



NORWEGIAN
PROPERTY

3rd quarter 2019

Oslo, October 24, 2019



Agenda

- Highlights
- Markets and operations
- Financial update
- Closing remarks
- Q&A session

Q3 in short:

- **Continued good demand in the office market**
- **Revenues NOK 185.7 million**
- **Earnings per share (EPS) NOK 0.38**
- **Strategic acquisitions**
 - Office unit at Aker Brygge
 - Development project with cashflow in Nydalen
- **Refinancing of bond and RCF**
- **Dividend of NOK 0.07 per share for Q3**



:: VERKSTEDHALLEN. AKER BRYGGE. OSLO:



:: STRANDEN. AKER BRYGGE. OSLO:



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Rental update

Rental contracts in Q3-2019

- New contracts of MNOK 20
- Renegotiated contracts of MNOK 13
- Terminated contracts of MNOK 7
- Net lease contracts of MNOK 26

Aker Brygge

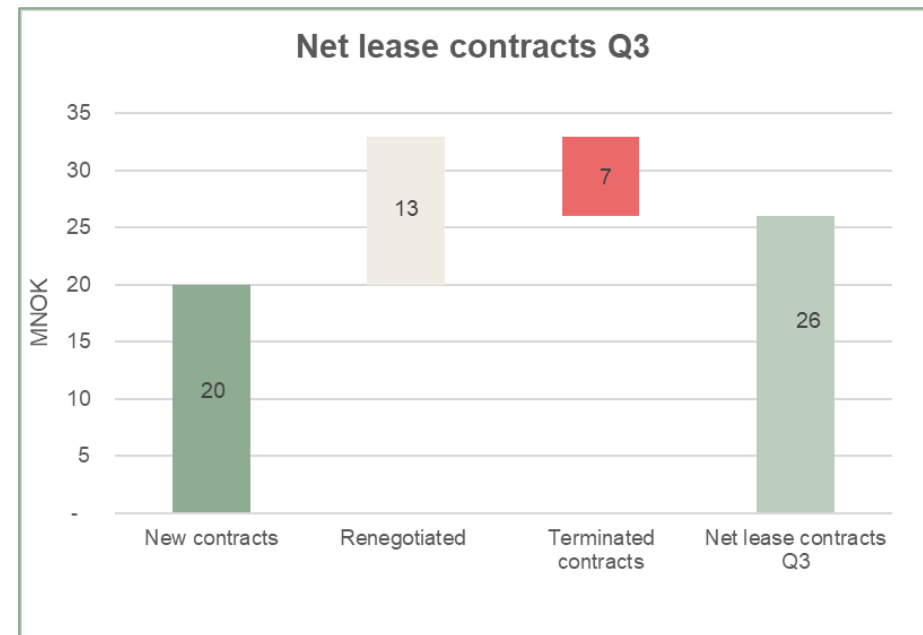
- SUN Kultur
- 2,600 sqm, prolonged with new 10 year contract

Nydalen

- Oslo kommune
- 1,000 sqm, Gjerdums vei 14 – 16

Pipeline

- Good pipeline regarding premises at Aker Brygge and Fornebu **WORKS**



Retail update

Turnover

- Q3 2019 NOK 491 mill. (+1.7 %)
- Q1-Q3 2019 NOK 1 387 mill. (-1.5 %)

- ⇒ Q3 showed a catch up of decreased turnover during Q2.
- ⇒ Satisfied with turnover in most segments, taken into consideration strategically vacancies

Several retail focused activities during the quarter

- Outdoor cinema (E.T.)
- Backyard Thursday (afterwork)
- Gentleman's Ride – motorbike show
- "Båter i sjøen"

Changing concepts

- Verité, Akers Mek, Jean Paul and Aspeli Dame strategically closed down
 - New concepts are Fusalp, Winther Cheese Factory
 - Other concepts well advanced stage



Sustainability update

■ BREEAM In-Use Fornebu WORKS

- Startup summer 2019
- Ambition: “*Very Good*” or better
- Scope
 - Asset Performance
 - Building Management
- Engergima our advisor
- BRE Global Limited to give official rating
 - Expected to be ready Q1 2020

■ Next step

- Contemplate newly built or refurbished properties to be certified BREEAM-in-use
 - Fondbygget – Aker Brygge





Acquisition in Q3 2019 – Aker Brygge

Aker Brygge

- Continue to purchase available office units at Aker Brygge
- 693 sqm office in fifth floor at Beddingen 8 acquired in Q3 2019
 - Ground-, third- and fourth floor in the same building were acquired in 2018
- The acquired unit is currently vacant
 - Advanced discussion with potential tenant
- Enterprise value MNOK 52
- Aker Brygge is a strategic area for NPRO

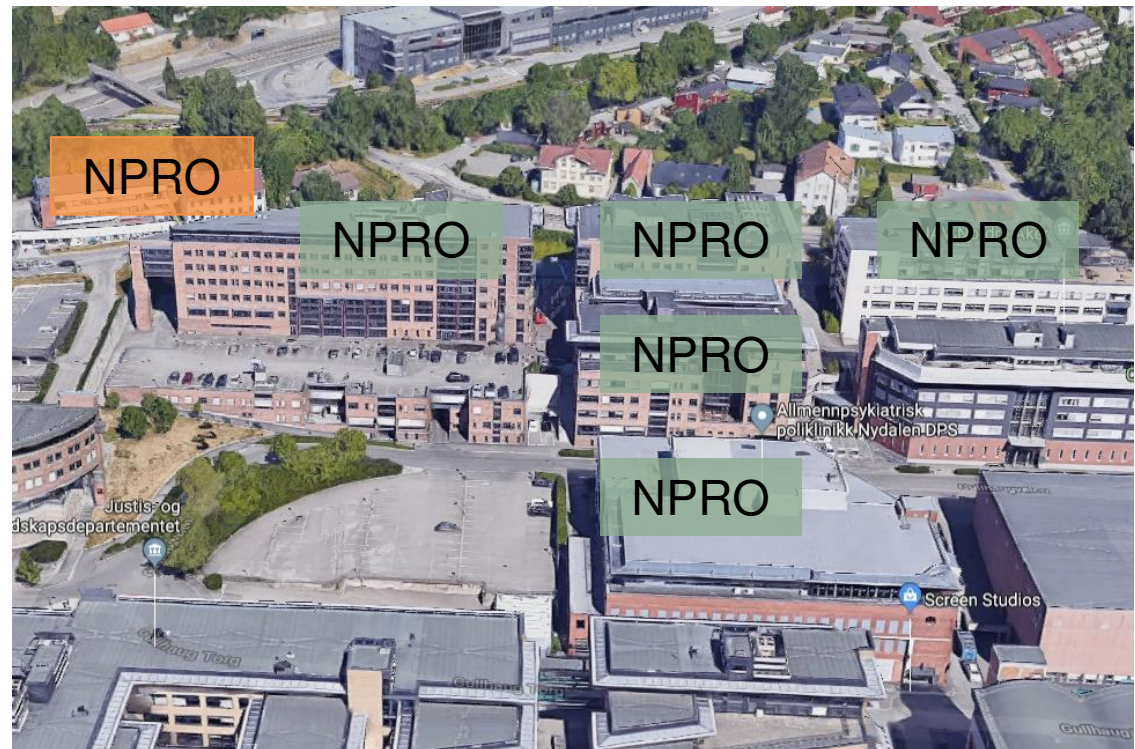




Acquisition in Q3 2019 - Nydalen

Nydalen

Acquisition of two properties

- 2 430 sqm with office and residential
 - Municipality of Oslo has chosen not to use preemptive
 - The properties are currently rented out
- Enterprise value MNOK 73
- The plot is 3 275 sqm
- Long term plan to re-zone and develop the plot
- Nydalen is a strategic area for NPRO



