



HALF-YEARLY
REPORT 2022

Brennemoen Hotel

Highlights of the half-yearly 2022 report

- Total revenue from continued operations for the first half of 2022 was MNOK 38.7 compared to MNOK 12.2 for the first half of 2021
- Operating profit (EBIT) for the first half of 2022 was MNOK 68.6 compared to MNOK 131.4 for the first half of 2021
- PPG acquired one office property and two development properties over the period. Further one development property was acquired subsequent to the balance sheet date.
- Pioneer Property Group ASA has sold all of the shares in Odin Bidco AS to existing shareholders in Odin Bidco AS for a consideration of NOK 372,069,070. The transaction was closed in June 2022.
- PPG paid two quarterly dividends to the holders of preference shares in total NOK 4.75 per preference share and a dividend to the holders of the ordinary shares in total of NOK 2.854 per ordinary share.

Operations and strategy

Pioneer Property Group ASA (PPG) is an investment company with a real estate focus. PPG has expanded its real estate activities into new areas and the current portfolio includes the following segments:

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

PPG will continue to invest in real estate within these segments and enter into long-term triple-net leases with leading operators. PPG's real estate portfolio as of 30 June consisted of one preschool property, seven retail properties, seven hotel properties, five development projects and one office property.

Key material events during the first half of 2022

During the first half of 2022, PPG has declared quarterly dividends to the holders of preference shares in total NOK 4.75 per preference share. According to the articles of association §5, the annual preferred dividend to the holders of preference share increased by NOK 1 per preference share from 01. July 2021 to 2.375 per quarter. Further PPG paid a dividend in the amount of NOK 2.869 per relevant ordinary share distributed to the ordinary shares held by Eidissen Consult AS and Grafo AS. In 2022, PPG has increased the real estate portfolio during first half of 2022 within the segments of property development, retail properties and office properties.

PPG has in first half of 2022 acquired an office property in Bodø based on a property value of MNOK 45.0, a development project in Mo i Rana of MNOK 7.5 and land area in close proximity to Brennemoen Hotel of MNOK 28.5 with an option of buying additional land.

In terms of other financial investments, Pioneer Property Group ASA entered into an agreement regarding the sale of all the shares owned by PPG in Odin Bidco AS (the "Shares") to the existing shareholders in Odin Bidco AS. Closing of the transaction took place on June 6th. The agreed purchase price for the Shares was MNOK 372.1 generating a profit of MNOK 25.7.

Approximately MNOK 161 of the proceeds from the sale has been placed in Hospitality Invest AS (HOIN02) bonds. PPG now holds Hospitality Invest AS (HOIN02) bonds with a par value of MNOK 214.0, and high yield funds with a market price of MNOK 54.3. The cash balance as of 30.6.2022 was MNOK 362.7.

The war on Ukraine and the following international sanctions has resulted in cost increases lifting the inflation rate which in turn will have a positive impact on PPG rent income, which is adjusted for changes in CPI annually. On the other side, higher interest rates increase interest cost for PPG. The war has also led to product shortages impacting our retail tenants supply chain.

The pandemic has impacted PPG directly through less lease income from hotel properties in the first months of 2022, where the lease payments are based on the highest of a minimum rent and a percentage of the hotel's turnover. Lease agreements in other segments are triple-net and not linked to operational utilisation of any kind. From March 2022 all restrictions were lifted and the hotel revenue is now normalized.

Preschools

Preschool (NOKt)	1H 2022	1H 2021
Total Income	192	185
Fair value adjustment on investment properties	0	0
Operating profit/loss (EBIT)	80	103
Investment properties	11 500	11 500

The Preschool segment consists of one preschool property owned by PPG. Total lease income for the first half of 2022 for the Preschool segment amounted to MNOK 0.2 with a fair property value based on third party valuation of the property owned by PPG per 30.06.22 of MNOK 11.5. There have been no material events for the segment for the first half of 2022.

