**Selling Shareholders**"). The Company will not receive any proceeds from the Offering.

The Offering consists of: (i) an institutional offering in which Preference Shares are offered to (a) institutional and professional investors in Norway and Sweden, (b) institutional investors outside Norway, Sweden and the United States of America (the "**U.S.**" or the "**United States**"), subject to applicable exemptions from applicable prospectus requirements, and (c) "qualified institutional buyers" ("**QIBs**") in the United States as defined in, and in reliance on, Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") (the "**Institutional Offering**"), (ii) a retail offering to the public in Norway (the "**Norwegian Retail Offering**"), and (iii) a retail offering to the public in Sweden (the "**Swedish Retail Offering**") (the Norwegian Retail Offering and the Swedish Retail Offering hereinafter collectively referred to as the "**Retail Offerings**"). All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**").

The offer period for the Institutional Offering (the "**Offer Period**") will commence at 09:00 hours (CET) on 4 June 2015 and close at 14:00 hours (CET) on 17 June 2015. The application period for the Retail Offerings (the "**Application Period**") will commence at 09:00 hours (CET) on 4 June 2015 and close at 12:00 hours (CET) on 17 June 2015. The Offer Period and the Application Period may, at the Company's sole discretion, in consultation with the Managers and for any reason, be shortened or extended beyond the set times.

The Preference Shares are registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form.

The Preference Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except (i) within the United States to QIBs in reliance on Rule 144A or another applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Transfer of the Preference Shares will be restricted and each purchaser of the Preference Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 18 "Selling and Transfer Restrictions".

**Investors should note that this is an offering of Preference Shares. There are other rights attached to the Preference Shares than the ordinary shares in the Company. Amongst other Preference Shares has preference to dividend payments up to a certain amount, carries 1/10 voting right and the Company has a right to redeem the Preference Shares. Apart from this, the Preference Shares has no economical rights to dividends or the equity of the Company upon liquidation. For detailed information about the rights attached to the Preference Shares, investors should refer to section 5 ("The Preference Shares in brief") and the Company's articles of association, included in section 14.9 ("The Articles of Association").**

Investing in the Preference Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, Section 2 "Risk Factors" beginning on page 13 when considering an investment in the Company.

Prior to the Offering, the Preference Shares have not been publicly traded. On 19 May 2015, the Company applied for admission to trading of the Preference Shares on Oslo Axess. It is expected that the board of directors of Oslo Børs will consider the listing application on 17 June 2015. Completion of the Offering is subject *inter alia* to the approval of the listing application by the board of directors of Oslo Børs and the Company fulfilling all conditions for listing on Oslo Axess set by Oslo Børs.

The due date for the payment of the Preference Shares in the Retail Offerings is expected to be on or about 19 June 2015. Subject to timely payment, delivery of the Preference Shares in the Retail Offering is expected to take place on or about 22 June. In the Institutional Offering delivery is expected to take place against payment on 22 June 2015. Trading in the Preference Shares on Oslo Axess is expected to commence on or about 19 June 2015 under the ticker code "PPG PREF".

**Managers**



**The date of this Prospectus is 3 June 2015**

## IMPORTANT INFORMATION

This Prospectus has been prepared solely for use in connection with the Offering of the Preference Shares and Listing of the Preference Shares on Oslo Axess. Please see Section 22 "Definitions and glossary" for definitions of terms used throughout this Prospectus.

The Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 No. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) No. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in Prospectuses, as amended, and as implemented in Norway (the "**Prospectus Directive**"). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (the "**Norwegian FSA**") has reviewed and approved this Prospectus in accordance with sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described or referred to in this Prospectus. The Company has also, through the Norwegian FSA, passported the prospectus into Sweden,

ABG Sundal Collier Norge ASA ("**ABGSC**") and Swedbank Norway, branch of Swedbank AB (publ) ("**Swedbank**") has been engaged by the Company as joint lead managers and bookrunners in the Offering (the "**Managers**").

No person is authorised to give information or to make any representation concerning the Group or in connection with the Offering or sale of the Preference Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Preference Shares may be restricted by law in certain jurisdictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Preference Shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of the Preference Shares to occur outside of Norway and Sweden. Accordingly neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the Preference Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. For further information on the sale and transfer restrictions of the Preference Shares, see Section 18 "Selling and transfer restrictions".

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Preference Shares between the time of approval of this Prospectus by the Norwegian FSA and the Listing of the Preference Shares on Oslo Axess, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor any sale of Preference Shares made hereunder, shall under any circumstances create any implication that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

In connection with the Offering, the Managers and any of its respective affiliates, acting as an investor for its own account, may take up Preference Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Preference Shares or related investments and may offer or sell such Preference Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Preference Shares being offered or placed should be read as including any offering or placement of Preference Shares to the Managers or any of its affiliates acting in such capacity. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

In making an investment decision, each investor must rely on their own examination, and analysis of, and enquiry into, the Group and the terms of the Offering, including the merits and risks involved. None of the Company, the Managers, the Selling Shareholders or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Preference Shares regarding the legality or suitability of an investment in the Preference Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of an investment in the Preference Shares.

In the ordinary course of their businesses, the Managers and certain of its respective affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Company and its subsidiaries. ABG Sundal Collier owns 255,000 Preference Shares as per the date of this Prospectus.

This Prospectus and the terms and conditions of the Offering as set out herein shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

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*Appendix A: Newsec Valuation Report dated 28 April 2015*

*Appendix B: Historical Financial Information*

*Appendix C: Norwegian Retail Offering Application Form*

## 1. EXECUTIVE SUMMARY

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

A.1	Warnings	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information in this 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.</p> <p>Civil liability may attach to those persons who produced the summary, including any translation thereof, only if the summary is misleading, inaccurate or inconsistent with other parts of the prospectus or if, together with other parts of the prospectus, it fails to provide key information to help investors when considering investing in such securities.</p>
A.2	Consent to use of the prospectus	Not applicable; financial intermediaries are not entitled to use the prospectus for subsequent resale or final placement of securities.

### Section B – Issuer

B.1	Legal and commercial name	Pioneer Property Group ASA
B.2	Domicile and legal form, legislation and country of incorporation	The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 5 January 2015 as a private limited liability company, and was converted into a public limited liability company on 12 May 2015. The Company's registration number in the Norwegian Register of Business Enterprises is 914 839 327.
B.3	Current operations, principal activities and markets	<p>Pioneer Property Group is a leading owner and manager of preschool properties in Norway, focused on high quality properties in high populated urban areas throughout the country. As of 12 May 2015, the Company had a property portfolio of 112 properties rented to preschools housing over 11,000 children.</p> <p>The properties owned by the Group are regulated for the use as preschools, and are leased out on long-term rental contracts to preschool operators, either to Espira Gruppen AS through individual lease contracts with Espira's operational subsidiaries or to Kidsa Drift AS or to Norlandia Preschools AS, two subsidiaries of Norlandia Care Group AS.</p>
B.4a	Significant recent trends affecting the	The Company has not observed any trends since the end of the last financial

	Company and the industries in which it operates	<p>year which would have a material impact on the Company's business.</p> <p>The Company is not aware of trends, uncertainties, demands, commitments or events that could have a material effect on the Group's prospects for the current financial year.</p>																											
B.5	Description of the Group	<p>Pioneer Property Group ASA is the parent company of the subsidiaries Pioneer Public Properties I AS, Pioneer Public Properties II AS, Pioneer Public Properties III AS and Pioneer Public Properties IV AS. The subsidiaries are the sole owners of companies whose purpose is to own the Group's 112 preschool properties.</p>																											
B.6	Interests in the Company and voting rights	<p>Shareholders owning Preference Shares constituting 5 per cent or more of the Company's share capital or 5 per cent or more of the voting rights in the Company have an interest in the Company's share capital or voting rights, which is notifiable pursuant to the Norwegian Securities Trading Act.</p> <p>As of the date of this Prospectus, the Company has 38 holders of Preference Shares. The following holders of Preference Shares own Preference Shares constituting 5 per cent or more of the Company's share capital or 5 per cent or more of the voting rights in the Company on the date of the Prospectus: Norlandia Care Group (869,369 Preference Shares, representing 5.33 per cent of the total share capital of the Company and 0.83 per cent of the total voting rights).</p> <p>The Preference Shares holds 1/10 voting right while the Company's ordinary shares each holds one full vote.</p>																											
B.7	Selected historical key financial information	<p>The following tables represent Pioneer Property Group's selected combined financial information as at and for the 12 months period ended 31 December 2014 and 2013.</p> <p><b>Combined financial statement of income - Pioneer Property Group ASA</b></p> <table> <tr> <th>NOK 1000</th><th>2014</th><th>2013</th></tr> <tr> <td>Revenue</td><td>104 155</td><td>51 530</td></tr> <tr> <td>Operating expenses</td><td>13 774</td><td>5 788</td></tr> <tr> <td>Fair value adjustments on investment properties</td><td>44 003</td><td>5 335</td></tr> <tr> <td><b>Operating profit (loss)</b></td><td><b>134 384</b></td><td><b>51 077</b></td></tr> <tr> <td>Financial items</td><td>-61 496</td><td>-35 171</td></tr> <tr> <td><b>Profit (loss) before tax</b></td><td><b>72 888</b></td><td><b>15 906</b></td></tr> <tr> <td>Income tax expenses</td><td>-20 103</td><td>-4 280</td></tr> <tr> <td><b>Profit (loss) for the period</b></td><td><b>52 785</b></td><td><b>11 626</b></td></tr> </table>	NOK 1000	2014	2013	Revenue	104 155	51 530	Operating expenses	13 774	5 788	Fair value adjustments on investment properties	44 003	5 335	<b>Operating profit (loss)</b>	<b>134 384</b>	<b>51 077</b>	Financial items	-61 496	-35 171	<b>Profit (loss) before tax</b>	<b>72 888</b>	<b>15 906</b>	Income tax expenses	-20 103	-4 280	<b>Profit (loss) for the period</b>	<b>52 785</b>	<b>11 626</b>
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Condensed combined statement of financial position - Pioneer Property Group ASA		
NOK 1000	2014	2013
<b>Assets</b>		
<b>Non-current assets</b>		
Investment properties	2 032 000	638 100
<b>Total non-current assets</b>	<b>2 032 000</b>	<b>638 100</b>
<b>Current assets</b>		
Receivables	34 976	28 441
Cash and cash equivalents	73 348	55 854
<b>Total current assets</b>	<b>108 324</b>	<b>84 295</b>
<b>Total assets</b>	<b>2 140 324</b>	<b>722 395</b>
<b>Equity and liabilities</b>		
<b>Total equity</b>	<b>414 746</b>	<b>99 929</b>
<b>Non-current liabilities</b>		
Liabilities to financial institutions	1 332 513	391 527
Deferred tax liabilities	24 936	12 348
Long term liabilities to related parties	204 938	196 437
Other long term liabilities	114 297	858
<b>Total non-current liabilities</b>	<b>1 676 684</b>	<b>601 170</b>
<b>Current liabilities</b>		
Tax payable	5 426	0
First year instalments	19 737	2 572
Accounts payables and other payables	23 729	18 724
<b>Total current liabilities</b>	<b>48 892</b>	<b>21 296</b>
<b>Total liabilities</b>	<b>1 725 576</b>	<b>622 466</b>
<b>Total equity and liabilities</b>	<b>2 140 322</b>	<b>722 395</b>
<b>Condensed combined statement of cash flows - Pioneer Property Group ASA</b>		
NOK 1000	2014	2013
<b>Cash flow from operations</b>		
Profit before income taxes	72 888	15 906
Fair value adj. on investment properties	-44 003	-5 335
Financial items	18 764	19 303
Change in working capital	4 019	6 724
<b>Net cash flow from operations</b>	<b>51 668</b>	<b>36 598</b>
<b>Cash flow from investments</b>		
Purchase of investment properties	-1 349 897	-80 172
Sale of investment properties	0	27 399
Net changes in financial receivables	0	4 654
Interest received	3 635	510
<b>Net cash flow from investments</b>	<b>-1 346 262</b>	<b>-47 609</b>
<b>Cash flow from financing</b>		
Proceeds from increased debt	7 471	186 295
Payments of loan	1 089 594	-107 171
Share issue	264 900	0
Interest paid	-49 877	-18 170
<b>Net cash flow from financing</b>	<b>1 312 088</b>	<b>60 954</b>
<b>Net change in cash</b>	<b>17 494</b>	<b>49 943</b>
Cash at the beginning of the period	55 854	5 911
<b>Cash at the end of the period</b>	<b>73 348</b>	<b>55 854</b>

		<div>Condensed combined Statement of changes in equity - Pioneer Property Group ASA</div> <div>NOK 1000</div> <table><tr><th></th><th>Share capital</th><th>Retained earnings</th><th>Total equity</th></tr><tr><td>01.01.2013</td><td>71 070</td><td>17 233</td><td>88 303</td></tr><tr><td>Profit for the period</td><td>0</td><td>11 626</td><td>11 626</td></tr><tr><td>Dividends</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Share issue</td><td>0</td><td>0</td><td>0</td></tr><tr><td>31.12.2013</td><td>71 070</td><td>28 859</td><td>99 929</td></tr><tr><td>Profit for the period</td><td>0</td><td>52 786</td><td>52 786</td></tr><tr><td>Dividends</td><td>0</td><td>-2 869</td><td>-2 869</td></tr><tr><td>Share issue</td><td>264 900</td><td></td><td>264 900</td></tr><tr><td>31.12.2014</td><td>335 970</td><td>78 776</td><td>414 746</td></tr></table>		Share capital	Retained earnings	Total equity	01.01.2013	71 070	17 233	88 303	Profit for the period	0	11 626	11 626	Dividends	0	0	0	Share issue	0	0	0	31.12.2013	71 070	28 859	99 929	Profit for the period	0	52 786	52 786	Dividends	0	-2 869	-2 869	Share issue	264 900		264 900	31.12.2014	335 970	78 776	414 746																																																																																																
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31.12.2014	335 970	78 776	414 746																																																																																																																																							
B.8	Selected key pro forma financial information	<div>Pioneer Property Group ASA is a company with limited history, incorporated on 5 January 2015. Unaudited pro forma adjustments have been included in the preparation of the unaudited pro forma income statement and balance sheet in the tables below:</div> <div>Pro forma Income statement</div> <table><tr><th>NOK 1000</th><th>Note</th><th>Combined statements IFRS</th><th>Kidsa Eiendom AS NGAAP</th><th>Kidsa Eiendom AS NGAAP</th><th>IFRS adjustments</th><th>Proforma adjustments</th><th>Proforma 2014</th></tr><tr><th></th><th></th><th>Audited</th><th>Audited</th><th>Audited</th><th>Unaudited</th><th>Unaudited</th><th>Unaudited</th></tr><tr><td>Income from rent</td><td>1b</td><td>104 098</td><td>7 512</td><td>7 068</td><td></td><td>53 368</td><td>172 046</td></tr><tr><td>Other operating income</td><td></td><td>57</td><td></td><td></td><td></td><td></td><td>57</td></tr><tr><td>Total income</td><td></td><td>104 155</td><td>7 512</td><td>7 068</td><td>0</td><td>53 368</td><td>172 103</td></tr><tr><td>Property and administrative expenses</td><td>1b</td><td>13 774</td><td>44</td><td>-7</td><td></td><td>20 838</td><td>34 649</td></tr><tr><td>Depreciations</td><td>1a</td><td></td><td>2 495</td><td>2 654</td><td>-5 149</td><td></td><td>0</td></tr><tr><td>Total expenses</td><td></td><td>13 774</td><td>2 539</td><td>2 647</td><td>-5 149</td><td>20 838</td><td>34 649</td></tr><tr><td>Operating profit before changes in fair value</td><td></td><td>90 381</td><td>4 973</td><td>4 421</td><td>5 149</td><td>32 531</td><td>137 454</td></tr><tr><td>Fair value adjustments on investment properties</td><td></td><td>44 003</td><td></td><td></td><td></td><td></td><td>44 003</td></tr><tr><td>Operating profit</td><td></td><td>134 384</td><td>4 973</td><td>4 421</td><td>5 149</td><td>32 531</td><td>181 457</td></tr><tr><td>Finance costs - net</td><td>1b, 2b</td><td>-61 496</td><td>-2 614</td><td>-2 422</td><td>0</td><td>-16 863</td><td>-83 395</td></tr><tr><td>Profit before income tax</td><td></td><td>72 888</td><td>2 359</td><td>1 999</td><td>5 149</td><td>15 668</td><td>98 062</td></tr><tr><td>Income tax expense</td><td>2a, 1b, 3b</td><td>-20 102</td><td>-636</td><td>-540</td><td>-1 390</td><td>-4 230</td><td>-26 898</td></tr><tr><td>Profit for the year</td><td></td><td>52 786</td><td>1 723</td><td>1 459</td><td>3 759</td><td>11 437</td><td>71 164</td></tr><tr><td>Other comprehensive income, net of tax</td><td></td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Total comprehensive income</td><td></td><td>52 786</td><td>1 723</td><td>1 459</td><td>3 759</td><td>11 437</td><td>71 164</td></tr></table>	NOK 1000	Note	Combined statements IFRS	Kidsa Eiendom AS NGAAP	Kidsa Eiendom AS NGAAP	IFRS adjustments	Proforma adjustments	Proforma 2014			Audited	Audited	Audited	Unaudited	Unaudited	Unaudited	Income from rent	1b	104 098	7 512	7 068		53 368	172 046	Other operating income		57					57	Total income		104 155	7 512	7 068	0	53 368	172 103	Property and administrative expenses	1b	13 774	44	-7		20 838	34 649	Depreciations	1a		2 495	2 654	-5 149		0	Total expenses		13 774	2 539	2 647	-5 149	20 838	34 649	Operating profit before changes in fair value		90 381	4 973	4 421	5 149	32 531	137 454	Fair value adjustments on investment properties		44 003					44 003	Operating profit		134 384	4 973	4 421	5 149	32 531	181 457	Finance costs - net	1b, 2b	-61 496	-2 614	-2 422	0	-16 863	-83 395	Profit before income tax		72 888	2 359	1 999	5 149	15 668	98 062	Income tax expense	2a, 1b, 3b	-20 102	-636	-540	-1 390	-4 230	-26 898	Profit for the year		52 786	1 723	1 459	3 759	11 437	71 164	Other comprehensive income, net of tax		0	0	0	0	0	0	Total comprehensive income		52 786	1 723	1 459	3 759	11 437	71 164
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		Pro forma balance sheet						
					Kidsa			
		Combined statement s IFRS	Kidsa Bygg AS NGAAP	Elendom AS NGAAP	IFRS adjustm ents	Proforma adjustme nts	Proforma 2014 Unaudited	
NOK 1000	Note							
Assets		Audited	Audited	Audited	Jnauditec	Unaudited	Unaudited	
<i>Non-current assets</i>								
Deferred tax asset				323			323	
Investment properties	1a,3b	2 032 000	65 173	60 902		321 225	2 479 300	
<b>Total non-current assets</b>		<b>2 032 000</b>	<b>65 173</b>	<b>61 225</b>	<b>0</b>	<b>321 225</b>	<b>2 479 623</b>	
<i>Current assets</i>								
Trade and other receivables		34 976	4 215				39 191	
Cash and cash equivalents		73 348	1 756	488			75 592	
<b>Total current assets</b>		<b>108 324</b>	<b>5 971</b>	<b>488</b>	<b>0</b>	<b>0</b>	<b>114 783</b>	
<b>Total assets</b>		<b>2 140 324</b>	<b>71 144</b>	<b>61 713</b>	<b>0</b>	<b>321 225</b>	<b>2 594 406</b>	
<i>Equity and liabilities</i>								
<b>Total equity</b>	<b>3b</b>	<b>414 746</b>	<b>8 164</b>	<b>3 353</b>		<b>329 383</b>	<b>755 646</b>	
<i>Non-current liabilities</i>								
Liabilities to financial institutions		1 332 513	42 433	19 847			1 394 793	
Deferred tax liabilities	3b	24 937	8 158		0	-8 158	24 937	
Loans from shareholders and related parties		204 938					204 938	
Other long term liabilities		114 297	10 955	37 695			162 947	
<b>Total non-current liabilities</b>		<b>1 676 685</b>	<b>61 546</b>	<b>57 542</b>	<b>0</b>	<b>-8 158</b>	<b>1 787 615</b>	
<i>Current liabilities</i>								
First year instalments							0	
Sellers credit	3b						0	
Current income tax			913	732			1 645	
Accounts payable and other payables		48 893	521	86			49 500	
<b>Total current liabilities</b>		<b>48 893</b>	<b>1 434</b>	<b>818</b>	<b>0</b>	<b>0</b>	<b>51 145</b>	
<b>Total liabilities</b>		<b>1 725 578</b>	<b>62 980</b>	<b>58 360</b>	<b>0</b>	<b>-8 158</b>	<b>1 838 760</b>	
<b>Total equity and liabilities</b>		<b>2 140 324</b>	<b>71 144</b>	<b>61 713</b>	<b>0</b>	<b>321 225</b>	<b>2 594 406</b>	

B.9	Profit forecast or estimate	Not applicable. No profit forecasts or estimates are made.
B.10	Audit report qualifications	Not applicable. There are no qualifications in the audit reports.
B.11	Working capital	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for the Group’s present requirements, for the period covering at least 12 months from the date of this Prospectus.

## Section C – Securities

C.1	Type and class of securities admitted to trading and identification numbers	<p>Upon Listing, the Company will have two classes of shares in issue; the Preference Shares and the Ordinary Shares. Only the Preference Shares will be listed on Oslo Axess as part of the Listing.</p> <p>The Preference Shares have been created under the Norwegian Public Limited Companies Act and are registered in book-entry form with the VPS under ISIN NO 0010735681.</p>
C.2	Currency	The Preference Shares are issued in NOK.
C.3	Number of shares	The Company's current share capital is NOK 16,314,470 divided into 9,814,470 Ordinary Shares, and 6,500,000 Preference Shares, each with a



	and par value	nominal value of NOK 1.
C.4	Right attached to the securities	<p>The Preference Shares have a preferential right to receive dividends from the Company limited to NOK 7.5 per annum with a NOK 1.00 annual step-up each year commencing 1 July 2020, to a maximum of NOK 10.00 (accordingly the Annual Dividend will increase with NOK 1.00 in year 6, another NOK 1.00 in year 7 etc.) Dividends require a resolution by a General Meeting, and that the Company has distributable unrestricted equity.</p> <p>The dividend is paid on a quarterly basis by one quarter (25 per cent) of the Annual Dividend, with the first record date scheduled for 30 September 2015, and is accumulated in the event that the dividend paid falls below the preferential rights entitled by the Preference Shares. The Preference Shares do not carry any other entitlement to dividends. Each preference share entitles the holder to one tenth of a vote compared with the Company's Ordinary Shares.</p> <p>Following a resolution by the general meeting, the Preference Shares can be redeemed, wholly or partly, at an amount per preference share corresponding to NOK 130 if the redemption is done prior to 1 July 2020, or at NOK 100 per Preference Share if the redemption is done 1 July 2020 or later. In addition to the Redemption Price, the Company must pay any accrued portion of Preference Share dividends and interest thereon. In order for Preference Shares to be redeemed, the Company must have unrestricted equity to the extent that the Redemption Price exceeds the quota value of the Preference Shares.</p> <p>The Preference Shares carry 1/10 vote per Preference Share. The Ordinary Shares and the Preference Shares are validly issued and full paid.</p>
C.5	Restrictions on transferability	The Articles of Association do not provide for any restrictions on the transfer of the Preference Shares, or a right of first refusal upon a transfer of Preference Shares. Preference Share transfers are not subject to approval by the Board of Directors.
C.6	Admission to trading	On 19 May 2015, the Company applied for admission to trading of the Preference Shares on Oslo Axess. The board of directors of Oslo Børs is expected to consider the listing application on 17 June 2015.
C.7	Dividend policy	The Company intends to pay NOK 7.50 annually, with quarterly payments of NOK 1.875 in dividends per Preference Share. The first record date is scheduled for 30 September 2015. The Preference Shares do not carry any other entitlement to dividends. The dividend increases by NOK 1 per Preference Share pro annum after 1 July 2020, however only up to a maximum of NOK 10 pro annum.

#### Section D – Risks

D.1	Key risks specific to the Company or its industry	<p>The key risks relating to the Group and the industry in which it operates are the following:</p> <ul style="list-style-type: none"> <li>• The value of the Group's assets is exposed to macroeconomic fluctuations. Macroeconomic fluctuations could have a material negative impact on the Group's operations, earnings and financial position.</li> </ul>
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		<ul style="list-style-type: none"> <li>• The Group's properties are geographically located in Norway, and more specifically, mostly in certain parts of Norway, and slowdowns in the economic activity in these geographic areas could materially and adversely affect the commercial property industry in which the Group operates.</li> <li>• In the event the Group is unable to let any of its properties, the Group will suffer a rental shortfall, and may be obliged to cover the common costs for the vacant areas until the property is re-let. Even if tenant renewals or replacements are affected, there is no assurance that such renewals or replacements will be on terms that are as favourable to the Group as before or that the new tenants will be as creditworthy as the previous tenants. The Group's costs of maintaining, replacing and improving its existing properties could be higher than estimated</li> <li>• Demographic developments may lower the demand for the Group's properties and thus decrease rental income and property value</li> <li>• The Group is subject to credit risk of its tenants and the termination of its contract relationship will have a material adverse effect on the value of the properties, the Company's business, operating results and financial condition.</li> <li>• If the Norwegian governmental funding arrangements for private preschools are significantly altered, the Group's contract parties may experience decreased income, which again may affect their ability to pay rent to the Group.</li> </ul> <p>Financial risks</p> <ul style="list-style-type: none"> <li>• The Group's degree of leverage and ability to incur additional indebtedness could have a material and adverse effect on the Group's ability to obtain additional financing or make it more vulnerable in the event of a downturn in the business or the economy generally.</li> <li>• Interest rate fluctuations could materially and adversely affect the Group's business, financial condition, results of operations and cash flows</li> <li>• The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders</li> </ul>
D.3	Key risks specific to the securities	<ul style="list-style-type: none"> <li>• The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders</li> <li>• Future dividend payments for the Preference Shares are not guaranteed</li> <li>• The price of the Preference Shares may fluctuate significantly</li> <li>• Following the Offering, companies controlled by Kristian A. Adolfsen and Roger Adolfsen and certain other companies will continue to exercise control over the Company and its interests may conflict with those of other shareholders.</li> </ul>

## Section E – Offer

E.1	Net proceeds and estimated expenses	<p>The Offering is in its entirety a secondary sale, and the Company will raise no proceeds in connection with the Offering.</p> <p>Pioneer Property Group ASA estimates that the total expenses in connection with the Offering (inclusive of commission payable by the Company to the Managers, which is constituted by a fixed percentage of gross proceeds) and the listing of its Preference Shares on Oslo Axess, which will be paid by the Company, will amount to approximately NOK 10 million.</p>
E.2a	Reasons for the Offering and use of proceeds	The Offering will, if completed, bring the Company in compliance with the condition for admission to trading on Oslo Axess of having at least 100 shareholders.
E.3	Terms and conditions of the Offering	<p>The Offering comprises:</p> <ol style="list-style-type: none"> <li>An Institutional Offering, in which Preference Shares are being offered (a) to institutional and professional investors in Norway and Sweden, (b) to investors outside Norway, Sweden and the United States, subject to applicable exemptions from prospectus and registration requirements, and (c) in the United States to QIBs, as defined in, and in reliance on Rule 144A of the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 1,000,000.</li> <li>A Norwegian Retail Offering, in which Preference Shares are being offered to the public in Norway subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 999,999 for each investor. Investors who intend to place an order in excess of NOK 1,000,000 must do so in the Institutional Offering. Multiple applications by one applicant in the Norwegian Retail Offering will be treated as one application with respect to the maximum application limit.</li> <li>A Swedish Retail Offering, in which Preference Shares are being offered to the public in Sweden subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 999,999 for each investor. Investors who intend to place an order in excess of NOK 1,000,000 must do so in the Institutional Offering. Multiple applications by one applicant in the Swedish Retail Offering will be treated as one application with respect to the maximum application limit.</li> </ol> <p>All offers and sales outside the United States will be made in compliance with Regulation S of the U.S. Securities Act.</p> <p>This Prospectus does not constitute an offer of, or an invitation to purchase, the Preference Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important Information" and Section 18 "Selling and Transfer Restrictions".</p> <p>The Offer Period for the Institutional Offering is expected to take place from 4 June 2015 at 09:00 hours (CET) to 17 June 2015 at 14:00 hours (CET). The Application Period for the Retail Offerings is expected to take place from 4 June 2015 at 09:00 hours (CET) to 17 June 2015 at 12:00 hours (CET). The Company, in consultation with the Managers, reserves the right in their absolute discretion to shorten or extend the Offer Period and Application</p>

		<p>Period at any time. Any shortening of the Offer Period and/or the Application Period will be announced through the Oslo Børs' information system on or before 09:00 hours (CET) on the prevailing expiration date of the Offer Period, provided, however, that in no event will the Offer Period and/or Application Period expire prior to 12:00 hours (CET) on 15 June 2015. Any extension of the Offer Period and/or the Application Period will be announced through Oslo Børs' information system on or before 09:00 hours (CET) on the first business day following the then prevailing expiration date of the Offer Period. An extension of the Offer Period and/or the Application Period can be made one or several times, provided however, that in no event will the Offer Period and/or the Application Period be extended beyond 17:30 hours (CET) on 25 June 2015. In the event of a shortening or an extension of the Offer Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Preference Shares may be changed accordingly, but the date of the Listing and commencement of trading on Oslo Axess may not necessarily be changed.</p> <p>The Offer price is NOK 100 per Preference Share.</p>
E.4	Material and conflicting interests	<p>The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a management fee in connection with the Offering and, as such, have an interest in the Offering.</p> <p>ABG Sundal Collier owns 255,000 Preference Shares as per the date of this Prospectus.</p> <p>Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.</p>
E.5	Selling shareholder and lock-up	<p>The Offering comprises of up to 2,800,000 Preference Shares as offered by eleven existing holders of Preference Shares. All the Selling Shareholders, except, Pioneer Capital Partners AS and Kidprop AS are also holders of Ordinary Shares.</p> <p>The Selling Shareholders have not entered into any lock-up agreements.</p>
E.6	Dilution resulting from the Offering	Not applicable. No new Preference Shares will be issued in connection with the Offering.
E.7	Estimated expenses charged to investor	Not applicable. No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

## **2. RISK FACTORS**

*Investing in the Company and the Preference Shares involves inherent risks. Prior to making any investment decision with respect to the Company, an investor should carefully consider all of the information contained in this Prospectus, and in particular the risks and uncertainties described in this Section 2. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as at the date hereof that the Company believes are relevant to an investment in the Preference Shares.*

*An investment in the Preference Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of the investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described are not a genuine potential threat to an investment in the Preference Shares. Should any of the following risks occur, it could have a material adverse effect on the Group's business, prospects, results of operations, cash flows and financial position, and the trading price of the Preference Shares may decline, causing investors to lose all or part of their invested capital. A prospective investor should consult his or her own expert advisors as to the suitability of an investment in the Preference Shares.*

*The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, prospects, results of operations, cash flow and/or financial condition. It is not possible to quantify the significance to the Group of each individual risk factor as each of the risk factors mentioned below may materialise to a greater or lesser degree. The risk factors mentioned below may materialise individually or cumulatively. The information in this Section 2 is as at the date of this Prospectus.*

### **2.1 Risks relating to the Group's business**

#### *2.1.1 The value of the Group's assets is exposed to macroeconomic fluctuations*

The real estate business is extensively affected by macroeconomic factors such as the general economic trend, growth, employment, the rate of production of new premises, changes in infrastructure, population growth, inflation and interest rates. The economic growth affects the employment rate which is a factor for the supply and demand on the real estate rental market. In turn this affects the vacancy ratio and rents, especially in terms of commercial real estate.

Expectations regarding the inflation affect the interest rate and therefore affect the Group's net of financial items. The interest cost for debt to bond holders and financial institutions is one of the Group's main cost items. Changes in interest rates have a significant effect on the Group's long-term result and cash flow. Inflation also affects the Group's costs. In addition, a lower rate of inflation or reduced consumer price index could lead to lower than anticipated rental rates for the Group's properties as the majority of the Group's lease agreements have a consumer price index adjustment clause, allowing the Group to increase the rental rates based on the annual increase in the consumer price index.

If one or several of these factors would develop negatively, it could have a material negative impact on the Group's operations, earnings and financial position.

#### *2.1.2 The Group's properties are geographically located in Norway, and more specifically, mostly in certain parts of Norway, and slowdowns in the economic activity in these geographic areas could materially and adversely affect the commercial property industry in which the Group operates*

All of the Group's properties are located in Norway, and approximately 25 per cent of the market value of the property portfolio was located in or around Oslo. Even in the absence of a global or regional economic downturn, slowdowns in Norwegian economic activity, and in particular slowdowns in economic activity in the

Oslo area, could materially and adversely impact the commercial property industry in which the Group operates, including, among other things:

- Reducing the demand for commercial properties;
- Decreasing the market values of commercial properties;
- Reducing the availability, and increasing the cost, of financing for commercial properties; and
- Slowing the market for the sale of commercial properties.

Any of the above events could materially and adversely affect the Group's business, financial condition, results of operations and cash flows.

*2.1.3 The Group could be unable to let a property or re-let a property following the expiry or termination of a tenancy at economically attractive rates or at all*

As of the date of this Prospectus, the occupancy rate as of the Group's properties is 100 per cent and the weighted average unexpired lease term ("**WAULT**") of the Group's portfolio of management properties is 18 years. If the Group's two tenants terminate some or all of their lease agreements, the Group will have to secure new tenants. The ability of the Group to attract new tenants will depend on demand for space at the relevant property which can be influenced by a number of factors. Rental levels and the affordability of rents, the size and quality of the building, the facilities offered, the convenience, location and local environment of the relevant property, the amount of competing space available and the transport infrastructure are examples of factors which influence tenant demand. Similarly, changes to the infrastructure, demographics, planning regulations and economic circumstances relating to the surrounding areas on which the relevant property depends for its tenant base could adversely affect the demand for such properties.

In the event the Group is unable to let any of its properties, the Group will suffer a rental shortfall, and may be obliged to cover the common costs for the vacant areas until the property is re-let. Even if tenant renewals or replacements are effected, there is no assurance that such renewals or replacements will be on terms that are as favourable to the Group as before or that the new tenants will be as creditworthy as the previous tenants

*2.1.4 The Group's costs of maintaining, replacing and improving its existing properties could be higher than estimated*

In general, the Group's tenants are responsible for the maintenance of the leased premises. The costs expected to be incurred by the Group in respect of maintenance and upgrading of its properties in the short to medium term depend on the technical state of the properties. These costs also depend on construction costs in the regions in which the Group's properties are located, which may be influenced by activity in the property markets in those regions. The Group is exposed to the risk that costs relating to the maintenance, replacements and upgrading of the properties for which the Group is responsible pursuant to the lease agreements could be higher than estimated by the Group or reflected in the pricing of the relevant leases, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

*2.1.5 The Group could be unable to complete proposed acquisitions on acceptable terms or at all or successfully integrate acquired assets or businesses*

The Group believes that acquisition opportunities may arise from time to time, and that any such acquisition could be significant. At any given time, discussions with one or more potential sellers may be at different stages. However, it is possible that any such discussions may not result in the consummation of an acquisition transaction, and that the Group may not be able to identify or complete any acquisitions, including as a result of inability to obtain financing, and there is no assurance that any acquisitions the Group makes will perform

as expected or that the returns from such acquisitions will support the investment required to acquire or develop them. The Group cannot predict the effect, if any, that any announcement or consummation of an acquisition or the failure to complete a previously-announced acquisition would have on the trading price of the Preference Shares.

Any future acquisitions could present a number of risks, including:

- The risk of using management time and resources to pursue acquisitions that are not successfully completed;
- The risk of failing to identify material problems during due diligence;
- The risk of over-paying for assets;
- The risk of failing to arrange financing for an acquisition as may be required or desired;
- The risk of incorrect assumptions regarding the future results of acquired operations;
- The risk of failing to integrate the operations or management of any acquired operations or assets successfully and timely;
- The risk of taking over off-market lease agreements or lease agreements with provisions that are unfavourable to the lessor; and
- The risk of diversion of management's attention from existing operations or other priorities.

In addition, the integration and consolidation of acquisitions requires substantial human, financial and other resources, including management time and attention, and could depend on the Group's ability to retain the acquired business' existing management and employees or recruit acceptable replacements. Ultimately, if the Group is unsuccessful in integrating any acquisitions in a timely and cost-effective manner, the Group's business, financial condition, results of operations and cash flows could be materially and adversely affected.

*2.1.6 Acquired properties could expose the Group to unknown liability, which could adversely affect its business, financial condition, results of operations and cash flows*

The Group could acquire properties or property holding companies subject to liabilities and without any recourse, or with only limited recourse, against the prior owners or other third parties with respect to unknown liabilities. As a result, if a liability were asserted against the Group based upon ownership of those properties, the Group might have to pay substantial sums to settle or contest such liabilities, which could adversely affect the Group's business, financial condition, results of operations and cash flows. Unknown liabilities with respect to acquired properties might include, among others things:

- liabilities for clean-up of undisclosed environmental contamination;
- claims by tenants, vendors, persons, companies or public authorities (including with respect to tax and VAT) against the property holding company; and
- liabilities incurred in the ordinary course of business.

*2.1.7 The Group could be subject to liability claims for several years after selling properties*

In connection with property sales or sales of property companies, the Group usually makes representations and warranties to the purchasers with respect to certain characteristics of the relevant properties and property companies, including representations and warranties relating to environmental matters. The resulting obligations usually continue to exist after the sale, for a period of several years. In particular, the Group could be subject to claims for damages from purchasers, who could assert that the Group failed to meet its obligations, or that the representations it made to them were untrue. In general, the agreements regarding

sale of property or property companies entered into by the Group during the last three years include representations and warranties considered to be market standard for sale of properties in Norway. Under some of these agreements, the Group could still be subject to claims for damages from the respective purchasers. The Group could be required to make payments to the purchasers following legal disputes or litigation. Legal or settlement costs, including the costs of defending lawsuits, whether justified or not, as well as potential damages associated with liability for properties that the Group has sold could have a material and adverse effect on the Group's business, net assets, financial condition, results of operations and cash flows.

*2.1.8 The property appraisal report and financial information contained in this Prospectus could incorrectly assess the value of the Group's properties*

The property appraisal report contained in this Prospectus is based on standard valuation principles, and represents the opinions of Newsec AS that prepared the reports. The property appraisal report is based on assumptions that could subsequently turn out to have been incorrect. The valuations of real estate contained in the property appraisal reports are subject to numerous uncertainties. Moreover, appraisal methods that are currently generally accepted and that have been used for the purpose of developing the property appraisal reports could subsequently be determined to have been unsuitable. Also, the assumptions underlying the appraisals of the properties in the past or in the future could later be determined to have been erroneous. The values assigned to the appraised properties in the property appraisal reports could exceed the proceeds that the Group can generate from the sale of the appraised properties, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows. Accordingly, the property appraisal reports do not necessarily represent future or current realistically achievable sales prices of its properties or of the property portfolio.

Furthermore, the valuations of the Group's properties are mainly based on the existence of the master leases with Espira and Norlandia Care Group and on the possible alternative utilization of the properties. In the event that the master leases ceases to exist and a lease contract on similar conditions is not possible to obtain, this may significantly impact the value of the Company's properties.

*2.1.9 Demographic developments may lower the demand for the Group's properties and thus decrease rental income and property value*

All of the Group's properties are developed as preschool properties. Demographic developments may reduce the demand for preschools in the areas where the Group's properties are located, and in turn lead to less demand for the properties and thus lower rental income and lower value.

*2.1.10 The Group does not have the staffing required to manage its properties itself*

The Company has entered into a management agreement with Pioneer Management AS, pursuant to which Pioneer Management AS shall carry out the business management of the Group. If the management agreement 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 might have a material adverse effect on the value of the properties, the Company's business, operating results and financial condition.

*2.1.11 The Group is subject to credit risk of its tenants*

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. As the Group only has three tenants, Espira Gruppen AS, Kidsa Drift AS and Norlandia Preschools AS, the termination of either contractual relationship will have a material adverse effect on the value of the properties, the Company's business, operating results and financial condition. There are no guarantees that the Company's counterparties can fulfil their obligations.



#### *2.1.12 The Group's insurance coverage could be insufficient for potential liabilities or other losses*

The Group currently maintains insurance coverage of types and amounts that it believes to be customary in the industry, including property insurance for all properties in the Group's property portfolio, specific project insurance for each ongoing project as well as liability insurances covering the Group's operations and insurances specific for the Board of Directors.

The Group's insurance policies could be inadequate to compensate for losses associated with damage to its property assets or other assets, including loss of rent. In particular, certain types of risk (such as risks of war or terrorist acts, certain natural disasters or weather catastrophes such as flooding) could be, or could become in the future, uninsurable or not economically insurable. The Group could incur significant losses or damage to its assets or business for which it may not be compensated fully or at all. Insurance may not cover loss of rental income in the event that property damage leads tenants to terminate or not renew their lease agreements. Should an uninsured loss or a loss in excess of insured limits occur, the Group could also lose capital invested in the affected property, as well as future revenue. In addition, the Group could become liable to repair damage caused by uninsured risks. The Group could also remain liable for any debt or other financial obligation related to a damaged building.

In addition, there is no assurance that material losses in excess of insurance coverage limits, or losses not insured at all, will not occur in the future. Any uninsured losses or losses in excess of insured coverage limits could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

#### *2.1.13 The Group may become subject to litigation or otherwise become involved in disputes that could have a material adverse effect on the Group's business, revenue, profit and financial condition.*

The Group may be involved in litigation matters and other disputes from time to time. These matters may include, among other things, environmental claims or proceedings, tort claims, employment matters and governmental claims for taxes or duties as well as other litigation that arises in the ordinary course of business. In particular, the Group cannot predict with certainty the outcome of any claim or litigation matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of management's attention to these matters, could have a material adverse effect on the Group's business, revenue, profit and financial condition.

#### *2.1.14 If Norlandia Preschool AS, Kidsa Drift AS or Espira fails to perform its obligations under the respective lease agreements, the Group's business, results of operations, cash flows and financial condition could be adversely affected.*

At the date of this Prospectus, the Group has three main lessees, Norlandia Preschool AS, Kidsa Drift AS and Espira Gruppen AS, making the Group highly dependent on Norlandia Preschool AS, Kidsa Drift AS and Espira Gruppen AS performance of their obligations under their respective lease agreements. A failure by Norlandia Preschool AS, Kidsa Drift AS or Espira Gruppen AS to adequately perform its obligations under these agreements, or to perform such obligations at all, could significantly impair the Group's ability to execute its intended strategy, realise competitive strengths and generate revenues, which, in turn, could adversely affect the business, results of operations, cash flow and financial condition.

#### *2.1.15 Political risk*

In Norway, preschools are partially funded by the municipalities in which the preschools are operated. In 2013, municipalities in Norway spent NOK 132,500 on each preschool child. Should the political climate in Norway change so that the public subsidy of preschools is removed or reduced, then this could have a material adverse effect on the revenues, profit and financial condition of the Group's counterparties, and thus also have a material adverse effect on the Group's business, revenue, profit and financial condition.

## **2.2 Risks relating to the financial profile of the Group**

### **2.2.1 *The Group's degree of leverage and ability to incur additional indebtedness could have a material and adverse effect on the Group's ability to obtain additional financing or make it more vulnerable in the event of a downturn in the business or the economy generally***

The Group has incurred, and may in the future incur, significant amounts of debt. The Group's organisational documents do not contain any limitation on the amount of indebtedness it may incur. However, the Group has issued two bond notes which include covenants relating to, *inter alia*, the value-adjusted equity ratio, interest cover ratio and which restrict the Group's ability to incur indebtedness above a certain level. The Group's degree of leverage could thus affect its ability to obtain additional financing for working capital, capital expenditures, acquisitions, development or other general corporate purposes. The Group may now or in the future have a greater degree of leverage than peers. The Group's degree of leverage could also make it more vulnerable to a downturn in business or the economy generally. The Group could default on its debt service obligations, or, if the Group becomes more leveraged in the future, the resulting increase in debt service requirements could cause the Group to default on its obligations, any of which could materially and adversely affect the Group's business, financial condition, results of operations and cash flows. Moreover, any changes that increase the Group's leverage could be viewed negatively by investors and cause a decline in the price of the Preference Shares.

### **2.2.2 *Interest rate fluctuations could materially and adversely affect the Group's business, financial condition, results of operations and cash flows***

The Group is exposed to interest rate risk primarily in relation to its long-term borrowings issued at floating interest rates and bond loans. Interest rate fluctuations could lead to increased costs and have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

### **2.2.3 *The Group could require additional capital in the future in order to execute its strategy, which may not be available on favourable terms, or at all***

The Group's business is capital intensive and, to the extent the Group does not generate sufficient cash from operations, the Group could need to raise additional funds through public or private debt or equity financing to execute the Group's strategy and to fund capital expenditures, as well as for other corporate purposes such as unexpected costs and liabilities incurred by the Group. The Group has historically financed its capital requirements from debt financing and cash flow from operations. A decline in the credit and bond markets could materially and adversely affect the Group's ability to obtain additional financing on favourable terms or at all, and could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

If the Group raises additional funds by issuing additional equity securities, the existing shareholders could be diluted. If funding is insufficient at any time in the future, the Group could be unable to fund development projects, maintenance requirements and acquisitions, take advantage of business opportunities, respond to competitive pressures or secure its other funding requirements, any of which could materially and adversely impact on the Group's business, financial condition, results of operations and cash flows.

### **2.2.4 *The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders***

The Group's existing loan arrangements contain, and any future borrowing arrangements may contain, covenants and event of default clauses, including cross default provisions and restrictive covenants and performance requirements, such as value-adjusted equity ratio, interest cover ratio, loan-to-value of property and change of control provisions, which could affect the operational and financial flexibility of the Group. The

satisfaction of these restrictive covenants and performance requirements could be affected by factors outside of the Group's control, such as a slowdown in economic activity which could result in a decline in the value of the Group's properties. Such restrictions could affect, and in many respects limit or prohibit, among other things, the Group's ability to pay dividends, incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. These restrictions could further limit the Group's ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. There is no assurance that such restrictions will not materially and adversely affect the Group's ability to finance its future operations or capital needs.

The Group's future cash flows could be insufficient to meet all of its debt obligations and contractual commitments. To the extent that the Group is unable to repay its indebtedness as it becomes due or at maturity, the Group could need to refinance its debt, raise new debt, sell assets or repay the debt with the proceeds from equity offerings.

*2.2.5 The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders*

The Group currently conducts its operations through, and the Group's assets are owned by, the Company's subsidiaries. As such, the cash that the Group obtains from its subsidiaries is the principal source of funds necessary to meet its obligations and to pay dividends. Contractual provisions or laws, as well as the Group's subsidiaries' financial condition, operating requirements, restrictive covenants in its debt arrangements and debt requirements, could limit the Group's ability to obtain cash from subsidiaries that it requires to pay its expenses or meet its current or future debt service obligations or to pay dividends to its shareholders. See section 15.5 "Distribution of dividends" for a description of certain legal constraints on the Company's ability to pay dividends to shareholders.

The Group may not be able to make necessary transfers from its subsidiaries in order to provide funds for the payment of its obligations, for which the Group is or may become responsible under the terms of the governing agreements of the Group's indebtedness. A payment default by the Group, or any of the Group's subsidiaries, on any debt instrument would have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

### **2.3 Risks related to laws and regulations applicable to the Group**

*2.3.1 Laws and regulations could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and restrict its ability to operate or otherwise*

The Group is subject to complex laws and regulations, including tax and environmental regulations that can adversely affect the cost, manner or feasibility of doing business. The industry in which the Group operates is affected by changing laws and regulations. The laws and regulations affecting the Group's business and services include, among others, laws and regulations relating to:

- construction of commercial properties;
- sale of commercial properties;
- planning and building of commercial properties;
- tenancy regulations in commercial leases;
- ground leases;
- protection of the environment;
- operation of preschools or changes in respect of preschool safety

- quality, health and safety;
- conservation and the protection of cultural heritage;
- land registration; and
- taxation, including VAT.

The Group and its suppliers are required to commit significant financial and managerial resources to comply with these laws and regulations. The Group cannot predict the future costs of complying with these laws and regulations, and any new laws or regulations could materially increase the Group's expenditures in the future. Existing laws or regulations or adoption of new laws or regulations imposing more stringent restrictions on the Group's activities, or any non-compliance with these, could have a material and adverse effect on the Group by increasing its operating costs, reducing the demand for its services and/or restricting its ability to operate.

*2.3.2 Some of the Group's properties are regulated as special area preservation, which could restrict the Group's ability to utilise its properties*

The Group owns certain properties that are regulated for preservation purposes, which entails a general ban on demolishing and restrictions concerning renovation and expansion, and some properties which are considered worthy of preservation, for example by being included on the Cultural Heritage Management's Office's "yellow list" or in the SEFRAK register. While there are no general restrictions on properties considered worthy of preservation, the status of being worthy of preservation will be considered when applying for permission to carry out measures on the property. The above facts could restrict the Group's ability to utilise its properties and/or imply increased costs, which again could have a material and adverse effect on the Group's business, financial condition and cash flow.

*2.3.3 Changes in, or completion of, planning regulations and existing exemption practices by authorities could significantly affect the operations of the Group and changes in infrastructure could materially impact the Group's properties*

Changes in, or completion of, planning regulations by relevant authorities, and changes in existing exemption practices from current planning regulations by relevant authorities, which could prevent the Group from utilising its properties as contemplated and/or reduce the Group's ability to acquire suitable properties for development, could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows, including the interest of potential tenants in future rental of premises or interest of future purchasers of the properties. Further, existing planning regulations could limit the possibility to further develop the Group's properties and could lead to increased costs. Any of the foregoing risks could, if they materialise, have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Further, the floor space ratio permitted by the relevant authorities will typically affect the profitability of a project (the floor space ratio is the ratio of a project's total floor area to the area of the land on which the building is built). There is no assurance that the Group will obtain permits for floor space ratio at the assumed levels and there are several factors beyond the Group's control that can materially and adversely affect the planned floor space ratio and the planning of the projects, including projected time frame and volume for the development, and, consequently, the Group's profitability. In addition, the planning authorities have discretion to set conditions for the Group's permits, including the right to require the Group to make costly investments or the right to set conditions based on environmental or other considerations, which could have a material and adverse effect on a project's profitability and the value of the Group's properties and hence on the Group's business, financial position, results of operations and cash flows.

### *2.3.4 Changes in accounting rules, assumptions and/or judgments could materially and adversely affect the Group*

Accounting rules for certain aspects of the Group's business and operations are highly complex and involve significant judgment and assumptions. These complexities could lead to a delay in the preparation of the Group's financial statements and the delivery of this information to holders of the Preference Shares, which could have a negative impact on the reputation of the Group and depress the price of the Preference Shares. Further, changes in accounting rules or in the Group's accounting assumptions and/or judgments, such as asset impairments, could materially impact the Group's financial statements. Any such changes could have a material and adverse effect on the Group's business, financial condition, results of operations or cash flows.

## **2.4 Risks relating to the Preference Shares**

### *2.4.1 Future dividend payments for the Preference Shares are not guaranteed*

The Company's ability to pay dividends in the future is restricted by Norwegian company legislation, and depends on numerous factors including, the Group's business, financial condition, results of operations, distributable funds, cash flow, future prospects, capital requirements, and general economic and legal restrictions, as well as contractual restrictions. Future dividends and the size of dividends are therefore to a high extent dependent on, among other things, the Group's future business and results of operation.

According to the Company's articles of association, the Preference Shares have preferential rights to dividends over Ordinary Shares up to a certain amount per Preference Share. However, under Norwegian law, dividends are resolved by the general meeting by majority vote, whereby holders of Preference Shares have limited influence since each Preference Share entitles to one tenth of a vote while each Ordinary Share entitles to one vote. The Preference Shares represent a voting share of approximately 6.21 per cent. Holders of Ordinary Shares have not committed to vote in favour of dividends. Thereby, it is not certain that the general meeting in the Company resolves on dividend on the Preference Shares or provides the Board with an authorization to pay dividend.

There are many risk factors that may adversely affect the Group's future business and it is not certain that the Group will be able to deliver results that enables dividend, including any accumulated unpaid dividend, on the Preference Shares in the future. Correspondingly, there is also a risk holders of Preference Shares cannot be fully compensated in the event of a potential dissolution of the Company.

### *2.4.2 The price of the Preference Shares may fluctuate significantly.*

The trading price of the Preference Shares could fluctuate significantly in response to a number of factors beyond the Group's control, including, but not limited to, quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, sales or purchases of substantial blocks of Preference Shares, or any other risk discussed herein materialising or the anticipation of such risk materialising.

In recent years, the global stock markets have experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the same industry as the Group. Those changes may occur without regard to the operating performance of these companies. The price of the Group's Preference Shares may therefore fluctuate based upon factors that have little or nothing to do with the Group, and these fluctuations may materially affect the price of the Preference Shares.

*2.4.3 There is no existing market for the Preference Shares, and a trading market that provides adequate liquidity may not develop.*

Prior to the Listing, there has not been a public market for the Preference Shares, and there can be no assurance that an active trading market will develop, or be sustained or that the Preference Shares may be resold at or above the Offer Price. The market value of the Preference Shares could be substantially affected by the extent to which a secondary market develops for the Preference Shares following the completion of this Offering.

In addition, there are no other shares listed on the Oslo Axess with comparable characteristics as the Preference Shares. There can be no guarantee that an active trading market for the Preference Shares will be developed on Oslo Axess.

*2.4.4 Following the Offering, companies controlled by Kristian A. Adolfsen and Roger Adolfsen and certain other companies will continue to exercise control over the Company and its interests may conflict with those of other shareholders.*

Following the Offering, companies controlled by Kristian A. Adolfsen and Roger Adolfsen and companies affiliated with them will hold 63.8 per cent of the Company's Ordinary Shares and might also retain a material number of Preference Shares after the Offering. For as long as Kristian A. Adolfsen and Roger Adolfsen hold a significant percentage of the Company's outstanding Ordinary Shares and potentially Preference Shares, they will be able to exercise substantial control over certain corporate matters requiring shareholder approval and may vote in a way which other shareholders would not agree. The majority shareholder may be able to pass or block certain resolutions of the Company, including changes to the Articles of Association and capital increases in the Company, where a shareholder approval of two-thirds of the voting rights and shares represented at the general meeting is required. The concentration of ownership in the Company could materially adversely affect the trading volume and market price of the Preference Shares or delay or prevent a change of control in the Company.

This applies in particular to holders of Preference Shares, which will only be eligible for one tenth of a vote per share. There is a risk that the major shareholders will exercise their voting rights in a way that is not compatible with what is best for the holders of Preference Shares.

