



Pioneer Property Group ASA
Company Presentation – June 2020



Properties pictured are from the portfolio in Odin Bidco As, where PPG owns 10%

DISCLAIMER AND IMPORTANT NOTICE

This presentation has been prepared and issued by Pioneer Property Group ASA (the "**Company**"). This presentation speaks only as of 16 June 2020, and the material and the views expressed herein are subject to change based on a number of factors, including, without limitation, macroeconomic and equity market conditions, investor attitude and demand, the business prospects of the Company and other specific issues. This presentation contains summary information only and does not purport to be comprehensive and is not intended to be (and should not be used as) the sole basis of any analysis or other evaluation. This presentation and the information contained herein have not been independently verified and no representation or warranty, express or implied, is made or given by or on behalf of the Company, or any of its directors, officers, employees, agents, affiliates, advisors or any person acting on their behalf, as to, and no reliance should be placed on, the accuracy, completeness or fairness of the information or opinions contained in this presentation and no responsibility or liability (whether direct or indirect, in contract, tort or otherwise) is assumed by any such persons for any such information or opinions or for any errors or omissions. All information presented or contained in this presentation is subject to change without notice. In giving this presentation, none of the Company, or any of its directors, officers, employees, agents, affiliates, advisors or any person acting on its behalf, undertakes any obligation to amend, correct or update this presentation or to provide the recipient with access to any additional information that may arise in connection with it. None of the Company, or any of its directors, officers, employees, agents, affiliates, advisors or any person acting on its behalf, shall have any liability whatsoever, whether direct or indirect, in contract, tort or otherwise for any loss whatsoever arising from any use of this presentation, or otherwise arising in connection with this presentation.

This presentation has been prepared for information purposes only, and does not constitute or form part of, and should not be construed as, any offer, invitation or recommendation to purchase, sell or subscribe for any securities in any jurisdiction and neither the issue of the information nor anything contained herein shall form the basis of or be relied upon in connection with, or act as an inducement to enter into, any investment activity. This presentation does not purport to contain all of the information that may be required to evaluate any investment in the Company or any of its securities and should not be relied upon to form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This presentation is intended to present background information on the Company, its business and the industry in which it operates and is not intended to provide complete disclosure upon which an investment decision could be made. Should the Company choose to pursue an offering of its securities in Norway or elsewhere, any decision to invest in such securities must be made on the basis of information contained in the relevant subscription material to be prepared in connection therewith. Investing in the Company's shares involves a high degree of risk. The merit and suitability of an investment in the Company should be independently evaluated and any person considering such an investment in the Company is advised to obtain independent legal, tax, accounting, financial, credit and other related advice prior to making an investment.

This presentation contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources. Such information has been accurately reproduced from these sources, and, as far as the Company is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information provided inaccurate or misleading. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in this presentation come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the markets in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this presentation. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance.

This presentation includes forward-looking statements. The words "believes", "expects", "may", "will", "seek", "would", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" and similar expressions (or their negative) identify certain of these forward-looking statements. These forward-looking statements are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Company operates. The forward-looking statements in this presentation are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. Some of the information is still in draft form and hence subject to change. The Company expressly disclaim any obligation or undertaking to release any updates or revisions to these forward-looking statements to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based after the date of this presentation or to update or to keep current any other information contained in this presentation. Accordingly, undue reliance should not be placed on the forward-looking statements, which speak only as of the date of this presentation.