Retail Properties

Retail Properties (NOKt)	1H 2022	1H 2021
Total Income	13 471	5 752
Fair value adjustment on investment properties	3 858	86 359
Operating profit/loss (EBIT)	15 030	99 577
Investment properties	455 500	326 000

Pioneer Retail Properties AS was established to procure and build facilities for retail properties, mainly for the Ferda group all over Norway. The Retail Properties segment consists of 7 retail properties owned by PPG. The premises in Rana of 1.600 sqm is now completed with a cost price of approximately MNOK 31 and an annual lease income of MNOK 2.25. Total lease income for the first half of 2022 for the retail properties segment amounted to MNOK 13.5 in 1H 2022 compared to MNOK 5.8 in 1H 2021 with a fair property value based on third party valuations per 30.06.22 of MNOK 455.5.

Hotel Properties

Hotel Properties (NOKt)	1H 2022	1H 2021
Total Income	23 284	6 225
Fair value adjustment on investment properties	37 555	40 018
Operating profit/loss (EBIT)	55 691	37 364
Investment properties	954 233	770 019

Pioneer Hotel Properties AS was established to acquire hotel properties through the expected downturn following the Covid-19 pandemic across the Nordics and Europe. The Hotel Properties segment consists of six hotel properties owned by PPG, and one property in Forus, Stavanger, recognized as an associated company. Total lease income for the first half of 2022 for the Hotel Properties segment amounted to MNOK 23.3 in 1H 2022 compared to MNOK 6.2 in 1H 2021 with a fair property value based on third party valuations per 30.06.22 of MNOK 954.2.

The hotel lease agreements are triple-net in nature, while the lease income is derived from the highest of a minimum lease and a percent of the hotel turnover. The total annual minimum rent from the hotel properties is approximately MNOK 47 with rent income expected to increase when Park Hotel Voss, Guard Hotel Oslo Airport and Forum Stavanger have completed their renovations in 2022/2023. All of the hotels, except the hotel in Forus, are rented out to Norlandia Hotel Group, who operates the hotels on franchise agreements with leading hotel brands. Norlandia Hotel Group is owned by Hospitality Invest AS.

Currently Guard Hotel at Oslo Airport and Forum are undergoing renovation, both expected to be completed in 2022 and Park Hotel Voss is scheduled for renovation in 2023. The total renovation budget for the two hotels currently under renovations is approximately MNOK 70 and will be financed with additional bank debt and cash. For the renovation in Voss, the scope of the renovation is not yet decided.

Property Development

Property Development (NOKt)	1H 2022	1H 2021
Total Income	978	0
Fair value adjustment on investment properties	-2 921	0
Operating profit/loss (EBIT)	-2 511	244
Investment properties	73 500	42 255

Pioneer Property Development is developing of general commercial real estate and housing. In the first half of 2022, two new properties for development were added to the portfolio; a 7.000 sq.m large plot in Mo I Rana and a land area in close proximity to Brennemoen Hotel.

At Brennemoen, PPG is cooperating with Studio City Norway AS in order to develop a studio city consisting of film- and tv-studios and supporting facilities like backlots, storage facilities and workshops. An expansion of the hotel at Brennemoen is also under consideration.

The premises in Rana which were under construction per 30.6.21 is now completed and recognized under the retail properties segment. The premises in Balsfjord is also close to being completed and is measured at fair value as a retail property. Both properties are leased out to Ferda.

The segment consists of 5 development projects and there is currently no lease income for this segment

Existing projects within the segments include developing a 400 000 m² greenfield area in close proximity to the Evenes airport in Northern Norway as well as a housing project of 400 – 450 units in Mo i Rana, also in Northern Norway. Both projects are joint ventures with local partners. Evenes is being consolidated into the accounts whilst the project in Mo i Rana is treated as an associated company. Further PPG is currently building a new retail property in Evenes, which will be leased out to Ferda upon completion.

All projects are long term in nature and are developing according to plan.

Fair value for the projects that are characterised as investment properties, based on third party valuations per 30.06.22 was MNOK 73.5.

Office Properties

Office Properties (NOKt)	1H 2022	1H 2021
Total Income	804	0
Fair value adjustment on investment properties	2 394	0
Operating profit/loss (EBIT)	2 664	0
Investment properties	45 000	0

Office Properties is a new segment for the 1H 2022 reporting and is a result of the acquisition of Terminalveien 10 in Bodø together with local investors. The transaction was made based on a property value of MNOK 45 and PPG has an ownership of 52 % in the property, controlling the acquired subsidiary that owns the property. The transaction was completed March 8, 2022. The property consideration has been paid in cash and the Group has incurred in a loan of MNOK 33 to partially finance the purchase. It is expected that this investment property will increase PPG's annual net lease income of approximately with MNOK 3.5 from 2023 as new lease agreements with Haneseth Group companies has been signed.

