



ANNUAL REPORT 2024

Pioneer Property Group ASA

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The board of directors' report for Pioneer Property Group ASA (PPG) 2024

Highlights of the report

Contractual revenue for 2024 was MNOK 134.4 compared to MNOK 108.2 in 2023, an increase of 24%. The rental income has increased due to the acquisition of Norlandia Holding, accounted as a subsidiary from October 24. In addition to the acquisitions, the rent is also CPI-adjusted, which was 4.8% for 2024.

Total revenue for 2024 was MNOK 134.8 (MNOK 126.2 in 2023).

Pre-tax profit for 2024 was MNOK 145.1 compared to MNOK 26.6 for 2024.

PPG acquired shares in Norlandia Holding As, bringing total shareholdings up to 85% and the company is now regarded as a subsidiary. Furthermore, PPG added two development properties over the period and acquired 50% ownership in Havna Tjøme AS.

PPG paid four quarterly dividends to the holders of preference shares in total NOK 10 per preference share and additional dividends of 6.09 per share held by Eidissen Consult AS and Grafo AS.

Operations and strategy

Pioneer Property Group ASA (PPG) is an investment company, mainly within real estate. PPG is a public limited company, the Company's registered office is Rådhusgata 23, 0158 Oslo, Norway. PPG has since the beginning of 2020 expanded its real estate activities into new areas. The current portfolio contains different segments, PPG reports based on the characteristics of the properties and hence report on the following segments:

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

The focus area for PPG will be to continue to invest in real estate within these segments and seek to enter into long-term triple-net leases with leading operators. The market conditions for 2024 has been demanding for real estate on a general basis with increasing interest rates, resulting in less net cash flow from the investment portfolio. The general conditions for the real estate market are viewed as stable. The cash flows and result going

forward are impacted by the uncertainty related to the interest rate levels.

On the other hand, other factors such as higher estimated CPI adjustments and market rent expectations is positive factors for real estate investments. The board expects an increase in rent levels for 2025 for the investment properties.

PPG's real estate portfolio per year-end 2024 consisted of three properties in the Preschools segment, eight properties in the Retail properties segment, one office property, eight properties in the Property development segment and seventeen properties in the Hotel properties segment, an increase of eleven properties from 2023 due to the acquisition of Norlandia Holding AS.

Key material events during 2024

During 2024, PPG has declared quarterly dividends to the holders of preference shares in total NOK 10.00 per preference share. As per the articles of association §5, the annual preferred dividend to the holders of preference share is 2.500 per quarter. Furthermore PPG paid additional dividends of NOK 6.09 per share held by Eidissen Consult AS and Grafo AS.

In 2024, PPG has increased the real estate income mainly due to the acquisition of Norlandia Holding AS. PPG has further increased its investments within the hotel segment, entering into a joint venture with Rica Eiendom AS of owning a hotel located in Tjøme. This investment was made through the joint venture company JV Havna Tjøme AS and is recognized according to the equity method.

Norlandia Holding AS is a hotel property company owning 11 hotel properties with total assets of MNOK 884 and total debt of MNOK 491. The book value of the properties are MNOK 717 and the portfolio consist of approx. 52 000 sqm. The properties generated a total lease income of MNOK 63.9 in 2024, of which MNOK 21.1 is accounted as total income after the transaction. The transaction is regarded as an asset purchase. The hotels are in Norway and are mainly operated by Norlandia Hotel Group.

The second largest transaction was the purchase of land in close proximity to Gardermoen, let out to Dalen Parking. The property value was MNOK 50.

Additionally, PPG added one development property in Mo i Rana nearby to the new airport in Mo i Rana, Fagerlia Airport.

Preschools

Preschool (NOKt)	2024	2023
Total Income	7 029	6 719
Fair value adjustment on investment properties	2 500	-9 500
Operating profit/loss (EBIT)	9 039	-3 436
Investment properties	109 000	106 500
Cash and cash equivalents	3 877	6 852

The Preschool segment consists of three preschool properties owned by PPG as of 31.12.2024. Total lease income for the Preschool segment amounted to MNOK 6.9 in 2024, compared to MNOK 6.7 in 2023, with a fair property value based on third party valuation of the properties owned by PPG per 31.12.24 of MNOK 109.0

Retail Properties

Retail Properties (NOKt)	2024	2023
Total Income	34 581	33 345
Fair value adjustment on investment properties	-306	-25 370
Operating profit/loss (EBIT)	28 670	502
Investment properties	473 000	438 000
Cash and cash equivalents	5 696	8 105

Pioneer Retail Properties AS was established to procure and build facilities for retail business, mainly for the Ferda group all over Norway. The Retail Properties segment consists of 8 properties owned by PPG. The building of premises for Ferda in Evenes was completed in May 2024. Currently, premises for Tesla are under construction at Evenes, a Bare house lease contracts with Tesla have been signed for this properties. Ferda Tesla Evenes will be completed in Q2 2025.

Total lease income for 2024 for the retail properties segment amounted to MNOK 34.5, with a fair property value based on third party valuations per 31.12.24 of MNOK 437.

Hotel Properties

Hotel Properties (NOKt)	2024	2023
Total Income	68 390	57 758
Fair value adjustment on investment properties	131 173	-60 404
Operating profit/loss (EBIT)	180 783	-5 236
Investment properties	1 523 078	766 000
Cash and cash equivalents	46 256	23 953

Pioneer Hotel Properties AS was established in 2021 with the acquisitions of Brennemoen Hotel, Guard Hotel, Vossevangen Park Hotel and Forum Hotel. The Hotel Properties segment now consists of seventeen hotel properties owned by PPG. During 2024, eleven hotels in Norway was consolidated through the acquisition of additional shares in Norlandia Holding, which is now recognised as an subsidiary. In addition, five other hotel properties are owned in joint venture with local partners, and regarded as Joint Ventures in the financial statement. Total income for 2024 for the Hotel Properties segment amounted to

MNOK 68.4 (MNOK 57.8 in 2023). The fair property value for the hotel segment based on third party valuations per 31.12.24 amounted to MNOK 1,523.0.

Office Properties

Office Properties (NOKt)	2024	2023
Total Income	4 344	3 774
Fair value adjustment on investment properties	2 554	-9 760
Operating profit/loss (EBIT)	5 969	-6 966
Investment properties	63 000	61 000
Cash and cash equivalents	8	354

The first office property was acquired in March 2022, a seven stories tall building in Bodø. PPG has an ownership of 52 % in the property, controlling the acquired subsidiary that owns the property

Total lease income for 2024 for the office properties segment amounted to MNOK 4.3 with a fair property value based on third party valuations per 31.12.24 of MNOK 63.

Property Development

Property Development (NOKt)	2024	2023
Total Income	20 316	11 891
Fair value adjustment on investment properties	-2 530	58 471
Operating profit/loss (EBIT)	4 483	65 467
Investment properties	474 528	385 756
Cash and cash equivalents	17 856	30 737

Through Pioneer Property Development AS, PPG develop properties within general commercial real estate and housing. The segment consists of 8 development properties and the lease income for the segment is related to parking and tenants in properties that can be developed long term. PPG added two development properties, one in Gardermoen and one in Mo i Rana. The main asset is Evenes Holding AS, which holds two properties in Evenes in close proximity to Evenes Airport. In 2024, PPG reduced its ownership in Evenes Holding AS by 10%.

In addition, PPG currently holds two plots together with local partners, treated as associate company in the accounts. One is located at Ramstadsletta in Bærum. The other is located in Mo i Rana with a potential of 400 residential units.

Subsequent events since the end of 2024

There has not been any significant material subsequent events since the end of 2024.

Overview of the financial accounts for 2024

Total revenue was MNOK 134.8 in 2024, compared to MNOK 126.2 in 2023. Revenues consisted of rental income of MNOK

134.4 (MNOK 108.2 in 2023) and other income of 0.4 MNOK (18.0 in 2023). All rental income originates from investment properties in Norway. The increase in revenue is mainly explained by rental income from acquisitions made in 2024, with the first whole year of rental income being 2025. The decrease in other income is due to a one-time effect of compensation received and the sale of subsidiaries, both in 2023.

Operating profit (EBIT) for 2024 amounted to MNOK 217.4, compared to MNOK 46.6 in 2023. The difference can primarily be explained by a positive fair value revision of existing properties of MNOK 40.9 and a fair value revision of 85.9 related to the properties in Norlandia Holding AS in 2024, versus a negative adjustment of MNOK 46.5 in 2023, as interest rates increased, affecting the yields on the properties.

In 2024, a loss of MNOK 3.9 from joint ventures and associated companies was recognised. In 2023, a gain of MNOK 49.1 from joint ventures and associated companies was recognised. MNOK 34.0 was related to a sale of land in Ramstadsletta and MNOK 11.6 was recognized due to a value increase of the properties acquired together with Västerkulla in Sweden. In 2024, the derecognition of Norlandia Holding AS an associated provided a negative result of -12.5 MNOK. In 2024, the largest positive contribution from associates was from JV Västerkulla with MNOK 2.4.

Net financial expense for the year was MNOK 78.4 compared to a net financial expense of MNOK 20.0 in 2023, where the gain recognized from joint ventures and associates was offset by increasing interest rates. In 2024, interest expenses further increased and the contribution from associated companies was negative.

Income taxes increased from MNOK 1.6 to MNOK 27.1.

There have not been any discontinued operations in 2024 or 2023.

This year's net profit for the group was MNOK 118.1, compared to MNOK 25.0 in 2023. Adjusted for the fair value adjustment related to tax in Norlandia Holding of 85.9, the net profit is 32.2.

Total equity amounted to MNOK 1,268.9 (1,283.5), the difference being explained by the profit for 2024, and the dividends on the ordinary and preference shares paid during the year, and the capital reduction through redemption of shares which was not registered at year end.

The Group had total assets of MNOK 3,526.2 (2,573.8 in 2023), where MNOK 2,642.6 (2,165.4 in 2023) were related to investment property and shares in associated companies. The

additions in investment property and associated company has increased non-current borrowings in PPG. Further PPG had a cash balance of MNOK 260.3 (112.3 in 2023) and MNOK 68.5 (117.6 in 2023) in other short-term investments related to bonds and high yield funds held by PPG.

Net cash flows from operating activities were MNOK 77.0 (MNOK 7.7 in 2023). The increase is explained by a decrease in working capital, increase in lease income, but offset by an increase in interest rate

Net cash flows used in investing activities were MNOK 85.3 (MNOK 247.6 in 2023). Most of the cash flow used is related to the investment in properties such as the renovation of Forum and development of land in Evenes, and the purchase of Sør Gardermoen Invest. Cash received from investing activities is related to sale of bonds and shares.

Net cash flows from financing activities were MNOK 156.3 (MNOK 87.0 in 2023).

The net change in cash and cash equivalents was MNOK 147.9 (-152.9 in 2023).

The annual report gives an accurate overview of the Group's financial development throughout the year. There have not been any events after the end of the fiscal year 2024 which have had any material impact on the financial status of the Group.

Work Environment, Equal opportunities and Discrimination

There was at year end 5 employees in Pioneer Property Group ASA, all men. The sick absence rate in PPG was approximately 1%. There are no employees in any other Group-companies, except in Norlandia Holding AS who currently has 4 employees. PPG had no reported incidents of discrimination in 2024. The Board of Directors consists of three women and two men.

PPG strive for a safe work environment, both for our employees and for our properties and construction projects.

The Company works systematically with corporate social responsibility within the areas human rights, employee rights, environment, anti-corruption and social responsibility and integrates these in its business strategy and daily operations through including these considerations into its decision-making process. To ensure human rights and decent working conditions in its operations PPG has developed guidelines and policies.

Managers' remuneration

The board of directors has prepared a declaration on salary and other remuneration for the Company's executive management

pursuant to Section 6-16a of the Norwegian Public Limited Liability Companies Act. The declaration is based on the guidelines for the determination of salaries and other remuneration of leading personnel in the Company. The guidelines include the policies which the Company will use for the determination of salary and other remuneration to its executive management in the calendar year 2025. The declaration of salary and the guidelines for the determination of salaries and other remuneration of leading personnel are made available at the Group's webpage www.pioneerproperty.no

External Environment

The Group's operation consists of investing in and providing high-quality properties and is considered to have limited environmental impact. The company focuses on making investment and operational decisions that are in line with sustainable environmental practices.

Risks related to nature

Risks related to nature are becoming more relevant and will be monitored closely for our properties. In general, many areas could be affected: from impairment testing, to provisions to fair value measurement. The location of PPG's properties is on a general level not seen as particularly exposed to flooding. However, the property in Voss has experienced flood, and regarding the development and the refurbishment of the property, the management is considering, together with the local authorities, measurements to reduce the risk and potential damage from flooding.

Storms and floods are long-term risks, with potential to physically damage to property values could be severe. Damage to third party equipment and installations may lead to increased insurance cost and/or reduced customer satisfaction. On a general basis, we observe increased premium on insurance due to cost of the incidents and the number of incidents due to extreme weather conditions.

With respect to our portfolio of investment property, PPG actively work to reduce the CO2 emissions together with the tenants, especially within the area of energy efficiency. During 2024 a number of activities were carried out, such as installation of systems of ventilation and heating of the buildings that maintains a healthy and comfortable indoor climate while improving energy efficiency and reducing energy costs.

Reduction of the energy used per square meter is a goal the management is working towards. In addition, bank and lending institutions are providing green financing which has lower interest rates than traditional financing.

Going concern

The financial statements have been prepared based on the going concern assumption, and the Board confirms that this assumption is valid.

Corporate Governance

Pioneer Property Group AS has prepared a report on Corporate Governance in accordance with the Norwegian Accounting Act Section 2 and the Norwegian Code of Practice for Corporate Governance dated 17 October 2018, and a report on Corporate Social Responsibility in accordance with the Norwegian Accounting Act Section 2, both of which are made available at the Group's webpage www.pioneerproperty.no.

The Transparency Act has been incorporated in PPG and the company is reporting on the Transparency Act for 2024. The report will be available on the company's webpage www.pioneerproperty.no. The report will be published no later than the 30th June 2025.

Financial Risks

The Company is exposed towards various financial risks, yet the Board of Directors view the total exposure to be at a manageable level. Some of the most important risk factors are:

The market risk, a risk of a general increase in interest rate levels. Increasing interest rates will reduce the cashflow from the properties, as lease income is not adjusted for increasing interest rate. PPG is exposed to variable interest rates for its borrowings linked to the different investment properties. The group does not have bank loans with fixed NIBOR-rates.

The risk relating to banks or other financial institutions' willingness to lend money, which may restrict the Company's ability to take up new loans in the future.

Credit risk, the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation.

Liquidity risk in the case of unforeseen delay of cash payments on income and/or unexpected costs.

Changes in valuation of financial assets that is owned to meet future cash needs. When managing the capital, PPG will take into account the need for sufficient liquidity reserves to meet PPG's financial obligations. These assets are subject to financial risk as price of the assets may vary.

The Board of Directors and management performs continuous assessments of the most important financial risk factors and evaluates the necessity of implementing specific measures. Specific measures are evaluated considering the Company's

total financing risk exposure. PPG has a financing policy that secures a diversified debt maturity profile.

