



NORWEGIAN
PROPERTY

3rd quarter 2020

Oslo, October 21st 2020



Agenda

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

Q3 in short:

- Revenues NOK 176.6 million
- Profit before value adjustments NOK 68 million
- Earnings per share (EPS) NOK 0.64
- No dividend for Q3 due to Covid-19 pandemic and investment in Telenor HQ

- **Financing**

- Private placement of MNOK 1,100
- MNOK 1,335 bond refinanced with RCF in July
- MNOK 471 bond refinanced with new MNOK 500 bond in October

- **Acquisitions**

- Veidekke Eiendom completed in September
- Acquisition of Telenor HQ, settlement in Q4



:: LILLE GRENSEN 7. CBD. OSLO:



:: VERKSTEDHALLEN. AKER BRYGGE. OSLO:



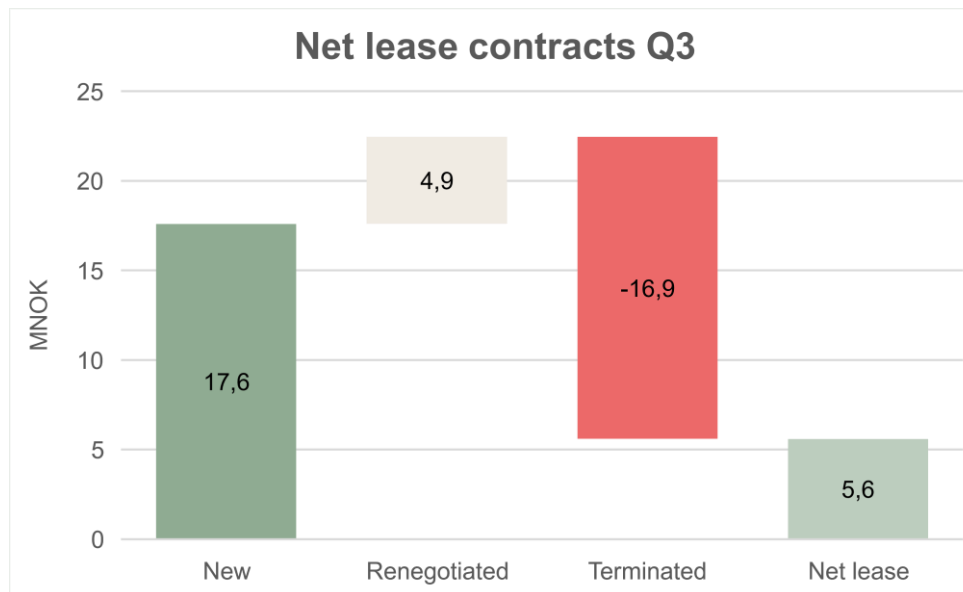
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Rental update

Rental contracts in Q3-2020

- Good activity in the quarter signing new contracts



New leases

- Nordr, 5 year contract at Fornebu Works
- Several contracts at Business Village
- Health and wellness concept has signed 10 year contract in Dokkbygget, Aker Brygge in Q4

NORDR

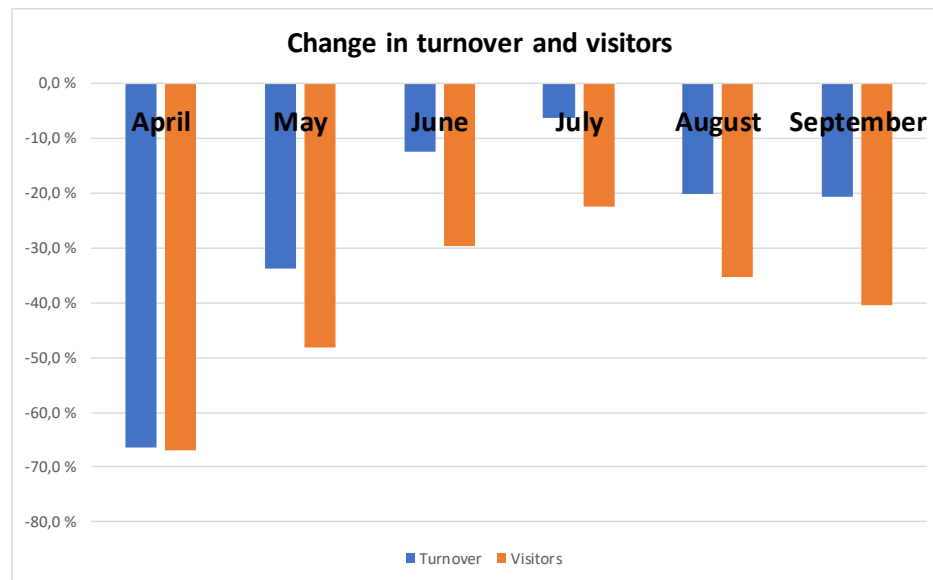
Retail update

Aker Brygge turnover effected by covid-19

- Q3 2020 NOK 414 mill (-15,4 %)
- Q1-Q3 2020 NOK 1068 mill (-22,4 %)

Main reasons:

- Lack of tourists visiting Oslo
- Lack of conferences and festivals
- Still companies that recommend home office

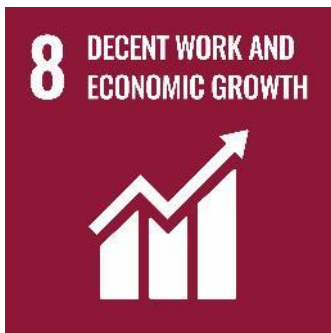




ESG update:

-Giving young people work experience

- One of our goals is to contribute to the UN sustainable development #8: «Decent work and economic growth»
 - NPRO will give **young people** work experience
- **Opportunities:**
 - “**Summer patrol**” assist visitors at Aker Brygge and help to ensure that the area is representative. The service is active from June to August
 - “**Marina guards**” assist the marina users at Aker Brygge to ensure a good experience for our customers. The service is active from May to September
 - NPRO employs young adults who are looking for practical work experience before starting their studies. 6-12 months engagements.
- **What NPRO offers:**
 - First work experience
 - Written work contracts that safeguard employees and employer
 - Decent salaries based on age, experience and type of work



Market trends



:: STRANDEN. AKER BRYGGE:

Rental market Oslo

- Limited number of new leases signed during Q3
- NPRO experiences flattish quarter in all our core areas
- Increased demand for our Business Village concept

Transaction market

- Several transactions disclosed in the quarter
 - Further yield compression expected in next quarter
- Margins in the bond market have tightened during the quarter
- Banks are open for business



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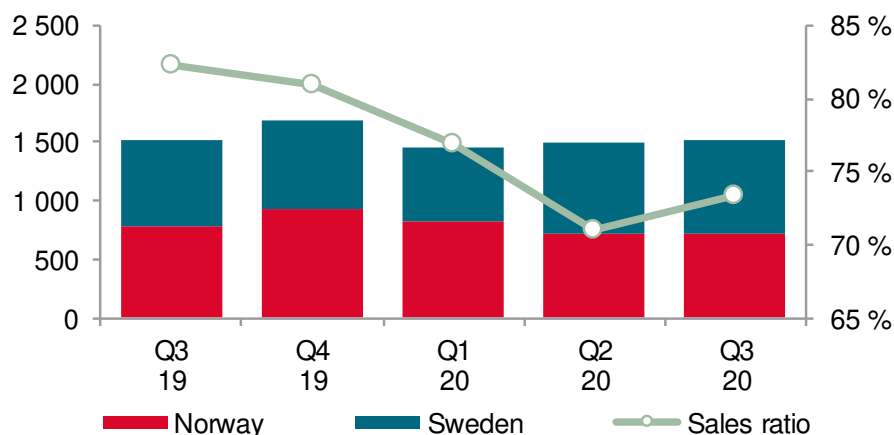
Acquisition in Q4 2020: Snarøyveien 30

