



NORWEGIAN
PROPERTY

2nd Quarter 2023

Friday, July 7th , 2023

Agenda

- Highlights
- Markets and operations
- Financial update
- Closing remarks
- Appendix

Highlights Q2

- Rental income of NOK 275 million, up from NOK 256 last year
- Operating profit before value adjustments of NOK 209 million and Profit before income tax and value adjustments of NOK 99 million
- Write down of investment property of NOK 613 million (-2.4%)
- Earnings per share (“EPS”) for the quarter of NOK -0.58
- **Solid rental market in all submarkets**
 - Positive net letting activities of MNOK 62
 - Activity in all core areas
- **Record quarterly turnover at ground floor Aker Brygge**
- **Refinancing of two facilities**



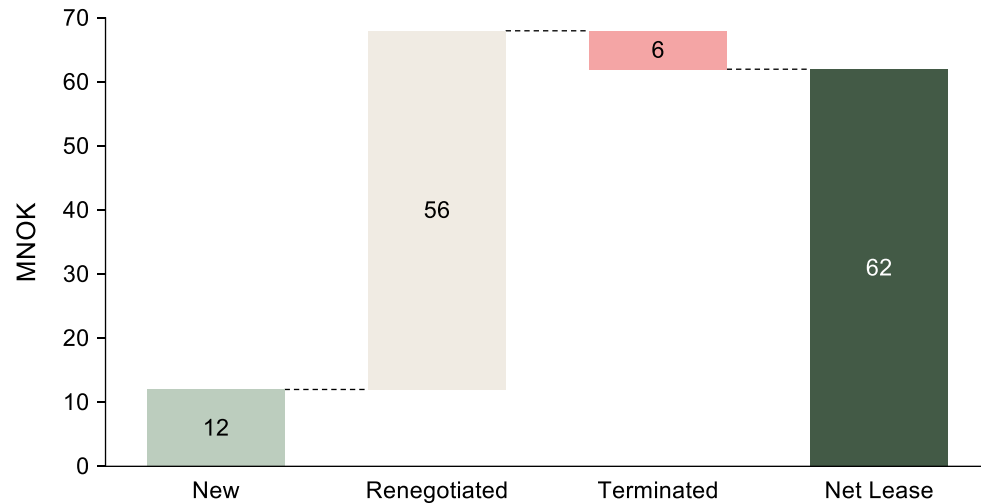
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Rental Update

Leasing activity in the quarter

- High activity in the quarter
- Positive letting activities of MNOK 62
- High portion of renegotiated contracts

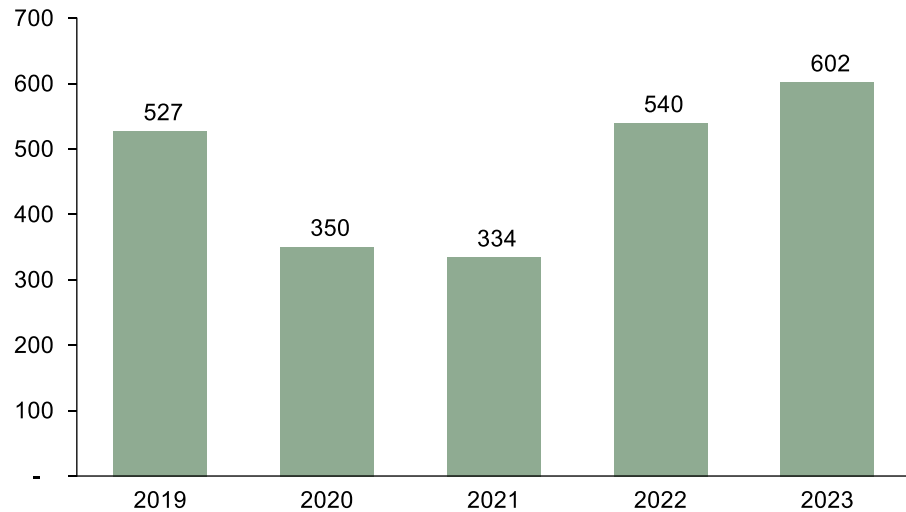


New and renegotiated leases:



Turnover - Aker Brygge

Q2 figures per year



⇒ *Record high turnover, and well above pre covid level*

Main activities and highlights for Q2:

- *Lekter'n DJ Festival*
- *Nor-Shipping fair*
- *Logan Paul & KSI show*



ESG updates



Accessible outdoor area for public

- Established a playground at the property Snarøyveien 30 in Fornebu
 - Public seating and several activities during weekends in June – August
 - Free entertainment for kids

Environmentally friendly commuting

- Norwegian Property hosted four days of bike repair free of charge for tenants at Aker Brygge and Fornebu

Biodiversity

- Extended collaboration with the foundation “Marinreperatørene” to increase biodiversity and marine life
- Special emphasis on creating habitats for red listed species such as lobsters and Norwegian blue mussels



Market trends - office

Rental market Oslo

- Continued strong office rental market
- Limited new office supply due to higher interest rates and higher building costs

Oslo transaction market

- Transaction market is heavily affected by uncertainty
- Core products and trophy assets still continue to attract investors' attention
- There is still a gap between sellers' expectations and potential buyers' updated valuations for many assets
- Transaction market is heavily affected by terms and restricted access to financing



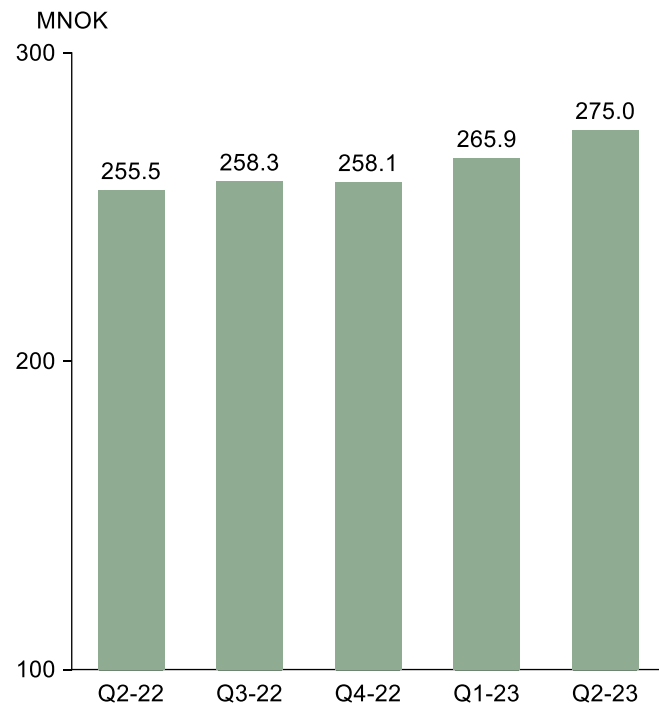
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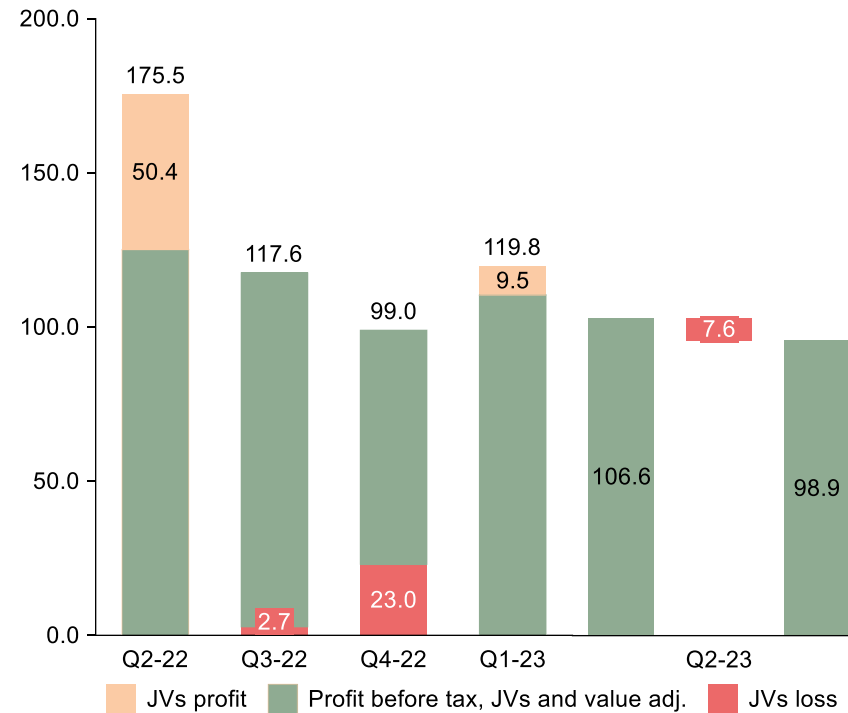