Subsequent events since the end of the first half of 2022

In July 2022 Evenes Holding entered into an agreement to acquire land area which is currently used for parking in close proximity to Evenes Airport. The acquisition is based on a property value of MNOK 74, expected to close in November 2022 and will be financed by cash, bank loan and sellers credit. The investment will be recorded in the Property Development segment.

The Board of Directors in Pioneer Property Group ASA has approved a dividend of NOK 2.5 per share to the holders of preference shares for the third quarter of 2022. In addition, a dividend in the amount of NOK 5.164 per relevant ordinary share to the number of ordinary shares held by Klevenstern AS and Mecca Invest AS, in total MNOK 16.0 was approved together with a dividend in the amount of NOK 1.535 per relevant ordinary share to the number of ordinary shares held by Eidissen Consult AS and Grafo AS, in total MNOK 5.0.

Overview of the financial accounts for the first half of 2022

Total revenue from continued operations from the first half of 2022 was MNOK 38.7 compared to MNOK 12.2 for the first half of 2021. The increase is related to rent income from the acquisition of new properties in 2021, mainly within Retail Properties and Hotel Properties.

The Net Operating Income (NOI) of PPG increased to MNOK 35.2 in first half of 2022 from 11.2 in first half of 2021, explained by an increase in the lease income from properties.

Operating profit (EBIT) from continued operations for the first half of 2022 was a positive MNOK 68.6 compared to MNOK 131.4 for the first half of 2021. Profitability for the first half of 2022 is due to positive fair value adjustments related to the existing portfolio and rent income from properties. The decrease from 2021 is explained by larger fair value adjustments in 1H 2021 than in 1H 2022,

Net income from finance for the first half of 2022 amounted to MNOK 12.0 compared to MNOK 53.3 for the first half of 2021. Net income from finance was mainly positively impacted by gain from the sale of Odin Bidco recorded in other financial income, in addition to a positive fair value revision for Hospitality Invest bonds of MNOK 1.5 and the two high yield funds of MNOK 7.4.

Profit for the first half of 2022 from total operations amounted to MNOK 77.7 compared to MNOK 157.1 for the first half of 2021. As explained above, the decrease from 2021 is due to large fair value adjustments in 1H 2021 than in 1H 2022.

At the end of the first half of 2022 PPG held total assets of MNOK 2,340 that comprised mainly of MNOK 1,539.7 in investment properties, a total of MNOK 266.1 (151.7 in 1H 2021) in Hospitality Invest bonds and high yield funds and a cash balance of MNOK 362.9.

Total equity amounted to MNOK 1,427.6 (1,337.0 in 1H 2021) with the majority of the difference being explained by the profit and the dividends on the ordinary and preference shares paid. At the end of the first half total borrowings amounted to MNOK 788.6 (483.1 in 1H 2021). The increase in borrowings is mainly due to new debt related to acquisition of new properties and refinancing of existing debt.

Use of Alternative Performance Measures (APM)

Alternative Performance Measures (APM) are performance measures not within the applicable financial reporting framework (IFRS). The company reports the following alternative performance measures (APMs):

APM amounts in NOK million	Explanation		1H 2022	1H 2021
EBIT	<i>Earnings before interest and taxes</i>		68 579	131 357
Weighted average gross yield	<i>The weighted average gross yield on estimated rent calculated by adjusting for property value. Gross yield for a property or portfolio of properties is calculated as contractual annualised rental income for the upcoming financial year divided by the market value as of balance sheet date.</i>	Preschool	3,4%	3,2%
		Hotel	5,8%	6,0%
		Retail	6,1%	6,2%
NOI	<i>Net Operating Income, meaning all revenue from properties minus all reasonable direct property related expenses.</i>		35 178	11 204

The reported numbers are included in the financial statements and can be directly reconciled with official IFRS line items. The APMs are used consistently over time and accompanied by comparatives for the corresponding previous periods.