The board of directors

The Articles of Association provide that the Board of Directors shall consist of 3 to 7 board members elected by the general meeting.

Name	Position	Served since	Term expires
Roger Adolfsen	Chairperson	2015	2025
Sandra Henriette Riise	Board member	2015	2025
Geir Hjorth	Board member	2015	2025
Ane Nordahl Carlsen	Board member	2023	2025
Nina Torp Høisæther	Board member	2015	2025

The directors Sandra Henriette Riise and Ane Nordahl Carlsen are independent of the majority shareholder of the Company, Hospitality Invest AS, and all board members are independent of the Management. All board members attended all board meetings. The composition of the Board of Directors is in compliance with the independence requirements of the Corporate Governance Code. Effective from June 1st 2022, directors and officers are covered by a liability insurance covering personal liabilities caused by performing their duties for the group.

Brief description of the board of directors

Roger Adolfsen, Chairperson

Roger Adolfsen has broad experience from serving on various boards. Currently, he holds various board positions and has more than 30 years of experience from business and real estate

development. 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.

Sandra Henriette Riise, Board member

Sandra H. Riise is educated as public accountant and is former Chief Executive Officer of Accounting Norway, the Norwegian Association of Authorized Accountants, and has held the position of Chief Municipal Executive (*Nw. Kommunedirektør*) of Andøya municipality. Riise has also served as chair on the Norwegian Better Regulation Council. Riise is educated from BI Norwegian School of Management

Geir Hjorth, Board member

Geir Hjorth currently serves on the board of directors of several different companies (including several chairperson positions). He has extensive experience from the hotel industry and has participated in several courses pertaining to marketing and human resource management.

Ane Nordahl Carlsen, Board member

Carlsen is a partner in the investment company Arctic Investment Group AS and the CEO of Grafo AS which owns 1 642 024 ordinary shares in Pioneer Property Group ASA. She has experience from various commercial positions for Philip Morris International. Carlsen has held various board positions in private companies and is currently a board member in, among others, Otiga Group AS.

Carlsen has a MSc in Economics and Business administration, an Executive MBA from the Stockholm School of Economics and has extensive experience from early- stage investing.

Nina H. Torp Høisæther, Board member

Nina Torp Høisæther (born 1956) Høisæther is currently working with business development in Norlandia Health and Care Group AS, but will go into retirement on April 11 2025. Prior to assuming her current position Høisæther was chief executive officer at Aberia Healthcare AS and Norlandia Care AS. Høisæther is a nurse and has her management education from the University of Oslo. Høisæther has held various board positions within the confederation of Norwegian Enterprises ("NHO") (Nw: Næringslivets Hovedorganisasjon), including chair of the board of directors of Health and Welfare within NHO Service and Trade. Høisæther has been a board member since 2015 and holds 0 ordinary shares and 0 preference shares in the Company.

Oslo, 27 March 2025

Board of Directors of Pioneer Property Group ASA



Roger Adolfsen
Chairman of the Board



Sandra Henriette Riise
Member of the Board



Ane Nordahl 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

Responsibility Statement

We confirm to the best of our knowledge, that the set of Financial statements for the financial year ending 31. December 2024 have been prepared in accordance with IFRS® Accounting Standards and gives a fair view of the Group's assets, liabilities, financial position and profit or loss.

We also confirm to the best of our knowledge, that the management report includes a fair review of important events that have occurred during the financial period and their impact on the set of financial statements, a description of the principal risks and

Oslo, 27 March 2025

Board of Directors of Pioneer Property Group ASA



Roger Adolfsen
Chairman of the Board



Sandra Henriette Riise
Member of the Board



Ane Nordahl 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

uncertainties, and major related parties' transactions

PIONEER PROPERTY GROUP - CONSOLIDATED

Consolidated Statement of Comprehensive Income

<i>NOK thousand</i>	Note	2024	2023
Contractual rental income	5, 13	134 433	108 227
Other operating income	5, 8	377	17 955
Total income		134 810	126 182
Operating expenses			
Employee expenses	14	9 665	7 258
Property expenses		11 398	7 416
Other operating expenses	15	23 180	18 360
Total operating expenses		44 244	33 034
Fair value adjustments on investment properties	5, 6	133 392	-46 563
Operating profit (EBIT)		223 958	46 585
Share of profit (loss) of joint ventures and associates	8	-3 936	49 147
Interest income	9	17 098	29 372
Interest expense	11	104 861	80 263
Other financial gains/losses (-)	9, 16	12 924	-18 255
Net Finance income (+) /expenses (-)		-78 774	-19 999
Profit before tax		145 184	26 587
Income taxes	17	27 065	1 550
Profit		118 119	25 037
Profit/(loss) attributable to			
Shareholders of the parent		119 818	14 796
Non-controlling interest		-1 699	10 241
Profit/(loss) for the period		118 119	25 037
Other comprehensive income			
<i>Items to be reclassified to P&L in subsequent periods:</i>			
Exchange differences, from translation of foreign operations		-	4 443
Other comprehensive income		-	4 443
Total comprehensive income		118 119	29 479
Comprehensive income attributable to			
Shareholders of the parent		119 818	19 238
Non-controlling interests		-1 699	10 241
Comprehensive income		118 119	29 479

PIONEER PROPERTY GROUP

Consolidated Statement of Financial Position

<i>NOK thousands</i>	Note	2024	2023
ASSETS			
Investment properties	6	2 642 804	1 757 256
Deferred tax asset	17	9 609	-
Project in progress, investment property	7	38 498	35 513
Other interest in property		7 461	986
Other investment	9	24 492	44 391
Associated companies and joint ventures	8	286 667	372 663
Loan to associated companies and joint ventures	9, 20	87 201	72 523
Loan to other companies	9	36 187	6 736
TOTAL NON-CURRENT ASSETS		3 132 917	2 290 068
Trade and other receivables	9	64 451	53 836
Other short-term investments	9	68 542	117 576
Cash and cash equivalents	10	260 265	112 331
TOTAL CURRENT ASSETS		393 259	283 743
TOTAL ASSETS		3 526 176	2 573 811

PIONEER PROPERTY GROUP

Consolidated Statement of Financial Position

<i>NOK thousands</i>	Note	2024	2023
EQUITY AND LIABILITIES			
Share capital	21	14 683	14 683
Treasury shares	21	-988	-988
Share premium	21	555 637	555 637
Capital reduction, not registered	21	-155 073	-
Other reserve and retained earnings		733 112	652 425
Non controlling interest		121 571	61 827
TOTAL EQUITY		1 268 941	1 283 584
LIABILITIES			
Non-current borrowings	11, 4	1 898 736	925 924
Deferred tax	17	68 450	46 437
TOTAL NON-CURRENT LIABILITIES		1 967 186	972 361
Current borrowings	11, 4	53 033	223 195
Current tax payable	17	633	4 471
Other current liabilities	12	236 384	90 200
TOTAL CURRENT LIABILITIES		290 050	317 865
TOTAL LIABILITIES		2 257 235	1 290 227
TOTAL EQUITY AND LIABILITIES		3 526 176	2 573 811

PIONEER PROPERTY GROUP - CONSOLIDATED

Statement of Changes in Equity

Attributable to owners of the parent

<i>NOK thousands</i>	Notes	Share capital	Treasury shares	Share premium	Other*	Retained earnings	Total	Non-contr. Interest	Total Equity
Balance at 1 January 2023		14 683	-988	555 637	-4 443	744 047	1 308 936	51 702	1 360 639
Profit/(loss) for the period		-	-	-	-	14 796	14 796	10 241	25 037
Exchange diff. from foreign operations		-	-	-	4 443	-	4 443	-	4 443
Total comprehensive Income for the period		-	-	-	4 443	14 796	19 239	10 241	29 479
Transactions with non-controlling interests	21	-	-	-	-	-7 087	-7 087	-117	-7 204
Dividends on preference shares and ordinary shares	21	-	-	-	-	-98 146	-98 146	-	-98 146
Balance at 31 December 2023		14 683	-988	555 637	-	652 423	1 221 756	61 827	1 283 584
Profit/(loss) for the period		-	-	-	-	119 817	119 817	-1 698	118 119
Exchange diff. from foreign operations		-	-	-	-	-	-	-	-
Total comprehensive Income for the period		-	-	-	-	119 817	119 817	-1 698	118 119
Other changes**		-	-	-	-155 073	-	-155 073	-	-155 073
Transaction with non-controlling interests	20	-	-	-	-	19 676	19 676	61 441	81 117
Dividends on ordinary shares and preference shares	21	-	-	-	-	-58 806	-58 806	-	-58 806
Balance at 31 December 2024		14 683	-988	555 637	-155 073	733 112	1 147 370	121 571	1 268 941

*) Other reserves in 2023 and capital reduction not registered 2024

**) On the December 3, 2024, the general assembly passed a resolution of a capital reduction through redemption of shares. The capital reduction was registered in January 2025.

PIONEER PROPERTY GROUP - CONSOLIDATED

Statement of Cash Flow

<i>NOK thousands</i>	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		145 184	26 587
Adjustments for:			
Fair value adjustments on investment property	6	-133 392	46 563
Fair value adjustments on financial instruments	9	3 529	1 996
Other adjustments		314	20 865
Share of profit (loss) of joint ventures and associates	8	3 936	-49 224
Interest net		102 582	50 872
Taxes paid		-4 168	-7 359
Exchange gains/(losses)		-	-2 552
Gain on sale bonds/shares		-1 634	-14 653
Changes in working capital			
Trade receivables	4	3 993	-4 112
Trade payables	12	518	7 594
Other accruals		53 691	-20 790
CASH GENERATED FROM OPERATIONS		174 552	55 787
Interest received		19 355	16 057
Interest paid		-116 892	-64 097
NET CASH FLOW FROM OPERATING ACTIVITIES		77 016	7 747
INVESTING ACTIVITIES			
Proceeds from sale of shares	9	-	52 853
Proceeds from sale of bonds and funds	9	50 069	15 000
Proceeds from loan to other companies	11	12 000	48 670
Loans to other companies	11	-3 500	-4 213
Purchase/sale of subsidiaries / properties	19	-163 542	-200 968
Purchase of shares in associated companies	8	-1 703	-163 047
Purchase of funds	9	-	-9 071
Proceeds from sale of properties	9	18 030	15 975
Purchase/sale of other items	4	3 250	-2 826
NET CASH USED IN INVESTING ACTIVITIES		-85 396	-247 627
FINANCING ACTIVITIES			
Proceeds from debt to financial institutions	11	609 970	372 850
Repayments of debt to financial institutions	11	-269 132	-189 202
Repayments other debt	11	-101 219	-42 855
Loans from other companies	11	-	24 880
Dividends on ordinary shares	20	-63 902	-39 881
Dividends on preference shares	20	-19 403	-38 806
NET CASH (USED IN) / FROM FINANCING ACTIVITIES		156 314	86 986
Net increase in cash and cash equivalents		147 933	-152 895
Cash and cash equivalents at beginning of year		112 331	265 226
CASH AND CASH EQUIVALENTS AT END OF YEAR		260 265	112 331

1. About the business

Pioneer Property Group ASA (the 'Company') and its subsidiaries (together, the 'Group') invests mainly in a broad range of properties including retail properties; hotel properties; preschool properties, office properties and property development within commercial and residential real estate (currently under development). The Group leases out the investment properties on long-term leases. The current real estate portfolio is situated in Norway and Sweden.

Pioneer Property Group ASA is a public limited company incorporated and domiciled in Norway. The address of the Company's registered office is Rådhusgata 23, 0158 Oslo.

The consolidated annual financial statements cover the period from 1 January 2024 to 31 December 2024, with 2023 shown as comparative period.

These consolidated financial statements are approved by the Board of Directors 27. March 2025.

2. Key transactions and events in 2024

In 2024, PPG has increased the real estate income mainly due to the acquisition of Norlandia Holding AS. PPG has further increased its investments within the hotel segment, entering into a joint venture with Rica Eiendom AS of owning a hotel located in Tjøme. This investment was made through the joint venture company JV Havna Tjøme AS and is recognized according to the equity method.

Norlandia Holding AS is a hotel property company owning 11 hotel properties in Norway with total assets of MNOK 884 and total debt of MNOK 491. The book value of the properties are MNOK 717 and the portfolio consist of approx. 52 000 sqm. The properties generate a total lease income of MNOK 64 on an annual basis. The hotels are in Norway and are mainly operated by Norlandia Hotel Group.

The second largest transaction was the purchase of land in close proximity to Gardermoen, let out to Dalen Parking. The property value was MNOK 50.

Additionally, PPG added one development property in Mo i Rana nearby to the new airport in Mo i Rana, Fagerlia Airport.

3. General Accounting Principles

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS® Accounting standards and interpretations by the IFRS Interpretations Committee (IFRIC) as adopted by the EU. The consolidated financial statements have been prepared under the historical cost convention, except for fair value adjustments of bonds, funds, shares and investment properties.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are related to valuation of investment properties as described in note 6 and the valuation of financial instruments measured at fair value as described in note 9.

The statement of cash flow has been prepared using the indirect method.

All financial numbers are presented in NOK thousand, unless otherwise stated.

Consolidation

Subsidiaries are entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet, respectively.

Foreign currency translation.

The Group's presentation currency is NOK, which is also the parent company's functional currency.

Transactions in foreign currencies are initially recognised in the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rate at the reporting date. All exchange differences are recognised in the consolidated income statement.

Dividend

Pioneer Property Group ASA has two classes of shares, ordinary shares and preference shares. The preference shares are entitled to annual dividend payments amounting to NOK 10.00 per preference share, in accordance with the company's Articles of Association. The board of directors approves payment of dividends based on an authorisation from the Annual General Meeting. The dividend payments have been made quarterly with NOK 2.50 over the course of 2024. The Preference shares are currently redeemable at a price of NOK 100 per share, which was valid from 1 July 2020, when it was stepped down from NOK 130 per preference share. The coupon for the preference share has reached its maximum coupon, which is set to NOK 10 per share.

Dividend distribution to Ordinary shares and Preference Shares is recognised as a liability in the Group's financial statement in the period in which the dividend is approved by the Board of Directors based on the authorisation given by the Company's shareholders in the General Assembly.

The use of estimates and assessment of accounting policies when preparing the annual accounts

Estimates and assumptions

Estimated and assumptions are used by the management to assess the value of investment property and financial instruments. These estimates may have affected assets, liabilities, revenues, expenses and information on potential liabilities. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Management has, when preparing the financial statements; made certain significant assessments based on critical judgment when it comes to application of the accounting principles.

Material exercise of judgment and estimates relate to the following matters:

- Investment properties, note 6
- Financial instruments, note 9

4. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk, currency risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by management under guidance by the Board of Directors. Management identifies, evaluates and act upon financial risks.

a) Market risk

Market risk for the Group is the risk that future cash flows in the form of interest payments change as a result of changes in market interest rates in addition to fluctuations in currencies. The level of interest rate exposure and currency risk exposure are determined based on an assessment by management and the Board of Directors of existing cash flows, general assessment of financial condition and available liquidity.

