



public property invest

**2024**

**ANNUAL REPORT**

# Table of content

<b>This is PPI</b>	<b>4</b>
Portfolio highlights	5
<b>The year in brief</b>	<b>6</b>
Key figures	8
Words from the CEO	10
<b>The business</b>	<b>12</b>
Strategy	12
The property portfolio	14
Lease structure and letting activity	18
Transactions	21
Funding	22
The share and shareholders	24
Risk management	26
Senior Executives	36
<b>ESG</b>	<b>38</b>
Environment	48
Social	54
Governance	60
<b>From the Board room</b>	<b>72</b>
Board of Directors	72
Board of Directors report	74
<b>Financials</b>	<b>80</b>
Consolidated financial statements	82
Parent company financial statements	116
Auditor's report	126
Alternative performance measure	131
<b>Appendices</b>	<b>134</b>
The property portfolio	134
Definitions	137

This report presents an overview of our 2024 results, our achievements and our progress.

# This is Public Property Invest

## //Portfolio Highlights

**72**

Properties

**92%**

Government tenants

**97%**

Occupancy rate

**774m**

(NOK) Normalised GRI

**1 984**

(NOK) GRI/BTA

**395k**

sqm. BTA

**110k**

sqm. Development potential

**10.9bn**

(NOK) Portfolio value

**27.6k**

(NOK) Property Value/BTA

**5.1**

Years WAULT

**6.5%**

Net Yield

**27.2**

(NOK) EPRA NRV per share

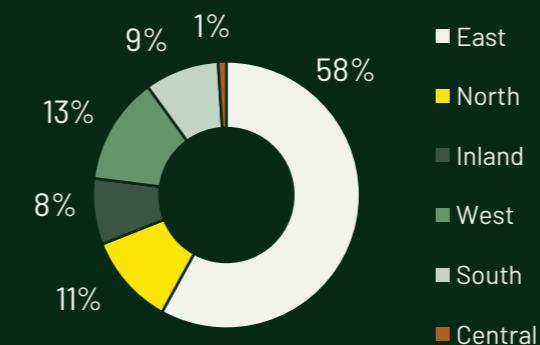
Public Property Invest (PPI) is a sustainable owner, operator and developer of social infrastructure properties. The Group owns a large and diversified portfolio of centrally located properties in cities in the Nordics. PPI's business is characterised by solid tenants from the Norwegian government and local municipalities, such as the police, judiciary functions and public health organisations, on long lease contracts.

PPI's tenants fulfill crucial societal functions. PPI's mission is to do deliver as good service to our tenants, as they do for our society.

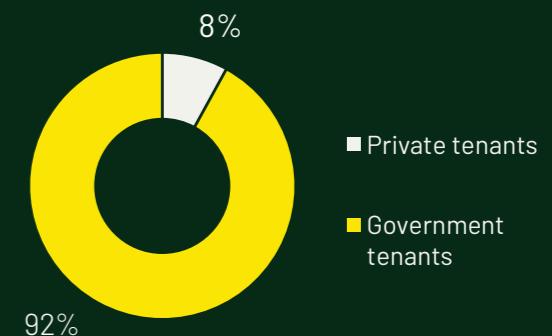
As of 31 December 2024, the property portfolio consisted of approximately 395 000 square meters across 72 properties with an annualised run rate rental income of NOK 774 million and an aggregate book value of around NOK 10.9 billion. PPI's property portfolio is close to fully let with an occupancy rate of around 97 per cent, and the public sector represents 92 per cent of total rental income.

The PPI team consists of 22 highly competent resources who aim to deliver with quality and with intrinsic motivation to create value for its tenants, owners and for the environment. Public Property Invest is listed on Euronext Oslo Børs with the ticker PUBLI.

### Geographical distribution



### Tenant distribution



# The year in brief

## First half of 2024

The first half year of 2024 was eventful for PPI, and the Group went through a major transformation. During this time, the Group acquired a large portfolio of properties from SBB Samfunnsbygg AS (SBB), refinanced a substantial part of its long-term debt and listed the Group's shares on Euronext Oslo Børs, all in a binary transaction in April.

In brief, PPI acquired 13 properties from SBB with settlement in shares in PPI for a net purchase price of approximately NOK 1 191 million. The corresponding property value was approximately NOK 1 640 million, determined as the average gross property value of the SBB Properties (including development potential) pursuant to external valuations carried out by Newsec AS and Cushman & Wakefield Realkapital AS as of 31 December 2023.

The Group also made a successful initial public offering with cash proceeds to the company of NOK 1.5 billion, which was partly used to refinance debt and partly held as cash for future transactions. The Group's shares were listed on Euronext Oslo Børs in April 2024. After the completion of these transactions the Group's Total assets increased from NOK 8.5 billion to NOK 11.0 billion as of 30 June 2024. EPRA LTV was reduced from 65.1 per cent to 45.5 per cent, and the total equity increased by 87 per cent from NOK 2.8 billion to NOK 5.3 billion.

In connection with the IPO, a new Board of Directors was established. The Group also established a professional in-house organisation by transfer of employees from SBB in Norway.

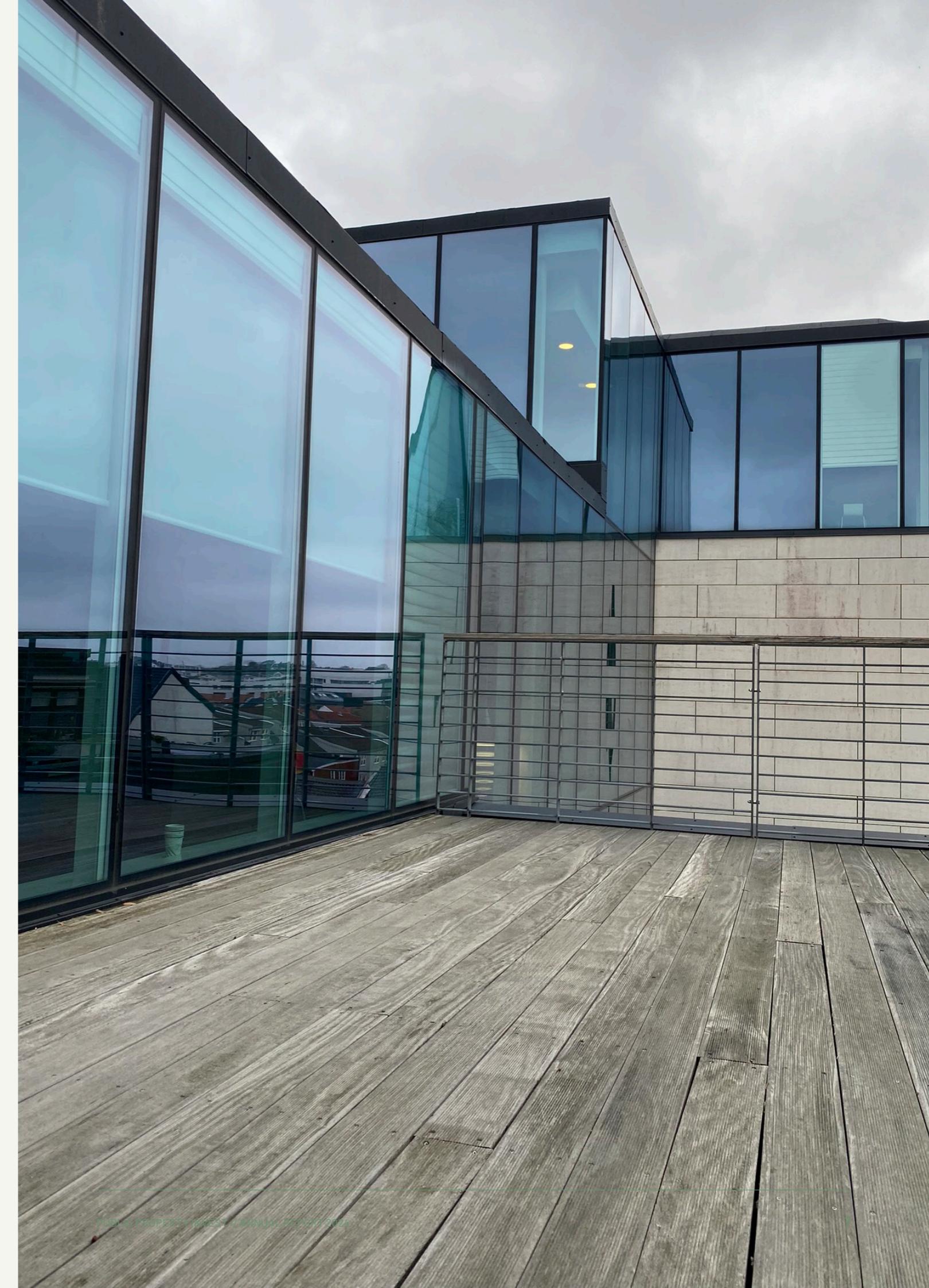
## Second half of 2024

In connection with the IPO, PPI communicated a clear strategy of becoming a leading consolidator of social infrastructure properties and aim to pursue an opportunistic growth strategy focused on value accretive transactions.

During the second half PPI has delivered on this strategy and acquired the following properties:

- Jærveien 33 in Sandnes/Stavanger with a triple net lease with Municipality of Sandnes for a total property value of NOK 139 million. The property is 4 700 square meters and is fully let to the Municipality of Sandnes.
- Rigidalen 5 in Kristiansand for a total property value of NOK 160.8 million. The property is 6 300 square meters and is fully let, of which 83 per cent to the Norwegian Roads Administration.
- A portfolio of eight pre-schools for a total property value of NOK 182.5 million. The properties total approximately 6 750 square meters and are fully let to Læringsverkstedet.
- 82.6 per cent of the shares in the Njord syndicate Bergen Etatbygg AS, which owns the property Strandgaten 229 in Bergen. The transaction was based on a total property value of NOK 330 million. The property is approximately 8 750 square meters and is fully let to the government agency Directorate of Fisheries.

In November PPI launched an EUR 2 billion Euro Medium Term Note Program and placed its first EUR 300 million senior unsecured bond. PPI was also assigned a BBB Investment Grade rating from Fitch.



## Key Figures

Property related key figures	2024	2023
Number of properties	72	48
Lettable area (thousand square meters)	395	307
Occupancy rate % <sup>1)</sup>	97 %	98 %
Yield % - normalised	6.53 %	6.39 %
Financial key figures, amounts in NOK million	2024	2023
Rental income	662	575
Net operating income	598	501
Net realised financials	(261)	(247)
Net income from property management	270	223
Profit (loss) before tax	73	(969)
Net profit (loss)	13	(900)
Fair value of the Investment properties portfolio	10 880	8 336
Net debt <sup>2)</sup>	5 078	5 430
LTV (%)	42.6%	65.1%
EPRA LTV (%) <sup>2)</sup>	46.7%	65.1%
Net debt / Run rate EBITDA	8.0	10.7
Interest coverage ratio (multiples) <sup>3)</sup>	2.0	1.9
Data per share, amounts in NOK per share	2024	2023
Number of shares end of period	215 103 825	71 931 660
EPRA Earnings per Share <sup>3)</sup>	0.89	2.03
EPRA NRV <sup>3)</sup>	27.18	40.58
Share price end of period <sup>4)</sup>	17.57	
Share price <sup>4)</sup> / EPRA NRV <sup>3)</sup>	0.65	

1) See the section "Definitions" for definition of occupancy. The Group has changed calculation method for Occupancy rate % from Q3 2024, comparative figures are recalculated based on this method.

2) As calculated in EPRA LTV, refer to section concerning "Alternative performance measures" for calculation of the key figure.

3) Refer to section concerning "Alternative performance measures" for calculation of the key figure.

4) Intraday volume-weighted average price (VWAP).

## Normalised annual run rate

Run rate figures below are presented on a 12 months basis from period end.

Amounts in NOK million	Year end 2024
Rental income <sup>1)</sup>	774
Other income	0
Property expenses	(77)
<b>Net operating income</b>	<b>698</b>
Administration expenses	(80)
Reimbursed property management fee <sup>2)</sup>	16
<b>Run rate EBITDA</b>	<b>633</b>
Net realised financials <sup>3)</sup>	(291)
<b>Net income from property management</b>	<b>342</b>
<b>Net income from property management per share (NOK)</b>	<b>1.59</b>
<b>Net debt/Run rate EBITDA</b>	<b>8.0</b>

1) Based on signed agreements at period end. Not including new properties acquired after period end. Rents are CPI adjusted according to specifications in lease agreements.

2) PPI receives reimbursement of property management fees from management of properties not owned by the Group. The organisation in PPI manages SBB's remaining Norwegian portfolio as well as Nordicus AB's Norwegian portfolio.

3) Based on interest rates for existing debt and interest rate derivatives by end of 31.12.2024. Does not include amortisation of capitalised borrowing cost.

The run rate rental income for PPI is total annualised contract rent as of 31 December 2024 for properties owned by the Group at year end. The run rate rental income includes the blended CPI indexation for 2024 that will apply from 1 January 2025. Annualised rental income increased by NOK 157.5 million as a result of acquisitions during the year.

The normalised run rate expenses are operative targets in the medium to long term, and not for any particular financial year. Net realised financials are based on interest rates and swap agreements after refinancing carried out during 2024. Net realised financials do not include amortisation of capitalised borrowing costs.

# Full speed ahead

2024 has been an eventful year for PPI, marked by significant progress. In April we raised NOK 1.5 billion in a successful IPO, listed PPI's shares on Euronext Oslo Børs and established a new and professional organisation.

Since the IPO, we have also refinanced most of our outstanding debt at more attractive terms. We also obtained a BBB Investment Grade rating with stable outlook from Fitch, confirming the quality of our portfolio, tenants and cash flows. We have acquired a total of 24 properties during the year and renewed and extended lease contracts with NOK 103 million in annual rent, thus leaving our occupancy rate at 97 per cent and portfolio WAULT at 5.1 years as of year-end.

As of 1 January 2025, I assumed the role as the CEO of PPI. I look forward to continue building on our strategy to be a sustainable and preferred owner, operator and developer of

social infrastructure properties in the Nordics. We have a great team in place, and we will continue pursuing an opportunistic growth strategy focused on value accretive transactions, while maintaining a conservative balance sheet.

#### **The market**

Geopolitical tension continues to impact us globally, making the macro-outlook difficult to navigate. PPI should however provide a safe haven as the portfolio is 97 per cent let on long lease contracts, of which 92 per cent to the government sector.

The transaction market seems to be picking up, albeit slowly. Total transaction volume in



**PPI operates a steady business with quality tenants on long leases. Our properties house essential social infrastructure functions like police stations, courts, schools and public health facilities.**

the Norwegian market ended approximately NOK 70 billion in 2024, versus NOK 56 billion in 2023 and NOK 161 billion in the top year 2021. Valuations seem to have started to slowly pick up again and we were pleased to see positive value revisions of 2.1 per cent in the fourth quarter of 2024.

#### **Operations**

PPI operates a steady business with high-quality tenants on long leases. Our properties house essential social infrastructure functions like police stations, courts, schools and public health facilities. We had a solid year on the letting side, renewing lease contracts with a total annual rent of NOK 103 million in 2024.

#### **Financing**

We have taken significant steps towards improving our financing structure and terms. We have obtained a BBB Investment Grade rating from Fitch, established a EUR 2 billion EMTN Programme and issued a EUR 300 million bond. We have also repaid a significant portion of our outstanding secured bank loan, releasing almost NOK 6 billion of previously secured assets. These transactions increased the maturity

profile of our debt portfolio to 4.4 years and our average interest rate decreased to 5.18 per cent as of 31 December 2024.

#### **Sustainability**

In PPI we work systematically together with our tenants to address issues related to climate change. In 2024, we managed to reduce the portfolio's energy consumption per square meter by 7 per cent. We also focus on using low-carbon and/or re-used materials in our development projects. In the fourth quarter we finalised a refurbishment project in Statens Park which in a life cycle perspective is estimated to give 78 per cent lower CO2 emissions than a comparable new build project.

#### **Outlook**

We continue to deliver strong operational performance. Our operations are steady and long-term, and our customer base provides low exposure to macro-economic fluctuations.

We have delivered a strong cash-flow from operations (adjusted for non-recurring cost related to the IPO process) of NOK 574 million in 2024, up from 437 million in 2023. The company continues to have positive net letting

We continue to deliver strong operational performance. Our operations are steady and long-term, and our customer base provides low exposure to macro-economic fluctuations.

and we have completed several transactions, with more to come.

The BBB investment grade rating and our EMTN program are supporting our diversification of funding with lower financial expenses to follow.

As of 31 December 2024, EPRA NRV was NOK 27.2 per share, up from NOK 26.0 per share as of 30 June 2024.

Finally, and as emphasised during the IPO process, PPI is a dividend company and our Board is proposing a dividend of NOK 0.50 per share for 2024, split in four quarterly payments. NOK 0.10 per share to be paid in June and October 2025 and NOK 0.15 per share to be paid in January and April 2026.

André Gaden  
CEO

# Strategy

Public Property Invest ASA (PPI) is a Norwegian property company with a long-term strategy of owning, operating and developing social infrastructure properties in a sustainable manner.

PPI's portfolio mainly consists of community service properties with public-sector tenants, centrally located in significant cities in Norway. The properties house functions of essential importance to society such as police stations, courts, health and other public services. PPI offers high-quality and specially adapted premises that enable our tenants to fulfil their social mandate. PPI's property portfolio is close to fully let with an occupancy rate of 97 per cent as of 31.12.2024.

Sustainable property management is an integral part of PPI's business, and PPI aims to be a responsible owner, operator and developer of real estate, with the Norwegian government and local municipalities as tenants.

PPI has a dedicated strategy for further growth. The Group has a solid balance sheet and aims to continue consolidating the market to further strengthen the position as a leading provider of social infrastructure properties.

# How we build value

Our business strategy is focused on maximizing return to our shareholders. We have pinpointed eight focus areas that we believe will elevate the Group's overall value and also builds a resilient and sustainable real estate company that align with the best interests of our tenants and local communities.



Ensure cash flow by extending lease contracts



Accretive property transactions



Preserve values and increase the standard of the properties



Utilise economies of scale



Progress development portfolio



Build brand and trust with shareholders, tenants and the market



Optimise capital structure and costs of financing



Sustainable portfolio and operations

## Our values

Our values are presence, quality and value creation. These values define how we deliver to and interact with our tenants, owners, suppliers, partners and society in general.

### Presence

Presence ensures understanding, seamless operation, expectation management, transparency, insight and access. We commit to think with both our heads and our hearts, by making sound choices with a clear conscience.

### Quality

We are passionate about the quality of our buildings, and the experiences the buildings provide for their users. We are also passionate about the quality of our tenants. We believe that quality builds trust.

### Value creation

We create value for our tenants, their employees and guests, our owners and local communities. Our buildings are particularly valuable for society, because they are home to multiple organisations that form the very fabric of Norwegian democracy and the welfare state.

# The property portfolio

As of 31 December 2024, the property portfolio consisted of approximately 394 569 square meters across 72 properties, with an annual run rate rental income of NOK 774 million. Public sector tenants represented 92 per cent of the total rental income, and the portfolio occupancy rate was 97 per cent. The Group has a diversified portfolio where the median asset accounts for merely one per cent of the total portfolio value, and no asset accounts for more than seven per cent.

The Group uses external valuations to determine the market value of its properties on a quarterly basis. The portfolio valuations as of year-end were performed by the independent appraiser Cushman & Wakefield and were carried out in accordance with generally accepted international valuation methods.

The total market value of PPI's 72 properties amounted to NOK 10 880 million on 31 December 2024.

## Portfolio key figures

Segment	Number of properties	Square meters	Market value (NOK million)	Rental income (NOK million)	Occupancy (%) <sup>1)</sup>	Vault (years)
Central	2	4 474	109	6	64.0 %	13.2
East	34	225 488	6 193	430	95.9 %	4.4
Inland	8	40 065	894	78	99.7 %	4.9
North	11	42 745	1 128	84	96.6 %	7.4
South	4	29 241	953	72	100.0 %	3.1
West	12	48 118	1 417	104	99.2 %	6.9
<b>Sum Management portfolio</b>	<b>71</b>	<b>390 131</b>	<b>10 694</b>	<b>774</b>	<b>96.8 %</b>	<b>5.1</b>
Development Sites <sup>2)</sup>	1	4 438	187			
<b>Sum Property portfolio</b>	<b>72</b>	<b>394 569</b>	<b>10 880</b>	<b>774</b>	<b>96.8 %</b>	<b>5.1</b>

1) See the section "Definitions" for calculation of occupancy.

2) Development sites include development potential for properties within the management portfolio and properties defined as development sites.



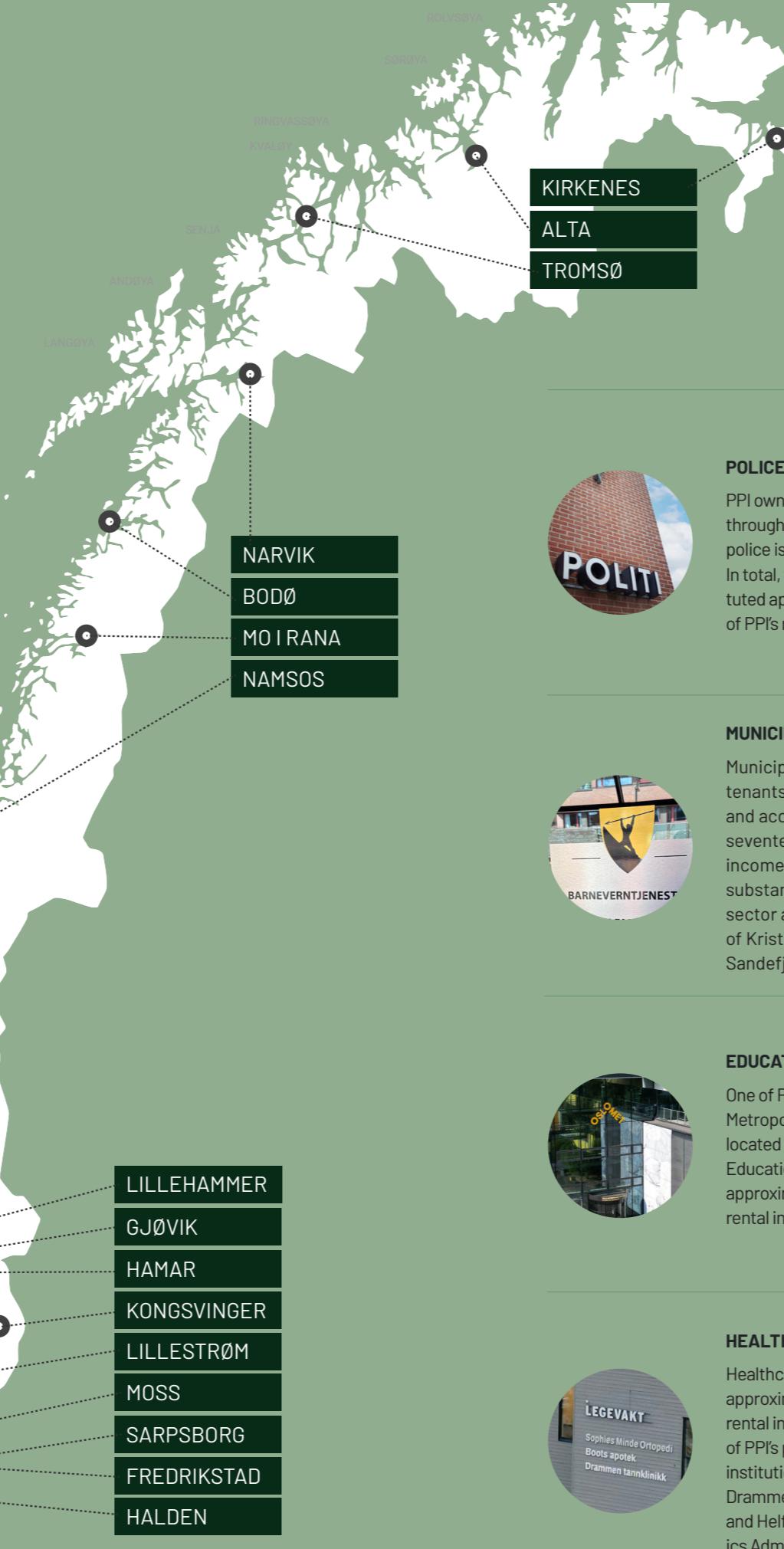
# Geographic presence

72 properties centrally located in 31 cities

Geographical distribution as of year-end 2024:

**58%** in Eastern Norway  
**13%** in Western Norway  
**11%** in Northern Norway  
**9%** in Southern Norway  
**8%** in the Inland  
**1%** in Central Norway

(Calculations based on property value)



## Our tenants

### POLICE

PPI owns 18 local police stations throughout Norway, which makes the police is PPI's largest tenant group. In total, the Norwegian police constituted approximately nineteen per cent of PPI's rental income as of year-end.



### COURTS OF NORWAY

Local court houses constitute a significant tenant base for PPI. The Group owns 12 court houses throughout Norway. In total they constituted approximately eight per cent of PPI's rental income as of year-end.



### MUNICIPALITIES

Municipalities across Norway are tenants in 18 of PPI's properties and accounted for approximately seventeen per cent of PPI's rental income as of year-end. The most substantial leases PPI has in this sector are with the municipalities of Kristiansand, Fredrikstad and Sandefjord.



### NORWEGIAN LABOUR AND WELFARE ADMINISTRATION (NAV)

The Norwegian Labor and Welfare Administration(NAV) is a tenant in seven of PPI's properties and constituted approximately six per cent of PPI's rental income as of year-end.



### EDUCATION

One of PPI's largest tenants is Oslo Metropolitan University(OsloMet) located on Kjeller/Lillestrøm. Educational institutions constituted approximately eight per cent of PPI's rental income as of year-end.



### NORWEGIAN TAX ADMINISTRATION

The Norwegian Tax Administration is a tenant in six of PPI's properties , representing approximately six per cent of PPI's rental income as of year-end.



### HEALTHCARE INSTITUTIONS

Healthcare institutions constituted approximately eight per cent of PPI's rental income as of year-end. Nine of PPI's properties house healthcare institutions, of which Vestfold Hospital, Drammen Hospital's emergency room and Helfo(The State's Health Economics Administration) are the largest.



### OTHER GOVERNMENT AGENCIES

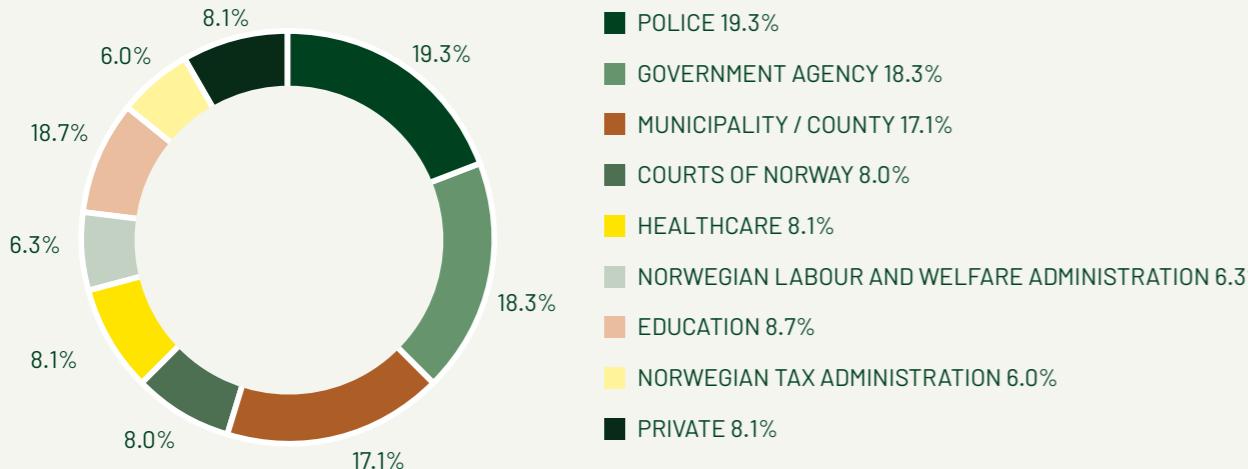
PPI has 17 different government agencies such as the Norwegian Labor Inspection Authority, The Norwegian Directorate for Children, Youth and Family Affairs and The Norwegian Road Administration as tenants in its properties. In total they constituted approximately eighteen per cent of PPI's rental income as of year-end.



# Lease structure and letting activity

The Group's property portfolio consists primarily of social infrastructure properties located in cities across Norway. PPI's business is characterised by strong tenants within the public sector, such as the police, judiciary functions, universities, and public health facilities, on long lease contracts and with a high occupancy rate. The majority of the buildings in the portfolio are single-use buildings. Tenants categorised as Private, consist mainly of parking leases, law firms, accounting firms, banks, insurance companies and grocery stores.

## Rental Income per sector



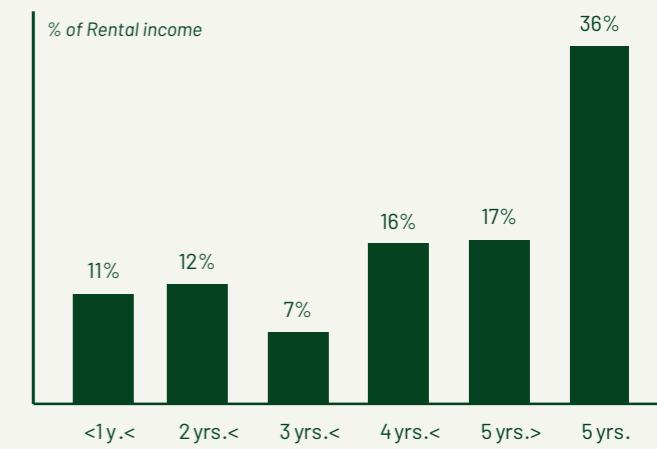
## Distribution of leases

Share of contractual rental income	Rental income (NOK million)	Rental income (Share %)	Number of leases	Average rental income (NOK million)	WAULT
> 2%	204	26%	7	29	3.8
1-2%	276	36%	28	10	4.9
< 1%	294	38%	167	2	6.1
<b>Sum</b>	<b>774</b>	<b>100%</b>	<b>202</b>	<b>4</b>	<b>5.1</b>

To reduce the risk of lower rental revenue, PPI endeavours to create long-term relationships with the Group's different tenants. Current WAULT in the portfolio is 5.1 years, with an evenly distributed lease maturity profile for the coming years.

## Expiration of contracts

Year of expiry	Area (sqm)	Rental income (NOK million)	Share of rental income
2025	51 436	87	11%
2026	33 748	79	10%
2027	31 062	67	9%
2028	52 771	126	16%
>2028	195 227	415	54%
Development area	4 438		
Vacant area	25 887		
<b>Sum</b>	<b>394 569</b>	<b>774</b>	<b>100%</b>



## Letting activity in 2024

During 2024 PPI signed new and renegotiated leases with an annual rent totaling NOK 103 million and 51 000 square meters.

The largest contracts were:

- Renegotiated 5-year lease contract with Ministry of Education for 27 000 square meters in Kunnskapsveien 55 in Lillestrøm
- New 10-year lease contract with NAV (Norwegian Labour and Welfare Administration) for 5 920 square meters in Gyldenløves gate, Kristiansand
- Renegotiated 6-year lease contract with Stavanger Municipality for 2 290 square meters in Tingga 8 in Stavanger
- Renegotiated 10-year lease contract with Courts of Norway for 2 180 square meters in Sigvat Skalds gate 3 in Sarpsborg
- Renegotiated 5-year lease contract with The Police for 1 740 square meters in Fjørevegen 20 in Sogndal
- Renegotiated 20-year lease contract with Courts of Norway for 1 560 square meters in Jul Pettersens gate 2 in Lillehammer
- Renegotiated 5-year lease contract with Porsgrunn Municipality for 1 500 square meters in Rådhusgata in Porsgrunn

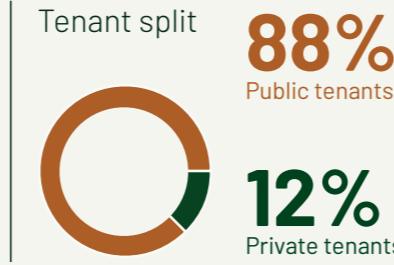
### Extended lease holds in 2024

**19 extended lease holds**

**44 929**  
Gross area (sqm)

Average lease term

**5.83 Years**  
Recurring annualised rent



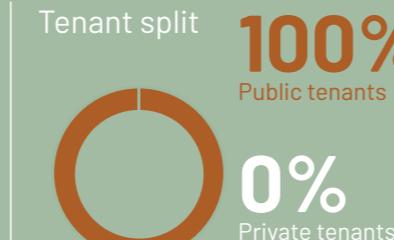
### New lease holds in 2024

**3 new lease holds**

**6 464**  
Gross area (sqm)

Average lease term

**9.8 Years**  
Recurring annualised rent



## Transactions

Public Property Invest aims to be a leading consolidator and to pursue an opportunistic growth strategy focused on value accretive transactions, while at the same time maintaining a low-risk profile in order to attract competitive debt-funding and allow for a predictable dividend payment strategy going forward. PPI actively seeks to increase its portfolio size and quality and focus on community service properties with public sector tenants, centrally located in significant cities in the Nordics. Leveraging a vast broker and investment banking network, PPI has refined its capability in off-market deal sourcing. This is considered a strategic advantage and enables PPI to navigate ahead of prevailing market trends and seize exclusive opportunities.

During 2024 PPI acquired 13 properties in the second quarter and 11 properties during the fourth quarter. Annualised rent for these properties is NOK 157.5 million and the WAULT for the acquired properties is 7.3 years.

### Transactions in 2024

Acquisitions	Location	Square meters	WAULT at closing date (years)	Rental income (NOK million)	Contractual property value (NOK million)	Closing date
Portfolio of 13 properties	Across Norway	60 862	5.0	99.0	1 639.7	29.04.2024
Jærveien 33	Sandnes, Norway	4 690	5.0	10.5	139.0	14.10.2024
Rigedalen 5	Kristiansand, Norway	6 300	6.3	11.2	160.8	18.12.2024
Pre-school portfolio	Across Norway	6 744	35.0	10.8	182.5	13.12.2024
Strandgaten 229 (83 %)	Bergen, Norway	8 748	6.0	26.0	330.0	20.12.2024
<b>Total</b>		<b>87 344</b>	<b>7.3</b>	<b>157.5</b>	<b>2 452.0</b>	

# Funding

The Group's assets are funded by a combination of bank loans and bonds. During 2024, PPI's interest-bearing liabilities increased from NOK 5 529 million as of 31 December 2023 to NOK 6 004 million as of 31 December 2024. After deduction of cash and liquid assets, PPI's net debt was NOK 5 078 million as of year-end 2024.

During 2024, PPI has almost fully refinanced its capital structure. In April, the Group refinanced its outstanding bank loan with a new facility of NOK 3 300 million, and prolonged and renegotiated the terms of the existing bond loans. In September PPI partially repaid two of its outstanding bonds with NOK 664 million.

In December PPI established a EUR 2 billion EMTN programme, placed an unsecured bond of EUR 300 million and obtained a BBB Investment Grade rating from Fitch. The Group also repaid Tranche A and C of the NOK 3 300 million bank loan with a total amount of NOK 2 815 million. At year-end 2024, PPI's debt portfolio consisted of:

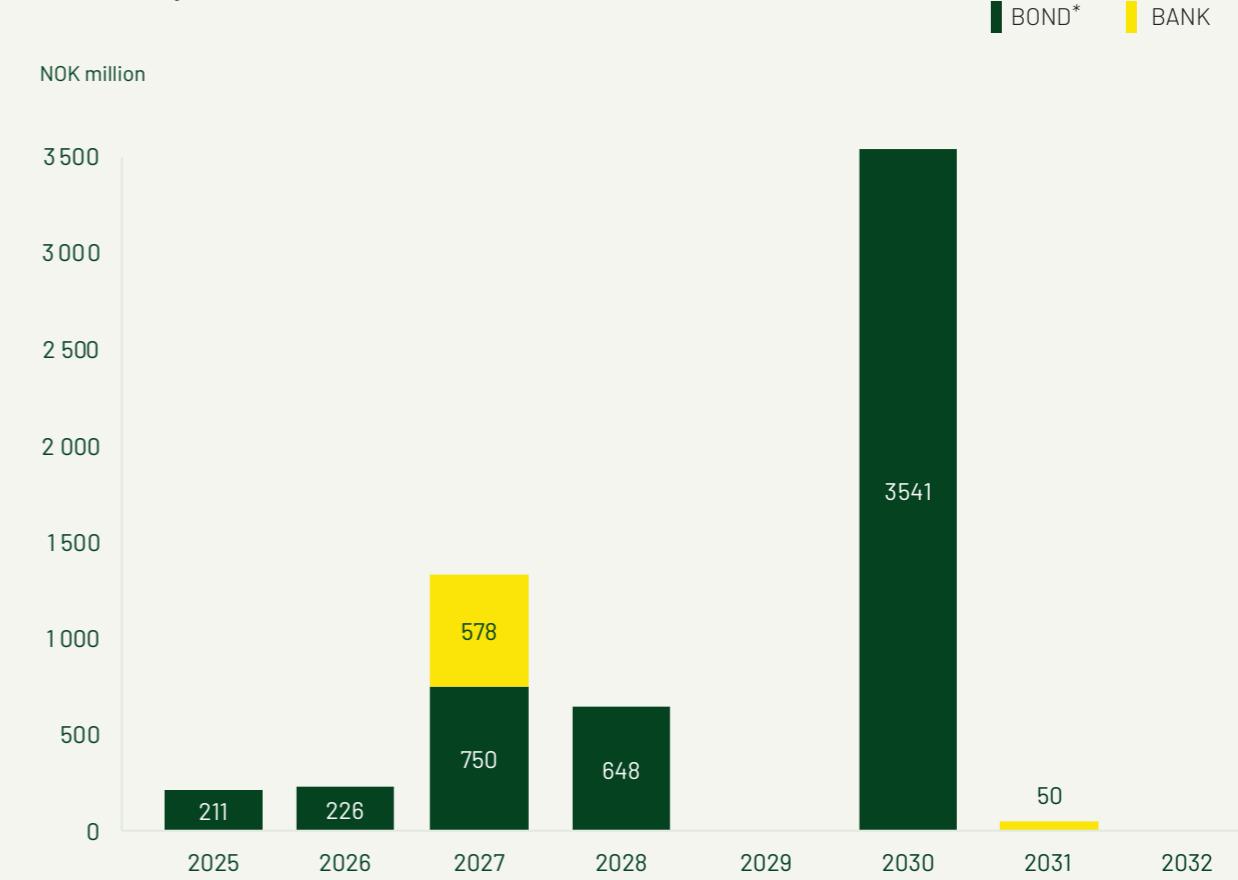
- Four secured, fixed-rate bond loans with total principal amounts of NOK 1 835 million
- One EUR 300 million unsecured, listed bond loan, calculated at NOK 3 541 million
- Three secured bank loans of NOK 628 million in total.

The adjusted average maturity of the long-term debt portfolio was 4.5 years, and the current weighted average interest rate of the debt portfolio was 5.18 per cent as of 31 December 2024.

## Interest-bearing debt

Amounts in NOK million	31.12.2024	31.12.2023
Bond loan	5 376	2 273
Bank loan	628	3 256
<b>Interest-bearing liabilities at period end</b>	<b>6 004</b>	<b>5 529</b>
Amount of debt at fixed interest rate	5 426	3 901
Share of bank loan at fixed rate	8.0 %	50.0 %
Share of debt at fixed rate including bonds	90.4 %	70.6 %

## Debt maturity structure



\*The bond loan maturing September 2025 will be repaid with cash on maturity

## PPI has a conservative financial policy, and the long-term capital structure has the following targets:

- Net debt/EBITDA maximum 9.0 x
- LTV ratio <50%
- ICR > 2.2x
- Average duration of long-term debt > 5 years
- Unencumbered assets > 2x total outstanding unsecured debt

# The Share and Shareholders

Public Property Invest ASA was listed on Euronext Oslo Børs (Oslo Stock Exchange) on 29 April 2024, under the ticker PUBLI. The company had a total of 215 103 825 issued and outstanding shares by 31 December 2024. PPI has one class of shares, and all shares provide equal rights, and equal right to any dividends.

As of 31 December 2024, PPI had more than 2 200 shareholders. Norwegian shareholders held approximately 53 per cent of the share capital. The 10 largest shareholders as registered in Euronext VPS on 31 December 2024 are shown in the table below.

Development in share capital	Date	No of new shares issued	No of shares outstanding post transaction	Par value	Share capital
<b>No of shares outstanding per 31.12.2023</b>			<b>71 931 660</b>	<b>0.05</b>	<b>3 596 583</b>
Share capital increase in connection with IPO	26.04.2024	105 000 000	176 931 660	0.05	8 846 583
Share capital increase in connection with acquisition of portfolio	26.04.2024	31 659 509	208 591 169	0.05	10 429 558
<b>No of shares outstanding per 30.06.2024</b>			<b>208 591 169</b>	<b>0.05</b>	<b>10 429 558</b>
Acquisition of Jærvæien	21.10.2024	1 802 486	210 393 655	0.05	10 519 683
Acquisition of Rigidalen	27.12.2024	815 119	211 208 774	0.05	10 560 439
Acquisition of Strandgaten 229	27.12.2024	3 895 051	215 103 825	0.05	10 755 191
<b>No of shares outstanding per 31.12.2024</b>			<b>215 103 825</b>	<b>0.05</b>	<b>10 755 191</b>

Name	Number of shares	Stake
Samhällsbyggnadsbolaget i Norden AB	75 631 366	35.16 %
Skagen Vekst Verdipapirfond	8 991 411	4.18 %
Verdipapirfondet DnB Norge	6 441 107	2.99 %
Avanza Bank AB	4 684 082	2.18 %
Kverva Finans AS	4 427 618	2.06 %
Centra Capital AS	3 793 103	1.76 %
First Nordic Real Estate	3 777 980	1.76 %
Centra Invest AS	3 747 950	1.74 %
Sagacia AS	3 598 320	1.67 %
Verdipapirfondet Fondsfinans Norge	3 372 931	1.57 %
<b>Total 10 largest shareholders</b>	<b>118 465 868</b>	<b>55.07 %</b>
Other shareholders	96 637 957	44.93 %
<b>Total</b>	<b>215 103 825</b>	<b>100.00 %</b>

# Risk Management

PPI's overall objective is to provide a high and stable return on equity over time and to ensure long-term value creation for its shareholders. All business involves a certain amount of risk-taking, as risks may affect the company's business, financial position and earnings. At the same time, good risk management can also generate opportunities. The purpose of the risk management process is to create a proactive management that balances risks and opportunities.

PPI is exposed to various risks that may affect the Group's ability to achieve its overall strategic targets and goals. A structured process is carried out at least annually by the Group management and Board to identify the risks relating to PPI's business. Hereunder the probability that they will occur, their potential impact on strategy and how individual risks are to be managed. The analysis is aimed at creating a balance between the desire to limit uncertainty or risk and the task of generating growth and shareholder value. The company has guidelines, processes and procedures that aim to minimise risks while also allowing the company to carry out its business at a healthy pace.

To be able to estimate the impact of identified risks, an internal risk matrix is mapped where each individual risk is assessed, in terms of both probability and consequence. The identified risks that are viewed as the most important for the company and the way in which they are monitored and managed, are presented below.



P = Probability, where green is low, yellow is medium and red is high

C = Consequences, where green is limited, yellow is moderate and red is significant

## Market risk

Risk area:	Business cycle and macroeconomic factors
P	
C	
Description	A general economic downturn can lead to reduced demand for premises, increased costs and lower rent levels in all of the PPI's local markets. It may also affect the financial market, the availability of capital and the stock market. Geopolitical instability can have a significant impact on financial markets. In addition to uncertainty, it can increase prices, complicate deliveries of, or cause a shortage of inputs to the business. Greater risk aversion in financial markets could limit access to financing and increase the Group's return requirements.
Risk Management	A property portfolio with breadth in terms of type of premises, geography and tenants contribute to the diversification of risk. Properties with central locations in local markets make them attractive to several customer segments, which further reduces the risk in case the market changes. PPI's portfolio also consists of a significant share of special purpose properties such as police stations, court houses etc., making tenant relocation more difficult. Local presence provides in-depth knowledge of the market conditions in the locations where PPI operates. Local property management is prioritised in order to maintain close contact with and knowledge of the market and tenants' situation. Among other things, the risk is managed by promoting good financial stability in the company, close relationships with suppliers and well-balanced agreement terms. The use of multiple sources of capital, maintaining good relationships with banks and financing institutions, and limiting the loan-to-value ratio reduces the risks of the financial market. The Group has a conservative finance policy with targets and/or limitations on leverage, hedging, debt maturities and liquidity management.

## Market value of the property portfolio

Risk area:	Market value of the property portfolio
P	
C	
Description	PPI's properties are measured at their fair value and with changes in value being recognised as profit or loss in the period in which it arises. The valuations are performed on a quarterly basis by the independent third party external valuer Cushman & Wakefield. Different factors affect the fair value of PPI's properties. Such factors could both be property specific, such as rent levels, occupancy ratio and operative expenses, and market specific, such as macroeconomic effects, general economic trends, growth, unemployment levels, the rate of production of new premises, population growth, inflation and interest rates. A substantial negative development in the property value could affect both the profit and loss account through unrealised changes in value and the balance sheet through an increase in key metrics like the loan to value ratio (LTV). A too high LTV could have negative effects on the cost of, and access to capital, on PPI's credit rating and on shareholders' interest and attention. It could also potentially impose a breach of the covenants of the financing agreements.
Risk Management	PPI monitors the market and follows up the risk quarterly, amongst others things, through active dialogue with the external appraiser. PPI further works continuously on portfolio optimisation and risk mitigation in relation to property quality, location and letting profile. The company takes actions to limit its exposure to company-specific events having a negative impact on the market value, for example, through proactive management, the signing of property insurance agreements and by formulating leases with adequate contractual terms. PPI regularly simulates different negative scenarios in the market, which could affect the market value of its property portfolio. PPI continuously works to upgrade the property portfolio to comply with new environmental regulations.

Risk area:	Environmental and climate risk
P	
C	
<b>Description</b>	<p>Properties are affected by climate change through rising temperatures, extreme weather conditions and floods. Future investments must therefore take into account possible consequences of climate change. A changing climate requires pro-active efforts to minimise unforeseen costs and investments that may ensue from a changed climate. Increased severity of extreme weather events such as storms and floods is a long-term risk. Property values constitutes most of PPI's balance sheet, and potential physical 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. Failure to comply and adapt to climate related matters is also a significant reputation risk.</p> <p>Transition risks such as new policies and regulations aimed at reducing negative climate impacts (e.g. the Energy Performance of Buildings Directive), may increase costs and need for investments. Stricter climate policies and regulations may boost demand for green buildings while making non-green buildings less attractive for renting, financing, and investing. Adapting to climate change and reducing negative climate impacts is also important for a business's competitiveness and reputation.</p>
<b>Risk Management</b>	<p>PPI is in the process of mapping consequences and probabilities of all properties regarding physical climate risk to assess the risk and gain the ability to prioritise and implement adequate mitigating measures. PPI work to reduce the CO2 consumption in its portfolio, and KPIs within energy efficiency and waste disposal are included in the scorecard for determining variable pay for all employees. Potential damage to property from e.g., flooding or heavy rain is an integral part of risk management on individual asset level. PPI aims to design, upgrade, and operate buildings in a manner that minimise GHG emissions and energy consumption. PPI is currently in process of reviewing the EPC status of all properties and map performance improvement activities for the properties with low EPC certificates. Additionally, KPIs related to energy consumption and waste management are included in the scorecard for determining variable pay for all PPI employees.</p>

Risk area:	Regulatory risks
P	
C	
<b>Description</b>	<p>New planning regulations and changes in or completion of existing planning regulations and practices by relevant authorities and changes in infrastructure may affect the operations of PPI's properties, including the interest of potential tenants in future rental of premises or interest of future purchasers of the property. New laws may be introduced which may be retrospective and affect environmental planning, land use and development regulations. Furthermore, existing or new planning regulations may limit the possibility to further develop PPI's properties. The EU has ranked the building sector as the single largest energy consumer in the EU and aims to improve the energy performance of buildings across the EU, with the aim to double the rate of renovation by 2030 to lead to better energy and resource efficiency, with estimated 35 million buildings to be renovated under such climate pact. A revised Energy Performance of Buildings Directive with stricter energy performance and energy efficiency requirements has recently been adopted in the EU. If the revised Energy Performance of Buildings Directive is adopted and implemented in Norway, this may require PPI to refurbish properties in its property portfolio to meet new minimum energy performance standards and possible requirements to establish solar energy installations. Additionally, changes in laws and regulations regarding tax and other duties/charges, including could involve new and changed parameters applicable to PPI and taxation of/charges for PPI at higher levels than as of the date hereof.</p>
<b>Risk Management</b>	<p>PPI works continuously to monitor and implement new standards and regulations. PPI works to reduce the CO2 consumption in its portfolio and is in process establishing individual strategies for the properties with low EPC score, hereunder assess the risk and gain the ability to prioritise and implement adequate mitigating measures.</p>

## Financial risks

Risk area:	Refinancing risk
P	
C	
<b>Description</b>	<p>PPI's operations are financed by bond and bank financing. PPI relies on its financing agreements, renewal of these and/or obtaining new financing agreements to fund its operations, additional acquisitions and capital expenditures. PPI's ability to obtain funding in the future will depend upon its business, prospects and market conditions, and there is a risk that PPI will be unable to secure additional financing or retain or renew current financing upon expiry on favourable terms or at all. An increase in PPI's level of debt financing and/or adverse change in the terms of its current financing agreements, may increase financing costs and reduce PPI's profitability.</p> <p>PPI's financing arrangements contain a number of covenants which PPI will need to comply with on an ongoing basis. The conditions in the capital and credit markets can change, which could result in no refinancing of existing liabilities or that refinancing cannot take place on reasonable terms. In addition, a weaker economy and changes in supply and demand for the company's premises could negatively impact the company's income statement, balance sheet and key performance indicators, which could lead to a lower credit rating, thus making it more difficult to refinance existing debt. A reduction in access to funding could further weaken the company's global credit rating from Fitch, thus further reducing refinancing possibilities, and the Group's ability to finance new investments. In such a case, the company could be exposed to an increase in financing costs which would weaken the underlying result, debt service ability and dividend capacity.</p>
<b>Management</b>	<p>In order to limit its refinancing risk, PPI endeavours to have a low percentage of short-term interest-bearing funding, to secure refinancing for long-term interest-bearing liabilities in good time before maturity and to use several different sources of funding, through several financial markets and sectors. The Group is building a diversified maturity structure for its liabilities which further lowers the interest rate risk. The development in the company's financing needs, ability and costs is monitored on a continuous basis and reported quarterly to ensure that the financing operation supports the overall business strategy. PPI seeks to maintain strong relationships with international and Nordic bond investors as well as the Nordic banks. PPI aims to maintain a diversified financing structure with a balanced maturity profile and financing mix in order to ensure stable and predictable access to capital. PPI has an investment grade credit rating from Fitch, currently at BBB. The rating contributes to the Group's credit availability and is believed to enable PPI to further extend and enhance its debt maturity profile over time. PPI limit interest rate risk through interest rate hedges and by issuing fixed rates bonds. PPI monitor closely, and act upon, any new regulations in the bank and debt capital market with respect to possible implications for the Group's future financing.</p>

Risk area:	Interest rate risk
P	
C	
<b>Description</b>	<p>Interest expense is the Group's largest current cost item. Interest rate risk is defined as the risk that changes in market interest rates will affect PPI's financing costs and cash flow. The interest-rate risk is attributable to the trend in current interest rates. Conditions in the fixed income market could change, which could in turn impact the interest rate scenario. The interest rates have increased significantly over the recent years, and may increase further. The interest rates available to PPI in the future are uncertain. Any increase in interest rates may increase PPI's costs and have a negative effect on PPI's property portfolio and may require PPI to record fair value adjustment losses. Such losses would result in a corresponding decrease in the value of PPI's properties as reported on its balance sheet and in PPI's fair values and increases in PPI's loan to value. Materialisation of any of the above risks could have a material adverse impact on PPI's business, financial position, results of operations and prospects.</p>
<b>Management</b>	<p>The Group has a significant portion of its debt on fixed-rate terms, to reduce exposure to a potential rise in interest rates. To limit interest-rate risk on loans at floating interest rate terms, financial interest-rate hedging instruments such as interest-rate swaps are being utilised. On 31 December 2024, 90.4% of PPI's interest-bearing liabilities were fixed-rate loans. An increase in market interest rates is thus deemed to have a limited effect on PPI's interest expenses in the short and medium-term.</p>

## Operational risks

Risk area:	Currency risk
P	
C	
<b>Description</b>	PPI is exposed to exchange-rate risks due to investments and liabilities in SEK and in EUR. PPI's presentation currency is NOK and all balance-sheet items that are in SEK or EUR are translated to NOK. Exchange rate fluctuations could have a material effect on the Group's financial position and earnings in NOK.
<b>Management</b>	Currency risk is managed by using derivatives and by natural hedges, such as financing acquisitions of properties in the same currency as they are acquired. Transaction exposure in the Group is managed by matching revenue and expenses in the same currency. To hedge future foreign exchange risk related to the parent company's Eurobond, a currency swap/hedge securing EUR 100 million of the final maturity amount is in place.

Risk area:	Liquidity risk
P	
C	
<b>Description</b>	The Group defines liquidity risk as the risk of not having access to liquidity to cover its payment obligations, including interest payments. A shortage of liquidity to cover due payments would have a negative impact on the Group's operations and financial position.
<b>Management</b>	The Group's approach to liquidity risk management is grounded in maintaining a consistently sufficient liquidity level to meet all financial liabilities at maturity. This commitment applies under both standard and exceptional circumstances, with the aim of avoiding unacceptable losses and safeguarding the Group's reputation. As of 31 December 2024 PPI had Cash and Cash equivalents on balance sheet of NOK 968 million. PPI has a positive operating cash flow and limited refinancing requirements over the next 24 months. PPI is in process of establishing unutilised credit facilities as back-up for its short term debt maturities.

Risk area:	Rental revenue and rent trends
P	
C	
<b>Description</b>	PPI's commercial success depends on its ability to maintain and increase its rental income generated from its properties. Rental income constitutes PPI's main source of current earnings. This income needs to cover operation and maintenance costs, administration costs and financing expenses. The amount of rental income PPI is able to generate is dependent on occupancy rates and to a lesser extent tenant turnover, which in turn depend on factors such as macroeconomic conditions, demographic trends, availability of suitable tenants for PPI's properties and the level of new construction, which could increase the supply of rental properties relative to demand. Furthermore, if the condition, location or other characteristics of the properties in PPI's property portfolio are not responsive to the demand, this may negatively affect PPI's ability to maintain and increase rent levels and total rental income. PPI considers that some of its office properties located on the outskirts of city centres can be challenging to lease out to new tenants. Some of the office properties are located in cities where the general demand for office space is low, such as Halden, Leikanger and Sogndal. The properties identified as being difficult to let as offices will therefore have to be considered to be converted and refurbished to other uses, such as housing. Rent-level risk is attributable to trends in current market rents that are affected by the economic climate, demographic growth and the extent of new builds in the market.
<b>Management</b>	To limit PPI's exposure to vacancies and rent losses, PPI endeavours to offer leases with long-term customer relationships and to prioritise tenants with a high credit rating. This is particularly important in relation to major tenants. PPI works continuously to renegotiate existing leases with the aim of minimising the short-term risk. The public sector represents 92 per cent of the total rental income. The occupancy rate per 31 December 2024 was 97 per cent. The majority of PPI's leases are indexed to the CPI or the equivalent. Annual indexation may, in certain cases, be limited by a ceiling or floor. Some leases have annual fixed rental adjustments. The portfolio is also well diversified geographically. The average lease term is 5.1 years and PPI's lease structure helps reduce the risks of vacancies and rent losses.

Risk area:	Operating and maintenance costs
P	
C	
<b>Description</b>	The most significant operating expenses include electricity and heating costs for the properties and property tax. If increases in expenses cannot be offset by lease terms, this may have a negative effect on the company's earnings. In the event of vacancies, the company's profit is not only impacted by lost rental revenue but also by expenses for such items as energy, which were previously paid by the tenants.
<b>Management</b>	Regarding the rental situation for premises in the specialised public property segment, tenants in this area normally assume responsibility for a significant portion of operations and maintenance. PPI's exposure to changes in operating expenses is thus limited.

Risk area:	Occupancy ratio
P	
C	
Description	The occupancy ratio in the management portfolio affects PPI's profitability through rental income and operating costs. It relates mainly to lease expiries and to what extent PPI is able to renegotiate with existing tenants, and relet vacant space. In the long term, the occupancy ratio is also affected by how flexible and adaptable our buildings are to changes in customer demand. Fluctuating energy costs in combination with high CPI adjustments on leases may increase tenant focus on total costs of renting space and may have adverse effect on rent levels and on tenant appetite for less energy efficient buildings.
Management	The occupancy ratio is an important key metric in all external and internal reporting. Vacancies and market opportunities are monitored on a continuous basis. Risks regarding upcoming lease expiries are evaluated quarterly. Customers are followed up closely by the property managers.

Risk area:	Credit risk
P	
C	
Description	The primary credit risk to which PPI is exposed is that tenants could fail to make the payments required by their lease.
Management	PPI's tenant base with 92 per cent public tenants has low counterparty risk. The largest tenants are funded by the State of Norway, which carries a AAA rating. In conjunction with acquisitions and leases, counterparty risk assessments are carried out and, if necessary, contracts are supplemented by collateral in the form of deposits, bank guarantees, or a similar instrument.

Risk area:	Organisational risk
P	
C	
Description	The knowledge, experience and commitment of PPI's employees are important success criteria for PPI's future development. If PPI is unable to retain members of management and other key personnel or recruit new members of management or other key personnel to replace people who leave PPI, this could have a material adverse effect on PPI's operations, earnings and financial position. PPI's future development is highly dependent on the expertise, experience and commitment of company management and other key individuals. The company could be negatively impacted should one or more key individuals terminate their employment or if the company is unable to attract competent personnel.
Management	The work environment is followed up through employee interviews. The employment contracts are considered to be on commercially competitive terms. PPI has also established annual incentive programmes to retain, and attract new, employees. The development and management of competence is an integral part of the business strategy.

Risk area:	Transaction related risks
P	
C	
Description	A key part of PPI's strategy is to capitalise on the current situation in the real estate market and to consolidate its market position through acquisitions. The acquisition and integration of properties and property companies may however not be successful. When deciding to make an acquisition, PPI performs financial, legal and technical due diligence and makes certain assumptions and determinations based on its due diligence of the properties to be acquired, as well as other information then available, including assumptions regarding future rental income, operating costs and synergies. However, these assumptions and determinations are based on the information available to PPI and may later prove to be incorrect, and therefore PPI may not realise the full benefits resulting in economies of scale and cost savings not being realised or occurring later than anticipated. Also, any material errors or inaccuracies in the due diligence reports could result in significant costs to PPI.
Management	Risks are prevented by ensuring that PPI carries out relevant controls and investigations and that the right skills are found internally in the organisation or engaged externally as necessary. Key employees have significant M&A and transaction experience, combined with deep commercial real estate market knowledge. PPI evaluates each investment case by reference to strategy, risk and profitability. This is done at several levels, by transaction professionals, by group management and by the Board of Directors. All investments and divestments exceeding NOK 100 million must be approved by the Board of Directors.

Risk area:	Operational and IT security risk
P	
C	
Description	PPI's operations are dependent on information systems sourced from certain suppliers. The information systems are mainly standard solutions and include telecommunication systems as well as software applications that PPI uses to control business operations, manage its property portfolio and risks, prepare operating and financial reports and to execute treasury operations. Shortcomings in IT security or inadequate routines could result in the destruction or loss of data, which could have a negative impact on PPI's operations.
Management	PPI works continuously on preventive measures and on developing its administrative procedures, policies and guidelines for IT security. PPI makes use of firewalls, e-mail filters, back-up systems and anti-virus programmes to prevent IT-related service interruptions. PPI focus on security and employees' knowledge and attitudes, including training of employees. Nanolearning (short, internet-based learning sessions) are implemented for all employees to increase focus and improve understanding of ICT threats. PPI use suppliers with certifications that focus on security and has outsourced the operational part of ICT security to one of Norway's top-of-class companies.

Risk area:	Health and Safety
P	●
C	●
<b>Description</b>	There is an inherent risk that PPI's own employees, tenants in PPI's buildings and workers on PPI's construction sites may be injured due to PPI's activities.
<b>Management</b>	A central element in PPI's HSE work is a continuous focus on identifying, reporting and processing risk, and to take appropriate measures to avoid unwanted incidents on all levels. PPI has internal routines and systems to ensure compliance with HSE requirements. To motivate a proactive HSE culture, reporting of precautionary safety or unwanted HSE incidents, is included as one of the KPIs in PPI's scorecard for performance-related pay for both management and other employees. Severe incidents are followed up and investigated to ensure both learning and future avoidance. Reported incidents are used to identify and mitigate risk areas.