Responsibility statement

The interim financial statements for the period have been prepared in accordance with with IAS 34 – Interim reporting, and that the information in the financial statements gives a true and fair view of the Group's assets, liabilities, financial situation and result as a whole.

We also confirm that, to the best of our knowledge, the interim financial statements give a true and fair reflection of important events that have occurred during the financial period and their impact on the financial statements, as well as a description of the principal risks and uncertainties facing the Group.

Oslo, 25 August 2022

Board of Directors of Pioneer Property Group ASA



Roger Adolfsen
Chairman of the Board



Sandra Henriette Riise
Member of the board



Even Carlsen
Member of the Board



Nina Hjørdis Torp Høisæter
Member of the Board



Geir Hjorth
Member of the Board



John Ivar Busklein
Chief Executive Officer

Consolidated Income Statement - Pioneer Property Group ASA

NOK thousand	Note	1H 2022	1H 2021	FY 2021
Continuing operations				
Contractual rental income		38 731	12 162	45 056
Other operating income		0	0	461
Total Income	2	38 731	12 162	45 517
Expenses				
Employee expenses		2 375	1 288	2 856
Property expenses		3 553	0	3 529
Other operating expenses		5 110	5 894	8 058
Total Expenses		11 038	7 182	14 443
Fair value adjustment on investment properties	3	40 886	126 377	220 462
Operating profit (EBIT)		68 579	131 357	251 535
Gain/Loss from associated company		-2 207	-796	-4 106
Interest income		4 216	11 408	15 234
Interest expenses	5	16 050	3 031	20 730
Other financial gains/losses	7,9	26 047	45 701	58 776
Net Finance		12 007	53 281	49 174
Profit/(loss) before tax, continuing operation				
		80 585	184 638	300 710
Income taxes		2 847	27 577	72 409
Profit/(loss) for the period, continuing operations		77 738	157 061	228 301
Profit/(loss) discontinued operations, net of tax				
Profit/(loss) for the period, total operations		77 738	157 061	228 301

Consolidated Statement of Comprehensive Income - Pioneer Property Group ASA

Other comprehensive income				
Exchange differences, from translations of foreign operations		-1 223	201	-257
Exchange differences, from translation of foreign operations from associated companies				
<i>Items to be reclassified to P&L in subsequent periods:</i>				
Exchange differences associated company				
Exchange differences, from translation of foreign operations				
Total comprehensive income		76 515	157 262	228 044
Total comprehensive attributable to				
Shareholders of the parent		72 316	157 596	228 044
Non-controlling interests		4 199	-335	0
Profit/(loss) for the period		76 515	157 262	228 045

Earnings per share (NOK), continuing operations

Basic earnings per ordinary share	6.04	14.32	19,70
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Earnings per share (NOK), total operations

Basic earnings per ordinary share	6.04	14.32	19,70
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Consolidated Statement of Financial Position - Pioneer Property Group ASA

NOK thousands	Note	30.06.2022	30.06.2021	31.12.2021
Assets				
Investment property	3	1 539 733	1 149 774	1 393 041
Project in progress, investment property		31 682	13 531	45 383
Other interests in property	10	25 654		
Associated companies		15 391		14 868
Other investment	7	7 931	362 290	365 441
Loans to associated companies		53 897	60 257	51 455
Loans to other companies		26	-	32 646
Total non-current assets		1 674 313	1 585 851	1 902 835
Trade and other receivables		36 814	51 801	10 171
Other investments	7	266 066	151 675	154 225
Cash and cash equivalents		362 884	98 020	119 383
Total current assets		665 764	301 497	283 779
Total assets		2 340 077	1 887 348	2 186 614
Equity and liabilities				
Share capital		14 683	14 683	14 683
Own shares		- 988	- 988	988
Share premium		555 637	555 637	555 637
Retained earnings		826 309	756 294	779 630
Equity attributable to equity holders of the parent		1 395 641	1 325 626	1 348 962
Non-controlling interest		31 997	11 361	28 407
Total equity	4	1 427 639	1 336 987	1 377 369
Borrowings	5	750 497	387 895	520 483
Deferred tax		54 130	4 724	54 218
Total non-current liabilities		804 627	392 619	574 701
Borrowings	5	38 110	95 236	176 854
Current tax payable		17 939	33 187	22 724
Associated companies		-	1 005	-
Other current liabilities		51 763	28 314	34 967
Total current liabilities		107 811	157 741	234 544
Total liabilities		912 439	550 360	809 245
Total equity and liabilities		2 340 077	1 887 348	2 186 614