-  Acquisition
-  Owned by NPRO

Market trends



:: FORNEBU WORKS. SNARØYVEIEN 36. OSLO:

Rental market Oslo

- Continued strong rental markets in CBD and Nydalen

Transaction market

- Prime yield asset for sale still at 3.75%
- Well functioning transaction market
- As commented last quarter, completed transactions outside CBD shows decreased yield gap to CBD

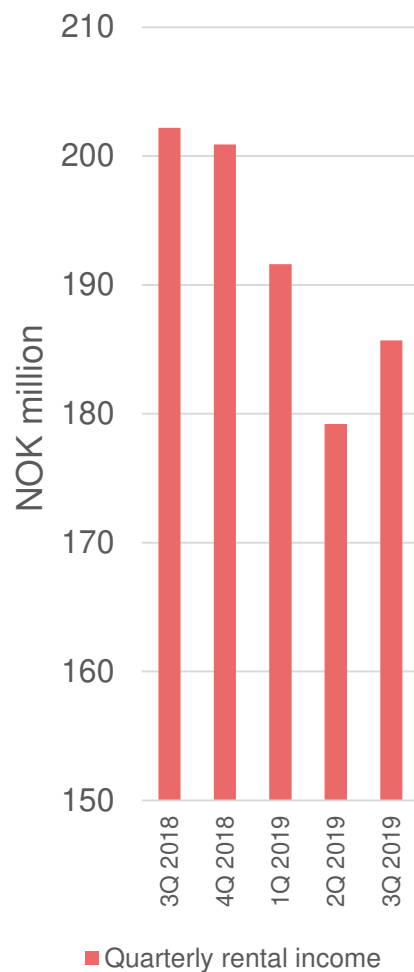


Agenda

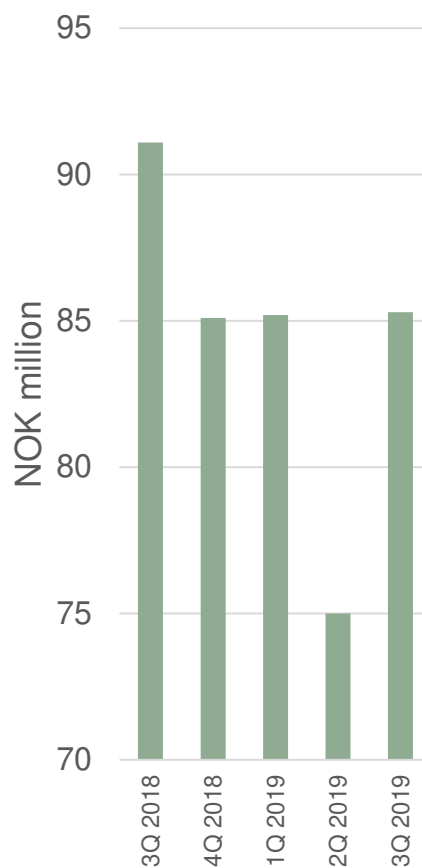
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- Markets and operations
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Financial highlights

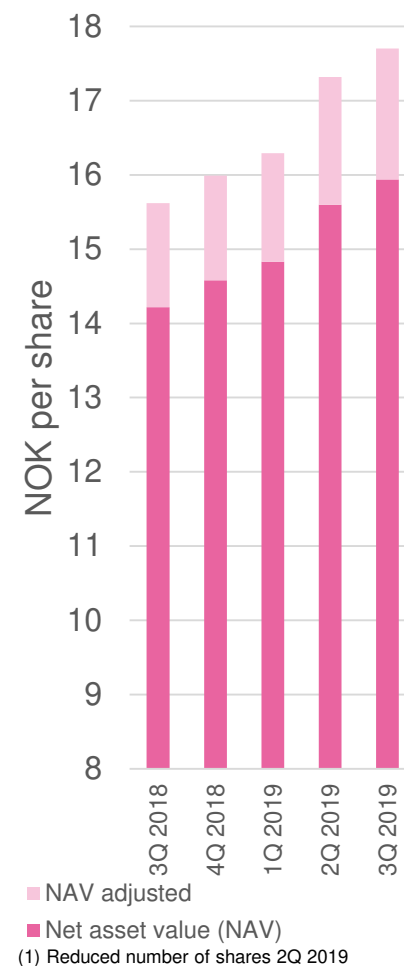
RENTAL INCOME



PROFIT BEFORE TAX AND VALUE ADJ.



VALUE PER SHARE



Income statement – Q3 and YTD 2019

NOK million	Q3 2019	Q3 2018	YTD Q3 2019	YTD Q3 2018	Year 2018
Revenue	185.7	202.2	556.5	598.0	798.9
Property-related operational expenses	(15.9)	(18.4)	(47.9)	(55.0)	(71.7)
Other property-related expenses	(11.3)	(15.3)	(38.4)	(48.7)	(65.8)
Administrative expenses	(11.4)	(11.7)	(38.0)	(38.1)	(57.1)
Share of profit in joint ventures ¹	4.5	-	8.8	-	0.3
Operating profit before value adjustments	151.7	156.7	440.9	456.2	604.6
Change in market value of investment property	155.9	66.7	511.0	48.0	161.1
Operating profit	307.5	223.4	951.9	504.2	765.7
Realised financial items	(66.4)	(65.6)	(195.5)	(196.4)	(259.6)
Change in market value of financial instruments	2.5	37.6	12.2	86.2	71.3
Net financial items	(63.8)	(28.0)	(183.3)	(110.2)	(188.3)
Profit before income tax	243.7	195.4	768.6	394.0	577.4
Income tax (not payable) ²	(42.7)	(68.0)	(158.1)	(141.7)	(86.8)
Profit for the period	201.0	127.4	610.6	252.3	490.6
Earnings per share (NOK)	0.38	0.23	1.13	0.46	0.89
Profit before income tax and value adjustments	85.3	91.1	245.5	259.8	345.0

¹ Related to the property Badehusgata 33-39 in Stavanger from Q4 2018

² In 2019, amendments have been made to the rules on limiting interest deductions under tax legislations, see Q3-Report note 11

Portfolio valuation by area Q3-2019

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Positive fair value adjustment of NOK 155.9 million for properties owned 100%

Area		Total space (m ²)	WAULT (years)	Valuation		Gross rent per year		Net yield ¹ (%)	Vacancy based on market rent ² (%)
				NOK mill.	NOK/m ²	NOK mill.	NOK/m ²		
Oslo	CBD	133 396	5,6	12 076,3	90 530	470,3	3 525	3,6	4,2
	Nydalen	91 181	3,3	2 238,1	24 546	135,8	1 489	5,6	5,8
	Other ³	87 889	1,2	1 147,0	13 051	101,9	1 160	8,2	4,6
Total Oslo Portfolio		312 466	4,5	15 461,4	128 126	708,0	2 266	4,2	4,6
Stavanger ⁴		33 928	4,2	224,2	6 608	10,2	302	4,2	27,8
Total office portfolio		346 393	4,5	15 685,6	134 734	718,3	2 074	4,2	5,0

¹ For illustration; based on rents as of 30 September 2019 and estimated long term property expenses of 8 per cent