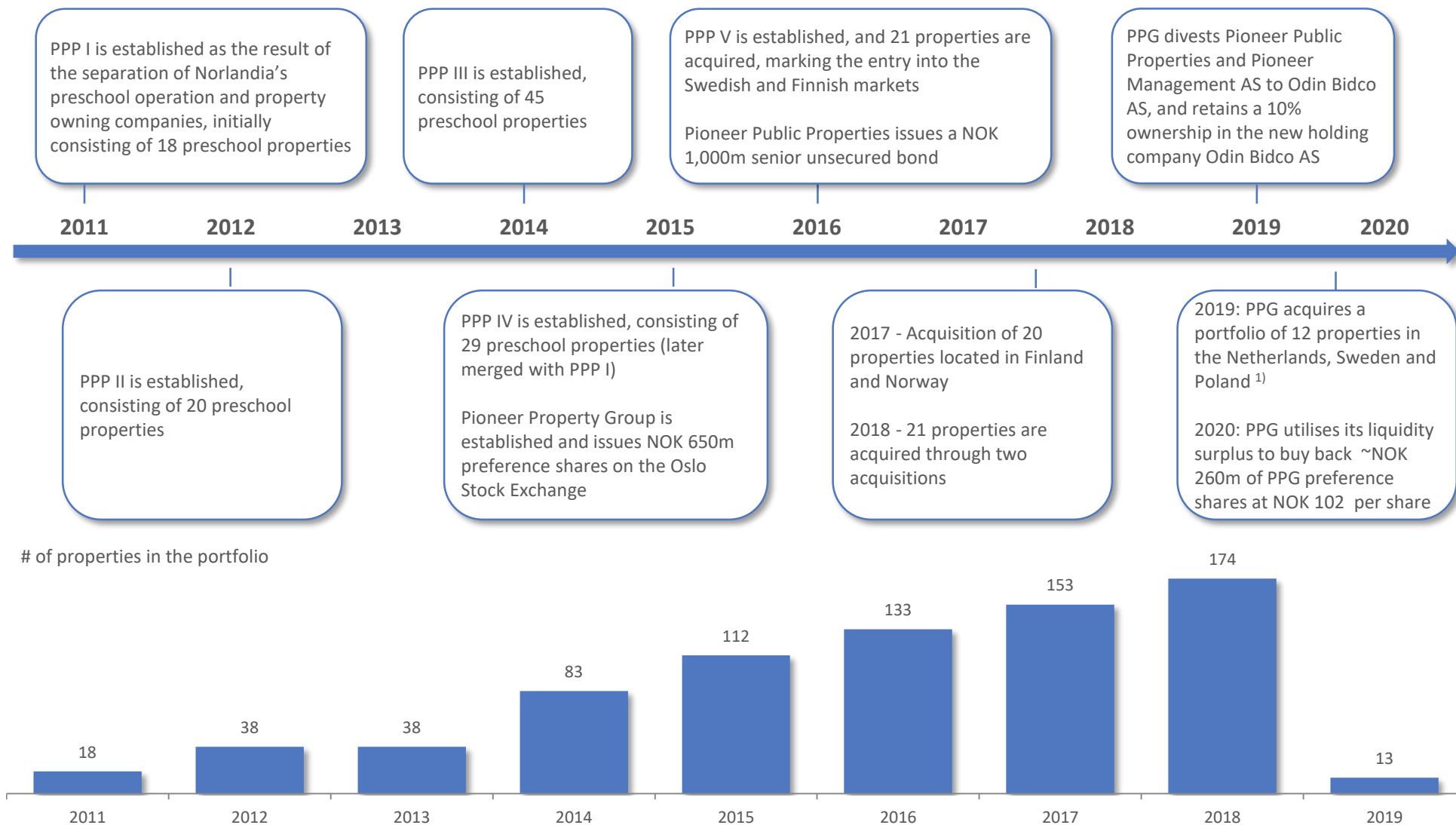
Certain financial information included in this presentation has not been audited and is subject to adjustments and modifications. Such adjustments and modifications could result in material differences to the unaudited financial information included in this presentation.

This presentation is subject to Norwegian law and any dispute arising in respect of this presentation is subject to the exclusive jurisdiction of Norwegian courts with Oslo district court as legal venue.

