



# HALF-YEARLY REPORT 2024

Brennemoen Hotel

## Highlights of the half-yearly 2024 report

- Contractual rental income for the first half of 2024 was MNOK 49.0 compared to MNOK 49.8 for the first half of 2023.
- Operating profit (EBIT) for the first half of 2024 was MNOK 44.1 compared to MNOK 61.6 for the first half of 2023.
- PPG paid two quarterly dividends to the holders of preference shares, in total NOK 5.00 per preference share. A dividend of NOK 6.09, in total MNOK 20.0 were paid to the ordinary shares held by Eidissen Consult and Grafo.
- The premises build for Ferda in Evenes was completed in April 2024.
- Thon Partner Forum Hotel Forum, which has been undergoing a renovation program in 2023/2024 at a cost of MNOK 70, is fully renovated and provides increased rent levels and is expected to generate an annual lease income of MNOK 15.
- 50% of the shares in a Joint Venture company owning an hotel in Tjøme was acquired in May. The hotel will undergo refurbishment in 2H 2024 and 1H 2025.

## Operations and strategy

Pioneer Property Group ASA (PPG) is an investment company with a real estate focus. The current real estate portfolio of PPG includes the following segments:

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

PPG will continue to invest in real estate within these segments and enter into long-term triple-net leases with leading operators. PPG's real estate portfolio at the end of first half of 2024 consisted of three properties in the Preschools segment, seven properties in the Retail properties segment, four properties in the Hotel properties segment, one office property in addition to six properties in the Property development segment. There have not been any movements during HY24 in this respect.

In addition, PPG now holds joint ventures of seven hotel properties.

## Key material events during the first half of 2024

During first half of 2024, PPG has declared quarterly dividends to the holders of preference shares in total NOK 5.00 per preference share. As per the articles of association \$5, the annual dividend to the holders of preference share is NOK 10.00 per preference share.

The first half of 2024 has also been strong for the hotel segment, as it were in 2023. Corrected for the sale of 50% of Köping and Strand Hotel in late 2023, the contractual rental income is in line with 2023 for the hotel segment and is expecting to stay strong throughout 2024.

On the other side, higher interest rates have increased interest cost for PPG and resulting in negative fair value adjustments for some properties, especially within the retail segment.

PPG established JV Havna Tjøme AS with Rica Eiendom AS. JV Havna Tjøme AS is regarded as an associate

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.

### Preschools

<b>Preschool (NOKt)</b>	<b>1H 2024</b>	<b>1H 2023</b>
Total Income	3 515	3 348
Fair value adjustment on investment properties	0	-4 500
Operating profit/loss (EBIT)	3 297	-1 526
Investment properties	106 500	111 500

The Preschool segment consists of three preschool properties owned by PPG, at Gaustadskogen and Tjuvholmen in Oslo and Fyllingsdalen in Bergen. Total lease income for the first half of 2024 for the Preschool segment amounted to MNOK 3.5 with a fair property value based on third party valuation of the properties owned by PPG per 30.06.24 of MNOK 106.5. There have been no material events for the segment for the first half of 2024.

### Retail Properties

<b>Retail Properties (NOKt)</b>	<b>1H 2024</b>	<b>1H 2023</b>
Total Income	17 457	16 197
Fair value adjustment on investment properties	-6 149	-14 642
Operating profit/loss (EBIT)	7 857	-1 193
Investment properties	478 222	447 500
Project in progress	1 079	700

Pioneer Retail Properties AS was established to procure and build facilities for retail properties, mainly for the Ferda group, all over Norway. The Retail Properties segment consists of 8 retail properties owned by PPG. Total lease income for the first half of 2024 for the retail properties segment amounted to MNOK 17.5 in 1H 2024, compared to 16.2 in 1H 2023, with a fair property value based on third party valuations per 30.06.24 of MNOK 478.2.