*2.4.5 Investors may not be able to exercise their voting rights for Preference Shares registered in a nominee account.*

Beneficial owners of the Preference Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Preference Shares unless their ownership is re-registered in their names with the VPS prior to the Company's general meetings. The Company cannot guarantee that beneficial owners of the Preference Shares will receive the notice of a general meeting in time to instruct their nominees to either effect a re-registration of their Preference Shares or otherwise vote for their Preference Shares in the manner desired by such beneficial owners. Further, beneficial owners of Preference Shares that are registered in a nominee account may not be able to exercise other shareholder rights under the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (*Nw.: Allmennaksjeloven*) (the "**Norwegian Public Limited Liability Companies Act**") (such as e.g. the entitlement to participate in a rights offering) as readily as shareholders whose shares are registered in their own names with the VPS.

*2.4.6 Shareholders outside of Norway are subject to exchange rate risk.*

The Preference Shares are priced in NOK, and any future payments of dividends on the Preference Shares will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the

NOK against its local currency, as the foreign currency equivalent of any dividends paid on the Preference Shares or price received in connection with any sale of the Preference Shares could be materially adversely affected.

### **3. RESPONSIBILITY FOR THE PROSPECTUS**

#### **3.1 The Board of Directors of Pioneer Property Group ASA**

This Prospectus has been prepared in connection with the Offering and the Listing described herein.

The Board of Directors of Pioneer Property Group ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 3 June 2015

Roger Adolfsen  
Chairman

Sandra Henriette Riise  
Board member

Geir Hjorth  
Board member

Even Carlsen  
Board member

Nina Hjørdis Torp Høisæter  
Board member



## **4. GENERAL INFORMATION**

### **4.1 Declaration from the Managers**

The Managers make no representation or warranty, whether express or implied, as to the accuracy, completeness or verification of the information in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Managers, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

### **4.2 Presentation of financial and other information**

#### *4.2.1 Financial information*

See section 12 "Selected financial information" for further details regarding the basis for preparation of the Group's financial information.

#### *4.2.2 Industry and market data*

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Group, as well as the Group's internal data and its own experience, or on a combination of the foregoing. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

Although the industry and market data is inherently imprecise, the Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to, update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in section 2 "Risk factors" and elsewhere in this Prospectus.

#### 4.2.3 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

#### 4.3 Forward-looking statements

This Prospectus includes forward-looking statements, including, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives. All forward-looking statements included in the Prospectus are based on information available to the Company, and views and assessments of the Company, as at the date of this Prospectus. Except as required by the applicable stock exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this Prospectus, including forward-looking information and statements, whether to reflect changes in the Company's expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this Prospectus is based.

When used in this document, the words "anticipate", "assume", "believe", "can", "could", "estimate", "expect", "intend", "may", "might", "plan", "should", "will", "would" or, in each case, their negative, and similar expressions, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. The Company can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Company and its subsidiaries operate.

Factors that could cause the Group's actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to, the competitive nature of the markets, in which the Group operates, technological developments, government regulations, changes in economic conditions or political events. These forward-looking statements reflect only the Company's views and assessment as at the date of this Prospectus. Factors that could cause the Company's actual results, performance or achievements to materially differ from those in the forward-looking statements include, but are not limited to, those described in section 2 "Risk factors" and elsewhere in the Prospectus.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

Forward-looking statements are found in sections 2 "Risk factors", 4 "General information", 5 "The Preference Shares", 6 "The Listing", 7 "The Offering", 8 "Industry and Market Overview", 9 "The Business of the Group", 11 "Unaudited Pro Forma Financial Information", 12 "Selected Financial Information", 14 "Corporate Information and Description of Shares and Share Capital", 15 "Shareholder Matters and Securities Law", 16 "Securities Trading in Norway", 17 "Taxation" and 18 "Selling and Transfer Restrictions".

## 5. THE PREFERENCE SHARES IN BRIEF

### 5.1 The Preference Shares

The Preference Shares have a preferential right to receive dividends from the Company limited to NOK 7.5 per annum (the "**Annual Dividend**") with a NOK 1 annual step-up each year commencing 1 July 2020, to a maximum of NOK 10 (accordingly the Annual Dividend will increase by NOK 1 in year 6, another NOK 1 in year 7 etc.) Dividends require a resolution by a General Meeting, and that the Company has distributable equity.

The dividend is paid on a quarterly basis by one quarter (25 per cent) of the Annual Dividend, with the first record date scheduled 30 September 2015, and is accumulated in the event that the dividend paid falls below the preferential rights entitled by the Preference Shares. The Preference Shares do not carry any other entitlement to dividends. Each Preference Share entitles the holder to one tenth of a vote compared with the Ordinary Shares.

Following a resolution by the general meeting, the Preference Shares can be redeemed, wholly or partly, at an amount per preference share corresponding to NOK 130 if the redemption is done prior to 1 July 2020, or at NOK 100 per Preference Share if the redemption is done 1 July 2020 or later (the "**Redemption Price**"). In addition to the Redemption Price, the Company must pay any accrued portion of Preference Share dividends and interest thereon. In order for Preference Shares to be redeemed, the Company must have unrestricted equity to the extent that the Redemption Price exceeds the quota value of the Preference Shares.

The Company has not issued and will not prior to the Listing issue any convertible loans, subordinated debt or transferrable securities (other than Ordinary Shares and the Preference Shares).

The payment of dividend presupposes that dividends are permitted by law and approved by the general meeting of the Company.

SUMMARY OF TERMS FOR THE PREFERENCE SHARES IN THE OFFERING	
Offer price	NOK 100 per Preference Share, nominal value NOK 1.
Dividend	NOK 7.5 annually, with quarterly payments of NOK 1.875 per Preference Share. The Preference Shares do not carry any other entitlement to dividends. The Preference Shares that are sold in the Offering carry the right to dividends the first time on 30 September 2015. The dividend increases by NOK 1 per Preference Share pro annum after 1 July 2020, however, only up to a maximum of NOK 10 pro annum.
Voting rights	1/10 vote per Preference Share
Non-dividend	In case the Company does not pay dividends on the Preference Shares or pays dividends on the Preference Shares which are lower than the rights carried by the Preference Shares according to the Articles of Association, the unpaid amount shall accrue and be subject to an interest of 5 per cent pro annum until such time that full Preference Share dividend have been paid out. No value transfers may be carried out to the holders of Ordinary Shares until the holders of Preference Shares have received full Preference Share dividend including interest.
Redemption	Redemption may be carried out after resolution by the general meeting of the Company at a price of NOK 130 per Preference Share if the redemption is done prior to 1 July 2020, or at NOK 100 per Preference Share if the redemption is done 1 July 2020 or later. If a proposal from the board of directors regarding redemption of Preference Shares is not supported by sufficient majority at the Company's general meeting, and such majority would have been achieved if the Preference Shares were disregarded, the preference dividend is to be reduced to NOK 0 (nil) per preference share per year, and shall not be increased under article 5 in the Articles of Association.
The Company's dissolution	At the Company's dissolution, Preference Shares carry preferential rights as for redemption.
Extraordinary majority	The terms of the Preference Shares are governed by the Company's

requirements	Articles of Association. To pass resolutions to issue new preference shares with in any respect better right to the Company's earnings than the Preference Shares, a decision by the Company's general meeting is needed where shareholders representing at least two thirds of both the votes and shares at the general meeting and shareholders representing at least two thirds of the Preference Shares represented at the General Meeting, agree to the resolution.
Listing	The Preference Shares are expected to be listed on Oslo Axess on or about 19 June 2015.

## **6. THE LISTING**

### **6.1 Purpose of the listing**

The Company has decided to apply for the Listing of the Company's Preference Shares on Oslo Axess, in order to provide a regulated market place for trading of the Preference Shares and to facilitate regular trading, making the Preference Shares a more attractive investment for existing and new holders of Preference Shares. A listing of the Preference Shares may also facilitate the use of the capital markets in order to raise additional equity should the Company wish to do so in the future. As such, the Listing is an important element of the Company's strategy.

The Company considers Oslo Axess to be an attractive market place for the Preference Shares

### **6.2 Listing application**

On 19 May 2015, the Company applied for admission to trading of its Preference Shares on Oslo Axess. The board of directors of Oslo Børs is expected to consider the Company's listing application at its board meeting on 17 June 2015. Completion of the Offering on the terms set forth in this Prospectus is expressly conditioned upon the board of directors of Oslo Børs resolving to admit the Preference Shares to trading on Oslo Axess and the fulfilment of any conditions for admission to trading set by the board of directors of Oslo Børs. There can be no assurance that the board of directors of Oslo Børs will admit the Preference Shares for trading on Oslo Axess or that the Company will satisfy these conditions. Further, completion of the Offering is conditional upon the approval of the Offering by the Board of Directors of the Company and the Selling Shareholders. The Offering will be cancelled in the event that the board of directors of Oslo Børs does not admit the Preference Shares to listing on Oslo Axess or the conditions for Listing are not satisfied and/or the Board of Directors or the Selling Shareholders does not approve the Offering. See section 7.3 "Conditions for completion of the Offering" of this Prospectus for further information on the specific conditions for completion of the Offering.

Barring unforeseen circumstances and fulfilment of the conditions for completion of the Offering, the first day of trading for the Preference Shares on Oslo Axess, is expected to be on or about 19 June 2015. The Preference Shares will trade under the ticker symbol "PPG PREF".

Neither the Preference Shares nor the Ordinary Shares are listed on any other stock exchange or regulated market place, and no application has been filed for listing on such other stock exchange or authorised market place other than the application for listing on Oslo Axess.

## **7. THE OFFERING**

### **7.1 Purpose of the offering**

The Offering will, if completed, bring the Company in compliance with the condition for admission to trading on Oslo Axess of having at least 100 shareholders.

The Listing is an important element in the Company's strategy. Through the Listing, the Company aims to provide a regulated market place for trading of the Preference Shares. In addition, the Company believes that the Listing will help to further strengthen the Group's profile in the markets in which it operates.

The Offering will also broaden the Company's Preference Shares shareholder structure.

### **7.2 Overview of the Offering**

A total of up to 2,800,000 Preference Shares are being offered in the Offering through the sale of existing Preference Shares currently held by Acea Properties AS, Eidissen Consult AS, Grafo AS, Hospitality Invest AS, Kidprop AS, Kidsa Drift AS, Klevenstern AS, Mecca Invest AS, Norlandia Care Group AS and Pioneer Capital Partners AS (the "**Selling Shareholders**").

The Offering comprises:

- a. An Institutional Offering, in which Preference Shares are being offered (a) to institutional and professional investors in Norway and Sweden, (b) to investors outside Norway, Sweden and the United States, subject to applicable exemptions from prospectus and registration requirements, and (c) in the United States to QIBs, as defined in, and in reliance on Rule 144A of the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 1,000,000.
- b. A Norwegian Retail Offering, in which Preference Shares are being offered to the public in Norway subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 999,999 for each investor. Investors who intend to place an order in excess of NOK 1,000,000 must do so in the Institutional Offering. Multiple applications by one applicant in the Norwegian Retail Offering will be treated as one application with respect to the maximum application limit.
- c. A Swedish Retail Offering, in which Preference Shares are being offered to the public in Sweden subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 999,999 for each investor. Investors who intend to place an order in excess of NOK 1,000,000 must do so in the Institutional Offering. Multiple applications by one applicant in the Swedish Retail Offering will be treated as one application with respect to the maximum application limit.

The Norwegian Retail Offering and the Swedish Retail Offering are together referred to as the Retail Offerings.

All offers and sales outside the United States will be made in compliance with Regulation S of the U.S. Securities Act.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Preference Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important information" and section 18 "Selling and transfer restrictions".

The Offer Period for the Institutional Offering is expected to take place from 4 June 2015 at 09:00 hours (CET) to 17 June 2015 at 14:00 hours (CET). The Application Period for the Retail Offerings is expected to take place from 4 June 2015 at 09:00 hours (CET) to 17 June 2015 at 12:00 hours (CET). The Company, in consultation with the Managers, reserves the right in their absolute discretion to shorten or extend the Offer Period and Application Period at any time. Any shortening of the Offer Period and/or the Application Period will be announced through the Oslo Børs' information system on or before 09:00 hours (CET) on the prevailing expiration date of the Offer Period, provided, however, that in no event will the Offer Period and/or Application Period expire prior to 12:00 hours (CET) on 15 June 2015. Any extension of the Offer Period and/or the Application Period will be announced through Oslo Børs' information system on or before 09:00 hours

(CET) on the first business day following the then prevailing expiration date of the Offer Period. An extension of the Offer Period and/or the Application Period can be made one or several times, provided however, that in no event will the Offer Period and/or the Application Period be extended beyond 17:30 hours (CET) on 25 June 2015. In the event of a shortening or an extension of the Offer Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Preference Shares may be changed accordingly, but the date of the Listing and commencement of trading on Oslo Axess may not necessarily be changed.

The Offer Price is NOK 100 per Preference Share.

The timetable set out below provides certain indicative key dates for the Offering (subject to shortening or extensions):

	<b>Date</b>
Offer Period commences	4 June 2015 at 09:00 CET
Offer Period ends	17 June 2015 at 14:00 CET
Application Period commences	4 June 2015 at 09:00 CET
Application Period ends	17 June 2015 at 12:00 CET
Allocation of Preference Shares	On or about 17 June 2015
Publication of the results of the Offering	On or about 18 June 2015
Allocation letters distributed	On or about 18 June 2015
Commencement of trading in the Preference Shares on Oslo Axess	On or about 19 June 2015
Payment due date for the Preference Shares in the Retail Offerings	On or about 19 June 2015
Payment due date for the Preference Shares in the Institutional Offering	On or about 22 June 2015
Subject to timely payment, delivery of Preference Shares in the Retail Offerings	On or about 22 June 2015
Subject to timely payment, delivery of Preference Shares in the Institutional Offering	On or about 22 June 2015

Note that the Company, the Selling Shareholders and the Managers reserve the right in their absolute discretion to shorten or extend the Offer Period and the Application Period. In the event of a shortening or an extension of the Offer Period and/or the Application Period, the allocation date, the payment due dates, the dates of delivery of Preference Shares, the date of Listing and commencement of trading on Oslo Axess may be changed accordingly.

### **7.3 Conditions for completion of the Offering**

Completion of the Offering is conditional upon the approval of the Offering by the Board of Directors and the Selling Shareholders following the end of the Offer Period / Application Period, the board of directors of Oslo Børs admitting the Preference Shares to trading on Oslo Axess and the Company satisfying the conditions for listing set forth by Oslo Børs (see section 6.2 "Listing application"). There can be no assurance that these conditions will be satisfied.

The Company and the Selling Shareholders reserves the right, to withdraw, suspend or revoke and not to consummate the Offering at its sole discretion (and for any reason), including during the Application Period, at any time. In such case, this will be announced through Oslo Børs' information system.

### **7.4 Institutional Offering**

#### **7.4.1 Overview**

The Institutional Offering will be structured as an offer of Preference Shares to institutional investors and other professional investors in Norway and Sweden and certain other jurisdictions. Applications from investors

outside Norway will only be accepted if the Managers are satisfied that the application is not in violation of the laws of any jurisdiction.

The Preference Shares have not been and will not be registered under the US Securities Act, cf. section 18.3 "Transfer restrictions" of this Prospectus for a description of the selling and transfer restrictions applicable in relation to the United States.

The minimum application in the Institutional Offering is NOK 1,000,000. Norwegian or Swedish investors, who intend to place an application for less than NOK 1,000,000, must do so in the Retail Offerings. Investors applying for Preference Shares in the Institutional Offering may not apply for Preference Shares in the Retail Offerings. In the event an investor, or parties personally related to the investor, applies for Preference Shares in both the Institutional and one of the Retail Offerings, the Managers may without further notice disregard the applications made in the Retail Offerings. In the event the Managers for whatever reason do not disregard the applications made in the Retail Offerings on the basis referred to above, this will not entitle the investor or its related parties to demand a reduction in the number of Preference Shares allotted.

#### *7.4.2 The Offer Price*

The Offer Price of NOK 100 per Preference Share has been set out by the Board of Directors after consultation with the Managers, and equals the offer price in the private placement dated 12 May 2015.

The number of Preference Shares to be sold will be determined by the Board of Directors and the Selling Shareholders after consultation with the Managers on or about 17 June 2015 following the expiry of the Offer Period. Upon an extension of the Offer Period / Application Period, the indicated dates will be extended accordingly.

Investors' orders for Preference Shares in the Institutional Offering will, after the end of the Offer Period, be irrevocable and, accordingly, investors will be bound by their orders.

#### *7.4.3 The Offer Period*

The Offer Period for the Institutional Offering will last from and including 4 June 2015 to 14:00 (CET) on 17 June 2015. The Company and the Managers reserve the right to shorten or extend the Offer Period at any time. Any shortening of the Offer Period will be announced through Oslo Børs' information system on or before 09:00 hours (CET) on the prevailing expiration date of the Offer Period, provided, however, that in no event will the Offer Period expire prior to 12:00 hours (CET) on 15 June 2015. Any extension of the Offer Period will be announced through the electronic information system of Oslo Børs on or before 09:00 hours (CET) on the first business day following the then prevailing expiration date of the Offer Period. An extension of the Offer Period can be made one or several times, however in no event will the Offer Period be extended beyond 17:30 hours (CET) on 25 June 2015. Any extension of the Offer Period for the Institutional Offering will lead to the same extension of the Application Period for the Retail Offerings, and vice versa. In the event of a shortening or an extension of the Offer Period, the allocation date, payment date, date of delivery of Preference Shares and first day of trading will be extended correspondingly.

#### *7.4.4 Placing of orders and withdrawal of or amendments to the order*

Applications for Preference Shares in the Institutional Offering must be made during the Offer Period by advising one of the Managers of the number of Preference Shares that the investor wishes to purchase at the Offer Price. Any oral application will be binding upon the investor and subject to the same terms and conditions as a written application. The Managers may, at any time and at its sole discretion, require the investor to confirm any oral application and power of attorney in writing. Applications may be withdrawn or amended by the investor at any time up to the end of the Offer Period. Upon the end of the Offer Period, all applications that have not been withdrawn or amended become irrevocable and legally binding upon the investor. By making an order (as amended, if applicable), and not having withdrawn such order prior to the end of the Offer Period, the investor irrevocably confirms its request to purchase the number of Preference Shares allocated to such investor up to the number of Preference Shares ordered at the Offer Price.



#### 7.4.5 *Application offices for the Institutional Offering*

Details of the application offices for applications in the Institutional Offering are set out below:

*ABG Sundal Collier Norge ASA  
Munkedamsveien 45 E  
P.O. Box 1444 Vika  
NO-0115 Oslo, Norway  
Tel: +47 22 01 60 00  
Fax: +47 22 01 60 62*

*Swedbank  
Filipstad Brygge 1  
P.O Box 1441 Vika  
N-0115 Oslo, Norway  
Tel: +47 23 23 80 00  
Fax: +47 23 23 80 11*

### 7.5 **The Norwegian Retail Offering**

#### 7.5.1 *Overview*

The Norwegian Retail Offering will be structured as an offer of Preference Shares to the public in Norway with a maximum limit per application of NOK 999,999 and a minimum limit of the number of shares corresponding to NOK 10,500 for each applicant.

Investors applying for Preference Shares in the Norwegian Retail Offering may not apply for Preference Shares in the Institutional Offering. In the event an investor, or parties personally related to him, applies for Preference Shares in both the Institutional Offering and the Norwegian Retail Offering, the Managers may without further notice disregard the applications made in the Norwegian Retail Offering by such parties. In the event the Managers for whatever reason do not disregard the applications made in the Norwegian Retail Offering on the basis referred to above, this will not entitle the investor or its related parties to demand a reduction in the number of Preference Shares allotted to it / them.

#### 7.5.2 *Offer price*

The price for the Preference Shares sold in the Norwegian Retail Offering will be NOK 100, i.e. the same as for the Institutional Offering, see section 7.4.2 "The Offer Price".

#### 7.5.3 *The Application Period*

The Application Period in the Norwegian Retail Offering will last from and including 4 June 2015 to 12:00 (CET) on 17 June 2015. Properly completed application forms in the Norwegian Retail Offering (the "**Norwegian Retail Offering Application Form**") must be received by one of the application offices for the Norwegian Retail Offering by 12:00 (CET) on 17 June 2015. Applications submitted after the expiry of the Application Period may be discarded by the Managers.

Any shortening of the Application Period will be announced through Oslo Børs' information system on or before 09:00 hours (CET) on the prevailing expiration date of the Application Period, provided, however, that in no event will the Application Period expire prior to 12:00 hours (CET) on 15 June 2015. Any extension of the Application Period will be announced through the electronic information system of Oslo Børs on or before 09:00 hours (CET) on the first business day following the then prevailing expiration date of the Application Period. An extension of the Application Period can be made one or several times, however in no event will the Application Period be extended beyond 12:00 hours (CET) on 25 June 2015. Any extension of the Application Period for the Norwegian Retail Offering will lead to the same extension of the Offer Period for the Institutional Offering, and vice versa. In the event of a shortening or an extension of the Application Period, the allocation date, payment date, date of delivery of Preference Shares and first day of trading will be extended correspondingly.

#### *7.5.4 Procedure for Applications*

Applications in the Norwegian Retail Offering can be made on the Norwegian Retail Offering Application Form attached to this Prospectus as Appendix C. The Norwegian Retail Offering Application Form together with this Prospectus can be obtained from the Company or the application offices for the Norwegian Retail Offering set out in section 7.5.5 "Application offices for the Norwegian Retail Offering". No text must be added to the Norwegian Retail Offering Application Form other than in the designated fields.

Applicants in the Norwegian Retail Offering can also apply for Preference Shares through the VPS online application system by following the link to such online application system on [www.abgsc.no](http://www.abgsc.no) or [www.swedbank.no](http://www.swedbank.no). Applicants will be able to download this Prospectus and the Norwegian Retail Offering Application Form once they have confirmed residency in Norway and have a valid VPS account. Applications made through the VPS online application system must be duly registered during the Application Period.

Norwegian Retail Offering Application Forms that are incomplete or incorrectly completed, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. The Managers reserve the right to approve Norwegian Retail Offering Application Forms that are received after the expiration of the Application Period. Subject to any shortening or extension of the Application Period, properly completed Norwegian Retail Offering Application Forms must be received by the application offices for the Norwegian Retail Offering by 12:00 hours (CET) on 17 June 2015. Neither the Company nor the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in Norwegian Retail Offering Application Forms not being received in time or at all by the application offices in the Norwegian Retail Offering.

Multiple applications are not allowed. In the event an applicant, or his personally related parties, submits two or more Norwegian Retail Offering Application Forms, the applicant runs the risk of either having the multiple applications accumulated or either of, or all of the applications annulled at the discretion of the Managers.

All applications made in the Norwegian Retail Offering will be irrevocable and binding upon receipt of a duly completed Norwegian Retail Offering Application Form by one of the application offices for the Norwegian Retail Offering, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by one of the application offices for the Norwegian Retail Offering, or in the case of applications through the VPS online subscription system, upon registration of the application.

By making an application, the applicant irrevocably confirms its request to purchase the number of Preference Shares allocated to such applicant at the Offer Price.

#### *7.5.5 Application offices for the Norwegian Retail Offering*

Details of the application offices for applications in the Norwegian Retail Offering:

*ABG Sundal Collier Norge ASA  
Munkedamsveien 45 E  
P.O. Box 1444 Vika  
NO-0115 Oslo, Norway  
Tel: +47 22 01 60 00  
Fax: +47 22 01 60 62*

*Swedbank  
Filipstad Brygge 1  
P.O. Box 1441 Vika  
N-0115 Oslo, Norway  
Tel: +47 23 23 80 00  
Fax: +47 23 23 80 11*

All applications in the Norwegian Retail Offering will be treated in the same manner regardless of which application office the application has been delivered to and whether it is placed by delivery of a Norwegian Retail Offering Application Form or through the VPS online application system.

## **7.6 The Swedish Retail Offering**

### *7.6.1 Overview*

The Swedish Retail Offering will be structured as an offer of Preference Shares to the public in Sweden with a maximum limit per Application of NOK 999,999 and a minimum limit of the number of shares corresponding to NOK 10,500 for each applicant.

Investors applying for Preference Shares in the Swedish Retail Offering may not apply for Preference Shares in the Institutional Offering. In the event an investor, or parties personally related to him, applies for Preference Shares in both the Institutional Offering and the Swedish Retail Offering, the Managers may without further notice disregard the applications made in the Swedish Retail Offering by such parties. In the event the Managers for whatever reason do not disregard the applications made in the Swedish Retail Offering on the basis referred to above, this will not entitle the investor or its related parties to demand a reduction in the number of Preference Shares allotted to it / them.

### *7.6.2 Offer price*

The price for the Preference Shares sold in the Swedish Retail Offering will be NOK 100, i.e. the same as for the Institutional Offering, see Section 7.4.2 "the Offer Price".

### *7.6.3 The Application Period*

The Application Period in the Swedish Retail Offering will last from and including 4 June 2015 to 12:00 (CET) on 17 June 2015. Properly completed applications in the Swedish Retail Offering must be registered by Nordnet by 12:00 (CET) on 17 June 2015. Applications submitted after the expiry of the Application Period may be discarded by the Managers.

Any Shortening of the Application Period will be announced through Oslo Børs' information system on or before 09:00 hours (CET) on the prevailing expiration date of the Application Period, provided, however, that in no event will the Application Period expire prior to 12:00 hours (CET) on 15 June 2015. Any extension of the Application Period will be announced through the electronic information system of Oslo Børs on or before 09:00 hours (CET) on the first business day following the then prevailing expiration date of the Application Period. An extension of the Application Period can be made one or several times, however in no event will the Application Period be extended beyond 12:00 hours (CET) on 25 June 2015. Any extension of the Application Period for the Swedish Retail Offering will lead to the same extension of the Offer Period for the Institutional Offering, and vice versa. In the event of a shortening or an extension of the Application Period, the allocation date, payment date, date of delivery of Preference Shares and first day of trading will be extended correspondingly.

### *7.6.4 Procedure for Applications*

Applications in the Swedish Retail Offering can only be made through the internet bank of Nordnet AB ("**Nordnet**").

Subject to any extension of the Application Period, applications through the internet bank of Nordnet must be completed by 12:00 hours (CET) on 17 June 2015. Neither the Company nor the Managers nor Nordnet may be held responsible for internet lines, servers or other logistical or technical matters that may result in applications not being received in time or at all by Nordnet.

Multiple applications are not allowed. In the event an applicant, or his personally related parties, submits two or more applications, the applicant runs the risk of either having the multiple applications accumulated or either of, or all of the applications annulled at the discretion of the Managers.

All applications made in the Swedish Retail Offering will be irrevocable and binding, upon registration of the application, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after registration of the application.

By making an application, the applicant irrevocably confirms its request to purchase the number of Preference Shares allocated to such applicant at the Offer Price.

#### *7.6.5 Application office for the Swedish Retail Offering*

No physical application offices will be available for the Swedish Retail Offering as all applications must be made through the internet bank of Nordnet: [www.nordnet.se](http://www.nordnet.se)

### **7.7 Mechanism of allocation**

The Offering will be divided into an Institutional Offering and the Retail Offerings. The preliminary allocation of Preference Shares between the tranches is approximately 80 per cent for the Institutional Offering and 20 per cent for the Retail Offerings. However, the final allocation between the tranches will be determined following expiry of the Offer Period / Application Period based on the level of applications in the respective tranches relative to the overall application level in the Offering. No Preference Shares in the Institutional Offering have been reserved for any specific national market. No allocation will be made for a number of Preference Shares of less than the number of Preference Shares equal to NOK 10,500.

In the Institutional Offering, the Board and the Selling Shareholders will determine the allocation of Preference Shares after consultation with the Managers. An important aspect of the allocation principles is the desire to create an appropriate structure of holders of Preference Shares in the Company, including obtaining the required number of holders of Preference Shares for a listing on Oslo Axess, cf. Section 7.3 "Conditions for completion of the Offering" of this Prospectus. The allocation principles will include, inter alia, customary allocation criteria such as timeliness of orders, purchased amounts, perceived investor quality, investors' time horizon and the goal of establishing a strong and diversified shareholder structure. Priority may therefore be given to investors believed by the Board to be quality investors and contribute to such shareholder structure. The Board, the Selling Shareholders and the Managers reserve the right, in their sole discretion, to take into account creditworthiness of any applicant, set a maximum allocation, reduce allocation or decide to make no allocation to any applicant. In the event that the Institutional Offering is over-subscribed, the Preference Shares will be allocated in accordance with the discretion of the Board of Directors and the Selling Shareholders.

In the Retail Offerings, allocation will, as a main rule, be made on a pro rata basis using the VPS automated standard allocation procedure. The minimum allocation of Preference Shares to any investor will be the number of Preference Shares equal to the minimum order of NOK 10,500. No more than a number of Preference Shares equal to the maximum order of NOK 999,999 will be allotted to any applicant in the Retail Offerings.

In the event of over-subscription in the Retail Offerings, the Board of Directors will give first priority to allotting the minimum number of Preference Shares to each applicant in the Retail Offerings. The remaining Preference Shares available for the Retail Offerings will be allotted pursuant to objective criteria based on a pro-rata allocation. Smaller orders may be granted a higher relative allotment compared to larger orders, due to the minimum allocation of Preference Shares equal to NOK 10,500. Allocations may be rounded up or down to the nearest Preference Share.

Notwithstanding the foregoing, in the event that further reductions need to be made, the Company reserves the right to limit the total number of investors to whom Preference Shares will be allotted if it deems this to be necessary in order to keep the number of holders of Preference Shares in the Company at an appropriate level. If the Company should decide to limit the total number of investors to whom Preference Shares will be allotted, the identity of the investors to whom Preference Shares will be allotted in the Retail Offerings will be determined by drawing lots or applying similar mechanisms.

The allotment of Preference Shares will take place after the expiry of the Offer Period / Application Period on or about 17 June 2015. ABG Sundal Collier Norge ASA, acting as settlement agent for the Norwegian Retail Offering, expects to issue notifications of allocation of Preference Shares in the Retail Offering on or about 18 June 2015, by issuing allocation notes to the applicants by mail or otherwise. General information on allotment in the Retail Offerings will be published pursuant to Section 7.12 "Publication of information in respect of the Offering". Investors who want to know their precise allotments from the morning of 18 June 2015 may contact

the Managers. Applicants in the Norwegian Retail Offering with access to investor services through their VPS account manager will be able to check the number of Preference Shares that have been allotted to them from and including 18 June 2015. Upon an extension of the Offer Period / Application Period, the indicated dates will be adjusted accordingly.

## **7.8 Payment for the allocated Preference Shares**

Payment instructions will be set out in allocation letters to each applicant in the Institutional Offering. The allocated Preference Shares are expected to be delivered against payment on or about 22 June 2015 for the Institutional Offering. Payment in the Retail Offerings is on or about 19 June 2015 and delivery is on or about 22 June 2015. Listing of the Preference Shares is expected to be on or about 19 June 2015. Each applicant applying for Preference Shares in the Norwegian Retail Offering will by signing the Norwegian Retail Offering Application Form give ABG Sundal Collier Norge ASA (on behalf of the Managers) a one-time authorisation to debit a specified bank account for the payment amount for the number of Preference Shares the applicant is allotted. The specified bank account is expected to be debited on or about 19 June 2015. There must be sufficient funds for the full amount on the specified bank account one business day before debiting, i.e. on 18 June 2015. Please note that it typically takes at least one business day to transfer money from one Norwegian bank account to another (international bank transfers may take a longer period to complete). ABG Sundal Collier Norge ASA (on behalf of the Managers) reserve the right to make up to three debit attempts for up to seven working days after the Payment Date if there are insufficient funds in the account on the first debiting date (but shall have no obligation to do so). Applicants in the Norwegian Retail Offering who do not have a bank account in Norway must contact the one of the Managers well ahead of the payment date in order to arrange for payment by such other means as the Managers may instruct.

If payment for allocated Preference Shares is not made when due, the Preference Shares will not be delivered to the investor. The Managers reserve the right, if such payment is not made within three days after payment falls due, at the cost and risk of the applicant, to cancel the allotment and to re-allot or otherwise dispose of all or parts of the allocated Preference Shares on such terms and in such manner as the relevant Manager may decide (however so that the investor will not be entitled to profits from such disposal, if any). The original applicant will remain liable for payment for the Preference Shares together with any interest, costs, charges and expenses accrued, and the relevant Manager may enforce payment for such amount outstanding in accordance with Norwegian law.

Interest will accrue on late payments at the applicable rate on overdue payment, which at the date of this Prospectus is 9.25 per cent per annum.

## **7.9 Delivery and trading of allocated Preference Shares**

Physical delivery of Preference Shares allotted in the Institutional Offering is expected to take place on or about 22 June 2015. Preference Shares allotted in the Norwegian Retail Offering are expected to be transferred to the investors' VPS accounts on or about 22 June 2015 subject to timely payment on 19 June 2015. Preference Shares allotted in the Swedish Retail Offering are expected to be transferred to the investors' VPS nominee accounts on or about 22 June 2015 subject to timely payment on or about 19 June 2015.

First day of trading on Oslo Axess is expected to be on or about 19 June 2015. Applicants selling Preference Shares prior to physical delivery must ensure that payment for such Preference Shares is made prior to the payment date set out in Section 7.8 "Payment for the allocated Preference Shares". Accordingly, an applicant who wishes to sell his Preference Shares before delivery must ensure that payment is made in order for such Preference Shares to be delivered in time to the purchaser. Anyone who wishes to dispose of Preference Shares before delivery has taken place, runs the risk that payment does not take place in accordance with the procedures set out in Section 7.8 "Payment for the allocated Preference Shares", so that the Preference Shares sold may not be delivered in time. In this connection it is emphasized, that for any sale prior to delivery, investors must comply with the Norwegian Securities Trading Act Sections 3-14 and 10-4. No account-to-account transfers or transfer with shorter settlement than T+2 may be carried out in the VPS before delivery of the Preference Shares has taken place.

## 7.10 Selling Shareholders

The Offering comprises of up to 2,800,000 Preference Shares as offered by ten existing shareholders.

A complete overview of the Selling Shareholders is as follows:

#	Name	Registered address	No. of Preference Shares offered in the Offering
1	Hospitality Invest AS*	Rådhusgata 23, 0158 Oslo	274,144
2	Kidprop AS	c/o Norlandia Eiendom AS, Rådhusgata 23, 0158 Oslo	176,718
3	Acea Properties AS	Postboks 78, 8001 Bodø	381,619
4	Eidissen Consult AS	Sjøgt. 21, Postboks 1194, 8001 Bodø	227,002
5	Grafo AS**	Postboks 78, 8001 Bodø	227,002
6	Kidsa Drift AS	c/o Norlandia, Øvre Vollgate 13, 0158 Oslo	88,349
7	Klevenstern AS*	c/o Norlandia Eiendom AS, Rådhusgata 23, 0158 Oslo	185,232
8	Mecca Invest AS*	c/o Norlandia Eiendom AS, Rådhusgata 23, 0158 Oslo	185,232
9	Norlandia Care Group AS*	Verkstedveien 1, 8008 Bodø	869,369
10	Pioneer Capital Partners AS	Rådhusgata 23, 0158 Oslo	185,333
	<b>Total</b>		<b>2,800,000</b>

\*Companies controlled by Roger Adolfsen, Chairman of the board of directors and a primary insider of the Company.

\*\* Company controlled by Even Carlsen, board member and primary insider of the Company.

All the Selling Shareholders, except Pioneer Capital Partners AS and Kidprop AS are also holders of Ordinary Shares.

## 7.11 VPS account

Each applicant participating in the Norwegian Retail Offering must have a VPS account. The VPS account number must be stated on the Norwegian Retail Offering Application Form, or in the VPS online subscription system. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of a VPS account requires verification of identity before the VPS registrar in accordance with the Anti-Money Laundering Legislation. Swedish retail investors applying through the internet bank of Nordnet are able to apply from their respective accounts with Nordnet.

### **7.12 Publication of information in respect to the Offering**

In addition to press releases on the Company's web site, the Company intends to use Oslo Børs' electronic information system to publish information in respect to the Offering, such as any changes in the Offer Period / Application Period, number of Preference Shares and total amount of the Offering, allotment percentages, and first day of trading on Oslo Axess.

General information on the result of the Offering, including the number of Preference Shares allocated and the total amount of the Offering, is expected to be published on or about 19 June 2015 in the form of a release through Oslo Børs' electronic information system.

### **7.13 Mandatory anti-money laundering procedures**

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302 (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not registered as existing customers of the relevant Manager or Nordnet must verify their identity to the Manager in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Norwegian Retail Offering Application Form, or when registering an application through the VPS online application system, are exempted, unless verification of identity is requested by the Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Preference Shares.

### **7.14 VPS registration**

The Preference Shares have been created under the Norwegian Public Limited Companies Act. The Preference Shares are registered in book-entry form with the VPS and have ISIN NO 0010735681. The Company's register of shareholders with the VPS is administrated by DNB Bank ASA.

### **7.15 Selling and transfer restrictions**

See Section 18 ("Selling and transfer restrictions") for applicable selling and transfer restrictions relating to the Offering.

### **7.16 Managers and advisers**

ABG Sundal Collier Norge ASA and Swedbank Norway, branch of Swedbank AB (publ) acts as Managers and bookrunners for the Offering.

Nordnet AB (publ) acts as sales agent for the Swedish Retail Offering.

Advokatfirmaet Wiersholm AS acts as Norwegian legal counsel to the Company. Schjødt AS acts as legal advisor to the Managers in connection with the Offering. PricewaterhouseCoopers AS has acted as financial due diligence advisor to the Managers.

### **7.17 Proceeds and expenses related to the Offering**

The Company will not receive any proceeds from the Offering.

Pioneer Property Group ASA estimates that the total expenses in connection with the Offering (inclusive of commission payable by the Company to the Managers, which is constituted by a fixed percentage of gross proceeds) and the listing of its Preference Shares on Oslo Axess, which will be paid by the Company, will amount to approximately NOK 10 million.

#### **7.18 Interests of natural and legal persons involved in the Offering**

The Managers or its affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a management fee in connection with the Offering and, as such, have an interest in the Offering.

ABG Sundal Collier owns 255,000 Preference Shares as per the date of this Prospectus. Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

#### **7.19 Governing law and jurisdiction**

This Prospectus, any applications made in the Offering and the terms and conditions of the Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.



## **8. INDUSTRY AND MARKET OVERVIEW**

### **8.1 Introduction**

The Company's business and operations are influenced by numerous economic, demographic, market and regional factors. Developments in and related to the preschool property market in Norway will generally affect the Company, particularly with respect to the cities where the Company has the largest portfolio exposure. Developments in the Norwegian preschool property market, including developments in vacancy rates, transaction market, and market rent levels, have influenced the Company's business and operations in the past and are expected to do so in the future.

### **8.2 Norwegian macroeconomic overview**

Norway is a country with one of the strongest economies in the world as measured by gross domestic product per capita. The Norwegian economy is to a large extent based on ample access to natural resources, primarily within energy. Norway ranked among the 25 largest economies in the world when measured by annual GDP in 2013<sup>1</sup> and the GDP per capita is 86 per cent above the average for the European Union<sup>2</sup>. To bolster the economy, Norges Bank lowered the base interest rate (the KPR) to 1.25 per cent in December 2014 in response to counter increased uncertainty in the financial markets and the price decline of oil, a major export good. In terms of inflation, a weakened Norwegian Krone contributed to an increase in Norwegian inflation to 2.1 per cent in 2013. Norway has enjoyed a strong economy buoyed by the energy sector and hence the unemployment is low, 4.1 per cent in February 2015, compared to the European Union average of 9.8 per cent<sup>3</sup>.

### **8.3 Norwegian property market overview 4**

Total transaction volumes on the Norwegian market amounted to approx. NOK 77bn in 2014, a record high for the market. Yield contraction and lowered interest rates coupled with ample access to capital spurred market development, with the greater Oslo region accounting for approx. 40 per cent of all transactions. The office segment represented approx. 50 per cent of total transaction volume, despite a slow tenant market characterised by few large companies looking to move to new premises during the year. Yields are expected to continue to contract in 2015, further boosting property values in the country overall with the exception of Stavanger which is likely to be negatively affected by the declining oil price and subsequent lower activity in the Norwegian oil sector.

### **8.4 Norwegian Preschool market**

Practically all Norwegian children join preschools from the age of 3. Norwegian preschools had 287,177 children enrolled in 2013, distributed over 6,296 preschools, making the market highly fragmented. The overall coverage rate for children in the age group 1-5 years was 90.0 per cent in 2013 (96.5 per cent for 3-5 years).

**Figure: Preschool coverage rates<sup>5</sup>**

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<sup>1</sup> The World Bank – Data – GDR Ranking], Statistisk database 6 May 2015.

<sup>2</sup> Eurostat – Data – GDP Ranking, Statistisk database, 6 May 2015.

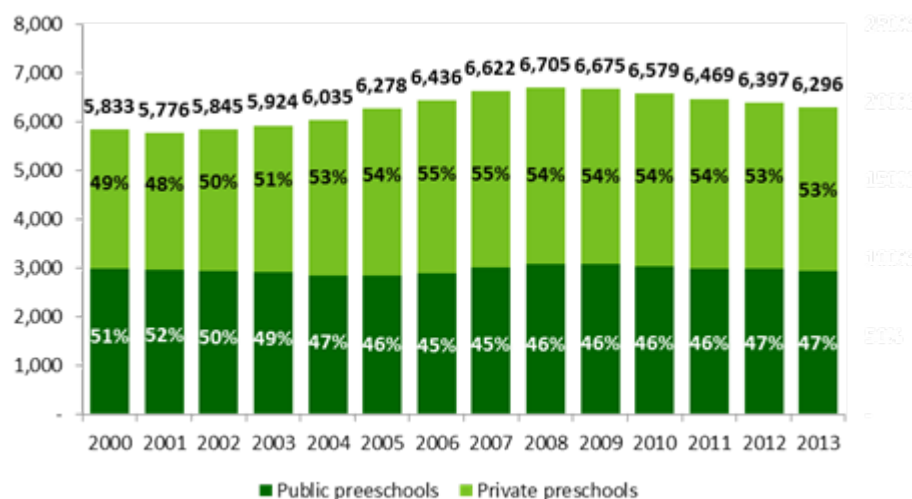
<sup>3</sup> Eurostat – Data – Unemployment, Statistics database, 13 May 2015

<sup>4</sup> Newsec Property Outlook Spring 2015

<sup>5</sup> SSB – Statistikk – Barnehager, 16 April 2015

Preschools mainly compete on proximity to the household, as the establishment of new preschools is tightly regulated by the local municipalities, which means that most of the scale advantages and professionalization of preschools can benefit professional preschool providers. Approximately 50 per cent of Norwegian preschools are privately operated, with public preschools making up the remainder. Having become an integrated part of the preschool system, the large share of private preschools makes them an integral part of the preschool market.

**Figure: Number of preschools and share of public/private<sup>6</sup>**



The difference in average annual cost per child between public and private preschools has decreased significantly over the last 10 years. As of 2013, the average annual cost per child for private preschools amounted to 86 per cent of that for public preschools.

**Figure: Avg. annual cost per child: public vs. private (NOK '000)**

There is a public compensation system where private preschools receive public contributions from the municipalities/government together with (a capped) parental fee. The public contributions are regulated by the principal of Allowance on Equal Terms which is regulated by law ("**Barnehageloven**"). This funding system has a broad political support, including backing from the largest left-wing party (Sosialistisk Venstreparti).

The Norwegian preschool market is experiencing an accelerating urbanization driving demand for child-care services in urban areas. Preschools mainly compete on proximity to the household which means that most of the scale advantages and professionalization of preschools can be translated into healthy margins for best-in-class players

<sup>6</sup> SSB – Statistikk – Barnehager 16 April 2015

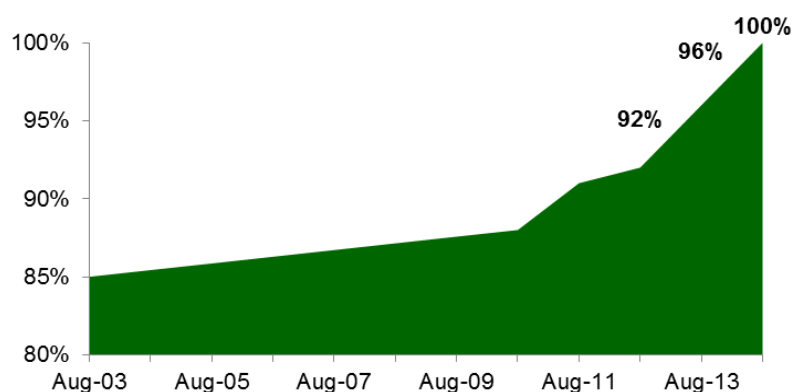
#### 8.4.1 Regulatory framework<sup>7</sup>

From 1 January 2009 all Norwegian children between 1-5 years have a statutory right to a place in a kindergarten. The key element of preschool legislation is that private and public preschools are entitled to the same subsidies.

The average cost per child in public preschools is the basis for the support to private units in the same municipality as preschools are organized to break-even. The actual subsidies range, in per cent of public cost base, is minimum 96 per cent and maximum 100 per cent. The arrangement implies that private units have the potential to make profits if they operate more efficiently than the public segment. The distributions were previously (before 2011) handled centrally but are now done by each local municipality and consequently, there may arise potential conflicting interests in the local municipalities when deciding/calculating the basis for support.

Private preschools face equal minimum requirements with regards to space, service requirements and employees per enrolled child as the public preschools. In addition to the public support, direct parental payments of up to NOK 2,365 per month per child account for roughly 15 per cent of total income in private preschools. Private kindergartens are currently entitled to public contribution amounting to 100 per cent of the cost of running a public preschool in the same municipality.

**Figure: Private subsidies to preschools in per cent of public cost base over time**



#### 8.4.2 Competitive landscape

The preschool market remains largely fragmented with the majority of preschools being local and independent public or private initiatives. Nonetheless, a few private preschool chains have emerged over the last 10 years, and the top 4 private preschool providers (Espira, Norlandia, Læringsverkstedet AS, and Trygge Barnehager AS) now account for ~20 per cent of the overall supply in the private sector and around 10 per cent of the revenue<sup>8</sup>. The top 8 non-public players account for ~19 per cent of the total market<sup>9</sup>.

#### 8.4.3 Recent industry developments

The population in Norway is increasingly moving to the city from the countryside, boosting population in metropolitan areas and increasing the overall demand for services. The Norwegian preschool market is experiencing this accelerating urbanization driving demand for child-care services in urban areas. Preschools are getting increasingly larger, up from 33.4 to 45.6 children per preschool from 2001 to 2013.<sup>10</sup>

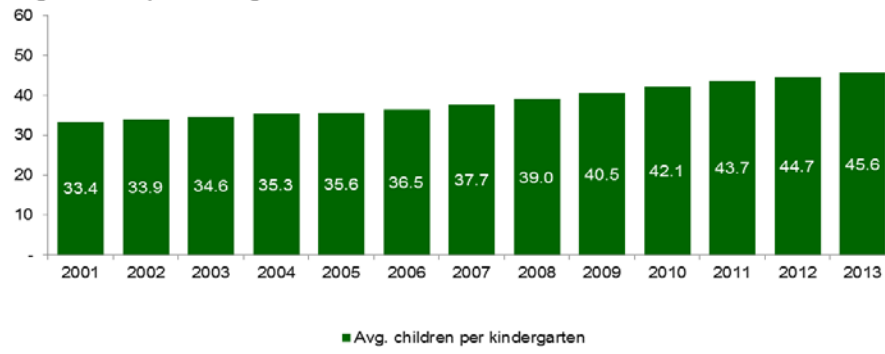
<sup>7</sup> Regjeringen.no, 16 april 2015

<sup>8</sup> Company estimates

<sup>9</sup> Company estimates

<sup>10</sup> SSB – Statistikker – Barnehager, 16 April 2015

**Avg. children per kindergarten**



## 9. THE BUSINESS OF THE GROUP

### 9.1 Overview

Pioneer Property Group is a leading owner and manager of preschool properties in Norway<sup>11</sup>, focused on high quality properties in high populated urban areas throughout the country. As of 12 May 2015, the Company had a property portfolio of 112 properties rented to preschools housing over 11,000 children. The market value of the Group's property portfolio as of 12 May 2015 was approximately NOK 3.4 billion.

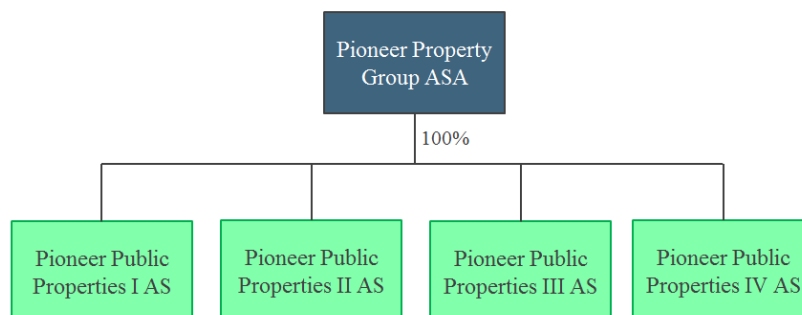
The properties owned by the Group are regulated for the use as preschools, and are leased out on long-term rental contracts to preschool operators, either Espira Gruppen AS ("**Espira**") through individual lease contracts with Espira's operational subsidiaries or to Kidsa Drift AS ("**Kidsa Drift**") or to Norlandia Preschools AS ("**Norlandia Preschools**"), two subsidiaries of Norlandia Care Group AS.

As of the date of this Prospectus the Company has limited operating history, having been incorporated on 5 January 2015.

The Company did not conduct any business before it on 12 May, 2015 acquired 100 per cent of the shares in Pioneer Public Properties I AS, Pioneer Public Properties II AS, Pioneer Public Properties III AS and Pioneer Public Properties IV AS (the "**Subsidiaries**" together with the Company the "**Group**"). The Subsidiaries in turn are the sole owners of companies whose purpose is to own the Group's preschool properties.

On 12 May 2015 the shares in the Subsidiaries as well as outstanding shareholder loans were transferred to the Company according to a share purchase agreement against a sellers' credit and contribution in kind. The sellers' credit in turn was converted to equity with the Company issuing 6,500,000 Preference Shares (the "**Consideration Preference Shares**") and 8,914,470 Ordinary Shares (the "**Ordinary Consideration Shares**") and retaining a seller's credit of NOK 162,097,000 to Norlandia Care Group AS and Pioneer Capital Partners AS. Under the share purchase agreement, the Selling Shareholders assumes no liability for risks related to the operation of the Subsidiaries.

### 9.2 Legal structure



The Company is a holding company for the four subsidiaries Pioneer Public Properties I AS, Pioneer Public Properties II AS, Pioneer Public Properties III AS and Pioneer Public Properties IV AS. The Company does not have any direct operations.

See below for a description of the Subsidiaries.

#### 9.2.1 Pioneer Public Properties I AS

Pioneer Public Properties I AS ("**PPP I**") is a private limited liability company registered in Norway with registration number 996 920 917. PPP was incorporated on 6 May 2011.

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<sup>11</sup> Company estimates.

PPP I owns/leases 18 preschool properties through 3 wholly-owned property owning subsidiaries which sole purpose is to own and lease out properties in connection with preschool activity.

For an overview of PPP I's subsidiaries see table below:

Subsidiary	Place of registration	Holdings of shares and votes %
Bodø Eiendomsselskap AS	Oslo	100
Tromsø Eiendomsselskap AS	Oslo	100
Vestlandske Eiendomsselskap AS	Oslo	100

### 9.2.2 Pioneer Public Properties II AS

Pioneer Public Properties II AS ("PPP II") is a private limited liability company registered in Norway with registration number 999 244 564. PPP II was incorporated on 19 November 2012.

PPP II owns/leases 23 preschool properties through 11 wholly-owned property owning subsidiaries which sole purpose is to own and lease out properties in connection with preschool activity.

For an overview of PPP II's subsidiaries see table below:

Subsidiary	Place of registration	Holding of shares and votes (%)
Capella Eiendom AS	Oslo	100
Andungen Eiendom AS	Oslo	100
Acea Eiendom Nydalen AS	Oslo	100
Acea Eiendom Viken AS	Oslo	100
Sjøstjerna Eiendom AS	Oslo	100
Småstrilane Eiendom AS	Oslo	100
Kløvermarka Eiendom AS	Oslo	100
Vifo Røa Eiendom AS	Oslo	100
Vifo Romerike Eiendom AS	Oslo	100
Idunsvei 8 DA <sup>12</sup>	Oslo	100
Haukedalen Eiendom AS	Oslo	100

<sup>12</sup> Idunsvei 8 DA is owned 99 % of PPP II and 1 % of Vifo Romerike Eiendom AS.

### 9.2.3 Pioneer Public Properties III AS

Pioneer Public Properties III AS ("**PPP III**") is a private limited liability company registered in Norway with registration number 913 748 336. PPP III was incorporated on 27 May 2014.

PPP III, through its wholly-owned subsidiary, Service Property AS, owns/leases 45 preschool properties through 45 wholly-owned property owning subsidiaries which sole purpose is to own and lease out properties in connection with preschool activity.

For an overview of PPP III's subsidiaries see table below:

Subsidiary	Place of registration	Holding of shares and votes ( %)
Bjørgene Barnehage AS	Oslo	100
Brådalsfjellet Barnehage AS	Oslo	100
Dragerskogen Barnehage AS	Oslo	100
Dvergsnestangen Barnehage AS	Oslo	100
Furuholmen Barnehage AS	Oslo	100
Garhaug Barnehage AS	Oslo	100
Gullhella Barnehage AS	Oslo	100
Gåserud Barnehage AS	Oslo	100
Halsnøy Kloster Barnehage AS	Oslo	100
Helldalsåsen Barnehage AS	Oslo	100
Høytorp Fort Barnehage AS	Oslo	100
Kløverenga Barnehage AS	Oslo	100
Kniveåsen Barnehage AS	Oslo	100
Krystallveien Barnehage AS	Oslo	100
Kuventræ Barnehage AS	Oslo	100
Litlasund Barnehage AS	Oslo	100
Løvestad Barnehage AS	Oslo	100
Marthahaugen Barnehage AS	Oslo	100
Myraskogen Barnehage AS	Oslo	100
Nordmo Barnehage AS	Oslo	100
Opaker Barnehage AS	Oslo	100
Opsahl Barnehage AS	Oslo	100
Ormadalen Barnehage AS	Oslo	100
Rambjøra Barnehage AS	Oslo	100

Ree Barnehage AS	Oslo	100
Romholt Barnehage AS	Oslo	100
Rubbestadneset Barnehage AS	Oslo	100
Rå Barnehage AS	Oslo	100
Salamonskogen Barnehage AS	Oslo	100
Skolegata Barnehage AS	Oslo	100
Skåredalen Barnehage AS	Oslo	100
Snurrefjellet Barnehage AS	Oslo	100
Solknatten Barnehage AS	Oslo	100
Stongafjellet Barnehage AS	Oslo	100
Sundbyfoss Barnehage AS	Oslo	100
Tjøsvoll Barnehage AS	Oslo	100
Torsbergskogen Barnehage AS	Oslo	100
Ulsetskogen Barnehage AS	Oslo	100
Vagletjørn Barnehage AS	Oslo	100
Vannverksdammen Barnehage AS	Oslo	100
Vanse Barnehage AS	Oslo	100
Veldetun Barnehage AS	Oslo	100
Østrem Barnehage AS	Oslo	100
Åbol Barnehage AS	Oslo	100
Århaug Barnehage AS	Oslo	100

#### 9.2.4 Pioneer Public Properties IV AS

Pioneer Public Properties IV AS ("**PPP IV**") is a private limited liability company registered in Norway with registration number 914 835 429. PPP IV was incorporated on 14 January 2015. PPP IV is indirectly included in the pro forma financial figures of the Group through Kidsa Drift AS and Kidsa Bygg AS.