Consolidated Statement of Changes in Equity - Pioneer Property Group ASA

NOK thousands	Note	Attributable to owners of the parent					Retained earnings	Total	Non-controlling interests	Total Equity
		Share capital	Treasury shares	Share premium	Currency translation differences					
Balance at 1 January 2021		14 683	-988	555 637	0	650 963	1 220 295	11 696	1 231 991	
Profit/(loss) for the period						210 847	210 847	17 454	228 301	
Exchange differences from foreign operations					-257		-257		-257	
Total comprehensive income for the period					-257	210 847	210 590	17 454	228 044	
Transactions with non-controlling interests						-2 196	-2 196	-744	-2 940	
Dividends on ordinary shares						-44 802	-44 802		-44 802	
Dividends on preference shares						-34 925	-34 925		-34 925	
Transactions with owners		0	0	0	0	-81 923	-81 923	-744	-82 667	
Balance at 31 December 2021		14 683	-988	555 637	-257	779 886	1 348 962	28 407	1 377 369	
Profit/(loss) for the period						73 539	73 539	4 199	77 738	
Exchange differences from foreign operations					-1 223		-1 223		-1 223	
Comprehensive income for the period		0	0	0	-1 223	73 539	72 316	4 199	76 515	
Transactions with non-controlling interests						2 270	2 270	-609	1 662	
Dividends on ordinary shares	4					-9 474	-9 474		-9 474	
Dividends on preference shares	4					-18 433	-18 433		-18 433	
Transactions with owners		0	0	0	0	-25 637	-25 637	-609	-26 246	
Balance at 30 June 2022		14 683	-988	555 637	-1 480	827 789	1 395 641	31 997	1 427 639	

Consolidated Statement of Cash Flows - Pioneer Property Group ASA

<i>NOK thousands</i>	Note	30.06.2022	30.06.2021	31.12.2021
Cash flows from operating activities:				
Profit before income tax total operation (including discontinued operations)		80 585	184 638	300 710
<i>Adjustments for:</i>				
Fair value adjustments on investment property	-	40 886 -	126 377 -	220 462
Profit from associated companies		2 207	796	4 106
Other adjustment	-	1 056	41 351	30 226
Interest net	5	11 837 -	8 376	5 496
Taxes paid	-	6 655	-	6 655
Exchange gains/(losses)		344	6 514	7 598
Profit/loss on sale of bonds/funds		364 -	93 489 -	93 489
Profit/loss on sale of shares	-	25 701		
Changes in working capital:				
Trade receivables	-	16 286 -	772	21 555
Trade payables		12 175 -	12 554 -	16 770
Other accruals	-	1 762	2 789 -	1 598
Generated from operations		15 165	-5 480	30 718
Interest received		1 870	10 344	12 944
Interest paid	-	13 515 -	2 634 -	12 917
Cash generated from operating activities		3 520	2 230	30 745
Cash flows from investing activities:				
Proceeds from sale of shares		372 069		
Proceeds from sale of bonds				358 961
Proceeds from sale of funds		49 817		
Purchase of subsidiaries / properties	-	89 572 -	640 258 -	741 546
Purchase of shares				
Purchase of shares in associated companies				
Purchase of bonds	-	160 990		
Purchase of funds			-	3 120
Purchase of other items				
Purchase of receivables	-	29 191	-	15 596
Loans to associated companies	-	1 400	-	57 700
Received dividend/repaid paid-in capital other shares		11 532		8 460
Proceeds from transfer of receivables				
Cash from investing activities		152 265	-640 258	-450 542
Cash flows from financing activities:				
Proceeds from debt to financial institutions		256 000	695	295 458
Proceeds from other borrowings		12 412	108 697	
Repayments of debt to financial institutions	-	173 059 -	11 598 -	178 128
Loans to associated companies		-	54 700	
Repayments other debt			-	1 151
Proceeds from sale of bonds			358 961	
Loans from other companies		20 360		115 500
Purchase of own shares				
Dividends on ordinary shares	4	9 474 -	35 774 -	44 802
Dividends on preference shares	4	18 433 -	16 492 -	33 955
Transactions with non-controlling interests				
Cash from financing activities		87 806	349 789	152 922
Change in cash and cash equivalents		243 591 -	288 238 -	266 875
Cash and cash equivalents at beginning of period		119 382	386 258	386 258
Purchase of cash	-	89	-	1
Exchange gains/(losses) on cash and cash equivalents				
Cash and cash equivalents at period end		362 884	98 020	119 382