Financial highlights

Rental Income (MNOK)

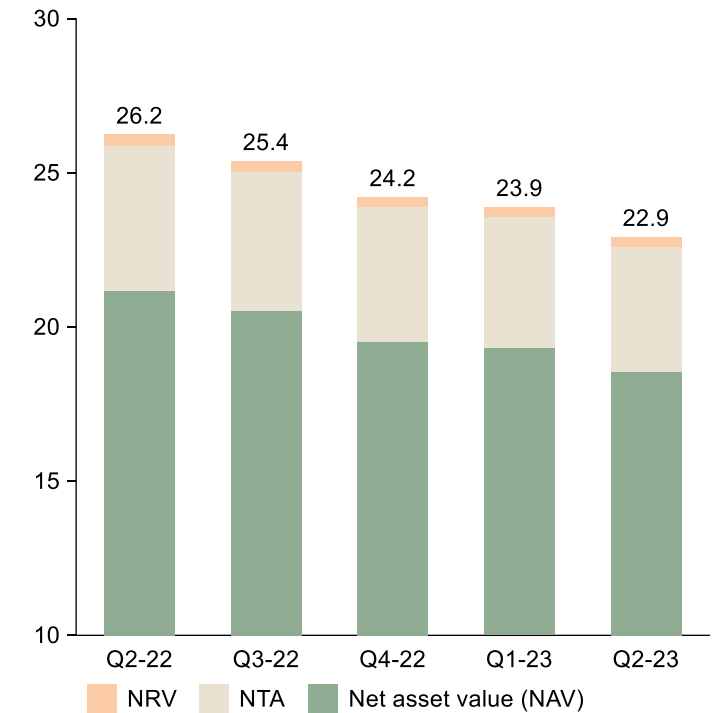


Profit Before Tax and Value Adj. (MNOK)



*There was a loss in JV of MNOK 2.7 in Q3-22, MNOK 23.1 in Q4-22 and MNOK 7.6 in Q2-23.

Value Per Share (MNOK)

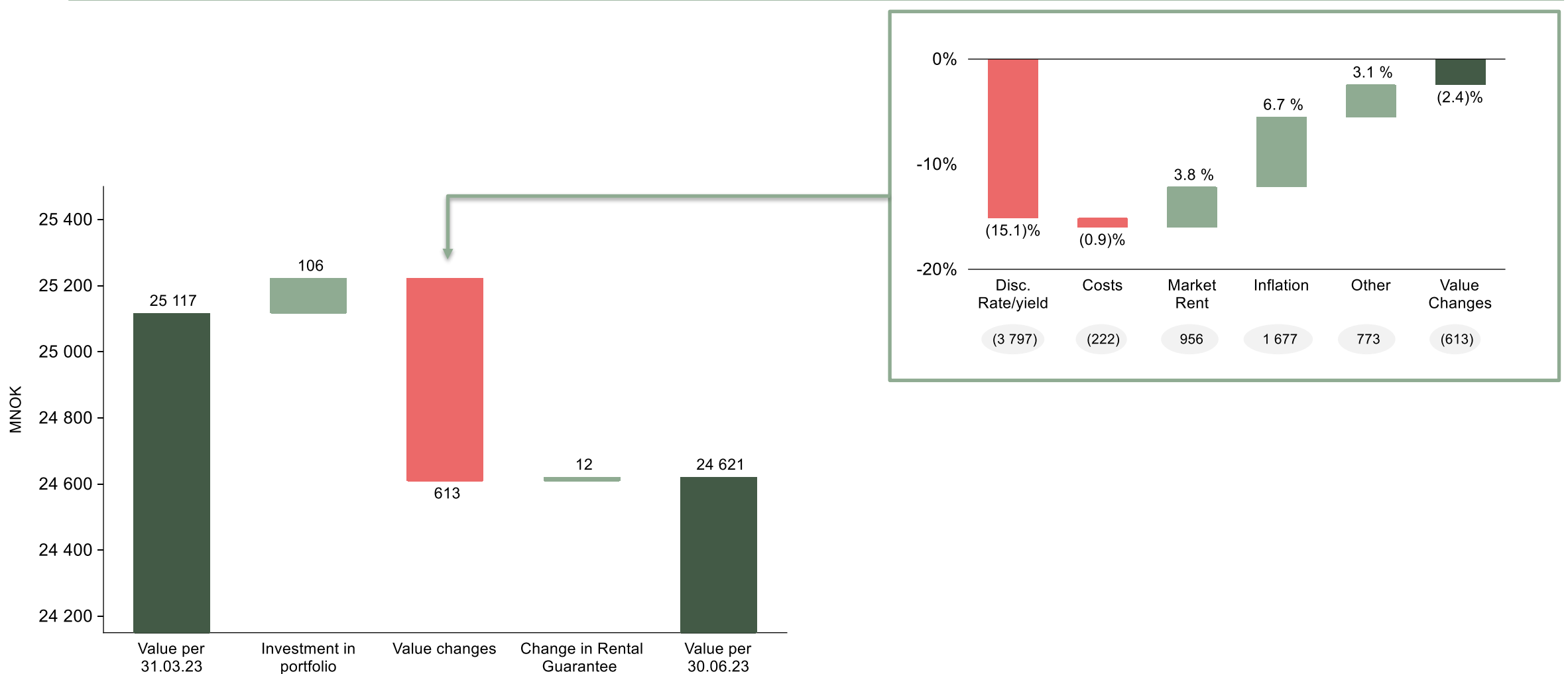


Income statement – Q2 and YTD 2023

MNOK	Q2		YTD Q2		Full year
	2023	2022	2023	2022	2022
Rental income	275.0	255.5	540.8	498.0	1 014.4
Revenues	275.0	255.5	540.8	498.0	1 014.4
Property-related operational expenses	(23.7)	(17.1)	(44.7)	(33.1)	(73.8)
Other property-related expenses	(20.4)	(11.5)	(37.3)	(28.6)	(68.8)
Administrative expenses	(13.9)	(13.6)	(29.9)	(27.9)	(62.1)
Share of profit in joint ventures*	(7.6)	50.4	1.9	59.5	33.8
Operating profit before value adjustments	209.3	263.7	430.9	467.8	843.5
Change in market value of investment property	(613.4)	347.2	(769.3)	906.7	(154.7)
Operating profit	(404.1)	610.9	(338.5)	1 374.6	688.8
Realised financial items	(110.0)	(88.2)	(211.7)	(173.6)	(358.4)
Change in market value of financial instruments	85.4	56.1	73.7	179.2	172.2
Net financial items	(24.6)	(32.1)	(138.0)	5.7	(186.2)
Profit before income tax	(428.7)	578.8	(476.5)	1 380.2	502.5
Income tax (not payable)	57.5	(68.2)	47.6	(233.4)	(206.6)
Profit for the period	(371.2)	510.6	(428.9)	1 146.8	295.9
Earnings per share (NOK)	(0.58)	0.79	(0.67)	1.78	0.46
Profit before income tax and value adjustments	99.3	175.5	219.1	294.3	485.1