(i) Fair value interest rate risk

The Group holds interest bearing assets in terms for cash deposits and bonds. Fluctuations in interest rates would yield a higher or lower interest income. At the current level of cash deposits, a change in interest rate of +/- 1 % will not be material for the financial statements. Further, a change in interest levels may cause changes in the fair value of the real estate portfolio in addition to the performance of the bonds and bond funds held on PPG's balance sheet.

(ii) Cash flow interest rate risk

Exposure to cash flow interest rate risk is assessed when necessary. As of 31.12.2024, the Group is exposed to variable interest rates for its borrowings linked to the different investment properties. The Group also holds borrowings with fixed interest rates. See note 11 for further details.

The need for a fixed rate is periodically assessed, depending on the effects of adverse fluctuations in interest payment cash flows due to higher interest rates. Management's assessment is that the Group's current financial position does not indicate a further need for fixed interest rates.

The following table summarises how the equity and profit or loss, before tax effects in the 2024 reporting period would have been affected by changes in the interest rate that Management considers are reasonably possible:

Interest rate sensitivity for reporting year 2024				
(in TNOK)	-0,50 %	-0,25 %	0,25 %	0,50 %
Change P&L/Equity	7 748.8	3 874.4	-3 874.4	-7 748.8

Interest rate sensitivity or reporting year 2023				
(in TNOK)	-0,50 %	-0,25 %	0,25 %	0,50 %
Change P&L/Equity	5 302.7	2 651.3	-2 651.3	-5 302.7

(iii) Currency risk

Currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. Currency risk also exists when the foreign subsidiary of a firm maintains financial statements in a currency other than the reporting currency of the consolidated entity. The risk is that there may be an adverse movement in the exchange rate of the denomination currency in relation to the base currency before the date when the transaction is completed.

Monetary assets and liabilities are sensitive to movements in foreign exchange rates. As the operations of the Group are located in Norway and only some of the joint venture operations are carried out in SEK, and all financing activities are denominated in NOK (see note 11), Management considers that the exposure to foreign exchange risk is low. All loans are nominated in NOK and there are no consolidated cash funds in Swedish Krona at year end as PPG no longer has subsidiaries in Sweden.

b) Credit risk

Credit risk is the loss that the Group would suffer if a counterparty fails to perform its financial obligations. Credit risk is managed on Group basis. Credit risk arises from cash and cash equivalents; loans granted and trade receivables, including committed transactions. The Group assess the expected credit losses in relation to its financial assets taking into account its past experience and also taking into account forwards looking information

Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Management does not expect any losses from non-performance by the contractual counterparties. The impairment analysis on trade receivables is performed at each reporting period based on a provision matrix, grouping its receivables in the number of days past due. As of the end of the 2024 and 2023 reporting periods, there has not been recorded any loss and there are no significant amount of trade receivables past due at the date of the approval of the financial statements.

Receivables due	Total	Not due	more than 60 days overdue	
			between 1 and 60 days overdue	overdue
Trade Receivables	698	4 527	-4 039	210

Other Receivables	63 754	63 754	-	-
As per 31.12.2024	64 451	29 024	-4 039	210

	Total	Not due	between 1 and 60 days	more than 60 days overdue
Trade Receivables	12 178	8 473	1 311	2 393
Other Receivables	41 658	41 658	-	-
As per 31.12.2023	53 836	29 024	1 311	2 393

The credit quality of the issuer is also taken into consideration when acquiring bonds.

With respect to the loans to associates and other parties, the Groups applies general approach to assess the impairment of financial assets measured at amortised cost. In 2024, the change in provisions was TNOK 7 533 in Bm3 Eiendom AS, the book value of the related receivable in Bm3 Eiendom is 0 at the end of 2024. Loans to associates are closely monitored by Management, and concludes that the credit risk, including the probability of default within the next 12 months is very low. There has not been a significant increase in the credit risk since the initial recognition.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations at maturity without incurring a significant increase in finance cost or not being able to meet its obligations at all. The risk also includes that the Group must forfeit investment opportunities. Cash flow forecasting is performed at Group level.

Group management monitors the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom to pay out quarterly dividends to holders of preference shares. The monitoring takes into account the possibility to raise external debt, as the Group keeps unleveraged assets and properties. The Group also keeps its liquid funds in cash and cash equivalents, and in high yield funds with high liquidity.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Maturity of financial liabilities at the end of the 2024 reporting period:

NOK thousand	31.12.2024				
	<1y	1y-2y	2y-5y	>5y	Total
Borrowings	67 028	225 713	775 201	896 730	1 964 672
Interest on borrowings	139 747	137 981	251 024	330 196	858 949
Other current liabilities	236 383				236 383
Total	443 158	363 694	1 026 225	1 226 926	3 060 003

During 2024, the Group became the counterparty to a number of loan agreements, mostly in connections with its acquisitions of investment properties. See Note 11 for further details.

As of the end of the 2024 reporting period, Management considers it highly likely that the Group will enter into refinancing agreement for one or more of the loans maturing in less than 12 months. The new agreements are expected to be paid in periodic payments over a term of 5 years. However, since at the end of the 2024 reporting period the Group has not completed the agreement (i.e. no unconditional right to defer settlement for at least 12 months after the reporting period), the loan is presented as current liabilities.

Maturity of financial liabilities at the end of the 2023 reporting period:

NOK thousand	31.12.2023				
	<1y	1y-2y	2y-5y	>5y	Total

Borrowings	223 195	48 431	507 923	354 347	1 133 896
Interest on borrowings	78 196	65 390	135 903	155 090	434 578
Other current liabilities	78 679				78 679
Total	380 070	113 821	643 826	509 437	1 647 153

Capital management

The group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern; to maintain an optimal capital structure to reduce the cost of capital; and to comply with all covenants agreed with the lenders to the Group. Compliance with covenants is further described in note 11.

When managing the capital, PPG will take into account the need for sufficient liquidity reserves to meet PPG's financial obligations.

Management determines that the current liquidity in the Group and the current liquidity forecasts as of 31.12.24 grants the Group enough resources to meet its obligations and continue with its current investment plan. Management continues to monitor the optimal capital structure going forward, depending on operational needs. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to repay debt.

5. Segments

Accounting principles

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Furthermore, the entity's component's operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and thus separate financial information is available. The company has determined that the Board of Directors is collectively the chief operating decision maker.

Description

During 2024, the Group has increased its investments across a broad range of properties, both in Norway and Sweden. As of the end of the reporting period, the Group's real estate portfolio was comprised of retail properties; hotel properties; preschool properties; office properties and development properties with both commercial and residential use. The hotel segment has increased significantly over the course of 2024 due to the acquisition of Norlandia Holding AS (see Note 19 for further information).

Management has therefore identified five different segments, all of them held with a view to enter into lease agreements where the Group acts as a lessor.

Preschools

The Preschool segment consists of three preschool properties owned by PPG, located in Bergen and Oslo. Total lease income for the Preschool segment amounted to MNOK 6.9 in 2024, an increase from MNOK 6.7 in 2023. The increase is due to CPI adjustment of the rent. The fair property value based on third party valuation of the property owned by PPG per 31.12.24 was MNOK 109.0.

Retail Properties

The retail property segment constitutes of properties owned by the subsidiary Pioneer Retail Properties AS, which was established to procure and build facilities for retail properties, mainly for the Ferda group all over Norway. The segment consists currently of 8 retail properties owned by PPG. Total lease income for 2024 for the retail properties segment amounted to MNOK 34.6 with a fair property value based on third party valuations per 31.12.24 of MNOK 473.

Property Development

Pioneer Property Development AS develop general commercial real estate and housing. The segment consists of 8 development projects at the end of 2024, increased from 6 properties at the end of 2023.

Currently, the Group is building new premises of 2 000 m² for Tesla in Evenes. The building will be let out on long term barehouse lease agreement. Annual lease when finished is expected to be MNOK 5.6 MNOK. The building of new premises for Tesla commenced in late 2023, and is expected to open in Q2 2025.

The existing development projects includes amongst others a greenfield area in Evenes, Nordland of 400 000 m² close proximity to Harstad/Narvik airport in Northern Norway, in addition to a plot of 51 500 m², mainly used for parking. For 2023, the parking activity generated an income of MNOK 12,5. PPG also owns a parking lot close to Gardermoen Airport and acquired a greenfield area close to the new airport in Mo i Rana in 2024. Total lease income for 2024 for the development properties segment amounted to MNOK 19.8 with a fair property value based on third party valuations per 31.12.24 of MNOK 474.5.

Hotel Properties

The hotel properties segment included four hotels in Norway in the beginning of 2024. The hotels in this segment are rented out to Norlandia Hotel Group AS and Up North Hospitality AS, who has a management agreement with Norlandia Hotel Group, or directly to Norlandia Hotel Group. Norlandia Hotel Group operates the hotels on franchise agreements with leading hotel brands. Norlandia Hotel Group is owned by Hospitality Invest AS.

The properties are owned by subsidiaries of Pioneer Hotel Properties AS, which was established to acquire hotel properties through the downturn following the Covid-19 pandemic across the Nordics and Europe. The Hotel Properties segment consists of four hotel properties owned by PPG. Total lease income for 2024 for the Hotel Properties segment amounted to MNOK 68.9 with a fair property value based on third party valuations per 31.12.24 of MNOK 1,523.1. The rent has increased from MNOK 57.8 to 68.9 due to completed renovation of Forum and the acquisition of Norlandia Holding.

PPG also has established Up North Property AS, 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. Up North Property's strategy is to acquire hotel properties in the Nordics and Europe, where there is an opportunity to change the hotel's market position through reconfigurations and renovations of the hotel to adapt it to a changed hotel market. The hotels in Voss and Stavanger is owned through Up North Property AS, and the hotels of JV Västerkulla, Havna Tjøme and Scandic Forus is held as a joint venture investment.

Office Properties

The first office property was acquired in March 2022, a seven stories tall building in Bodø. PPG has an ownership of 52 % in the property, controlling the acquired subsidiary that owns the property. Total lease income for 2024 for the Office Properties segment amounted to MNOK 4.3 with a fair property value based on third party valuations per 31.12.24 of MNOK 63.

Other

"Other" includes activities and revenue in the parent company PPG that does not fall into the other categories.

The information provided to the chief operating decision maker during 2024 includes:

<i>NOK thousand</i>	Preschool Properties	Retail Properties	Development Properties	Hotel Properties	Office Properties	Other	Group
Contractual rental income	6 652	34 581	20 316	68 390	4 344	150	134 433
Other income	377						377
Profit/loss (-) sale of property							

Fair value adjustment on investment properties	2 500	-306	-2 530	131 173	2 554	-	133 951
Operating profit/loss (EBIT)	9 039	28 670	4 483	180 783	5 969	-4 987	223 958
Investment properties	109 000	473 000	474 528	1 523 078	63 000		2 642 606
Cash and cash equivalents	3 877	5 696	17 856	46 256	8	186 573	260 265

The comparative period for 2023 is stated below:

<i>NOK thousand</i>	Preschool Properties	Retail Properties	Development Properties	Hotel Properties	Office Properties	Other	Group
Contractual rental income	6 719	33 327	11 891	52 450	3 774	-	108 227
Other income				5 287			5 287
Profit/loss (-) sale of property				12 668			12 668
Fair value adjustment on investment properties	-9 500	-25 370	58 471	-60 404	-9 760	-	-46 563
Operating profit/loss (EBIT)	-3 436	502	65 467	-5 236	-6 966	-3 746	46 585
Investment properties	106 500	438 000	385 756	766 000	61 000		1 757 256
Cash and cash equivalents	6 852	8 105	30 737	23 953	354	42 332	112 331

6. Investment properties

Accounting principles

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 including transaction costs.

After initial recognition the investment property is subsequently recognised at fair value. Changes in fair value are presented in the consolidated statement of comprehensive income in the reporting period when change occurs.

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 have no expected future economic benefit. All gains or losses relating to sales or disposal are presented as "other operating income" in the statement of comprehensive income the same year as disposal.

Critical accounting estimates

The investment properties are valued in accordance with the fair value method and all have been valued in accordance with valuation Level 3 in the fair value hierarchy (Level 3 - where inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)), see also note 9.

The yield level of the property has been determined on the basis of the unique risk and transactions based on the respective locations.

At the end of the year, the Group commissioned external cash-flow valuations for the properties from an independent valuer, except some properties that are under development or immaterial. For these properties, the Management has estimated the property value. The property value is estimated on an individual basis using a combination of discounted cash-flow analysis and property yield level. When estimating the value, key metrics, such as price per sqm and rent levels, together with market transactions is used as reference points. The level of transactions thus influences the level of uncertainty in the assumptions used in the valuation.

The discounted cash flow method involves discounting future cash flows over a specified period using an estimated discount rate and then adding a residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as estimated future cash flows based on an expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates, inflation, and capex. Individual factors for the properties such as relevant country, the property's location in relation to a major city, net-population change, size of the property, year of build and whether the property is on leased land (Norwegian: festetomt) were applied to assess the yield for the respective property/location.

PPG provides comprehensive details on the properties, lease contracts, floor space, built year and details of any vacant premises, and up-to-date and comprehensive information about all ongoing and planned projects.

The external valuer has set the following net yields and market rent per square meter in their valuation report:

	Preschool Properties	Retail Properties	Development Properties*	Hotel Properties	Office Properties	Total
Net yield 2024	6.2%	7.8%	7.8%	7.2%	7.2%	7.2%
Net yield 2023	6.2%	7.6%	8.1%	6.0%	6.4%	6.8%
Market rent in NOK per sqm 2024	3 301	1 484	n/a	1 793	2 126	1 811
Market rent in NOK per sqm 2023	3 214	1 215	n/a	2 211	2 102	1 872

*For the development property segment, the only property included is the property in Evenes which generates lease income from parking for the net yield calculation. The market rent per square meter is not relevant for this segment as most of the value is related to larger plots without buildings or rental income.

As of the end of the 2024 reporting period, the following gross yield for the investment properties is observed for the properties and the valuation of the properties implies the following gross yields:

	Preschool Properties	Retail Properties	Development Properties	Hotel Properties	Office Properties	Total
Gross yield range 2024	4.8% - 6.7%	7.3% - 9.4%	8.0% - 8.0%	5.7% - 9.0%	7.3% - 7.3%	4.7% - 9.0%
Weighted average gross yield 2024	6.4%	8.3%	n/a	7.6%	7.3%	7.7%
Gross yield range 2023	4.8% - 6.7%	7.3% - 8.5%	n/a	6.0% - 8.5%	7.2% - 7.2%	4.8% - 8.5%
Weighted average gross yield 2023	6.4%	7.9%	n/a	7.0%	7.2%	7.2%

The calculated weighted average gross yield is based on annual contractual lease income of 2025 of MNOK 166.0 and is based on an CPI-adjustment of contractual lease of 2.4%.

Description

As of 31.12.24 the Groups investment property portfolio consists of three preschool properties, eight retail properties, seventeen hotel properties, one office property, two parking properties, a warehouse and different greenfield projects in Oslo, Rana, Evenes and Indre Østfold. The Group owns and manages a total area of approximately 114.500 square meters, not including associated companies and development properties.