Risk area:	Compliance
P	●
C	●
<b>Description</b>	Compliance is a compilation of PPI's specific assessment of risk factors within the compliance area. PPI's key risk factors within compliance are considered to be the following: Corruption and financial crime, Ethics, Social responsibility, Personal data protection, Insider rules, Information security.
<b>Management</b>	Risk assessment, monitoring, and follow-up is an integral part of PPI's operations on all levels, including at the Board of Directors level. The Board discusses compliance risk on a regular basis. PPI is working to prevent corruption and financial crime. PPI's strategy includes an e-training program for employees, rigorous purchase and invoice controls, and both internal and external whistleblower channels. We encourage ethical decision-making and behaviour through dilemma training. The company's external and internal whistleblower channels ensure transparency and accountability. We are committed to socially responsible purchasing practices, guided by a comprehensive procurement policy. Stringent supplier controls are in place to uphold these standards. We are working with personal data protection through data processing agreements and the establishment of internal routines. Our insider rules dictate strict guidelines for employees regarding confidential information. PPI complies with and reports in accordance with the Transparency Act.

Risk area:	Risk of conflicts of interest
P	●
C	●
<b>Description</b>	A lack of transparency regarding the Board's and company management's potential conflicts of interest with PPI could affect the capital market's confidence in PPI and thus negatively impact the company's financial position. Following the Listing on the Euronext Oslo Børs, SBB Samfunnsbygg AS became PPI's largest shareholder, holding approximately 35 per cent of the Shares. SBB Samfunnsbygg AS transferred the Shares to its indirect parent company Samhällsbyggnadsbolaget i Norden ("SBB") in July 2024. With such a shareholding, SBB will be able to exert a certain degree of influence over certain matters, including the election of the Board of Directors and approval of significant corporate transactions. The commercial interests of SBB may not always be aligned with the interests of the Issuer's other stakeholders.
<b>Management</b>	PPI treats all shareholders equally and reports to its largest shareholder on the same level and in the same manner as to other shareholders. The relationship is further outlined in PPI's by-laws which state that any agreement between the company, or a company controlled by PPI on the one hand, and SBB or a company controlled by SBB on the other hand, must be approved by the company's general meeting. This applies as long as Samhällsbyggnadsbolaget i Norden AB directly or indirectly controls more than 15 per cent of the shares and votes of the General Assembly of PPI ASA.



# Senior Executives



Name	André Gaden	Ylva Göransson	Ilija Batljan	Marianne Aalby	Tone K Omsted
Position:	CEO	CFO	CIO	EVP Finance and ESG	EVP IR and Corporate Finance
Nationality/Residency:	Norwegian/Norway	Swedish/Sweden	Swedish/Sweden	Norwegian/Norway	Norwegian/Norway
Gender:	Male	Female	Male	Female	Female
With PPI since:	2024	2024	2024	2024	2024
Number of shares / share options in PPI*	1724 shares / 50,000 options	1900 shares / 50 000 options	125 000 shares / 160 000 options	5 500 shares / 50 000 options	0 shares / 100 000 options
Education:	MBA from BI Norwegian Business School	Master of Business Administration from Lund University	PhD in Demography and Planning for elderly care and a Bachelor in economics from Stockholm University	BBA and MSc Finance from Texas A&M University and Chartered European Financial Analyst (CEFA/AFA), NHH	BA with Honours in Finance from University of Strathclyde

Prior positions:	André Gaden has held the position as CEO of PPI since 1 January 2025. From January to December 2024 he held the position as COO of PPI. Prior to his positions in PPI, Gaden has served as Property Director for Samhällsbyggnadsbolaget i Norden AB (publ) and Hemfosa Samfunsbygg AS. Gaden has also served as Commercial Director for Citycon Oyj.	Ylva Göransson has held the position as CFO of PPI since 1 January 2024. She has vast experience from the real estate sector from companies such as SBB Samfunsbygg AS, ICA Eiendom Norge AS, Peritus Entreprenør AS and Union Eiendoms-kapital. She also has experience from Accenture. She has served as chair of the board/board member in several property companies within the SBB Group and currently serve as board member in several property companies within Public Property Invest.	Ilija Batljan has held the position as CIO of PPI since January 2025. Prior to that, and since the IPO in April 2025 he held the position as interim CEO in PPI. Ilija Batljan is the founder and a member of the board of directors of Samhällsbyggnadsbolaget i Norden AB (publ) and has served as the CEO, chairperson and board member in over 1,000 companies within the SBB Group. Batljan has among others, also served as the Vice Chair for Stockholm Regional Council and as vice CEO of Rikshem AB. He is currently chair of the board of Health Runner AB and PSOMRI Holding AB and board member in Samhällsbyggnadsbolaget i Norden AB, Cryptzone Group AB and Emergency Holding.	Marianne Aalby has previously served as CFO of Attivo AS, SVP, Head of Group Finance and Treasury at OBOS as well as held senior roles in JP Morgan, Nordea, Telenor and Statnett. She has also had many non-executive directorships in companies in the real estate and financial industries. She currently serves as board member in Söderberg & Partners Wealth Management AS and in several property companies within Public Property Invest.	Tone Omsted has long experience from the finance and real estate sector and She has previously held the position as Head of Investor Relations at Entra ASA. Prior to that she was an Investment Banking executive at SEB Enskilda for 14 years. She currently serves as board member of Bluenord ASA.
------------------	---	--	--	---	--

\* directly or indirectly owned

# ESG General Disclosures



During 2024 PPI has established the Group's double materiality analysis, hereunder established which sustainability topics that have a material impact on the Group's business model, its value chain and stakeholders and where the company has significant impact on people and the environment.

PPI has initiated and will continue to develop a more structured ESG reporting process for the Group. Actions for increased data quality are important to undertake in order for the Group to be able to present a more representative view of the ESG work. Further actions involve internal training in reporting requirements and systems with the ambition to continue to develop processes for the collection, control and follow-up of data.

PPI reports on sustainability in accordance with the Norwegian Annual Accounts Act. There are uncertainties as to if and when the Group will be subject to the EU's Corporate Sustainability Reporting Directive (CSRD).



# Governance

Sustainability work is integrated in PPI's day-to-day operations. Governance is based on policy documents in the forms of the Code of Conduct, the Group's ESG policy and other governance and policy documents. Focus is on sustainability areas as identified in PPI's double materiality analysis. The company's process for governance and follow-up involves identification and management of sustainability risks and opportunities and securing progress towards the targets and commitments that have been adopted.

## The Board of Directors

PPI's Board is responsible for the Group's ESG strategy, priorities, targets and risk profile. The Board and the CEO are also ultimately responsible for ensuring that PPI's ESG Report is prepared in accordance with the Norwegian Annual Accounts Act and is adapted continually in line with laws and directives.

Every year, the Board adopts policy documents linked to sustainability work, such as the Code of Conduct and the ESG Policy. The ESG Policy regulates PPI's approach and actions with regard to environmental, social sustainability and governance. The Board monitors progress towards defined targets and the company's risks and potential impact relating to the environment, social aspects and general governance. The Board has also set ESG key performance indicators that are reflected in the variable remuneration of all employees.

The Board is presented with information about the company's sustainability work on a regular basis. Significant deviations and actions associated with PPI's ESG Policy and Code of Conduct are reported to the Board if they occur. The Board strives to ensure that sustainability reporting is transparent, relevant and reliable.

The Audit Committee is assigned special responsibility for ESG-related matters on behalf of the Board. The Board will continue to undertake training on sustainability topics and reporting requirements.

## Management and organisation

PPI's CEO and management team are responsible for ensuring that the business is operated in a sustainable manner, hereunder to implement and follow up on PPI's ESG strategies, policies and general risk management. The CEO and management team shall revise the materiality analysis annually and follow up on compliance with the ESG policy and progress towards defined targets. Executive management is responsible for ensuring that the Group's operations are performed in accordance with sound business ethics and for the Group's management framework, including climate related risks.

All of PPI's employees are subject to policies that have been adopted by the Board of Directors and are expected to sign the Code of Conduct on an annual basis. The employees within the property management and property development departments are responsible for ensuring that material environmental aspects are taken into account in the day-to-day operations, as well as aspects relating to social sustainability and governance.

# PPI's value chain and impact

Through its own activities and the company's value chain, PPI has an impact on, and is impacted by, social, environmental and governance-related sustainability issues. The company is dependent on various resources, products and services to enable it to run its operations and create value for its customers and owners. In terms of the environment, this relates primarily to energy and water consumption in the day-to-day operation of properties as well as the procurement and use of materials in connection with renovations and tenant alterations.

PPI also has social impact through the working conditions of its own employees and employees in the supply chain, as well as safety and well-being for those who work in the company's properties. The way the company is governed, for example through policy documents, routines and supplier

requirements, has an impact on corporate culture and on business ethical conduct.

PPI's sustainability focus must consider the entire value chain and therefore, also include business partners, customers and other stakeholders who are involved in the Group's business, products and services.

The illustration below describes PPI's value chain from a sustainability perspective, and the material sustainability issues in the areas of environment, social responsibility and governance. PPI has a direct and indirect impact in the value chain, which has been addressed in the compilation of the double materiality analysis

## 1. INPUT

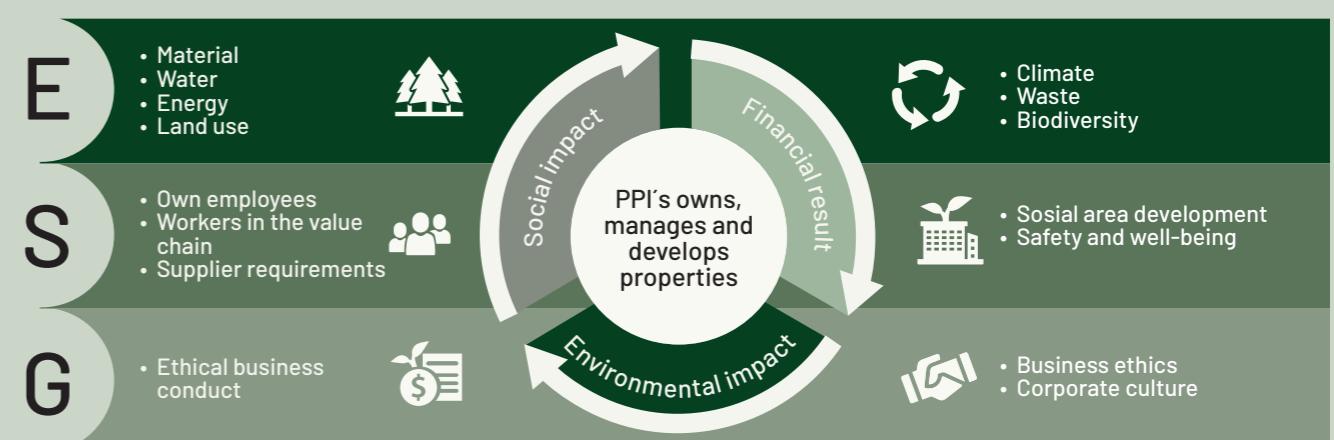
The materials resources, products and services needed to run PPI's operations.

## 2. OWN OPERATIONS

The values that PPI's operations create and the factors that affect the company and the impact the company has on external environment.

## 3. OUTPUT

The footprint and effects to which PPI's operations contribute.



## Stakeholders and stakeholder dialogue

Identifying and analysing stakeholder expectations are important elements of achieving defined goals and creating long-term value from both a financial and sustainability perspective. PPI has a structured approach towards understanding and managing the company's impact on the environment and society, as well as stakeholder requirements and expectations.

PPI's process for identifying stakeholders and stakeholder dialogue involves analysis of various stakeholder groups and interaction with them to get their input on risk, opportunities and materiality. The main groups of stakeholders that PPI has identified includes customers, employees, owners and lenders, suppliers and society. Dialogues with stakeholder groups take place in many different forums, see the table on the next page for examples. PPI has also interviewed

representatives for the different stakeholders in connection with the materiality analysis. Different topics are important for each stakeholder group, and the different topics have been weighted to contribute to the materiality analysis and as such forms the basis for PPI's sustainability work.



Stakeholder group:	Material topics:	Channels for dialogue:
Customers	<ul style="list-style-type: none"> <li>• Energy efficiency and environmental building qualities</li> <li>• Workplace health and well-being</li> <li>• Security in the premises</li> <li>• Tenant adaptation of premises and material selection</li> <li>• Services provided by PPI and its partners</li> <li>• Opportunity for sustainable choices, such as e.g. waste sorting</li> </ul>	<ul style="list-style-type: none"> <li>• Customer dialogue meetings</li> <li>• Relationship management</li> <li>• Customer satisfaction surveys and feedback</li> <li>• Advisory within energy and waste management</li> <li>• Customer service</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Performance and goals</li> <li>• Working conditions and work environment</li> <li>• Strategy and opportunities</li> <li>• Equality</li> <li>• Social events and outside work activities</li> </ul>	<ul style="list-style-type: none"> <li>• Manager - employee dialogue on performance, career development and opportunities</li> <li>• Employee surveys</li> <li>• Intranet and social media channels</li> <li>• Day to day direct dialogue</li> </ul>
Owners and lenders	<ul style="list-style-type: none"> <li>• Strategy and priorities</li> <li>• Growth opportunities and outlook</li> <li>• Operational and financial performance</li> <li>• Availability and price of funding</li> <li>• Asset valuations</li> <li>• Macro impact</li> <li>• Office market dynamics and development in occupancy rate</li> <li>• ESG related risks and capex</li> <li>• Business ethics governance</li> <li>• Shareholder structure and handling of conflicts of interest</li> <li>• Risks and uncertainties</li> </ul>	<ul style="list-style-type: none"> <li>• Regular, direct dialogue</li> <li>• Quarterly and annual financial reporting and presentations</li> <li>• Stock exchange releases, press releases and presentations</li> <li>• Roadshows, conferences and meetings with analysts, investors and lenders</li> <li>• ESG reporting</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Commercial and responsible business relationships</li> <li>• Compliance with Code of Conduct, supplier requirements and Transparency Act</li> <li>• Good working conditions and work-related rights in the supply chain</li> <li>• Technology and environmental solutions</li> <li>• Accuracy and timely deliveries</li> <li>• Risk mitigation</li> <li>• Cost savings</li> </ul>	<ul style="list-style-type: none"> <li>• Regular, direct dialogue</li> <li>• Procurement processes, tenders and negotiations</li> <li>• Supplier audits</li> <li>• Follow-up on Code of Conduct and supplier requirements</li> </ul>
Society	<ul style="list-style-type: none"> <li>• Society</li> <li>• Decarbonisation of the value chain</li> <li>• Impact of new regulations</li> <li>• Real estate market and industry trends</li> <li>• Engaging in living and working conditions in local communities</li> <li>• Long-term, sustainable property development</li> <li>• Long-term, ethical business relationships</li> <li>• Reduced environmental impact, for example from transport operations, improved waste management</li> <li>• Transparency and reporting of corporate responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Urban planning processes</li> <li>• Dialogue meetings with politicians, municipalities, public/government agencies, and regulators</li> <li>• Website and social media</li> <li>• Engagement in industry associations and conferences</li> <li>• Sponsor of Norwegian Athletics Federation (Norges Friidrettsforbund) with focus on the National Athletics School (Landslagets Friidrettskole), organised by sports clubs in over 80 municipalities around Norway</li> </ul>

# Double materiality analysis

## - Impacts, Risks and Opportunities

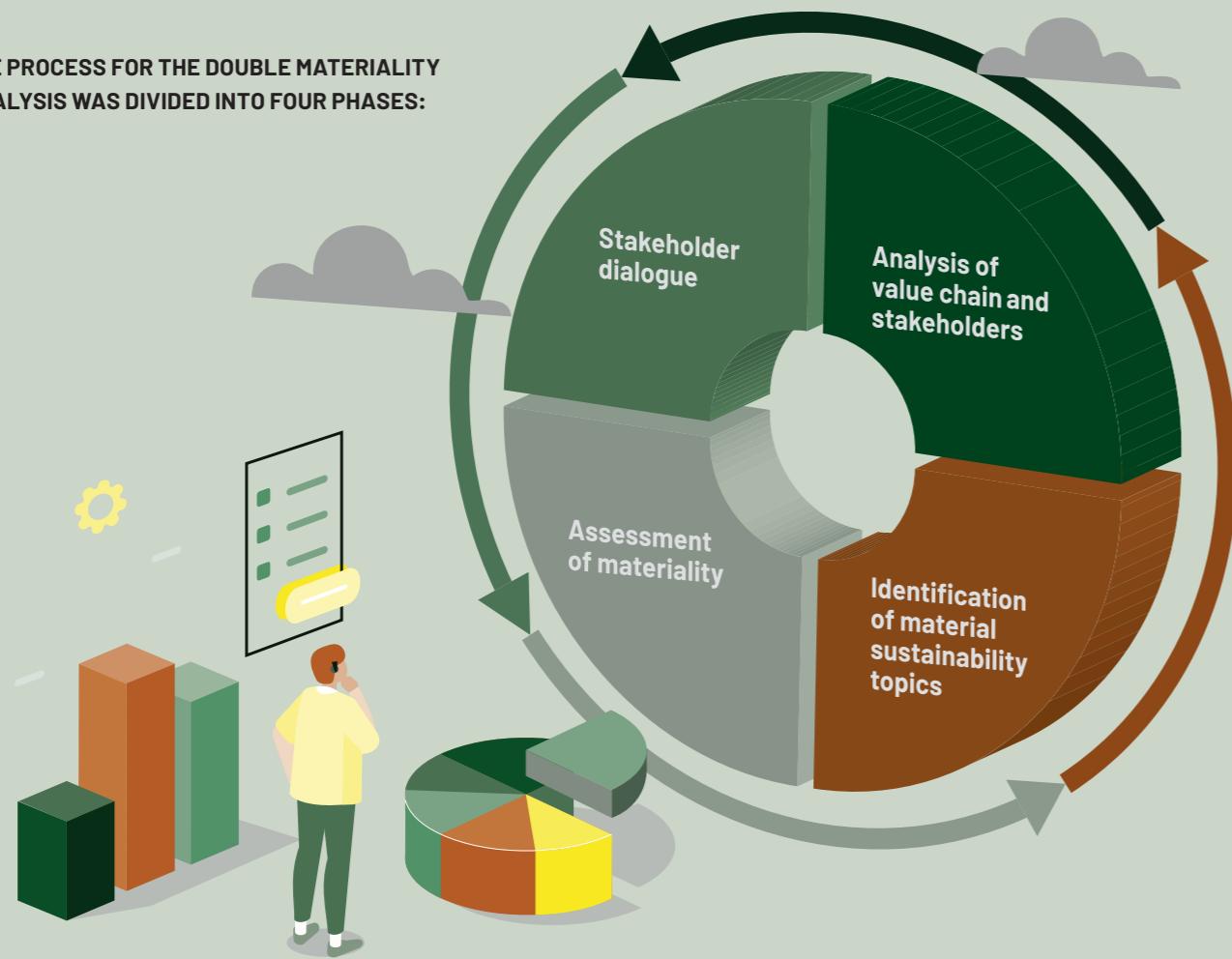
PPI conducted its first double materiality analysis in 2024. The purpose of the analysis is to identify sustainability topics that have material, actual or potential and positive or negative impacts for people or the environment in the short, medium and long term (impact materiality). The double materiality analysis also aims to identify sustainability topics that have, or may be reasonably expected to have, material financial effects for the company and thereby generate risks or opportunities in the short, medium and long term (financial materiality).

The analysis was based on the requirements specified in the EU's Corporate Sustainability Reporting Directive (CSRD).

The scope and timing of implementation of the CSRD and corresponding ESRS standards are however subject to change and PPI has not implemented the ESRS standards on its reporting on the individual topics.

The materiality analysis was based on stakeholder dialogue and interviews and an analysis of the value chain and markets in which PPI operate against, and the sustainability topics included in the ESRS standards. The outcome of the double materiality analysis was approved by the PPI's Board of Directors in February 2025.

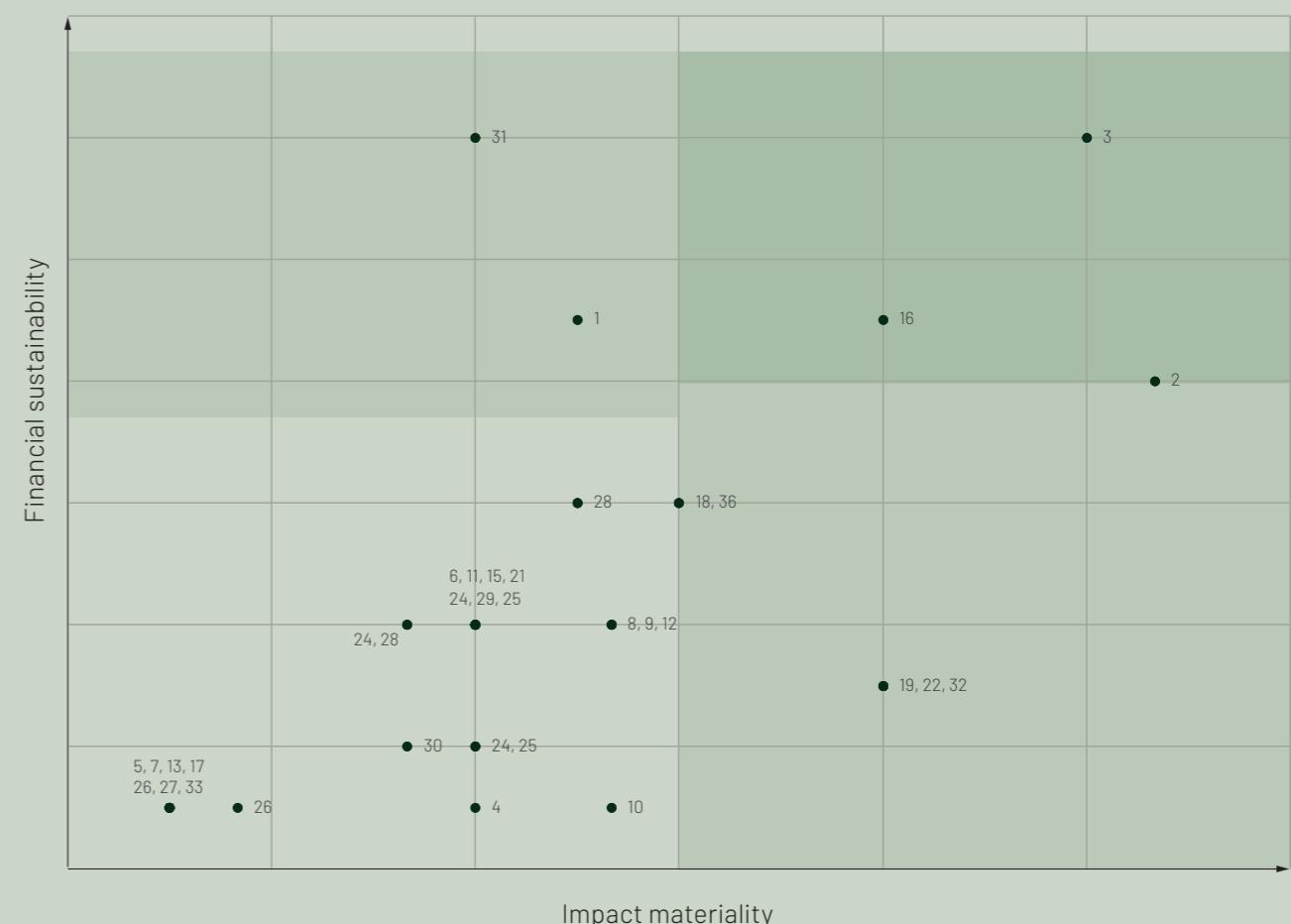
### THE PROCESS FOR THE DOUBLE MATERIALITY ANALYSIS WAS DIVIDED INTO FOUR PHASES:



The outcome of the double materiality analysis is summarised in the table below. The materiality of each sustainability topic is expressed as high or low financial materiality on the y-axis, and as high or low impact materiality on the x-axis in the matrix shown above.

Sustainability topics with high materiality are prioritised and reported on. The topics will be monitored and revised annually in case circumstances results in the materiality of the topics increasing, meaning that reporting is required.

**Double materiality analysis**



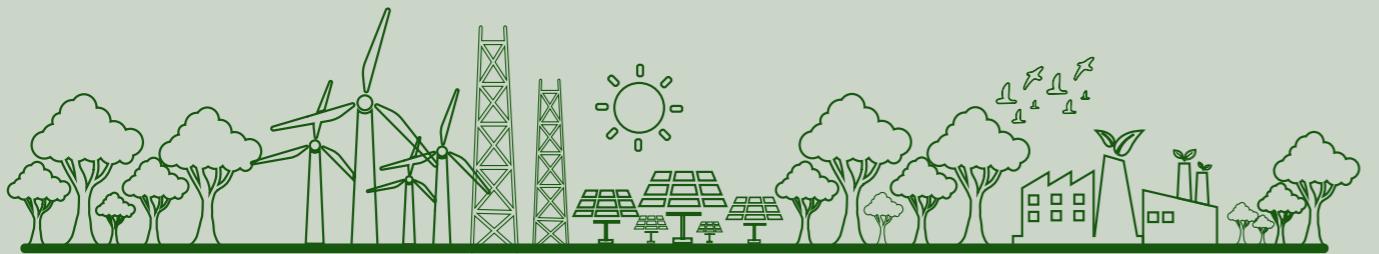
## Materiality assessment

#	ESRS	Topic	Sub Topics	Materiality assessment	
1.	E1	Climate change	Climate change adaptation	High	
2.	E1	Climate change	Climate change mitigation	High	
3.	E1	Climate change	Energy	High	
4.	E2	Pollution	Pollution of air	Low	
5.	E2	Pollution	Pollution of water	Low	
6.	E2	Pollution	Pollution of soil	Low	
7.	E2	Pollution	Pollution of living organisms and food resources	Low	
8.	E2	Pollution	Substances of concern	Low	
9.	E2	Pollution	Substances of very high concern	Low	
10.	E2	Pollution	Microplastics	Low	
11.	E3	Water and marine resources	Water	Low	
12.	E4	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Low	
13.	E4	Biodiversity and ecosystems	Impacts on the state of species	Low	
14.	E4	Biodiversity and ecosystems	Impacts on the extent and condition of ecosystems	Low	
15.	E4	Biodiversity and ecosystems	Impacts and dependencies on ecosystem services	Low	
16.	E5	Circular economy	Resources inflows, including resource use	High	
17.	E5	Circular economy	Resources outflows related to products and services	Low	
18.	E5	Circular economy	Waste	Medium	
19.	S1	Own workforce	Working conditions	High	
20.	S1	Own workforce	Equal treatment and opportunities for all	Low	
21.	S1	Own workforce	Other work-related rights	Low	
22.	S2	Workers in the value chain	Working conditions	High	
23.	S2	Workers in the value chain	Equal treatment and opportunities for all	High	
24.	S2	Workers in the value chain	Other work related rights	Low	
25.	S3	Affected communities	Communities' economic, social and cultural rights	Low	
26.	S3	Affected communities	Communities' civil and political rights	Low	
27.	S3	Affected communities	Rights of indigenous peoples	Low	
28.	S4	Consumers and end- users	Information-related impacts for consumers and/or end-users	Low	
29.	S4	Consumers and end- users	Personal safety of consumers and/or end-users	Low	
30.	S4	Consumers and end- users	Social inclusion of consumers and/or end-users	Low	
31.	G1	Business conduct	Corporate culture	High	
32.	G1	Business conduct	Protection of whistle-blowers	Low	
33.	G1	Business conduct	Animal welfare	Low	
34.	G1	Business conduct	Political engagement and lobbying activities	Low	
35.	G1	Business conduct	Management of relationships with suppliers including payment practices	Low	
36.	G1	Business conduct	Corruption and bribery	Medium	

PPI's work, actions and resources related to the material sustainability topics identified are summed up below and further described in the respective sub-chapters on Environment, Social and Government on the following pages.

Focus area	ESRS topic	Why is the topic important	PPI policy	Our way of working	Key performance indicators	Reference chapter
<b>Climate change adaptation and mitigation</b>	ESRS E1	Society is facing a major transition in order to greatly reduce emissions and managing the consequences of climate change. The construction and real estate sector accounts for a large share of the world's total emissions and thus has an important role in the transition, while at the same time it is important to manage the risks of its own property portfolio	ESG policy.	Action plan for reduced energy use at the property level. EMS system for daily control of energy use Climate risk management.	Reduce portfolio energy consumption by 2 % per sqm p.a.	Environment
<b>Circular economy</b>	ESRS E5	The construction and real estate sector uses large amounts of natural resources in the form of building materials in connection with new construction and renovation. This has an impact on both the environment and the climate.	ESG policy.	Conservation and maintenance of existing buildings. Requirements for sorting and disposal of construction waste during projects Provision for recycling.	90 % waste sorting in projects	Environment
<b>Own workforce</b>	ESRS S1	Competent and committed staff are prerequisites for successful business and long-term entrepreneurship. The work environment, conditions and benefits are important for securing the supply of skills, while making a big difference for the individual.	HR-policy Code of conduct.	Good working conditions and benefits.	Low staff turnover	Social
<b>Workers in the value chain</b>	ESRS S2	Construction and real estate operations can involve health and safety risks that must be managed carefully. For PPI, it goes without saying that everyone who performs work for the company, whether it is its own staff or suppliers, should have good and safe working conditions	ESG -policy Code of conduct for suppliers.	Supplier code of conduct and Supplier Requirements Safety training Follow-up of accidents and incidents.	Zero tolerance for any kind of fraud or corruption Zero serious accidents in construction projects Average number of reported precautionary safety incidents in the management portfolio reported per property per month should be >= 2.5.	Social
<b>Business conduct and corporate culture</b>	ESRS G1	Corporate culture affects the company in many ways: work environment, drive, business ethics, risk-taking and much more. It is therefore central for the company to have a good corporate culture and business ethics.	ESG-policy Code of conduct Whistle blower routines.	Review of Code of Conduct in all major projects Access to external whistleblower policy Training in Code of Conduct and anti-corruption for employees.	100% of employees comply with the code of conduct and sign off on this annually	Governance

# Environment



Sustainability is integrated in PPI's overall business strategies and corporate conduct, including in investment decisions. The Group also aims for continuous improvements. This chapter describes PPI's sustainability strategy, its targets and performance, related to climate-change mitigation and adaptation.

## Strategy

PPI works actively to reduce its negative impact on the climate through sustainable property management and portfolio quality. Having a sustainable property portfolio is important for future-proofing PPI's business and property values while also reducing operational costs, and ensuring the best product for the customers.

PPI aims to work smart and with the most efficient climate change mitigating solutions. PPI's most significant sources of greenhouse gas emissions are from energy consumption

in its property portfolio and from the use of materials in its development and renovation projects. Therefore, PPI systematically works on reducing energy consumption and energy efficiency in its property portfolio and strives to use low carbon materials/reuse as much building material and inventory as possible in its development and renovation projects. The main indirect greenhouse gas emissions that occur in the value chain stem from production of purchased materials and inventory.

PPI seeks to work together with its customers and to co-invest in implementing efficiency measures that increase environmental qualities and reduce operating costs. This intention is also included in PPI's lease contracts which state that the parties shall cooperate to raise and further develop the environmental standards of the leasehold during the lease period. PPI also works with suppliers who share its values and all suppliers must adhere to PPI's sustainable supplier requirements and ethical guidelines.

Sustainability targets linked to energy reduction and waste sorting are included in the overall company performance targets, also serving as a basis for performance-related pay for both executive management and other employees.

## Net zero target

A cornerstone of PPI's climate work is to reduce greenhouse gas emissions from its own operations and value chain in accordance with the 1.5-degree target set by the Paris Agreement, with the goal of achieving climate neutrality by 2050. An important task for PPI going forward will be to prepare transition plans with quantitative decarbonisation measures to reach net-zero. PPI will investigate whether the targets should be validated by the Science Based Targets initiative (SBTi).

Priorities and achievements in 2024 PPI is a relatively new company and therefore does not have a long history of measuring emission data, but has during 2024:

- Established a new Energy Management System for management and follow-up of energy, water and waste management on all properties in the portfolio.
- Established GHG accounting (Scope 1 and 2) for in-use operations of the property portfolio.
- Reduced the energy consumption per square meter by seven per cent
- Performed physical climate risk analysis of the individual properties in the portfolio.
- Reviewed the EPC status of all properties and mapped performance improvement activities for the properties with low EPC certificates.
- BREEAM In-Use certified one property
- In 2025, PPI will measure progress based on the strategies and KPI's described in the following sections.

## Climate risk mitigation

### Property management

PPI has set the following overarching targets for climate risk mitigation in its portfolio and property management:

- Reduce energy consumption in the property portfolio by at least 2 per cent per year
- Work and invest together with the customers to implement effective climate measures and improve the environmental qualities of the property portfolio
- Increase the amount of energy produced from renewable sources
- Reduce water consumption in the property portfolio
- Reduce waste and increase sorting rates
  - Goal of a sorting rate of >70% in property management
  - Goal of a sorting rate of >90% in development and renovation projects
- Review mitigating measures to reduce effects from potential physical climate risks

### Energy use and GHG emissions

Reducing GHG emissions from property management and related operations are essential for PPI in order to reach the overarching target of achieving climate neutrality by 2050. PPI includes energy used by tenants in Scope 2 and when considering the total emissions from the in-use operations of its property portfolio. In 2024, approximately 80 per cent of the Scope 1 and 2 GHG emissions stems from energy consumption. Focused and systematic work and technical upgrades over time are important drivers for how PPI will succeed in this work, supported by the energy management system which makes it possible to measure, compare and follow up various initiatives. PPI aims to build a corporate culture where energy management is an integrated part of the business operations.

Although PPI is not yet in the position to measure its Scope 3 emissions it is known that the main source of scope 3 emissions in property management stems from use of materials in refurbishment and development projects.

## Estimated GHG emissions in 2023 and 2024

Energy use (kWh) Like-for-Like	2024	2023	% change
Electricity	37 126 181	39 885 125	-7%
Heating and cooling	10 245 825	11 234 968	-9%
Fuel	4 985	156 953	-97%
Total energy use	47 376 991	51 277 046	-8%
Energy intensity kWh per rentable sqm [Energy-Int-LfL]	154	164	-6%
Of which from renewable sources	88%	88%	
Percentage measured	100%	100%	
Data coverage (no of properties)	53	53	

GHG emissions (tonnes CO2e)	2024	2023	% change
<b>Scope 1, total [GHG-Dir-Abs]</b>	<b>0.1</b>	<b>0</b>	
Biofuels for heating			
Fossile fuels for heating			
Company cars	0.1		
<b>Scope 2 market based, totalt [GHG-Indir-Abs]</b>	<b>418</b>	<b>451</b>	<b>-7%</b>
Electricity	334	359	-7%
District heating and cooling	84	92	-9%
<b>Scope 2 location based, totalt [GHG-Indir-Abs]</b>	<b>418</b>	<b>451</b>	<b>-7%</b>
Electricity	334	359	-7%
District heating and cooling	84	92	-9%
Data coverage (no of properties)	53	53	
<b>Scope 1+2 market based (kg CO2 per rentable sqm, GHG-int)</b>	<b>1.33</b>	<b>1.44</b>	<b>-7%</b>
<b>Scope 1+2 location based (kg CO2 per rentable sqm, GHG-int)</b>	<b>1.33</b>	<b>1.44</b>	<b>-7%</b>

## Sustainable assets

PPI works on increasing the percentage of buildings in the property portfolio which can be proven sustainable through objective criteria, such as the EU Taxonomy and/or BREEAM.

The EU Taxonomy is a classification system established by the European Union to provide a clear framework for identifying environmentally sustainable economic activities. For the building sector, the EU Taxonomy sets specific criteria and thresholds that construction and real estate activities must meet to be considered environmentally sustainable. According to the criteria in CCM 7.7 Acquisition and ownership of buildings under the EU Taxonomy a building must either have an Energy Performance Certificate (EPC) class A or be within the top 15 per cent of the national or regional building stock to screen as aligned with the EU Taxonomy. As of date, such top 15 per cent threshold has not yet been determined in Norway. However, the threshold values recommended by NVE ('Norges vassdrags- og energidirektorat') in a report delivered to the Ministry of Energy in September 2023 states that a theoretical threshold value for the top 15 per cent of the Norwegian office buildings is to should include buildings with current EPC A and B and the upper part of EPC C. This should therefore provide constitute a as a guideline, while the final threshold may differ.

BREEAM is a globally recognised certification system for assessing the sustainability of buildings and infrastructure. BREEAM evaluates a building's performance across various categories, including energy efficiency, water usage, health and well-being, pollution, transportation, materials, waste, ecology, and management processes.

PPI is currently in process of reviewing the EPC status of all properties and map performance improvement activities for the properties will low EPC status. Currently four per cent of the portfolio values is certified EPC A, 18 per cent EPC B, 23 per cent EPC C, 34 per cent EPC D and 23 per cent EPC E or lower. In 2024, the property Wilbergjordet 1 was certified BREEAM In-Use Excellent.

## Renewable energy

PPI will gradually seek to produce more renewable energy by installing solar panels on the roofs and facades of existing buildings and in connection with development projects, when applicable. For roofs which are identified as less appropriate for solar panels, alternative solutions such as blue-green roofs for better stormwater management and increased biodiversity may be considered.

## Waste management

Waste generated from PPI's own operations includes waste from PPI's offices and waste generated from development projects, and maintenance of buildings owned by the company. PPI is in the process of implementing systems for management and follow-up of waste both from own operations and customers operations and will implement measures for increased waste sorting.

## Water consumption

Even though availability of clean water is not a constraint in Norway, PPI will focus on reducing water consumption. The aim is to minimise water wastage due to possible leakages and have meters to monitor water use in the properties, which is followed up through the EMS system. Where possible, automated leak detection systems should be installed as well as flow control devices that regulate water supply to demand. Additionally, whenever new water appliances must be installed or old ones replaced, water-efficient products should be chosen. Whenever tenants are responsible for their own appliances, they should be encouraged to install water-efficient products.

## Refurbishment and development projects

PPI is primarily involved in smaller projects involving renovation of (parts of) existing buildings and/or refurbishment projects for its tenants. Generally, PPI always works to increase the energy efficiency in its property portfolio and strives to use low carbon materials/reuse as much building material and inventory as possible in its development and renovation projects.

In the project phase PPI analyses potential measures that can be made to improve the property's energy performance and hence the Energy Performance Certificate. PPI investigates the climate shell, technical facilities, and the potential to reduce the Global Warming Potential (GWP) of existing cooling machines in particular.

All materials that are dismantled are registered, and a full assessment of what building components, materials and inventory that can be maintained and/or reused is carried out. The most used materials for renovation projects are glass, insulation, façade materials, gypsum boards, and technical

equipment. Refurbishment projects and tenant alteration projects primarily involve materials such as drywall, glass, various flooring materials, lighting fixtures, porcelain for sanitary equipment, and paint.

PPI encourages their customers' awareness of the significant emission reductions that are associated with increasing the level of reused materials and inventory in the project, and hence to promote reuse also in the choices that are made by the customers. The intention to cooperate to raise the environmental standard of the building/leasehold is also included in the lease contracts.

Material usage is managed sustainably where possible. For instance, recycled steel and insulation materials are incorporated, and timber is sourced from sustainable suppliers.

In large redevelopment projects that also involves building facades, PPI will target to reduce energy consumption (Primary Energy Demand) by at least 30 per cent in accordance with the Substantial Contribution criteria for climate change mitigation in the EU and to increase the Energy Performance Certificate to at least B.

PPI requires contractors working for the company to adhere to the EU Taxonomy criteria for transitioning to a circular economy. According to these criteria, at least 70 per cent of the non-hazardous construction and demolition waste generated on construction sites must be prepared for reuse, recycling and other material recovery. PPI strives to exceed the EU Taxonomy criteria of 70 per cent waste sorting on construction sites and has established an internal goal of achieving a sorting rate of at least 90 per cent in its projects.

## Climate risk adaptation

PPI's operations may be impacted by effects resulting from climate change. The Group is therefore working actively to manage exposure to and mitigation of climate risk. Examples of climate risks that can affect buildings are acute physical climate changes, such as extreme weather events such as flooding from heavy rainfall, heavy snowfall or landslides and chronic climate changes such as higher temperatures, more extreme weather and rising sea levels. The purpose of climate adaptation is to strengthen the resilience of operations and buildings to climate change.

## Climate risk analysis

In 2024 PPI has performed climate risk analyses for the individual assets in the property portfolio. The analysis covers different emission scenarios (RCP 4.5, RCP 6.0 and RCP 8.5) and a short-, medium- and long-term time horizon and provides a broad understanding of how the portfolio risks are affected by different climate scenarios. The analysis is based on third-party software services and will be followed up by property-specific analysis carried out by PPI's property management. On overall the analysis shows that the most significant physical climate risk facing PPI's portfolio is fluvial flooding, i.e potential damage to property values from heavy rainfall. The overall financial effects of fluvial flooding are, however, estimated to be limited.

Four properties are to a limited extent exposed to pluvial flooding where the long-term financial effects are estimated to be around 0.3 per cent of property values in a high emission scenario. One property is potentially exposed to coastal flooding from long-term effects of rising sea water.

## Mitigating measures

PPI will utilise the findings from the climate risk assessment to consider necessary implementation of mitigation measures to increase resilience to effects from climate change. Such measures could involve installing backflow valves, sealing cellar windows and doors, diverting water that might reach garages, creating blue-green roofs, constructing stormwater retention basins, and/or deploying mobile flood barriers. These measures effectively manage water-related climate hazards and ensure structural integrity during extreme weather events. Ongoing measures taken in property management involves inspections and maintenance of outdoor environments, hereunder inspecting roofs and stormwater drains before anticipated heavy rainfall, securing emergency exits, and taking actions to prevent water intrusion during floods.



# Social



PPI is a responsible owner, manager and developer of social infrastructure properties and has established relevant procedures and initiatives in its daily operations. PPI's focus areas involve its employees and their working environment, working conditions and human rights in the supply chain, health, safety and community engagement. PPI works to promote equality and prevent discrimination in the workplace. PPI has set ethical requirements for its own operations as well as for suppliers and partners. When evaluating new initiatives, PPI seeks partners and suppliers with common values and targets.

## Employee motivation

PPI strives to develop a value-based culture characterised by the company's core values: Presence, Quality and Value Creation. It is fundamental for PPI's success that its employees consider PPI to be an attractive place to work. PPI focuses on employee motivation and satisfaction, which are considered to form the basis for an individual's desire and willingness to perform and contribute to the development of the company. Employees are offered opportunities for personal and professional development through close dialogue and follow-up by their immediate superior and by external courses and seminars.

PPI aims to be a health-promoting workplace. To this end, the Group has implemented measures to contribute

to the health and wellbeing of its employees, hereunder exercise-facilities at the office, sponsoring of sport club memberships, team participation in the Holmenkollen relay run etc.

## Employee rights

Norway has an extensive social welfare system which is built on a tax-funded model with public services that provide social security to the population. This ensures that education, healthcare, parental leave and public childcare is provided for free or heavily subsidised to the user.

As an employer, PPI must pay employer's national insurance contributions, which are taxes employers must pay for its employees as part of the financing of the National Insurance Scheme. Generally, all individuals who are either resident or working as employees in Norway are compulsorily insured under the National Insurance Scheme. Persons insured under the National Insurance Scheme are entitled to retirement pension, survivors' pension, disability benefit, basic benefit and attendance benefit in case of disablement, technical aids etc., work assessment allowance, occupational injury benefits, benefits to single parents, cash benefits in case of sickness, maternity, adoption and unemployment, medical benefits in case of sickness and maternity and funeral grants where needed.

PPI complies with established standards and employment legislation. Employees in PPI are free to organise themselves. Negotiations with employee representatives and follow-up in the event of an operational change or restructuring comply with Norwegian law.

PPI's employees have elected a Safety Representative. The main function of the Safety Representative is to take care of the employees' interests in matters relating to the working environment. The Safety Representative is elected among employees with experience and knowledge of the working conditions in the company.

## Wages and working conditions

Each employee is to be compensated in accordance with the principles for remuneration applied by PPI, in accordance with which, the individual's performance and contribution to the company's success are fairly assessed.

PPI applies collective agreements and follows the appurtenant principles for wages, wage-setting, and other remunerations and terms. Among other things, maximum working hours, minimum wage, vacation, pension and dependent care leave are agreed in the collective agreements. Applicable regulation in PPI's markets regulates and enables sick leave, parental leave among other things. Salaries are surveyed annually to discover discrepancies in pay based on gender or other bases for discrimination. Discrepancies are not tolerated and are adjusted immediately.

There is equality in the remuneration of men and women, and all employees are included in a collective bonus scheme. All employees are included in the pension scheme and have the same insurance schemes, hereunder additional travel and health insurance. PPI has no employees involuntarily working part-time. Evaluation and salary adjustments are reviewed by the Senior Executive team.

## Sick leave

Sick leave in the PPI Group was two per cent in 2024. The objective is to maintain a continued low level of sick leave. Freedom of association and human rights

PPI shall always respect human rights and the ILO Declaration on Fundamental Principles and Rights at Work. This includes the right to engage in unions and applies both to employees, suppliers and partners. PPI does not tolerate any form of forced labour and supports the abolition of exploitative child labour

## Employee demographics

The Board of PPI consists of three men and two women, where the Chair is a man. The Senior Executive team of PPI consists of three women and two men, with the CEO being male. Of other employees in PPI, six are women and 11 are men. During 2024, PPI hired seven new employees. There have been two employees that have resigned from their positions at PPI during 2024. The average age of employees in PPI is 50.1 years, and the median is 51.2 years.

## Equality

Different expertise and experience contribute positively to PPI's development and to a broader and better basis for decision-making. Equal opportunities are an integral

part of PPI's standards. Employees are recruited and promoted solely on the basis of professional qualifications, regardless of ethnicity, skin colour, religion or other beliefs, age, national origin, gender, sexual orientation, political views, union membership, marital status or disability, or similar considerations with no bearing on the position in question, and the measures adopted to attract necessary competence and to attract a new generation of competent employees.

## Key employee metrics

Indicator	Unit of measure		2024
<b>Diversity</b>	Gender diversity	% of employees	Board of Directors (women/men) 40 %
			Executive Management (women/men) 60 %
			Other managerial positions (women/men) 55 %
<b>Age diversity</b>	Age diversity	Number of employees	Under 30 years old 0
			30-50 years old 9
			Over 50 years old 13
<b>Employee training and development</b>	Training and development	Average hours	Avg. no of training hours per employee >40
<b>Development</b>	Performance appraisals	% of employees	Share of direct employees 100
	New hires	Total number	Direct employees 7
	Turnover	Total number	Direct employees 2

## Business ethics and anti-corruption measures

PPI's Code of Conduct summarises the most important principles of the company's social responsibilities, as well as personal, ethical and professional principles to which all employees must adhere, and which govern the company's relationships with employees, customers, suppliers, society and shareholders. All managers in the Group are responsible

for informing new employees about the company's Code of Conduct. All employees, including managers, are responsible for adhering to the Code of Conduct and other applicable company policies, as well as about applicable legislation.

Based on the company's core values, PPI has undertaken to follow the principles of fair competition with zero tolerance of bribes, extortion, fraud, embezzlement, facilitation payments or any other kind of corruption. Use of professional power for personal gain, bribes, or use

of company resources for personal gain are examples of corruption. This applies to all employees of PPI as well as suppliers and partners.

PPI acts in line with current competition law, including applicable regulations against anti-competitive cooperation (cartel arrangements). Accordingly, PPI does not enter into anti-competitive agreements and does not apply dishonest methods when conducting business. For PPI, to cooperate with the Norwegian Competition Authority and other authorities is self-evident and, through information conveyed to new recruits, as well as at company-internal conferences, the company seeks to keep its employees abreast of legislation and policies.

PPI complies with current regulations on combating money laundering. PPI operates in markets with the world's lowest levels of corruption and refrains from doing business in high-risk markets in terms of corruption, child labour, forced labour, lack of labourer's rights or other prohibited behaviours according to the company's policies.

PPI does not fund political parties, neither at the national level nor at the EU level. All memberships in trade organisations shall be disclosed publicly.

PPI always co-operates with tax authorities and other authorities. The Board appoints an external auditor to audit the company's fulfilment of tax obligations annually. All suspicion of, or knowledge of tax-evasion by any person associated with PPI are to be reported to the closest manager immediately. All reported or suspected cases shall be taken seriously and be investigated accordingly.

Gifts, entertainment, remuneration and personal benefits can only be offered to a third party if they are of low monetary value and in accordance with normal business practices. No gifts, entertainment or personal services may be offered that violate any applicable law or Code of Conduct.

Similarly, no employees may receive gifts, entertainment or personal services that may be believed to have an impact on business transactions or in other ways give the impression that business benefits can be achieved in exchange for said gifts, entertainment or personal favours.

## Supply chain management

The Group has implemented a Supplier Code of Conduct and Supplier Requirements that all PPI's suppliers need to sign and that are available on [www.publicproperty.no](http://www.publicproperty.no). This enables PPI to request information more easily from its suppliers for verification purposes and to conduct reviews of the suppliers' conditions as part of its routine control measures, aligned with the Transparency Act.

All direct suppliers, licensing partners, and relevant indirect

suppliers must contractually agree regarding their own operations as well as on behalf of their sub-suppliers' operations to be evaluated on their performance. PPI conducts regular evaluations of third-party entities, with a particular focus on safeguarding fundamental human rights and promoting fair working conditions. These evaluations are carried out prior to new assignments with suppliers, and in response to any reports or suspicions of violations related to fundamental human rights and working conditions.

To ensure effective operations and optimal property management, PPI collaborates with a wide range of suppliers and business partners. These include facility management companies, property maintenance providers, contractors, architects, engineering consultants, legal and financial advisors, technology providers and other service providers.

PPI reviews all of the company's suppliers and partners, and assesses the potential for the company to cause, contribute to, or influence violations of labour rights or human rights. The company has identified the following groups of trade workers as more prone to risks of violating human rights and working conditions: building and construction workers, plumbers, electricians, craftsmen, caretakers, gardeners, cleaners, and canteen services.

Most of PPI's suppliers are larger companies that are either subject to the Transparency Act or have committed to guidelines such as the OECD Guidelines for Multinational Enterprises. These suppliers mainly operate in industries not typically associated with an increased risk of fundamental human rights violations. Additionally, foreign suppliers are primarily based in open economies with labour legislation that largely aligns with Norwegian standards.

PPI has implemented procedures to conduct due diligence assessments on suppliers and business partners identified as posing higher risks, incorporating customised measures to mitigate these risks effectively. For suppliers deemed high-risk, PPI performs risk-based evaluations, considering various criteria including geographical considerations. Internally, we are conducting due diligence on selected suppliers using publicly available information from the internet, published documents, and annual reports.

This meticulous process ensures a comprehensive understanding of our suppliers' operations, performance, and adherence to industry standards. By leveraging these sources, we aim to foster stronger supplier relationships and maintain our dedication to transparency and responsible sourcing practices.

PPI has not discovered any deviations in any of its reviews in 2024. If negative consequences were to be discovered, PPI would manage, resolve, and engage in dialogue with the

relevant supplier. PPI would, through appropriate actions, ensure that the breaches were not repeated and review our procedures to prevent potential similar breach or negative consequences in the future.

PPI counteracts money laundering through surveillance of payments and prohibition of suspicious payments. Payments in cash, payments to accounts with a hidden identity and payments between parties that do not have an agreement in writing are examples of suspicious payments. Payments in cash are never to be made to suppliers and subcontractors. Payment may only be made to the contracted party and never to a third party. PPI does not make payments to bank accounts where the identity of the account holder is concealed. To the greatest extent possible, payments are disbursed against invoices and always after checking that the payment matches the agreed price and/or service performed, and in accordance with the company's payment procedures. Cash is never accepted as payment for services, rent or the like.

## Health and safety

No employee, tenant, supplier, contractor, or other partner shall be injured in PPI's workplace, projects or properties. To prohibit injuries, all incidents and near-incidents shall be reported and investigated. Reported incidents shall be disclosed. Employees shall cooperate with authorities and unions to minimise the risk of injury. PPI does not accept any form of bullying, such as isolation, harassment, or verbal or physical abuse.

HSE work is central to PPI in all parts of the value chain. It shall be safe to visit and work in PPI's properties and projects and there shall be no injuries with absence in connection with the Groups development projects. PPI's safety focus is a natural part of the day-to-day operations and PPI works actively to increase awareness about the registration of all types of incidents, including accidents and near misses. The reporting of incidents is important to prevent potential accidents and to increase awareness internally among PPI's employees, suppliers and customers. Safety targets are also included in the Group KPI's and the target is that the average number of reported precautionary safety incidents in the management portfolio reported per property per month should be  $>/= 2.5$ . Senior management is involved in practical HSE work and is expected to take the lead through behaviour and leadership.

## Conflicts of interest

The PPI organisation is politically independent, and the company's funds are not used to support political campaigns or purposes. The company's employees work in the best interests of the company and avoid actions that can be perceived as favouring companies, organisations, individuals or other stakeholders at the company's expense. Such conflicts of interest may include, for example, holding external positions or shareholdings in a competitor, customer, supplier, subcontractor or representative contrary to the interests of PPI; receiving gifts or hospitality where there is an expectation or perceived expectation of a return favour, a decision on employment or promotion of relatives or friends.



## Community engagement

PPI is deeply committed to involvement in community life. One example of this commitment is the long-term sponsorship of the Norwegian Athletics Federation. Through this agreement, PPI, in collaboration with the Norwegian Athletics Federation (Norges Friidrettsforbund), has a special focus on making participation in organised sports activities available for more children.

An important project the parties will collaborate on is the National Athletics School (Landslagets Friidrettsskole), which is organised by sports clubs in over 80 municipalities around Norway. This school gives children and young adolescents a positive, inclusive and exciting first encounter with the sport of athletics.

# Governance



The Board of Public Property Invest ASA (the "Board") is dedicated to upholding a high standard of corporate governance, in the pursuit of a long-term sustainable future for the Public Property Invest ASA ("PPI") and its subsidiaries (the "Group") and its shareholders. This is done by ensuring that good governance is an integral part of the decision-making process in matters dealt with by the Board. Moreover, PPI's corporate governance standards are subject to at least annual assessment and discussion by the Board.

PPI is subject to corporate governance reporting requirements pursuant to section 2-9 of the Norwegian Accounting Act; the Public Limited Companies Act; chapter 4.4 of the Euronext Oslo Børs Rulebok II - Issuer Rules; and the Norwegian Code of Practice for Corporate Governance (the "Code"), issued by the Norwegian Corporate Governance Board (NUES). The Norwegian Accounting Act and the Public Limited Companies act can be found (in Norwegian) on lovdata.no. The Euronext Oslo Børs Rulebook II can be found

on euronext.com and the Code, which was last revised on 14 October 2021, can be found on nues.no.

PPI's corporate governance statement for 2024 follows the system used in the Code, issued by the Norwegian Corporate Governance Board (NUES). The Code covers provisions and guidance that in part elaborate on company, accounting, stock exchange and securities legislation. It also covers areas not addressed by legislation. We follow the 'comply or explain' principle required by the Code and in case of any deviations from its 15 provisions, we explain the reasons and the alternative solutions we have adopted.

## Governance strategy

The Group believes that good corporate governance involves transparent and trustful cooperation between all parties

involved with the Group and its business. This includes the Group's shareholders, the Board and executive management team, employees, customers, suppliers, and other business partners, as well as public authorities and society at large.

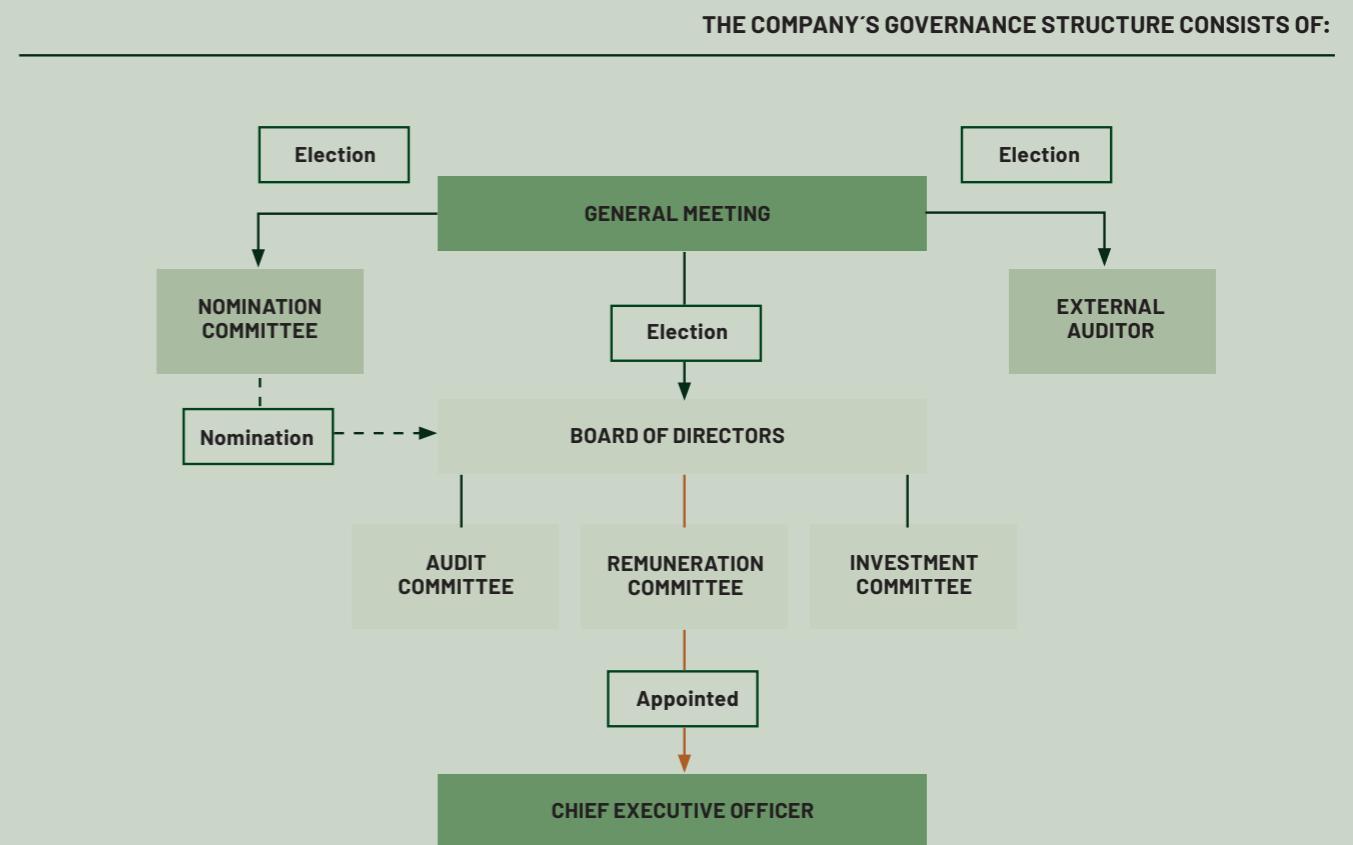
The Board and executive management shall contribute achieving the following core objectives when honouring the Group's corporate governance policy:

- Transparency. Communication with the Group's shareholders, stakeholders and other interest groups shall be based on transparency and openness on issues relevant for the evaluation of the development and position of the Group.
- Independence. The relationship between the Board, executive management and shareholders shall be based on independence principles. Independence shall ensure that all decisions are made on an unbiased and neutral basis.
- Equal treatment. A fundamental objective for good corporate governance is equal treatment and equal rights for all of the Group's shareholders.

- Control and management. Sound control and corporate governance mechanisms shall contribute to predictability and reduce the level of risk for the Group's shareholders, stakeholders and other interest groups.

## Governance structure

PPI's corporate governance policy ensures a clear division of roles between the company's shareholders, Board, executive management and committees. The corporate governance policy also provides the structure through which the objectives of PPI are set, and the means of attaining those objectives and monitoring performance are determined.



**Deviations from the Code:** None

## The business

PPI, founded in 2021, is a real estate company with a long-term strategy of owning, operating and developing socially beneficial property in Norway in a sustainable manner. The strategy is designed to attract reliable, long-term institutions with public-sector financing and the security that this brings. Read more about PPI, its business model and strategy in The Business section of this annual report.

PPI's business objective, as set out in the company's articles of association, reads as follows: The company's objective is to own, acquire, dispose of, operate, develop and manage real estate and other related activities. The company can also participate in and own shares or share certificates in other companies that conduct business as mentioned in the first sentence. Further information about the Group's business can be found in The Business section of this annual report.

The Board has defined clear objectives, strategies and risk profiles for the Group's business activities as an effort to create value for its shareholders in a sustainable manner. These objectives, strategies and risk profiles are evaluated annually. When carrying out this work, the Board has considered financial, social and environmental considerations. PPI has established guidelines and principles which are used to integrate considerations to human rights, employee rights and social matters, the external environment and anti-corruption efforts in its business strategies, its day-to-day operations and in relation to its stakeholders. Read more about the company's ESG efforts in the ESG section.

PPI is subject to the Transparency Act. In accordance with such Act and the OECD Guidelines for Multinational Enterprises, the company conducts due diligence assessments to detect, prevent and mitigate any actual, or any risks of adverse impacts on human rights or decent working conditions in the Group's own operations, its supply chain and other business relationships. PPI shall also publish a report on such due diligence assessments and upon request provide information to third parties in accordance with the Transparency Act.

**Deviations from the Code:** None

## Equity and dividends

On 31 December 2024, the Group's book equity was 5 714 million (2 850 million), representing an equity ratio of 47.9 per cent (33.4 per cent). The Board considers the capital structure of the Group to be satisfactory by reference to the Group's goals, strategy and risk profile. At any given time, PPI's financial strength and exposure is considered in the light of its objectives, strategy and risk profile.

### Dividend policy

The Board has established and disclosed a clear and predictable dividend policy for the Group. The Group's dividend policy is to distribute approximately 60 per cent of cash earnings to its shareholders, subject to growth and overall financial position. The dividend will be paid quarterly. However, in the short term, PPI plans to leverage the current market situation and may prioritise acquisitions and therefore may not pay dividends to the extent as outlined in the dividend policy.

