



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	921 563 108
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	PUBLIC PROPERTY INVEST ASA
Forretningsadresse:	Haakon VII's gate 1 0161 OSLO

### Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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### Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Morten Kjeldby
Dato for fastsettelse av årsregnskapet:	26.02.2024

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 15.08.2025



### Resultatregnskap

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Payroll expenses	1	2 911 023	4 275 477
Other operating expenses		8 927 920	3 958 761
<b>Sum kostnader</b>		<b>11 838 944</b>	<b>8 234 239</b>
<b>Driftsresultat</b>		<b>-11 838 944</b>	<b>-8 234 239</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		131 034	52 354
Other financial income			326
<b>Sum finansinntekter</b>		<b>131 034</b>	<b>52 680</b>
Write-down of long-term investments		932 319 120	
<b>Sum finanskostnader</b>		<b>932 319 120</b>	
<b>Netto finans</b>		<b>-932 188 086</b>	<b>52 680</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-944 027 030</b>	<b>-8 181 558</b>
Income tax expense	2	-2 566 515	18 673 606
<b>Ordinært resultat etter skattekostnad</b>		<b>-941 460 515</b>	<b>-26 855 164</b>
<b>Årsresultat</b>		<b>-941 460 515</b>	<b>-26 855 164</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-941 460 515</b>	<b>-26 855 164</b>
<b>Totalresultat</b>		<b>-941 460 515</b>	<b>-26 855 164</b>
<b>Overføringer og disponeringer</b>			
Other equity	3	-941 460 515	-26 855 164
<b>Sum overføringer og disponeringer</b>		<b>-941 460 515</b>	<b>-26 855 164</b>



## Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	2	961 985	6 419 856
<b>Sum immaterielle eiendeler</b>		<b>961 985</b>	<b>6 419 856</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	4	2 619 675 280	3 553 970 014
Lån til foretak i samme konsern	5		
<b>Sum finansielle anleggsmidler</b>		<b>2 619 675 280</b>	<b>3 553 970 014</b>
<b>Sum anleggsmidler</b>		<b>2 620 637 265</b>	<b>3 560 389 870</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivables			36 938
Other short-term receivables		170 577	49 261
Konsernfordringer	5	36 474 480	93 018 141
<b>Sum fordringer</b>		<b>36 645 057</b>	<b>93 104 340</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents		2 346 593	8 970 558
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 346 593</b>	<b>8 970 558</b>
<b>Sum omløpsmidler</b>		<b>38 991 650</b>	<b>102 074 898</b>
<b>SUM EIENDELER</b>		<b>2 659 628 915</b>	<b>3 662 464 768</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	3	3 596 583	3 596 583



### Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Overkurs	3	3 591 130 552	3 591 130 552
Annen innskutt egenkapital	3		
<b>Sum innskutt egenkapital</b>		<b>3 594 727 135</b>	<b>3 594 727 135</b>
<b>Opptjent egenkapital</b>			
Other equity	3	-969 535 194	-28 074 680
<b>Sum opptjent egenkapital</b>		<b>-969 535 194</b>	<b>-28 074 680</b>
<b>Sum egenkapital</b>		<b>2 625 191 940</b>	<b>3 566 652 455</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	2		
<b>Annen langsiktig gjeld</b>			
Other non-current liabilities	5		
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		2 520 298	73 266
Tax payable	2		
Public duties payable		130 415	123 672
Kortsiktig konserngjeld	5	29 274 480	93 018 141
Other current liabilities		2 511 781	2 597 235
<b>Sum kortsiktig gjeld</b>		<b>34 436 975</b>	<b>95 812 314</b>
<b>Sum gjeld</b>		<b>34 436 975</b>	<b>95 812 314</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>2 659 628 915</b>	<b>3 662 464 768</b>



### Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Rental income	6	575 317 159	503 859 592
Other income		396 668	508 750
<b>Sum inntekter</b>		<b>575 713 827</b>	<b>504 368 342</b>
<b>Kostnader</b>			
Employee benefits expense	7	2 911 023	4 275 477
Depreciation and amortisation expense			
Other expenses	7	103 141 541	94 713 184
<b>Sum kostnader</b>		<b>106 052 564</b>	<b>98 988 661</b>
<b>Driftsresultat</b>		<b>469 661 263</b>	<b>405 379 681</b>
<b>Finansinntekter og finanskostnader</b>			
Income from subsidiaries			
Annen renteinntekt	8	6 026 191	2 208 653
Other financial income	8		110 475
Increase in fair value of buildings and land			6 234 573
Increase in fair value of financial non-current assets			27 546 130
<b>Sum finansinntekter</b>		<b>6 026 191</b>	<b>36 099 831</b>
Decrease in fair value of buildings and land	5, 9	1 142 511 733	918 946 460
Annen rentekostnad		277 744 594	226 177 247
Decrease in fair value of financial non-current assets	4, 14	24 840 403	
Financial expenses	8		2 233
<b>Sum finanskostnader</b>		<b>1 445 096 730</b>	<b>1 145 125 939</b>
<b>Netto finans</b>		<b>-1 439 070 539</b>	<b>-1 109 026 109</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-969 409 276</b>	<b>-703 646 428</b>
Income tax expense	13	-69 281 332	-81 079 839
<b>Ordinært resultat etter skattekostnad</b>		<b>-900 127 944</b>	<b>-622 566 588</b>
<b>Årsresultat</b>		<b>-900 127 944</b>	<b>-622 566 588</b>



## Konsernets resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Årsresultat etter minoritetsinteresser		-900 127 944	-622 566 588
<b>Totalresultat</b>		<b>-900 127 944</b>	<b>-622 566 588</b>
<b>Overføringer og disponeringer</b>			
Other equity		-900 127 944	-622 566 588
Transferred from other equity			
<b>Sum overføringer og disponeringer</b>		<b>-900 127 944</b>	<b>-622 566 588</b>



## Konsernets balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Goodwill			
<b>Varige driftsmidler</b>			
Buildings and land	5, 9	8 336 100 001	9 447 000 000
<b>Sum varige driftsmidler</b>		<b>8 336 100 001</b>	<b>9 447 000 000</b>
<b>Finansielle anleggsmidler</b>			
Obligasjoner	10, 14	36 976 056	27 546 130
Other long-term receivables		7 030 461	6 596 427
<b>Sum finansielle anleggsmidler</b>		<b>44 006 517</b>	<b>34 142 557</b>
<b>Sum anleggsmidler</b>		<b>8 380 106 517</b>	<b>9 481 142 557</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivables	10	4 847 367	12 752 402
Other short-term receivables	10	14 850 019	20 135 670
<b>Sum fordringer</b>		<b>19 697 387</b>	<b>32 888 071</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	11	122 536 228	176 504 792
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>122 536 228</b>	<b>176 504 792</b>
<b>Sum omløpsmidler</b>		<b>142 233 615</b>	<b>209 392 863</b>
<b>SUM EIENDELER</b>		<b>8 522 340 132</b>	<b>9 690 535 421</b>

## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital



### Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Innskutt egenkapital</b>			
Share capital	12	3 596 583	3 596 583
Overkurs		3 591 130 552	3 591 130 552
<b>Sum innskutt egenkapital</b>		<b>3 594 727 135</b>	<b>3 594 727 135</b>
<b>Opptjent egenkapital</b>			
Other equity	12	-744 794 348	155 333 599
<b>Sum opptjent egenkapital</b>		<b>-744 794 348</b>	<b>155 333 599</b>
<b>Sum egenkapital</b>		<b>2 849 932 787</b>	<b>3 750 060 734</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	13	66 009 973	135 291 303
Other provisions			812 579
<b>Sum avsetninger for forpliktelser</b>		<b>66 009 973</b>	<b>136 103 882</b>
<b>Annen langsiktig gjeld</b>			
Konvertible lån	4, 10, 14	34 270 329	
Obligasjonslån	14	211 000 000	2 250 767 713
Gjeld til kredittinstitusjoner	14	3 142 067 613	2 681 921 501
Other non-current liabilities	15	22 928 636	25 060 166
<b>Sum annen langsiktig gjeld</b>		<b>3 410 266 578</b>	<b>4 957 749 380</b>
<b>Sum langsiktig gjeld</b>		<b>3 476 276 551</b>	<b>5 093 853 262</b>
<b>Kortsiktig gjeld</b>			
Sertifikatlån		2 152 020 444	760 453 730
Leverandørgjeld		16 616 978	20 556 509
Public duties payable		869 270	680 725
Other current liabilities	15	26 624 102	64 930 460
<b>Sum kortsiktig gjeld</b>		<b>2 196 130 794</b>	<b>846 621 425</b>
<b>Sum gjeld</b>		<b>5 672 407 345</b>	<b>5 940 474 687</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>8 522 340 132</b>	<b>9 690 535 421</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 321996

#### Enheten

Organisasjonsnummer: 921 563 108  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: PUBLIC PROPERTY INVEST AS  
Forretningsadresse: Haakon VIIIs gate 5  
0161 OSLO

#### Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

#### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

#### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av  
årsregnskapet til konsernet: Regnskapslovens alminnelige regler

