



NORWEGIAN
PROPERTY

4th quarter 2020

Oslo, February 5th 2021



Agenda

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

Q4 in short:

- **Revenues NOK 193.1 million**
- **Profit before value adjustments NOK 108 million and profit after income tax NOK 1 604 million**
 - Earnings per share (EPS) NOK 2.59
- **Full year: Profit before value adjustments NOK 610 and profit after income tax NOK 1 676 million**
 - Earnings per share (EPS) NOK 3.13
- **Dividend of NOK 0.10 per share for 2020**

- **Financing**
 - Private placements of MNOK 585
 - New and refinanced bonds MNOK 5 290
 - New RCF of MNOK 600
- **Valuation uplifts**
 - Fair value adjustments of MNOK 1 723 in office portfolio
 - Appraisal of Nordr reflects value development in the residential market and shows substantial uplift in fair value of Nordr
- **Settlement of Snarøyveien 30 December 1, 2020**



:: GJERDRUMS VEI 8. NYDALEN, OSLO:



:: KAIBYGG 1. AKER BRYGGE. OSLO:



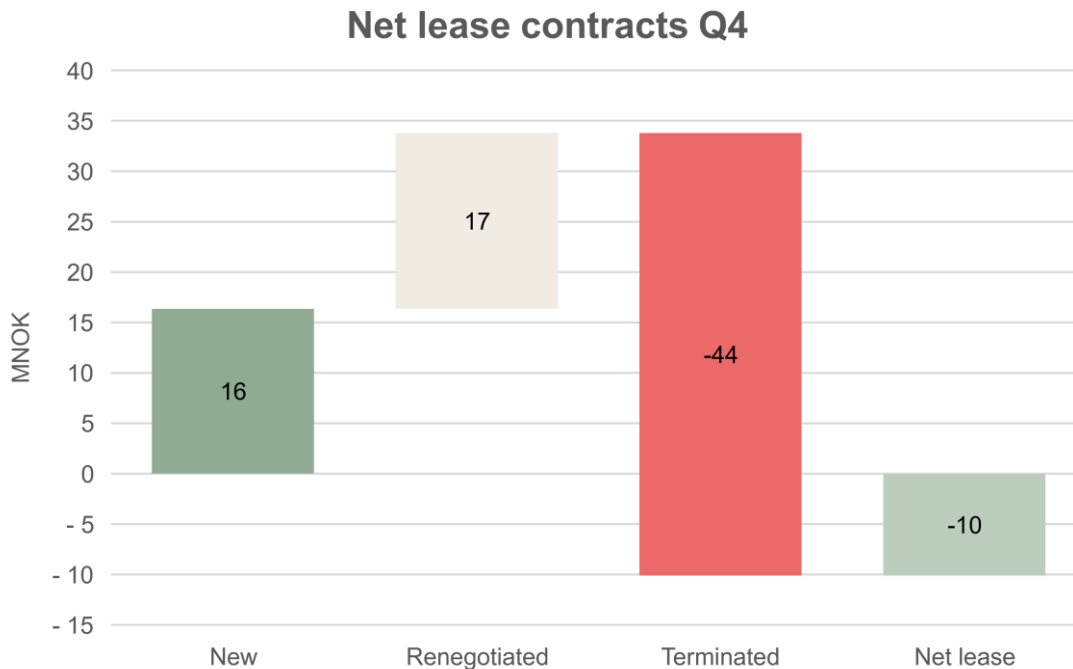
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Rental update

Rental contracts in Q4-2020

- Good activity in the quarter signing new contracts



New leases

- SATS HiYoga, 10 year contract in Dokkbygget, Aker Brygge
- Several contracts signed at Business Village, Aker Brygge
 - ~70% occupancy

Retail update

Aker Brygge turnover

- Q4 2020 NOK 280 mill (-39,7%)
- Full year 2020 NOK 1 354 mill (-26.6%)

	Q4-20 vs Q4-19
Restaurants	-75%
Shops	-15%
Wellness	-30%
Other	+10%
Total	-40%

Activity level close to zero, due to COVID-19 regulations and recommendations

- Christmas campaign: “Magic packing counter”





Environmental update

Green leases are an enabler for continuous reduction in energy consumption

- Landlord and tenant have an environmental and financial incentive for adopting energy efficiency measurements
- part of the cost reduction can be allocated to the investments

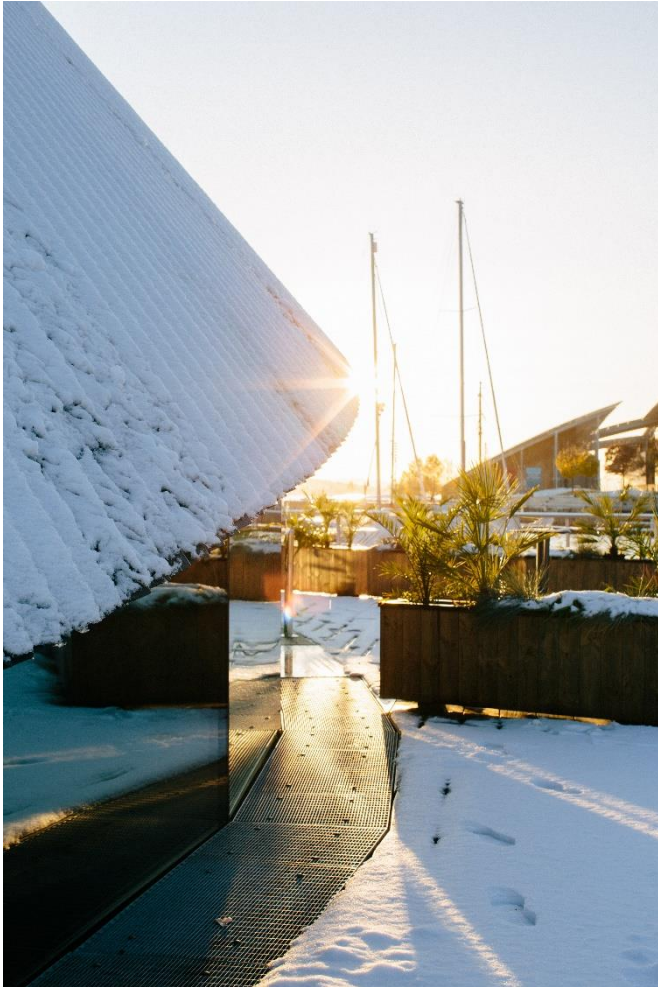


Installation of heat pump at Snarøyveien 36

- The building was certified as Breeam-In-Use “Excellent” summer 2020
- As part of the continuous improvement program, we have installed a new heat pump technology to fully utilize the potential in the building
- Expected to generate a yearly reduction of approx. 1.1 million kWh



Market trends



:: STRANDEN. AKER BRYGGE:

Rental market Oslo

- High activity and several new leases signed during Q4
- NPRO experiences flattish quarter in all our core areas
- Good demand for our Business Village concept

Transaction market

- Several transactions closed this quarter
 - Prime yield 3.25%
- Margins in the bond market have continued to tighten during the quarter
- Banks are open for business