PPG background

- During 2019 Pioneer Property Group ASA ("PPG") initiated a strategic process following interest from institutional investors providing long-term debt financing and from third parties with respect to a potential sale of assets or shares by PPG
- This process was completed in October 2019, when PPG divested Pioneer Public Properties AS ("PPP") and Pioneer Management AS ("PM") to Odin Bidco AS, a company funded by a consortium consisting of Australian pension funds managed by Whitehelm Capital for NOK 2,734m
 - For further information with regard to the transaction we refer to the published information memorandum dated 19 November 2019
- PPG will continue to be an investment company with a real estate focus, and PPG will continue to invest in real properties and enter into long-term leases with government-backed tenants in Europe. Further PPG may establish a new division within the group with a focus on investments within commercial real estate, such as office buildings and hotels in addition to development projects
- Following the above-mentioned divestment PPG has started the process of deploying capital, and has so far invested ~NOK 1bn split between preschool properties and financial investments
 - PPG acquired in Q4'19 12 preschool properties for a total purchase price of ~EUR 18.2m
 - Following the divestment, PPG had a substantial cash balance. To allow for a more flexible capital management, the general meeting changed the objects clause in the company's articles of association to include investments in securities and other assets. This also allows for a quicker deployment of the capital, as favourable real estate investments may take more time to complete
 - PPG has utilised the downturn from Covid-19 to buy bonds in Norlandia Health & Care Group ASA and Hospitality Invest AS at a substantial discount to par values
- Despite the above-mentioned investments the Company still has a large liquidity surplus following the divestment of PPP and PM and distributions made on the Company's preference and ordinary shares since such divestment. On the basis of this, the board of directors proposes a distribution of ~NOK 1bn on the Company's ordinary shares in a combination of a repayment of paid-in capital and dividend. The board of directors is of the opinion that PPG maintains a solid equity and liquidity position following the distribution, allowing for further growth
- Following completion of the distribution, PPG will have investments of ~NOK 1bn (plus a cash balance of ~NOK160m) , outstanding preference shares of ~NOK 388m and no debt
- Since the transaction PPG has bought back ~NOK 260m of the outstanding preference shares at 102 per share through two separate buy-back offers where the last buy-back where undersubscribed. Pursuant to § 6 of the Company's articles of association, the Company has a right to redeem preference shares following such decision by the general meeting. The board of directors has considered the possibility to propose that the preference shares are redeemed on 1 July 2020 at a price of NOK 100 per preference share. Due to the economic developments in Europe in connection with Covid-19, the board of directors is of the view that attractive investment opportunities may arise within the Company's core business areas. Further, the board of directors believes that the Company is appropriately capitalized through the preference shares. On this basis, the board of directors has concluded that it will not propose to redeem the preference shares for the time being