*Related to Nordr and Forusbeen 35

Change in investment property value in Q2



Portfolio valuation by area Q2-2023

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Negative Q2 fair value adjustment of NOK 613 million for properties owned 100%
- Projects include Gjerdrums vei 1-5 and Gjerdrums vei 17 in Nydalen

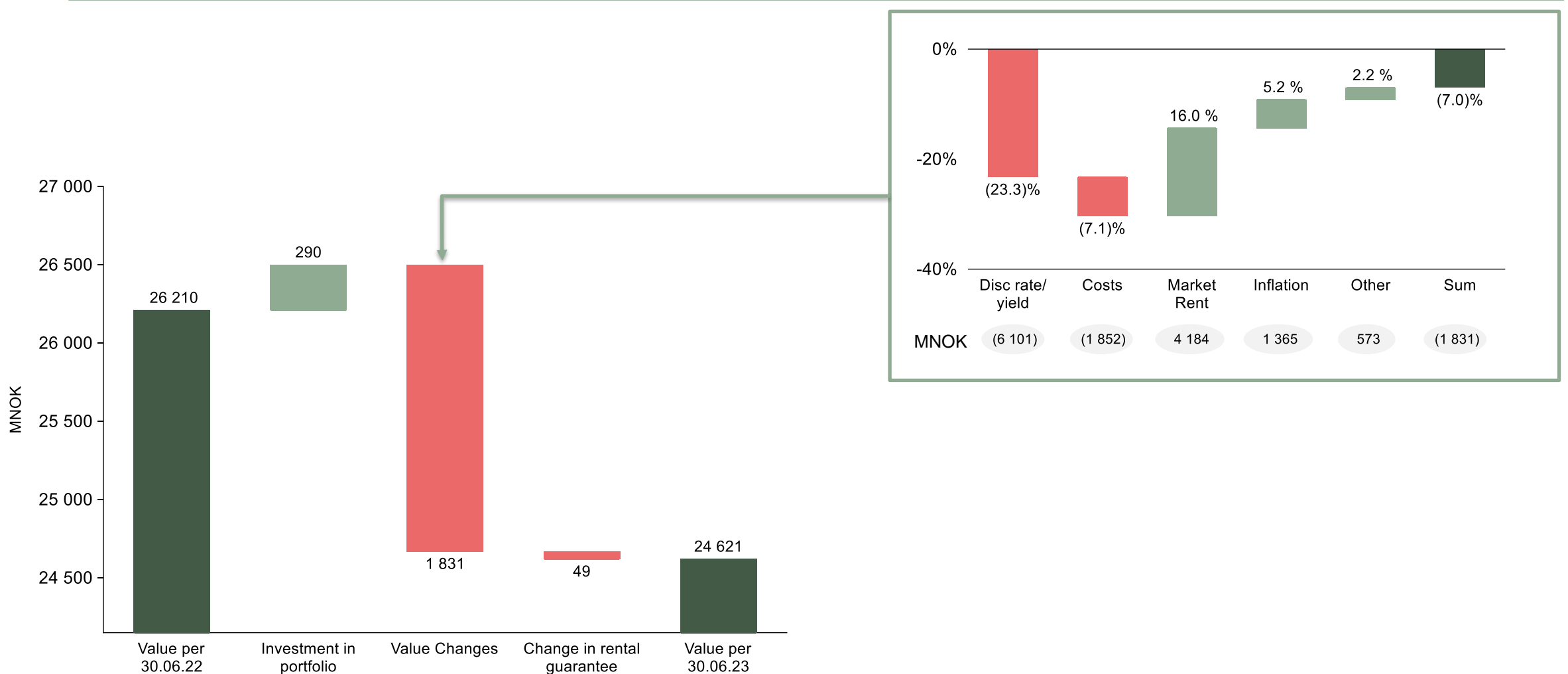
Area	Total space	WAULT	Valuation*		Gross rent per year	Net yield**	Vacancy based on market rent***	Net yield fully let
	m ²	Years	MNOK	NOK/m ²	MNOK	(%)	(%)	(%)
CBD	145 905	4.3	14 497	99 357	593.6	3.8	3.4	3.8
Nydalen excl. Projects	88 548	2.8	2 473	27 926	126.6	4.7	19.8	5.9
Fornebu	256 637	6.8	7 220	28 133	409.8	5.2	5.8	5.9
Hasle	10 684	5.0	322	30 112	17.5	5.0	8.7	5.3
Total Portfolio	501 774	5.0	24 511	48 849	1 147.5	4.3	6.5	4.7
Projects	3 594	N/A	110	30 505	3.3	N/A	N/A	N/A
Total Portfolio	505 369	5.0	24 621	48 718	1 150.8	4.3	6.5	4.7

* Fornebu valuation includes non-current receivables amounting to NOK 276 million, related to the rental guarantee provided by the seller of the property at Snarøyveien 30.