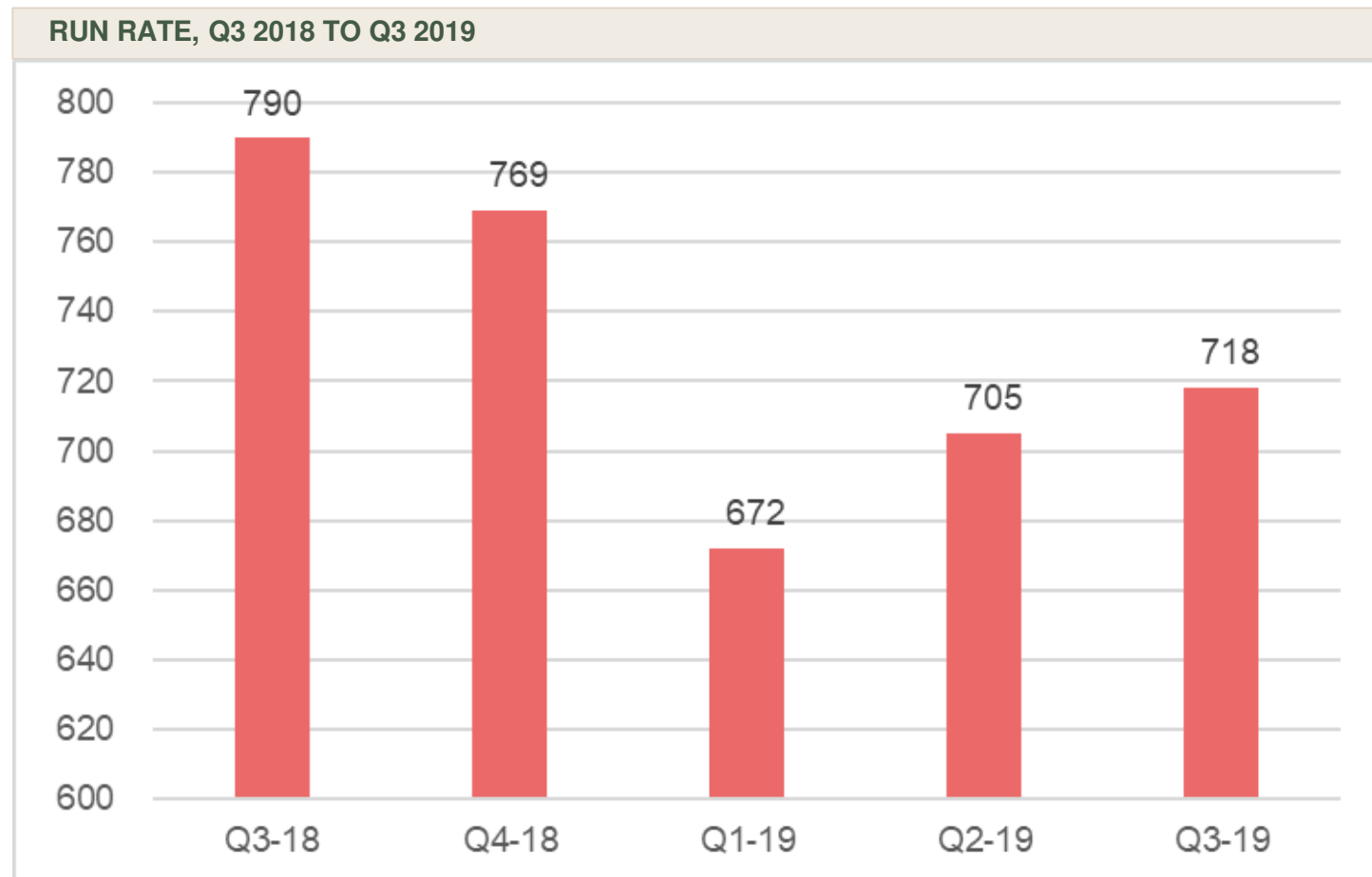
² Vacancy calculated as market rent in vacant space, using market rent estimated by Cushman & Wakefield

³ Hasle retail property included in calculation of space and valuation in "Other", residential project excluded.

⁴ Vacancy is calculated excluding Forusbeen 35 where a zoning process for conversion is initiated. 50% of Badehusgata included in calculations (not included in balance sheet.)

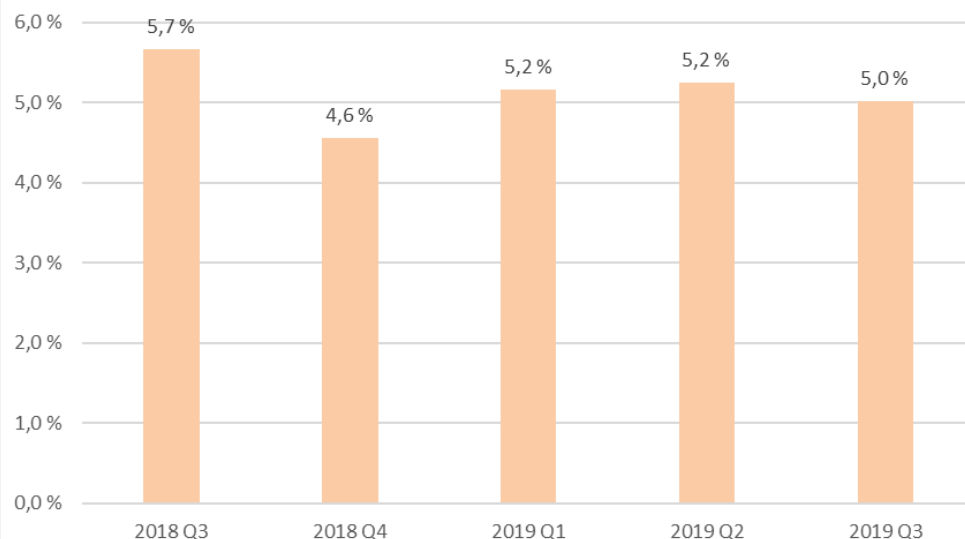


Run rate last 5 quarters

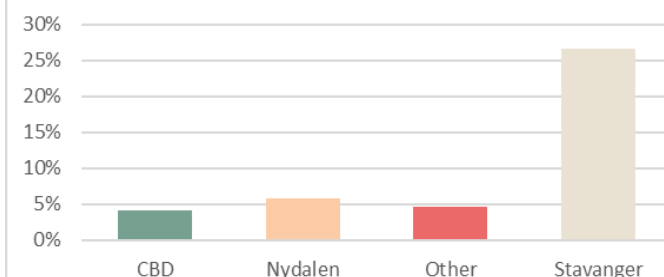


Vacancy based on market rent

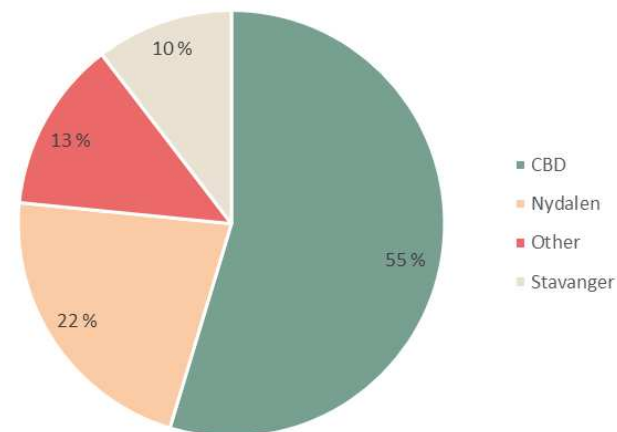
MARKET RENT VACANCY, LAST 5 QUARTERS



MARKET RENT VACANCY FOR EACH AREA

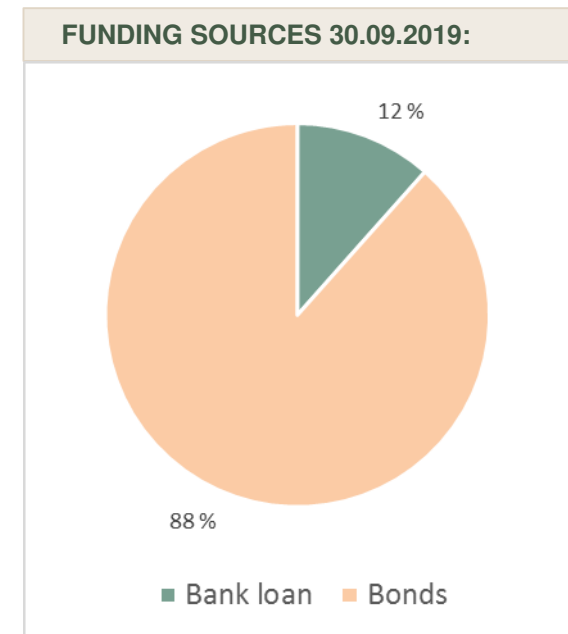


VACANCY FOR EACH AREA IN % OF TOTAL VACANCY



Financial position

Interest bearing debt and hedging		30.09.2019
Total interest bearing debt ¹	NOK million	6 790.1
Property value ²	NOK million	15 532.8
Net Loan to value ³	Per cent	43.2
Cash and cash equivalents	NOK million	76.7
Unused committed credit facilities	NOK million	500.0
Average remaining duration. Hedging	Years	5.1
Average interest rate (including margin) ¹	Per cent	3.49
Average margin ¹	Per cent	1.23
Average remaining duration. Borrowing ⁴	Years	2.6
Hedging ratio ⁵	Per cent	76.7
WAULT	Years	4.5