Historical development of the group



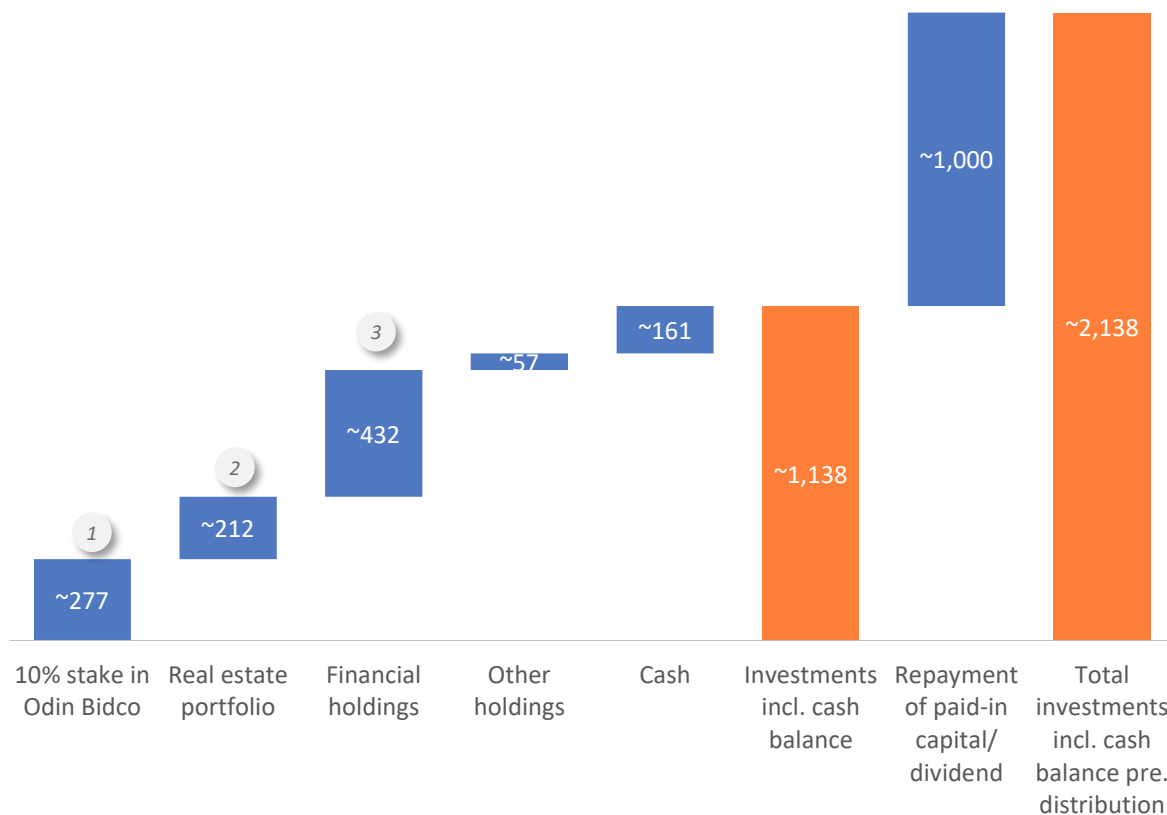
1) PPG still owned a preschool property in Norway, and had a total of 13 preschool properties after having acquired 12 from Norlandia

PPG has a solid balance sheet following the transaction

PPG has deployed ~NOK 1bn since the transaction

Pioneer Property Group Investments overview¹⁾

NOKm



- Since the sale of PPP and PM, PPG has started to increase its investments and has now deployed ~NOK 1bn of the proceeds
- Substantial equity backing behind the NOK 388m outstanding preference shares

- 1 The 10% retained ownership in the sold entities which consists of ~170 preschools in the Nordics
 - PPG is entitled to 20% of the economic distribution after a 6% IRR hurdle
- 2 13 preschool properties in Norway, Sweden, Poland and Netherlands
- 3 Financials holdings are ~20% in Nordic high yield funds and the remaining in bonds in Norlandia Health & Care Group and Hospitality Invest AS

All values are equity values

There is no debt in the group

PPG has a diversified portfolio with long term lease agreements

Portfolio WAULT¹⁾ of 14.5 years on triple net contracts ²⁾

Portfolio overview

				
 Preschools	x 8	x 3	x 1	x 1

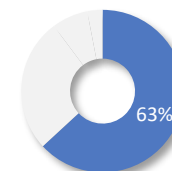
- After the divestment of PPP and PM in October 2019, PPG has begun to acquire new assets
- PPG now owns a portfolio of 13 preschools located in Poland, the Netherlands, Norway and Sweden
- Long term triple-net contracts³⁾ towards Norlandia, with a parent guarantee from the Norwegian company Norlandia Preschools AS²
 - Operators are responsible for all significant costs and maintenance
 - Inflation linked lease agreements with no operational or occupancy risk
- The majority of the operator lease payments stems from governmental contributions to either the parent or the operator, with country specific regulatory regimes