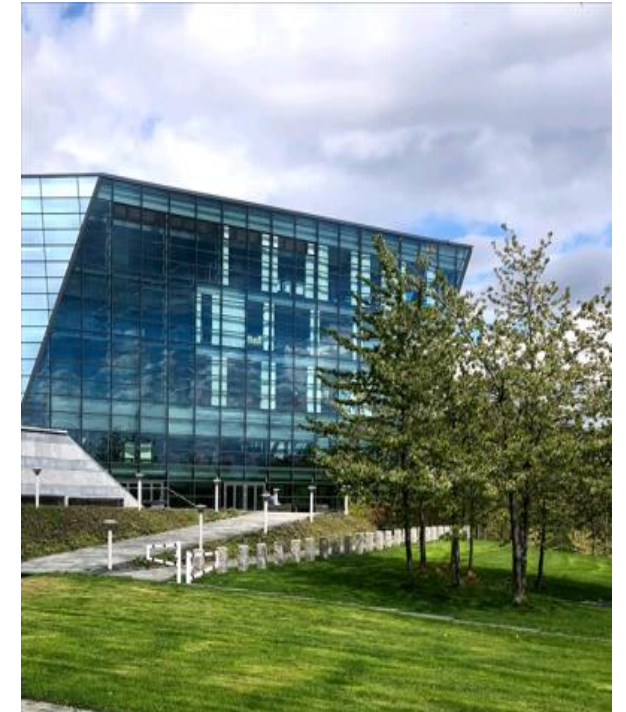
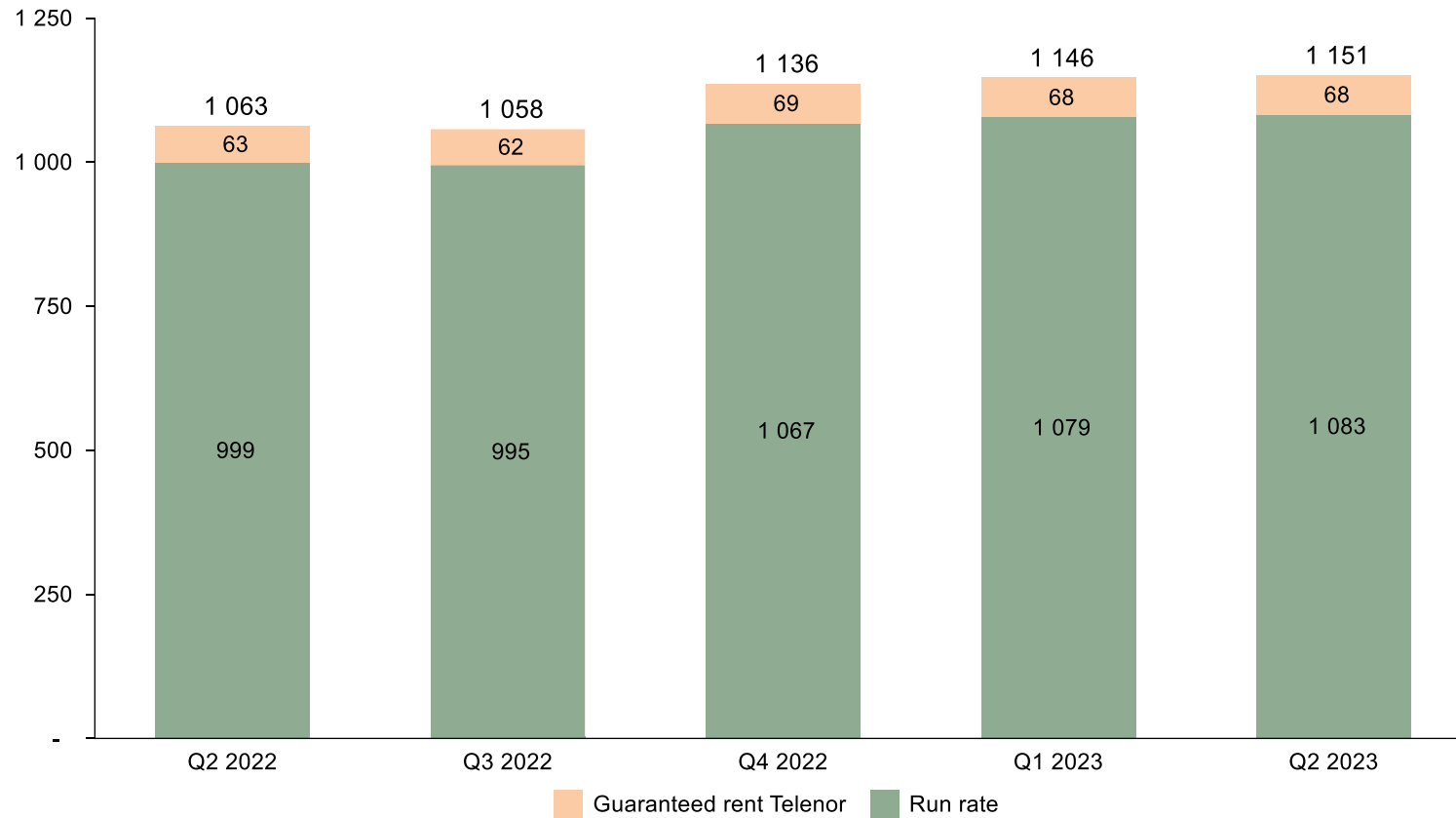
** For illustration; based on rents as of June 30th, 2023 and estimated long term property expenses of 8 per cent.

*** Vacancy calculated as market rent in vacant space, using market rent estimated by Cushman & Wakefield.

Change in investment property value last 12 months

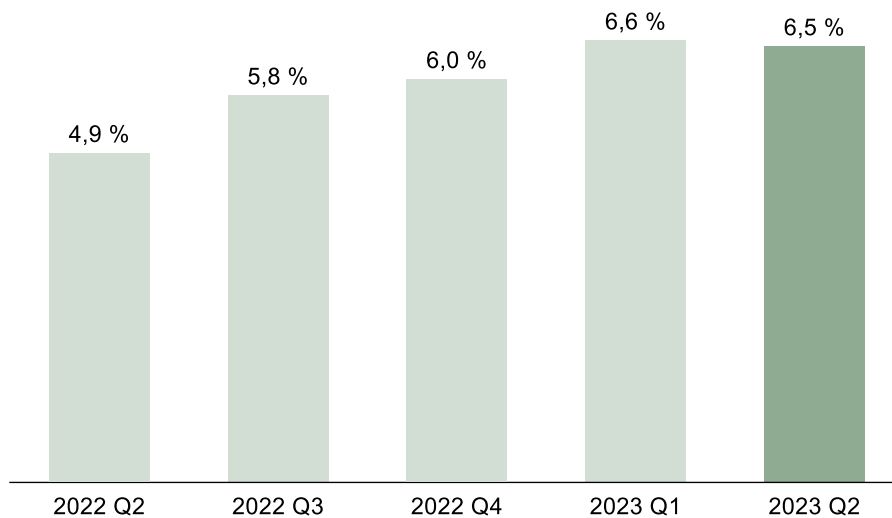


Run rate last 5 quarters

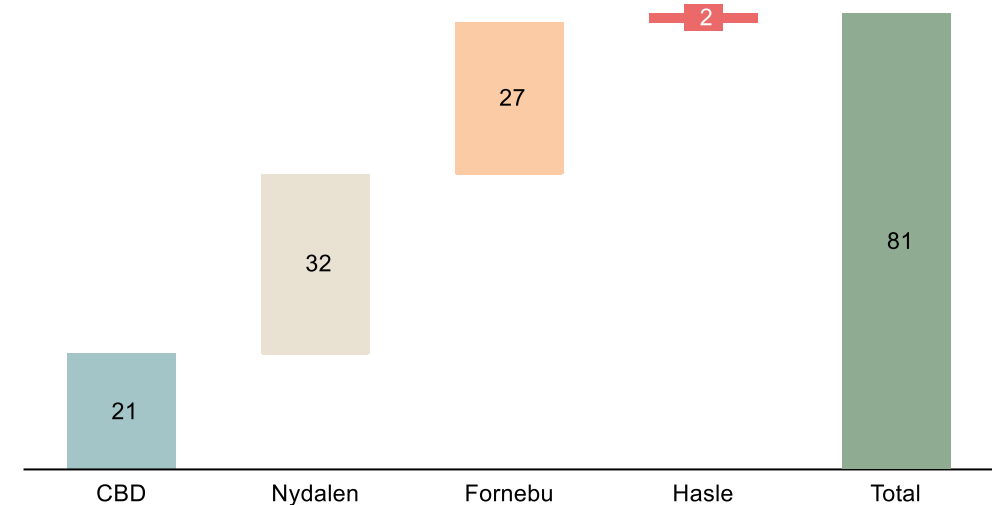


Vacancy based on market rent

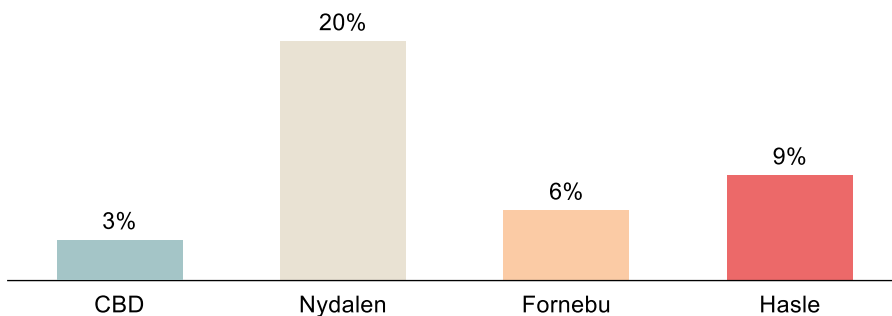
Market Rent Vacancy Last Five Quarters



Market Rent Vacany for Each Area (MNOK Run Rate)