- Purchase of 198.438 sqm
- Located at Fornebu, next to Fornebu WORKS
- Approx 9 years WAULT
- Norwegian head office of Telenor, Tieto Evry and ABB
- The estimated run rate as of January 1, 2021 is MNOK 335
- Gross property value MNOK 5 450
 - Purchase price adjusted for capex related to ABB lease contract, technical DD and tax discounts
- Long term loan of 65% of gross property value



NORDR - Transaction completed in Q3

Development units under construction



The transaction in brief

- Lock box based on balance sheet as of 31/12-2019. No interest until closing 01/09-2020
- As of 31/12-2019 1 575 units under construction
- Construction start of 539 units in the first three quarters in addition to units under construction contributes to NGAAP result until 01/09
- The delivery of 622 units in 2020 until settlement has contributed to IFRS results until 01/09

Operational development in the quarter

- Construction start of 52 units in the quarter
- Delivery of 69 units in the quarter
- Units under construction 1 498
- Sales ratio of ~73% as of Q3 2020, and good sales so far in Q4
- Good pipeline for further development



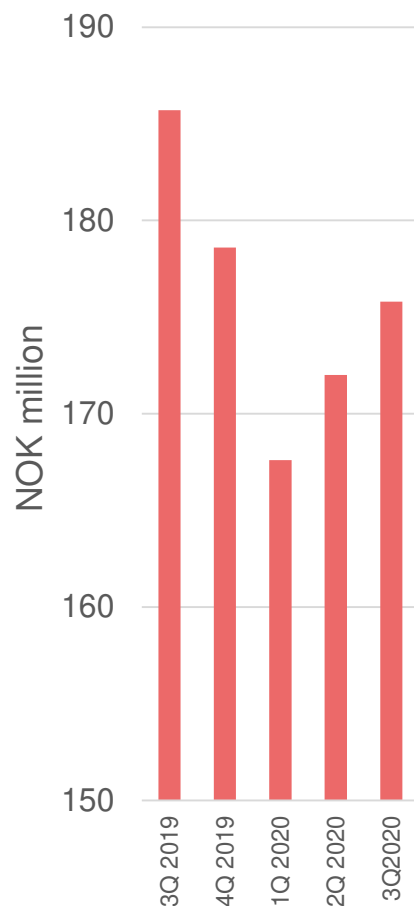
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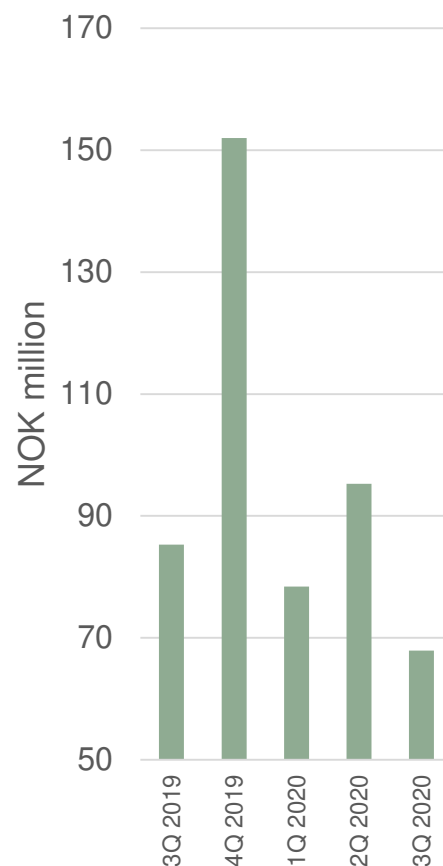
Financial highlights

RENTAL INCOME

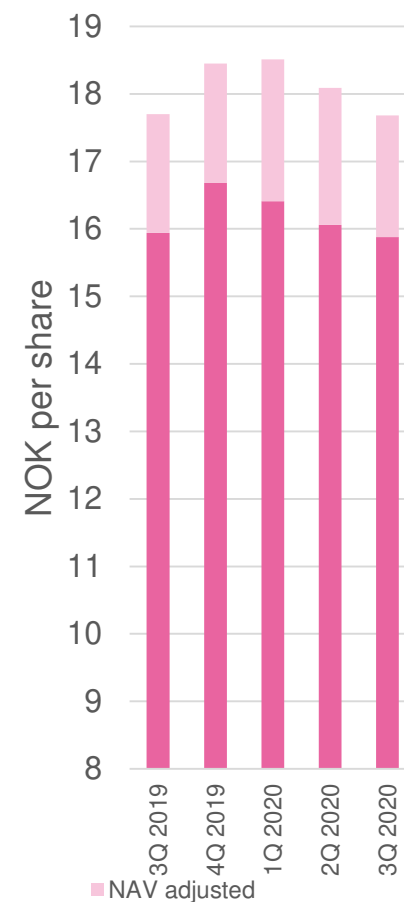


■ Quarterly rental income
(Excl income from sale of properties)

PROFIT BEFORE TAX AND VALUE ADJ.



VALUE PER SHARE



■ NAV adjusted

■ Net asset value (NAV)
(3Q 2020: Increased number of shares)

Income statement – Q3 and YTD 2020

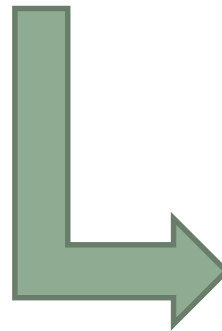
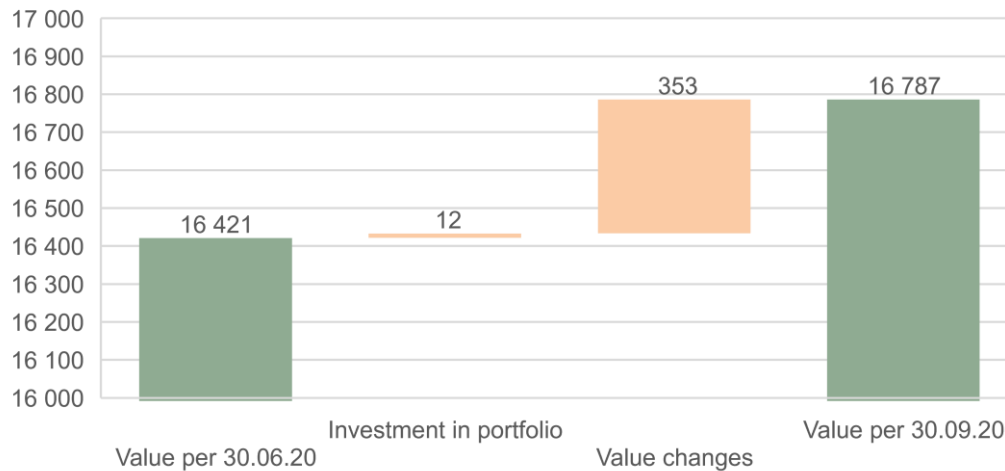
NOK million	Q3 2020	Q3 2019	YTD Q3 2020	YTD Q3 2019
Rental income	175.8	185.7	515.5	556.5
Income from sale of residential units ¹	0.8	-	855.9	-
Revenues	176.6	185.7	1 371.4	556.5
Property-related operational expenses	(13.8)	(15.9)	(42.8)	(47.9)
Other property-related expenses	(13.2)	(11.3)	(49.7)	(38.4)
Project cost from sale of residential units ¹	1.9	-	(800.4)	-
Administrative expenses	(10.2)	(11.4)	(33.0)	(38.0)
Share of profit in joint ventures ²	(13.0)	4.5	(13.0)	8.8
Operating profit before value adjustments	128.3	151.7	432.6	440.9
Change in market value of investment property	353.1	155.9	105.0	511.0
Operating profit	481.5	307.5	537.7	951.9
Realised financial items	(60.4)	(66.4)	(191.1)	(195.5)
Change in market value of financial instruments	14.7	2.5	(192.2)	12.2
Net financial items	(45.8)	(63.8)	(383.2)	(183.3)
Profit before income tax	435.7	243.7	154.4	768.6
Income tax (not payable)	(93.7)	(42.7)	(83.3)	(158.1)
Profit for the period	342.0	201.0	71.1	610.6
Earnings per share (NOK)	0.64	0.38	0.14	1.13
Profit before income tax and value adjustments	67.9	85.3	241.6	245.5

¹ Related to the sale of residential units in the project at Hasle in Oslo.