The Board will propose to the Annual General Meeting that PPI distributes a dividend 0.50 per share for the financial year 2024. The dividend will be split in four quarterly payments: NOK 0.10 per share to be paid in June and October 2025 and NOK 0.15 per share to be paid in January and April 2026. In 2024, the general meeting had not provided the Board with an authorisation of approved distribution of dividends.

Authorisations to the Board to increase the company's share capital or to purchase treasury shares

On 12 April 2024, the extraordinary general meeting of PPI granted the Board three separate authorisations to increase the share capital and issue new Shares, being:

- An authorisation to increase the share capital by up to 10 per cent of the company's share capital) to be used in connection with issuance of Shares in connection with acquisitions. The authorisation covers capital increase against non-cash contributions (contribution in kind), including capital increases by way of set-off, and capital increases in connection with mergers.
- An authorisation to increase the share capital by up to 10 per cent of the company's share capital) for the purpose of issuing new Shares to increase the company's equity. The authorisation covers capital increase against non-cash contributions (contribution in kind), including capital increases by way of set-off, and capital increases in connection with mergers.

- An authorisation to increase the share capital by up to NOK 2,403,591 (but in any case, limited to an amount equal to 2 per cent of the company's share capital) to be used in connection with the contemplated future share incentive programme for key employees and Board Members. The authorization covers potential share capital increases against non-cash contributions (contribution in kind), but not share capital increases in connection with mergers.
- The above authorisations are valid until PPI's annual general meeting in 2025, but in any case, no longer than to 30 June 2025.

On 12 April 2024, the extraordinary general meeting of PPI also granted the Board two separate authorisations to acquire shares in the company (treasury shares), on behalf of the company:

- An authorisation to acquire shares in the company (treasury shares) with an amount up to 8 per cent of the company's share capital to enable the use of own shares as settlement in connection with acquisitions.
- An authorisation to acquire Shares in the company (treasury shares) with an amount up to 2 per cent of the company's share capital to enable the use of own shares in connection with future incentive programs.

The above authorisations are valid until the company's annual general meeting in 2025, but in any case, no longer than to 30 June 2025.

**Deviations from the Code:** None

## Equal treatment of shareholders

PPI has only one class of shares. Each share in the PPI carries one vote, and all shares carry equal rights, including the right to participate in general meetings and the right to dividends.

All shareholders shall be treated on an equal basis, unless there is a just and factual cause for treating shareholders differently.

Deviation from existing shareholders' pre-emption rights. Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in a share capital increase, shall be justified by the common interest of the PPI and the shareholders.

If the Board resolves to issue new shares and deviate from existing shareholders' pre-emptive rights pursuant to an authorisation granted to the Board, the stock exchange announcement issued in connection with the share issue shall also include a justification for the deviation. The Board has for the financial year in 2024 resolved to increase the share capital in accordance with the authorizations granted in 2024. These resolutions pertains to the issuance of shares related to acquisitions involving capital increases through non-cash contributions (contributions in kind). Consequently, there has been no waiver of pre-emption rights.

### Transactions in treasury shares

PPI's transactions in treasury shares shall be carried out through Euronext Oslo Børs' trading platform at the prevailing trading price or by making a public offer to all shareholders. If the company's shares suffer from weak liquidity, the Board shall take particular care even when making purchases and sales through the stock exchange, in order to ensure equal treatment of shareholders.

The extraordinary general meeting granted authorization to purchase treasury shares in 2024; however, this authorization has not yet been used.

**Deviations from the Code:** None

## Shares and negotiability

The shares of PPI are freely transferable and there are no limitations on any party's ability to own, trade or vote for shares in PPI.

**Deviations from the Code:** None

## General meetings

### Exercising rights

The Board shall ensure that PPI's shareholders can participate and exercise their voting rights in the company's general meeting, and that the general meeting is an effective forum for shareholders and the Board. This shall, among other actions, be facilitated through the following actions or documents:

- the notice of the general meeting and any ancillary documents, the nomination committee's

recommendation and background information on the resolutions to be considered at the general meeting (if any) shall be available on PPI's website no later than 21 days prior to the date of the general meeting;

- the resolutions and any ancillary documentation shall be sufficiently detailed and comprehensive, thereby allowing shareholders to understand and make an opinion on all matters to be considered at the general meeting;
- the deadlines for shareholders to register their attendance at the general meeting shall be set as close to the date of the general meeting as practically possible. The deadline may not expire earlier than two business days before the date of the general meeting. The Board may, prior to sending the notice of the general meeting, determine a later date for the notification;
- the Board and the chairperson of the general meeting shall ensure that the shareholders are able to vote separately on each matter and each candidate nominated for election to the Board, the nomination committee and other corporate bodies (if applicable);
- the Chair of the Board and the CEO shall be present at general meetings. The company should also ensure that other members of the Board are present at general meetings. The chair of the nomination committee should attend annual general meetings in order to present the committee's recommendations and answer any questions. The auditor shall be present at general meetings where matters of relevance are on the agenda; and
- an independent person to chair the general meeting shall be appointed.

#### Participation without being present

General meetings shall be held either physically or electronically or as a combination of the two in compliance with the requirements of the Public Companies Act. PPI shall facilitate electronic participation unless the Board finds that it has reasonable cause to refuse such electronic participation.

Shareholders who are unable to attend the general meeting shall be given the opportunity to be represented by proxy and to vote by proxy. The Board shall in this respect, with regards to the notice of the general meeting:

- provide information on the procedure for attending by proxy;
- nominate a person who will be available to vote on behalf of non-attending shareholders as their proxy (normally being the Chair of the Board); and
- prepare a proxy form, which, to the extent possible, shall

make it possible to vote separately on each individual matter on the agenda and each candidate nominated for election

Minutes of General Meetings are published as soon as practicable via the Euronext Oslo Børs reporting system (newsweb.no, ticker code: PUBLI) and in the Investor Relations section of PPI's website.

#### Deviations from the Code: None

## Nomination Committee

In accordance with section 7 of PPI's Articles of Association PPI shall implement a nomination committee following its listing on the Euronext Oslo Børs. In connection with the listing of PPI on Euronext Oslo Børs, the Board decided that members of nomination committee will be elected at the company's first Annual General Meeting thereafter. The Board will propose candidates for the Nomination Committee to be elected at the Annual General Meeting in 2025. Furthermore, it follows by section 7 of the PPI's articles of association that the general meeting elects the chairperson and members of the nomination committee and determines their remuneration.

The objectives, responsibilities and functions of the nomination committee shall be in compliance with rules and standards applicable to the company, which are described in PPI's "Instructions for the Nomination Committee" adopted by the general meeting on April 12, 2024. The company shall ensure that shareholders have information about the composition of the nomination committee and deadlines for submitting proposals to the nomination committee.

The composition of the nomination committee should be such that the interests of shareholders in general are represented. Rules for rotation of the nomination committee's members are set out in the company's "Instructions for the Nomination Committee".

The nomination committee shall:

- recommend candidates for the Board and the nomination committee, and
- recommend remuneration for the members of the Board and the nomination committee.
- The nomination committee's recommendation of candidates to the Board shall ensure that the Board is composed to comply with legal requirements and principles of corporate governance.

The nomination committee's recommendation of candidates to the nomination committee shall ensure that they represent a broad group of the company's shareholders.

The recommendations from the nomination committee shall include a reasoning for the proposal of each individual candidate, as well as a statement on how the committee has carried out its work. The nomination committee's reasoning for its recommendation shall include information about each candidate's competence, capacity, independence and other relevant factors for the general meeting to adopt a resolution on a sufficiently informed basis.

The recommendation shall be made available 21 days in advance of the general meeting (i.e. the same deadline for distributing the notice for a general meeting).

Shareholders shall be given the opportunity to submit proposals to the nomination committee for candidates up for election to the Board and other appointments in a simple and easy manner. A date for when such proposals must be submitted to be considered by the nomination committee shall be communicated.

Deviations from the Code: PPI does not currently have a nomination committee but a nomination committee will be up for election on the AGM in May 2025

## Composition and independence of the Board

The composition of the Board should ensure that the Board has the expertise, capacity and diversity needed to achieve the company's goals, handle its main challenges and promote the common interests of all shareholders. The Board shall consist of between three and nine board members. The Board currently comprises five members, ensuring diverse perspectives and expertise. Each board member should have sufficient time available to devote to his or her appointment as a board member. The members of the Board shall be willing and able to work as a team, thereby enabling the Board to work efficiently as a collegiate body. The Board shall be composed so that it can act independently of any special interests. A majority of the shareholder-elected members of the Board shall be independent of the executive management and the company's material business connections.

Further, at least two of the shareholder-elected members of the Board shall be independent of the company's major shareholder(s). A shareholder is considered to be a major shareholder if it owns or controls 10 per cent or more of the company's shares or votes, and the board members' independence from such shareholder(s) shall entail that there are no circumstances or relations that may reasonably be expected to influence an independent assessment by the relevant board member(s). All the shareholder-elected members except Sven-Olof Johansson are independent of the company's major shareholder(s).

Neither the CEO, nor any member of PPI's executive management, shall also be a member of the Board.

The composition of the Board shall be in compliance with the gender representation requirements set out in section 6-11a of the Public Companies Act and represent sufficient diversity of experience and expertise to help ensure that the Board is able to carry out its work in a satisfactory manner and in accordance with the Group's objectives. As per date of this report two of five directors are women.

All members of the Board, including the Chair, shall be elected by PPI's general meeting. The term of office for the respective board members shall not be longer than two years at a time. Members of the Board may be re-elected. The re-election of the members of the Board should be phased, to prevent that the entire Board is replaced at once. The company's annual report shall provide information on the expertise, experience and independence of the members of the Board, as well as information on their record of attendance at board meetings.

Information on the background and experience of the directors is available on PPI's website and on pages 72-73. Members of the Board are encouraged to own shares in the company as this may contribute to increased economic relations between the shareholders and the members of the Board. Consideration should be given in this respect, to arrange for members to invest part of their remuneration in shares in PPI at market price, cf. section 14 below. However, caution should be taken not to let this encourage a short-term approach, which is not in the best long-term interests of the company and its shareholders.

The Board's composition as of the end of the year included five members, with a balanced representation of genders and a range of competencies to effectively oversee the company's operations.

PPI's Board consist of Martin Mæland (Chair), Sven-Olof Johansson, Siv Jensen, Silje Hauland and Kenneth Bern,

all elected in connection with the company's IPO in 2024. Information on the Board's competence and independence are provided in section From the Boardroom.

#### Board representation and participation in Board meetings and committees since election in April 2024:

Board	Board meetings	Audit committee	Remuneration committee	Board tenure since	Up for election
<b>Martin Mæland (chair)</b>	7		1	2024	2026
<b>Sven-Olof Johansson</b>	7			2024	2026
<b>Siv Jensen</b>	7	3		2024	2026
<b>Silje Hauland</b>	7	3		2021	2026
<b>Kenneth Bern</b>	7		1	2021	2026

## The work of the Board

The Board develops an annual plan for its own work, with particular focus on objectives, strategy and implementation. The Board implements instructions for its own work and the work of the executive management, focusing on determining allocation of internal responsibilities and duties. The objectives, responsibilities and functions of the Board and the CEO shall be in compliance with rules and standards applicable to PPI, [as described in the company's "Rules of Procedure for the Board".]

The Board of Directors has prepared an instruction on how the Board of Directors and executive management shall deal with agreements with related parties, including whether an independent valuation must be obtained. The Board of Directors presents all such agreements in the company's annual report.

The Chair of the Board chairs board meetings. All board members receive information about the Group's operational and financial progress in advance of the Board meetings. PPI's business plan, strategy and risk are regularly reviewed and evaluated by the Board to ensure that the company creates value for shareholders in a sustainable manner. The Board draws up and adopts an annual plan, including topics for the Board meetings. Ordinarily, the CEO proposes the agenda for each individual Board meeting. In addition to the board members, Board meetings are attended by the Executive management team. The Board decides on matters

of material importance to the Group. These include, but are not limited to, approval of the annual and quarterly reports, strategies and strategic plans, the approval of significant investments, the approval of significant contracts and the approval of substantial acquisitions and divestments. When carrying out this work, the Board considers the financial, social and environmental aspects.

The Board receives quarterly reports and presentations on the Group's operational and financial status. The reports describe progress and status in the Group's operative and administrative functions during the reporting period.

Each year the Board and its committees shall assess their own work and way of working as a basis for reviewing the need for changes and other measures. This assessment includes an evaluation of the Board's expertise, collectively and for each member, and how well the Board works as a team.

#### Related party agreements

The Board has prepared instructions on how the Board and executive management shall deal with agreements with related parties, including when an independent valuation must be obtained. The Board shall present all such agreements in the company's annual report.

Additionally, PPI's Articles of Association article 8, states that any agreement between PPI, or a company where PPI has a controlling influence on the one hand, and Samhällsbyggnadsbolaget i Norden AB or a company

where Samhällsbyggnadsbolaget i Norden AB has a controlling influence on the other side, must be approved by the company's general meeting. Sections 3-10 et seq. of the Public Limited Liability Companies Act apply as far as they apply to agreements that are not material according to Section 3-11 of the Public Limited Liability Companies Act, hereunder but not limited to the exceptions in Section 3-16. This paragraph shall apply as long as Samhällsbyggnadsbolaget i Norden AB directly or indirectly controls more than 15% of the shares and votes in the company.

#### Conflict of interests and disqualification

A member of the Board or executive management cannot consider matters in which it or any of its related parties has a special financial or prominent personal interest. Each board member shall ensure that the Board and executive management are aware of any material interests that they may have in matters to be considered by the Board, so that these can be considered in an unbiased and satisfactory manner.

#### Committees

The Board established an Audit Committee, Remuneration Committee and Investment Committee in 2024, while the Nomination Committee is set to be established at the Annual General Meeting in May 2025.

#### Audit committee

PPI's audit committee currently consist of two members:

- Silje Hauland (Chair)
- Siv Jensen

Both members of the audit committee are independent of PPI, and at least one member of the audit committee is competent in respect to financial reporting and audit. The audit committee shall function as a preparatory and advisory sub-committee of the Board in relation to, among other matters, the Board's monitoring of the company's financial reporting and internal audit, systems for internal control and risk management and the work of the statutory auditor. During 2024, the committee had three meetings.

The objectives, responsibilities and functions of the audit committee shall be in compliance with rules and standards applicable to the company, as described in PPI's "Instructions for the audit committee".

#### Remuneration committee

The Board's remuneration committee consists of two members:

- Kenneth Bern (Chair)
- Martin Mæland

The remuneration committee shall function as a preparatory and advisory sub-committee of the Board in questions relating to the company's strategy for the compensation of its executive management.

The purpose of the remuneration committee is to ensure thorough and independent preparation of matters relating to compensation of the company's executive management.

The remuneration committee shall provide the Board with guidelines for the salary and other remuneration for executive management, which shall be made in accordance with section 6-16a of the Public Companies Act. The members of the remuneration committee are elected by and among the members of the Board for a term of up to two years.

The members of the remuneration committee are independent of the company's executive management.

The objectives, responsibilities and functions of the remuneration committee shall be in compliance with rules and standards applicable to PPI, as described in the company's "Instructions for the Remuneration Committee".

#### Investment committee

PPI's investment committee currently consist of two members:

- Martin Mæland (Chair)
- Sven-Olof Johansson

The company's investment committee function as a preparatory and advisory sub-committee for the Board of Directors in questions relating to investment opportunities. The purpose of the investment committee is to ensure that investment opportunities falling within the Group's investment strategy, including strategic rationale, possible synergies, benefits and issues, are thoroughly assessed before an investment opportunity is presented to the Board of Directors. The committee may also, depending on the project's significance for the Group, be involved in development projects and establishment of new lease agreements on an ad-hoc basis.

The objectives, responsibilities and functions of the investment committee are regulated in separate instructions.

#### Deviations from the Code: None

## Risk management and internal controls

The Board of Directors has the responsibility to ensure that the company has sound and appropriate internal control systems in relation to the scope and nature of the Group's activities. By implementing effective internal control systems and risk management systems, the Group is better protected against situations that could damage its reputation or financial standing. Effective and proper internal control and risk management are important factors when building and maintaining trust, to reach the company's objectives, and ultimately create value for the Group and its shareholders.

The Board of Directors annually reviews the Group's most important areas of risk exposure and the internal control arrangement in place for such areas. The review pays attention to any material shortcomings or weaknesses in the Group's internal control and how risks are being managed. The main features of the Group's risk management is further elaborated in the section Risk Management.

The Board of Directors ensures that it is updated on the Group's financial situation and continually evaluates whether the Group's equity and liquidity are adequate in relation to the risk associated with the Group's activities.

The Group's management focuses on frequent and relevant reporting of both operational and financial matters to the Board with the purpose of ensuring that the Board has sufficient information for their decision-making and is able to respond quickly to changing conditions.

**Deviations from the Code:** None

## Remuneration of Board

The general meeting shall each year determine the remuneration of the Board based on the Nomination Committee's proposal. The Board's remuneration shall reflect the Board's responsibilities, expertise, and use of time and the complexity of the Group's business. Board members or companies to which they are connected shall not normally undertake separate assignments for the Group in addition to the Board appointment. If they nevertheless do, the Board is to be informed, and the fees for such assignments are to be approved by the Board. If

remuneration is paid above the normal Board fee, this is to be specified in the annual report.

### Deviation from the Guidelines

The Board may decide to deviate entirely or partly from the Guidelines in individual cases provided that there are special circumstances that make such deviation necessary in order to satisfy the long-term interests of the company or to ensure the financial viability of the company.

Pursuant to Section 6-16b of the Public Companies Act, a report on salaries and other remuneration to Senior Executive personnel and the Board will be presented at the Annual General Meeting. The report will also be available on PPI's website.

For the financial year 2024, the Board received remuneration in accordance with what was approved on the EGM in April 2024. No remuneration was paid above the approved Board fee. See also note 1 to the Parent company financial statements for information on Board remuneration in 2024.

**Deviations from the Code:** None

## Salary and other remuneration for Senior Executives

The company has prepared a remuneration policy which supports the company's prevailing strategy and values, while also aligning the interests of shareholders and executive management. The policy will be approved at the Annual General Meeting in 2025 and will be reviewed and approved at least every four years in accordance with Norwegian law.

Performance-related executive remuneration is linked to value creation for shareholders and/or the company's profit over time. The arrangements are intended to incentivise "the executive management to enhance" company performance and incorporate quantifiable factors under the influence of management. Performance-related remuneration is subject to an absolute limit. More details can be found in the remuneration report for leading personnel for 2024. The principles governing executive salaries, remuneration, and benefits are reviewed by the Remuneration Committee and approved by the Board of Directors.

**Deviations from the Code:** None



## Information and communications

PPI has established guidelines for its reporting of financial and other information based on transparency and taking into account the applicable requirements for Euronext Oslo Børs listed issuers, including, but not limited to the requirements of equal treatment. The company is obliged to continually provide its shareholders, Euronext Oslo Børs and the public with timely and precise information about the Group and its operations in accordance with applicable laws and regulations.

Relevant information will be given in general meetings or in the form of annual reports, quarterly reports, press releases, stock exchange announcements and/or presentations in accordance with what is deemed appropriate and required at any given time.

PPI maintains an open and proactive policy for investor relations, a website based on "sound practices" for communication and information and gives presentations in connection with annual and interim financial results.

PPI publishes an annual, electronic financial calendar with an overview of dates for important events, such as the annual general meeting, interim financial reports, public presentations and payment of dividends, if applicable. PPI has separate instructions for handling of inside information and a separate investor relation policy has been drawn up to assist PPI in building trust and awareness in the investor community by ensuring that investor relation activities are conducted in compliance with relevant rules, regulations and recommended practices.

Communication with the shareholders should always be in compliance with the provisions of applicable laws and regulations and in accordance with the principle of equal treatment of shareholders

**Deviations from the Code:** None

## Takeovers

The Board of Directors has established main principles for its actions in the event of a takeover offer.

In a takeover process, the Board and the executive management each have independent responsibilities to ensure that the company's shareholders are treated equally and that there are no unnecessary interruptions to the company's business activities. The Board of Directors has a particular responsibility to ensure that the shareholders are given sufficient information and time to assess an offer.

Any transaction that effectively means a divestment of the company's business should be resolved by the company's general meeting.

### Main principles for action in the event of a takeover offer

In the event of a takeover process, the Board of Directors shall seek to abide by the recommendations of the Code, and ensure that the following actions take place:

- the Board shall not seek to hinder or obstruct any takeover offer for the company's business or shares unless it has valid and particular reasons for doing so, including, but not limited to, the valuation of the company;
- the Board of Directors shall not exercise mandates or pass any resolutions with the intention of obstructing the takeover offer unless this is approved by the general meeting following announcement of the bid;
- the Board of Directors shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the company;
- the Board of Directors shall not enter into an agreement with any offeror that limits the company's ability to arrange other offers for the company's shares, unless it is self-evident that such an agreement is in the common interest of the company and its shareholders;
- the Board of Directors and executive management shall not invoke measures with the intention of protecting their own personal interests at the expense of the interests of shareholders; and
- the Board of Directors must be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a takeover offer, the Board shall obtain a valuation from an independent expert and issue a statement making a recommendation as to whether or not the shareholders should accept the offer. The statement shall make it clear whether the views expressed are unanimous, and if this is not the case it shall explain the basis on which specific members of the Board of Directors have excluded themselves from the statement.

**Deviations from the Code:** None

## Auditor

The Audit Committee evaluates and makes a recommendation to the Board and the general meeting regarding the choice of external auditor. When evaluating the auditor, emphasis is placed on the firm's qualifications, capacity and the auditor's fee. The General Meeting elects the company's auditor. PPI's auditor is PwC.

Each year the auditor presents a plan for the execution of the auditor's work to the Audit Committee that in turn informs the Board of its most important aspects.

The company's auditor attends all meetings of the Audit Committee, as well as the Board meeting in which the annual report and financial statements are considered and approved. At the meetings, the auditor goes through any significant changes in the Group's accounting principles, the evaluation of material accounting estimates and any material matters where there has been disagreement between the auditor and the management.

The auditor reviews the Group's internal controls and financial reporting. When presenting the results of the audit to the Audit Committee, the auditor also presents an assessment of the Group's internal controls, identified weaknesses and proposals for improvements. The auditor summarises the findings and assessments of the annual audit for Group management and the Audit Committee. Material issues if applicable are summarised for the Board. Each year the auditor's independence is assessed by the Audit Committee. The Board has drawn up guidelines on the engagement of the external auditor, governing what work the auditor can do for the Group in view of the requirement for independence. Any major assignments other than statutory audits are approved by the Audit Committee in advance. Management informs the Audit Committee of all additional services supplied by the external auditor at each Audit Committee meeting.

**Deviations from the Code:** None

# Board of Directors

Name	Martin Mæland	Sven-Olof Johansson	Siv Jensen	Kenneth Bern	Silje Cathrine Hauland
Board position:	Chair	Board member	Board member	Board member	Board member
Born:	1949	1945	1969	1960	1971
Nationality/Residency:	Norwegian/Norway	Swedish/Sweden	Norwegian/Norway	Norwegian/Switzerland	Norwegian/Norway
Gender:	Male	Male	Female	Male	Female
Member of the Board since:	2024	2024	2024	2021	2021
Independence:	Independent	Board member of Samhällsbyggnadsbolaget i Norden AB which holds 35.2 % of the shares in PPI	Independent	Independent	Independent
Number of shares / share options in PPI*:	100 000 shares / 160 000 options	0 shares / 160 000 options	0 shares / 0 options	3 274 320 shares / 160 000 options	40 000 shares / 0 options
Education:	Cand. mag. and Cand. ocean in mathematics, computer science and economics from the University of Oslo	Master in political science from Stockholm University and Stockholm School of Economics.	BBA degree in economics from the Norwegian School of Economics (NHH).	BSc(Hon) Electronics Eng. from UCNW (UK) MBA from IESE Business School (E).	Executive MBA in Energy Management (EMBA) fra BI Norwegian Business School and European School of Management, Paris
Executive and non executive positions:	Martin Mæland has 32 years of experience as CEO of OBOS. He currently serves as chair of the Tax assessment board for commercial property in Oslo municipality and as chair of the board of Brimas AS, Strandveien 1 AS, Strandveien Utvikling AS, Consto Holding AS, Consto AS, Fjellhamar Bruk AS, Gjettumgrenda AS, Gjetumgrenda KS and Foreningen for Nordre Skøyen Hovedgård. He is also a board member in Bane Nor Eiendom AS, Høvik Stasjonsby AS, Høvik Stasjonsby KS, Snoveien 17-19 AS, Sameiet Grønlibakken 13-15 and as deputy board member in Fornebu Strandsone AS, Fornebu Sentrum Utvikling AS and Fornebu Sentrum AS.	Sven-Olof Johansson is the founder and managingdirector of Fastpartner AB (publ). He is also serves as chair of the board of Compactor Fas-tigheter AB and as board member of Samhällsbyggnadsbolaget i Norden AB, Autoropa Aktiebolag and STC Interfinans AB.	Siv Jensen is a prominent Norwegian politician and served as Minister of Finance from 2013 to 2020. Jensen served as a parliamentary politician for six terms, from 1997 until 2021, and was the party leader for the Progress Party (Nw: Fremskrittspartiet) from 2006 to 2021. Currently, Jensen serves among others as a political advisor to Flyte. She also serves as chair of the board of MeyerHaugen AS and board member of Toluma AS, Pharma Nordics AS and Norboat AS.	Kenneth Bern is the owner and CEO of Telecom AS, and co-founder of VitaeLab / NutraQ, NQ Active AS and Algalif ehf. After working for Boston Consulting Group in Germany, he has had various commercial and administrative roles in Norwegian industrial companies i.a. Norsk Hydro ASA. He is invested in and serves as chair of the board of Telecom AS, BC Sport AS, Teleheim AS / Gode-land Boligutvikling AS, MSG Cleaning Systems AS, Grimstad Logistikkbygg AS and Greenaltech S.L. He also serves as board member in Evolys AS, New Normal Group AS, Gaitline AS, GAT Biosciences S.L.U, AdvanSyn BIO S.L. and Algalif EHF. He has more than 10 years of experience within commercial real estate.	Silje Hauland is currently the CEO of Chrisanic AS. She has previous experience as CFO of Nessco Holding AS, and finance manager for Norway and Denmark at Chevron. She serves as chair of the board of Marstrandgata 9 AS, Gatekeeper AS and board member of Sameiet Prof Birkelandsvei 24 A, Forskningsveien Holding AS, Merkur Bygginvest AS, and Elverum Eiendomsinvest AS.
Member of Board Committees:	Remuneration committee Investment Committee	Investment Committee	Audit committee	Remuneration committee	Audit committee

\* directly or indirectly owned

# Board of Directors Report

Geopolitical tension continues to escalate in several regions of the world and makes the macro-economic outlook difficult to navigate. Economic conditions have however started to improve after the inflation and interest rate shocks observed in 2022 and 2023. Inflation has come down in most countries and interest rates have been trending downward in most Western economies. Although confidence has increased somewhat in the real estate and financing markets, the interest rate level continues to pose a risk, especially for investors and property owners with high leverage ratios.

In 2024, PPI experienced a significant transformation marked by substantial portfolio growth, listing on Euronext Oslo Børs, balance sheet refinancing, and the establishment of a professional organisation with competence across the real estate value chain. As other investors and companies continue to struggle with high leverage and interest rates, PPI sees the current market environment as an opportunity to be a leading consolidator and to continue growing the company through value accretive transactions.

## Strategy and objectives

PPI's strategy is to be a sustainable and preferred owner, manager and developer of social infrastructure properties in the Nordics. The Group owns a large and diversified property portfolio of centrally located properties, of which many are built for a special purpose. The properties house essential functions like police stations, courts, public health facilities and various governmental offices. A key advantage for PPI is its government backed tenant base on long leases, ensuring long term financial stability.

The Group is committed to continue to strengthen its

standing as a provider of socially beneficial properties throughout Norway and the Nordics. Positioned with a clear strategy, the Group aims to be a preferred partner for the governmental sector and will continue growing its portfolio of community service properties in the coming years.

## Operations

The Group's core activities include managing and operating the Group's properties on a day-to-day basis. Moreover, the Group proactively engages in real estate investments through upgrades and development of the existing property portfolio, along with the acquisition of new properties. To identify both short-term and long-term development potential within the portfolio, the Board regularly assesses properties where there is an anticipated potential for future development and contracts expiring within 2-3 years.

## Property Portfolio

As of year-end, PPI owned 72 properties totaling 394 569 square meters, with a total value of NOK 10 880 million. The portfolio is centrally located in cities and urban centers across Norway. The occupancy rate of the portfolio was 97 per cent, while 92 per cent of the rental income originated from public sector tenants.

## Important events in 2024

During the first half year of 2024 PPI went through a major transformation as it

- 1) acquired a large portfolio of 13 properties from SBB Samfunnsbygg AS (SBB),
- 2) partly repaid and fully refinanced all outstanding debt, and
- 3) did a successful Initial Public Offering with cash proceeds to PPI of NOK 1.5 billion with the simultaneous listing of the Group's shares on Euronext Oslo Børs, in April 2024.

In connection with the IPO, Public Property Invest communicated a clear strategy of becoming a leading consolidator of social infrastructure properties with an aim to pursue an opportunistic growth strategy focused on value accretive transactions. During the second half of the year, PPI has delivered on this strategy, acquiring three properties and a portfolio of eight kindergartens for a contractual property value of NOK 812.5 million.

In November 2024, PPI established a European Medium Term Note (EMTN) programme and issued its eurobond of 300 million and obtained an Investment Grade rating of BBB from Fitch Ratings.

The Group works continuously to strategically position itself with tenants whose leases are about to expire. During 2024, PPI signed new and renegotiated leases for a total of 51 393 square meters and had an occupancy rate of 97 per cent at year-end 2024.

## Financial review

Due to the significant transformation PPI has gone through in 2024, the Group's financials for 2024 are not directly comparable to those of 2023. The following financial review is based on the consolidated financial statements of Public Property Invest ASA and its subsidiaries. The statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU.

## Profit and loss

Rental income was up by 15 per cent from NOK 575 million in 2023 to NOK 662 million in 2024 of which the net contribution from acquired properties was NOK 70 million. Other income of NOK 3 million in 2024 (0 in 2023) is mostly related to an income of NOK 2.3 million from expropriation of land at one of the properties.

Property expenses were NOK 67 million for the year ended 31 December 2024 compared to NOK 75 million in 2023. Administration expenses increased to NOK 82 million for the year ending 31 December 2024, from NOK 31 million in 2023. As of year-end 2023 PPI had only one direct employee. Through 2024 PPI has built a professional organisation and brought many functions in-house. There were non-recurring costs of NOK 8 million related to the IPO-process and NOK 2 million related to the EMTN-program.

Reimbursed property management fee amounted to NOK 15 million in 2024 versus zero in 2023. This fee relates to management fees in connection with property management of SBB's Norwegian portfolio and Nordiqus Education Holdco 1 AS portfolio.

Interest income increased to NOK 26 million for the year ended 31 December 2024, up from NOK 6 million in 2023 and is related to interest income on bank deposits.

Interest expenses rose to NOK 317 million for the year ended 31 December 2024, compared to NOK 272 million in 2023. Through 2024, PPI has significantly grown its portfolio, fully refinanced its debt portfolio and issued new equity, so the numbers are to a limited extent comparable.

Net interest income from interest rate derivatives was NOK 29 million in 2024, up from NOK 19 million in 2023.

Net income from property management was NOK 270 million for the year ended 31 December 2024, up from NOK 223 million in 2023.

Net unrealised financials amounted to a loss of NOK 74 million in 2024 compared to a loss of NOK 25 million in 2023 and is related to expensed amortised borrowing costs of the bank loan, which was partially repaid in December and amortisation of bond costs.

Transaction costs amounted to NOK 99 million in 2024 vs NOK 0 in 2023. The amount is related to non-recurring costs incurred in connection with the IPO and the listing of the Group's shares on Euronext Oslo Børs.

Changes in the fair value of interest derivatives resulted in a gain of NOK 9 million for the year ended 31 December 2024, contrasting to a loss of NOK 25 million in 2023.

Changes in the fair value of investment properties decreased by NOK 34 million for the year ended 31 December 2024 compared to a decrease of NOK 1143 million in 2023. The decrease in the value of the properties in 2023 and in the first half of 2024 was attributable to changes in market conditions where higher interest rates impacted cost of capital adversely, which was mirrored in higher valuation yields and thus lower value of properties. Since 30 June 2024

this trend has been reversed, and the fair value of investment properties has been written up by approximately 2.1 per cent. Profit (loss) before tax was NOK 73 million for the year ended 31 December 2024, compared to a loss of NOK 969 million in 2023.

Income tax expense amounted to a loss of NOK 59 million in 2024 vs NOK 69 million in 2023 and is related to changes in deferred tax.

There is no other comprehensive income reported for both the year ended 31 December 2024, and the year ended 31 December 2023, and net profit (loss) and total comprehensive income (loss) came in at NOK 13 million for 2024 compared to a loss of NOK (900) million for 2023.

#### Cash Flow

In 2024, net cash flow from operating activities generated an inflow of NOK 467 million, while in 2023, it amounted to NOK 437 million. Net cash flow from investment activities resulted in a cash outflow of NOK 260 million in 2024, with expenditures of NOK 144 million on upgrades to investment properties and NOK 143 million in investment in investment property entities and shares, offset by an inflow of NOK 26 million from interest received on deposits. In 2023, investing activities led to a cash outflow of NOK 26 million, primarily associated with upgrades of investment property entities. Financing activities in 2024 resulted in a cash inflow of NOK 602 million, largely attributed to the full restructuring of the Group's financing structure. Conversely, financing activities in 2023 generated a cash outflow of NOK 466 million, largely attributed to repayment of interest-bearing liabilities and interest paid.

#### Balance sheet

PPI's total assets amounted to a total of NOK 11 931 million as of 31 December 2024, up from NOK 8 522 million as of 31 December 2023. The increase in total assets is primarily attributed to the property acquisitions made throughout the year. The valuation of the Group's investment properties increased from NOK 8,336 million as of 31 December 2023, to NOK 10 880 million as of 31 December 2024. This increase is linked to the increased portfolio size. Like for like portfolio values decreased by 0.6 per cent in 2024.

The valuation of the Group's investment properties as of 31 December 2024 was carried out by the external assessor Cushman & Wakefield and as of 31 December 2023 by

Cushman & Wakefield Realkapital AS and Newsec AS.

As of 31 December 2024, other assets consisted primarily of cash and cash equivalents of NOK 968 million, site leaseholds and right-of-use assets of NOK 35 million, and other current assets of NOK 30 million.

Total non-current liabilities increased to NOK 5 926 million as of 31 December 2024, from NOK 3 476 million as of 31 December 2023. The increase in non-current liabilities is mainly due to increased debt. The current liabilities totaling NOK 291 million consisted mainly of outstanding short-term debt of NOK 211 million.

The total equity was NOK 5 714 million as of 31 December 2024, representing an equity ratio of 48 per cent, compared to NOK 2 850 million as of 31 December 2023, representing an equity ratio of 41 per cent.

#### Going concern

The financial statements have been prepared based on the going concern assumption, and the Board confirms that this assumption is valid. The company and the Group are in a healthy financial position and have good liquidity.

#### Parent company results and allocation of net profit (loss)

The parent company achieved a net profit (loss) of NOK (124) million in 2024. By comparison, the parent company reported a net loss of NOK 941 million in 2023. The loss in 2023 was caused by write-down of long-term investments.

The Board proposes allocation of the net profit (loss) of NOK (124) million for the parent company as follows: the entire amount to be transferred from other equity, totalling NOK (124) million.

The Board will propose to the Annual General Meeting that PPI distributes a dividend 0.50 per share for the financial year 2024. The dividend will be split in four quarterly payments: NOK 0.10 per share to be paid in June and October 2025 and NOK 0.15 per share to be paid in January and April 2026.

The Board confirms that the company has sufficient equity and liquidity following payment of the proposed dividend.

#### Parent company cash flow

In 2024, operating activities generated a cash outflow of NOK 124 million, versus an outflow of NOK 9 million in 2023. Investment activities resulted in a cash outflow of NOK 4 078 million in 2024, consisting of payments on group loan receivables of NOK 3 218 million and NOK 860 million on payments of purchase of shares and capital increases. In 2023, the cash flow from investment activities was NOK 0. Financing activities in 2024 resulted in a cash inflow of NOK 4 898 million, largely attributed to new long-term financing of NOK 3 462 and cash considerations from capital increases of NOK 1 522 million. The cash inflow from financing activities was NOK 3 million in 2023.

#### Risk factors and risk management

Public Property Invest is subject to several risks, including market, operational and financial risks. The Board assesses risk on an ongoing basis, primarily through an annual comprehensive review of the Group's risk map. Each risk factor is described and presented with the possible negative outcome and a probability of a situation to occur. The risk assessment also includes a description on how PPI monitors and works to minimise the risks, as well as an assessment of the developments in the last fiscal period on each risk factor. PPI's main risk factors, both financial and non-financial, are described on pages 24-36.

#### ESG

Due to its market share and role as a provider of properties for public tenants, the Group carries a substantial social responsibility. This involves leading industry transformation by prioritising refurbishment over new construction, ensuring tenant objectives are met, and adopting environmentally sustainable practices.

The commitment to sustainability focuses on climate and environment, social sustainability, and financial sustainability. Ongoing efforts include mapping energy, water, and waste in buildings, with a commitment to reducing consumption.

For social sustainability, the Group ensures favorable working conditions, accessibility, and user involvement. PPI promotes engagement with tenants and complies with the Norwegian Transparency Act through a whistleblowing channel and a code of conduct. The company's reporting in accordance with the Norwegian Transparency Act can be found on the Group's website. PPI is also a sponsor of the

Norwegian Athletics Federation (Norges Friidrettsforbund), with a special focus on facilitating for more children to be able to participate in organised sports activities.

#### Employees and organisation

As of year-end, the Group had 22 full-time employees. The Group has a business management agreement with Arctic Real Estate Management AS to support commercial and financial management for properties and companies within the Group. There are also agreements with several suppliers for the operation and management of the Group's property portfolio.

The head office of PPI is in Oslo. The Group has secured directors' liability insurance covering the Board of Directors and the CEO's legal, personal liability for financial damage resulting from the performance of their duties. This insurance extends to both the Group and its subsidiaries.

#### Equal opportunities

The Group is dedicated to ensuring equal treatment for all employees, regardless of ethnicity, gender, sexual orientation, age, religion, or faith, both during recruitment and throughout their tenure. Currently, the management team includes two male and three female managers. As for the Board of Directors, it consists of three male members and two female members, reflecting a commitment to diversity and gender equality within the leadership structure.

#### Corporate governance

The Group's Board is dedicated to conducting business in an ethical and responsible manner. The decision-making processes prioritise transparency and efficiency, emphasising honesty in all communication and reporting to ensure clarity and consistency for all our investors. A robust risk-management culture is integral to the Group's operations, with a proactive approach to identifying and addressing financial, environmental, and social risks. This adaptability enables efficient navigation of changing market dynamics.

The Group's relationships with stakeholders, whether it be shareholders, tenants, employees, or advisors, are built on a foundation of historical performance and trust. The Group remains steadfast in the commitment to act responsibly and maintain a high level of engagement on behalf of stakeholders.

PPI adheres to the guidelines for good corporate governance in accordance with the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES). The Governance section of this annual report provides a more detailed description of the corporate governance principles and reporting pursuant to Section 3-3b of the Norwegian Accounting Act.

#### Shareholders

As of 31 December 2024, PPI's share capital is NOK 10 755 191.25 divided into 215 103 825 shares, each with a nominal value of NOK 0.05. All shares have been issued in accordance with the Norwegian Public Limited Companies Act and are fully paid. PPI has one class of shares. All shares provide equal rights, including the right to any dividends. Each of the shares carries one vote.

As of 31 December 2024, PPI had 2 172 shareholders. Investors residing in Norway held 53.4 per cent of the share capital and international investors 46.6 per cent.

#### Outlook

Going into 2025, PPI will diligently continue its important work as a responsible owner, manager and developer of social infrastructure properties in the Nordics and as a competent and reliable partner to the public sector. The increased geo-political uncertainty and its impact on the global economy will likely prevail and makes the macroeconomic outlook difficult to predict. However, PPI's long-term cash flows stemming mainly from government tenants on long leases is to a limited extent affected by this and should as such provide a safe haven for investors.

With its solid balance sheet, PPI is well set to take advantage of the prevailing market conditions and the attractive growth opportunities in the market. The Group aims to continue to be a leading consolidator and to pursue an opportunistic growth strategy focused on value accretive transactions.

## Statement from the Board and the CEO

On this date, the Board of Directors and the CEO have considered and approved the annual report, including the annual financial statements for Public Property Invest ASA, the Group and the parent company, for the 2024 financial year and as of 31 December 2024.

We declare to the best of our knowledge that

- the consolidated financial statements for the Group for 2024 have been prepared in accordance with IFRS Accounting Standards and IFRICs as adopted by the European Union, and additional Norwegian disclosure requirements in the Norwegian Accounting Act, and that
- the financial statements for the parent company for 2024 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that
- the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and results for the Group and the parent company for period as a whole, and that
- the Board of Directors' Report includes a true and fair review of the development, performance and financial position of the Group and the parent company, together with a description of the principal risks and uncertainties that they face.

Oslo, Norway, April 22, 2025.

The Board of Public Property Invest ASA

Martin Mæland  
Chair of the board

Sven-Olof Johansson  
Member of the board

Siv Jensen  
Member of the board

Kenneth Bern  
Member of the board

Silje Cathrine Hauland  
Member of the board

*This document is signed electronically*

Oslo, Norway, April 22, 2025.

The Board of Public Property Invest ASA

Martin Mæland  
Chair of the board

Sven-Olof Johansson  
Member of the board

Siv Jensen  
Member of the board

Kenneth Bern  
Member of the board

Silje Cathrine Hauland  
Member of the board

André Gaden  
CEO

*This document is signed electronically*



# FINANCIAL STATEMENTS 2024

## Table of content

<b>Consolidated statement of comprehensive income</b>	<b>82</b>
<b>Consolidated statement of financial position</b>	<b>83</b>
<b>Consolidated statement of cash flow</b>	<b>84</b>
<b>Consolidated statement of changes in equity</b>	<b>85</b>
<hr/>	
<b>Notes to the consolidated financial statements</b>	<b>86</b>
Note 01 Company information	86
Note 02 Basis of preparation and accounting principles	86
Note 03 Summary of significant accounting policies	87
Note 04 Segment information	89
Note 05 Tenancy agreements	91
Note 06 Financial instrument - risk management	92
Note 07 Property and administration expenses	95
Note 08 Financials	97
Note 09 Critical accounting estimates and judgements - Investment Property	98
Note 10 Other receivables	100
Note 11 Cash and Bank deposits	101
Note 12 Leasing	101
Note 13 Shareholder capital and shareholders	102
Note 14 Tax	103
Note 15 Interest bearing liabilities	105
Note 16 Current and non-current liabilities	110
Note 17 Entities and subsidiaries	111
Note 18 Related-party transactions	113
Note 19 Earnings per share	113
Note 20 Subsequent events	114
<hr/>	
<b>Financial statement - Public Property Invest ASA</b>	<b>116</b>
<b>Notes to the financial statement - Public Property Invest ASA</b>	<b>121</b>
<b>Independent Auditor's report</b>	<b>126</b>
<b>Alternative Performance Measures</b>	<b>131</b>
<b>EPRA reporting</b>	<b>132</b>
<b>Property Portfolio</b>	<b>134</b>
<b>Definitions</b>	<b>137</b>

## Consolidated statement of COMPREHENSIVE INCOME

Amounts in NOK million	Note	2024	2023
Rental income	4, 5	662	575
Other income		3	0
<b>Operating income</b>		<b>665</b>	<b>576</b>
Property expenses	7	(67)	(75)
<b>Net operating income</b>		<b>598</b>	<b>501</b>
Administration expenses	7	(82)	(31)
Reimbursed property management fee	7, 18	15	-
Interest income	8	26	6
Interest expenses	8	(317)	(272)
Net interest income from interest rate derivatives	8	29	19
<b>Net income from property management</b>		<b>270</b>	<b>223</b>
Net unrealised financials	8	(74)	(25)
Transaction costs	8	(99)	-
Changes in fair value of interest rate derivatives	15	9	(25)
Changes in fair value of investment properties	9	(34)	(1143)
<b>Profit (loss) before tax</b>		<b>73</b>	<b>(969)</b>
Income tax expense	14	(59)	69
<b>Net profit (loss)</b>		<b>13</b>	<b>(900)</b>
<b>Net profit (loss) attributable to:</b>			
Equity holder of the parent		10	(900)
Non-controlling interests		3	-
<b>EPS primary and diluted Net profit (loss)</b>	19	<b>0.06</b>	<b>(12.51)</b>
<b>Basic=Diluted (NOK)</b>			
Other comprehensive income		-	-
<b>Total comprehensive income (loss)</b>		<b>13</b>	<b>(900)</b>
<b>Total comprehensive income (loss) attributable to:</b>			
Equity holder of the parent		10	(900)
Non-controlling interests		3	-

## Consolidated statement of FINANCIAL POSITION

Amounts in NOK million	Note	31.12.2024	31.12.2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	9	<b>10 880</b>	8 336
Right-of-use assets	12	<b>35</b>	-
Investment in shares		1	-
Interest rate & FX derivatives	15	<b>6</b>	37
Other non-current assets		8	7
<b>Total non-current assets</b>		<b>10 929</b>	8 380
<b>Current assets</b>			
Trade receivables		4	5
Other current assets	10	<b>30</b>	15
Cash and cash equivalents	11	<b>968</b>	123
<b>Total current assets</b>		<b>1 002</b>	142
<b>Total assets</b>		<b>11 931</b>	8 522
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	<b>11</b>	4
Share premium	13	<b>6 419</b>	3 591
Retained earnings	13	<b>(734)</b>	(745)
Non-controlling interests	9	<b>19</b>	-
<b>Total equity</b>		<b>5 714</b>	2 850
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	14	<b>101</b>	66
Non-current interest-bearing liabilities	15	<b>5 752</b>	3 353
Interest rate & FX derivatives	15	<b>0</b>	34
Other non-current liabilities	15	<b>38</b>	23
Non-current lease liability	12	<b>35</b>	-
<b>Total non-current liabilities</b>		<b>5 926</b>	3 476
<b>Current liabilities</b>			
Current interest-bearing liabilities	15	<b>211</b>	2 152
Trade payables		23	17
Current tax liabilities		2	-
Other current liabilities	16	<b>55</b>	27
<b>Total current liabilities</b>		<b>291</b>	2 196
<b>Total liabilities</b>		<b>6 218</b>	5 672
<b>Total equity and liabilities</b>		<b>11 931</b>	8 522

## Consolidated statement of CASH FLOWS

Amounts in NOK million	Note	2024	2023
Profit (loss) before tax		73	(969)
Changes in fair value of investment properties	9	34	1143
Changes in fair value of interest rate derivatives	8	(9)	25
Interest paid net of interest rate derivatives	8	279	253
Accrued interest on bonds		9	-
Interest received on bank deposits		(26)	(6)
Financial costs in profit before tax without cash effect	8	74	25
Change in working capital:			
Change in current assets		(15)	13
Change in current liabilities		6	(4)
Change in other working capital		43	(42)
<b>Net cash flow from operating activities</b>		<b>467</b>	<b>437</b>
Investment in investment property entities	9	(142)	-
Investment in shares		(1)	-
Upgrades of investment properties	9	(144)	(32)
Interest received on bank deposits		26	6
<b>Net cash flow from investment activities</b>		<b>(260)</b>	<b>(26)</b>
Proceeds interest-bearing liabilities net of transaction costs	15	6 714	616
Repayment interest-bearing liabilities	15	(7 274)	(828)
Interest paid net of interest rate derivatives	8	(279)	(253)
Net cash flow from interest rate derivatives termination	8, 15	12	-
Payments on lease liabilities	12	0	-
Paid in capital increase	13	1523	-
Transaction costs on issue of shares		(94)	-
<b>Net cash flow from financing activities</b>		<b>602</b>	<b>(466)</b>
Effects of exchange rate changes on cash and cash equivalents		37	-
<b>Net change in cash and cash equivalents</b>		<b>845</b>	<b>(55)</b>
Opening balance of Cash and Cash equivalents		123	177
<b>Cash and cash equivalents at period end</b>		<b>968</b>	<b>123</b>

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

## Consolidated statement of CHANGES IN EQUITY

Amounts in NOK million	Note	Subscribed share capital	Share premium	Retained earnings	Non-controlling interests	Total equity
<b>Total equity at 31 December 2022</b>		4	3 591	155	-	<b>3 750</b>
Changes in equity in 2023						
Profit (loss) for the period		-	-	(900)	-	<b>(900)</b>
<b>Total equity at 31 December 2023</b>		4	3 591	(745)	0	<b>2 850</b>
Changes in equity in 2024						
Issue of shares in-kind 12.04.2024	13	1	1189	-	-	<b>1191</b>
Issue of shares in-kind 12.04.2024	13	0	72	-	-	<b>72</b>
Issue of shares IPO 25.04.2024	13	5	1517	-	-	<b>1523</b>
Issue of shares in-kind 21.10.2024	13	0	37	-	-	<b>37</b>
Issue of shares in-kind 27.12.2024	13	0	68	-	-	<b>68</b>
Issue of shares in-kind 27.12.2024	13	0	18	-	-	<b>18</b>
Transaction cost issue of shares net of tax		-	(74)	-	-	<b>(74)</b>
Non-controlling interests on acquisition of subsidiary		-	-	-	16	<b>16</b>
Profit (loss) for the period		-	-	10	3	<b>13</b>
<b>Total equity at 31 December 2024</b>		11	6 419	(734)	19	<b>5 714</b>

Oslo, Norway, April 22, 2025.  
The board of Public Property Invest ASA

Martin Mæland  
Chairman of the board

Sven-Olof Johansson  
Member of the board

Siv Jensen  
Member of the board

Kenneth Bern  
Member of the board

Silje Cathrine Hauland  
Member of the board

Andre Gaden  
CEO

## NOTE 01 COMPANY INFORMATION

Public Property Invest ASA (PPI) is a Norwegian property company with a long-term strategy of owning, operating and developing social infrastructure properties in a sustainable manner.

PPI's portfolio mainly consists of community service properties with public-sector tenants, centrally located in significant cities in Norway.

The properties house functions of essential importance to society such as police stations, courts, health and other public services. PPI offers high-quality and specially adapted premises that enable our tenants to fulfill their social mandate. The administration of Public Property Invest ASA and its subsidiaries is located in Oslo. The consolidated financial statements were approved by the company's board on 22 April 2025.

## NOTE 02 BASIS OF PREPARATION AND ACCOUNTING PRINCIPLES

### 2.1 BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with IFRS® Accounting standards as adopted by the EU. In addition, the consolidated financial statements are prepared in accordance with Norwegian reporting requirements pursuant to the Norwegian Accounting Act that are effective as of 31 December 2024, the end of the Group's IFRS reporting period. The consolidated financial statements include Public Property Invest ASA and its subsidiaries. Acquired properties are included in the financial statements from the date of acquisition. Management makes estimates and assumptions concerning the future. The accounting estimates will by definition seldom be fully in accordance with the final outcome. Estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate primarily to the valuation of investment property. Refer to note 3.1 and 9 related to critical accounting estimates and judgements. The consolidated financial statements are presented in Norwegian kroner (NOK). The note disclosures are presented in NOK millions, unless otherwise indicated. The consolidated financial statements for 2024 with comparatives for 2023 have been prepared on a going concern basis.

### 2.2 ACCOUNTING PRINCIPLES

The consolidated financial statements are based on historical cost, except for the following:

- Derivative financial instruments at fair value through profit or loss
- Investment properties which are measured at fair value

### 2.3 BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS

Subsidiaries are all entities over which the Group has control. Control exists when the Group is exposed to, or has rights to, variable returns as a result of involvement with the company, and the Group is able to impact returns through its power over the company.

All acquired companies are included in the consolidated financial statements from the date on which the Group obtains control over the company. In the same way, the company is deconsolidated when control over the company ceases.

For accounting purposes, acquisitions of subsidiaries that do not constitute a business as defined in IFRS 3, such as acquisitions where substantially all of the fair value of the gross assets acquired is concentrated in a single property or group of similar properties, are treated as asset acquisitions. The cost of acquisition is then attributed to the individual identifiable assets and liabilities based on their relative fair values on the acquisition date. Expenses associated with the transaction are capitalised under the investment property. In such cases, deferred tax liabilities or assets are not recognised, except for deferred taxes related to losses carried forward, in accordance with the exceptions in IAS 12.

Intra-company transactions, balances, and unrealised gains and losses on transactions between group companies are eliminated. The financial statements of subsidiaries are restated where necessary to achieve consistency with the Group's accounting policies.

### 2.4 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The Group's presentation currency is NOK. Each entity in the Group determines its own functional currency, and items included in the income statement of each entity are measured using that functional currency. The functional currency is the currency within the primary economic environment in which the entity operates. Transactions in foreign currencies are initially recorded in the functional currency at the rate on the transaction date. Monetary items denominated in foreign currencies are translated using the functional currency spot rates of exchange on the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the rate on the reporting date. All currency translation differences are recognised in the income statement and statement of comprehensive income. Refer to list of Entities and subsidiaries in note 17.

### 2.5 SEGMENT INFORMATION

The Group has one main operational unit. The property portfolio is divided into six different geographical regions; East,

Inland, North, West, South and Central in Norway with management monitoring and following up on each region. Furthermore, the property portfolio is divided in six different groups of tenants based on significant contracts related to the total rental income. The different geographical areas are supported by support functions within accounting, finance and legal, investment and other support functions from the external service providers.

The different geographical regions do not have their own profit responsibility. The regions are instead followed up on economic and non-economic key figures ("key performance indicators") where revenue per geographical region is the most important performance metric. These key figures are analysed and reported to the chief operating decision maker, that is the Board and CEO, for the purpose of resource allocation and assessment of geographical region performance. Hence, the Group reports information based upon these geographical regions. Since the investment properties have multiple tenants across the regions in the table below, and the investment properties are appraised building by building, the reporting does not include investment property value on tenant counter-parts.

## NOTE 03 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 INVESTMENT PROPERTY

Investment property comprises completed property held to generate rental income or for capital appreciation or both. Investment property is recognised initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in fair value are included in the income statement in the reporting period in which they arise.

Investment property at fair value, continues to be measured at fair value until disposal even if comparable market transactions become less frequent or market prices become less readily available. Gains and losses on the disposal of an investment property is the difference between the selling price and the fair value of the investment property measured at the date of the disposal.

### 3.2 LEASING

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability for all lease contracts in which it is the lessee, except for leases with a lease term of 12 months or less, and leases of low-value assets for which the Group applies the applicable recognition exemptions. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Only fixed payments are included in the initial measurement of the lease liability, and the lease term corresponds to the non-terminable period. The discount rate used to calculate the lease liability is determined, based on the Group's incremental borrowing rate for each specific lease. The entire lease liability is presented as a non-current liability in the balance sheet.

### 3.3 FINANCIAL ASSETS

#### 3.3.1 Classification, recognition and measurement

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

Since the Group's financial assets (trade (rent) and other receivables, cash, and short-term deposits) meet these conditions, they are subsequently measured at amortised cost. The Group has entered interest rate swaps, the derivatives is carried at fair value through profit or loss. All the Group's interest rate swaps are used as economic hedges. Hedge accounting is not applied for the interest rate swaps. In 2024 the Group has aquired currency derivatives and designated these derivatives as hedge accounting instruments. Derivatives not designated as hedging instruments are recognised at fair value through profit or loss. Changes in the fair value of the interest rate derivatives are recognised in the income statement as part of changes in fair value of interest derivatives. The settlement of swap rates are recorded as a reduction or increase of financial expenses in the income statement.

### 3.3.2 Impairment of trade (rent) receivables

For trade (rent) receivables the Group applies a simplified approach in calculating expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the recognition date of the receivable.

### 3.3.3 Trade (rent) receivables

Rent receivables are recognised at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost. There are no lease receivables with a significant time value of money component. Refer to accounting policies on financial assets in note 3.3.

### 3.3.4 Cash and cash equivalents

Cash and cash equivalents include deposits held with banks.

## 3.4 FINANCIAL LIABILITIES

### 3.4.1 Classification, recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised. Amortised cost is calculated by considering any discount or premium related to the debt and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance expenses in the statement of profit or loss.

### 3.4.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The gain or loss on the derecognition is recognised in the statement of profit or loss.

### 3.5 SHARE CAPITAL

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 3.6 TAXES PAYABLE AND DEFERRED TAX

The tax expense for the period comprises taxes payable and change in deferred tax. However, deferred tax is not recorded if it arises on initial recognition of an asset or liability in a transaction, other than a business combination, that affects neither accounting nor taxable profit or loss on the transaction date. Deferred tax assets are recognised only to the extent that it is probable that there will be future taxable income against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related tax asset is realised, or the deferred tax liability is settled. The provision for deferred tax is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities. Pursuant to the exception in IAS 12, deferred tax is not recognised when buying a company which is not a business. A provision for deferred tax is made after subsequent increases in the value beyond initial cost, while a fall in value below initial cost will only reverse previous provisions for deferred tax. Furthermore, an increase in temporary differences related to tax depreciation will give grounds for a recognition of deferred tax.

### 3.7 RENTAL INCOME

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term. Variable rental income is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease, when deemed as material, are added to the investment property carrying value and are recognised as an expense over the lease term. Initial direct costs are the incremental costs to obtain the lease, and includes any commissions, as well as legal and consulting fees incurred in

connection with obtaining the lease agreement. Lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the lease term.

### 3.8 INTEREST INCOME

Interest income is recognised in income as it is earned using the effective interest method.

### 3.9 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Group uses derivative financial instruments to manage certain exposures to fluctuations in foreign currency exchange rates and interest rates. These derivative financial instruments are recognised initially at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Gains or losses arising from changes in the fair value of derivatives that are not designated as effective hedging instruments are recognised in the income statement. Changes in valuation subsequent to the initial valuation at inception of a contract are recognised immediately in the income statement. For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging exposure to changes in the fair value of a recognised asset or liability.

Hedge relationships are formally designated and documented at inception, together with the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, the existence at inception of an economic relationship and subsequent measurement of the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value, the hedge ratio and sources of hedge ineffectiveness. Hedges meeting the criteria for hedge accounting are accounted for as described below.

### Fair value hedges

The change in fair value of a hedging derivative is recognised in the consolidated statement of comprehensive income and netted against fair value change of the hedged item. The change in the fair value of the hedged item attributable to the risk being hedged is recorded as part of the line Interest rate & FX Derivatives and is also recognised in the consolidated statement of comprehensive income, where it offsets the foreign currency exchange effects. The Group applies fair value hedge accounting for currency risks on fixed rate finance debt. Fair value hedge accounting is discontinued only when the hedging relationship or a part thereof ceases to meet the qualifying criteria. This includes when the risk management objective changes or when the hedging instrument is sold, terminated or exercised.

## NOTE 04 SEGMENT INFORMATION

See Basis of preparation and accounting principles 2.5 for information related to segment information.

### Total rental income by geographic region

Amounts in NOK million	2024	2023
East	383	309
Inland	71	73
North	77	72
West	64	59
South	61	57
Central	6	6
<b>Total rental income</b>	<b>662</b>	<b>575</b>

#### Total rental income grouped by tenant

Amounts in NOK million	2024	2023
Police	136	108
Education	47	53
Courts of Norway	58	49
Norwegian Labour and Welfare Administration	47	41
Norwegian Tax Administration	42	35
Government agency	118	109
Municipality / County	110	96
Healthcare	50	31
Private	54	50
<b>Total rental income</b>	<b>662</b>	<b>575</b>

#### Investment properties by region

Amounts in NOK million	31.12.2024	31.12.2023
East	6 269	4 649
Inland	819	871
North	1 128	1 033
West	1 397	865
South	973	805
Central	109	114
<b>Total management portfolio</b>	<b>10 694</b>	<b>8 336</b>
Development sites <sup>1)</sup>	186	-
<b>Total investment properties</b>	<b>10 880</b>	<b>8 336</b>

<sup>1)</sup>Development sites include development potential for properties within the management portfolio and properties defined as development sites.

## NOTE 05 TENANCY AGREEMENTS

The Group mainly enters into long-term lease agreements with solid counterparties.

#### The Group's future accumulated rent from operational lease contracts at 31.12.

Amounts in NOK million	2024	2023
<1 year	753	585
Between 1 and 2 years	608	532
Between 2 and 3 years	541	461
Between 3 and 4 years	415	393
Between 4 and 5 years	195	327
≥ 5 years	1 438	776
<b>Total</b>	<b>3 951</b>	<b>3 075</b>

The remaining contract rent is undiscounted.

#### The Group's lease contracts at 31 December 2024 have the following maturity structure measured in annual rent.

Amounts in NOK million	No of contracts	Total contract rent
<1 year	11	21
Between 1 and 5 years	123	558
≥ 5 years	92	195

The table displays the number of contracts ending in the period and the expiring annual lease of the contracts.

#### The Group's lease contracts at 31 December 2023 have the following maturity structure measured in annual rent.

Amounts in NOK million	No of contracts	Total contract rent
<1 year	6	7
Between 1 and 5 years	80	257
≥ 5 years	101	327

The table displays the number of contracts ending in the period and the expiring annual lease of the contracts.