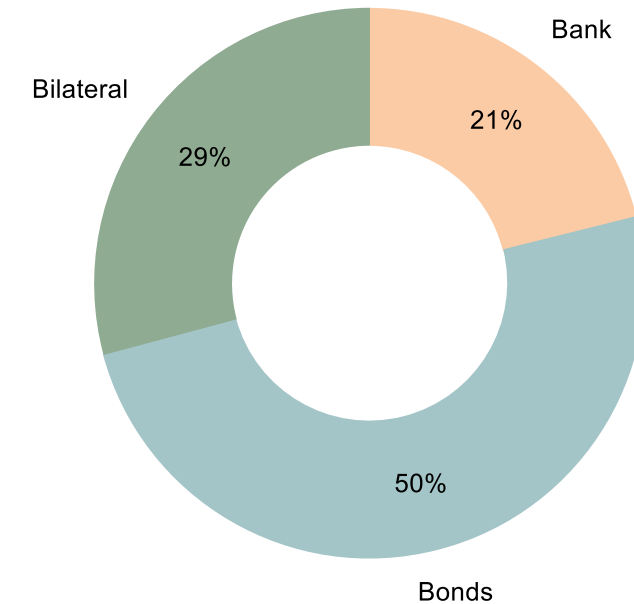
Vacancy Split on Area



Financial position

Interest bearing debt and hedging		30.06.2023
Total interest-bearing debt	MNOK	12 142
Property value	MNOK	24 621
Market Value of investment in JV	MNOK	1 992
Net Loan to value*	Per cent	44.3
Cash and cash equivalents	MNOK	136
Interest-bearing receivables	MNOK	217
Unused committed credit facilities	MNOK	1 149
Average remaining duration. Hedging	Years	5.2
Average interest rate (including margin)	Per cent	3.70
Average margin	Per cent	1.43
Average remaining duration. Borrowing	Years	3.5
Hedging ratio**	Per cent	66.2
WAULT	Years	5.0

Funding sources

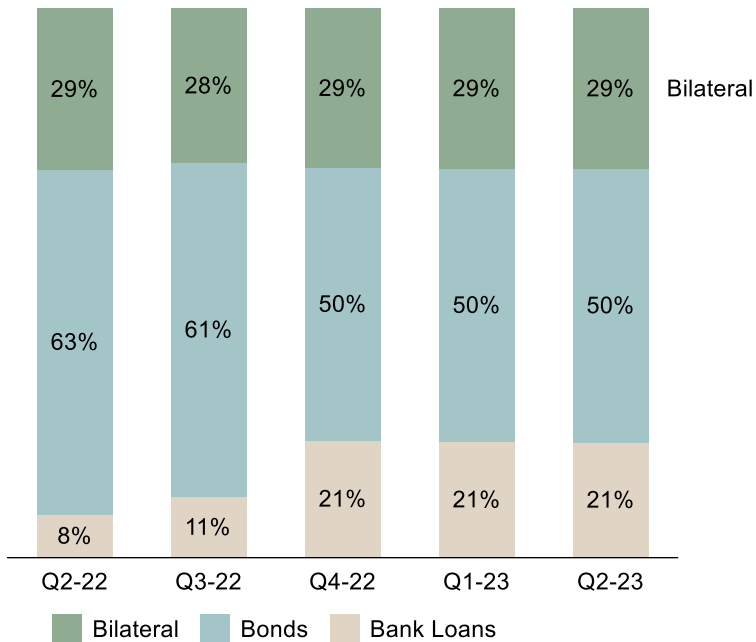


* Net loan to value = interest bearing debt net of cash and interest-bearing receivables divided by gross property value incl. NAV in Nordr

** Calculated as the amount of interest hedging / total interest-bearing debt

Financing

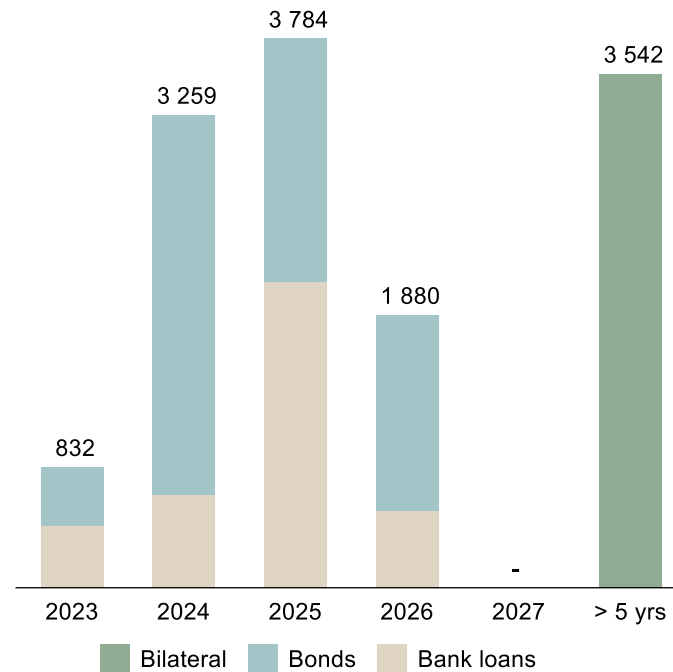
Funding Sources (%)



• Diversified sources of funding

- 5.4 bn in listed bonds Q2 2023, 650 mill green bond, 3.5 bn in bilateral bonds. Remaining 2.6 bn in bank loans.

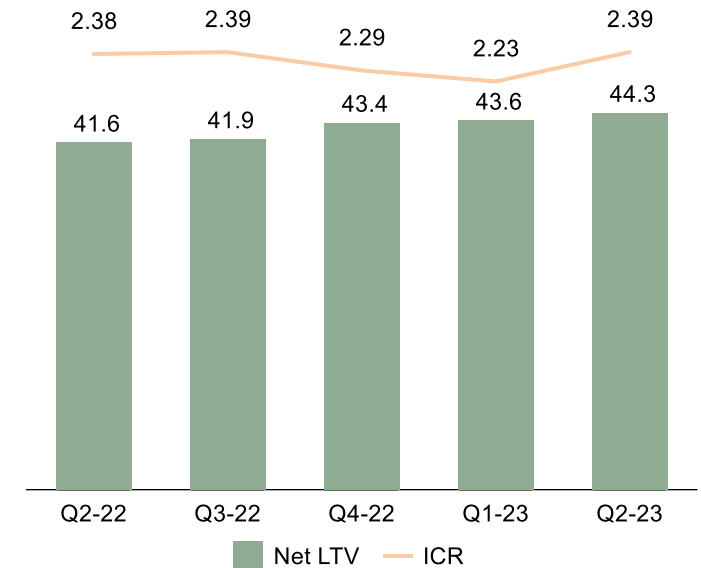
Debt Maturity Profile (MNOK)



• Diversified maturity profile

- Average remaining time to maturity Q2 2023 is 3.5 years

LTV and ICR* (MNOK)



• LTV below long time target

- Net LTV 44.3 % as of Q2 2023, including the value of the investment in Nordr.
- ICR Q2 2023 includes dividend from Nordr.