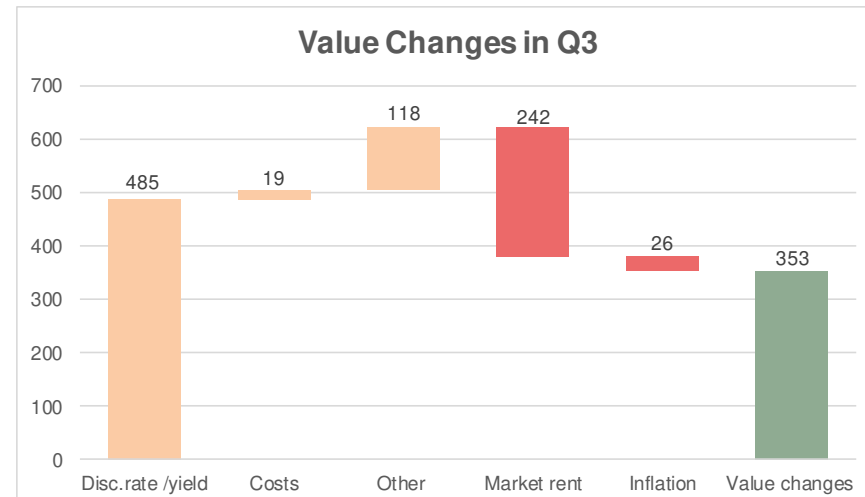
² Related to the share of profit/loss after tax for the Nordr Eiendom business in 2020 and the Badehusgata 33-39 property in 2019.

Change in investment property value in Q3

Investment property value development Q3



Value Changes in Q3



Portfolio valuation by area Q3-2020

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Positive fair value adjustment of NOK 353.1 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 (%)	Net yield fully let (%)
			NOK mill.	NOK/m ²	NOK mill.	NOK/m ²			
CBD	140 446	4,7	13 298,5	94 687	486,0	3 460	3,4	6,2	3,6
Nydalen	91 723	3,0	2 259,3	24 632	139,9	1 525	5,7	5,1	6,0
Other ³	90 307	4,7	1 228,6	13 605	47,9	531	3,6	39,9	6,0
Total Portfolio	322 476	4,4	16 786,4	52 055	673,8	2 089	3,7	9,6	4,1

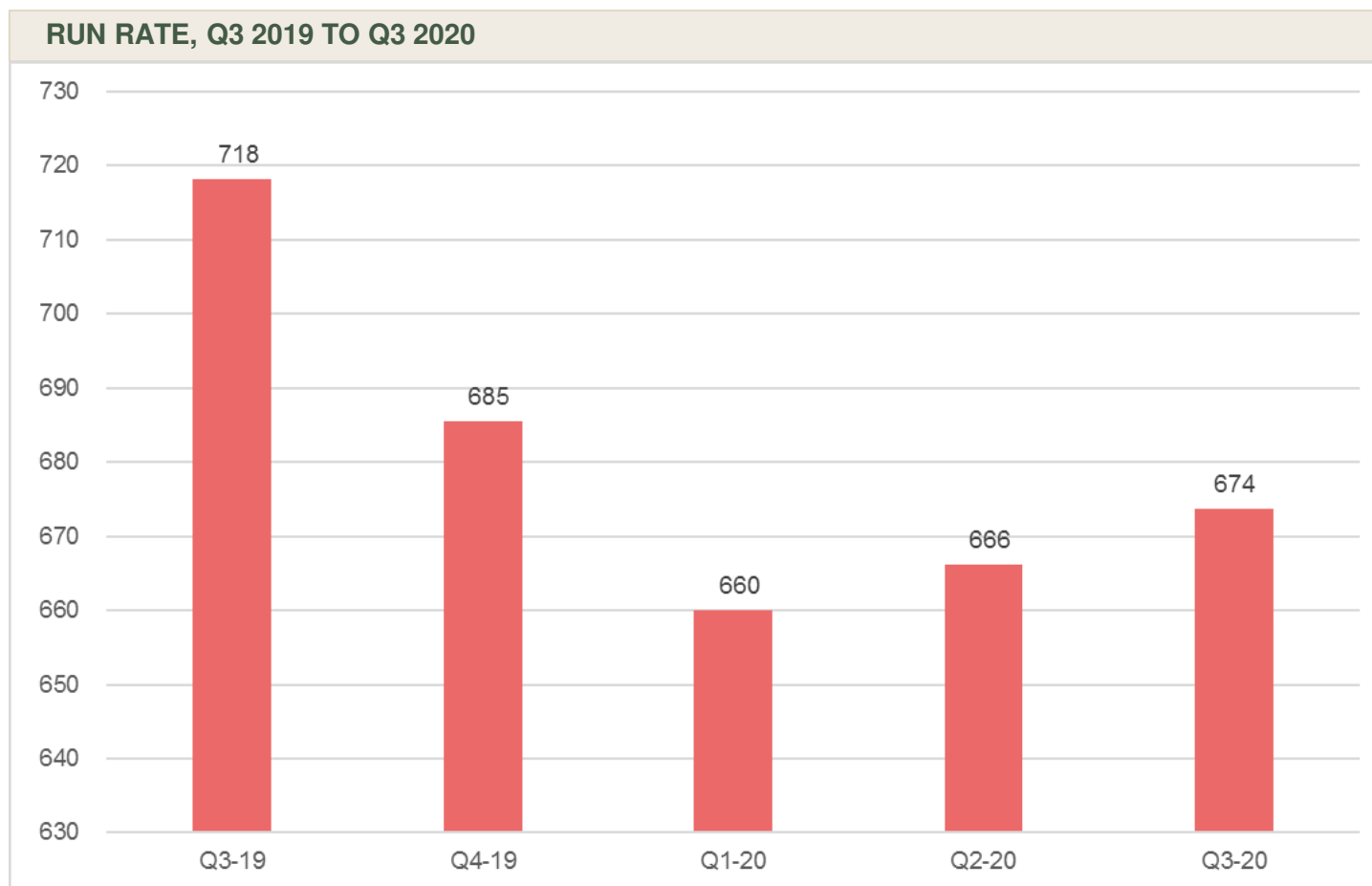
¹ For illustration; based on rents as of September 30, 2020 and estimated long term property expenses of 8 per cent

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

³ Hasle retail property, Snarøyveien 36 and Forusbeen are included in "Other". Vacancy is calculated excluding Forusbeen 35 where a zoning process for conversion is initiated.