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Morten Kjeldby  
Dato for fastsettelse av årsregnskapet: 26.02.2024

#### Revisjon

Årsregnskapet er utarbeidet av ekstern  
autorisert regnskapsfører: Ja

#### Grunnlag for avgivelse

År 2023: Årsregnskap er elektronisk innlevert.  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 09.03.2024



Organisasjonsnr: 921 563 108  
PUBLIC PROPERTY INVEST AS

## RESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Payroll expenses	1	2 911 023	4 275 477
Other operating expenses		8 927 920	3 958 761
<b>Sum kostnader</b>		<b>11 838 944</b>	<b>8 234 239</b>
<b>Driftsresultat</b>		<b>-11 838 944</b>	<b>-8 234 239</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		131 034	52 354
Other financial income			326
<b>Sum finansinntekter</b>		<b>131 034</b>	<b>52 680</b>
Write-down of long-term investments		932 319 120	
<b>Sum finanskostnader</b>		<b>932 319 120</b>	
<b>Netto finans</b>		<b>-932 188 086</b>	<b>52 680</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-944 027 030</b>	<b>-8 181 558</b>
Income tax expense	2	-2 566 515	18 673 606
<b>Ordinært resultat etter skattekostnad</b>		<b>-941 460 515</b>	<b>-26 855 164</b>
<b>Årsresultat</b>		<b>-941 460 515</b>	<b>-26 855 164</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-941 460 515</b>	<b>-26 855 164</b>
<b>Totalresultat</b>		<b>-941 460 515</b>	<b>-26 855 164</b>
<b>Overføringer og disponeringer</b>			
Other equity	3	-941 460 515	-26 855 164
<b>Sum overføringer og disponeringer</b>		<b>-941 460 515</b>	<b>-26 855 164</b>



Organisasjonsnr: 921 563 108  
PUBLIC PROPERTY INVEST AS

## BALANSE

Beløp i: NOK Note 2023 2022

### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

Utsatt skattefordel 2 961 985 6 419 856  
Sum immaterielle eiendeler 961 985 6 419 856

##### Finansielle anleggsmidler

Investering i datterselskap 4 2 619 675 280 3 553 970 014  
Lån til foretak i samme  
konsern 5  
Sum finansielle  
anleggsmidler 2 619 675 280 3 553 970 014

Sum anleggsmidler 2 620 637 265 3 560 389 870

#### Omløpsmidler

##### Varer

##### Fordringer

Accounts receivables 36 938  
Other short-term  
receivables 170 577 49 261  
Konsernfordringer 5 36 474 480 93 018 141  
Sum fordringer 36 645 057 93 104 340

##### Bankinnskudd, kontanter og lignende

Cash and cash equivalents 2 346 593 8 970 558  
Sum bankinnskudd,  
kontanter og lignende 2 346 593 8 970 558

Sum omløpsmidler 38 991 650 102 074 898

SUM EIENDELER 2 659 628 915 3 662 464 768

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

Share capital 3 3 596 583 3 596 583  
Overkurs 3 3 591 130 552 3 591 130 552  
Annen innskutt egenkapital 3  
Sum innskutt egenkapital 3 594 727 135 3 594 727 135

##### Opptjent egenkapital

Other equity 3 -969 535 194 -28 074 680  
Sum opptjent egenkapital -969 535 194 -28 074 680



<b>Sum egenkapital</b>		<b>2 625 191 940</b>	<b>3 566 652 455</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	2		
<b>Annen langsiktig gjeld</b>			
Other non-current liabilities	5		
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		2 520 298	73 266
Tax payable	2		
Public duties payable		130 415	123 672
Kortsiktig konserngjeld	5	29 274 480	93 018 141
Other current liabilities		2 511 781	2 597 235
<b>Sum kortsiktig gjeld</b>		<b>34 436 975</b>	<b>95 812 314</b>
<b>Sum gjeld</b>		<b>34 436 975</b>	<b>95 812 314</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>2 659 628 915</b>	<b>3 662 464 768</b>



Organisasjonsnr: 921 563 108  
PUBLIC PROPERTY INVEST AS

## KONSERNRESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Rental income	6	575 317 159	503 859 592
Other income		396 668	508 750
<b>Sum inntekter</b>		<b>575 713 827</b>	<b>504 368 342</b>
<b>Kostnader</b>			
Employee benefits expense	7	2 911 023	4 275 477
Depreciation and amortisation expense			
Other expenses	7	103 141 541	94 713 184
<b>Sum kostnader</b>		<b>106 052 564</b>	<b>98 988 661</b>
<b>Driftsresultat</b>		<b>469 661 263</b>	<b>405 379 681</b>
<b>Finansinntekter og finanskostnader</b>			
Income from subsidiaries			
Annen renteinntekt	8	6 026 191	2 208 653
Other financial income	8		110 475
Increase in fair value of buildings and land			6 234 573
Increase in fair value of financial non-current assets			27 546 130
<b>Sum finansinntekter</b>		<b>6 026 191</b>	<b>36 099 831</b>
Decrease in fair value of buildings and land			
Annen rentekostnad	5, 9	1 142 511 733	918 946 460
Decrease in fair value of financial non-current assets		277 744 594	226 177 247
Financial expenses	4, 14 8	24 840 403	2 233
<b>Sum finanskostnader</b>		<b>1 445 096 730</b>	<b>1 145 125 939</b>
<b>Netto finans</b>		<b>-1 439 070 539</b>	<b>-1 109 026 109</b>
<b>Ordinært resultat før skattekostnad</b>			
Income tax expense	13	-969 409 276	-703 646 428
<b>Ordinært resultat etter skattekostnad</b>		<b>-900 127 944</b>	<b>-622 566 588</b>
<b>Årsresultat</b>		<b>-900 127 944</b>	<b>-622 566 588</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>-900 127 944</b>	<b>-622 566 588</b>



<b>Totalresultat</b>	<b>-900 127 944</b>	<b>-622 566 588</b>
<b>Overføringer og disponeringer</b>		
Other equity	-900 127 944	-622 566 588
Transferred from other equity		
<b>Sum overføringer og disponeringer</b>	<b>-900 127 944</b>	<b>-622 566 588</b>



Organisasjonsnr: 921 563 108  
PUBLIC PROPERTY INVEST AS

## KONSERNBALANSE

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Goodwill			
<b>Varige driftsmidler</b>			
Buildings and land	5, 9	8 336 100 001	9 447 000 000
<b>Sum varige driftsmidler</b>		<b>8 336 100 001</b>	<b>9 447 000 000</b>
<b>Finansielle anleggsmidler</b>			
Obligasjoner	10, 14	36 976 056	27 546 130
Other long-term receivables		7 030 461	6 596 427
<b>Sum finansielle anleggsmidler</b>		<b>44 006 517</b>	<b>34 142 557</b>
<b>Sum anleggsmidler</b>		<b>8 380 106 517</b>	<b>9 481 142 557</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivables	10	4 847 367	12 752 402
Other short-term receivables	10	14 850 019	20 135 670
<b>Sum fordringer</b>		<b>19 697 387</b>	<b>32 888 071</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	11	122 536 228	176 504 792
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>122 536 228</b>	<b>176 504 792</b>
<b>Sum omløpsmidler</b>		<b>142 233 615</b>	<b>209 392 863</b>
<b>SUM EIENDELER</b>		<b>8 522 340 132</b>	<b>9 690 535 421</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	12	3 596 583	3 596 583
Overkurs		3 591 130 552	3 591 130 552
<b>Sum innskutt egenkapital</b>		<b>3 594 727 135</b>	<b>3 594 727 135</b>
<b>Opptjent egenkapital</b>			
Other equity	12	-744 794 348	155 333 599
<b>Sum opptjent egenkapital</b>		<b>-744 794 348</b>	<b>155 333 599</b>



<b>Sum egenkapital</b>		<b>2 849 932 787</b>	<b>3 750 060 734</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	13	66 009 973	135 291 303
Other provisions			812 579
<b>Sum avsetninger for forpliktelses</b>		<b>66 009 973</b>	<b>136 103 882</b>
<b>Annen langsiktig gjeld</b>			
Konvertible lån	4, 10, 14	34 270 329	
Obligasjonslån	14	211 000 000	2 250 767 713
Gjeld til kredittinstitusjoner	14	3 142 067 613	2 681 921 501
Other non-current liabilities	15	22 928 636	25 060 166
<b>Sum annen langsiktig gjeld</b>		<b>3 410 266 578</b>	<b>4 957 749 380</b>
<b>Sum langsiktig gjeld</b>		<b>3 476 276 551</b>	<b>5 093 853 262</b>
<b>Kortsiktig gjeld</b>			
Sertifikatlån		2 152 020 444	760 453 730
Leverandørgjeld		16 616 978	20 556 509
Public duties payable		869 270	680 725
Other current liabilities	15	26 624 102	64 930 460
<b>Sum kortsiktig gjeld</b>		<b>2 196 130 794</b>	<b>846 621 425</b>
<b>Sum gjeld</b>		<b>5 672 407 345</b>	<b>5 940 474 687</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>8 522 340 132</b>	<b>9 690 535 421</b>