The share of bonds increased to 90% after refinancing in October 2019

¹ Not including NOK 787.6 million project financing at Hasle

² Including value of Hasle Retail, not including residential project at Hasle and 50% of Badehusgata 33-39

³ Net loan to value = interest bearing debt net of cash divided by gross property value

⁴ Not including NOK 787.6 million project financing at Hasle. Will increase to 2.9 years after refinancing in October.

⁵ Calculated as the amount of interest hedging / total interest bearing debt

Refinancing in Q3 and Q4

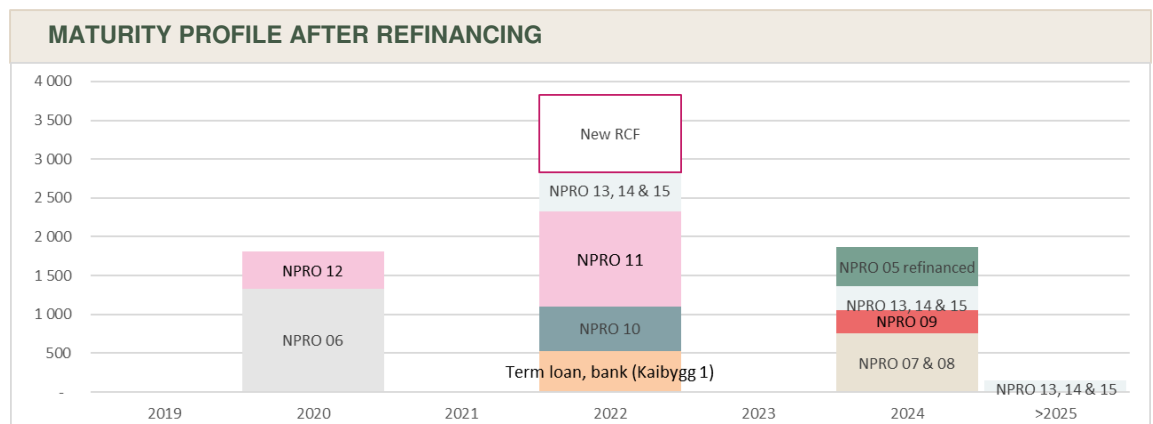
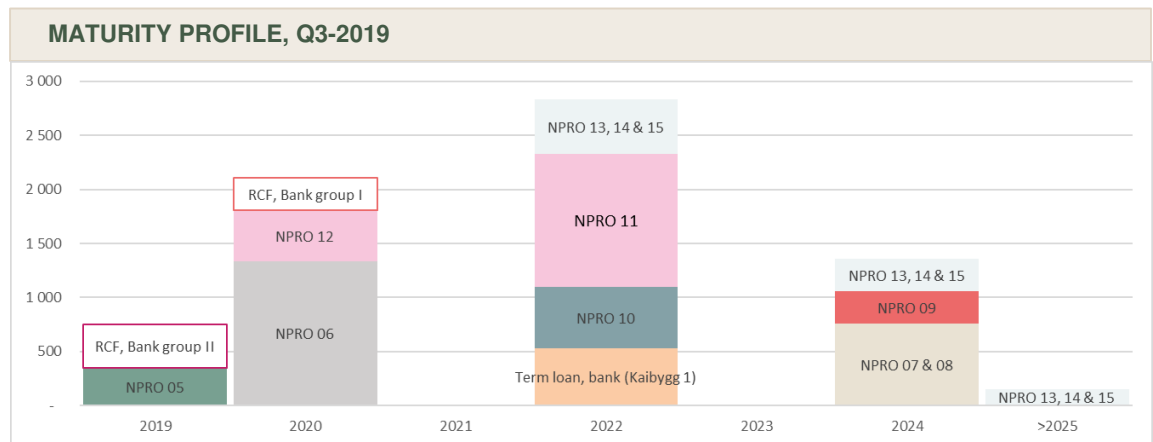
New loan agreements signed during Q3 2019, with refinancing taking effect beginning of October:

Bond loan:

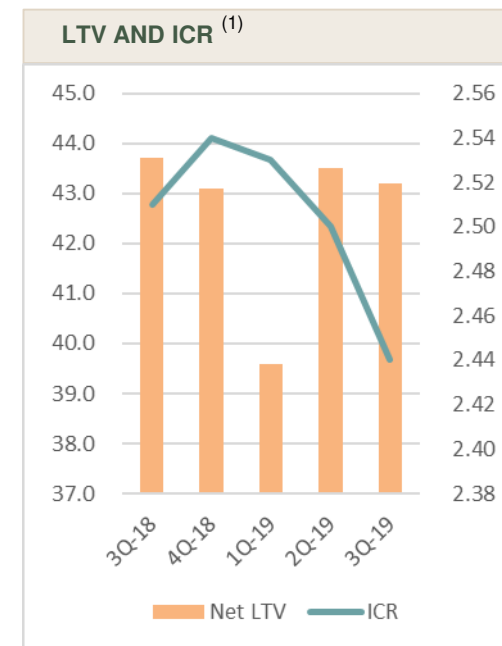
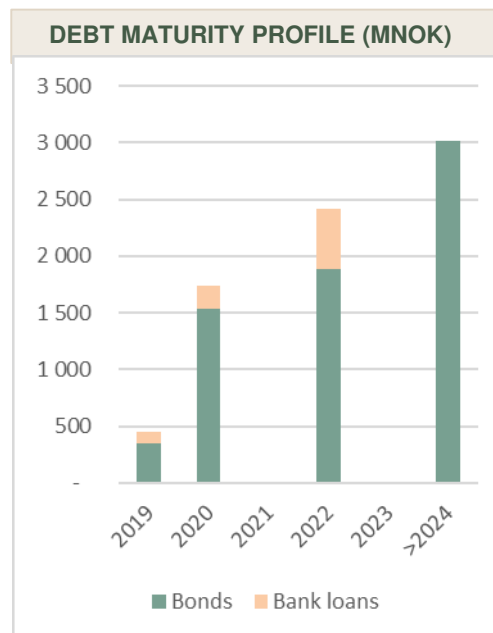
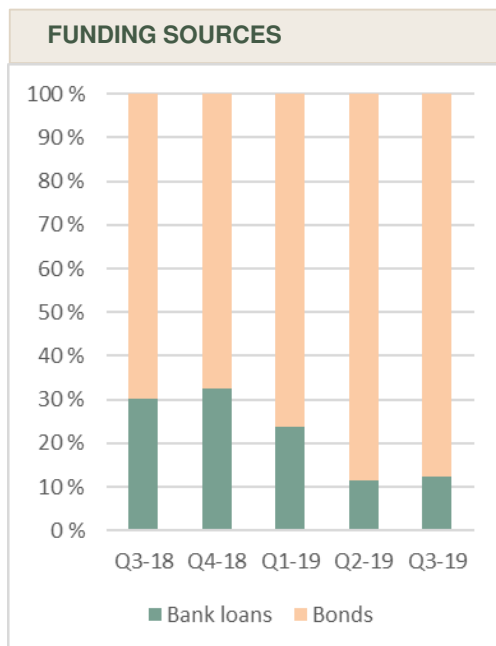
- MNOK 350, 5 years Fixed rate 2,666% (margin 1.05%)

New RCF:

- MNOK 1 000 RCF 3 years with DNB, Nordea and SEB



Financing



- **Diversified sources of funding**
 - 5.97 bn in bonds Q3 2019, increasing to 6.12 bn on 7th October.