### Hotel Properties

<b>Hotel Properties (NOKt)</b>	<b>1H 2024</b>	<b>1H 2023</b>
Total Income	18 042	29 856
Fair value adjustment on investment properties	14 667	-13 079
Operating profit/loss (EBIT)	36 578	13 043
Investment properties	793 482	934 641
Project in progress	5 835	0

Hotel Properties segment consists of 4 hotel properties owned by PPG, and 7 properties recognized as associated companies, hence not included in the table above. Total lease income for the first half of 2024 for the Hotel Properties segment amounted to MNOK 18.0 in 1H 2024 compared to MNOK 29.9 in 1H 2023. The reduction is due to the sale of Köping and Strand to a joint venture company. The project in progress is related to zoning costs for Park Hotel in Voss. The fair property value for the hotel segment, based on third party valuations per 30.06.24, is MNOK 793.4.

The hotel lease agreements are triple-net in nature, while the lease income is derived from the highest of a minimum lease and a percent of the hotel turnover. The total annual minimum rent from the hotel properties is approximately MNOK 32. All of the hotel properties, except Forus Hotell, are rented out to Norlandia Hotel Group, who operates the hotels on franchise agreements with leading hotel brands. Norlandia Hotel Group is owned by Hospitality Invest AS.

Park Hotel Voss is scheduled for development of the whole property, adding additional hotel rooms to the project and possibly residential apartments. For the renovation and property development in Voss, the scope is yet not decided.

### Property Development

<b>Property Development (NOKt)</b>	<b>1H 2024</b>	<b>1H 2023</b>
Total Income	7 976	3 707
Fair value adjustment on investment properties	2 129	62 573
Operating profit/loss (EBIT)	5 684	63 893
Investment properties	348 034	350 525
Project in progress	51 283	27 169

Pioneer Property Development is developing general commercial real estate and housing. In January 2023, the development rights for the PPG acquired the development rights related to the property in Evenes Airport, close to the terminal. The property is now used for parking and the parking lot was in first half of 2024 expanded with additional 700 parking spaces, increasing the capacity by 100%.

The property east of E10 which was purchased in 2021, is now developing with the construction of premises for Tesla, to be finished in first half of 2025, generating a lease income of almost 5MNOK. The financing of the constructions is secured through a bank loan.

Other existing projects within the segments include a housing project of 400 – 450 units in Mo i Rana, also in Northern Norway with local partners. Evenes is being consolidated into the accounts whilst the project in Mo i Rana is treated as an associated company.

In Brennemoen nearby Mysen, PPG is working together with Dag Hvaring and Studio City Norway AS in order to develop a studio city, with film, tv-studios backlots etc. and potentially expanding the current hotel.

The segment consists of 6 development projects and the lease income is mainly related to outdoor parking at Evenes airport.

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

Fair value of the projects that are characterised as investment properties per 30.06.24 was MNOK 348.0. The fair value adjustments are mainly related to the development projects in Evenes. The Project in Progress has increased due to the building of premises for Tesla, and the zoning and development cost for Studio City.

## Office Properties

Office Properties (NOKt)	1H 2024	1H 2023
Total Income	2 172	1 856
Fair value adjustment on investment properties	-2 000	-5 095
Operating profit/loss (EBIT)	43	-4 628
Investment properties	59 000	65 000

The office property segment was established in 2023 as a result of the acquisition of Terminalveien 10 in Bodø together with local investors. Total lease income for the first half of 2024 for the segment amounted to MNOK 2.2 in 1H 2024 compared to 1.9 in 1H 2023, with a fair property value based on third party valuations per 30.06.24 of MNOK 59.0.

### Subsequent events since the end of the first half of 2024

No significant subsequent events has occurred since the end of first half of 2024.

### Overview of the financial accounts for the first half of 2024

Contractual rental income from the first half of 2024 was MNOK 49.0 compared to MNOK 49.8 for the first half of 2023. If we take the sale of Strand and Köping into consideration, the rent in first half of 2024 represents an increase of approximately 10%. The increase is related to rent income from the acquisition of new properties in 2023 and 2024 together with CPI-adjustments, combined with another strong first half year of revenue from the hotel operation, resulting in lease payments above the minimum rent.