## NOTE 06 FINANCIAL INSTRUMENT - RISK MANAGEMENT

### Financial assets

Amounts in NOK million	Amortised cost 31.12.2024	Fair value through profit or loss 31.12.2024	Total 31.12.2024	Amortised cost 31.12.2023	Fair value through profit or loss 31.12.2023	Total 31.12.2023	Maturity structure	
							Year 1	Year 2
Cash and cash equivalents	968	-	968	123	-	123	1	2
Investments in shares	1	-	1	-	-	-	226	1 398
Interest rate & FX derivatives	-	6	6	-	37	37	39	566
Trade receivables (non-interest bearing)	4	-	4	5	-	5	28	-
Other current assets	30	-	30	15	-	15	-	-
<b>Total financial assets</b>	<b>1 003</b>	<b>6</b>	<b>1 009</b>	<b>142</b>	<b>37</b>	<b>179</b>	<b>611</b>	<b>2 555</b>

### Financial liabilities

Amounts in NOK million	Amortised cost 31.12.2024	Fair value through profit or loss 31.12.2024	Total 31.12.2024	Amortised cost 31.12.2023	Fair value through profit or loss 31.12.2023	Total 31.12.2023	Maturity structure	
							Year 1	Year 2
Non-current interest-bearing liabilities	5 752	-	5 752	3 353	-	3 353	2 160	3 370
Other non-current liabilities	11	-	11	11	-	11	268	282
Interest rate & FX derivatives	-	0	0	-	34	34	2	2
Current interest-bearing liabilities	211	-	211	2 152	-	2 152	17	-
Trade payables (non-interest bearing)	23	-	23	17	-	17	-	-
Other current liabilities	55	-	55	27	-	27	-	-
<b>Total financial liabilities</b>	<b>6 052</b>	<b>0</b>	<b>6 052</b>	<b>5 560</b>	<b>34</b>	<b>5 594</b>	<b>2 474</b>	<b>3 653</b>
<b>Net financial assets and liabilities</b>	<b>(5 049)</b>	<b>5</b>	<b>(5 044)</b>	<b>(5 418)</b>	<b>3</b>	<b>(5 415)</b>	<b>2</b>	<b>17</b>

### 6.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE

The Group's policy is to recognise transfers into and out of the fair value hierarchy levels at the end of the reporting period.

**Level 2:** The fair value of the interest derivatives that are not traded in active markets (e.g., over-the-counter derivatives) is determined using valuation techniques that maximise

the use of observable market data and minimise reliance on entity-specific estimates. If all significant inputs required to value an instrument fairly are observable, the instrument is classified as level 2.

Interest rate derivatives are measured at level 2.

### Maturity structure

Amounts in NOK million	Total cash flow	Year 1	Year 2	Year 3-5	After year 5
Financial liability as of 31 December 2024					
Principal payment on loans from credit institutions	628	1	2	584	41
Principal payment on bond loans	5 376	211	226	1 398	3 541
Interest rate payments net of interest rate derivatives	1 221	317	299	566	39
Other long-term liabilities	38	2	2	6	28
Trade payables	23	23	-	-	-
Other current liabilities	57	57	-	-	-
<b>Total</b>	<b>7 343</b>	<b>611</b>	<b>529</b>	<b>2 555</b>	<b>3 648</b>

### Maturity structure

Amounts in NOK million	Total cash flow	Year 1	Year 2	Year 3-5	After year 5
Financial liability as of 31 December 2023					
Principal payment on loans from credit institutions	5 529	2 160	3 370	-	-
Payment of interest at fixed hedge rate*	550	268	282	-	-
Other long-term liabilities	23	2	2	2	17
Trade payables	17	17	-	-	-
Other current liabilities	27	27	-	-	-
<b>Total</b>	<b>6 146</b>	<b>2 474</b>	<b>3 653</b>	<b>2</b>	<b>17</b>

\*The table above are prepared under assumption that the Group will meet the requirements in the sustainability linked bank facility.

### 6.2 FINANCIAL RISK

The Group's tenants are entities with very good credit ratings and liquidity. The expected credit loss and late payment risk is assessed as very low. As of year-end 2024 and 2023 there is no loss allowance recognised for the trade receivables.

The Group regularly monitors liquidity risk by setting up cash flow forecasts based on the liquidity reserves, including cash equivalents, and borrowing facilities. The forecasts are set by the individual subsidiaries, and is regularly monitored by the board on a company- and group-level. The Group's approach to liquidity risk management is grounded in maintaining a consistently sufficient liquidity level to meet all financial liabilities at maturity. This commitment applies under both standard and exceptional circumstances, with the aim of avoiding unacceptable losses and safeguarding the Group's reputation. PPI is in process of establishing unutilised credit facilities as back-up for its short term debt maturities. See details in note 15.

Interest rate risk holds significant relevance in the Group's financing structures and property investments. The Group closely monitors real estate operations and collectively strives to assess and mitigate both liquidity and interest rate risks. The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate, and the risk is hedged using interest rate swaps, see details in note 8 and 15.

The Group has a significant portion of its debt on fixed-rate terms. To limit interest rate risk on loans at floating interest rate terms, financial interest rate hedging instruments such as interest-rate swaps are being utilised. On 31 December 2024, 90.4 per cent of PPI's interest-bearing liabilities were fixed-rate loans. An increase in market interest rates is thus deemed to have a limited effect on PPI's interest expenses in the short and medium-term.

Amounts in NOK million	31.12.2024	31.12.2023
Bond loan	5 376	2 273
Bank loan	628	3 256
Interest-bearing liabilities at period end	6 004	5 529
Amount of debt at fixed interest rate	5 426	3 901
Share of bank loans at fixed rate	8.0 %	50.0 %
Share of loans at fixed rate including bonds	90.4 %	70.6 %

### 6.3 FOREIGN EXCHANGE RISK

The Group has entered into a fixed rate euro-denominated bond loan during the fourth quarter of 2024, in order to capitalise on favorable interest rates in the eurozone. In conjunction with the FX exposure on this loan, the Group has entered into a euro FX derivative contract in order to mitigate the exposure to foreign exchange risk on the bond debt. See note 15 for further information. A sensitivity analysis based on a EUR 142.2 million unhedged exposure, with a 10 per cent exchange rate movement, would result in an exchange gain or loss impact on net profit (equity) of NOK 130.9 million. The Group had EUR 57.8 million in cash & cash equivalents at year end. The majority of the euro cash amount was used to purchase properties in Finland in the first quarter of 2025. See note 20 for further information.

### 6.4 CAPITAL RISK MANAGEMENT

The main purpose of the Group's capital management is to maintain a reasonable balance between debt and equity. The Group targets to have a LTV ratio below 50 per cent over time. The target is set with consideration to value development in the Group and the opportunity to obtain the necessary financing. There are covenants on existing financing related to; loan to value, interest cover ratio and level of secured indebtedness. Both during 2024, and as of 31 December 2024, the group was in compliance with all financial covenants, and the group expects to be in compliance going forward.

### 6.5 CLIMATE RISK

Physical climate risk is the danger that climate-related events such as extreme weather cause damage to buildings or interruptions in operations. This can lead to losses and affect the return on investments negative. Furthermore, in the transition to the low-emission society, there is a risk that buildings that are not assessed as sustainable will receive regulatory restrictions, yield lower or lost rental income, and become more difficult to sell in the future. The Board and Group management monitor developments in the market regarding the importance of climate risk for the development in the market value of the investment properties. So far, climate risk has not affected the valuations, but it is assumed that the buyer group is somewhat smaller for properties that have a higher risk linked to climate change. The information provided to the appraisers on a quarterly basis also includes sustainability and energy related information on the properties. The estimated effect of this information is reflected in the appraisers' Capital Expenditures estimates, expected future market rents and the discount rates, and is reflected in the valuations as of the balance sheet date.

### INTEREST COVERAGE RATIO

#### Last Twelve Months figures

Amounts in NOK million	2024	2023
Rental income	662	575
Other income	3	0
<b>Operating income</b>	<b>665</b>	<b>576</b>
Property expenses	(67)	(75)
<b>Net operating income</b>	<b>598</b>	<b>501</b>
Administration expenses	(82)	(31)
Reimbursed property management fee	15	-
<b>Consolidated adjusted EBITDA</b>	<b>532</b>	<b>470</b>
Interest income	26	6
Interest expenses	(317)	(272)
Net interest income from interest rate derivatives	29	19
<b>Consolidated net interest expenses</b>	<b>(261)</b>	<b>(247)</b>
<b>Net income from property management</b>	<b>270</b>	<b>223</b>
<b>ICR</b>	<b>2.0</b>	<b>1.9</b>

## NOTE 07 PROPERTY AND ADMINISTRATION EXPENSES

### Property expenses

Amounts in NOK million	2024	2023
Insurance premium	4	3
Property tax	8	7
Maintenance	27	38
Environmental, social and governance	2	3
Property related common costs	19	13
Other property expenses	7	10
<b>Total property expenses</b>	<b>67</b>	<b>75</b>

#### Administration expenses

Amounts in NOK million	2024	2023
Personnel expenses	30	3
Legal, agency and consultancy fees	2	2
Accounting	16	15
Auditors	9	5
Other operating expenses	24	7
<b>Total administration expenses</b>	<b>82</b>	<b>31</b>
Reimbursed property management fee*	(15)	-
<b>Net administration expenses</b>	<b>66</b>	<b>31</b>
Non-recurring expenses relating to IPO**	(8)	-
<b>Net adm. expenses excluding non-recurring expenses</b>	<b>59</b>	<b>31</b>

\* The reimbursed property management fee consists mainly of management services delivered to SBB Samfunnsbygg AS. See related-party transactions note 18 for further information.

\*\* The non-recurring expenses amounting to NOK 8 million are related to the IPO process. The main components include accounting, audit procedures associated with the IPO, and the use of two external appraisers.

The table below provides an overview of total remuneration of Senior Executives and the Board. All amounts in the table are subject to National Insurance contributions.

Amounts in NOK million	2024	2023
Salaries	12	2
Cash-based variable remuneration	1	-
Share-based variable remuneration	-	1
Extraordinary items	2	-
Other benefit	0	-
Pension expenses	0	0
Other personnel costs	-	-
<b>Total remuneration of Senior Executives</b>	<b>15</b>	<b>2</b>
Board & committee fees	2	1
<b>Total remuneration of Senior Executives and the Board</b>	<b>17</b>	<b>3</b>
Of which classified as transaction costs	(5)	-
<b>Net management personnel expenses</b>	<b>12</b>	<b>3</b>

#### Auditor fees full year basis

Amounts in NOK million	2024	2023
Statutory audit	8	5
Other services not related to auditing	0	0
Other assurance services	1	0
<b>Total auditor expenses (inc. VAT)</b>	<b>9</b>	<b>5</b>

#### Personnel expenses

Amounts in NOK million	2024	2023
Salaries, performance-related pay and other taxable benefits	28	2
Employer's natural insurance contributions	5	-
Pension expenses	2	-
Other personnel costs	0	-
Board & committee fees	2	1
<b>Total gross personnel expenses</b>	<b>37</b>	<b>3</b>
Of which capitalised on projects under development	(2)	-
Of which classified as transaction costs	(5)	-
<b>Personnel expenses</b>	<b>30</b>	<b>-</b>
Number of full-time equivalent employees	15	1
Number of employees at 31.12.	22	1

## RENUMERATION TO SENIOR EXECUTIVES

The total remuneration of the CEO and other Senior Executives consists of a fixed package of salary and benefits pension and insurance arrangements.

Please refer to the Remuneration Report 2024 for more information. The report can be found on Public Property Invest ASA website: [publicproperty.no](http://publicproperty.no)

## NOTE 08 FINANCIALS

#### Net realised financials

Amounts in NOK million	2024	2023
Interest income	26	6
Net interest income from interest rate derivatives	29	19
Interest expenses accrued and paid on borrowings	(317)	(272)
<b>Net realised financials</b>	<b>(261)</b>	<b>(247)</b>

#### Net unrealised financials

Amounts in NOK million	2024	2023
Net currency gains and losses*	(8)	-
Amortised borrowing costs bank loan**	(46)	(9)
Amortised bond costs	(20)	(16)
Lease interest expense***	(0)	-
<b>Net unrealised financials</b>	<b>(74)</b>	<b>(25)</b>

\*The net currency gains and losses are related to the euro bond and euro cash and cash equivalents, this amount includes the effect of currency hedge accounting. See note 15 for further information.

\*\*Includes NOK 46 million unamortised from the previous bank loan which is expensed due to refinancing in Q2 2024 and Q4 2024.

\*\*\* See note 12 for additional information.

planned projects. Any uncertainties relating to the properties, projects and leases are also clarified verbally and in writing as and when required. The Group's management ensures that all relevant information is included in the valuations and in order to fully understand the changes in value of investment properties from the previous period end.

for risk, along with any special clauses in the contracts. Each property is also compared with recently sold properties in the same segment (location, type of property, technical standard, mix of tenants etc.)

The table below shows to what extent the value of the management property portfolio is affected by market rents, exit yields (market yields), operating costs and discounts rates, assuming that all other factors are equal. However, there are interrelationships between these variables, and it is expected that a change in one variable may influence the other variable. The negative value change in 2024 and 2023 is predominantly due to an adjustment of the appraisers' estimated discount rate, with some offsetting effects from other factors such as market rent expectations.

#### Transaction costs incurred

Amounts in NOK million	2024	2023
Legal, agency and consultancy fees	(30)	-
Other transaction fees	(19)	-
Contract termination fee	(50)	-
<b>Total transaction costs*</b>	<b>(99)</b>	<b>-</b>

\*Total transaction costs are due to the IPO-process in 2024. These are considered as non-recurring.

These transaction costs of NOK 99 million are classified in the cash flow statement as operating cash flows.

Amounts in NOK million	2024	2023
Opening balance	8 336	9 447
Purchase of investment properties <sup>1)</sup>	2 362	-
Purchase price adjustment Kunnskapsveien 55 <sup>2)</sup>	72	-
Upgrades of investment properties	144	32
Change in fair value of investment properties	(34)	(1143)
<b>Value at period end</b>	<b>10 880</b>	<b>8 336</b>

<sup>1)</sup>Ingoing balances on purchased properties throughout the year have been netted towards change in assets/liabilities/working capital and payments related to purchase of properties, hence net investments in investment properties will differ from the net cash flow. The purchase of Bergen Etatbygg AS in Q4 2024, has resulted in a non-controlling interest. See note 17 for ownership structure.

<sup>2)</sup>The change in value of NOK 72 million related to the five-year extension of the lease contract for OsloMet in Kunnskapsveien 55. The new contract triggered a purchase price adjustment of NOK 72 million. See note 10 for further information.

## NOTE 09 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS - INVESTMENT PROPERTY

At year end, all of Group's investment properties are valued by one independent, external appraiser. The valuations as of 31 December 2024 were obtained from Cushman & Wakefield Realkapital AS, and the market value of the portfolio in the Group's balance sheet is based on the appraisers' valuation. The valuations as of 31 December 2023 were obtained from Newsec AS and Cushman & Wakefield Realkapital AS, and the market value of the portfolio in the Group's balance sheet was based on the average of the appraisers' valuations.

The valuations are performed on a property-by-property basis, assuming that the properties are sold individually over time. The valuations are performed using the discounted cash flow method, which 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
- capital expenditures

When carrying out their valuations, the appraisers receive comprehensive details on the properties, lease contracts, floor space and details of any vacant premises, and up-to-date and comprehensive information about all ongoing and

#### 2024

Variables	Change of variables	Value change (+)	Value change (-)
Exit yield	+/- 0.25 per cent points	(144)	156
Discount rate	+/- 0.25 per cent points	(225)	236
Operating costs	+/- 10 per cent	(49)	(49)
Market rent	+/- 10 per cent	813	(813)
Average rental growth (CPI)	+/- 0.5 percentage points next 10 years	327	(327)

The calculations have been performed by Cushman & Wakefield Realkapital AS in connection with the valuations at 31 December 2024.

## Input for valuations – overview

Investment property			
Valuation method, reference is made to note 3.1			Level 3
Valuation model DCF			DCF
WAULT			5.1
Net yield (interval)			4.19% - 14.15%
Contract rent at 31 December 2024, measured in annual rent (NOK million)			774

2023

Variables	Change of variables	Value change (+)	Value change (-)
Exit yield	+/- 0.25 per cent points	(185)	201
Discount rate	+/- 0.25 per cent points	(161)	166
Operating costs	+/- 10 per cent	(67)	67
Market rent	+/- 10 per cent	697	(697)

The calculations have been performed by Newsec AS and Cushman & Wakefield Realkapital AS in connection with the valuations at 31 December 2023.

## Input for valuations – overview

Investment property			
Valuation method, reference is made to note 3.1			Level 3
Valuation model DCF			DCF
WAULT			5.1
Net yield (interval)			5.74% - 38.58%
Contract rent at 31 December 2023, measured in annual rent (NOK million)			591

WAULT : Weighted average unexpired lease term. Measured without separate parking rent contracts.

## NOTE 10 OTHER RECEIVABLES

### Other receivables

Amounts in NOK million	2024	2023
Trade receivables (non-interest bearing) <sup>1)</sup>	4	5
Other receivables <sup>2)</sup>	30	15
<b>Total other receivables</b>	<b>35</b>	<b>20</b>

<sup>1)</sup> The Group's tenants are entities with very good credit ratings and liquidity. The expected credit loss and late payment risk is assessed as very low. As of year-end 2024 and 2023 there are no loss allowance recognised for the trade receivables.

<sup>2)</sup> The other receivables consists of VAT-receivables, settlement of common costs, swap-interest receivables, and provision for parking rent. Historically there has been very low payment risk related to outstanding other receivables.

## NOTE 11 CASH AND BANK DEPOSITS

Amounts in NOK million	2024	2023
Bank deposits	966	122
Restricted bank deposits	2	0
<b>Total bank deposits</b>	<b>968</b>	<b>123</b>

Restricted bank deposits relate to the withholding tax account.

## NOTE 12 LEASING

The Group on 01 December 2024 entered into a 10-year lease agreement as a lessee for premises in Haakon VII's gate 1 in Oslo.

### Right-of-use-assets

Amounts in NOK million	2024
<b>Beginning of year</b>	-
Additions	36
Amortisation	(0)
<b>Book value at year-end</b>	<b>35</b>

### Lease liability

Amounts in NOK million	2024
<b>Beginning of year</b>	-
Additions	36
Lease interest expense	(0)
Payment less interest expense	(0)
<b>Book value at year-end</b>	<b>35</b>

The Group's future cash outflows for the lease liability as of 31.12.

Amounts in NOK million	2024	2023
≤ 1 year	5	-
1 year > 5 years	18	-
5 years >	23	-
<b>Total</b>	<b>45</b>	-

## NOTE 13 SHAREHOLDER CAPITAL AND SHAREHOLDERS

Share capital and nominal value		31.12.2024
Shares issued		215 103 825
Nominal amount in NOK		0.05
Share capital in NOK		10 755 181
<b>No of shares as at 31.12.2023</b>		<b>71 931 660</b>
Capital increase in connection with IPO		105 000 000
Capital increase in connection with acquisition of portfolio from SSB Samfunnsbygg AS		31 659 509
Acquisition of Jærvæien		1 802 486
Acquisition of Rigidalen		815 119
Acquisition of Strandgaten 229		3 895 051
<b>No of shares at 31.12.2024</b>		<b>215 103 825</b>

Shares controlled by senior executives per 31.12.2024	Position	Control directly	% Holding	31 December 2024	Options
Ilija Batljan	Interim CEO	Directly	0.1 %	125 000	160 000
Ylva Göransson	CFO	Directly	0.0 %	1 900	50 000
André Gaden	COO	Directly	0.0 %	1 724	50 000
Marianne Aalby	EVP Finance and ESG	Directly	0.0 %	5 500	50 000
Tone Kristin Omsted	EVP IR and Corporate Finance	Directly	0.0 %	-	100 000
<b>Sum shares controlled by senior executives</b>				<b>132 224</b>	<b>410 000</b>

## NOTE 14 TAX

Shareholder	% holding	Country	Type of shareholder	Shares
Samhällsbyggnadsbolaget i Norden AB	35.16%	Sweden	Ordinary	75 631 366
Skagen Vekst Verdipapirfond	4.18%	Norway	Ordinary	8 991 411
Verdipapirfondet DnB Norge	2.99%	Norway	Ordinary	6 441 107
Avanza Bank AB	2.18%	Sweden	Ordinary	4 684 082
Kverva Finans AS	2.06%	Norway	Ordinary	4 427 618
Centra Capital AS	1.76%	Norway	Ordinary	3 793 103
First Nordic Real Estate	1.76%	Norway	Ordinary	3 777 980
Centra Invest AS	1.74%	Norway	Ordinary	3 747 950
Sagacia AS	1.67%	Norway	Ordinary	3 598 320
Verdipapirfondet Fondsfinans Norge	1.57%	Norway	Ordinary	3 372 931
<b>Total 10 largest shareholders</b>	<b>55%</b>			<b>118 465 868</b>
Other shareholders	45%			96 637 957
<b>Total</b>	<b>100%</b>			<b>215 103 825</b>

Shares controlled by board members	Position	Control directly	% holding	Shares
Martin Mæland <sup>1)</sup>	Board Chariman	Directly	0.05 %	100 000
Kenneth Frode Goovaerts Bern <sup>2)</sup>	Board Member	Directly	1.52 %	3 274 320
Sven-Olof Johansson <sup>3)</sup>	Board Member	Indirectly	0.00 %	-
Silje Cathrine Hauland <sup>4)</sup>	Board Member	Directly	0.02 %	40 000
Siv Jensen	Board Member	Indirectly	0.00 %	-
<b>Sum shares controlled by board members</b>			<b>1.6 %</b>	<b>3 414 320</b>

<sup>1)</sup> Martin Mæland represents 0.05 per cent, directly through Brimar AS.

<sup>2)</sup> Kenneth Frode Goovaerts Bern represents 1.52 per cent directly through Telecom AS.

<sup>3)</sup> Sven-Olof Johansson represents 2.54 per cent indirectly through Samhällsbyggnadsbolaget i Norden AB

<sup>4)</sup> Silje Cathrine Hauland represents 0.02 per cent directly through Gatekeeper AS, and 0.32 per cent indirectly as CEO of Chrisanic Eiendom AS.

### Income tax expense

Amounts in NOK million	2024	2023
Tax payable, current year	(0)	-
Change in deferred tax	(59)	69
<b>Income tax expense</b>	<b>(59)</b>	<b>69</b>
<b>Income tax payable is calculated as follows</b>		
Profit (loss) before tax	73	(969)
Other permanent differences	23	0
Permanent differences transaction costs issue of shares recognised in balance sheet	(94)	-
Fair value change of investment properties below initial cost tax effect	175	654
Changes in temporary differences	(160)	315
Tax position acquired at time of purchase	(5)	-
<b>Profit for tax purposes</b>	<b>11</b>	<b>-</b>
Tax payable on the balance sheet	2	-

### Reconciliation of income tax expense

Amounts in NOK million	2024	2023
Profit (loss) before tax	73	(969)
Estimated tax based on 22%	(16)	213
<b>Tax effects of:</b>		
Deferred tax assets that are not recognised in the balance sheet	-	-
Changes in fair value investment properties below initial cost tax effect	(38)	(144)
Permanent differences	(5)	0
<b>Income tax expense</b>	<b>(59)</b>	<b>69</b>
Effective tax rate	81.89 %	7.15 %

#### DEFERRED INCOME TAX

The Group has offset deferred tax assets and deferred tax liabilities on the balance sheet as the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

The following net value was recognised:

Amounts in NOK millions	2024	2023
Deferred tax liability	141	75
Deferred tax assets	40	9
<b>Net deferred tax</b>	<b>101</b>	<b>66</b>

#### Change in deferred tax (+) deferred tax assets (-)

##### Movement in temporary differences

Amounts in NOK million	Investment property	Interest derivatives	Current assets	Loss carried forward	Other	Total
<b>01 January 2023</b>	696	28	0	(135)	27	<b>615</b>
Recognised in profit and loss	(371)	(25)	-	95	(14)	(315)
Acquisition of subsidiaries	-	-	-	-	-	-
<b>31 December 2023</b>	<b>325</b>	<b>3</b>	<b>0</b>	<b>(41)</b>	<b>13</b>	<b>300</b>
Recognised in profit and loss	296	3		(49)	8	257
Acquisition of subsidiaries	-	-	-	3	(6)	(3)
Transaction costs on issue of shares	-	-	-	(94)	-	(94)
<b>31 December 2024</b>	<b>621</b>	<b>6</b>	<b>0</b>	<b>(181)</b>	<b>15</b>	<b>460</b>
Change in temporary differences based on nominal tax rate						160
Change in deferred tax based on nominal tax rate						(35)
Other differences						(24)
<b>Change in deferred tax</b>						<b>(59)</b>

## NOTE 15 INTEREST BEARING LIABILITIES

Amounts in NOK million	31.12.2024	31.12.2023
Bond loans	5 376	2 273
Bank loans	628	3 256
<b>Nominal interest bearing liabilities at period end</b>	<b>6 004</b>	<b>5 529</b>
Less capitalised borrowing costs	(41)	(24)
<b>Carrying amount interest bearing liabilities</b>	<b>5 963</b>	<b>5 505</b>

##### Maturity structure

Amounts in NOK million	Total cash flow	Year 1	Year 2	Year 3-5	After year 5
<b>Financial liabilities as of 31 December 2024</b>					
Principal payment on bank loans	628	1	2	584	41
Principal payment on bond loans	5 376	211	226	1 398	3 541
Interest rate payments net of interest rate derivatives	1 221	317	299	566	39
Other current liabilities	57	57	-	-	-
<b>Total</b>	<b>7 343</b>	<b>611</b>	<b>529</b>	<b>2 555</b>	<b>3 648</b>

The maturity structure is based on undiscounted cash flows. The input used for the maturity structures on interest rate payments are based on NIBOR3M forward curve as per 31 December 2024.

##### Maturity structure

Amounts in NOK million	Total cash flow	Year 1	Year 2	Year 3-5	After year 5
<b>Financial liabilities as of 31 December 2023</b>					
Principal payment on bank loans	3 467	98	3 370	-	-
Principal payment on bond loans	2 062	2 062	-	-	-
Interest rate payments net of interest rate derivatives	550	268	282	-	-
Other long-term liabilities	23	2	2	2	17
Trade payables	17	17	-	-	-
Other current liabilities	27	27	-	-	-
<b>Total</b>	<b>6 146</b>	<b>2 474</b>	<b>3 653</b>	<b>2</b>	<b>17</b>

#### Interest-bearing liabilities at 31 December 2024

	Base Currency (EUR million)	Nominal Amount (NOK million)	Fair Value (NOK million)	Carrying amount (NOK million)	Weighted average current interest interest	Interest terms	Current downpay- ment plan	Maturity date
Bond loan 1		750	745	746	6.51%	6.51% fixed	None	23.03.2027
Bond loan 2		648	632	644	5.90%	5.90% fixed	None	23.03.2028
Bond loan 3		211	206	211	4.16%	4.16% fixed	None	01.09.2025
Bond loan 4	300	3 541	3 507	3 507	4.63%	4.625% fixed	None	12.03.2030
Bond loan 5		226	215	226	3.60%	3.60% fixed	None	09.08.2026
Bank loan 1		485	485	485	7.07%	NIBOR3M + 2.38% margin	None	30.06.2027
Bank loan 2		93	93	93	6.94%	NIBOR3M + 2.25% margin	None	10.10.2027
Bank loan 3 <sup>1)</sup>		50	50	50	6.99%	NIBOR3M + 2.3% margin	25 years	17.12.2031
<b>Total</b>		6 004	5 934	<b>5 963</b>	<b>5.20%</b>			
Interest rate derivatives <sup>1)</sup>					(0.02%)			
<b>Total including interest rate derivatives</b>					<b>5.18%</b>			

Bond loan 1 was renegotiated and the new maturity and interest rate was extended to 23 March 2027. On 23 September 2024, NOK 350 million of the original loan was repaid.

Bond loan 2 was renegotiated and the new maturity and interest rate was extended to 23 March 2028. On 23 September 2024, NOK 314 million of the original loan was repaid.

Bank loan 1 has a one-year extension option.

<sup>1)</sup> In connection with purchase of Rigidalen Invest AS, the Group acquired an existing bank loan with a nominal amount of NOK 124.9 million. The Group did a repayment of NOK 74.9 million immediately after acquiring the property. The bank loan is hedged 100% with an interest rate derivative of 2.27% with maturity in December 2032.

#### Changes in liabilities arising from financing activities

Amounts in NOK million	New liabilities including capitalised borrowing costs						31.12.2024
	31.12.2023	Repayment	Reclassifica- tion liabilities	Amortisation of capitalised borrowing cost	Foreign exchange movements	31.12.2024	
Non-current bond loans	211	207	-	1187	12		1 617
Non-current euro-denominated bond loans		3 462			45		3 507
Non-current bank loans	3 240	3 952	(6 610)	-	46		628
Current bond loans	2 054	-	(664)	(1 187)	8		211
Current bank loans	-	-	-	-	-		-
<b>Total</b>	<b>5 505</b>	<b>7 621</b>	<b>(7 274)</b>	<b>-</b>	<b>66</b>		<b>5 963</b>

The Group has purchased properties with existing debt of NOK 908 million, hence the net proceeds interest-bearing liabilities are NOK 6 714 million.

#### Interest-bearing liabilities at 31 December 2023

	Nominal Amount (NOK million)	Fair Value (NOK million)	Carrying amount (NOK million)	Weighted average current interest	Interest terms	Current downpayment plan	Maturity date
Bond loan 1	1 100	1 067	1 097	3.00%	3% fixed	None	23.09.2024
Bond loan 2	962	937	957	3.48%	3.48% fixed	None	23.09.2024
Bond loan 3	211	202	211	4.16%	4.16% fixed	None	01.09.2025
Bank loan	3 256	3 256	3 240	6.76%	NIBOR3M + 1.88% margin	33 years	28.06.2025
<b>Total</b>	<b>5 529</b>	<b>5 462</b>	<b>5 505</b>	<b>5.34%</b>			
Interest rate derivatives				(0.49%)			
<b>Total including interest rate derivatives</b>				<b>4.85%</b>			

#### BOND LOANS COVENANTS

Financial covenants in connection with Bond Loan 1, Bond Loan 2, Bond Loan 3 and Bond Loan 5 covenants are measured at year-end and reported according to the compliance date as listed in the table below.

Covenant	Calculation level	Calculation method	Covenant	Compliance reporting date after period end	As reported to bond holders at compliance date 2025	As reported to bond holders at compliance date 2024
Loan-to-value Bond loan 1	Sub-Group	Outstanding loans to Property value, adjusted for working capital	Not to exceed 75%	120 days	48.9%	71.3%
Loan-to-value Bond loan 2	Sub-Group	Outstanding loans to Property value	Not to exceed 75%	120 days	49.6%	74.1%
Loan-to-value Bond loan 3	Sub-Group	Outstanding loans to Property value, adjusted for working capital	Not to exceed 75%	120 days	61.7%	61.4%
Loan-to-value Bond loan 5	Sub-Group	Outstanding loans to Property value	Not to exceed 75%	150 days	N/A	71.1%

A right to cure breaches of the loan-to-value are possible through new equity injections or a separate deposit account.

## EURO BOND LOAN COVENANTS

The Group entered into a bond loan agreement of Euro 300 million at 12 December 2024 (Bond loan 4). Compliance with financial covenants in connection with Bond Loan 4 are measured and reported within 30 days of the last day of each quarter. Profit and loss key figures as presented in the table below are calculated on the basis of Last Twelve Months (LTM).

Covenant	Calculation level	Calculation method	Covenant	As calculated for current compliance date
Consolidated Coverage Ratio	Group	Consolidated Adjusted EBITDA divided by Consolidated Net Interest Expenses	Not less than 1.5	2.0
Consolidated Solvency Ratio	Group	Consolidated Financial Indebetness (less cash and cash equivalents and listed shares) divided by Consolidated Total Assets	Not to exceed 65%	42.2%
Secured indebetness* to Total Assets ratio	Group	Total Value of Secured Indebetness divided by Consolidated Total Assets	Not to exceed 45%	20.6%

\*any Financial Indebetness or any guarantee and/or indemnity in respect of any Financial Indebetness that is secured in whole or in part by a Security Interest granted over any assets of any member of the Group.

## BANK LOAN COVENANTS

Financial covenants in connection with the bank loan for Bank Loan 1, are reported and measured on a quarterly basis in connection with the issuance of the Group's interim reports. Additionally, the Group reports semi-annually a Compliance Certificate on the basis of the second- and fourth quarter report and annual report within 90 days of the period end. Due to the repayment of loan Bank Loan 1 Tranches A and C in December 2024 with a total principal of NOK 2 814 million, and the substantial reduction in secured assets, comparables for previous reporting periods are not

applicable as the year-end reporting only covers the remaining Loan Tranche B. See note 20 for further information regarding the repayment of the remaining loan Tranche B in February 2025.

Financial covenants in connection with Bank Loan 2 are reported annually. The covenants are measured at an ongoing basis, and reported first time in October 2025. The Bank Loan has a covenant based on the outstanding loan to property value. Compliance reporting is due by 10 October each year.

Covenant	Calculation level	Calculation method	Covenant	As reported at compliance date 2025
Loan-to-value Bank Loan 1	Secured Assets/ Sub-Group	Outstanding loans to Property value of secured assets	Not to exceed 65%	58.4%
WAULT Bank Loan 1	Secured Assets/ Sub-Group	Weighted average unexpired lease terms	Minimum 4 years	6.2 years
Loan-to-value Bank Loan 2	Secured Assets	Outstanding loans to Property value of secured assets	Not to exceed 65%	N/A

An equity cure is available, i.e. a right to cure breaches of the Group Interest coverage ratio, the Sub-Group Interest coverage ratio, the Group Equity ratio and the Sub-Group Loan-to-value by new equity injections, subject to applicable conditions and time limits. The Group is in compliance with all financial covenants at year-end 2024. See note 6 for additional information about financial risk management.

The Group was in compliance with all Financial Covenants at year-end 2024.

## Interest rate & FX derivatives at reporting date 31 December 2024

Amounts in millions	Principal amount (NOK million)	Fair value (NOK million)	Start date	Maturity date	Fixed interest
Interest rate swap*	50	6	03.12.2018	01.12.2032	2.27%
<b>Total interest swap assets</b>	<b>50</b>	<b>6</b>			

\*In connection with the refinancing in December 2024, the Group terminated all interest rate derivatives held as of 31 December 2023. Net cash flow from termination of interest derivatives amounted to NOK 12 million. The interest rate derivative outstanding at the year end listed in the table above was acquired in connection with the acquisition of investment property entities in the fourth quarter 2024.

Amounts in millions	Principal amount (NOK million)	Fair value (NOK million)	Start date	Maturity date	Fixed forward rate
Currency derivatives designated for fair value hedge account*	100	(0.25)	17.12.2024	12.03.2030	12.85
<b>Total currency derivatives liabilities</b>	<b>100</b>	<b>(0.25)</b>			

\*In connection with the placement of Euro-bond EUR 300 million, the Group has purchased currency derivatives amounting to one third of the nominal value of the bond.

The Group applies fair value hedge accounting under IFRS 9 to mitigate exposure to changes in the fair value of foreign currency-denominated liabilities due to exchange rate fluctuations.

The hedged item, the euro-bond, is adjusted for changes in fair value attributable to FX risk. The corresponding hedging instruments, are measured at fair value, with gains or losses recognised in profit or loss towards net currency exchange differences.

## Interest rate derivatives at period end 31.12.2023

Amounts in millions	NOK amount	Fair value (NOK million)	Start date	Maturity date	Fixed interest
Interest Nordea	239	15	30.06.2016	30.06.2026	1.34%
Interest Nordea	100	5	27.03.2020	27.03.2025	1.03%
Interest Nordea	150	11	15.04.2021	18.04.2028	1.65%
Interest CAP	57	0	01.03.2019	15.04.2024	2.75%
Interest CAP	-	0	16.04.2018	17.04.2023	2.75%
Interest Nordea	388	3	30.09.2022	30.06.2025	3.46%
Interest Danske	388	3	06.10.2022	30.06.2025	3.39%
Interest Nordea	153	(16)	30.06.2023	30.06.2028	3.93%
Interest Danske	153	(18)	30.06.2023	30.06.2028	3.98%

## NOTE 16 CURRENT AND NON-CURRENT LIABILITIES

### Other current liabilities

Amounts in NOK millions	2024	2023
Bond loans short term	211	2 054
Bank loan amortisation	-	98
Trade payables (non-interest bearing)	23	17
Taxes payable	2	-
Value added taxes payable	4	1
Other current liabilities (non-interest bearing)	51	26
<b>Sum other current liabilities</b>	<b>291</b>	<b>2 196</b>

### Other non-current liabilities

Amounts in NOK millions	2024	2023
Bond loans	5 123	211
Bank loans	628	3 142
Deferred tax liabilities	101	66
Interest rate & FX derivatives	0	34
Other non-current liabilities	38	23
Non-current lease liability	35	-
<b>Sum other non-current liabilities</b>	<b>5 926</b>	<b>3 476</b>

## NOTE 17 ENTITIES AND SUBSIDIARIES

The Group comprises the following legal entities at 31 December 2024.

All entities, besides Bergen Etatbygg AS and Terningen Invest AS, are directly or indirectly owned 100%.

Subsidiaries	Country	Business office	Voting percentage	Ownership
Public Property Drift AS	Norway	Oslo	100%	100%
PPI Forvaltning AS	Norway	Oslo	100%	100%
Public Property Holding AS	Norway	Oslo	100%	100%
Public Property Sub-Holding 1 AS	Norway	Oslo	100%	100%
Røynebergsletta I Holding AS	Norway	Oslo	100%	100%
Røynebergsletta I AS	Norway	Oslo	100%	100%
Søebergkvarteret Holding AS	Norway	Oslo	100%	100%
Søebergkvarteret AS	Norway	Oslo	100%	100%
Gunnar Nilsens gate 25 AS	Norway	Oslo	100%	100%
Prins Chr. Augusts Pl. AS	Norway	Oslo	100%	100%
Brochs gate 3 AS	Norway	Oslo	100%	100%
Fjørevegen 20 AS	Norway	Oslo	100%	100%
Njøsavegen 2 AS	Norway	Oslo	100%	100%
SBB Kongsvinger AS / Otervegen 23 AS	Norway	Oslo	100%	100%
Statlige Bygg AS	Norway	Oslo	100%	100%
Statlige Bygg II AS	Norway	Oslo	100%	100%
Offentlig Bygg Namsos AS	Norway	Oslo	100%	100%
Sandgata Eiendom Namsos AS	Norway	Oslo	100%	100%
Postgården Eiendom Namsos AS	Norway	Oslo	100%	100%
Public Property Sub-Holding 2 AS	Norway	Oslo	100%	100%
Offentlig Eiendom AS	Norway	Oslo	100%	100%
Arendal Eiendomsinvest AS	Norway	Oslo	100%	100%
Unninvest AS	Norway	Oslo	100%	100%
Unninvest II AS	Norway	Oslo	100%	100%
Unninvest III AS	Norway	Oslo	100%	100%
Stangevegen 109 Eiendom AS	Norway	Oslo	100%	100%
Rosenkrantzgata 17 AS	Norway	Oslo	100%	100%
Grønnegata 122 AS	Norway	Oslo	100%	100%
Kvartal 48 Næring AS	Norway	Oslo	100%	100%
Haakon VIIIs gate 98 AS	Norway	Oslo	100%	100%
Kongensgate 14-18 AS	Norway	Oslo	100%	100%
Bernt Ankers gate 17 AS	Norway	Oslo	100%	100%
Lervigsveien 32 og Tinggata 8 AS	Norway	Oslo	100%	100%
Kammerherreløkka Næring B1 AS	Norway	Oslo	100%	100%
Dunderland Eiendom AS	Norway	Oslo	100%	100%
Sliptomta Eiendom AS	Norway	Oslo	100%	100%
Mellomvika 5 AS	Norway	Oslo	100%	100%
Askveien 4 Hønefoss AS	Norway	Oslo	100%	100%
Rambergveien 9 AS	Norway	Oslo	100%	100%

Subsidiaries	Country	Business office	Voting percentage	Ownership
Kaldnes Park AS	Norway	Oslo	100%	100%
Kunnskapsveien 55 AS	Norway	Oslo	100%	100%
Jærveien 12 AS	Norway	Oslo	100%	100%
Vogts Gate 17 AS	Norway	Oslo	100%	100%
Jul Pettersens gate 2 AS	Norway	Oslo	100%	100%
Public Property Sub-Holding 3 AS	Norway	Oslo	100%	100%
HGF Invest AS	Norway	Oslo	100%	100%
Ski Florø AS	Norway	Oslo	100%	100%
Ski Hønefoss AS	Norway	Oslo	100%	100%
Ski Gjøvik AS	Norway	Oslo	100%	100%
Public Property Sub-Holding 4 AS	Norway	Oslo	100%	100%
Anton Jenssens gate 2 AS	Norway	Oslo	100%	100%
Heian AS	Norway	Oslo	100%	100%
Lillehammer Politibygg AS	Norway	Oslo	100%	100%
Ibsensgate 1 AS	Norway	Oslo	100%	100%
Eiendomsgruppen Fredrikstad AS	Norway	Oslo	100%	100%
Olav V Gt 4 AS	Norway	Oslo	100%	100%
Borgergata 10 AS	Norway	Oslo	100%	100%
Castelar Prospekt 22 AS	Norway	Oslo	100%	100%
Gyldegården AS	Norway	Oslo	100%	100%
Leikanger Eiendom AS	Norway	Oslo	100%	100%
Farmannsveien 50 AS	Norway	Oslo	100%	100%
Olav Trygvasons Gate 4 AS	Norway	Oslo	100%	100%
Wilbergjordet 1 AS	Norway	Oslo	100%	100%
Jkgt2 AS	Norway	Oslo	100%	100%
Jonas Lies Gate 20 AS	Norway	Oslo	100%	100%
Newco 1 AS	Norway	Oslo	100%	100%
Sandnes Offentlige Helsebygg AS	Norway	Oslo	100%	100%
Røgedalen Invest AS	Norway	Oslo	100%	100%
Newco 2 AS	Norway	Oslo	100%	100%
Bergen Etatbygg AS	Norway	Oslo	82.6%	82.6%
Newco 3 AS	Norway	Oslo	100%	100%
Newco 4 AS	Norway	Oslo	100%	100%
PPI CARE PROPERTIES AS	Norway	Oslo	100%	100%
Newco 6 AS	Norway	Oslo	100%	100%
Newco 7 AS	Norway	Oslo	100%	100%
Newco 8 AS	Norway	Oslo	100%	100%
Newco 9 AS	Norway	Oslo	100%	100%
Newco 10 AS	Norway	Oslo	100%	100%

## NOTE 18 RELATED-PARTY TRANSACTIONS

The Group had related transactions 2024 mentioned below:

### INVESTMENT PROPERTIES

In April 2024 the Group completed its purchase of 13 properties, based on a property value of approximately NOK 1 640 million, and a net purchase price of shares of NOK 1 191 million, from SBB Samfunnsbygg AS. The property value of NOK 1 640 million corresponds to the average gross property value of SBB Samfunnsbygg AS' properties (including development potential) pursuant to external valuations as of 31 December 2023. The net purchase price was reduced due to a bank loan of NOK 403 million held in the property companies acquired by the company, and adjusted for findings made in the financial, legal and technical due diligence, and balance sheet adjustments. The consideration to SBB Samfunnsbygg AS consisted of 29 855 320 shares in the company.

additional consideration of NOK 72 million pursuant to the share purchase agreement originally entered into for the sale and purchase of all the shares in Kunnskapsveien 55 AS. It was agreed that the additional consideration was to be settled in the form of 1 804 189 shares.

### PROPERTY MANAGEMENT FEE

The company receives property management fees from management agreements with Samhållsbyggnsbolaget i Norden AB, as the company performs property, financial and other management functions for the Norwegian properties partly or wholly owned by Samhållsbyggnsbolaget i Norden AB.

### OWNERSHIP

Samhållsbyggnsbolaget i Norden AB priorly owned shares of the company indirectly through SBB Samfunnsbygg AS. In the third quarter of 2024, Samhållsbyggnsbolaget i Norden AB purchased the shares from SBB Samfunnsbygg AS and now owns the shares directly.

The group had no material related parties transactions in 2023.

## NOTE 19 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year. Public Property Invest ASA has not issued options or other financial instruments which have a dilutive effect on outstanding shares.

Amounts in NOK million except for Net profit (loss) per share	2024	2023
Net profit (loss) attributable to ordinary equity holders of parent company (NOK million)	10	(900)
Weighted average number of shares in million*	167	72
Earnings per share Net profit (loss)	0.06	(12.51)

\*Number of shares per 31 December 2023 have been adjusted due to share split in 2024 of 1/20, to make figures comparable.

Number of shares	
<b>Number of shares at 31 December 2022</b>	<b>71 931 660</b>
<b>Number of shares at 31 December 2023</b>	<b>71 931 660</b>
Issue of shares in-kind 12.04.2024	1 804 189
Issue of shares in-kind 12.04.2024	29 855 320
Issue of shares IPO 25.04.2024	105 000 000
Issue of shares in-kind 14.10.2024	1 802 486
Issue of shares in-kind 19.12.2024	815 119
Issue of shares in-kind 20.12.2024	3 895 051
<b>Number of shares at 31 December 2024</b>	<b>215 103 825</b>

## NOTE 20 SUBSEQUENT EVENTS

On 1 January 2025 André Gaden assumed the position as CEO for Public Property Invest ASA. Ilija Batljan assumed the position as CIO.

On 2 January 2025 PPI signed an agreement to acquire two elementary schools in Espoo in Finland for a total property value of EUR 37.1 million. The properties are approximately 10 000 sqm and are fully let, of which 94 per cent is let to the Municipality of Espoo. Both properties are newly refurbished and are certified BREEAM Very Good. The transaction was closed on 10 January 2025.

On 27 January 2025 PPI signed an agreement to acquire the property Damsgårdsveien 106 in Bergen for a total property value of NOK 130.6 million. The property is approximately 4 100 sqm and is fully let to the Municipality of Bergen and the University of Bergen. The transaction was closed on 14 February 2024.

On 29 January 2025, PPI issued a NOK 300 million and a SEK 250 million bond, both with 3-year tenors. The senior unsecured bonds were priced with a floating rate of NIBOR3M +175 bps and STIBOR3M +174 bps respectively.

On 25 November 2024 the Group signed a share purchase agreement of a pre-school in Trelleborg for a total property value of SEK 102 million. Trelleborg is located in Skåne county in Sweden. The transaction was closed on 28 February 2025.

On 28 February 2025 the Group made a downpayment of Tranche B of the bank loan of NOK 485.1 million.

On 7 March 2025, the Group acquired a school and a pre-school in central Helsinki in Finland with a total lettable area of approximately 5 000 square meters.

On 03 April 2025, PPI tapped a NOK 200 million and a SEK 550 million bond, both with 3-year tenors. The senior unsecured bonds were priced with a floating rate of NIBOR3M +185 bps and STIBOR3M +185 bps respectively.

On 03 April 2025 the Group acquired two property companies with a total lettable area of approximately 7 050 square meters.



## FINANCIAL STATEMENT - PUBLIC PROPERTY INVEST ASA

### REVENUE STATEMENT

<i>All amounts in NOK</i>	<i>Note</i>	2024	2023
<b>OPERATING INCOME AND OPERATING EXPENSES</b>			
Other income		13 568 481	0
<b>Total income</b>		<b>13 568 481</b>	<b>0</b>
Payroll expenses	1	(33 777 366)	(2 911 023)
Other operating expenses	1	(123 172 166)	(8 927 920)
<b>Total expenses</b>		<b>(156 949 532)</b>	<b>(11 838 944)</b>
<b>Operating profit</b>		<b>(143 381 051)</b>	<b>(11 838 944)</b>
<b>Financial income and expenses</b>			
Interest income from Group companies		3 923 508	0
Other interest income		18 120 779	131 034
Other financial income		36 976 590	0
Write-down of long-term investments		(16 592 648)	(932 319 120)
Other interest expenses		(8 524 581)	0
Other financial expenses		(44 608 922)	0
<b>Net financial items</b>		<b>(10 705 274)</b>	<b>(932 188 086)</b>
<b>Profit (loss) before tax</b>		<b>(154 086 325)</b>	<b>(944 027 030)</b>
Income tax expense	2	30 242 629	2 566 515
<b>Net profit (loss)</b>		<b>(123 843 695)</b>	<b>(941 460 515)</b>
<b>Net profit (loss) attributable to:</b>			
Other equity	3	(123 843 695)	(941 460 51)
<b>Total income (loss)</b>		<b>(123 843 695)</b>	<b>(941 460 515)</b>

# BALANCE SHEET

All amounts in NOK	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Deferred tax assets	2	28 122 366	961 985
<b>Total intangible assets</b>		<b>28 122 366</b>	<b>961 985</b>
<b>Non-current financial assets</b>			
Investments in subsidiaries	4	5 166 653 327	2 619 675 280
Loan to Group companies		2 814 900 000	0
Investment in shares		552 085	0
<b>Total non-current financial assets</b>		<b>7 982 105 412</b>	<b>2 619 675 280</b>
<b>Total non-current assets</b>		<b>8 010 227 778</b>	<b>2 620 637 265</b>
<b>Current assets</b>			
Trade receivables		15 625	0
Other current assets		12 869 709	170 577
Receivables from Group companies		198 407 363	36 474 480
Cash and cash equivalents		734 659 823	2 346 593
<b>Total current assets</b>		<b>945 952 520</b>	<b>38 991 650</b>
<b>Total assets</b>		<b>8 956 180 298</b>	<b>2 659 628 915</b>

# BALANCE SHEET

All amounts in NOK	Note	2024	2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital			
	3, 5	10 755 191	3 596 583
Share premium reserve	3	6 418 943 111	3 591 130 552
Other equity	3	(1 093 378 890)	(969 535 194)
<b>Total equity</b>		<b>5 336 319 412</b>	<b>2 625 191 940</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bonds	6	3 506 910 317	0
<b>Total non-current liabilities</b>		<b>3 506 910 317</b>	<b>0</b>
<b>Current liabilities</b>			
Trade payables		8 214 328	2 520 298
Public duties payable		3 021 007	130 415
Liabilities to group companies		84 398 269	29 274 480
Other current liabilities		17 316 964	2 511 781
<b>Total current liabilities</b>		<b>112 950 569</b>	<b>34 436 975</b>
<b>Total liabilities</b>		<b>3 619 860 886</b>	<b>34 436 975</b>
<b>Total equity and liabilities</b>		<b>8 956 180 298</b>	<b>2 659 628 915</b>

Oslo, Norway, April 22, 2025.  
The board of Public Property Invest ASA

Martin Mæland  
Chairman of the board

Sven-Olof Johansson  
Member of the board

Siv Jensen  
Member of the board

Kenneth Bern  
Member of the board

Silje Cathrine Hauland  
Member of the board

Andre Gaden  
CEO

*This document is signed electronically*

# CASH FLOW STATEMENT

All amounts in NOK	Note	2024	2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit (loss) before tax			
		<b>(154 086 325)</b>	(944 027 030)
Write-down of financial assets		<b>16 592 648</b>	932 319 120
Group interest		<b>3 923 508</b>	0
Change in receivables		<b>(15 625)</b>	36 938
Change in current liabilities*		<b>5 694 030</b>	2 447 034
Change in other working capital*		<b>4 088 249</b>	(200 027)
Exchange Rate Effects		<b>7 630 131</b>	0
<b>Net cash flow from operating activities</b>		<b>(124 020 400)</b>	(9 423 965)
<b>Cash flow from investment activities</b>			
Payments on loan receivables group (short / long term)		<b>(3 217 999 666)</b>	0
Payments on purchase of shares and capital increases		<b>(860 194 201)</b>	0
<b>Net cash flow from investment activities</b>		<b>(4 078 193 867)</b>	0
<b>Cash flow from financing activities</b>			
Group debt inflows		<b>47 200 000</b>	2 800 000
Group debt outflows		<b>(40 000 000)</b>	0
Other debt inflows (Short/Long-term)		<b>3 462 330 317</b>	0
Paid in capital increase*		<b>1 522 500 000</b>	0
Capital reduction		<b>(94 452 689)</b>	0
<b>Net cash flow from financing activities</b>		<b>4 897 577 628</b>	2 800 000
<b>Net change in liquidity in the period</b>		<b>695 363 361</b>	(6 623 965)
Net foreign exchange difference		<b>36 949 869</b>	0
Cash and cash equivalents at beginning of period		<b>2 346 593</b>	8 970 558
<b>Cash and cash equivalents at end of period</b>		<b>734 659 823</b>	2 346 593
<b>The cash and cash equivalents relates to:</b>			
Cash and bank deposits		<b>734 659 823</b>	7 146 815
Unused operating credit also amounts to		<b>0</b>	0

\* The Group has issued both cash and non-cash distributions throughout the year.  
Only the cash issued is counted towards the presented amount.

# NOTES TO THE PARENT FINANCIAL STATEMENTS

## ACCOUNTING PRINCIPLES

The financial statements comprise of the income statement, balance sheet, cash flow and notes and are prepared in accordance with accounting, company law and generally accepted accounting principles in Norway. The financial statements are based on the basic principles of historical cost. Transactions are booked at the value of the consideration on the transaction date.

## GENERAL INFORMATION

Public Property Invest ASA (the "Company") and its subsidiaries (together, the "Group") business is related to ownership of properties in Norway, and rental of office spaces, primarily to public tenants. The company was incorporated 16 August 2018, and is domiciled in Oslo, Norway. The company has 22 employees. On 22 June 2021, the company acquired all the shares in Public Property Holding AS. Following the acquisitions, the group was formed.

## CLASSIFICATION OF BALANCE SHEET ITEMS

Assets intended for long term ownership or use have been classified as non current assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalments on long term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

## CURRENT ASSETS & LIABILITIES

Current assets are valued at the lowest of acquisition cost and fair value. Short term debt is capitalised at the nominal amount at the time of borrowing. Fixed assets are valued at acquisition costs. Other fixed assets than operating assets are written down to fair value in the event of a decrease in value that is not expected to be temporary. Long-term debt is capitalised net of establishment cost at the time of establishment. Establishment cost is amortised over the commitment period. Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

## DERIVATIVES

When hedging future interest costs, where the hedging instruments are to hedge the group against variations in future cash flows, the hedging instrument is not booked in the balance sheet as long as the hedging is considered to be effective. Gains or losses are recognised as net interest income or interest expense, in line with the recognition of the hedged item in the income statement.

## INVESTMENTS IN OTHER COMPANIES

The cost method is applied to investments in other companies. Transaction costs are included in the cost price. Companies acquired or sold during the year are included in the consolidated financial statements from the date that control is achieved and until control ceases. On consolidation, the

parent company shares in subsidiaries replaced with the subsidiaries' assets and liabilities and are grouped according to the same principles as the parent company accounts.

Subsidiaries are all entities over which the group has control. See note 17 in Group financial statement for a comprehensive list of subsidiaries. Control of an entity occurs 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 day on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are taken directly as deduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies is reflected as financial income when it has been approved.

## ASSET IMPAIRMENTS

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

## CASH FLOW

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits.

## TAXES

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry-forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

## NOTE 1 PAYROLL EXPENSES, REMUNERATION AND OTHER OPERATING EXPENSES

### Board of Directors

Amounts in NOK	Board Fees	Committee fees	Social security contributions	Total 2024
Martin Mæland	370 685	33 699	57 018	461 402
Kenneth Frode Goovaerst Bern	266 849	47 178	44 278	358 305
Silje Cathrine Hauland	237 753	74 137	43 977	355 867
Siv Jensen	202 192	57 288	36 587	296 067
Sven-Olof Johansson	202 192	0	28 509	230 701
Arnt Rolf Hillestad	35 562	0	5 014	40 576
Gerd Ylva Göransson	35 562	0	5 014	40 576
Henrik Melder	14 164	0	1 997	16 161
<b>Total</b>	<b>1 364 959</b>	<b>212 302</b>	<b>222 394</b>	<b>1 799 655</b>

### Overview of total remuneration to senior executives 2024

Amounts in NOK	Salary	Pension cost	Other compensations and social costs	Total remuneration 2024
Morten Kjeldby (CEO until 29.04)	1 275 000	26 000	1 786 000	3 087 000
Ilija Batljan (CEO from 29.04)	3 226 667	100 049	56 334	3 383 050
<b>Number of employees</b>		<b>20</b>		

No loans have been granted or guarantees given to the board or other related parties. The company has a group pension insurance that covers all employees.  
The scheme is a defined contribution scheme. The company's pension schemes satisfy the requirements of the OTP - Mandatory Occupational Pensions Scheme.

### Other operating costs

Amounts in NOK	2024	2023
Auditors	7 792 249	3 171 081
Legal, agency and consultancy fees	21 547 105	
Accounting	16 271 933	0
Other operating expenses	27 544 279	0
Contract termination fee	50 016 600	0
<b>Total</b>	<b>123 172 166</b>	<b>3 171 081</b>

### Remuneration to auditor

Amounts in NOK	2024	2023
Statutory audit	6 936 987	3 171 081
Tax advice	0	0
Other assurance services	855 261	0
Other non-audit services	0	0
<b>Total</b>	<b>7 792 249</b>	<b>3 171 081</b>

## NOTE 2 TAX

### Income tax expense

All amounts in NOK	2024	2023
Payable tax - tax effect of group contribution	0	0
Change in deferred tax	(30 242 629)	(2 566 515)
<b>Income tax expense</b>	<b>(30 242 629)</b>	<b>(2 566 515)</b>

### Income tax payable is calculated as follows

All amounts in NOK	2024	2023
Profit / loss before tax	(154 086 325)	(944 027 030)
Permanent differences	(77 832 856)	932 361 050
Change in temporary differences	(29 668 726)	0
<b>Change in temporary differences</b>	<b>(261 587 906)</b>	<b>(11 665 980)</b>
Allocation of loss to be carried forward	153 124 997	24 808 501
Group contribution received	108 462 909	36 474 480
<b>The year's tax base</b>	<b>-</b>	<b>-</b>

### Overview of temporary differences

All amounts in NOK	Difference	2024	2023
Accounting accrual	(33 869 683)	<b>33 869 683</b>	0
Fixed assets	4 200 957	<b>(4 200 957)</b>	0
Loss carried forward	153 124 997	<b>(157 497 660)</b>	(4 372 663)
<b>Sum</b>	<b>123 456 272</b>	<b>(127 828 934)</b>	(4 372 663)
Not included in the deferred tax calculation	0	<b>0</b>	0
<b>Total</b>	<b>123 456 272</b>	<b>(127 828 934)</b>	(4 372 663)
Deferred tax assets (22%)	27 160 380	<b>(28 122 366)</b>	(961 985)

\*Deferred tax asset is recognised as it is probable that future taxable profits will be sufficient to utilise the tax benefit.

## NOTE 3 EQUITY CAPITAL

### Equity 31.12.2024

All amounts in NOK	Share capital	Share premium	Other equity	Total
Total equity at 31 December 2023	3 596 583	3 591 130 552	(969 535 194)	<b>2 625 191 940</b>
Issues of shares in-kind 12.04.2024	1 582 975	1 261 282 957		<b>1 262 865 933</b>
Issue of shares IPO 25.04.2024	5 250 000	1 517 250 000		<b>1 522 500 000</b>
Issue of shares in-kind 21.10.2024	90 124	37 167 261		<b>37 257 386</b>
Issue of shares in-kind 27.12.2024	194 753	67 812 059		<b>68 006 811</b>
Issue of shares in-kind 27.12.2024	40 756	17 973 379		<b>18 014 135</b>
Issue costs net of tax		(73 673 097)		<b>(73 673 097)</b>
Profit (loss) for the period			(123 843 695)	<b>(123 843 695)</b>
<b>Total equity at 31 December 2024</b>	<b>10 755 191</b>	<b>6 418 943 111</b>	<b>(1 093 378 890)</b>	<b>5 336 310 412</b>

## NOTE 4

### INVESTMENTS IN SUBSIDIARIES

All amounts in NOK	Ownership	Net profit of the year	Share capital	Carrying amount
Public Property Holding AS	100%	(727 249 044)	5 144 334 941	5 161 765 778
Public Property Drift AS	100%	208 605	539 236	337 200
PPI Forvaltning AS	100%	(923 358)	4 189 411	4 550 349

The company is located in Oslo Municipality.

The consolidated financial statements are prepared by Public Property Invest ASA.

#### Shares owned by the Directors of the Board and the CEO

Shares controlled by board members	Position	Control directly	% holding	Shares
Martin Mæland <sup>1)</sup>	Board Chariman	Directly	0.05%	100 000
Kenneth Frode Goovaerts Bern <sup>2)</sup>	Board Member	Indirectly	1.52%	3 274 320
Sven-Olof Johansson <sup>3)</sup>	Board Member	Indirectly	0%	-
Silje Cathrine Hauland <sup>4)</sup>	Board Member	Directly	0.02%	40 000
Siv Jensen	Board Member	Indirectly	0%	-
Ilija Batljan	Interim CEO	Directly	0.1%	125 000
<b>Sum shares controlled by board members and CEO</b>			<b>1.65%</b>	<b>3 539 320</b>

<sup>1)</sup>Martin Mæland represents 0.05 percent, directly through Brimar AS.

<sup>2)</sup>Kenneth Frode Goovaerts Bern represents 1.52 per cent indirectly through Telecom AS.