- **Diversified maturity profile**
 - Average remaining time to maturity Q3 2019 is 2.6 years, increasing to 2.9 years after refinancing.

- **LTV below long time target**
 - Net **LTV 43.2%** at Q3 2019
 - Not including Hasle residential development and project financing

Refurbishments and newbuild in 2019

Refurbishment

Area	Property	Tenant	SQM	Quarter finalized
Aker Brygge	Fondbygget	United Influencers	500	Q1 2019
Aker Brygge	Fondbygget	Regnskap Norge	1 050	Q2 2019
Aker Brygge	Fondbygget	Kongsberg Gruppen	1 120	Q2 2019
Nydalen	Sandakerveien 130	Universitetet	1 750	Q2 2019
Fornebu	Snarøyveien 36	Broadnet	8 200	Q3 2019
Aker Brygge	Fondbygget	Danske Bank	1 150	Q3 2019
Aker Brygge	Verkstedhallen	Business Village	2 700	Q1 2020

Newbuild

Area	Property	Tenant	SQM	Quarter finalized
Hasle	Vinslottet	Several tenants	8 810	Q4 2019



:: FONDBYGGET. AKER BRYGGE:



:: VERKSTEDHALLEN. BUSINESS VILLAGE :

Delivery of flats at Vinslottet

72 flats to be delivered in Q4 2019, 72 flats in Q1 2020 and 79 flats in Q2 2020

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Summary

- **Dividend of NOK 0.07 for Q3–2019**

- Ex date: 28 October 2019
- Payment date: 14 November 2019

- **Strategic acquisitions**

- **Operational focus**

- Letting
- Efficient operations
- BREEAM-in-use

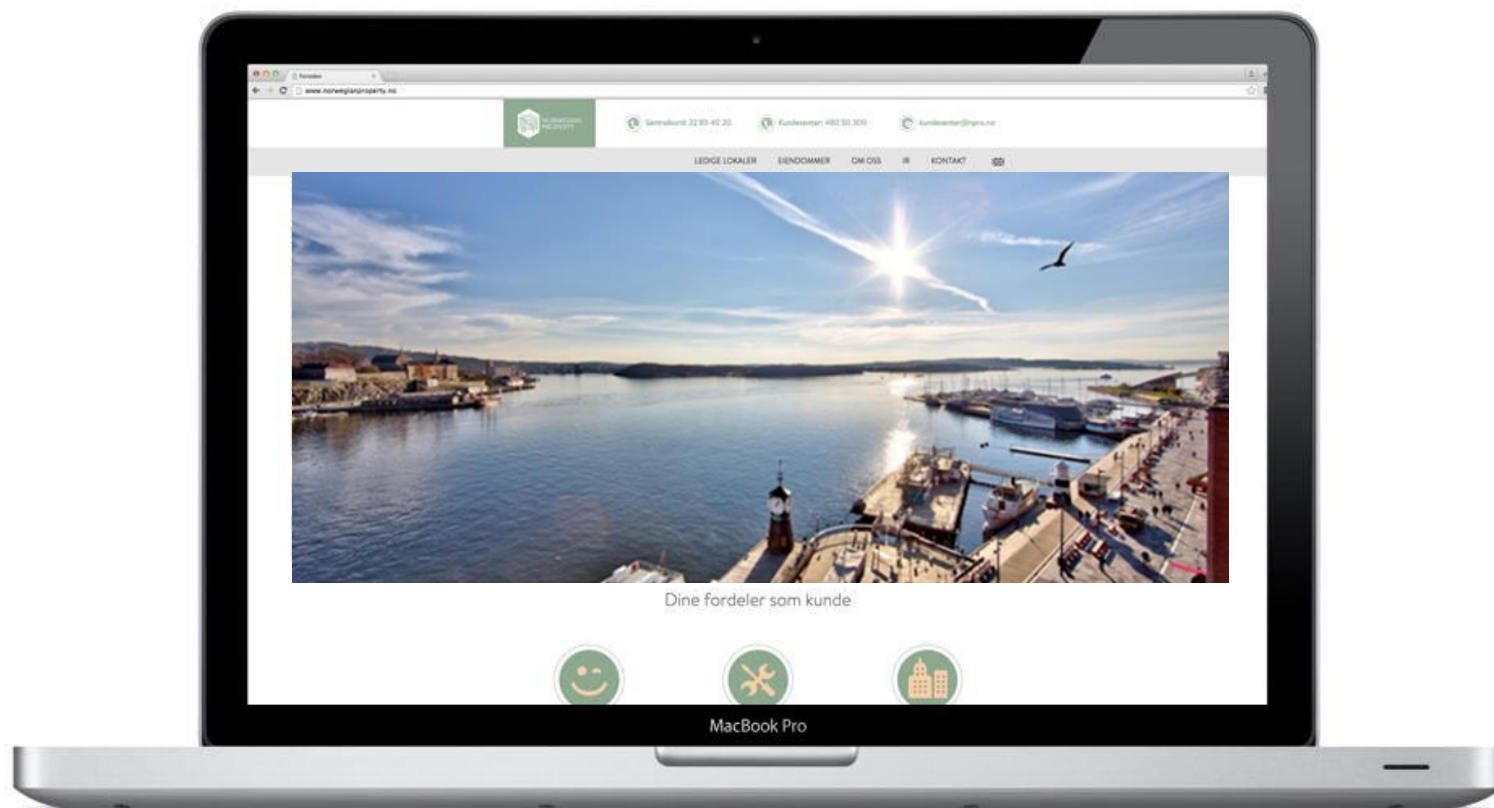
- **Refinancing of bond and RCF**

- **Continued focus on execution**

- Growth incl. development
- Retail mix



Q & A

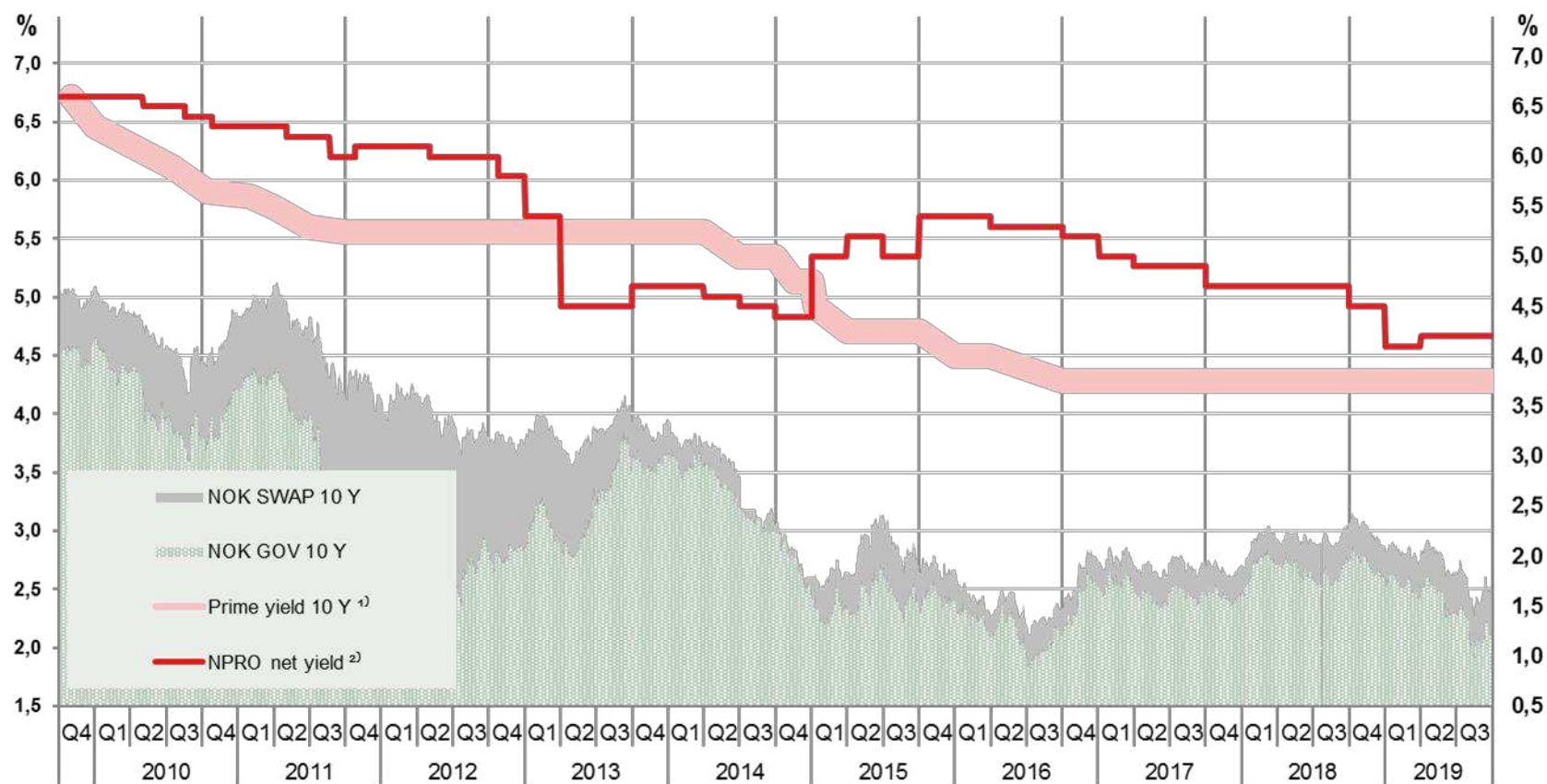




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- **Appendix**

Yield spread



¹ Source: Akershus Eiendom

² NPRO net yield as summarised in slide; Portfolio valuation Q3-2019

Balance sheet – Q3 2019

NOK million	30.09.2019	31.12.2018
Investment property	15 401.8	14 573.7
Owner-occupied property	85.0	75.6
Investment property held for sale ¹	46.0	941.6
Property, plant and equipment	40.6	39.2
Investment in joint ventures ²	38.9	30.1
Inventory ³	1 022.3	815.5
Receivables ⁴	103.2	455.7
Cash and cash equivalents	76.7	124.6
Equity	7 867.3	8 002.8
Deferred tax	776.1	615.9
Long term interest bearing debt	4 806.7	4 679.6
Short term interest bearing debt	2 861.4	3 153.8