Operating profit (EBIT) from continued operations for the first half of 2024 was a positive MNOK 44.1 compared to MNOK 61.6 for the first half of 2023. Profitability for the first half of 2024 was negatively impacted by fair value adjustments related to the retail segment of the portfolio. The decrease from 2023 is explained by lower fair value adjustments in 1H 2024 compared to adjustments 1H 2023, combined with increased interest expenses.

Gain from associated companies is due to positive result in the joint venture companies owning hotels and the investment in Norlandia Holding AS, which is held approximately 48% by PPG.

Net finance for the first half of 2024 amounted to a negative MNOK 27.3, compared to MNOK -19.3 for the first half of 2023. Net finance has been negatively impacted by interest expenses from new debt obtained. In 1H 2023, net finance was positively impacted of interest income from cash and deposits recorded in other financial income.

Profit for the first half of 2024 for total operations amounted to MNOK 14.5, compared to MNOK 39.3 for the first half of 2023, as explained above, the decrease from 2023 is due to a lower fair value adjustment in 1H 2024, compared to the fair value adjustment in 1H 2023.

At the end of the first half of 2024 PPG had total assets of MNOK 2,530.0 mainly compromised of MNOK 1,785.2 as investment property, investment in associated companies of MNOK 378.4, MNOK 84.2 in Hospitality Invest bonds and high yield funds and a cash balance of MNOK 56.8. Total equity amounted to MNOK 1,258.9 (1,369.8 in 1H 2023). At the end of the first half total borrowings amounted to MNOK 1.130,7 (1,080.3 in 1H 2023).

### Use of Alternative Performance Measures (APM)

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

APM amounts in NOK million	Explanation		1H 2024	1H 2023	1H 2022	1H 2021
EBIT	Earnings before interest and taxes		44 112	61 595	68 579	131 357
Weighted average gross yield	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 estimated contractual annualized rental income for the upcoming financial year divided by the market value as of balance sheet date.	Preschool	6,4%	5,6%	3,4%	3,2%
		Hotel	5,9%	6,4%	5,8%	6,0%
		Retail	7,7%	7,3%	6,1%	6,2%
		Office	7,9%	7,4%		
NOI	Net Operating Income, meaning contractual rental revenue from properties minus all reasonable direct property related expenses.		46 889	45 840	35 178	11 204
Market value of the property portfolio	The market value of the Groups investment properties		1 785 238	1 757 256	1 539 733	1 149 774
Effective leverage	Total interest bearing debt divided by total assets		45.9%	44.6%	33.7%	25.6%