Notes to the Financial Statements - Pioneer Property Group ASA

Note 1: General information

Pioneer Property Group ASA, which is the parent company of the Pioneer Property group (the Group), is a public limited liability company incorporated and domiciled in Norway, with its corporate headquarters in Oslo. Pioneer Property Group ASA is listed on the Oslo Stock Exchange.

The company's Board of Directors approved the condensed financial statements on 25 August 2022. The figures in the statements have not been audited.

The interim condensed consolidated financial statements for the first half of 2022, ending 30 June 2022, were prepared in accordance IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's 2021 annual report.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021.

Note 2: Segments

The Group's main business is to own and manage Investment Properties and rent them out. The Group has in throughout 2021 and 2022 expanded its real estate activities into new areas with difference in property type and risk. The Group is considered to operate in 5 business areas: i) Preschools, ii) Hotel Properties, iii) Retail Properties, iv) Property Development and v) Office Properties. The segment Other includes mainly Pioneer Property Group ASA.

A split between the real estate segments are as follows:

Segment 30.06.22:

	Preschool Properties	Retail Properties	Develop- ment Properties	Hotels Properties	Office Properties	Other	Total
Total Income	192	13 471	978	23 284	804	2	38 731
Fair Value Adjustment		3 858	-2 921	37 555	2 394		40 886
Operating profit (Ebit)	80	15 030	-2 511	55 691	2 664	-2 375	68 579
Investment Properties	11 500	455 500	73 500	954 233	45 000		1 539 733
Project in progress			31 176	485		20	31 682
Cash and Cash equivalents	320	29 256	5 257	65 643	1 519	260 889	362 884

Segment 30.06.21:

	Preschool Properties	Retail Properties	Develop- ment Properties	Hotels Properties	Office Properties	Other	Total
Total Income	185	5 752		6 224			12 162
Fair Value Adjustment		86 359		40 018			126 377
Operating profit (Ebit)	103	99 577	-244	37 364		-5 444	131 357
Investment Properties	11 500	326 000	42 255	770 019			1 149 774
Project in progress			13 511			20	13 531
Cash and Cash equivalents	1 262	5 098	1 545	28 757		61 358	98 020

Note 3: Investment Properties

The fair value of Investment Properties is evaluated semi-annually based on third party valuations. Properties acquired during first half of 2022 has not been subject to third party valuations. The Investment Properties are also subject to on-site inspections and/or technical evaluations from time to time. As of the end of first half 2022 reporting period, the gross yield for preschool property is 3.4%. For the hotel segment, the gross yield ranges from 5.3% to 8.1%, with a weighted average gross yield of 5.8%. For the retail properties segment, the gross yield ranges from 5.7% to 6.8%, with a weighted average of 6.1%. As of the end of first half 2022 reporting period, the calculated weighted average gross yield for the investment property portfolio with running rental income was 5.9%, based on annual contractual lease income of MNOK 84.5 after refurbishment, expected annual inflation of 2% and market rent at the end of lease period.