Overview of account movements 2024

NOK thousand	Preschool Properties	Retail Properties	Development Properties	Hotel Properties	Office Properties	Group
Fair value in the beginning of the year	106 500	438 000	385 756	766 000	61 000	1 757 256

Changes between segments		46 222	-46 222			
Investment in subsidiaries /properties		6 084	131 324	632 104	-544	768 958
Sale of operations		-17 000				-9 420
Fair value adjustments on investment properties	2 500	-306	3 670	124 974	2 554	133 392
Fair value in the end of the year	109 000	473 000	474 528	1 523 078	63 000	2 642 606
Net change in unrealized gain	2 500	-306	3 670	124 974	2 554	126 872

The segment of hotel properties represented the biggest share of value of properties in the Group at year end of 2024. The largest acquisitions in 2024 were purchase of additional shares in Norlandia Holding AS representing a property value of MNOK 708. Included in the property value of MNOK 708 is a tax value adjustment of MNOK 86.0 related to deferred tax of the properties. This has has been positively affecting the profits of the group through a fair value adjustment.

For the retail property segment, the divestment of Døvikveien 22, in addition to a negative fair value adjustment resulted in a fair value year end of MNOK 473.0.

With respect to the development properties, the purchase of 650 parking spaces in Gardermoen, the building of Tesla Evenes and 550 new parking spaces in Evenes represented an investment of MNOK 131.3.

In summary the total Group's portfolio as of 31 December 2024 was valued to MNOK 2 642.6 MNOK, an increase from MNOK 1 757.3 from year-end 2023.

Overview of account movements 2023

As of 31.12.23 the Groups investment property portfolio consisted of three preschool properties, seven retail properties, four hotels in Norway, one office property, one large parking lot and a warehouse, and land in Oslo, Rana, Evenes and Indre Østfold. The Group owns and manages a total area of approximately 60.500 square meters, not including associated companies and development properties

<i>NOK thousand</i>	Preschool Properties	Retail Properties	Development Properties	Hotel Properties	Office Properties	Group
Fair value in the beginning of the year	116 000	461 000	227 681	924 029	70 000	1 798 710
Investment in subsidiaries /properties		2 370	115 516	51 693	760	170 338
Effect of curr. exch. differences in foreign operations				11 653		11 653
Sale of operations			-15 912	-160 970		-176 882
Fair value adjustments on investment properties	-9 500	-25 370	58 471	-60 404	-9 760	-46 563
Fair value in the end of the year	106 500	438 000	385 756	766 000	61 000	1 757 256
Net change in unrealized gain	-9 500	-22 000	58 471	-60 404	-9 760	-46 563

Commitments

As of the end of the 2024, the refurbishments ongoing in Forum Hotel and Guard Hotel has been completed. There is a planned renovation of Park Hotel Vossevangen. Until the hotel is renovated, there is limited rent income contributions from the property as the rent is based on a lower percentage of the hotel turnover in the renovation period, agreed with its tenant. When renovation is completed, the annual minimum rent will increase, as well the turnover-based rent.

Total property operating expenses

The Group did not incur any direct operating expenses (including repairs and maintenance) in any investment property that did not generate rental income during the 2024 and 2023 reporting periods. As for the investment properties that did generate rental income during the 2024 and 2023 reporting periods, there were no material direct operating expenses incurred during the period, as most of the contracts are triple net (i.e. net of insurance, taxes and maintenance).

Climate related matters

Storms and floods are long-term risks, with potential to inflict physical damage to properties, something that could severely reduce property value. However, all properties are insured. In general, extreme weather, flood and drought are potential risks to our business. Two years ago, a flood in Voss caused damage on some equipment and installations, however all costs have been covered by the insurance company. However, climate change and extreme weather lead to increased insurance cost. Another flood occurred in 2024, thankfully it did not reach the same levels as in 2022, making no damage to the property.

Sensitivity analysis

A property analysis is an estimate of the value that an investor is willing to pay for the property at a given time. The valuation is made on the basis of generally accepted models and certain assumptions on different parameters.

The tables below give an indication of the effects on the value of the property portfolio if yield levels change with 0.5% or rental income change with 5% NOI is defined as net operating income, meaning all revenue from properties minus all reasonable operating expenses.

Preschool properties

As of 31 December 2024, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million		Yield sensitivity		
		-0,5%	0,0%	0,5%
NOI sensitivity	-5 %	112	104	96
	0 %	118	109	101
	5 %	124	114	106

Preschool properties - Comparative period 2023

As of 31 December 2023, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million		Yield sensitivity		
		-0,5%	0,0%	0,5%
NOI sensitivity	-5 %	110	101	94
	0 %	116	107	99
	5 %	121	112	104

Retail properties

As of 31 December 2024, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million		Yield sensitivity		
		-0,5%	0,0%	0,5%
NOI sensitivity	-5 %	478	449	424
	0 %	503	473	446
	5 %	529	497	468

Retail properties - Comparative period 2023

As of 31 December 2023, the Group had the following sensitivity to changes in these identified significant inputs:

NOK million		Yield sensitivity		
		-0,5%	0,0%	0,5%
NOI sensitivity	-5 %	478	449	424
	0 %	503	473	446
	5 %	529	497	468

		-0,5%	0,0%	0,5%
NOI sensitivity	-5 %	444	416	391
	0 %	468	438	412
	5 %	491	460	433

Development properties

The fair value of the properties classified as property development use the same significant unobservable inputs as the other categories presented. However, for this segment, most of the properties does not generate lease income. The valuation of the properties in this segment is not to the same extent as the other segments yield based valuations. Hence, sensitivity regards change in yield and NOI is not considered relevant.

Hotel properties

As of 31 December 2024, the Group had the following sensitivity to changes in these identified significant inputs:

<i>NOK million</i>		Yield sensitivity		
		-0,5%	0,0%	0,5%
NOI sensitivity	-5 %	1 548	1 446	1 357
	0 %	1 630	1 522	1 428
	5 %	1 711	1 599	1 500

Hotel Properties - Comparative period 2023

As of 31 December 2023, the Group had the following sensitivity to changes in these identified significant inputs:

<i>NOK million</i>		Yield sensitivity		
		-0,5%	0,0%	0,5%
NOI sensitivity	-5 %	784	728	679
	0 %	825	766	715
	5 %	866	804	751

Office properties

As of 31 December 2024, the Group had the following sensitivity to changes in these identified significant inputs:

<i>NOK million</i>		Yield sensitivity		
		-0,5%	0,0%	0,5%
NOI sensitivity	-5 %	64	60	56
	0 %	68	63	59
	5 %	71	66	62

Office properties – Comparative period 2023

As of 31 December 2023, the Group had the following sensitivity to changes in these identified significant inputs:

<i>NOK million</i>		Yield sensitivity		
		-0,5%	0,0%	0,5%
NOI sensitivity	-5 %	62	58	54
	0 %	66	61	57
	5 %	69	64	60

7. Projects in progress, investment properties

Accounting principles

The Group measures its investment properties under development (“project in progress, investment properties”) following the same fair value model as for the investment property. There have been no adjustments to the fair value in 2024 and management anticipates that historical cost reflects the fair value of the projects in progress. For the current projects in progress, the cost is mainly related to groundworks and engineering in Evenes and Brennemoen, costs that are likely to be compensated with approximately the same amount as the historical cost of the ground works.

Description

<i>NOK in thousand</i>	Project in progress, investment properties	
	2024	2023
Cost 1 January	35 513	739
Additions	6 109	34 774
Completed projects, transferred to investment properties	-3 143	
Carrying value 31 December	38 480	35 513

The completed projects that has been transferred to investment properties is mainly the construction of 550 new parking spaces in Evenes.

The project in progress is mainly related to groundworks of the plots in Evenes, and the Studio City Project in Brennemoen, Indre Østfold.

8. Associated companies and joint ventures

Accounting principles

Associated companies are all entities over which the company has significant influence, but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without the ability to have control over those policies.

Joint ventures are those companies that are jointly controlled by the Group and another party.

Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognized at cost.

Description

Kongsparken AS - joint venture

Kongsparken AS was established 11 September 2020 by Eiendomsselskapet Ranheim AS and the Group. Both owns 50% of the company and contributed each with kroner 50.000. Kongsparken AS have acquired an old closed school, which shall be demolished and replaced by approximately 400 apartments.

The Group is controlling 50 of the votes in the Board of Directors. The project management and daily operations are performed by Eiendomsselskapet Ranheim AS, thus it is PPG consideration that the group does not have control in Kongsparken.

Forus Holdco AS - joint venture

Forus Holdco AS was established by Vico Eiendom AS and Up North Property AS to acquire 100 % of the shares in Forusveien 31 - Hotell AS from Vico Eiendom AS. Forusveien 31 - Hotell AS owns Scandic Forus Hotel in Stavanger municipality. The hotel is let out to Scandic Hotels AS The owners of Vico Eiendom AS is Hauglandgruppen, a family office located in Bergen.

The Group is controlling 50 % of the votes in the Board of Directors. Project management and daily operations are performed by Hauglandgruppen. It is the Group’s evaluation that PPG does not have control in Forus Holdco AS, and the investment is regarded as an associated company. Forus Holdco AS was acquired on 29.12.2021.

Ramstadsletta Utvikling AS – associated company

During the first half of 2021 PPG, through Pioneer Development AS, acquired a 49 000 m² plot together with local partners at Ramstadsletta in Bærum, Norway. The plot has an expected potential to develop around 70 000 m² of residential and commercial real estate, and PPG has an ownership in the project of 40.08% as of 31.12.2024. Daily operations is carried out by ORO Eiendom as business manager, which also holds a 10% share of the company. PPG is represented in the board, which consists of four members. It is the Group's evaluation that PPG does not have control in Ramstadsletta Utvikling AS and is treated as an associated company.

JV Havna Tjøme AS – associated company

PPG established JV Havna Tjøme AS with Rica Eiendom AS. JV Havna Tjøme AS is regarded as an associated company. The joint venture company, acquired Havna Tjøme Hotel based on a property value of MNOK 78, settled through a vendor note. The hotel will undergo refurbishment, expected to be financed by obtaining bank financing. The net profit in the company was MNOK 2.5 and the total book value of equity was MNOK 3.5. The company is treated as an associated company.

Pancom AS – associated company

Pancom is an investment company within the real estate and construction sector. With the purchase of additional shares in Norlandia Holding, the Group increased indirectly its investment to Pancom and Pancom is by year end 2024 recognized as an associated company.

Vossevangen utvikling AS – associated company

In July 2023, PPG acquired 41,49% of the shares in Vossevangen Utvikling. The company owns three properties in Voss which shall be developed to residential. The company has four board members, where PPG has one representative in the board. It is the Group's evaluation that PPG does not have control in Vossevangen Utvikling and the company is regarded as an associated company.

JV Nordväst Fastighet AB - joint venture

In July 2023 PPG acquired 50,00% of the shares in JV Nordväst AB. JV Nordväst AB was established together with the Swedish property company Västerkulla Hotell Holding AB, and has acquired three hotels in Jönköping, Eskilstuna and Helsingborg, a total of 319 hotel rooms and 13.551 sqm. The net profit in the company was MSEK 4.9 and the total book value of equity was MSEK 159.6.

The Group is controlling 50 % of the votes in the Board of Directors. Project management and daily operations are performed by Västerkulla Hotell Holding AB. It is the Group's evaluation that PPG does not have control in JV Nordväst Fastighet AB and is regarded as an associated company.

Strand Hotell Borgholm AB - joint venture

PPG sold 50% of the shares in Strand Hotell Borgholm to Norlandia Fastighet AB in December 2023. The sale of the 50% share and reclassification in the accounts to joint venture company was made in December 2023.

The company owns a hotel property in Sweden. The net profit in the company was MSEK 2.1 and the total book value of equity was MSEK 4.6. The Group is controlling 50 % of the votes in the Board of Directors. Project management and daily operations are performed by Norlandia Fastighet AB. It is the Group's evaluation that PPG does not have control in Strand Hotell Borgholm AB and the company is regarded as an associated company.

Köping Hotellfastighet AB - joint venture

PPG sold 50% of the shares in Köping Hotellfastighet AB to Norlandia Fastighet AB in December 2023. The sale of the 50% share and reclassification in the accounts to joint venture company was made in December 2023.

The company owns a hotel property in Sweden. The net profit in the company was MNOK 1.6 and the total book value of equity was MSEK 6.9. The Group is controlling 50 % of the votes in the Board of Directors. Project management and daily operations are performed by Norlandia Fastighet AB. It is the Group's evaluation that PPG does not have control in Köping Hotellfastighet AB and the company is regarded as an associated company.

Norlandia Holding AS – associated company

Norlandia Holding is an investment company within hotels and development properties. Through its subsidiaries the company owns 21 properties and has 9 associated companies. At year end 2023 PPG held 47,80% of the shares in Norlandia Holding AS. In October 2024, PPG acquired an additional 37.20% of the shares increasing its holdings to 85,00%. The company was held as an associated company in the accounts until the purchase in October 2024. After the transaction, Norlandia Holding AS is treated as a subsidiary. For further information, please refer to note 19.

The effects from purchase/recognition of Norlandia Holding of associated company to a subsidiary is shown in the table below

<i>NOK thousand</i>	Norlandia Holding	
	Associate	
Associated companies	-184 128.8	
Income as associate P&L	9.0	
Loss by derecognition P&L	12.5	

As of year end, the Group's shares of the financial positions in the companies owned is shown below:

<i>NOK thousand</i>	31.12.2024	31.12.2023
Goodwill		
Deferred tax	-22 092	-78 245
Licenses, patents, rights	17 648	18 348
Investment property and other investment	1 664 115	1 313 630
Other non-current loans	277 839	207 306
Other non-current assets	-	84 904
Cash	63 195	82 721
Other current assets	35 567	4 160
Borrowings (current and non-current)	-1 126 379	-1 203 064
Other current liabilities	-311 314	-28 120
Net assets	598 219	401 640
Share of ownership	286 667	372 663
Distribution of loss unevenly between share classes		
Carrying amount (at percentage of part. by the Group)	286 667	372 663

Changes in the Group's carrying amount in the periods:

<i>NOK thousand</i>	2024	2023
Carrying amount at 01.01	372 663	107 100
Invested capital/Gain of control (-) in Norlandia Holding AS	-193 184	92 884
Invested/repaid (-) capital in Ramstadsletta Utvikling AS	1 002	-2 695
Interest free loan to Ramstadsletta Utvikling AS (refer to note 20)	- 3 256	-1 811
Invested capital in JV Havna Tjøme AS	500	-
Invested capital in other associated companies	13 535	-
Sale of 1% share in Kongsparken	-1	-
Sale of 1% share in Kongsparken	-	-3 377
Invested capital in Vossevangen Utvikling AS	-	9 921
Invested capital in JV Nordväst Fastighet AB	-	62 903
Invested capital in Köping Hotellfastighet AB	-	21 619
Invested capital in Strand Hotell Borgholm AB	-	36 895
Share of gain in joint ventures and associated companies	8 582	49 223

Carrying amount at 31.12	286 667	372 663
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The share of profit (loss) is calculated in the following table, showing the breakdown by Joint Ventures (JV) and associated companies and its contribution to the current year consolidated income statement of the Group, for the year 2024:

	JV	JV	JV	JV	JV
<i>NOK thousand</i>	Kongsparken AS	JV Nordväst Fastighet AB	Forus Holdco AS	Köping Hotellfastighet AB	Strand Hotell Borgholm AB
Net income	-2 826	4 862	334	1 539	3 152
The Group' share of ownership	49,00 %	50,00 %	50,00 %	50,00 %	50,00 %
Share of profit or loss in the owner period	-1 413	2 432	167	770	1 576

	Associates	Associates	Associates	Associates	Associates	Associates	
<i>NOK thousand</i>	Ramstadsletta Utvikling AS	Vossevangen Utvikling AS	JV Havna Tjøme AS	Pancom AS	Norlandia Holding associates (15.10.24 – 31.12.24)	Norlandia Holding AS (1.1.24 – 15.10.24)	Total
Net income	-9 913	- 967	2 518	0	-540	18 945	55 535
The Group' share of ownership	40,08 %	41,49 %	50%	23,80%	*	47,80%	
Share of profit or loss in the owner period	-3 973	302	1 259	0	-289	9 056	9 282

*consist of 11 associates.