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

## Responsibility statement

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

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

Oslo, 20 August 2024

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

## Consolidated Income Statement - Pioneer Property Group ASA

NOK thousand	Note	1H 2024	1H 2023	FY 2023
<b>Continuing operations</b>				
Contractual rental income		48 995	49 837	108 227
Other income		243	5 127	17 955
<b>Total income</b>	<b>2</b>	<b>49 238</b>	<b>54 964</b>	<b>126 182</b>
Employee expenses		4 271	3 559	7 258
Property expenses		2 106	3 997	7 416
Other operating expenses		7 396	11 070	18 360
<b>Total operating expenses</b>		<b>13 773</b>	<b>18 626</b>	<b>33 034</b>
Fair value adjustment on investment properties	2,3	8 647	25 257	-46 563
<b>Operating profit (EBIT)</b>		<b>44 112</b>	<b>61 595</b>	<b>46 586</b>
Gain/Loss from associated company		3 129	12 350	49 147
Interest income		3 962	10 862	29 372
Interest expenses	5	37 220	36 839	80 263
Other financial income	7,9	1 730	-5 721	-18 255
<b>Net Finance income (+) /expenses (-)</b>		<b>-28 398</b>	<b>-19 348</b>	<b>-19 999</b>
<b>Profit/(loss) before tax</b>		<b>15 714</b>	<b>42 247</b>	<b>26 587</b>
Income taxes		1 207	2 978	1 550
<b>Profit/(loss) for the period</b>		<b>14 507</b>	<b>39 268</b>	<b>25 037</b>
<b>Profit/(loss) discontinued operations, net of tax</b>				
<b>Profit/(loss) for the period, total operations</b>		<b>14 507</b>	<b>39 268</b>	<b>25 037</b>
<b>Consolidated Statement of Comprehensive Income - Pioneer Property Group ASA</b>				
<b>Other comprehensive income</b>				
Exchange differences, from translations of foreign operations		0	7 710	4 443
<i>Items to be reclassified to P&amp;L in subsequent periods:</i>				
Exchange differences associated company				
Exchange differences, from translation of foreign operations				
<b>Total comprehensive income</b>		<b>14 507</b>	<b>46 978</b>	<b>29 479</b>
<b>Total comprehensive income attributable to</b>				
Shareholders of the parent		16 881	24 740	19 238
Non-controlling interests		-2 374	22 238	10 241
<b>Profit/(loss) for the period</b>		<b>14 507</b>	<b>46 978</b>	<b>29 479</b>
<b>Earnings per share (NOK), continuing operations</b>				
Basic earnings per ordinary share		-0.26	0.54	-0.02
<b>Earnings per share (NOK), total operations</b>				
Basic earnings per ordinary share		-0.26	0.54	-0.02



## Consolidated Statement of Financial Position - Pioneer Property Group ASA

NOK thousands	Note	1H 2024	1H 2023	FY 2023
<b>Assets</b>				
Investment property	3	1 785 238	1 909 166	1 757 256
Project in progress, investment property		58 266	27 939	35 513
Other interest in property	10	986	9 910	986
Associated companies		377 294	111 644	372 663
Other investment	7	46 094	48 953	44 391
Loans to associated companies		64 282	28 282	72 523
Loans to other companies		3 710	29 796	6 736
<b>Total non-current assets</b>		<b>2 335 869</b>	<b>2 165 689</b>	<b>2 290 068</b>
Trade and other receivables		53 068	49 896	53 836
Other investment	7	84 155	128 298	117 576
Cash and cash equivalents		56 940	219 149	112 331
<b>Total current assets</b>		<b>194 163</b>	<b>397 342</b>	<b>283 743</b>
<b>Total assets</b>		<b>2 530 031</b>	<b>2 563 030</b>	<b>2 573 810</b>
<b>Equity and liabilities</b>				
Share capital		14 683	14 683	14 683
Own shares		-988	-988	-988
Share premium		555 637	555 637	555 637
Retained earnings		629 902	736 319	652 425
Non-controlling interest		59 453	64 187	61 827
<b>Total equity</b>	<b>4</b>	<b>1 258 687</b>	<b>1 369 838</b>	<b>1 283 583</b>
Borrowings non-current	5	1 090 813	891 926	925 924
Deferred tax		46 484	56 407	46 437
Other non-current liabilities			1 676	
<b>Total non-current liabilities</b>		<b>1 137 297</b>	<b>950 009</b>	<b>972 361</b>
Borrowings		39 836	188 387	223 195
Current tax payable		71	395	4 471
Other current liabilities		94 140	54 401	90 200
<b>Total current liabilities</b>		<b>134 047</b>	<b>243 183</b>	<b>317 866</b>
<b>Total liabilities</b>		<b>1 271 343</b>	<b>1 193 192</b>	<b>1 290 228</b>
<b>Total equity and liabilities</b>		<b>2 530 031</b>	<b>2 563 030</b>	<b>2 573 810</b>