Organisasjonsnr: 921 563 108  
PUBLIC PROPERTY INVEST AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

## Note

Antall årsverk i regnskapsåret  
1.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

## Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

## Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
--	--------------	------------------

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
---	--------------	------------------

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
---	--------------	------------------

<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
---	--------------	------------------

<u>Pantstillelse</u>	<u>Beløp</u>
----------------------	--------------

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
----------------------------------	---------------	------------------	-------------------------



Organisasjonsnr: 921 563 108  
PUBLIC PROPERTY INVEST AS

NOTEOPPLYSNINGER - KONSERN

- alle poster oppgitt i hele tall



Skatteetaten

Vår dato  
08.06.2022

Din/Deres dato  
11.05.2022

Saksbehandler  
Lars Waalorp

800 80 000  
Skatteetaten.no

Din/Deres referanse  
AR489024247

Telefon  
90833418

Org.nr  
974761076

Vår referanse  
2022/5478137

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

PUBLIC PROPERTY INVEST AS  
Haakon VII's gate 5  
0161 OSLO

Att. Stine Marie Sørensen, Arctic Real Estate Management AS

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Public Property Invest AS, org.nr. 921 563 108

Vi viser til deres brev sendt inn 11. mai 2022 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Public Property Invest AS. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Public Property Invest AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

### Bakgrunn

Public Property Invest AS har hovedsakelig norske og utenlandske profesjonelle eiere. Selskapet har som formål:

«Å eie, erverve, avhende, drive, utvikle og forvalte fast eiendom og annen virksomhet som har sammenheng med dette. Selskapet kan også delta i og eie aksjer eller andeler i andre selskaper som driver virksomhet som nevnt i første punktum.»

### Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører



kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet hovedsakelig har norske og utenlandske profesjonelle eiere. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp  
seniorrådgiver  
Brukerdialog, brukerkontakt  
Skatteetaten

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*



# 2023 ANNUAL REPORT



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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.



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.

### 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 weight 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.

The market proved challenging throughout the period and there were few transactions. Following a valuation peak from 01/2022 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



Nordby hovedgata 23 • 4050, Foss

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 organisations 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 Kjoldby | CEO



## Key Figures

December 31, 2023

48

Properties

307 224

Gross area (sqm)

65.1%

Loan to value (EPRA LTV)

27 133

Value / sqm (NOK)

5.21

WALTI (years)\*

~1 880

Gross rent / sqm (NOK)

91%

Public tenants

187

Rental agreements

8 336

Gross property value (MNOK)

94%

CPI adjustment

95%

Occupancy rate

501

NOI (Net operating income) (MNOK)



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.

## Milestones

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.

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



Utilise economies of scale



Develop current properties



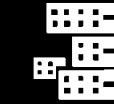
Appropriate level of ESG work



Ensure cash flow by extending lease contracts



Ensure continued control of financing



Acquire more properties to build size



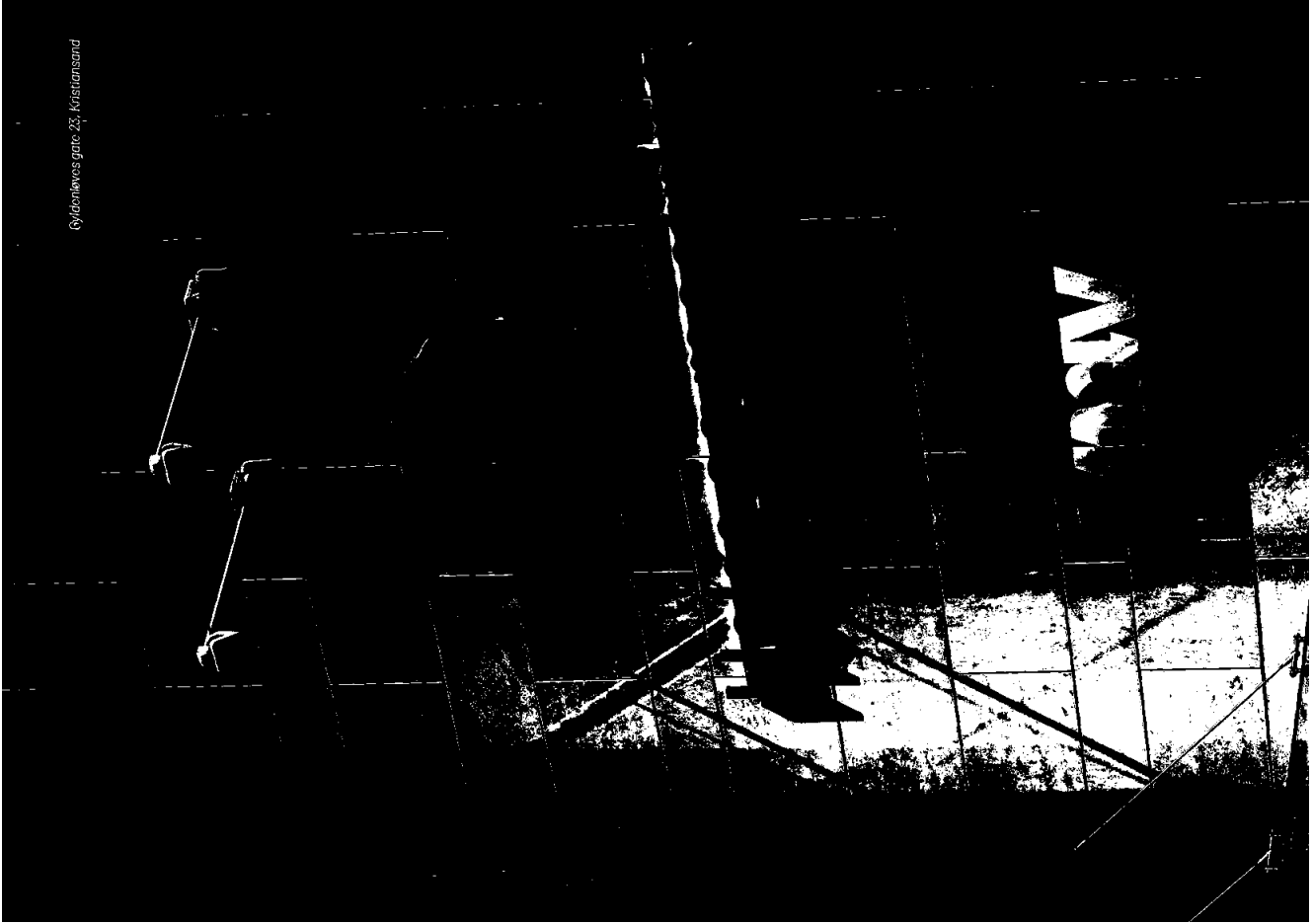
Preserve values and increase the standard of the properties



Arne-Johnsen's gate 2, Tennis

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!





Tenants

# 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 NEMET 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 60. 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.



**Goal for 2023-2024**

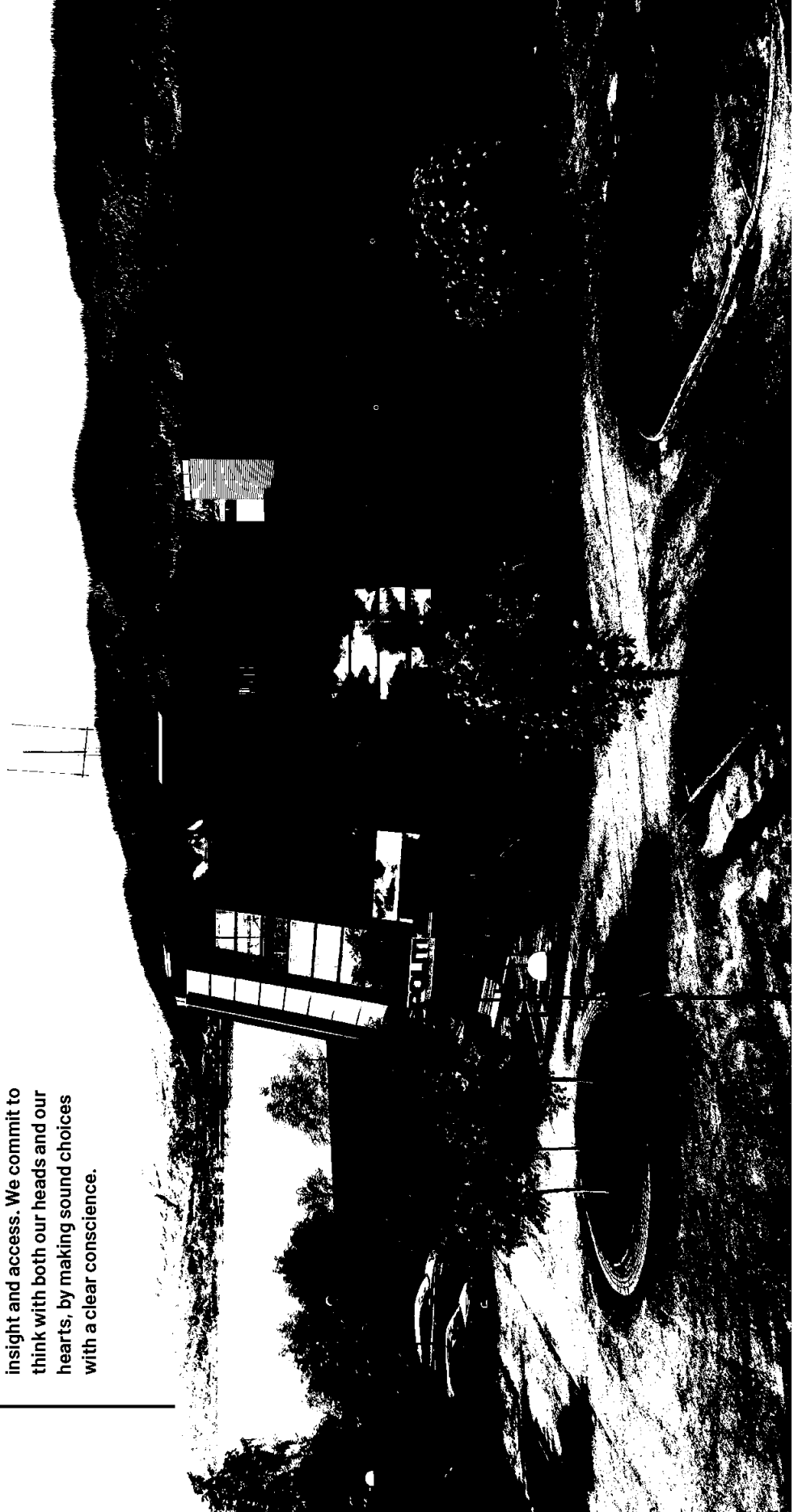
PPI's goal is to enhance communication with tenants leading to increased trust and strengthened relationships. The company intends to pursue this goal by:

- + 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.



Midtro gata 9, Mo i Rana

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.



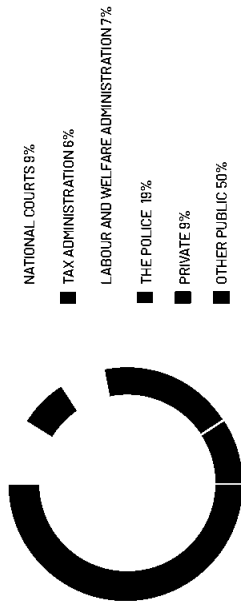


Tenants

# Rental income 2023

## Gross rent distribution

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



## 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	41 347 582	88%
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	19 692 713	81%
State Administration	8 970	17 991 005	90%
The Norwegian Directorate for Civil Protection	8 465	17 990 546	80%
Various	110 287	179 370 399	
<b>Sum / Weighted average</b>	<b>307 224</b>	<b>579 132 991</b>	<b>94%</b>

PUBLIC PROPERTY INVEST // ANNUAL REPORT 2023

22

# 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.

**7 extended**  
lease holds

**11 601**  
Gross area (sqm)

Average lease term

Recurring annualized rent

Tenant split

**96%**  
Public tenants



**5 new**  
lease holds

**2 253**  
Gross area (sqm)

Average lease term

Recurring annualized rent

Tenant split

**26%**  
Public tenants





Skandegata 25, 1340 Vik

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



SUSTAINABILITY

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.

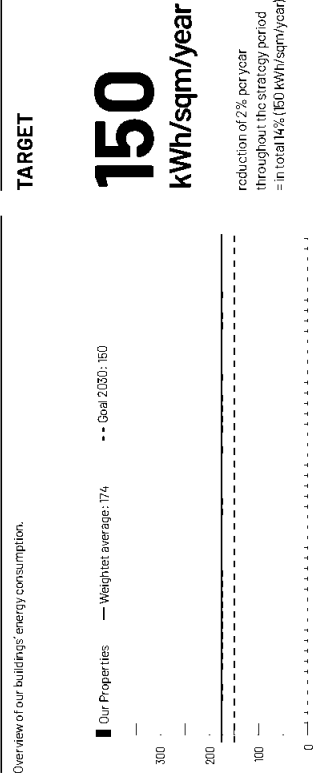
The group has three focus areas within sustainability, climate and environment, social sustainability, and financial sustainability.

<p>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.</p> <p>The group aims to map energy consumption, water consumption and waste-sorting in all its buildings annually and continuously evaluating its</p>	<p>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.</p> <p>The results are used to prepare an environmental strategy for each individual building, enables efficient management and usage, and prompt identification of any operational</p>	<p>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.</p>
--	--	---

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]

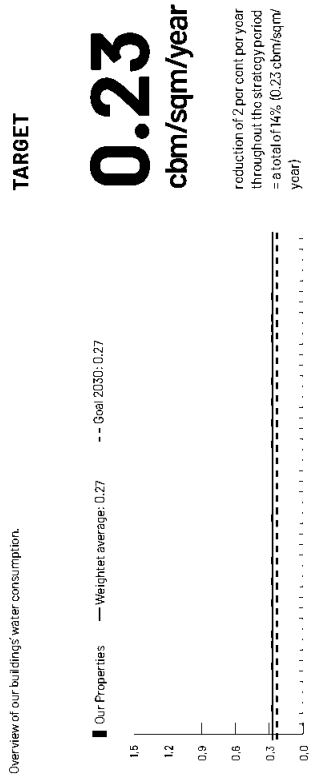




Bert Ankers gate 17, Moss

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

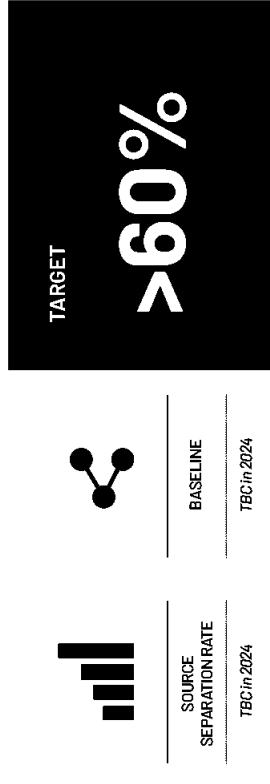
Overview of our buildings' water consumption.



TARGET

**0.23**  
cbm/sqm/year

## Waste



SOURCE SEPARATION RATE

TBC in 2024

BASELINE

TBC in 2024

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.

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.

**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 new builds. 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 28 of this report.

SURVEYED

SHARE OF THE PORTFOLIO SURVEYED

~40%

FEASIBILITY STUDIES COMPLETED

9

50 000

~670



# Corporate governance

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.

<p><b>CORPORATE GOVERNANCE FRAMEWORK</b></p> <p>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.</p> <p>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.</p> <p><b>BUSINESS ACTIVITY</b></p> <p>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.</p> <p>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</p>	<p>well-suited to our evolving business environment and stakeholder interests.</p> <p><b>CAPITAL STRUCTURE AND FINANCING</b></p> <p>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.</p> <p><b>DIVIDEND POLICY</b></p> <p>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.</p> <p><b>SHARES AND SHAREHOLDER RELATIONS</b></p> <p>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.</p>	<p>Our long-term objectives and strategies are evaluated annually, ensuring they are well-suited to our evolving business environment and stakeholder interests.</p>	<p>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.</p> <div data-bbox="758 884 821 1052" data-label="Image"></div> <p>5 board members</p> <p>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.</p> <p><b>INDEPENDENCE AND FUNCTIONING OF THE BOARD</b></p> <p>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.</p> <p><b>BOARD'S MANAGEMENT OVERSIGHT</b></p> <p>The board is responsible for the overall management of PPI, ensuring proper internal management and clear</p>	<p>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.</p> <p>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.</p> <p><b>BOARD MEETINGS AND EVALUATION</b></p> <p>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.</p> <p><b>INVESTMENT COMMITTEE</b></p> <p>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</p>	<p><b>Directors receive regular updates on operational and financial developments, ensuring they are well-informed for decision-making.</b></p>	<p>are made without unnecessary delays while being well-thought-out and strategically aligned.</p> <p>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.</p>
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We strive to provide accurate and timely information to support a fair assessment of our company.

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.

**RISK MANAGEMENT AND INTERNAL CONTROL**

The board of PP 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**

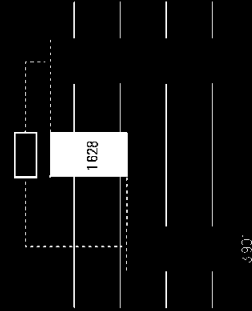
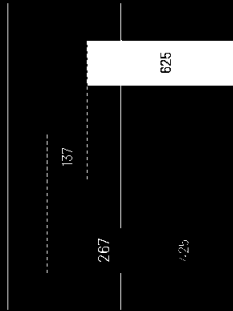
The remuneration of the board at Public Property Invest AS is determined annually and takes into account the responsibility and time commitment of its members. Our policy is that board remuneration should be reasonable and not linked to performance or share options. We ensure transparency when board 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



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.





# 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 3,070,000 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- 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

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 Norddea and Danske Bank. Bonds amounting to NOK 2.08 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, marking this the first year of full operations with properties from all four investment phases.