Overview of account movements 30.06.2022

<i>NOK thousand</i>	Preschool Properties	Retail Properties	Development Properties	Hotels Properties	Office Properties	Group
Fair value in the beginning of the year	11 500	428 070	37 500	915 971		1 393 041
Addition:						
-Investment in subsidiaries /properties		23 572	38 921	2 303	42 606	107 401
Effect of currency exchange differences in foreign operations				1 596	-	1 596
Sale						
Fair value adjustments on investment properties		3 858 -	2 921	37 555	2 394	40 886
Fair value 30.06.22	11 500	455 500	73 500	954 233	45 000	1 539 733
Net change in unrealized gain	-	3 858 -	2 921	37 555	2 394	40 886

Overview of account movements 30.06.21

<i>NOK thousand</i>	Preschool Properties	Retail Properties	Development Properties	Hotels Properties	Office Properties	Group
Fair value in the beginning of the year	11 500	45 000	37 500			94 000
Addition:						
-Investment in subsidiaries /properties		194 641	4 755	730 001		929 397
Effect of currency exchange differences in foreign operations						-
Sale						-
Fair value adjustments on investment properties		86 359		40 018		126 377
Fair value 30.06.21	11 500	326 000	42 255	770 019		1 149 774
Net change in unrealized gain		86 359		40 018		126 377

Note 4: Share capital and shareholder information

The company's preference shares confer a preferential right over ordinary shares to an annual dividend of NOK 9.50 per preference share. Dividend payments are made quarterly with NOK 2.375 per preference share, subject to approval by the Board of Directors on quarterly basis. The Annual General Meeting has given the Board of Directors authorization to approve distribution of dividend on the preference shares. As per the articles of association §5, the annual preferred dividend to the holders of preference share will increase by NOK 0,5 per preference share per year from 01. July 2022.

Over the first half of 2022 PPG paid a total dividend to holders of preference shares of NOK 4.75 per preference share. Further PPG paid a dividend to the holders of the ordinary shares in total of NOK 2.869 per ordinary share distributed to the ordinary shares held by Eidissen Consult AS and Grafo AS.

PPG holds no ordinary shares and 987,966 preference shares in PPG (approximately 6.73% of the share capital), which represents 0.96% of the votes.

The company has 9,814,470 ordinary shares and 4,868,553 preference shares.

Note 5: Borrowings

Interest-bearing liabilities and available cash and cash equivalents constitute the capital of the Group. At 30.06.2022 PPG had external borrowings with the following maturity profile:

Maturity of financial liabilities at the end of the period:

<i>NOK thousand</i>	30.06.2022				Total
	<1y	1y-2y	2y-5y	>5y	
Borrowings (bank)	16 573	118 887	270 120	272 028	677 607
Interest on borrowings (bank)	28 742	25 347	50 347	46 217	150 653
Other current liabilities	21 537	81 337	6 152	646	109 672
Interest on other current liabilities	3 990	2 587	415	-	6 993
Total	70 842	228 158	327 034	318 891	944 925

<i>NOK thousand</i>	30.06.2021				Total
	<1y	1y-2y	2y-5y	>5y	
Borrowings (bank)	79 611	175 317	105 953	26 075	386 956
Interest on borrowings (bank)	9 218	6 210	4 026	4 083	23 537
Other current liabilities	15 625	18 125	58 750	3 675	96 175
Interest on other current liabilities	519	1 238	6 413	-	8 169
Total	104 972	200 890	175 141	33 833	514 837

<i>NOK thousand</i>	30.06.2022	30.06.2021
Non-current		
Commercial bank loans	661 034	307 345
Other loans	89 463	80 550
Total	750 497	387 895

<i>NOK thousand</i>	30.06.2022	30.06.2021
Current		
Commercial bank loans	16 573	79 611
Other loans	21 537	15 625
Total	38 110	95 236

<i>NOK thousand</i>	30.06.2022	30.06.2021
Total non-current and current		
Commercial bank loans	677 607	386 956
Other Loans	111 000	96 175
Total	788 607	483 131

Note 6: Related-party transactions

Related party:

<i>NOK in thousand</i>	30.06.2022	30.06.2021
Rent revenue from Norlandia Health & Care Group AS including subsidiaries	192	5 938
Rent revenue from Ferda Norge AS	14 449	5 752
Rent revenue from Norlandia Hotel group	20 899	
Consultant fee from Hi Capital AS (subsidiary of Hospitality Invest AS)	109	
Consultant fee from NHG Development AS (subsidiary of Hospitality Invest AS)	300	
Success fee M&A services and Managemnet fee from Hospitality Invest AS		1 329
Success fee and consultant to Oslo Corporate Holding AS	263	152
Construction services from B-G Entreprenør AS (subsidiary of Hospitality Invest AS)	3 380	
Management fee from RJW Holding AS	437	437
Taken over debt form related paries		16 197
Paid debt to related parties	1 649	5 563
Purchase of shares and properties from related parties	40 360	406 847

Transactions made between the related parties are made om terms equivalent to those that prevail in the market at arms length.