## Consolidated Statement of Changes in Equity - Pioneer Property Group ASA

		Attributable to owners of the parent							
			Treasury		Currency	Retained		Non-	
<i>NOK thousands</i>	Notes	Share capital	shares	Share premium	translation	earnings	Total	controlling	Total Equity
<b>Balance at 1 January 2023</b>		14 683	-988	555 637	-4 443	744 047	1 308 936	<b>51 703</b>	<b>1 360 639</b>
Profit/(loss) for the period						14 796	14 796	10 241	<b>25 037</b>
Exchange differences from foreign operations					4 443		4 443		<b>4 443</b>
<b>Total comprehensive income for the period</b>					<b>4 443</b>	<b>14 796</b>	<b>19 238</b>	<b>10 241</b>	<b>29 479</b>
Capital reduction						-1 185	-1 185		<b>-1 185</b>
Transaction with non-controlling interests						-7 087	-7 087	-117	<b>-7 204</b>
Dividends on ordinary shares						-59 340	-59 340		<b>-59 340</b>
Dividends on preference shares						-38 806	-38 806		<b>-38 806</b>
Transactions with owners						-106 418	-106 418	-117	<b>-106 535</b>
<b>Balance at 31 December 2023</b>		<b>14 683</b>	<b>-988</b>	<b>555 637</b>	<b>-</b>	<b>652 424</b>	<b>1 221 757</b>	<b>61 827</b>	<b>1 283 583</b>
Profit/(loss) for the period						16 881	16 881	-2 374	<b>14 507</b>
Exchange differences from foreign operations							-		<b>-</b>
<b>Total comprehensive income for the period</b>						<b>16 881</b>	<b>16 881</b>	<b>-2 374</b>	<b>14 507</b>
Dividends on ordinary shares	4					-19 403	-19 403		<b>-19 403</b>
Dividends on preference shares	4					-20 000	-20 000		<b>-20 000</b>
Transactions with owners						-39 403	-39 403	-	<b>-39 403</b>
<b>Balance at 30 June 2024</b>		<b>14 683</b>	<b>-988</b>	<b>555 637</b>	<b>-</b>	<b>629 902</b>	<b>1 199 234</b>	<b>59 453</b>	<b>1 258 687</b>

## Consolidated Statement of Cash Flows - Pioneer Property Group ASA

<i>NOK thousands</i>	<b>Note</b>	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>31.12.2023</b>
<b>Cash flows from operating activities:</b>				
Profit before income tax total operations		15 714	42 247	26 587
<i>Adjustments for:</i>				
Fair value adjustments on investment property		-8 647	-25 257	46 563
Fair value adjustments on financial instruments		-966	-4 344	1 996
Other adjustments		0	11 942	20 865
Profit from associated companies		-3 129	-12 350	-49 224
Interest net	5	33 107	25 625	50 872
Taxes paid		-4 400	-9 142	-7 359
Exchange gains/(losses)			-1 524	-2 552
Gain on sale bonds/Bonds/shares/properties		-615	-375	-14 653
Changes in working capital:				
Trade receivables		-15 628	-21 261	-4 112
Trade payables		-9 058	-9 065	7 594
Other accruals		21 870	-2 038	-20 790
<b>Generated from operations</b>		<b>28 249</b>	<b>-5 544</b>	<b>55 785</b>
Interest received		4 312	5 241	16 057
Interest paid		-39 918	-31 500	-64 097
<b>Cash generated from operating activities</b>		<b>-7 356</b>	<b>-31 803</b>	<b>7 746</b>
<b>Cash flows from investing activities:</b>				
Proceeds from sale of shares		-30		52 853
Proceeds from sale of bonds and funds		35 000		15 000
Proceeds from loans to other companies		0	36 000	48 670
Loans to other companies		-1 500	-16 213	-4 213
Purchase / investment of subsidiaries / properties		-36 905	-109 718	-200 968
Purchase of shares		-3 205		
Purchase of shares in associated companies				-163 047
Purchase of bonds and funds			-5 000	-9 071
Proceeds from sale of properties			15 975	15 975
Net purchase of receivables/debt			-2 826	
Loans to associated companies				
Received dividend/repaid paid-in capital other shares			2 728	
Purchase of other items				-2 826
<b>Cash from investing activities</b>		<b>-6 640</b>	<b>-79 053</b>	<b>-247 627</b>
<b>Cash flows from financing activities:</b>				
Proceeds from debt to financial institutions		331 658	241 500	372 850
Proceed from other borrowings			8 995	
Repayments of debt to financial institutions		-241 850	-114 198	-189 202
Repayments other debt		-70 551	-42 405	-42 855
Payments to / from minorities		3 250		
Loans from other companies				24 880
Dividends on ordinary shares	4	-44 499	-10 041	-39 881
Dividends on preference shares	4	-19 403	-19 403	-38 806
<b>Cash from financing activities</b>		<b>-41 395</b>	<b>64 448</b>	<b>86 986</b>
<b>Change in cash and cash equivalents</b>		<b>-55 392</b>	<b>-46 408</b>	<b>-152 895</b>
Cash and cash equivalents at beginning of period		112 332	265 226	265 226
Exchange gains/(losses) on cash and cash equivalents		0	332	0
<b>Cash and cash equivalents at period end</b>		<b>56 940</b>	<b>219 149</b>	<b>112 332</b>