Share of profit (loss) is calculated in the following table, showing the breakdown by joint venture and associates and its contribution to the current year consolidated income statement of the Group, for the comparative year 2023 is calculated as:

	JV	JV	JV	JV	JV
<i>NOK thousand</i>	Kongsparken AS	JV Nordväst Fastighet AB	Forus Holdco AS	Köping Hotellfastighet AB	Strand Hotell Borgholm AB
Net income	3 174	23 132	5 798		
The Group' share of ownership	50,00 %	50,00 %	50,00 %	50,00 %	50,00 %
Share of profit or loss in the owner period	-1 587	11 566	2 899		

	Associates	Associates	Associates	Associates	
<i>NOK thousand</i>	Ramstadsletta Utvikling AS	Vossevangen Utvikling AS	Bm3 Eiendom AS	Norlandia Holding AS	Total

Net income	84 754		146	10 083	120 738
The Group' share of ownership	40,08 %	41,49 %	50%	47,80%	
Share of profit or loss in the owner period	33 969		45	2 332	49 147

9. Financial Instruments

Accounting principles

A financial instrument is a contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments are generally recognized as soon as the group becomes a party to the terms of the financial instrument.

Financial assets

Financial assets include cash and cash equivalents, trade receivables and other loans and receivables. Financial instrument classification is based on the business model in which the instruments are held as well as the structure of the contractual cash flows.

Financial assets measured at amortized cost

Financial assets measured at amortized cost in the Group consist of loans and receivables, trade receivables or cash and cash equivalents.

After initial recognition, these financial assets are measured at amortized cost using the effective interest method less impairment.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss, comprise financial assets whose cash flows do not relate solely to payments of interest and repayments of principal on the outstanding nominal amount. Gains or losses on these financial assets are recognized through profit or loss.

Financial liabilities

Financial liabilities regularly give rise to a redemption obligation in cash or another financial asset. These include in particular bonds and other securitized liabilities, trade payables, liabilities to banks, liabilities to affiliated companies and derivatives designated as hedges. Financial liabilities are classified into the following categories:

- Financial liabilities measured at fair value through profit or loss, and
- Financial liabilities measured at amortized cost.

Upon initial recognition, all financial liabilities are measured at fair value. Trade payables and other non-derivative financial liabilities are generally measured at amortized cost using the effective interest method.

Fair Value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments and investment properties that are measured at fair value in the financial statements require disclosure of fair value measurements by level based on the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Critical accounting estimates

For the shares of Hospitality Invest and Pancom, the estimated value is based on assumptions of future cash flow in the companies and its subsidiaries. Both companies are investment companies, Pancom within the real estate and construction sector, and Hospitality Invest within Care, Staffing and Hotel Operations. Key metrics such as pricing in recent capital raise, yield, future cash flow and EBITDA-multiples are assessed to estimate the value of the investments. With the purchase of additional shares in Norlandia Holding, the Group increased indirectly its investment to Pancom and Hospitality Invest. By year end 2024, Pancom is recognized as an Associate company. For Hospitality Invest, in addition to the estimates made, the book value of equity of the company is used as a reference point, of which the financial statements have been prepared in accordance with International Financial Reporting Standards.

Specification of financial assets and liabilities:

The Group holds the following financial assets and liabilities:

<i>NOK thousand</i>	31.12.2024	31.12.2023
<i>Financial assets at amortised cost</i>		
Loan to associated companies	87 201	72 523
Loan to other companies	36 187	6 736
Cash and cash equivalents	260 265	112 331
Trade and other receivables	64 451	53 836
<i>Financial assets at fair value through profit or loss</i>		
Other investments ¹⁾	68 542	117 576
Other Shares ²⁾	24 492	44 391
Sum	541 138	411 956
<i>Financial liabilities at amortised cost</i>		
Borrowings	1 951 768	1 149 120
Other current liabilities	221 634	75 492
Sum	2 173 402	1 224 612

1) Other investments are measured at fair value as level 1 in the fair value hierarchy in accordance with quoted prices

2) Other Shares included other investments in shares where the company have no significant influence or control, which is measured according to level 3 in the hierarchy.

Specification of investments measured at fair value held as of 31 December 2024:

1) Bonds are measured at fair value as level 2 in the fair value hierarchy in accordance with observed prices.

2) Funds are measured at fair value as level 1 in the fair value hierarchy in accordance with quoted prices.

3) Investments in shares where the company have no significant influence or control, is measured according to level 3 in the hierarchy. The shares are not traded, not quoted.

<i>NOK thousand</i>	1) Bonds	2) Funds	3) Hospitality Invest AS	3) Pancom AS*	3) Other	Total
Fair value beginning of year	62 620	54 956	13 650	30 741	0	161 967
Purchase in 2024			10 319	58 859	523	69 701
Sold in 2024		-49 034				-49 034
Fair value adjustments		421		-3 950		-3 529
Derecognition from Investment, to associate				-85 651		-85 651
Fair value year end	62 620	5 922	23 969	0	523	93 454

*Pancom AS is recognized as associated company as of 31.12.2024 with a value of MNOK 85.7.

Specification of investments measured at fair value held as of 31 December 2023:

<i>NOK thousand</i>	1) Bonds	2) Funds	3) Hospitality Invest AS	3)Pancom AS	Total
Fair value in the beginning of the year	62 000	56 954	18 212	30 741	167 907
Purchase in 2023		9 071			9 071
Sold in 2023		-13 015			-13 015
Fair value adjustments	620	1 946	-4 562		-1 996
Fair value in the end of the year	62 620	54 956	13 650	30 741	161 967

10. Cash and cash equivalents

Accounting principles

Cash comprises demand deposits. Cash equivalents are short-term, highly liquid investments that are convertible to cash in three months or less to known amounts of cash and which are subject to an insignificant risk of changes in value. The Group had no cash equivalents as of the end of the periods presented.

Description

Cash and cash equivalents include bank deposits:

<i>NOK in thousand</i>	31.12.2024	31.12.2023
Bank deposits	260 265	112 231
Total	260 265	112 231

All interest income relates to interest on bank deposits.

The bank deposits include restricted cash related to tax withholding account of TNOK 578 per 31 December 2024 (TNOK 241 per 31 December 2023).

11. Borrowings

Accounting principles

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Description

Borrowings and available cash and cash equivalents constitute the capital of the Group. The Group's main source of financing are bank loans and trade credit.

The Group had the following borrowing as of 31 December 2024:

<i>NOK thousand</i>	31.12.2024	31.12.2023
Non-current		
Commercial bank loans	1 704 115	881 902
Other loans	175 863	28 799
Total	1 879 978	910 701

<i>NOK thousand</i>	31.12.2024	31.12.2023
Current		
Commercial bank loans	53 033	122 503
Other loans	36	100 692
Total	53 069	223 195

<i>NOK thousand</i>	31.12.2024	31.12.2023
Total non-current and current		
Commercial bank loans	1 757 148	1 004 405
Other loans	175 899	129 491
Total	1 933 047	1 133 896

The borrowings the Group holds as of the end of 2024 and 2023 are linked to the investment properties owned by the Group. The following assets have been pledged as security for liabilities:

<i>NOK thousand</i>	31.12.2024	31.12.2023
Investment property	2 631 956	1 792 909
Total pledged assets	2 631 956	1 792 909

For the properties that are pledged as security for liabilities, the amount pledged corresponds to the fair value of the investment properties. (see note 6 for further information).

Relevant terms and conditions

Out of the total amortised cost value of all borrowings held as of 31.12.2024, MNOK 37.9 have a fixed annual interest rate that ranges from 0 to 3%. The rest of the borrowings are subject to an interest rate structure that is comprised of a variable interest rate based on the 3-month NIBOR plus a margin that typically approximates 2-3% annually. On average, the annual average interest rates realised for 2024 has been 7,26%. All loans are denominated in NOK.

See note 4 for the maturity of financial liabilities at the end of the period, and for a description of the financial risks arising from changes in the interest rates.

Compliance with covenants

The borrowing agreements typically include covenants that the Group must fulfil. The nature and characteristics of the covenants vary from agreement to agreement, but the typical financial covenants are loan-to-value ratios ranging from 60 to 65%; and minimum liquidity requirements in the subsidiary that is the counterparty to the borrowing agreement with the lender. The typical measurement date for the company's Loan to Value covenants and minimum liquidity requirements is December 31, 2024. There are also change-of-control clauses as covenants in the lending agreements. The Group has numerous covenants as each subsidiary has separate lending agreements with different terms. The loan-to-value covenants that the Group has is the following:

<i>Company</i>	LTV - requirement	Current LTV
Guard Hotel AS	Max. 60%	54%
Pioneer Retail Properties (Ås Næring AS and Askjem Eiendom AS)	Max. 65%	61%
Norlandia Holding AS	Max. 65%	60%

Management has determined that, as of the end of the 2024 reporting period, the Group is in compliance with all the covenants required by the lenders.

Changes in borrowings from financing activities:

<i>NOK thousand</i>	Non-current borrowings	Current borrowings	Total
At 1 January 2024	925 924	223 195	1 149 120
<u>Cash flows</u>			
Cash flow received	774 110		397 730
Repayments	-140 355	-223 195	-232 056
<u>Non-cash:</u>			
Borrowing classified as non-current at 31 December 2023 becoming current during 2024	-53 033	53 033	-
Purchase of operations	388 757		387 387
Interest	3 331		3 331
At 31 December 2024	1 898 734	53 033	1 951 768
At 1 January 2023	834 869	137 087	971 955
<u>Cash flows</u>			
Cash flow received	397 730		397 730
Repayments	-94 969	-137 087	-232 056
<u>Non-cash:</u>			
Reclassification from 2022 to 2023	-14 060		
Borrowing classified as non-current at 31 December 2022 becoming current during 2023	16 243	1 326	17 569
Purchase of operations	16 243	1 326	17 569
Interest	7 982		7 982
At 31 December 2023	925 924	223 195	1 149 120

12. Other current liabilities

<i>NOK in thousand</i>	31.12.2024	31.12.2022
Trade payable	37 021	36 503
Government taxes	421	-1 703
Accrued interest	14 636	12 665
Dividend	9 701	34 200
Accrued cost, Prepaid revenues	797	1 482
Other current liabilities	173 805	7 052
Total other current liabilities	236 383	90 200

Dividend relates to Q4 2024 dividend approved by the board 12. October 2024, with payment date in January 2025 Other current liabilities relates to share capital reduction by redemption of ordinary shares with payment date in January 2025.

13. Rental income

Accounting principles

The Group enters into lease agreements where it acts as a lessor. This constitutes the Group's main source of income. This constitutes the Group's main source of income. All leases held by the Group are considered operating leases. This is the case because, even though lease agreements have a typical duration of several years, the lease term is substantially shorter than the asset's economic life, and the minimum lease payments does not amount to substantially all of the fair value of the investment property. Management has not identified any other indications that the Group has transferred substantially all of the risks and rewards incidental to ownership of its investment properties.

Revenue consists of rental income, which is typically recognised on a straight-line basis over the period of the lease agreements with its lessees (see note 3 for further information). Revenues are presented net of VAT, discounts, and rebates. Service charge expenses are charged to tenants and recognised in the balance sheet together with payments on account of tenants, and therefore does not affect the result beyond an administrative premium recognised under revenue.

Description

The group holds twenty-nine revenue generating properties per year end, in general leased out on long-term triple net contracts.

The group is the lessor of investment properties. The group's contractual rental income is distributed as follows, where the numbers are adjusted annually to reflect the change in CPI. The rent in the table below are adjusted with an annual CPI-adjustment of 2%:

<i>NOK in thousand</i>	31.12.2024	31.12.2023
Within 1 year	153 591	101 425
Year 2	141 966	102 442
Year 3	144 039	104 491
Year 4	140 992	101 520
Year 5	138 106	98 709
After 5 years	884 573	777 776
Total	1 603 267	1 384 270

The Group typically rents out the investment properties to tenants on long term triple-net contracts where the operator has the main responsibility for annual maintenance, insurance, and other directly related property. All agreements are fully adjusted annually to reflect the change in CPI. However, the hotel investment properties typically have the characteristic that rental income is subject to certain positive variables over an agreed minimum lease payment: lease payments are based on the highest of a minimum rent and a percentage of the hotel's turnover.

All revenue during 2024 and 2023 has been originated in Norway and Sweden.

14. Employee expenses and management remuneration

<i>NOK</i>	2024	2023
Salary	7 963 725	6 091 596
Payroll tax	1 350 637	967 781
Pension benefits	289 339	94 012
Other benefits	61 483	104 016
Total salary and pension costs	9 665 184	7 257 505

Average Employees	5	4
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The remuneration to the management in 2024:

<i>NOK</i>	Salary	Other benefits	Bonus*	Pension benefits	Total compensation
John Ivar Busklein (CEO)	585 040	-	176 667	8 685	770 392
Øystein B. Grini (CFO)	1 503 000	4 392		30 952	1 38 344
Total management remuneration	2 088 040	4 392	176 667	39 637	2 308 736

*The bonus was paid in Q1 2025.

The remuneration to the management in 2023:

<i>NOK</i>	Salary	Other benefits	Bonus	Pension benefits	Total compensation
John Ivar Busklein (CEO)	560 048	-	166 667	8 204	734 919
Øystein B. Grini (CFO)	1 416 000	4 392	126 000	26 312	1 572 704
Total management remuneration	1 976 048		292 667	34 516	2 307 623

John Ivar Busklein has been CEO of Pioneer Property Group ASA in a part time position at 28,4%.

No member of the management has in their agreement that they will get any right to compensation after termination of employment. No loans or guarantees have been given to any members of the management, the Board of directors or other corporate bodies.

The board of directors of PPG has prepared a determination of salary and other remuneration to the executive management, in accordance with applicable law. The declaration includes the policies which PPG uses for the determination of salary and other remuneration to its executive management in the calendar year 2024 as published on the company's web page pioneerproperty.no.