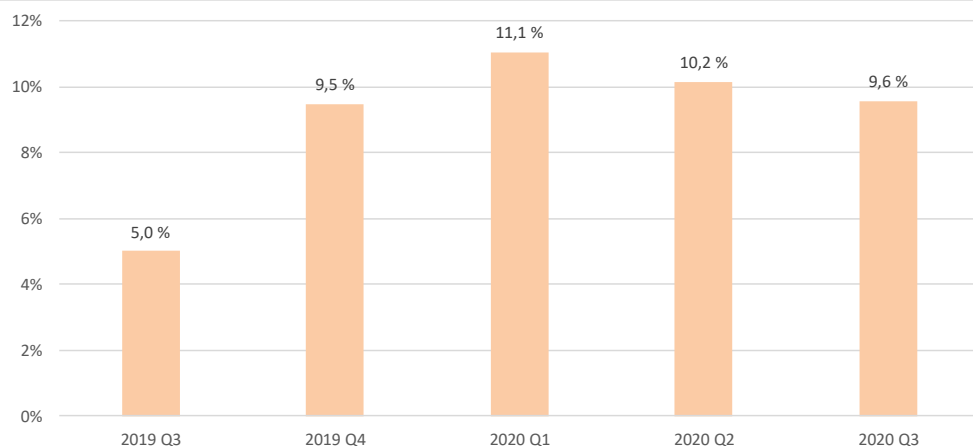


Run rate last 5 quarters

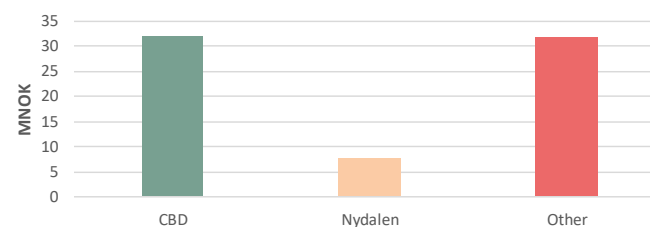


Vacancy based on market rent

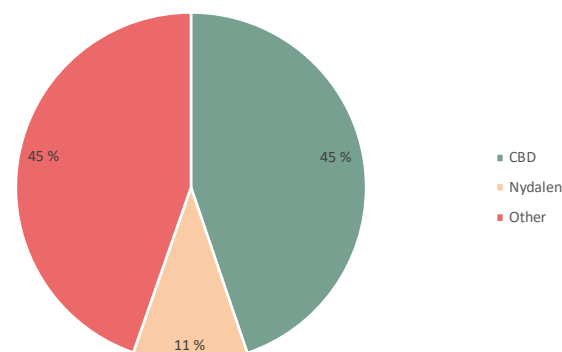
MARKET RENT VACANCY, LAST 5 QUARTERS



MARKET RENT VACANCY FOR EACH AREA (MNOK RUN RATE)



VACANCY FOR EACH AREA IN % OF TOTAL VACANCY



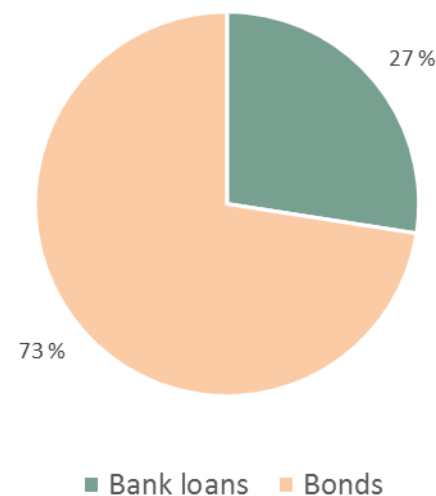
Financial position

Interest bearing debt and hedging		30.09.2020
Total interest-bearing debt	NOK million	7 392
Property value	NOK million	16 769
Net Loan to value ¹	Per cent	42.3
Cash and cash equivalents	NOK million	286
Unused committed credit facilities	NOK million	210
Average remaining duration. Hedging	Years	4.7
Average interest rate (including margin)	Per cent	3.14
Average margin	Per cent	1.19
Average remaining duration. Borrowing	Years	2.5
Hedging ratio ²	Per cent	78.5
WAULT	Years	4.4

¹ Net loan to value = interest bearing debt net of cash divided by gross property value

² Calculated as the amount of interest hedging / total interest-bearing debt

FUNDING SOURCES 30.09.2020



Refinancing activities

Q3 2020 – NPRO 12 REFINANCED

New bond:

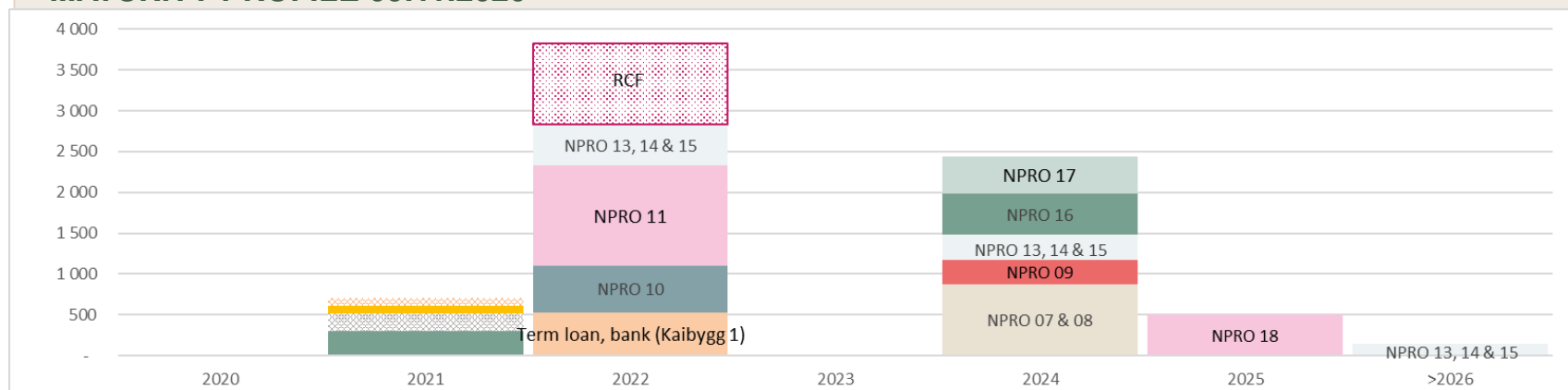
- MNOK 500,
- 5 years
- Security: Terminalbygget, Aker Brygge
- Refinancing of MNOK 471 with maturity 9 November 2020