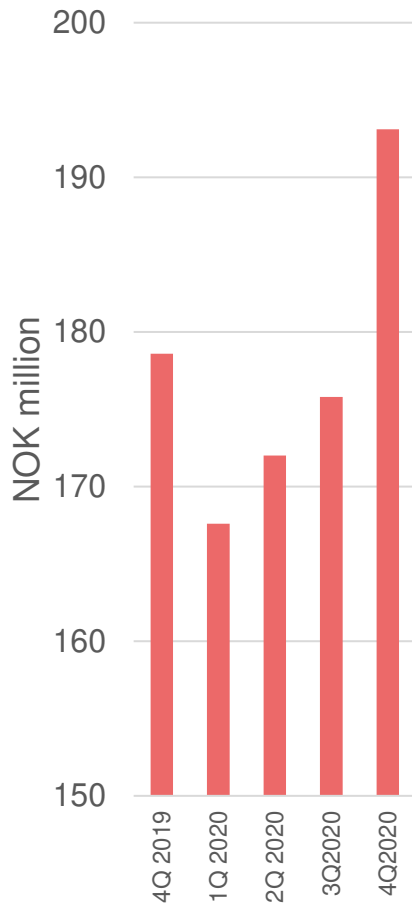


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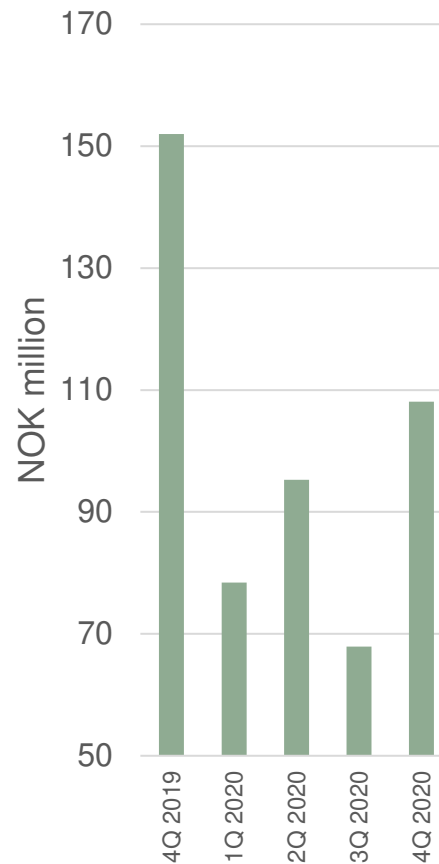
Financial highlights

RENTAL INCOME

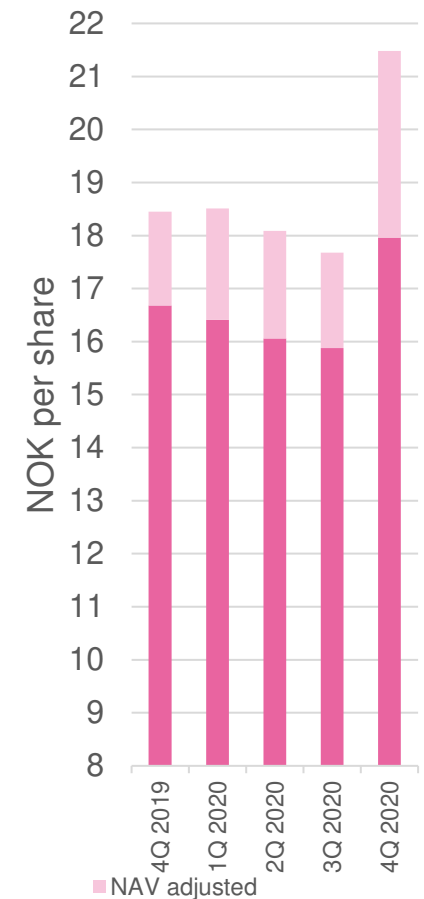


■ Quarterly rental income
(Excl income from sale of properties)

PROFIT BEFORE TAX AND VALUE ADJ.



VALUE PER SHARE



■ NAV adjusted

■ Net asset value (NAV)
(3Q and 4Q 2020: Increased number of shares)

Income statement – Q4 and Year 2020

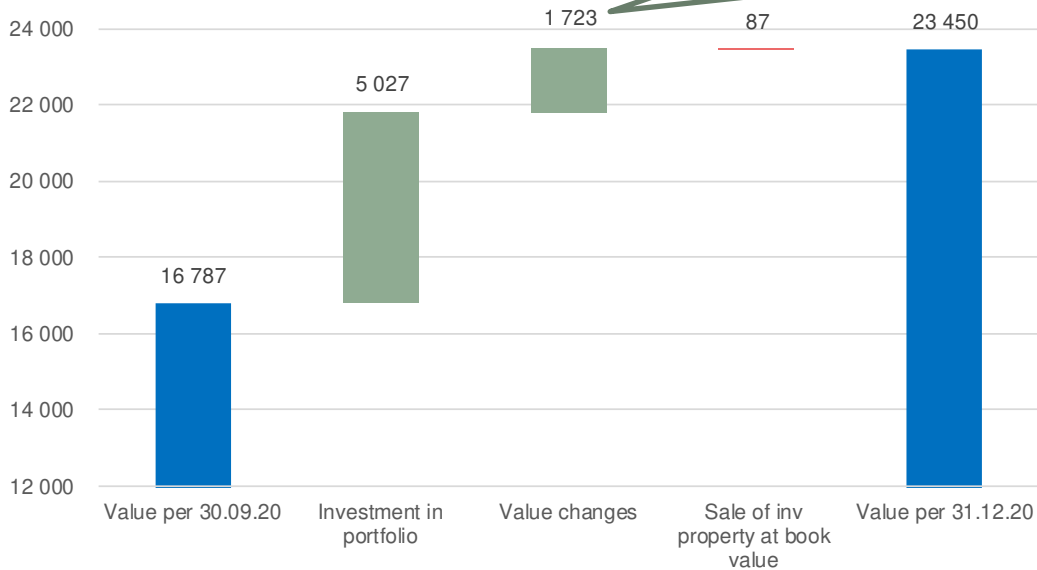
NOK million	Q4 2020	Q4 2019	Year 2020	Year 2019
Rental income	193.1	178.6	708.6	735.1
Income from sale of residential units ¹	-	382.9	855.9	382.9
Revenues	193.1	561.5	1 564.5	1 118.0
Property-related operational expenses	(8.9)	(15.9)	(51.6)	(63.8)
Other property-related expenses	(5.4)	(15.0)	(55.1)	(53.4)
Project cost from sale of residential units ¹	-	(357.4)	(800.4)	(357.4)
Administrative expenses	(13.7)	(10.8)	(46.8)	(48.8)
Share of profit in joint ventures ²	12.6	48.0	(0.4)	56.8
Operating profit before value adjustments	177.7	210.4	610.3	651.4
Change in market value of investment property	1 722.5	275.8	1 827.5	786.8
Operating profit	1 900.2	486.2	2 437.8	1 438.1
Realised financial items	(69.6)	(58.4)	(260.6)	(253.9)
Change in market value of financial instruments	90.6	57.3	(101.6)	69.5
Net financial items	21.0	(1.1)	(362.2)	(184.4)
Profit before income tax	1 921.2	485.1	2 075.6	1 253.7
Income tax (not payable)	(316.4)	(88.9)	(399.7)	(247.0)
Profit for the period	1 604.8	396.1	1 675.9	1 006.7
Earnings per share (NOK)	2.59	0.80	3.13	1.86
Profit before income tax and value adjustments	108.1	152.0	349.7	397.4

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

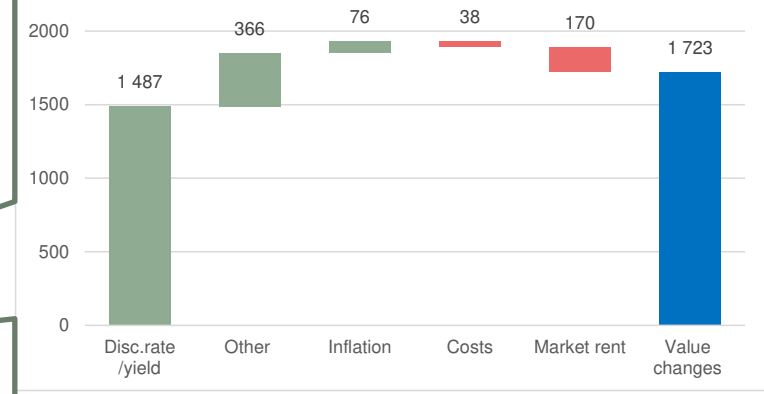
² Related to the share of profit/loss after tax for the Nordr Eiendom business and Forusbeen 35 in 2020 and the Badehusgata 33-39 property in 2019.