The remuneration to the Board of Directors:

<i>NOK</i>	2024	2023
Roger Adolfsen (Charirman of the board)	100 000	120 000
Geir Hjorth (board member)	110 000	130 000
Sandra Riise (board member)	110 000	130 000
Ane Carlsen (board member)	90 000	
Even Carlsen (resigned board member)	10 000	110 000
Nina Høisæter (board member)	110 000	130 000
Total remuneration	530 000	620 000

15. Other operating expenses

<i>NOK in thousand</i>	2024	2023
Accounting fees, auditing, legal expenses and other fees	8 440	10 799
Other operating expenses	11 193	7 561
Total other operating expenses	19 633	18 360

Fees from the auditor:

Fees from the auditor		
<i>NOK in thousand</i>	2024	2023
Auditing fees	3 529	2 393
Other fees from the auditor	18	0
Total auditing fees	3 547	2 393

16. Other financial gains (losses)

<i>NOK thousand</i>	2024	2023
Currency gain/loss	236	2 227
Gain on sale shares	9 527	-
Gain on sale bonds	421	1 985

Loss on sale funds	-	-
Loss on sale of properties	-61	-61
Changes in fair value (see note 9)	-11 645	-1 996
Other adjustments	6 672	-20 867
Other financial income	38	456
Other financial expenses	7 675	0
Sum	12 924	-18 255

The gain on sale of shares is related to sale of shares in Holberg kreditt, Døvikveien 22 AS and 10% of the shares in Evenes Holding AS.

Other adjustments are related to increased value of the option to buy additional land in Brennemoen.

Write down of receivables to B-G Entreprenør AS (previous tenant in BM3 Eiendom AS) is presented as other financial expenses.

The change in fair value is mainly related to the shares in Pancom AS.

17. Income taxes

Accounting principles

The tax expense for the period comprises current and deferred tax.

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.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

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.

The Group has applied the main rule for recognition of deferred tax in connection with the purchase of shares in property companies that are not acquired through a business combination. This means that deferred tax is recognised as the difference between the tax value and accounting value of investment property in the subsidiary, and value changes of the investment property. Not recognised deferred tax linked to initial recognition exemption for investment properties per 31 December 2024 is MNOK 162.8 (MNOK 155.5 in 2023).

Changes in deferred tax liabilities:

<i>NOK in thousand</i>	Investment property	Other items	Total
01.01.2023	63 967	-5 629	58 338
Recognized deferred tax	-3 630	-2 549	-6 179
Loss of control in subsidiary	-5 722		-5 722
31.12.2023	54 615	-8 178	46 437
Recognized deferred tax	25 337	-2 549	22 013
31.12.2024	79 952	-11 502	68 450

Changes in deferred tax assets:

<i>NOK in thousand</i>	Investment property	Other items	Total
31.12.2023	0	0	0
Acquired deferred tax asset from acquired subsidiary	0	7 888	7 888
Recognized deferred tax	0	1 721	1 721
31.12.2024	0	9 609	9 609

Income tax expense:

<i>NOK in thousand</i>	2024	2023
Tax payable	633	4 471
Change in deferred tax	22 013	-6 179
Changes related to loss of control in subsidiary		1 690
Other changes	4 419	1 568
Income tax expense	27 065	1 550

Reconciliation of tax expense:

<i>NOK in thousand</i>	2024	2023
Profit before income tax	145 184	26 587
Tax expense based on standard rate of Norwegian (22%)	31 941	5 849
Adjustments for:		
Effect of tax rates outside Norway	0	65
Permanent differences	-11 853	-4 146
Other differences	6 997	-218
Income tax expense for the period	27 065	1 550

18. Earnings per share

Accounting principles

The Group's preference shares are entitled to a fixed dividend of NOK 10.00 per annum from 01 July 2022, if the General Assembly approves payment of dividends. To calculate the earnings per share the entitled dividend to the preference shares is deducted from comprehensive income for the period. The earnings per ordinary share is the remaining comprehensive income deducted the preference share dividend divided by the weighted average number of shares in issue during the period.

Earnings per share from total operations

<i>NOK</i>	31.12.2024	31.12.2023
Profit/(loss) attributable to shareholders of parent	119 817 261	19 238 251
Less pref share dividends	-38 805 870	-38 805 870
Profit attributable to ord shares	81 011 391	-19 567 619
Weighted average ordinary shares	9 814 470*	9 814 470
EPS to ordinary shares	8,25	-1,99

*On 3 December 2024, the extraordinary general meeting of Pioneer Property Group ASA passed a resolution to reduce the Company's share capital by NOK 3,284,048, through the redemption of a total of 3,284,048 ordinary shares. Furthermore, the extraordinary general meeting passed a resolution to reduce the Company's share capital by NOK 500,000, through the redemption of a total of 500,000 preference shares held in treasury by the Company. The share capital reductions were registered 22 January 2025 and is not included in the weighted average ordinary share calculation above.

Diluted

As per 31 December 2024 no rights are issued which would cause diluted earnings per share to be different to basic earnings per share. Refer to note 21 for information related to the classes of shares.

19. Group structure and acquisition of companies

Accounting Principles

Acquisition of subsidiaries not viewed as a business combination

Upon purchase of property management assess whether the purchase constitute purchase of a business or purchase of an asset in accordance with IFRS 3. The Group assesses whether companies acquired constitute a business, which is when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

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. Acquisition related costs are capitalized with the asset.

All acquisition of subsidiaries made by the Group were classified as purchase of assets, as no substantive processes have been identified.

Acquisition of companies regarded as asset purchase:

Sør Gardermoen Invest AS

Within the property development segment, PPG acquired Sør Gardermoen Invest, a plot used for parking close to Gardermoen Airport.

Norlandia Holding AS

Within the hotel segment, PPG increased its shareholdings in Norlandia Holding AS to 85% and is by year end 2024 recognized as an subsidiary. Norlandia Holding AS is a real estate company owning 11 hotel properties in Norway. The acquisition was made on the 16. October, PPG acquired an additional 37.2% ownership interest in Norlandia Holding AS, increasing its total ownership from 47.8% to 85%. The shares were acquired from associated companies controlled by Kristian Adolfsen and Roger Adolfsen.

The transaction was conducted at an arms length pricing, based on property values assessed by third-party valuations.

The purchase price for the additional ownership interest was MNOK 144.6 settled through a seller credit.

The consolidation of Norlandia Holding AS's financial statements occurred on 16. October, the date on which control was obtained. Norlandia Holding AS was classified as an associate company accounted for using the equity method at the beginning of 2024.

To determine the accounting treatment of the acquisition, the concentration test in IFRS 3 was used to assess whether the acquisition should be treated as an asset purchase or a business combination. The result of the concentration test was that the group of identifiable assets acquired constitutes more than 90% of the fair value of what is purchased, and the test is therefore passed. Consequently, the acquisition is treated as an asset purchase in accordance with IFRS 3.

The accounting treatment of the acquisition involves Norlandia Holding AS first being derecognized as an associate company with the corresponding gain/loss calculation. See note 8 for details on the matter.

Upon recognition of an asset purchase, the purchase price is allocated pro-rata to the acquired assets. The purchase price was determined based on the fair value of the subsidiary's assets, as assessed by independent third-party valuers. The purchased share of the book equity has been entirely allocated to investment property.

Upon initial recognition of the properties, previous tax positions on the properties are derecognized as a consequence of the initial recognition exemption in IAS 12. This results in a reduction of property values by NOK 85.9 million at the time of acquisition. Subsequent measurement of the properties is at fair value. This means that the reduction in value recorded at the time of acquisition is immediately reversed.

The effects from purchase of Norlandia Holding at time of acquisition.

Norlandia Holding	<i>NOK in thousand</i>
Deferred tax assets	7 887
Investment property	606 183
Other assets	131 200
Trade and other receivables	8 846
Cash	54 922
Non Current liabilities	399 985
Current liabilities	15 368

Total acquisition/sale of companies regarded as assets purchase/sale:

<i>NOK in thousand</i>	2024	2023
Purchase of subsidiaries/Properties -cash	380 893	200 968
Cash acquired companies	55 091	375
Debt acquired companies	415 598	17 569
Sale of subsidiaries/Properties -cash	-18 067	-52 853

Non controlling interest:

The non-controlling interest in PPG is related to the shares in Park Hotel Holdco, Evenes Tomteselskap AS, T10 Holdco AS, Up North Property AS and BM3 Eiendom AS. For 2024, the transactions with non-controlling interest have been purchase of additional shares in Norlandia Holding AS and sale of 10% in Evenes Holding AS.

Companies bought or incorporated in 2024:

Company Name	Location	Share of ownership	Share of voting rights
Fagerlia Tomteselskap AS	Norway	70%	70%
Sør Gardermoen Invest AS	Norway	100%	100%
Norlandia Holding AS with subsidiaries	Norway	85%	85%

Companies sold in 2024:

PPG Hylle 3 AS	Norway	100%	100%
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Companies bought or incorporated in 2023:

Company Name	Location	Share of ownership	Share of voting rights
BM3 Eiendom AS	Norway	88%	88%
Evenes Utvikling AS	Norway	100%	100%

The Group consists of the following subsidiaries per 31 December 2024:

Company Name	Location	Share of ownership	Share of voting rights
Pioneer Property Group International AS	Norway	100%	100%
Pioneer Preschools AS	Norway	100%	100%
Kidsa Ospeli Eiendom AS	Norway	100%	100%
Gaustadskogen Eiendom AS	Norway	100%	100%
Tjuvholmen Eiendom AS	Norway	100%	100%
Pioneer Retail Properties AS	Norway	100%	100%
Bobil Eiendom Rana AS	Norway	100%	100%
Bobil Eiendom Evenes AS	Norway	100%	100%
Håhjem AS	Norway	100%	100%
Ås Næring AS	Norway	100%	100%
Askjem Eiendom AS	Norway	100%	100%
Bobil Eiendom Grimstad AS	Norway	100%	100%
Bobil Eiendom Fauske AS	Norway	100%	100%
Bobil Eiendom Balsfjord AS	Norway	100%	100%
Pioneer Property Development AS	Norway	100%	100%
Bm3 Eiendom AS	Norway	100%	100%
Brennemoen Eiendom AS	Norway	100%	100%
Sør Gardermoen Invest AS	Norway	100%	100%
Steinbekkhaugen AS	Norway	100%	100%
Fagerlia Tomteselskap AS	Norway	70%	70%
Norab Eiendom Vest AS	Norway	100%	100%
Neptun Eiendom Invest AS	Norway	100%	100%
Evenes Holding AS	Norway	43%	53%
Evenes Tomteselskap AS	Norway	100%	100%
ET Nord AS	Norway	100%	100%
ET Midt AS	Norway	100%	100%
ET Øst N AS	Norway	100%	100%
ET Øst S AS	Norway	100%	100%
ET Vest N AS	Norway	100%	100%
ET Vest S AS	Norway	100%	100%
Evenes Parkering AS	Norway	100%	100%
Evenes Utvikling AS	Norway	85%	85%
Pioneer Hotel Properties AS	Norway	100%	100%
Up North Property AS	Norway	90%	90%
Forum Holdco AS	Norway	100%	100%
Forum Hotellbygg AS	Norway	100%	100%
Park Hotel Holdco AS	Norway	50%	50%
Park Hotel Eiendom AS	Norway	50%	50%
Brennemoen Hotel Eiendom AS	Norway	100%	100%
Guard Hotel AS	Norway	100%	100%
Norlandia Holding AS	Norway	85%	85%
Norlandia Eiendom AS	Norway	100 %	100 %
Andrikken Eiendom AS	Norway	100 %	100 %
Backlund Hotel Eiendom AS	Norway	100 %	100 %
Baronen Eiendom AS	Norway	100 %	100 %
Måløy Hotel Eiendom AS	Norway	100 %	100 %
Vestfjord Eiendom AS	Norway	100 %	100 %
Geilo Hotel Eiendom AS	Norway	100 %	100 %
Dronningen Hotel AS	Norway	100 %	100 %

Norlandia Utvikling AS	Norway	100 %	100 %
Spjelkavik Utvikling AS	Norway	100 %	100 %
Oppdal Prosjektutvikling AS	Norway	100 %	100 %
Storslett Eiendom AS	Norway	100 %	100 %
Solsiden Eiendomsutvikling AS	Norway	100 %	100 %
Bø Utvikling AS	Norway	100 %	100 %
T10 Holdco AS	Norway	52%	52%
T10 Eiendom AS	Norway	100%	100%

The Group consists of the following subsidiaries per 31 December 2023:

Company Name	Location	Share of ownership	Share of voting rights
Pioneer Property Group International AS	Norway	100%	100%
Pioneer Preschools AS	Norway	100%	100%
Kidsa Ospeli Eiendom AS	Norway	100%	100%
Gaustadskogen Eiendom AS	Norway	100%	100%
Tjuvholmen Eiendom AS	Norway	100%	100%
Pioneer Retail Properties AS	Norway	100%	100%
Bobil Eiendom Rana AS	Norway	100%	100%
Bobil Eiendom Evenes AS	Norway	100%	100%
Håhjem AS	Norway	100%	100%
Ås Næring AS	Norway	100%	100%
Askjem Eiendom AS	Norway	100%	100%
Bobil Eiendom Grimstad AS	Norway	100%	100%
Bobil Eiendom Fauske AS	Norway	100%	100%
Bobil Eiendom Balsfjord AS	Norway	100%	100%
Pioneer Property Development AS	Norway	100%	100%
Brennemoen Eiendom AS	Norway	100%	100%
Bm3 Eiendom AS	Norway	100%	100%
Steinbekkhaugen AS	Norway	100%	100%
Norab Eiendom Vest AS	Norway	100%	100%
Neptun Eiendom Invest AS	Norway	100%	100%
Evenes Holding AS	Norway	53%	53%
Evenes Tomteselskap AS	Norway	85%	85%
ET Nord AS	Norway	100%	100%
ET Midt AS	Norway	100%	100%
ET Øst N AS	Norway	100%	100%
ET Øst S AS	Norway	100%	100%
ET Vest N AS	Norway	100%	100%
ET Vest S AS	Norway	100%	100%
Evenes Parkering AS	Norway	100%	100%
Evenes Utvikling AS	Norway	100%	100%
Pioneer Hotel Properties AS	Norway	100%	100%
Up North Property AS	Norway	90%	90%
Forum Holdco AS	Norway	100%	100%
Forum Hotellbygg AS	Norway	100%	100%
Park Hotel Holdco AS	Norway	50%	50%
Park Hotel Eiendom AS	Norway	50%	50%
Brennemoen Hotel Eiendom AS	Norway	100%	100%
Guard Hotel AS	Norway	100%	100%
Guard Hotel II AS	Norway	100%	100%
PPG Hylle 2 AS	Norway	100%	100%
PPG Hylle 3 AS	Norway	100%	100%
T10 Holdco AS	Norway	52%	52%
T10 Eiendom AS	Norway	100%	100%

20. Related party transactions

Balances and transactions between the company and its subsidiaries, which are related parties to the company, have been eliminated on consolidation and are not disclosed in this note.