Q4 2020 AND Q1 2020

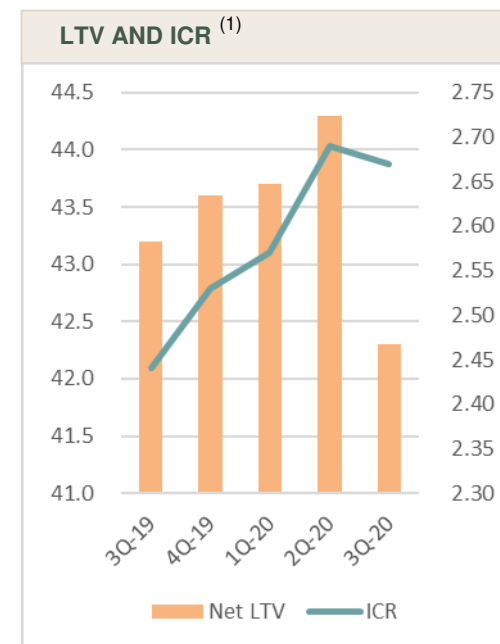
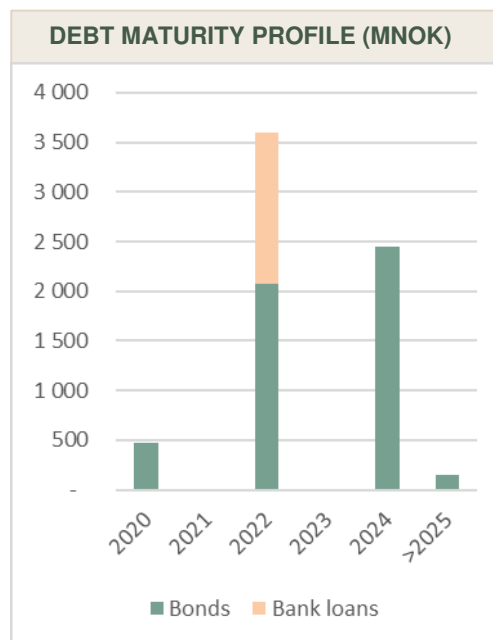
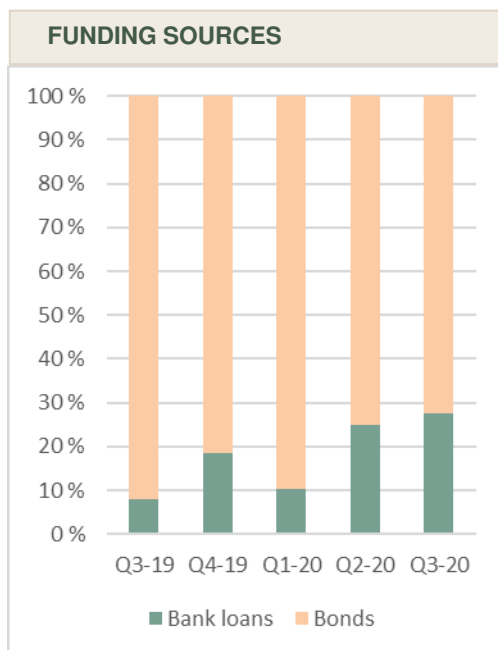
Financing of Snarøyveien 30 acquisition

- 10 year bond loan of 3 542 MNOK
- RCFs with banks in combination with bond issue with security in Verkstedhallen at Aker Brygge and cash deposit
- The board has the authorisation to issue new equity of 49.89 million shares

MATURITY PROFILE 09.11.2020



Financing



- **Diversified sources of funding**

- 5.4 bn in bonds Q3 2020

- **Diversified maturity profile**

- Average remaining time to maturity Q2 2020 is 2.5 years (increasing to 2.8 years after refinancing of NPRO 12)

- **LTV below long time target**

- Net LTV 42.3% as of Q3 2020

Refurbishments in 2020

Area	Property	Tenant	SQM	Quarter finalized
Aker Brygge	Verkstedhallen	Business Village	2 700	Q1 2020
Aker Brygge	Fondbygget	BNP Paribas	2 700	Q2 2020
Fornebu	Fornebu WORKS	Ericsson	1 530	Q2 2020
Aker Brygge	Stranden	Adv Berngård	700	Q2 2020
Aker Brygge	Stranden	Adv Berngård	700	Q4 2020
Fornebu	Snarøyveien 36	Nordr	1 400	Q4 2020



:: SNARØYVEIEN 36. FORNEBU:



:: VINSLOTTET. HASLE:



Agenda

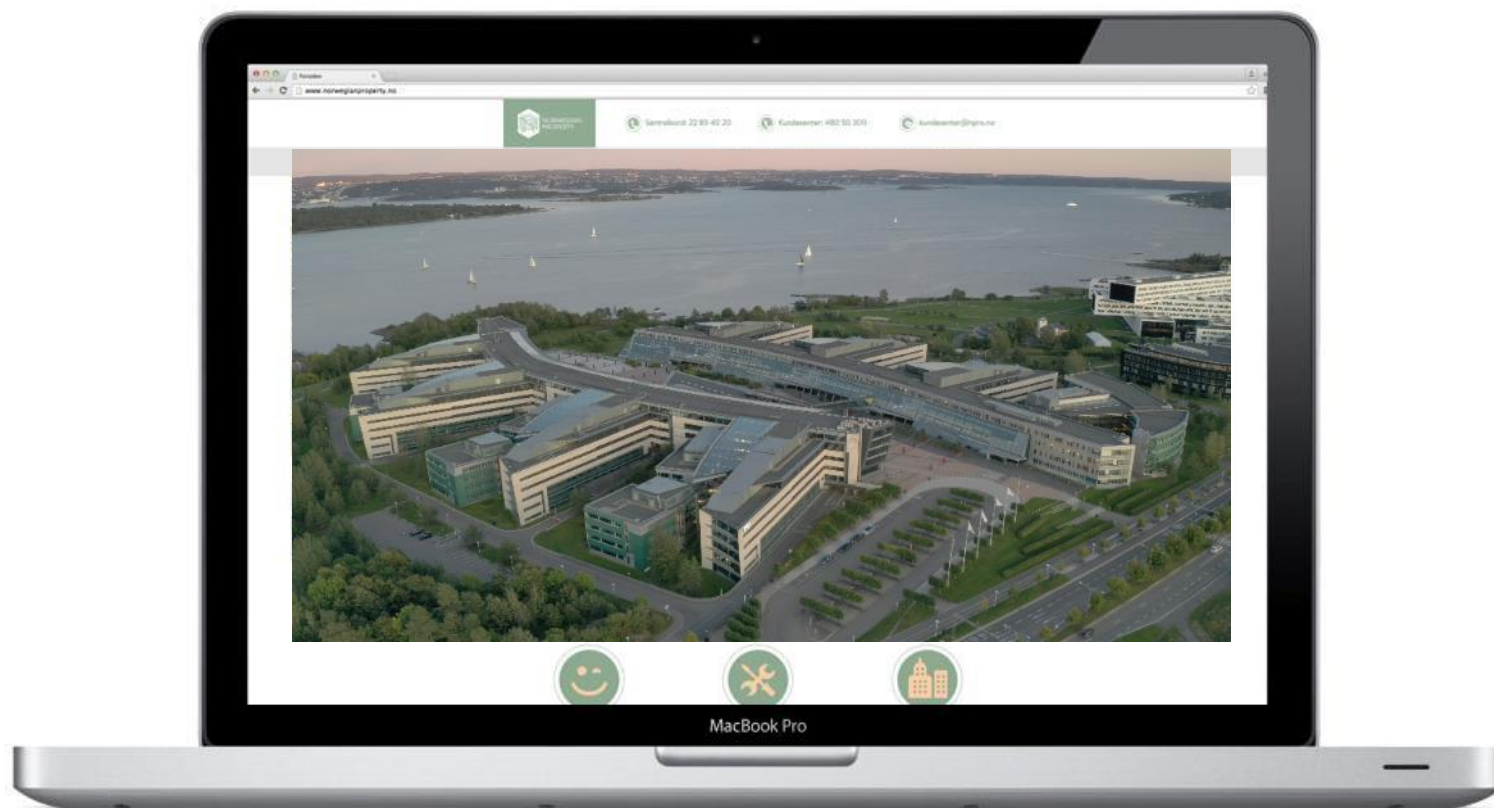
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Summary

- **No dividend for Q3-2020**
- **Strategic acquisitions**
- **Operational focus**
 - Pursue opportunities
 - Rental activities
- **Financing**
 - Refinancing of NOK 471 million bond with new NOK 500 million bond
 - Financing of Snarøyveien 30