Market value financial derivatives (net)	134.0	156.5
Net other debt	369.0	447.4
Equity ratio (%)	46.8	46.9
NAV per share, book value of equity (NOK)	15.94	14.59
NAV, adjusted per share (NOK)	17.70	16.01
NNNAV per share (NOK)	16.68	15.13

¹ Related to properties agreed to sell in 2019 (Gardermoen).

² Related to the property Badehusgata 33-39 in Stavanger.

³ Related to apartments under construction at Hasle in Oslo.

⁴ Includes loans and seller credits totalling NOK 354 million in connection with the sale of properties in Stavanger at year-end 2018 (repaid in january 2019).

Cash flow – Q3 and YTD 2019

NOK million	Q3 2019	Q3 2018	YTD Q3 2019	YTD Q3 2018	Year 2018
Cash flow from profit and loss before fair-value adjustments	76.5	92.4	240.1	260.8	352.0
Change in property-related inventory ¹	(69.4)	-	(236.7)	-	-
Change in short-term items	28.9	49.8	(10.7)	76.2	67.7
Cash flow from operating activities	36.1	142.2	(7.4)	337.0	419.7
Sale of tangible assets ²	-	-	823.0	-	110.6
Purchase of tangible assets	(193.8)	(57.4)	(293.0)	(149.0)	(582.2)
Other investment activities ³	-	-	354.0	-	-
Cash flow from investment activities	(193.8)	(57.4)	884.0	(149.0)	(471.6)
Net change in interest bearing debt	140.0	(2.2)	(168.7)	(7.3)	240.8
Paid dividend	(34.6)	(38.4)	(111.3)	(115.2)	(153.6)
Other financing activities ⁴	-	-	(644.5)	-	-
Net cash flow from financing activities	105.4	(40.6)	(924.5)	(122.4)	87.3
Net change in cash	(52.3)	44.3	(47.9)	65.5	35.4
Net cash at end of period	76.7	154.7	76.7	154.7	124.6

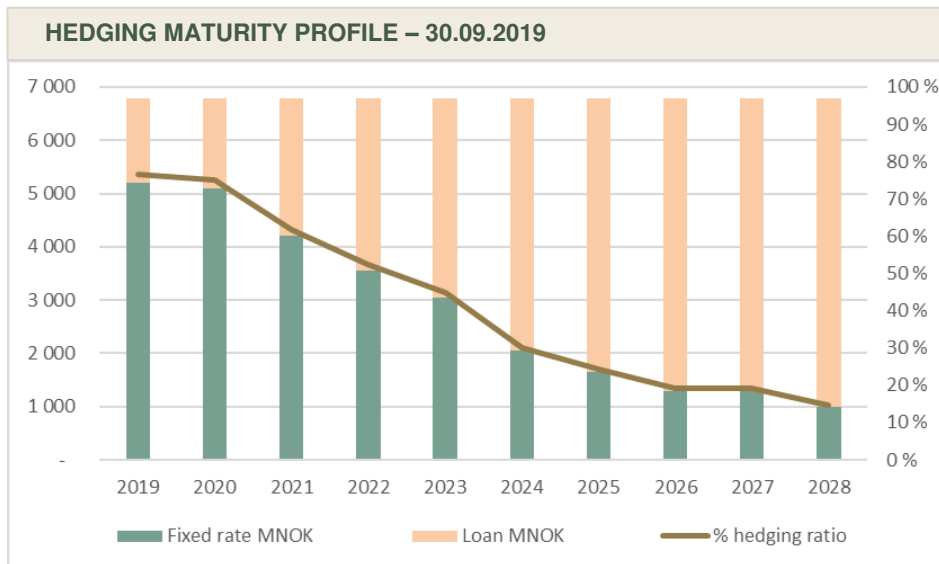
¹ Related to apartments under construction at Hasle in Oslo.

² Related to properties at Skøyen in Oslo sold in Q1 2019.

³ Related to loans and seller credits totalling NOK 354 million in connection with the sale of properties in Stavanger at year-end 2018 (repaid in January 2019).

⁴ Related to purchase of treasury shares in Norwegian Property ASA.

Interest rate hedging



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 30.09.2019 was 76.7 % and remaining average time to maturity was 5.1 years.
- Diversified maturity profile to avoid exposure to interest levels.
- Project financing at Hasle is excluded from the loan amount.