The Group has the following related parties as of 31.12.2024:

Related party	Relation to the Group
Roger Adolfsen	Chairman of the Board and owner of Mecca Invest AS
Sandra Henriette Riise	Board member
Geir Hjort	Board member
Ane Nordahl Carlsen	Board member and owner of Grafo AS
Nina Hjørdis Torp Høisæter	Board member
John Ivar Busklein	Chief Executive Officer
Øystein Grini	Chief Financial Officer
Hospitality Invest AS	Substantial shareholder
Grafo AS	Substantial shareholder
Klevenstern AS	Substantial shareholder
Mecca Invest AS	Substantial shareholder
Kongsparken AS	Associated company
JV Nordväst Fastighet AB	Associated company
Forus Holdco AS	Associated company
Köping Hotellfastighet AB	Associated company
Strand Hotel Borgholm AB	Associated company
Ramstadsletta Utvikling AS	Associated company
Vossevangen Utvikling AS	Associated company
JV Havna Tjøme AS	Associated company
Pancom AS	Associated company
Norlandia Health & Care Group AS	Controlled by substantial shareholders, refer to note 21
Oslo Corporate Holding AS	Controlled by substantial shareholders, refer to note 21
Kara Invest AS	Controlled by substantial shareholders, refer to note 21
Ferda Norge AS	Controlled by substantial shareholders, refer to note 21
Acea Invest AS	Controlled by substantial shareholders, refer to note 21
Kidprop AS	Controlled by substantial shareholders, refer to note 21
Caravan Eiendom AS	Controlled by substantial shareholders, refer to note 21
Norlandia Hotel Group AS	Controlled by substantial shareholders, refer to note 21
Up North Hospitality AS	Controlled by substantial shareholders, refer to note 21

The Group had the following related parties as of 31.12.2023:

Related party	Relation to the Group
Roger Adolfsen	Chairman of the Board and owner of Mecca Invest AS
Sandra Henriette Riise	Board member
Geir Hjort	Board member
Ane Nordahl Carlsen	Board member from April 23
Even Carlsen	Board member until April 23 and owner of Grafo AS
Nina Hjørdis Torp Høisæter	Board member
John Ivar Busklein	Chief Executive Officer
Øystein Grini	Chief Financial Officer
Hospitality Invest AS	Substantial shareholder
Grafo AS	Substantial shareholder

Klevenstern AS	Substantial shareholder
Mecca Invest AS	Substantial shareholder
JV Nordväst Fastighet AB	Associated company
Forus Holdco AS	Associated company
Köping Hotellfastighet AB	Associated company
Strand Hotel Borgholm AB	Associated company
Ramstadsletta Utvikling AS	Associated company
Vossevangen Utvikling AS	Associated company
Norlandia Health & Care Group AS	Controlled by substantial shareholders, refer to note 21
Norlandia Holding AS	Controlled by substantial shareholders, refer to note 21
Kara Invest AS	Controlled by substantial shareholders, refer to note 21
Ferda Norge AS	Controlled by substantial shareholders, refer to note 21
Acea Invest AS	Controlled by substantial shareholders, refer to note 21
Kidprop AS	Controlled by substantial shareholders, refer to note 21
Caravan Eiendom AS	Controlled by substantial shareholders, refer to note 21
Norlandia Hotel Group AS	Controlled by substantial shareholders, refer to note 21
Oslo Corporate Holding AS	Controlled by substantial shareholders, refer to note 21
Up North Hospitality AS	Controlled by substantial shareholders, refer to note 21

Indirect ownership of shares by board member per the balance sheet date:

	2024		2023	
	Ord. Shares	Pref. shares	Ord. Shares	Pref. shares
Roger Adolfsen	3 160 192	-	3 160 192	-
Ane Nordahl Carlsen	311 985	-	311 985	-

The Group had the following material transactions with related parties:

<i>NOK in thousand</i>	2024	2023
Rent revenue from Norlandia Health & Care Group AS including subsidiaries	7 473	7 417
Rent revenue from Ferda Norge AS	41 602	33 312
Rent revenue from Norlandia Hotel group	68 890	57 738
Rent revenue from BG Entreprenør	2 428	-
Interest income from associated companies	111	3 417
Interest expense to associated companies	2 782	251
Management fee from Up North Hospitality AS	678	1 342
Management fee from Oslo Corporate Holding AS	960	909
M&A services and Management fee to Hospitality Invest AS	4 888	4 889
Sale of shares to Norlandia Hotel Group AS	30	-
Purchase of shares and properties from related parties, please refer to note 19	194 651	106 132

Transactions made between the related parties are made on terms equivalent to those that prevail in the market at arm's length.

Receivables from related parties

<i>NOK in thousand</i>	31.12.2024	31.12.2023
Norlandia companies	41 303	4 585
Kongsparken AS	21 856	18 356
Ramstadsletta Utvikling AS	-	12 000
Smedplassen Eiendom AS	1 432	1 432
HI Capital AS	-	18 163
Wayfare Invest AS	29 667	-

Liabilities to related parties

<i>NOK in thousand</i>	31.12.2024	31.12.2023
Norlandia companies	-	10 679
Sellers vendor note to companies controlled by Kristian and Roger Adolfsen	144 651	-

For compensation to key management personnel, see note 14.

Loans to associate entities

During the 2024 reporting period, the Group lent its associates funds in the form of loans to finance its investments, in agreement with the other shareholders of the associates.

21. Share capital and shareholder information

The Company has two classes of shares, ordinary shares and preference shares. As of 31 December 2024, Pioneer Property Group ASA had a share capital of NOK 14,683,023, divided into 9,814,470 ordinary shares and 4,868,553 preference shares with a nominal value of NOK 1 per share for both categories.

On 3 December 2024, the extraordinary general meeting of Pioneer Property Group ASA passed a resolution to reduce the Company's share capital by NOK 3,284,048, through the redemption of a total of 3,284,048 ordinary shares and to reduce the Company's share capital by NOK 500,000, through the redemption of a total of 500,000 preference shares held in treasury by the Company.

The reduction takes place through redemption of in total 3,284,048 ordinary shares each with a nominal value of NOK 1. The reduction takes place through redemption of the following ordinary shares: 1,642,024 ordinary shares, owned by Grafo AS (reg. no. 947 195 360); and 1,642,024 ordinary shares, owned by Eidissen Consult AS (reg. no. 916 524 552). After the redemption, the company has 10 898 975 shares with a book value NOK 1 per share, and total share capital is NOK 10 898 975. The share capital reductions were registered 22 January 2025 and are not entered into effect as of 31.12.2024, hence the redemption of shares is not reflected in the table below.

The differences between the share classes are differing voting rights and differing rights to the Company's profit. The regulations on voting rights and dividends are decided upon by the Shareholders' Meeting and can be found in the Articles of Association.

The ordinary share

The Company's ordinary share confers one vote unlike the preference shares that confer one-tenth of a vote.

The preference shares

The Company's preference shares confer a preferential right over ordinary shares to an annual dividend of NOK 10.00 per preference share per annum. Dividend payments are made quarterly with NOK 2.500 per preference share, if approved by the Board of Directors based on the authorisation given by the General Assembly. The preference share does not otherwise confer a right to dividend. If the general meeting decided not to pay dividends or to pay dividends that fall below NOK 2.500 per preference share during a quarter, the difference between paid dividends and NOK 2.500 per preference share shall be accumulated and adjusted upwards with an annual interest rate of 5 per cent until full dividends have been distributed. No dividends may be distributed to the ordinary shareholders until the preference shareholders have received full dividends including the withheld amount.

	Number of shares	Share value in NOK				Total
		Ordinary shares	Preference shares	Share premium	Treasury shares	
At 1 January 2023	14 683 023	9 814 470	4 868 553	555 636 899	-987 966	569 331 956
Capital reduction						-
Payment premiums 2023						-
Acquisition of treasury shares						-

At 31 December 2023	14 683 023	9 814 470	4 868 553	555 636 899	-987 966	569 331 956
Payment premiums 2024	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-
At 31 December 2024	14 683 023	9 814 470	4 868 553	555 636 899	-987 966	569 331 956

PPG holds 987,966 preference shares in PPG at purchased a price of NOK 102.00 per preference share. This equals approximately 6.73% of the share capital, which represents 0.96% of the votes. Detailed information regarding dividends, issues and redemption can be found in the Company's Articles of Association, available in the prospectus at the Company's website.

During 2024, PPG has declared quarterly dividends to the holders of preference shares, in total MNOK 38.8. Furthermore PPG paid dividends to holders of the ordinary shares of MNOK 40.0.

10 largest shareholders registered in VPS as of 31 December 2024:

	Ordinary shares	Preference shares	Voting share
Hospitality Invest AS	32,62%	0,00%	31,08%
Eidissen Consult AS	16,73%	0,00%	15,94%
Grafo AS	16,73%	0,00%	15,94%
Mecca Invest AS	15,78%	0,00%	15,04%
Klevenstern AS	15,78%	0,00%	15,04%
HI Capital AS	2,34%	0,00%	2,23%
Skandinaviska Enskilda Banken AB	0,00%	0,00%	12,88%
Nordnet Bank AB	0,00%	10,25%	0,39%
Avanza Bank AB	0,00%	8,44%	0,37%
The Bank of New York Mellon	0,00%	7,54%	0,28%
Other Shareholders	0,00%	60,88%	3,21%
Total	100 %	100 %	100%

10 largest shareholders registered in VPS as of 31 December 2023:

	Ordinary shares	Preference shares	Voting share
Hospitality Invest AS	32,62%	0,00%	31,08%
Eidissen Consult AS	16,73%	0,00%	15,94%
Grafo AS	16,73%	0,00%	15,94%
Mecca Invest AS	15,78%	0,00%	15,04%
Klevenstern AS	15,78%	0,00%	15,04%
HI Capital AS	2,34%	0,00%	2,23%
Skandinaviska Enskilda Banken AB	0,00%	12,88%	0,61%
Nordnet Bank AB	0,00%	9,85%	0,47%
Avanza Bank AB	0,00%	9,54%	0,45%
The Bank of New York Mellon	0,00%	7,54%	0,36%
Other Shareholders	0,00%	60,18%	2,84%
Total	100 %	100 %	100%

22. Contingent liabilities

The group has not been involved in any legal or financial disputes in the period covered by these consolidated financial statements, where an adverse outcome is considered more likely than remote.

23. New standards not yet adopted

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and introduces new requirements for the presentation in the income statement, aggregation and disaggregation of information, and disclosures regarding management defined performance measures. Additionally, IFRS 18 brings changes to IAS 7 Statement of Cash Flows. The group has begun evaluating the impacts of IFRS 18.

There are a number of standards, amendments to standards, and interpretations which have been issued by the International Accounting Standards Board (IASB) that are effective in future accounting periods that the Group has decided not to adopt early. None of these would be expected to have a material impact on the entity in the future reporting periods and on foreseeable future transactions.

24. Subsequent events

No significant subsequent events has occurred in 2025.

Alternative Performance Measures

Pioneer Property Group ASA reports Alternative Performance Measures (APMs) as a supplement, but not as a substitute, to the financial statements prepared in accordance with IFRS. Financial APMs are intended to enhance comparability of the results and cash flows from period to period. The financial APMs reported by PPG are the APMs that, in management's view, provide relevant supplemental information of the company's financial position and performance. Operational measures such as, but not limited to, occupancy and WAULT are not defined as financial APMs according to ESMA's guidelines.

The company reports the following alternative performance measures (APMs):

APM amounts in NOK thousand	Explanation	2024	2023	2022	2021	
EBIT	<i>Earnings before interest and taxes</i>	223 958	46 586	23 750	251 535	
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	6.4%	6.4%	5.3%	3.4%
		Hotel	7.6%	7.2%	6.8%	6.2%
		Retail	8.3%	7.9%	7.1%	6.1%
		Office	7.3%	7.2%	6.2%	n/a
NOI	<i>Net Operating Income, meaning all revenue from properties minus all reasonable direct property related expenses.</i>	134 810	118 766	69 974	41 256	
Market value of the property portfolio	<i>The market value of the Groups investment properties</i>	2 642 606	1 757 256	1 798 709	1 393 041	
Effective leverage	<i>Total interest bearing debt divided by total assets</i>	55.4%	44.6%	39.5%	31.9%	



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PIONEER PROPERTY GROUP ASA

PIONEER PROPERTY GROUP ASA

STATEMENT OF INCOME

	Note	2024	2023
OPERATING REVENUE AND EXPENSE			
Revenue	1	15 455 181	12 092 860
TOTAL OPERATING REVENUE		15 455 181	12 092 860
Employee benefits expense	2	8 333 350	7 191 448
Depreciation and amortisation expense	3	23 264	28
Other operating expenses	2	9 081 490	8 592 853
TOTAL OPERATING EXPENSES		17 438 104	15 811 873
OPERATING PROFIT OR LOSS		-1 982 923	-3 719 013
FINANCIAL INCOME AND EXPENSES			
Financial income			
Changes in market value of fin. cur. assets	4,5	420 830	2 565 674
Income from subsidiaries	5	1 082 552	1 726 910
Interest received from group companies	1,5	17 931 156	16 554 489
Other interest	5	8 073 067	14 715 353
Other financial income	5	1 675 046	2 426 274
Total financial income		29 182 651	37 988 700
Financial expenses			
Write down of investments in subsidiaries and shares	4,5	16 962 926	-
Interest paid to group companies	1,5	729 156	528 229
Other interest	5	4 015 450	261 721
Other financial expense	5	50 536	325 460
Total financial expenses		21 758 068	1 115 410
NET FINANCE		7 424 582	36 873 291
ORDINARY RESULT BEFORE TAX		5 441 659	33 154 278
Tax on ordinary result	6	4 328 918	7 291 088
PROFIT		1 112 741	25 863 188
ATTRIBUTABLE TO			
To additional dividends payable	9	58 805 870	98 146 187
Given intra-group contribution	9	19 585 325	11 637 716
To other equity	9	-77 278 454	-83 920 715
Net brought forward		1 112 741	25 863 188

PIONEER PROPERTY GROUP ASA

Balance sheet pr. 31.12.2024

	Note	2024	2023
ASSETS			
Fixed assets			
Tangible assets			
Fixtures and fittings, office machinery etc.	3	18 167	41 431
Total tangible assets		18 167	41 431
Financial fixed assets			
Investments in subsidiaries	7	905 096 357	636 059 247
Loans to group companies	1	243 341 034	252 316 976
Investments in associates	7	-	87 782 718
Investments in shares or units		36 505 142	38 282 669
Total financial fixed assets		1 184 942 533	1 014 441 610
TOTAL FIXED ASSETS		1 184 960 700	1 014 483 041
CURRENT ASSETS			
Receivables			
Receivables on group companies	1	19 412 079	18 110 418
Other short-term receivables		2 148 421	2 615 318
Total receivables		21 560 500	20 725 736
Investments			
Quoted bonds	4	62 620 000	62 620 000
Other financial Instruments	4	5 922 137	54 956 108
Total investments		68 542 137	117 576 108
Cash and bank deposits	8	186 572 425	42 280 425
TOTAL CURRENT ASSETS		276 675 062	180 582 269
TOTAL ASSETS		1 461 635 762	1 195 065 310