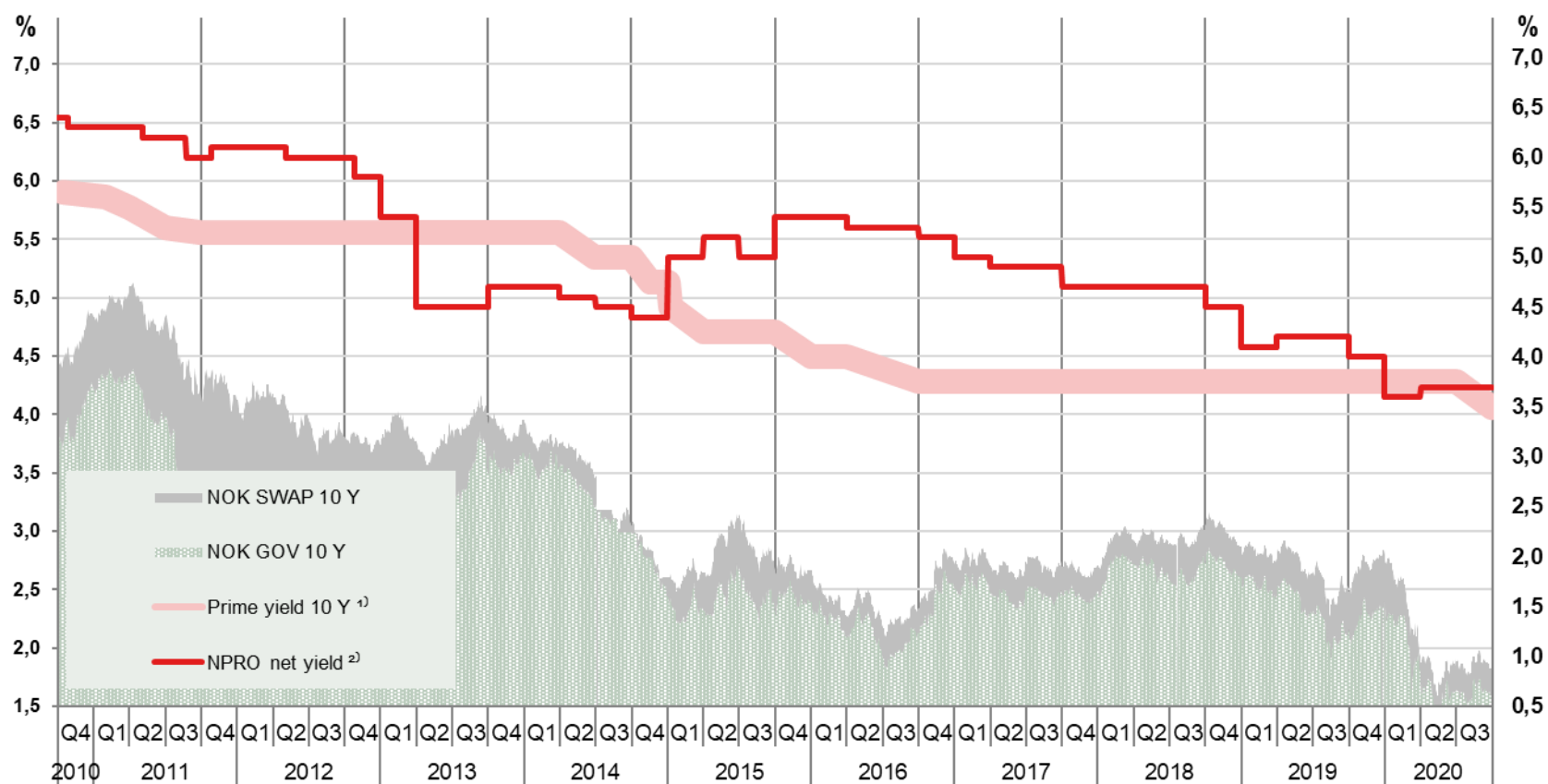
Q & A



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Yield spread



¹ Source: Akershus Eiendom

² NPRO net yield as summarised in slide; Portfolio valuation Q3-2020

Balance sheet – Q3 2020

NOK million	30.09.2020	31.12.2019
Investment property	16 694.2	16 469.3
Owner-occupied property	92.3	89.0
Property, plant and equipment	38.0	40.5
Investment in joint ventures ¹	1 021.3	-
Inventory ²	-	708.5
Receivables	86.8	128.8
Cash and cash equivalents	285.7	281.8
Equity	9 384.4	8 233.9
Deferred tax	950.3	866.1
Long term interest bearing debt	6 422.6	5 690.5
Short term interest bearing debt	969.3	2 466.8
Market value financial derivatives (net)	267.7	75.5
Net other debt	224.0	385.1
Equity ratio (%)	51.4	46.4
NAV per share, book value of equity (NOK)	15.88	16.68
NAV, adjusted per share (NOK)	17.68	18.45
NNNAV per share (NOK)	16.50	17.29

¹ Related to residential units under construction at Hasle in Oslo.

² Related to the investment in Nordr Eiendom.

Cash flow – Q3 and YTD 2020

NOK million	Q3 2020	Q3 2019	YTD Q3 2020	YTD Q3 2019
Cash flow from profit and loss before fair-value adj.	82.0	76.5	258.6	240.1
Change in property-related inventory ¹	(26.3)	(69.4)	600.3	(236.7)
Change in short-term items	57.7	28.9	66.7	(10.7)
Cash flow from operating activities	113.4	36.1	925.7	(7.4)
Sale of tangible assets ²	-	-	-	823.0
Purchase of tangible assets	(22.0)	(193.8)	(192.1)	(293.0)
Other investment activities ³	(1 020.1)	-	(1 020.1)	354.0
Cash flow from investment activities	(1 042.0)	(193.8)	(1 212.2)	884.0
Net change in interest bearing debt	(85.4)	140.0	(770.0)	(168.7)
Paid dividend	-	(34.6)	(34.6)	(111.3)
Capital increase	1 095.0	-	1 095.0	-
Other financing activities ⁴	-	-	-	(644.5)
Net cash flow from financing activities	1 009.6	105.4	290.5	(924.5)
Net change in cash	81.0	(52.3)	3.9	(47.9)
Net cash at end of period	285.7	76.7	285.7	76.7

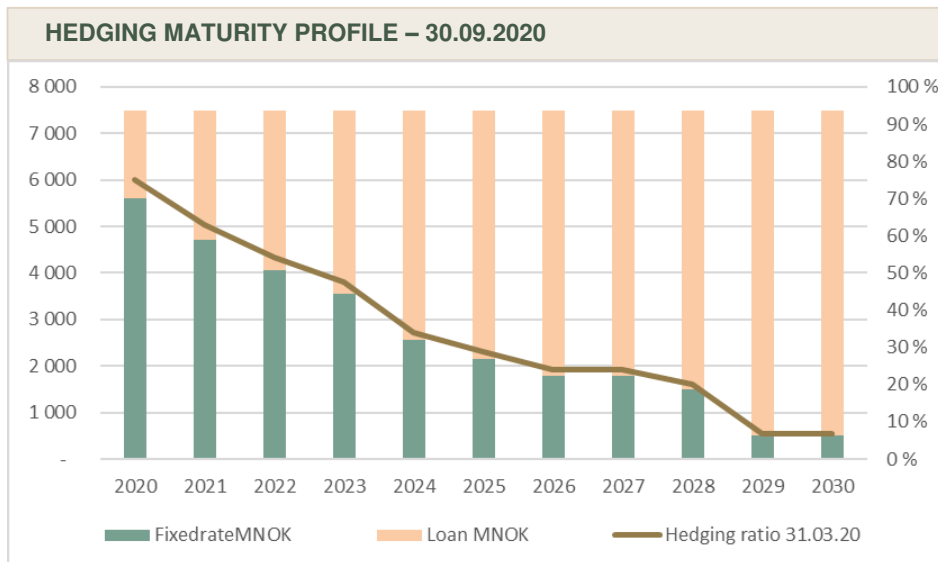
¹ Related to residential units at Hasle in Oslo.

