

## REPORT ON SALARIES AND OTHER REMUNERATION TO LEADING PERSONNEL IN PIONEER PROPERTY GROUP ASA FOR THE FINANCIAL YEAR 2021

### Introduction

This report on salaries and other remuneration to leading personnel (the "**Report**") of Pioneer Property Group ASA (the "**Company**") is based on the guidelines for the determination of salaries and other remuneration of leading personnel in the Company which were approved by the Company's general meeting on 19 April 2021 ( "**Guidelines**").

The report is based on the requirements set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "**Companies Act**") section 6-16 a and 6-16 b, as well as Regulation on guidelines and report on remuneration for leading personnel of 11 December 2021 No. 2730 (the "**Regulation**"). The report is formulated in line with the European Commission's template for remuneration reports.

Information required by the Norwegian Act relating to Annual Accounts of 17 July 1998 no. 56 ("**Accounting Act**") section 7-31 b is included in the Company's annual report for 2021 on page 34.

Remuneration to board members is not covered by this Report. Any remuneration to board members is determined by the general meeting in accordance with the Companies Act section § 6-10 and is available on page 35 in the annual report for 2021.

### Key figures for the financial year 2021

Total revenue from continued operations for 2021 was MNOK 45.5 compared to MNOK 2.1 in 2020.

•Pre-tax profit from continued operations for 2021 was MNOK 300.7 compared to MNOK 120.9 for 2020.

•PPG acquired six hotel properties and three retail properties over the period. Further one hotel (50% owned) was acquired at year end.

•PPG paid four quarterly dividends to the holders of preference shares in total NOK 9.0 per preference share and a dividend to the holders of the ordinary shares of in total of NOK 7.852 per ordinary shares held by Eidissen Consult AS and Grafo AS.

The board of directors of the Company has prepared and resolved guidelines that govern the determination of salary and other remuneration to leading personnel in the Company. The Guidelines were unanimously approved by the annual general meeting of the Company on 19 April 2021.

The main principle for the Company's determination of remuneration for its Senior Executives is that the terms are to be competitive with the terms of positions with similar responsibility, workload and complexity in the same markets.

The senior executives may receive variable remuneration such as a performance-related bonus in relation to successful transactions, in addition to a ordinary fixed remuneration.

Pursuant to the resolved Guidelines, the basic salary for the leading personnel of the Company shall constitute the primary component of the leading personnel's compensation and shall reflect the overall contribution of the leading personnel to the Company. The base salary shall be determined based on job level, local competition, market salary band for the job and performance level, which means that it should be competitive with the terms of positions with similar workload and complexity in the same markets. In addition to the basic salary, the Company may offer the executive personnel contribution in kind such as broadband Internet access at home, subscriptions of job related newspapers and magazines as well as private

use of electronic equipment which is also used when working. These elements, in addition to the Company's pension scheme for its employees, constitute the fixed remuneration offered by the Company to its leading personnel.

The leading personnel may in addition to the abovementioned remunerations, be offered variable remuneration by way of performance-related bonus in connection with successful transactions. There are two criteria's that are evaluated in determining whether the senior executive shall receive a bonus. These are described in the Guidelines. Furthermore, the leading personnel may be given annual cash bonuses in addition to the base salary, up to a certain amount stipulated in the individual employment agreement, provided that certain performance criteria are achieved.

#### The company's performance

In 2021, the Company has expanded its real estate activities through acquisitions.

The largest acquisition was a portfolio of four hotels completed in May 2021 through Pioneer Hotel Properties AS. The total property valuation of the companies was MNOK 566.6 based on third party valuations. The purchase price has been settled through a cash consideration of MNOK 30.8 and through bonds in Norlandia Health & Care Group AS ("NHC") as payment in kind as previously explained.

The subsidiary Pioneer Retail Properties AS has purchased 5 properties over the course of 2021, the largest transaction being Ås Næring AS and Askjem Eiendom AS for a total share purchase price of approximately MNOK 120. Further information has been included in note 6.

PPG sold bonds in Norlandia Health & Care Care Group ASA (NHC01 and NHC02) and Hospitality Invest AS (HOIN02) with par values of MNOK 196.0 (NHC01), MSEK 134.0 (NHC02). Further information has been included in notes 9 and 16.

Additionally, PPG has invested in a 49 000 m<sup>2</sup> plot together with local partners at Ramstadsletta in Bærum, Norway. Further information has been included in note 8.

In 2021, the subsidiary Up North Property AS was established, which is 90.1% owned by Pioneer Hotel Properties and 9.9 % indirectly owned by Svein Arild Mevold, who was the previous CEO of Scandic Norway. Through Up North, Forum Stavanger, 50 % of Scandic Forus and 50 % of Vossevangen Park Hotel was acquired. Both Forum and Vossevangen Park Hotel will undergo renovations in 2022.

### Remuneration to leading personnel

Table 1 below shows total remuneration the Company's leading person have been paid, or have benefited from being paid by the Company in 2021 and 2020.

Table 1							
Name of Director (start/end)	Financial year	Fixed remuneration		One-year variable	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
		Base salary	Other benefits				
John Ivar Busklein (CEO)	2021	506 798	0	0*	14 522	521 320	
	2020	516 668	0	28 400	0	545 068	
Ole Kristofer Bragnes (CFO until 31.08.2021)	2021	320 801	0	250 000	4 239	575 040	
	2020	426 024	0	450 000	9 484	883 548	
Øystein Grini (CFO from 1.9.2021)	2021	409 797	0	0	6 572	416 369	

\*John Ivar Busklein was awarded a bonus of NOK 28 400 for 2021. The bonus was paid in January 2022.