PIONEER PROPERTY GROUP ASA

Balance sheet pr. 31.12.2024

	Note	2024	2023
EQUITY AND LIABILITIES			
Equity			
EQUITY AND LIABILITIES			
Share capital	9,10	14 683 023	14 683 023
Treasury shares	9	-987 966	-987 966
Share premium reserve	9	555 636 899	555 636 899
Share capital reduction not registered	9	-155 072 747	-
TOTAL PAID-IN EQUITY		414 259 209	569 331 956
Other equity	9	492 368 162	550 061 290
TOTAL EQUITY		906 627 371	1 119 393 245
Liabilities			
Provision			
Deferred tax	6	336 728	846 055
Total provisions		336 728	846 055
Other non-current liabilities			
Borrowings non-current		193 491 665	-
Other non-current liabilities		146 809 576	-
Liabilities to group companies	1	14 597 336	9 332 054
Total other non-current liabilities		354 898 577	9 332 054
TOTAL NON-CURRENT LIABILITIES		355 235 305	10 178 109
Current liabilities			
Accounts payable		108 434	3 137 398
Income tax payable	6	529 473	4 168 415
Public duties payable		4 699 391	411 373
Dividends payable		9 701 468	34 200 466
Liabilities to group companies	1	19 585 325	11 637 716
Other current liabilities		165 148 996	11 938 588
TOTAL SHORT-TERM LIABILITIES		199 773 085	65 493 955
TOTAL LIABILITIES		555 008 390	75 672 064
TOTAL EQUITY AND LIABILITIES		1 461 635 762	1 195 065 310

Oslo, 27 March 2025

Board of Directors of Pioneer Property Group ASA



Roger Adolfsen
Chairman of the Board



Sandra Henriette Riise
Member of the Board



Ane Nordahl 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

PIONEER PROPERTY GROUP ASA

Statement of Cash Flow

	Note	2024	2023
Cash flows from operating activities			
Profit before tax		5 441 660	33 154 276
Taxes paid		-4 168 415	-6 961 967
Gains and losses on sale bonds/funds	4	-1 633 932	-1 985 076
Depreciation	3	23 264	27 572
Gains and losses on sale shares		-	-
Group contributions	1	1 082 550	-1 726 910
Exchange gains/(losses)		-	211 497
Fair value adjustment on quoted bonds	4	-420 830	-2 565 674
Trade receivables		-1 301 661	-15 970 711
Trade payables		-3 028 964	-774 946
Other accruals		5 998 923	-13 013 933
Net cash flow from operating activities		18 955 521	-9 605 872
Cash flows from investing activities			
Payments for purchase of shares in subsidiaries		-	-42 000 000
Payments for purchase of other investments	3	-1 702 895	-17 209
Payments from other loans		-	-
Net proceeds from loan to group companies	1	-35 404 822	69 030 545
Proceeds from sale of shares		30 000	30 000
Proceeds from sale of funds	4		15 000 000
Proceeds from sale of bonds	4	50 069 171	-
Payments to buy other investments			-9 071 492
Payments for purchase of quoted bonds		-	-
Net cash flow from investments activities		12 991 454	32 971 844
Cash flow from financing activities			
Payments for purchase of own shares		-	-
Dividends paid		-83 304 869	-78 686 610
Repayment of share premium reserve		-	-
Group contributions paid		-	-28 637 189
Group contributions received			1 692 676
Proceeds from debt to financial institutions		193 491 665	-
Proceeds from other borrowings		2 158 230	-
Net cash flow from financing activities		112 345 026	-105 631 123
Net change in cash and cash equivalents		144 292 001	-82 265 151
Cash and cash equivalents at the beginning of the period		42 280 425	124 545 576
Cash and cash equivalents at the end of the period		186 572 425	42 280 425

Notes to the financial statements 2024

Accounting Principles:

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The Company's financial statements are prepared on a going concern basis.

Sales revenue

Revenue is recognized from the sale of goods at the time of delivery. Services are recognized as revenue as they are delivered.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Subsidiaries and investment in associates

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends / group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss comprise financial assets whose cash flows do not relate solely to payments of interest and repayments of principal on the outstanding nominal amount. Gains or losses on these financial assets are recognized through profit or loss.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Cash

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Note 1 – Revenues and liabilities to/receivables from group companies

Revenue received is management fee from group companies, except NOK 150.000 from an associated company . Management fee income from subsidiaries is NOK 15 335 181. All revenues have been generated in Norway.

Interest received from group companies is NOK 17 931 156 and interest paid to group companies is NOK 729 156.

	2024	2023
Receivables		
Accounts receivable	18 235 909	15 970 711
Group contributions	1 082 552	1 726 910
Other short term receivables	0	412 797
Loans to group companies	243 341 034	252 316 976
Total receivables	262 659 495	276 282 283
Liabilities		
Group contributions	19 585 325	11 637 716
Other liabilities	7 960 509	9 332 054
Total Liabilities	22 557 845	20 969 770

Note 2 - Management and auditor compensation

The company's auditor expenses (VAT included):

	2024	2023
Statutory audit	1 066 969	749 666
Other services	0	9 090
Total	1 066 969	758 756

	2024	2023
Payroll	7 046 324	6 091 596
Payroll expenses (employer tax)	1 113 887	967 781
Pension cost	121 089	94 012
Other payments	52 049	38 060
Total	8 333 350	7 191 448

It's been paid remuneration for directors with NOK 530 000,

Roger Adolfsen (Chairman of the board)	100 000
Geir Hjorth (board member)	110 000
Sandra Riise (board member)	110 000
Ane Carlsen (board member)	90 000
Nina Høisæter (board member)	110 000
Even Carlsen (previous board member)	10 000

The company has five employees, four in full time positions and one employee in part time position (28.4%) and is regulated under the Act on Mandatory occupational pensions act, and the company has established mandatory occupational pensions and contribution pension for the employees.

NOK	Salary	Bonus	Other benefits	Pension cost	Total Compensation
Øystein B. Grini (CFO)	1 503 000	126 000	4 392	30 953	1 572 794
John Ivar Busklein (CEO) (28,4% part time position)	585 040	166 667	0	8 685	734 919
Total	2 088 040	292 667	4 392	39 638	2 424 737

John Ivar Busklein (CEO) and Øystein Grini (CFO) received a bonus of NOK 166 667 and NOK 126 000 respectively for their performance in Pioneer Property Group ASA. Both bonuses were paid in first quarter of 2024.

No member of the management have in their agreement that they will get any right to compensation after termination of employment.

No loans or guarantees have been given to any members of the management, the Board of directors or other corporate bodies.

The board of directors of PPG has prepared guidelines for a determination of salary and other remuneration to the executive management, in accordance with applicable law. The guidelines include the policies which PPG uses for the determination of salary and other remuneration to its executive management. The guidelines are published on the company's web page pioneerproperty.no.

Note 3 - Fixtures and fittings, office machinery etc.

	Fixtures and fittings, office machinery etc.
Acquisition cost as at. 1/1	87 024
+ Additions	0
Acquisition cost as at. 31/12	87 024
Accumulated depreciation 1/1	45 594
+ Depreciation for the year	23 264
Accumulated depreciation 31/12	68 857
Net Value 31/12	18 167
Depreciation percentage / estimated useful life	33% - 3 years

Assets are depreciated on a straight line basis

Note 4 - Quoted bonds

Financial instruments have been assessed at fair value.

The fair value has been set in accordance with the value observable in the market at the balance sheet date.

Quoted bonds:	Acquisition cost	This year change in value	Market Value
Hospitality Invest AS	62 000 000	0	62 620 000
Total	62 000 000	0	62 620 000

Funds:	Acquisition cost	This year change in value	Market Value
Valmue Private Debt	5 000 000	420 830	5 922 137
Total	5 000 000	420 830	5 922 137

Funds purchased/redeemed in 2024:

	Sale	Realized gain
Holberg Kreditt	54 956 000	1 633 932
Total	54 956 000	1 633 932

Note 5 - Financial income and expenses

	2024	2023
Financial income:		
Change in market value of financial current assets	420 830	2 565 674
Group contribution	1 082 552	1 726 910
Interest received from group companies	17 931 156	16 554 489
Other interest	8 073 067	14 715 353
Currency gain	41 114	15 485
Other financial income	0	425 714
Gain on sale quoted bonds	1 633 933	1 985 075
Total financial income	29 182 651	37 988 700
Financial expenses:		
Interest paid to group companies	729 156	528 229
Other interest	4 015 450	261 721
Currency loss	50 536	325 460
Write down of assets	3 949 926	0
Total financial expenses	8 745 068	1 115 410

Note 6 - Tax

Calculation of this years tax basis:

Net profit/loss before tax expense	18 454 660
+ Permanent differences	3 526 836
+ Changes in temporary differences	10 527
+ Received group contributions	1 082 550
- Paid group contributions	-19 585 325
= Income	3 489 248

This years income tax expense consist of:

Estimated tax of net profit	4 838 245
= Tax payable	4 838 245
+/- Change in deferred tax	- 509 327
= Total tax expense	4 328 918
Tax rate	22%

Current tax liability:

Tax payable	4 600 083
+/- Effect on tax of group contributions	-4 070 611
= Tax payable	522 935

Temporary differences:

	2024	2023	Change
Fixed assets	- 11 553	- 1 027	10 527
Quoted bonds and other financial instruments	1 542 137	3 846 730	2 304 593
Sum temporary differences	1 530 584	3 845 704	2 315 120
Deferred tax	336 728	846 055	509 326

Note 7 - Investments in subsidiaries

Subsidiaries are valued at cost in the company's accounts.

The company has shares in the following subsidiaries:

Subsidiary, office location:	Owner-ship %	Voting rights %	Net profit 2024 (100%)	Equity 2024 (100%)
Pioneer Preschools AS, Oslo	100,00 %	100,00 %	-1 912 423	46 124 169
Pioneer Property Group International AS, Oslo	100,00 %	100,00 %	469 789	8 865 765
Pioneer Hotel Properties AS, Oslo	100,00 %	100,00 %	793 023	352 797 552
Pioneer Retail Properties AS, Oslo	100,00 %	100,00 %	-819 186	79 613 952
Pioneer Property Development AS, Oslo	100,00 %	100,00 %	1 686 375	154 982 317
T10 Holdco AS, Oslo	52,00 %	52,00 %	-405 878	9 409 869
Norlandia Holding AS, Oslo	69,32 %	69,32 %	28 052 855	421 309 723

Note 8 - Bank deposits

Employees tax deduction, deposited in a separate bank account with total amount 31.12.24 NOK 257 896.

Note 9 - Other equity

	Share capital	Own Shares	Share premium Reserve	Share capital reduction not registered	Other equity	Total equity
Per 1.1	14 683 023	-987 966	555 636 899		550 061 290	1 119 393 245
Share cap. reduction				-155 072 74		-155 072 746
Ordinary result					1 112 741	1 112 741
Dividends					-58 805 870	--58 805 870
Per 31.12	14 683 023	-987 966	555 636 899	-155 072 746	492 368 162	906 627 371

Note 10 - Share capital

The company had 14 683 023 ordinary shares. An extraordinary general assembly were held in December 03. The reduction takes place through redemption of in total 3,284,048 ordinary shares each with a nominal value of NOK 1. The reduction takes place through redemption of the following ordinary shares: 1,642,024 ordinary shares, owned by Grafo AS (reg. no. 947 195 360); and 1,642,024 ordinary shares, owned by Eidissen Consult AS (reg. no. 916 524 552). After the redemption, the company has 10 898 975 shares with a book value NOK 1 per share, and total share capital is NOK 10 898 975.

The company have two classes of shares, ordinary shares and preference shares:

Class of shares	shares	Total value	Voting rights
Ordinary shares	6 466 386	6 466 486	Each share has 1 vote
Preference shares	4 868 553	4 868 553	Each share has 0,1 vote
Total	10 898 975	10 898 975	

The company's shareholders ordinary shares:

Shareholders	Ord. shares
Hospitality Invest AS	3 201 926
Klevenstern AS	1 549 214
Mecca Invest AS	1 549 219
Hi Capital AS	230 068

The company's largest shareholders pref.shares (>1%) :

Shareholders:	Pref.Shares
Pioneer Property Group ASA	-987 966
Skandinaviska Enskilda Banken AB	500 000
Nordnet Bank AB	382 109
Avanza Bank AB	370 110
The Bank of New York Mellon	292 714
Union Bancaire Privee	141 304
Danske Bank A/S	124 040
SIX SIS AG	113 000
Skandinaviska Enskilda Banken AB – Lux Branch	96 138
The Bank of New York Mellon	68 307
Nordnet Livsforsikring	63 767
Swedbank AB	59 667

Indirectly owned shares of executives in the company:

	Ordinary shares	Pref. shares
Roger Adolfsen (Chairman)	3 160 192	0
Ane Nordahl Carlsen (Board member)	311 985	0

Note 11 - Transactions with related parties

The company has various transactions with associated companies. All the transactions have been carried out as part of the ordinary operations and at arm's length prices. The most significant transactions are as follows:

Hospitality Invest AS, management fee NOK 3 473 524

Hospitality Invest AS, Other short-term receivables NOK 663 890

Independent Auditor's Report

To the General meeting of Pioneer Property Group ASA

Opinion

We have audited the financial statements of Pioneer Property Group ASA.

<p>The financial statements comprise:</p> <ul style="list-style-type: none">• The financial statements of the parent Company, which comprise the balance sheet as at 31 December 2024, income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and• The financial statements of the Group, which comprise the balance sheet as at 31 December 2024, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.	<p>In our opinion:</p> <ul style="list-style-type: none">• The financial statements comply with applicable statutory requirements,• The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.• The accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.
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Our opinion is consistent with our additional report to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.



We have been the auditor of Pioneer Property Group ASA for 10 years from the election by the general meeting of the shareholders on April 16th 2015 for the accounting year 2024 (with renewed election in 2021).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How the key audit matter was addressed in the audit
<p>Valuation of investment properties The Group's value of investment properties in the financial statements amounts to TNOK 2 643, equivalent to 74,8 % of the Group's total assets. Fair value adjustments of investment properties have a significant impact on the income statement and equity. The valuation of the properties is performed by an external valuer and is described in note 6 to the financial statements. The significant amount, the complexity and the judgements involved in the valuation, lead us to identify this as a significant area of the audit.</p>	<p>Our audit procedures included a detailed review of the valuation of the Group's investment properties. We assessed the external valuer's qualifications, competence and independence. We further compared the valuations and underlying assumptions with those provided from the external valuer and benchmarked them against observable market data. We ensured that the valuations were performed in accordance with applicable valuation principles and were appropriate for their intended purpose. We also reviewed and assessed the assumptions related to contract rent and market-based yield. To verify the accuracy of the valuation reports, we tested the underlying property data such as contract rent, lease duration, owner's cost and areal were consistent with supporting documentation performing the valuation of the investment properties.</p>

Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Opinion on the Board of Directors' report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Report on compliance with requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Pioneer Property Group ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name PPGASA-2024-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.



In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, March 27th 2025

BDO AS

A handwritten signature in blue ink, appearing to read 'Henning Dalsegg', with a stylized flourish at the end.

Henning Dalsegg
State Authorised Public Accountant

(This document is signed electronically)

GROUP WEB PAGES

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Pioneer Property Group ASA
www.pioneerproperty.no



PIONEER PROPERTY GROUP ASA
RÅDHUSGATA 23
0158 OSLO
NORWAY

WEB:
WWW.PIONEERPROPERTY.NO