## Notes to the Financial Statements - Pioneer Property Group ASA

### Note 1: General information

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

The company's Board of Directors approved the condensed financial statements on 20 August 2024. The figures in the statements have not been audited.

The interim condensed consolidated financial statements for the first half of 2024, ending 30 June 2024, were prepared in accordance IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's 2023 annual report.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

### Note 2: Segments

The Group's main business is to own and manage Investment Properties and rent them out. The Group is considered to operate in 5 business areas: i) Preschools, ii) Hotel Properties, iii) Retail Properties, iv) Property Development and v) Office Properties. The segment Other includes mainly Pioneer Property Group ASA.

A split between the real estate segments are as follows:

<b>Segment 30.06.24</b>							
	<b>Preschool Properties</b>	<b>Retail Properties</b>	<b>Develop- ment properties</b>	<b>Hotels Properties</b>	<b>Office Properties</b>	<b>Other</b>	<b>Total</b>
Total Income	3 515	17 457	7 976	18 042	2 172	75	49 238
Fair Value Adjustment	0	-6 149	2 129	14 667	-2 000		8 647
Operating profit (Ebit)	3 297	7 857	5 684	36 578	43	-9 347	44 112
Investment Properties	106 500	478 222	348 034	793 482	59 000	0	1 785 238
Project in progress	0	1 079	51 283	5 835	0	69	58 266
Cash and Cash equivalents	4 149	8 681	24 209	8 543	606	10 752	56 940

<b>Segment 30.06.23</b>							
	<b>Preschool Properties</b>	<b>Retail Properties</b>	<b>Develop- ment properties</b>	<b>Hotels Properties</b>	<b>Office Properties</b>	<b>Other</b>	<b>Total</b>
Total Income	3 348	16 197	3 707	29 856	1 856		54 964
Fair Value Adjustment	-4 500	-14 642	62 573	-13 079	-5 095		25 257
Operating profit (Ebit)	-1 526	-1 193	63 893	13 043	-4 628	-7 993	61 595
Investment Properties	111 500	447 500	350 525	934 641	65 000	0	1 909 166
Project in progress		700	27 169			69	27 939
Cash and Cash equivalents	14 836	21 841	69 548	30 123	484	82 317	219 149

### Note 3: Investment Properties

The fair value of Investment Properties is evaluated semi-annually based on third party valuations. The Investment Properties are also subject to on-site inspections and/or technical evaluations from time to time. As of the end of first half 2024 reporting period, the weighted average gross yield for preschool properties is 6.4%, and the yield ranges from 5.0% to 6.7%. For the hotel segment, the gross yield ranges from 3.8% to 6.2%, with a weighted average gross yield of 5.9%. For the retail properties segment, the gross yield ranges from 6.9% to 8.8%, with a weighted average of 7.7%. For the office properties segment, the gross yield ranges from 7.2% to 9.4%, with a weighted average of 7.9%. As of the end of first half 2024 reporting period, the calculated weighted average gross yield for the investment property portfolio with running rental income was 6.8% against 6.7% first half 2023, based on expected annual contractual lease income of MNOK 96.8, expected inflation of 3% for 2024 and 2% normalized annual inflation and market rent at the end of lease period.