<sup>3)</sup>Sven-Olof Johansson represents 2.54 per cent indirectly through Samhällsbyggnadsbolaget i Norden AB

<sup>4)</sup>Silje Cathrine Hauland represents 0.02 per cent directly through Gatekeeper AS, and 0.32 per cent indirectly as CEO of Chrisanic Eiendom AS.

## NOTE 5

### SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital in Public Property Invest ASA as of 31/12/2024 consists of:

Ordinary shares issued	215 103 825
Nominal amount in NOK	0.05
<b>Share capital in NOK</b>	<b>10 755 191</b>

#### Ownership structure

Shareholder	% holding	Country	Shares
Samhällsbyggnadsbolaget i Norden AB	35.16%	Sweden	75 631 366
Skagen Vekst Verdipapirfond	4.18%	Norway	8 991 411
Verdipapirfondet DnB Norge	2.99%	Norway	6 441 107
Avanza Bank AB	2.18%	Sweden	4 684 082
Kverva Finans AS	2.06%	Norway	4 427 618
Centra Capital AS	1.76%	Norway	3 793 103
First Nordic Real Estate	1.76%	Norway	3 777 980
Centra Invest AS	1.74%	Norway	3 747 950
Sagacia AS	1.67%	Norway	3 598 320
Verdipapirfondet Fondsfinans Norge	1.57%	Norway	3 372 931
<b>Total 10 largest shareholders</b>	<b>55.07%</b>		<b>118 465 868</b>
Other shareholders	44.93%		96 637 957
<b>Total</b>	<b>100%</b>		<b>215 103 825</b>

## NOTE 6

### INTEREST BEARING LIABILITIES

Loan facility	Loan origination date	Principal in local currency	Carrying value 31.12.2024	Carrying value 31.12.2023
Bond loan	12.12.2024	NOK	(3 540 780 000)	0
Accrued financing costs	31.12.2024	NOK	33 869 683	0
<b>Total</b>		NOK	<b>(3 506 910 317)</b>	<b>0</b>

On 12 December 2024, the company secured a bond loan of EUR 300 million. The euro-bond is issued under the Groups EMNT-program and is listed on Euronext Dublin. The loan has a term of five years and three months, with an option for extension. The interest rate is 4.625 percent per annum, fixed rate.

## NOTE 7

### SUBSEQUENT EVENTS

On 1 January 2025 André Gaden assumed the position as CEO for Public Property Invest ASA. Ilija Batljan assumed the position as CIO.

On 29 January 2025, PPI issued a NOK 300 million and a SEK 250 million bond, both with 3-year tenors. The senior-unsecured bonds were priced with a floating rate of NIBOR3M +175 bps and STIBOR3M +174 bps respectively.

On 03 April 2025, PPI tapped a NOK 200 million and a SEK 550million bond, both with 3-year tenors. The senior-unsecuredbonds were priced with a floating rate of NIBOR3M +185 bpsand STIBOR3M +185 bps respectively.



To the General Meeting of Public Property Invest ASA

## Independent Auditor's Report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Public Property Invest ASA, which comprise:

- the financial statements of the parent company Public Property Invest ASA (the Company), which comprise the balance sheet as at 31 December 2024, the revenue statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Public Property Invest ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the 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, and
- the consolidated 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.

Our opinion is consistent with our additional report to the Audit Committee.

#### 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 Public Property Invest ASA for 4 years from the election by the general meeting of the shareholders on 11 August 2021 for the accounting year 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.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo  
T: 02316, org. no.: 987 009 713 MVA, [www.pwc.no](http://www.pwc.no)  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



#### Key Audit Matters

##### Valuation of investment properties

The majority of the Group's assets consist of investment properties. Primarily these are socially beneficial properties with public-sector tenants. As at 31 December 2024, the book value of the investment properties is MNOK 10 880.

Investment properties are measured at fair value. Fair value adjustments can significantly impact the Group's results, and consequently its equity.

Fair value is estimated using assumptions and property specific information, such as lease terms, expected future cash flows, and yield. Estimating fair values and determining the underlying assumptions require application of management's judgment. Management uses an external valuation firm to prepare the estimate.

We considered the valuation of investment properties to be a key focus area due to the substantial amounts involved and the considerable management judgment required.

For details on the valuation methodology and further information on investment properties, please refer to the Board of Directors' report and note 3 (summary of significant accounting policies), and 9 (critical accounting estimates and judgements - investment property) to the consolidated financial statements.

#### How our audit addressed the Key Audit Matter

We obtained, read, and understood the valuation reports prepared by the external valuation firm and met with them independently of the Group's management. We assessed whether the reports were prepared in accordance with the relevant accounting framework and were suitable for determining the fair value of the Group's investment properties.

We evaluated the qualifications, competence, and objectivity of the valuation firm. Additionally, we reviewed their terms of engagement to identify any unusual terms that might affect their objectivity or impose scope limitations on their work.

In our meetings with the valuation firm, we discussed and challenged the applied assumptions, particularly assumptions relating to cash flows and yield. We compared the assumptions to observable market data and our industry knowledge. We also evaluated whether assumptions not readily observable in the marketplace were reasonable.

For a sample of investment properties, we tested whether the property specific information provided by management to the valuation firm, such as lease terms, duration, and vacant areas, was consistent with the underlying property information and contracts. Furthermore, we agreed the underlying information to the received valuation reports. We obtained the valuation reports directly from the valuation firm and compared them to the reports we received from management.

We noted no material deviations or inconsistencies during our audit procedures.

We assessed the disclosures in notes 3 and 9 to the consolidated financial statements and found them to be adequate and appropriate.

#### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises 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 information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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

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

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

#### Responsibilities of Management 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 consolidated 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 consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

### Report on Compliance with Requirement on European Single Electronic Format (ESEF)

#### Opinion

As part of the audit of the financial statements of Public Property Invest 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 ppisa-2024-12-31-en.zip, 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/revisionsberetninger>

Oslo, 22 April 2025

**PricewaterhouseCoopers AS**

Chris H. Jakobsen  
State Authorised Public Accountant  
(This document is signed electronically)

## ALTERNATIVE PERFORMANCE MEASURES

PPI's financial information is prepared in accordance with IFRS Accounting standards as adopted by EU. In addition, the Group reports Alternative Performance Measures (APMs) that are regularly reviewed by management to enhance the

understanding of the Group's performance as a supplement, but not as a substitute, to the financial statements prepared in accordance with IFRS.

### Net Operating Income (NOI)

Amounts in NOK million	2024	2023
Rental income	662	575
Other income	3	0
Property expenses	(67)	(75)
<b>NOI</b>	<b>598</b>	<b>501</b>
<b>NOI%</b>	<b>90%</b>	<b>87%</b>

### EBITDA

Amounts in NOK million	2024	2023
Net income from property management	270	223
Net realised financials	261	247
<b>EBITDA</b>	<b>532</b>	<b>470</b>

### Interest Coverage Ratio (ICR)

Amounts in NOK million	2024	2023
EBITDA	532	470
Net realised financials	(261)	(247)
<b>ICR</b>	<b>2.0</b>	<b>1.9</b>

### Unencumbered Asset Ratio

Amounts in NOK million	31.12.2024
Unencumbered asset	6 278
Financial Assets	1
Accounts Receivable and Other Receivables	28
Derivatives	6
<b>Total Unencumbered Assets</b>	<b>6 312</b>
Unsecured Loans	3 541
Cash and Cash Equivalents	(968)
<b>Net Unsecured Senior Debt</b>	<b>2 573</b>
<b>Unencumbered Asset Ratio</b>	<b>2.45</b>

# EPRA REPORTING

The following performance indicators have been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its latest edition of the Best Practices Recommendations Guidelines.

The EPRA Best Practices Recommendations Guidelines focus on making the financial statements of public real estate companies clearer and more comparable across Europe. For further information about EPRA, see [epra.com](http://epra.com)

## Summary table EPRA performance measures

	Unit	2024	2023
A EPRA Earnings per share	NOK	0.89	2.03
B EPRA NRV per share	NOK	27.18	40.58
C EPRA LTV	%	46.7%	65.1%

The details for the calculation of the performance measures are shown on the following pages.

## A. EPRA EARNINGS

EPRA Earnings is a measure of the operational performance of the property portfolio. EPRA Earnings is calculated based on the condensed consolidated statement of comprehensive income and the condensed consolidated statement of financial position.

Amounts in NOK millions	2024	2023
Net profit (loss)	13	(900)
<b>Adjustments to calculate EPRA Earnings:</b>		
Changes in fair value of investment properties	(34)	(1143)
Changes in fair value of interest rate derivatives	9	(25)
Transaction costs	(99)	-
Deferred tax investment properties	(32)	116
Deferred tax interest rate derivatives	(2)	5
Deferred tax transaction costs	22	-
<b>EPRA earnings</b>	<b>149</b>	<b>146</b>
Weighted average number of shares* in millions	167	72
<b>EPRA Earnings per Share (EPRA EPS)(NOK)</b>	<b>0.89</b>	<b>2.03</b>

\*Number of shares per 31 December 2023 have been adjusted due to share split in 2024 of 1/20, to make figures comparable.

EPRA earnings are adjusted for fair value changes on investment properties, changes in the fair value of interest derivatives, and non-recurring costs not considered a part of core business, as well as the associated tax effects.

## B. EPRA NET ASSET VALUE (NAV) METRICS

### EPRA Net Reinstatement Value (NRV)

The objective of the EPRA NRV measure is to highlight the value of net assets on a long-term basis and assumes that no sales of assets takes place. Assets and liabilities that are not expected to be realised as cash in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded.

Amounts in NOK millions	31.12.2024	31.12.2023
IFRS Equity attributable to shareholders	5 714	2 850
<b>Net Asset Value (NAV) at fair value</b>	<b>5 714</b>	<b>2 850</b>
Deferred tax investment properties	137	71
Deferred tax interest rate & FX derivatives	1	1
Interest rate & FX derivatives	(5)	(3)
<b>Net Reinstatement Value (EPRA NRV)</b>	<b>5 846</b>	<b>2 919</b>
Outstanding shares at period end (million)	215.1	71.9
<b>EPRA NRV per share (NOK)</b>	<b>27.18</b>	<b>40.6</b>

## C. EPRA LTV

EPRA LTV is a metric to determine the percentage of net debt compared to the appraised value of the properties.

Amounts in NOK million	31.12.2024	31.12.2023
Bond loans (nominal)	5 376	2 273
Bank loans (nominal)	628	3 256
Capitalised borrowing costs	(41)	(24)
Net Payables*	84	47
Cash and cash equivalents	(968)	(123)
<b>Net debt</b>	<b>5 078</b>	<b>5 430</b>
Fair value of investment properties	10 880	8 336
<b>EPRA LTV</b>	<b>46.7%</b>	<b>65.1%</b>

\*Net payables is defined as trade payables, other current and non-current liabilities, less trade receivables, and other current assets.

# PROPERTY PORTFOLIO

Name/Adress	Segment	City	Largest tenant segment	Tenure	Built / Redeveloped	No of sqm	Occupancy
Carl Gulbransons gate 4	Central	Namsos	Vacant	Freehold	1991	2 804	0%
Sandgata 13	Central	Namsos	Police	Freehold	2018	1 669	100%
Rosenkrantzgata 17	East	Drammen	Healthcare	Freehold	1960, 2000	5 143	100%
Wilbergjordet 1	East	Fredrikstad	Municipality / County Municipality	Freehold	2000/2004	6 364	97%
Bryggeriveien	East	Fredrikstad	Municipality / County Municipality	Freehold	1970	5 592	100%
Gunnar Nilsens 25	East	Fredrikstad	Police	Freehold	1992	4 370	100%
Brochs Gate 3	East	Fredrikstad	Courts of Norway	Freehold	1967	4 134	96%
Olav Vs gate 4	East	Halden	Police	Freehold	1979	3 470	100%
Borgergata 10	East	Halden	Vacant	Freehold	1750	950	0%
Kvartsveien 14	East	Halden	Education	Freehold	2008	687	100%
Norderhovsgate 23	East	Hønefoss	Courts of Norway	Freehold	2000	2 366	100%
Kunnskapsveien 55	East	Lillestrøm	Education	Freehold	1972, 2000	27 135	100%
Jonas Lies Gate 20	East	Lillestrøm	Police / Courts of Norway	Freehold	1990/2009	12 660	100%
Vogts gate 17	East	Moss	Government agency	Freehold	1993	10 887	89%
Bernt Ankers gate 17	East	Moss	Norwegian Tax Administration	Freehold	2019	9 502	100%
Prins Chr. Augusts plass	East	Moss	Police	Freehold	2003	5 042	98%
Kammerherreløkka 2	East	Porsgrunn	Municipality / County Municipality	Freehold	2000	4 439	95%
Rådhusgata 5	East	Porsgrunn	Municipality / County Municipality	Freehold	1984	4 074	80%
Søebergtorget 4	East	Sandefjord	Police	Freehold	1981	16 671	98%
Teksleåsen 3	East	Sandefjord	Education	Freehold	2009	1 014	100%
Sigvat Skalds gt. 5	East	Sarpsborg	Police / Courts of Norway	Freehold	1997	6 960	100%
Myren 7	East	Skien	Police	Freehold	1980/1990	8 702	100%
Gjerpensgate 14	East	Skien	Healthcare	Freehold	1970, 1993, 1997	6 909	88%
Gjerpensgate 18 og 16	East	Skien	Courts of Norway	Freehold	1970, 1993, 1997	6 679	100%
Gjerpensgate 10	East	Skien	Government agency	Freehold	1970, 1993, 1997	5 392	100%
Myren 12	East	Skien	Norwegian Tax Administration	Freehold	2010	4 233	100%

Name/Adress	Segment	City	Largest tenant segment	Tenure	Built / Redeveloped	No of sqm	Occupancy
Gjerpensgate 20	East	Skien	Government agency (parking)	Freehold	-	-	100%
Anton Jenssens gate 2	East	Tønsberg	Healthcare	Freehold	1991, 2017, 2019	15 729	98%
Rambergveien 9	East	Tønsberg	Government agency	Freehold	2005	9 560	100%
Olav Trygvasons gate 4	East	Tønsberg	Healthcare	Freehold	1916/1989	8 381	44%
Anton Jenssens gate 8	East	Tønsberg	Norwegian Tax Administration	Freehold	1970/2003	5 487	100%
Anton Jenssens gate 5	East	Tønsberg	Government agency	Freehold	1970/1994	5 251	92%
Anton Jenssens gate 4	East	Tønsberg	Healthcare	Freehold	1975/2007	5 165	100%
Anton Jenssens gate 1	East	Tønsberg	Municipality / County Municipality	Freehold	1981/1999	3 570	99%
Anton Jenssens gate 7	East	Tønsberg	Government agency	Freehold	1973/1986	2 701	72%
Anton Jenssens gate 3	East	Tønsberg	Vacant	Freehold	1970/1994	2 499	1%
Anton Jenssens gate 9	East	Tønsberg	Courts of Norway	Freehold	N/A	2 190	100%
Rambergveien 5	East	Tønsberg	Private	Freehold	1994	1 065	48%
Anton Jenssens gate 13	East	Tønsberg	Private	Freehold	1927/2019	513	100%
Ibsensgate 1	Inland	Gjøvik	Police	Freehold	2000	4 742	100%
Gjøvik Tingrett	Inland	Gjøvik	Courts of Norway	Freehold	2009	2 197	100%
Torggata 44	Inland	Hamar	Norwegian Tax Administration	Freehold	1970	6 129	97%
Stangeveien 109	Inland	Hamar	Government agency	Freehold	2009	4 514	100%
Askveien 4	Inland	Hønefoss	Police	Freehold	1986	3 531	100%
Otervegen 23	Inland	Kongsvinger	Government agency	Freehold	1987	12 265	100%
Storgata 129	Inland	Lillehammer	Police	Freehold	1978	4 179	100%
Lillehammer Tinghus	Inland	Lillehammer	Courts of Norway	Freehold	2000	2 507	100%
Altaveien 220C	North	Alta	Education	Freehold	2003	557	100%
Komsahøyden 5	North	Alta	Education	Freehold	1994	515	100%
Nordstrandveien 41	North	Bodø	Municipality / County Municipality	Freehold	1975, 1988	10 190	99%
Haakon VIIIs gate 98	North	Bodø	Norwegian Labour and Welfare Administration	Freehold	2000	5 898	100%
Johan Knudtzens gate 2B	North	Kirkenes	Police	Freehold	2021	1 643	100%
Mellomvika 5	North	Mo i Rana	Municipality / County Municipality	Freehold	1990	4 552	100%
Nytorget 1	North	Mo i Rana	Courts of Norway	Freehold	2000	2 878	75%
Midtre gate 9	North	Mo i Rana	Police	Freehold	2000	2 800	100%
Kongensgate 14-18	North	Narvik	Police	Freehold	1970/1980	7 309	82%

Name/Address	Segment	City	Largest tenant segment	Tenure	Built / Redeveloped	No of sqm	Occupancy
Grønnegata 122	North	Tromsø	Norwegian Labour and Welfare Administration	Freehold	1961	5 848	99%
Jervvegen 128	North	Tromsø	Education	Freehold	2006	556	100%
Holthes vei 4	South	Arendal	Norwegian Labour and Welfare Administration	Freehold	2000	3 548	100%
Holthes vei 1	South	Arendal	Norwegian Labour and Welfare Administration	Freehold	2000	3 251	100%
Blødekjær 1	South	Arendal	Courts of Norway	Freehold	2000	2 836	100%
Gyldenløves gate 23	South	Kristiansand	Municipality / County Municipality	Freehold	2010	13 185	93%
Rigedalen 5 / Rigetjøn-nveien 31	South	Kristiansand	Government agency	Freehold	2008	6 421	100%
Josefinestien 16	South	Sokndal	Education	Freehold	1999/2004-2009/2013	674	100%
Strandgaten 229	West	Bergen	Government agency	Freehold	1989	8 748	100%
Underbakken 27	West	Etne	Education	Freehold	2008	1 480	100%
Strandveien 13	West	Florø	Police	Freehold	2000	4 163	100%
Njøsavegen 2	West	Leikanger	Government agency	Freehold	2000	5 881	100%
Leikanger Eiendom	West	Leikanger	Norwegian Labour and Welfare Administration	Freehold	1974	4 491	100%
Jærveien 33	West	Sandnes	Municipality / County Municipality	Freehold	1961/2024	4 690	100%
Jærveien 12	West	Sandnes	Government agency	Freehold	2010	2 569	80%
Fjørevegen 20	West	Sogndal	Police	Freehold	2000	3 557	100%
Novarmen 10	West	Sola	Education	Freehold	1991	1 231	100%
Chr Thorings veg 12	West	Stavanger	Government agency	Freehold	2000	5 005	100%
Tinngata 8	West	Stavanger	Norwegian Labour and Welfare Administration	Freehold	1980/1990	4 491	100%
Lervigsveien 32	West	Stavanger	Municipality / County Municipality	Freehold	1980/1990	1 136	71%
<b>Total management portfolio</b>						<b>390 127</b>	
Jonas lies Gate	East	Lillestrøm		Freehold			
Farmannsveien	East	Tønsberg		Freehold			
Wilbergjordet 1	East	Fredrikstad		Freehold			
Anton Jenssens gate 11	East	Tønsberg		Freehold		4 438	
<b>Total development portfolio</b>						<b>4 438</b>	
<b>Total portfolio</b>						<b>394 565</b>	

## DEFINITIONS

<b>EPRA LTV</b>	Net debt divided by total property value. Property values are included at fair value, net debt at nominal value.
<b>EPRA NAV</b>	Net Asset Value, the total equity that the company manages for its owners. PPI presents NAV calculations in line with EPRA recommendation, where the difference mainly is explained by the expected turnover of the property portfolio.
<b>Fair value of portfolio</b>	The fair value of all properties owned by the parent company and subsidiaries assessed by an independent appraiser.
<b>ICR</b>	Interest Cover Ratio, the ratio of EBITDA to Net Interest Cost based on last twelve months.
<b>Independent appraiser</b>	Cushman & Wakefield.
<b>LTV</b>	Net debt divided by total assets.
<b>Occupancy</b>	Annual rental income of the management properties, divided by the annual rental income and estimated market rent of vacant area.
<b>Property related expenses</b>	Property related expenses include administrative costs related to the management of the properties as well as operating and maintenance costs.
<b>Swap</b>	A swap is an agreement between two parties to exchange sequences of cash flows for a set period of time.
<b>Unencumbered Asset Ratio</b>	Unencumbered assets divided by unsecured loans minus, cash and cash equivalents. Used to assess unencumbered assets in relation to unsecured senior interest-bearing debt.
<b>WAULT</b>	Weighted Average Unexpired Lease Term measured as the remaining contractual rent amounts of the current lease contracts of the investment properties of the Group, including areas that have been re-let and signed new contracts, adjusted for termination rights and excluding any renewal options, divided by Contractual rent, including renewed and signed new contracts.
<b>Yield % - normalised</b>	Annualised net rent divided by the market value of the management properties of the Group



public property invest

[publicproperty.no](http://publicproperty.no)



public property invest

**2023**

ANNUAL REPORT

# Table of content

<b>Overview from the CEO</b>	<b>4</b>
<b>Key figures</b>	<b>8</b>
<b>History and important events</b>	<b>10</b>
<b>How to build value</b>	<b>12</b>
<b>Properties</b>	<b>16</b>
<b>Tenants</b>	<b>18</b>
<b>Sustainability</b>	<b>26</b>
<b>Development</b>	<b>30</b>
<b>Corporate governance</b>	<b>32</b>
<b>Financing</b>	<b>36</b>
<b>Board of directors' report</b>	<b>38</b>
<b>Financial statements</b>	<b>44</b>
Consolidated financial statements	46
Notes to the consolidated financial statements	50
Financial statement – Public Property Invest AS	73
Notes to the financial statement – Public Property Invest AS	78
<b>Auditors report</b>	<b>84</b>

This report presents an overview of our 2023 results, our achievements and our progress.

# Well positioned for the next phase

The year just ended was dominated by major changes in the macroeconomic climate. This naturally also had a significant impact on the property market, in the form of higher interest rates, tighter financial markets and a fall in the value of all types of property. Despite this, Public Property Invest (PPI) is well positioned for the next phase of development.



## Financial confidence

Both in Norway and abroad, property companies are encountering a more demanding and cautious market. This makes it all the more satisfying to be able to confirm that PPI enjoys the trust of the financial markets and has good relations with our banks and finance providers. This is illustrated, for example, by the sustainability-linked bank facility of NOK 3.32 billion arranged with Nordea and Danske Bank in spring 2023.

## Economic outlook

At the time of writing, the market is pricing in six interest rate cuts for 2024, while Norges Bank's interest rate path, which indicates that interest

rates have peaked, is only signalling one interest rate cut. PPI expects this to result in lower financing costs and increased property values.

In September 2024, our bond loan of NOK 2.1 billion will mature. This is the company's absolutely highest priority. The board of directors is working closely with our banks and bondholders to find an optimal solution and is making good progress in identifying various options to weigh against each other.

## Valuation of commercial property

In 2023, the group's properties developed in line with the rest of the commercial property market.

**PPI regards ESG and sustainability as a key tool for enhancing shareholder value.**

Establishment of the sustainability-linked bank facility of NOK 3.32 billion, which was entered into in spring 2023 with Nordea and Danske Bank.

PPI was certified as an "Environmental Lighthouse" just before the turn of the year.

The market proved challenging throughout the period and there were few transactions. Following a valuation peak from Q1 2022 of 8% above the cost price, at the end of the year Newsec and Cushman & Wakefield published independent valuations with a combined value of 14% under the cost price. However, we also know that commercial property values are closely linked to the interest rate market. Assuming expected developments, there are grounds to believe that the market will stabilise moving forward and that valuations will gradually rise.

## ESG and sustainability

PPI regards ESG and sustainability as a key tool for enhancing shareholder

value. We have already shown that it is possible to source better financing through sustainable borrowing. In addition, this type of funding also commits us to modernising and updating our properties to meet future requirements and standards.

In 2024, we will launch a programme to help us meet the commitments we have made, which in turn will increase the attractiveness and value of our properties. Most importantly, it will reduce long-term operating costs, for both PPI as owner and our tenants. I am also proud to be able to announce that PPI was certified as an Eco-Lighthouse just before the year-end. This means that we are now accredited

as a sustainable company, which will give us a further competitive edge when it comes to public-sector tenants. You can read more about sustainability and environmental certification in a separate section on page 26.

## Leasing and development opportunities

In 2023 we achieved an occupancy rate of 95% for our available leased area of approximately 307 000 square metres. Some of our property leases expire in the coming years and we are taking active measures to either continue existing relationships through renegotiations or source new tenants. However, we have also identified major

At the end of the year, the group owned 48 properties and had established itself as a major player in Norway, with more than 110 public-sector tenants in 25 cities.

potential for rezoning and developing buildings and/or unoccupied spaces in some buildings. To this end, we are continually developing various strategies to reduce risk and optimise shareholder value. Our most important projects in this area are discussed in a separate section on page 30 of the annual report.

#### Key social actor

PPI was established in 2021 with a long-term strategy of owning, operating and developing socially beneficial property in Norway in a sustainable manner. The strategy is designed to attract reliable, long-term institutions with public-sector financing and the security that this brings. The portfolio mainly comprises socially beneficial property with public-sector tenants, in key cities in Norway. These buildings house socially critical functions such as police stations, law courts, public-health institutions and other public-sector offices.

Developing and running a large property company such as PPI is demanding. This makes us wholly reliant on professional and efficient organisation in all stages, from financing and leasing through to day-to-day operation of our buildings. Here I would in particular like to mention our excellent and productive partnership with Arctic and Arctic Real

Estate Management.

At the end of the year, the group owned 48 properties and had established itself as a major player in Norway, with more than 110 public-sector tenants in 25 cities. With 15 police stations and other important public-sector tenants in our portfolio, many of our properties are in operation 24/7. Each day, hundreds of service providers go out of their way to ensure that our tenants can fulfil their important social mandate. In total, we estimate that more than 18 000 people work in or visit our buildings each day.

To conclude, I am delighted to be able to confirm that PPI is well positioned for the next phase in our development.



Morten Kjeldby | CEO



# Key Figures

December 31, 2023

**48**

Properties

**27 133**

Value / sqm (NOK)

**91%**

Public tenants

**94%**

CPI adjustment

**307 224**

Gross area (sqm)

**5.21**

WAULT (years)\*

**187**

Rental agreements

**95%**

Occupancy rate

**65.1%**

Loan to value (EPRA LTV)

**~1 880**

Gross rent/sqm (NOK)

**8 336**

Gross property value  
(MNOK)

**501**

NOI (Net operating income)  
(MNOK)

\*The WAULT assumes renewal of the contract with Oslo Metropolitan University with five years.

## History and important events

# Highlights

Summer 2021

## Company formed

PPI was formed in June 2021 with a long-term strategy of owning, operating and developing socially beneficial property in Norway in a sustainable manner. In the first six months of operation, the group acquired 41 properties covering a total of approximately 247 500 square metres.

The group acquired  
**41 properties**  
covering a total of  
approximately  
247 500 square metres.



Summer 2022

## 7 new properties

PPI acquired seven properties in the summer of 2022, these are the last transactions as of December 31, 2023. **PPI has 48 properties centrally located in 25 cities as of December 31, 2023, with a total of 307 224 square metres.** PPI has reached a size that generates market attention from tenants and debt providers. Reaching a "critical mass" in both property value and number of properties provides diversification, opportunities and economies of scale to further develop the company in line with the strategy.

2022

## First full year of operation

Whilst PPI spent most of the time on acquisitions and integrations in 2021 and first half of 2022, the time since have been dedicated to the operational side of the business. Efforts have been focused on streamlining portfolio management, identifying ESG initiatives and serving tenants and suppliers. Great attention has also been allocated to developing current properties, in line with the long-term value creation plan for the group.

Spring 2023

A milestone is the sustainability-linked bank facility of NOK 3.25 billion (as of December 31, 2023). The loan agreement is conditioned by requirements in terms of sustainable operation, energy usage and efficiency as well as monitoring of energy consumption.

Sustainability-linked bank facility **3.25 billion**

End of 2023

PPI is committed, as part of the long-term strategy, to become climate neutral within 2030. Significant work and investment are put into this commitment to achieve the high standards of the ESG, with a particular focus on CO2 emissions, climate risk, biodiversity, and social responsibility.

## climate neutral within 2030

## Certification Eco-Lighthouse

PPI recently attained certification as an Eco-Lighthouse (Miljøfyrtårn), Norway's most prevalent certification scheme for businesses striving to meet various environmental standards and exhibit exemplary social responsibility.

# Milestones

**2021**

PPI was formed as a result of the first acquisition phase (Phase 1)

**Phase 1**

PPI acquired 15 properties and 33.6% of Offentlig Eiendom AS

**Phase 2**

PPI acquired 10 properties

**Phase 3**

PPI acquired 62.2% of Offentlig Eiendom AS gaining control of an additional 16 properties

**2022**

PPI acquired the remaining 4.2% of Offentlig Eiendom AS

**Phase 4**

PPI acquired 7 properties

# How we build value

Our business strategy focuses on increasing PPI's value to improve returns for shareholders. We've pinpointed eight key areas that we believe will elevate the group's overall value, benefiting all shareholders. This increased value also builds a resilient and sustainable real estate company, aligning with the best interests of our tenants and the local community.



Build brand and trust with shareholders, tenants and the market



Develop current properties



Utilise economies of scale



Appropriate level of ESG work



Ensure cash flow by extending lease contracts



Acquire more properties to build size



Ensure continued control of financing



Preserve values and increase the standard of the properties

We are passionate about the quality of our buildings, and the experiences the buildings provide for their users.

We are also passionate about the quality of our tenants. We believe that quality builds trust. Quality will always pay off in the long run!

# Properties

48 properties centrally located in 25 cities

Geographically, the group's assets are strategically distributed:

**58.9%** in Eastern Norway

**12.4%** in Northern Norway

**10.4%** in Western Norway

**7.4%** in the Inland

**9.7%** in Southern Norway

**1.4%** in Central Norway

(Calculations based on property value)



## Who are working in our buildings



### COURTHOUSES

Our courthouses are located in city center and an important part of the cityscape. The buildings have a symbolic meaning for the rule of law in Norway, and many of the courts are great signal buildings.



### NAV

NAV buildings are all placed in city centre and contains mainly office space.



### POLICE DEPARTMENT

The local police houses in Norway are a part of the public security for the population. It is important to PPI to develop these buildings in a long perspective.



### MUNICIPALITIES AND COUNTIES

Our portfolio consists of buildings that are both historic and symbolic. Our tenants do an important work to keep the local politics and regulations.



### THE NORWEGIAN TAX ADMINISTRATION

The Tax administration is a tenant in several of PPI's buildings and have both office space and space for meeting the population in our buildings.



### OTHER PROPERTIES

These buildings are city centre properties with multiple functions and private tenants, such as grocery stores, jewellery stores, banks, accounting – and lawyer companies.

# Tenant satisfaction

Developing good, long-term relations with our tenants is one of PPI's most important policies. To achieve this, the company's operations team and managers maintain a close dialogue with tenants throughout the year.

## TENANT DIALOGUE

The company meets twice a year with each individual tenant in our portfolio. The purpose is to review any changed requirements and needs relating to the tenancy, and to clarify tenants' expectations of us as landlords. This provides a valuable insight into satisfaction levels among our tenants and helps ensure that the company develops in line with our tenants' expectations. The ultimate aim is to increase the likelihood of tenants renegotiating their lease when it expires.

## TENANT SURVEY

PPI also takes part in an annual tenant survey through the NEMEET Customer Index. The survey asks tenants a range of questions on their satisfaction with their tenancy, the property, operation of common areas and their landlord.

The company takes the results of the survey into account when setting its goals for the next 12 months. These goals are intended to enable tenants

to experience a predictable working day and seamlessly communicate with their landlord. The aim is to increase tenant satisfaction throughout the lease term, and thereby secure a higher score for customer satisfaction, in turn facilitating stable, long-term tenant-landlord relations.

## INCREASED SATISFACTION

Results from the 2023 survey show that PPI's relative position in the market has improved significantly from the previous year. The company is up three points in the CSI, while the market as a whole is down by three points. The company now has a score of 73, compared with a market average of 80. While this puts us "in the main ball park", the company acknowledges that active efforts are required to further improve the score. According to feedback, one particular area we need to reinforce moving forward is strengthening our communication with and visibility among tenants.

Providing tenants with relevant information about the lease, the property, and daily operations.



## Goal for 2023-2024

PPI's goal is to enhance communication with tenants leading to increased trust and strengthened relationships. The company intends to pursue this goal by:



Building the Company's brand.



Sharing information about what the company is doing that benefits the tenant, the property, and the environment.



Actively working on adjusting tenant expectations regarding price, standards, and deliveries.



Providing tenants with relevant information about the lease, the property, and daily operations.



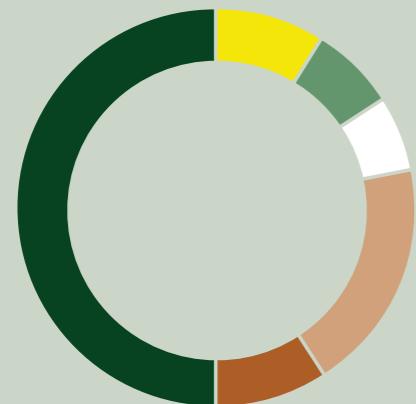
Presence ensures understanding, seamless operation, expectation management, transparency, insight and access. We commit to think with both our heads and our hearts, by making sound choices with a clear conscience.



# Rental income 2023

## Gross rent distribution

The majority of our buildings are single-use buildings. Others are shared between public and private tenants.



- NATIONAL COURTS 9%
- TAX ADMINISTRATION 6%
- LABOUR AND WELFARE ADMINISTRATION 7%
- THE POLICE 19%
- PRIVATE 9%
- OTHER PUBLIC 50%

## Our largest counterparts

Tenant	Number of sqm	Annualized rent 2023	CPI
Police	55 669	108 330 651	91%
Oslo Metropolitan University	27 095	52 746 861	100%
National Courts	23 219	49 428 144	91%
Norwegian Labour and Welfare Administration	22 001	41 347 592	89%
Kristiansand Municipality	12 775	36 045 064	100%
Norwegian Tax Administration	16 101	35 307 455	92%
Norwegian Public Roads Administration	10 397	19 892 551	100%
Statistical Research at Statistics Norway	12 265	19 682 713	81%
State Administration	8 970	17 991 005	90%
The Norwegian Directorate for Civil Protection	8 465	17 990 546	80%
Various	110 267	179 370 399	
<b>Sum / Weighted average</b>	<b>307 224</b>	<b>578 132 981</b>	<b>94%</b>

# Lease agreements

We have a strong focus on increasing the cash flow and the weighted average unexpired lease term (WAULT) in the portfolio. The overview shows renegotiations and new lease agreements in 2023.

In 2023, seven existing lease agreements were successfully renegotiated, with 96% of rental income involving public tenants. The renegotiated agreements generate a total rental income of approximately 19 million over the lease duration. The average rent stands at NOK 1 620 per

square meter, with a weighted average lease term (WALT) of 3.5 years for these seven contracts. Furthermore, five new lease agreements were entered into during 2023, with 26% of rental income involving public tenants. These agreements, with an average rent of NOK 1 741 per square meter,

contribute with approximately NOK 4 million in additional rental income. The WALT for these new agreements is 11 years, positively impacting the portfolio's overall WAULT.

## Extended lease holds in 2023

7 extended lease holds

11 601  
Gross area (sqm)

Average lease term

3.5 Years

Recurring annualized rent

~19 MNOK

Tenant split

96%  
Public tenants

4%  
Private tenants

## New lease holds in 2023

5 new lease holds

2 253  
Gross area (sqm)

Average lease term

11 Years

Recurring annualized rent

~4 MNOK

Tenant split

74%  
Private tenants

26%  
Public tenants



We have the world's best  
tenants; the Norwegian  
state and Norwegian  
municipalities.

# Establishing the baseline for reducing our Co2 footprint

PPI's board of directors has resolved that PPI must become a climate-neutral company within 2030. We will achieve this by continually reducing our properties' carbon footprint through measures relating to climate shells, technical facilities and energy supply.

Due to its size and provider of buildings for public tenants, the group carries a significant social responsibility, and has a responsibility for spearheading the transformation of the industry in which it operates. This means refurbishing the buildings it owns instead of building new ones, and ensuring that its tenants achieve their goals and that it has environmentally aware and sustainable minded tenants.

The group has three focus areas within sustainability; climate and environment, social sustainability, and financial sustainability.

**climate neutral within 2030**

Within the area of climate and environment, PPI has set a goal of all of its buildings being environmentally certified according to the group's sustainability strategy. The company was certified as an Eco-Lighthouse by the Eco-Lighthouse Foundation in December 2023.

The group aims to map energy consumption, water consumption and waste-sorting in all its buildings annually and continuously evaluating its

progress in reducing such consumptions for each building. PPI uses an energy management system which automatically gathers data from electric, district heating and cooling meters to monitor these factors to establish the current status and progress.

The results are used to prepare an environmental strategy for each individual building, enables efficient management and usage, and prompt identification of any operational

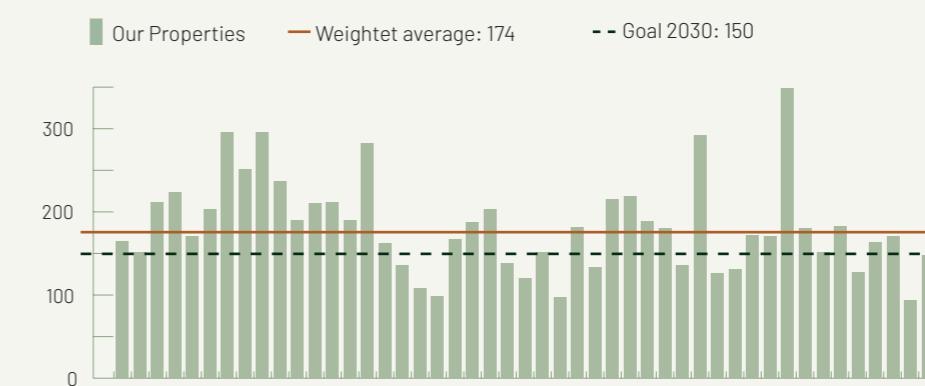
errors related to the asset's technical equipment. External consultants are hired to establish which actions will produce the most sustainable solutions, as well as the best results in the short term. An overview of the group's properties' energy consumption is reflected in the illustration below.

## KPIs

Based on the established baseline for our key KPIs, we have set targets for energy, water and waste for the next seven-year strategy period (2024-2030). The targets reflect the individual properties' business plans and realistic developments during the strategy period.

### Specific **energy** consumption [kWh/sqm/year]

Overview of our buildings' energy consumption.



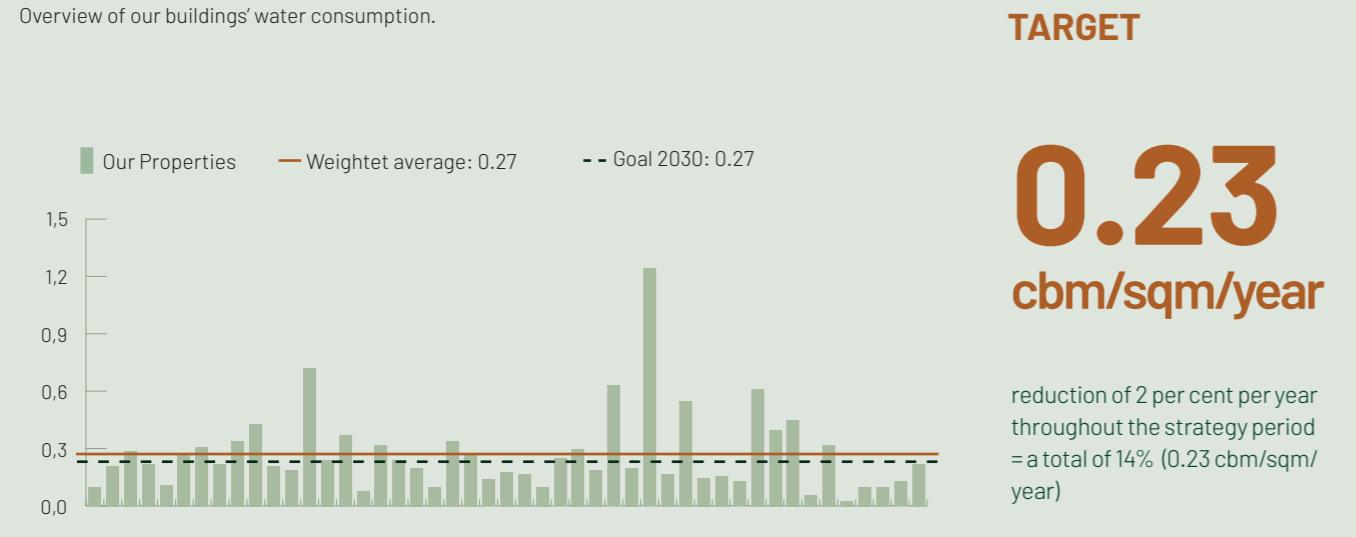
**TARGET**

**150**  
kWh/sqm/year

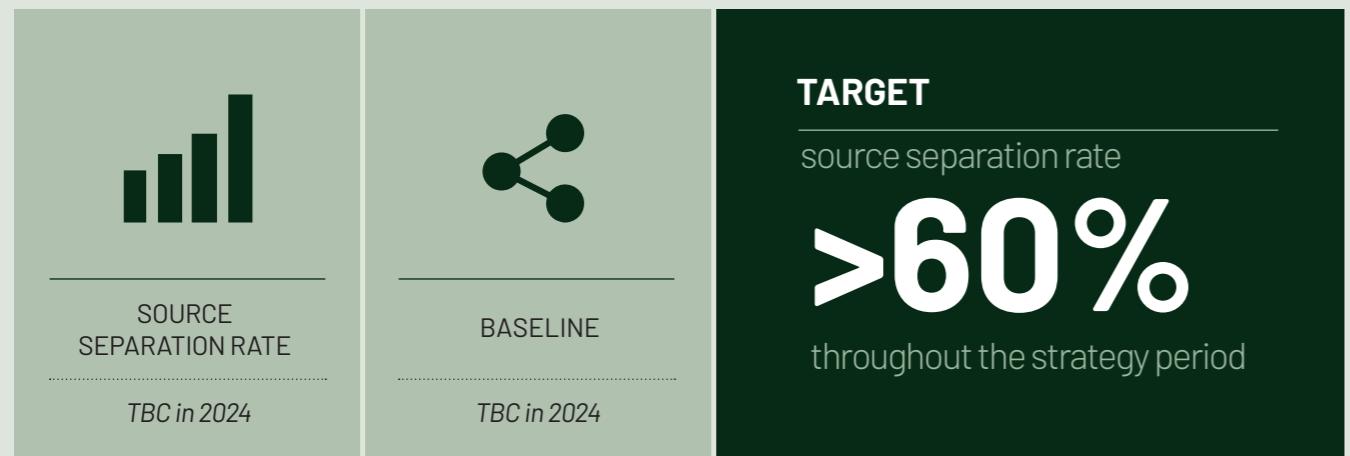
reduction of 2% per year  
throughout the strategy period  
= in total 14% (150 kWh/sqm/year)

## Specific **water** consumption [cbm/sqm/year]

Overview of our buildings' water consumption.



## Waste



Within the area of social sustainability, the group focuses diligently on ensuring good working conditions for its own as well as its partners' employees. PPI aims for its buildings to be located at places satisfactory to its tenants, and ensures that the buildings are designed to be attractive and accessible to everyone regardless of their needs, and provide high-quality

and health solutions in addition to high usability. The group facilitates user involvement and participation during the tenancy, and finds optimal solutions in close collaboration with each tenant. Furthermore, to comply with the Norwegian Transparency Act, the group has established a channel for whistleblowing and a code of conduct for all its partners.

Within financial sustainability, the group focuses on its buildings functioning as a strategic tool for its tenants. The group designs and tailors its buildings to serve as a tool to help its working tenants fulfil their social mandates.



# Development

## – an important value driver

One of PPI's goals is to add value by continuously developing our properties. To optimise utilisation, the company has initiated a wide-ranging review to identify the portfolio's short- and long-term development potential.

### POTENTIAL REVISED UPWARDS

Development of current properties is one of the strategies for increasing the value of the properties and the group. The group's team has prioritized properties where public regulatory processes provoke attention, as well as properties with shorter time to contract expiration. This work can include upgrades of existing buildings, extensions, or new construction within both commercial and residential sectors.

Throughout 2022 and 2023, the development potential for 40% of PPI's property portfolio has been surveyed. The conclusion is that up to 50 000 sqm of net potential is untapped, in addition there are currently three

development projects where the company has not yet clarified the development potential.

### COMPETENT TEAM

PPI has a diverse and expert team to assist in all development projects. This enables us to tailor teams to suit each unique project.

As a starting point, we engage local architectural teams who are thoroughly familiar with the local conditions and the municipality in question. We believe that this benefits both us and the local environment. PPI has developed effective methodologies for new development projects, including the use of fixed templates, an evaluation system and financial

tools to enable us to work smart and cost-effectively.

The investment committee of the board provides recommendations for the board's approval, with the board serving as the ultimate decision-maker.

### SUSTAINABILITY FRONT AND CENTRE

It is vital to take sustainability into account in all types of property development – whether refurbishments or newbuilds. PPI has ESG advisers who help ensure optimal delivery of sustainable solutions. You can read more about this in the separate section on sustainability on page 26 of this report.

### SURVEYED

### OUTCOME

SHARE OF THE PORTFOLIO SURVEYED

**~40%**

FEASIBILITY STUDIES COMPLETED

**9**

OF NET UNTAPPED POTENTIAL IN THE PORTFOLIO

**50 000** sqm

POTENTIAL RESIDENTIAL UNITS

**~670**

Our buildings are particularly valuable for society, because they are home to multiple organisations that form the very fabric of Norwegian democracy and the welfare state.

# Corporate governance

## CORPORATE GOVERNANCE FRAMEWORK

The board of directors of PPI is dedicated to upholding a high standard of corporate governance. The board has established a policy that outlines the roles and interactions between shareholders, the board, and the CEO. This policy is rooted in the principles of effective management and clear communication.

PPI's corporate governance is guided by the best practices in management and accountability, tailored to the specific needs of our real estate portfolio. The board and CEO engage in an annual review of our corporate governance principles. This process is focused on ensuring that our practices continue to support the company's objectives and align with the interests of our stakeholders.

## BUSINESS ACTIVITY

The group focuses on real estate investment, primarily in office buildings with government tenants. Our business operations focus on investing and managing commercial real estate. Our main goals, strategies, and risk profiles are clearly outlined in our annual report. These are consistently aligned with our business purpose, aiming to create shareholder value sustainably and responsibly. Our long-term objectives and strategies are evaluated annually, ensuring they are

well-suited to our evolving business environment and stakeholder interests.

### CAPITAL STRUCTURE AND FINANCING

Our board prioritizes maintaining a robust and effective capital structure that aligns with our strategic goals and risk tolerance. This involves a balanced approach to equity and financing sources, adapting to our ongoing business needs. We regularly review our capital requirements in relation to our strategic objectives and risk profile, ensuring financial stability and growth potential.

### DIVIDEND POLICY

While we prioritize growth and strategic investments, we also acknowledge the importance of shareholder returns. Our dividend policy is structured to balance profit distribution with the financial demands of our strategic plans. This policy is flexible, allowing us to adapt to changing market conditions and business opportunities.

### SHARES AND SHAREHOLDER RELATIONS

PPI values the equitable treatment of all shareholders. We ensure that our shares are managed fairly, with equal rights and opportunities for all shareholders, including the right to dividends and voting rights.

**Our long-term objectives and strategies are evaluated annually, ensuring they are well-suited to our evolving business environment and stakeholder interests.**

### GENERAL MEETINGS

Shareholders have the right to attend, vote, and propose resolutions at the general meetings. Key decisions, such as decisions regarding capital increases, appointment of board members and approval of financial statements, are made during these meetings. We ensure timely and adequate notice for all general meetings, fostering an environment of transparency and inclusivity.

### BOARD OF DIRECTORS STRUCTURE AND RESPONSIBILITIES

Public Property Invest AS's board of directors is structured to ensure effective governance and management of the company. In line with our articles of association, the board consists of a minimum of three members, ensuring diverse

Public Property Invest AS's board of directors is structured to ensure effective governance and management of the company, as well as diverse perspectives and expertise.

perspectives and expertise. Any two board members have the authority to sign on behalf of the company. The board's composition as of the end of the year included five members, with a balanced representation of genders and a range of competencies to effectively oversee the company's operations.



### 5 board members

The board members are appointed for terms of two years, fostering continuity and stability, while allowing for fresh insights through periodic renewal. Board members are encouraged to hold shares in the company, aligning their interests with those of the shareholders.

### INDEPENDENCE AND FUNCTIONING OF THE BOARD

Our board operates independently from the company's CEO, ensuring unbiased oversight and governance. The board's majority is also independent of the company's major business contacts and shareholders, which reinforces its ability to make objective decisions.

### BOARD'S MANAGEMENT OVERSIGHT

The board is responsible for the overall management of PPI, ensuring proper internal management and clear

distribution of responsibilities. A clear distinction is maintained between the roles of the board and CEO, with the CEO handling day-to-day operations. The board regularly reviews and revises its instructions to ensure they remain effective and relevant.

The board's primary responsibilities include developing and approving company strategy, monitoring business operations, and providing advisory support to the CEO. The chairperson ensures that the board functions efficiently and effectively.

### BOARD MEETINGS AND EVALUATION

Board meetings are scheduled as needed to fulfill their responsibilities, with an annual evaluation to assess effectiveness. Directors receive regular updates on operational and financial developments, ensuring they are well-informed for decision-making. The board's working practices include guidelines for handling potential conflicts of interest and ensuring impartiality in decision-making, especially in transactions involving related parties.

### INVESTMENT COMMITTEE

The Investment Committee plays a central role in streamlining investment decisions at PPI. Comprising three permanent members from the board, the committee represents a significant part of the board's decision-making process. The goal is to ensure that investment decisions

**Directors receive regular updates on operational and financial developments, ensuring they are well-informed for decision-making.**

are made without unnecessary delays while being well-thought-out and strategically aligned. The committee's involvement begins early in projects, whether they involve development or the establishment of new lease agreements. The three members contribute their perspectives and expertise, providing guidelines that frame the scope of action in various decision-making processes. This ensures that investment projects are thoroughly evaluated from different angles and that decisions align with the company's overarching strategy and goals.

## RISK MANAGEMENT AND INTERNAL CONTROL

The board of PPI is committed to maintaining robust internal control and effective risk management systems. These systems are designed to match the scale and nature of our activities, incorporating our corporate values and ethical guidelines. The goal is to manage risk effectively, ensuring smooth business operations and the integrity of financial reporting. Annually, the board reviews the key areas of risk exposure and the effectiveness of internal controls. Our internal control over financial reporting includes regular management oversight.

## BOARD FEES

The remuneration of the board at Public Property Invest AS is determined annually and takes into account the responsibility and time commitment of its members. Our policy is that board remuneration should be reasonable and not linked to performance or share options. We ensure transparency when board members undertake additional tasks beyond their board roles, including work in sub-committees, which may be compensated separately. Details of the board's remuneration are decided in line with our corporate governance practices.

## INFORMATION AND COMMUNICATIONS

Effective communication with stakeholders is a priority for the group. We strive to provide accurate and timely information to support a fair assessment of our company. All significant information is made available through appropriate channels. While not applicable to the

stock exchange, we ensure that our financial updates and presentations are accessible to all interested parties, providing insights into our operational and financial performance. The annual and semi-annual reports are made available on our website, with email notifications sent to all shareholders upon publication. Additionally, other shareholder communications, such as notices for general meetings and the dispatch of shareholder letters, are conducted through email.

## AUDITOR

Our auditor is appointed independently and has a clear mandate to ensure objectivity and independence. The board engages with the auditor to ensure comprehensive oversight of our accounting practices, risk areas, and internal controls. The auditor's role includes presenting plans for audit activities and participating in relevant board meetings, especially those concerning annual accounts. We maintain strict guidelines to ensure the auditor's independence is not compromised, particularly when providing financial advisory services to the company. The board provides an overview of the auditor's remuneration for audit work and other specific assignments.

**We strive to provide accurate and timely information to support a fair assessment of our company.**

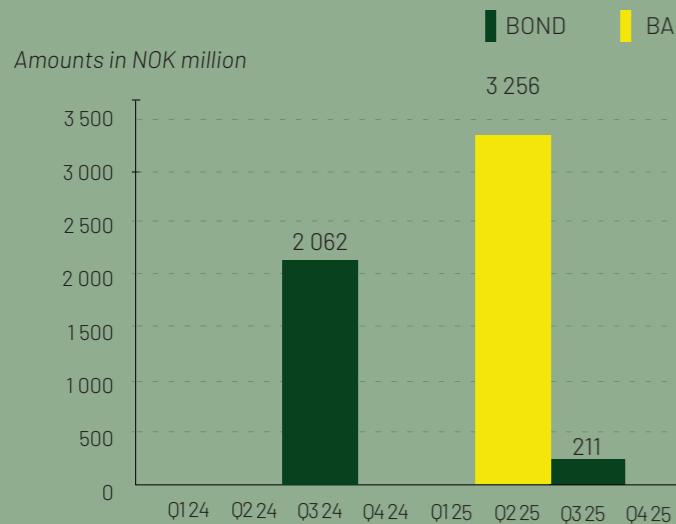


# Financing

The group's financing is diversified between bank and senior secured bonds. The nominal interest-bearing debt of NOK 5 529 million as of year-end has a maturity structure with a weighted average time to maturity of 1.2 years. During 2023, the group's interest-bearing debt decreased by NOK 203.5 million from NOK 5 733 million to NOK 5 529 million. The change in interest-bearing debt comprised a decrease in senior secured bonds of NOK 762 million and an increase of bank debt of NOK 625 million.

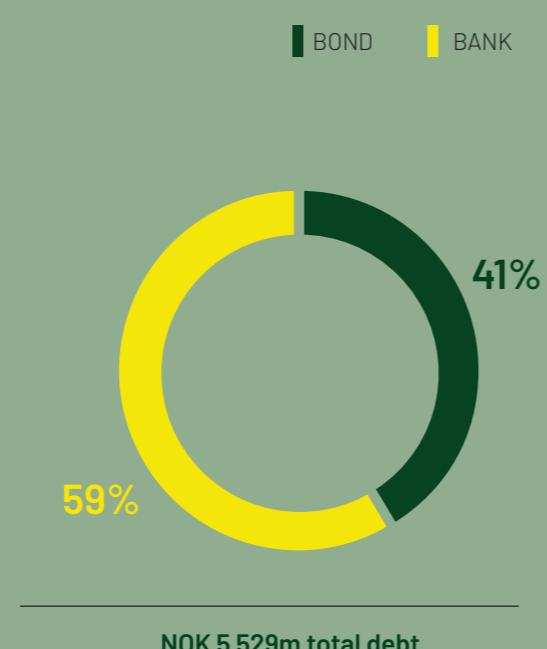
**Graph 1: Debt maturity structure**

The group has two bonds with an outstanding amount of NOK 2 062 million with maturity in September 2024.

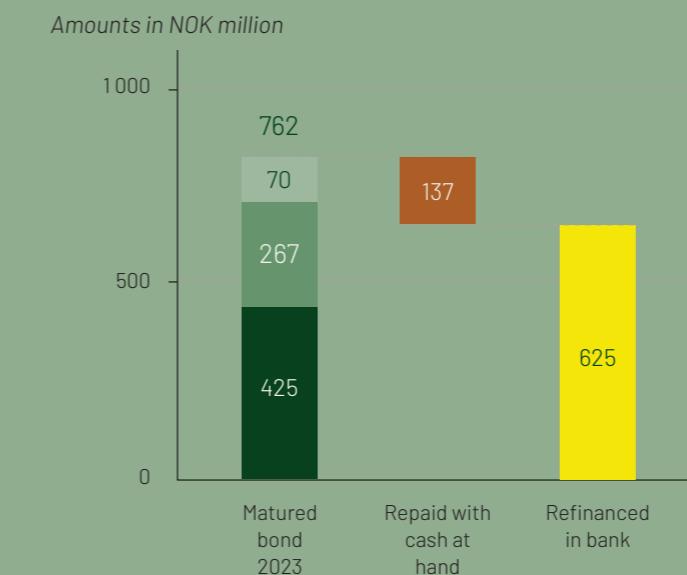


The bank loan has an annual installment profile between 0% and 6% paid semiyearly, depending on the loan to value of the structure.

**Graph 2: Debt outstanding as of 31.12.2023**



**Graph 3: Matured bonds in 2023**



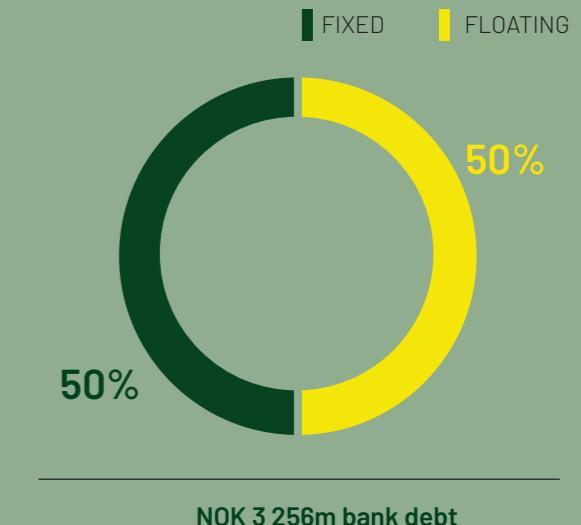
As a first step, the group's debt financing strategy has been to use the bond market to enable swift and rapid growth. The following step has been to establish debt facility and great relationships with leading Nordic banks to secure attractive long-term financing. The latter was proven through the establishment of the group's debt facility of NOK 2.7 billion during the summer of 2022. The third step in the debt financing plan has been to refinance maturing bonds with bank debt. Said strategy was demonstrated in June 2023 where the group refinanced three maturing bonds of NOK 762 million with bank debt. The debt facility was then expanded by NOK 625 million from NOK 2.7 billion to 3.3 billion.

Furthermore, as part of the group's overall ESG-strategy, the bank debt facility was established as a sustainability-linked facility in 2023, with certain targets of energy- usage and monitoring. The group will be rewarded by reduced credit margin in the event of met targets. Likewise, the credit margin increases should the targets not be met. Approximately 60% of the group's gross debt financing was sustainability-linked, and thus considered "green", as of 31 December, 2023.

## INTEREST RATES AND CORRESPONDING MATURITY STRUCTURE

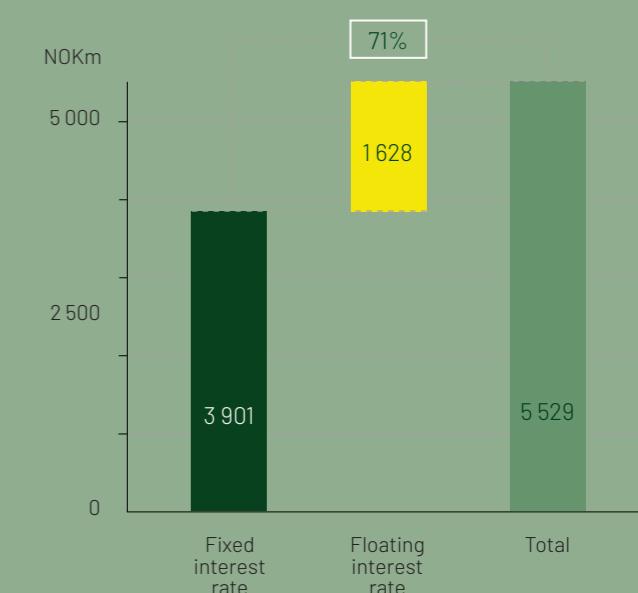
Market interest rates increased substantially during 2023 where e.g. 3M NIBOR increased by 1.47 percentage points from 3.26% at year-end 2022 to 4.73% at year-end 2023. The group has a strategy of managing such interest rate risk through floating-to-fixed interest rate swaps and fixed rate bonds.

**Graph 4: Interest rate hedging in debt facility as of 31.12.2023**



The group's average interest rate as of 31 December, 2023 was 4.7%. The change in average interest rate mainly stems from higher market interest rates. As of 31 December, 2023, Public Property Invest's fixed interest rates amounted to NOK 3 901 million, equivalent to 71% of total outstanding interest-bearing debt. Average time to maturity of hedges and bonds with fixed interest rates was 2.1 years.

**Distribution of fixed and floating interest rates**



# Board of directors' report

In 2023, we navigated a landscape marked by unpredictable macroeconomic factors, witnessing increased interest rates and a sense of uncertainty in the real estate market. Following a phase of rapid growth and numerous transactions, the group dedicated the year to strengthening its existing operations, refraining from any real estate acquisitions throughout the period.

The group had rental income of NOK 575 million in 2023, and net income from property management of 470 million.

## STRATEGY AND OBJECTIVES

The group's strategy is centered on the sustainable ownership, operation, and development of socially impactful properties in Norway. A key advantage lies in the robust tenant base—long-term institutions backed by public funding, ensuring financial stability. The portfolio mainly comprises socially beneficial properties housing public entities, strategically positioned near major cities across Norway. These facilities play a crucial role, hosting essential functions like police stations, courts, public health facilities and various governmental offices.

Since 2021, strategic acquisitions in the commercial real estate market have totaled approximately NOK 10 billion, resulting in a combined rental area of approximately 307,000 square meters. Positioned with a clear strategy the group aims to manage, develop, and acquire public properties

with a collective value of up to NOK 15-20 billion in the coming years. This ambitious objective underscores the group's commitment to strengthening its standing as a leading actor in the industry of socially beneficial properties throughout Norway.