This means that the groups' 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. This significant shift beyond CPI-inflation 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 (38) 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 (228) 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 (933) 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 968) 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 as 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 89 million for the year ended December 31, 2023, down from NOK 81 million in 2022.

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 1815 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 86.5 million, offset by a refinancing 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**



<p><b>FINANCIAL POSITION</b></p> <p>PPF assets amounted to a total of NOK 8,522 million as at 31 December 2023, down from NOK 8,47 million as at 31 December 2022. The decline in total assets is primarily attributed to the value reduction in the group's investment properties.</p> <p>The valuation of the group's investment properties decreased from NOK 9,447 million as at December 31, 2022, to NOK 6,336 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 &amp; Wakefield. Of the change in value for the year of NOK 1,111 million, expansion projects, investments in new facilities, and acquisitions amounted to a total of NOK 32 million, while the fair value adjustments amounted to NOK 1,143 million.</p> <p>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 12.5 million.</p> <p>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 86 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 86 million, interest-bearing liabilities of NOK 3,353 million</p>	<p>and interest derivatives of NOK 34 million. The total current liabilities increased to NOK 2,186 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 1,892 million, first year installment on bank loan of NOK 96 million and trade payables of NOK 17 million.</p> <p>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%.</p> <p><b>RESEARCH AND DEVELOPMENT</b></p> <p>PPF does not have any activities classified as research and development.</p> <p><b>GOING CONCERN</b></p> <p>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 PPF on Oslo Stock Exchange (IPO), for the refinancing of the two maturing bonds.</p> <p>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 negotiating with both banks and existing bondholders. The board views the current refinancing and ongoing discussions as integral to its financial strategy and anticipates a</p>	<p>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 new equity. The preferred strategic option is to initiate an IPO on the Oslo Stock Exchange in first half of 2024.</p> <p>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.</p> <p>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.</p> <p><b>PARENT COMPANY RESULTS AND ALLOCATION OF NET PROFIT (LOSS)</b></p> <p>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 944 million. By comparison, the parent company</p>	<p>are measured at their fair value by the independent external valuers Newsec AS and Cushman &amp; Wakefield Debenham The Leasing 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.</p> <p>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 be inappropriate. Revised valuation techniques, or non-consistent valuation 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.</p>	<p>arc measured at their fair value by the independent external valuers Newsec AS and Cushman &amp; Wakefield Debenham The Leasing 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. 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<p><b>Operational risk</b></p> <p>The group owns multiple properties with an average remaining lease term of 6.2 years as at December 31, 2023. The wauit calculation assumes that the 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 proportionally to any decline in rental income. Inability to attract 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.</p> <p><b>Financial risks</b></p> <p>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 3,266 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.</p> <p><b>Risks related to the valuation of the property portfolio</b></p> <p>The group's investment properties</p>	<p>8 million in 2022, with a change in tax expense of NOK 187 million, leading to a net loss of NOK 27 million for 2022. The loss of NOK 27 million is caused by write-down of long-term investments: shares in Public Property Holding AS.</p> <p>The board proposes the allocation of the net loss of NOK 94 million for the parent company as follows: the entire amount to be transferred from other equity, totaling NOK 94 million.</p> <p><b>RISK FACTORS AND RISK MANAGEMENT</b></p> <p>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.</p> <p><b>Market risk</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>Reduction in demand for commercial property.</li> <li>Limited availability and increased cost of financing for commercial properties.</li> <li>Slowdown in the market for the sale of commercial properties.</li> </ul> <p>A substantial decrease in property values could negatively impact the group's future earnings and financial position.</p>	<p>8 million in 2022, with a change in tax expense of NOK 187 million, leading to a net loss of NOK 27 million for 2022. 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**Liquidity risk**  
Effective liquidity risk management involves ensuring an adequate reserve of cash and readily marketable securities, along with accessible funding, to fulfil 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 fulfil 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 is 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 Aktjeservice. 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 1612 388 shares, constituting 44.8% of the group's shares, thus having negative control. Sagacia AS owned shares equivalent to 9%, and Tobocom 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.

The board of directors and CEO Public Property Invest AS  
Oslo, Norway, February 16, 2024.

Kenneth Frode Goveaer's Bern Chair of the board	Gerd Vibe Cirkansson Member of the board	Ilja Bajljan Member of the board
Arnt Rolf Hillestad Member of the board	Silje Cathrine Hauiland Member of the board	Morten Kjeldby CEO



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## FINANCIAL STATEMENTS 2023



Consolidated statement of  
**COMPREHENSIVE INCOME**

Amounts in NOK millions	Note	2023	2022
Rental income	6	575	504
Other income		0	1
<b>Operating income</b>		<b>578</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>(989)</b>	<b>(704)</b>
Income tax expense	13	89	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>		<b>(900)</b>	<b>(623)</b>
Equity holders of the company			
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>	<b>18</b>	<b>(250.3)</b>	<b>(186.2)</b>
Basic-Diluted (NOK)			

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Consolidated statement of  
**FINANCIAL POSITION**

Amounts in NOK millions	31.12.2023	31.12.2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	8 336	8 447
Interest rate derivatives	37	28
Other non-current assets	7	7
<b>Total non-current assets</b>	<b>8 380</b>	<b>9 481</b>
<b>Current assets</b>		
Trade receivables	10	13
Other current receivables	10	20
Cash and cash equivalents	11	177
<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	3 601	3 601
Retained earnings	(746)	155
<b>Total equity</b>	<b>2 867</b>	<b>3 760</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	66	135
Non-current interest-bearing liabilities	3 353	4 933
Interest rate derivatives	4,10,14	34
Other non-current liabilities	15	26
<b>Total non-current liabilities</b>	<b>3 476</b>	<b>5 089</b>
<b>Current liabilities</b>		
Current interest-bearing liabilities	14,15	2 152
Trade payables	15	21
Current tax liabilities	13,15	-
Other current liabilities	15	66
<b>Total current liabilities</b>	<b>2 198</b>	<b>647</b>
<b>Total liabilities</b>	<b>5 674</b>	<b>5 736</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 Cooverst Bern Chair of the board	Gerd Vibe Cirkansson Member of the board	Ilja Bažijan Member of the board
Arnt Rolf Hillestad Member of the board	Sivje Cathrine Haukland Member of the board	Morten Kjeldby CEO

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**Consolidated statement of CASH FLOWS**

	Note	2023 (669)	2022 (704)
Amounts in NOK million			
Profit/(loss) before tax		1143	913
Changes in fair value of investment properties	9	26	(28)
Changes in fair value of interest derivatives	14	247	202
Net interest paid	8	26	20
Financial costs in profit before tax without cash effect	14		
Change in working capital:			
change in current assets		13	(6)
change in current liabilities		(4)	(66)
Change 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	-	(178)
Upgrades of investment properties	9	(32)	(33)
Interest received on deposits	8	6	2
<b>Net cash flow from investment activities</b>		<b>(28)</b>	<b>(182)</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>(488)</b>	<b>1485</b>
<b>Net change in cash and cash equivalents</b>		<b>(64)</b>	<b>(26)</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>

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**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>3 544</b>
Issue of Shares	0	0	0			0
Issue of Shares	1	1 283	(379)			915
Transaction cost issue of shares net of tax		(21)				(21)
Profit/(loss) for the period				(62)	(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>185</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>(746)</b>	<b>2 950</b>

The group had a capital increase on December 27, 2021 of NOK 326 934. The amount was settled December 27, 2021 with NOK 85, and the remaining NOK 241 were settled January 3, 2022.

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## 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 judgments.

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 do not change 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 (tradefront) and other receivables, cash, and short-term deposits meet these conditions, they are subsequently measured at amortised cost.

## NOTE 04 FINANCIAL INSTRUMENT - RISK MANAGEMENT

Financial assets	Amortised cost 31.12.2022	Fair value through profit or loss 31.12.2022	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	5	-	5	13	-	13
(non-interest bearing)	-	-	-	-	-	-
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	Amortised cost 31.12.2022	Fair value through profit or loss 31.12.2022	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	4 953	-	4 953
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>5 559</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.

The difference in the respective carrying amounts is recognized 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 recognized 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.

The group has entered into interest rate swaps, the derivatives is carried at fair value through profit or loss. All the groups 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, not of directly attributable transaction costs. The groups 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.

## 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 or 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 based on 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	261	73	68	72	68	59	54	57	53	6	10	575	604
Investment property	4 908	5 401	613	884	1 033	1 121	685	976	805	948	114	138	6 338	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	46	41	38	35	33	287	224	576	604
Share of rental income	19 %	21 %	9 %	11 %	9 %	9 %	7 %	7 %	6 %	7 %	50 %	46 %	100 %	100 %

Maturity structure	Total cash flow	Year 1	Year 2	Year 3-5	After year 5
Amounts in NOK million					
Financial liability as of December 31, 2023					
Principal payment on loans from credit institutions	5 629	2 160	3 370	-	-
Payment of interest at fixed hedge rate	650	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.