Overview and key figures



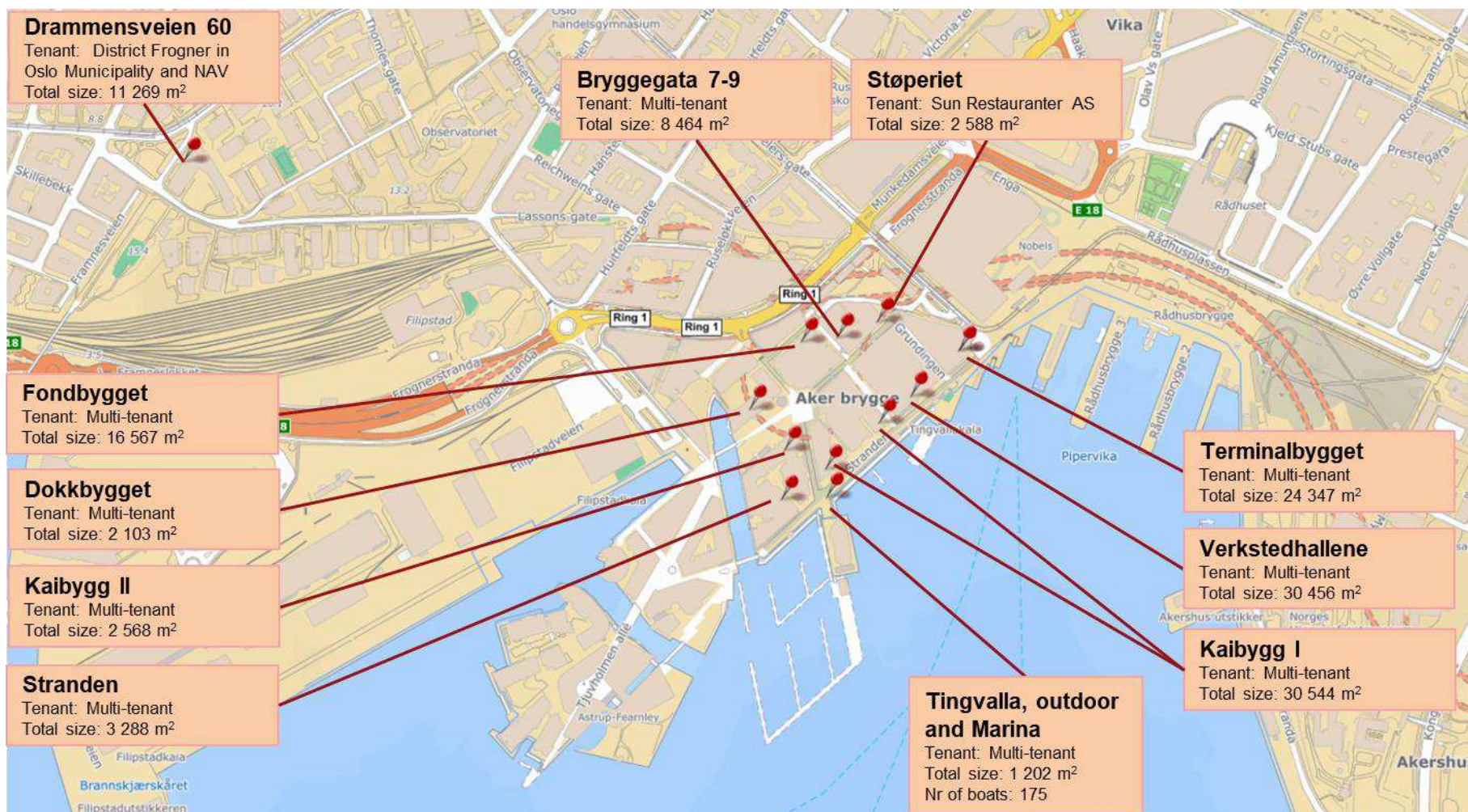
Key figures as of 30 September 2019

Properties	no	29
Portfolio size (ex. new space in redev. Projects)	m ²	346 393
Average size per property	m ²	11 945
Gross rent per year (run rate)	NOK mill.	718
Operational expenses per year ¹⁾	NOK mill.	57
Net rent per year (run rate)	NOK mill.	661
Average gross rent per m ² per year	NOK	2 074
Gross market value ²⁾	NOK mill.	15 686
Average value per property	NOK mill.	541
Average value per m ²	NOK	45 283
Gross yield, actual	%	4,6
Net yield, actual	%	4,2
WAULT	Years	4,5
CPI adjustment	%	99,8
Vacancy, calculation based on market rate ³⁾	%	5,0

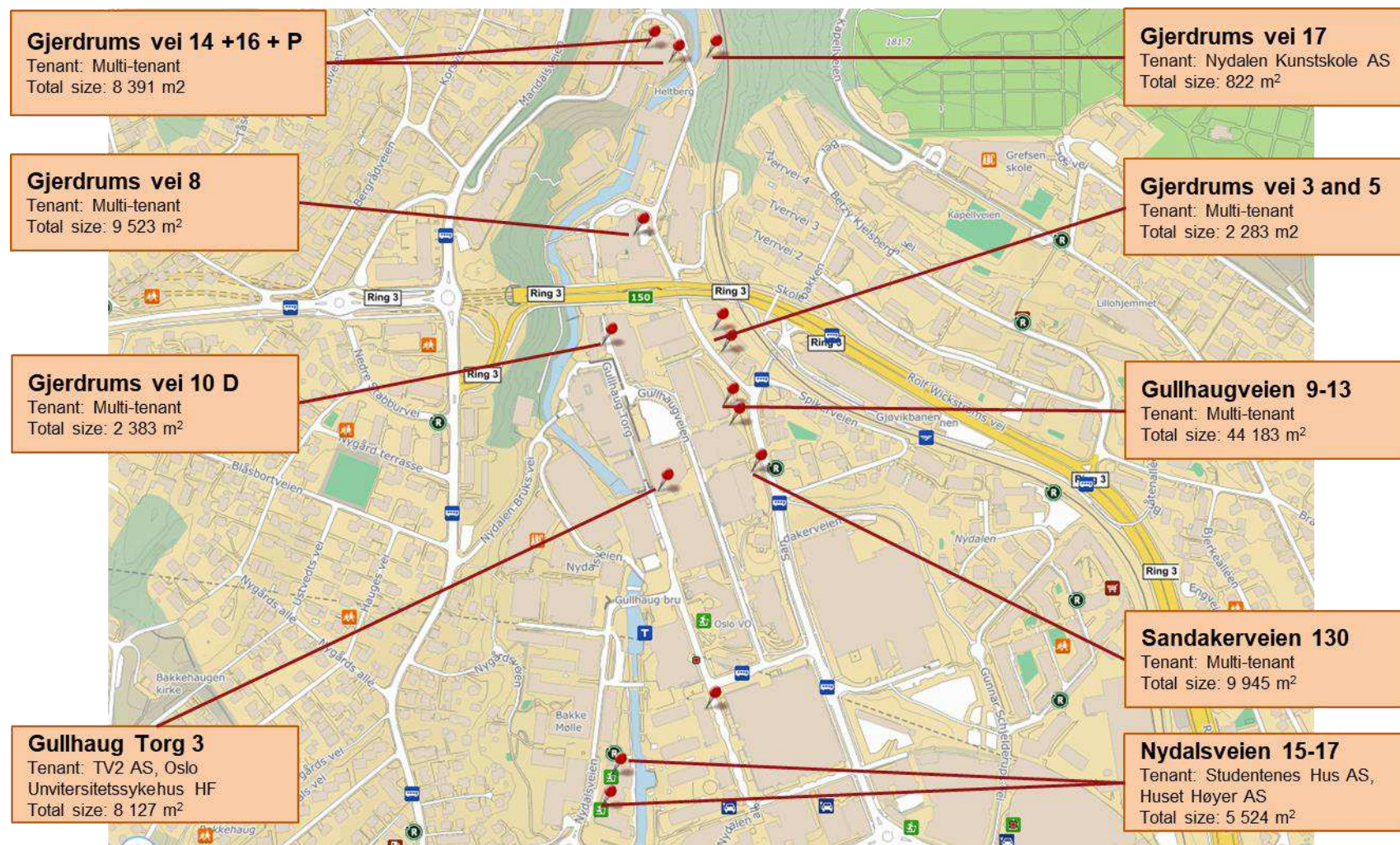


- 1 For illustration; based on estimated long term property expenses of 8 per cent of gross rent
- 2 Gross market value includes 50% of value of Badehusgata 33-39 and the commercial property at Hasle
- 3 Market rate as estimated by Cushman & Wakefield