PPP IV owns/leases (indirectly) a total of 26 preschool properties, including 8 properties which the company has entered into agreements to acquire from the present owners as described below. PPP IV owns the properties through 2 wholly-owned subsidiaries which sole purpose is to own and lease out properties in connection with preschool activity.

For an overview of PPP IV's subsidiaries see table below:

Subsidiary	Place of registration	Holding of shares and votes (%)
Kidsa Bygg AS	Oslo	100



Kidsa Eiendom AS	Oslo	100
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On 12 May 2015, PPP IV acquired from Kidsa Drift, Norlandia Preschools and Norlandia Barnehagene AS additional 4, 3 and 1 properties respectively. All of the properties will be transferred in single purpose SPVs where the property is in the process of demerger, or such demerger will be initiated. The acquisitions shall have economical effect from 1 May 2015 whilst completion of the acquisitions shall take place immediately following demergers of the properties to SPV's, expected Q3 2015.

### 9.3 History and important events

The table below provides an overview of key events in the Group's development

Year	Event
2011	Pioneer Public Properties I AS is established.
2012	Pioneer Public Properties II AS is established
2013	Pioneer Public Properties II AS carries out a MNOK 200 bond issue which was subsequently listed on Oslo Børs
2014	Pioneer Public Properties III AS is established
2014	Pioneer Public Properties III AS carries out a MNOK 385 bond issue which was subsequently listed on Oslo Børs
2015	Pioneer Public Priorities IV AS is established
2015	Restructuring of the Group. Holding company Pioneer Property Group ASA is established and subsequently acquires PPP I- PPP IV.

### 9.4 Competitive strengths

The Group owns kindergarten-properties on a sit-and-hold basis. These properties are leased out to Espira, Kidsa Drift and Norlandia Preschools on long-term contracts which cannot be cancelled during the lease periods even if alternative competing properties were available to the leaseholders. The competitive position of the portfolio is therefore only relevant when the contracts are close to maturity (20 years). In addition, the properties are regulated for use as preschools by the local municipalities – which regulates depending on the local demand/supply situation for preschools. It is therefore unlikely that competing properties with available capacity would become a material risk also at the end of the current contracts. The Company therefore views its competitive position as strong, as it is protected both through its contracts with Espira, Kidsa Drift and Nordlandia Care Group and through local regulation of properties available for preschool operations.

Key competitive traits of the portfolio are as follows:

#### 1. *Strong and attractive underlying market*

The revenues from the property portfolio are derived from tenants who in turn receive a large share of their income from the government through public preschool subsidies. There is also a high level of predictability and security in the market for child care services in centrally located and densely populated areas with net population growth. These factors, together with a stable demand for child care services in urban areas, ensure that the Company's business is limited in its exposure to the overall economic climate in the Norwegian economy.

#### 2. *Stable earnings and great cash flow visibility*

The Company's future rental income is to a large extent locked in through long-term triple net contracts with solid preschool operators Espira, Kidsa Drift and Norlandia Preschools, with parent guarantee from Norlandia Care Group on all contracts. This limits the mid-term tenancy risk as well as rental income volatility. Protective political regimes in local municipalities limit the risk of establishment of competing preschools resulting in increased competition and price pressure.

### 3. *Strong counterparty Norlandia Preschools*

Norlandia Preschools is one of the largest players in the Norwegian preschool market, operating 135 preschools. Norlandia Preschools generates approximately 85 per cent of its earnings from Norwegian municipalities and 15 per cent from parental fees.

## 9.5 **Strategy and financial targets**

### 9.5.1 *Strategy*

Pioneer Property Group's key focus is on preschool properties where the Company owns, manages and develops real estate for preschool operators. The Company has developed and started the consolidation of the Norwegian market for preschool properties aiming to consolidate the market through acquisitions and broaden its footprint into other care service real estate, with similar characteristics as the preschool market such as (long-term lease contracts and, public- and government-backed tenants) by building upon the Company's strong financial capacity and professional real estate management.

Going forward the Company's strategy is to expand its reach into care-services property with similar characteristics as the Norwegian kindergarten market - i.e. long term contracts with solid operators, again backed by government financing - and access to the financial markets to finance further growth is a key component of this strategy.

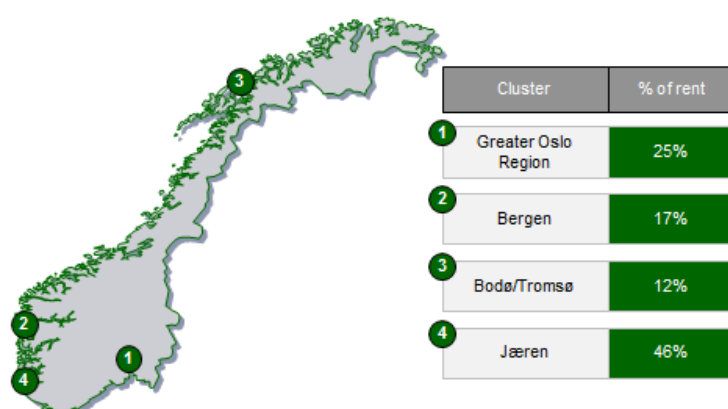
### 9.5.2 *Financial targets*

Pioneer Property Group's financial ambition is to continue to build its portfolio through market consolidation and acquisitions.

## 9.6 **Property portfolio**

### 9.6.1 *Introduction*

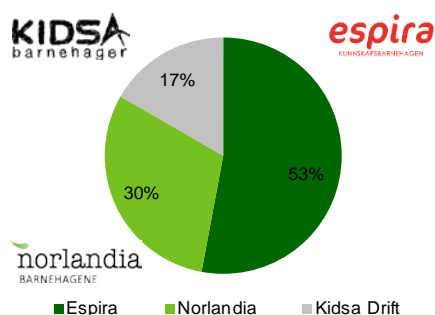
As of the date of this Prospectus, the Group's property portfolio comprised 112 preschools. The properties can be divided into four geographical clusters of which Jæren, Greater Oslo Region, Bergen and Bodø/Tromsø accounted for 46 per cent, 25 per cent, 17 per cent and 12 per cent of the rent respectively. The clusters are strategically located around three of the four most populated urban areas in Norway complemented by a cluster in the North.



\* Rough illustration. The portfolio includes certain outliers in other larger cities such as Drammen and Kristiansand

The properties in the Company's portfolio is leased to three tenants, Espira, Norlandia Preschools and Kidsa Drift, representing 53 per cent, 30 per cent and 17 per cent of rental income respectively.

**Figure: Rental income by tenant**



The preschools are fully let (100 per cent occupancy rate) with a weighted average lease term of 18.4 years and the Group's portfolio represents one of the larger portfolios in Norway.

See below for an overview of the properties

#	Preschool	Number of children	Address	City
1	Bjørneborgen	116	Bjørndalslia 49	8029 Bodø
2	Breivika	92	Tolder Holmers vei 10	8003 Bodø
3	Kjeldmyrlia	37	Konglevn. 1	8027 Bodø
4	Mellommyra	83	Greisdalsvn. 20	8028 Bodø
5	Nissebo	63	Garnvn. 28	8013 Bodø
6	Stadionparken	85	Tennisvn. 8	8008 Bodø
7	Stordalen	49	Årlokkvn. 12	8011 Bodø
8	Vollen	111	Vollvn. 24	8011 Bodø
9	Måsungen	48	Bernhoffs gt 13B	8480 Andenes
10	Paradiset	50	Paradisvn. 15	8072 Bodø
11	Bjørnhaugen	67	Myrstien 4	8370 Leknes
12	Hvalrossen	88	Ørneveien 3	9014 Tromsø
13	Isbjørnen	131	Uranusvn. 18 B	9024 Tomasjord
14	Kvitungen	77	Valbeinet 1	9017 Tromsø
15	Polarmåsen	88	Borgensvingen 122	9100 Kvaløysletta
16	Polarreven	88	Maskinistvn. 20	9014 Tromsø
17	Ulven	101	Halsvardtjørna 27	5357 Fjell
18	Kårtveitpollen	104	Polleidet	5363 Ågotnes
19	Dalsliene	73	Doktor Malthesveg 3	2072 Dal
20	Eltonåsen	75	Willy Moesvei 4	2034 Holter
21	Furulund	67	K. M. Nordangersvei 32	2003 Lillestrøm
22	Gardermoen Park	72	Balders vei/P.b. 100	2065 Gardermoen Park
23	Lysejordet	69	Vækerøveien 141	0383 Oslo
24	Mogreina	59	Løvenbergvn. 2	2054 Mogreina
25	Neskollen	127	Melkevn. / P.b. 23	2165 Hvam
26	Nordbyhagen	93	Oppløpssiden 3	2050 Jessheim
27	Romsaas	81	Langbråtenvn.	2050 Jessheim
28	Sten-Tærud	104	Vestvollvn. 31	2019 Skedsmokorset
29	Sørumsand	106	Magnus Sørliis vei 2	1920 Sørumsand
30	Myrertoppen	72	Myrerskogveien 38	0495 Oslo

#	Preschool	Number of children	Address	City
31	Glassverkveien	104	Glassverkveien 32	1363 Høvik
32	Eventyrstua	100	Gunnar Schjelderups vei 11 A	0485 Oslo
33	Capella Barnehage	59	<a href="#">Sandslimarka 153</a>	5254 Sandsli
34	Tre Troll	49	Idunsvei 8	1472 Fjellhamar
35	Andungen	32	Kongshaugveien 10C	8480 Andenes
36	Sjøstjerna	50	Sjøgata 20	8445 Melbu
37	Kløvermarka	74	Ringvn 9	8900 Brønnøysund
38	Naustvika	95	Naustvikvegen 32	5363 Ågotnes
39	Kidsa Breistein	95	Leikvangvegen 6	5111 Breistein
40	Kidsa Haukedalen	79	Haukedalsveien 135	5113 Tertnes
41	Kidsa Tertitten	44	Bekkjarvikveien. 3	5114 Tertnes
42	Bjørgene	120	Peer Gyntsvæg 6E	5532 Haugesund
43	Brådalsfjellet	141	Brådalsfjellet 1	2022 Gjerdrum
44	Dragerskogen	97	Bakkerudvegen 70	2830 Raufoss
45	Dvergsnestangen	163	Valsvigveien 11	4639 Kristiansand S.
46	Furuholmen	78	Grinderstubben 1	2170 Fenstad
47	Garhaug	101	Hestaberg 15	5570 Aksdal
48	Gullhella	125	Korpefaret 3	1386 Asker
49	Gåserud	102	Pettersvollan 31	3032 Drammen
50	Halsnøy Kloster	96	Eidsnesvegen 73	5455 Halsnøy Kloster
51	Helldalsåsen	96	Sandalsringen 260	5225 Nesttun
52	Høytorp Fort	101	Vardeveien 72	1850 Mysen
53	Kløverenga	120	Øvre Drognesveg 2	2150 Årnes
54	Kniveåsen	165	Knivevn. 55	3036 Drammen
55	Krystallveien	148	Krystallveien 2	4321 Sandnes
56	Kuventræ	200	Industrivn. 99	5200 Os
57	Litlasund	160	Vikafjellvegen 4	4260 Torvastad
58	Løvestad	97	Nordmyrstubben 25	1820 Spydeberg
59	Marthahaugen	106	Ådlandsvegen 325	5918 Frekhaug
60	Myraskogen	165	Østensbuvn 137	4848 Arendal
61	Nordmo	103	Gaupevn. 12	2406 Elverum
62	Opaker	102	Skolealléen 4	2166 Oppaker
63	Opsahl	110	Opsahlveien 21	1850 Mysen
64	Ormadalen	158	Erleveien 3	4353 Klepp Stasjon
65	Rambjøra	90	Kattuglebrotet 3	5098 Bergen
66	Ree	114	Linevegen 19	4340 Bryne
67	Romholt	76	Moldengutua 4	2750 Gran
68	Rubbestadneset	91	Sollia 30	5420 Rubbestadneset
69	Rå	255	Steinsvikvn. 397 A og B	5239 Rådal
70	Salamonskogen	185	Svortland	5430 Bremnes
71	Skolegata	130	Skolegata 1	1830 Askim
72	Skåredalen	200	Tømmerdalen 24	5533 Haugesund
73	Snurrefjellet	101	Skyssetveien 8	1481 Hagan
74	Solknatten	168	Solåsen 2	5223 Nesttun
75	Stongafjellet	128	Stongafjellvn. 40	5300 Kleppestø
76	Sundbyfoss	121	Seljevn 1	3092 Sundbyfoss

#	Preschool	Number of children	Address	City
77	Tjøsvoll	121	Tostemvegen 35	4270 Åkrehamn
78	Torsbergskogen	89	Djupdalsveien 227	3033 Drammen
79	Ulsetskogen	392	Midtkleiva 56	5119 Ulset
80	Vagletjørn	114	Vaglefjellbakken 276	4324 Sandnes
81	Vannverksdammen	141	Stollen 5	3030 Drammen
82	Vanse	72	Østre Vatne	4560 Farsund
83	Veldetun	96	Veldetunveien 20	4262 Avaldsnes
84	Østrem	118	Austreiveien 9	4250 Kopervik
85	Åbol	190	Lingelemveien 84	3225 Sandefjord
86	Århaug	101	Eikjeveien 255	5541 Kolnes
87	Kidsa Brønndalen	52	Brønndalsåsen 19	5176 Loddefjord
88	Kidsa Christinegård	46	Øvre Heien 11	5037 Bergen
89	Kidsa Eidsvåg	29	Eidsvågskogen 33	5104 Eidsvåg i Åsane
90	Kidsa Erleveien	69	Erleveien 51	5097 Bergen
91	Kidsa Festtangen	78	Ytre Arna-vegen 46	5265 Ytre Arna
92	Kidsa Inndalen	30	Inndalsveien 88	5063 Bergen
93	Kidsa Kokstad	110	Kokstadvegen 36	5257 Kokstad
94	Kidsa Løvåsbakken	60	Løvåsbakken 20	5145 Fyllingsdalen
95	Kidsa Midtbygda	63	Åsane Senter 48	5116 Ulset
96	Kidsa Myrdal	168	Myrdalsvegen 159	5130 Nyborg
97	Kidsa Olsvikfjellet	51	Olsvikskrenten 7	5184 Olsvik
98	Kidsa Varden	46	Vardeveien 69	5141 Fyllingsdalen
99	Kidsa Øyrane	112	Ådnavegen 5	5260 Indre Arna
100	Kidsa Allestadhaugen	59	Allestadhaugen 1	5142 Fyllingsdalen
101	Kidsa Hylkje	152	Hylkjeflaten 4	5109 Hylkje
102	Kidsa Sølvberget	28	Skytterveien 23A	5038 Bergen
103	Kidsa Vågedalen	68	Vågedalen 12	5163 Laksevåg
104	Kidsa Slettebakken	57	Adolph Bergs vei 55	5089 Bergen
105	Kidsa Ladegården	85	Hans Hauges gate 3	5033 Bergen
106	Kidsa Sandgotna	63	Vadmyrveien 69	5172 Loddefjord
107	Kidsa Øvre Sædal	88	Øvre Sædalsvegen 80	5099 Bergen
108	Kidsa Øvsttun	85	Øvsttunvegen 27	5223 Nesttun
109	Fagerholt	75	Dr. Dedichens Vei 30	0675 Oslo
110	Sørhellinga	75	Simon Darres Vei 49B	0669 Oslo
111	Nilsemarka	88	Nilsemarka 31	0220 Asker
112	Arken	40	Holsøyveien 4	8370 Leknes

## 9.7 Tenant and lease structure

### 9.7.1 Introduction

PPP I and PPP II have entered into separate master lease agreements with Norlandia Preschools (the "**Norlandia Preschools Master Lease**") which regulates the lease of all the preschool properties owned by PPP I and PPP II. For a further description of the Norlandia Preschools Master Lease see section 9.7.2. Three of the properties owned by PPP II are leased out to Kidsa Drift.

PPP III, through PPP III's respective subsidiaries leases out its preschool properties under lease agreements with Espira Group's respective preschool operator company (the "**Espira Lease Agreements**"). The Espira Lease Agreements are described in section 9.7.3.

PPP IV has entered into a master lease agreement with Kidsa Drift which regulates the lease of the preschool properties owned by PPP IV (the "**Kidsa Drift Master Lease**"). For a further description of the Kidsa Drift Master Lease see section 9.7.5.

PPP III and PPP IV have entered into a master lease with Norlandia Preschools ("**Norlandia Preschools Step-in-lease**") regarding the potential future lease of the pre-school properties which are triggered if the options to extend the lease periods by the existing lessees are not exercised or when the lease expires. For further details regarding the Norlandia Preschools Step-in-lease see section 9.7.6.

Pioneer Property Group ASA is dependent on lease agreements for its property portfolio. The lease agreements are the foundation of the Company's revenues and as such are therefore essential for the company's financial performance.

#### *9.7.2 The Norlandia Preschools Master Lease*

Norlandia Care Group AS ("**Norlandia Care Group**") is a privately owned company and consists of three divisions: Preschools, patient hotels and elderly care. They have operations in Norway, Sweden, Finland and the Netherlands. Norlandia Care Group is controlled by the Adolfsen Group. Norlandia Care Group is the parent company of Norlandia Preschools. Norlandia Preschools was established in 2004 and is one of Norway's largest kindergarten-providers with a capacity of 4,623 children in 62 locations. Norlandia Preschools has 1,162 employees.

Each of PPP I and PPP II has entered into a Norlandia Preschools Master Lease agreement with Norlandia Preschools. The Norlandia Preschools Master Lease regulates the lease of all of the preschool properties owned by PPP I, and PPP II respectively.

Each Norlandia Preschools Master Lease has duration of 20 years with an option for the lessee to extend the lease with 10 additional years. The Norlandia Preschools Master Lease entered into with PPP I has duration of 20 years from 1 October 2011 and the Norlandia Preschools Master Lease entered into with PPP III as duration of 20 years from 1 April 2013. The rent is 100 per cent CPI adjusted each year-end according to the "*Statistisk Sentralbyrås Konsumprisindeks*". The rent is paid quarterly in advance.

The Norlandia Preschools Master Lease is acceded on a triple net basis where the tenant covers all applicable expenses, this includes maintenance, replacements, property taxes and fees, property insurance, electricity and utility, security, janitorial service and other services.

Further developments of the properties are possible subject on both parties agreeing. If the lessor makes any upgrades, the rent will increase with 8 per cent of the invested capital.

Norlandia Care Group has provided a corporate guarantee ensuring all rent payments from Norlandia Preschools to the lessor under the Norlandia Preschools Master Lease.

#### *9.7.3 The Espira Lease Agreements*

Espira is one of the largest providers of pre-school services in Norway with around 7,500 children in 75 pre-schools. The company employs some 2,000 people and is controlled by the Swedish education company AcadeMedia. AcadeMedia is part of private equity fund EQT's portfolio.

PPP III leases out its preschool properties to Espira through 1-1 lease contracts between PPP III's respective subsidiaries and Espira's respective preschool operator companies. Each property is leased out to a single purpose company within Espira, whose sole purpose is to operate that particular preschool property. The properties are leased on a double net (triple net less real estate insurances and property taxes) basis with annual CPI adjustments. The lease agreements expire in 2018 or 2019. In addition Espira has an option to

extend the majority of the lease contracts with 10+5 years. All lease agreements are irrevocable (i.e. not possible for Espira to cancel).

If Espira does not exercise its renewal options or the lease expires, Norlandia Preschools has an obligation, through the Norlandia Preschools Step-in-lease (see section 9.7.6), to assume operations of the preschools and step into the Espira Lease Agreements at the same payment terms. The Norlandia Preschools Step-in-lease has duration from the date which is considered the move out date in accordance with the Espira Lease Agreements and expires 30 June 2034. The Norlandia Preschools Step-in-lease is a triple net master lease contract. See section 9.7.6 for further details.

#### *9.7.4 Additional property master lease*

An additional property master lease (the "**Additional Property Master Lease**") has been entered into between PPP III and Espira regarding the lease of any additional properties. With respect to the additional properties and also investments in properties, leases will be agreed for each additional property and for amounts of Investments adjusted annually for CPI (No. "*Konsumprisindeks*") and downward adjusted upon the occurrence of any disposal of an additional property. Such adjustment shall be made on a pro rata basis based on the annual rent for such additional property which was apparent when such additional property was added to the Additional Property Master Lease (adjusted for CPI for all the additional properties in the portfolio). In addition, Espira shall, as per the terms of such lease, cover the Group for all operational costs relating to the additional properties, including but not limited to Insurances, public duties, maintenance costs and ground rent (i.e. no cash payments).

#### *9.7.5 Kidsa Drift Master Lease*

Kidsa Drift AS ("**Kidsa Drift**") is closely associated with Norlandia Care Group, as Norlandia owns 49 per cent and other Norlandia shareholders own the remaining 51 per cent. Kidsa Drift has also entered a management agreement with Norlandia Care Group, where Norlandia Care Group will oversee and manage the Kidsa Drift operations going forward.

Kidsa Drift and PPP IV entered into the Kidsa Drift Master Lease on 28 April 2015 regarding the lease of all the preschool properties owned by PPP IV. The Kidsa Drift Master Lease has duration of 20 years from 28 April 2015 to 28 April 2035, with an option for the lessee to extend the lease with an additional 10 years.

PPP II has also entered into a master lease agreement with Kidsa Drift on 30 April 2015 regarding three properties. The lease agreement has duration of 20 years from 30 April 2015 to 30 April 2035 with an option for the lessee to extend the lease with an additional 10 years.

The rent is 100 per cent CPI adjusted each year-end according to the "*Statistisk Sentralbyrås Konsumprisindeks*". The rent is paid quarterly in advance.

The Kidsa Drift Master Lease is acceded on a triple net basis where the tenant covers all applicable expenses, this includes maintenance, replacements, property taxes and fees, property insurance, electricity and utility, security, janitorial service and other services.

Further developments of the properties are possible subject on both parties agreeing. If the lessor makes any upgrades, the rent will increase with 8 per cent of the invested capital.

Norlandia Care Group has provided a corporate guarantee ensuring all rent payments from Kidsa Drift to the lessor, through its subsidiary Norlandia Preschool AS which has entered into a cooperation agreement with Kidsa Drift

#### *9.7.6 The Norlandia Preschools Step-in-lease*

In addition to the Espira Lease Agreements and the Kidsa Drift Master Lease, PPP III and PPP IV have entered into separate master lease agreements with Norlandia Preschools AS (the Norlandia Preschools Step-in-lease) regarding the preschool properties under which Norlandia Preschool AS undertakes to enter into a new lease agreement for any and all of the preschool properties immediately following the expiration, non-renewal or termination of the relevant Espira Lease Agreement or Kidsa Drift Master Lease, on unchanged terms and conditions, hereunder that:

If any of the lessees cancel the respective leases or any of the extension options related to the preschool properties are not utilised, such relevant preschool property will no longer be a part of the Espira or Kidsa Drift leases and all payment obligations related to such preschool property shall be solely the responsibility of the Norlandia Preschools under the Norlandia Preschools Step-in-lease. The lessee shall, as per the terms of the Norlandia Preschools Step-in-lease, cover the Issuer for all operational costs relating to the preschool properties that no longer receives payments under the Espira Lease Agreements and the Kidsa Drift Master Lease, including but not limited to public duties, Insurances, maintenance costs and ground rent (i.e. no cash payments).

The Norlandia Preschools Step-in-lease has a term of 20 years from the agreement date. PPP III entered into the Norlandia Preschool Step-in-lease on 1 July 2014 and PPP IV entered into the Norlandia Preschool Step-in-lease on 28 April 2015. The Norlandia Preschools Step-in-lease with PPP IV gives the lessee the option to extend the Norlandia Preschools Step-in-lease with 10 years. The Norlandia Preschools Step-in-lease with PPP III gives the lessee the option to extend the Norlandia Preschools Step-in-lease with 10 + 10 years.

Norlandia Care Group has provided a corporate guarantee ensuring all rent payments from Norlandia Preschools AS.

#### *9.7.7 Valuation of properties*

For a description of the valuation of the properties please see attached the valuation report dated 28 April 2015 as prepared by Newsec. The four subsidiaries PPP I, PPPII, PPPIII, and PPPIV were all sold to the Company 12 May 2015 at an average gross real-estate yield of 6 per cent.

The difference in the valuation figures in the attached report and the equivalent figures included in the Group's latest published annual accounts is a result of several factors, including reduced interest rates, larger portfolio with more diversified risk, and in general an improved market valuation development for preschool properties.

The issuer affirms that no material changes have occurred since the date of valuation.

#### *9.7.8 Change of use of the properties in the Group's portfolio*

For certain properties within the Group's portfolio it is registered a prohibition against use of the properties for other purposes than pre-schools. For some of these properties, changes in the use of the properties also triggers a right of first refusal to the property or right of redemption in favor of previous owners or the relevant municipality. According to certain of the Group's lease agreements, the tenant is entitled to change its use of the property, i.e. if it is not economically justifiable to operate a pre-school on the property or if other material factors call for a change.

### **9.8 Management Agreement**

The Company entered into a management agreement with the property management company Pioneer Management AS ("**Pioneer Management**"), (the "**Management Agreement**") on 12 May 2015.

In accordance with the Management Agreement, Pioneer Management shall provide complete management services to the Group, this includes (but not limited to), corporate services, company records, budget reports,



accounting, auditing, market places compliance, investor relations, government relations (taxes), corporate finance, treasury functions, real property management, insurance, sale and purchase of assets, disputes, general purchasing authority and executive management.

Pioneer Management will be compensated by the Company for all external cost and expenses without margin. The Company also pays Pioneer Management a management fee of 80,000 NOK per preschool property per year. The fee is paid on a quarterly basis. Pioneer Management is also entitled to a market based commission for services provided in relation to financial transactions. The commission is, however, only triggered if the transaction is a consequence of Pioneer Management's facilitation and only if the board of directors of the Company has confirmed in each matter.

The Management agreement has an initial term of five years, unless terminated by the board of directors of the Company or Pioneer Management upon 6 months written notice for any reason in its sole discretion. Each of the parties may terminate the Management Agreement at any time by written notice if one of the parties defaults in its obligations and fails to remedy such default within thirty calendar days from the receipt notice of such default.

### **9.9 Property, plant and equipment and other assets**

Other than the properties described in section 9.6 "Property portfolio" above, the Group do not own any material property, plants, equipment and other assets.

Pioneer Property Group ASA is exposed to the same potential environmental risks as other property companies. Such risks may include adverse weather conditions, shifts in ground surface, pollution, etc. Risks relating to increased regulatory requirements - such as area requirements per child, employee requirements, and indoor air-quality are primarily related to the Company's leaseholders, and Pioneer Property Group ASA is thereby indirectly exposed to such risks.

### **9.10 Research, development, dependency on contracts, patents and licenses**

The Group does not engage in any research and development activities.

### **9.11 Trend Information**

The Company has not observed any trends since the end of the last financial year which would have a material impact on the Company's business. The Company is not aware of trends, uncertainties, demands, commitments or events that could have a material effect on the Group's prospects for the current financial year.

### **9.12 Changes in Group's financial and trading positions**

As further described in Section 9.1 ("Overview"), the Company acquired PPP I, PPP II, PPP III and PPP IV on 12 May 2015.

As consideration for the acquisition of the Subsidiaries, the Company completed a share capital increase on 12 May 2015 (conversion of sellers' credit), of NOK 15,384,740, by issuing 8,884,470 new Ordinary Shares and 6,500,000 Preference Shares, and a capital increase by contribution in kind by issuing 30,000 new Ordinary Shares. At the same time, the existing share capital was redeemed.

To strengthen the liquidity of the Company, i.e. to allow for payment of dividend on the Preference Shares, the Company completed a private placement of Ordinary Shares of NOK 90 000 000 in cash on 28 May 2015. The subscription price was NOK 100 per Ordinary Share in such private placement.

There have been no other significant changes in the Group's financial or trading position of the Group which has occurred since the end of the last financial period.

### 9.13 Investments

All the Group's properties are modern and in-line with current regulations and there is no identified need to upgrade the portfolio in the foreseeable future – i.e. no imminent capital expenditures. The master lease agreement with Norlandia Preschools is also on a "bareboat" triple net basis where the tenant is responsible for all operating expenditures including (but not limited to) general maintenance (interior and exterior), insurance and public duties.

Further development of the properties is possible conditioned on both parties agreeing. However if the Group invests in such upgrades the rent will increase with 8 per cent of the invested capital. Therefore the Company sees no future capex requirements at the current rent level.

### 9.14 Financing

The Subsidiaries have outstanding loans as set out below per 31 December 2014:

The Group's debt financing has been obtained through the four direct Subsidiaries of the Company. Pioneer Public Properties I AS has entered into a loan agreement with Handelsbanken for the loan of NOK 195 million, Pioneer Public Properties II AS has issued a bond loan of NOK 200 million and Pioneer Public Properties III AS has issued a bond loan of NOK 385 million. Pioneer Public Properties III AS has also entered into a loan agreement with Husbanken for a loan of NOK 577 million. Pioneer Public Properties IV AS has entered into a NOK 150 million loan agreement with Pareto Bank. In addition, most of the property owning subsidiaries have entered into loan agreements with Husbanken for smaller loans.

PPP I's loan agreement with Handelsbanken does not contain any restrictive covenants.

Pursuant to PPP II's bond loan agreement, PPP II shall (inter alia):

- procure that it remains the owner of 100 per cent of the shares and voting rights in its property owning companies (directly or indirectly); and that each of its property owning company remains the sole owner and holds the title of each respective property;
- not allow itself, to declare or make any dividend payment, repurchase of shares or make other capital distributions to its shareholders;
- not allow itself or any of its subsidiaries to incur or permit to remain outstanding any additional financial indebtedness (whether secured or not) other than the existing financing arrangements

In addition, the following financial covenants apply to PPP II's bond loan agreement:

- The aggregate of (i) the market value of its properties and (ii) the amount standing to the credit of PPP II at a designated escrow account and a designated earnings account, shall at all times exceed 120 per cent of the total financial indebtedness of PPP II with subsidiaries; and
- The amount on the designated earnings account shall at all times be no less than NOK 5 million.

Pursuant to PPP III's bond loan agreement, PPP III shall (inter alia):

- procure that it remains the owner of 100 per cent of the shares and voting rights in its property owning companies (directly or indirectly);
- not, without the approval of the bond trustee, declare or make any dividend payment, repurchase of shares or make other capital distributions to its shareholders implying a transfer of value to its shareholders exceeding 25 per cent of the group's net profit on consolidated basis for the previous financial year;

- not allow itself or any of its subsidiaries to incur or permit to remain outstanding any additional financial indebtedness (whether secured or not) other than the existing financing arrangements

In addition, the following financial covenants apply to PPP III's bond loan agreement:

- PPP III shall not, without the approval of the bond trustee, allow itself or any of its subsidiaries to make any investment or capital expenditure other than for the financing of certain defined investments, and only then if certain financing requirements are met.
- PPP III shall ensure that the aggregate of (i) the market value of its properties and (ii) the amount standing to the credit of PPP II at one designated escrow account and one designated earnings account, at all times exceeds 120 per cent of the total financial indebtedness of PPP II with subsidiaries less the zero coupon subordinated loan in the maximum of NOK 121.9 million provided to PPP III by Kidprop AS; and
- PPP III shall ensure that it, together with its subsidiaries at all times maintain an amount of cash and cash equivalent equalling or more than 6 months of interests on the outstanding amount under the bond loan.

Both bond loan agreements furthermore restrict the Group from amending or refinancing its loan agreements with Husbanken or Handelsbanken respectively.

Both bond loans contain similar change of control clause. If and when (i) Kristian Adolfsen and Roger Adolfsen, or any of their heirs, successors or assignees, in aggregate ceases to own 50 per cent or more of the outstanding shares and/or voting capital of PPP II or PPP III respectively, or (ii) any other person becomes the owner directly or indirectly of 50 per cent or more of the outstanding shares and/or voting capital of PPP II or PPP III respectively, each bondholder shall have the right to require that PPP II or PPP III respectively redeems its bonds at a price of 100 per cent of par plus accrued interests for PPP II's bonds and 101 per cent of par plus accrued interests for PPP III's bonds.

Both bond loans also contain mandatory prepayment clauses which will require PPP II or PPP III respectively to redeem 100 per cent of the outstanding bonds under certain events. The applicable events for PPP II's bond loan are: if (i) its properties are sold or disposed of (ii) its master lease agreement is cancelled, (iii) its parent lease guarantee ceases to exist or (iv) an event of default is declared under the respective bond loan. The applicable events for PPP III's bond loan are: if (i) PPP III carries out a material sale or disposal which is not pre-accepted in the bond loan agreement, (ii) the outstanding amount under the bond loan is less than NOK 300 million after use of a call option, (iii) its master lease agreement is cancelled, (iv) its parent lease guarantee ceases to exist or (v) an event of default is declared under the respective bond loan.

Pursuant to PPP IV's loan agreement with Pareto Bank, PPP IV and its subsidiaries may not, without Pareto Bank's prior approval, enter into any new credit facilities or give any loans or guarantees, pay any dividend or make any corporate changes in its organizational structure

#### **9.15 Legal and arbitration Proceedings**

The Group is, nor has been during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or has in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

## 10. CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 11 "Unaudited pro forma financial information", and section 12 "Selected Financial Information", and the Financial Statements and the notes related thereto, as attached to this Prospectus as Appendix B "Historical financial information".

### 10.1 Capitalisation and net indebtedness

The following table sets forth information about the Group's consolidated capitalisation and net financial indebtedness as at 31 December 2014.

Capitalisation (as of 31 Dec 2014)	PPG Combined 31 Dec 2014 IFRS	Material changes after 31 Dec 2014							Total
		1	2	3	4	5	6	7	
<b>NOK 1000</b>									
<b>Current debt</b>									
Guaranteed secured									
Ungaranteed/unsecured	48 893								48 893
<b>Total current debt</b>	<b>48 893</b>								<b>48 893</b>
<b>Non-current debt</b>									
Guaranteed secured (1)	1 332 513		55 821		27 335	63 989			1 487 458
Sellers Credit (ungaranteed/unsec.)		270 000			45 635	20 273	1 703 544	-1 541 447	479 705
Ungaranteed/unsecured	319 235						-318 326		909
<b>Total non-current debt</b>	<b>1 651 748</b>	<b>270 000</b>	<b>55 821</b>		<b>72 970</b>	<b>84 262</b>	<b>1 385 218</b>	<b>-1 541 447</b>	<b>1 968 072</b>
<b>Shareholder's equity</b>									
<b>Total equity</b>	<b>414 746</b>						<b>-414 746</b>	<b>1 541 447</b>	<b>1 541 447</b>
<b>Total capitalisation</b>	<b>2 115 387</b>		<b>55 821</b>		<b>72 970</b>	<b>84 262</b>	<b>970 472</b>	<b>0</b>	<b>3 558 412</b>
<b>Indebtness (as of 31 Dec 2014)</b>									
Cash (A)	73 348								73 348
Cash equivalents (B)									
Trading securities (C)									
<b>Liquidity (D), (A+B+C)</b>	<b>73 348</b>								<b>73 348</b>
<b>Current financial recivables (E)</b>	<b>34 976</b>			<b>67 000</b>					<b>101 976</b>
Current bank debt (F)									
Selleres credit (G)							1 703 544	-1 703 544	
Other financial debt (H)	-48 893								-48 893
<b>Current financial debt (I), (F+G+H)</b>	<b>-48 893</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 703 544</b>	<b>-1 703 544</b>	<b>-48 893</b>
<b>Net current fin, indebttness (J), (I -E -D)</b>	<b>59 431</b>	<b>0</b>	<b>0</b>	<b>67 000</b>	<b>0</b>	<b>0</b>	<b>1 703 544</b>	<b>-1 703 544</b>	<b>126 431</b>
Non-current bank loans (K)	-747 513		-55 821		-27 335	-63 989			-902 458
Bonds issued (L)	-585 000								-585 000
Other non-current loans (M)	-319 235	-270 000			-45 635	-20 273	318 326	-162 097	-480 614
<b>Non-current financial indebttness (N), (K+L+M)</b>	<b>-1 651 748</b>	<b>-270 000</b>	<b>-55 821</b>	<b>0</b>	<b>-72 970</b>	<b>-84 262</b>	<b>318 326</b>	<b>-162 097</b>	<b>-1 968 072</b>
<b>Net financial indebttness (O), (J+N)</b>	<b>-1 592 317</b>	<b>-270 000</b>	<b>-55 821</b>	<b>67 000</b>	<b>-72 970</b>	<b>-84 262</b>	<b>2 021 870</b>	<b>-1 865 641</b>	<b>-1 841 641</b>

(1) The investment properties purchased in the transactions have been pledged as security for the secured debt.

#### 10.1.1 Material changes after 31 December 2014

##### 1. Purchase of the shares in Kidsa AS

On 22 April 2015, PPP IV entered into an agreement with Kidprop AS to acquire 100 per cent of the shares in Kidsa AS. Kidprop AS is a related party to the Company. The transaction price was NOK 270 million and was identical to the price paid by Kidprop AS to the original shareholders of Kidsa AS on 22 January 2015.

## **2. Purchase of the shares in Kidsa Eiendom AS and Kidsa Bygg AS**

Kidsa AS had two property-owning subsidiaries, Kidsa Eiendom AS and Kidsa Bygg AS. These subsidiaries were transferred from Kidsa AS to PPP IV on 28 April 2015. The two property-owning subsidiaries included investment properties and liabilities totaling NOK 55.8 million. **3. Sale of the shares in Kidsa Drift AS**

Kidsa AS also had several subsidiaries which operated the kindergartens. These subsidiaries were transferred to a new subsidiary, Kidsa Drift AS, and the shares in Kidsa Drift AS were sold to related parties on 28 April 2015 for a consideration of NOK 67 million.

## **4. Purchase of properties from Norlandia Preschools AS and Norlandia Barnehagene AS**

On 12 May 2015, PPP IV entered into share purchase agreements with Norlandia Preschools AS and Norlandia Barnehagene AS for the purchase of two newly established companies which are to hold properties that were owned by Norlandia Barnehage II AS (three properties) and Arken Barnehage AS (one property). The properties will be transferred to the purchased companies as part of a demerger. The acquisition of the companies is to take place immediately following the completion of the respective demergers (estimated to be August 2015). The properties were valued at an aggregate NOK 73.0 million, and the purchase price, when subtracting assumed debt of NOK 27.4 million, was NOK 45.6 million.

## **5. Purchase of properties from Kidsa Drift AS**

On 12 May 2015, PPP IV entered into a share purchase agreement with Kidsa Drift AS for the purchase of four newly established companies which are to hold four properties owned by four of Kidsa Drift AS' subsidiaries. The four subsidiaries are in the process of demerging these properties. Completion of the acquisition is to take place immediately following completion of the demerger process (estimated to be August 2015). The share purchase agreement valued the properties at NOK 84.3 million. As part of the transaction, the buyer assumed related debt in the amount of NOK 64.0 million.

## **6. Establishing the Group**

On 12 May 2015, the Company entered into share purchase agreements with the existing owners of PPP I, PPP II, PPP III and PPP IV to acquire 100 per cent of the shares in these four companies. In addition, the Company also purchased related party receivables on these four companies with a face value of NOK 318.3 million. The total purchase price was NOK 1,703.5 million, which included receivables of NOK 318.3 million, investment properties valued at NOK 3,400 million and debt of NOK 1,696.5 million. Receivables corresponding to NOK 3 million were contributed in kind. The total equity from the combined financials of NOK 414.7 million was eliminated in this transaction to reflect that the equity was purchased and replaced with the equity conversion of NOK 1,541.5 million described in 7. below.

## **7. Conversion of debt to equity**

On 12 May 2015, NOK 1,541.5 million of the purchase price for the shares in PPP I, PPP II, PPP III and PPP IV and the receivables was converted to equity.

## **10.2 Working capital statement**

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

## **11. UNAUDITED PRO FORMA FINANCIAL INFORMATION**

### **11.1 Introduction**

Pioneer Property Group ASA was incorporated on 5 January 2015 and is a company with limited operating history. The purpose of the Company has been, and is, to form a holding company for investment property companies focusing on care services in Norway. The pro forma financial information gives a historical picture of the Group presenting historical IFRS financial information for PPP I, PPP II, PPP III, Kidsa Bygg AS and Kidsa Eiendom AS. Pioneer Property Group ASA is not included in the pro forma financial information, and neither is the acquisition of properties from Norlandia Barnehagene and Kidsa Drift AS (8 in total) as described in section 10.1.1 (4. and 5).

Based on the lease contracts for the complete property portfolio as of 1 June 2015, the Group has a monthly rental income of NOK 17.1 million, which equates to an annualised rental income of NOK 205 million. Both the figures presented in section 11.6 "Unaudited pro forma income statement 2014" and section 12.1 "Historical financial information – Pioneer Property Group" are not comparable with this total current lease run-rate as not all of the properties in the Group's current portfolio are included in these pro-forma figures.

In section 12 "Selected financial information", combined historical financial information for the Group is presented. The combined financial statement has been prepared as the companies PPP I, PPP II and PPP III are controlled by the same management.

### **11.2 Background to the preparation of unaudited pro forma financial information**

In accordance with ESMA and the Prospectus Directive Regulation, pro forma financial information must be prepared in the case of "significant change". A prospectus relating to an issue of equity securities must contain a description of how the transaction might have affected the assets and liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported. The transactions described in the next paragraphs are considered significant in relation to the definition above, and, as such, pro forma financial information has been prepared.

On 12 May 2015, the Company entered into a share purchase agreement with the shareholders of PPP I, PPP II and PPP III. For accounting purposes, the activities in the acquired entities are considered not to be a business as defined in IFRS 3, and the transactions in question are therefore not covered by the scope of IFRS 3. Accordingly, the acquisitions are accounted for as asset acquisitions, with the Company as the acquiring entity. The unaudited pro forma financial information includes the acquisitions of PPP I, PPP II, PPP III, Kidsa Bygg AS and Kidsa Eiendom AS.

The historical financial information for PPP I, PPP II and PPP III is included in the combined financial statement for the Group presented in section 12 "Selected Financial Information". PPP III acquired Service Property AS in May 2014, whereas PPP IV acquired Kidsa Bygg AS and Kidsa Eiendom AS in April 2015. The transactions valued the properties in Service Property AS at NOK 1,378 million and the properties in Kidsa Bygg AS and Kidsa Eiendom AS at NOK 447.3 million. Both transactions are significant to the Group and are hence included in the pro forma financial statement.

The unaudited pro forma financial information has been compiled in connection with the Listing to comply with the Norwegian Securities Trading Act and the applicable EU regulations pursuant to section 7-7 of the Norwegian Securities Trading Act.

### **11.3 Sources of unaudited pro forma financial information**

The unaudited pro forma financial information is prepared based on the audited combined financial statement for the Group, and on the audited Norwegian GAAP financial statements of Kidsa Bygg AS and Kidsa Eiendom AS. For the purpose of the pro forma financial information, the statement of income and statement of financial positions are converted to IFRS as adopted by the EU. The pro forma adjustment for Service Property AS is based on the disclosures in note 6 of the combined financial statement of the Group. The transaction is already reflected in the balance sheet as of 31 December 2014, and therefore it is only included in the pro forma income statement.

The Norwegian GAAP financial statements and IFRS adjustments are presented in Appendix B "Historical financial information".

#### **11.4 Basis for preparation of the unaudited pro forma financial information**

The unaudited pro forma financial information has been prepared in connection with the acquisitions and the listing of the Preference Shares of the Company. The unaudited pro forma financial information has been compiled to show how the acquisitions and share issuance might have impacted the Company's income statement for 2014, as if the acquisitions and share issuance had taken place on 1 January 2014. The consolidated balance sheet as of 31 December 2014 is compiled as if the acquisition had taken place at the balance sheet date.

The unaudited pro forma financial information has been prepared for illustrative purposes only. Because of its nature, the unaudited pro forma financial information addresses a hypothetical situation and does not represent the Company's actual financial position or results. The figures are not necessarily indicative of future results of operations or the financial position of the combined Company. In this respect, the reader is cautioned not to place undue reliance on this unaudited pro forma condensed financial information.

The unaudited pro forma financial information is presented in NOK. The functional currency of all involved entities is NOK.

#### **11.5 Accounting principles**

The unaudited pro forma financial information has been compiled using accounting principles that are consistent with the accounting principles of the Company, as described in section 12.2 "Summary of accounting sources and principles" unless otherwise stated in section 11.3 "Sources of unaudited pro forma financial information" and section 11.8 "Notes to unaudited pro forma financial information". The accounting principles as described in section 12.2 "Summary of accounting sources and principles" are the accounting principles to be applied in the future reporting periods of the Company.

The notes in section 11.8 "Notes to the unaudited pro forma financial information" are an integral part of the unaudited pro forma financial information. All the unaudited pro forma adjustments will have a continuing impact.

#### **11.6 Unaudited pro forma income statement 2014**

Unaudited pro forma adjustments have been included in the preparation of the unaudited pro forma income statement and balance sheet. The unaudited pro forma income statement and balance sheet have references to the notes in section 11.8 "Notes to the unaudited pro forma financial information".

## Pro forma Income statement

NOK 1000	Note	Combined	Kidsa	Kidsa	IFRS	Proforma	Proforma
		statements	Bygg AS	Eiendom	adjustm	adjustme	2014
		IFRS	NGAAP	AS	ents	nts	Unaudited
		Audited	Audited	Audited	Unaudite	Unaudite	Unaudited
Income from rent	1b	104 098	7 512	7 068		53 368	172 046
Other operating income		57					57
<b>Total income</b>		<b>104 155</b>	<b>7 512</b>	<b>7 068</b>	<b>0</b>	<b>53 368</b>	<b>172 103</b>
Property and administrative expenses	1b	13 774	44	-7		20 838	34 649
Depreciations	1a		2 495	2 654	-5 149		0
<b>Total expenses</b>		<b>13 774</b>	<b>2 539</b>	<b>2 647</b>	<b>-5 149</b>	<b>20 838</b>	<b>34 649</b>
<b>Operating profit before changes in fair value</b>		<b>90 381</b>	<b>4 973</b>	<b>4 421</b>	<b>5 149</b>	<b>32 531</b>	<b>137 454</b>
Fair value adjustments on investment properties		44 003					44 003
<b>Operating profit</b>		<b>134 384</b>	<b>4 973</b>	<b>4 421</b>	<b>5 149</b>	<b>32 531</b>	<b>181 457</b>
Finance costs - net	1b, 2b	-61 496	-2 614	-2 422	0	-16 863	-83 395
<b>Profit before income tax</b>		<b>72 888</b>	<b>2 359</b>	<b>1 999</b>	<b>5 149</b>	<b>15 668</b>	<b>98 062</b>
Income tax expense	2a, 1b, 3b	-20 102	-636	-540	-1 390	-4 230	-26 898
<b>Profit for the year</b>		<b>52 786</b>	<b>1 723</b>	<b>1 459</b>	<b>3 759</b>	<b>11 437</b>	<b>71 164</b>
Other comprehensive income, net of tax		0	0	0	0	0	0
<b>Total comprehensive income</b>		<b>52 786</b>	<b>1 723</b>	<b>1 459</b>	<b>3 759</b>	<b>11 437</b>	<b>71 164</b>



## 11.7 Unaudited pro forma statement of financial position 2014

NOK 1000	Note	Combined statement s IFRS	Kidsa Bygg AS NGAAP	Kidsa Eiendom AS NGAAP	IFRS adjustm ents	Proforma adjustme nts	Proforma 2014 Unaudited
Assets		Audited	Audited	Audited	Jnauditec	Unaudited	Unaudited
<b>Non-current assets</b>							
Deferred tax asset				323			323
Investment properties	1a,3b	2 032 000	65 173	60 902		321 225	2 479 300
<b>Total non-current assets</b>		<b>2 032 000</b>	<b>65 173</b>	<b>61 225</b>	<b>0</b>	<b>321 225</b>	<b>2 479 623</b>
<b>Current assets</b>							
Trade and other receivables		34 976	4 215				39 191
Cash and cash equivalents		73 348	1 756	488			75 592
<b>Total current assets</b>		<b>108 324</b>	<b>5 971</b>	<b>488</b>	<b>0</b>	<b>0</b>	<b>114 783</b>
<b>Total assets</b>		<b>2 140 324</b>	<b>71 144</b>	<b>61 713</b>	<b>0</b>	<b>321 225</b>	<b>2 594 406</b>
<b>Equity and liabilities</b>							
<b>Total equity</b>	<b>3b</b>	<b>414 746</b>	<b>8 164</b>	<b>3 353</b>		<b>329 383</b>	<b>755 646</b>
<b>Non-current liabilities</b>							
Liabilities to financial institutions		1 332 513	42 433	19 847			1 394 793
Deferred tax liabilities	3b	24 937	8 158		0	-8 158	24 937
Loans from shareholders and related parties		204 938					204 938
Other long term liabilities		114 297	10 955	37 695			162 947
<b>Total non-current liabilities</b>		<b>1 676 685</b>	<b>61 546</b>	<b>57 542</b>	<b>0</b>	<b>-8 158</b>	<b>1 787 615</b>
<b>Current liabilities</b>							
First year instalments							0
Sellers credit	3b						0
Current income tax			913	732			1 645
Accounts payable and other payables		48 893	521	86			49 500
<b>Total current liabilities</b>		<b>48 893</b>	<b>1 434</b>	<b>818</b>	<b>0</b>	<b>0</b>	<b>51 145</b>
<b>Total liabilities</b>		<b>1 725 578</b>	<b>62 980</b>	<b>58 360</b>	<b>0</b>	<b>-8 158</b>	<b>1 838 760</b>
<b>Total equity and liabilities</b>		<b>2 140 324</b>	<b>71 144</b>	<b>61 713</b>	<b>0</b>	<b>321 225</b>	<b>2 594 406</b>

## 11.8 Notes to the unaudited pro forma financial information

### 11.8.1 Notes to the IFRS conversion of Kidsa Eiendom AS and Kidsa Bygg AS

#### Note 1a Accounting for investment properties at fair value

Under Norwegian GAAP, investment properties are carried at cost less depreciations. In the 2014 financial statement, the book value of the properties was NOK 126.1 million, and a depreciation of NOK 5.2 million was included in the income statement. The book value is replaced with the transaction price in the pro forma adjustments, and there are no changes in IFRS adjustment to the book value of investment properties. To present the 2014 figures in the income statement in accordance with IFRS, the depreciation of NOK 5.2 million is reversed. No change in fair value is included since it would be eliminated in the pro forma adjustment.

#### Note 2a Changes in deferred tax

The audited financial statement for 2014 includes a change in deferred tax in the income statement, where NOK 1.4 million relates to depreciation of investment properties. The tax related to the depreciation is reversed in the IFRS adjustments.

### *11.8.2 Notes to the pro forma adjustments*

#### *Note 1b Revenues in Service Property AS before 30 June 2014*

PPP III acquired the shares in Service Property AS with effect from 30 June 2014, and the income statement of the combined financial statements includes the figures from Service Property AS from 1 July 2014. The figures for Service Property AS for the period from 1 January 2014 to 30 June 2014 are not included in the audited financial statements of PPP III. In the pro forma financial statement, revenues of NOK 53.4 million, operating expenses of NOK 20.8 million and net financial costs of NOK 5.8 million are included. These figures amount to the portion of revenues, operating expenses, and net financial items not included in the audited financial statement of PPP III.

#### *Note 2b Increased finance cost related to the acquisition of Service Property AS*

The acquisition of Service Property AS resulted in an increase in interest bearing debt of NOK 341.1 million. The pro forma net financial costs of NOK 16.9 million includes an amount of NOK 11.1 million in interest expenses to reflect the fact that the pro forma figures assumes that the transaction took place as of 1 January 2014. The tax expense is reduced with NOK 2.9 million to reflect the tax effect of the additional interest expenses included.

#### *Note 3b Adjusting for the acquisition of PPP IV, (Kidsa Bygg AS and Kidsa Eiendom AS)*

When the Company acquired PPP IV, the properties in Kidsa Bygg and Kidsa Eiendom were valued at NOK 447.3 million. The transaction price is based on valuations as of May 2015. The pro forma income statement is prepared as if the transaction had taken place on 1 January 2014, while the statement of financial position is prepared as if the transaction had taken place on 31 December 2014. The carrying amount of the investment properties is adjusted to reflect the fair value implied in the transaction. As no change in fair value was included in the IFRS adjustment for these companies, no elimination of change in fair value is performed.

In the acquisition of PPP IV, no employees or services contracts were acquired, and the lessee is responsible for the operations of the properties. Accordingly, the acquired companies lack the characteristics needed for the transactions to be considered business acquisitions, and the transactions are therefore accounted for as asset purchases. This means that the initial exception for recognising deferred tax applies, and deferred tax relating to the investment properties of NOK 8.2 million is eliminated from the statement of financial position.

### **11.9 Independent assurance report on unaudited pro forma financial information**

The Company's auditor, BDO AS, with organisation number 993 606 650, and with address at Munkedamsveien 45 E, 0250 Oslo, Norway, have issued an independent assurance report on the unaudited pro forma financial information. See Appendix B "Historical financial information".

## 12. SELECTED FINANCIAL INFORMATION

The tables presented in this section represent the Group's selected combined financial information as at and for the twelve months ended 31 December 2014 and 31 December 2013.

The historical information in the Combined Financial Statements has been prepared from information used to prepare the consolidated financial statements of the Group and combines the results of operations, assets and liabilities of the entities forming the Group and certain allocation of revenues and expenses incurred by existing Pioneer Property Group ASA on behalf of the new Pioneer Property Group's business. The Full-Year Combined Financial Statements have been prepared in accordance with IFRS as adopted by the EU.

For information regarding the basis of preparation of the Combined Financial Statements see notes to these figures, sections 12.2 - 12.6.

As required by regulations, the Company has included its audited financial statements for the twelve-month period ending 31 December 2014 and 31 December 2013, prepared in accordance with accounting standards, principles and practices generally accepted in Norway.

### 12.1 Historical financial information – Pioneer Property Group ASA

All figures are presented in accordance with IFRS. The tables should be read in conjunction with the financial statement enclosed in Appendix B "Historical financial information".