Change in investment property value in Q4

Investment property value development



Value changes



Portfolio valuation by area Q4-2020

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Positive fair value adjustment of NOK 1 722.5 million for properties owned 100%

Area	Total space (m ²)	WAULT (years)	Valuation ¹		Gross rent per year NOK mill.	Net yield ² (%)	Vacancy based on market rent ³ (%)	Net yield fully let (%)
			NOK mill.	NOK/m ²				
CBD	140 337	4,5	14 344,0	102 211	496,1	3,2	5,1	3,4
Nydalen	90 833	3,9	2 294,0	25 255	99,8	4,0	11,9	4,5
Fornebu	256 638	8,1	6 501,0	25 331	373,0	5,3	8,6	5,8
Hasle	9 206	7,4	310,6	33 740	13,6	4,0	8,3	4,3
Total Portfolio	497 013	5,9	23 449,6	47 181	982,5	3,9	7,2	4,2

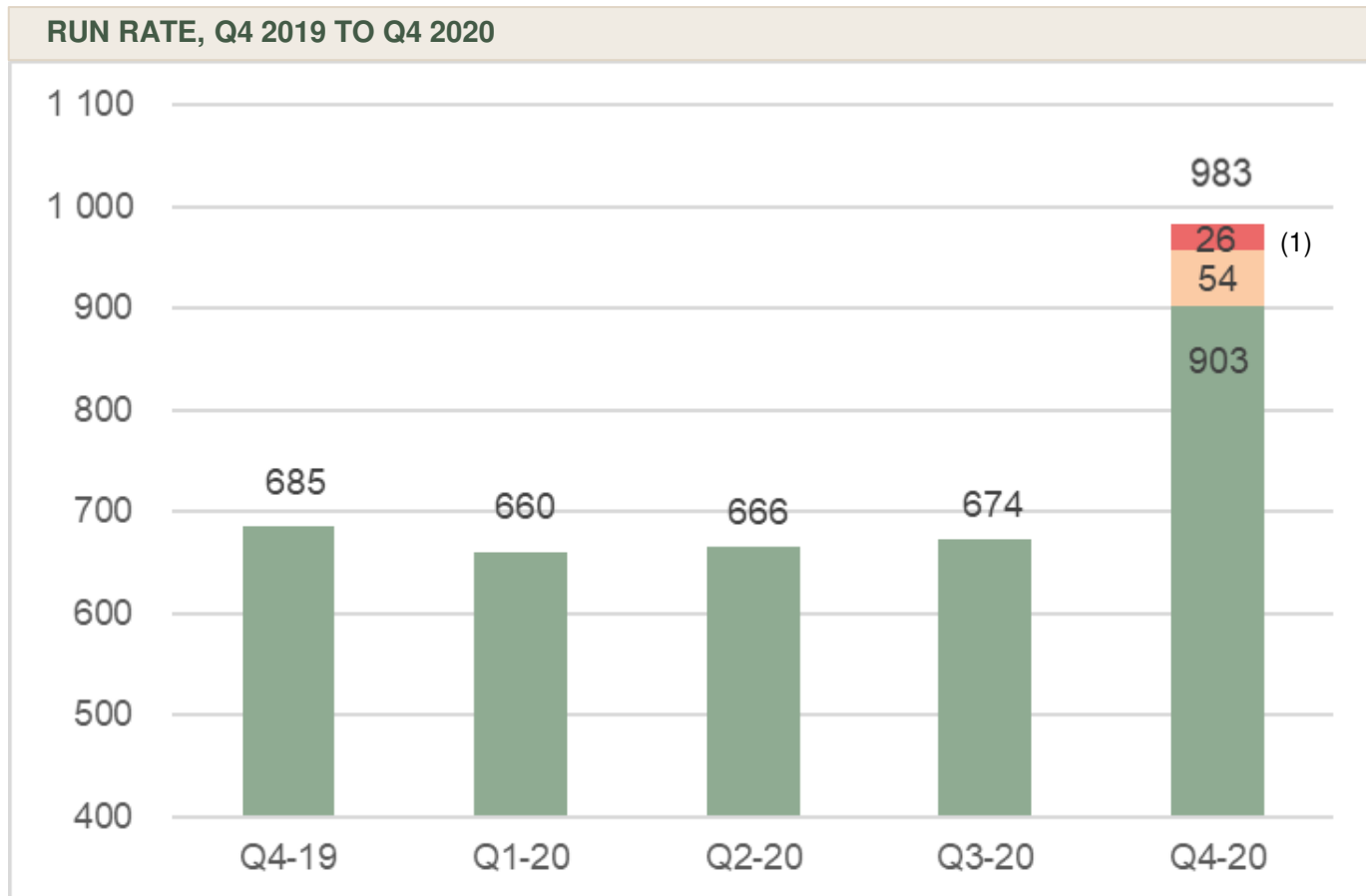
¹ 50% of Forusbeen 35 was sold in Dec-20 and it is therefore not included in this table. Fornebu valuation includes non-current receivables amounting to NOK 264.8 million, related to the rental guarantee provided by the seller of the property at Snarøyveien 30.

² For illustration; based on rents as of December 31, 2020 and estimated long term property expenses of 8 per cent

³ Vacancy calculated as market rent in vacant space, using market rent estimated by Cushman & Wakefield. Vacancy and run rate are calculated excluding part of Gullhaugveien 9-13 where a zoning process for conversion is initiated.



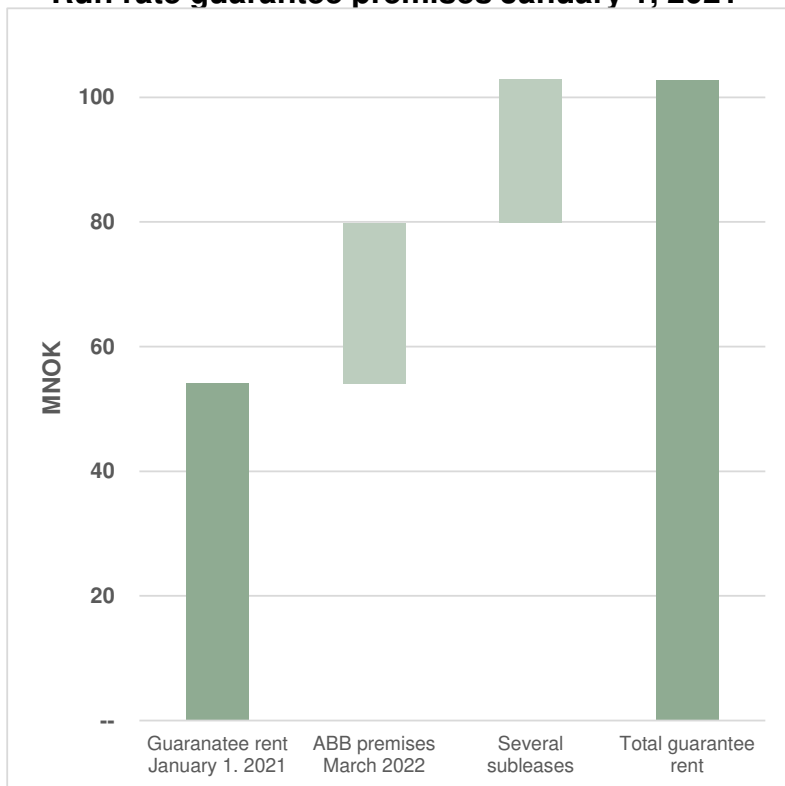
Run rate last 5 quarters



(1) MNOK 54 from Telenor and MNOK 26 for premises rented to ABB, starting March 2022