#### Overview of account movements 30.06.24

NOK thousand	Preschool Properties	Retail Properties	Development Properties	Hotel Properties	Office Properties	Group
Fair value in the beginning of the year	106 500	484 222	339 534	766 000	61 000	1 757 256
Addition:						-
-Investment in subsidiaries /properties		149	6 371	12 815		19 334
Sale						
Fair value adjustments on investment properties	-	6 149	2 129	14 667	2 000	8 647
<b>Fair value in the end of the year</b>	<b>106 500</b>	<b>478 222</b>	<b>348 034</b>	<b>793 482</b>	<b>59 000</b>	<b>1 785 238</b>
Net change in unrealized gain	-	6 149	2 129	14 667	2 000	8 647

#### Overview of account movements 30.06.23

NOK thousand	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
Addition:						0
-Investment in subsidiaries /properties		1 142	76 056	16 348	95	93 641
Effect of currency exchange differences in foreign operations				7 343		7 343
Sale			-15 784			-15 784
Fair value adjustments on investment properties	-4 500	-14 642	62 573	-13 079	-5 095	25 257
<b>Fair value in the end of the year</b>	<b>106 500</b>	<b>438 000</b>	<b>385 756</b>	<b>766 000</b>	<b>61 000</b>	<b>1 909 167</b>
Net change in unrealized gain	-4 500	-14 642	62 573	-13 079	-5 095	25 257

### Note 4: Share capital and shareholder information

The company's preference shares confer a preferential right over ordinary shares to an annual dividend of NOK 10.00 per preference share. Dividend payments are made quarterly with NOK 2.500 per preference share, subject to approval by the Board of Directors on quarterly basis. The Annual General Meeting has given the Board of Directors authorization to approve distribution of dividend on the preference shares.

Over the first half of 2024 PPG paid a total dividend to holders of preference shares of NOK 5.00 per preference share. Further PPG paid a dividend to the holders of the ordinary shares in total of NOK 3.046 per ordinary share distributed to the ordinary shares held by Eidissen Consult AS and Grafo AS.

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

The company has 9,814,470 ordinary shares and 4,868,553 preference shares. There has been no changes from financial

## Note 5: Borrowings

Interest-bearing liabilities and available cash and cash equivalents constitute the capital of the Group. At 30.06.2024 PPG had external borrowings with the following maturity profile:

### Maturity of financial liabilities at the end of the period:

	30.06.2024				
<i>NOK thousand</i>	<1y	1y-2y	2y-5y	>5y	Total
Borrowings	81 016	51 672	532 454	499 259	1 164 401
Interest on borrowings	87 443	78 877	158 544	322 088	646 952
Other current liabilities	46 025				46 025
Interest on other current liabilities					-
<b>Total</b>	<b>214 483</b>	<b>130 549</b>	<b>690 998</b>	<b>821 347</b>	<b>1 857 378</b>

	30.06.2023				
<i>NOK thousand</i>	<1y	1y-2y	2y-5y	>5y	Total
Borrowings	189 117	125 865	506 672	244 528	1 066 182
Interest on borrowings	61 804	57 902	111 670	113 100	344 476
Other current liabilities	34 545				34 545
Interest on other current liabilities					0
<b>Total</b>	<b>285 466</b>	<b>183 767</b>	<b>618 342</b>	<b>357 628</b>	<b>1 445 203</b>

<i>NOK thousand</i>	30.06.2024	30.06.2023
<b>Non-current</b>		
Commercial bank loans	1 054 925	856 955
Other loans	28 461	20 111
<b>Total</b>	<b>1 083 386</b>	<b>877 066</b>

<i>NOK thousand</i>	30.06.2024	30.06.2023
<b>Current</b>		
Commercial bank loans	39 551	98 945
Other loans	41 464	90 171
<b>Total</b>	<b>81 016</b>	<b>189 116</b>