#### Combined financial statement of income - Pioneer Property Group ASA

NOK 1000	2014	2013
Revenue	104 155	51 530
Operating expenses	13 774	5 788
Fair value adjustments on investment properties	44 003	5 335
<b>Operating profit (loss)</b>	<b>134 384</b>	<b>51 077</b>
Financial items	-61 496	-35 171
<b>Profit (loss) before tax</b>	<b>72 888</b>	<b>15 906</b>
Income tax expenses	-20 103	-4 280
<b>Profit (loss) for the period</b>	<b>52 785</b>	<b>11 626</b>

**Condensed combined statement of financial position - Pioneer Property Group ASA**

<b>NOK 1000</b>	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Investment properties	2 032 000	638 100
<b>Total non-current assets</b>	<b>2 032 000</b>	<b>638 100</b>
<b>Current assets</b>		
Receivables	34 976	28 441
Cash and cash equivalents	73 348	55 854
<b>Total current assets</b>	<b>108 324</b>	<b>84 295</b>
<b>Total assets</b>	<b>2 140 324</b>	<b>722 395</b>
<b>Equity and liabilities</b>		
<b>Total equity</b>	<b>414 746</b>	<b>99 929</b>
<b>Non-current liabilities</b>		
Liabilities to financial institutions	1 332 513	391 527
Deferred tax liabilities	24 936	12 348
Long term liabilities to related parties	204 938	196 437
Other long term liabilities	114 297	858
<b>Total non-current liabilities</b>	<b>1 676 684</b>	<b>601 170</b>
<b>Current liabilities</b>		
Tax payable	5 426	0
First year instalments	19 737	2 572
Accounts payables and other payables	23 729	18 724
<b>Total current liabilities</b>	<b>48 892</b>	<b>21 296</b>
<b>Total liabilities</b>	<b>1 725 576</b>	<b>622 466</b>
<b>Total equity and liabilities</b>	<b>2 140 322</b>	<b>722 395</b>

# Condensed combined statement of cash flows - Pioneer Property Group ASA

<b>NOK 1000</b>	<b>2014</b>	<b>2013</b>
<b>Cash flow from operations</b>		
Profit before income taxes	72 888	15 906
Fair value adj. on investment properties	-44 003	-5 335
Financial items	18 764	19 303
Change in working capital	4 019	6 724
<b>Net cash flow from operations</b>	<b>51 668</b>	<b>36 598</b>
<b>Cash flow from investments</b>		
Purchase of investment properties	-1 349 897	-80 172
Sale of investment properties	0	27 399
Net changes in financial receivables	0	4 654
Interest received	3 635	510
<b>Net cash flow from investments</b>	<b>-1 346 262</b>	<b>-47 609</b>
<b>Cash flow from financing</b>		
Proceeds from increased debt	7 471	186 295
Payments of loan	1 089 594	-107 171
Share issue	264 900	0
Interest paid	-49 877	-18 170
<b>Net cash flow from financing</b>	<b>1 312 088</b>	<b>60 954</b>
<b>Net change in cash</b>	<b>17 494</b>	<b>49 943</b>
Cash at the beginning of the period	55 854	5 911
<b>Cash at the end of the period</b>	<b>73 348</b>	<b>55 854</b>

# Condensed combined Statement of changes in equity - Pioneer Property Group ASA

NOK 1000

	Share capital	Retained earnings	Total equity
<b>01.01.2013</b>	<b>71 070</b>	<b>17 233</b>	<b>88 303</b>
Profit for the period	0	11 626	11 626
Dividends	0	0	0
Share issue	0	0	0
<b>31.12.2013</b>	<b>71 070</b>	<b>28 859</b>	<b>99 929</b>
Profit for the period	0	52 786	52 786
Dividends	0	-2 869	-2 869
Share issue	264 900		264 900
<b>31.12.2014</b>	<b>335 970</b>	<b>78 776</b>	<b>414 746</b>

## **12.2 Summary of accounting policies and principles**

### *12.2.1 General*

The combined consolidated financial statements have been prepared in accordance with IFRS as approved by the EU, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31 December 2014.

### *12.2.2 Changes in accounting principles*

#### *a) New and improved standards implemented by the Group*

The IFRS standards have been adopted by the Company for the first time for the financial year beginning on 1 January 2014 and ending on 31 December 2014, and have a material impact on the Group. The financial statements are drawn up in connection with the listing of Preference Shares on Oslo Axess to comply with the Norwegian Securities Trading Act and the applicable EU regulations pursuant to section 7-7 of the Norwegian Securities Trading Act.

#### *b) New and improved standards not implemented by the Group*

Several new and improved standards have been issued by IASB with effective date later than for accounting periods starting after 1 January 2014. These standards have not been used by the Company in the preparation of the combined financial statements for 2014. The most material new and improved standards with effective date 1 January 2018 are IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers". These standards will not have a material effect on the Group.

### *12.2.3 Consolidation*

When the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all the three following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate a change in any of these elements of control. The Subsidiaries are fully consolidated from the date on which control is transferred to the group. Subsidiaries are deconsolidated from the date control ceases.

#### *Acquisitions of subsidiaries/other entities and business combinations*

The Group applies the acquisition method to account for acquisition of subsidiaries or other entities. The assets and debt transferred in business combinations are recognised at their fair values as at the acquisition date. Deferred tax is calculated based on the difference between fair value and the tax bases of assets and debt. Goodwill is calculated as the excess of the consideration and the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquired entities and the fair value of the minority interest in the acquisition. The minority interest is valued either at fair value or by the minority share of the net assets. When investing in related companies, goodwill is included in the recognised value of the investment. Goodwill is recognised at its acquisition value with deduction of any accumulated devaluations. Goodwill is not depreciated, but an impairment test is performed each year. Negative goodwill is recognised as income on the date of acquisition.

#### *Acquisition of subsidiaries or other entities not viewed as business combinations*

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.

#### *Elimination of transactions*

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Unrealised gains on transactions with associates are eliminated with the Group's share of the Company. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 12.2.4 Investment property

A property held with the purpose of achieving rental income, increase in value or both are classified as investment property. An investment property also includes property under development for future use as investment property and is initially recognised at cost including transaction costs. Transaction costs include stamp duty, lawyer's fees and commission to bring the property to the condition necessary to put the property into operation. Recognised value also includes replacement cost for parts of the existing investment property at the time when the cost is incurred and the terms for recognition have been met.

After its initial recognition, the investment property is recognised at fair value. Profit or losses from changes in fair value are presented in the income statement when they arise. Subsequent costs relating to the investment property are included in the carrying amount if it is probable that they will result in future economic benefits for the investment property and the costs can be measured reliably. Expenses relating to operations and maintenance of the investment property are charged to the income statement during the financial period in which they are incurred.

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

#### 12.2.5 Lease agreements

##### *(a) When a group company is the lessee*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments, including prepayments, made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

##### *(b) When a group company is the lessor*

Property leased on an operational lease is included in investment property on the group balance sheet. Rental income is included on a straight-line basis over the period of the lease. The Group pays remuneration to consultants in negotiations of new lease agreements. Remuneration paid in relation to new lease agreements is included in the carrying amount of the investment property and is amortised over the life of the lease agreement.

Payments, free rental period or other incentives given to the lessee are accrued on a straight-line basis over the period of the lease.

#### 12.2.6 Financial assets

##### *Classification*

The group classifies its financial assets in the following categories: (a) at fair value through profit or loss and (b) loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### *(a) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise, they are classified as non-current. Financial assets are initially recognised at fair value, and transaction costs are expensed in the income statement. Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within "Other gains and losses" in the period in which they arise.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

#### *(b) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet. Loans and receivables are initially recognised at fair value, transaction costs are added to the carrying amount. Loans and receivables are subsequently carried at amortised cost.

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

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

#### *Other financial obligations*

Other financial obligations include all obligations not classified at fair value over the income statement. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Financial obligations are initially recognised at their fair value, and transaction costs are expensed in the income statement. Obligations are subsequently carried at amortised cost. Financial obligations are derecognised when the obligation to rights to meet the obligation have expired. This normally happens when the Group pays its obligations.

#### *Offsetting financial assets and obligations*

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet, when a legally enforceable right to offset the recognised amounts exists and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### *12.2.7 Trade receivables*

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), the trade receivables are classified as current assets. If not, they are presented as non-current assets.

#### *12.2.8 Cash and cash equivalents*

Cash and cash equivalents include cash in hand, bank deposits, other short-term highly liquid investments with original maturities of three months or less. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

#### *12.2.9 Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any group company purchases the company's equity share capital (treasury shares), the consideration paid is deducted from the equity. When such ordinary shares are subsequently reissued, any consideration received is included in the equity attributable to the company's equity holders. Voting rights related to treasury shares are annulled and no dividend is allocated to treasury shares.



Minority interests are included in the equity. Minority interests are initially measured at fair value of net assets at acquisition including any goodwill. The minority interest is attributed to its proportionate share of the profit of the relevant subsidiaries. Buying and selling shares from or to minority interests are accounted for as an equity transaction. The difference between the proportionate share of the book value and the transaction price is charged or credited to the majority share of the equity.

#### *12.2.10 Trade payables and other short term payables*

Trade payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### *12.2.11 Borrowings*

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan if it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. If it is not probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

#### *12.2.12 Borrowing costs*

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### *12.2.13 Current and deferred income tax*

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

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. Management periodically evaluates positions taken in tax returns when the applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to if it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is not probable that the temporary difference will reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### *12.2.14 Provisions*

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### *12.2.15 Revenue recognition*

Revenue comprises rental income, service fees and administration fees from the properties. Rental income is recognised over the life of the lease agreement. Income from through-invoicing of costs to tenants is recognised in the period when they are rendered according to contract.

#### *12.2.16 Real estate related costs and other costs*

Costs directly related to the operation of existing properties are recognised as real estate related costs, while other costs are included as administration costs. Costs are recognised as they are accrued.

#### *12.2.17 Interest income*

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

#### *12.2.18 Classification of assets and debt*

Current assets and short-term debt expected to be settled within 12 months, and other items included in the company's normal operating cycle are classified as current. Strategic investments are classified as fixed assets. The short-term share of the long-term debt is classified as short term.

#### *12.2.19 Dividend distribution*

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

#### *12.2.20 Operating Segments*

The Group's only business is to own and rent out kindergarten properties. All properties have the same tenant and are in the same business segment. All properties are in Norway.

### **12.3 Operating and financial review – Pioneer Property Group ASA**

The main difference between 2014 and 2013 is the inclusion of PPP III with six months in 2014. PPP III holds the properties rented out to Espira, and accounts for more than two thirds of the properties in the group as of 31 December 2014.

The revenues of PPG increased with NOK 52.6 million from NOK 51.5 million in 2013 to NOK 104.2 million in 2014, which is an increase of 102.1 percent from 2013 to 2014. Included in the revenues for 2014 is NOK 53 million from PPP III, which includes rent for six months from the Espira lease agreement. The operating expenses increased NOK 8.0 million from NOK 5.8 million in 2013 to NOK 13.8 million in 2014 which is an increase of 138 per cent compared to 2013. Operating cost related to PPP III amounts to NOK 8.3 million. Fair value adjustments in 2014 amounted to NOK 44 million and are mainly linked to the rent adjustments. The operating result was NOK 134.4 million. The pre-tax result for 2014 was NOK 72.9 million, the income tax expense NOK 20.1 million and the profit for the period NOK 52.8 million which is 51 per cent of revenues.

The cash flow from operations was NOK 51.7 million, net investments in 2014 were negative by NOK 1,349.9 million and cash flow from finance activities was positive by NOK 1,312.1 million. In the acquisition of Service Property AS, the acquisition price valued the properties at NOK 1,378 million. The transaction was a share acquisition with the shares valued at NOK 380.8 million. NOK 10 million of the acquisition price was settled in cash, NOK 248.9 million was converted to equity and a sellers' credit was issued for the remaining amount. A bond loan of NOK 385 million was issued in connection to the acquisition, where the net proceeds were used to settle part of the liabilities acquired in the transaction. As at 31 December 2014, the total equity was NOK 414.7 million, including NOK 248.9 million of the transaction price and an additional equity issue of NOK 16 million in PPP III. The equity ratio was 19.4 per cent. Dividends (group contribution) were paid in the amount of NOK 2.9 million in 2014 while there was no dividends in 2013.

### **12.4 Investments– Pioneer Property Group ASA**

The carrying amount of investment properties amounted to NOK 2,032 million in 2014 and NOK 638.1 million in 2013. In 2013, the Company acquired two additional properties from Norlandia Care Group for NOK 52.8 million. The transaction with Norlandia Care Group was a share purchase transaction which included additional properties with a total value of NOK 27.4 million which were sold directly after the transaction. In 2014, Service Property AS was acquired in a transaction which valued the properties at NOK 1,378 million. No additional investments were made in properties in 2014 and 2013.

On 22 April 2015, PPP IV entered into an agreement with Kidprop AS to take over the share purchase agreement regarding 100 per cent of the shares in Kidsa AS. The transaction price was NOK 270 million, including both the buildings and the operations of the kindergartens. Kidsa AS sold the operations of the kindergartens before Pioneer Property Group ASA acquired the shares in PPP IV.

On 12 May 2015, PPP IV entered into a share purchase agreement with Norlandia Barnehagene AS to acquire the 100 % of shares in Arken Barnehage Eiendom AS (to be demerged from Arken Barnehage AS) with a transaction price of NOK 10.5 million. The transaction price valued the property at NOK 10.5 million. On the same day, PPP IV entered into an agreement with Norlandia Preschools to acquire 100 per cent of the shares in Norlandia Barnehagebygg AS (to be demerged from Norlandia Barnehagene II AS) with a transaction price of NOK 35.1 million. The transaction price valued the 3 properties at NOK 62.5 million less accompanying debt of NOK 27.4 million. Also on the same day, PPP IV entered into an agreement with Kidsa Drift AS to acquire 100 per cent of the shares in 4 companies (each holding one property) to be demerged from subsidiaries of Kidsa Drift AS for a transaction price of NOK 20.5 million. No goodwill arose from these investments. The Company is not currently planning any future large investments.

For the transaction price and value of Pioneer Property Group ASA's purchase of PPP IV, see section 12.8.1 "Related party transactions - The Company".

### **12.5 Liquidity and capital resources – Pioneer Property Group ASA**

As of 31 December 2014, cash and bank deposits amounted to NOK 73.4 million. The different transactions described in section 12.3 and 12.4 are funded from various sources such as Husbanken, bank loans and bonds as described in the following table:

<b>TNOK</b>	<b>PPPI</b>	<b>PPPII</b>	<b>PPPIII</b>	<b>Total</b>
Husbanken	14 483	-	576 869	591 352
Bank loans	178 750	-		178 750
Bonds		191 949	370 462	562 411
<b>Total</b>	<b>193 233</b>	<b>191 949</b>	<b>947 331</b>	<b>1 332 513</b>

The working capital, defined as current assets less current liabilities, is NOK 59.4 million. The Group has a positive cash flow from the operation. For a more detailed description of the Group's cash flows as of 31 December 2014, and material changes after 31 December 2014, see section 10 "Capitalisation and Indebtedness".

In addition, The Group has certain financial covenants where: "The issuer shall ensure that 1. the aggregate of i) Market value of the Properties and ii) the amount standing to the credit of the Issuer at the Escrow Account and the Earnings Account, at all times exceeds 120% of the total Financial Indebtedness of the Group (on a consolidated basis); and 2. The amount of the Earnings Account is at all times no less than minimum NOK 5 million." Other than these restrictions, there are no other restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Group's operation

## 12.6 Borrowings – Pioneer Property Group ASA

Total long-term borrowings of the Company amounted in 2014 to NOK 1,676.7 million, compared to NOK 601.2 million in 2013. Short-term borrowings amounted to NOK 48.9 million in 2014 and NOK 21.3 million in 2013.

## 12.7 Auditor

The Company's auditor is BDO AS, with registration number 993 606 650 and business address at Munkedamsveien 45 E, N-0250 Oslo, Norway. BDO is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). BDO has been the Group's auditor since the Company was incorporated.

BDO's audit report on the Combined Financial Statements is included together with the Audited Combined Financial Statements in Appendix B "Historical financial information".

## 12.8 Related party transactions

### 12.8.1 Related party transactions - The Company

On 12 May 2015, the Company entered into share purchase agreements with the shareholders of PPP I, PPP II, PPP III and PPP IV regarding 100 per cent of the shares in each of the companies. The existing shareholders are related parties to the Company. The details of the transactions are listed in the table below:

<b>TNOK</b>	<b>PPP</b>	<b>PPP II</b>	<b>PPP III</b>	<b>PPP IV</b>	<b>Total</b>
Investment properties	417 577	526 725	1 801 000	655 713	3 401 015
Net working capital	18 452	15 054	15 111	0	48 617
Debt assumed	296 078	295 139	1 076 484	397 000	2 064 701
<b>Purchase price</b>	<b>139 951</b>	<b>246 640</b>	<b>739 627</b>	<b>258 713</b>	<b>1 384 931</b>

In addition shareholder loans of NOK 318.0 million were purchased from the existing shareholders. Of the total purchase price, NOK 1 541.5 million was converted to equity. The remaining balance was settled with a sellers credit to be paid with the proceeds from the private placement. The conversion was made on 12 May 2015.

### 12.8.2 Related party transactions Pioneer Public Properties I AS

Related party transactions in the financial statement for Pioneer Public Properties I AS in 2014 and the period from 1 January 2015 to 30 April 2015 are set out in the table below:

<b><i>Pioneer Public Properties AS</i></b>	<b>2014</b>	<b>01.01.2015- 30.04.2015</b>
Rent received from related parties	24 615	8 363
Services received from related parties	1 722	431
Interest payable to related parties	7 321	2 053
Receivables from related parties	24 055	27 527
Liabilities to related parties	104 627	104 796

Rent received in 2014 and 2015 relates to the lease agreement with Norlandia Preschools. Services received in 2014 and 2015 relates to the management agreement with Pioneer Capital Partners AS.

### 12.8.3 Related party transactions Pioneer Public Properties II AS

Related party transactions in the financial statement for Pioneer Public Properties II AS in 2014 and the period from 1 January 2015 to 30 April 2015 are set out in the table below:

<b><i>Pioneer Public Properties II AS</i></b>	<b>2014</b>	<b>01.01.2015- 30.04.2015</b>
Rent received from related parties	26 514	9 008
Services received from related parties	1 600	400
Interest payable to related parties	2 503	2 041
Property acquired from related parties	0	40 000
Receivables from related parties	6 750	0
Liabilities to related parties	102 054	102 571

Rent received in 2014 and 2015 relates to the lease agreement with Norlandia Preschools. Services received in 2014 and 2015 relates to the management agreement with Pioneer Capital Partners AS. The property acquired in 2015 relates to transactions with Norlandia Preschools.

### 12.8.4 Related party transactions Pioneer Public Properties III AS

Related party transactions in the financial statement for Pioneer Public Properties III AS in 2014 and the period from 1 January 2015 to 30 April 2015 are set out in the table below:

<b><i>Pioneer Public Properties III AS</i></b>	<b>2014</b>	<b>01.01.2015- 30.04.2015</b>
Rent received from related parties	0	0
Services received from related parties	13 870	525
Interest payable to related parties	0	1 303
Property acquired from related parties	1 378 000	0
Receivables from related parties	0	0
Liabilities to related parties	65 130	67 245

Services received in 2014 and 2015 relate to the management agreement with Pioneer Capital Partners AS. In the amount for services received in 2014 a success fee of NOK 11.8 million is included. The property acquired in 2014 relates to transactions with Kidprop AS.

*12.8.5 Related party transactions Pioneer Public Properties IV AS*

Related party transactions in the financial statement for Pioneer Public Properties IV AS in 2014 and the period from 1 January 2015 to 30 April 2015 are set out in the table below:

<b><i>Pioneer Public Properties IV AS</i></b>	<b>2014</b>	<b>01.01.2015- 30.04.2015</b>
Property acquired from related parties	0	656 950

All properties were acquired from Kidprop AS.

## 13. BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

### 13.1 Introduction

The general meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested in the Board of Directors and the management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer (the "CEO"), is responsible for keeping the Company's accounts in accordance with applicable law and for managing the Company's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Group's activities, financial position and operating results at a minimum of one time per month.

### 13.2 Board of Directors

#### 13.2.1 Overview

The Articles of Association provide that the Board of Directors shall consist of a minimum of 3 and a maximum of 7 members.

As at the date of this Prospectus, the Company's Board of Directors consists of the following individuals:

Name of director	Position since	Current term expires
Roger Adolfsen	2015	2017
Nina Torp Høisæter	2015	2017
Even Carlsen	2015	2017
Geir Hjorth	2015	2017
Sandra Riise	2015	2017

The Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance dated 30 October 2014 (the "**Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected members of the Board of Directors is independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected members of the Board of Directors are independent of the Company's main shareholders, and (iii) no members of the Company's executive management are on the Board of Directors. However, please note the following:

- Roger Adolfsen and his brother Kristian A. Adolfsen control the following shareholders of Pioneer: Hospitality Invest AS, Norlandia Care Group AS, Klevenstern AS and Mecca Invest AS. Roger Adolfsen and Kristian A. Adolfsen also indirectly control Norlandia Preschools AS, a major business relation of the Company. Kidsa Drift AS which is also a major business relation of the Company, is controlled by Norlandia Care Group AS, Kristian Adolfsen, Roger Adolfsen, Benn Eidissen and Even Carlsen.
- Even Carlsen controls Grafo AS, a shareholder of the Company, and is a member of the board of directors of Norlandia Care Group AS. Even Carlsen is accordingly not considered independent from major shareholders of major business connections and major shareholders of the Company.
- Nina Torp Høisæter is CEO in Aberia Healthcare AS, a company controlled by Kristian and Roger Adolfsen. She is accordingly not considered independent of major shareholders of the Company.

- Geir Hjorth and Sandra Riise do not have any relations with major shareholders or major business relations of Pioneer that according to the Company's view would make them not independent. For the sake of good order it should be mentioned that Geir Hjorth owns 2.43 per cent of Hospitality Invest AS through his wholly owned company Kronhjorten AS. He is also a representative of the minority shareholders in Norlandia Holding AS. He is not represented in the board of neither Hospitality Invest AS nor Norlandia Care Group AS.

The Company's registered office, c/o Pioneer Management AS, Rådhusgata 23, 0158 Oslo, Norway, serves as the business address for the members of the Board of Directors in relation to their directorships of the Company.

### *13.2.2 Brief biographies of the members of the Board Directors*

#### *Roger Adolfsen (Chairman)*

Adolfsen is currently chief executive officer and owner of Hospitality Invest AS, in addition Adolfsen is an investor. Adolfsen has 23 years of extensive experience from business and real estate development, including 19 years of owning his own business. Adolfsen has a broad experience from various boards of directors, and currently holds numerous board positions. Amongst others, he is a board member of the board of directors of Norlandia Care Group AS, Pioneer Capital Property AS, and Acea Properties AS. He is currently chairman of the board of directors of Eidsvoll Utvikling AS, Geilo Hotel Eiendom AS and Kilen Utbygging AS.

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.

#### *Nina Torp Høisæter*

Høisæter is currently chief executive officer at Aberia Healthcare AS. Prior to assuming her current position Høisæter was chief executive officer at Norlandia Care AS for ten years. Høisæter has an education within nursing from the University of Stavanger, she also has a major within psychology and sociology from South Dakota School of Mines and Technology. Høisæter has held various board positions within the confederation of Norwegian Enterprises ("**NHO**") (Nw: *Næringslivets Hovedorganisasjon*). She is currently a board member at NHO Oslo/Akershus.

#### *Even Carlsen*

Carlsen is the co-founder of Tromsø Barnehagedrift AS, which was later merged into Acea AS, he contributed to the development of the company as the chief executive officer from 2003-2008. Carlsen participated in the start-up of the Private Kindergartens National Association (Nw: *private barnehagers landsforbund*) and was on the board of directors. Carlsen has also had various board positions within private companies.

#### *Geir Hjorth*

Hjorth is currently self-employed and chief executive officer and partner at the Alter Ego Group. Before assuming his current position Hjorth has had extensive experience within the hotel sector. Hjorth has a broad experience from various board positions, he currently holds board positions in 27 different companies, and this includes board member positions and chairman positions. Hjorth has participated in courses within marketing and human resource management.

#### *Sandra Riise*

Riise is currently employed as chief executive officer at NARF (the Norwegian Association of Authorized Accountants). Riise has an education from BI Norwegian School of Management and has been a registered certified public accountant since 1980. She is currently a board member at the Norwegian Accounting Standards Board (Nw: *Norsk RegnskapsStiftelse*) and at Virke Accounting (Nw: *Virke Regnskap*). Riise also has a broad experience within public committees such as a law committee which evaluated preventive measures against money laundering and accounting (2007 and 2008) and a committee which evaluated the audit obligation for small enterprises (2007 and 2008).

### *13.2.3 Remuneration*

No remuneration has been paid to any of the members of the Board of Directors.



### 13.2.4 Shares and options held by members of the Board of Directors

As at the date of this Prospectus, the members of the Board of Directors have the following shareholdings in the Company:

Name	Position	Number of Shares (including Preference Shares and Ordinary Shares)
Roger Adolfsen	Chairman	2,596,330
Nina Torp Høisæter	Board member	0
Even Carlsen	Board member	1,773,386**
Geir Hjorth	Board member	52,865***
Sandra Riise	Board member	0

\*Roger Adolfsen's shares are held through the following entities: Hospitality Invest AS (owns 30.25 per cent), Norlandia Care Group AS (owns 26.45 per cent), Klevenstern AS (owns 100 per cent) and Mecca Invest AS (owns 100 per cent).

\*\* Even Carlsen's shares are held through the company Grafo AS (owns 100 per cent).

\*\*\* Geir Hjorth's shares are held through the following entities: Hospitality Invest AS (owns 2.43 per cent) and Kronhjorten AS (owns 100 per cent).

As at the date of this Prospectus, none of the members of the Board of Directors holds any options for Shares in the Company.

## 13.3 Management

### 13.3.1 Overview

Management consists of two individuals. The names of the members of the management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position	Served since
Runar Rønningen	CEO	2015
Martin Hoff	CFO/IR responsible	2015

Management is hired through the management company Pioneer Management AS and is regulated through separate management agreements. For a further description of the Management Agreement see section 9.8.

The Company's registered office, c/o Pioneer Management AS, Rådhusgata 23, 0158 Oslo, Norway, serves as the business address for the members of management in relation to their positions in the Company.

### 13.3.2 Brief biographies of the members of the management

Set out below are brief biographies of the members of the management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

#### *Runar Rønningen (CEO)*

Rønningen has more than ten years' experience from leading roles in Nordic investment and broker houses, including H&Q Norge and Fondfinans. Rønningen has been on value-creative cross-border corporate financial transactions, including mergers and acquisitions, fund raising, for both public companies and Private Equity funds. Rønningens experience also includes being a financial journalist, including 5 years in the Norwegian business journal Kapital. He holds an MBS in finance and is an authorized financial analyst (AFA) from the Norwegian School of Business (Nw. Handelshøyskolen) (NHH).

#### *Martin P. Hoff (CFO/IR Responsible)*

Hoff has been a partner in Pioneer Capital Partners since 2011. Hoff has an extensive experience from the financial markets. His previous experience includes partner and Senior Equity Analyst in Arctic Securities for 3 years, CFO of Funcom N.V, CFO of Tandberg Television ASA and Senior Equity Analyst in SEB Enskilda Securities for 4 years. Hoff has a bachelor in finance from the Boston University.

### 13.3.3 Remuneration and benefits

There has not been paid any remuneration to any of the member of the management.

### 13.3.4 Shares and options held by members of the management

As at the date of this Prospectus, the members of the management have the following shareholdings and options in the Company (including direct and indirect ownership):

Name	Position	Number of Shares	Number of options
Runar Rønningen	CEO	0*	0
Martin Hoff	CFO/IR responsible	0*	0

\* Runar Rønningen owns 30 per cent and Martin P. Hoff owns 10 per cent of the shares in Pioneer Capital Partners AS, which owns 185,333 Preference Shares in the Company, all of which are expected to be sold as part of the Offering.

### 13.3.5 Directorships and management positions held by the Board Members and the senior management

The following table sets forth all companies and partnerships in which the members of the Board of Directors and senior management have been members of the administrative, management and supervisory bodies in the previous five years (not including subsidiaries within the Group)

Name of officer	Position held	Company or partnership	Term of office
<b>Roger Adolfsen</b>	Chief Executive Manager	Hospitality Invest AS	2002 - present
	Board member	Aberia Healthcare AS	2010 - present
	Board member	Acea Development AS	2013 - present
	Board member	Acea Properties AS	2013 - present
	Chairman	Andrikken Eiendom AS	2012 - present
	Chairman	Andøy Hotell og Restaurantdrift AS	2010 - present
	Chairman	Baronen Eiendom AS	2012 - present
	Chairman	Bårliåsen Eiendom AS	2011 - present
	Board member	Dr. Holms vei 15 AS	2014 - present
	Chairman	Eidsvoll Utvikling AS	2015 - present
	Chairman	Geilo Hotelldrift AS	2012 - present
	Chairman	Guard Hotell AS	2013 - present
	Chairman	Hi Capital AS	2013 - present
	Board member	Husebyplataet AS	2014 - present
	Board member	Innersvingen Norefjell AS	2015 - present
	General manager	Karl Johan Hotellinvest AS	2010 - present
	Board member	Kidprop AS	2014 - present
	Board member	Kilen Utbygging 2 AS	2014 - present
	Board member	Lyngengården Hotell Eiendom AS	2012 - present
	Chairman	Lyngengården Hotelldrift AS	2011 - present
	Board member	Mestringshusene Nordic AS	2012 - present
	Board member	Miliarium Agnes AS	2015 - present
	Chairman	Miliarium AS	2013 - present
	Chairman	Måløy Hotell Eiendom AS	2012 - present
	Board member	Norab Eiendom AS	2015 - present
	Board member	Norefjell Prosjektutvikling AS	2011 - present
	Board member	Noreveien 24 AS	2014 - present
	Board member	Norlandia Care Group AS	2014 - present
	Chairman	Norlandia Holding AS	2010 - present
	Chairman	Norlandia Hotell Group AS	2014 - present
	Chairman	Notodden Hotelldrift AS	2011 - present
	Chairman	Notsalen Utvikling AS	2011 - present
	General manager	Oppdal Destinasjonsutvikling AS	2015 - present
	Chairman	Oppdal Prosjektutvikling AS	2012 - present

Name of officer	Position held	Company or partnership	Term of office
	Deputy member	Pennestrøket Eiendom AS	2010 - present
	Board member	Personalhuset AS	2014 - present
	Board member	Pioneer Capital Partners AS	2010 - present
	Chairman	Rognan Hotelldrift AS	2011 - present
	Chairman	Rosenkrantzgt. 11 Oslo AS	2013 - present
	Chairman	Saga Eiendomsutvikling AS	2012 - present
	Board member	Scandia Healthcare AS	2013 - present
	Board member	Sjusjøen Panorama Eiendom AS	2012 - present
	Board member	Sjusjøen Panorama Utvikling AS	2012 - present
	Board member	Sjøgata Eiendomsinvest AS	2013 - present
	Chairman	Storslett Hotelldrift AS	2011 - present
	Board member	Strandski Eiendom AS	2012 - present
	Chairman	Trysil Hotell Eiendom AS	2012 - present
	Chairman	Trysil Hotelldrift AS	2011 - present
	Chairman	Tråstølen Utvikling AS	2014 - present
	Chairman	Vestfjord Eiendom AS	2012 - present
	Board member	Aberia Eiendom AS	2010 - 2011
	Board member	Aberia Oppvekst og Utvikling AS	2010 - 2011
	Board member	Acea Invest 1 AS	2011 - 2013
	Board member	Acea Invest 11 AS	2012 - 2013
	Board member	Acea Invest 111 AS	2012 - 2013
	Board member	Acea Invest 2 AS	2011 - 2012
	Deputy member	Acea Invest 2 AS	2012 - 2013
	Board member	Acea Invest 22 AS	2012
	Deputy member	Acea Invest 22 AS	2012 - 2013
	Board member	Acea Invest 222 AS	2012 - 2012
	Deputy member	Acea Invest 222 AS	2012 - 2013
	Board member	Acea Invest 3 AS	2011 - 2013
	Board member	Acea Invest 33 AS	2012 - 2013
	Board member	Acea Invest 333 AS	2012 - 2013
	Board member	Acea Invest 4 AS	2011 - 2012
	General manager	Acea Invest 4 AS	2011 - 2013
	Chairman	Acea Invest 4 AS	2012 - 2013
	Board member	Acea Invest 44 AS	2012
	Chairman	Acea Invest 44 AS	2012 - 2013
	Board member	Acea Invest 444 AS	2012
	Chairman	Acea Invest 444 AS	2012 - 2013
	Deputy member	Agito Nordic AS	2010 - 2014
	Deputy member	Capella Eiendom AS	2011 - 2012
	Chairman	Dovrefjell Hotel Eiendom AS	2012 - 2013
	Board member	Dr. Holms vei 15 AS	2014
	Board member	Eidsvoll Utvikling AS	2008 - 2015
	Board member	Guard Hotell AS	2005 - 2013
	Board member	Hedmark Hotelldrift AS	2006 - 2012
	Chairman	Hemne Eiendom AS	2012 - 2014
	Deputy member	Hi Capital AS	2011 - 2013
	Deputy member	Horten Cateringdrift AS	2006 - 2012
	Deputy member	Horten Hotelldrift AS	2006 - 2014
	Chairman	Jarlen Eiendom AS	2012 - 2014
	Deputy member	Kristiansand Hotelldrift AS	2013 - 2014
	Chairman	Lenki Eiendom AS	2010
	Deputy member	Levanger Hotelldrift AS	2006 - 2014
	Chairman	Lillehammer Prosjektutvikling AS	2007 - 2014
	Deputy member	Lofoten Hotelldrift AS	2006 - 2014

Name of officer	Position held	Company or partnership	Term of office
	Deputy member	Lyngengården Hotelldrift AS	2006 - 2011
	Deputy member	Mestringshusene Nordic AS	2010 - 2012
	Board member	Miliarium Huseby AS	2014
	Board member	Miliarium Kilen AS	2014
	Deputy member	Måløy Hotelldrift AS	2006 - 2014
	Deputy member	Narvik Hotelldrift AS	2006 - 2014
	Board member	Nedre Tråstølen AS	2012 - 2014
	Deputy member	Nordic Health & Care Group AS	2011 - 2012
	Board member	Nordic Healthcare Holding AS	2007 - 2012
	Chairman	Nordisk Regnskapsservice AS	2008 - 2011
	Board member	Norlandia Barnehagene AS	2009 - 2012
	Board member	Norlandia Barnehagene II AS	2009 - 2012
	Deputy member	Norlandia Care AS	2007 - 2012
	Deputy member	Norlandia Care Group AS	2008 - 2014
	Board member	Norlandia Care Group AS	2008 - 2012
	Board member	Norlandia Hotell Group AS	2008 - 2014
	Chief executive officer	Norlandia Hotell Group AS	2009 - 2014
	Chief executive officer	Norlandia Management AS	2000 - 2011
	Board member	Norlandia Management AS	2000 - 2011
	Chairman	Norlandia Management AS	2011 - 2014
	Board member	Norlandia Properties AS	2008 - 2012
	Board member	Norlandia Services AS	2010 - 2012
	Board member	Norlandia Properties AS	2012 - 2013
	Board member	Notodden Hotelldrift AS	2006 - 2011
	Board member	Nrh Bodø AS	2013
	Deputy member	Oppdal Drift AS	2006 - 2011
	Chairman	Oppdal Drift AS	2011 - 2012
	Deputy member	Otta Hotelldrift AS	2006 - 2014
	Board member	Posthusgården Bodø AS	2012 - 2014
	Board member	Ramnberget Eiendom AS	2008 - 2011
	Deputy member	Rognan Hotelldrift AS	2006 - 2011
	Chairman	Rosenkrantzgt. 11 Hjemmel AS	2013
	Chairman	Scandia Healthcare AS	2011 - 2012
	Chairman	Sivert Nilsens Gate 21 AS	2010 - 2012
	Deputy member	Sjusjøen Panorama Eiendom AS	2008 - 2012
	Deputy member	Sjusjøen Panorama Utvikling AS	2009 - 2012
	Deputy member	Spjelkavik Hotelldrift AS	2006 - 2014
	Deputy member	Storslett Hotelldrift AS	2006 - 2011
	Chairman	Sunndalsøra Hotel Eiendom AS	2012
	Deputy member	Sunndalsøra Hotelldrift AS	2006 - 2014
	Deputy member	Trysil Hotelldrift AS	2006 - 2011
	Deputy member	Vestfjord Hotelldrift AS	2006 - 2011
	Chairman	Vestfjord Hotelldrift AS	2011
	Board member	Vifo Barnehagene AS	2009 - 2012
	Deputy member	Vifo Mogreina AS	2011 - 2012
	Board member	Vifo Neskollen AS	2010 - 2012
	Board member	Vifo Røa AS	2009 - 2012
	Deputy member	Viking Hotelldrift AS	2006 - 2014
	Board member	Viking Hotelldrift AS	2014
	Deputy member	Voss Resort Prosjektutvikling AS	2009 – 2014
Geir Hjort	CEO	Alter Ego Gruppen AS	1991 - present
	Chairman	Øya Festivalen AS	2008 - present

Name of officer	Position held	Company or partnership	Term of office
	Board member	Norlandia Holding AS	1996 - present
	Board member	Olavsgaard Hotell AS	1985 - present
	Board member	Olavsgaard Drift AS	2000 - present
	Board member	Olavsgaard Eiendom AS	2000 - present
	Board member	Losby Gods AS	2000 - present
	Board member	Winter Eiendom AS	2000 - present
	Chairman	Fast og Flytende AS	2013 - present
	Chief executive officer	Fast og flytende	2013 - present
	Chairman	Oslo og Akershus Bryggeri AS	2014 - present
	Chief executive officer	Oslo og Akershus Bryggeri AS	2014 - present
	Chairman	Alter Ego Gruppen AS	2002 - present
	Chief executive officer	Alter Ego Gruppen AS	2002 - present
	Chairman	Kronhjorten AS	2005 - present
	Chief executive officer	Kronhjorten AS	2005- present
	Chairman	Nattfabrikken AS	2011 - present
	Chief executive officer	Nattfabrikken AS	2011- present
	Chairman	TCC Kultur AS	2014 - present
	Chairman	Pasta Basta Franchise AS	1997 - present
	Chairman	Kruth AS	2013 - present
	Chairman	Norfest AS	2002- present
	Chairman	Vålerengahuset AS	1998 - present
	Chairman	Vålerengafamiliens Vertshus	2009 - present
	Chairman	Barnefestivalen AS	2010 - present
	Board member	Sannex AS	2008 - present
	Board member	Akkvir AS	2014 - present
	Board member	Jagest AS	2004 - present
	Board member	Norsk Bedriftsmegling AS	2010 - present
	Board member	Thai Investment Ltd AS	2009 - present
	Board member	Møllergata Kulturhus AS	2010 - present
	Board member	Accessit AS	2012 - present
	Board member	Debatten AS	2012 - present
	Chairman	Smalgangen AS	2011 - 2013
	Board Member	Smalgangen AS	2009 - 2013
	Chairman	Nichol & Son AS	2005 - 2013
	Chairman	JRL Produksjon AS	2012 - 2013
	Chairman	Sukkerbiten AS	2010 - 2013
	Chairman	Rega Consult AS (Now: Sannex AS)	2003 - 2012
	Chairman	Glade Gutter AS (Now: Alter Ego Gruppen AS)	2003 - 2010
	Board member	Tapperiet AS (Now: Jagest AS)	2004 - 2013
	Chairman	ESERES AS	2003 - 2010
	Board member	Serve Us AS (now: Alton Ego Gruppen AS)	2004 - 2012
	Chairman	Greenseat AS	2013
	Board member	Goksco AS	2012- present
<b>Nina Torp Høisæther</b>	CEO	Aberia Healthcare AS	2010 - present
	Chairman	Bolkesjøklinikken AS	2013 - present
	Chairman	Aberia Proff AS	2013 - present
	Chairman	Florance Invest AS	2007 - present
	Chairman	Aberia Eiendom	2010 - present
	Board member	Norab Eiendom AS	2015 - present
	Board member	Aberia Healthcare AS	2010 - present
	Chairman	Aberia Samson AS	2014 - present

Name of officer	Position held	Company or partnership	Term of office
	Chairman	Aberia Ung AS	2014 - present
	Chairman	Aberia Oppvekst og Utvikling AS	2010 - present
	Chairman	Aberia Rømskog Spa og Resort AS	2011 - present
<b>Even Carlsen</b>	Chief executive officer	Grafo AS	2000 - present
	Chairman	Grafo AS	2000- present
	Chief executive officer	Laurasia AS	2009 - present
	Chairman	Lauasia AS	2009 – present
	Chairman	Phønix Media AS	2015 - present
	Chairman	Vestfjorden AS	2011 - present
	Chairman	Stakkevollvegen 132 AS	2015 - present
	Chairman	Hero Group AS	2014 - present
	Chairman	Sjøgata 5 og 25 AS	2015 - present
	Chairman	Lillehammer Prosjektutvikling AS	2014 - present
	Chairman	Svinøya Rorbuer AS	2008 - present
	Board member	Svinøya Rorbuer AS	2008 - present
	Chairman	Rorbudrift Lofoten AS	2009 - present
	Chairman	Budapest Klinikken AS	2014 - present
	Chairman	Fiolvegen 10 AS	2010 - present
	Board member	Nordic Bil Holding AS	2013 - present
	Board member	Sjøgata Eiendomsinvest AS	2013 - present
	Board member	Nordic Bil Eiendom AS	2014 - present
	Board member	Kidsa Drift AS	2015 - present
	Board member	Autoservice AS	2014 - present
	Board member	Pennestrøket Eiendom AS	2011 - present
	Board member	Nordic Bil AS	2010 - present
	Board member	Pioneer Public Properties AS	2011 - present
	Board member	Northstar Properties AS	2013 - present
	Chief executive officer	Trykkeriet Leknes	1983 - present
	Chief executive officer	Media 2008 AS	2014 - present
	Chairman	Acea Developement AS	2013 - present
	Chairman	Hero Norge AS	2014 - present
	Chairman	Skippergata 1-7 AS	2014 - present
	Chairman	Budapest Klinikken Tromsø AS	2014 - present
	Chairman	Hero Holding AS	2014 - present
	Chairman	Break Even AS	2012 - present
	Chairman	Media 2008 AS	2012 - present
	Chairman	Canningen Brygge AS	2009 - present
	Chairman	Byavisene Østfold AS	2012 - present
	Chairman	Lundquist Media AS	2010 - present
	Board member	Oppdal Destinasjonsutvikling AS	2015 - present
	Board member	Miliarium AS	2013 - present
	Board member	Alf Brekken og Sønner AS	2007 - present
	Board member	Ramnberget Eiendom AS	2011 - present
	Board member	Norlandia Care Group AS	2008 -present
<b>Sandra Riise</b>	Chief executive officer	Norges Autoriserte Regnskapsføreres Forening	1996 - present
	Vice chairman	Representantskapet i Eksportfinans	2007 - present
	Board member	Andøya Rakettskytefelt AS	2004 - present
	Board member	Norsk Regnskapsstiftelse	2006 - present
	Board member	Virke Regnskap	2012 - present
<b>Runar Rønningen</b>	Chief executive officer	Marhajo Invest AS	2006 - present

Name of officer	Position held	Company or partnership	Term of office
	Chief executive officer	Glittre Invest AS	2015 - present
	Chief executive officer	Bogerudveien 13-15 AS	2015 - present
	Chief executive officer	Helsebygg Holding AS	2015 - present
	Chief executive officer	Ingeniørgården Bodø AS	2013 - present
	Chief executive officer	Sarepta Holding AS	2010 - present
	Chief executive officer	Pioneer Capital Partners AS	2013 - present
	Chief executive officer	Posthusgården Bodø AS	2013 - present
	Chief executive officer	Northstar Properties AS	2013 - present
	Chief executive officer	Acea Properties AS	2013 - present
	Chairman	Kidsa Brønnandalen AS	2015 - present
	Chairman	Ks As Sagveien Næringsbygg	2014 - present
	Chairman	Oslo Capital Partners AS	2011 - present
	Chairman	Marhajo Invest AS	2006 - present
	Chairman	Pioneer Management AS	2013 - present
	Chairman	Sagveien Tower AS	2013 - present
	Chairman	Kidsa Tertitten AS	2015 - present
	Chairman	Kidsa Toppemyr AS	2015 - present
	Chairman	Kidsa Christinegård AS	2015 - present
	Chairman	Kidsa Nyhavn AS	2015 - present
	Chairman	Kidsa Sølvberget AS	2015 - present
	Chairman	Kidsa Inndalen AS	2015 - present
	Chairman	Kidsa Slettebakken AS	2015 - present
	Chairman	Kidsa Vågedalen AS	2015 - present
	Chairman	Kidsa Olsvikfjellet AS	2015 - present
	Chairman	Kidsa Varden AS	2015 - present
	Chairman	Kidsa Allestadhaugen AS	2015 - present
	Chairman	Kidsa Ospeli AS	2015 - present
	Chairman	Kidsa Midtbygda AS	2015 - present
	Chairman	Kidsa Løvåsbakken AS	2015 - present
	Chairman	Kidsa Sandgotna AS	2015 - present
	Chairman	Kidsa Ladegården AS	2015 - present
	Chairman	Kidsa Festtangen AS	2015 - present
	Chairman	Kidsa Øvre Sædal AS	2015 - present
	Chairman	Kidsa Øvsttun AS	2015 - present
	Chairman	Haukedalen Eiendom AS	2015 - present
	Chairman	Pcp Bidco i AS	2015 - present
	Chairman	Oslo Real Estate AS	2015 - present
	Chairman	Kidsa Breistein AS	2015 - present
	Chairman	Kidsa Kokstad AS	2015 - present
	Chairman	Kidsa AS	2015 - present
	Chairman	Kidsa Hylkje AS	2015 - present
	Chairman	Kidsa Haukedalen AS	2015 - present
	Chairman	Kidsa Myrdal AS	2015 - present
	Chairman	Kidsa Bygg AS	2015 - present
	Chairman	Mølleparken Hjemmel AS	2014 - present
	Chairman	Sarepta Holding AS	2010 - present
	Chairman	Kidsa Eiendom AS	2015 - present
	Chairman	Kidsa Barnehager AS	2015 - present
	Chairman	Kidsa Øyrane AS	2015 - present
	Chairman	Kidsa Eidsvåg AS	2015 - present
	Chairman	Kidsa Erleveien AS	2015 - present
	Board member	Glittre Invest AS	2015 - present
	Board member	Bogerudveien 13-15 AS	2015 - present
	Board member	Helsebygg Holding AS	2015 - present

Name of officer	Position held	Company or partnership	Term of office
	Board member	Pioneer Capital Partners AS	2010 - present
<b>Martin Hoff</b>	Chief executive officer	Mph Invest AS	2005- present
	Board member	Mph Invest AS	2010- present
	Board member	Ks As Sagveien Næringsbygg	2014- present
	Board member	Sagveien Tower AS	2014- present
	Board member	Mølleparken Hjemmel AS	2014- present
	Deputy member	Kidsa Brønnandalen AS	2015- present
	Deputy member	Capella Eiendom AS	2013- present
	Deputy member	Vifo Røa Eiendom AS	2013- present
	Deputy member	Pioneer Management AS	2013- present
	Deputy member	Kidsa Tertitten AS	2015- present
	Deputy member	Kidsa Toppemyr AS	2015- present
	Deputy member	Kidsa Christinegård AS	2015- present
	Deputy member	Kidsa Nyhavn AS	2015- present
	Deputy member	Kidsa Sølvberget AS	2015- present
	Deputy member	Kidsa Inndalen AS	2015- present
	Deputy member	Kidsa Slettebakken AS	2015- present
	Deputy member	Kidsa Vågedalen AS	2015- present
	Deputy member	Kidsa Olsvikfjellet AS	2015- present
	Deputy member	Kidsa Varden AS	2015- present
	Deputy member	Kidsa Allestadhaugen AS	2015- present
	Deputy member	Kidsa Ospeli AS	2015- present
	Deputy member	Kidsa Midtbygda AS	2015- present
	Deputy member	Kidsa Løvåsbakken AS	2015- present
	Deputy member	Kidsa Sandgotna AS	2015- present
	Deputy member	Kidsa Ladegården AS	2015- present
	Deputy member	Kidsa Festtangen AS	2015- present
	Deputy member	Kidsa Øvre Sædal AS	2015- present
	Deputy member	Kidsa Øvstun AS	2015- present
	Deputy member	Kidsa Breistein AS	2015- present
	Deputy member	Kidsa Kokstad AS	2015- present
	Deputy member	Kidsa AS	2015- present
	Deputy member	Idunsvei 8 Eiendom DA	2013- present
	Deputy member	Kidsa Hylkje AS	2015- present
	Deputy member	Kidsa Haukedalen AS	2015- present
	Deputy member	Kidsa Myrdal AS	2015- present
	Deputy member	Kidsa Bygg AS	2015- present
	Deputy member	Kidsa Eiendom AS	2015- present
	Deputy member	Kidsa Barnehager AS	2015- present
	Deputy member	Kidsa Øyrane AS	2015- present
	Deputy member	Kidsa Eidsvåg AS	2015 -present
	Deputy member	Kidsa Erleveien AS	2015 - present
	Board member	Talnts Inc.	2015 - present

#### 13.3.6 Bonus program

The management of the Company does have any bonus programs.

#### 13.4 Benefits upon termination

The Group has no employees and therefore has no agreements provding for benefits upon termination of employment.



### **13.5 Pension and retirement benefits**

The Group has no employees and therefor has no pension or retirement benefits.

### **13.6 Loans and guarantees**

The Company has not granted any loans or guarantees to the management.

### **13.7 Nomination committee**

The Company shall, according to its Articles of Association, have a nomination committee consisting of a minimum of three members. The committee comprises of Kristian Adolfsen as the leader and Benn Eidissen and Johan Ivar Busklein as members. The nomination committee is elected by the general meeting and have a period of service for two years unless the general meeting determines otherwise. The nomination committee's tasks are set out in the Articles of Association and include, amongst other things to; nominate new board members to the general meeting, propose remuneration to the board members at the general meeting, propose remuneration to the members of the nomination committee, and to nominate new members of the nomination committee to the general meeting.

### **13.8 Audit committee**

The Company is exempted from having an audit committee as the Company has less than 250 employees, and the net annual turnover for 2014 was less NOK 350 million.

### **13.9 Remuneration committee**

The Company does not have any employees and has accordingly not established a remuneration committee.

### **13.10 Board and management practices**

The Company has adopted routines and guidelines to ensure proper distribution and handling of information, internally in the Group and for the management and the Board, and distribution of information to the market. The Company has adopted guidelines for handling inside information, investor relation policy, code of conduct policy, rules of procedures for the Board, instructions for the nomination committee.

For further information on the Management and the Board of Directors please refer to Sections 13.2 "Board of Directors" and 13.3 "Management".

### **13.11 Conflicts of interests**

Chairman of the board Roger Adolfsen is board member and shareholder (indirectly through controlled companies) of Norlandia Care Group. Norlandia Care Group is direct counterparty to several lease agreements and also guarantor of several other lease agreements entered into by the Group. This may conflict with the Company's interests.

The board members Even Carlsen and Nina Torp Høisæter owe fiduciary duties to shareholders in the Company and may as a consequence represent interests which may conflict with the Company's interests.

Runar Rønningen and Martin Hoff, the Company's CEO and CFO are employed by Pioneer Management AS which has entered into a management agreement with the Company. This may conflict with the Company's interests.

There are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Board of Directors or the Management, including any family relationships between such persons.

### **13.12 Convictions for fraudulent offences, bankruptcy etc.**

None of the members of the Board of Directors or the Management have during the last five years preceding the date of this Prospectus:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his/her capacity as a founder, director or senior manager of a company or partner of a limited partnership.

### **13.13 Employees**

#### *13.13.1 Overview*

As at the date of this Prospectus, the Group has 0 employees. The Company has not had any employees since incorporation.

### **13.14 Corporate governance**

The Company has two share classes. This represents a breach of the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board, latest edition of 30 October 2014 (the "Code of Practice"). Other than this the Company complies with the Code of Practice.

## 14. CORPORATE INFORMATION AND DESCRIPTION OF SHARES AND SHARE CAPITAL

*The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association, included in section 14.9 in this Prospectus, and applicable law.*

### 14.1 Company corporate information

The Company's registered name is Pioneer Property Group ASA. The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office is in the municipality of Oslo, Norway. The Company was incorporated in Norway on 5 January 2015 by Vika Selskapsservice AS (P.O. Box 1400 Vika, 0115 Oslo), as a private limited company, the Company resolved to convert into a public limited company on 12 May 2015. The Company's registration number in the Norwegian Register of Business Enterprises is 914 839 327, and the Preference Shares are registered in book-entry form with the VPS under ISIN NO 0010735681. The Company's register of shareholders in the VPS is administrated by DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo. The Company's registered office is c/o Pioneer Management AS, Rådhusgata 23, 0158 Oslo and the Company's main telephone number at that address is +47 22 98 97 40. The Company's website can be found at [www.pioneerproperty.no](http://www.pioneerproperty.no). The content of [www.pioneerproperty.no](http://www.pioneerproperty.no) is not incorporated by reference into and does not otherwise form a part of this Prospectus.

As of the date of this Prospectus, companies controlled by Kristian A. Adolfsen and Roger Adolfsen and companies affiliated with them hold 63.8 per cent of the Company's Ordinary Shares and might also retain a material number of Preference Shares after the Offering.

### 14.2 Share capital and share capital history

Currently the Company has two share classes; Ordinary Shares and Preference Shares.

The issued share capital of the Company as of the date of this Prospectus is NOK 16,314,470, divided into 9,814,470 Ordinary Shares, and 6,500,000 Preference Shares, each with a par value of NOK 1.

The Company was incorporated on 5 January 2015 with a share capital of NOK 30,000 and 1,000 Ordinary Shares. On 12 May 2015, the Company resolved to convert into a public limited liability company, and carried out a capital increase of NOK 15,384,740, by issuing 8,884,470 new Ordinary Shares and 6,500,000 Preference Shares, and a capital increase by contribution in kind by issuing 30,000 new Ordinary Shares, both in connection with the acquisition of PPP I, PPP II, PPP III and PPP IV. At the same time, the existing share capital was redeemed.

To strengthen the liquidity of the Company, i.e., to allow for payment of dividend on the Preference Shares, the Company carried out a private placement of Ordinary Shares directed towards the existing holders of Ordinary Shares which raised gross proceeds of NOK 90 000 000 on 28 May 2015. The subscription price was NOK 100 per Ordinary Share.

The Preference Shares under the Company's articles of association have a preferential right to receive dividends from the Company limited to NOK 7.5 per Preference Share per annum (the "**Preference Rate**") with a NOK 1 annual step-up each year first commencing 1 July 2020, to a maximum of NOK 10 (accordingly the Preference Rate will increase with NOK 1 in year 6, another NOK 1 in year 7 etc.) Dividend shall be paid out on a quarterly basis. Preference Shares do not entitle holders to any dividend in excess of the Preference Rate.

The Preference Shares each hold 1/10 voting right. The Ordinary Shares each hold one vote. The Ordinary Shares and the Preference Shares are validly issued and full paid.

The Company have the right to redeem the Preference Shares at an amount per Preference Share corresponding to NOK 130 if the redemption is done prior to 1 July 2020, or at NOK 100 per Preference Share if the redemption is done 1 July 2020 or later.