Maturity structure	Total cash flow	Year 1	Year 2	Year 3-5	After year 5
Amounts in NOK million					
Financial liability as of December 31, 2022					
Principal payment on loans from credit institutions	5 733	870	2 166	2 687	-
Payment of interest at fixed hedge rate	792	254	263	276	-
Other long-term liabilities	28	1	1	1	23
Trade payables	21	21	-	-	-
Other current liabilities	66	66	-	-	-
<b>Total</b>	<b>6 837</b>	<b>1 211</b>	<b>2 430</b>	<b>2 973</b>	<b>23</b>

**4.2 FINANCIAL RISK**  
The groups 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 groups 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.

**4.4 CLIMATE RISK**  
Physical climate risk is the danger that climate-related events such as extreme weather or 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.

**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 groups goal is to have an LTV ratio of 50-65%. The target

## 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	585
Between 2 and 3 years	461	482
Between 3 and 4 years	383	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	6	3
Other operating expenses	7	16
<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	1	1



## 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	263	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>228</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 discount 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.

### Remuneration 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 remuneration to senior executives 2023

Amounts in NOK thousand	Salary	Variable bonus salary <sup>a</sup>	Pension expenses	Benefits in kind	Total remuneration 2023
Morten Kleidby, CEO	1533	750	76	-	2 380
<b>Total</b>	<b>1533</b>	<b>750</b>	<b>76</b>	<b>-</b>	<b>2 380</b>

<sup>a</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 PFI) 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 synthetic shares granted in the period	1823	1307
Price (based on last known transaction in the secondary market)	390	674
Total compensation granted during the period (in NOK thousand)	750	750

### Estimated total compensation year end

Total number of shares	3623	1600
Price	390	674
Total fair value of the synthetic shares held by the CEO (in NOK thousand)	1374	918
Contribution to national insurance (in thousand)	194	129
Share-based compensation liability included in Other current liabilities at end of period (in NOK thousand)	1668	1048

### Overview of total remuneration to senior executives 2022

Amounts in NOK thousand	Salary	Variable bonus salary <sup>a</sup>	Pension expenses	Benefits in kind	Total remuneration 2022
Morten Kleidby, CEO	1618	1474	114	-	3 108
<b>Total</b>	<b>1518</b>	<b>1474</b>	<b>114</b>	<b>-</b>	<b>3 108</b>

### Overview of total remuneration to the board of directors

Amounts in NOK thousand	Board fees	Committee fees	Total remuneration 2023 <sup>a</sup>	Total remuneration 2022 <sup>a</sup>
Kenneth Frode Goovaerts Bern	200	-	200	200
Gerd Viva Gåransson	110	-	110	110
Henrik Heider	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>a</sup>The overview of the remuneration of the board of directors shows remuneration earned in the financial year.



## NOTE 10 OTHER RECEIVABLES

Other receivables	2023	2022
Amounts in NOK million		
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	5 596 593
Nominal amount in NOK	1
<b>Share capital in NOK</b>	<b>3 596 593</b>

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>	-	1 670
Upgrades of investment properties	32	33
Sale of investment properties	-	-
Change in value	(1 143)	(913)
<b>Value at period end</b>	<b>8 338</b>	<b>9 447</b>

<sup>1)</sup> Impairing 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	Change of variables	Value change (+)	Value change (-)
<b>Variables</b>			
Exit yield	+/- 0.25 per cent points	(86)	20
Discount rate	+/- 0.25 per cent points	(81)	168
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	Level 3
Valuation method, reference is made to note 4.	DCF
Valuation model DCF	DCF
WALLT	5.2
Net yield (in ter val)	5.74%-38.69%
Contract rent at December 31, 2023, measured in annual rent (NOK/m <sup>2</sup> )	591

2022

Variables	Change of variables	Value change (+)	Value change (-)
<b>Variables</b>			
Exit yield	+/- 0.25 per cent points	(266)	202
Discount rate	+/- 0.25 per cent points	(46)	46
Operating costs	+/- 10 per cent	(72)	72
Market rent	+/- 10 per cent	794	(794)

The calculations have been performed by Newsec in connection with the valuations at December 31, 2022.

Input for valuations - overview

Investment Property	Level 3
Valuation method, reference is made to note 4.	DCF
Valuation model DCF	DCF
WALLT	5.2
Net yield (interval)	1.33%-20.24%
Contract rent at December 31, 2022, measured in annual rent (NOK/million)	590

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



**NOTE 13  
TAX**

<b>Income tax expense</b>	<b>2023</b>	<b>2022</b>
Amounts in NOK million		
Tax payable, current year	69	61
Change in deferred tax	69	61
<b>Income tax expense</b>	<b>69</b>	<b>61</b>

**Income tax payable is calculated as follows**

Profit (loss) before tax	(989)	(704)
Other permanent differences	0	(0)
Fair value change of investment properties below initial cost tax effect	654	349
Changes in temporary differences	315	356
<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	<b>2023</b>	<b>2022</b>
Profit (loss) before tax	(989)	(704)
Estimated tax based on 22 %	213	155
Tax effects of:		
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>61</b>

Effective tax rate

2023	7,15%
2022	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	<b>2023</b>	<b>2022</b>
Deferred tax liability	76	166
Deferred tax assets	9	30
<b>Net deferred tax</b>	<b>69</b>	<b>136</b>

<b>No of shares as at 31.12.2021</b>	<b>2 365 289</b>
Capital Increase 27.12.21 <sup>1</sup>	483 619
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 29.08.2022	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
Sagacie AS	5,0%	Norway	Ordinary	179 916
Telecom AS	4,6%	Norway	Ordinary	163 716
Hilo 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
Inivira AB	0,7%	Sweden	Ordinary	26 489
Chrisamic Etendom AS	0,7%	Norway	Ordinary	24 649
Tis Invest AS	0,7%	Norway	Ordinary	24 415
<b>Total 10 largest shareholders</b>	<b>60%</b>			<b>2 154 623</b>
Other shareholders	40%			1 441 960
<b>Total</b>	<b>100%</b>			<b>3 596 583</b>

**Shares controlled by board members**

Position	Control directly	% holding	Shares
Board Chairman	Directly	4,6%	163 716
Kenneth Frode Goovaerts Bern <sup>1</sup>	Indirectly	44,8%	1 612 386
Gerd Ylva Gøransson <sup>2</sup>	Indirectly	44,8%	1 612 386
Henrik Heider <sup>3</sup>	Directly	0,6%	20 668
Arnt Rolf Hillestad	Indirectly	0,7%	24 649
Silje Cathrine Hauland <sup>4</sup>	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 Heider and Ylva Gøransson 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 Godkeeper AS and 0,69% indirectly as CEO of Chrisamic Etendom AS.

## 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	(36)	(355)
Acquisition of subsidiaries	-	-	-	(0)	1	0
<b>December 31, 2022</b>	696	28	0	(135)	27	616
Recognised in profit and loss	(371)	(25)	-	95	(14)	(315)
Acquisition of subsidiaries	-	-	-	-	-	-
<b>December 31, 2023</b>	325	3	0	(41)	13	300

Change in temporary differences based on nominal tax rate

Change in deferred tax based on nominal tax rate

Other differences

**Change in deferred tax**

## NOTE 14 INTEREST BEARING LIABILITIES

### Interest bearing liabilities

All amounts in NOK million	2023		2022	
	Nominal value	Market value	Nominal value	Market value
Bond loans long term	211	202	2275	2164
Bond loans long term including short term amortisation	3 256	3 256	2 658	2 682
Bond loans short term	2 062	2 004	762	764
<b>Total interest bearing liabilities</b>	<b>5 529</b>	<b>5 462</b>	<b>5 753</b>	<b>5 606</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	New liabilities <sup>1)</sup>	Repayment	Reclassification to current liabilities	First year instalment	Amortisation of capitalised borrowing cost	31.12.2023
Non-current interest bearing liabilities	4 933	(66)	(2 137)	-	9	3 363
Current interest bearing liabilities	760	(762)	2 040	98	16	2 162
<b>Total</b>	<b>5 693</b>	<b>(828)</b>	<b>(90)</b>	<b>98</b>	<b>25</b>	<b>5 505</b>

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### Changes in liabilities arising from financing activities

All amounts in NOK million	31.12.2021	New liabilities <sup>1)</sup>	Repayment	Reclassification to current liabilities	First year instalment	Amortisation of capitalised borrowing cost	31.12.2022
Non-current interest bearing liabilities	4 418	1 289	(34)	(768)	-	18	4 833
Current interest bearing liabilities	290	(290)	-	768	-	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

### Interest-bearing debt at 31.12.23

	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	3 months NIBOR + 1.88% margin	33.33 years	28.06.2026
<b>Total face value of financing 31.12.2023</b>	<b>5 529</b>			

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 an 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	01.09.2024
Bond loan	962	3.48% fixed	None	23.09.2024
Bond loan	267	4.4% fixed	None	07.06.2023
Bond loan	425	4.22% fixed	None	18.07.2023
Bond loan	70	4.35% fixed	None	06.07.2023
Bank loan	2 688	3 months NIBOR + 1.81% margin	50 years	14.01.2026
<b>Total face value of financing 31.12.2022</b>	<b>5 733</b>			