<i>NOK thousand</i>	30.06.2024	30.06.2023
<b>Total non-current and current</b>		
Commercial bank loans	1 094 476	955 900
Other Loans	69 925	110 282
<b>Total</b>	<b>1 164 401</b>	<b>1 066 182</b>

## Note 6: Related-party transactions

### Related party:

<i>NOK in thousand</i>	<b>30.06.2024</b>	<b>30.06.2023</b>
Rent revenue from Norlandia Health & Care Group AS including subsidiaries	3 593	3 825
Rent revenue from Ferda Norge AS	17 671	16 171
Rent revenue from Norlandia Hotel group	24 492	24 856
Rent revenue from BG Entreprenør AS	1 214	0
Consultant fee from Up North Hospitality Invest and Hi Capital AS	678	451
Fee from NHG Development AS regarding refurbishment (subsidiary of Hospitality Invest AS)	9 699	11 247
Management fee from Hospitality Invest AS	1 867	1 888
Consultant fee to Oslo Corporate Holding AS	480	450
Construction services from B-G Entreprenør AS (subsidiary of Hospitality Invest AS)	0	6 761
Management fee from RJW Holding AS	527	334
Loan to related parties	-	14 000
Paid debt to related parties	3 342	0
Interest received from related parties	3 410	3 410
Interest paid to related parties	356	0
Purchase of shares and properties from related parties	0	18 242

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

## Note 7: Fair value adjustments financial assets

Per 30.06.2024, the financial assets are measured at fair value based on third party valuations or brokers quotes, except for Hospitality Invest which is measured at last reported trade date.

### **Bonds/Funds/Shares:**

<i>NOK thousand</i>	1) Bonds	1) Funds	2) Hospitality invest AS	2) Pancom AS	Other investment	Total
Fair value in the beginning of the year	62 620	54 956	13 650	30 741	0	161 967
Purchase in 2024				1 703		1 703
Sold in 2024	-	35 000				35 000
Repaid capital						0
Currency adjustments						0
Fair value adjustments	155	1 424	0			1 579
<b>Fair value 30.06.24</b>	<b>62 775</b>	<b>21 380</b>	<b>13 650</b>	<b>32 444</b>		<b>130 249</b>

<i>NOK thousand</i>	1) Bonds	1) Funds	2) Hospitality invest AS	2) Pancom AS	Other investment	Total
Fair value in the beginning of the year	62 000	56 954	18 212	30 741		167 907
Purchase in 2023		5 000				5 000
Sold in 2023						0
Repaid capital						0
Currency adjustments						0
Fair value adjustments	893	3 451				4 344
<b>Fair value 30.06.23</b>	<b>62 893</b>	<b>65 405</b>	<b>18 212</b>	<b>30 741</b>		<b>177 251</b>

**Note 8: Companies bought/established in 2024**

The Group has during the first half of 2024 acquired or established the following companies:

JV Havna Tjøme AS (50%)

**Note 9: Other financial gains/-losses**

*Other financial gains/losses*

<i>NOK thousand</i>	<b>1H 2024</b>	<b>1H 2023</b>
Currency gain/loss	116	1 524
Gain on sale shares		
Gain on sale bonds		
Changes in fair value	1 579	-7 598
Other financial income	37	437
Other financial expenses	-1	-85
Total	1 730	-5 721

**Note 10: Other interest in property**

A non-financial asset "Other interests in property" is included in the consolidated financial statements reporting for the first half of 2024. It is related to a right, but not the obligation to acquire land. The cost of these options are recognised when they meet the definition of an asset (with probable economic benefits and reliable measurement), and they represent the right, but not the obligation to acquire land. The assets are measured at their cost and are regularly reviewed for impairment.

The acquisition of Brennemoen Eiendom in 2022 included rights to purchase land in Mysen close to Brennemoen Hotel. The option agreement were entered into 3.7.2014 and the options can be exercised within 31.12.2024.

**Note 11: Subsequent events**

The Board of Directors in Pioneer Property Group ASA has approved a dividend of NOK 2.500 per share to the holders of preference shares and for the third quarter of 2024.





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