*ICR = EBITDA / Net interest cost, rolling 4 quarters

Refurbishments in 2023

Area	Property	Tenant	Area (sqm)	Quarter finalized
Aker Brygge	Bryggegate 9	Gram Car Carriers	550	Q3 2023
Aker Brygge	Støperiet	Latter	100	Q4 2023
Aker Brygge	Verkstedhallene	Arkwright	460	Q3 2023
Fornebu	Snarøyveien 36	NSM	12 000	Q1 2024
Nydalen	Gjerdrums vei 17	The entire building is being refurbished	820	Q2 2024
Nydalen	Gullhaugvn. 9-13	Øvre Nydalen Legesenter	430	Q3 2023
Aker Brygge	Tingvalla	Nook Energy	300	Q4 2023



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Summary

- Strong operational performance during the quarter
- Record high turnover at ground floor
- Ambition to grow the company
- Solid balance sheet
- Dividend of NOK 0.125 / share
- Operations-operations-operations



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Balance sheet – Q2 2023

MNOK	30.06.2023	30.06.2022	31.12.2022
Investment property	24 186.3	25 849.9	24 859.1
Owner-occupied property	159.0	112.1	108.8
Property, plant and equipment	29.6	33.0	31.5
Investment in joint ventures*	982.7	1 136.2	1 061.7
Receivables	636.6	482.7	501.1
Cash and cash equivalents	136.3	99.0	185.1
Equity	11 996.4	13 625.4	12 562.1
Deferred tax	1 845.5	1 920.6	1 893.3
Long term interest bearing debt	9 891.0	9 580.5	10 351.6
Short term interest bearing debt	2 250.8	2 473.1	1 834.1
Market value financial derivatives (net)	(219.0)	(152.4)	(145.3)
Net other debt	365.7	265.6	251.4
Equity ratio (%)	45.5	48.9	46.7
NAV per share, book value of equity (NOK)	18.64	21.17	19.52
Net Reinstatement Value (NRV), per share (NOK)	22.92	26.24	24.26
Net Tangible Assets (NTA), per share (NOK)	22.63	25.88	23.94
Net Disposal Value (NDV), per share (NOK)	20.22	22.89	21.26

*Related to the investment in Nordr.

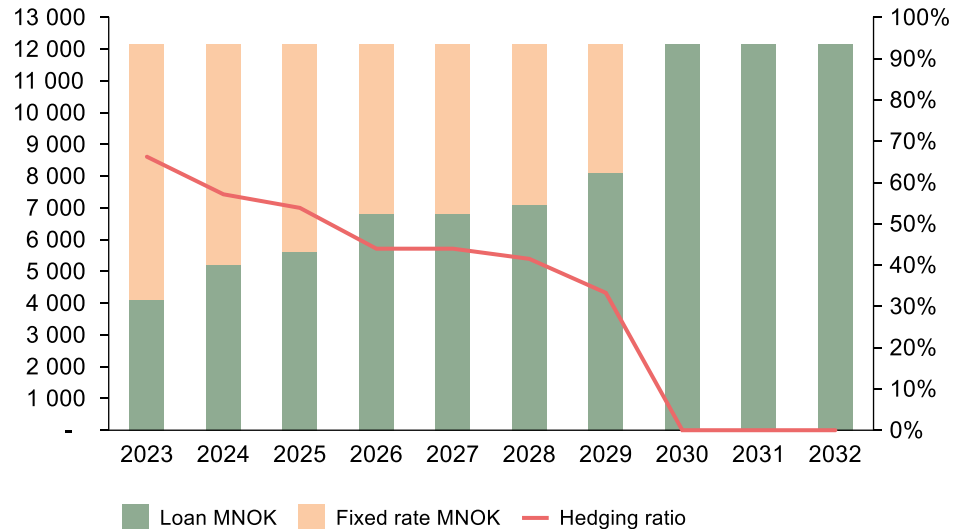
Cash flow – Q2 and YTD 2023

MNOK	Q2		YTD Q2		Full year
	2023	2022	2023	2022	2022
Cash flow from profit and loss before fair-value adj.	107.0	125.4	218.0	234.6	449.9
Change in rental guarantee receivables*	(10.0)	(4.3)	(14.6)	(9.7)	60.5
Change in short-term items	42.9	(34.9)	102.2	7.4	(53.1)
Cash flow from operating activities	139.9	86.2	305.5	232.2	457.3
Purchase of tangible assets	(82.7)	(48.0)	(149.3)	(142.1)	(258.9)
Other investment activities	(0.1)	0.0	(0.1)	0.0	0.0
Cash flow from investment activities	(82.8)	(48.0)	(149.4)	(142.1)	(258.9)
Net change in interest bearing debt	(0.1)	(0.4)	(44.0)	49.2	187.9
Paid dividend	(80.4)	(80.4)	(160.9)	(354.0)	(514.9)
Net cash flow from financing activities	(80.6)	(80.8)	(204.9)	(304.8)	(327.0)
Net change in cash	(23.5)	(42.6)	(48.8)	(214.6)	(128.5)
Net cash at end of period	136.3	99.0	136.3	99.0	185.1

*Related to Snarøyveien 30

Interest rate hedging Q2 2023

Hedging maturity profile



	Maturity profile interest rates		Forward starting swaps			Average credit margin	
	Amount (MNOK)	Interest rate (%)	Amount (MNOK)	Interest rate (%)	Tenor (yrs)	Amount (MNOK)	Credit margin (%)
<1 year *)	4 850.0	3.36 %				400.0	1.06 %
1-2 years	755.0	2.12 %				3 215.0	1.14 %
2-3 years	1 000.0	1.39 %				3 110.0	1.42 %
3-4 years	200.0	2.16 %				1 880.0	1.24 %
4-5 years							
5-6 years	700.0	2.07 %					
6-7 years	1 100.0	1.64 %					
7-8 years	3 542.0	1.10 %				3 542.0	1.85 %
8-9 years							
9-10 years							
>10 years							

*Floating rate loans of MNOK 4 000 included in <1 year interval

Interest rate risk:

- 50-100% of the group's debt shall be hedged.
- Average remaining time to maturity shall be 3-6 years.
- Hedging ratio 30.06.2023 was 66.2 %. Remaining average time to maturity was 5.2 years.
- Diversified maturity profile to reduce exposure to interest levels.