Snarøyveien 30 - Transaction completed in Q4

Run rate guarantee premises January 1, 2021

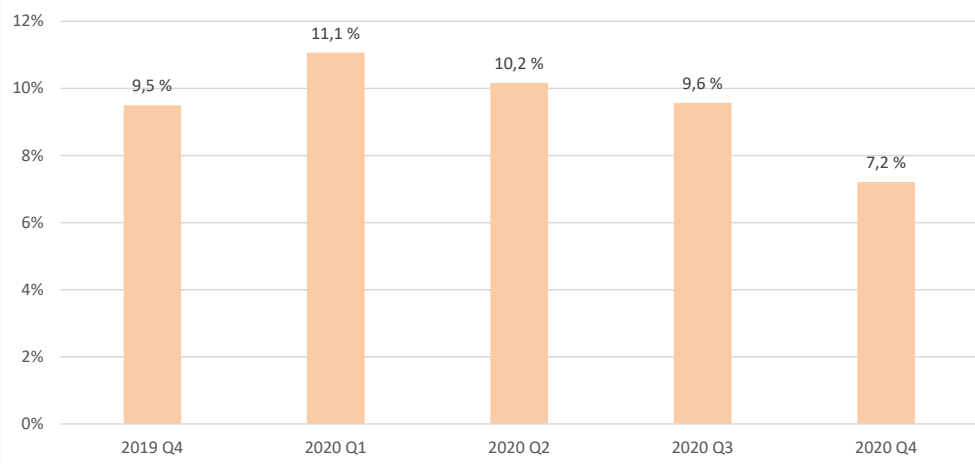


- **Gross property value MNOK 5 450**
 - Purchase price adjusted for capex related to ABB lease contract, technical DD and tax discounts implied net property value of appr. MNOK 4 988
- **Rent role as of December 1, 2020 of MNOK 330**
 - October CPI of 1.7% implies run rate of MNOK 335 as of January 1, 2021
 - Regular rent MNOK 233
 - Guarantee rent MNOK 103
 - Premises for ABB finalized March 2022, MNOK 26
 - Sublease of areas included in guarantee rent will be included in P/L
 - As of January 1, MNOK 23 in yearly lease in sub let
 - The amount going forward will be adjusted according to areas rented out

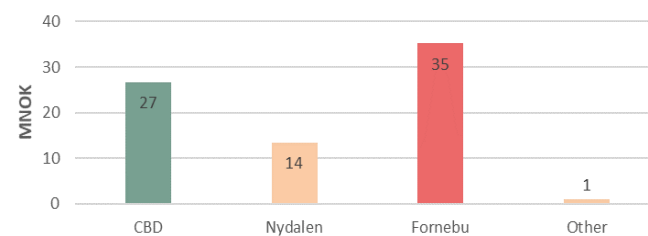


Vacancy based on market rent

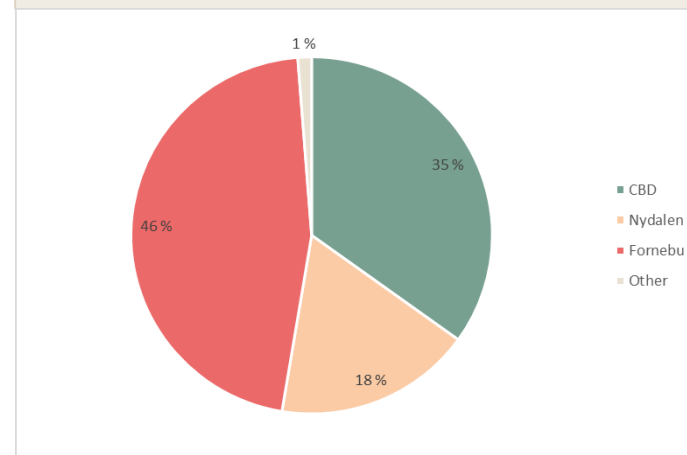
MARKET RENT VACANCY, LAST 5 QUARTERS



MARKET RENT VACANCY FOR EACH AREA (MNOK RUN RATE)



VACANCY FOR EACH AREA IN % OF TOTAL VACANCY



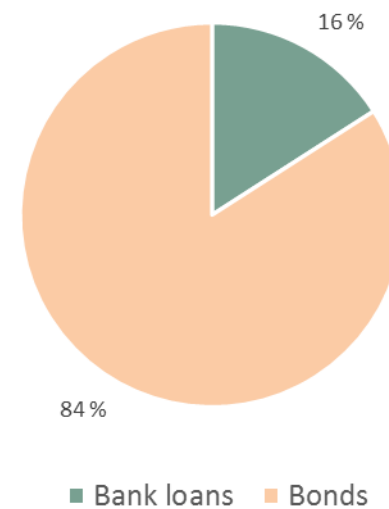
Financial position

Interest bearing debt and hedging		31.12.2020
Total interest-bearing debt	NOK million	12 097
Property value	NOK million	23 450
Net Loan to value ¹	Per cent	48.3
Cash and cash equivalents	NOK million	666
Interest-bearing receivables	NOK million	100
Unused committed credit facilities	NOK million	910
Average remaining duration. Hedging	Years	6.7
Average interest rate (including margin)	Per cent	2.94
Average margin	Per cent	1.39
Average remaining duration. Borrowing	Years	4.7
Hedging ratio ²	Per cent	75.5
WAULT	Years	5.8

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

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

FUNDING SOURCES 31.12.2020



Financing activities

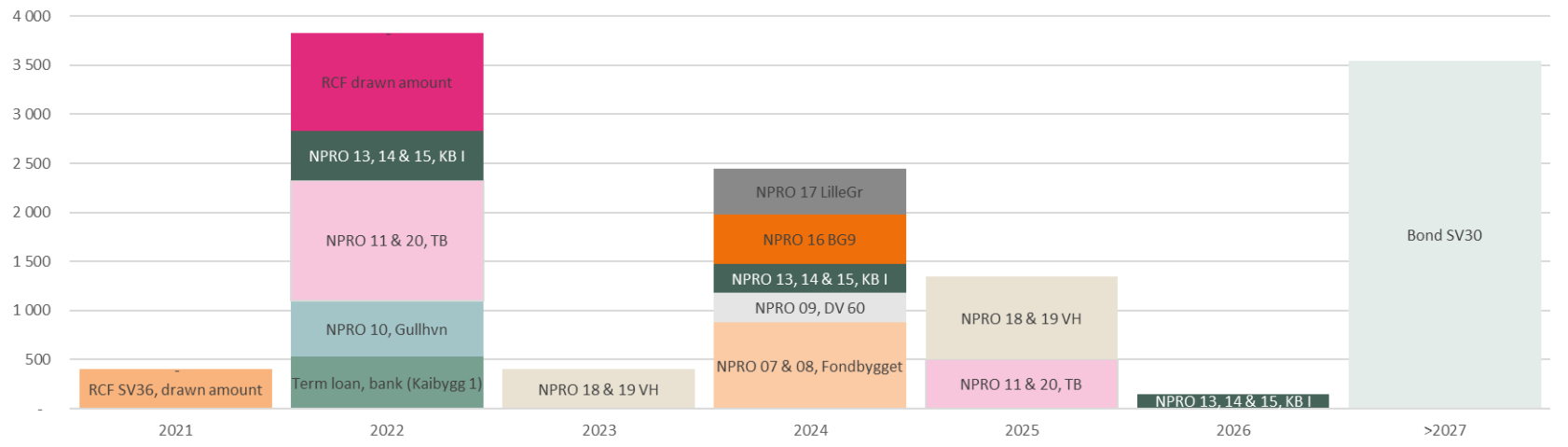
Q4 2020 BONDS AND BANK LOANS

- 10 year bond loan of 3 542 MNOK financing the acquisition of Snarøyveien 30
- New loans with mortgage in Verkstedhallen at Aker Brygge:
 - NOK 600 mill RCF
 - NOK 850 mill 5 years FRN bond
 - NOK 400 mill 3 years FRN bond
- Refinancing MNOK 500