#### Remuneration paid in relation to the Guidelines

The Company believes that the total remuneration is in accordance with the Guidelines. As illustrated in table 1, the main component of the leading personnel's compensation was the base salary. Other benefits consisted of compensation related to broadband Internet access at home, subscriptions of job related newspapers and magazines as well as private use of electronic equipment, as mentioned in the Guidelines. All variable remuneration was offered in accordance with the procedure and criteria's described in the Guidelines.

Furthermore, the Company believes that the paid fixed remuneration in addition to the variable remuneration, are competitive and fair compared to positions with similar responsibility, workload and complexity in the same markets. The Company is therefore of the view that total paid remuneration contributes to the Company's interests of being able to recruit and keep highly qualified executive personnel, as described as an important goal for the Company in the Guidelines.

#### Option-based remuneration to leading personnel in the Company

The Company does not provide any option-based remuneration to the leading personnel.

#### Share-based remuneration to leading personnel in the Company

The Company does not provide any share-based remuneration to the leading personnel.

### **The company's use of access to recover variable remuneration**

As stated in the Guidelines, the Company may not demand repayment of any variable remuneration. The Company confirms that no repayment of variable remuneration was demanded from any leading personnel during the financial year 2021.

### **Total remuneration paid compared to the Guidelines**

A prerequisite for a successful implementation of the Company's business strategy and securing the Company's long-term interests, including sustainability, is that the Company is able to recruit and retain qualified personnel. To achieve this, it is necessary for the Company to offer competitive remuneration.

The Company's remuneration guidelines enable the Company to offer leading personnel a competitive total remuneration. Total remuneration to leading personnel during 2021 has complied with the Company's guidelines for remuneration.

The Guidelines serves as a base for the determination of the leading personnel's remuneration. As described in table 1, the Company believes that the total remuneration complies with the Company's Guidelines by way of, inter alia, the base salary being the main component of compensation, and conditions for variable remuneration stated in the Guidelines being emphasized before such remuneration is determined. Furthermore, the leading personnel only receives the various types of remuneration mentioned in the Guidelines. The Company believes that this contributes to increased transparency and trust among the leading personnel as they know what remuneration they can expect based on which criteria's. Furthermore, the Company believes that they will be able to continue to offer competitive remuneration compared to similar positions in the market, and that future remuneration therefore will contribute to the Company's interests of being able to recruit and keep highly qualified executive personnel.

### **Performance-based remuneration**

The CEO John Ivar Busklein was awarded a performance-based remuneration of 2021 of NOK 28 400 related to the receiver's contribution in said transactions and in terms of amount of work during 2021. The bonus was paid in January 2022.

### **Derogations and deviations from the remuneration guidelines and from the procedure for implementation of the guidelines**

The Guidelines were approved by the Company's general meeting on 19 April 2021 and as of the date of this report no changes to the Guidelines have been proposed.

### **Information on changes in remuneration and the Company's performance**

Table 2 below shows the change in remuneration paid to leading personnel over the past five financial years.

Table 5						
Annual change	RFY-4 vs. RFY-5	RFY-3 vs. RFY-4	RFY-2 vs. RFY-3	RFY-1 vs. RFY-2	RFY vs. RFY-1	Information regarding RFY
Directors remuneration						
Anders Løken, CEO*	N/A	164 308 N/A	4 662 961 2738 %	N/A	N/A	N/A
John Ivar Busklein, CEO*	N/A	N/A	N/A	545 068 N/A	506 798 -7%	521 320
Ole Kristofer Bragnes, CFO*	N/A	N/A	825 000	883 548 7%	570 801 -35%	575 040
Øystein Grini, CFO*	N/A	N/A	N/A	N/A	N/A	416 369
Company's performance						
Rental income	255 531 000 (18%)	347 000 (-100%)	1 184 000 (241%)	2 052 000 (73%)	45 056 000 (2096%)	
Fair value adjustments on investment properties	255 531 000 (-19%)	1 500 000 (-99%)	-2 632 000 (-275%)	1 638 000 (N/A)	220 462 000 (13 359%)	
Profit/loss for the period, total operation	250 506 000 (31%)	195 109 000 (-22%)	842 366 000 (332%)	191 671 000 (-77%)	138 067 000 (-28%)	
Average remuneration on a full-time equivalent basis of employees						
Employees of the Company*  (all or reference to the relevant comparison group)	0	0	1,5	0,8	1,5	

\*The management was insourced in 2018. Anders Løken was the CEO of Pioneer Property Group ASA from 30<sup>th</sup> November 2018 until 29<sup>th</sup> October 2019, then John Ivar Busklein became the CEO of Pioneer Property Group ASA in a part time position at 28,4%. Ole-Kristofer Bragnes has been part-time CFO (50%) from 24.10.2019 until 31.08.2021. Øystein Grini has been full-time CFO since 1.9.2021.

Consideration at general meeting.

Pursuant to the Companies Act Section 6-16 b (3), this report shall include an explanation on how the result of the general meeting's advisory vote over the report on salary and other remuneration to leading personnel for the previous year has been regarded. However, as the Guidelines was approved by the general meeting on 19 April 2021 and no report was prepared for 2020, cf. Section 7 (2) of the Regulation, this requirement is not relevant.