**Positioned with a clear strategy the group aims to manage, develop, and acquire public properties with a collective value of up to NOK 15-20 billion in the coming years**

## OPERATIONS

The group's core activities revolve around the ongoing management of the group's owned properties on a day-to-day basis. Moreover, the group proactively engages in real estate investment, encompassing upgrades and the development of the existing property portfolio, along with the acquisition of new properties.

To identify both short-term and long-term development potential within the portfolio, the board initiated a process to assess properties where there is an anticipated potential for future development and contracts expiring within 2-3 years. These properties will be ready to initiate a rezoning process in 2024. While earlier estimates indicated the zoning potential of around 40,000 square meters of the company's properties, recent and more

accurate calculations conducted in 2023 suggest to increase said number to approximately 50,000 square meters. The Investment Committee is set to make recommendations to the board on which development opportunities the group will pursue during the spring of 2024.

Throughout 2023, the group undertook a project involving the energy assessment of all properties to establish the baseline for energy measures and reporting. Additionally, an energy management- and observation system (EOS) has been implemented for nearly all buildings within the portfolio. The EOS collect data from various meters, informing individual building environmental strategies. This facilitates effective management and identifies operational errors. External consultants are engaged to determine sustainable solutions and short-term optimisation.

## PROPERTY PORTFOLIO

As of the end of 2023, the group owns 48 properties strategically situated throughout Norway, spanning various significant cities and urban centers. Notably, 91% of our rental income originates from public tenants, underscoring the stability of our portfolio, while the remaining 9% is derived from the private sector.

## IMPORTANT EVENTS IN 2023

Throughout the year, the board has focused on the company's ongoing financing. To maintain a prudent leverage ratio the company repaid

debt of approximately NOK 203.5 million in 2023. A sustainable-linked credit facility of NOK 3.32 billion has been established in collaboration with Nordea and Danske Bank. Bonds amounting to NOK 2.06 billion are set to mature in September 2024, a matter that the board has dedicated significant time to in 2023, with the intention of reaching a favorable resolution well ahead of the maturity date.

The group has actively worked to strategically position itself with tenants whose leases are about to expire. Seven existing lease agreements were successfully renegotiated in 2023, of which 96% involved public tenants.

## FINANCIAL REVIEW

PPI successfully concluded Phase 4 by the end of June 2022, acquiring 7 new properties with rental income of NOK 100 million. The group did not acquire any new properties during 2023, making this the first year of full operations with properties from all four investment phases.

This means that the group's financials for 2023 are not directly comparable to those of 2022. The following financial review is based on the consolidated financial statements of Public Property Invest AS and its subsidiaries. The statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU.

## PROFIT AND LOSS

PPI had a total rental income of NOK 575 million in 2023, up from NOK 504 million in 2022. The significant shift beyond CPI-indexation of contracts from year-end 2022 to year-end 2023, is explained by the expansion of the property portfolio mid-2022.

Property expenses increased to NOK (75) million for the year ended December 31, 2023, compared to NOK (63) million in 2022. Administration expenses

decreased to NOK (31) million for the year ended December 31, 2023, from NOK (36) million in 2022. Net income from property management reached NOK 470 million for the year ended December 31, 2023, up from NOK 405 million for 2022.

Financial income increased to NOK 6 million for the year ended December 31, 2023, up from NOK 2 million in 2022. Financial expenses rose to NOK (278) million for the year ended December 31, 2023, compared to NOK (226) million in 2022. Changes in the fair value of interest derivatives resulted in a loss of NOK (25) million for the year ended December 31, 2023, contrasting with a gain of NOK 28 million in 2022.

Changes in the fair value of investment properties showed a significant decrease by NOK (1,143) million for the year ended December 31, 2023, compared to NOK (913) million in 2022.

The decrease in value of the properties was primarily attributable to a change in market conditions in 2023. Higher interest rates have impacted cost of capital adversely which is mirrored in higher valuation yields and thus lower value of properties and future cash flows.

Profit (loss) before tax was (NOK 969) million for the year ended December 31, 2023, compared to a decrease from (NOK 704) million in 2022. The group has taken steps to mitigate risk by economically hedging 50% of the floating-rate bank loan through swap agreements; however, it still remains exposed to fluctuations in the NIBOR interest rate, and the substantial decrease in the yield curve at year-end resulted in a significant reduction in the value of the swap agreements.

Moreover, changes in property values are connected to fluctuations in interest rates.

Income tax expense decreased to NOK 69 million for the year ended December 31, 2023, down from NOK 81 million in

2022. The tax expense is significantly different from 22% as several of the properties are valued below historical cost at year end limiting the deductions for tax expense recorded for fair value reductions. As there is no other comprehensive income reported for both the year ended December 31, 2023, and the year ended December 31, 2022, net profit (loss) and total comprehensive income (loss) came in at NOK (900) million for 2023 and NOK (623) million for 2022.

## CASH FLOW

In 2023, operating activities generated a cash inflow of NOK 437 million, while in 2022, it amounted to NOK 323 million. Investing activities resulted in a cash outflow of NOK 25 million in 2023, with expenditures of NOK 32 million on upgrades to investment properties, offset by an inflow of NOK 6 million from interest received on deposits and interest derivatives. In 2022, investing activities led to a cash outflow of NOK 1813 million, primarily associated with investments in investment property entities.

Financing activities in 2023 resulted in a cash outflow of NOK 466 million, primarily due to debt repayment of bonds with nominal 762 million and repayment of bank loans of 66,5 million, offset by a refinance of bank loan with 625 million. Conversely, financing activities in 2022 generated a cash inflow of NOK 1465 million, largely attributed to the restructuring of the group's bank loan.

**Financing activities in 2023 resulted in a cash outflow of NOK 466 million, primarily due to debt repayment**

## FINANCIAL POSITION

PPI assets amounted to a total of NOK 8 522 million as at 31 December 2023, down from NOK 9 691 million as at 31 December 2022. The decline in total assets is primarily attributed to the value reduction in the group's investment properties.

The valuation of the group's investment properties decreased from NOK 9,447 million as at December 31, 2022, to NOK 8,336 million as at December 31, 2023. This decrease is linked to the general market developments in the commercial real estate market. In the preceding years, Newsec conducted the valuation of the portfolio. However, starting from Q3 2023, the group's valuation is carried out quarterly by two external assessors, namely Newsec and Cushman & Wakefield. Of the change in value for the year of NOK 1111 million, expansion projects, investments in new facilities, and acquisitions amounted to a total of NOK 32 million, while fair value adjustments amounted to NOK 1143 million.

As at December 31, 2023, other assets consisted primarily of interest derivatives of NOK 37 million, trade receivables of NOK 5 million and cash and cash equivalents of NOK 123 million.

Total non-current liabilities decreased to NOK 3,476 million as at December 31, 2023, from NOK 5,094 million as at December 31, 2022. The reduction in non-current liabilities is mainly due to reclassification of short-term bonds with a maturity date in September 2024 amounting to NOK 2,054 million, first year installment of NOK 96 million on bank loan and repayment of bank loans of NOK 66 million. Moreover, the group refinanced NOK 625 million classified as current liabilities as at December 31, 2022. The non-current liabilities consisted mainly of deferred tax liabilities of NOK 66 million, interest-bearing liabilities of NOK 3,353 million

and interest derivatives of NOK 34 million. The total current liabilities increased to NOK 2,196 million as at December 31, 2023, from NOK 847 million as at December 31, 2022. The non-current liabilities consisted mainly of interest-bearing liabilities of NOK 2,152 million, first year installment on bank loan of NOK 96 million and trade payables of NOK 17 million.

The total equity was NOK 2,850 million as at December 31, 2023, representing an equity ratio of 33.44%, compared to NOK 3,750 million as at December 31, 2022, an equity ratio of 38.74%.

## RESEARCH AND DEVELOPMENT

PPI does not have any activities classified as research and development.

## GOING CONCERN

The group has two bond loans with a carrying amount as of December 31, 2023 of NOK 2 054 million (see note 14 for further details) scheduled to mature in September 2024. Without refinancing, extending the maturity date and/or an equity injection, the group will not be able to repay these bond loans at maturity. The board and Management are considering different options. On 29 January, 2024 the group received a term-sheet for a backstop-facility, contingent on an equity issue and a listing of the shares of PPI on Oslo Stock Exchange (IPO), for the refinancing of the two maturing bonds.

The board believes that the conditional backstop-facility together with the funds from the planned equity issue will provide sufficient funds to secure the refinancing and assure the sustainability of the operations as a going concern. The group is also in the process of securing long-term financing by actively negotiate with both banks and existing bondholders. The board views the current refinancing and ongoing discussions as integral to its financial strategy and anticipates a

satisfactory outcome. However, to ensure long-term financing, the group will need to raise equity. At present the group is exploring various strategic options with a primary focus on issuing more equity. The preferred strategic option is to initiate an IPO on the Oslo Stock Exchange in first half of 2024.

If the group fails in raising capital before the bond loans mature in 2024, the group will have to negotiate with current bondholders in order to extend the maturity date. If such negotiations are not successful, the group might have to sell properties with the risk of obtaining prices below current market prices in an orderly transaction. If the refinancing fails and the group is not able to sell some of its properties, there is a significant risk that the going concern assumption is threatened.

Management and the board assesses the risk associated with the refinancing processes as low. The board and management believe that, once the refinancing negotiations are successfully completed, the group will be able to continue its operations without any significant disruptions or financial difficulties. This positive outlook is based on a thorough risk assessment and the proactive measures taken to mitigate these risks. Taking into account this risk assessment along with an evaluation of the group's past performance, and future forecasts, the board confirms the presences of the necessary conditions for the group to continue operating as a going concern.

## PARENT COMPANY RESULTS AND ALLOCATION OF NET PROFIT (LOSS)

Regarding the parent company's financial results and profit distribution, the parent company achieved a loss before taxes of NOK 944 million in 2023, with a change in income tax expense amounting to NOK 2,5 million, resulting in a net loss of NOK 941 million. By comparison, the parent company

reported a loss before taxes of NOK 8 million in 2022, with a change in tax expense of NOK 18,7 million, leading to a net loss of NOK 27 million for 2022. The loss of 932 million is caused by write-down of long-term investments; shares in Public Property Holding AS.

The board proposes the allocation of the net loss of NOK 941 million for the parent company as follows: the entire amount to be transferred from other equity, totaling NOK 941 million.

## RISK FACTORS AND RISK MANAGEMENT

Public Property Invest is subject to several risks, including market, operational and financial risks. The management and board are actively involved in strengthening the group's risk management process, working towards an expanded and more robust framework.

### Market risk

The group is susceptible to economic cycles and macroeconomic fluctuations. Changes in the global economic landscape, such as inflation levels and economic growth rates, could significantly impact the value of the group's assets, including its property portfolio. A downturn in the economy may reduce the market value of some or all of the group's properties. Furthermore, any changes in the commercial property industry, where the group operates, may have adverse effects on property values, including:

- Reduction in demand for commercial properties.
- Limited availability and increased cost of financing for commercial properties.
- Slowdown in the market for the sale of commercial properties.

A substantial decrease in property values could negatively impact the group's future earnings and financial position.

### Operational risk

The group owns multiple properties with an average remaining lease term of 5.2 years as at December 31, 2023. The wault calculation assumes that Oslo Metropolitan University enters into a lease agreement with a duration of 5 years from the expiration of the existing contract (see note 6). Failure to secure new leases upon the expiration or termination of existing agreements may lead to a rental shortfall, obliging the group to cover common costs for vacant areas until the property is re-let.

Expenditures related to property, such as renovation and maintenance costs, may not decrease proportionately to any decline in rental income. Inability to re-let properties could have a material adverse effect on the group's financial condition, results of operations, and cash flows. Additionally, tenant failures to meet obligations could result in significant loss of rental income, potentially decreasing the value of the group's properties and negatively affecting its financial condition.

### Financial risks

Failure to comply with covenants in financing arrangements may have a material adverse effect on the company. If the company breaches covenants under the loan agreements for the senior secured callable bonds of NOK 2 273 million issued by the company, or the secured bank loan of 3 256 million, it may trigger an immediate repayment obligation for the loans. The group cannot guarantee its ability to fulfill obligations under current or prospective financing arrangements. Any breach of existing or future debt covenants and commitments, leading to a demand for full or partial repayment of outstanding debt, will adversely impact the group's financial position, operations, and prospects.

### Risks related to the valuation of the property portfolio

The group's investment properties

are measured at their fair value by the independent external valuers Newsec AS and Cushman & Wakefield Debenham Tie Leung Limited. The valuations are based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return. The external valuers have performed their valuations based on the information they have received from the group, including lease contracts, estimated development costs, and expected lettable area, estimated future market rents, yields, inflation and other relevant parameters, and has not undertaken any technical inspection of the properties nor made any assessment of legal concerns related to the properties.

Because of the uncertainty surrounding the input received by external valuers, in particular with respect to expected market rents, discount rates and inflation, estimates of sellable or lettable areas and estimated development costs for projects still in development, there can be no assurance that the fair values assigned to the group's properties accurately reflect the proceeds that the group will be able to generate from any sale of such properties in the future. Moreover, valuation methods that are currently generally accepted and that have been used for the purpose of developing the fair value of the group's properties could subsequently be determined to have been unsuitable. Revised valuation techniques, erroneous valuations in connection with acquisition of property portfolios and other unforeseeable events could result in the group being unable to achieve its projected yields and could have significant adverse effects on the group's business, financial condition, results of operations and cash flows.

**Liquidity risk**

Effective liquidity risk management involves ensuring an adequate reserve of cash and readily marketable securities, along with accessible funding, to fulfill obligations promptly and manage market positions. The group's approach to liquidity risk management is grounded in maintaining a consistently sufficient liquidity level to meet all financial liabilities at maturity. This commitment applies under both standard and exceptional circumstances, with the aim of avoiding unacceptable losses and safeguarding the group's reputation.

For a detailed overview of potential risks and uncertainties associated with the group's business and industry, please refer to the notes to the financial statements.

**SUSTAINABILITY**

Due to its scale and role as a provider of properties for public tenants, the group carries a substantial social responsibility. This involves leading industry transformation by prioritizing refurbishment over new construction, ensuring tenant objectives are met, and adopting environmentally sustainable practices. The commitment to sustainability focuses on climate and environment, social sustainability, and financial sustainability.

In climate and environment, the group aims for environmental certifications for all buildings and achieved Eco-Lighthouse certification in December 2023. Ongoing efforts include mapping energy, water, and waste in buildings, with a commitment to reducing consumption. The group has minimal environmental impact and adheres to regulations.

For social sustainability, the group ensures favorable working conditions, accessibility, and user involvement. It promotes engagement with tenants and complies with the Norwegian Transparency Act through a whistleblowing channel and a code

of conduct. The company's reporting in accordance with the Norwegian Transparency Act can be found on the group's website.

In financial sustainability, the group views its buildings as tools for tenants, customizing them to fulfill social mandates.

**EMPLOYEES AND ORGANIZATION**

The group has one full time employee, CEO Morten Kjeldby, who reported no sick leave in 2023.

The group has a business management agreement with Arctic Real Estate Management AS to support commercial and financial management for properties and companies within the group. There's also a separate management agreement with Arctic Real Estate Management AS for the operation and management of the group's property portfolio. The CEO works from offices in Oslo, sharing space with Arctic Real Estate Management AS, the group's business and property manager.

The group has secured directors' liability insurance covering the Board of Directors' and the CEOs legal personal liability for financial damage resulting from the performance of their duties. This insurance extends to both the group and its subsidiaries.

**EQUAL OPPORTUNITIES**

The group is dedicated to ensuring equal treatment for all employees, regardless of ethnicity, gender, sexual orientation, age, religion, or faith, both during recruitment and throughout their tenure. Currently, the corporate team includes one male employee. As for the Board of Directors, it comprises three male members and two female members, reflecting a commitment to diversity and gender equality within the leadership structure.

**CORPORATE GOVERNANCE**

The group's board is dedicated to conducting business in an ethical and

responsible manner, aligning with Norwegian law and upholding the highest standards of integrity. The decision-making processes prioritize transparency and efficiency, emphasizing honesty in all communication and reporting to ensure clarity and consistency for all our investors.

A robust risk management culture is integral to the group's operations, with a proactive approach to identifying and addressing financial, environmental, and social risks. This adaptability enables efficient navigation of changing market dynamics. The group's relationships with stakeholders, whether shareholders, tenants, employees, or advisors, are built on a foundation of historical performance and trust. The group remains steadfast in the commitment to act responsibly and maintain a high level of engagement on behalf of stakeholders.

**SHAREHOLDERS**

The majority of the group's owners are professional real estate investors. The share capital is NOK 3 596 583, distributed among 3 596 583 shares.

The company's shares are freely tradable and registered with Aksjeservice. The group has one class of shares. All shares carry equal rights, including the right to potential dividends. Each share holds one voting right. There are no stock options or other rights to subscribe or acquire shares issued by the group.

As of December 31, 2023, SBB Samfunnsbygg owned 1 612 386 shares, constituting 44.8% of the group's shares, thus having negative control. Sagacia AS owned shares equivalent to 5%, and Telecom AS owned shares equivalent to 4.6%.

As of December 31, 2023, the group had 401 shareholders.

**OUTLOOK**

The external and independent property valuation conducted by external advisors at December 31, 2023 reveals a decline in the property portfolio of approximately 14% from the cost price and 20% from its peak in Q1 2022. This trend mirrors what is observed in the market for similar property companies in Norway. While there is an expectation that the market will take some time to recover, the board remains hopeful that a significant portion of the downside has already been mitigated.

The group is not immune to market developments but maintains a robust and healthy position. Of utmost importance to the board is the pursuit of a favorable solution for the bond loans set to mature in September 2024. The group will continue working to secure the most favorable financing arrangements possible.

Recognizing the evolving external market conditions, the board is committed to acting predictably and adopting a long-term perspective to safeguard shareholders' values in the most effective manner. The company's long-term strategy remains steadfast, yet the board has chosen a prudent approach until market conditions normalize. Simultaneously, the board anticipates that the coming period may present valuable opportunities arising from substantial shifts in such a market.



Oslo, Norway, February 16, 2024.  
The board of directors and CEO Public Property Invest AS

Kenneth Frode Goovaerts Bern  
Chair of the board

Arnt Rolf Hillestad  
Member of the board

Silje Cathrine Hauland  
Member of the board

Ilija Batljan  
Member of the board

Morten Kjeldby  
CEO



# FINANCIAL STATEMENTS 2023

## Table of content

<b>Consolidated statement of comprehensive income</b>	<b>46</b>
<b>Consolidated statement of financial position</b>	<b>47</b>
<b>Consolidated statement of cash flow</b>	<b>48</b>
<b>Consolidated statement of changes in equity</b>	<b>49</b>
<hr/>	
<b>Notes to the consolidated financial statements</b>	<b>50</b>
Note 01 Company information	50
Note 02 Basis of preparation and accounting principles	50
Note 03 Summary of significant accounting policies	51
Note 04 Financial instrument - risk management	53
Note 05 Segment information	55
Note 06 Tenancy agreements	56
Note 07 Property and administration expenses	57
Note 08 Financials	59
Note 09 Critical accounting estimates and judgements - Investment Property	59
Note 10 Other receivables	61
Note 11 Cash and Bank deposits	61
Note 12 Shareholder capital and shareholders	61
Note 13 Tax	63
Note 14 Interest bearing liabilities	64
Note 15 Current and non-current liabilities	66
Note 16 Entities and subsidiaries	67
Note 17 Related-party transactions	68
Note 18 Earnings per share	69
Note 19 Subsequent events/Going concern/Liquidity risk	69
<hr/>	
<b>Financial statement - Public Property Invest AS</b>	<b>70</b>
<b>Notes to the financial statement - Public Property Invest AS</b>	<b>75</b>
<b>Independent Auditor's report</b>	<b>80</b>
<b>Alternative Performance Measures</b>	<b>82</b>
<b>EPRA reporting</b>	<b>82</b>
<b>Definitions</b>	<b>84</b>

## Consolidated statement of COMPREHENSIVE INCOME

	Note	2023	2022
<i>Amounts in NOK millions</i>			
Rental income	6	575	504
Other income		0	1
<b>Operating income</b>		<b>576</b>	<b>504</b>
Property expenses	7	(75)	(63)
Administration expenses	7	(31)	(36)
<b>Net income from property management</b>		<b>470</b>	<b>405</b>
Financial Income	8	6	2
Financial Expense	8	(278)	(226)
Changes in fair value of interest derivatives	4,14	(25)	28
Changes in fair value of investment properties	5,9	(1143)	(913)
<b>Profit (loss) before tax</b>		<b>(969)</b>	<b>(704)</b>
Income tax expense	13	<b>69</b>	81
<b>Net profit (loss)</b>		<b>(900)</b>	<b>(623)</b>
Other comprehensive income		-	-
<b>Comprehensive income (loss)</b>		<b>(900)</b>	<b>(623)</b>
<b>Profit (loss) attributable to:</b>			
Equity holders of the company		<b>(900)</b>	<b>(623)</b>
Comprehensive income (loss) attributable to:			
<b>Equity holders of the company</b>		<b>(900)</b>	<b>(623)</b>
<b>Earnings per share for profit (loss)</b>	18	<b>(250,3)</b>	<b>(188,2)</b>
Basic=Diluted(NOK)			

## Consolidated statement of FINANCIAL POSITION

		31.12.2023	31.12.2022
<i>Amounts in NOK millions</i>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties		5,9	8 336
Interest rate derivatives		4,10,14	37
Other non-current assets			7
<b>Total non-current assets</b>		<b>8 380</b>	<b>9 481</b>
<b>Current assets</b>			
Trade receivables		10	5
Other current receivables		10	15
Cash and cash equivalents		11	123
<b>Total current assets</b>		<b>142</b>	<b>209</b>
<b>Total assets</b>		<b>8 522</b>	<b>9 691</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		12	4
Share premium			3 591
Retained earnings			(745)
<b>Total equity</b>		<b>2 850</b>	<b>3 750</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		13	66
Non-current interest-bearing liabilities		14,15	3 353
Interest rate derivatives		4,10,14	34
Other non-current liabilities		15	23
<b>Total non-current liabilities</b>		<b>3 476</b>	<b>5 094</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities		14,15	2 152
Trade payables		15	17
Current tax liabilities		13,15	-
Other current liabilities		15	27
<b>Total current liabilities</b>		<b>2 196</b>	<b>847</b>
<b>Total liabilities</b>		<b>5 671</b>	<b>5 940</b>
<b>Total equity and liabilities</b>		<b>8 522</b>	<b>9 691</b>

Oslo, Norway, February 16, 2024.  
The board of directors and CEO Public Property Invest AS

Kenneth Frode Goovaerts Bern  
Chair of the board

Gerd Ylva Göransson  
Member of the board

Ilija Batljan  
Member of the board

Arnt Rolf Hillestad  
Member of the board

Silje Cathrine Hauland  
Member of the board

Morten Kjeldby  
CEO

## Consolidated statement of CASH FLOWS

Amounts in NOK million	Note	2023	2022
Profit (loss) before tax		(969)	(704)
Changes in fair value of investment properties	9	1143	913
Changes in fair value of interest derivatives	14	25	(28)
Net interest paid	8	247	202
Financial costs in profit before tax without cash effect	14	25	20
Change in working capital:			
change in current assets		13	(5)
change in current liabilities		(4)	(55)
Charge in other working capital		(42)	(21)
Taxes paid		-	(0)
<b>Net cash flow from operating activities</b>		<b>437</b>	<b>322</b>
Investment in investment property entities	9	-	(1781)
Upgrades of investment properties	9	(32)	(33)
Interest received on deposits	8	6	2
<b>Net cash flow from investment activities</b>		<b>(26)</b>	<b>(1812)</b>
Proceeds interest-bearing liabilities	14	616	1289
Repayment interest-bearing liabilities	14	(828)	(324)
Interest paid	8	(253)	(203)
Purchase of minority interest		-	(62)
Paid in capital increase	12	-	868
Transaction costs on capital increase		-	(103)
<b>Net cash flow from financing activities</b>		<b>(466)</b>	<b>1465</b>
<b>Net change in cash and cash equivalents</b>		<b>(54)</b>	<b>(25)</b>
Opening balance of Cash and Cash equivalents		177	202
<b>Cash and cash equivalents at period end</b>		<b>123</b>	<b>177</b>

## Consolidated statement of CHANGES IN EQUITY

Amounts in NOK millions	Subscribed share capital	Share premium	Not registered capital	Minority interest	Retained earnings	Total equity
<b>Total equity at 31.12.2021</b>	<b>2</b>	<b>2 319</b>	<b>379</b>	<b>62</b>	<b>778</b>	<b>3 541</b>
Issue of Shares	0	0	0			0
Issue of Shares	1	1 293	(379)			915
Transaction cost issue of shares net of tax			(21)			(21)
Profit /(loss) for the period					(623)	(623)
Minority interest				(62)		(62)
<b>Total equity at 31.12.2022</b>	<b>4</b>	<b>3 591</b>	<b>-</b>	<b>-</b>	<b>155</b>	<b>3 750</b>
Profit /(loss) for the period					(900)	(900)
<b>Total equity at 31.12.2023</b>	<b>4</b>	<b>3 591</b>	<b>0</b>	<b>0</b>	<b>(745)</b>	<b>2 850</b>

The group had a capital increase on December 27, 2021 of NOK 379 326 934. The amount was settled December 27, 2021 with NOKm 85, and the remaining NOKm 294 were settled January 3, 2022.

# NOTE 01 COMPANY INFORMATION

Public Property Invest AS is a real estate company focusing on acquiring and managing properties in Norway through its subsidiaries. The properties comprise mainly of office spaces and are primarily let to public tenants. The group was formed when Public Property Invest AS acquired all the shares in Public Property Holding AS on June 22, 2021. The administration of Public Property Invest AS and its subsidiaries (PPI) is located in Oslo. The consolidated financial statements were approved by the company's board on February 16, 2024.

# NOTE 02 BASIS OF PREPARATION AND ACCOUNTING PRINCIPLES

## 2.1 BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with IFRS® Accounting standards as adopted by the EU. In addition, the consolidated financial statements are prepared in accordance with Norwegian reporting requirements pursuant to the Norwegian Accounting Act that are effective as of December 31, 2023, the end of the group's IFRS reporting period. The consolidated financial statements include Public Property Invest AS and its subsidiaries.

Acquired properties are included in the financial statements from the date of acquisition. Management makes estimates and assumptions concerning the future. The accounting estimates will by definition seldom be fully in accordance with the final outcome. Estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate primarily to the valuation of investment property. Refer to note 5 related to critical accounting estimates and judgements.

The consolidated financial statements are presented in Norwegian kroner (NOK). The majority of the note disclosures are presented in NOK millions, unless otherwise indicated. The consolidated financial statements for 2023 with comparatives for 2022 have been prepared on a going concern basis.

## 2.2 ACCOUNTING PRINCIPLES

The consolidated financial statements are based on historical cost, except for the following:

- Derivative financial instruments at fair value through profit or loss
- Investment properties which are measured at fair value

## 2.3 BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS

Subsidiaries are all entities over which the group has control. Control exists when the group is exposed to, or has rights to, variable returns as a result of involvement with the company, and the group is able to impact returns through its power over the company.

All acquired companies are included in the consolidated financial statements from the date on which the group obtains control over the company. In the same way, the company is deconsolidated when control over the company ceases.

For accounting purposes, acquisitions of subsidiaries that do not constitute a business as defined in IFRS 3, such as acquisitions where substantially all of the fair value of the gross assets acquired is concentrated in a single property or group of similar properties, are treated as asset acquisitions. The cost of acquisition is then attributed to the individual identifiable assets and liabilities based on their relative fair values on the acquisition date. Expenses associated with the transaction are capitalised under the investment property. In such cases, deferred tax liabilities or assets are not recognised, except for deferred taxes related to losses carried forward, in accordance with the exceptions in IAS 12.

Intra-company transactions, balances, and unrealised gains and losses on transactions between group companies are eliminated. The financial statements of subsidiaries are restated where necessary to achieve consistency with the group's accounting policies.

## 2.4 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The group's presentation currency is NOK. Parent company and all of the subsidiaries are Norwegian legal entities with NOK as their functional currency. Refer to list of Entities and subsidiaries in note 16.

## 2.5 SEGMENT INFORMATION

Operating segments are reported in the same way as in internal reports to the group's highest decision-making authority. The group's highest decision-making authority, which is responsible for allocating resources and assessing the profitability of the operating segments, has been identified as the board of directors and the CEO. Public Property Invest AS group has one segment, commercial properties.

## 2.6 CHANGES IN ACCOUNTING PRINCIPLES AND NEW PRONOUNCEMENTS

### Changes in accounting principles

The following amendments to existing IFRS standards have been adopted as of January 1, 2023 without any significant or material effect on the financial statements.

### Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

### Definition of Accounting Estimates - Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

### New pronouncements

None of the issued, not yet effective, accounting standards or amendments to such standards, are expected to have significant effects for Public Property Invest AS Group's financial reporting. Further, none of the recently issued IFRS Interpretations Committee agenda decisions are expected to significantly change the group's accounting policies or practices.

# NOTE 03 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## 3.1 INVESTMENT PROPERTY

Investment property comprises completed property held to generate rental income or for capital appreciation or both. Investment property is recognised initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in fair value are included in the income statement in the reporting period in which they arise.

Investment property at fair value, continues to be measured the property at fair value until disposal even if comparable market transactions become less frequent or market prices become less readily available. Gains and losses on the

disposal of an investment property is the difference between the selling price and the fair value of the investment property measured at the date of the disposal.

## 3.2 LEASING

As at December 31, 2023 and December 31, 2022 no right-of-use assets or liabilities are recognized in the balance sheet as there are no material lease agreements.

## 3.3 FINANCIAL ASSETS

### 3.3.1 Classification, recognition and measurement

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired. Since the group's financial assets (trade (rent) and other receivables, cash, and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

The group has entered into interest rate swaps, the derivatives is carried at fair value through profit or loss. All the group's interest-rate swaps are used as economic hedges. Hedge accounting is not applied. Derivatives are recognised at fair value through profit or loss. Changes in the fair value of the derivatives are recognised in the income statement as part of changes in fair value of interest derivatives.

The settlement of swap rates are recorded as a reduction or increase of financial expenses in the income statement.

### 3.3.2 Impairment of trade (rent) receivables

For trade (rent) receivables the group applies a simplified approach in calculating expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

### 3.3.3 Trade (rent) receivables

Rent receivables are recognised at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost. There are no lease receivables with a significant time value of money component. Refer to accounting policies on financial assets in note 3.3.

### 3.3.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

## 3.4 FINANCIAL LIABILITIES

### 3.4.1 Classification, recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised. Amortised cost is calculated by considering any discount or premium related to the debt and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance expenses in the statement of profit or loss.

### 3.4.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### 3.5 SHARE CAPITAL

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 3.6 TAXES PAYABLE AND DEFERRED TAX

The tax expense for the period comprises taxes payable and change in deferred tax. However, deferred tax is not recorded if it arises on initial recognition of an asset or liability in a transaction, other than a business combination, that affects neither accounting nor taxable profit or loss on the transaction date. Deferred tax assets are recognised only to the extent that it is probable that there will be future taxable income against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related tax asset is realised, or the deferred tax liability is settled.

The provision for deferred tax is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities. Pursuant to the exception in IAS 12, deferred tax is not recognised when buying a company which is not a business. A provision for deferred tax is made after subsequent increases in the value beyond initial cost, while a fall in value below initial cost will only reverse previous provisions for deferred tax. Furthermore, an increase in temporary differences related to tax depreciation will give grounds for a recognition of deferred tax.

### 3.7 RENTAL INCOME

The group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term. Variable rental income is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease, when deemed as material, are added to the investment property carrying value and are recognised as an expense over the lease term. Initial direct costs are the incremental costs to obtain the lease, and includes any commissions, as well as legal and consulting fees incurred in connection with obtaining the lease agreement. Lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the lease term.

### 3.8 INTEREST INCOME

Interest income is recognised in income as it is earned using the effective interest method.

## NOTE 04 FINANCIAL INSTRUMENT - RISK MANAGEMENT

### Financial assets

Amounts in NOK million	Amortised cost 31.12.2023	Fair value through profit or loss 31.12.2023	Total	Amortised cost 31.12.2022	Fair value through profit or loss 31.12.2022	Total
Cash and cash equivalents	123	-	123	177	-	177
Interest rate derivatives	-	37	37	-	28	28
Trade receivables (non-interest bearing)	5	-	5	13	-	13
Other short-term receivables	15	-	15	20	-	20
<b>Total financial assets</b>	<b>142</b>	<b>37</b>	<b>179</b>	<b>209</b>	<b>28</b>	<b>237</b>

### Financial liabilities

Amounts in NOK million	Amortised cost 31.12.2023	Fair value through profit or loss 31.12.2023	Total	Amortised cost 31.12.2022	Fair value through profit or loss 31.12.2022	Total
Non-current interest-bearing liabilities	3 353	-	3 353	4 933	-	4 933
Other non-current liabilities	11	-	11	11	-	11
Interest rate derivatives	-	34	34			
Current interest-bearing liabilities	2 152	-	2 152	760	-	760
Trade payables (non-interest bearing)	17	-	17	21	-	21
Other current liabilities	27	-	27	66	-	66
<b>Total financial liabilities</b>	<b>5 560</b>	<b>34</b>	<b>5 594</b>	<b>5 791</b>	<b>-</b>	<b>5 791</b>
<b>Net financial assets and liabilities</b>	<b>(5 418)</b>	<b>3</b>	<b>(5 415)</b>	<b>(5 581)</b>	<b>28</b>	<b>(5 554)</b>

### 4.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE

The group's policy is to recognize transfers into and out of the fair value hierarchy levels at the end of the reporting period.

**Level 2:** The fair value of the interest derivatives that are not traded in active markets (e.g., over-the-counter derivatives) is determined using valuation techniques that maximize

the use of observable market data and minimize reliance on entity-specific estimates. If all significant inputs required to value an instrument fairly are observable, the instrument is classified as level 2.

Interest rate derivatives are measured at level 2.

Amounts in NOK million	Total cash flow	Year 1	Year 2	Year 3-5	After year 5
<b>Financial liability as of December 31, 2023</b>					
Principal payment on loans from credit institutions	5 529	2 160	3 370	-	-
Payment of interest at fixed hedge rate	550	268	282	-	-
Other long-term liabilities	23	2	2	2	17
Trade payables	17	17	-	-	-
Other current liabilities	27	27			
<b>Total</b>	<b>6 146</b>	<b>2 474</b>	<b>3 653</b>	<b>2</b>	<b>17</b>

The table above is prepared under assumption that the group will meet the requirements in the sustainability linked bank facility.

Amounts in NOK million	Total cash flow	Year 1	Year 2	Year 3-5	After year 5
<b>Financial liability as of December 31, 2022</b>					
Principal payment on loans from credit institutions	5 733	870	2 166	2 697	-
Payment of interest at fixed hedge rate	792	254	263	275	-
Other long-term liabilities	26	1	1	1	23
Trade payables	21	21	-	-	-
Other current liabilities	66	66	-	-	-
<b>Total</b>	<b>6 637</b>	<b>1 211</b>	<b>2 430</b>	<b>2 973</b>	<b>23</b>

#### 4.2 FINANCIAL RISK

The group's tenants are entities with very good credit ratings and liquidity. The expected credit loss and late payment risk is assessed as very low. As of year-end 2023 and 2022 there is no loss allowance recognized for the trade receivables.

The group regularly monitors liquidity risk by setting up cash flow forecasts based on the liquidity reserves, including cash equivalents, and borrowing facilities. The forecasts are set by the individual subsidiaries, and is regularly monitored by the board on a company- and group-level. See details in note 19 related to refinancing of bonds.

Interest rate risk holds significant relevance in the group's financing structures and property investments. The group closely monitors real estate operations and collectively strives to assess and mitigate both liquidity and interest rate risks. The group is exposed to cash flow interest rate risk from long-term borrowings at variable rate, and the risk is hedged using interest rate swaps, see details in note 8 and 14.

#### 4.3 CAPITAL RISK MANAGEMENT

The main purpose of the group's capital management is to maintain a reasonable balance between debt and equity. The group's goal is to have an LTV ratio of 50-65%. The target

is set with consideration to value development in the group and the opportunity to obtain the necessary financing.

There are covenants on existing financing related to; loan to value, interest cover ratio and equity ratio. Both during 2023, and as of December 31, 2023, the group was in compliance with all financial covenants, and the group expects to be in compliance going forward.

#### 4.4 CLIMATE RISK

Physical climate risk is the danger that climate-related events such as extreme weather cause damage to buildings or interruptions in operations. This can lead to losses and affect the return on investments negative. Furthermore, in the transition to the low-emission society, there is a risk that buildings that are not assessed as sustainable will receive regulatory restrictions, yield lower or lost rental income, and become more difficult to sell in the future. Management and the board monitor developments in the market regarding the importance of climate risk for the development in the market value of investment property. So far, climate risk has not affected the valuations, but it is assumed that the buyer group is somewhat smaller for properties that have a higher risk linked to climate change. Physical risk and transition risk related to climate change on the road to a low-emission society are highly relevant for the group.

## NOTE 05 SEGMENT INFORMATION

The group has one main operational unit, led by the CEO. The property portfolio is divided into 6 different geographic areas in Norway and 6 different tenant types with management teams monitoring and following upon each area and tenant type.

The different segments are supported by support functions within accounting, finance and legal, investment and other support functions from the external service provider.

The different segments do not have their own profit responsibility. The segments are instead followed up on economical

and non-economical key figures ("key performance indicators") where revenue pr segment is the most important performance metric. These key figures are analysed and reported to the chief operating decision maker, that is the Board and CEO, for the purpose of resource allocation and assessment of segment performance. Hence, the group report the segment information based upon these segments. Since the investment properties have multiple tenants across the segments in the table below, and the investment properties are valued building by building, the segment reporting does not include investment property value on tenant counterparts.

The group is present in the following commercial property Norwegian geographic markets per December 31, 2023 and 2022:

Amounts in NOK million	East		Inland		North		West		South		Central		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Rental income	309	251	73	68	72	68	59	54	57	53	6	10	575	504
Investment property	4 906	5 401	613	864	1033	1121	865	975	805	949	114	138	8 336	9 447

The group has the following tenant counterparts per December 31, 2023 and 2022:

Amounts in NOK million	The Police		Oslo Metropolitan University		National Courts		Norwegian Labour and Welfare Administration		Tax administration		Other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Rental income	108	106	53	56	49	45	41	39	35	33	287	224	575	504
Share of rental income	19 %	21 %	9 %	11 %	9 %	9 %	7 %	7 %	6 %	7 %	50 %	45 %	100 %	100 %

## NOTE 06 TENANCY AGREEMENTS

The group mainly enters into long-term lease agreements with solid counterparties.

The group's future accumulated rent from operational lease contracts at December 31, 2023 and 2022.

Amounts in NOK million	2023	2022
≤ 1 year	585	574
Between 1 and 2 years	532	565
Between 2 and 3 years	461	492
Between 3 and 4 years	393	388
Between 4 and 5 years	327	333
≥ 5 years	776	687
<b>Total</b>	<b>3 075</b>	<b>3 040</b>

The rent is stated as the annualised undiscounted contractual rent, and is therefore not recognisable in the rental income for the year for accounting purposes. The table above assumes that Oslo Metropolitan University enters into a lease agreement with a duration of 5 years from the expiration of the existing contract. If the agreement is confirmed, it triggers an estimated obligation (purchase price adjustment) to SBB Samfunnsbygg AS of NOK 71.9 million. This obligation will be settled through conversion to equity in 2024.

The group's lease contracts at December 31, 2023 have the following maturity structure measured in annual rent.

Amounts in NOK million	No of contracts	Total contract rent
≤ 1 year	6	7
Between 1 and 5 years	80	257
≥ 5 years	101	327

The table displays the amount of contracts ending in the period and the expiring annual lease of the contracts.

The group's lease contracts at December 31, 2022 have the following maturity structure measured in annual rent.

Amounts in NOK million	No of contracts	Total contract rent
≤ 1 year	5	6
Between 1 and 5 years	106	248
≥ 5 years	79	333

The table displays the amount of contracts ending in the period and the expiring annual lease of the contracts.

## NOTE 07 PROPERTY AND ADMINISTRATION EXPENSES

### Property expenses

Amounts in NOK million	2023	2022
Insurance premium	3	3
Property tax	7	7
Maintenance	38	26
Environmental, social and governance	3	3
Property related common costs	6	6
Property related common costs - vacant area	8	6
Other property expenses	10	12
<b>Total property expenses</b>	<b>75</b>	<b>63</b>

### Administration expenses

Amounts in NOK million	2023	2022
Personnel expenses	3	4
Legal, agency and consultancy fees	2	1
Accounting	15	13
Auditors	5	3
Other operating expenses	7	15
<b>Total administration expenses</b>	<b>31</b>	<b>36</b>

### Auditor fees full year basis

Amounts in NOK million	2023	2022
Statutory audit	5	3
Other services not related to auditing	0	-
Other assurance services	0	-
<b>Total auditor expenses (inc. VAT)</b>	<b>5</b>	<b>3</b>

### Personnel expenses

Amounts in NOK million	2023	2022
Salaries, performance-related pay and other taxable benefits	2	3
Board fees	1	1
<b>Total personnel expenses</b>	<b>3</b>	<b>4</b>

Number of full-time equivalent employees

#### Renumeration to the CEO

The total remuneration of the CEO consists of a fixed package of salary and benefits supplemented by synthetic shares based on market price.

#### Overview of total renumeration to senior executives 2023

Amounts in NOK thousand	Salary	Variable bonus salary <sup>1)</sup>	Pension expenses	Benefits in kind	Total remuneration 2023
Morten Kjeldby, CEO	1533	750	76	-	2 360
<b>Total</b>	<b>1533</b>	<b>750</b>	<b>76</b>	<b>-</b>	<b>2 360</b>

<sup>1)</sup>The CEO receives an annual bonus of NOK 750,000 in synthetic shares, determined by the last traded market price of the company's shares at December 31 each year in the secondary market. The bonus is realised as a cash payment either upon the CEO's termination of employment in PPI, in the event of the group being sold or the group is going public. The payment for the synthetic shares will be made in cash, calculated based on the market value of the shares at the realisation date (based on the last known transaction price).

#### Grants during the year

	2023	2022
Number of syntetic shares granted in the period	1923	1307
Price (based on last known transaction in the secoundary market)	390	574
Total compensation granted during the period (in NOK thousand)	750	750

#### Estimated total compensation year end

Total number of shares	3523	1600
Price	390	574
Total fair value of the syntetic shares held by the CEO (in NOK thousand)	1374	918
Contributon to national insurance (in thousand)	194	129
Share-based compensation liability included in Other current liabilities at end of period (in NOK thousand)	1568	1048

#### Overview of total renumeration to senior executives 2022

Amounts in NOK thousand	Salary	Variable bonus salary <sup>1)</sup>	Pension expenses	Benefits in kind	Total remuneration 2022
Morten Kjeldby, CEO	1518	1474	114	-	3 106
<b>Total</b>	<b>1518</b>	<b>1474</b>	<b>114</b>	<b>-</b>	<b>3 106</b>

#### Overview of total renumeration to the board of directors

Amounts in NOK thousand	Board fees	Committee fees	Total remuneration 2023 <sup>2)</sup>	Total remuneration 2022 <sup>2)</sup>
Kenneth Frode Goovaerts Bern	200	-	200	200
Gerd Ylva Göransson	110	-	110	110
Henrik Melder	110	-	110	110
Arnt Rolf Hillestad	110	-	110	110
Silje Cathrine Hauland	110	-	110	110
<b>Total</b>	<b>640</b>	<b>-</b>	<b>640</b>	<b>640</b>

<sup>2)</sup>The overview of the remuneration of the board of directors shows remuneration earned in the financial year.

## NOTE 08 FINANCIALS

Amounts in NOK million

	2023	2022
Interest income bank deposits	6	2
Other interest income	-	0
<b>Total finance income</b>	<b>6</b>	<b>2</b>

Amounts in NOK million

	2023	2022
Interest expenses paid	253	203
Interest expenses amortisation costs long-term loans	9	20
Interest expenses amortisation costs short-term loans	16	4
Other finance costs	-	0
<b>Total finance expense</b>	<b>278</b>	<b>226</b>

## NOTE 09 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS - INVESTMENT PROPERTY

At year end, all of the group's investment properties are valued by two independent, external appraisers. The valuations as of December 31, 2023 were obtained from Newsec and Cushman & Wakefield, and the market value of the portfolio in the group's balance sheet is based on the average of the appraisers' valuation. The valuations as of December 31, 2022 were obtained from Newsec, and the market value of the portfolio in the group's balance sheet is based on Newsec's valuation alone.

The valuations are performed on a property-by-property basis, assuming that the properties are sold individually over time. The valuations are performed using the discounted cash flow method, which 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
- capital expenditures.

When carrying out their valuations, the appraisers receive comprehensive details on the properties, lease contracts, floor space and details of any vacant premises, and

up-to-date and comprehensive information about all ongoing and planned projects. Any uncertainties relating to the properties, projects and leases are also clarified verbally and in writing as and when required. The group's management ensures that all relevant information is included in the valuations and in order to fully understand the changes in value of investment properties from the previous period end.

The appraisers perform their valuations on the basis of the information they have received, and estimate future market rents, yields, inflation and other relevant parameters. Each individual property is assessed in terms of its market position, rental income (contractual) rents versus market rents) and ownership costs, with estimates being made for anticipated vacancy levels and the need for alterations and upgrades. The remaining term of the leases is also assessed for risk, along with any special clauses in the contracts. Each property is also compared with recently sold properties in the same segment (location, type of property, technical standard, mix of tenants etc.)

The table below shows to what extent the value of the management property portfolio is affected by market rents, exit yields (market yields), operating costs and discounts rates, assuming that all other factors are equal. However, there are interrelationships between these variables, and it is expected that a change in one variable may influence the other variable. The negative value change in 2022 and 2023 is predominantly due to an adjustment of the appraisers' estimated discount rate, with some offsetting effects from other factors such as market rent expectations.

Amounts in NOK million	2023	2022
<b>Opening balance</b>	<b>9 447</b>	<b>8 457</b>
Purchase of investment properties <sup>1)</sup>	-	1 870
Upgrades of investment properties	32	33
Sale of investment properties	-	-
Change in value	(1 143)	(913)
<b>Value at period end</b>	<b>8 336</b>	<b>9 447</b>

<sup>1)</sup> Ingoing balances on purchased properties throughout the year have been netted towards change in assets/liabilities/working capital and payments related to purchase of properties, hence net investments in investment properties will differ from the net cash flow.

2023

Variables	Change of variables	Value change (+)	Value change (-)
Exit yield	+/- 0.25 per cent points	(185)	201
Discount rate	+/- 0.25 per cent points	(161)	166
Operating costs	+/- 10 per cent	(67)	67
Market rent	+/- 10 per cent	697	(697)

The calculations have been performed by Newsec in connection with the valuations at December 31, 2023.

Input for valuations – overview

	Investment property
Valuation method, reference is made to note 4	Level 3
Valuation model DCF	DCF
WAULT	5,2
Net yield (interval)	5.74%-38.58%
Contract rent at December 31, 2023, measured in annual rent (NOKm)	591

2022

Variables	Change of variables	Value change (+)	Value change (-)
Exit yield	+/- 0.25 per cent points	(265)	292
Discount rate	+/- 0.25 per cent points	(45)	45
Operating costs	+/- 10 per cent	(72)	72
Market rent	+/- 10 per cent	784	(784)

The calculations have been performed by Newsec in connection with the valuations at December 31, 2022.

Input for valuations – overview

	Investment property
Valuation method, reference is made to note 4	Level 3
Valuation model DCF	DCF
WAULT	5,2
Net yield (interval)	1.33%-20.24%
Contract rent at December 31, 2022, measured in annual rent (NOK million)	590

WAULT: Weighted average unexpired lease term. Measured without separate parking rent contracts.

## NOTE 10 OTHER RECEIVABLES

### Other receivables

Amounts in NOK million	2023	2022
Trade receivables (non-interest bearing) <sup>1)</sup>	5	13
Other receivables <sup>2)</sup>	15	20
<b>Total other receivables</b>	<b>20</b>	<b>33</b>

<sup>1)</sup> The group's tenants are entities with very good credit ratings and liquidity. The expected credit loss and late payment risk is assessed as very low. As of year-end 2023 and 2022 there are no loss allowance recognized for the trade receivables.

<sup>2)</sup> The other receivables consists of VAT-receivables, settlement of common costs, swap-interest receivables, and provision for parking rent. Historically there has been very low payment risk related to outstanding other receivables.

## NOTE 11 CASH AND BANK DEPOSITS

Amounts in NOK million	2023	2022
Bank deposits	122	177
Restricted bank deposits	0	0
<b>Total bank deposits</b>	<b>123</b>	<b>177</b>

Restricted bank deposits relate to the withholding tax account.

## NOTE 12 SHAREHOLDER CAPITAL AND SHAREHOLDERS

Share capital and nominal value	31.12.2023
Shares issued	3 596 583
Nominal amount in NOK	1
<b>Share capital in NOK</b>	<b>3 596 583</b>

<b>No of shares as at 31.12.2021</b>	<b>2 365 289</b>
Capital increase 27.12.21 <sup>1)</sup>	493 619
Capital increase 27.01.2022	29 301
Capital increase in-kind 02.03.2022 <sup>2)</sup>	1
Capital increase 16.05.2022	504 898
Capital increase in-kind 29.06.2022	203 475
<b>No of shares as at 31.12.2022</b>	<b>3 596 583</b>
<b>No of shares as at 31.12.2023</b>	<b>3 596 583</b>

<sup>1)</sup>The group had a capital increase on December 27, 2021 of NOK 379 326 934. The amount was settled December 27, 2021 with NOKm 85, and the remaining NOKm 294 were settled January 3, 2022.

<sup>2)</sup>The group purchased the remaining minority shares on January 25, 2022.

<sup>3)</sup>The group issued one share to convert remaining debt to the main shareholder, SBB, to share capital. The capital increase corrected the price per share at the same issue price as the other investors from the prior capital increase.

Shareholder	% holding	Country	Type of shareholder	Shares
SBB Samfunnsbygg AS	44.8%	Norway	Ordinary	1 612 386
Sagacia AS	5.0%	Norway	Ordinary	179 916
Telecom AS	4.6%	Norway	Ordinary	163 716
Hifo Invest AS	1.0%	Norway	Ordinary	35 018
Leo Holding AS	0.9%	Norway	Ordinary	31 376
Pett Invest AS	0.8%	Norway	Ordinary	30 275
Nordpolen Holding AS	0.7%	Norway	Ordinary	26 573
Invima AB	0.7%	Sweden	Ordinary	26 499
Chrisanic Eiendom AS	0.7%	Norway	Ordinary	24 649
Tjs Invest AS	0.7%	Norway	Ordinary	24 415
<b>Total 10 largest shareholders</b>	<b>60%</b>			<b>2 154 823</b>
Other shareholders	40%			1 441 760
<b>Total</b>	<b>100%</b>			<b>3 596 583</b>

Shares controlled by board members	Position	Control directly	% holding	Shares
Kenneth Frode Goovaerts Bern <sup>1)</sup>	Board Chairman	Directly	4.6%	163 716
Gerd Ylva Göransson <sup>2)</sup>	Board Member	Indirectly	44.8%	1 612 386
Henrik Melder <sup>2)</sup>	Board Member	Indirectly	44.8%	1 612 386
Arnt Rolf Hillestad	Board Member	Directly	0.6%	20 588
Silje Cathrine Hauland <sup>3)</sup>	Board Member	Indirectly	0.7%	24 649
<b>Sum shares controlled by board members</b>			<b>50.6%</b>	<b>1 821 339</b>

<sup>1)</sup>Kenneth Frode Goovaerts Bern represents 4.55% directly through Telecom AS.

<sup>2)</sup>Henrik Melder and Ylva Göransson represent the largest shareholder with 44.83% as CEO and financial director of SBB Samfunnsbygg AS.

<sup>3)</sup>Silje Cathrine Hauland represents 0.03% directly through Gatekeeper AS, and 0.69% indirectly as CEO of Chrisanic Eiendom AS.

## NOTE 13 TAX

### Income tax expense

Amounts in NOK million	2023	2022
Tax payable, current year	-	-
Change in deferred tax	69	81
<b>Income tax expense</b>	<b>69</b>	<b>81</b>

### Income tax payable is calculated as follows

Profit (loss) before tax	(969)	(704)
Other permanent differences	0	(0)
Fair value change of investment properties below initial cost tax effect	654	349
Changes in temporary differences	315	355
<b>Profit for tax purposes</b>	<b>-</b>	<b>-</b>

### Tax payable on the balance sheet

### Reconciliation of income tax expense

Amounts in NOK million	2023	2022
Profit (loss) before tax	(969)	(704)
Estimated tax based on 22%	213	155
<b>Tax effects of:</b>		
Deferred tax assets that are not recognised in the balance sheet	-	-
Changes in fair value investment properties below initial cost tax effect	(144)	(74)
Permanent differences	0	0
<b>Income tax expense</b>	<b>69</b>	<b>81</b>

Effective tax rate	7.15%	11.52%
--------------------	-------	--------

### DEFERRED INCOME TAX

The group has offset deferred tax assets and deferred tax liabilities on the balance sheet as the group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

The following net value was recognised:

Amounts in NOK millions	2023	2022
Deferred tax liability	75	165
Deferred tax assets	9	30
<b>Net deferred tax</b>	<b>66</b>	<b>135</b>

#### Change in deferred tax (+) deferred tax assets (-)

Movement in temporary differences						
Amounts in NOK million	Investment property	Interest derivatives	Current assets	Loss carried forward	Other	Total
01.01.2022	1128	-	-	(219)	61	970
Recognised in profit and loss	(431)	28	0	84	(35)	(355)
Acquisition of subsidiaries		-	-	(0)	1	0
<b>December 31, 2022</b>	<b>696</b>	<b>28</b>	<b>0</b>	<b>(135)</b>	<b>27</b>	<b>615</b>
Recognised in profit and loss	(371)	(25)		95	(14)	(315)
Acquisition of subsidiaries	-	-	-	-	-	-
<b>December 31, 2023</b>	<b>325</b>	<b>3</b>	<b>0</b>	<b>(41)</b>	<b>13</b>	<b>300</b>
Change in temporary differences based on nominal tax rate						(315)
Change in deferred tax based on nominal tax rate						69
Other differences						0
<b>Change in deferred tax</b>						<b>69</b>

## NOTE 14 INTEREST BEARING LIABILITIES

Interest bearing liabilities				2023			2022		
All amounts in NOK million	Nominal value	Market value	Carrying amount	Nominal value	Market value	Carrying amount			
Bond loans long term	211	202	211	2 273	2 154	2 251			
Bank loans long term including short term amortization	3 256	3 256	3 240	2 698	2 698	2 682			
Bond loans short term	2 062	2 004	2 054	762	754	760			
<b>Total interest bearing liabilities</b>	<b>5 529</b>	<b>5 462</b>	<b>5 505</b>	<b>5 733</b>	<b>5 606</b>	<b>5 693</b>			

The market value on the bond loans are calculated based on interest gap and duration. The valuations have been performed by an external valuator. The market value is measured at FV level 2.

#### Changes in liabilities arising from financing activities

All amounts in NOK million	31.12.2021	New liabilities <sup>1)</sup>	Repay- ment	Reclassification to current liabilities	First year installment	Amortisation of capitalised borrowing cost	31.12.2022
Non-current interest bearing liabilities	4 418	1 289	(34)	(758)		18	4 933
Current interest bearing liabilities	290		(290)	758	-	2	760
<b>Total</b>	<b>4 708</b>	<b>1 289</b>	<b>(324)</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>5 693</b>

<sup>1)</sup> New liabilities includes transaction costs to be amortised

The bank loan is sustainability-linked and the credit margin is adjusted based on requirements in terms of sustainability operation, energy usage and efficiency as well as monitoring of energy. If targets are met the group will be rewarded by a reduced credit margin. If targets are not met the credit margin will be increased.

Interest-bearing debt at 31.12.22	NOK Million	Interest terms	Current amortisation plan	Maturity date
Bond loan	1 100	3% fixed	None	23.09.2024
Bond loan	211	4.16% fixed	None	01.09.2025
Bond loan	962	3.48% fixed	None	23.09.2024
Bank loan	3 256	3months NIBOR + 1.88% margin	33.33 years	28.06.2025
<b>Total face value of financing 31.12.2023</b>	<b>5 529</b>			

#### Changes in liabilities arising from financing activities

All amounts in NOK million	31.12.2022	New liabilities <sup>1)</sup>	Repay- ment	Reclassification to current liabilities	First year installment	Amortisation of capitalised borrowing cost	31.12.2023
Non-current interest bearing liabilities	4 933	616	(66)	(2 137)	-	9	3 353
Current interest bearing liabilities	760	-	(762)	2 040	98	16	2 152
<b>Total</b>	<b>5 693</b>	<b>616</b>	<b>(828)</b>	<b>(98)</b>	<b>98</b>	<b>25</b>	<b>5 505</b>

## Interest rate derivatives / Swap agreements<sup>2)</sup>

Amounts in millions	NOK amount	Market value 31.12.2023	Market value 31.12.2022	Start date	Maturity date	Fixed interest
Interest Nordea	239	15	15	17.10.2022	30.06.2026	1.34%
Interest Nordea	100	5	5	17.10.2022	27.03.2025	1.03%
Interest Nordea	150	11	11	17.10.2022	18.04.2028	1.65%
Interest CAP	57	0	0	01.03.2019	15.04.2024	2.75%
Interest CAP	-	0	0	16.04.2018	17.04.2023	2.75%
Interest Nordea	388	3	(2)	30.12.2022	30.06.2025	3.46%
Interest Danske	388	3	(2)	04.10.2022	30.06.2025	3.39%
Interest Nordea	153	(16)	-	29.12.2023	30.06.2028	3.93%
Interest Danske	153	(18)	-	06.10.2023	30.06.2028	3.98%
<b>Total</b>	<b>1628</b>	<b>3</b>	<b>28</b>			

<sup>2)</sup> The interest rate derivatives are forward starting interest rate swaps.

## NOTE 15 CURRENT AND NON-CURRENT LIABILITIES

### Other current liabilities

Amounts in NOK millions	2023	2022
Bond loans short term	2 054	760
Bank loan amortization	98	-
Trade payables (non-interest bearing)	17	21
Taxes payable	-	0
Value added taxes payable	1	1
Other current liabilities (non-interest bearing)	26	65
<b>Sum other current liabilities</b>	<b>2 196</b>	<b>847</b>

### Other non-current liabilities

Amounts in NOK millions	2023	2022
Bond loans	211	2 251
Bank loans	3 142	2 682
Deferred tax liabilities	66	135
Interest rate derivatives	34	-
Other non-current liabilities	23	25
<b>Sum other non-current liabilities</b>	<b>3 476</b>	<b>5 093</b>

## NOTE 16 ENTITIES AND SUBSIDIARIES

The group comprises the following legal entities at December 31, 2023.

All entities are directly or indirectly owned 100%.

Subsidiaries	Country	Business office	Voting percentage	Ownership
Public Property Drift AS	Norway	Oslo	100%	100%
Public Property Holding AS	Norway	Oslo	100%	100%
Public Property Sub-Holding 1 AS	Norway	Oslo	100%	100%
Røynebergsletta I Holding AS	Norway	Oslo	100%	100%
Røynebergsletta I AS	Norway	Oslo	100%	100%
Søebergkvartalet Holding AS	Norway	Oslo	100%	100%
Søebergkvartalet AS	Norway	Oslo	100%	100%
Gunnar Nilsens gate 25 AS	Norway	Oslo	100%	100%
Prins Chr. Augusts Pl. AS	Norway	Oslo	100%	100%
Brochs gate 3 AS	Norway	Oslo	100%	100%
Fjørevegen 20 AS	Norway	Oslo	100%	100%
Njøsavegen 2 AS	Norway	Oslo	100%	100%
SBB Kongsvinger AS / Otervegen 23 AS	Norway	Oslo	100%	100%
Statlige Bygg AS	Norway	Oslo	100%	100%
Statlige Bygg II AS	Norway	Oslo	100%	100%
Offentlig Bygg Namsos AS	Norway	Oslo	100%	100%
Sandgata Eiendom Namsos AS	Norway	Oslo	100%	100%
Postgården Eiendom Namsos AS	Norway	Oslo	100%	100%
Public Property Sub-Holding 2 AS	Norway	Oslo	100%	100%
Offentlig Eiendom AS	Norway	Oslo	100%	100%
Arendal Eiendomsinvest AS	Norway	Oslo	100%	100%
Unninvest AS	Norway	Oslo	100%	100%
Unninvest II AS	Norway	Oslo	100%	100%
Unninvest III AS	Norway	Oslo	100%	100%
Stangevegen 109 Eiendom AS	Norway	Oslo	100%	100%
Rosenkrantzgata 17 AS	Norway	Oslo	100%	100%
Grønnegata 122 AS	Norway	Oslo	100%	100%
Kvartal 48 Nærings AS	Norway	Oslo	100%	100%
Haakon VIIIs gate 98 AS	Norway	Oslo	100%	100%
Kongensgate 14-18 AS	Norway	Oslo	100%	100%
Bernt Ankers gate 17 AS	Norway	Oslo	100%	100%
Lervigsveien 32 og Tinngata 8 AS	Norway	Oslo	100%	100%
Kammerherreløkka Nærings B1 AS	Norway	Oslo	100%	100%
Dunderland Eiendom AS	Norway	Oslo	100%	100%
Sliptomta Eiendom AS	Norway	Oslo	100%	100%
Mellomvika 5 AS	Norway	Oslo	100%	100%
Askveien 4 Hønefoss AS	Norway	Oslo	100%	100%
Rambergveien 9 AS	Norway	Oslo	100%	100%
Kaldnes Park AS	Norway	Oslo	100%	100%
Kunnskapsveien 55 AS	Norway	Oslo	100%	100%

Subsidiaries	Country	Business office	Voting percentage	Ownership
Jærveien 12 AS	Norway	Oslo	100%	100%
Vogts Gate 17 AS	Norway	Oslo	100%	100%
Jul Pettersens gate 2 AS	Norway	Oslo	100%	100%
Public Property Sub-Holding 3 AS	Norway	Oslo	100%	100%
HGF Invest AS	Norway	Oslo	100%	100%
Ski Florø AS	Norway	Oslo	100%	100%
Ski Hønefoss AS	Norway	Oslo	100%	100%
Ski Gjøvik AS	Norway	Oslo	100%	100%
Public Property Sub-Holding 4 AS	Norway	Oslo	100%	100%
Anton Jenssens gate 2 AS	Norway	Oslo	100%	100%
Heian AS	Norway	Oslo	100%	100%
Lillehammer Politibygg AS	Norway	Oslo	100%	100%
Ibsensgate 1 AS	Norway	Oslo	100%	100%
Eiendomsgruppen Fredrikstad AS	Norway	Oslo	100%	100%
Olav V Gt 4 AS	Norway	Oslo	100%	100%
Borgergata 10 AS	Norway	Oslo	100%	100%
Castelar Prospekt 22 AS	Norway	Oslo	100%	100%
Gyldengården AS	Norway	Oslo	100%	100%
Leikanger Eiendom AS	Norway	Oslo	100%	100%

## NOTE 18 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year. Public Property Invest AS has not issued options or other financial instruments which have a dilutive effect on outstanding shares.