² Related to properties at Skøyen sold in 2019.

³ Related to the investment in Nordr Eiendom for 2020. Related to repayment of loans and seller credits in connection with the sale of properties in Stavanger for 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 30.09.2020 was 78.5 % and remaining average time to maturity was 4.7 years.
- Diversified maturity profile to avoid exposure to interest levels.

Overview and key figures



Key figures as of 30th September 2020

Properties	no	28
Portfolio size (ex. new space in redev. Projects)	m ²	322 476
Average size per property	m ²	11 517
Gross rent per year (run rate)	NOK mill.	674
Operational expenses per year ¹⁾	NOK mill.	54
Net rent per year (run rate)	NOK mill.	620
Average gross rent per m ² per year	NOK	2 089
Gross market value	NOK mill.	16 786
Average value per property	NOK mill.	600
Average value per m ²	NOK	52 055
Gross yield, actual	%	4,0
Net yield, actual	%	3,7
WAULT	Years	4,4
CPI adjustment	%	99,9
Vacancy, calculation based on market rate ²⁾	%	9,6

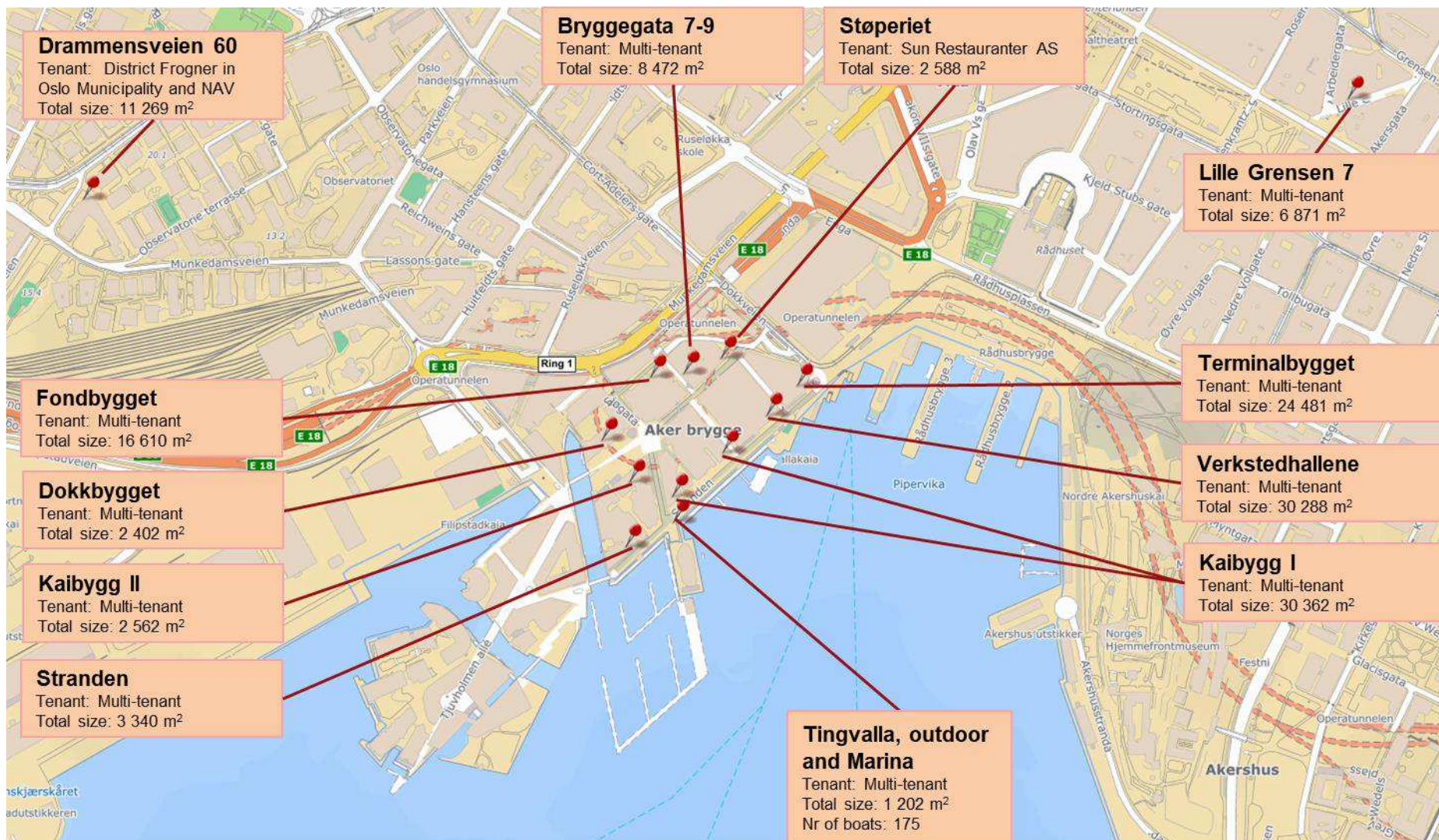


¹ For illustration; based on estimated long term property expenses of 8 per cent of gross rent

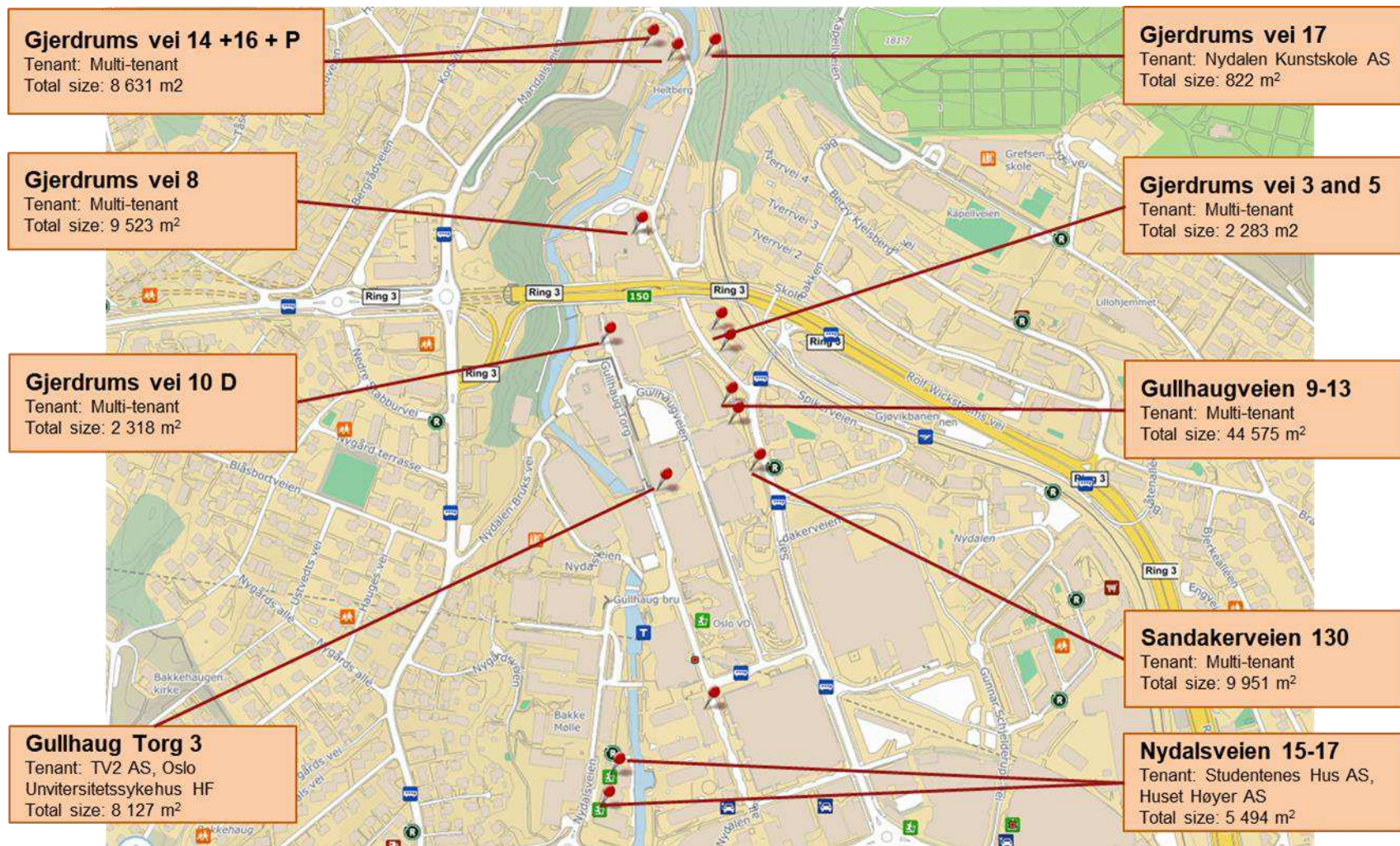
² Market rate as estimated by Cushman & Wakefield