Poland




Preschools
x 8

% of total lease income



Operator

 **norlandia**

WAULT

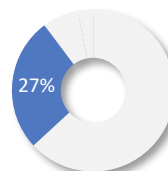
14.5 Years
24.5 Years
incl. options

Netherlands



Preschools
x 3

% of total lease income



Operator

 **norlandia**

WAULT

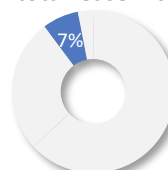
14.5 Years
24.5 Years
incl. options

Sweden



Preschools
x 1

% of total lease income



Operator

 **norlandia**

WAULT

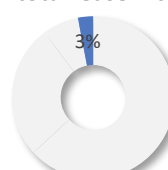
14.5 Years
24.5 Years
incl. options

Norway




Preschools
x 1

% of total lease income



Operator

 **norlandia**

WAULT

6 months
rolling

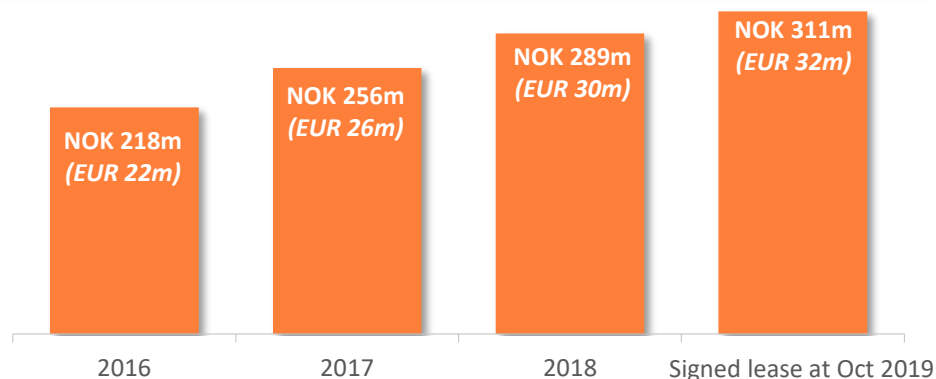
PPG retains a 10% ownership of Odin Bidco AS after the sale of PPP

However PPG is entitled to 20% of the economic distribution after a 6% IRR hurdle

Introduction

- The information represents a glance of the sold portfolio, and does not include any information about the development since the transaction as this has not been publicly disclosed
- At the time of the transaction PPP owned a large portfolio of ~174 preschools and care properties located in Norway, Finland and Sweden
- Pure asset owner with long term contracts to leading operators
 - Operators are responsible for all significant costs and maintenance
 - Inflation linked lease agreements with no operational or occupancy risk
- Attractive locations of the properties with favorable demographics
- PPG's 10% stake is per 31.12.2019 valued to ~NOK 280m
 - PPG's share class is entitled to 20% of the economic distributions after a 6% IRR hurdle is met

Strong revenue growth¹



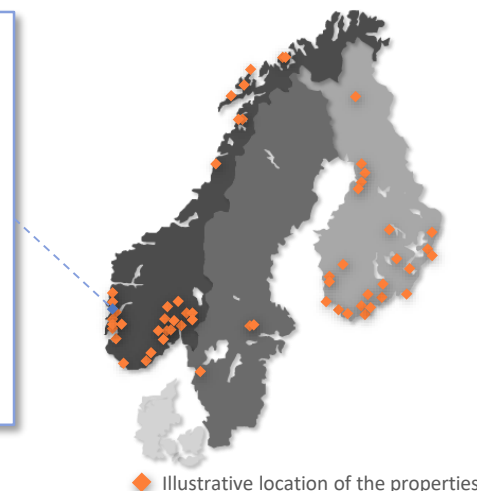
High quality portfolio in the Nordics









Example preschool

Kuventræ (Industrivegen 99), Norway



Built: 2007
Size: 1,250 Sqm
of children: 160
Operator: Espira



			
 Preschools (0-6yr)	x 120	x 43	x 3
 Care properties ²	x 0	x 2	x 6
% of total signed lease income	 77%	 20%	 3%

¹ 2016 to 2018 as reported by PPP. Signed lease includes CPI adjustment of existing lease agreements and additional lease income from three purchased properties under construction which was finalized in 2019. Revenues in NOK, SEK and EUR exchanged at the current currency rate in Oct. 2019. ² Care properties relates to elderly care, care for mental and physical disabilities