	2023	2022
Net profit (loss) attributable to ordinary equity holders of parent company (NOK million)	(900)	(623)
Weighted average number of shares	3 596 583	3 307 966
Net profit (loss) per share attributable to ordinary equity holders (NOK)	(250.3)	(188.2)

Reference is made to note 12 Shareholder capital and shareholders for detailed information on changes in number of shares.

## NOTE 17 RELATED-PARTY TRANSACTIONS

The group has no material transactions with related parties in 2023.

The group has purchased the following companies in 2022:

Commercial property Companies	Ownership	Time of purchase	Purchase price shares NOKm	Related-party transaction
SBB-portfolio (5 properties)	100%	29.06.2022	1 368	Yes
<b>Total</b>			<b>1 368</b>	

The group has purchased properties relating to the SBB-Portfolio from the largest shareholder SBB Samfunnsbygg AS in June 2022. The enterprise value was done by an external valuator. Even though the transaction is considered a related-party transaction, SBB samfunnsbygg AS does not have control or de facto control, as SBB is limited to a maximum of 2 participants on the board, and the company's ownership of the shares are below 50%.

## NOTE 19 SUBSEQUENT EVENTS/GOING CONCERN/LIQUIDITY RISK

The group has two bond loans with a carrying amount as of December 31, 2023 of NOK 2 054 million (see note 14 for further details) scheduled to mature in September 2024. Without refinancing, extending the maturity date and/or an equity injection, the group will not be able to repay these bond loans at maturity. The board and Management are considering different options. On 29 January, 2024 the group received a term-sheet for a backstop-facility, contingent on an equity issue and a listing of the shares of PPI on Oslo Stock Exchange (IPO), for the refinancing of the two maturing bonds.

The board believes that the conditional backstop-facility together with the funds from the planned equity issue will provide sufficient funds to secure the refinancing and assure the sustainability of the operations as a going concern. The group is also in the process of securing long-term financing by actively negotiate with both banks and existing bondholders. The board views the current refinancing and ongoing discussions as integral to its financial strategy and anticipates a satisfactory outcome. However, to ensure long-term financing, the group will need to raise equity. At present the group is exploring various strategic options with a primary focus on issuing more equity. The preferred strategic option is to initiate an IPO on the Oslo Stock Exchange in first half of 2024.

If the group fails in raising capital before the bond loans mature in 2024, the group will have to negotiate with current

bondholders in order to extend the maturity date. If such negotiations are not successful, the group might have to sell properties with the risk of obtaining prices below current market prices in an orderly transaction. If the refinancing fails and the group is not able to sell some of its properties, there is a significant risk that the going concern assumption is threatened.

Management and the board assesses the risk associated with the refinancing processes as low. The board and management believe that, once the refinancing negotiations are successfully completed, the group will be able to continue its operations without any significant disruptions or financial difficulties. This positive outlook is based on a thorough risk assessment and the proactive measures taken to mitigate these risks. Taking into account this risk assessment along with an evaluation of the group's past performance, and future forecasts, the board confirms the presence of the necessary conditions for the group to continue operating as a going concern.

## FINANCIAL STATEMENT - PUBLIC PROPERTY INVEST AS

## INCOME STATEMENT

	Note	2023	2022
<b>Operating income and operating expenses</b>			
All amounts in NOK			
Payroll expenses	1	2 911 023	4 275 477
Other operating expenses		8 927 920	3 958 761
<b>Total expenses</b>		<b>11 838 944</b>	<b>8 234 239</b>
<b>Operating profit (loss)</b>		<b>(11 838 944)</b>	<b>(8 234 239)</b>
<b>Financial income and expenses</b>			
Other interest income		131 034	52 354
Other financial income		0	326
Write-down of long-term investments	4	932 319 120	0
<b>Net financial items</b>		<b>(932 188 086)</b>	<b>52 680</b>
Net profit before tax		(944 027 030)	(8 181 558)
Income tax expense	2	(2 566 515)	18 673 606
<b>Net profit (loss) after tax</b>		<b>(941 460 515)</b>	<b>(26 855 164)</b>
<b>Attributable to</b>			
Other equity	3	941 460 515	(26 855 164)
<b>Total</b>		<b>(941 460 515)</b>	<b>(26 855 164)</b>

## BALANCE SHEET

Assets	Note	2023	2022
All amounts in NOK			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Deferred tax assets	2	961 985	6 419 856
<b>Total intangible assets</b>		<b>961 985</b>	<b>6 419 856</b>
<b>Non-current financial assets</b>			
Investments in subsidiaries	4	2 619 675 280	3 553 970 014
<b>Total non-current financial assets</b>		<b>2 619 675 280</b>	<b>3 553 970 014</b>
<b>Total non-current assets</b>		<b>2 620 637 265</b>	<b>3 560 389 870</b>
<b>Current assets</b>			
<b>Debtors</b>			
Accounts receivables		0	36 938
Other short-term receivables		170 577	49 261
Receivables from group companies	5	36 474 480	93 018 141
<b>Total receivables</b>		<b>36 645 057</b>	<b>93 104 340</b>
Cash and cash equivalents		2 346 593	8 970 558
<b>Total current assets</b>		<b>38 991 650</b>	<b>102 074 898</b>
<b>Total assets</b>		<b>2 659 628 915</b>	<b>3 662 464 768</b>

## BALANCE SHEET

Equity and liabilities	Note	2023	2022
All amounts in NOK			
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	3	3 596 583	3 596 583
Share premium reserve	3	3 591 130 552	3 591 130 552
<b>Total paid-up equity</b>		<b>3 594 727 135</b>	<b>3 594 727 135</b>
<b>Retained earnings</b>			
Other equity		(969 535 194)	(28 074 680)
<b>Total retained earnings</b>		<b>(969 535 194)</b>	<b>(28 074 680)</b>
<b>Total equity</b>		<b>2 625 191 940</b>	<b>3 566 652 455</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		2 520 298	73 266
Public duties payable		130 415	123 672
Liabilities to group companies	5	29 274 480	93 018 141
Other current liabilities		2 511 781	2 597 235
<b>Total current liabilities</b>		<b>34 436 975</b>	<b>95 812 314</b>
<b>Total liabilities</b>		<b>34 436 975</b>	<b>95 812 314</b>
<b>Total equity and liabilities</b>		<b>2 659 628 915</b>	<b>3 662 464 768</b>

Oslo, Norway, February 16, 2024.  
The board of directors and CEO Public Property Invest AS

Kenneth Frode Goovaerts Bern  
Chair of the board

Gerd Ylva Göransson  
Member of the board

Ilija Batljan  
Member of the board

Arnt Rolf Hillestad  
Member of the board

Silje Cathrine Hauland  
Member of the board

Morten Kjeldby  
CEO

# CASH FLOW STATEMENT

All amounts in NOK	Note	2023	2022
<b>Cash flow from operating activities</b>			
Loss before tax		(944 027 030)	(8 181 558)
Write-down of financial assets	4	932 319 120	0
Change in receivables		36 938	(36 938)
Change in current liabilities		2 447 034	(26 149 822)
Change in other working capital		(200 027)	(9 376 291)
<b>Net cash flow from operating activities</b>		<b>(9 423 965)</b>	<b>(43 744 609)</b>
<b>Cash flow from investment activities</b>			
Payments due from group companies	5	0	48 459 524
Payments on the purchase of shares		0	(566 500 000)
<b>Net cash flow from investment activities</b>		<b>0</b>	<b>(518 040 476)</b>
<b>Cash flow from financing activities</b>			
Payments due to group companies	5	2 800 000	(219 769 333)
Paid in capital increase		0	(886 607 072)
Transaction costs on capital increase		0	(103 228 910)
<b>Net cash flow from financing activities</b>		<b>2 800 000</b>	<b>563 608 829</b>
<b>Net change in cash and cash equivalents in the period</b>		<b>(6 623 965)</b>	<b>1 823 744</b>
Net foreign exchange difference		0	0
Cash and cash equivalents at beginning of period		8 970 558	7 146 815
<b>Cash and cash equivalents at end of period</b>		<b>2 346 593</b>	<b>8 970 558</b>
The cash and cash equivalents relates to:			
Cash and bank deposits		<b>2 346 593</b>	<b>8 970 558</b>
Unused operating credit also amounts to		<b>0</b>	<b>0</b>

# NOTES TO THE PARENT FINANCIAL STATEMENTS

## ACCOUNTING PRINCIPLES

The financial statements comprise of the income statement, balance sheet, cash flow and notes and are prepared in accordance with accounting, company law and generally accepted accounting principles in Norway. The financial statements are based on the basic principles of historical cost. Transactions are booked at the value of the consideration on the transaction date.

## GENERAL INFORMATION

Public Property Invest AS (the "Company") and its subsidiaries (together, the "Group") business is related to ownership of properties in Norway, and rental of office spaces, primarily to public tenants. The Company was incorporated August 16, 2018, and is domiciled in Oslo, Norway. The Company has one employee. On June 22, 2021, the Company acquired all the shares in Public Property Holding AS. Following the acquisitions, the group was formed.

## CLASSIFICATION OF BALANCE SHEET ITEMS

Assets intended for long term ownership or use have been classified as non current assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalments on long term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

## CURRENT ASSETS & LIABILITIES

Current assets are valued at the lowest of acquisition cost and fair value. Short term debt is capitalised at the nominal amount at the time of borrowing. Fixed assets are valued at acquisition costs. Other fixed assets than operating assets are written down to fair value in the event of a decrease in value that is not expected to be temporary. Long-term debt is capitalised net of establishment cost at the time of establishment. Establishment cost is amortised over the commitment period. Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

## DERIVATIVES

When hedging future interest costs, where the hedging instruments are to hedge the group against variations in future cash flows, the hedging instrument is not booked in the balance sheet as long as the hedging is considered to be effective. Gains or losses are recognised as net interest income or interest expense, in line with the recognition of the hedged item in the income statement.

## INVESTMENTS IN OTHER COMPANIES

The cost method is applied to investments in other companies. Transaction costs are included in the cost price. Companies acquired or sold during the year are included in the consolidated financial statements from the date that control is achieved and until control ceases. On consolidation, the

parent company shares in subsidiaries replaced with the subsidiaries' assets and liabilities and are grouped according to the same principles as the parent company accounts.

Subsidiaries are all entities over which the group has control. See note 16 in Group financial statement for a comprehensive list of subsidiaries. Control of an entity occurs 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 day on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are taken directly as deduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies is reflected as financial income when it has been approved.

## ASSET IMPAIRMENTS

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

## CASH FLOW

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits.

## TAXES

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry-forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

## NOTE 1 PAYROLL EXPENSES

Board of directors			
All amounts in NOK			
Name	Position	Board Fee	Other
Kenneth Frode Goovaerst Bern	Board Chairman	200 000	0
Gerd Ylva Göransson	Board Member	110 000	0
Henrik Melder	Board Member	110 000	0
Arnt Rolf Hillestad	Board Member	110 000	0
Silje Cathrine Hauland	Board Member	110 000	0
<b>Total</b>		<b>640 000</b>	<b>0</b>

### Overview of total renumeration to senior executives 2023

All amounts in NOK				
Name	Salary	Variable bonus salary	Other	Total remuneration 2023
Morten Kjeldby	1 533 000	750 000	109 992	2 392 992

The CEO receives an annual bonus of NOK 750 000 in synthetic shares, determined by the market price of the company's shares at December 31 each year. The bonus is realised either upon the CEO's termination of employment in PPI or in the event of the group being sold. The payment for the synthetic shares will be made in cash, calculated based on the market value of the shares at the realisation date. For further reference, please see note 7 in the notes for the group.

No loans have been granted or guarantees given to the board or other related parties. The company has a group pension insurance that covers all employees. The scheme is a defined contribution scheme. The company's pension schemes satisfy the requirements of the OTP - Mandatory Occupational Pensions Scheme.

During the fiscal year ending December 31, 2023, the company incurred total fees of NOK 3 171 081 NOK related to audit and assurance services. The breakdown of these fees is outlined below:

Audit Fee: 2 741 081 NOK

Other Services Not Related to Auditing: 230 000 NOK

Other Assurance Services: 200 000 NOK

## NOTE 2 TAX

Tax expense / income		2023	2022
All amounts in NOK			
Payable tax - tax effect of group contribution		0	0
Change in deferred tax		(2 566 515)	18 673 606
<b>Income tax expense (income)</b>		<b>(2 566 515)</b>	<b>18 673 606</b>

Taxable income		2023	2022
Profit / loss before tax			
Permanent differences		932 361 050	(27 334 644)
Basis for tax expense for the year		(11 665 980)	(35 516 202)
Change in temporary differences		0	0
<b>Taxable income</b>		<b>(11 665 980)</b>	<b>(35 516 202)</b>
Allocation of loss to be carried forward		24 808 501	57 501 939
Group contribution received		36 474 480	93 018 141
Group contribution		0	0
<b>The year's tax base</b>		<b>0</b>	<b>0</b>

Overview of temporary differences	Difference	2023	2022
Loss carried forward	(24 808 501)	(4 372 663)	(29 181 163)
<b>Total</b>	<b>(24 808 501)</b>	<b>(4 372 663)</b>	<b>(29 181 163)</b>
Not included in the deferred tax calculation	0	0	0
<b>Total</b>	<b>(24 808 501)</b>	<b>(4 372 663)</b>	<b>(29 181 163)</b>
Deferred tax assets (22%)*	(5 457 870)	(961 986)	(6 419 855)

\*Deferred tax asset is recognised as it is probable that future taxable profits will be sufficient to utilise the tax benefit

## NOTE 3 SHARE CAPITAL AND SHAREHOLDER INFORMATION

All amounts in NOK				
Equity 31.12.2023	Share capital	Share premium	Other equity	Total
Opening balance per 01.01	3 596 583	3 591 130 552	(28 074 680)	3 566 652 455
Net profit (loss) of the year			(941 460 515)	(941 460 515)
<b>Closing balance 31.12.2023</b>	<b>3 596 583</b>	<b>3 591 130 552</b>	<b>(969 535 194)</b>	<b>2 625 191 940</b>

## NOTE 4 INVESTMENT IN SUBSIDIARIES

Subsidiaries	Ownership
Public Property Holding AS	100%
Public Property Drift AS	100%

*The company is located in Oslo Municipality.*

*The consolidated financial statements are prepared by Public Property Invest AS.*

*The fair value of the groups investment property has experienced a significant decrease, which has in turn affected the value of the investment in subsidiaries that hold these properties. The decrease in value has led to an impairment in the carrying value of our investments in these subsidiaries.*

## NOTE 5 BALANCE WITH GROUP COMPANIES

Balance with group companies	31.12.2023	31.12.2022
<i>All amounts in NOK</i>		
<b>Receivables</b>		
Public Property Holding AS	36 474 480	93 018 141
<b>Total receivables</b>	<b>36 474 480</b>	<b>93 018 141</b>
<b>Debt</b>		
Public Property Holding AS	26 474 480	93 018 141
<b>Total debt</b>	<b>26 474 480</b>	<b>93 018 141</b>

*The company has received a group contribution with tax effect, and given a group contribution without tax effect.*

# List of Signatures

Page 1/1



## PPI Annual Report 2023

Name	Method	Signed at
GÖRANSSON, GERD YLVA	BANKID	2024-02-16 16:29 GMT+01
Bern, Kenneth Frode Goovaerts	BANKID	2024-02-16 16:05 GMT+01
Hillestad, Arnt Rolf	BANKID	2024-02-16 13:05 GMT+01
Kjeldby, Morten	BANKID	2024-02-16 12:03 GMT+01
Hauland, Silje Cathrine	BANKID	2024-02-16 11:56 GMT+01
Ilija Batljan	BANKID	2024-02-17 09:57 GMT+01



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

External reference: 1B2017364B8D47C288EA88B97C25DE1B



To the General Meeting of Public Property Invest AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Public Property Invest AS, which comprise:

- the financial statements of the parent company Public Property Invest AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Public Property Invest AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

### 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.

### Material Uncertainty Related to Going Concern

We draw attention to Note 19 in the financial statements, where the Company states that some of their financing contracts expire and amounts owing fall due for payment in September 2024. Without refinancing, extending the maturity date and/or an equity injection, the Company will not be able to repay these bond loans at maturity. As stated in Note 19, these events or conditions, along with other matters as set forth in Note 19, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises 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 information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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

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

### **Responsibilities of Management 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 consolidated 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 consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 16 February 2024  
**PricewaterhouseCoopers AS**

Chris H. Jakobsen  
State Authorised Public Accountant  
(This document is signed electronically)

## Revisjonsberetning - PPI

**Signers:**

Name	Method	Date
Jakobsen, Chris Håvard	BANKID	2024-02-16 08:54

 **This document package contains:**

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

# ALTERNATIVE PERFORMANCE MEASURES

Public Property Invest AS' financial information is prepared in accordance with IFRS Accounting standards as adopted by EU. In addition, the company reports alternative performance measures (APMs) that are regularly reviewed by management to enhance the understanding of the company's performance as a supplement, but not as a substitute, to the financial

Net operating income (NOI)	2023	2022
<i>Amounts in NOK million</i>		
Operating income	576	504
Property expenses	(75)	(63)
<b>NOI</b>	<b>501</b>	<b>442</b>

EBITDA	2023	2022
<i>Amounts in NOK million</i>		
NOI	501	442
Administration expenses	(31)	(36)
<b>EBITDA</b>	<b>470</b>	<b>405</b>

Interest Cover Ratio (ICR)	2023	2022
<i>Amounts in NOK million</i>		
EBITDA	470	405
Financial Income	6	2
Financial expenses	(278)	(226)
Adjustment Interest expenses amortisation costs	25	24
<b>Net finance charges</b>	<b>(247)</b>	<b>(200)</b>
ICR	1.90	2.02

## EPRA REPORTING

The following performance indicators have been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its latest edition of the Best Practices Recommendations Guidelines.

Summary table EPRA performance measures			
	Unit	2023 / 31.12.2023	2022 / 31.12.2022
A	EPRA Earnings per share	NOK	54
B	EPRA NRV per share	NOK	812
C	EPRA LTV	%	65.1%
			59.2%

The details for the calculation of the performance measures are shown on the following pages.

### A. EPRA EARNINGS

EPRA Earnings is a measure of the operational performance of the property portfolio. EPRA Earnings is calculated based on the income statement, adjusted for non-controlling interests, value changes on investment properties, changes in the market value of financial instruments and the associated tax effects.

Amounts in NOK millions	2023	2022
Net profit (loss)	(900)	(623)
<b>Adjustments to calculate EPRA Earnings:</b>		
Changes in fair value of investment properties	(1143)	(913)
Changes in fair value of interest derivatives	(25)	28
Deferred tax investment properties	71	153
Deferred tax interest derivatives	1	6
<b>EPRA Earnings NOK million</b>	<b>195</b>	<b>103</b>
Weighted average number of shares	3.60	3.31
<b>EPRA Earnings per Share (EPRA EPS)(NOK)</b>	<b>54</b>	<b>31</b>

### B. EPRA NET ASSET VALUE (EPRA NAV) METRICS

EPRA Net Reinstatement Value (NRV) The objective of the EPRA NRV measure is to highlight the value of net assets on a long-term basis and assumes that no selling of assets takes place. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Real estate transfer taxes are not levied on property transactions in Norway.

Amounts in NOK millions	31.12.2023	31.12.2022
Total equity	2 850	3 750
<b>EPRA Net Asset Value (EPRA NAV)</b>	<b>2 850</b>	<b>3 750</b>
Deferred tax investment properties	71	153
Deferred tax interest derivatives	1	6
Fair value of interest derivatives	(3)	(28)
<b>EPRA Net reinstatement value (EPRA NRV)</b>	<b>2 919</b>	<b>3 882</b>
Outstanding shares at period end (million)	3.6	3.6
<b>EPRA NRV per share (NOK)</b>	<b>812</b>	<b>1 079</b>

### C. EPRA LOAN-TO-VALUE (EPRA LTV) METRIC

EPRA LTV is a metric to determine the percentage of net debt comparing to the appraised value of the properties.

Amounts in NOK million	31.12.2023	31.12.2022
Bond loans	2 265	3 011
Bank loans	3 240	2 682
Net Payables <sup>1)</sup>	47	80
Cash and cash equivalents	(123)	(177)
<b>Net debt</b>	<b>5 430</b>	<b>5 597</b>
Investment properties	8 336	9 447
<b>Market value of the property portfolio</b>	<b>8 336</b>	<b>9 447</b>
<b>EPRA LTV</b>	<b>65.1%</b>	<b>59.2%</b>

<sup>1)</sup>Net payables is defined as trade payables, other current and non-current liabilities, less trade receivables, and other receivables.

## DEFINITIONS

<b>Independent valuer</b>	NEWSEC, Cushman & Wakefield
<b>ICR</b>	Interest Cover Ratio, the ratio of EBITDA to Net Interest Cost.
<b>Market value of portfolio</b>	The market value of all properties owned by the parent company and subsidiaries.
<b>EPRA NAV</b>	Net Asset Value, the total equity that the company manages for its owners. Public Property Invest presents NAV calculations in line with EPRA recommendation, where the difference mainly is explained by the expected turnover of the property portfolio.
<b>Swap</b>	A swap is an agreement between two parties to exchange sequences of cash flows for a set period of time.
<b>WAULT</b>	Weighted Average Unexpired Lease Term measured as the remaining contractual rent amounts of the current lease contracts of the investment properties of the group, including areas that have been re-let and signed new contracts, adjusted for termination rights and excluding any renewal options, divided by Contractual rent, including renewed and signed new contracts.
<b>Property related expenses</b>	Property-related expenses include administrative costs related to the management of the properties as well as operating and maintenance costs.



public property invest

[publicproperty.no](http://publicproperty.no)

# ANNUAL REPORT

---

# 2022



public property invest

# CONTENT

---

3 Overview from the CEO

4 Vision

5 Key Figures

---

6 Properties

9 Growth Plan

12 Tenants

14 Tenant meetings and surveys

15 Rental conditions 2022

16 Development

18 Sustainability

20 Financing

---

23 Board of directors' report 2022

CONSOLIDATED FINANCIAL STATEMENTS - NGAAP PUBLIC PROPERTY INVEST AS

27 Consolidated income statement

28 Consolidated balance sheet

29 Notes

30 Cash flow statement

31 Notes

PARENT COMPANY FINANCIAL STATEMENTS PUBLIC PROPERTY INVEST AS

42 Revenue statement

43 Balance sheet

44 Cash flow statement

45 Notes

---

49 Auditor's Report



# FIRST FULL YEAR OF OPERATION

2022 was the company's first full year of operation. While we spent most of our time on acquisitions and integrations in 2021 and first quarter of 2022, we have dedicated the remaining three quarters of last year to the operational side of our business. Efforts have been focused on streamlining portfolio management, identifying ESG initiatives and serving tenants and suppliers. Great attention has also been allocated to developing current properties, in line with the long-term value creation plan for the company.

The company has a sound financial operation, and a clear strategy for achieving the vision of being a market leader in the owner of essential and socially beneficial property in Norway.

PPI entered 2022 with 41 properties and emerged with 48 after completing the last phase, phase 4. The company has grown rapidly and has, in Norwegian context, become relatively large. We have now reached a size that generates market attention from tenants and partners as well as a wider community. Reaching a critical mass in both property value and number of properties allows us, as an important real estate owner and operator, to exploit economies of scale and further develop the company in line with the strategy.

After an active first half of the year for commercial real estate transactions, the market then stalled after the summer. We had been expecting to make good and profitable acquisitions in the period leading up to Christmas, however, the investment climate has changed significantly since completion of phase 4. Despite constantly considering new investment opportunities with public tenants in the second half of the year, the valuation differences amid buyer and seller remained wide throughout the year. As a result, no acquisitions or divestments was completed

“ The company has grown rapidly and has, by Norwegian standards, become relatively large.

in the second half of 2022. The commercial real estate market and the credit market remain challenging well into 2023, however, challenging market environment may provide attractive opportunities for further growth.

As part of the acquisition process that was completed in the first half of 2022, we established a bank syndicate led by Nordea. Said facility is NOK 2.7bn with a margin of 181bps above the 3m NIBOR. The company's strategy is to expand the facility hand-in-hand with maturing bonds. Furthermore, in December 2022, PPI repaid the junior bond of NOK 290 million with cash at hand, after extending the bond loan by six months from June 2022. This helped reduce financial risk in a situation with volatile interest rates and an overall challenging credit market.

As a rather newly established real estate company, PPI are still in the early stages. We are eager to develop and improve for the benefit of our tenants, based on the company's core values of presence, quality and value creation.

Morten Kjeldby | CEO



public property invest

***Leaders in socially  
beneficial and  
essential property***

# Key figures

December 31st 2022

**48**

Properties

**5.4**

WALT (years)

**~ 1 860**

Gross Rent / sqm (NOK)

**310 842**

Gross Area (sqm)

**30 401**

Value / sqm (NOK)

**60,8%**

Loan to Value (LTV)

**93%**

CPI Adjustment

**90%**

Public Tenants

**9 450**

Property Value (mNOK)

**532,5**

Net Rental Income (MNOK)

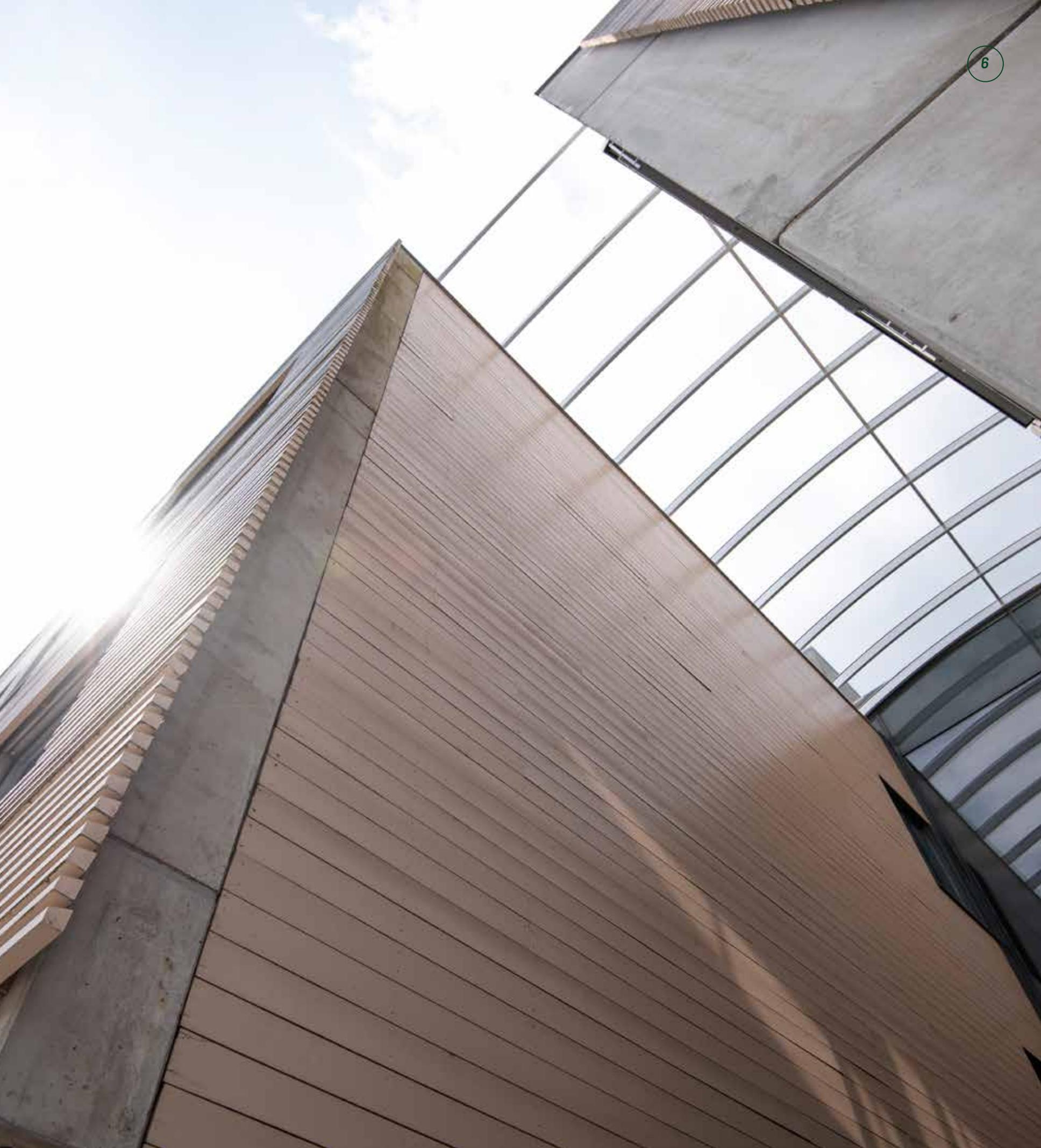
**118**

Rental agreements

# Properties

In the summer of 2022, the company acquired seven properties priced at NOK ~2bn. All properties have public tenants with important societal missions, in line with the company's strategy.

The acquisitions increased gross rental income of approximately NOK 105 million, weighted CPI adjustment and the proportion of public tenants in the portfolio.



# Properties

## New Properties in 2022



**KUNNSKAPSVEIEN 55  
LILLESTRØM**

This acquisition represents the first educational building in the company's portfolio, with OsloMet as tenant. The university rents 25,255 sqm gross, and the building is specially adapted for educational purposes.



**VOGTS GATE 17  
MOSS**

An office building in downtown Moss with 10 619 sqm gross, where the County Governor of Oslo and Viken is the largest tenant. The Civil Clearance Authority, the Police, and Viken County Municipality are the other tenants.



**RAMBERGVEIEN 5  
TØNSBERG**

Formerly an administrative building for Kaldnes Mekaniske Verksted, this property dates back to the time when there was a shipyard on the site. The building with approximately 1 000 sqm gross is strategically located next to Rambergveien 9. This development property currently has a private company as tenant.



**RAMBERGVEIEN 9  
TØNSBERG**

The property is beautifully located by the wharf in Tønsberg, with The Norwegian Directorate for Civil Protection (DSB), the Norwegian Directorate of Elections, and the Norwegian Church are tenants. The building has an area of 11 475 sqm gross.



**JÆRVEIEN 12  
SANDNES**

The building with 2 922 sqm gross is centrally located in Sandnes. The Norwegian Food Safety Authority is the largest tenant.



**ASKVEIEN 4  
HØNEFOSS**

This custom-built property is tailored to accommodate Hønefoss police station. The building has an area of 3 531 sqm gross and is centrally located in downtown Hønefoss.



**JUL PETTERSENS GATE 2  
LILLEHAMMER**

The property is a well known landmark in the city. Lillehammer Courthouse is the tenant in this building and occupy 2 500 sqm gross.

## Who are working in our buildings



### COURTHOUSES

Our courthouses are located in city center and an important part of the cityscape.



### NAV

NAV buildings are all placed in city centre and contains mainly office space.



### POLICE DEPARTMENTS

The local police houses in Norway are a part of the public security for the population. It is important to PPI to develop these buildings in a long perspective.



### MUNICIPALITIES AND COUNTIES

Our portfolio consists of buildings that are both historic and symbolic. Our tenants do an important work to keep the local politics and regulations.



### THE NORWEGIAN TAX ADMINISTRATION

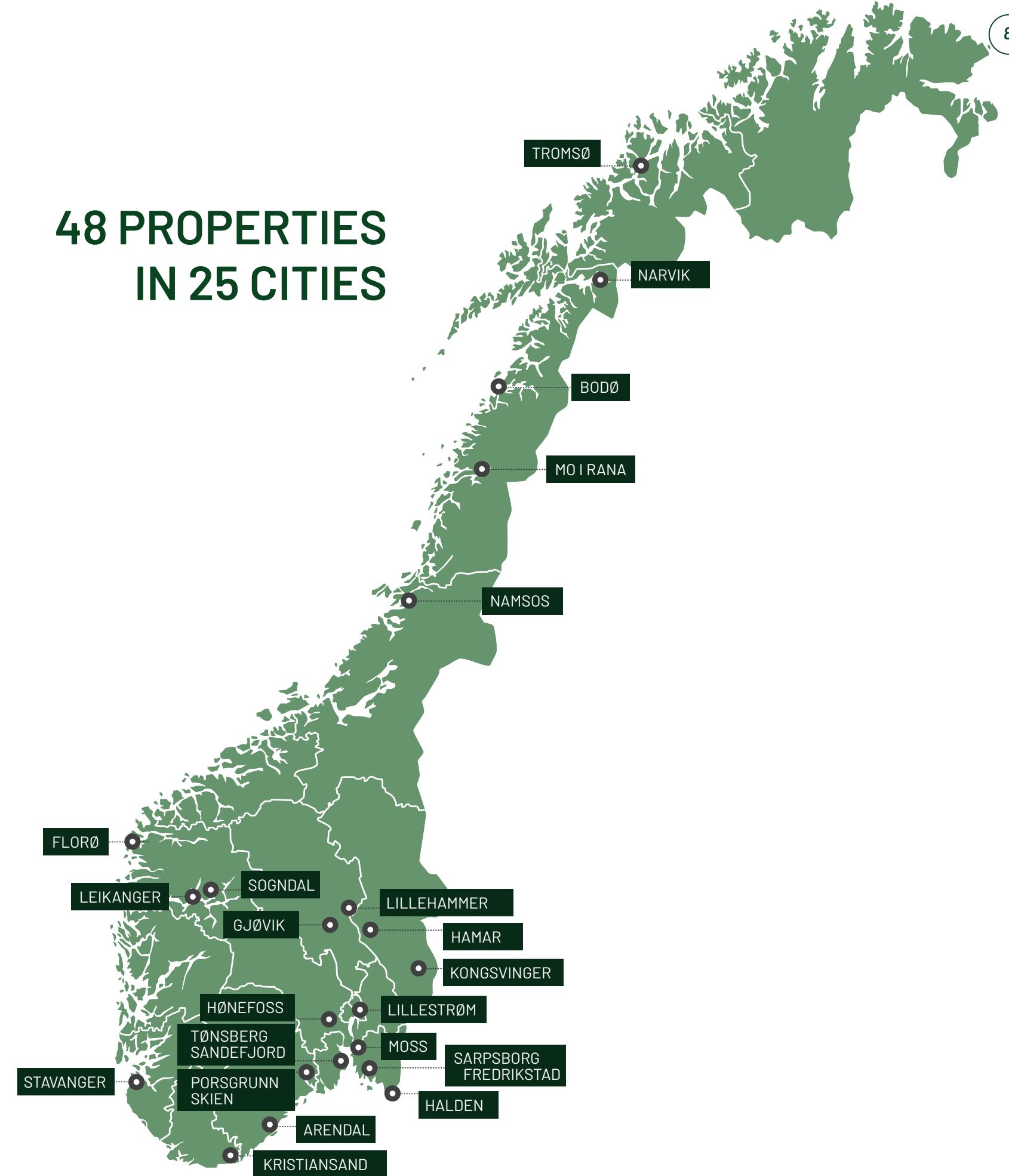
The Tax administration is a tenant in several of PPI's buildings and have both office space and space for meeting the population in our buildings.



### OTHER PROPERTIES

These buildings are city centre properties with multiple functions and private tenants, such as grocery stores, jewellery stores, banks, accounting - and lawyer companies.

## 48 PROPERTIES IN 25 CITIES



# Growth Plan | Phases

How to gain the highest possible return for the shareholders.



# Growth Plan | How to build value

How to gain the highest possible return for the shareholders.



Build brand and trust  
with shareholders,  
tenants and the market



Develop current  
properties



Utilize economies  
of scale



Appropriate level  
of ESG work



Ensure cash flow  
by extending lease  
contracts



Acquire more  
properties to  
build size



Ensure continued  
control of financing



Preserve values and  
increase the standard  
of the properties



*Through close dialogue with tenants and systematic ESG work, the company aims to offer tailored and efficient properties.*



Gyldenløves gate 23, Kristiansand

## Tenants

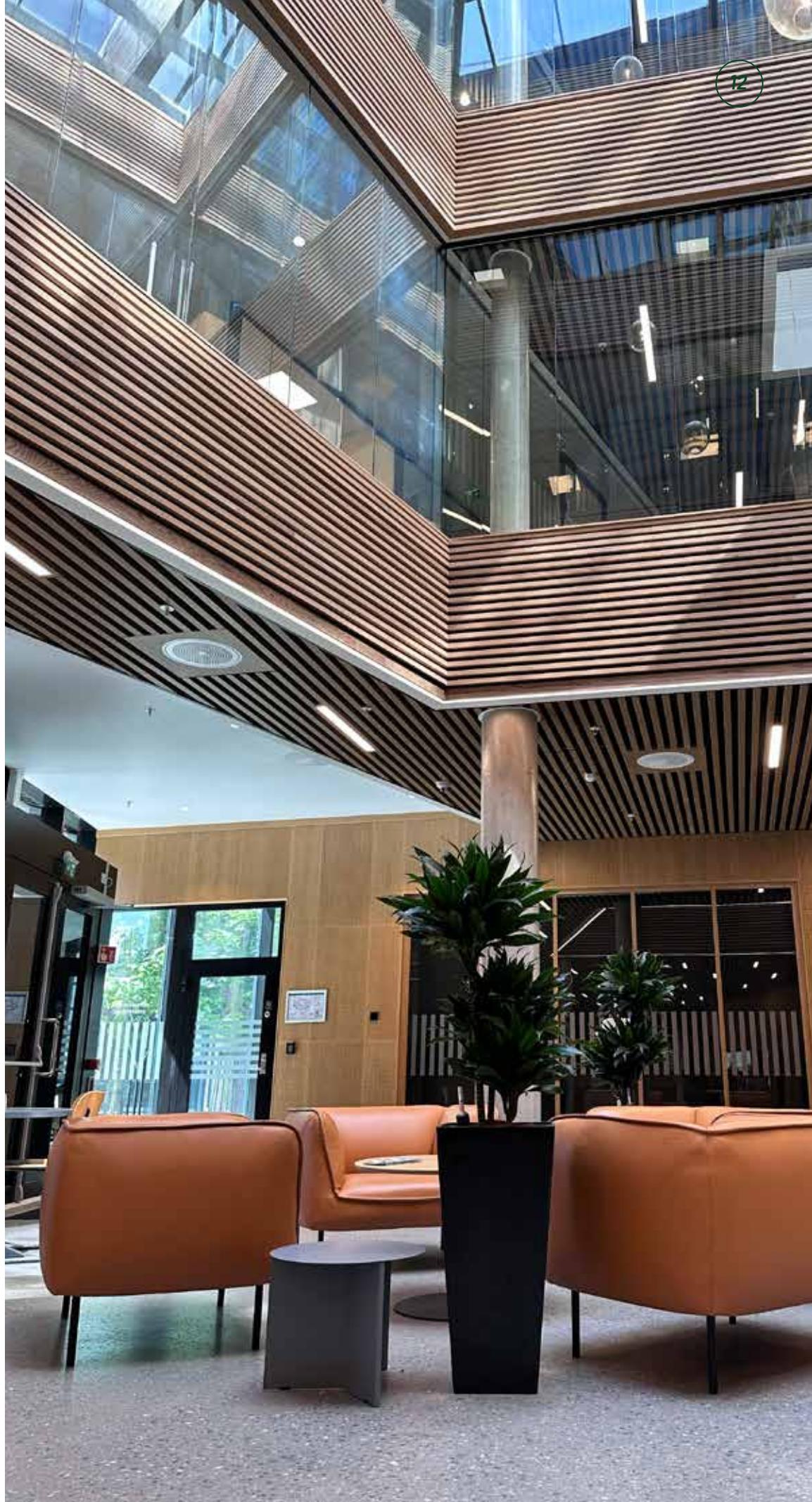
The company's strategy is to own, operate and develop commercial real estate in Norway with public tenants. 90 % of the rental income stems from public tenants while the remaining 10 % comes from the private sector.

### Public Tenants

The public tenants cover a range of important societal missions. Through our properties, PPI contribute to help our tenants fulfill their missions. This requires us, as a part of the governmental value chain, to meet the requirements and needs of our tenants, making our properties one of several strategic tools for achieving the societal missions of the Norwegian state and Norway's municipalities. Through close dialogue with tenants and systematic ESG work, the company aims to offer tailored and efficient properties.

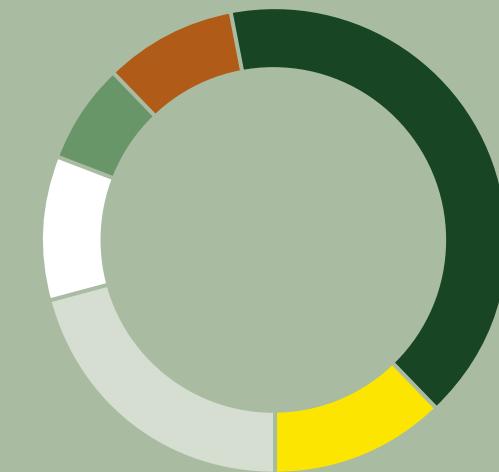
### Private Tenants

Some of the company's multi-tenant buildings house tenants from the private sector, but with the majority of the rental income coming from public tenants. While facilitating tenants from the private sector is not the company's main strategy, we are committed to ensuring that they also thrive in our buildings. Private tenants make up 10 % of the rental income, which contributes to the buildings' high occupancy rates and is an important financial contribution to the company.



***"We have the world's best tenants; the Norwegian state and Norwegian municipalities."***

## GROSS RENT DISTRIBUTION



The majority of our buildings are single-use buildings.  
Others are shared between public and private tenants.

# Tenant meetings and surveys

Rambergveien 9, Tønsberg



The company is focused on building long and good relationships with its tenants. Therefore, the company's operations team and managers have close dialogue with the tenants throughout the year.

The purpose of the tenant meetings, which are scheduled twice a year with all tenants, is to clarify any changing requirements and needs in the lease, and to further clarify the tenants' expectations of the landlord. This provides valuable insight into how the company ensures both satisfied tenants and that the company develops in line with tenant expectations. The goal is to increase the likelihood that tenants will renegotiate their lease agreement upon contract expiration.

Every fall, a tenant survey is distributed through Norsk Leietakerindeks, asking all tenants to answer questions about their satisfaction with their lease, the property, the operation of common areas, and the landlord. The results of the survey are analyzed before the company sets its goals for the next 12 months.

These three goals will ensure that tenants experience a predictable everyday life and easy dialogue with the landlord. The likelihood is high that the degree of tenant satisfaction will increase throughout the period of the lease, which will in turn ensure better scores for "customer satisfaction".



*For the current period, from 2022 to 2023, three goals have been set:*

1.

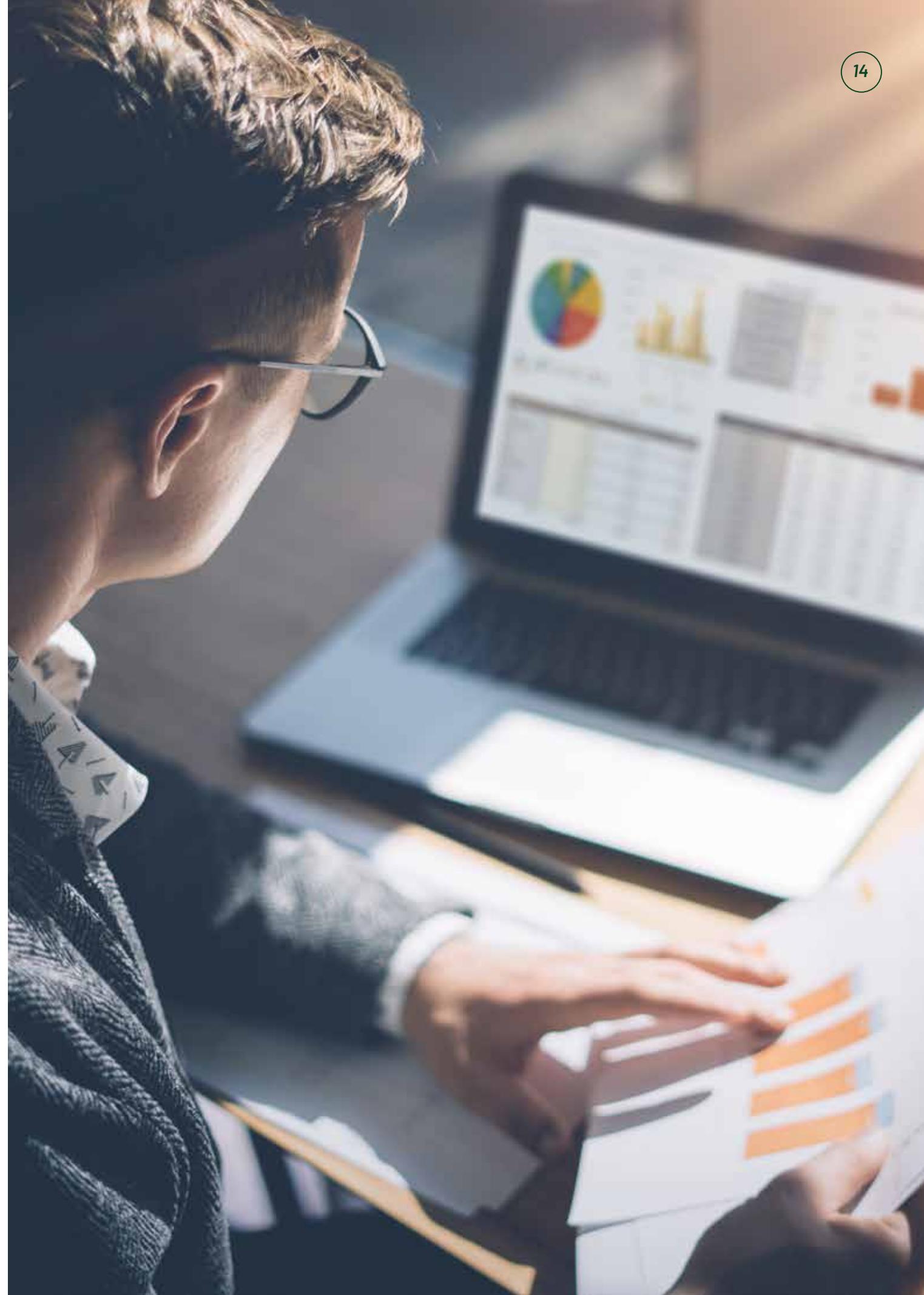
*Ensure that tenants have fixed contact persons.*

2.

*Close dialogue and rapid feedback to tenants.*

3.

*Good information to tenants about the operation of the property.*



## Rental conditions

By focusing on increasing the cash flow, we've been able to achieve a growth in net leasing rate from 2021 to 2022.

With this year's renegotiations and new lease agreements, we have increased the average lease term in our portfolio, which now stands at 5.4 years.

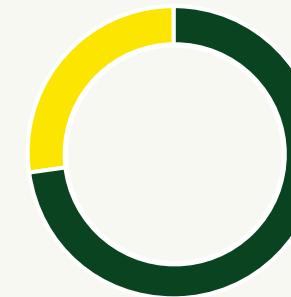
### EXTENDED LEASE HOLDS IN 2022

Average lease term

**6.7**  
YEARS

Recurring annualized rent

**~19**  
MNOK



#### TENANT SPLIT

- 27% Private Tenants
- 73 % Public Tenants

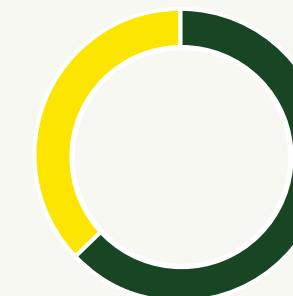
### NEW LEASE HOLDS IN 2022

Average lease term

**7.4**  
YEARS

Recurring annualized rent

**~10**  
MNOK



#### TENANT SPLIT

- 37% Private Tenants
- 63 % Public Tenants

### OUR LARGEST LEASE CONTRACTS

Tenants - December 31st 2022	Annualized rent NOK	Number of sqm.	CPI adjustment	Avg. Lease Period Year
OsloMet	55 856 254	27 095	100 %	31.12.2024
Kristiansand Kommune	33 248 523	11 751	100 %	31.03.2025
Øst Politidistrikt	26 144 951	15 142	100 %	31.12.2026
Domstoladministrasjonen	25 146 295	12 941	84 %	30.10.2028
Politiets fellestjenester	23 876 531	14 027	87 %	15.10.2030
Statistisk Sentralbyrå	18 630 318	12 638	80 %	15.07.2025
Direktoratet for Samfunnssikkerhet og Beredskap	17 042 920	8 466	80 %	30.06.2030
Sør-Øst Politidistrikt	16 847 742	8 700	80 %	01.04.2028
Sykehuset i Vestfold HF	12,865 043	4 891	100 %	01.03.2027
Nav Agder	12 165 737	6 799	92 %	01.03.2027
Vest Politidistrikt	11 915 171	6 200	90 %	31.12.2030
Various	324 768 905	182 192		
<b>Sum / Weighted average</b>	<b>578 508 391</b>	<b>310 842</b>	<b>93 %</b>	<b>5.4</b>

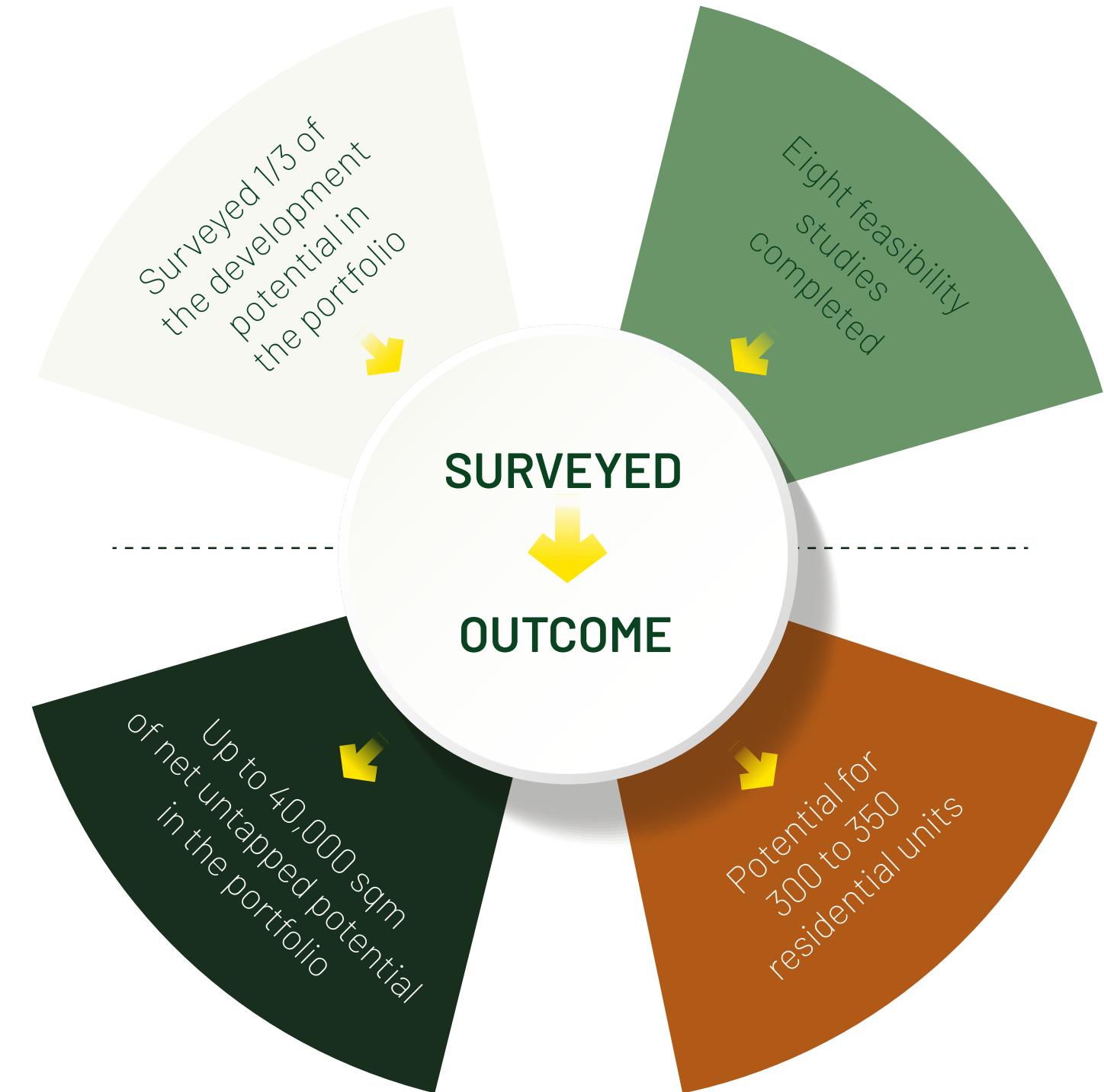
Development of current properties is one of the strategies for increasing the value of the company and create the highest possible return for shareholders. The development team has prioritized

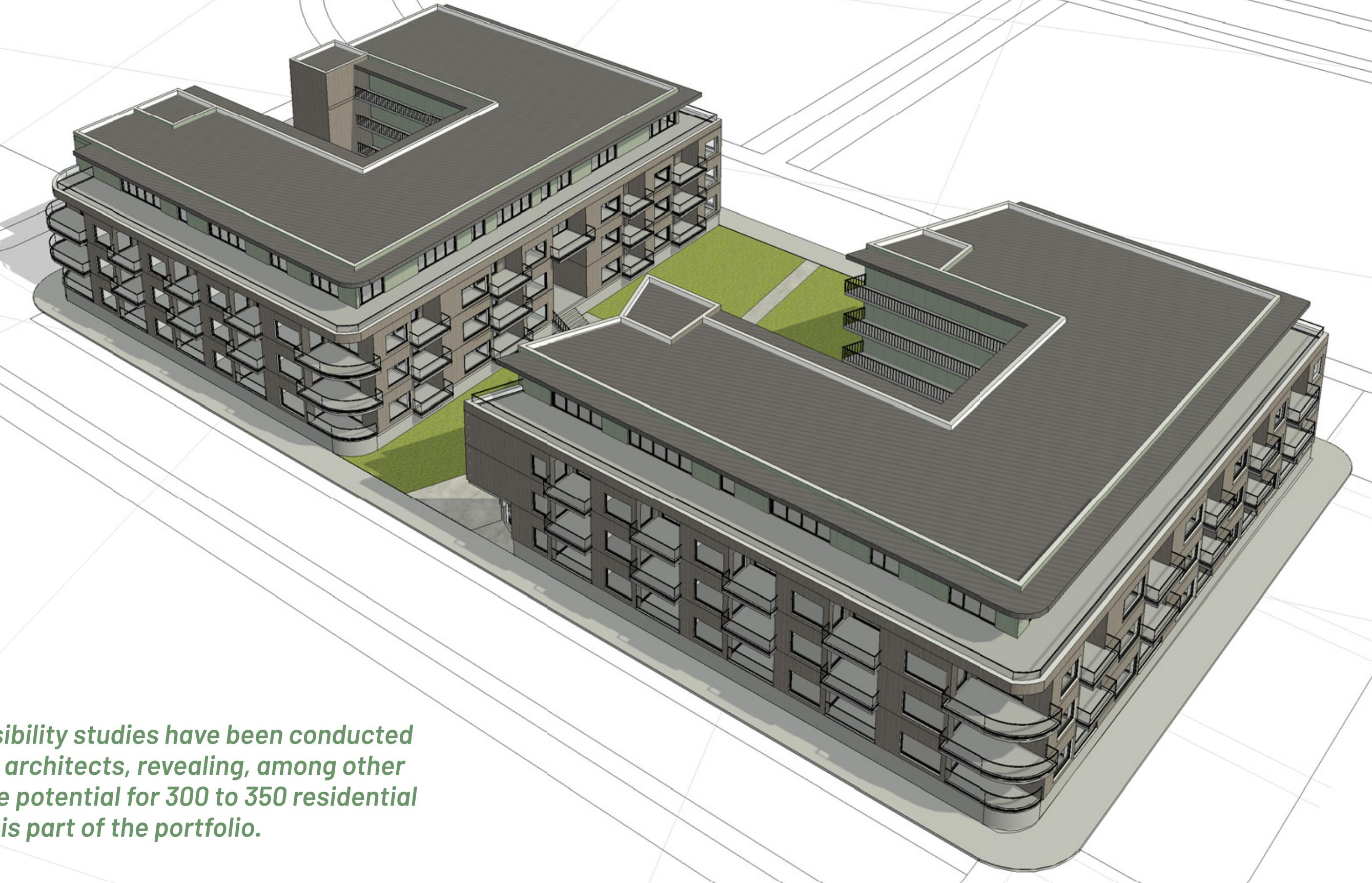
## Development

properties where public regulatory processes provoke attention, as well as properties with shorter time to contract expiration. This work can include upgrades of existing buildings, extensions, or new construction within both commercial and residential sectors.

Throughout 2022, the development potential of 1/3 of the property portfolio has been surveyed. The preliminary conclusion is that up to 40 000 sqm of net potential, equivalent to ~13 % of current building mass, is untapped. Studies have been conducted with local architects, revealing, among other things, the potential for 300 to 350 residential units in this part of the portfolio. During 2023,

the development team will survey the development potential of the remaining 2/3 of the portfolio and begin development of the remaining properties with the highest value development.





**Eight feasibility studies have been conducted with local architects, revealing, among other things, the potential for 300 to 350 residential units in this part of the portfolio.**

# Sustainability

Throughout 2022 our work on sustainability has consisted of establishing an overview and baseline of the portfolio, risk and strategy work, and conducting due diligence in accordance with the Transparency Act.

## Sustainability

Throughout 2022 our work on sustainability has consisted of establishing an overview and baseline of the portfolio, risk and strategy work, and conducting due diligence in accordance with the Transparency Act. The work has provided insight, increased competence and established a better understanding of sustainability within the company. Through this work we have established an understanding of the importance of including climate, environmental, social and business ethics in the risk management of the company and in the overall strategy. In 2022, we have also learned that our financial partners increasingly demand plans and measures related to sustainability, and we expect this to be an increasing trend in the future.

As new regulations are being developed and implemented within the EU and nationally, our company needs to be aligned with the market and establish an

awareness and understanding of the consequences both short and long term.

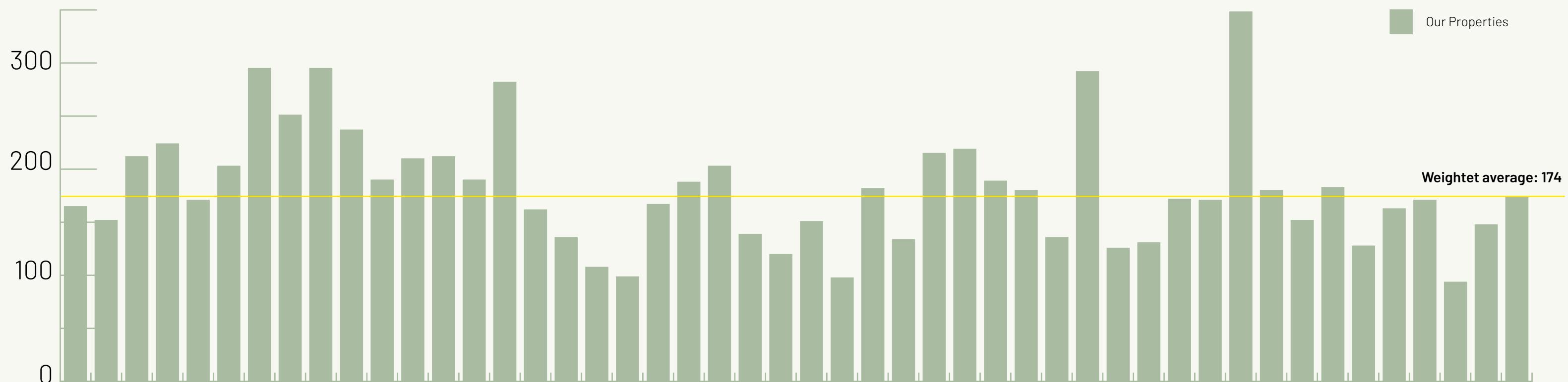
We expect increasing demands from our tenants regarding sustainable buildings, and our development will be dependent on how we manage to deliver on these expectations.