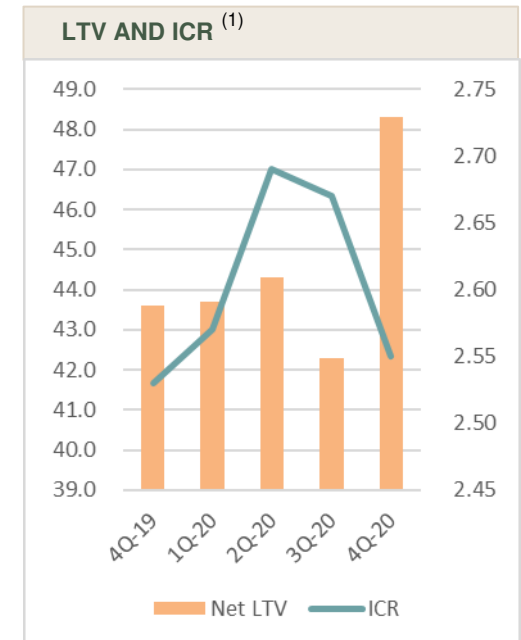
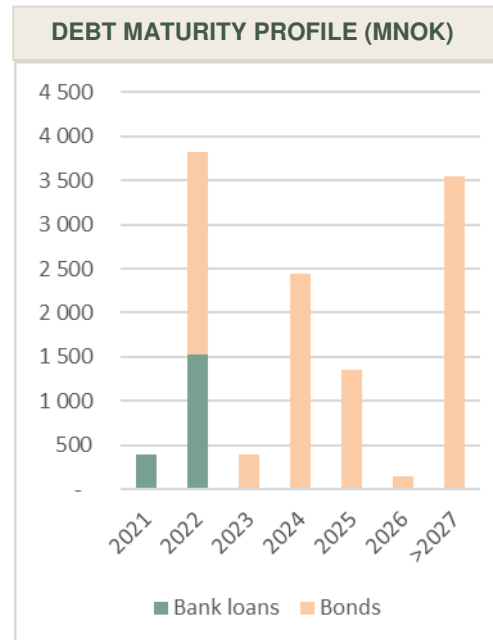
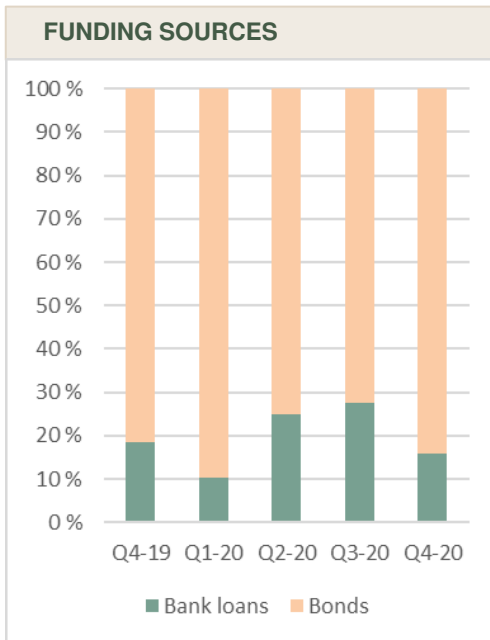
Q4 2020 EQUITY ISSUES

- NOK 557 million in private placement
- NOK 28 million in subsequent offering

MATURITY PROFILE 31.12.2020



Financing



- **Diversified sources of funding**
 - 10.2 bn in bonds Q4 2020

- **Diversified maturity profile**
 - Average remaining time to maturity Q4 2020 is 4.7 years

- **LTV below long time target**
 - Net LTV 48.3% as of Q4 2020

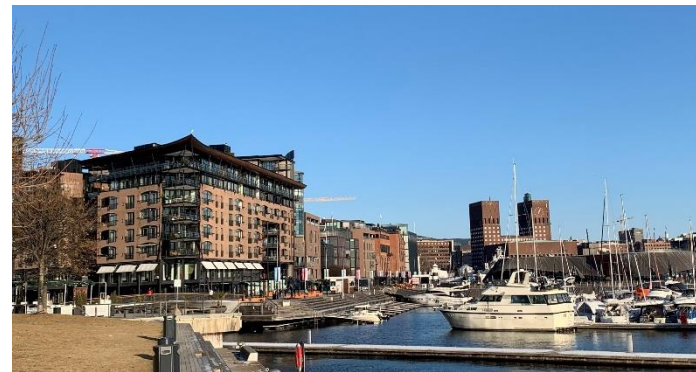
Refurbishments in 2020

Refurbishment

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
Aker Brygge	Dokkbygget	SATS HiYoga	1 100	Q2 2021



:: **BUSINESS VILLAGE.** AKER BRYGGE:



:: **STRANDEN.** AKER BRYGGE:



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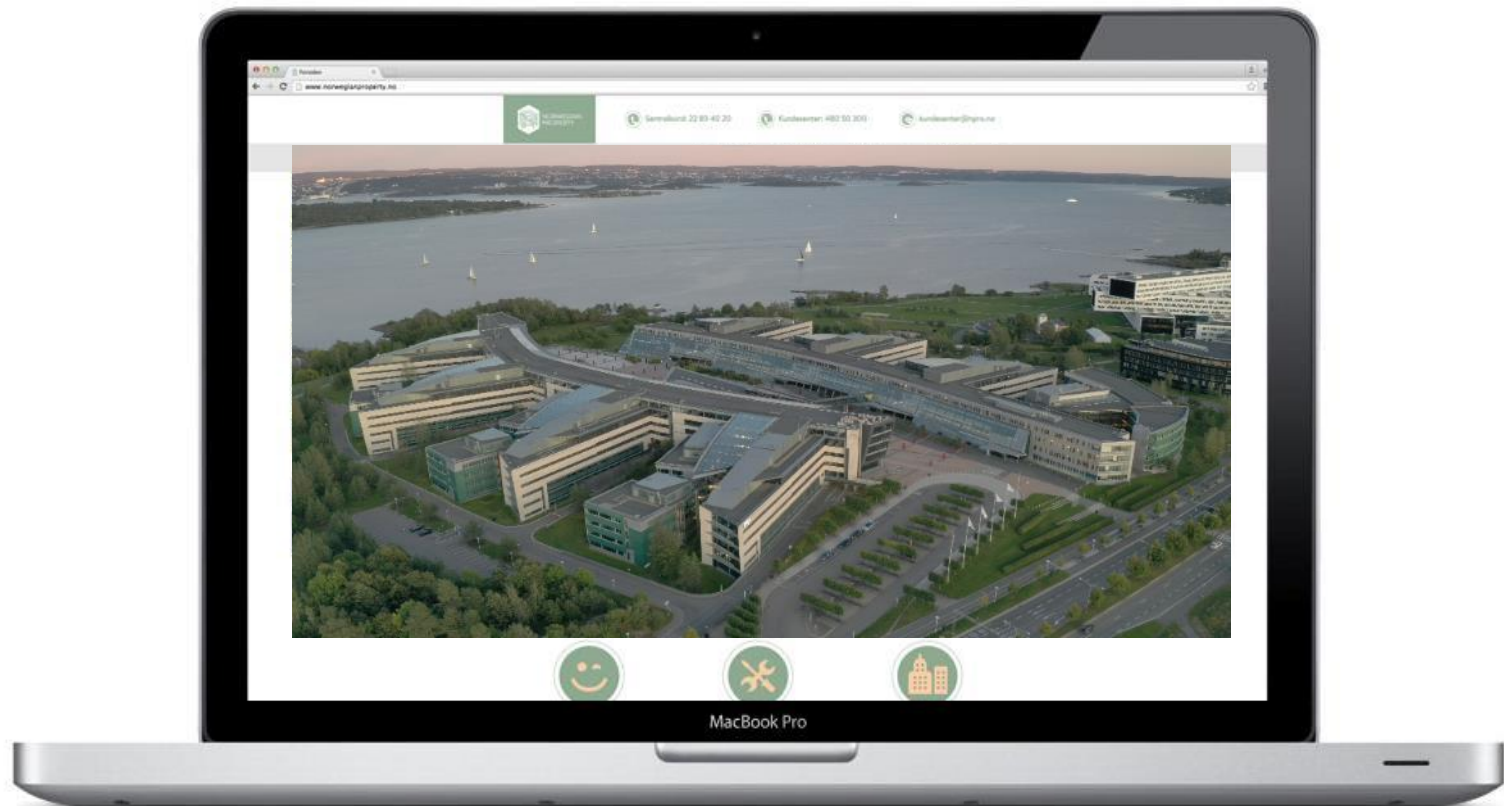
Summary