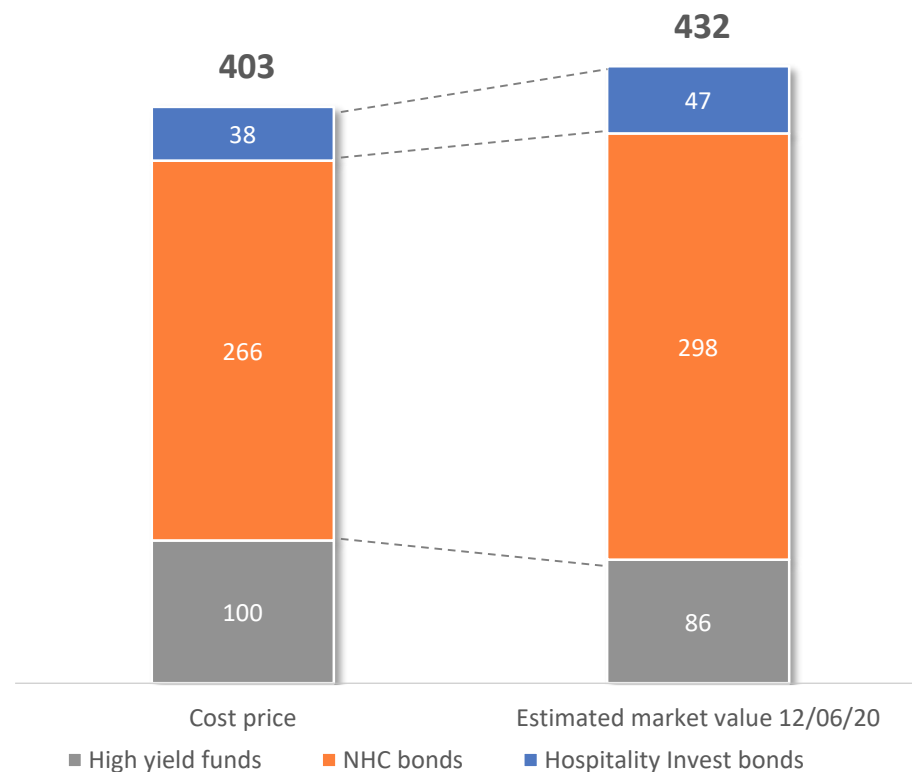
Utilising PPGs liquidity position in the downturn

Comments

- To allow for a more flexible capital management, following the sale of PPP and PM, the general meeting changed the objects clause in the company's articles of association in 2019 to include investments in securities and other assets
- PPG's main business will continue to be investments in real property and related activities, but PPG now has greater flexibility for capital management
- When managing the capital, PPG will take into account the need for sufficient liquidity reserves to meet PPG's financial obligations
- Prior to the covid-19 financial downturn PPG has invested a total of NOK 100m in two separate reputable Nordic high yield funds
- Further PPG holds the following bonds with the following par values:
 - Norlandia Health & Care Group ASA (NHC01) : Par value of NOK 196m
 - Norlandia Health & Care Group ASA (NHC02) : Par value of SEK 165.5m
 - Hospitality Invest AS (HOIN02): Par value of NOK 50m
- A majority of the bonds were bought during the Covid-19 financial downturn in march 2020, resulting in a significant unrealised gain of ~NOK 40m ¹⁾ showing the flexibility of PPGs balance sheet and liquidity position
- Following the decreasing Nordic high yield bond market in march, the HY funds have started to recover
- PPG currently has an unrealised loss of ~NOK 13m from the HY funds, however this is more than offset from the gains in NHC and HI bonds
- All financial investments are liquid and unencumbered, and can be divested at any time to meet potential other financial requirements
- Both Norlandia Health & Care Group and Hospitality Invest are owned ~91% by Kristian and Roger Adolfsen, who are the majority owners in PPG

Estimated market value financial holdings

NOKm





Properties pictured are from the portfolio in Odín Bidco As, where PPG owns 10%