The table below summarises the development in the Company's share capital for periods covered by the historical financial information included in the Prospectus as Appendix B "Historical financial information":

Date	Type of change	Share capital increase (NOK)	Share capital (NOK)	Subscription price (NOK/share)	Par value (NOK/share)	Issued shares	Total shares
4 Jan 2015	Incorporation	30,000	30,000	1,000	100	300	300
12 May 2015	Capital decrease	-30,000	0	N/A	N/A	-300	0
12 May 2015	Capital Increase, conversion of debt	15,384,470	15,384,470	100	1	15,384,470	15,384,470
12 May 2015	Capital increase, contribution in kind	3,000,000	30,000	100	1	30,000	15,414,470
28 May 2015	Capital increase, cash contribution	90,000,000	900,000	100	1	900,000	16,314,470

The share capital decrease on 12 May 2015 was carried out through redemption of all the Company's shares.

### 14.3 Own shares

As at the date of this Prospectus, the Company does not own any treasury shares.

### 14.4 Shareholder agreements

The Board is not aware of any shareholder agreements by and among the Company's shareholders relating to the Company.

### 14.5 Listing on Oslo Axess, share registrar and securities number

The Company is a Norwegian public limited liability company and the Ordinary Shares and the Preference Shares are issued pursuant to the Norwegian Public Limited Liability Companies Act.

The Company applied for admission to trading of its Preference Shares on Oslo Axess on 19 May 2015. It is expected that the board of directors of Oslo Børs will consider the listing application on 17 June 2015. Completion of the Offering is subject inter alia to the approval of the listing application by the board of directors of Oslo Børs and the Company fulfilling all listing conditions set by Oslo Børs as further described in Section 6.2. The Company currently expects commencement of trading in the Shares on Oslo Axess on or around 19 June 2015 under the ticker symbol PPG PREF.

The Preference Shares are registered in the Norwegian Central Securities Depository (VPS). The Company's registrar is DNB Bank ASA. The Preference Shares carry the securities number ISIN NO 0010735681.

### 14.6 Outstanding authorizations

At an extraordinary general meeting of the Company on 12 May 2015 the Board was authorized to increase the share capital of the company by up to NOK 7,692,235. The existing shareholders' pre-emptive rights under

section 10-4 of the Companies Act may be set aside by the Board. The authorization is valid until the Company's ordinary general meeting in 2016. The authorization was used in connection with the capital increase 28 May 2015.

#### 14.7 Share options, convertible instruments and warrants

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries.

#### 14.8 Shareholders

The table below sets out the Company's 20 largest holders of Preference Shares as registered in VPS on 2 June 2015:

Name	Number of Preference Shares	Percentage (%) of total number of Preference Shares	Percentage (%) of Company share capital	Percentage (%) of voting rights in the Company
Norlandia Care Group	869,369	13.37 %	5.33 %	0.83 %
Skandinaviska Enskil A/C CLIENTS ACCOUNT	560,000	8.62 %	3.43 %	0.54 %
AVANZA BANK AB MEGLERKONTO	440,000	6.77 %	2.70 %	0.42 %
ACEA PROPERTIES AS	381,619	5.87 %	2.34 %	0.36 %
SEB Private Bank S.A	330,000	5.08 %	2.02 %	0.32 %
UBS (LUXEMBURG) S.A UBS (LUXEMBOURG) S.A-	300,000	4.62 %	1.84 %	0.29 %
Skandinaviska Enskil a/c SEB AIF – Swedis	280,000	4.31 %	1.72 %	0.27 %
HOSPITALITY INVEST AS	274,144	4.22 %	1.68 %	0.26 %
J.P MORGAN BANK LUX JP MORGAN BANK LUXEM	273,500	4.21 %	1.68 %	0.26 %
ABG SUNDAL COLLIER N EGENHANDELSKONTO	255,000	3.92 %	1.56 %	0.24%
EIDISSEN CONSULT AS	227,002	3.49 %	1.39 %	0.22 %
GRAFO AS C/O Bokholderiet Bod	227,002	3.49 %	1.39 %	0.22 %
PIONEER CAPITAL PARTNERS	185,333	2.85 %	1.14 %	0.18 %
KLEVENSTERN AS	185 232	2.85 %	1.14 %	0.18 %
MECCA INVEST AS	185 232	2.85 %	1.14 %	0.18 %
KIDPROP AS	176,718	2.72 %	1.08 %	0.17 %
CLEARSTREAM BANKING	151,000	2.32 %	0.93 %	0.14 %

Swedbank AB (publ) CLIENTS ACCOUNT	130,000	2.00 %	0.80 %	0.12 %
PENSJONSORDNINGEN FOR APOTEKVIKSOMHET	125,000	1.92 %	0.77 %	0.12 %
AS FLU	100,000	1.54 %	0.61 %	0.10 %
<b>Total</b>	<b>5,656,151</b>	<b>87.02 %</b>	<b>34.69 %</b>	<b>5.42 %</b>

The following holders of Preference Shares own more than 5 per cent of the Company's share capital on the date of this Prospectus: Norlandia Care Group (869,369 Preference Shares, representing 5.33 per cent of the total share capital of the Company).

The table below sets out all holders of Ordinary Shares in the Company:

<b>Name</b>	<b>Number of Ordinary Shares</b>	<b>Percentage (%) of total number of Ordinary Shares</b>	<b>Percentage (%) of Company share capital</b>	<b>Percentage (%) of voting rights in the Company</b>
Norlandia Care Group AS	1 967 537	20,05 %	12,06 %	18,80 %
Hospitality Invest AS	2 175 525	22,17 %	13,33 %	20,79 %
Eidissen Consult AS	1 417 852	14,45 %	8,69 %	13,55 %
Grafo AS	1 417 852	14,45 %	8,69 %	13,55 %
Klevenstern AS	1 417 852	14,45 %	8,69 %	13,55 %
Mecca Invest AS	1 417 852	14,45 %	8,69 %	13,55 %
<b>Total</b>	<b>9 814 470</b>	<b>100,00 %</b>	<b>60,16 %</b>	<b>93,79 %</b>

Kristian and Roger Adolfsen and companies affiliated with them will hold 63.8 per cent of the Ordinary Shares, and will thus indirectly control the Company. Roger and Kristian Adolfsen may also retain a material number of Preference Shares after the Offering.

The Company is not aware of any agreements that at a later stage may lead to change of control Company.

The Company is not aware of any major shareholders or members of the issuer's management, supervisory or administrative bodies which intends to purchase in the Offer, or any person which intends to purchase for more than five per cent of the Offer.

#### **14.9 The Articles of Association**

Below are the Company's Articles of Association as last amended 28 May 2015:

##### **Article 1 - Name**

The name of the company is Pioneer Property Group ASA. The company is a public limited liability company.

##### **Article 2- Registered municipality**

The company's registered office is located in the municipality of Oslo.

##### **Article 3 - Object**

The company is to engage in investment in real estate and other, related activities.

##### **Article 4- Share capital**

The company's share capital is NOK 16 314 470 divided between

9 814 470 ordinary shares

6 500 000 preference shares

Each share has a nominal value of NOK 1. The shares are to be registered in a securities register.

Each preference share carries 1/10 vote. Thus, 10 preference shares entitle their holder to 1 vote, whereas 1 ordinary share entitles its holder to 1 vote. The preference shares give their holder a preference to distribution, as described in articles 5-7 below.

In the event of a proportional capital increase, the shareholders in each share class will only have preference to shares in the share class to which their current shareholding belongs.

#### **Article 5 - Distributions from the company**

If the company decides to distribute dividend or make other distributions with regard to the shares, distribution with regard to the ordinary shares must not take place until the preference dividend has been paid for the preference shares.

Up until 30 June 2020, the annual preference dividend will be equal to NOK 7.50 per preference share.

From and including 1 July 2020, the annual preference dividend will be increased each year by NOK 1 per preference share until the annual preference dividend has reached NOK 10 per preference share.

The preference dividend will be paid with one fourth on the following dates: 31 March, 30 June, 30 September and 31 December each year. The first date of payment is 30 September 2015 with NOK 1.875 per preference share plus an amount equal to an interest rate of 7.5% p.a. of the subscription price (NOK 100) for the number of days/a year of 365 days from the registration of the preference shares in the Register of Business Enterprises until 30 June 2015.

If, in one or several years, preference dividend is not paid, or if the distributed amount is lower than the full preference dividend, the preference dividend in subsequent financial years is to be increased by an amount equal to the difference between what should have been paid and what was actually paid, with interest of 5 % p.a. to be added on 1 January, 1 April, 1 July and 1 October each year ("distributed preference dividend").

If the number of preference shares is changed through a split or reverse split of shares, the preference dividend must be re-calculated to reflect this change.

The preference shares are not to carry any right to distribution of dividend beyond preference dividend and paid preference dividend.

#### **Article 6- Redemption of preference shares**

The company has the right to redeem preference shares as decided by the general meeting.

If all of the preference shares are not redeemed, the redemption is to take place on a pro rata basis, in proportion to the number of preference shares that each shareholder holds at the time of the general meeting's decision. If such distribution is not possible, the board may decide on the distribution of excess shares.

With the support of all holders of preference shares, another distribution of redemption of shares may be decided.

The redemption amount is to be NOK 130 per preference share, plus unpaid preference dividend, if any, calculated in accordance with article 5, up until the date of redemption if redemption takes place with effect from before 1 July 2020. If redemption takes place with effect from and including 1 July 2020 or later, the amount of redemption will be NOK 100 per preference share plus paid preference dividend, calculated in accordance with article 5, up until the date of redemption.

If the date of redemption does not coincide with the dates of payment of preference dividend, preference dividend is also to be calculated for the days that have passed from the last date of payment, based on an annual preference dividend divided between a year of 365 days.

If a proposal from the board of directors regarding redemption of preference shares is not supported by sufficient majority at the company's general meeting, and such majority would have been achieved if the preference shares were disregarded, the preference dividend is to be reduced to NOK 0 (zero) per preference share per year, and not be increased under article 5.

#### **Article 7- Distribution in the event of dissolution of the company**

If the company is dissolved or liquidated, the owners of preference shares are to have preference to the company's funds, above owners of ordinary shares, up to an amount equal to the redemption price under article 6, and no distribution beyond this.

#### **Article 8- Board of directors**

The company's board of directors is to consist of a minimum of three and a maximum of seven members elected by the general meeting. The authority to sign for the company is held by the chairman of the board and managing director jointly, or by two board members jointly.

#### **Article 9- Nomination Committee**

The company is to have a nomination committee consisting of three members.

The members of the nomination committee are to be shareholders or representatives of shareholders.

The members of the nomination committee, including its chairman, are elected by the general meeting. The members of the nomination committee's period of service will be two years unless the general meeting decides otherwise. The period of service commences from the time of election unless otherwise decided. It terminates at the end of the annual general meeting in the year in which the period of service expires. Even if the period of service has expired, the member is to remain in his or her post until a new member has been elected.

The members of the nomination committee's remuneration is to be determined by the general meeting.

The nomination committee is to have the following responsibilities:

To make recommendations to the general meeting regarding the election of shareholder-elected board members

To make recommendations to the general meeting regarding the board members' remuneration

To make recommendations to the general meeting regarding election of members of the nomination committee

To make recommendations to the general meeting regarding the members of the nomination committee's remuneration

The general meeting may stipulate in further detail the guidelines that are to apply to the nomination committee's work.

#### **Article 10 - General meeting**

The annual general meeting is to discuss and decide upon the following:

Approval of the annual accounts and annual statement, including distribution of dividend on the preference shares and ordinary shares

Other matters that according to law or the articles of association are to be decided upon by the general meeting.

When documents concerning matters to be discussed at general meetings in the company have been made available to the shareholders on the company's web pages, the board of directors may decide that the



documents are not to be sent to the shareholders. If so, a shareholder may request that documents concerning matters to be discussed at the general meeting be sent to him or her. The company cannot demand any form of compensation for sending the documents to the shareholders.

The right to attend and vote at general meetings in the company can only be exercised when the acquisition has been entered in the shareholders' register on the fifth business day before the general meeting.

In the notice of general meeting, it can be determined that a shareholder wanting to attend the general meeting must report his or her intention to do so to the company within a certain time limit. The time limit cannot be earlier than five days before the meeting.

## **15. SHAREHOLDER MATTERS AND NORWEGIAN COMPANY AND SECURITIES LAW**

*The following is a summary of certain information relating to the Shares and certain shareholder matters, including the Articles of Association and a summary of applicable Norwegian law in effect as at the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association and Norwegian law.*

Under Norwegian law, all shares are to provide equal rights in a company. However, Norwegian law permits a company's articles of association to provide for different types of shares (e.g., several classes of shares). In such case, a company's articles of association must specify the different rights, preferences and privileges of the classes of shares and the total par value of each class of shares. The Articles of Association provide for two classes of shares, Ordinary Shares and Preference Shares.

For description of the preference Shares please see section 5.

There are no restrictions affecting the right of Norwegian or non-Norwegian residents or citizens to own the Shares. The Articles of Association do not contain any provisions restricting the transferability of Shares.

### **15.1 The general meeting of shareholders**

Under Norwegian law, a company's shareholders are to exercise supreme authority in the company through the general meeting.

In accordance with Norwegian law, the annual general meeting of the Company's shareholders is required to be held each year on or prior to 30 June. The following business must be transacted and decided at the annual general meeting:

- approval of the annual accounts and annual report, including the distribution of any dividend;
- the Board of Directors' declaration concerning the determination of salaries and other remuneration to senior executive officers;
- any other business to be transacted at the general meeting by law or in accordance with the Company's articles of association

In addition to the annual general meeting, extraordinary general meetings of shareholders may be held if deemed necessary by the Board of Directors. An extraordinary general meeting must also be convened for the consideration of specific matters at the written request of the Company's auditors or shareholders representing a total of at least 5 per cent of the share capital.

Norwegian law requires that written notice of general meetings needs be sent to all shareholders whose addresses are known at least three weeks prior to the date of the meeting. However, the annual general meeting of a Norwegian public limited company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a fourteen days' notice period until the next annual general meeting provided the company has procedures in place allowing shareholders to vote electronically. The notice shall set forth the time and date of the meeting and specify the agenda of the meeting. It shall also name the person appointed by the Board of Directors to open the meeting. A shareholder may attend the general meeting either in person or by proxy. The Company will include a proxy form with its notices of general meetings.

A shareholder is entitled to have an issue discussed at a general meeting if such shareholder provides the Board of Directors with notice of the issue within seven days before the three week notice period, together with a proposal to a draft resolution or a basis for putting the matter on the agenda.

### **15.2 Voting rights**

Subject to the terms of a company's articles of association to the contrary, Norwegian law provides that each outstanding share shall represent a right to one vote at the general meeting of the Company. According to the

Articles of Association the Preference Shares has 1/10 vote. All of the shares have an equal right to vote at general meetings, however so that the Preference Shares has 1/10 vote. No voting rights can be exercised with respect to treasury shares held by a company.

In general, decisions that shareholders are entitled to make under Norwegian law or the Company's articles of association may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain the most votes are elected. However, as required under Norwegian law, certain decisions, including resolutions to set aside preferential rights to subscribe in connection with any share issue, to approve a merger or demerger, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants or to authorise the board of directors to purchase shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting of shareholders. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association. Decisions that (i) would reduce the rights of some or all shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of shares, require that at least 90 percent of the share capital represented at the general meeting of shareholders in question vote in favour of the resolution, as well as the majority required for amending the articles of association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amending the articles of association. There are no quorum requirements for general meetings.

In general, in order to be entitled to vote at a general meeting, a shareholder must be registered as the owner of shares in the Company's share register kept by the VPS, prior to the general meeting.

Under Norwegian law, a beneficial owner of shares registered through a VPS-registered nominee may not be able to vote the beneficial owner's shares unless ownership is re-registered in the name of the beneficial owner prior to the relevant general meeting. Investors should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares. In the Company's view, a nominee may not meet or vote for shares registered on a nominee account. A shareholder must, in order to be eligible to register, meet and vote for such shares at the general meeting, transfer the shares from the nominee account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

### **15.3 Additional issuances and preferential rights**

If the Company issues any new shares, including bonus shares (i.e. new shares issued by a transfer from funds that the Company is allowed to use to distribute dividend), the Articles of Association must be amended, which requires a two-thirds majority of the votes cast as well as at least two-thirds of the share capital represented at a general meeting.

In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for the new shares on a pro rata basis in accordance with their then-current shareholdings in the Company. Preferential rights may be set aside by resolution in a general meeting of shareholders passed by the same vote required to approve amendments of the articles of association. Setting aside the shareholders' preferential rights in respect of bonus issues requires the approval of the holders of all outstanding Shares. In case of a proportional increase in the number of shares across both share classes, each shareholder's preferential right to subscribe only applies within the share class where the shareholder holds shares.

The general meeting may, in a resolution supported by at least two-thirds of the votes cast and share capital represented, authorize the Board of Directors to issue new shares. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50 per cent of the nominal share capital as at the time the authorization is registered with the Norwegian Register of Business Enterprises. The shareholders' preferential right to subscribe for shares issued against consideration in cash may be set aside by the Board of Directors only if the authorization includes such possibility for the Board of Directors.

Any issue of Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under U.S. securities law. If the Company decides not to file a registration statement, these shareholders may not be able to exercise their preferential rights.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and provided, amongst other requirements, that the transfer is made from funds that the Company is allowed to use to distribute dividend. Any bonus issues may be effectuated either by issuing Shares or by increasing the nominal value of the shares outstanding. If the increase in share capital is to take place by new Shares being issued, these new Shares must be allocated to the shareholders of the Company in proportion to their current shareholdings in the Company.

#### **15.4 Minority rights**

Norwegian law contains a number of protections for minority shareholders against oppression by the majority, including but not limited to those described in this and preceding and following paragraphs. Any shareholder may petition the courts to have a decision of the Board of Directors or general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. In certain grave circumstances, shareholders may require the courts to dissolve the Company as a result of such decisions. Shareholders holding in the aggregate 5 per cent or more of the Company's share capital have a right to demand that the Company convenes an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Board of Directors is notified within seven days before the deadline for convening the general meeting and the demand is accompanied with a proposed resolution or a reason for why the item shall be on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

#### **15.5 Distribution of dividends**

The Norwegian Public Limited Liability Companies Act provides several constraints on the distribution of dividends:

- Dividend may only be distributed to the extent that the Company after the distribution has a sound equity and liquidity.
- The Company may only distribute dividends to the extent that its net assets following the distribution are at least equal to the sum of (i) the Company's share capital, (ii) the reserve for valuation differences and (iii) the reserve for unrealized gains. In determining the distribution capacity, deductions must be made for (i) the aggregate amount of any receivables held by the Company and dating from before the balance sheet date which are secured by a pledge over Shares in the Company, (ii) any credit and collateral etc. from before the balance sheet date which according to sections 8-7 to 8-10 of the Norwegian Public Limited Liability Companies Act must not exceed the Company's distributable equity (unless such credit has been repaid or is set-off against the dividend or such collateral has been released prior to the decision to distribute the dividend), (iii) other dispositions carried out after the balance sheet date which pursuant to law must not exceed the Company's distributable equity and (iv) any amount distributed after the balance sheet date through a capital reduction.
- The calculation of the distributable equity shall be made on the basis of the balance sheet in the Company's last approved annual accounts, provided, however, that the registered share capital as of the date of the resolution to distribute dividends shall apply. Dividends may also be distributed by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date which does not lie further back in time than six months before the date of the general meeting's resolution.

- The amount of distributable dividends is calculated on the basis of the Company's separate annual accounts and not on the basis of the consolidated financial statements of the Company and its subsidiaries.

A distribution of dividends can be resolved by a majority vote at the general meeting on the basis of a proposal from the Board of Directors. The general meeting cannot distribute an amount in excess of what is proposed or accepted by the Board of Directors. Following the approval of the annual accounts for the last financial year, the general meeting may authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Such authorisations cannot be given for a longer period than until the next annual general meeting of the Company. According to the Articles of Association the Preference Shares has preferential right to dividends up to a certain amount.

Dividends may be distributed in cash or in kind.

The Norwegian Public Limited Liability Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to Non-resident Shareholders, see Section 17.1 "Norwegian taxation".

## **15.6 Mandatory takeover bids**

The Norwegian Securities Trading Act requires any person, entity or consolidated group who becomes the owner of shares representing more than 1/3 of the voting rights of a company whose shares are listed on a Norwegian regulated market, within four weeks, make an unconditional general offer for the purchase of the remaining shares in the company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares which, aggregated with the party's own shareholding, represent more than 1/3 of the voting rights in the company, and Oslo Børs decides that acquiring such rights must be regarded as effectively being an acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

In the mandatory offer, all shareholders shall be treated equally and the price to be paid per share shall be at least as high as the highest price paid or agreed by the acquirer during the last 6 months prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. The offer must be made in cash or contain a cash alternative at least equal in value to any non-cash offer.

In the event of a failure to make a mandatory offer or to sell the portion of the shares that exceeds the threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting at a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company whose shares are listed on a Norwegian regulated market is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group

through acquisition becomes the owner of shares representing 40 per cent%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50 per cent or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group who has passed any of the above-mentioned relevant thresholds for a mandatory offer without triggering such an obligation due to an applicable exemption, and who has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules, is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company (subsequent offer obligation).

## **15.7 Compulsory acquisition**

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90 per cent or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90 per cent or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90 per cent of the total number of issued shares, as well as more than 90 per cent of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90 per cent of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

## **15.8 Disclosure obligations**

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5 per cent, 10 per cent, 15 per cent, 20 per cent, 25 per cent, 1/3, 50 per cent, 2/3 or 90 per cent of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act

to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

The disclosure obligation also requires an investor to disclose agreements giving an investor voting rights over another party's shares if the total holding of shares and voting rights cross any of the mentioned thresholds.

#### **15.9 Rights of redemption and repurchase of shares**

The Preference Shares can be redeemed without the shareholder's consent. For a description of the Preference Shares and the Company's redemption right please refer to section 5.1 "The Preference Shares".

#### **15.10 Shareholder vote on certain reorganisations**

A decision to merge with another company or to demerge requires a resolution of the Company's shareholders at a general meeting passed by at least two-thirds of the votes cast and share capital represented. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the company's website, at least one month prior to the general meeting to pass upon the matter.

#### **15.11 Liability of board members**

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Company's board members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10 per cent of the share capital or, if there are more than 100 shareholders, more than 10 per cent of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's board members from liability or not to pursue claims against the Company's board members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

#### **15.12 Indemnification of board members**

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the board members against certain liabilities that they may incur in their capacity as such.

#### **15.13 Distribution of assets on liquidation**

Under Norwegian law, a company may be liquidated by a resolution of the company's shareholders in a general meeting passed by the same vote as required with respect to amendments to the articles of association. In case of liquidation, the Preference Shares shall carry the same rights as for redemption.

#### **15.14 Articles of Association**

The Articles of Association do not contain more rigid procedures for changing shareholder rights than what is included in the Norwegian Public Limited Liability Companies Act.

The objective of the Company, as described in §3 in the Company's Articles of Association, is to invest in real property and associated business.

#### *15.14.1 Board of Directors and Management*

The Directors shall be not less than three and not more than seven in number. The Company may by ordinary resolution vary the minimum and/or maximum number of Directors. The Articles of Association do not state their term of election, hence they may be elected for a two year term of office as pursuant to the Norwegian Limited Liability Companies Act.

#### *15.14.2 Nomination committee*

The Company shall have a nomination committee of three members whose responsibility shall be to nominate members to the Board of Directors and to the nomination committee, and to propose remuneration to the Board of Directors and to the members of the nomination committee.



## **16. SECURITIES TRADING IN NORWAY**

This Section 16 includes certain aspects of rules pertaining to securities trading in Norway in a Norwegian incorporated company pursuant to Norwegian legislation, but is however not a full or complete description of the matters described herein. The following summary does not purport to be a comprehensive description of all the legal considerations that may be relevant to a decision to purchase, own or dispose of Shares. Investors are advised to consult their own legal advisors concerning the overall legal consequences of their ownership of Shares. Prior to this Offering, the Shares have not been listed or traded on any stock exchange or regulated market.

### **16.1 Introduction**

Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. Oslo Børs is operated by Oslo Børs ASA, which also operates the regulated marketplace Oslo Axess.

Oslo Børs has entered into a strategic cooperation with the London Stock Exchange group with regards to, *inter alia*, trading systems for equities, fixed income and derivatives.

### **16.2 Trading and settlement**

Trading of equities on Oslo Børs is carried out in the electronic trading system Millennium Exchange. This trading system was developed by the London Stock Exchange and is in use by all markets operated by the London Stock Exchange as well as by the Borsa Italiana and the Johannesburg Stock Exchange.

Official trading on Oslo Børs takes place between 09:00 hours (CET) and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two days after the transaction, and that the seller will receive payment after two days. Oslo Clearing ASA, a wholly-owned subsidiary SIX x-clear Ltd, a company in the Six Group, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on Oslo Børs.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, market-making activities do not as such require notification to the Norwegian FSA or Oslo Børs except for the general obligation of investment firms being members of Oslo Børs to report all trades in stock exchange listed securities.

### **16.3 Information, control and surveillance**

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would

otherwise be unlawful to carry out the issuance. Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

#### **16.4 The VPS and transfer of Shares**

The Company's shareholder register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the VPS is generally prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

The Shares of the Company are freely transferable.

#### **16.5 Shareholder register**

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the issuer and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote on shares at general meetings on behalf of the beneficial owners.

#### **16.6 Foreign investment in Norwegian shares**

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign.

#### **16.7 Insider trading**

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or

futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

#### **16.8 Foreign exchange controls**

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a Norwegian issuer who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

## 17. TAXATION

### 17.1 Norwegian taxation

#### 17.1.1 General

Set out below is a summary of certain Norwegian tax matters related to the purchase, holding and disposal of the Preference Shares. The summary is based on Norwegian laws, rules and regulations applicable as of the date of this Prospectus, and is subject to any changes in law occurring after such date. Such changes could possibly be made on a retroactive basis. The summary does not address tax laws of other jurisdictions than Norway and Sweden. The summary is of a general nature and does not purport to be a comprehensive description of all the Norwegian and Swedish tax considerations that may be relevant for a decision to acquire, own or dispose of Preference Shares. Potential shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Potential shareholders resident in jurisdictions other than Norway or Sweden should consult with and rely upon local tax advisors with respect to the tax position in their country of residence.

Please note that as far as we are aware Norwegian tax practice has been to treat preference shares as equity instruments for tax purposes. In the following it is assumed that the Preference Shares qualifies as equity instruments for Norwegian income tax purposes.

Please note that special rules apply for shareholders that cease to be tax resident in Norway or that for some reason are no longer considered taxable to Norway in relation to their shareholding. Such shareholders are encouraged to consult their own tax advisors.

For the purpose of the summary below, a reference to a Norwegian or foreign shareholder company refers to tax residency rather than the nationality.

#### 17.1.2 Norwegian shareholders

##### 17.1.2.1 Taxation of dividends

##### *Norwegian corporate shareholders*

Norwegian corporate shareholders (i.e. limited liability companies, mutual funds, savings banks, mutual insurance companies or similar entities tax-resident in Norway) ("**Norwegian Corporate Shareholders**") are exempt from tax on dividends received on the Preference Shares under the participation exemption (Norwegian: *Fritaksmetoden*).

Unless the shareholders owns more than 90 per cent of the shares of the Company 3 per cent of the dividends comprised by the participation exemption is to be entered as general income and taxed at the flat rate of 27 per cent, implying that such dividends are effectively taxed at a rate of 0.81 per cent.

##### *Norwegian individual shareholders*

Dividends distributed from the Company to Norwegian personal shareholders (i.e. shareholders who are individuals) ("**Norwegian Personal Shareholders**") are taxable as general income at a flat rate of 27 per cent to the extent the dividends exceed a statutory tax-free allowance (Norwegian: *Skjermingsfradrag*).

The allowance is calculated separately for each share as the tax purchase price of the share, multiplied with a determined risk-free interest rate, which will be based on the effective rate after tax of interest on treasury bills (Norwegian: *statskasseveksler*) with three months maturity. The allowance one year will be allocated to the shareholder owning the share on 31 December the relevant income year. Norwegian Personal

Shareholders who transfer shares during an income year will thus not be entitled to deduct any calculated allowance related to the year of transfer. The part of the allowance one year exceeding the dividends distributed on the share the same year ("unused allowance") will be added to the tax purchase price of the share and be included in the basis for calculating the allowance the next year, and may also be carried forward and set off against future dividends received on, and against gains upon the realisation of, the same share.

#### *Shares owned through partnerships*

Partnerships are as a general rule transparent for Norwegian tax purposes. Taxation occurs at partner level, and each partner is taxed for his or her proportional share of the net income generated by the partnership, regardless of whether such income is distributed to the partners or not.

However, dividends from shares in the Company are covered by the participation exemption and are not included in the basis for taxation of the partner's proportional share of the net income generated by the partnership, but are treated as income under the participation exemption. Thus, 3 per cent of tax-free net income under the participation exemption shall generally be entered as general income and taxed at the ordinary tax rate of 27 per cent (implying that such dividend is effectively taxed at a rate of 0.81 per cent), regardless of whether such income is distributed to the partners or not.

Further taxation occurs when the dividends received are distributed from the partnership to the partners. For partners who are Norwegian individuals such distributions will be taxed as general income at a rate of 27 per cent. The Norwegian partner will be entitled to deduct a calculated allowance when calculating their taxable income.

For partners that are Norwegian corporations, 3 per cent of such distributions comprised by the participation exemption will be entered as general income and taxed at the flat rate of 27 per cent, implying that such distributions are effectively taxed at a rate of 0.81 per cent.

#### **17.1.2.2. Taxation on capital gains on disposal of shares**

##### *Norwegian Corporate Shareholders*

Sale, redemption or other types of disposal of shares is considered realisation for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains upon the realisation of shares in the Company. Losses upon the realisation and costs incurred in connection with the acquisition and realisation of such shares are not deductible for tax purposes.

##### *Norwegian Personal Shareholders*

Norwegian Personal Shareholders are taxable in Norway for capital gains upon the realisation of shares in the Company, and have a corresponding right to deduct losses that arise upon such realisation. The tax liability applies irrespective of time of ownership and the number of shares realised. Gains are taxable as general income in the year of realisation, and losses can be deducted from general income in the year of realisation. The tax rate for general income is currently 27 per cent.

The taxable gain/deductible loss is calculated per share as the difference between the consideration received and the tax purchase price of the share and less costs incurred in relation to the realisation of the share. Any unused allowance on a share (see above) may be set off against gains upon the realisation of the same share, but this may not lead to or increase a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

### *Shares owned through partnerships*

Partnerships are as a general rule transparent for Norwegian tax purposes. Taxation occurs at partner level, and each partner is taxed for his or her proportional share of the net income generated by the partnership, regardless of whether such income is distributed to the partners or not.

However, capital gains upon realization of shares in the Company is covered by the participation exemption and is not included in the basis for taxation of the partner's proportional share of the net income generated by the partnership, but are treated as income under the participation exemption.

Taxation occurs when the dividends received are distributed from the partnership to the partners. For partners who are Norwegian individuals such distributions will be taxed as general income at a rate of 27 per cent. The Norwegian partner will be entitled to deduct a statutory tax-free allowance (Norwegian: *Skjermingsfradrag*) when calculating their taxable income.

For partners that are Norwegian corporations, 3 per cent of such dividend distributions comprised by the participation exemption will generally be entered as general income and taxed at the flat rate of 27 per cent, implying that such distributions are effectively taxed at a rate of 0.81 per cent.

### *17.1.3 Foreign shareholders*

#### *17.1.3.1. Dividends distributed to non-resident shareholders*

Dividends distributed to shareholders not resident in Norway for tax purposes are in general subject to withholding tax at a rate of 25 per cent, unless otherwise provided for in an applicable tax treaty or the recipient is covered by the specific regulations for corporate shareholders tax-resident within the European Economic Area ("EEA") (ref. the section below for more information on the EEA exemption). The company distributing the dividend is responsible for the withholding. Norway has entered into tax treaties with approximate 80 countries. In most tax treaties the withholding tax rate is reduced to 15 per cent.

In accordance with the present administrative system in Norway, the Norwegian distributing company will normally withhold tax at the regular rate or reduced rate according to an applicable tax treaty, based on the information registered with the VPS with regard to the tax residence of the non-resident shareholder. Dividends paid to Non-resident Shareholders in respect of nominee-registered shares will be subject to withholding tax at the general rate of 25 per cent unless the nominee, by agreeing to provide certain information regarding beneficial owners, has obtained approval for a reduced or zero rate from the Central Office for Foreign Tax Affairs ("**COFTA**") (Norwegian: Sentralskattekontoret for utenlandssaker).

Non-resident shareholders who are exempt from withholding tax and shareholders, who have been subject to a higher withholding tax than applicable in the relevant tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax. The application is to be filed with COFTA.

If a foreign shareholder is engaged in business activities in Norway, and the shares are effectively connected with such business activities, dividends distributed to such shareholder will generally be subject to the same taxation as that of Norwegian shareholders, cf. the description of tax issues related to Norwegian shareholders above.

Non-resident shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the ability to effectively claim refunds of withholding tax.

#### *17.1.4 Dividends distributed to non-resident shareholders tax-resident within the EEA*

Non-resident shareholders who are individuals tax-resident within the EEA ("**Foreign EEA Personal Shareholders**") are upon request entitled to a deductible allowance. The shareholder shall pay the lesser

amount of (i) withholding tax according to the rate in an applicable tax treaty or (ii) withholding tax at 25% of taxable dividends after allowance. Foreign EEA Personal Shareholders may carry forward any unused allowance, if the allowance exceeds the dividends.

Foreign shareholders that are corporations tax-resident within the EEA for tax purposes ("**Foreign EEA Corporate Shareholders**") are exempt from Norwegian withholding tax on dividends distributed from Norwegian limited liability companies, provided that the Foreign EEA Corporate Shareholder in fact is genuinely established within the EEA and performs real economic activity within the EEA.

#### *17.1.5 Taxation on capital gains on disposal of shares for non-resident shareholders*

As a general rule, capital gains generated by Non-resident Shareholders are not taxable in Norway unless

the shares are effectively connected with business activities carried out or managed in Norway (in which case capital gains will generally be subject to the same taxation as that of Norwegian Shareholders, cf. the description of tax issues related to Norwegian Shareholders above), or the shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation as Norwegian tax resident.

#### *17.1.6 Net wealth tax*

For Norwegian Personal Shareholders, shares will be part of the shareholder's capital and be subject to net wealth tax in Norway. The current marginal wealth tax rate is 0.85 per cent of taxable values.

Listed shares are valued at 100 per cent of their quoted value as of 1 January in the assessment year (the year following the income year).

#### *17.1.7 Duties on the transfer of shares*

No stamp duty or similar duties are currently imposed in Norway on the transfer of shares in the Company.

#### *17.1.8 Inheritance tax*

Norway does not impose inheritance tax or similar tax on inheritance or gifts. However, the heir acquires the donor's tax input value of the Shares based on principles of continuity. Thus, the heir will be taxable for any increase in value in the donor's ownership, at the time of the heir's realisation of the Shares. However, in the case of gifts distributed to other persons than heirs according to law or will, the recipient will be able to revalue the received shares to market value.

### **17.2 Swedish taxation**

#### *17.2.1 General*

The following summary of certain Swedish tax considerations that may arise as a result of holding listed<sup>13</sup> Preference Shares is based on current Swedish tax legislation and is intended only as general information for Shareholders who are resident in Sweden for tax purposes, unless otherwise indicated. This description does not deal comprehensively with all tax consequences that may occur for Shareholders. For instance, it does not cover where Preference Shares are held by a partnership, as current assets in a business operation, via a capital insurance (*Sw: kapitalförsäkring*) or investment deposit account (*Sw: investeringssparkonto*) or the specific rules on so-called qualified shares in closely held companies (*Sw: fåmansföretag*). Also it does not deal with the rules that in certain cases apply in the corporate sector with respect to tax exempt capital gains and dividends on shares "held for business purposes" (*Sw: näringsbetingade andelar*) or "share based securities" (*Sw: aktiebaserade delägarätter*). Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, mutual funds (*Sw: investeringsfond*) and

<sup>13</sup> For the Preference Shares to be considered as listed it is, according to the Swedish Tax Agency not sufficient that the Preference Shares are admitted to trading on a regulated market, the Preference Shares also have to be traded.

insurance companies. Prospective purchasers of the Preference Shares should consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of holding the Preference Shares, including the applicability and effect of foreign income tax rules, provisions in double taxation treaties and other rules which may be applicable.

#### *17.2.2 Taxation of Individuals Tax Resident in Sweden*

##### *Capital Gains and Losses upon disposal of the shares*

Individuals who sell their Preference Shares are subject to capital gain taxation with a tax rate of 30 per cent. The capital gain or loss is calculated as the difference between the sales proceeds, after deduction of sales costs, and the shares' acquisition cost for tax purposes. The acquisition cost is determined according to the "average method" (Sw: *genomsnittsmetoden*). This means that the costs of acquiring all shares of the same type and class as the sold shares are added together and the average acquisition cost is calculated collectively, with respect to changes of the holding. Alternatively, "the standard rule" (Sw: *schablonmetoden*) according to which the acquisition cost is deemed to be equal to 20 percent of the net sales price may be applied on the disposal of listed shares. The acquisition cost of acquired shares in foreign currency should in general be valued to the currency exchange rate of the day of the acquisition.

Capital losses on listed shares are fully deductible against taxable gains on shares during the same fiscal year (except for shares in mutual funds containing only Swedish receivables). A loss in excess of the above mentioned gains is deductible with 70 percent against any other taxable income derived from capital.

If a deductible deficit arises in the capital category, a reduction of the tax on income from employment and from business operations, as well as tax on real estate and the municipal real estate fee, is allowed. The tax reduction is 30 per cent of the deficit not exceeding SEK 100,000 and 21 per cent of the deficit in excess of SEK 100,000. Deficits may not be carried forward to a subsequent fiscal year.

##### *Dividends*

For individuals tax resident in Sweden, received dividends on shares are taxed at a tax rate of 30 percent as income from capital.

#### *17.2.3 Taxation of Swedish Legal Entities*

##### *Capital Gains and Losses of shares*

Swedish limited liability companies (Sw: *aktiebolag*) and other legal entities are normally taxed on its worldwide income from business activities (including capital gains and dividends) with a flat corporate tax rate of 22 per cent.

The calculation of capital gains and capital losses for legal entities is in general calculated as described under section "Taxation of Individuals Resident in Sweden" above.

Capital losses on shares may be offset only against gains on shares or other securities that are taxed in the same manner as shares. If capital losses cannot be utilized, the capital losses can be offset against taxable capital gains on shares or other securities within the same group of companies, if the companies involved can tax consolidate through group contributions and both companies claim the transaction in the same income tax year. Capital losses that cannot be utilized a certain income tax year, can be carried forward without any limitation in time.

##### *Dividends*

For Swedish limited liability companies and other legal entities dividends on listed shares are in general taxed at a tax rate of 22 percent.



#### *17.2.4 Taxation of Tax Residents Outside of Sweden*

##### *Capital Gains and Losses*

Shareholders that are not tax residents in Sweden and who are not conducting business from a permanent establishment in Sweden are generally not liable for Swedish capital gain taxation on the disposal of shares. The shareholders may be subject to tax in their country of tax residence.

Under a specific rule, individuals not tax resident in Sweden can be subject to capital gain taxation in Sweden upon disposal of shares, if the individual at any time during the year of disposal of the shares or the prior ten calendar years has been a resident in Sweden or has had a habitual abode (Sw: *stadigvarande vistas*) in Sweden. This rule is in general limited in several tax treaties.

#### *17.2.5 Withholding tax on dividends (individuals tax resident in Sweden and Swedish legal entities)*

As mentioned above, dividends are in general taxable at a tax rate of 30 per cent for individuals tax resident in Sweden and at a tax rate of 22 per cent for Swedish legal entities unless the participation exemption regime is applicable. Additionally, dividends from a limited liability company resident in Norway, such as the Company, are generally subject to Norwegian withholding tax at a rate of 25 per cent unless otherwise provided for in an applicable tax treaty or the recipient is covered by the specific regulations for corporate shareholders tax resident within the EEA. In most tax treaties Norway has entered in to, the withholding tax rate is reduced to 15 per cent (see section 17.2.2).

Since the dividend is generally taxable in both Sweden and Norway, double taxation may occur. However, Norwegian withholding tax levied can be credited from Swedish tax to the extent Swedish tax is attributable to foreign income (overall credit). If the foreign tax should exceed the Swedish tax attributable to foreign income one year, the credit may, subject to certain limitations, be carried forward for up to five years. Alternatively, the foreign tax may be deducted as a cost for the recipient.

### **17.3 Foreign taxation**

The summary in this section 17 relates to certain Norwegian and Swedish tax matters relevant to an investment in the Company's Preference Shares. Investors may, depending on inter alia residency and nationality, also be subject to taxation in other jurisdictions. Investors who are, or believe that they may be, subject to foreign taxation should consult with and rely upon their own tax advisors to clarify their own tax situation and how the Preference Shares will be treated under any such applicable tax regimes.

## **18. SELLING AND TRANSFER RESTRICTIONS**

### **18.1 Information to investors in the United States and other jurisdictions outside Norway and Sweden**

#### *18.1.1 General*

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Preference Shares offered hereby.

Other than in Norway and Sweden, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway and Sweden, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Preference Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Preference Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Preference Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

### **18.2 Selling restrictions**

#### *18.2.1 United States*

The Preference Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Managers has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Preference Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Preference Shares will be restricted and each purchaser of the Preference Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 18.3.1 "United States".

Any offer or sale in the United States will be made by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Preference Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A of the U.S. Securities Act and in connection with any applicable state securities laws.

#### *18.2.2 United Kingdom*

The Managers have represented, warranted and agreed that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Preference Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- b) it has complied and will comply with all applicable provisions of the FSMA with respect to everything done by it in relation to the Preference Shares in, from or otherwise involving the United Kingdom.

### 18.2.3 European Economic Area

In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer to the public of any Preference Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the offering in Norway and Sweden as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and passported to Sweden and published in accordance with the EU Prospectus Directive, except that an offer to the public in that Relevant Member State of any Preference Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

to legal entities which are qualified investors as defined in the EU Prospectus Directive;

to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Managers for any such offer, or in any other circumstances falling within Article 3(2) of the EU Prospectus Directive; provided that no such offer of Preference Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Preference Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Preference Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

### 18.2.4 Additional jurisdictions

#### Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Preference Shares in Canada or any province or territory thereof. Any offer or sale of the Preference Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

#### Hong Kong

The Preference Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Preference Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Preference Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

## Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Preference Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## Other jurisdictions

The Preference Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Preference Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Preference Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

### 18.3 Transfer restrictions

#### 18.3.1 United States

The Preference Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Preference Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Preference Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Preference Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Preference Shares was located outside the United States at the time the buy order for the Preference Shares was originated and continues to be located outside the United States and has not purchased the Preference Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Preference Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Preference Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Preference Shares pursuant to Regulation S described in this Prospectus.
- The Preference Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- The Company shall not recognise any offer, sale, pledge or other transfer of the Preference Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Preference Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Preference Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Preference Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Preference Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Preference Shares, as the case
- The purchaser is aware that the Preference Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Preference Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Preference Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The Preference Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Preference Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Preference Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

#### *18.3.2 European Economic Area*

- Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway or Sweden) who receives any communication in respect of, or who acquires any Preference Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

- it is a qualified investor as defined in the EU Prospectus Directive; and
- in the case of any Preference Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) the Preference Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Preference Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.
- For the purposes of this representation, the expression an "offer" in relation to any Preference Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Preference Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Preference Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

## **19. ADDITIONAL INFORMATION**

### **19.1 Documents on display**

Copies of the following documents will be available for inspection at the Company's offices at c/o Pioneer Management AS, Rådhusgata 23, 0157 Oslo, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus.

- The Company's Articles of Association and Certificate of Incorporation.
- The Group's combined financial statements for 2013 and 2014.
- PPP I AS annual financial statements for 2013 and 2014
- PPP II AS annual financial statements for 2013 and 2014
- PPP III AS annual financial statements for 2013 and 2014
- Kidsa Bygg AS annual financial statements for 2013 and 2014
- Kidsa Eiendom AS annual financial statements for 2013 and 2014
- The valuation report from Newsec dated 28 April 2015
- This Prospectus.

### **19.2 Statement regarding expert opinions**

The valuation on the Group's properties as of 28 April 2015 included herein were estimated by the management of the Company, but backed by expert opinions from Newsec – PB 1800 Vika, 0123 Oslo, Norway. The valuation report from Newsec was produced on request from the Company in connection with the sale of the portfolio companies PPP I, PPP II, PPP III and PPP IV to the Company on 12 May 2015 as a second opinion report. Newsec regularly assists companies, banks and financial institutions with valuation of commercial properties, see [www.newsec.no](http://www.newsec.no) for more information with regard to experience and qualifications. Newsec has no material interest in the Company.

### **19.3 Statement regarding sources**

The Company confirms that when information in this Prospectus has been sourced from a third party it has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## 20. NORWEGIAN SUMMARY

Oppsummeringen består av informasjonskrav i form av "Elementer". Disse elementene er nummerert i punkt A–E (A.1–E.7). Denne oppsummeringen inneholder alle de Elementene som en oppsummering for denne typen verdipapir og utsteder må inneholde. Siden noen av Elementene ikke må adresseres, kan det tenkes å være hull i nummereringen av Elementene. Selv om et Element kan tenkes å måtte inkluderes i oppsummeringen på grunn av type verdipapir og utsteder, er det mulig at ingen relevant informasjon kan gis om Elementet. I et slikt tilfelle er en kort beskrivelse av Elementet inkludert i oppsummeringen sammen med ordene "ikke relevant".

### Punkt A – Introduksjon og advarsler

A.1	Advarsler	<p>Denne oppsummeringen bør leses som en introduksjon til prospektet.</p> <p>Enhver beslutning om å investere i verdipapirene bør baseres på investorens vurdering av prospektet som helhet.</p> <p>Dersom et krav relatert til opplysningene i dette prospektet bringes for retten, kan saksøkende investor tenkes, etter nasjonal lovgivning i medlemslandene, å måtte dekke kostnadene ved å oversette prospektet før rettslige skritt tas.</p> <p>Sivilrettslig ansvar kan kun tenkes å pålegge de som har utarbeidet oppsummeringen, inkludert oversettelsen av denne, dersom oppsummeringen er villedende, unøyaktig eller uforenelig med andre deler av prospektet eller dersom, sammenstilt med andre deler av prospektet, den ikke gir viktig informasjon til hjelp for investorer når de vurderer å investere i slike verdipapirer.</p>
A.2	Samtykke til bruk av prospektet	Ikke relevant: Finansielle mellommenn har ikke rett til å bruke prospektet for etterfølgende videresalg eller endelig plassering av verdipapirer.

### Punkt B – Utsteder

B.1	Selskap	Pioneer Property Group ASA
B.2	Tilholdssted og selskapsform, lovgivning og stiftelsesland	Selskapet er et allmennaksjeselskap som er organisert og drives etter norsk lov i henhold til allmennaksjeloven. Selskapet ble stiftet i Norge 6. januar 2015 som et aksjeselskap, som deretter ble omdannet til et allmennaksjeselskap 12. mai 2015. Selskapets organisasjonsnummer i foretaksregisteret er 914 839 327.
B.3	Drift, hovedvirksomhet og markeder	<p>Pioneer Property Group er en ledende eier og forvalter av barnehageeiendommer i Norge, med fokus på høykvalitetseiendommer i tett befolkede urbane områder i hele landet. Per 12. mai 2015 hadde Selskapet en eiendomsportefølje på 112 eiendommer, som leies ut til barnehager der det går til sammen over 11 000 barn.</p> <p>De eiendommene som Konsernet eier er regulert for barnehageformål og leies ut på langsiktige leiekontrakter til barnehageaktører, enten til Espira Gruppen AS på individuelle leiekontrakter med Espiras operative datterselskaper eller til Kidsa Drift AS eller Nordlandia Preschools AS – to av Nordlandia Care Group AS' datterselskaper.</p>
B.4a	Vesentlige tendenser den siste tiden som kan tenkes å påvirke	Selskapet har ikke sett noen tendenser siden utløpet av siste regnskapsår som kan tenkes å ha vesentlig innvirkning på Selskapets virksomhet.



	Selskapet og den bransjen Selskapet opererer i	Selskapet er ikke klar over noen trender, usikkerheter, krav, forpliktelser eller hendelser som kan ha materiell innvirkning på konsernets utsikter for inneværende regnskapsår.																											
B.5	Beskrivelse av Konsernet	Pioneer Property Group ASA er morselskapet til datterselskapene Pioneer Public Properties I AS, Pioneer Public Properties II AS, Pioneer Public Properties III AS og Pioneer Public Properties IV AS. Datterselskapene er eneeiere av selskaper hvis formål er å eie Konsernets 112 barnehageeiendommer.																											
B.6	Eier-interesser i Selskapet og stemme-retter	<p>Aksjonærer som eier Preferanseaksjer som utgjør 5 % eller mer av Selskapets aksjekapital eller 5 % eller mer av stemmerettene i Selskapet har interesse i Selskapets aksjekapital eller stemmeretter, noe som må varsles i henhold til verdipapirhandelloven.</p> <p>Per datoen for dette Prospektet har Selskapet 38 innehavere av Preferanseaksjer. Følgende innehavere av Preferanseaksjer eier Preferanseaksjer som utgjør 5 % eller mer av Selskapets aksjekapital eller 5 % eller mer av stemmerettene i Selskapet på datoen for Prospektet: Norlandia Care Group (869 369 Preferanseaksjer, noe som utgjør 5,33 % av den samlede aksjekapitalen i Selskapet og 0,83% av de samlede stemmerettene).</p> <p>Hver Preferanseaksje har en stemmevekt på 1/10, mens Selskapets ordinære aksjer gir rett til én stemme hver.</p>																											
B.7	Utvalgt historisk og viktig finansiell informasjon	<p>Følgende tabeller representerer et utvalg av Pioneer Property Groups kombinerte finansielle informasjon per og for den perioden på 12 måneder som utløp 31. desember 2014 og 2013.</p> <p><b>Sammendrag av resultatregnskap - Pioneer Property Group ASA</b></p> <table> <tr> <th>NOK 1000</th><th>2014</th><th>2013</th></tr> <tr> <td>Inntekter</td><td>104 155</td><td>51 530</td></tr> <tr> <td>Driftskostnader</td><td>13 774</td><td>5 788</td></tr> <tr> <td>Verdijusteringer på forvaltningsseiendommer</td><td>44 003</td><td>5 335</td></tr> <tr> <td><b>Driftsoverskudd (-tap)</b></td><td><b>134 384</b></td><td><b>51 077</b></td></tr> <tr> <td>Finansposter</td><td>-61 496</td><td>-35 171</td></tr> <tr> <td><b>Overskudd (tap) før skatt</b></td><td><b>72 888</b></td><td><b>15 906</b></td></tr> <tr> <td>Skattekostnader</td><td>-20 103</td><td>-4 280</td></tr> <tr> <td><b>Overskudd (tap) for perioden</b></td><td><b>52 785</b></td><td><b>11 626</b></td></tr> </table>	NOK 1000	2014	2013	Inntekter	104 155	51 530	Driftskostnader	13 774	5 788	Verdijusteringer på forvaltningsseiendommer	44 003	5 335	<b>Driftsoverskudd (-tap)</b>	<b>134 384</b>	<b>51 077</b>	Finansposter	-61 496	-35 171	<b>Overskudd (tap) før skatt</b>	<b>72 888</b>	<b>15 906</b>	Skattekostnader	-20 103	-4 280	<b>Overskudd (tap) for perioden</b>	<b>52 785</b>	<b>11 626</b>
NOK 1000	2014	2013																											
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Skattekostnader	-20 103	-4 280																											
<b>Overskudd (tap) for perioden</b>	<b>52 785</b>	<b>11 626</b>																											

<b>Konsolidert sammendrag av balanse - Pioneer Property Group ASA</b>		
<b>NOK 1000</b>	<b>2014</b>	<b>2013</b>
<b>Eiendeler</b>		
<b>Anleggsmidler</b>		
Forvaltningseiendommer	2 032 000	638 100
<b>Sum, anleggsmidler</b>	<b>2 032 000</b>	<b>638 100</b>
<b>Omløpsmidler</b>		
Fordringer	34 976	28 441
Likvide midler	73 348	55 854
<b>Sum, omløpsmidler</b>	<b>108 324</b>	<b>84 295</b>
<b>Sum, eiendeler</b>	<b>2 140 324</b>	<b>722 395</b>
<b>Egenkapital og gjeld</b>		
<b>Sum, egenkapital</b>	<b>414 746</b>	<b>99 929</b>
<b>Langsiktig gjeld</b>		
Gjeld til finansinstitusjoner	1 332 513	391 527
Utsatt skattegjeld	24 936	12 348
Langsiktig gjeld til nærstående	204 938	196 437
Annen langsiktig gjeld	114 297	858
<b>Sum, langsiktig gjeld</b>	<b>1 676 684</b>	<b>601 170</b>
<b>Kortsiktig gjeld</b>		
Påløpt skatt	5 426	0
Første års avdrag	19 737	2 572
Leverandørgjeld etc.	23 729	18 724
<b>Sum, kortsiktig gjeld</b>	<b>48 892</b>	<b>21 296</b>
<b>Sum, gjeld</b>	<b>1 725 576</b>	<b>622 466</b>
<b>Sum, egenkapital og gjeld</b>	<b>2 140 322</b>	<b>722 395</b>

		<b>Konsolidert sammendrag av kontantstrøm - Pioneer Property Group ASA</b>		
		<b>NOK 1000</b>	<b>2014</b>	<b>2013</b>
		<b>Kontantstrøm fra driften</b>		
		Overskudd før skatt	72 888	15 906
		Verdiforandringer på forvaltningseiendommer	-44 003	-5 335
		Finansposter	18 764	19 303
		Endringer i arbeidskapital	4 019	6 724
		<b>Netto kontantstrøm fra driften</b>	<b>51 668</b>	<b>36 598</b>
		<b>Kontantstrøm fra investeringer</b>		
		Kjøp av forvaltningseiendommer	-1 349 897	-80 172
		Salg av forvaltningseiendommer	0	27 399
		Netto endringer i finansielle fordringer	0	4 654
		Renteinntekt	3 635	510
		<b>Netto kontantstrøm fra investeringer</b>	<b>-1 346 262</b>	<b>-47 609</b>
		<b>Kontantstrøm fra finansiering</b>		
		Inntekter fra økt gjeld	7 471	186 295
		Tilbakebetaling av lån	1 089 594	-107 171
		Aksjeemisjoner	264 900	0
		Utbetalt rente	-49 877	-18 170
		<b>Netto kontantstrøm fra finansiering</b>	<b>1 312 088</b>	<b>60 954</b>
		<b>Netto endring i kontanter</b>	<b>17 494</b>	<b>49 943</b>
		Likvide midler ved begynnelsen av perioden	55 854	5 911
		<b>Likvide midler ved utløpet av perioden</b>	<b>73 348</b>	<b>55 854</b>
		<b>Konsolidert sammendrag av endringer i egenkapital - Pioneer Property Group ASA</b>		
		<b>NOK 1000</b>		
			<b>Opptjent</b>	
			<b>Aksjekapital</b>	<b>egenkapital</b>
				<b>Sum, egenkapi</b>
		<b>01.01.2013</b>	<b>71 070</b>	<b>17 233</b>
		Overskudd for perioden	0	11 626
		Utbytte	0	0
		Aksjeemisjon	0	0
		<b>31.12.2013</b>	<b>71 070</b>	<b>28 859</b>
		Overskudd for perioden	0	52 786
		Utbytte	0	-2 869
		Aksjeemisjon	264 900	264 900
		<b>31.12.2014</b>	<b>335 970</b>	<b>78 776</b>
B.8	Utvalgt viktig pro forma finansiell informasjon	Pioneer Property Group ASA er et selskap med begrenset historie, stiftet 5. januar 2015. Ureviderte pro forma-justeringer har blitt inkludert i utarbeidelsen av de ureviderte pro forma-regnskapene og -balansen i tabellene under.		