CBD



Nydalen





Other



Vinslottet

- 8 810 sqm retail

Snarøyveien 36

- 40 985 sqm office
- 17 213 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 Q3-2020

1/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Sep 2020	Run rate per Sep 2020
	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
CBD										
Bryggegate 7-9	6 384	2 088	0	0	0	8 472	0,8	98,0	3,5	26,1
Dokkbygningen	2 098	248	0	56	0	2 402	30,8	100,0	2,3	2,8
Drammensveien 60	8 975	0	1 890	404	0	11 269	0,0	100,0	8,7	28,2
Fondbygget	13 073	2 492	1 044	0	0	16 610	1,8	100,0	5,7	59,0
Lille Grensen 7	4 423	2 430	18	0	0	6 871	21,7	100,0	4,9	20,9
Kaibygning I (Stranden 5)	21 123	6 322	1 890	0	1 027	30 362	0,7	100,0	4,7	116,3
Kaibygning II	0	1 716	846	0	0	2 562	2,7	100,0	9,3	11,2
Stranden	2 085	724	56	474	0	3 340	6,6	100,0	6,3	8,5
Støperiet	0	2 588	0	0	0	2 588	0,0	100,0	3,8	5,5
Terminalbygget (Stranden 1)	17 771	3 225	1 678	1 387	421	24 481	0,0	100,0	4,7	98,3
Tingvallautstikkeren, uteareal og marina ¹	0	1 202	0	0	0	1 202	0,0	100,0	2,3	19,7
Verkstedhallene (Stranden 3)	19 131	7 961	2 377	0	819	30 288	19,6	100,0	3,2	89,6
Total CBD	95 063	30 996	9 800	2 321	2 266	140 446	6,2	99,9	4,7	486,0

¹ Adjusted for normal seasonal short term contracts



Property details Q3-2020

2/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Sep 2020	Run rate per Sep 2020
	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
Nydalen										
Gjerdrums vei 10 D	2 140	0	178	0	0	2 318	0,7	100,0	4,3	4,4
Gjerdrums vei 14, 16 and 16 P-house	5 363	0	976	2 292	0	8 631	8,5	98,0	3,7	11,3
Gjerdrums vei 17	806	0	16	0	0	822	4,6	100,0	2,4	1,2
Gjerdrums vei 3	0	0	0	0	463	463	26,2	100,0	0,8	0,8
Gjerdrums vei 5	1 722	0	98	0	0	1 820	12,8	100,0	2,1	2,0
Gjerdrums vei 8	7 726	0	633	1 164	0	9 523	0,8	100,0	3,1	17,0
Gullhaug Torg 3	7 793	0	334	0	0	8 127	0,0	100,0	4,1	15,0
Gullhaugveien 9 - 13	24 773	0	7 626	12 176	0	44 575	5,8	100,0	1,1	60,6
Nydalsveien 15	3 711	0	64	0	28	3 803	0,8	100,0	5,9	8,3
Nydalsveien 17	0	1 691	0	0	0	1 691	0,0	100,0	4,4	4,9
Sandakerveien 130	5 542	0	1 047	3 362	0	9 951	11,4	100,0	7,3	14,3
Total Nydalen	59 576	1 691	10 972	18 993	491	91 723	5,1	99,8	3,0	139,9



Property details Q3-2020

3/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Sep 2020	Run rate per Sep 2020
	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
Other										
Snarøyveien 36	40 659	0	326	17 213	0	58 198	47,4	100,0	3,8	33,3
Vinslottet	0	8 810	0	0	0	8 810	12,7	100,0	7,8	12,4
Forusbeen 35 ¹	19 075	0	0	4 224	0	23 299	NA	100,0	0,8	2,3
Total Other, incl Stavanger	59 734	8 810	326	21 437	0	90 307	39,9	100,0	4,7	47,9
GROSS TOTAL	214 373	41 497	21 098	42 751	2 757	322 476	9,6	99,9	4,4	673,8

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 2020

#	Name	Share (%)	Shares held	Acc Type	Nationality
1	GEVERAN TRADING CO LTD	80.52	480 976 626	Ordinary	CYP
2	FOLKETRYGDFONDET	14.79	88 372 525	ORD	NOR
3	NORWEGIAN PROPERTY ASA	1.05	6 250 000	ORD	NOR
4	DANSKE BANK AS	0.71	4 259 939	ORD	DNK
5	SANDEN AS	0.24	1 442 478	ORD	NOR
6	J.P. Morgan Bank Luxembourg S.A.	0.17	1 019 717	NOM	LUX
7	BANAN II AS	0.17	1 000 000	ORD	NOR
8	Skandinaviska Enskilda Banken AB	0.13	763 640	NOM	FIN
9	Morgan Stanley & Co. International	0.12	723 936	ORD	GBR
10	Skandinaviska Enskilda Banken AB	0.10	607 777	NOM	FIN
11	VATNE	0.08	501 608	ORD	NOR
12	ECKHOFF HOLDING AS	0.06	346 090	ORD	NOR
13	State Street Bank and Trust Comp	0.05	320 934	NOM	USA
14	KAS BANK N.V.	0.05	302 981	NOM	NLD
15	KAS BANK N.V.	0.04	260 614	NOM	NLD
16	CAMVECTI HOLDING AS	0.04	254 401	ORD	NOR
17	CLEARSTREAM BANKING S.A.	0.04	240 344	NOM	LUX
18	State Street Bank and Trust Comp	0.04	235 440	NOM	GBR
19	JP MORGAN SECURITIES PLC	0.04	233 254	ORD	GBR
20	VIK	0.04	226 516	ORD	NOR
Total top 20 shareholders		98.48	588 338 820		8/20 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 2019. 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.