- **Dividend for 2020 NOK 0.10**
 - Ex date: 9 February
- **Topline growth and value uplift**
- **Financing**
 - Private placements NOK 585 million
 - New and refinanced bonds MNOK 5 290
 - New RCF of MNOK 600
- **Operational focus going forward**
 - Pursue opportunities
 - Rental activities
 - Further BREEAM IN USE certification





Q & A

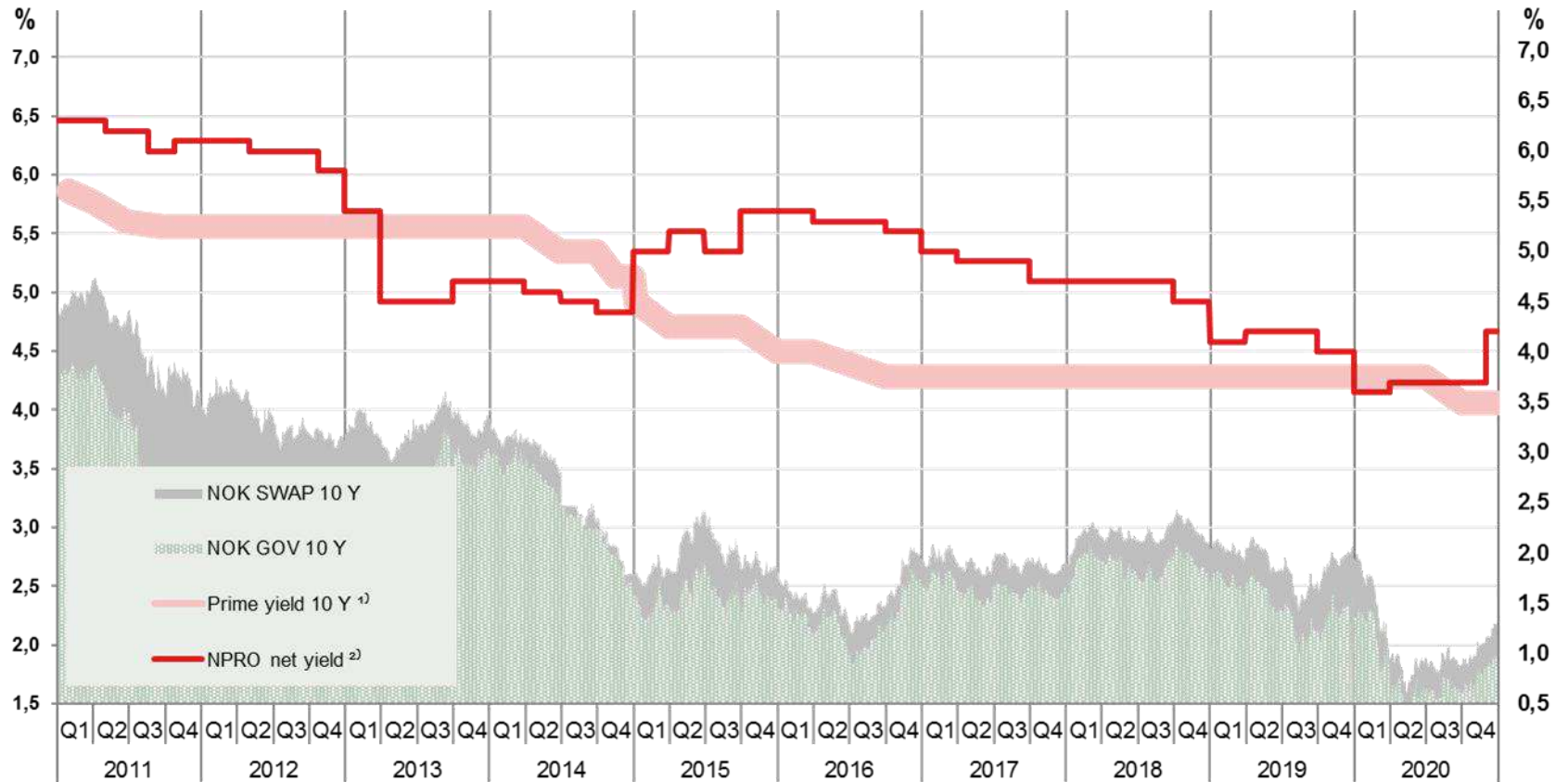




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- **Appendix**

Yield spread



¹ Source: Akershus Eiendom

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

Balance sheet – Q4 2020

NOK million	31.12.2020	31.12.2019
Investment property	23 087.6	16 469.3
Owner-occupied property	97.6	89.0
Property, plant and equipment	37.8	40.5
Investment in joint ventures ¹	1 013.6	-
Inventory ²	-	708.5
Receivables	264.8	128.8
Cash and cash equivalents	665.8	281.8
Equity	11 560.9	8 233.9
Deferred tax	1 268.0	866.1
Long term interest bearing debt	10 700.6	5 690.5
Short term interest bearing debt	1 396.4	2 466.8
Market value financial derivatives (net)	177.1	75.5
Net other debt	64.2	385.1
Equity ratio (%)	45.5	46.4
NAV per share, book value of equity (NOK)	17.96	16.68
NAV, adjusted per share (NOK)	21.48	18.45
NNNAV per share (NOK)	19.89	17.29

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

² Related to the investment in Nordr Eiendom.

Cash flow – Q4 and Year 2020

NOK million	Q4 2020	Q4 2019	Year 2020	Year 2019
Cash flow from profit and loss before fair-value adj.	98.3	96.9	356.9	336.9
Change in property-related inventory and other short-term items ¹	(0.4)	298.2	600.0	61.4
Change in short-term items	(15.8)	(32.7)	50.9	(43.4)
Cash flow from operating activities	82.1	362.3	1 007.8	354.9
Sale of tangible assets ²	-	134.9	-	957.9
Purchase of tangible assets	(5 005.3)	(747.2)	(5 197.4)	(1 040.2)
Other investment activities ³	-	-	(1 020.1)	354.0
Cash flow from investment activities	(5 005.3)	(612.3)	(6 217.5)	271.7
Net change in interest bearing debt	4 720.6	489.7	3 950.6	321.0
Paid dividend	-	(34.6)	(34.6)	(145.9)
Capital increase	582.7	-	1 677.7	-
Other financing activities ⁴	-	-	-	(644.5)
Net cash flow from financing activities	5 303.3	455.1	5 593.8	(469.4)
Net change in cash	380.1	205.1	384.1	157.2
Net cash at end of period	665.8	281.8	665.8	281.8

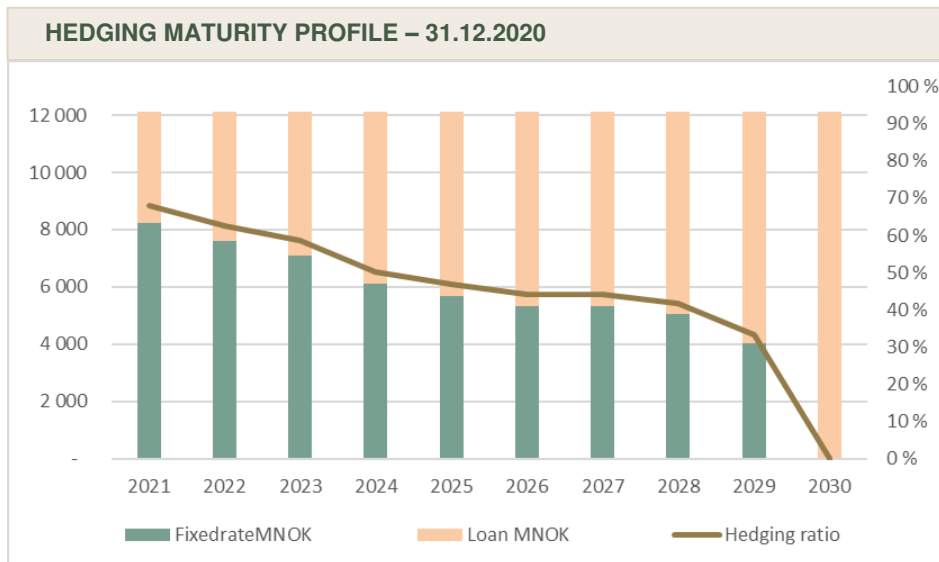
¹ Related to residential units at Hasle in Oslo.