		Pro forma-balanse						
NOK 1000	Note	Kombiner te erklæring er IFRS	Kidsa Bygg AS NGAAP	Kidsa Eiendom AS NGAAP	IFRS- justerin ger	Pro forma- justering er	Pro forma 2014 Urevidert	
Eiendeler		Revidert	Revidert	Revidert	Urevidert	Urevidert	Urevidert	
<b>Anleggsmidler</b>								
Utsatt skattefordel				323			323	
Investerings eiendommer	1a,3b	2 032 000	65 173	60 902		321 225	2 479 300	
<b>Sum, anleggsmidler</b>		<b>2 032 000</b>	<b>65 173</b>	<b>61 225</b>	<b>0</b>	<b>321 225</b>	<b>2 479 623</b>	
<b>Omløpsmidler</b>								
Kundefordringer og andre fordringer		34 976	4 215				39 191	
Likvide midler		73 348	1 756	488			75 592	
<b>Sum, omløpsmidler</b>		<b>108 324</b>	<b>5 971</b>	<b>488</b>	<b>0</b>	<b>0</b>	<b>114 783</b>	
<b>Sum, eiendeler</b>		<b>2 140 324</b>	<b>71 144</b>	<b>61 713</b>	<b>0</b>	<b>321 225</b>	<b>2 594 406</b>	
<b>Egenkapital og gjeld</b>								
<b>Sum, egenkapital</b>	<b>3b</b>	<b>414 746</b>	<b>8 164</b>	<b>3 353</b>		<b>329 383</b>	<b>755 646</b>	
<b>Langsiktig gjeld</b>								
Gjeld til finansinstitusjoner		1 332 513	42 433	19 847			1 394 793	
Utsatt skattegjeld	3b	24 937	8 158		0	-8 158	24 937	
Lån fra aksjonærer og nærstående parter		204 938					204 938	
Annen langsiktig gjeld		114 297	10 955	37 695			162 947	
<b>Sum, langsiktig gjeld</b>		<b>1 676 685</b>	<b>61 546</b>	<b>57 542</b>	<b>0</b>	<b>-8 158</b>	<b>1 787 615</b>	
<b>Kortsiktig gjeld</b>								
Første års avdrag							0	
Selgers kreditt	3b						0	
Inntektsskatt			913	732			1 645	
Leverandørgjeld etc.		48 893	521	86			49 500	
<b>Sum, kortsiktig gjeld</b>		<b>48 893</b>	<b>1 434</b>	<b>818</b>	<b>0</b>	<b>0</b>	<b>51 145</b>	
<b>Sum, gjeld</b>		<b>1 725 578</b>	<b>62 980</b>	<b>58 360</b>	<b>0</b>	<b>-8 158</b>	<b>1 838 760</b>	
<b>Sum, egenkapital og gjeld</b>		<b>2 140 324</b>	<b>71 144</b>	<b>61 713</b>	<b>0</b>	<b>321 225</b>	<b>2 594 406</b>	

		Pro forma-resultatregnskap						
		Kombinerte		Kidsa Eiendom		IFRS-	Proforma-	Proforma
		erklæringer	Kidsa Bygg AS	AS	NGAAP	justering	justeringer	2014
NOK 1000		Note	IFRS	AS	NGAAP	er	r	
			Revidert	Revidert	Revidert	Urevidert	Urevidert	Urevidert
		1b	104 098	7 512	7 068		53 368	172 046
			57					57
			104 155	7 512	7 068	0	53 368	172 103
		1b	13 774	44	-7		20 838	34 649
		1a		2 495	2 654	-5 149		0
			13 774	2 539	2 647	-5 149	20 838	34 649
			90 381	4 973	4 421	5 149	32 531	137 454
		1a, 3b	44 003					44 003
			134 384	4 973	4 421	5 149	32 531	181 457
		1b, 1b, 2b	-61 496	-2 614	-2 422	0	-16 863	-83 395
			72 888	2 359	1 999	5 149	15 668	98 062
		2a, 1b, 2b, 3b	-20 102	-636	-540	-1 390	-4 230	-26 898
			52 786	1 723	1 459	3 759	11 438	71 164
			0	0	0	0	0	0
			52 786	1 723	1 459	3 759	11 438	71 164

B.9 Prognose for eller estimat av overskudd Ikke relevant. Ingen prognose for eller estimat av overskudd er foretatt.

B.10 Anmerkning i revisorberetningene Ikke relevant. Det er ingen anmerkninger i revisorberetningene.

B.11 Arbeids-kapital Ikke relevant. Selskapet er av den oppfatning av den arbeidskapitalen som er tilgjengelig for Konsernet er tilstrekkelig for å oppfylle Konsernets nåværende krav, for den perioden som dekker minst 12 måneder fra datoen for dette Prospektet.

#### Punkt C – Verdipapirer

C.1	Type og klasse verdipapirer det kan handles i, samt identifikasjonsnumre	Ved Notering vil Selskapet ha to utstedte aksjeklasser: Preferanseaksjene og de Ordinære Aksjene. Kun Preferanseaksjene vil være notert på Oslo Axess som del av Noteringen.  Preferanseaksjene har blitt opprettet i henhold til allmennaksjeloven og er registrert i verdipapirs form i VPS under ISIN NO 0010735681.
C.2	Valuta	Preferanseaksjene er utstedt i NOK.
C.3	Antall aksjer og deres pålydende	Selskapets nåværende aksjekapital er NOK 16 314 470 fordelt på 9 814 470 Ordinære Aksjer og 6 500 000 Preferanseaksjer, hver pålydende NOK 1.
C.4	Rettigheter som følger verdipapirene	Preferanseaksjene gir fortrinnsrett til å motta utbytte fra Selskapet begrenset til NOK 7,5 per år med en årlig økning på NOK 1 fra 1. juli 2020, opp til maksimalt NOK 10 (følgelig vil Årlig Utbytte øke med NOK 1 i år 6, med ytterligere NOK 1 i år 7 osv.) Utbytte krever vedtak av generalforsamlingen, og at Selskapet har tilgjengelig fri egenkapital.

		<p>Utbyttet utbetales kvartalsvis med én firedel (25 %) av Årlig Utbytte, med første dato planlagt til 30. september 2015, og akkumuleres i tilfelle det utbyttet som utbetales faller under de fortrinnsrettene som Preferanseaksjene gir. Preferanseaksjene gir ikke rett til noe annet enn utbytte. Hver preferanseaksje gir innehaveren rett til én tidel av en stemme sammenlignet med Selskapets Ordinære Aksjer.</p> <p>Etter generalforsamlingens vedtak kan Preferanseaksjene innløses helt eller delvis, til et beløp per Preferanseaksje tilsvarende NOK 130 dersom innløsningen skjer før 1. juli 2020, eller til NOK 100 per Preferanseaksje dersom innløsningen skjer 1. juli 2020 eller senere. I tillegg til Innløsningsprisen må Selskapet betale enhver påløpt del av Preferanseaksje-utbytte og samt påløpte renter på dette. For at Preferanseaksjene skal kunne innløses, må Selskapet ha tilstrekkelig fri egenkapital til at Innløsningsprisen overskrider verdien på Preferanseaksjene.</p> <p>Preferanseaksjene gir rett til 1/10 stemme per Preferanseaksje. De Ordinære Aksjene og Preferanseaksjene er gyldig utstedt og fullt innbetalt.</p>
C.5	Restriksjoner hva gjelder omsettelighet	Vedtektene inneholder ingen restriksjoner hva gjelder Preferanseaksjenes omsettelighet, eller fortrinnsrett ved overdragelse av Preferanseaksjene. Overdragelser av Preferanseaksjer krever ikke Styrets samtykke.
C.6	Opptakelse for handel	Den 19. mai søkte Selskapet om å få Preferanseaksjene opptatt for handel på Oslo Axess. Styret i Oslo Børs forventes å behandle søknaden om notering 17. juni 2015.
C.7	Retningslinjer for utbytte	Selskapet har til hensikt å betale NOK 7,50 årlig, med kvartsvise betalinger på NOK 1,875 i utbytte per Preferanseaksje. Den første datoen er planlagt til 30. september 2015. Preferanseaksjene gir ikke andre rettigheter til utbytte. Utbyttet øker med NOK 1 per Preferanseaksje per år etter 1. juli 2020, men kun opp til maksimalt NOK 10 per år.

#### Punkt D – Risiko

D.1	Viktige risikofaktorer som er spesifikke for Selskapet eller Selskapets bransje	<p>De viktigste risikofaktorene for Konsernet og den bransjen Konsernet opererer i er følgende:</p> <ul style="list-style-type: none"> <li>• Verdien av Konsernets eiendeler er utsatt for konjunktursvingninger. Konjunktursvingninger kan ha vesentlig negativ innvirkning på Konsernets drift, inntjening og finansielle posisjon.</li> <li>• Konsernets eiendommer ligger i Norge, og, mer spesifikt, hovedsakelig i visse områder av Norge, og økonomiske nedgangstider i disse geografiske områdene kan få vesentlig og negativ innvirkning på bransjen næringseiendom, som Konsernet opererer i.</li> <li>• Dersom Konsernet ikke klarer å leie ut noen av eiendommene sine, vil Konsernet miste leieinntekter og kan tenkes å måtte dekke felleskostnadene for de lokalene som står ledig frem til eiendommen blir leid ut på nytt. Selv om leietaker fornyer leieforholdet eller leietaker erstattes, er det ikke sikkert at slik fornying eller ny utleie vil skje på vilkår som er like gunstige for Konsernet som det som gjaldt før. Ei heller er det sikkert at de nye leietakerne vil være like kredittverdige som de forrige leietakerne. Konsernets kostnader ved å vedlikeholde, erstatte og utbedre sine eksisterende eiendommer kan bli høyere enn beregnet.</li> <li>• Demografisk utvikling kan føre til redusert etterspørsel etter Konsernets eiendommer og dermed redusere leieinntektene og</li> </ul>
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		<p>eiendommenes verdi.</p> <ul style="list-style-type: none"> <li>Konsernet er utsatt for kredittrisiko for sine leietakere, og oppsigelse av kontraktsforhold vil ha vesentlig negativ innvirkning på verdien av eiendommen og Selskapets virksomhet, driftsresultater og finansielle stilling.</li> <li>Dersom norske myndigheters finansieringsordninger for private barnehager endres vesentlig, kan Konsernets kontraktsparter få lavere inntekter, noe som igjen kan påvirke deres evne til å betale leie til Konsernet.</li> </ul> <p>Finansiell risiko</p> <ul style="list-style-type: none"> <li>Konsernets belåningsgrad og evne til å pådra seg ytterligere gjeld kan ha vesentlig og negativ innvirkning på Konsernets evne til å få ytterligere finansiering eller gjøre Konsernet mer sårbart i tilfelle nedgangstider i bedriften eller i økonomien generelt.</li> <li>Renteendringer kan ha vesentlig og negativ innvirkning på Selskapets virksomhet, finansielle stilling, driftsresultater og kontantstrøm.</li> <li>Konsernets eksisterende eller fremtidige gjeldsordninger kan begrense Konsernets likviditet og fleksibilitet når det gjelder å få ytterligere finansiering og når det gjelder muligheten til å gå videre med andre forretningsmuligheter eller annen forretningsvirksomhet, samt Selskapets evne til å utdele utbytte til sine aksjonærer.</li> </ul>
D.3	Viktige risikofaktorer som er spesifikke for verdipapirer	<ul style="list-style-type: none"> <li>Selskapet er et holdingselskap og er avhengig av kontantstrøm fra datterselskaper for å oppfylle sine forpliktelser og for å kunne utbetale utbytte til aksjonærene.</li> <li>Fremtidige utbetalinger av utbytte for Preferanseaksjene er ikke garantert.</li> <li>Prisen på Preferanseaksjene kan tenkes å svinge kraftig.</li> <li>Etter Tilbudet vil selskaper som kontrolleres av Kristian A. Adolfsen og Roger Adolfsen og visse andre selskaper fortsette å utøve kontroll over Selskapet, og deres interesser kan tenkes å være i konflikt med interessene til andre aksjonærer.</li> </ul>

#### Punkt E – Tilbud

E.1	Netto inntekter og beregnede kostnader	<p>Tilbudet er i sin helhet et sekundærsalg, og Selskapet vil ikke ha noen inntekter i forbindelse med Tilbudet.</p> <p>Selskapet estimerer at de totale kostnadene i forbindelse med Tilbudet (inkludert provisjon som skal betales av Selskapet til de finansielle rådgiverne som utgjør en fast prosentsats av bruttoinntektene) og i forbindelse med noteringen av sine Preferanseaksjer på Oslo Axess, vil utgjøre ca. NOK 10 millioner.</p>
E.2a	Grunnlag for Tilbudet og bruk av inntekter	Tilbudet vil, dersom det gjennomføres, føre til at Selskapet overholder vilkåret for opptak til handel på Oslo Axess om å ha minst 100 aksjonærer.
E.3	Vilkår for tilbudet	<p>Tilbudet omfatter:</p> <ol style="list-style-type: none"> <li>Et Institusjonelt Tilbud, der Preferanseaksjene tilbys til (a) institusjonelle og profesjonelle investorer i Norge og Sverige, (b) til investorer utenfor Norge, Sverige og USA, med forbehold om gjeldende unntak fra prospekt- og registreringskrav, og c) i USA til</li> </ol>

		<p>QIB-er, som definert i, og basert på, Rule 144A i U.S. Securities Act. For det Institusjonelle Tilbudet gjelder en nedre grense per bestilling på NOK 1 000 000.</p> <p>b. Et Norsk Offentlig Tilbud, der Preferanseaksjer tilbys til allmennheten i Norge med en nedre grense per bestilling på NOK. 10 500 og en øvre grense per bestilling på NOK 999 999 for hver investor. Investorer som ønsker å inngi en bestilling utover NOK 1 000 000 må gjøre dette i det Institusjonelle Tilbudet. Flere bestillinger fra én søker i det Norske Offentlige Tilbud vil bli behandlet som én bestilling når det gjelder den øvre bestillingsgrensen.</p> <p>c. Et Svensk Offentlig Tilbud, der Preferanseaksjer tilbys til allmennheten i Sverige med en nedre grense per bestilling på NOK 10 500 og en øvre grense per bestilling på NOK 999 999 for hver investor. Investorer som ønsker å inngi en bestilling utover NOK 1 000 000 må gjøre dette i det Institusjonelle Tilbudet. Flere bestillinger fra én søker i det Svenske Offentlige Tilbud vil bli behandlet som én bestilling når det gjelder den øvre bestillingsgrensen.</p> <p>Alle tilbud og salg utenfor USA vil bli foretatt i henhold til Regulation S i U.S. Securities Act.</p> <p>Dette Prospektet utgjør ikke et tilbud om, eller en invitasjon til å, kjøpe Preferanseaksjer i noen jurisdiksjon der et slikt tilbud eller salg vil være ulovlig. For mer informasjon, se "Important Information" og punkt 18 "Selling and Transfer Restrictions".</p> <p>Tilbudsperioden for det Institusjonelle Tilbudet forventes å finne sted fra 4. juni 2015 kl. 09:00 (CET) til 17. juni 2015 kl. 14:00 (CET). Bestillingsperioden for de Offentlige Tilbudene forventes å finne sted fra 4. juni 2015 kl. 09:00 (CET) til 17. juni 2015 kl. 12:00 (CET). Selskapet, i samarbeid med Tilrettelegger, forbeholder seg retten til når som helst og etter eget absolutte forgodtbefinnende å forkorte eller forlenge Tilbudsperioden og Bestillingsperioden. All forkortelse av Tilbudsperioden og/eller Bestillingsperioden vil bli annonsert gjennom Oslo Børs' informasjonssystem senest kl. 09:00 (CET) på gjeldende utløpsdato for Tilbudsperioden. Tilbudsperioden og/eller Bestillingsperioden vil imidlertid ikke i noe tilfelle utløpe før kl. 12:00 (CET) den 15. juni 2015. All utvidelse av Tilbudsperioden og/eller Bestillingsperioden vil bli annonsert gjennom Oslo Børs' informasjonssystem senest 09:00 (CET) den første virkedagen etter dagjeldende utløpsdato for Tilbudsperioden. En utvidelse av Tilbudsperioden og/eller Bestillingsperioden kan foretas én eller flere ganger, forutsatt imidlertid at Tilbudsperioden og/eller Bestillingsperioden ikke i noe tilfelle forlenges utover kl. 17:30 (CET) den 25. juni 2015. I tilfelle forkortelse eller forlengelse av Tilbudsperioden og/eller Bestillingsperioden kan tildelingsdato, betalingsdato og dato for levering av Preferanseaksjer endres tilsvarende, men datoen for Notering og handelsstart på Oslo Axess vil ikke nødvendigvis bli endret.</p> <p>Tilbudsprisen er NOK 100 per Preferanseaksje.</p>
E.4	Vesentlige og motstridende interesser	De finansielle rådgiverne og de finansielle rådgivernes tilknyttede selskaper har fra tid til annen ytt, og kan i fremtiden tenkes å yte, investerings- og kommersielle banktjenester til Selskapet og dets datterselskaper i den ordinære driften. For dette kan disse ha mottatt, og de kan tenkes å fortsette å motta, ordinære honorarer og vederlag. De finansielle rådgiverne



		<p>har ikke tenkt å gi informasjon om omfanget av slike investeringer eller transaksjoner bortsett fra dersom det eksisterer et juridisk eller regulatorisk krav om å gjøre dette. De finansielle rådgiverne vil motta et tilretteleggerhonorar i forbindelse med Tilbudet og derfor ha interesserer i Tilbudet.</p> <p>ABG Sundal Collier eier 225 000 Preferanseaksjer per datoen for dette Prospektet.</p> <p>Utover ovennevnte er Selskapet ikke klar over noen interesserer, inkludert motstridende interesser, blant noen fysiske eller juridiske personer som er involvert i Tilbudet.</p>
E.5	Selgende aksjonær og lock-up	<p>Tilbudet består av inntil 2 800 000 Preferanseaksjer tilbudt av elleve eksisterende innehavere av Preferanseaksjer. Alle de Selgende Aksjonærene, bortsett fra, Pioneer Capital Partners AS og Kidprop AS, er også innehavere av Ordinære Aksjer.</p> <p>De Selgende Aksjonærene har ikke inngått noen lock-up-avtaler.</p>
E.6	Utvanning som følge av tilbudet	Ikke relevant. Ingen nye Preferanseaksjer vil bli utstedt i forbindelse med Tilbudet.
E.7	Beregnete kostnader som pålegges investor	Ikke relevant. Ingen kostnader eller skatt vil bli belastet søkerne i Tilbudet av Selskapet eller de finansielle rådgiverne.

## 21. SWEDISH SUMMARY

### SAMMANFATTNING

Sammanfattningen ställs upp efter informationskrav i form av ett antal "punkter" som ska innehålla viss information. Dessa punkter är numrerade i avsnitt A – E (A.1 – E.7). Denna sammanfattning innehåller alla de punkter som ska ingå i en sammanfattning för denna typ av värdepapper och emittent. Eftersom vissa punkter inte behöver ingå, kan det finnas luckor i numreringen av punkterna. Även om en viss punkt ska ingå i sammanfattningen för denna typ av värdepapper och emittent kan det förekomma att det inte finns någon relevant information att ange beträffande sådan punkt. I sådant fall innehåller sammanfattningen en kort beskrivning av aktuell punkt tillsammans med angivelsen "ej tillämplig".

#### Avsnitt A – Introduktion och varningar

A.1	Introduktion och varningar	Denna sammanfattning bör läsas som en introduktion till Prospektet. Varje beslut om att investera i värdepapperen ska baseras på en bedömning av Prospektet i sin helhet från investerarens sida. Om yrkande avseende information i ett prospekt anförs vid domstol, kan den investerare som är kärande i enlighet med medlemsstaternas nationella lagstiftning bli tvungen att svara för kostnaderna för översättning av prospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar kan endast åläggas de personer som lagt fram sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av Prospektet, eller om den inte, läst tillsammans med andra delar av Prospektet, ger nyckelinformation för att hjälpa investerare i övervägandet att investera i de värdepapper som erbjuds.
A.2	Samtycke till finansiella mellanhänders användning av Prospektet	Ej tillämplig. Finansiella mellanhänder har inte rätt att använda Prospektet för efterföljande återförsäljning eller slutlig placering av värdepapper.

#### Avsnitt B – Emittenten

B.1	Firma och handelsbeteckning	Pioneer Property Group ASA
B.2	Emittentens säte och bolagsform	Bolaget är ett publikt aktiebolag som är organiserat och bedriver sin verksamhet enligt norsk rätt. Bolaget bildades i Norge den 5 januari 2015 som ett privat aktiebolag, och blev konverterat till ett publikt aktiebolag den 12 maj 2015. Bolagets organisationsnummer i det norska bolagsregistret är 914 839 327.
B.3	Beskrivning av emittentens verksamhet	<p>Pioneer Property Group är en ledande ägare och förvaltare av förskole-fastigheter i Norge, med fokus på högkvalitativa fastigheter i tätbefolkade stadsområden över hela landet. Den 15 maj 2015 hade bolaget en fastighetsportfölj bestående av 112 förskole-fastigheter med en kapacitet för över 11 000 barn.</p> <p>Marknadsvärdet på koncernens fastighetsbestånd uppgick till cirka 3,4 miljarder norska kronor per den 15 maj 2015. De fastigheter som ägs av koncernen regleras för användning som förskolor, och hyrs ut genom långa hyreskontrakt till förskoleoperatörer, antingen till Espira AS genom individuella hyresavtal med Espiras operativa dotterbolag, eller till Kidsa Drift eller till Norlandia Preschools AS, två dotterbolag till Norlandia Care Group AS.</p>
B.4	Trender	<p>Bolaget har inte observerat några trender sedan slutet av det senaste räkenskapsåret, som skulle ha en väsentlig påverkan på bolagets verksamhet.</p> <p>Bolaget har inte kännedom om trender, osäkerhetsfaktorer, krav, åtaganden eller</p>

		händelser som kan ha en väsentlig inverkan på koncernens utsikter för innevarande räkenskapsår.																											
B.5	Beskrivning av Koncernen och Bolagets plats i Koncernen	Pioneer Property Group ASA är moderbolag till dotterbolagen Pioneer Public Properties I AS, Pioneer Public Properties II AS, Pioneer Public Properties III AS och Pioneer Public Properties IV AS. Dotterbolagen är ensamma ägare till bolag vars enda syfte är att äga koncernens 112 förskole-fastigheter.																											
B.6	Intressen i bolaget och rösträtt	<p>Aktieägare som äger preferensaktier som utgör 5% eller mer av aktiekapitalet eller 5% eller mer av rösterna i bolaget har ett intresse av bolagets aktiekapital eller röster, som är anmälningspliktig enligt lagen om handel med norska värdepapper.</p> <p>Vid tidpunkten för detta Prospekt, har bolaget 38 innehavare av Preferensaktier. Följande innehavare av Preferensaktier äger Preferensaktier som utgör 5% eller mer av aktiekapitalet eller 5% eller mer av rösterna i bolaget vid tidpunkten för Prospektet: Norlandia Care Group (869 369 preferensaktier, vilket motsvarar 5,33% av det totala aktiekapitalet i bolaget och 0,83% av det totala rösterna.</p> <p>Preferensaktierna kommer att medföra 1/10 rösträtt medan Bolagets stamaktier kommer att medföra en hel röst.</p>																											
B.7	Utvald finansiell information i sammandrag	<p>Följande tabeller visar utvald konsoliderad finansiell information för Pioner Property Group per och för 12-månadersperioden som slutade den 31 december 2014 och 2013.</p> <p><b>Konsoliderad resultaträkning i sammandrag - Pioner Property Group ASA</b></p> <table> <tr> <th><b>NOK 1000</b></th><th><b>2014</b></th><th><b>2013</b></th></tr> <tr> <td>Intäkter</td><td>104 155</td><td>51 530</td></tr> <tr> <td>Kostnader</td><td>13 774</td><td>5 788</td></tr> <tr> <td>Värdetförändringar på förvaltningsfastigheter</td><td>44 003</td><td>5 335</td></tr> <tr> <td><b>Rörelseresultat</b></td><td><b>134 384</b></td><td><b>51 077</b></td></tr> <tr> <td>Resultat från finansiella poster</td><td>- 61 496</td><td>- 35 171</td></tr> <tr> <td><b>Resultat före skatt</b></td><td><b>72 888</b></td><td><b>15 906</b></td></tr> <tr> <td>Skatt</td><td>- 20 103</td><td>- 4 280</td></tr> <tr> <td><b>Årets resultat</b></td><td><b>52 785</b></td><td><b>11 626</b></td></tr> </table>	<b>NOK 1000</b>	<b>2014</b>	<b>2013</b>	Intäkter	104 155	51 530	Kostnader	13 774	5 788	Värdetförändringar på förvaltningsfastigheter	44 003	5 335	<b>Rörelseresultat</b>	<b>134 384</b>	<b>51 077</b>	Resultat från finansiella poster	- 61 496	- 35 171	<b>Resultat före skatt</b>	<b>72 888</b>	<b>15 906</b>	Skatt	- 20 103	- 4 280	<b>Årets resultat</b>	<b>52 785</b>	<b>11 626</b>
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Intäkter	104 155	51 530																											
Kostnader	13 774	5 788																											
Värdetförändringar på förvaltningsfastigheter	44 003	5 335																											
<b>Rörelseresultat</b>	<b>134 384</b>	<b>51 077</b>																											
Resultat från finansiella poster	- 61 496	- 35 171																											
<b>Resultat före skatt</b>	<b>72 888</b>	<b>15 906</b>																											
Skatt	- 20 103	- 4 280																											
<b>Årets resultat</b>	<b>52 785</b>	<b>11 626</b>																											

<b>Konsoliderad balansräkning i sammandrag - Pioneer Property Group ASA</b>		
<b>NOK 1000</b>	<b>2014</b>	<b>2013</b>
<b>Tillgångar</b>		
<b>Anläggningstillgångar</b>		
Förvaltningsfastigheter	2 032 000	638 100
<b>Summa Anläggningstillgångar</b>	<b>2 032 000</b>	<b>638 100</b>
<b>Omsättningstillgångar</b>		
Kundfordringar	34 976	28 441
Likvida medel	73 348	55 854
<b>Summa omsättningstillgångar</b>	<b>108 324</b>	<b>84 295</b>
<b>Summa tillgångar</b>	<b>2 140 324</b>	<b>722 395</b>
<b>Eget kapital och skulder</b>		
<b>Summa eget kapital</b>	<b>414 746</b>	<b>99 929</b>
<b>Långfristiga skulder</b>		
Skulder till kreditinstitut	1 332 513	391 527
Uppskjuten skattefordran	24 936	12 348
Långfristig skuld till relaterade parter	204 938	196 437
Övriga långfristiga skulder	114 297	858
<b>Summa långfristiga skulder</b>	<b>1 676 684</b>	<b>601 170</b>
<b>Kortfristiga skulder</b>		
Skatteskulder	5 426	0
Förstaårsamorteringar	19 737	2 572
Leverantörsskulder	23 729	18 724
<b>Summa kortfristiga skulder</b>	<b>48 892</b>	<b>21 296</b>
<b>Summa skulder</b>	<b>1 725 576</b>	<b>622 466</b>
<b>Summa eget kapital och skulder</b>	<b>2 140 322</b>	<b>722 395</b>

		<b>Konsoliderad kassaflödesanalys i sammandrag - Pioneer Property Group ASA</b>		
		<b>NOK 1000</b>	<b>2014</b>	<b>2013</b>
		<b>Kassaflöde från den löpande verksamheten</b>		
		Resultat före skatt	72 888	15 906
		Värdeförändringar på förvaltningsfastigheter	- 44 003	- 5 335
		Finansiella poster	18 764	19 303
		Förändringar i rörelsekapital	4 019	6 724
		<b>Kassaflöde från den löpande verksamheten</b>	<b>51 668</b>	<b>36 598</b>
		<b>Kassaflöde från investeringsverksamheten</b>		
		Förvärv av förvaltningsfastigheter	-1 349 897	- 80 172
		Avyttring av förvaltningsfastigheter	0	27 399
		Förändringar i finansiella fordringar	0	4 654
		Erhållen ränta	3 635	510
		<b>Kassaflöde från investeringsverksamheten</b>	<b>-1 346 262</b>	<b>- 47 609</b>
		<b>Kassaflöde från finansieringsverksamheten</b>		
		Upptagna lån	7 471	186 295
		Betalning av lån	1 089 594	- 107 171
		Aktieemissioner	264 900	0
		Utbetald ränta	- 49 877	- 18 170
		<b>Kassaflöde från finansieringsverksamheten</b>	<b>1 312 088</b>	<b>60 954</b>
		<b>Årets kassaflöde</b>	<b>17 494</b>	<b>49 943</b>
		Likvida medel vid årets början	55 854	5 911
		<b>Likvida medel vid årets slut</b>	<b>73 348</b>	<b>55 854</b>
		<b>Rapport över förändringar i eget kapital i sammandrag - Pioneer Property Group ASA</b>		
		<b>NOK 1000</b>		
			<b>Balanserad</b>	
			<b>Aktiekapital</b>	<b>vinst</b>
				<b>Totalt eget kapital</b>
		<b>01/01/2013</b>	<b>71 070</b>	<b>17 233</b>
		Årets resultat	0	11 626
		Utdelningar	0	0
		Aktieemissioner	0	0
		<b>31/12/2013</b>	<b>71 070</b>	<b>28 859</b>
		Årets resultat	0	52 786
		Utdelningar	0	-2 869
		Aktieemissioner	264 900	0
		<b>31/12/2014</b>	<b>335 970</b>	<b>78 776</b>
				<b>414 746</b>
B.8	Proforma-redovisning	Emittenten Pioneer Property Group ASA är ett företag med begränsad historia, och som bildades den 5 januari 2015. Oreviderade proformajusteringar har tagits med i beredningen av de oreviderade proforma resultat- och balansräkningarna i tabellerna nedan.		

		Pro forma resultaträkning							Proforma 2014
		Consoliderade rapporter		Kidsa Bygg AS		Kidsa Eiendom AS		Proforma justeringar	Oreviderat
		IFRS		NGAAP		IFRS justeringar			
NOK 1000	Not	Reviderat	Reviderat	Reviderat	Oreviderat	Oreviderat	Oreviderat		
Hysesintäkter	1b	104 098	7 512	7 068		53 368	172 046		
Övriga rörelseintäkter		57					57		
<b>Totala intäkter</b>		<b>104 155</b>	<b>7 512</b>	<b>7 068</b>		<b>53 368</b>	<b>172 103</b>		
Fastighets och administrativa kostnader	1b	13 774	44	- 7		20 838	34 649		
Avskrivningar	1a		2 495	2 634	- 5 149				
<b>Totala kostnader</b>		<b>13 774</b>	<b>2 539</b>	<b>2 647</b>	<b>- 5 149</b>	<b>20 838</b>	<b>34 649</b>		
<b>Rörelseresultat före värdeförändringar</b>		<b>90 381</b>	<b>4 973</b>	<b>4 421</b>	<b>5 149</b>	<b>32 531</b>	<b>137 454</b>		
Värdeförändringar på förvaltningsfastigheter		44 003					44 003		
<b>Rörelseresultat</b>		<b>134 384</b>	<b>4 973</b>	<b>4 421</b>	<b>5 149</b>	<b>32 531</b>	<b>181 457</b>		
Resultat från finansiella poster	1b, 2b	- 61 496	- 2 614	- 2 422		- 16 863	- 83 395		
<b>Resultat före skatt</b>		<b>72 888</b>	<b>2 359</b>	<b>1 999</b>	<b>5 149</b>	<b>15 668</b>	<b>98 062</b>		
Skatt	2a, 1b, 3b	- 20 102	- 636	- 540	- 1 390	- 4 230	- 26 898		
<b>Årets resultat</b>		<b>52 786</b>	<b>1 723</b>	<b>1 459</b>	<b>3 759</b>	<b>11 437</b>	<b>71 164</b>		
<b>Övrigt totalresultat efter skatt</b>									
<b>Totalresultat</b>		<b>52 786</b>	<b>1 723</b>	<b>1 459</b>	<b>3 759</b>	<b>11 437</b>	<b>71 164</b>		

Pro forma balansräkning		Consoliderade rapporter	Kidsa Bygg AS	Kidsa Eiendom AS	IFRS justeringar	Proforma justeringar	Proforma 2014 oreviderat
NOK 1000	Note	IFRS Reviderat	NGAAP Reviderat	NGAAP Reviderat	IFRS justeringar Oreviderat	Oreviderat	Oreviderat
<b>Tillgångar</b>							
Anläggningstillgångar							
Uppskjuten skattefordran					323		323
Förvaltningsfastigheter	1a, 3b	2 032 000	65 173	60 902		321 225	2 479 300
<b>Summa anläggningstillgångar</b>		<b>2 032 000</b>	<b>65 173</b>	<b>61 225</b>		<b>321 225</b>	<b>2 479 623</b>
<b>Omsättningstillgångar</b>							
Kundfordringar		34 976	4 215				39 191
Likvida medel		73 348	1 756	488			75 592
<b>Summa omsättningstillgångar</b>		<b>108 324</b>	<b>5 971</b>	<b>488</b>			<b>114 783</b>
<b>Summa tillgångar</b>		<b>2 140 324</b>	<b>71 144</b>	<b>61 713</b>		<b>321 225</b>	<b>2 594 406</b>
<b>Eget kapital och skulder</b>							
<b>Summa eget kapital</b>	3b	<b>414 746</b>	<b>8 164</b>	<b>3 353</b>		<b>329 383</b>	<b>755 646</b>
<b>Långfristiga skulder</b>							
Skulder till kreditinstitut		1 332 513	42 433	19 847			1 394 793
Uppskjuten skattefordran	3b	24 937	8 158			- 8 158	24 937
Lån från aktieägare och relaterade parter		204 938					204 938
Övriga långfristiga skulder		114 297	10 955	37 695			162 947
<b>Summa långfristiga skulder</b>		<b>1 676 685</b>	<b>61 546</b>	<b>57 542</b>		<b>- 8 158</b>	<b>1 787 615</b>
<b>Kortfristiga skulder</b>							
Förstaårsamorteringar							
Säljkrediter	3b		913	732			1 645
Skatteskulder							
Leverantörsskulder		48 893	521	86			49 500
<b>Summa kortfristiga skulder</b>		<b>48 893</b>	<b>1 434</b>	<b>818</b>			<b>51 145</b>
<b>Summa skulder</b>		<b>1 725 578</b>	<b>62 980</b>	<b>58 360</b>		<b>- 8 158</b>	<b>1 838 760</b>
<b>Summa eget kapital och skulder</b>		<b>2 140 324</b>	<b>71 144</b>	<b>61 713</b>		<b>321 225</b>	<b>2 594 406</b>

B.9	Resultatprognos	Ej tillämplig. Bolaget offentliggör inte någon resultatprognos.
B.1 0	Anmärkningar i revisionsberättelserna	Ej tillämplig. Det finns inte några anmärkningar i revisionsberättelserna.
B.1 1	Rörelsekapital	Ej tillämplig. Bolaget anser att rörelsekapitalet som finns tillgängligt för koncernen är tillräckligt för koncernens nuvarande behov, för perioden som täcker åtminstone 12 månader framåt från dagen för detta Prospekt.

#### Avsnitt C – Värdepapperen

C.1	Slag av värdepapper	Vid noteringen kommer bolaget ha två aktieslag; Preferensaktierna och Stamaktierna. Endast Preferensaktierna kommer att noteras på Oslo Axess som en del av noteringen.  Preferensaktierna har skapats enligt den norska aktiebolagslagen och är registrerade i värdepappersform hos VPS under ISIN NO 0010735681.
C.2	Valuta	Preferensaktierna är denominerade i NOK.
C.3	Totalt antal aktier i Bolaget	Bolagets nuvarande aktiekapital uppgår till NOK 15 414 470 uppdelat på 8 914 470 stamaktier och 6 500 000 preferensaktier, var och en med ett

		nominellt belopp om NOK 1.
C.4	Rättigheter som sammanhänger med värdepapperen	<p>Preferensaktierna har företrädesrätt till utdelning från bolaget som begränsas till indikativt NOK 7,50 per år med en årlig ökning om NOK 1,00 med start den 1 juli 2020 till maximalt NOK 10,00 (i enlighet kommer den årliga utdelningen att öka med NOK 1,00 år 6, ytterligare 1,00 NOK år 7 etc.) Utdelningar kräver beslut av bolagsstämman, och att bolaget har utdelningsbart fritt eget kapital.</p> <p>Utdelningen betalas kvartalsvis med en fjärdedel (25%) av den årliga utdelningen, med den första avstämningsdagen planerad till den 30 september 2015, och ackumuleras i händelse av att utdelningen som betalas ut understiger den företrädesrätt som preferensaktierna är berättigade till. Preferensaktierna bär inte någon annan rätt till utdelning. Varje preferensaktie ger ägaren rätt till en tiondels röst jämfört med bolagets stamaktier.</p> <p>Efter beslut av bolagsstämman, kan preferensaktierna lösas in, helt eller delvis, till ett belopp per preferensaktie motsvarande NOK 130 om inlösen sker före den 1 juli 2020 eller till NOK 100 per preferensaktie om inlösen sker 1 juli 2020 eller senare. Förutom inlösenpriset måste bolaget betala upplupen del av preferensaktiens utdelningar och ränta. För att preferensaktier skall lösas in måste bolaget ha fritt eget kapital i den utsträckning som inlösenpriset överstiger kvotvärdet på preferensaktierna.</p> <p>Preferensaktierna medför 1/10 röst per Preferensaktie. Stamaktierna och Preferensaktierna är giltigt utfärdade och fullt betalda.</p>
C.5	Inskränkningar i den fria överlåtbarheten	Bolagsordningen delger inte eventuella begränsningar i rätten att överlåta aktier, eller en förköpsrätt på en överlåtelse av aktier. Aktieöverlåtelser är inte föremål för godkännande av styrelsen.
C.6	Upptagande till handel	Den 19 maj 2015 ansökte bolaget om upptagande till handel av aktierna på Oslo Axess. Styrelsen i Oslo Børs förväntas överväga noteringsansökan den 17 juni 2015.
C.7	Utdelningspolicy	Bolaget har för avsikt att betala NOK 7,50 årligen, med kvartalsvisa utbetalningar på NOK 1,875 i utdelning per preferensaktie. Preferensaktierna bär inte någon annan rätt till utdelning. De preferensaktier som utfärdas inom Erbjudandet medför rätt till utdelning första gången den 30 september 2015. Utdelningen ökar med NOK 1,00 per preferensaktie per år efter den 1 juli 2020 men bara upp till maximalt NOK 10 per år.

#### Avsnitt D – Risker

D.1	Huvudsakliga risker avseende emittenten och dess marknad	<p>De huvudsakliga riskerna relaterat till koncernen och den bransch koncernen är verksam inom är följande:</p> <ul style="list-style-type: none"> <li>• Värdet på koncernens tillgångar utsätts för konjunktursvängningar. Konjunktursvängningar kan ha en väsentlig negativ inverkan på koncernens verksamhet, resultat och finansiella ställning.</li> <li>• Koncernens fastigheter är geografiskt belägna i Norge, och mer specifikt, främst i vissa delar av Norge, och nedgångar i den ekonomiska aktiviteten i dessa geografiska områden kan väsentligt och negativt påverka den kommersiella fastighetsmarknaden vilket är den marknad koncernen är verksam inom.</li> <li>• Om koncernen inte klarar av att hyra ut någon av sina fastigheter, kommer koncernen drabbas av ett hyresbortfall, och kan vara skyldiga att täcka de gemensamma kostnaderna för vakanta ytor tills fastigheten</li> </ul>
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		<p>återuthyrs. Även om hyresgästen förnyar eller ersätts finns det inga garantier för att sådana förnyelser eller ersättningar kommer att ske på villkor som är lika förmånliga för koncernen som tidigare eller att nya hyresgäster kommer att vara lika kreditvärda som de tidigare hyresgästerna. Koncernens kostnader för underhåll, ersättning och förbättring av sina befintliga fastigheter kan bli högre än beräknat</p> <ul style="list-style-type: none"> <li>• Den demografiska utvecklingen kan sänka efterfrågan på koncernens fastigheter och därmed minska hyresintäkter och fastighetsvärdet</li> <li>• Koncernen är föremål för kreditrisk för sina hyresgäster och uppsägning av kontrakt kommer att ha en väsentlig negativ effekt på värdet av fastigheterna Bolagets verksamhet, rörelseresultat och finansiella ställning.</li> <li>• Om den norska statliga finansieringslösningen för privata förskolor signifikant ändras skulle koncernens motparter kunna erfara minskad inkomst, vilket i sin tur kan påverka deras förmåga att betala hyran till koncernen.</li> </ul> <p>Finansiella risker</p> <ul style="list-style-type: none"> <li>• Koncernens belåningsgrad och förmåga att ta på sig ytterligare skuldsättning kan ha en väsentlig negativ inverkan på koncernens förmåga att erhålla ytterligare finansiering eller göra koncernen mer sårbar i händelse av en nedgång i verksamheten eller ekonomin i allmänhet.</li> <li>• Ränteförändringar kan väsentligt och negativt påverka koncernens verksamhet, finansiella ställning, rörelseresultat och kassaflöden</li> <li>• Koncernens befintliga eller framtida skuldstruktur skulle kunna begränsa koncernens likviditet och flexibilitet att erhålla ytterligare finansiering, för att driva andra affärsmöjligheter, företagsaktiviteter eller bolagets förmåga att ge utdelning till sina aktieägare</li> </ul>
D.3	Huvudsakliga risker avseende värdepapperen	<ul style="list-style-type: none"> <li>• Bolaget är ett holdingbolag och är beroende av kassaflödet från dotterbolag att uppfylla sina förpliktelser och för att betala utdelning till sina aktieägare</li> <li>• Framtida utdelning för preferensaktierna är inte garanterade</li> <li>• Priset på Preferensaktierna kan fluktuera kraftigt</li> <li>• Efter Erbjudandet kommer företag som kontrolleras av Kristian A. Adolfsen och Roger Adolfsen och vissa andra företag fortsätta att utöva kontroll över bolaget och deras intressen kan komma i konflikt med andra aktieägares</li> </ul>

#### Avsnitt E – Erbjudandet

E.1	Emissionsintäkter och emissionskostnader	<p>Erbjudandet är i sin helhet en sekundär försäljning, och bolaget kommer inte att tillförskaffas några intäkter i samband med Erbjudandet.</p> <p>Pioneer Property Group ASA uppskattar att de totala kostnaderna i samband med Erbjudandet (inklusive provision som skall betalas av bolaget till rådgivarna och som utgörs av en fast procentsats av bruttointäkterna) och i samband med noteringen av sina preferensaktier på Oslo Axess, och som kommer att betalas av bolaget, kommer att uppgå till cirka 10 miljoner norska kronor.</p>
E.2a	Motiv till Erbjudandet	Erbjudandet kommer, om det fullföljs, innebära att Bolaget uppfyller Oslo Axess krav att ha minst 100 aktieägare, för upptagande till handel.
E.3	Villkor	Erbjudandet omfattar:



		<p>a. Ett institutionellt erbjudande, där Preferensaktier erbjuds (a) till institutionella och professionella investerare i Norge och Sverige, (b) till investerare utanför Norge, Sverige och USA, med förbehåll för tillämpliga undantag från prospektkraven och registrering, och (c) i USA för QIBs enligt definitionen i och i förlitan på artikel 144A i US Securities Act. Det institutionella erbjudandet är föremål för en lägsta gräns per ansökan om NOK 1 000 000</p> <p>b. Ett norskt erbjudande till allmänheten där Preferensaktier erbjuds till allmänheten i Norge och omfattas av en lägsta gräns per ansökan om NOK 10 500 och en övre gräns per ansökan om NOK 999 999 för varje investerare. Investerare som avser att placera en order värd mer än NOK 1 000 000 måste göra det i det institutionella erbjudandet. Flera ansökningar från en och samma sökande i det norska erbjudandet till allmänheten kommer att behandlas som en ansökan i förhållande till den högsta ansökningsgränsen.</p> <p>c. Ett svenskt erbjudande till allmänheten där Preferensaktier erbjuds till allmänheten i Sverige och omfattas av en lägsta gräns per ansökan om NOK 10 500 och en övre gräns per ansökan om NOK 999 999 för varje investerare. Investerare som avser att placera en order värd mer än NOK 1 000 000 måste göra det i det institutionella erbjudandet. Flera ansökningar från en och samma sökande i det svenska erbjudandet till allmänheten kommer att behandlas som en ansökan i förhållande till den högsta ansökningsgränsen.</p> <p>Alla erbjudanden och försäljningar utanför USA kommer att göras i enlighet med Regulation S i US Securities Act.</p> <p>Detta Prospekt utgör inte ett erbjudande om, eller inbjudan att förvärva, Preferensaktier i någon jurisdiktion där ett sådant erbjudande eller försäljning skulle vara olaglig. För ytterligare information, se "Important Information" och avsnitt 18 "Selling and Transfer Restrictions".</p> <p>Anbudsperioden för det institutionella erbjudandet beräknas äga rum från 4 juni 2015 klockan 09:00 (CET) till 17 juni 2015 klockan 14:00 (CET). Anmälningssperioden för erbjudandena till allmänheten beräknas äga rum från 4 juni 2015 klockan 09:00 (CET) till 17 juni 2015 klockan 12:00 (CET). Bolaget, i samråd med den finansiella rådgivaren, förbehåller sig rätten att helt diskretionärt förkorta eller förlänga anbudsperioden eller anmälningssperiod när som helst. All förkortning av anbudsperioden och/eller anmälningssperioden kommer att tillkännages via Oslo Børs informationssystem vid eller före 09:00 (CET) på det rådande utgångsdatumet av anbudsperioden, dock under förutsättning att anbudsperioden och/eller anmälningssperioden under inga omständigheter löper ut före 12:00 (CET) den 15 juni 2015. En förlängning av anbudsperioden och/eller anmälningssperioden kommer att offentliggöras genom Oslo Børs informationssystem vid eller före 09:00 (CET) på den första bankdagen efter det rådande utgångsdatumet av anbudsperioden. En förlängning av anbudsperioden och/eller ansökningsperioden kan göras en eller flera gånger, dock under förutsättning att anbudsperioden och/eller anmälningssperioden under inga omständigheter förlängs efter 17:30 (CET) den 25 juni 2015. I händelse av en förkortning eller en förlängning av anbudsperioden och/eller anmälningssperioden kan tilldelningsdagen, betalningens förfallodatum och datum för leverans av preferensaktier komma att ändras i enlighet därmed, men den dag då notering sker och handeln inleds på Oslo Axess behöver inte nödvändigtvis ändras.</p>
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		Erbjudandepriiset är NOK 100 per preferensaktie.
E.4	Intressen och intressekonflikter	<p>De finansiella rådgivarene eller dess dotterbolag har från tid till annan, och kan även möjligtvis i framtiden ge, investerings- och kommersiella banktjänster till bolaget och dess dotterbolag i den löpande verksamheten, för vilken de kan ha fått och kan fortsätta att erhålla sedvanliga arvoden och provisioner. De finansiella rådgivarene har inte för avsikt att avslöja omfattningen av sådana investeringar eller transaktioner på annat sätt än i enlighet med sin rättsliga eller lagstadgade skyldighet att göra det. De finansiella rådgivare kommer att få ett arvode i samband med erbjudandet och därav ha ett intresse i erbjudandet.</p> <p>ABG Sundal Collier äger 255 000 Preferensaktier per dagen för detta prospekt.</p> <p>Utöver ovan nämnda, är bolaget inte medvetet om något intresse, inklusive konflikter, för några fysiska eller juridiska personer som är involverade i erbjudandet.</p>
E.5	Säljande aktieägare och lock up-avtal	<p>Erbjudandet består av upp till 2 800 000 preferensaktier som erbjuds av elva befintliga innehavare av Preferensaktier. Alla säljande aktieägare, utom, Pioneer Capital Partners AS och Kidprop AS är även innehavare av stamaktier.</p> <p>De säljande aktieägarna har inte ingått några lock-up avtal.</p>
E.6	Utspädningseffekt	Ej tillämplig. Inga nya aktier emitteras i samband med Erbjudandet.
E.7	Kostnader som åläggs investerare	Ej tillämplig. Inga kostnader eller skatter kommer att debiteras av bolaget eller den finansiella rådgivaren till investerarna i Erbjudandet.

## 22. DEFINITIONS AND GLOSSARY

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus.

ABGSC	ABG Sundal Collier Norge ASA
Additional Property Master Lease	An additional property master lease entered into between PPP III and the Espira Group AS.
Annual Dividend	The Preference Shares' limited preferential right to receive dividends from the Company as further described in section 5.1.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302.
Application Period	The application period for the Retail Offerings, which will commence at 09:00 hours (CET) on 4 June 2015 and close at 12:00 hours (CET) on 17 June unless shortened or extended.
Articles of Association	The articles of association of the Company amended on 12 May 2015
BDO	BDO AS a private limited liability company with registration number 993 606 650.
Board of Directors	The board of directors of the Company
CEO	The Company's chief executive officer.
COFTA	The Central Office for Foreign Tax Affairs
Company	Pioneer Property Group ASA a public limited liability company incorporated under the laws of Norway with registration number 914 839 327.
Consideration Preference Shares	The Preference Shares which were issued to the Selling Shareholders 12 May 2015.
Code of Practice	The Norwegian Code of Practice for Corporate Governance dated 30 October 2014
EEA	The European Economic Area.
Espira	Espira Gruppen AS, a private limited liability company with registration number 991 926 577, also defined as Espira Group.
Espira Group	Espira Gruppen AS, a private limited liability company with registration number 991 926 577, also defined as Espira.
Espira Lease Agreements	The lease agreements with Espira Group's respective preschool operator company
EU Prospectus Directive	Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.
FSMA	The Financial Services and Markets Act 2000
Foreign EEA Corporate Shareholders	Foreign Shareholders that are corporations tax-resident within the EEA for tax purposes.
Foreign EEA Personal Shareholders	Non-resident Shareholders who are individuals tax-resident within the EEA.
Forward-looking statements	Statements made that are not historic and thereby predictive as defined in Section 4.3.
Group	The Company with its subsidiaries and affiliated companies.
IFRS	International Financial Reporting Standards as adopted by the EU.

IMF	The International Monetary Fund
Institutional Offering	A tranche of the Offering in which Preference Shares are being offered to a) institutional and professional investors in Norway and Sweden, (b) institutional investors outside Norway, Sweden and the U.S, and (c) QIBs.
IRS	The Internal Revenue Service
ISIN	Securities number in the Norwegian Registry of Securities (VPS).
Kidsa Drift	Kidsa Drift AS a private limited liability company with registration number 915 272 002.
Kidsa Drift Matser Lease	The master lease agreement entered into between Kidsa Drift AS and PPP IV.
Listing	The listing of the Preference Shares on Oslo Axess.
Managers	ABG Sundal Collier Norge ASA and Swedbank Norway, branch of Swedbank AB (publ)
Management Agreement	Management agreement entered into between the Company and Pioneer Management AS on 12 May 2015.
NGAAP	The Norwegian Generally Accepted Accounting Principles.
NOK	Norwegian Kroner, the lawful currency of Norway.
Non-resident shareholders	Shareholders who are not resident in Norway for tax purposes.
Nordet	Nordet AB, a swedish private limited liability company.
Norlandia Care Group	Norlandia Care Group AS, a private limited liability company with registration number 992 036 540.
Norlandia Preschools	Norlandia Preschools AS, a private limited liability company with registration number 986 554 270.
Norlandia Preschools Master Lease	The master lease agreement entered into by PPP I and PPP II with Norlandia Preschool AS
Norlandia Preschools Step-in-lease	Master lease agreement entered into by PPP III and PPP IV with Norlandia Preschools AS
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet).
Norwegian Corporate Shareholders	Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes.
Norwegian Personal Shareholders	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Liability Companies Act	Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (Nw.: Allmennaksjeloven)
Norwegian Retail Offering	The retail offering to the public in Norway.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (Nw.: verdipapirhandelloven).
Offer Price	NOK 100
Offer Period	The offer period for the Institutional Offering which commences at 09:00 hours (CET) on 4 June 2015 and closes at 14:00 hours (CET) on 17 June unless shortened or extended.

Offering	The initial public offering of up to 2,800,000 Preference Shares of the Company to be sold by certain shareholders of the Company.
Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended.
Ordinary Consideration Shares	The Ordinary Shares which were issued to the Selling Shareholders 12 May 2015.
Ordinary Shares	The Company's ordinary Shares.
Oslo Axess	A regulated market operated by Oslo Børs.
Oslo Børs	Oslo Børs ASA
Pioneer Capital	Pioneer Capital Partners AS, a private limited liability company with registration number 995 997 525.
Pioneer Management	Pioneer Management AS, a private limited liability company with registration number 912 323 811.
PPP I	Pioneer Public Properties I AS, a private limited liability company registered in Norway with registration number 996 920 917
PPP II	Pioneer Public Properties II AS, a private limited liability company registered in Norway with registration number 999 244 564
PPP III	Pioneer Public Properties III, a private limited liability company registered in Norway with registration number 913 748 336
PPP IV	Pioneer Public Properties IV, a private limited liability company registered in Norway with registration number 914 835 429
Preference Rate	NOK 7.5 per Preference Share per annum with a NOK 1 annual step-up each year first commencing 1 July 2015, to a maximum of NOK 10.
Preference Shares	The Company's preference shares as further described in Section 5.
Prospectus	This Prospectus.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in Prospectuses, as amended, and as implemented in Norway.
QIBs	Qualified institutional buyers, as defined in Rule 144A under the U.S. Securities Act.
Redemption Price	NOK 130 per Preference Share if the redemption is done prior to 1 July 2020, or at NOK 100 per Preference Share if the redemption is done 1 July 2020 or later, as further described in Section 5.
Regulation S	Regulation S under the U.S. Securities Act.
Relevant Implementation Date	The date on which the EU Prospectus Directive is implemented in that Relevant Member State
Relevant Member State	Each Member State of the EEA which has implemented the EU Prospectus Directive.
Resident Shareholders	Shareholders that are residents of Norway for purposes of Norwegian taxation.
Retail Offerings	A tranche of the Offering, in which Preference Shares are being offered to the public in Norway and Sweden.
Rule 144A	Rule 144A under the U.S Securities Act.