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## 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%
Reynbergsetta Holding AS	Norway	Oslo	100%	100%
Reynbergsetta AS	Norway	Oslo	100%	100%
Sæbergkvartalet Holding AS	Norway	Oslo	100%	100%
Sæbergkvartalet 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%
Fjorvegen 20 AS	Norway	Oslo	100%	100%
Njåsvægen 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 Elendom Namsos AS	Norway	Oslo	100%	100%
Pestgården Elendom Namsos AS	Norway	Oslo	100%	100%
Public Property Sub-Holding 2 AS	Norway	Oslo	100%	100%
Offentlig Elendom AS	Norway	Oslo	100%	100%
Arendal Elendomsinvest AS	Norway	Oslo	100%	100%
Urninvest AS	Norway	Oslo	100%	100%
Urninvest II AS	Norway	Oslo	100%	100%
Urninvest III AS	Norway	Oslo	100%	100%
Stangevegen 108 Elendom AS	Norway	Oslo	100%	100%
Rosenkrantzgata 17 AS	Norway	Oslo	100%	100%
Gjønnegata 122 AS	Norway	Oslo	100%	100%
Kvartal 4/8 Næring AS	Norway	Oslo	100%	100%
Hakon Vils gate 9B 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 Tringata 8 AS	Norway	Oslo	100%	100%
Kammerherreløkka Næring B1 AS	Norway	Oslo	100%	100%
Dunderland Elendom AS	Norway	Oslo	100%	100%
Slipborita Elendom AS	Norway	Oslo	100%	100%
Mellomkåa 5 AS	Norway	Oslo	100%	100%
Askveien 4 Hønefoss AS	Norway	Oslo	100%	100%
Ramborgveien 9 AS	Norway	Oslo	100%	100%
Kaldnes Park AS	Norway	Oslo	100%	100%
Kurmskøpsveien 65 AS	Norway	Oslo	100%	100%

Interest rate derivatives / Swap agreements <sup>1)</sup>	NOK amount	Market value 31.12.2023	Market value 31.12.2022	Start date	Maturity date	Fixed interest
Interest Nordsea	239	16	16	17.10.2022	30.06.2026	1,34%
Interest Nordsea	100	5	5	17.10.2022	27.03.2026	1,03%
Interest Nordsea	160	11	11	17.10.2022	18.04.2028	1,66%
Interest CAP	57	0	0	01.03.2018	15.04.2024	2,75%
Interest CAP	-	0	0	16.04.2018	17.04.2023	2,76%
Interest Nordsea	388	3	(2)	30.12.2022	30.06.2026	3,46%
Interest Danske	388	3	(2)	04.10.2022	30.06.2026	3,39%
Interest Nordsea	153	(16)	-	29.12.2023	30.06.2029	3,93%
Interest Danske	163	(18)	-	06.10.2023	30.06.2028	3,98%
<b>Total</b>	<b>1 629</b>	<b>3</b>	<b>28</b>			

<sup>1)</sup> The interest rate derivatives are forward starting interest rate swaps.

## NOTE 15 CURRENT AND NON-CURRENT LIABILITIES

Other current liabilities	2023	2022
Amounts in NOK millions		
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>
<b>Other non-current liabilities</b>		
Amounts in NOK millions		
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 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 (900)	2022 (623)
Net profit (loss) attributable to ordinary equity holders of parent company (NOK million)	3 588 583	3 377 986
Weighted average number of shares	(250.3)	(188.2)
Net profit (loss) per share attributable to ordinary equity holders (NOK)		

Reference is made to note 12, Shareholder capital and shareholders for detailed information on changes in number of shares.

Subsidiaries	Country	Business office	Voting percentage	Ownership
Jarvøien 12 AS	Norway	Oslo	100%	100%
Vogts Gate 17 AS	Norway	Oslo	100%	100%
Ju Petersens gate 2 AS	Norway	Oslo	100%	100%
Public Property Sub-Holding 3 AS	Norway	Oslo	100%	100%
HGF Invest AS	Norway	Oslo	100%	100%
Sir Flore AS	Norway	Oslo	100%	100%
Sir Haneloss AS	Norway	Oslo	100%	100%
Sir 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 Polbygg AS	Norway	Oslo	100%	100%
Isensgate 1 AS	Norway	Oslo	100%	100%
Endemotgruppen Fredriestad AS	Norway	Oslo	100%	100%
Olav V Gt. 4 AS	Norway	Oslo	100%	100%
Borgergate 10 AS	Norway	Oslo	100%	100%
Castellar Prosjekt 22 AS	Norway	Oslo	100%	100%
Gyldengården AS	Norway	Oslo	100%	100%
Leikanger Eiendom AS	Norway	Oslo	100%	100%

## 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 NOK/m	Related-party transaction
SBB-portfolio (5 properties)	100%	28.06.2022	1 388	Yes
<b>Total</b>			<b>1 388</b>	

The group has purchased properties relating to the SBB-Portfolio from the largest shareholder SBB Samtidsbygg AS in June 2022. The enterprise value was done by an external valuator. Even though the transaction is considered a related-party transaction, SBB Samtidsbygg 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 28 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.



## INCOME STATEMENT

Operating income and operating expenses	Note	2023	2022
<i>All amounts in NOK</i>			
Payroll expenses	1	2 911 023	4 2716 477
Other operating expenses		8 927 920	3 968 761
<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)	(8 181 559)
Income tax expense	2	(2 866 616)	18 675 606
<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>

## FINANCIAL STATEMENT - PUBLIC PROPERTY INVEST AS



## BALANCE SHEET

Assets	Note	2023	2022
<i>All amounts in NOK</i>			
<b>Non-current assets</b>			
Intangible assets	2	961 985	6 493 866
Deferred tax assets			8 419 658
<b>Total intangible assets</b>		<b>961 985</b>	<b>14 913 524</b>
<b>Non-current financial assets</b>			
Investments in subsidiaries	4	2 616 676 280	3 563 970 014
<b>Total non-current financial assets</b>		<b>2 616 676 280</b>	<b>3 563 970 014</b>
<b>Total non-current assets</b>		<b>2 620 637 265</b>	<b>3 580 389 870</b>
<b>Current assets</b>			
<b>Debtors</b>			
Accounts receivables		0	36 638
Other short-term receivables		170 577	49 281
Receivables from group companies	5	36 474 480	93 016 141
<b>Total receivables</b>		<b>36 645 057</b>	<b>179 961 960</b>
Cash and cash equivalents		2 346 585	8 970 558
<b>Total current assets</b>		<b>36 991 642</b>	<b>102 074 688</b>
<b>Total assets</b>		<b>2 657 628 907</b>	<b>3 682 464 558</b>

## BALANCE SHEET

Equity and liabilities	Note	2023	2022
<i>All amounts in NOK</i>			
<b>Equity</b>			
Paid-in capital		3 589 683	3 589 683
Share capital	3	3 581 130 652	3 591 130 652
Share premium reserve	3	3 594 727 155	3 594 727 155
<b>Total paid-up equity</b>		<b>7 165 547 488</b>	<b>7 175 547 488</b>
<b>Retained earnings</b>			
Other equity		(688 635 094)	(28 074 660)
<b>Total retained earnings</b>		<b>(688 635 094)</b>	<b>(28 074 660)</b>
<b>Total equity</b>		<b>2 625 919 940</b>	<b>3 586 952 455</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		2 570 298	73 268
Public duties payable		130 415	123 672
Liabilities to group companies		28 274 460	93 016 141
Other current liabilities	5	2 611 781	2 607 235
<b>Total current liabilities</b>		<b>34 436 975</b>	<b>95 922 314</b>
<b>Total liabilities</b>		<b>34 436 975</b>	<b>95 922 314</b>
<b>Total equity and liabilities</b>		<b>2 659 829 915</b>	<b>3 682 464 769</b>

Oslo, Norway, February 16, 2024.  
The board of directors and CEO Public Property Invest AS

Kenneth Frode Goovaert's Bern Chair of the board	Berd Yrre Gjøransson Member of the board	Ilja Baļijan Member of the board
Arnt Rolf Hillestad Member of the board	Stine Cathrine Haualand Member of the board	Morten Kjerfjord CEO

## CASH FLOW STATEMENT

	Note	2023	2022
<i>All amounts in NOK</i>			
<b>Cash flow from operating activities</b>			
Loss before tax		(944 027 030)	(8 181 858)
Write-down of financial assets	4	852 318 120	0
Change in receivables		38 938	(36 938)
Change in current liabilities		2 447 034	(28 148 822)
Change in other working capital		(2 002 027)	(9 376 281)
<b>Net cash flow from operating activities</b>		<b>(9 423 985)</b>	<b>(43 744 809)</b>
<b>Cash flow from investment activities</b>			
Payments due from group companies	5	0	48 468 924
Payments on the purchase of shares		0	(668 500 000)
<b>Net cash flow from investment activities</b>		<b>0</b>	<b>(518 031 076)</b>
<b>Cash flow from financing activities</b>			
Payments due to group companies		2 800 000	(219 789 333)
Paid in capital increase		0	(686 607 072)
Transaction costs on capital increase		0	(103 228 910)
<b>Net cash flow from financing activities</b>		<b>2 800 000</b>	<b>(563 806 829)</b>
<b>Net change in cash and cash equivalents in the period</b>		<b>(6 623 985)</b>	<b>1 623 744</b>
Net foreign exchange difference		0	0
Cash and cash equivalents at beginning of period		8 970 568	7 148 816
<b>Cash and cash equivalents at end of period</b>		<b>2 346 583</b>	<b>8 970 568</b>

The cash and cash equivalents relates to:

Cash and bank deposits

Unused operating credit also amounts to

0

## 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, 2016, 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 cash flows 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.