² Related to properties at Skøyen, Gardermoen and Badehusgata 33-39 (joint venture) 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.

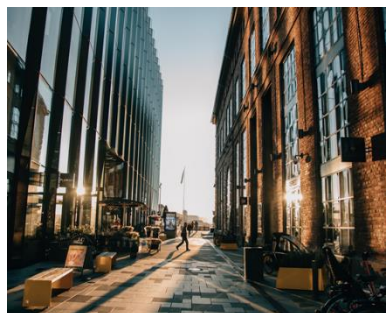
Interest rate hedging



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 31.12.2020 was 75.5 % and remaining average time to maturity was 6.7 years.
- Diversified maturity profile to avoid exposure to interest levels.

Overview and key figures



Key figures as of 31st December 2020

Properties ¹⁾	no	29
Portfolio size (ex. new space in redev. Projects) ²⁾	m ²	497 013
Average size per property	m ²	17 138
Gross rent per year (run rate) ⁴⁾	NOK mill.	983
Operational expenses per year ³⁾	NOK mill.	79
Net rent per year (run rate)	NOK mill.	904
Average gross rent per m ² per year	NOK	1 977
Gross market value ²⁾	NOK mill.	23 450
Average value per property	NOK mill.	809
Average value per m ²	NOK	47 181
Gross yield, actual	%	4,2
Net yield, actual	%	3,9
WAULT ²⁾	Years	5,9
CPI adjustment ⁴⁾	%	98,4
Vacancy, calculation based on market rate ⁴⁾	%	7,2

1) Including Forusbeen 35 which is owned 50%

2) Not including Forusbeen 35

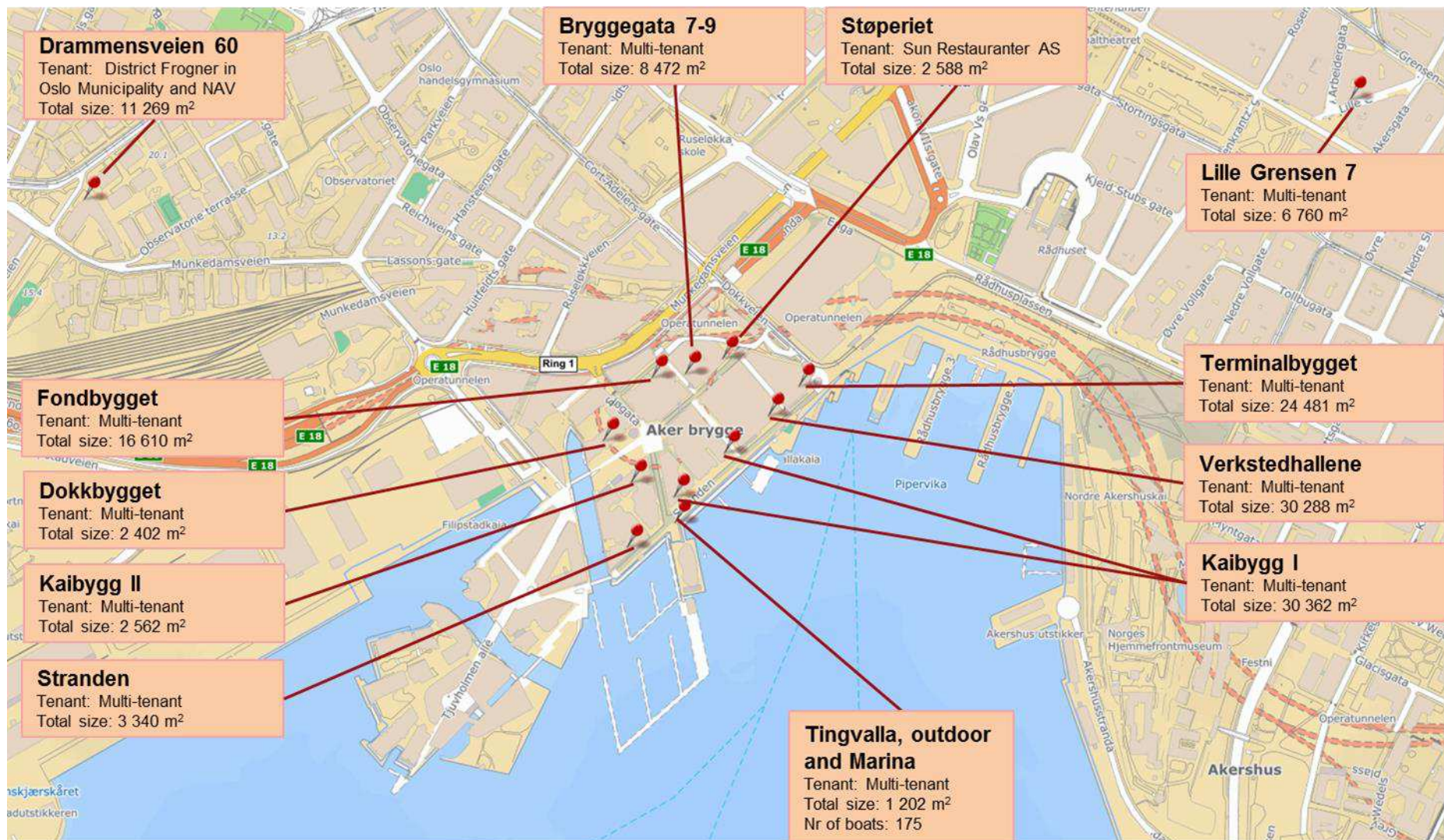
3) For illustration; based on estimated long term property expenses of 8 per cent of gross rent

4) Calculation of vacancy is based on Market rate as estimated by Cushman & Wakefield. Not including Forusbeen 35 and part of Gullhaugveien 9-13 as zoning process is ongoing.