CBD



Nydalen



Stavanger



JV 50% Badehusgaten 33-39

- Office: 18 635 m²
- Total: 21 257 m²



Project: Forusbeen 35 ¹⁾

- Approx. 40 000 sqm
 - 20% office
 - 80% residential



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



Property details Q3-2019

1/4

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Sep 2019	Run rate per Sep 2019
OSLO/AKERSHUS	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
CBD										
Bryggegate 7-9	6 376	2 088	0	0	0	8 464	0,7	98,0	3,9	28,7
Dokkbygningen	1 688	389	26	0	0	2 103	34,1	100,0	5,2	3,1
Drammensveien 60	8 975	0	1 890	404	0	11 269	0,0	100,0	10,2	28,0
Fondbygget	13 073	2 492	915	0	87	16 567	17,0	100,0	6,5	47,6
Kaibygning I (Stranden 5)	20 933	6 503	2 310	0	798	30 544	0,0	100,0	5,6	118,8
Kaibygning II	0	1 775	793	0	0	2 568	0,0	100,0	7,0	11,9
Stranden	2 086	756	0	446	0	3 288	35,1	100,0	2,9	6,2
Støperiet	0	2 588	0	0	0	2 588	0,0	100,0	4,8	5,5
Terminalbygget (Stranden 1)	17 787	3 194	1 686	1 386	294	24 347	0,2	100,0	5,6	98,9
Tingvallautstikkeren, uteareal og marina ¹	0	1 202	0	0	0	1 202	0,0	97,9	4,1	22,5
Verkstedhallene (Stranden 3)	19 419	7 961	2 227	0	849	30 456	4,6	100,0	4,6	99,1
Total CBD	90 337	28 948	9 847	2 236	2 028	133 396	4,2	99,8	5,6	470,3

¹ Adjusted for normal seasonal short term contracts



Property details Q3-2019

2/4

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Sep 2019	Run rate per Sep 2019
OSLO/AKERSHUS	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
Nydalen										
Gjerdrums vei 10 D	2 205	0	178	0	0	2 383	2,4	100,0	5,2	4,3
Gjerdrums vei 14, 16 and 16 P-house	5 353	0	986	2 052	0	8 391	16,1	98,0	2,3	9,4
Gjerdrums vei 17	806	0	16	0	0	822	11,1	100,0	3,3	1,2
Gjerdrums vei 3	0	0	0	0	463	463	0,0	100,0	1,3	0,9
Gjerdrums vei 5	1 722	0	98	0	0	1 820	4,9	100,0	2,1	2,2
Gjerdrums vei 8	7 726	0	634	1 163	0	9 523	9,1	100,0	2,6	16,2
Gullhaug Torg 3	7 699	0	428	0	0	8 127	0,0	100,0	3,7	14,7
Gullhaugveien 9 - 13	24 882	0	7 517	11 784	0	44 183	3,7	100,0	1,7	59,8
Nydalsveien 15	3 427	311	67	0	28	3 833	2,0	100,0	6,0	8,2
Nydalsveien 17	0	1 691	0	0	0	1 691	0,0	100,0	5,3	4,9
Sandakerveien 130	5 512	0	1 072	3 361	0	9 945	13,0	100,0	8,1	14,1
Total Nydalen	59 332	2 002	10 996	18 360	491	91 181	5,8	99,9	3,3	135,8



Property details Q3-2019

3/4

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m ²	Market rent vacancy	CPI	WAULT per Sep 2019	Run rate per Sep 2019
OSLO/AKERSHUS	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
Other										
Oslo Airport Gardermoen ¹	0	0	0	0	20 976	20 976	0,0	100,0	0,2	30,9
Snarøyveien 36 (prev. Aker Hus)	40 799	0	0	17 304	0	58 103	6,5	100,0	1,6	71,1
Hasle - development	0	8 810	0	0	0	8 810	NA	0,0	0,0	0,0
Total Other	40 799	8 810	0	17 304	20 976	87 889	4,6	100,0	1,2	101,9
TOTAL OSLO - AKERSHUS	190 468	39 760	20 843	37 900	23 495	312 466	4,6	99,8	4,5	708,0

¹ Oslo Airport Gardermoen agreed sold with take over in December 2019



Property details Q3-2019

4/4

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Sep 2019	Run rate per Sep 2019
STAVANGER	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
Badehusgata 33-39 (50%)	9 318	130	185	996	0	10 629	39,0	100,0	4,8	8,8
Forusbeen 35 ¹	19 075	0	0	4 224	0	23 299	NA	100,0	0,7	1,5
TOTAL STAVANGER	28 393	130	185	5 220	-	33 928	27,8	100,0	4,2	10,2
GROSS TOTAL	218 860	39 890	21 028	43 120	23 495	346 393	5,0	99,8	4,5	718,3

¹ Forusbeen 35 is not included in the calculation of vacancy as zoning process is ongoing for transformation to mixed use.

Largest shareholders as of 30 Sep 2019

#	Name	Share (%)	Shares held	Acc Type	Nationality
1	GEVERAN TRADING CO LTD	72,56	397 932 667	Ordinary	CYP
2	FOLKETRYGDFONDET	13,41	73 551 642	Ordinary	NOR
3	NORWEGIAN PROPERTY ASA	10,00	54 821 236	Ordinary	NOR
4	DANSKE BANK AS	0,62	3 385 343	Ordinary	DNK
5	MORGAN STANLEY INVESTMENT FUNDS	0,22	1 190 999	Ordinary	LUX
6	SANDEN AS	0,18	1 000 000	Ordinary	NOR
7	BANAN II AS	0,18	1 000 000	Ordinary	NOR
8	Sjoitusrahasto UB Eurooppa REIT	0,14	763 640	Ordinary	FIN
9	KAS Bank N.V.	0,13	716 239	Nominee	NLD
10	Morgan Stanley & Co. International	0,13	699 925	Ordinary	GBR
11	State Street Bank and Trust Comp	0,12	648 865	Nominee	USA
12	Sjoitusrahasto UB Global REIT	0,11	607 777	Ordinary	FIN
13	Alfred Berg Fastighetsfond Norden	0,05	300 000	Ordinary	SWE
14	CLEARSTREAM BANKING S.A.	0,05	299 274	Nominee	LUX
15	Avanza Bank AB	0,05	265 230	Nominee	SWE
16	State Street Bank and Trust Comp	0,04	235 440	Nominee	USA
17	SOLBERG INVEST & CONSULT AS	0,04	233 445	Ordinary	NOR
18	VIK, ERIK MARTIN	0,04	226 516	Ordinary	NOR
19	JP MORGAN SECURITIES PLC	0,04	216 523	Ordinary	GBR
20	Nordnet Bank AB	0,04	215 004	Nominee	SWE
Total top 20 shareholders		98,15	538 309 765		6/20 NOR

Disclaimer

The information included in this Presentation contains certain forward-looking statements that address activities, events or developments that Norwegian Property ASA (“the Company”) expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to economic and market conditions in the geographic areas and markets in which Norwegian Property is or will be operating, counterparty risk, interest rates, access to financing, fluctuations in currency exchange rates, and changes in governmental regulations. For a further description of other relevant risk factors we refer to Norwegian Property’s Annual Report for 2018. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and Norwegian Property disclaims any and all liability in this respect.