Selling Shareholders	Acea Properties AS, Eidissen Consult AS, Grafo AS, Hospitality Invest AS, Kidprop AS, Kidsa Drift AS, Klevenstern AS, Mecca Invest AS, Norlandia Care Group AS and Pioneer Capital Partners AS.
SFA	The Securities and Futures Act, Chapter 289 of Singapore.
Share(s)	Shares in the share capital of the Company, each with a nominal value of NOK 1 or any one of them.
SPV	Single purpose vehicle
Subsidiaries	Pioneer Public Property AS I, Pioneer Public Property II AS, Pioneer Public Property III AS and Pioneer Public Property IV AS. Together with the Company the "Group".
Swedbank	Swedbank Norway, branch of Swedbank AB (publ)
Swedish Retail Offering	The retail offering to the public in Sweden.
U.K	The United Kingdom
U.S	The United States of America also defined as the United States.
United States	The United States of America also defined as the U.S
USD	United States Dollar, the lawful currency of the United States of America.
U.S. Securities Act	The United States Securities Act of 1933, as amended
VPS	The Norwegian Central Securities Depository (Nw.: <i>Verdipapirsentralen</i> ).
WAULT	Weighted average unexpired lease term

**Appendix A: Newsec Valuation report dated 28 April 2015**



Newsec AS

Filipstad Brygge 1  
P.O. Box 1800 Vik  
N-0123 Oslo  
Tel +47 23 00 31 00  
Fax +47 23 00 31 01  
NO 986 033 033 MVA

post@newsec.no  
www.newsec.no

Pioneer Capital Partners AS  
v/Martin P. Hoff

Oslo 28.4.2015

## Verdivurdering av barnehageportefølje

### Mandat

Newsec er blitt forespurt av Pioneer Capital Partners v/Runar Rønningen om å gjøre en vurdering av 113 barnehager fordelt på fire porteføljer som skal erverves av Pioneer Public Properties Group ASA (under etablering) fra andre selskap med noe tilsvarende eierstruktur. Største leietaker har også noe tilsvarende eierstruktur. Det er enighet om at leveransens format er ett regneark der hver barnehage utgjør en rad og barnehagenes detaljer ligger i tilhørende kolonner. Parametere summeres på porteføljenivå og på aggregert nivå.

### Mottatt informasjon

Oppdragsgiver har hatt møte med Newsec og presentert omfanget. I etterkant av møtet ble det oversendt lister med informasjon om alle eiendommene fordelt på de fire porteføljene.

### Befaring og standard

Ingen av eiendommene som er vurdert er befart, det tas forbehold om at alle eiendommer er i god stand slik oppdragsgiver forsikrer.

### Tomter og hjemmelsforhold

Newsec har ikke tatt stilling til om det fysisk er plass på tomtene, ei heller hjemmels- eller festeforhold. I oversikten over eiendommene er det oppsummert om byggene ligger på festetomt eller ikke.

### Eierkostnader

Leiekontraktene er på 20 års «masterlease». Kontraktene er på tripple-net basis hvor leietager har fullt indre og ytre vedlikeholdsansvar, forsikring, eiendomsskatter og festeavgifter. Leien justeres med 100 % av KPI. Vi har lagt til grunn at eierkostnadene utgjør ca. 2% av brutto leie. Belastningen for festeavgiften tilfaller leietaker, mens risiko tas av fester i form av påslag på yield.

### Leienivåer

Newsec er forelagt totalt leienivå på MNOK 204, men er opplyst at bransjestandard tilsier at en barnehage har kapasitet til å betale NOK 21.000,- per barn per år i leie. Dette tilsvarer ca. MNOK 233 i markedsleie. Vi har lagt til grunn at det er skrevet 20 års leieavtaler og legger videre til grunn at det er liten sannsynlighet for at denne type virksomhet vil opphøre på noen av eiendommene i overskuelig fremtid. Det er meget begrenset med sammenliknbare transaksjoner, men leiebeløpet på NOK 21.000,- per barn er oppgitt av oppdragsgiver og er basert på flere år med praksis, og vurderes som markedsmessig. De undersøkelser vi har utført underbygger også dette anslaget. Vi har videre lagt til grunn at dette er leienivået til den enkelte barnehage og priser risikoen for at dette oppnås i yieldanslaget.



**Leietakere**

Leietakerne er to av Norges største barnehageoperatører; Espira og Norlandia Preschools. Hvor Norlandia Care Group (Norges største private Health Care Service aktør) yter en konserngaranti for leiebeløpet. Norlandia Care Group AS (NCG) har høyeste kredittverdighet; AAA og omsetter indirekte for milliardbeløp hvert år. Espira er svenskeid og det norske AS'et har kredittrating A ifg. soliditet.no. Norlandia Preschools har kredittrating AA og er eid i sin helhet av NCG.

**Oppbygging av yield**

Newsec har tatt utgangspunkt i en absolutt prime yield for barnehager på 5,50%, den benyttede yielden har videre blitt påbygget som resultat av blant annet beliggenhet i tilknytting til stor by med befolkningsvekst eller ikke, areal (per barn), tomtestørrelse (per barn), byggeår og hvorvidt eiendommen ligger på festetomt. De lister vi har mottatt fra oppdragsgiver er ikke helt komplette, i de tilfeller informasjonen ikke er fullstendig har vi antatt et snittnivå for den variabelen.

**Verdi**

Basert på den oversendte informasjonen og våre antakelser, herunder forutsetninger nevnt i dette dokument, har vi konkludert at hele porteføljen slik den fremkommer i vedlagte regneark har en verdi på:

**NOK 3 584 000 000,-**

Dette tilsvarer 6,36% i vektet snittyield, NOK 323.118,- per barnehageplass, NOK 42.848,- per kvm bygg og NOK 7.486,- per kvm tomt.

Oslo, 28.04.2015



Jon H. Dahlberg Årstad  
Direktør Advice/Partner  
Newsec AS



Christopher Krohnstad  
Analytiker  
Newsec AS

Barnehage	Brutto Markedsleie	Netto Markedsleie	Yield	Verdi	Antall barn	Tomt (kvm)	Lekeareal ute	Bygg (kvm)	Kvm pr Barn	kvm tomt pr barn	Byggeår	Post	Kommune	Gnr.	Bnr.	Festet	
PPPI AS																	
Bjørneborgen	2 436 000	2 387 280	7,00 %	34 104 000	116	3 416		715	6,16	29,45	1992	8029 Bodø	Bodø		43	945	ja
Breivika	1 932 000	1 893 360	7,00 %	27 048 000	92	2 500	2 443	552	6,00	27,17	1992	8003 Bodø	Bodø		138	4 298	ja
Kjeldmyrtlia	777 000	761 460	6,25 %	12 183 360	37	1 506		277	7,49	40,70	1990	8027 Bodø	Bodø		42	620	ja
Mellommyra	1 743 000	1 708 140	6,00 %	28 469 000	83	3 648	2 839	515	6,20	43,95	2002	8028 Bodø	Bodø		43	789	ja
Måsungen Barnehage	1 008 000	987 840	6,25 %	15 805 440	48	1 775	1 160	471	9,81	36,98		9104 Kvaløya	Tromsø		71	265	
Nissebo	1 323 000	1 296 540	6,25 %	20 744 640	63	1 654		400	6,35	26,25	2004	8013 Bodø	Bodø		39	411	nei
Stadionparken	1 785 000	1 749 300	6,50 %	26 912 308	85	2 295		517	6,08	27,00	1996	8008 Bodø	Bodø		138	4297/snr2	nei
Stordalen	1 029 000	1 008 420	6,00 %	16 807 000	49	2 581		309	6,31	52,67		na 8011 Bodø	Bodø		30	409	nei
Vollen	2 331 000	2 284 380	7,00 %	32 634 000	111	4 048		651	5,86	36,47	1988	8011 Bodø	Bodø		30	456	ja
Paradiset	1 050 000	1 029 000	6,00 %	17 150 000	50	819		389	7,78	16,38	1984	8072 Bodø	Bodø		39	482	
Bjørnhaugen	1 407 000	1 378 860	7,00 %	19 698 000	67	5 708		415	6,19	85,19	1993	8370 Leknes	Vestvågøy		18	621	nei
Hvalrossen	1 848 000	1 811 040	6,00 %	30 184 000	88	3 578		524	5,95	40,66	1997	9014 Tromsø	Tromsø		117	730	nei
Isbjørnen I	1 848 000	1 811 040	6,25 %	28 976 640	88	3 075	1 606	524	5,95	34,94	1997	9024 Tomasjord	Tromsø		15	1 033	nei
Isbjørnen II	903 000	884 940	6,25 %	14 159 040	43			269	6,26	0,00	1997	9024 Tomasjord	Tromsø		15	1 033	nei
Kvitungen	1 617 000	1 584 660	6,25 %	25 354 560	77	4 115		500	6,49	53,44	1991	9017 Tromsø	Tromsø		115	796	ja
Polarmåsen	1 848 000	1 811 040	6,25 %	28 976 640	88	2 480	1 940	524	5,95	28,18	1997	9100 Kvaløysletta	Tromsø		71	264	nei
Polarreven	1 848 000	1 811 040	6,25 %	28 976 640	88	3 145		524	5,95	35,74	1997	9014 Tromsø	Tromsø		116	349	nei
Ulven barnehage	2 121 000	2 078 580	7,00 %	29 694 000	101	5 977		660	6,53	59,18	2005	5357 Fjell	Fjell		8	82	
Kårtveitpollen barnehage	2 184 000	2 140 320	7,00 %	30 576 000	104	3 822		660	6,35	36,75	2006	5363 Ågotnes	Fjell		23	316	
SUM PPPI	31 038 000	30 417 240		468 453 268	1 478	56 141	9 988	9 396									
SUM TOTAL	232 932 000	228 040 798		3 584 029 576	11 092	478 766	56 592	83 644									

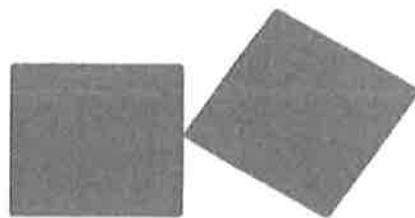
Vektet snittyield	6,36 %
Verdi per plass	323 118
Verdi per kvm bygg	42 848
Verdi per kvm tomt	7 486

Barnehage	Brutto Markedsleie	Netto Markedsleie	Yield	Verdi	Antall barn	Tomt (kvm)	Lekeareal ute	Bygg (kvm)	Kvm pr Barn	kvm tomt pr barn	Byggear	Post	Kommune	Gnr.	Bnr.	Festet
<b>PPPII AS</b>																
Dalsliene	1 537 200	1 498 856	6,25 %	23 981 696	73	3 850	1 800	571	7,80	52,60	2001	2072 Dal	Eidsvoll	86	106	ja
Eltonåsen	1 579 200	1 544 756	6,25 %	24 716 096	75	13 700	6 000	657	8,74	182,18	2002	2034 Holter	Nannestad	82	268 1,2	ja
Furulund	1 398 600	1 370 627	6,25 %	21 930 032	67	2 788	1 528	589	8,84	41,86	2003	2003 Lillestrøm	Skedsmo	83	679	ja
Gardermoen Park	1 520 400	1 439 992	6,25 %	23 039 872	72	3 850	1 800	663	9,16	53,18	2000	2065 Gardermoen I	Ullensaker	137	48	ja
Lysejordet	1 440 600	1 339 688	6,00 %	22 328 133	69	4 441	2 979	585	8,53	64,74	2006	0383 Oslo	Bydel Vestre Aker	28	1 220	ja
Mogreina	1 230 600	1 205 987	6,25 %	19 295 792	59	3 100	2 200	493	8,41	52,90	2003	2054 Mogreina	Ullensaker	183	77	ja
Neskollen	2 671 200	2 567 776	6,25 %	41 084 416	127	5 000	4 000	1 075	8,45	39,31	2004	2165 Hvam	Nes i Akershus	79	266	ja
Nordbyhagen	1 961 400	1 922 172	6,00 %	32 036 200	93	4 051	3 066	946	10,13	43,37	2005	2050 Jessheim	Ullensaker	142	244	nei
Romsaas	1 705 200	1 621 096	6,25 %	25 937 536	81	3 300	2 229	657	8,08	40,64	2002	2050 Jessheim	Ullensaker	132	254	ja
Sten-Tærud	2 188 200	2 144 436	6,00 %	35 740 600	104	5 100	3 884	1 215	11,66	48,94	2006	2019 Skedsmokors	Skedsmo	37	801	nei
Sørumsand	2 234 400	2 189 712	6,00 %	36 495 200	106	5 000	3 782	1 215	11,42	46,99	2006	1920 Sørumsand	Sørumsand	42	91	nei
Myrertoppen	1 512 000	1 481 760	6,25 %	23 708 160	72	2 351	1575	500	6,94	32,65	1995	0495 Oslo	Oslo	75	177	nei
Glassverkveien	2 184 000	2 140 320	6,00 %	35 672 000	104	4 556		1 084	10,42	43,81	2004	1363 Høvik	Bærum	11	1 477	nei
Eventyrstua	2 100 000	2 058 000	6,25 %	32 928 000	100	500	1350	630	6,30	5,00	2006	0485 Oslo	Oslo	77	57	nei
Tomm Murstad	1 470 000	1 440 600	6,25 %	23 049 600	70	550		480	6,86	7,86	2014	0791 Oslo	Oslo	34	17	nei
Idunsvei 8	1 008 000	987 840	7,00 %	14 112 000	48	4 300	1343	600	12,50	89,58	1991	8445 Melbu	Hadsel	52	877	nei
Andenes Privatbarnehage	672 000	658 560	7,00 %	9 408 000	32	3222		496	15,50	100,69						
Sjøstjerna	1 050 000	1 029 000	7,00 %	14 700 000	50	2480		347	6,94	49,60						
Kløvermarka	1 554 000	1 522 920	7,00 %	21 756 000	74	2391		488	6,59	32,31	2004	8900 Brønnøysund	Brønnøysund	106	170	
Naustvika	1 995 000	1 955 100	7,00 %	27 930 000	95	4375		570	6,00	46,05				27	515	
Kidsa Breistein	1 995 000	1 955 100	7,00 %	27 930 000	95	5 132	520	1 062	11,18	54,02		5111 Breistein	Bergen	199	193	nei
Kidsa Haukedalen	1 659 000	1 625 820	6,50 %	25 012 615	79	4 610	404	643	8,14	58,35		5113 Tertnes	Bergen	187	310	nei
Kidsa Tertitten	924 000	905 520	6,50 %	13 931 077	44	1 885	193	413	9,39	42,84		5114 Tertnes	Bergen	186	1 112	nei
<b>SUM PPPII</b>	<b>37 590 000</b>	<b>36 605 638</b>		<b>576 723 026</b>	<b>1 790</b>	<b>90 532</b>	<b>38 653</b>	<b>15 977</b>								

Barnehage	Brutto Markedsleie	Netto Markedsleie	Yield	Verdi	Antall barn	Tomt (kvm)	Lekeareal ute	Bygg (kvm)	Kvm pr Barn	kvm tomt pr barn	Byggeår	Post	Kommune	Gnr.	Bnr.	Festet
<b>PPPIII AS</b>																
Bjørgene Barnehage	2 520 000	2 469 600	7,00 %	35 280 000	120	4 071		720	6,00	33,93	01.08.2005	5532 Haugesund	Haugesund	35	1650	Ja
Brådalsfjellet Barnehage	2 961 000	2 901 780	6,00 %	48 363 000	141	5 966		1000	7,09	42,31	01.08.2005	2022 Gjerdrum	Gjerdrum	46	499	Nei
Dragerskogen Barnehage	2 037 000	1 996 260	7,00 %	28 518 000	97	4 375		720	7,42	45,10	01.08.2007	2830 Raufoss	Vestre Toten	37	263	Nei
Dvergsnestangen Barneha	3 423 000	3 354 540	6,25 %	53 672 640	163	5 182		1100	6,75	31,79	01.11.2007	4639 Kristiansand S	Kristiansand	96	685	Nei
Furuholmen Barnehage	1 638 000	1 605 240	6,50 %	24 696 000	78	4 459		560	7,18	57,17	01.03.2005	2170 Fenstad	Nes	14	175	Nei
Garhaug Barnehage	2 121 000	2 078 580	6,50 %	31 978 154	101	5 343		720	7,13	52,90	01.08.2004	5570 Akسدal	Tysvær	104	247	Ja
Gullhella Barnehage	2 625 000	2 572 500	6,25 %	41 160 000	125	4 308		988	7,90	34,46	01.08.2003	1386 Asker	Asker	61	697	Ja
Gåserud Barnehage	2 142 000	2 099 160	6,00 %	34 986 000	102	5 680		695	6,81	55,68	01.02.2003	3032 Drammen	Drammen	80	1561	Ja
Halsnøy Kloster Barneha	2 016 000	1 975 680	6,50 %	30 395 077	96	7 891		720	7,50	82,20	01.06.2007	5455 Halsnøy Klost	Kvinnherad	191	332	Nei
Helldalsåsen Barnehage	2 016 000	1 975 680	6,25 %	31 610 880	96	3 748		700	7,29	39,04	01.09.2003	5225 Nesttun	Bergen	43	1040	Ja
Høytorp Fort Barnehage	2 121 000	2 078 580	6,50 %	31 978 154	101	6 839		720	7,13	67,71	01.10.2005	1850 Mysen	Eidsberg	55	205	Ja
Kløverenga Barnehage	2 520 000	2 469 600	6,25 %	39 513 600	120	4 935		870	7,25	41,13	01.07.2005	2150 Årnes	Nes	169	251	Nei
Kniveåsen Barnehage	3 465 000	3 395 700	6,00 %	56 595 000	165	4 555		1100	6,67	27,60	01.12.2006	3036 Drammen	Drammen	34	204	Nei
Krystallveien Barnehage	3 108 000	3 045 840	6,25 %	48 733 440	148	5 158		1100	7,43	34,85	01.09.2008	4321 Sandnes	Sandnes	46	719	Nei
Kuventræ Barnehage	4 200 000	4 116 000	6,50 %	63 323 077	200	6 261		1250	6,25	31,30	01.09.2006	5200 Os	Os	54	705/766/767	Nei
Litlasund Barnehage	3 360 000	3 292 800	6,50 %	50 658 462	160	5 612		1100	6,88	35,08	01.07.2008	4260 Torvastad	Karmøy	141	180	Nei
Løvestad Barnehage	2 037 000	1 996 260	6,50 %	30 711 692	97	5 011		720	7,42	51,66	24.11.2008	1820 Spydeberg	Spydeberg	9	133	Nei
Marthahaugen Barnehage	2 226 000	2 181 480	6,50 %	33 561 231	106	3 061		720	6,79	28,88	01.01.2007	5918 Frekhaug	Meland	27	199	Ja
Myraskogen Barnehage	3 465 000	3 395 700	6,25 %	54 331 200	165	6 993		1100	6,67	42,38	01.11.2007	4848 Arendal	Arendal	445	173	Nei
Nordmo Barnehage	2 163 000	2 119 740	6,25 %	33 915 840	103	4 992		695	6,75	48,46	01.08.2003	2406 Elverum	Elverum	13	1008	Ja
Opaker Barnehage	2 142 000	2 099 160	6,50 %	32 294 769	102	6 444		720	7,06	63,18	01.02.2008	2166 Oppaker	Nes	136	336	Nei
Opsahl Barnehage	2 310 000	2 263 800	6,50 %	34 827 692	110	6 142		710	6,45	55,83	01.10.2003	1850 Mysen	Eidsberg	57	410	Ja
Ormadalen Barnehage	3 318 000	3 251 640	6,50 %	50 025 231	158	10 821		1370	8,67	68,49	01.08.2008	4353 Klepp Stasjon	Klepp	9	589	Nei
Rambjøra Barnehage	1 890 000	1 852 200	6,25 %	29 635 200	90	2 923		720	8,00	32,48	01.07.2004	5098 Bergen	Bergen	10	737	Ja
Ree Barnehage	2 394 000	2 346 120	6,25 %	37 537 920	114	4 372		870	7,63	38,35	01.05.2006	4340 Bryne	Time	3	745	Nei
Romholt Barnehage	1 596 000	1 564 080	6,50 %	24 062 769	76	5 053		720	9,47	66,48	25.01.2006	2750 Gran	Gran	247	31	Nei
Rubbestadneset Barneha	1 911 000	1 872 780	6,50 %	28 812 000	91	7 615		720	7,91	83,68	01.01.2008	5420 Rubbestadnes	Bømlo	83	626	Nei
Rå Barnehage AS	5 355 000	5 247 900	6,25 %	83 966 400	255	10 472		2300	9,02	41,07	01.12.2006	5239 Rådal	Bergen	120	464	Nei
Salamonskogen Barnehag	3 885 000	3 807 300	6,50 %	58 573 846	185	5 048		1280	6,92	27,29	01.05.2006	5430 Bremnes	Bømlo	109	388/1	Ja
Skolegata Barnehage	2 730 000	2 675 400	6,25 %	42 806 400	130	5 731		860	6,62	44,09	01.08.2004	1830 Askim	Askim	99	287	Ja
Skåredalen Barnehage	4 200 000	4 116 000	6,25 %	65 856 000	200	6 417		1350	6,75	32,09	01.02.2008	5533 Haugesund	Haugesund	4	298	Nei
Snurrefjellet Barnehage	2 121 000	2 078 580	6,50 %	31 978 154	101	4 399		720	7,13	43,55	01.07.2004	1481 Hagan	Nittedal	3	611	Nei
Solknatten Barnehage	3 528 000	3 457 440	6,25 %	55 319 040	168	5 467		1370	8,15	32,54	01.08.2007	5223 Nesttun	Bergen	44	882	Nei
Stongafjellet Barnehage	2 688 000	2 634 240	6,25 %	42 147 840	128	4 954		968	7,56	38,70	01.10.2006	5300 Klepppestø	Askøy	10	661	Nei
Sundbyfoss Barnehage	2 541 000	2 490 180	6,50 %	38 310 462	121	5 599		840	6,94	46,27	11.12.2009	3092 Sundbyfoss	Hof	54	87	Nei
Tjøsvoll Barnehage	2 541 000	2 490 180	6,50 %	38 310 462	121	7 256		840	6,94	59,97	01.05.2008	4270 Åkrehamn	Karmøy	13	683	Nei
Torsbergskogen Barnehag	1 869 000	1 831 620	6,00 %	30 527 000	89	3 447		611	6,87	38,73	01.09.2000	3033 Drammen	Drammen	80	1545	Nei
Ulsetskogen Barnehage	8 232 000	8 067 360	7,00 %	115 248 000	392	12 252		2740	6,99	31,26	01.12.2007	5119 Ulset	Bergen	189	378	Ja
Vagletjørn Barnehage	2 394 000	2 346 120	6,25 %	37 537 920	114	5 240		870	7,63	45,96	01.08.2006	4324 Sandnes	Sandnes	51	64	Nei
Vannverksdammen Barne	2 961 000	2 901 780	6,25 %	46 428 480	141	4 936		968	6,87	35,00	01.04.2007	3030 Drammen	Drammen	104	38	Nei
Vanse Barnehage	1 512 000	1 481 760	6,00 %	24 696 000	72	4 964		710	9,86	68,94	01.08.2005	4560 Farsund	Farsund	22	145	Nei
Veldetun Barnehage	2 016 000	1 975 680	6,50 %	30 395 077	96	3 668		720	7,50	38,21	01.07.2003	4262 Avaldsnes	Karmøy	88	248	Nei
Østrem Barnehage	2 478 000	2 428 440	6,50 %	37 360 615	118	3 828		860	7,29	32,44	01.07.2004	4250 Kopervik	Karmøy	66	853	Nei
Åbol Barnehage	3 990 000	3 910 200	6,00 %	65 170 000	190	8 330		1370	7,21	43,84	20.08.2009	3225 Sandefjord	Sandefjord	38	249	Nei
Århaug Barnehage	2 121 000	2 078 580	6,50 %	31 978 154	101	4 829		720	7,13	47,81	01.08.2005	5541 Kolnes	Karmøy	115	258	Nei
<b>SUM PPPIII</b>	<b>124 887 000</b>	<b>122 389 260</b>		<b>1 917 786 877</b>	<b>5 947</b>	<b>254 644</b>		<b>43 225</b>								

Barnehage	Brutto Markedsleie	Netto Markedsleie	Yield	Verdi	Antall barn	Tomt (kvm)	Lekeareal ute	Bygg (kvm)	Kvm pr Barn	kvm tomt pr barn	Byggeår	Post	Kommune	Gnr.	Bnr.	Festet
<b>PPIV AS</b>																
Kidsa Brønddalen	1 092 000	1 070 160	6,00 %	17 836 000	52	3 776	252	425	8,17	72,62		5176 Loddefjord	Bergen	123	288	nei
Kidsa Christinegård	966 000	946 680	6,25 %	15 146 880	46	1 619	202,4	430	9,35	35,20		5037 Bergen	Bergen	168	691	nei
Kidsa Eidsvåg	609 000	596 820	6,25 %	9 549 120	29	1 406	129	205	7,07	48,48		5104 Eidsvåg i Åsa	Bergen	216	431	nei
Kidsa Erleveien	1 449 000	1 420 020	6,25 %	22 720 320	69	1 170	310	650	9,42	16,96		5097 Bergen	Bergen	161	1269/1017	nei
Kidsa Festtangen	1 638 000	1 605 240	6,25 %	25 683 840	78	5 707	352	599	7,68	73,17		5265 Ytre Arna	Bergen	302	683	nei
Kidsa Inndalen	630 000	617 400	6,25 %	9 878 400	30	805	137	275	9,17	26,83		5063 Bergen	Bergen	162	1306	nei
Kidsa Kokstad	2 310 000	2 263 800	6,25 %	36 220 800	110	5 598	538	1 142	10,38	50,89		5257 Kokstad	Bergen	114	339	nei
Kidsa Løvåsbakken	1 260 000	1 234 800	6,25 %	19 756 800	60	3 396	382	550	9,17	56,60		5145 Fyllingsdalen	Bergen	23	342	nei
Kidsa Midtbygda	1 323 000	1 296 540	6,25 %	20 744 640	63	3 428	309	633	10,05	54,41		5116 Ulset	Bergen	188	474	nei
Kidsa Myrdal	3 528 000	3 457 440	6,25 %	55 319 040	168	12 727	1082	2 012	11,98	75,76		5130 Nyborg	Bergen	188	494/495	nei
Kidsa Olsvikfjellet	1 071 000	1 049 580	6,25 %	16 793 280	51	2 752	245	441	8,65	53,96		5184 Olsvik	Bergen	142	91	nei
Kidsa Varden	966 000	946 680	6,25 %	15 146 880	46	2 527	215	386	8,39	54,93		5141 Fyllingsdalen	Bergen	22	604	nei
Kidsa Øyrane	2 352 000	2 304 960	6,25 %	36 879 360	112	4 456	497	843	7,53	39,79		5260 Indre Arna	Bergen	287	841	nei
Kidsa Allestadhaugen	1 239 000	1 214 220	6,25 %	19 427 520	59	3 822	269	456	7,73	64,78		5142 Fyllingsdalen	Bergen	22	454	ja
Kidsa Hylkje	3 192 000	3 128 160	6,25 %	50 050 560	152	7 353	854	1 384	9,11	48,38		5109 Hylkje	Bergen	177	137	ja
Kidsa Sølvberget	588 000	576 240	6,25 %	9 219 840	28	1 215	132	284	10,14	43,39		5038 Bergen	Bergen	168	1331	ja
Kidsa Vågedalen	1 428 000	1 399 440	6,50 %	21 529 846	68	2 508	312	694	10,21	36,88		5163 Laksevåg	Bergen	151	232	ja
Kidsa Slettebakken	1 197 000	1 173 060	6,00 %	19 551 000	57	2 991	252	490	8,60	52,47		5089 Bergen	Bergen	160	903	nei
Kidsa Ladegården	1 785 000	1 749 300	6,00 %	29 155 000	85	1 052	402	905	10,65	12,38		5033 Bergen	Bergen	167	664	nei
Kidsa Sandgotna	1 323 000	1 296 540	6,25 %	20 744 640	63	2 003	276	575	9,13	31,79		5172 Loddefjord	Bergen	124	308	nei
Kidsa Øvre Sædal	1 848 000	1 811 040	6,00 %	30 184 000	88	4 319	419	790	8,98	49,08		5099 Bergen	Bergen	7	255	nei
Kidsa Øvsttun	1 785 000	1 749 300	6,25 %	27 988 800	85	2 818	385	877	10,32	33,15		5223 Nesttun	Bergen	44	884	nei
Fagerholt	1 575 000	1 543 500	6,25 %	24 696 000	75								Oslo	142	34	ja
Sørhellinga	1 575 000	1 543 500	6,25 %	24 696 000	75								Oslo	140	34	ja
Nilsemarka	1 848 000	1 811 040	6,25 %	28 976 640	88								Asker	72	137	nei
Arken Barnehage	840 000	823 200	6,25 %	13 171 200	40								Leknes			nei
<b>SUM PPPIV</b>	<b>39 417 000</b>	<b>38 628 660</b>		<b>621 066 406</b>	<b>1 877</b>	<b>77 448</b>	<b>7 951</b>	<b>15 046</b>								

**Appendix B: Historial Financial Information**



# **PIONEER PROPERTY**

## **Pioneer Property Group ASA**

**2014**

Company Registration nr.

**914 839 327**

### **Combined Financial Statements**

- **Statement of comprehensive income**
- **Statement of financial positions**
- **Statement of changes in equity**
- **Statement of changes in cashflows**
- **Notes to the financial statements**
- **Independent auditor's report**

**Pioneer Property Group ASA**  
**Statement of comprehensive income**

Amounts in TNOK

	Notes	2014	2013
Income from rent	15	104 098	50 893
Other revenue	16	57	637
<b>Total income</b>		<b>104 155</b>	<b>51 530</b>
Expenses related to property		13 773	5 788
Other operating expenses	17	0	0
<b>Total expenses</b>		<b>13 773</b>	<b>5 788</b>
<b>Operating profit before fair value adjustments on investment properties</b>		<b>90 382</b>	<b>45 742</b>
Fair value adjustments on investment properties	7	44 003	5 335
<b>Operating profit</b>		<b>134 385</b>	<b>51 077</b>
Interest income	18	4 672	565
Interest expenses	18	-66 168	-35 736
Other finance expenses			
<b>Finance costs - net</b>		<b>-61 496</b>	<b>-35 171</b>
<b>Profit before income tax</b>		<b>72 889</b>	<b>15 906</b>
Income tax expense	19	-20 103	-4 280
<b>Profit</b>		<b>52 786</b>	<b>11 626</b>
<i>Other comprehensive income</i>			
<b>Other comprehensive income</b>		<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>52 786</b>	<b>11 626</b>



**Pioneer Property Group ASA**  
**Statement of financial position**

Amounts in TNOK

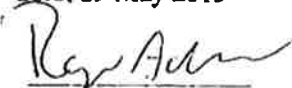
	Notes	2014	2013
<b>Assets</b>			
<i><b>Non-current assets</b></i>			
Investment property	7	2 032 000	638 100
Deferred tax assets	13		
<b>Total non-current assets</b>		<b>2 032 000</b>	<b>638 100</b>
<b>Current assets</b>			
Trade and other receivables	9,20	34 976	28 441
Cash and cash equivalents	10	73 348	55 854
<b>Total current assets</b>		<b>108 324</b>	<b>84 295</b>
<b>Total assets</b>		<b>2 140 324</b>	<b>722 395</b>

**Pioneer Property Group ASA**  
**Statement of financial position**

Amounts in TNOK

	Notes	2014	2013
<b>Equity and liabilities</b>			
<i>Paid in equity</i>			
Share capital	11	335 970	71 070
Share premium			
<b>Total paid in equity</b>		<b>335 970</b>	<b>71 070</b>
<i>Retained earnings</i>			
Retained earnings	11	78 776	28 859
<b>Total retained earnings</b>		<b>78 776</b>	<b>28 859</b>
<b>Total equity</b>		<b>414 746</b>	<b>99 929</b>
<i>Non-current liabilities</i>			
Liabilities to financial institutions	12	1 332 513	391 527
Deferred tax liabilities	13	24 936	12 348
Long term liabilities to related parties	12	204 938	196 437
Other long term liabilities	3	114 297	858
<b>Total non-current liabilities</b>		<b>1 676 684</b>	<b>601 170</b>
<i>Current liabilities</i>			
Current income tax	12	5 426	
Current liabilities to related parties			5 548
Sellers credit			
First year instalments	12	19 737	2 572
Accounts payables and other payables	14	23 729	13 176
<b>Total current liabilities</b>		<b>48 892</b>	<b>21 296</b>
<b>Total liabilities</b>		<b>1 725 576</b>	<b>622 466</b>
<b>Total equity and liabilities</b>		<b>2 140 322</b>	<b>722 395</b>

Oslo, 29 May 2015



Roger Adolfsen  
chairman

Sandra Henriette Riise  
boardmember

Even Carlsen  
boardmember



Nina Hjørdis Torp Hysæler  
boardmember

Geir Hjorth  
Boardmember


**Pioneer Property Group ASA**  
**Statement of financial position**

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**Pioneer Property Group ASA**  
**Statement of financial position**


Amounts in TNOK

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Boardmember

**Pioneer Property Group ASA**  
**Statement of financial position**

Amounts in TNOK

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<b>Total equity and liabilities</b>		<b>2 140 322</b>	<b>722 395</b>

Oslo, 29 May 2015

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Eyen Carlsen  
boardmember

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boardmember

Geir Hjorth  
Boardmember

**Pioneer Property Group ASA**  
**Statement of equity**

Amounts in TNOK

	Notes	Paid in equity Share capital	Retained earnings Retained earnings	Total equity
<b>01.01.2013</b>		<b>71 070</b>	<b>19 516</b>	<b>90 586</b>
Profit of the year			11 626	11 626
Share issue			-2 283	-2 283
Total comprehensive income			9 343	9 343
Other comprehensive income				
<b>31.12.2013</b>		<b>71 070</b>	<b>28 859</b>	<b>99 929</b>
Profit of the year			52 786	52 786
Share issue		264 900		264 900
Paid out dividends			-2 869	-2 869
Total comprehensive income			49 917	49 917
<b>31.12.2014</b>		<b>335 970</b>	<b>78 776</b>	<b>414 746</b>

**Pioneer Property Group ASA**  
**Statement of cash flows**

Amounts in TNOK

	Notes	2014	2013
<b>Cash flow from operations</b>			
Profit before income taxes		72 888	15 906
Adjust for:			
Depreciations		0	0
Fair value adj. on investment properties	7	-44 003	-5 335
Finance income	18	-1 634	-509
Finance costs	18	20 398	19 812
Net foreign exchange		0	0
<b>Cash flow before change in working capital</b>		<b>47 649</b>	<b>29 874</b>
<b>Change in working capital</b>			
Trade and other receivables	9	-4 517	3 390
Trade and other payables	14	8 536	8 367
Taxes paid		0	0
Other changes		0	-5 033
<b>Net cash flow from operations</b>		<b>4 019</b>	<b>6 724</b>
<b>Cash flow from investments</b>			
Purchase of investments property	7	-1 349 897	-80 172
Sale of investment property	7	0	27 399
Net changes in financial receivables		0	4 654
Interest received	18	3 635	510
<b>Net cash flow from investments</b>		<b>-1 346 262</b>	<b>-47 609</b>
<b>Cash flow from financing</b>			
Proceeds from increased debt	12	7 471	186 295
Costs of issuance of bonds		0	0
Payments of loans	12	1 089 594	-107 171
Share issue	11	264 900	0
Interest paid	18	-49 877	-18 170
<b>Net cash flow from financing</b>		<b>1 312 088</b>	<b>60 954</b>
<b>Net change in cash and cash equivalents</b>		<b>17 494</b>	<b>49 943</b>
Cash and cash equivalents at the beginning of the period		55 854	5 911
<b>Cash and cash equivalents at the end of the period</b>		<b>73 348</b>	<b>55 854</b>
Restricted funds		0	0

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

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## **Note 1 General information**

Pioneer Public Properties AS, Pioneer Public Properties II AS and Pioneer Public Properties III AS are corporations registered in Norway. Their main office is located in Oslo.

### ***Selected combined financial information***

These combined financial statements are prepared to present historical financial information for Pioneer Property Group's selected combined financial information as at and for the 12 months period ended 31 December 2014 and 2013.

The Pioneer Property Group ASA was established on 12 May 2015. The Pioneer Property Group consist of Pioneer Property Group ASA, Pioneer Public Properties AS, Pioneer Public Properties II AS, Pioneer Public Properties III and Pioneer Public Properties IV AS.

Pioneer Property Group ASA and Pioneer Public Properties IV AS was established in 2015. The other three companies has issued financial statements for prior periods. The companies are controlled by the same management. The ultimate shareholders are the same in all the companies. These combined financial statements are prepared due to the fact that the companies are controlled by the same management. As the companies was not part of a consolidated group before, only the figures from the consolidated statements of the companies are included.

The historical information in the combined financial statements has been prepared from information used to prepare the consolidated financial statements of the existing Pioneer Property Group and combines the results of operations, assets and liabilities of the entities forming the Pioneer Property Group and certain allocation of revenues and expenses incurred by the existing Pioneer Property Group on behalf of the new Pioneer Property Group business. The full-year combined financial statements have been prepared in accordance with IFRS as adopted by the EU.

The Group's results of operations for the twelve months ended 31 December 2014 are not necessarily indicative of results for any other period for any future fiscal year.

The Group's operations consist of investments in preschool properties.

The combined financial statements were approved by the Board on 29 May 2015.

## **2. Accounting principles**

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## **2.1 General**

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as determined by the EU, and in accordance with amendments following the Norwegian Accounting Act.

The accounts have been prepared under the historical cost convention.

The accounts have been prepared with consistent accounting principles for similar transactions and events.

These accounts are drawn up in connection with the listing of Preference Shares on Oslo Axess.

## **2.2 Changes in accounting principles**

### *a) New and improved standards implemented by the group*

These accounts are the first accounts submitted by the company. The accounts are submitted according to regulations following regulation on prospectuses.

### *b) New and improved standards not implemented by the group*

Several new and improved standards have been issued by IASB with effective date later than for accounting periods starting after 1 January 2014. These standards have not been used by the company in the preparation of the annual account of 2014. The most material new and improved standards are:

IFRS 9 Financial instruments

IFRS 15 Revenue from contracts with customers. Effective date: 01.01.2017

These standards will not have material effect on the group.

## **2.3 Consolidation**

### *Subsidiaries*

Subsidiaries are all entities over which the group has control over the financial and operational principles. Control is normally gained through ownership (direct or indirect) of more than half the voting shares of an entity.

The effect of options or other agreements that provide the group with control over the financial and operational principles are also considered.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. Subsidiaries are deconsolidated from the date control ceases.

### *Acquisitions of subsidiaries/other entities*

The group applies the acquisitions method to account for acquisition of subsidiaries or other entities. The assets and debt transferred in business combinations are recognised at their fair values at the acquisition date. Deferred tax is calculated based on the difference between fair value and the tax bases of assets and debt.

Goodwill is calculated as the excess of the consideration and the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquire and the fair value of the minority interest in the acquire. The minority interest is valued either at fair value or by the minority share of the net assets. When investing in related companies goodwill is included in the recognised value of the investment. Goodwill is recognised at acquisition value with deduction of any accumulated devaluations. Goodwill is not depreciated but an impairment test is performed each year. Negative goodwill is recognised as income on the date of acquisition.

### *Acquisition of entities not viewed as acquisition of operations*

Acquisition of entities that do not comprise of sufficient operations, are viewed as purchase of assets. The acquisition cost is allocated to the acquired assets, no deferred tax is calculated.

#### *Elimination of transactions*

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Unrealised gains on transactions with associates are eliminated with the group's share of the company.

Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### **2.4 Investment property**

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

Transaction costs include stamp duty, lawyer's fees and commission to bring the property to the condition that is necessary to put the property into operation. Recognised value also include replacement cost for parts of the existing investment property at the time when the cost is incurred and the terms for recognition has been met.

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

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

Investment properties are derecognised when they are sold or are permanently out of operations and no future economic benefit is expected if disposed of. All gains or losses relating to sales or disposal are presented in the income statement the same year as disposal.

Gains or losses from disposal of investment property is the difference between net selling price and the carrying amount of the asset in the previous year's financial statements.

### **2.5 Lease agreements**

#### *(a) When a group company is the lessee*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments, including prepayments, made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

#### *(b) When a group company is the lessor*

Property leased on an operational lease is included in investment property on the group balance sheet. Rental income is included on a straight-line basis over the period of the lease. The group pay remuneration to consultants in negotiations of new lease agreements. Remuneration paid in relation to new lease agreements is included in the carrying amount of the investment property and is amortised over the life of the lease agreement.

Payments, free rental period or other incentives given to the lessee are accrued on a straight-line basis over the period of the lease.

### **2.6 Financial assets**

#### *Classification*

The group classifies its financial assets in the following categories: (a) at fair value through profit or loss and (b) loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

*(a) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Financial assets are initially recognised at fair value, and transaction costs are expensed in the income statement. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Other gains and losses' in the period in which they arise.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

*(b) Loans and receivables*

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

Loans and receivables are initially recognised at fair value, transaction costs are added to the carrying amount. Loans and receivables are subsequently carried at amortised cost.

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

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

*Other financial obligations*

Other financial obligations include all obligations not classified at fair value over the income statement. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Financial obligations are initially recognised at fair value, and transaction costs are expensed in the income statement. Obligations are subsequently carried at amortised cost.

Financial obligations are derecognised when the obligation to rights to meet the obligation have expired. This normally happens when the group pay their obligations.

*Offsetting financial assets and obligations*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## **2.7 Trade receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

## **2.8 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, bank deposits, other short-term highly liquid investments with original maturities of three months or less. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

## **2.9 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any group company purchases the company's equity share capital (treasury shares), the consideration paid is deducted from equity. When such ordinary shares are subsequently reissued, any consideration received, is included in equity attributable to the company's equity holders. Voting rights related to treasury shares are annulled and no dividend is allocated to treasury shares.

Minority interests are included in equity. Minority interests are initially measured at fair value of net assets at acquisition including any goodwill. The minority interest is attributed to its proportionate share of the profit of the relevant subsidiaries. Buying and selling shares from / to minority interests are accounted for as an equity transaction. The difference between proportionate share of the book value and the transaction price is charged / credited to the majority share of equity.

## **2.10 Trade payables and other short term payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## **2.11 Borrowings**

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

## **2.12 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

### **2.13 Current and deferred income tax**

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

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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **2.14 Provisions**

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.15 Revenue recognition**

Revenue comprise of rental income, service fees and administration fees from the properties. Rental income is recognised over the life of the lease agreement. Income from through-invoicing of costs to tenants is recognised in the period when they are rendered according to contract.

#### **2.16 Real estate related costs and other costs**

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

#### **2.17 Interest income**

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

#### **2.18 Classification of assets and debt**

Current assets and short term debt expected to be settled within 12 months, and other items that are included in the company's normal operating cycle are classified as current. Strategic investments are classified as fixed assets. The short term share of the long-term debt is classified as short term.

#### **2.19 Dividend distribution**

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders.

#### **2.20 Operating Segments**

The Group's only business is to own and rent out preschool properties. All properties have the same tenants and are in the same business segment. All properties are in Norway.

### **Note 3 Financial risk management**

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's overall risk management programme seeks to minimise potential adverse effects on the group's financial performance. The risk management is performed by the management.

#### **Market risk**

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

#### **Interest rate risk**

Since the group's interest-bearing assets do not generate significant amount of interest, changes in market interest not have a material impact on the group's interest income.

The Group's exposures to interest rate risk is mainly related to long-term financing.

Loans with floating interest rates mean that the Group is exposed to fluctuations in future cash flows form of current interest payments.

Exposure to interest rate risk is assessed continuously. The need for a fixed rate is under constant review in relation to the Group's ability to withstand adverse fluctuations in earnings due to higher interest costs. Management's assessment is that the Group's current financial position does not indicate a need for fixed interest rates. The only fixed-interest agreements entered into by the end of 2014 has been established as a result of demands from the lender in relation to the financing of individual projects.

If interest rates had been 1% higher in 2014 the result after tax would be NOK 2.0 million lower, all other conditions unchanged. If interest rates had been 1% lower the result after tax would be NOK 2.0 million higher, all other conditions unchanged.

The average effective interest rate of the Group's interest-bearing financial instruments at year end was as follows.

	<b>2014</b>	<b>2013</b>
Bonds	5,97 %	5,97 %

#### **Credit risk**

Credit risk is the risk of loss when a party is unable to redeem their obligations to the group. The risk is mainly linked to trade receivables and other receivables. The risk is managed by doing thorough evaluations of the credit quality of the customer when new lease agreements are signed, demand deposits or guarantees, and perform regular monitoring of the credit quality of significant customers. The maximum exposure to credit risk at year end is equal to the recognised value of financial assets.

Exposure on credit risk at the end of the period:

	<b>2014</b>	<b>2013</b>
Receivable related party	0	0
Accounts receivable	0	0
Other short term receivable	34 976	28 441
Cash balances	<u>73 348</u>	<u>55 854</u>
Total exposure	<u>108 324</u>	<u>84 295</u>

In relation to outstanding with related parties and banks evaluated credit risk as very low.

Total exposure	108 324	84 295
- outstanding with related parties	0	0
-bank deposits	<u>73 348</u>	<u>55 854</u>
Total exposure by related parties and bank deposits	<u>34 976</u>	<u>28 441</u>

	<b>2014</b>	<b>2013</b>
Total exposure by related parties after bank deposits	34 976	28 441
Share of overdue claims	0	0
Fresh claims	<u>34 976</u>	<u>28 441</u>

Exposure to credit risk is considered low at the end of the financial year.



**Liquidity risk**

Liquidity risk is the risk that the group will not be able to meet their obligations at maturity, and the risk that the group will not be able to meet their liquidity obligations without a significant increase in cost. At a broader perspective, liquidity risk also include the risk that the group is not able to finance necessary investments in the properties.

Liquidity risk is reduced by having a sufficient liquidity reserve, and by ensuring that the debt maturities are distributed over the time.

The table below illustrates the maturity structure of liabilities.

An overview of the maturity dates of the Group's assets and liabilities are presented below. This is used by management in connection with the liquidation ity management in the Group. The amounts below are the contractual undiscounted payments.

**31 December 2014**

	Booked amount	Expected cashflow				
		1-3 months	3-12 months	Year 1-2	Year 3-5	After Year 5
<b>Assets</b>						
Trade and other receivables	34 976	34 976				
Cash and bank deposits	73 348	73 348				
<b>Payments</b>	<b>108 324</b>	<b>108 324</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Liabilities</b>						
Borrowings (bank)	1 332 513	23 985	71 956	191 882	575 646	469 045
Long term liabilities to related parties	204 938					204 938
Other long term liabilities	114 297					114 297
Sellers credit	0	0				
First year instalments	19 737	19 737				
Accounts payables and other payables	23 729	23 729				
<b>Payouts</b>	<b>1 695 214</b>	<b>67 451</b>	<b>71 956</b>	<b>191 882</b>	<b>575 646</b>	<b>788 280</b>

**31 December 2013**

	Booked amount	Expected cashflow				
		1-3 months	4-12 months	Year 1-2	Year 3-5	After Year 5
<b>Assets</b>						
Loan to affiliated company	0	0				
Other receivables	28 441	28 441				
Cash and bank deposits	55 854	55 854				
<b>Payments</b>	<b>84 295</b>	<b>84 295</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Liabilities</b>						
Long term liabilities to related parties	196 437	3 536	10 608	28 287	84 861	69 146
Current income tax	0	0				
Sellers credit	0	0				
First year instalments	2 572	2 572				
Accounts payables and other payables	13 176	13 176				
<b>Payouts</b>	<b>212 185</b>	<b>19 284</b>	<b>10 608</b>	<b>28 287</b>	<b>84 861</b>	<b>69 146</b>

#### **Note 4 Capital structure and capital management**

The main purpose of the group's capital structure is to ensure that the group maintains adequate capital base for the business of the group, and to provide returns to shareholders and other stakeholders. The capital balance is critical to ensure that the Group maintains a satisfactory credit rating and satisfactory loan terms.

The Group manages its capital structure and makes necessary changes to it based on an ongoing assesment of the financial condition of the business and future prospects in both the short and medium term. Management of capital structure is adjusting dividends, capital reduction or issuing new shares.

The group monitors capital management based on the ratio of net debt and total assets. Net debt is defined as interest bearing debt (short and long), minus cash and liquid investments. Total capital is calculated as the sum of equity and net interest-bearing debt.

The objective for 2014 has been to maintain a debt ratio between 60% and 80%.

	2014	2013
Total interest-bearing debt	1 557 188	590 536
Cash and liquid investment	73 348	55 854
Net interest-bearing debt	1 483 840	534 682
Total equity	414 746	99 929
Total capital	1 898 586	634 611
Debt-ratio	78,2 %	84,3 %

**Note 5 Accounting estimates**

When preparing the financial accounts according to IFRS the Group management have used estimates based on their best judgement and realistic assumptions. Some situations or changes in the market situation may lead to changes in estimates and influence the group assets, debt, equity and profits.

The managements estimates have the greatest significance with the following conditions:

- a) Valuation of investment property. Investment property is valued using valuation methods, and independent experts. Matters relating to the valuation of investment property is discussed in note 7.
- b) The distinction between improvements and maintenance on investment properties. Improvements are capitalized as part of the cost of the investment property, while maintenance are expensed. Maintenance are presented in the income statement as expenses related to the building, but capitalized improvements affects the size of the fair value adjustments on investment properties. Classifications between improvements and maintenance in some cases involve the exercise of judgment by management.

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 6 Changes in group structure, acquisitions during the year and subsidiaries**

During 2014 Pioneer Public Properties III AS (PPP III) was founded. In May 2014 PPP III acquired the shares in Service Property AS from Kidprop AS. The acquisition price was tnoK 380 770 based on investment property values of tnoK 1 349 897, less accompanying debt of tnoK 969 109.

Service property AS with subsidiaries is included in the financial statement from 01.07.2014. Service property AS is included in the consolidated statement with revenues of tNOK 52 969 and profit for the year of tNOK 33 117. If the transaction took place at 01.01.2014 the revenues would have been tNOK 53 368 higher and the profit for the year would have been tNOK 19 541 higher.

	After 01.07.2014	Before 01.07.2014
<b>Total revenues</b>	<b>52 969</b>	<b>53 368</b>
Expenses related to property	8 252	20 838
<b>Total expenses</b>	<b>8 252</b>	
Fair value adjustments on investment properties	28 103	
<b>Operating profit</b>	<b>72 820</b>	<b>32 531</b>
Interest income	1 067	5 519
Interest expenses	-28 522	-11 281
<b>Finance costs - net</b>	<b>-27 455</b>	<b>-5 763</b>
<b>Profit before income tax</b>	<b>45 365</b>	<b>26 768</b>
Income tax expense	-12 248	-7 227
<b>Profit</b>	<b>33 117</b>	<b>19 541</b>

The acquisition of Service Property AS included investment properties, liabilities and rent agreement. No employee or management contract was included in the acquisition. Based on the lack of employees and management contracts the acquisition was not considered to be a business combination under IFRS 3. Therefore no goodwill was recognized and the initial recognition exemption for recognizing deferred tax was applied.

Company name	Location	Percent of
<i><u>Subsidiary</u></i>		
Bodø Eiendomsselskap AS	Oslo	100 %
Nissebo Eiendom AS	Oslo	100 %
Tromsø Eiendomsselskap AS	Oslo	100 %
Vestlandske Eiendomsselskap AS	Oslo	100 %
Vestvågøy Privatbarnehage AS	Oslo	100 %
Stordalen Barnehage Eiendom AS	Oslo	100 %
Andungen Eiendom AS	Oslo	100 %
Acea Eiendom Nydalen AS	Oslo	100 %
Acea Eiendom Viken AS	Oslo	100 %
Capella Eiendom AS	Oslo	100 %
Idunsvei 8 Eiendom DA	Oslo	100 %
Kløvermarka Eiendom AS	Oslo	100 %
Sjøstjerna Eiendom AS	Oslo	100 %
Småstrilane AS	Oslo	100 %
Vifo Romerike Eiendom AS	Oslo	100 %
Vifo Røa AS	Oslo	100 %

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 6 Changes in group structure, acquisitions during the year and subsidiaries cont.**

Care Real Estate AS	Oslo	100 %
Service Property AS	Oslo	100 %
Bjørgene Barnehage AS	Oslo	100 %
Brådalsfjellet Barnehage AS	Oslo	100 %
Dragerskogen Barnehage AS	Oslo	100 %
Dvergsnestangen Barnehage AS	Oslo	100 %
Furuholmen Barnehage AS	Oslo	100 %
Garhaug Barnehage AS	Oslo	100 %
Gullhella Barnehage AS	Oslo	100 %
Gåserud Barnehage AS	Oslo	100 %
Halsnøy Kloster Barnehage AS	Oslo	100 %
Helldalsåsen Barnehage AS	Oslo	100 %
Høytorp Fort Barnehage AS	Oslo	100 %
Kløverenga Barnehage AS	Oslo	100 %
Kniveåsen Barnehage AS	Oslo	100 %
Krystallveien Barnehage AS	Oslo	100 %
Kuventræ Barnehage AS	Oslo	100 %
Litlasund Barnehage AS	Oslo	100 %
Løvestad Barnehage AS	Oslo	100 %
Marthaugen Barnehage AS	Oslo	100 %
Myraskogen Barnehage AS	Oslo	100 %
Nordmo Barnehage AS	Oslo	100 %
Opaker Barnehage AS	Oslo	100 %
Opsahl Barnehage AS	Oslo	100 %
Ormadalen Barnehage AS	Oslo	100 %
Rambjøra Barnehage AS	Oslo	100 %
Ree Barnehage AS	Oslo	100 %
Romholt Barnehage AS	Oslo	100 %
Rubbestadneset Barnehage AS	Oslo	100 %
Rå Barnehage AS	Oslo	100 %
Salamonskogen Barnehage AS	Oslo	100 %
Skolegata Barnehage AS	Oslo	100 %
Skåredalen Barnehage AS	Oslo	100 %
Snurrefjellet Barnehage AS	Oslo	100 %
Solknatten Barnehage AS	Oslo	100 %
Stongafjellet Barnehage AS	Oslo	100 %
Sundbyfoss Barnehage AS	Oslo	100 %
Tjøsvoll Barnehage AS	Oslo	100 %
Torsbergskogen Barnehage AS	Oslo	100 %
Ulsetskogen Barnehage AS	Oslo	100 %
Vagletjørn Barnehage AS	Oslo	100 %
Vannverksdammen Barnehage AS	Oslo	100 %
Vanse Barnehage AS	Oslo	100 %
Veldetun Barnehage AS	Oslo	100 %
Østrem Barnehage AS	Oslo	100 %
Åbol Barnehage AS	Oslo	100 %
Århaug Barnehage AS	Oslo	100 %

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 7 Investment properties**

**Overview of account movements 2014**

	<b>Properties 2014</b>
Fair value in the beginning of the year	638 100
Addition:	
-Investment in properties	0
-Addition to properties	0
-Investment in subsidiaries	1 349 897
Sale	0
Fair value adjustments on investment properties	44 003
<b>Fair value at the end of the year</b>	<b>2 032 000</b>
<b>Net change in unrealized gain</b>	<b>44 003</b>

**Overview of account movements 2013**

	<b>2013</b>
Fair value in the beginning of the year	579 992
Addition:	
-Investment in properties	
-Addition to properties	
-Investment in subsidiaries	52 773
Fair value adjustments on investment properties	5 335
<b>Fair value at the end of the year</b>	<b>638 100</b>
<b>Net change in unrealized gain</b>	<b>5 335</b>

	<b>2014</b>	<b>2013</b>
Investment property classified as held for sale	0	0
Investment property held under finance leases	0	0
<b>Profit and Loss Accounts associated to investment properties</b>	<b>2014</b>	<b>2013</b>
Rental income from investment properties	104 098	50 893
Expenses related to the leased properties	13 773	5 788
Expenses related to the not leased properties	0	0

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 7 Investment Property continues**

***Overview input to valuations 2014***

	<b>Properties</b>
Valuation level	3
Valuation model	DCF
Value 31.12.2014	2 032 000
Actual rent (range) per child	
Actual rent average per child	18
Market rent per Child	21
Residual maturity leases (average)	18
Expectet inflation to 2017	1,7%-2,6%
Expected inflation after 2017	2,5 %
Discount rate (average)	8,8%

***Overview input to valuations 2013***

	<b>Properties</b>
Valuation level	3
Valuation model	DCF
Value 31.12.2013	638 100
Actual rent (range) per child	
Actual rent average per child	17
Market rent per Child	18
Residual maturity leases (average)	19
Expectet inflation to 2017	1,7%-2,6%
Expected inflation after 2017	2,5 %
Discount rate (average)	8,0%

**Note 7 Investment property continues**

***Fair value of investment properties:***

Investment properties are estimated at fair value based on calculations of value provided by DTZ. The properties are mainly valued based on the discounting of future cash flows – both contractually obligated cash flows as well as estimated cash flows.