## Environmental

Throughout 2022 our main priority has been to establish comprehensive baselines for all 48 properties. We have carried out a diligent gathering and mapping of data on energy, waste and water usage over the past five years, creating a robust foundation for comparison. These baselines will serve as benchmarks against which we can evaluate our progress in reducing energy use, water consumption and waste for each asset. This enables us to calculate the baseline for CO2-emissions for our portfolio using the GHG-protocol.

## Specific Energy consumption [kWh/m<sup>2</sup>/year]

Below you will find an overview of our buildings' energy consumption.





Gyldenløves gate 23, Kristiansand

**We have established an understanding of the importance of including climate, environmental, social and business ethics in the risk management of the company and in the overall strategy.**

Moving forward, we will conduct annual reviews of this process and present the results in our upcoming annual reports.

Reducing our environmental impact requires proactive measures. It demands continuous surveillance, thorough understanding and a clear perspective. To meet these requirements, we are currently implementing energy monitoring systems for all our assets. These systems will automatically gather data from electric, district heating, and cooling meters. Expert analysis of this data will enable us to effectively manage and regulate usage while promptly identifying any operational errors related to the asset's technical equipment.

Ensuring that sustainability remains a top priority, we are in the final stages of developing our strategy for the upcoming period. This strategy will incorporate key performance indicators (KPIs) focused on energy efficiency, water consumption reduction, overall CO2-emissions reduction, a sustainable material strategy, and plans for social improvements and governance enhancements.

#### Social

PPI focus diligently on ensuring good working conditions for our own as well as our partners' employees. Our board of directors consists of five members, of which two are female.

During 2022 a new set of national regulations on transparency came into force, entailing that companies of PPI's size conduct a due diligence and evaluation of stakeholders in our value chain. As a direct result of this process, we have established a channel for whistleblowing and a code of conduct for all our partners.

#### Governance

Transparency, structure and internal control mechanisms are areas we have been working on the last year, to ensure we are compliant with regulatory demands and provide a safe and stable business environment.



# Financing

Here is an overview of the company's financing and interest rate hedging instruments as of December 31st 2022.

Financing	Balance 01/01/2023	Instalments 2023	Interest rate	Expiry date
Bond Financing	1 100 000 000	-	3.00 %	23.09.2024
Bond Financing	962 000 000	-	3.48 %	23.09.2024
Bond Financing	211 000 000	-	4.16 %	01.09.2025
Bond Financing	267 000 000	-	4.40 %	07.06.2023
Bond Financing	425 000 000	-	4.22 %	18.07.2023
Bond Financing	70 000 000	-	4.35 %	08.07.2023
Bank Financing	2 697 750 000	80 392 950	5.17 %	26.06.2025
<b>Total / weighted</b>	<b>5 732 750 000</b>	<b>80 392 950</b>	<b>4.32 %</b>	

Interest rate hedging	Balance	Reference rate	Rate/cap	Expiry date
OTC Nordea IRS	238 500 000	3M NIBOR	1.34 %	30.06.2026
OTC Nordea IRS	100 000 000	3M NIBOR	1.03 %	27.03.2025
OTC Nordea IRS	150,000 000	3M NIBOR	1.65 %	18.04.2028
OTC cap (2.75%)	57 100 000	3M NIBOR	2.75 %	15.04.2024
OTC cap (2.75%)	178 875 000	3M NIBOR	2.75 %	17.04.2023
OTC Nordea IRS	313 392 500	3M NIBOR	3.46 %	30.06.2025
OTC Danske IRS	313 392 500	3M NIBOR	3.39 %	30.06.2025
<b>Total / weighted</b>	<b>1 351 260 000</b>			





# FINANCIAL STATEMENTS 2022

## PUBLIC PROPERTY INVEST AS

# Board of directors' REPORT 2022

**Public Property Invest AS is a real estate company focusing on acquiring and managing properties in Norway through its subsidiaries. The properties comprise mainly of office spaces and is primarily let to public tenants. The Group was formed when Public Property Invest AS acquired all the shares in Public Property Holding AS on 22 June 2021. The administration of Public Property Invest AS and its subsidiaries (PPI) are located in Oslo.**

## ANALYSIS OF THE ANNUAL ACCOUNTS

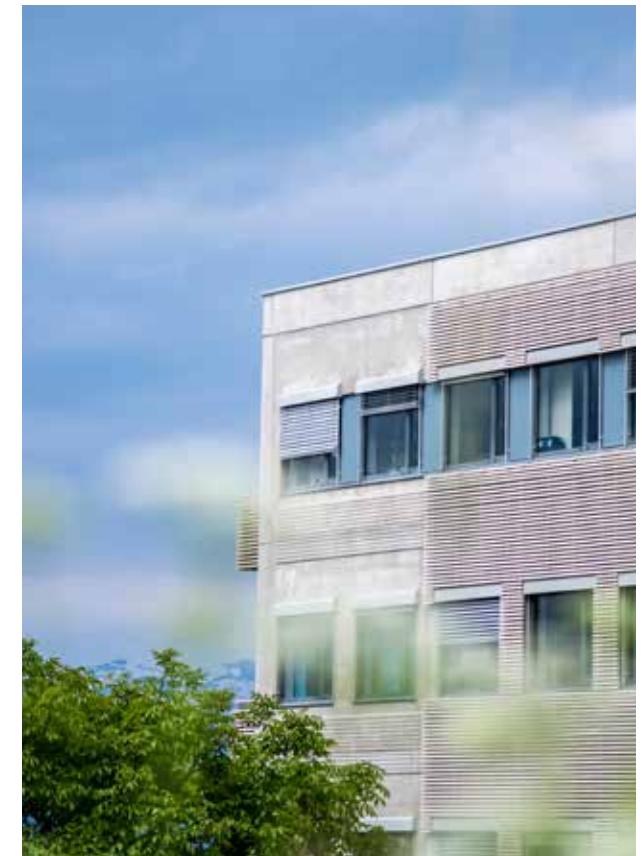
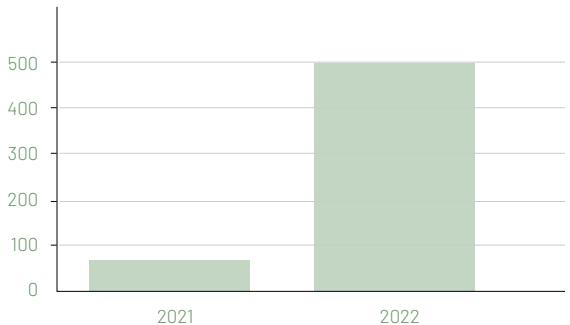
In 2022 the parent company's profit for the year was NOK - 26 855 164, compared to NOK - 1 219 688 in 2021. The main events for the parent company in 2022 was five equity issues and capital increases in Public Property Holding AS and Public Property Drift AS. The parent company had no income in 2022, employee benefit and salary expenses of NOK 4 275 477 and operating expenses of NOK 3 958 761. Compared to NOK 1 214 498 and operating expenses of NOK 350 733 in 2021. 2022 is the first full year of operations for the Group and the parent company.

Total rental income from the Group in 2022 was NOK 505,1 million, compared to NOK 67,9 million in 2021. 2022 is the first year for the Group with full rental income throughout the year for purchased properties in 2021. Operating income from acquisitions in 2022 of

Phase 4 (SBB portfolio: Kunnskapsveien 55 AS, Jærveien 12 AS, Kaldnes Park AS, Rambergveien 9 AS and Vogts Gate 17 AS), and Askveien 4 AS and Jul Pettersens Gate 2 AS are recognised in the Group income statement for a half year.

Consolidated profit for the year was NOK -168,3 million, compared to -14,2 million in 2021. Total assets as of 31 December 2022 amounted to NOK 10 786 million, compared to 8 982 million in 2021. The equity-to-assets ratio as of 31 December 2022 was 97,4% for the parent company and 31,75% for the Group, compared to 89% for the parent company and 30,7% for the Group in 2021. As evidenced by the cash flow statement, both the parent company and the Group had a positive cash flow in 2022 when considering repayment of junior bond amounting to NOK 290 million, and the liquidity status at

**Total rental income from the Group in 2022 was NOK 505,1 million, compared to NOK 67,9 million in 2021.**



Njøsavegen 2, Leikanger

year-end and through the year was satisfactory.

#### CASH FLOW

Cash flow from operating activities was NOK 121,3 million, while the Group had an operating profit before tax of NOK -215,86 million. The difference between constant current from operating activities

**Net payment in connection with investments in real estate and companies was NOK 1876 million in 2022 due to purchase of seven properties.**

and operating profit is mainly related to depreciation, impairment loss and normal time-limit items.

Net payment in connection with investments in real estate and companies was NOK 1876 million in 2022 due to purchase of seven properties. Net cash flow from financing activities was NOK 1729 million. The Group has financed the purchases in 2022 with bank loans financed with a collaboration between Nordea and Danske Bank. Moreover the Group has repaid the certificate loan of NOK 290 million. As of the end of 2022, the Group has a total liquidity of NOK 176,5 million.

#### RESEARCH AND DEVELOPMENT

Public Property Invest AS does not have any activities classified as research and development.

#### GOING CONCERN

The annual financial statements for 2022 have been prepared under the assumption that Public Property Invest AS is a going concern. The Board of Directors and the General Manager confirm that the conditions required for continuation as a going concern are fulfilled, based on the Group's results and financial position, as well as the Group's forecasts and budgets. The Group also has secured refinance of the bonds which are due in 2023.

#### RISK FACTORS AND RISK MANAGEMENT

The Group is subject to several risks, including market, operational, financial, and liquidity risks. The General Manager and the Board of Directors are working to expand the structure of the Group's risk management process.

#### MARKET RISKS

The Group is exposed to the economic cycle and macroeconomic fluctuations. The level of inflation, the rate of economic growth and changes in the market for commercial properties may materially affect the value of the property portfolio. Changes that may have an adverse effect on property values includes, among other things, reduced demand for commercial properties, reduced availability and increased cost of financing, and stagnation in the commercial property transaction market. Any material reduction in property

value would have a negative impact on the Group's future earnings and financial position.

#### OPERATIONAL RISKS

The Group owns 48 properties, and on 31 December 2022 the average remaining lease term of the rental contracts for the properties was 5.4 years. In the event the Group is unable to let its properties upon expiry or termination of lease agreements resulting in a rental shortfall, this could have a material adverse effect on the Group's earnings, cash flow and valuation of the properties. Furthermore, the Group may also be obliged to cover the common costs for the vacant areas and necessary capital expenditures related to properties may not be reduced in proportion to any reduction in rental income from that property, adding to the adverse effect on the Group's financial results and position.

The Group is also subject to the risk of tenants not being able to meet their obligations. The Group has assessed its credit risk to be low as lessees are mainly public tenants.

#### FINANCIAL RISKS

The Group's policy is to fix the interest rate on a majority of its borrowings. As at 31 December 2022, all bond loans and 50% of bank loans have a fixed interest rate. See note 13 for further information.

Failure to comply with covenants in

**As at 31 December 2022, all bond loans and 50% of bank loans have a fixed interest rate. See note 13 for further information.**

financing arrangements may result in an immediate re-payment obligation. The Group regularly monitors all relevant covenants, both in regard to the current financial position and in light of the Group's financial forecasts.

#### LIQUIDITY RISKS

The Group's liquidity risk is characterised by a potential risk of not being able to meet obligations to vendors and loan creditors. The ability to service the debt depends on the Group's cash flow from operating activities. The Group regularly monitors cash flow by setting up cash flow forecasts based on the forecasts of the liquidity reserves, including cash equivalents, and borrowing facilities. The forecasts are set by the individual subsidiaries and is regularly monitored by the Group. The Board of Directors considers the Company's and Group's liquidity as satisfactory, and it is not deemed necessary to introduce measures to reduce the liquidity risk.

#### WORKING ENVIRONMENT

The Group has one full time employee. Morten Kjeldby was appointed as Chief Executive Officer (CEO) effective from 10 October 2021. The Group had an average of 1 FTEs in 2022, and there was no

>

sick leave. The CEO is located in Oslo in the same offices as Arctic Real Estate Management AS, the group's business and property manager.

***In 2022 the Group has initiated further analysis of all its properties in order to determine opportunities to reduce any adverse effect the properties may have on their environment and improve sustainability throughout the property portfolio.***

#### **EQUAL OPPORTUNITIES**

PPI is committed to ensure that treatment of employees, or upon recruitment, is equal irrespective of ethnicity, gender, sexual orientation, age, religion or faith. The corporate team has one male employee. The Board of Directors has three male and two female members.

#### **BOARD INSURANCE**

Public Property Invest AS has taken out directors' liability insurance for the Group and subsidiaries. The insurance covers the Board of Directors' and the General Manager's legal personal liability for financial damage caused by the performance of their duties.

#### **EXTERNAL ENVIRONMENT**

The Group aims to run a sustainable operation. The operations have limited impact on the external environment. The activities

of the Group are not subject to licensing requirements or orders of an environmental nature. In 2022 the Group has initiated further analysis of all its properties in order to determine opportunities to reduce any adverse effect the properties may have on their environment and improve sustainability throughout the property portfolio. Moreover, the Group has initiated measures to reduce environmental impact of buildings.

#### **OUTLOOK**

PPI delivered strong growth in 2022, acquiring a total of 7 properties. Going into 2023 the Group continues to build a strong organisation to manage the Group's current portfolio as well as an attractive pipeline of opportunities. The boards opinion is that the Group has a sound financial position and strong relationships with valuable collaborating partners forming a solid platform for further growth.

#### **TRANSPARENCY ACT**

The company and the Group will report on enterprises' transparency and work on fundamental human rights and decent working conditions.

The report will be published at [publicproperty.no](http://publicproperty.no) before 30 June 2023.

**OSLO, NORWAY, 16 JUNE 2023**

**THE BOARD OF DIRECTORS AND CEO  
PUBLIC PROPERTY INVEST AS**

---

Kenneth Frode Goovaerts Bern  
Chair of the board

---

Arnt Rolf Hillestad  
Member of the board

---

Henrik Melder  
Member of the board

---

Gerd Ylva Göransson  
Member of the board

---

Silje Cathrine Hauland  
Member of the board

---

Morten Kjeldby  
General Manager



# CONSOLIDATED FINANCIAL STATEMENTS - NGAAP PUBLIC PROPERTY INVEST AS

## CONSOLIDATED INCOME STATEMENT

Operating income and operating expenses	Note	2022	2021
Rental income		505 083 196	67 898 007
Other operating income		508 750	681 250
<b>Total income</b>		<b>505 591 946</b>	<b>68 579 257</b>
Payroll expenses	2	4 275 477	1 214 498
Depreciation and amortisation expense	3	210 811 379	21 871 917
Impairment loss		187 864 916	0
Other operating expenses	5	94 635 507	10 986 714
<b>Total expenses</b>		<b>497 587 279</b>	<b>34 073 130</b>
<b>Operating profit</b>		<b>8 004 667</b>	<b>34 506 127</b>
<b>Financial income and expenses</b>			
Other interest income		2 160 686	119 370
Other financial income		158 440	105
Interest expenses	6	226 176 093	52 550 601
Financial expenses	6	3 386	333 414
<b>Net financial items</b>		<b>-223 860 353</b>	<b>-52 764 541</b>
<b>Net profit before tax</b>		<b>-215 855 686</b>	<b>-18 258 414</b>
Income tax expense	7	-47 577 478	-4 087 484
<b>Net profit after tax</b>		<b>-168 278 208</b>	<b>-14 170 929</b>
<b>Net profit or loss</b>		<b>-168 278 208</b>	<b>-14 170 929</b>
<b>Majority share</b>		<b>-168 278 208</b>	<b>-14 170 929</b>
<b>Attributable to</b>			
Transferred from other equity		168 278 208	14 170 929
<b>Total allocated</b>		<b>-168 278 208</b>	<b>-14 170 929</b>

*In 2022 the parent company's profit for the year was NOK - 26 855 164, compared to NOK - 1 219 688 in 2021.*

## CONSOLIDATED BALANCE SHEET

Assets		Note	2022	2021
Non-current assets				
Tangible non-current assets				
Buildings and land	3, 4, 8	10 571 009 131	8 460 640 294	
<b>Total tangible non-current assets</b>	<b>3, 4, 8</b>	<b>10 571 009 131</b>	<b>8 460 640 294</b>	
Non-current financial assets				
Investments in shares		0	20 600	
Other long-term receivables		6 596 428	7 530 026	
<b>Total financial fixed assets</b>		<b>6 596 428</b>	<b>7 550 626</b>	
<b>Total non-current assets</b>		<b>10 577 605 558</b>	<b>8 468 190 920</b>	
Current assets		Note	2022	2021
Debtors				
Accounts receivables		12 576 965	5 981 889	
Other short-term receivables		20 055 521	12 349 561	
Demand on payment of sharecapital	9	0	293 876 182	
<b>Total debtors</b>		<b>32 632 486</b>	<b>312 207 631</b>	
Cash and cash equivalents	10	176 504 792	201 973 518	
<b>Total current assets</b>		<b>209 137 278</b>	<b>514 181 150</b>	
<b>Total assets</b>		<b>10 786 742 836</b>	<b>8 982 372 070</b>	

Equity and liabilities		Note	2022	2021
Paid-in capital				
Share capital		11	3 596 583	2 365 289
Share premium reserve		11	3 591 130 552	2 319 244 273
Not registered capital changes		11	0	379 326 934
<b>Total paid-up equity</b>		<b>11</b>	<b>3 594 727 134</b>	<b>2 700 936 497</b>
Retained earnings				
Other equity		11	-170 348 954	-2 779 605
<b>Total retained earnings</b>			<b>-170 348 954</b>	<b>-2 779 605</b>
Minority interest			0	63 803 534
<b>Total equity</b>			<b>3 424 378 180</b>	<b>2 761 960 426</b>
Liabilities				
Provisions				
Deferred tax		7	1 543 292 607	980 544 826
Other provisions			746 510	663 530
<b>Total provisions</b>			<b>1 544 039 117</b>	<b>981 208 356</b>
Other non-current liabilities				
Bonds		13	3 011 221 443	2 994 276 895
Liabilities to financial institutions		13	2 681 921 501	1 423 992 185
Debt to shareholders		13	0	126 140 264
Other non-current liabilities			39 204 415	27 350 115
<b>Total non-current liabilities</b>			<b>5 732 347 359</b>	<b>4 571 759 459</b>
Other non-current liabilities				
Certificate loans		13	0	290 000 000
Trade payables			20 556 509	149 793 445
Tax payable			0	227 489
Public duties payable			666 649	927 992
Other current liabilities		13	64 755 021	226 494 903
<b>Total current liabilities</b>			<b>85 978 180</b>	<b>667 443 829</b>
<b>Total liabilities</b>			<b>7 362 364 656</b>	<b>6 220 411 644</b>
<b>Total equity and liabilities</b>			<b>10 786 742 836</b>	<b>8 982 372 070</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Accounting principles

The financial statements comprise of the income statement, balance sheet, cash flow and notes and are prepared in accordance with accounting, company law and generally accepted accounting principles in Norway. The financial statements are based on the basic principles of historical cost. Transactions are booked at the value of the consideration on the transaction date.

## General information

Public Property Invest AS (the "Company") and its subsidiaries' (together, the "Group") business is related to ownership of properties in Norway, and rental of office spaces, primarily to public tenants. The Company was incorporated 16 August 2018, and is domiciled in Oslo, Norway. The Company has one employee. On 22 June 2021, the Company acquired all the shares in Public Property Holding AS. Following the acquisitions, the Group was formed.

## Revenues

Rental income is recognised at fair value of the consideration, net after deduction of VAT, discounts, and reductions. Rental income is taken to income in line with the rental period in accordance with rental agreements. Interest income is recognised as it accrues. Other revenue is recognised when earned and expenses are matched with earned income. Conditional losses that are probable and quantifiable are expensed. Tenants' adaptions that are paid for by the tenant, but which revert to the company in expiry of the lease period, are calculated as long-term operating assets in the balance sheet against a contra item under other short-term liabilities for accrual as lease

income during the lease period.

## Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalments on long term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

## Fixed assets

Land is not depreciated. Other fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

## Current Assets & Liabilities

Current assets are valued at the lowest of acquisition cost and fair value. Short term debt is capitalised at the nominal amount at the time of borrowing. Fixed assets are valued at acquisition costs. Other fixed assets than operating assets are written down to fair value in the event of a decrease in value that is not expected to be temporary. Long-

term debt is capitalised net of establishment cost at the time of establishment. Establishment cost is amortised over the commitment period. Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

## Derivatives

When hedging future interest costs, where the hedging instruments are to hedge the group against variations in future cash flows, the hedging instrument is not booked in the balance sheet as long as the hedging is considered to be effective. Gains or losses are recognised as net interest income or interest expense, in line with the recognition of the hedged item in the income statement

## Investments in other companies

The cost method is applied to investments in other companies. Transaction costs are included in the cost price. Companies acquired or sold during the year are included in the consolidated financial statements from the date that control is achieved and until control ceases. On consolidation, the parent company shares in subsidiaries replaced with the subsidiaries' assets and liabilities and are grouped according to the same principles as the parent company accounts.

Subsidiaries are all entities over which the Group has control. See note 6 for a comprehensive list of subsidiaries. Control of an entity occurs when the Group is exposed to, or has rights to, variable re-

turns 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 day on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are taken directly as deduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies is reflected as financial income when it has been approved.

Inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting principles.

## Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the

value in use.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

## Cash flow

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits.

## Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry-forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

## CASH FLOW STATEMENT

Cash flow from operating activities	Note	2022	2021
Profit before tax		-215 855 686	-18 258 414
Paid tax for the period		-227 489	0
Amortization and depreciation	3	210 811 379	21 871 917
Write-downs related to properties		187 864 916	0
Change in current assets*		-5 344 352	1 778 638
Change in current liabilities*		-55 379 071	46 536 052
Change in other working capital*		-20 647 245	30 769 142
Financial costs in profit before tax without cash effect		20 080 364	0
<b>Net cash flow from operating activities</b>		<b>121 302 816</b>	<b>82 697 336</b>
Cash flow from investment activities			
Payments related to purchase of properties*	3,6,13	-1 876 485 050	-4 020 283 562
<b>Net cash flow from investment activities</b>		<b>-1 876 485 050</b>	<b>-4 020 283 562</b>
Cash flow from financing activities			
Repayment of certificate loans		-290 000 000	0
Proceeds from bonds and loans from financial institutions**	11	1 273 757 815	2 419 500 000
Transaction costs on issuance of bonds / loans	11	-18 964 315	-40 723 105
Paid in capital increase***	5	868 148 918	1 792 708 688
Capital reduction		0	-33 430
Transaction costs on capital increase		-103 228 910	-31 925 953
<b>Net cash flow from financing activities</b>		<b>1 729 713 508</b>	<b>4 139 526 200</b>
<b>Net change in liquidity in the period</b>		<b>-25 468 726</b>	<b>201 939 974</b>
Cash and cash equivalents at beginning of period		201 973 518	33 544
<b>Cash and cash equivalents at end of period</b>		<b>176 504 792</b>	<b>201 973 518</b>
The cash and cash equivalents relates to:			
Cash and bank deposits		176 504 792	201 973 518

\*\* Ingoing balances on purchased properties throughout the year have been netted towards change in assets/liabilities/working capital and payments related to purchase of properties.

\*\* Only bankloans that have been issued throughout the year have been counted towards the amount presented. The refinancing of existing bank loans, and the new bank loan is netted after amortization.

\*\*\* The Group has issued both cash and non-cash distributions throughout the year. Only the cash issued is counted towards the presented amount. Moreover, the capital increase per December 2021, amount of MNOK 293 was settled in January 2022.

## NOTE 2 PERSONELL EXPENSES

### Board of Directors

NOK	Position	Board Fee
Kenneth Frode Goovaerts Bern	Board Chairman	200 000
Gerd Ylva Göransson	Board Member	110 000
Henrik Melder	Board Member	110 000
Arnt Rolf Hillestad	Board Member	110 000
Silje Cathrine Hauland	Board Member	110 000
<b>Total</b>		<b>640 000</b>

The company had one single employee in the financial year.

The CEO is awarded an annual bonus of NOK 750.000 as synthetic shares based on market price of the company shares 31.12. The cost in 2022 also include an added bonus compensation for 2021.

No loans have been granted or guarantees given to the board or other related parties.

The company has a group pension insurance that covers the employee.

The scheme is a defined contribution scheme. The company's pension schemes satisfy the requirements of the OTP - Mandatory Occupational Pensions Scheme.

## NOTE 3 LAND, BUILDINGS AND OTHER REAL ESTATE

### Executive Management

Name / Position	Salary	Social security fees	Other	Bonus inc social security fees	Total Compensation
Morten Kjeldby / Chief Executive Officer	1518 462	214 103	114 284	1 681 363	3 528 212

	Land	Buildings	Technical installations / Fixtures and fittings	Construction in progress	Total
<b>Cost at 01.01.2022</b>	<b>999 478 030</b>	<b>6 996 953 520</b>	<b>454 679 775</b>	<b>9 528 971</b>	<b>8 460 640 294</b>
Additions purchased throughout the year	329 397 758	2 161 752 841	3 884 980	2 824 738	2 497 860 317
Additions	-	10 225 794	7 579 262	15 599 902	33 404 958
Disposals		-247 497	-100 729		-348 226
<b>Cost at 31.12.2022</b>	<b>1 328 875 788</b>	<b>9 168 684 658</b>	<b>466 043 288</b>	<b>27 953 611</b>	<b>10 991 557 344</b>
Accumulated depreciation	-	178 856 346	53 826 951	-	232 683 297
Accumulated write-down	6 955 505	180 909 411	-	-	187 864 916
<b>Booked value 31.12</b>	<b>1 321 920 283</b>	<b>8 808 918 901</b>	<b>412 216 337</b>	<b>27 953 611</b>	<b>10 571 009 131</b>
Depreciation for the period	0	163 978 788	46 832 592	0	210 811 380
Reversal of previous years write-downs	0	0	0	0	0
Depreciation principle	N/A	Straight line	Straight line	N/A	
Economic life		50	5 - 10 years		

"During the year the company has considered whether remaining useful lives of the company's fixed assets correspond to remaining depreciation period. A weighted average is set for the Group for the remaining depreciation period. The economic life on buildings is changed from 55 years in 2021 to 50 years in 2022.

There are no significant operational leases as of 31.12.2022. The write-down is related to Otervegen 23, where the main tenant Statistisk Sentralbyrå Kongsvinger decided not to renew their tenancy on expiration in 2025. The Group is currently working on alternative uses of the property when the contract expires."

## NOTE 4

### PURCHASE OF COMMERCIAL PROPERTY

The Group has purchased the following companies in 2022:

Commercial property Companies	Ownership	Time of purchase	Purchase price shares	Related party transaction
Askveien 4 Hønefoss AS	100 %	18.05.2022	39 980 298	No
SBB-portfolio (5 properties)	100 %	29.06.2022	1367 827 844	Yes
Jul Pettersens Gate 2 AS	100 %	30.06.2022	33 054 257	No
Offentlig Eiendom AS (16 properties)	4,11% (100% total)	25.01.2022	63 094 680	No
<b>Total</b>			<b>1503 957 079</b>	

"The Group has purchased properties relating to the SBB-Portfolio from the largest shareholder SBB Samfunnsbygg AS in June 2022. The Group purchased and settled the remaining 4,11% of the Offentlig Eiendom AS portfolio in January 2022.

All purchases are purchases of commercial property companies, and the corresponding added value are allocated towards the land and buildings, hence no goodwill is allocated."

The Group has purchased the following companies in 2021:

Commercial property Companies	Ownership	Time of purchase	Purchase price shares	Related party transaction
Citizen-portfolio (8 properties)	100 %	22.06.2021	918 542 994	Yes
HGF-Invest (3 properties)	100 %	22.06.2021	110 000 000	No
Stavanger Traffic Station (1 property)	100 %	22.06.2021	21 347 963	No
Søebergkvarteret (1 property)	100 %	22.06.2021	160 977 451	No
Offentlige Bygg Namsos (2 properties)	100 %	22.06.2021	57 000 000	No
Offentlig Eiendom AS (16 properties)	33,65 %	22.06.2021	389 343 236	Yes
Halden Police & District Court (2 properties)	100 %	16.12.2021	82 342 251	No
NAV Fredrikstad (1 property)	100 %	16.12.2021	48 618 872	No
Public Portfolio (7 properties)	100 %	29.12.2021	1205 380 555	No
Offentlig Eiendom AS (16 properties)	62,24% (95,9% total)	31.12.2021	953 951 580	No
<b>Total</b>			<b>3 947 504 902</b>	

"The Group has purchased properties relating to the Citizen-Portfolio from the largest shareholder SBB Samfunnsbygg AS in June 2021. Additionally, the Group purchased 33,65% of the shares in Offentlig Eiendom AS from SBB Samfunnsbygg AS in December 2021.

All purchases are purchases of commercial property companies, and the corresponding added value are allocated towards the land and buildings, hence no goodwill is allocated."

**NOTE 5**  
**OTHER OPERATING EXPENSES**

<b>Tax expense / income</b>		<b>2022</b>		<b>2022</b>
Administrative expenses		10 567 901		2 918 758
Other property related expenses		4 964 540		146 250
Property Tax		7 482 528		
Insurance		2 802 550		
Maintenance costs		25 586 239		
Property Management		6 896 496		
Business Management		13 113 337		
Other Business Management expenses		4 777 782		
Environmental, Social and Governance costs		2 509 468		
Joint costs properties		12 307 632		
Nordic Trustee		562 027		
Audit fee		3 065 008		
<b>Total other operating expenses</b>		<b>94 635 507</b>		

Based on last year's acquisition of portfolio Offentlig Eiendom AS, a portion of the audit fee is invoices from a different auditor than the Group auditor.

Due to 2021 being the first year with Public Property Invest group accounts, comparison figures are excluded on other operating expenses.

**NOTE 6**  
**FINANCIAL EXPENSES**

The consolidated financial statements include the following subsidiaries.

<b>NOK</b>		<b>2022</b>	<b>2021</b>
Interest expenses bond Public Property Sub-Holding 1 AS		33 000 000	23 859 771
Interest expenses bond HGF Invest AS		8 728 836	4 388 958
Interest expenses bond Public Property Sub-Holding 4 AS		33 346 234	1 400 353
Interest expenses bond Castelar Projekt 22 AS		11 780 633	65 584
Interest expenses bond Public Property Sub-Holding 6 AS		17 913 750	102 236
Interest expenses bond Public Property Sub-Holding 7 AS		3 045 000	11 818
Interest expenses bank loan Offentlig Eiendom AS		75 578 646	
Interest expenses certificate Public Property Holding AS		17 814 861	14 129 444
Start-up fees related to bond loans (amortized)		24 532 788	8 592 437
Other interest expenses		435 344	-
<b>Interest expenses</b>		<b>226 176 093</b>	<b>52 550 601</b>
Financial expenses		3 386	333 414
<b>Financial expenses</b>		<b>3 386</b>	<b>333 414</b>

**NOTE 7**  
**TAX**

<b>Tax expense / income</b>		<b>2022</b>	<b>2021</b>
Tax payable		0	0
Change in deferred tax		-47 577 478	-4 087 485
<b>Total tax expense / income</b>		<b>-47 577 478</b>	<b>-4 087 485</b>

**Overview of temporary differences**

<b>Deferred Tax positions</b>	<b>Non-current assets</b>	<b>Losses Carried Forward</b>	<b>Other</b>	<b>Total</b>
Ingoing balance 01.01.2022	4 643 534 761	-218 834 264	32 321 440	4 457 021 937
Deferred tax positions acquired 30.04.2022	12 622 755			12 622 755
Deferred tax positions acquired 31.05.2022	86 339 532		814 057	87 153 589
Deffered tax from PPA	2 674 429 381			2 674 429 381
Other permanent differences		-405 580		-405 580
Recognised in profit and loss	-292 989 971	83 759 022	-6 624 737	-215 855 686
<b>Total temporary differences 31.12.22</b>	<b>7 123 936 457</b>	<b>-135 480 822</b>	<b>26 510 760</b>	<b>7 014 966 395</b>
Tax calculated on effective tax rate (22%)				1 543 292 607
<b>Net deferred tax / deferred tax receivables</b>				<b>1 543 292 607</b>

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and their carrying amounts in the consolidated financial statements. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available, against which the loss carried forward can be utilised.

## NOTE 8

### INVESTMENT IN SUBSIDIARIES

The consolidated financial statements include the following subsidiaries.

Subsidiaries	Country	Business office	Voting percentage	Ownership	Subsidiaries	Country	Business office	Voting percentage	Ownership
Public Property Drift AS	Norway	Oslo	100 %	100 %	Lervigsveien 32 og Tinngata 8 AS	Norway	Oslo	100 %	100 %
Public Property Holding AS	Norway	Oslo	100 %	100 %	Kammerherreløkka Næring B1 AS	Norway	Oslo	100 %	100 %
Public Property Sub-Holding 1 AS	Norway	Oslo	100 %	100 %	Dunderland Eiendom AS	Norway	Oslo	100 %	100 %
Røynebergsletta I Holding AS	Norway	Oslo	100 %	100 %	Sliptomta Eiendom AS	Norway	Oslo	100 %	100 %
Røynebergsletta I AS	Norway	Oslo	100 %	100 %	Mellomvika 5 AS	Norway	Oslo	100 %	100 %
Søebergkvartalet Holding AS	Norway	Oslo	100 %	100 %	Askveien 4 Hønefoss AS	Norway	Oslo	100 %	100 %
Søebergkvartalet AS	Norway	Oslo	100 %	100 %	Rambergveien 9 AS	Norway	Oslo	100 %	100 %
Gunnar Nilsens gate 25 AS	Norway	Oslo	100 %	100 %	Kaldnes Park AS	Norway	Oslo	100 %	100 %
Prins Chr. Augusts Pl. AS	Norway	Oslo	100 %	100 %	Kunnskapsveien 55 AS	Norway	Oslo	100 %	100 %
Brochs gate 3 AS	Norway	Oslo	100 %	100 %	Jærveien 12 AS	Norway	Oslo	100 %	100 %
Fjørevegen 20 AS	Norway	Oslo	100 %	100 %	Vogts Gate 17 AS	Norway	Oslo	100 %	100 %
Njøsavegen 2 AS	Norway	Oslo	100 %	100 %	Jul Pettersens gate 2 AS	Norway	Oslo	100 %	100 %
SBB Kongsvinger AS / Otervegen 23 AS	Norway	Oslo	100 %	100 %	Public Property Sub-Holding 3 AS	Norway	Oslo	100 %	100 %
Statlige Bygg AS	Norway	Oslo	100 %	100 %	HGF Invest AS	Norway	Oslo	100 %	100 %
Statlige Bygg II AS	Norway	Oslo	100 %	100 %	Ski Florø AS	Norway	Oslo	100 %	100 %
Offentlig Bygg Namsos AS	Norway	Oslo	100 %	100 %	Ski Hønefoss AS	Norway	Oslo	100 %	100 %
Sandgata Eiendom Namsos AS	Norway	Oslo	100 %	100 %	Ski Gjøvik AS	Norway	Oslo	100 %	100 %
Postgården Eiendom Namsos AS	Norway	Oslo	100 %	100 %	Public Property Sub-Holding 4 AS	Norway	Oslo	100 %	100 %
Public Property Sub-Holding 2 AS	Norway	Oslo	100 %	100 %	Anton Jenssens gate 2 AS	Norway	Oslo	100 %	100 %
Offentlig Eiendom AS	Norway	Oslo	100 %	100 %	Heian AS	Norway	Oslo	100 %	100 %
Arendal Eiendomsinvest AS	Norway	Oslo	100 %	100 %	Lillehammer Politibygg AS	Norway	Oslo	100 %	100 %
Unninvest AS	Norway	Oslo	100 %	100 %	Ibsensgate 1 AS	Norway	Oslo	100 %	100 %
Unninvest II AS	Norway	Oslo	100 %	100 %	Eiendomsgruppen Fredrikstad AS	Norway	Oslo	100 %	100 %
Unninvest III AS	Norway	Oslo	100 %	100 %	Olav V Gt 4 AS	Norway	Oslo	100 %	100 %
Stangevegen 109 Eiendom AS	Norway	Oslo	100 %	100 %	Borgergata 10 AS	Norway	Oslo	100 %	100 %
Rosenkrantzgata 17 AS	Norway	Oslo	100 %	100 %	Public Property Sub-Holding 5 AS	Norway	Oslo	100 %	100 %
Grønnegata 122 AS	Norway	Oslo	100 %	100 %	Castelar Prosjekt 22 AS	Norway	Oslo	100 %	100 %
Kvartal 48 Næring AS	Norway	Oslo	100 %	100 %	Public Property Sub-Holding 6 AS	Norway	Oslo	100 %	100 %
Haakon VII's gate 98 AS	Norway	Oslo	100 %	100 %	Gyldengården AS	Norway	Oslo	100 %	100 %
Kongensgate 14-18 AS	Norway	Oslo	100 %	100 %	Public Property Sub-Holding 7 AS	Norway	Oslo	100 %	100 %
Bernt Ankers gate 17 AS	Norway	Oslo	100 %	100 %	Leikanger Eiendom AS	Norway	Oslo	100 %	100 %

**NOTE 9**  
**DEMAND ON**  
**PAYMENT OF**  
**SHARE CAPITAL**

NOK	2022	2021
Capital Increase from SBB Samfunnsbygg AS	0	293 876 182
<b>Total demand on payment of sharecapital</b>	<b>-</b>	<b>293 876 182</b>

The Group issued equity at 27th December 2021.  
 SBB Samfunnsbygg AS settled the amount 3rd January 2022.  
 See note 5 for further information.

**NOTE 10**  
**CASH AND BANK**  
**DEPOSITS**

NOK	2022	2021
Cash and bank deposits	176 504 792	201 973 518
<b>Total cash and bank deposits</b>	<b>176 504 792</b>	<b>201 973 518</b>

Cash restricted amount of NOK 81 048 relating to  
 The Group's tax withholding account per year end.

## NOTE 11

### SHARE CAPITAL AND SHAREHOLDER INFORMATION

As of 31 December 2022, share capital amounts to NOK 3 596 583 consisting of 3 596 583 shares at face value NOK 1 per share.

	Share capital	Share premium	Not registered capital	Minority Interest	Other equity	Total
Opening balance 01.01.2022	2 365 289	2 319 244 273	379 326 934	63 803 534	-2 779 605	2 761 960 426
Capital increase 27.12.21 *	493 619	378 833 315	-379 326 934			-
Capital increase 27.01.22	29 301	29 974 923				30 004 224
Capital increase in-kind 02.03.22 **	1	126 140 263				126 140 264
Capital increase 16.05.22	504 898	543 763 614				544 268 512
Capital increase in-kind 29.06.22	203 475	214 529 069				214 732 544
Issue costs net of tax			-21 354 905			-21 354 905
Net profit for the year					-168 278 208	-168 278 208
Minority interest						-
Transactions with minorities				-63 803 534	708 859	-63 094 675
<b>Closing balance 31.12.2022</b>	<b>3 596 583</b>	<b>3 591 130 552</b>		<b>-</b>	<b>-170 348 954</b>	<b>3 424 378 180</b>

\*The Group had a capital increase on 27. December 2021 of NOK 379 326 934,- towards SBB Samfunnsbygg AS, Helse AS and Telecom. The amount was only partially settled in 2021 with the amount of NOK 85 450 752,-. The remaining amount is presented in note 7 as demand on payment of sharecapital.

\*\*The Group had a capital increase of 1 share to convert remaining debt to the main shareholder, SBB, to share capital. The capital increase corrected the price per share to the same issue price as the other investors from the prior capital increase.

Shareholders as of 31.12.2022	Number of shares	Ownership
SBB SAMFUNNSBYGG AS	1 612 386	44,83 %
HELSE AS	179 916	5,00 %
TELECOM AS	163 716	4,55 %
CHRISANIC EIENDOM AS	24 649	0,69 %
MASO HOLDING AS	20 588	0,57 %
GATEKEEPER AS	965	0,03 %
Other shareholders <1%	1 594 363	44,3 %
<b>Total</b>	<b>3 596 583</b>	<b>100,0 %</b>

#### Members of the board own indirectly the following shares:

Name	Position	Control directly	Interest
Kenneth Frode Goovaerts Bern	Board Chairman	Directly	4,55 %
Gerd Ylva Göransson	Board Member	Indirectly	44,83 %
Henrik Melder	Board Member	Indirectly	44,83 %
Arnt Rolf Hillestad	Board Member	Directly	0,57 %
Silje Cathrine Hauland	Board Member	Indirectly	0,71 %

"Henrik Melder and Ylva Göransson represent the largest shareholder with 44,83% as CEO and financial director of SBB Samfunnsbygg AS. Silje Cathrine Hauland represents 0,03% directly through Gatekeeper AS, and 0,69% indirectly as CEO of Chrisanic Eiendom AS."

## NOTE 12 TRANSACTIONS WITH RELATED PARTIES

Information related to remuneration and other transactions with the Board of Directors, included shareholders of the Company, are discussed in note 2 and note 13.

## NOTE 13 LIABILITIES

Mortgage debt	Description	Interest rate	Maturity	Carrying amount
Nordea	Term loan, MNOK 2 225	1,80% + 3M NIBOR	28.06.2025	2 202 750 000
Nordea	Term loan, MNOK 500	1,85% + 3M NIBOR	28.06.2025	495 000 000
Capitalized expenses			28.06.2025	-15 828 499
<b>Total</b>				<b>2 681 921 501</b>

The company drew a loan of NOK 2 725 million on June 29, 2022. The loan has a maturity of three years. The loan was used to refinance existing bank loans. See the company cash flow statement for further information.

Interest rate hedging	Reference rate	Interest rate / cap	Maturity	Secured amount	Market value
OTC Nordea IRS	3M NIBOR	1,34 %	30.06.2026	238 500 000	15 184 216
OTC Nordea IRS	3M NIBOR	1,03 %	27.03.2025	100 000 000	5 274 126
OTC Nordea IRS	3M NIBOR	1,65 %	18.04.2028	150 000 000	10 892 250
OTC cap (2,75%)	3M NIBOR	2,75 %	17.04.2024	57 100 000	355 008
OTC cap (2,75%)	3M NIBOR	2,75 %	15.04.2023	178 875 000	168 963
OTC Nordea IRS	3M NIBOR	3,46 %	30.06.2025	313 392 500	-2 365 542
OTC Danske Bank IRS	3M NIBOR	3,39 %	30.06.2025	313 392 500	-1 963 071
<b>Total</b>				<b>1 351 260 000</b>	<b>27 545 950</b>

## NOTE 13

### LIABILITIES

#### Mortgage debt 31.12.2022

Bond loan	Description	Interest rate	Maturity	Carrying amount
Public Property Sub-Holding 1 AS NO 0011018384	MNOK 1100	3 %	23.09.2024	1100 000 000
Capitalized expenses				-11 317 096
<b>Total</b>				<b>1 088 682 904</b>
HGF Invest AS NO 0010744352	MNOK 211	4,16 %	01.09.2025	211 000 000
Capitalized expenses				-
<b>Total</b>				<b>211 000 000</b>
Public Property Sub-Holding 4 AS NO 0011149866	MNOK 962	3,48 %	23.09.2024	962 000 000
Capitalized expenses				-10 915 191
<b>Total</b>				<b>951 084 809</b>
Castellar Projekt 22 AS NO 0010823693	MNOK 267	4,40 %	07.06.2023	267 000 000
Capitalized expenses				-
<b>Total</b>				<b>267 000 000</b>
Public Property Sub-Holding 6 AS NO 0018626225	MNOK 425	4,22 %	18.07.2023	425 000 000
Capitalized expenses				-1 356 609
<b>Total</b>				<b>423 643 391</b>
Public Property Sub-Holding 7 AS NO 0010799687	MNOK 70	4,35 %	06.07.2023	70 000 000
Capitalized expenses				-189 661
<b>Total</b>				<b>69 810 339</b>
<b>Total bond loans:</b>				<b>3 011 221 443</b>

The Group is subject to certain financial covenants and other undertakings in financing arrangements. As per 31 December 2022 the Group is in compliance with all financial covenants. The Group did repay junior bond at 23. December 2022 amounting to MNOK 290. Moreover, the Group has refinanced three bond loans expiring in June and July in 2023 with bank loans.

## NOTE 13

### LIABILITIES

#### Mortgage debt 31.12.2022

Certificate loan	Description	Interest rate	Maturity	Carrying amount
Public Property Holding AS NO 0011018384	MNOK 290	7,00 %	23.12.2022	-
<b>Total certificate loan</b>				<b>-</b>

The Group is subject to certain financial covenants and other undertakings in financing arrangements.

As per 31 December 2022 the Group is in compliance with all financial covenants. The Group did repay junior bond at 23. December 2022 amounting to MNOK 290. Moreover, the Group has refinanced three bond loans expiring in June and July in 2023 with bank loans.

Debt to shareholders 2021	Description	Interest rate	Maturity	Carrying amount
SBB Samfunnsbygg AS	MNOK 126,14	0,00 %	02.03.2022	126 140 264
<b>Total debt to shareholders</b>				<b>126 140 264</b>

"When purchasing additional shares in Offentlig Eiendom AS, there was initiated a price protection towards SBB Samfunnsbygg AS.

The amount was converted to paid in capital 2. March 2022. See note 5 for further information."

#### Other short term liabilities:

NOK		2022	2021
Sellers credit shares Offentlig Eiendom AS*		0	150 000 000
Accrued interest		22 864 351	36 827 606
Prepaid rent		0	11 397 561
Amortization bank loan		27 250 000	0
Other short term debt		14 640 670	28 269 736
<b>Other short term liabilities</b>		<b>64 755 021</b>	<b>226 494 903</b>

\*Public Property Sub-Holding 2 AS purchased 95,9% of the shares in Offentlig Eiendom AS per. 31.12.2021. The amount was settled 3rd of January 2022. Bankloan Tranche A and B were subject to amortization at 31.12.2022 which were withdrawn at 3. January 2023. The Amortization is presented as a short term liability.

# PARENT COMPANY FINANCIAL STATEMENTS PUBLIC PROPERTY INVEST AS

## REVENUE STATEMENT

Operating income and operating expenses	Note	2022	2021
Payroll expenses	1	4 275 477	1 214 498
Other operating expenses		3 958 761	350 733
<b>Total expenses</b>		<b>8 234 239</b>	<b>1 565 231</b>
Operating profit		-8 234 239	-1 565 231
<b>Financial income and expenses</b>			
Other interest income		52 354	6
Other financial income		326	0
Net financial items		52 680	6
Net profit before tax		-8 181 558	-1 565 225
Income tax expense	2	18 673 606	-345 538
Net profit after tax		-26 855 164	-1 219 688
Attributable to			
Other equity	3	-26 855 164	-1 219 688
<b>Total</b>		<b>-26 855 164</b>	<b>-1 219 688</b>



## BALANCE SHEET

Assets				Equity and liabilities			
Non-current assets	Note	2022	2021	Equity Paid-in capital	Note	2022	2021
<b>Intangible assets</b>				Share capital	3	3 596 583	2 365 289
Deferred tax assets	2	6 419 856	19 070 283	Share premium reserve	3	3 591 130 552	2 319 244 274
<b>Total intangible assets</b>		<b>6 419 856</b>	<b>19 070 283</b>	Not registered capital	3	0	379 326 934
<b>Non-current financial assets</b>				<b>Total paid-up equity</b>		<b>3 594 727 135</b>	<b>2 700 936 497</b>
Investments in subsidiaries	4	3 553 970 014	2 665 055 360	<b>Retained earnings</b>			
<b>Total non-current financial assets</b>		<b>3 553 970 014</b>	<b>2 665 055 360</b>	Other equity	3	-28 074 680	-1 219 516
<b>Total non-current assets</b>		<b>3 560 389 870</b>	<b>2 684 125 643</b>	<b>Total retained earnings</b>		<b>-28 074 680</b>	<b>-1 219 516</b>
<b>Current assets</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>	<b>Total equity</b>		<b>3 566 652 455</b>	<b>2 699 716 981</b>
<b>Debtors</b>				<b>Liabilities</b>			
Accounts receivables		36 938	0	<b>Current liabilities</b>			
Other short-term receivables		49 261	365	Trade payables		73 266	102 073 913
Receivables from group companies	6	93 018 141	48 459 524	Public duties payable		123 672	127 526
Demand on payment sharecapital	5	0	293 876 182	Liabilities to group companies	6	93 018 141	219 769 333
<b>Total receivables</b>		<b>93 104 340</b>	<b>342 336 071</b>	Other current liabilities		2 597 235	11 920 776
Cash and cash equivalents		8 970 558	7 146 815	<b>Total current liabilities</b>		<b>95 812 314</b>	<b>333 891 548</b>
<b>Total current assets</b>		<b>102 074 898</b>	<b>349 482 886</b>	<b>Total liabilities</b>		<b>95 812 314</b>	<b>333 891 548</b>
<b>Total assets</b>		<b>3 662 464 768</b>	<b>3 033 608 529</b>	<b>Total equity and liabilities</b>		<b>3 662 464 768</b>	<b>3 033 608 529</b>

OSLO, NORWAY, 16 JUNE 2023

THE BOARD OF DIRECTORS AND CEO PUBLIC PROPERTY INVEST AS

Kenneth Frode Goovaerts Bern  
Chair of the board

Arnt Rolf Hillestad  
Member of the board

Henrik Melder  
Member of the board

Gerd Ylva Göransson  
Member of the board

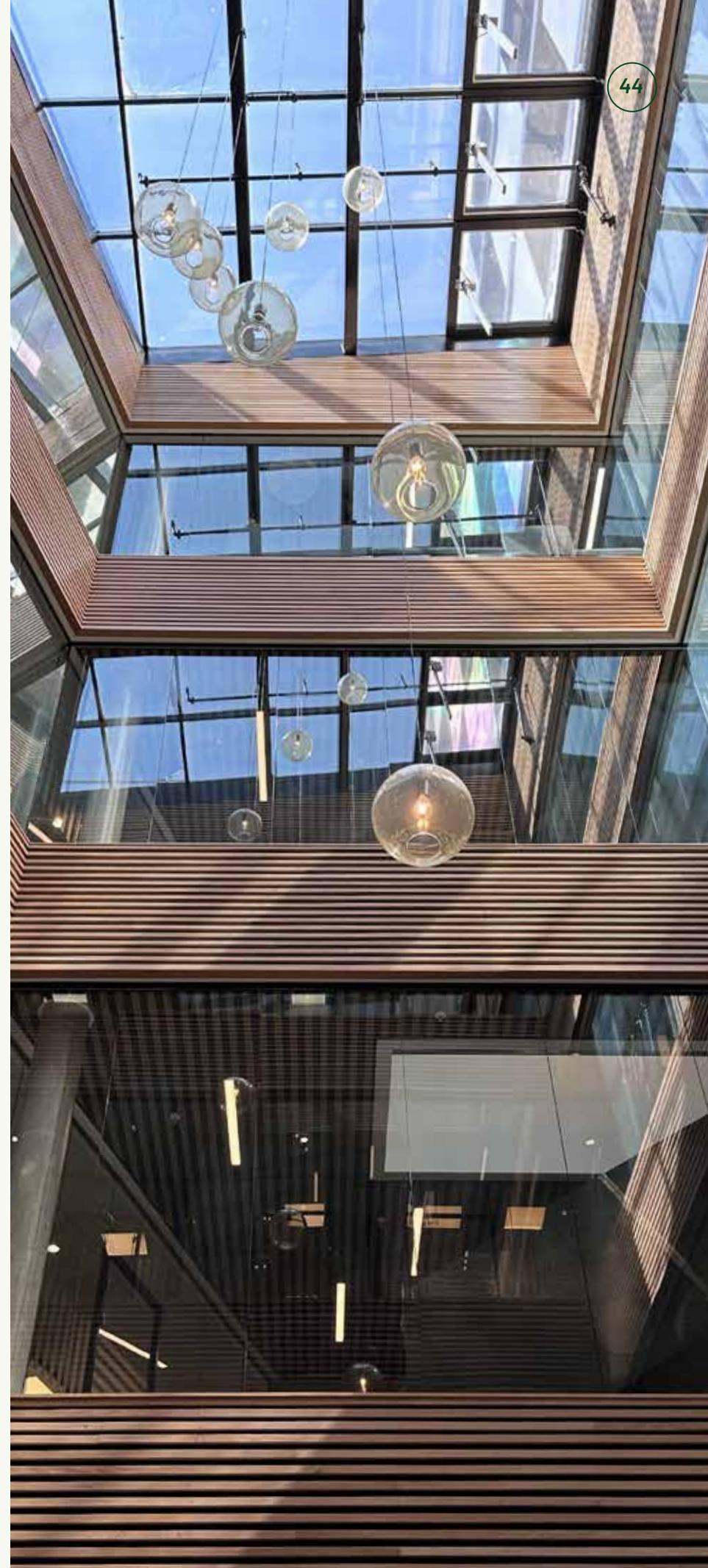
Silje Cathrine Hauland  
Member of the board

Morten Kjeldby  
General Manager

## CASH FLOW STATEMENT

	2022	2021
<b>Operating income and operating expenses</b>		
Cash flow from operating activities		
Profit before tax	-8 181 558	-1 565 225
Change in current assets	-36 938	0
Change in current liabilities*	-26 149 822	17 470
Change in other working capital*	-9 376 291	880 686
<b>Net cash flow from operational activities</b>	<b>-43 744 609</b>	<b>-667 069</b>
Cash flow from investment activities		
Payments due from group companies	48 459 524	0
Payments on the purchase of shares	-566 500 000	-1 753 317 563
<b>Net cash flow from investing activities</b>	<b>-518 040 476</b>	<b>-1 753 317 563</b>
<b>Cash flow from financing activities</b>		
Payments due to group companies	-219 769 333	348 540
Paid in capital increase*	886 607 072	1 792 708 688
Capital reduction	0	-33 430
Transaction costs on capital increase	-103 228 910	-31 925 953
<b>Net cash flow from financing activities</b>	<b>563 608 829</b>	<b>1 761 097 845</b>
<b>Net change in liquidity in the period</b>	<b>1 823 744</b>	<b>7 113 213</b>
Cash and cash equivalents at beginning of period	7 146 815	33 602
<b>Cash and cash equivalents at end of period</b>	<b>8 970 559</b>	<b>7 146 815</b>
<b>The cash and cash equivalents relates to:</b>		
<b>Cash and bank deposits</b>	<b>8 970 558</b>	<b>7 146 815</b>

\* The Group has issued both cash and non-cash distributions throughout the year. Only the cash issued is counted towards the presented amount.



## NOTE 1 PAYROLL EXPENSES

### Board of Directors

NOK	Position	Board Fee
Kenneth Frode Goovaerts Bern	Board Chairman	200 000
Gerd Ylva Göransson	Board Member	110 000
Henrik Melder	Board Member	110 000
Arnt Rolf Hillestad	Board Member	110 000
Silje Cathrine Hauland	Board Member	110 000
<b>Total</b>		<b>640 000</b>

"The company had one single employee in the financial year.

The CEO is awarded an annual bonus of NOK 750.000 as synthetic shares based on market price of the company shares 31.12. The cost in 2022 also include an added bonus compensation for 2021.

No loans have been granted or guarantees given to the board or other related parties. The company has a group pension insurance that covers all employees.

The scheme is a defined contribution scheme. The company's pension schemes satisfy the requirements of the OTP - Mandatory Occupational Pensions Scheme."

### Executive Management

Name / Position	Salary	Social security fees	Other	Bonus inc social security fees	Total Compensation
Morten Kjeldby / Chief Executive Officer	1518 462	214 103	114 284	1 681 363	3 528 212

## NOTE 2 TAX

Tax expense / income	2022	2021
Payable tax - tax effect of group contribution	0	-2 539 206
Change in deferred tax	18 673 606	2 193 668
<b>Sum skattekostnad (inntekt)</b>	<b>18 673 606</b>	<b>-345 538</b>
Taxable income	2022	2021
Profit / loss before tax	-8 181 558	-1 565 225
Permanent differences	-27 334 644	-96 654 325
Basis for tax expense for the year	-35 516 202	-98 219 550
Change in temporary differences	0	0
<b>Taxable income</b>	<b>-35 516 202</b>	<b>-98 219 550</b>
Allocation of loss to be carried forward	57 501 939	0
Group contribution received	93 018 141	11 541 846
Group contribution	0	0
<b>The year's tax base</b>	<b>0</b>	<b>-86 677 704</b>

Overview of temporary differences	Difference	2022	2021
Loss carried forward	57 501 939	29 181 163	86 683 102
Sum	57 501 939	29 181 163	86 683 102
Not included in the deferred tax calculation	0	0	0
<b>Total</b>	<b>57 501 939</b>	<b>29 181 163</b>	<b>86 683 102</b>
Deferred tax assets (22%)	12 650 427	6 419 856	19 070 283

"\*Deferred tax asset is recognised as it is probable that future taxable profits will be sufficient to utilise the tax benefit."

**NOTE 3**  
**SHARE CAPITAL**  
**AND SHAREHOLDER**  
**INFORMATION**

<b>Equity 31.12.2022</b>	<b>Share capital</b>	<b>Share premium capital</b>	<b>Not registered</b>	<b>Other equity</b>	<b>Total</b>
Opening balance per 01.01	2 365 289	2 319 244 274	379 326 934	-1 219 516	2 699 716 981
Capital increase 27.01	29 301	29 974 923			30 004 224
Capital increase 14.02	493 619	378 833 315	-379 326 934		0
Capital increase (non cash contribution) 22.02	1	126 140 263			126 140 264
Capital increase 16.05	504 898	543 763 614			544 268 512
Capital increase (non cash contribution) 29.06	203 475	214 529 069			214 732 544
Issue costs net of tax		-21 354 906			-21 354 906
Net profit of the year				-26 855 164	-26 855 164
Group contribution				0	0
<b>Closing balance 31.12.2022</b>	<b>3 596 583</b>	<b>3 591 130 552</b>	<b>0</b>	<b>-28 074 680</b>	<b>3 566 652 455</b>

**NOTE 4**  
**INVESTMENT IN**  
**SUBSIDIARIES**

<b>Subsidiaries</b>	<b>Ownership</b>	<b>"Net profit of the year"</b>	<b>Share capital</b>	<b>Carrying amount</b>
Public Property Holding AS	100%	-13 663 892	3 544 612 547	3 553 430 014
Public Property Drift AS	100%	0	533 431	540 000

The company is located in Oslo Municipality.  
The consolidated financial statements are prepared by  
Public Property Invest AS."

**NOTE 5**  
**DEMAND ON PAYMENT**  
**OF SHARECAPITAL**

<b>Demand on payment of sharecapital</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
NOK Capital increase from SBB Samfunnsbygg AS	0	293 876 182
<b>Total receivables</b>	<b>0</b>	<b>293 876 182</b>

The Group has issued equity at 27th December 2021.  
SBB Samfunnsbygg AS settled the amount 3rd January  
2022.

**NOTE 6**  
**BALANCE WITH GROUP  
 COMPANIES**

<b>Balance with group companies</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
"Receivables Public Property Holding AS"	93 018 141	11 541 846
Public Property Sub-Holding 1 AS	0	199 166
Public Property Sub-Holding 2 AS	0	8 969 313
Public Property Sub-Holding 4 AS	0	15 180 417
Public Property Sub-Holding 5 AS	0	4 658 356
Public Property Sub-Holding 6 AS	0	6 697 642
Public Property Sub-Holding 7 AS	0	1 212 784
<b>Total receivables</b>	<b>93 018 141</b>	<b>48 459 524</b>
"Debt Public Property Holding AS"	93 018 141	219 769 333
<b>Total debt</b>	<b>93 018 141</b>	<b>219 769 333</b>

The company has received a group contribution with tax effect, and given a group contribution without tax effect.

# List of Signatures

Page 1/1

**PPI Annual Report 2022.pdf**

Name	Method	Signed at
Melder, Henrik	BANKID_MOBILE	2023-06-19 13:23 GMT+02
Hillestad, Arnt Rolf	BANKID_MOBILE	2023-06-18 09:44 GMT+02
Bern, Kenneth Frode Goovaerts	BANKID_MOBILE	2023-06-18 08:37 GMT+02
Kjeldby, Morten	BANKID_MOBILE	2023-06-16 13:58 GMT+02
Hauland, Silje Cathrine	BANKID	2023-06-16 13:45 GMT+02
GÖRANSSON, GERD YLVA	BANKID_MOBILE	2023-06-19 22:18 GMT+02



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

External reference: 11E866F441534ED0B79C9AA90B76427C



To the General Meeting of Public Property Invest AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Public Property Invest AS, which comprise:

- the financial statements of the parent company Public Property Invest AS (the Company), which comprise the balance sheet as at 31 December 2022, the revenue statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Public Property Invest AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### 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.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises 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 information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the



Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements 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 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 use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

### **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 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>

Oslo, 16 June 2023  
**PricewaterhouseCoopers AS**

Chris H. Jakobsen  
State Authorised Public Accountant  
(This document is signed electronically)

## Revisjonsberetning

---

### Signers:

Name	Method	Date
Jakobsen, Chris Håvard	BANKID	2023-06-16 14:24

#### This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

**publicproperty.no**



public property invest