Provisions for 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 Goooverst Bern	Board Chairman	200 000	0
Gerd Ylva Gåransson	Board Member	110 000	0
Henrik Meider	Board Member	110 000	0
Arnt Rolf Hillestad	Board Member	110 000	0
Silje Cathrine Hauvand	Board Member	110 000	0
<b>Total</b>		<b>640 000</b>	<b>0</b>

### Overview of total remuneration to senior executives 2023

All amounts in NOK			
Name	Salary	Variable bonus salary	Other
Porten Kjeldby	1 633 000	750 000	108 992
			<b>Total remuneration 2023</b>
			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 PFI 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 OIP - Mandatory Occupational Pensions Scheme.

During the fiscal year ending December 31, 2023, the company incurred total fees of NOK 3 717 081 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	(2 568 515)	18 673 606
<b>Income tax expense (income)</b>	<b>(2 568 515)</b>	<b>18 673 606</b>

Taxable income	2023	2022
Profit / loss before tax	(844,027,030)	(618,156)
Permanent differences	932,361,060	(27,834,644)
Basis for tax expense for the year	(11,665,980)	(35,616,202)
Change in temporary differences	0	0
<b>Taxable income</b>	<b>(11,665,980)</b>	<b>(35,616,202)</b>
Allocation of loss to be carried forward	24,808,501	57,501,938
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)	(4,372,653)	(29,181,163)
<b>Total</b>	<b>(24,808,501)</b>	<b>(4,372,653)</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>(4,372,653)</b>	<b>(29,181,163)</b>
Deferred tax assets (22%)*	(5,457,870)	(861,886)	(6,419,656)

\*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
Opening balance per 01.01	3 591 130 552	3 591 130 552	(28 074 680)
Net profit (loss) of the year	3 598 563	3 591 130 552	(841 460 516)
<b>Closing balance 31.12.2023</b>	<b>3 598 563</b>	<b>3 591 130 552</b>	<b>(869 535 194)</b>
			<b>Total</b>
			3 566 652 465
			(841 460 516)
			<b>2 825 191 940</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

<b>Balance with group companies</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<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.



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## 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



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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

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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)



 Securely signed with Brevio

Revisjonsberetning - PPI

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Jakobsen, Chris Håvard	BANKID	2024-02-16 08:54

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## 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 statements prepared in accordance with IFRS. The financial APMs reported by Public Property Invest AS are the APMs that, in management's view, provide relevant supplemental information of the company's financial position and performance.

	2023	2022
<b>Net operating income (NOI)</b>		
Amounts in NOK million		
Operating income	576	504
Property expenses	(75)	(83)
<b>NOI</b>	<b>501</b>	<b>442</b>

	2023	2022
<b>EBITDA</b>		
Amounts in NOK million		
NOI	501	442
Administration expenses	(31)	(38)
<b>EBITDA</b>	<b>470</b>	<b>405</b>

	2023	2022
<b>Interest Cover Ratio (ICR)</b>		
Amounts in NOK million		
EBITDA	470	405
Financial Income	8	2
Financial expenses	(278)	(228)
Adjustment Interest expenses amortisation costs	25	24
<b>Net finance charges</b>	<b>(247)</b>	<b>(200)</b>
<b>ICR</b>	<b>1.90</b>	<b>2.02</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. For further information about EPRA, see [www.epra.com](http://www.epra.com).

	Unit	2023 / 31.12.2023	2022 / 31.12.2022
A	EPRA Earnings per share	NOK 54	31
B	EPRA NRV per share	NOK 812	1079
C	EPRA LTV	% 65.1%	68.2%

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.

	2023	2022
Amounts in NOK millions		
Net profit (loss)	(800)	(623)
<b>Adjustments to calculate EPRA Earnings:</b>		
Changes in fair value of investment properties	(114.3)	(97.3)
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	3.80	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 surplus are therefore excluded. Real estate transfer taxes are not levied on property transactions in Norway.

	31.12.2023	31.12.2022
Amounts in NOK millions		
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)	3.8	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.

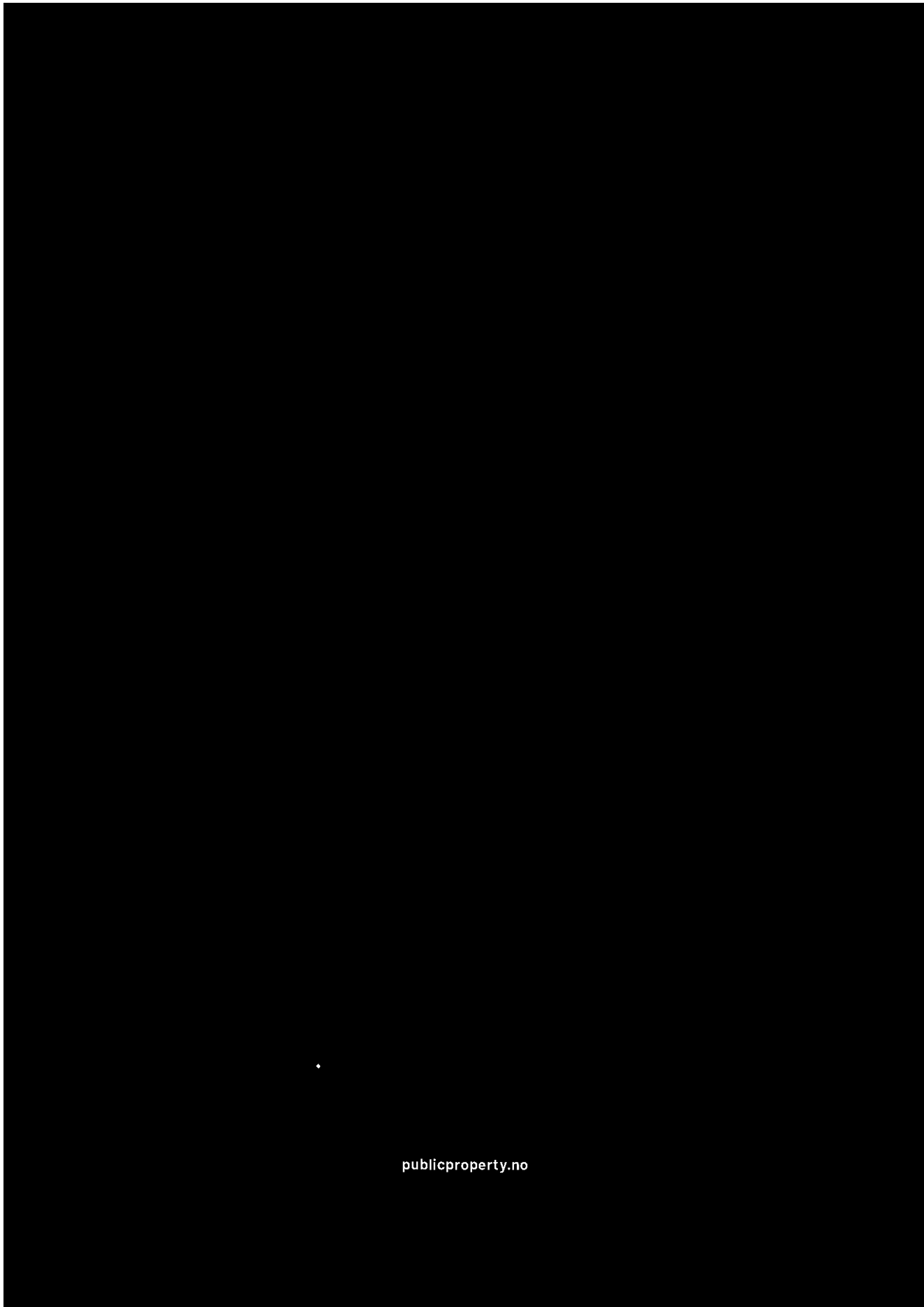
	31.12.2023	31.12.2022
Amounts in NOK million		
Bond loans	2 295	3 011
Bank loans	3 240	2 682
Net Payables <sup>1</sup>	47	80
Cash and cash equivalents	(123)	(177)
<b>Net debt</b>	<b>5 459</b>	<b>5 697</b>
Investment properties	8 336	9 447
<b>Market value of the property portfolio</b>	<b>8 336</b>	<b>9 447</b>
<b>EPRA LTV</b>	<b>65.1%</b>	<b>68.2%</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>WALVT</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.



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