Overview and key figures

Key figures as of 30th June 2023

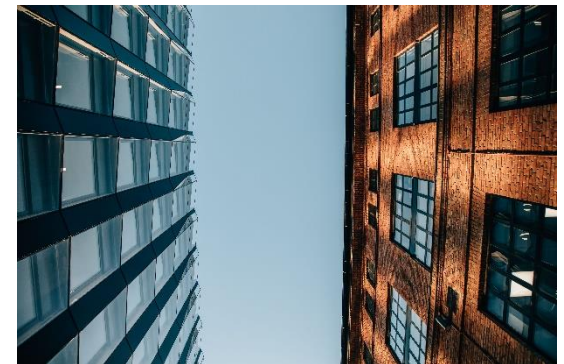
Properties *	no	29
Portfolio size (ex. new space in redev. Projects) **	m ²	505 369
Average size per property	m ²	17 427
Gross rent per year (run rate)	NOK mill.	1 151
Operational expenses per year ***	NOK mill.	92
Net rent per year (run rate)	NOK mill.	1 059
Average gross rent per m ² per year	NOK	2 277
Gross market value **	NOK mill.	24 621
Average value per property	NOK mill.	849
Average value per m ²	NOK	48 718
Gross yield, actual	%	4.7
Net yield, actual	%	4.3
WAULT **	Years	5.0
CPI adjustment ****	%	99.9
Vacancy, calculation based on market rate ****	%	6.5

* Including Forusbeen 35 which is owned 50%

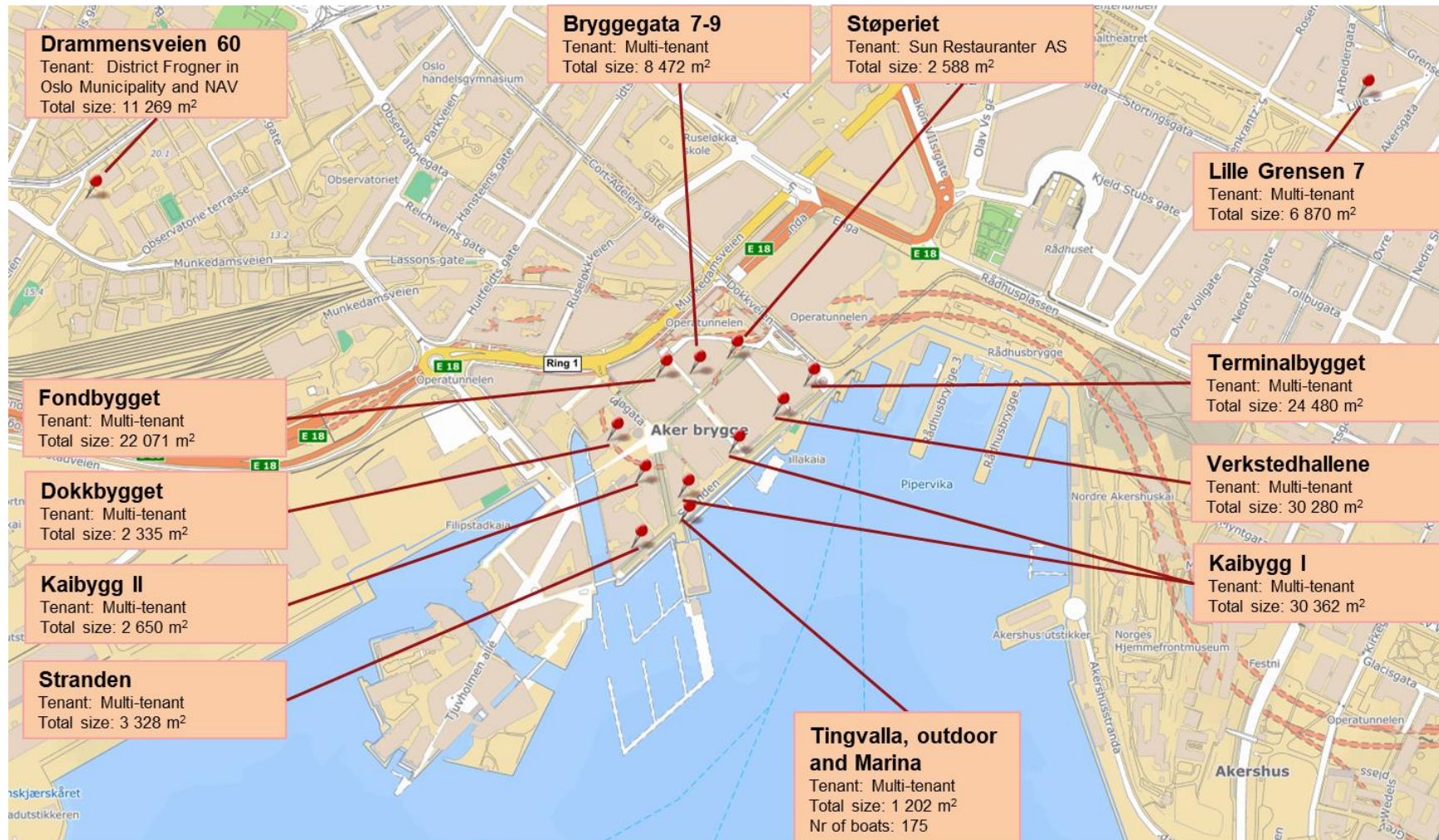
** Not including Forusbeen 35

*** For illustration; based on estimated long term property expenses of 8 per cent of gross rent.

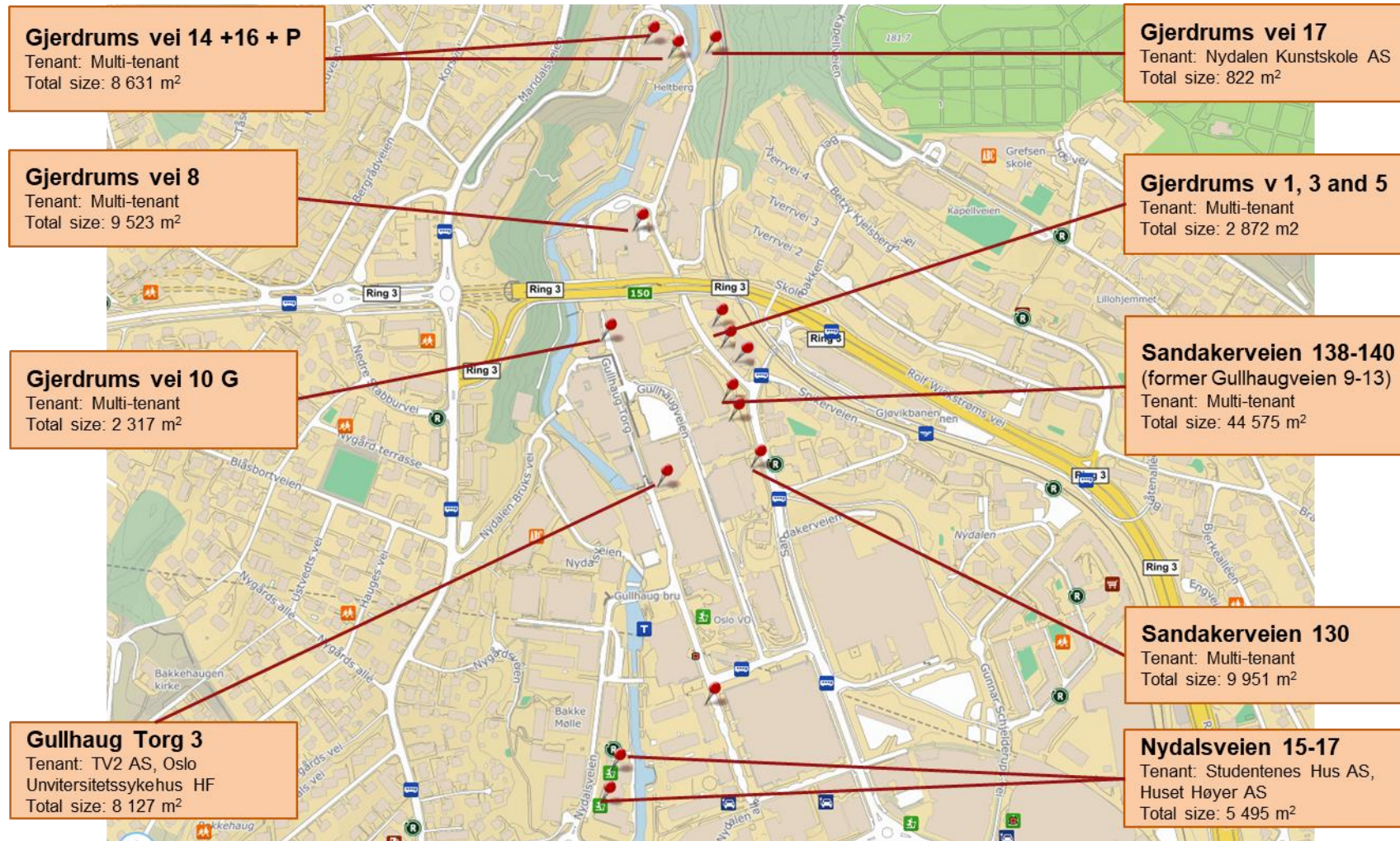
**** Calculation of vacancy is based on Market rate as estimated by Cushman & Wakefield. Not including Forusbeeen 35 and Gjerdrums vei 17.