Note 7: Fair value adjustments financial assets

Per 30.06.2022 The financial assets are measured at fair value based on third party valuations or brokers quotes, except for Hospitality Invest which is measured at last reported trade date.

Bonds/Funds/Shares:

<i>NOK thousand</i>	3) Bonds	3) Funds AS	4) Odin Bidco	4) Hospitality Invest AS	Other investment	Total
Fair value in the beginning of the year	49 625	104 600	357 900	7 541		519 666
Purchase in 2022	160 990				390	160 990
Sold in 2022		-50 206	-346 368			-396 574
Repaid capital			-11 532			-11 532
Currency adjustments						-
Fair value adjustments	1 245	-189				1 056
Fair value 30.06.22	211 860	54 206	0	7 541	390	273 607

<i>NOK thousand</i>	3) Bonds	3) Funds AS	4) Odin Bidco	4) Hospitality Invest AS	Other investment	Total
Fair value in the beginning of the year	396 813	94 218	306 956	7 541		805 528
Purchase in 2021		84	22 053			22 137
Sold in 2021	-341 436					
Fair value investment; loss of significant influence						-
Currency adjustments	-6 877					-6 877
Fair value adjustments	1 500	7 374	25 739			34 613
Fair value 30.06.21	50 000	101 675	354 748	7 541		513 965

Note 8: Companies bought/established in 2022

The Group has during the first half of 2022 acquired or established the following companies:

Company Name	Location	Share of ownership
T10 Holdco AS	Norway	52 %
T10 Eiendom AS	Norway	52 %
Brennemoen Eiendom AS	Norway	100 %
Steinbekkhaugen AS	Norway	100 %
PPG Hylle 1 AS	Norway	100 %
PPG Hylle 2 AS	Norway	100 %
ET Øst S AS	Norway	53 %
ET Øst N AS	Norway	53 %
ET Vest S AS	Norway	53 %
ET Vest N AS	Norway	53 %
ET Midt AS	Norway	53 %
ET Nord AS	Norway	53 %

Note 9: Other financial gains/-losses

<i>Other financial gains/losses</i>		
<i>NOK thousand</i>	1H 2022	1H 2021
Currency gain/loss	-343	-6 514
Gain on sale shares	25 701	93 489
Changes in fair value	1 056	-41 351
Other financial income	184	84
Other financial expenses	-551	-7
Total	26 047	45 701

Note 10: Other interest in property

A non-financial asset "Other interests in property" is included in the consolidated financial statements reporting for the first half of 2022. It is related to a right, but not the obligation to acquire land. The cost of these options are recognised when they meet the definition of an asset (with probable economic benefits and reliable measurement), and they represent the right, but not the obligation to acquire land. The assets are measured at their cost and are regularly reviewed for impairment.

The acquisition of Brennemoen Eiendom in 2022 included rights to purchase land in Mysen close to Brennemoen Hotel. The option agreement were entered into 3.7.2014 and the options can be exercised within 31.12.2023.

Note 11: Subsequent events

In July 2022 Evenes Holding entered into an agreement to acquire land area which is currently used for parking in close proximity to Evenes Airport. The property value is 74 MNOK, and the acquisition is expected to close in November 2022 and will be financed by cash, bank loan and sellers credit. The investment will be recorded in the Property Development segment.

The Board of Directors in Pioneer Property Group ASA has approved a dividend of NOK 2.5 per share to the holders of preference shares for the third quarter of 2022. In addition, a dividend in the amount of NOK 5.164 per relevant ordinary share to the number of ordinary shares held by Klevenstern AS and Mecca Invest AS, in total MNOK 16.0 was approved together with a dividend in the amount of NOK 1.535 per relevant ordinary share to the number of ordinary shares held by Eidissen Consult AS and Grafo AS, in total MNOK 5.0.



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