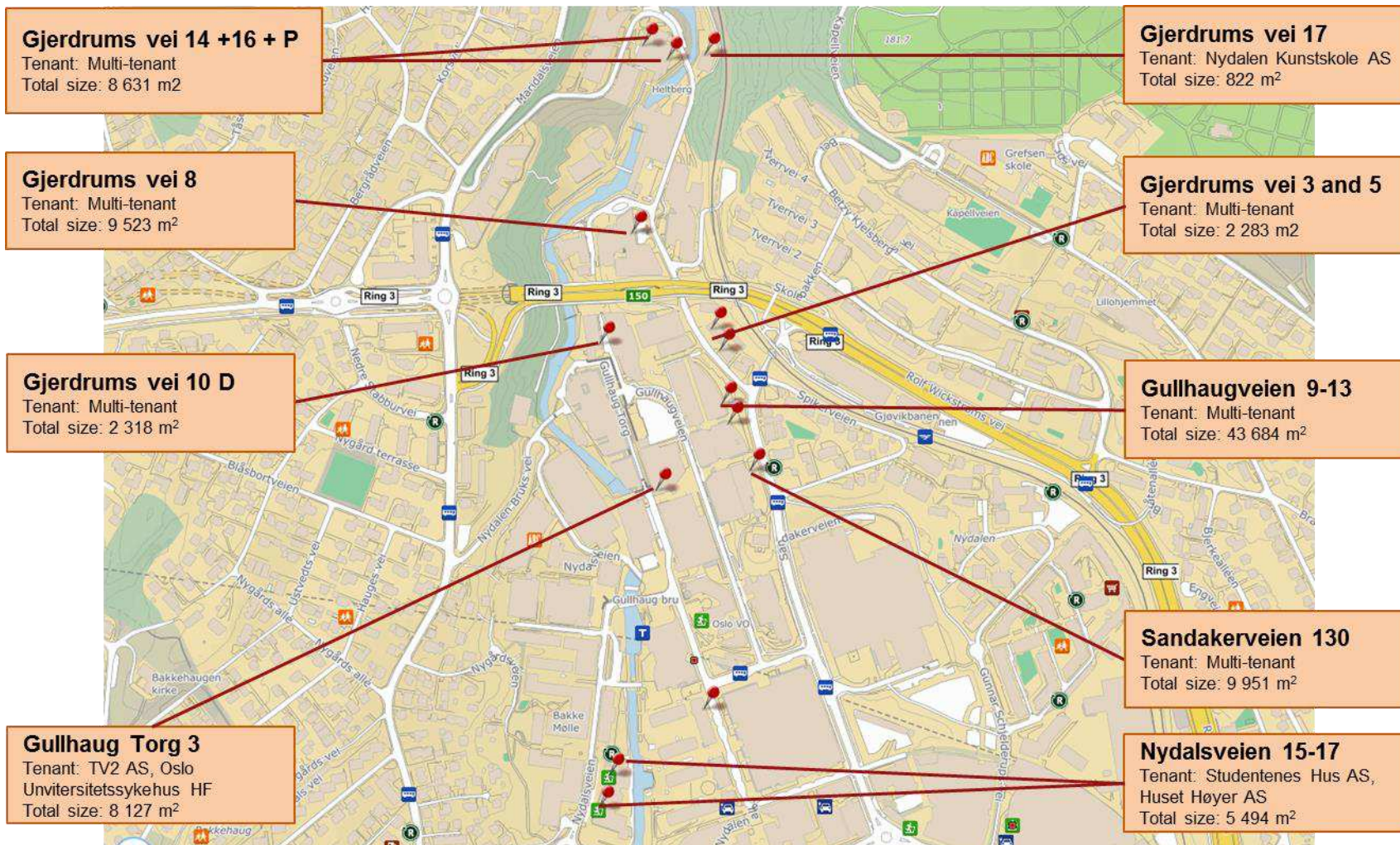




CBD



Nydalen



Other

Vinslottet

- 8 810 sqm retail



Snarøyveien 36

- 40 985 sqm office
- 17 213 sqm parking

Snarøyveien 30

- 144 563 sqm office
- 7 200 sqm warehouse
- 45 578 sqm parking
- 1 098 sqm other



Property details Q4-2020

1/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Dec 2020	Run rate per Dec 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	0.7	98.0	3.3	28.1
Dokkbygningen	2 098	248	0	56	0	2 402	30.4	100.0	11.8	2.8
Drammensveien 60	8 975	0	1 890	404	0	11 269	0.0	100.0	8.5	28.7
Fondbygget	13 073	2 492	1 044	0	0	16 610	0.0	100.0	5.5	60.1
Lille Grensen 7	4 471	2 071	218	0	0	6 760	17.8	100.0	4.7	21.2
Kaibygning I (Stranden 5)	21 112	6 341	2 358	0	552	30 363	0.2	100.0	4.1	118.5
Kaibygning II	0	1 716	846	0	0	2 562	2.9	100.0	8.3	5.6
Stranden	2 684	158	24	474	0	3 340	8.0	100.0	5.6	9.5
Støperiet	0	2 588	0	0	0	2 588	0.0	100.0	3.6	5.6
Terminalbygget (Stranden 1)	17 771	3 225	1 678	1 387	421	24 481	0.0	100.0	4.4	103.7
Tingvallautstikkeren, uteareal og marina ¹	0	1 202	0	0	0	1 202	0.0	100.0	3.4	21.7
Verkstedhallene (Stranden 3)	19 172	8 157	2 141	0	819	30 289	17.6	100.0	3.2	90.7
Total CBD	95 740	30 286	10 199	2 321	1 791	140 337	5.1	99.9	4.5	496.1

¹ Adjusted for normal seasonal short term contracts



Property details Q4-2020

2/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Dec 2020	Run rate per Dec 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	5.8	100.0	3.4	11.9
Gjerdrums vei 17	806	0	16	0	0	822	3.5	100.0	2.2	1.2
Gjerdrums vei 3	0	0	0	0	463	463	34.8	100.0	0.6	0.7
Gjerdrums vei 5	1 557	0	263	0	0	1 820	11.7	100.0	2.0	2.0
Gjerdrums vei 8	7 726	0	633	1 164	0	9 523	9.0	100.0	3.2	16.0
Gullhaug Torg 3	7 793	0	334	0	0	8 127	0.0	100.0	3.9	15.2
Gullhaugveien 9 - 13 ¹	24 083	0	7 298	12 303	0	43 684	30.9	92.0	2.1	20.6
Nydalsveien 15	3 711	0	65	0	28	3 804	0.0	100.0	5.3	8.5
Nydalsveien 17	0	1 691	0	0	0	1 691	0.0	100.0	4.2	5.0
Sandakerveien 130	5 542	0	1 047	3 362	0	9 951	7.6	100.0	7.1	14.4
Total Nydalen	58 721	1 691	10 810	19 121	491	90 833	11.9	98.4	3.9	99.8

¹ Part of Gullhaugveien 9-13 is not included in the calculation of run rate and vacancy as preparations are being made for a development / refurbishment project.



Property details Q4-2020

3/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Dec 2020	Run rate per Dec 2020
	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million

Fornebu

Snarøyveien 30	144 563	0	7 200	45 578	1 098	198 439	0,0	100,0	8,7	335,4
Snarøyveien 36	40 659	0	327	17 213	0	58 199	47,6	100,0	3,2	37,6
Total Fornebu	185 222	0	7 527	62 791	1 098	256 638	8,6	100,0	8,1	373,0

Hasle

Vinslottet	0	8 922	284	0	0	9 206	6,5	100,0	7,4	13,6
Total Hasle	0	8 922	284	0	0	9 206	8,3	-	7,4	13,6
GROSS TOTAL	339 683	40 899	28 820	84 232	3 380	497 013	7,2	98,4	5,9	983

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

Largest shareholders as of 31 Dec 2020

#	Name	Share (%)	Shares held	Acc Type	Nationality
1	GEVERAN TRADING CO LTD	80.30	521 840 723	ORD	CYP
2	FOLKETRYGDFONDET	14.74	95 766 570	ORD	NOR
3	NORWEGIAN PROPERTY ASA	0.96	6 250 000	ORD	NOR
4	DANSKE BANK AS	0.66	4 262 801	ORD	DNK
5	BANAN II AS	0.25	1 596 000	ORD	NOR
6	SANDEN AS	0.24	1 584 078	ORD	NOR
7	PACTUM AS	0.16	1 022 213	ORD	NOR
8	Skandinaviska Enskilda Banken AB	0.14	884 883	NOM	FIN
9	KAS BANK N.V.	0.12	811 156	NOM	NLD
10	Morgan Stanley & Co. International	0.12	767 151	ORD	GBR
11	Skandinaviska Enskilda Banken AB	0.11	697 296	NOM	FIN
12	J.P. Morgan Bank Luxembourg S.A.	0.07	487 105	NOM	LUX
13	SELSA AS	0.06	357 605	ORD	NOR
14	CARUCEL INVEST AS	0.05	356 664	ORD	NOR
15	ECKHOFF HOLDING AS	0.05	346 090	ORD	NOR
16	Banque de Luxembourg S.A.	0.05	342 203	NOM	LUX
17	FUNDER	0.05	296 000	ORD	NOR
18	Avanza Bank AB	0.04	291 143	NOM	SWE
19	J.P. Morgan Bank Luxembourg S.A.	0.04	284 244	NOM	SWE
20	CAMVECTI HOLDING AS	0.04	275 686	ORD	NOR
Total top 20 shareholders		98.26	638 519 611		10/20 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.