CBD



Nydalen



Other



Vinslottet

- 8 922 sqm retail
- 284 sqm warehouse
- 1479 sqm parking

Snrøyveien 36

- 40 659 sqm office
- 17 213 sqm parking

Snrøyveien 30

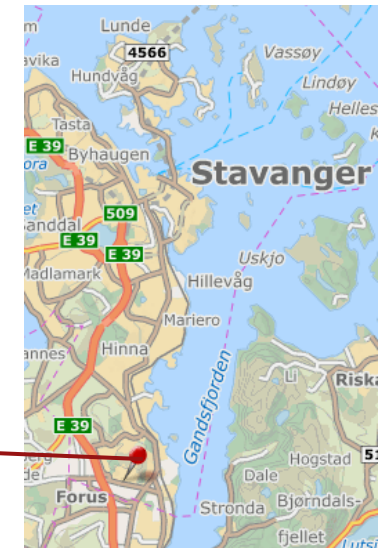
- 144 717 sqm office
- 8 144 sqm warehouse
- 45 578 sqm parking

Project: Forusbeen 35

Approx. 40 000 sqm

- 20% office
- 80% residential

Agreement with Base Property to sell 50% of Forusbeen 35 when zoning process is finalized



Property details Q2-2023

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Property	Property facts						Rent facts			
	Space split						Market rent vacancy	CPI	WAULT per June 2023	Run rate per June 2023
	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2				
	m2	m2	m2	m2	m2	m2	%	%	Years	MNOK
CBD										
Bryggegate 7-9	6 384	2 088	-	-	-	8 472	3.8	98.0	2.5	31.0
Dokkbygningen	2 022	257	-	56	-	2 335	-	100.0	4.8	6.1
Drammensveien 60	8 974	-	1 890	405	-	11 269	-	100.0	6.0	32.0
Fondbygget (incl. Felix)	12 901	2 664	1 044	-	5 461	22 071	15.0	100.0	4.9	63.5
Lille Grensen 7	5 135	1 694	38	-	-	6 867	-	100.0	4.8	28.3
Kaibygning I (Stranden 5)	20 825	6 555	2 290	-	693	30 362	0.6	100.0	3.8	128.1
Kaibygning II	-	1 827	824	-	-	2 651	30.5	100.0	5.6	8.4
Stranden	2 674	156	24	474	-	3 328	10.2	100.0	4.8	12.5
Støperiet	-	2 588	-	-	-	2 588	-	100.0	8.1	6.3
Terminalbygget (Stranden 1)	17 766	3 195	1 736	1 364	421	24 481	0.1	100.0	5.8	117.9
Tingvallaustikkeren, uteareal og marina ¹	-	1 201	-	-	-	1 201	1.7	100.0	1.4	31.6
Verkstedhallene (Stranden 3)	19 183	7 927	2 392	-	779	30 281	-	100.0	3.3	127.9
Total CBD	95 863	30 152	10 238	2 298	7 353	145 905	3.4	99.9	4.3	593.6



Property details Q2-2023

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Property	Property facts						Rent facts			
	Space split						Market rent vacancy	CPI	WAULT per June 2023	Run rate per June 2023
	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2				
	m2	m2	m2	m2	m2	m2	%	%	Years	NOK million
Nydalen										
Gjerdrums vei 10 G (former 10D)	2 139	-	178	-	-	2 317	10.1	100.0	2.8	4.8
Gjerdrums vei 14, 16 and 16 P-house	5 363	-	976	2 292	-	8 631	7.8	100.0	3.1	12.9
Gjerdrums vei 17	806	-	16	-	-	822	-	100.0	-	
Gjerdrums vei 1	282	-	-	-	55	337	-	100.0	0.8	0.4
Gjerdrums vei 3	45	-	-	-	418	463	11.1	100.0	1.0	0.8
Gjerdrums vei 5	1 710	-	263	-	-	1 972	14.6	100.0	2.7	2.1
Gjerdrums vei 8	7 726	-	633	1 163	-	9 522	1.6	100.0	2.3	19.7
Gullhaug Torg 3	7 793	-	334	-	-	8 127	4.3	100.0	3.8	14.8
Sandakerveien 138-140 (Gullhaugvn 9-13)	23 446	-	7 323	13 736	-	44 505	37.7	100.0	1.9	44.0
Nydalsveien 15	3 711	-	65	-	28	3 804	0.4	100.0	3.1	9.4
Nydalsveien 17	-	1 691	-	-	-	1 691	-	100.0	2.0	5.3
Sandakerveien 130	5 542	-	1 047	3 361	-	9 950	12.8	100.0	4.8	15.8
Total Nydalen	58 563	1 691	10 834	20 553	501	92 142	19.8	100.0	2.8	129.9



Property details Q2-2023

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Property	Property facts						Rent facts			
	Space split						Market rent vacancy	CPI	WAULT per June 2023	Run rate per June 2023
	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2				
	m2	m2	m2	m2	m2	m2	%	%	Years	NOK million
Fornebu										
Snarøyveien 30	144 717	-	8 144	45 578	-	198 439	3.3	100.0	7.4	365.4
Snarøyveien 36	40 660	-	326	17 213	-	58 198	16.4	100.0	2.6	44.4
Total Fornebu	185 377	-	8 469	62 791	-	256 637	5.8	100.0	6.8	409.8
Hasle										
Vinslottet	-	8 922	284	1 479	-	10 684	8.7	100.0	5.0	17.5
Total Hasle	-	8 922	284	1 479	-	10 684	8.7	100.0	5.0	17.5
GROSS TOTAL	339 803	40 765	29 826	87 121	7 854	505 369	6.5	99.9	5.0	1 150.8

1) 50% of Forusbeen 35 has been sold, and the property is no longer included in the figures.