Key factors include the continuing income and expenses at the property, market rents, discount rates, and inflation.

Key factors used to determine the value include location of the property, the popularity of the area in which the property is located, the property's standard, the general real estate and credit market, the tenant's solidity, as well as the lease agreement and its specific terms.

All of the daycare properties are valued based on the discounting of future cash flows (the DCF model). This model utilizes a number of non-observable parameters, which include the following:

***Future rental income:***

These are estimated based on the actual location, the type of property, and the condition which the property is in. The estimate is confirmed by existing lease agreements as well as recently signed lease agreements for similar properties in the area.

***Discount rate:***

The discount rate is determined by the existing marked rate, adjusted for the estimated uncertainty of the size of and the time in which the future cash flows will be received.

***Value at the end of the lease agreement:***

The value at the end of the lease agreement is based on the estimated construction costs at that time.



**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 8 Financial instruments**

**2014**

	Financial derivatives at fair value through profit and loss	Stocks available for sale	Loans and other receivables	Financial liabilities recognised at amortised cost	Total
<b>31 December 2014</b>					
<b>Assets</b>					
Trade and other receivables			34 976		34 976
Cash and cash equivalents			73 348		73 348
<b>Total Financial assets</b>	<b>0</b>	<b>0</b>	<b>108 324</b>	<b>0</b>	<b>108 324</b>
<b>Liabilities</b>					
Liabilities to financial institutions				1 446 810	1 446 810
Long term liabilities to related parties				204 938	204 938
Deferred tax				24 936	24 936
Current income tax				5 426	5 426
First years installment				19 737	19 737
Accounts payable and other current liabilities				23 729	23 729
<b>Total Financial liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 725 576</b>	<b>1 725 576</b>

**2013**

	Financial derivatives at fair value through profit and loss	Stocks available for sale	Loans and other receivables	Financial liabilities recognised at amortised cost	Total
<b>31 December 2013</b>					
<b>Assets</b>					
Loans to affiliated company			0		0
Trade and other receivables			28 441		28 441
Cash and cash equivalents			55 854		55 854
<b>Total Financial assets</b>	<b>0</b>	<b>0</b>	<b>84 295</b>	<b>0</b>	<b>84 295</b>
<b>Liabilities</b>					
Liabilities to financial institutions				392 385	392 385
Long term liabilities to related parties				196 437	196 437
Current liabilities to related parties				5 548	5 548
Deferred tax				12 348	12 348
First year instalments				2 572	2 572
Account payable and other current liabilities				13 176	13 176
<b>Total Financial liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>622 466</b>	<b>622 466</b>

Fair value of financial instruments recognized at amortized cost.

Short-term receivables and payables are assumed to have a fair value that corresponds to the carrying amount due to the short maturity and low credit risk.

The fair value of long-term receivables and payables are assumed to not differ significantly from the carrying value as the interest rate is largely liquid.

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 9 Trade and other receivables**

	<b>2014</b>	<b>2013</b>
Trade receivables		
Other current receivables	34 976	28 441
<b>Total receivables</b>	<b>34 976</b>	<b>28 441</b>

	<b>2014</b>	<b>2013</b>
<b>Provision for impairment of trade receivables at 1.1</b>	<b>0</b>	<b>0</b>
This years provision for receivables impairment	0	0
Loss on receivables	0	0
Reversal of prior years provision	0	0
<b>Provision for impairment of trade receivables at 31.12</b>	<b>0</b>	<b>0</b>

***Ageing of trade receivables***

	Total	Not due and within < 30 days	30-60d	60-90d	>90d
<b>2014</b>	34 976	34 976			
<b>2013</b>	28 441	28 441			

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 10 Cash and cash equivalents**

	<b>2014</b>	<b>2013</b>
Cash and cash equivalents	73 348	55 854
Restricted funds	0	0
<b>Total</b>	<b>73 348</b>	<b>55 854</b>

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 11 Paid in equity, shareholders and retained earnings**

	<b>2014</b>	<b>2013</b>
Ordinary shares, nominal value NOK 1	335 970	71 070
Total number of ordinary shares	335 970	71 070
Shares 01.01	71 070	71 070
Increase of capital	264 900	0
<b>Shares 31.12.</b>	<b>335 970</b>	<b>71 070</b>

All shares give the same right to vote and there are no differentiated rights to dividends.

**Shareholders in Pioneer Public Properties AS**

	<b>Number of shares</b>	<b>Share %</b>	<b>Voting share</b>
Pioneer Capital Partners AS	100 800	2,00 %	2,00 %
Acea Properties AS	4 939 200	98,00 %	98,00 %
	<u>5 040 000</u>	<u>100,00 %</u>	<u>100,00 %</u>

**Shareholders in Pioneer Public Properties II AS**

	<b>Number of shares</b>	<b>Share %</b>	<b>Voting share</b>
Pioneer Capital Partners AS	1 320 598	2,00 %	2,00 %
Eidissen Consult AS	11 692 989	17,71 %	17,71 %
Grafo AS	11 692 989	17,71 %	17,71 %
Klevenstern AS	11 692 989	17,71 %	17,71 %
Mecca Invest AS	11 692 989	17,71 %	17,71 %
Hospitality Invest AS	17 937 446	27,17 %	27,17 %
	<u>66 030 000</u>	<u>100,00 %</u>	<u>100,00 %</u>

**Shareholders in Pioneer Public Properties III AS**

	<b>Number of shares</b>	<b>Share %</b>	<b>Voting share</b>
Pioneer Capital Partners AS	5 298 000	2,00 %	2,00 %
Eidissen Consult AS	35 176 071	13,28 %	13,28 %
Grafo AS	35 176 071	13,28 %	13,28 %
Klevenstern AS	35 176 071	13,28 %	13,28 %
Mecca Invest AS	35 176 071	13,28 %	13,28 %
Norlandia Care Group AS	64 900 500	24,50 %	24,50 %
Hospitality Invest AS	53 997 216	20,38 %	20,38 %
	<u>264 900 000</u>	<u>100,00 %</u>	<u>100,00 %</u>

**Dividend and group contribution**

The company has not paid any dividends in 2014.

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 12 Interest-bearing debt**

	<b>2014</b>	<b>2013</b>
Total interest-bearing debt, nominal value	1 651 748	588 822
- of which to related parties (fixed interest rate)	204 938	196 437
Hedging Ratio	12,41 %	33,36 %

Average interest rate, including margin (%)

Total interest-bearing debt, nominal value	1 651 748	588 822
Capitalized borrowing costs	-22 589	-10 357
Total book value interest-bearing debt	1 629 159	578 465
First year instalments of debt (short-term)	19 737	2 572
Long-term interest-bearing debt excluding first year instalments	1 609 422	575 893

**Maturity on long-term debt**

Maturity in 2014	22 309	2 220
Maturity in 2015 - 2017	514 208	28 167
Maturity in 2018 or later	956 026	459 932
<b>Total</b>	<b>1 492 543</b>	<b>490 319</b>

The recognised value of the assets pledged as security for liabilities as per 31.12

	<b>2014</b>	<b>2013</b>
Investment property	2 032 000	638 100
Total pledged assets	2 032 000	638 100
<b>Borrowings secured with pledged assets</b>	<b>1 326 081</b>	<b>386 875</b>

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 13 Deferred tax**

<b>Change in deferred tax assets</b>	<b>Financial derivative instruments</b>	<b>Loss carried forward</b>	<b>Provisions</b>	<b>Total</b>
<b>01.01.2013</b>		<b>2 049</b>	<b>457</b>	<b>2 506</b>
Deferred tax on purchase and sale of company		0	170	170
Recognized deferred tax		-126	-123	-249
Transactions directly in equity		-73	0	-73
Currency changes		0	0	0
<b>31.12.2013</b>		<b>1 850</b>	<b>504</b>	<b>2 354</b>
Deferred tax on purchase and sale of company		0	0	0
Recognized deferred tax		0	-13	-13
Effect on changed tax rate		0	0	0
Transactions directly in equity		0	0	0
<b>31.12.2014</b>		<b>1 850</b>	<b>491</b>	<b>2 341</b>

<b>Change in deferred tax liabilities</b>	<b>Investment property</b>	<b>Other items</b>	<b>Total</b>
<b>01.01.2013</b>	<b>95 268</b>	<b>0</b>	<b>95 268</b>
Deferred tax on purchase and sale of company	8 714	0	8 714
Recognized deferred tax	3 948	25	3 973
Effect on changed tax rate	1 270	0	1 270
Currency changes	0	0	0
<b>31.12.2013</b>	<b>109 200</b>	<b>25</b>	<b>109 225</b>
Deferred tax on purchase and sale of company	233 029	0	233 029
Recognized deferred tax	13 316	0	13 316
Effect on changed tax rate	0	0	0
Currency changes	0	0	0
<b>31.12.2014</b>	<b>355 546</b>	<b>25</b>	<b>355 571</b>

**Temporary differences not included in the calculation of deferred tax**

	<b>2014</b>	<b>2013</b>
<b>01.01.</b>	<b>94 521</b>	<b>84 537</b>
Change related to new acquisitions	233 773	8 714
Change related to sales	0	0
Effect of changed tax rate	0	1 270
<b>31.12.</b>	<b>328 294</b>	<b>94 521</b>

<b>Net recognised deferred tax liabilities</b>	<b>24 936</b>	<b>12 351</b>
--	---------------	---------------

<b>Current income tax liabilities</b>	<b>2014</b>	<b>2013</b>
Current income tax	5 426	0
Change in prior years	0	0
<b>Total current income tax liabilities</b>	<b>5 426</b>	<b>0</b>

**Loss carried forward as of 31. December 2014 is due at the following time:**

	<b>2014</b>	<b>2013</b>
Indefinite	11 182 373	11 925 544
<b>Total loss carried forward</b>	<b>11 182 373</b>	<b>11 925 544</b>

**Deferred tax recognised in comprehensive income**

	<b>2014</b>	<b>2013</b>
Total	0	0

Share dividends to shareholders of the parent company does not effect either payable tax or deferred tax.

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 14 Accounts payable and other payables**

	<b>2014</b>	<b>2013</b>
Accounts payables	23 730	13 176
Other short term payables	0	0
<b>Total</b>	<b>23 730</b>	<b>13 176</b>

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 15 Income from rent**

<i>Recognised income from rent</i>	2014	2013
Recognised minimum rent from minimum payer	104 098	50 893
Recognised variable rent	0	
<b>Total income from rent</b>	<b>104 098</b>	<b>50 893</b>

Future minimum payments under non-cancellable leases that expire as follow:

	2014	2013
Within 1 year	204 163	104 098
2 to 5 years	816 652	416 392
After 5 years	2 858 282	1 561 470
<b>Total</b>	<b>3 879 097</b>	<b>2 081 960</b>



**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 16 Other income**

	<b>2014</b>	<b>2013</b>
Profit from sale of assets		
Other income	57	637
<b>Total</b>	<b>57</b>	<b>637</b>

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 17 Other operating expences**

The group has no employees.

The group has not paid any salary or other remuneration to the chief executives or chairmen of the parent company or it's subsidiaries.

<b>Audit fees</b>	<b>Group 2014</b>
Statutory audit (including technical assistance with reporting)	2 238
Other certification services	0
Tax advice (including technical assistance with tax papers)	0
Other services	
<b>Total</b>	<b>2 238</b>

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 18 Financial income and cost**

**Finance income**

	<b>2014</b>	<b>2013</b>
Interest income	4 672	565
Other finance income		
<b>Total finance income</b>	<b>4 672</b>	<b>565</b>

**Finance costs**

	<b>2014</b>	<b>2013</b>
Interest expense on borrowings measured at amortised cost	66 168	35 736
Other finance costs		
<b>Total finance costs</b>	<b>66 168</b>	<b>35 736</b>

**Interest expense**

	<b>2014</b>	<b>2013</b>
Interest expense on borrowings	63 862	34 094
Discounting on provisions	2 306	1 642
<b>Total interest expense using the effective interest method</b>	<b>66 168</b>	<b>35 736</b>

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 19 Income tax**

	<b>2014</b>	<b>2013</b>
Tax payable	0	0
Change in deferred tax	20 103	4 280
<b>Income tax expense</b>	<b>20 103</b>	<b>4 280</b>
 <b>Profit before income tax</b>	 <b>72 889</b>	 <b>15 906</b>
Income tax expense calculated at 27 %	19 680	4 295
Effect of changed tax rate		0
Effect of capitalizing benefit related to loss		
Utilization of loss carried forward		
Non-deductible expenses	423	1 255
Others		
<b>Income tax expense</b>	<b>20 103</b>	<b>5 550</b>

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 20 Transactions with related parties**

<b><i>Related parties</i></b>	<b><i>Relation to the group</i></b>		
Benn Eidissen	Owner of Eidissen Consult AS, board member		
Even Carlsen	Owner of Grafo AS, board member		
Kristian Adolfsen	Owner of Klevenstern AS, chairman of the board		
Roger Adolfsen	Owner of Mecca AS, board member		
Eidissen Consult AS	Substantial shareholder		
Grafo AS	Substantial shareholder		
Klevenstern AS	Substantial shareholder		
Mecca Invest AS	Substantial shareholder		
Hospitality Invest AS	Substantial shareholder		
Norlandia Care Group AS	Controlled by the same shareholders		
Acea Properties AS (and subsidiaries)	Controlled by the same shareholders		
Kara Invest AS	Controlled by the same shareholders		
Skippergata 1-7 AS	Controlled by the same shareholders		
Pioneer Capital Partners AS	Controlled by the same shareholders		
Kidprop AS	Controlled by the same shareholders		
		<b>2014</b>	<b>2013</b>
<b>Receivables from related parties</b>			
Acea Properties AS (and subsidiaries)		18 270	13 816
Kara Invest AS		13 112	0
Skippergata 1-7 AS		2 700	0
Pioneer Capital Partners AS		409	2 153
<b>Total receivables from related parties</b>		<b>34 491</b>	<b>15 969</b>
<b>Liabilities to related parties</b>			
Norlandia Care Group AS (and subsidiaries)		69 464	72 755
Norlandia Care Group AS (and subsidiaries) sales credit		135 262	126 042
Norlandia Care Group AS (and subsidiaries)		0	2 464
<b>Total liabilities to related parties</b>		<b>204 726</b>	<b>201 261</b>
<b>Interest paid on liabilities to related parties</b>			
Norlandia Care Group AS (and subsidiaries)		2 503	4 942
<b>Purchase of buildings</b>			
Purchase of buildings from Norlandia Care Group AS (and subsidiaries)		0	80 172
<b>Rent of properties from related parties</b>			
Rent of properties from Norlandia Care Group AS (and subsidiaries)		51 129	50 893
<b>Purchase of shares from related parties</b>			
PPP III acquired the shares in Service Property AS from Kidprop AS (see note 6 for further details)		380 770	0

The outstanding balances between the related parties are unsecured. The interest rates used to calculate interest are based on current market rates. There are no provisions for doubtful accounts and there are no expenses due to doubtful debts. Transactions made between the related parties are made on terms equivalent to those that prevail in arm's length transactions, however similar transactions with external parties have not been made.

**Pioneer Property Group ASA**  
**Notes to the combined financial statements 2014**

**Note 21 Events after the reporting period**

After the post balance sheet the following events that effects the financial statement is to be reported:

On 28 April 2015 the board decided to start the process of issuing preference shares.  
The preference shares will be listed on Oslo Axess.

On 28 April 2015 the company has signed an agreement with ABG Sundal Collier on facilitation and assistance with the IPO during June 2015. In the IPO the company will raise a total of MNOK 650 from issuing the preference shares. ABG Sundal Collier will receive a fee of 2,125% of the total proceeds from the private placement.

Work related to the IPO started in the beginning of April. As of the end of April the company had incurred cost of MNOK 0,5 relating to this project.

On 12 May 2015 the company entered into share purchase agreements for 100% of the shares in the following companies:

Pioneer Public Properties AS (PPP)

Pioneer Public Properties II AS (PPP II)

Pioneer Public Properties III AS (PPP III)

Pioneer Public Properties IV AS (PPP IV)

All shares was purchased from related parties. Control over the companies was transferred at the same date.

All four companies own portfolios of preschool properties. The properties in PPP, PPP II and PPP IV are leased out to Norlandia Care Group AS (a related party). The Properties in PPP III is leased to Espira AS. The activities in the four companies consist of owning and leasing out the properties to one lessee, which is not considered a business under IFRS 3. The acquisitions are therefore considered to be asset acquisition under IFRS.

<b>TNOK</b>	<b>PPP</b>	<b>PPP II</b>	<b>PPP III</b>	<b>PPP IV</b>	<b>Total</b>
Investment properties	417 577	526 725	1 801 000	655 713	3 401 015
Net working capital	18 452	15 054	15 111	0	48 617
Debt assumed	296 078	295 139	1 076 484	397 000	2 064 701
<b>Purchase price</b>	<b>139 951</b>	<b>246 640</b>	<b>739 627</b>	<b>258 713</b>	<b>1 384 931</b>

In addition shareholder loans of MNOK 318 was purchased from the existing shareholders.

Of the total purchase price, MNOK 1 541 was converted to equity. The remaining balance was settled with a sellers credit to be paid with the proceeds from the private placement. The conversion was made on 12 May 2015.

To the Board of Directors of Pioneer Property Group ASA

## **Independent auditor's report**

### **Report on the Combined Financial Statements**

We have audited the accompanying combined financial statements of Pioneer Public Properties AS, Pioneer Public Properties II AS and Pioneer Public Properties III AS which comprise the financial statements of the parent companies and the financial statements of the groups. The financial statements of the parent companies and the financial statements of the groups comprise the balance sheet as at 31 December 2014 and 2013, comprehensive income statement, changes in equity and cash flow for the years then ended, and a summary of significant accounting policies and other explanatory information.

#### *The Board of Directors and the Managing Director's Responsibility for the combined Financial Statements*

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards as adopted by EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the combined financial statements are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position for the parent companies and the groups Pioneer Public Properties AS, Pioneer Public Properties II AS and Pioneer Public Properties III AS at 31 December 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by EU.

### **Report on Other Legal and Regulatory Requirements**

#### *Opinion on the Board of Directors' report*

Based on our audit of the combined financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the combined financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the combined financial statements and complies with the law and regulations.

#### *Opinion on Registration and Documentation*

Based on our audit of the combined financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Drammen, 29 May 2015

**BDO AS**



Eli-Ann Murberg Casso  
State Authorised Public Accountant (Norway)



- Kidsa Bygg AS annual financial statements for 2013 and 2014
- Kidsa Eiendom AS annual financial statements for 2013 and 2014

# **Kidsa Bygg AS**

**2014**

Organisasjonsnummer

**990 590 583**

- Årsberetning
- Årsregnskap
  - resultatregnskap
  - balanse
  - noter
- Revisjonsberetning

## **ÅRSBERETNING 2014**

**for**

**Kidsa Bygg AS**  
(org.nr. 990 590 583)

### **Virksomhetens art og hvor den drives**

Virksomhetens art er kjøp, utleie og salg av fast eiendom.

### **Utvikling i resultat og stilling**

Regnskapet for 2014 viser et overskudd på kr 1 722 666.

Årsregnskapet gir en rettviseende oversikt over utviklingen i foretaket, for resultatet i regnskapsåret og stillingen ved årsskiftet.

### **Fortsatt drift - forutsetningen**

Forutsetningen om fortsatt drift er lagt til grunn for regnskapet, og det bekrefte at denne forutsetningen er til stede.

### **Arbeidsmiljøet/likestilling**

Foretaket har ingen ansatte og har heller ikke hatt ansatte i regnskapsåret.

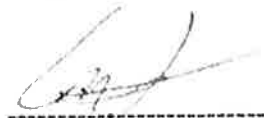
### **Ytre miljø**

Det er ingen forhold ved virksomheten som har påvirkning på det ytre miljø.

### **Resultatdisponering**

Forslag til anvendelse av årets overskudd fremgår av årsregnskapet.

Bergen, 07.04.2015



Rolf Tore Andersen  
Styrets leder

# Resultatregnskap

## Kidsa Bygg AS

	Note	2014	2013
<b>Driftsinntekter</b>			
Leieinntekter	5	7 512 168	7 343 277
<b>Sum driftsinntekter</b>		<b>7 512 168</b>	<b>7 343 277</b>
<b>Driftskostnader</b>			
Avskrivning på varige driftsmidler	6	2 495 000	2 611 000
Annen driftskostnad	3	43 756	443 312
<b>Sum driftskostnader</b>		<b>2 538 756</b>	<b>3 054 312</b>
<b>Driftsresultat</b>		<b>4 973 412</b>	<b>4 288 965</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		24 670	174 673
Renteinntekt fra foretak i samme konsern		0	940 899
Rentekostnad til foretak i samme konsern	5	1 391 053	1 706 448
Annen rentekostnad		1 247 761	1 247 704
<b>Resultat av finansposter</b>		<b>(2 614 144)</b>	<b>(1 838 580)</b>
<b>Resultat før skattekostnad</b>		<b>2 359 268</b>	<b>2 450 385</b>
Skattekostnad	4	636 602	375 817
<b>Årsresultat</b>		<b>1 722 666</b>	<b>2 074 568</b>
<b>Overføringer</b>			
Avsatt til annen egenkapital		1 722 666	2 074 568
<b>Sum overføringer</b>		<b>1 722 666</b>	<b>2 074 568</b>

# Balanse

## Kidsa Bygg AS

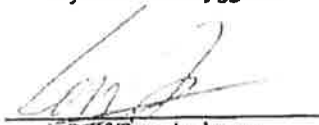
Eiendeler	Note	31.12.2014	31.12.2013
<b>Anleggsmidler</b>			
<b>Varige driftsmidler</b>			
Tomter, bygninger o.a. fast eiendom	7	65 173 598	67 480 598
Driftsløsøre, inventar o.a. utstyr		0	188 000
<b>Sum varige driftsmidler</b>	<b>6</b>	<b>65 173 598</b>	<b>67 668 598</b>
<b>Finansielle anleggsmidler</b>			
Lån til foretak i samme konsern	5	2 997 089	11 168 670
<b>Sum finansielle anleggsmidler</b>		<b>2 997 089</b>	<b>11 168 670</b>
<b>Sum anleggsmidler</b>		<b>68 170 687</b>	<b>78 837 268</b>
<b>Omløpsmidler</b>			
<b>Fordringer</b>			
Andre kortsiktige fordringer		1 218 127	0
<b>Sum fordringer</b>		<b>1 218 127</b>	<b>0</b>
Bankinnskudd, kontanter o.l.		1 756 881	1 374 001
<b>Sum bankinnskudd, kontanter o.l.</b>		<b>1 756 881</b>	<b>1 374 001</b>
<b>Sum omløpsmidler</b>		<b>2 975 008</b>	<b>1 374 001</b>
<b>Sum eiendeler</b>		<b>71 145 695</b>	<b>80 211 269</b>

# Balanse

## Kidsa Bygg AS

Egenkapital og gjeld	Note	31.12.2014	31.12.2013
<b>Innskutt egenkapital</b>			
Aksjekapital (100 aksjer á kr. 1 000)	2	100 000	100 000
Overkurs		128 000	128 000
Sum innskutt egenkapital		<u>228 000</u>	<u>228 000</u>
<b>Opptjent egenkapital</b>			
Annen egenkapital		7 936 941	6 214 274
Sum opptjent egenkapital		<u>7 936 941</u>	<u>6 214 274</u>
<b>Sum egenkapital</b>		<u>8 164 941</u>	<u>6 442 274</u>
<b>Gjeld</b>			
<b>Avsetning for forpliktelser</b>			
Utsatt skatt	4	8 157 994	8 434 750
Sum avsetning for forpliktelser		<u>8 157 994</u>	<u>8 434 750</u>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	7	42 433 066	44 239 319
Øvrig langsiktig gjeld	5	10 955 041	19 820 459
Sum annen langsiktig gjeld		<u>53 388 107</u>	<u>64 059 778</u>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		3 443	3 145
Betalbar skatt	4	913 358	967 732
Annen kortsiktig gjeld		517 853	303 589
Sum kortsiktig gjeld		<u>1 434 654</u>	<u>1 274 466</u>
<b>Sum gjeld</b>		<u>62 980 755</u>	<u>73 768 994</u>
<b>Sum gjeld og egenkapital</b>		<u>71 145 695</u>	<u>80 211 269</u>

Bergen, 07.04.2015  
Styret i Kidsa Bygg AS

  
Rolf Tore Andersen  
Styrets leder

# Noter

## Kidsa Bygg AS

### Note 1 - Regnskapsprinsipper

I årsregnskapet er alle poster verdsatt og periodisert i overensstemmelse med regnskapslovens bestemmelser og reglene som følger av god regnskapsskikk for små foretak.

#### Klassifisering

Eiendeler bestemt til varig eie eller bruk, samt fordringer med forfall mer enn ett år etter balansedagen er medtatt som anleggsmidler. Øvrige eiendeler er klassifisert som omløpsmidler. Gjeld som forfaller senere enn et år etter regnskapsperiodens utløp er oppført som langsiktig gjeld. Alle fordringer og all gjeld knyttet til varekretsløpet er klassifisert som kortsiktige poster uavhengig av forfallstid.

#### Varige driftsmidler og avskrivninger

Varige driftsmidler er vurdert til historisk kost etter fradrag for bedriftsøkonomiske avskrivninger som er beregnet på grunnlag av kostpris og antatt økonomisk levetid.

#### Fordringer

Fordringer er oppført i balansen med fordringens pålydende.

#### Skattekostnad og utsatt skatt

Eventuell skattekostnaden er knyttet til det regnskapsmessige resultat og består av betalbar skatt og endring i netto utsatt skatt.

Utsatt skatt i resultatregnskapet er skatt beregnet på endringer i midlertidige forskjeller mellom skattemessige og regnskapsmessige verdier. I stedet for å vise årets skattemessige disposisjoner brutto i regnskapet, bokføres skatteeffekten som en del av årets skattekostnad.

Utsatt skatt avsettes som langsiktig gjeld i balansen. I den grad utsatt skattefordel overstiger utsatt skatt, medtas utsatt skattefordel i balansen iht god regnskapsskikk.

#### Driftsinntekter og kostnader

Inntektsføring skjer etter opptjeningsprinsippet som normalt vil være leveringstidspunktet for varer og tjenester. Kostnader medtas etter sammenstillingsprinsippet, dvs at kostnader medtas i samme periode som tilhørende inntekter inntektsføres.

### Note 2 - Aksjonærer

Aksjekapitalen består av en aksjeklasse å 100 aksjer, hver pålydende kr 1 000.

Alle aksjene eies av Kidsa AS. Konsernregnskapet utarbeides i Kidsa AS og i konsernspiss T A Holding AS, Snekkerlassen 30, 5106 Ovre Ervik i Bergen.

### Note 3 - Ansatte, godtgjørelse, lån til ansatte m.m.

Selskapet har ingen ansatte. Det er ikke vært utbetalt lønn eller annen godtgjørelse.

#### Revisor

Kostnadsført revisjonshonorar utgjør kr 16 250 for revisjon og kr 11 250 for andre tjenester inkl. mva.

<b>Noter</b>
<b>Kidsa Bygg AS</b>

**Note 4 - Skatt**

<b>Årets skattekostnad</b>	<b>2014</b>	<b>2013</b>
<b>Resultatført skatt på ordinært resultat:</b>		
Betalbar skatt	913 358	967 732
Endring i utsatt skatt / utsatt skattefordel	-276 756	-591 915
<b>Sum skattekostnad på ordinært resultat</b>	<b>636 602</b>	<b>375 817</b>
 <b>Betalbar skatt i årets skattekostnad:</b>	 <b>2014</b>	 <b>2013</b>
Ordinært resultat før skatt	2 359 268	2 450 385
Permanente forskjeller	-1 495	7 537
Endring i midlertidige forskjeller	1 025 036	998 262
<b>Skattemessig resultat</b>	<b>3 382 809</b>	<b>3 456 184</b>
 <b>Betalbar skatt i balansen</b>	 <b>913 358</b>	 <b>967 732</b>

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller:

	2014	2013	Endring
Varige driftsmidler	30 214 793	31 239 829	1 025 036
<b>Sum</b>	<b>30 214 793</b>	<b>31 239 829</b>	<b>1 025 036</b>
 Utsatt skatt / skattefordel (27 % )	 8 157 994	 8 434 750	 276 756

**Note 5 - Transaksjoner og mellomværende med foretak i konsern**

	2014
<b>Mellomværende</b>	
Lån til foretak i samme konsern	2 997 089
Langsiktig (rentebærende) gjeld	10 955 041
 <b>Transaksjoner</b>	
Leieinntekter	7 512 168
Rentekostnader	1 391 053



<b>Noter</b>
<b>Kidsa Bygg AS</b>

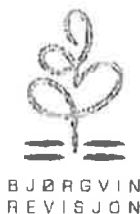
**Note 6 - Anleggsmidler**

	<b>Inventar, utstyr mv.</b>	<b>Fast eiendom</b>	<b>Sum</b>
Anskaffelseskost pr. 01.01	2 840 309	84 439 013	87 279 322
+ Tilgang kjøpte anleggsmidler	0	0	0
<b>= Anskaffelseskost 31.12</b>	<b>2 840 309</b>	<b>84 439 013</b>	<b>87 279 322</b>
Akkumulerte avskrivninger 31.12	2 840 309	19 265 415	22 105 724
<b>= Bokført verdi 31.12</b>	<b>0</b>	<b>65 173 598</b>	<b>65 173 598</b>
Årets ordinære avskrivninger	188 000	2 307 000	2 495 000
Økonomisk levetid	7 år	10-40 år	

**Note 7 - Pantstillelser, langsiktig gjeld mv.**

Pantegjeld	42 433 066
Balanseført verdi av eiendeler stillet som sikkerhet	65 173 598

Av selskapets langsiktige gjeld forfaller kr 32 863 651 senere enn 5 år etter regnskapsårets slutt.



Til generalforsamlingen i

Kidsa Bygg AS

## REVISORS BERETNING

### Uttalelse om årsregnskapet

Vi har revidert årsregnskapet for Kidsa Bygg AS, som består av balanse per 31. desember 2014, resultatregnskap som viser et overskudd på kr 1 722 666 for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

#### *Styrets ansvar for årsregnskapet*

Styret er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og for slik intern kontroll som styret finner nødvendig for å muliggjøre utarbeidelsen av et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

#### *Revisors oppgaver og plikter*

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

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

Etter vår oppfatning er innhentede revisjonsbevis tilstrekkelige og hensiktsmessige som grunnlag for vår konklusjon.

#### *Konklusjon*

Etter vår mening er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av den finansielle stillingen til Kidsa Bygg AS per 31. desember 2014 og av resultater for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.



### **Uttalelse om øvrige forhold**

#### ***Konklusjon om årsberetningen***

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

#### ***Konklusjon om registrering og dokumentasjon***

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendige i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000, mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Bergen, 7/4 - 2015  
Bjørgvin Revisjon AS

  
Svein Kenneth Høgemark  
Statsautorisert revisor

# **Kidsa Eiendom AS**

**2014**

Organisasjonsnummer

**996 153 762**

**-Årsberetning**

**-Årsregnskap**

**-resultatregnskap**

**-balanse**

**-noter**

**-Revisjonsberetning**

**ÅRSBERETNING 2014**  
**for**  
**Kidsa Eiendom AS, org.nr. 996 153 762**

**Virksomhetens art og hvor den drives**

Virksomhetens art er å eie og utvikle fast eiendom for utleie til barnehager og hva som ellers står i naturlig forbindelse med dette.

**Utvikling i resultat og stilling**

Resultatet for 2014 viser et overskudd på kr 1 459 365.

Årsregnskapet gir en rettviseende oversikt over utviklingen i foretaket, for resultatet i regnskapsåret og stillingen ved årsskiftet

**Fortsatt drift - forutsetningen**

Forutsetningen om fortsatt drift er lagt til grunn for regnskapet, og det bekreftes at denne forutsetningen er til stede. Det har ikke inntrådt forhold etter regnskapsårets utgang som er av betydning ved bedømmelse av selskapets stilling.

**Arbeidsmiljøet/likestilling**

Selskapet har ingen ansatte og har heller ikke hatt ansatte i regnskapsåret.

**Ytre miljø**

Det er ingen forhold ved virksomheten som har påvirkning på det ytre miljø.

**Resultatdisponering**

Forslag til anvendelse av årets resultat fremgår av årsregnskapet.

Bergen, 12.03.2015



Rolf Tore Andersen  
Styrets leder



Sunniva Whittaker  
Styremedlem

# Resultatregnskap

## Kidsa Eiendom AS

	Note	2014	2013
<b>Driftsinntekter</b>			
Leieinntekter	5	7 068 996	6 922 044
<b>Sum driftsinntekter</b>		<b>7 068 996</b>	<b>6 922 044</b>
<b>Driftskostnader</b>			
Avskrivning på varige driftsmidler	6	2 654 000	2 654 000
Annen driftskostnad	3	(6 405)	217 331
<b>Sum driftskostnader</b>		<b>2 647 596</b>	<b>2 871 331</b>
<b>Driftsresultat</b>		<b>4 421 401</b>	<b>4 050 714</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		33 508	186 659
Rentekostnad til foretak i samme konsern	5	1 894 502	2 452 357
Annen rentekostnad		560 761	570 643
<b>Resultat av finansposter</b>		<b>(2 421 755)</b>	<b>(2 836 341)</b>
<b>Resultat før skattekostnad</b>		<b>1 999 645</b>	<b>1 214 373</b>
Skattekostnad	4	540 281	346 072
<b>Årsresultat</b>		<b>1 459 365</b>	<b>868 301</b>
<b>Overføringer</b>			
Avsatt til annen egenkapital		1 459 365	868 301
<b>Sum overføringer</b>		<b>1 459 365</b>	<b>868 301</b>

# Balanse

## Kidsa Eiendom AS

Eiendeler	Note	31.12.2014	31.12.2013
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	4	323 327	131 543
<b>Sum immaterielle eiendeler</b>		<u>323 327</u>	<u>131 543</u>
<b>Varige driftsmidler</b>			
Tomter, bygninger o.a. fast eiendom	6, 7	60 902 488	63 556 488
<b>Sum varige driftsmidler</b>		<u>60 902 488</u>	<u>63 556 488</u>
<b>Sum anleggsmidler</b>		<u>61 225 815</u>	<u>63 688 031</u>
<b>Omløpsmidler</b>			
<b>Sum bankinskudd</b>		<u>487 568</u>	<u>1 789 094</u>
<b>Sum omløpsmidler</b>		<u>487 568</u>	<u>1 789 094</u>
<b>Sum eiendeler</b>		<u>61 713 383</u>	<u>65 477 125</u>

# Balanse

## Kidsa Eiendom AS

Egenkapital og gjeld	Note	31.12.2014	31.12.2013
<b>Innskutt egenkapital</b>			
Aksjekapital (200 aksjer á kr. 1 000)	2	200 000	200 000
<b>Sum innskutt egenkapital</b>		<u>200 000</u>	<u>200 000</u>
<b>Opptjent egenkapital</b>			
Annen egenkapital		3 153 509	1 694 144
<b>Sum opptjent egenkapital</b>		<u>3 153 509</u>	<u>1 694 144</u>
<b>Sum egenkapital</b>		<u>3 353 509</u>	<u>1 894 144</u>
<b>Gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	7	19 846 841	21 194 374
Gjeld til selskap i konsernet	5	37 694 965	41 800 463
<b>Sum annen langsiktig gjeld</b>		<u>57 541 806</u>	<u>62 994 837</u>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		1 033	1 665
Betalbar skatt	4	732 065	497 627
Annen kortsiktig gjeld		84 970	88 852
<b>Sum kortsiktig gjeld</b>		<u>818 068</u>	<u>588 144</u>
<b>Sum gjeld</b>		<u>58 359 874</u>	<u>63 582 981</u>
<b>Sum gjeld og egenkapital</b>		<u>61 713 383</u>	<u>65 477 125</u>

Bergen, den 12.03.2015  
Styret i Kidsa Eiendom AS

  
Rolf Tore Andersen  
Styrets leder

  
Sunniva Whittaker  
Styremedlem



<b>Noter</b>
<b>Kidsa Eiendom AS</b>

**Note 1 - Regnskapsprinsipper**

I årsregnskapet er alle poster verdsatt og periodisert i overensstemmelse med regnskapslovens bestemmelser og reglene som følger av god regnskapsskikk for små foretak.

**Klassifisering**

Eiendeler bestemt til varig eie eller bruk, samt fordringer med forfall mer enn ett år etter balansedagen er medtatt som anleggsmidler. Øvrige eiendeler er klassifisert som omløpsmidler. Gjeld som forfaller senere enn et år etter regnskapsperiodens utløp er oppført som langsiktig gjeld. Alle fordringer og all gjeld knyttet til varekretsløpet er klassifisert som kortsiktige poster uavhengig av forfallstid.

**Varige driftsmidler og avskrivninger**

Varige driftsmidler er vurdert til historisk kost etter fradrag for bedriftsøkonomiske avskrivninger som er beregnet på grunnlag av kostpris og antatt økonomisk levetid.

**Fordringer**

Fordringer er oppført i balansen med fordringens pålydende.

**Skattekostnad og utsatt skatt**

Eventuell skattekostnad er knyttet til det regnskapsmessige resultat og består av betalbar skatt og endring i netto utsatt skatt.

Utsatt skatt i resultatregnskapet er skatt beregnet på endringer i midlertidige forskjeller mellom skattemessige og regnskapsmessige verdier. I stedet for å vise årets skattemessige disposisjoner brutto i regnskapet, bokføres skatteeffekten som en del av årets skattekostnad.

Utsatt skatt avsettes som langsiktig gjeld i balansen. I den grad utsatt skattefordel overstiger utsatt skatt, medtas utsatt skattefordel i balansen iht god regnskapsskikk.

**Driftsinntekter og kostnader**

Inntektsføring skjer etter opptjeningsprinsippet som normalt vil være leveringstidspunktet for varer og tjenester. Kostnader medtas etter sammenstillingsprinsippet, dvs. at kostnader medtas i samme periode som tilhørende inntekter inntektsføres.

**Note 2 - Aksjonærer**

Aksjekapitalen består av en aksjeklasse à 200 aksjer, hver pålydende kr 1 000.

Alle aksjene eies av Kidsa AS, Bergen.

Konsernregnskap utarbeides i Kidsa AS og i konsernspiss TA Holding AS, Snekkerplaten 30, 5106 Øvre Ervik.

**Note 3 - Ansatte, godtgjørelse, lån til ansatte m.m.**

Selskapet har ingen ansatte. Det har ikke vært utbetalt lønn eller annen godtgjørelse.

**Revisor**

Kostnadsført revisjonshonorar utgjør kr 16 250 inkl. mva.

<h1 style="margin: 0;">Noter</h1> <h2 style="margin: 0;">Kidsa Eiendom AS</h2>
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### Note 4 - Skatt

Årets skattekostnad	2014	2013
<b>Resultatført skatt på ordinært resultat:</b>		
Betalbar skatt	732 065	497 627
Endring i utsatt skatt	-191 784	-151 555
<b>Sum skattekostnad på ordinært resultat</b>	<b>540 281</b>	<b>346 072</b>

Betalbar skatt i årets skattekostnad:	2014	2013
Ordinært resultat før skatt	1 999 645	1 214 373
Permanente forskjeller	1 393	4 198
Endring i midlertidige forskjeller	710 312	558 668
Anvendelse av fremførbart underskudd	0	0
<b>Skattemessig resultat</b>	<b>2 711 350</b>	<b>1 777 239</b>

<b>Betalbar skatt i balansen</b>	<b>732 065</b>	<b>497 627</b>
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Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller:

	2014	2013	Endring
Varige driftsmidler	-1 197 508	-487 196	710 312
<b>Sum</b>	<b>-1 197 508</b>	<b>-487 196</b>	<b>710 312</b>

<b>Utsatt skatt / skattefordel (27 % )</b>	<b>-323 327</b>	<b>-131 543</b>	<b>191 784</b>
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### Note 5 - Transaksjoner og mellomværende med foretak i konsern

	2014
<b>Mellomværende</b> Langsiktig (rentebærende) gjeld	37 694 965
<b>Transaksjoner</b> Leieinntekter	7 068 996
Rentekostnader	1 894 502

<b>Noter</b>
<b>Kidsa Eiendom AS</b>

**Note 6 - Anleggsmidler**

	<b>Fast eiendom</b>	<b>Tomt</b>	<b>Sum</b>
Anskaffelseskost pr. 01.01	54 589 703	16 239 971	70 829 674
+ Tilgang kjøpte anleggsmidler	0	0	0
<b>= Anskaffelseskost 31.12</b>	<b>54 589 703</b>	<b>16 239 971</b>	<b>70 829 674</b>
Akkumulerte avskrivninger 31.12	9 927 186	0	9 927 186
<b>= Bokført verdi 31.12</b>	<b>44 662 517</b>	<b>16 239 971</b>	<b>60 902 488</b>
Årets ordinære avskrivninger	2 654 000	0	2 654 000
Økonomisk levetid	12-30 år		

**Note 7 - Pantstillelser, langsiktig gjeld mv.**

Pantobligasjon	49 069 373
Pantegjeld	19 846 841
Balanseført verdi av eiendeler stillet som sikkerhet	60 902 488

Av selskapets langsiktige gjeld forfaller kr 12 874 224 senere enn 5 år etter regnskapsårets slutt.



Til generalforsamlingen i

Kidsa Eiendom AS

## REVISORS BERETNING

### Uttalelse om årsregnskapet

Vi har revidert årsregnskapet for Kidsa Eiendom AS, som består av balanse per 31. desember 2014, resultatregnskap som viser et overskudd på kr 1 459 365 for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

#### *Styrets ansvar for årsregnskapet*

Styret er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og for slik intern kontroll som styret finner nødvendig for å muliggjøre utarbeidelsen av et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

#### *Revisors oppgaver og plikter*

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

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

Etter vår oppfatning er innhentede revisjonsbevis tilstrekkelige og hensiktsmessige som grunnlag for vår konklusjon.

#### *Konklusjon*

Etter vår mening er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av den finansielle stillingen til Kidsa Eiendom AS per 31. desember 2014 og av resultater for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.



## **Uttalelse om øvrige forhold**

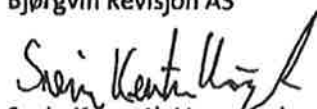
### ***Konklusjon om årsberetningen***

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

### ***Konklusjon om registrering og dokumentasjon***

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendige i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000, mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringskikk i Norge.

Bergen, 14.3. 2015  
Bjørgvin Revisjon AS

  
Svein Kenneth Høgemark  
Statsautorisert revisor

To the Board of Directors of Pioneer Property Group ASA

## **Independent Assurance Report on the Pro Forma Financial Information**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Pioneer Property Group ASA (the “Company”). The pro forma financial information consists of the unaudited pro forma financial positions as at 31 December 2014, the pro forma statement of comprehensive income for the period ended 31 December 2014, and the related notes as set up on page 59-60 in the prospectus issued by the Company. The applicable criteria on the basis of which the Company has compiled the pro forma financial information are specified in the EU Regulation No 809/2004 as included in the Norwegian Securities Trading Act.

The unaudited pro forma financial information has been prepared in connection with the acquisitions and the listing of the Preference Shares of the Company as described in section 11 of the prospectus. The unaudited pro forma financial information has been compiled to show how the acquisitions and share issuance might have impacted the Company’s income statement for 2014, as if the acquisitions and share issuance had taken place on 1 January 2014. The consolidated balance sheet as of 31 December 2014 is compiled as if the acquisition took place at the balance sheet date. As part of this process, information about the company’s financial position and financial performance has been extracted by the Company from the Company’s audited combined financial statements, and on the audited Norwegian GAAP financial statements of Kidsa Bygg AS and Kidsa Eiendom AS, for the period ended 31 December 2014, on which auditor reports have been published.

### *The Board of Directors’ and Management’s Responsibility for the Pro Forma Financial Information*

The board of Directors’ and Management are responsible for compiling the pro forma financial information on the basis of accounting and relevant accounting policies described in the prospectus section 11 “Unaudited Pro Forma Financial Information”.

### *Practitioner’s Responsibilities*

Our responsibility is to express an opinion, as required by Annex II item 7 of EU Regulation No 809/2004 about whether the pro forma financial information has been compiled by the Company on the basis of accounting and relevant accounting policies described in the prospect section 11 “Unaudited Pro Forma Financial Information”.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Company has compiled the pro forma financial information on the basis of accounting and relevant accounting policies described in the Information Memorandum, section 6. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in section 11 of the information document, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with management of the Company.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction at 12 May 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis of the applicable criteria, involves performing procedures to assess whether the applicable criteria used by the Company in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Opinion*

In our opinion, the pro forma financial information has been properly compiled on the basis of accounting and relevant accounting policies described in the prospectus, section 11 "Unaudited Pro Forma Financial Information".

This report is issued for the sole purpose of providing assurance on the pro forma financial information included in the prospectus as required in connection with the Listing of the Company on Oslo Axess to comply with the Norwegian Securities Trading Act and the applicable EU regulations pursuant to section 7-7 of the Norwegian Securities Trading Act.

This report should not be used or relied upon for any purpose other than the prospectus.

Drammen, 03 June 2015  
**BDO AS**



Eli-Ann Murberg Casso  
State Authorized Public Accountant (Norway)

## **Appendix C: Norwegian Retail Offering Application Form**



## NORWEGIAN RETAIL OFFERING APPLICATION FORM – PIONEER PROPERTY GROUP ASA

**General information:** The terms and conditions for the Norwegian Retail Offering are set out in the prospectus dated 3 June 2015 (the "**Prospectus**"), which has been issued by Pioneer Property Group ASA (the "**Company**") in connection with the secondary sale of existing Preference Shares in the Company, and the listing of the Company's Preference Shares on Oslo Axess. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus. For complete information about the Norwegian Retail Offering, please refer to the Prospectus.

**Application procedure:** Applicants in the Norwegian Retail Offering who are residents of Norway with a Norwegian personal identification number may apply for Offer Shares by using the following websites: [www.abgsc.no](http://www.abgsc.no) and [www.swedbank.no](http://www.swedbank.no). Applications in the Norwegian Retail Offering can also be made by using this Norwegian Retail Offering Application Form. The Norwegian Retail Offering Application Form must be correctly completed and submitted by the applicable deadline to one of the following application offices:

ABG Sundal Collier Norge ASA  
Munkedamsveien 45 E  
P.O. Box 1444 Vik  
N-0115 Oslo  
Norway  
Tel: +47 22 01 60 00  
Fax: +47 22 01 60 62  
Email: [subscription@abgsc.no](mailto:subscription@abgsc.no)  
[www.abgsc.com](http://www.abgsc.com)

Swedbank  
Filipstad Brygge 1  
P.O Box 1441 Vik  
N-0115 Oslo  
Norway  
Tel: +47 23 23 80 00  
Fax: +47 23 23 80 11  
[www.swedbank.no](http://www.swedbank.no)

The applicant is responsible for the correctness of the information filled in on this Norwegian Retail Offering Application Form. Norwegian Retail Offering Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. **Subject to any shortening or extension of the Application Period, applications made through the VPS online application system must be duly registered by 12:00 hours (CET) on 17 June 2015, while applications made on a Norwegian Retail Offering Application Form must be received by one of the application offices for the Norwegian Retail Offering by the same time.** None of the Company, the Selling Shareholders or the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by the application offices. All applications made in the Norwegian Retail Offering will be irrevocable and binding upon receipt of a duly completed Norwegian Retail Offering Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by one of the application offices, or in the case of applications through the VPS online application system, upon registration of the application.

**Offer Price for Preference Shares:** The price for the Preference Shares sold in the Norwegian Retail Offering will be NOK 100.

**Allocation, payment and delivery of Preference Shares:** ABG Sundal Collier Norge ASA, acting as settlement agent for the Norwegian Retail Offering, expects to issue notifications of allocation of Preference Shares in the Retail Offering on or about 18 June 2015, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Preference Shares allocated to it may contact the application offices from on or about 18 June 2015 during business hours. Applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see the number of Preference Shares they have been allocated from on or about 18 June 2015. In registering an application through the VPS online application system or by completing and submitting a Norwegian Retail Offering Application Form, each applicant in the Norwegian Retail Offering will authorise ABG Sundal Collier Norge ASA (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Preference Shares allocated to the applicant. Accounts will be debited on or about 19 June 2015 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 18 June 2015. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Preference Shares is made on or before the Payment Date. Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 18 June 2015, or can be obtained by contacting ABG Sundal Collier Norge ASA at +47 22 01 60 00. ABG Sundal Collier Norge ASA is only authorised to debit each account once, but reserves the right (but has no obligation) to make up to three debit attempts for up to seven working days after the Payment Date if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on its account, or should payment be delayed for any reason, or if it is not possible to debit the account, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Subject to timely payment by the applicant, delivery of the Preference Shares allocated in the Norwegian Retail Offering is expected to take place on or about 22 June 2015 (or such later date the relevant account is successfully debited).

**Guidelines for the applicant:** Please refer to the second page of this Norwegian Retail Offering Application Form for further application guidelines.

<b>Applicant's VPS-account (12 digits):</b>	<b>I/we apply for Preference Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 999,999):</b>	<b>Applicant's bank account to be debited (11 digits):</b>
I/we hereby (i) confirm and warrant to have read the Prospectus and that I/we are aware of the risks associated with an investment in the Preference Shares and that I/we are eligible to apply for and purchase Preference Shares under the terms set forth in the Prospectus, (ii) irrevocably (a) order the number of Preference Shares allocated to me/us up to the amount specified above subject to the terms and conditions set out in the Prospectus, (b) authorise and instruct the Managers (or someone appointed by one of the Managers) to take all actions required to purchase the Preference Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Norwegian Retail Offering Application Form, and to ensure delivery of such Preference Shares to me/us in the VPS, on my/our behalf, and (c) authorise ABG Sundal Collier Norge ASA (on behalf of the Managers) to debit my/our bank account set out above for the amount of the Preference Shares allotted to me/us.		
<b>Date and place<sup>(1)</sup>:</b>	<b>Binding signature<sup>(2)</sup>:</b>	

<sup>(1)</sup> Must be dated during the Application Period <sup>(2)</sup>

The applicant must be of age. If the Norwegian Retail Offering Application Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a Power of Attorney or Company Registration Certificate.

<b>DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED</b>	
First name:	Surname / Family name / Company name:
Home address / For companies: registered business address:	Zip code and town:
Identity number (11 digits) / For companies: registration number:	Nationality:
Telephone number (daytime):	E-mail address:

**See next page for additional application guidance.**

## GUIDELINES FOR THE APPLICANT

**THIS NORWEGIAN RETAIL OFFERING APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.**

**Regulatory Matters:** Legislation passed throughout the EEA pursuant to the Markets in Financial Instruments Directive ("MIFID") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional and Non-professional clients. All applicants applying for Preference Shares in the Offering who/which are not existing clients of the relevant Manager will be categorised as Non-professional clients. The applicant can by written request to the Manager ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act. For further information about the categorisation the applicant may contact the Manager. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Preference Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

**Execution Only:** As the Managers are not in the position to determine whether the application for Preference Shares is suitable for the applicant, the Manager will treat the application as an execution only instruction from the applicant to apply for Preference Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

**About the Managers; Information Barriers:** The Managers are securities firms, offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Preference Shares as a consequence of such Chinese walls.

**VPS Account; Anti-Money Laundering:** The Retail Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulation of 13 March 2009 no. 302 (collectively, the "**Anti-Money Laundering Legislation**"). Applicants who are not registered as existing customers of the relevant Manager must verify their identity to the Manager in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Norwegian Retail Offering Application Form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Preference Shares. Participation in the Norwegian Retail Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Norwegian Retail Offering Application Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA.

**Selling Restrictions:** The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 18 "Selling and Transfer Restrictions" of the Prospectus. Neither the Company, the Selling Shareholders nor the Manager assumes any responsibility in the event there is a violation by any person of such restrictions.

**Investment decisions based on full Prospectus:** Investors must neither accept any offer for, nor acquire any Preference Shares, on any other basis than on the complete and final Prospectus.

**Terms and Conditions for Payment by Direct Debiting; Securities Trading:** Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply:

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payers bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account is being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

**Late or Missing Payments:** Should any investor have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976, No. 100, which at the date of this Prospectus was 9.25% per annum. The non-paying investors will remain fully liable for payment of the Preference Shares allocated to them, irrespective of any payment for the Preference Shares allocated to them by the Managers. The Preference Shares allocated to such investors will be transferred to a VPS account operated by the relevant Manager and will be transferred to the non-paying investor when payment of the relevant Preference Shares is received. The Managers reserve the right, without further notice, to sell or assume ownership of such Preference Shares if payment has not been received by the third day after the payment due date. If Preference Shares are sold on behalf of the investor, such sale will be for the investor's account and risk (however so that the investor shall not be entitled to profits therefrom, if any) and the investor will be liable for any loss, costs, charges and expenses suffered or incurred by the Company, the Selling Shareholders and/or the Managers as a result of or in connection with such sales, and the Company, the Selling Shareholders and/or the Managers may enforce payment of any amount outstanding in accordance with Norwegian law.

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c/o Pioneer Management AS  
Rådhusgata 23  
0158 Oslo  
Norway  
Phone: +47 22 98 97 40  
Fax: +47 22 98 97 41

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Munkedamsveien 45 E  
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Fax: +47 22 01 60 62  
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