



NORWEGIAN
PROPERTY

1st quarter 2021

Oslo, April 29th 2021



Agenda

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

Q1 in short:

- **Rental income revenues NOK 226 million up from NOK 168 million in Q1-20**
- **Profit before value adjustments NOK 109 million and profit after income tax NOK 335 million**
 - Earnings per share (EPS) NOK 0.52
- **Dividend of NOK 0.10 per share for Q1-21**
- **Strategic Acquisition in Nydalen**
 - An architectural competition is initiated for the development of Gjerdrums vei 1 - 5
- **New establishments on ground floor Aker Brygge**



:: SNARØYVEIEN 30. FORNEBU:



:: KAIBYGG 1. AKER BRYGGE. OSLO:



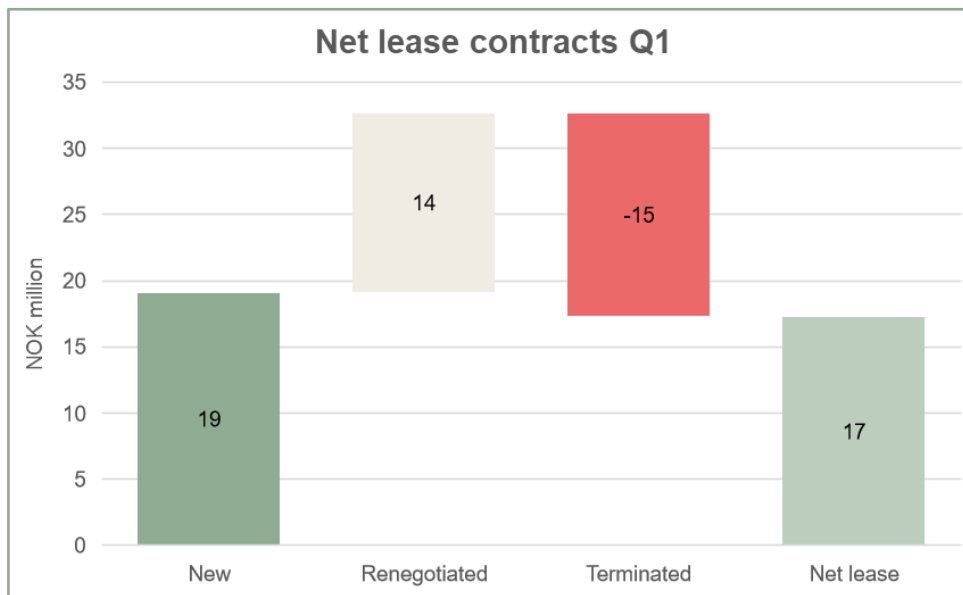
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Rental update

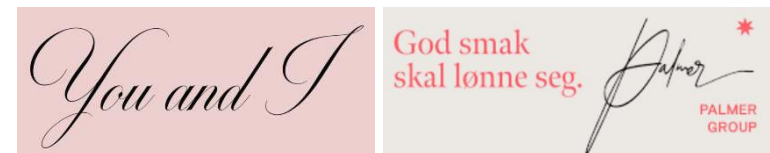
Rental contracts in Q1-2021

- Good activity in the quarter signing new contracts



New leases

- Palmer Group, LG 7
- EconPartner, Aker Brygge
- You & I, retail Aker Brygge



econpartner

New establishments during Covid 19



Turnover and new establishments

Turnover Aker Brygge

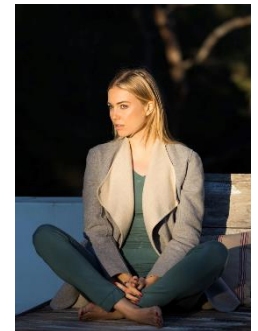
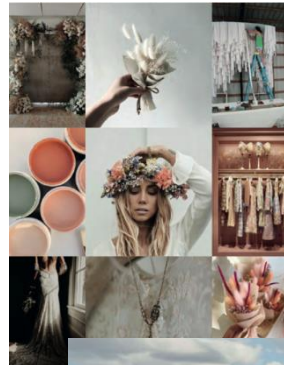
- Q1 2021

NOK 173 mill (-43 %)

⇒ *Turnover March '20 vs '21 down 6%*

New establishments during Covid-19

- Porsche studio
- HiYoga
- Confettibird & friends
- Esperance
- Narvesen
- You&I (re-location)



Establishments of food & beverage

- Winther
- supreme roastworks.
- Kveitemjøl
- Il Bolognese
- Marlow
- Eat Thai
- Café Capri
- oh dear vinbar
- Pastis
- Focacceria



Capri



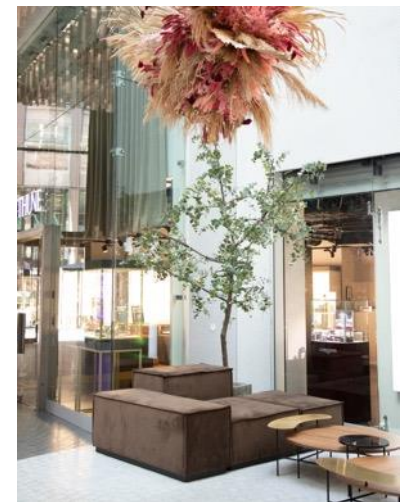
supreme
roastworks.



MARLOW



Upgrade of Jenny Hemstads gate

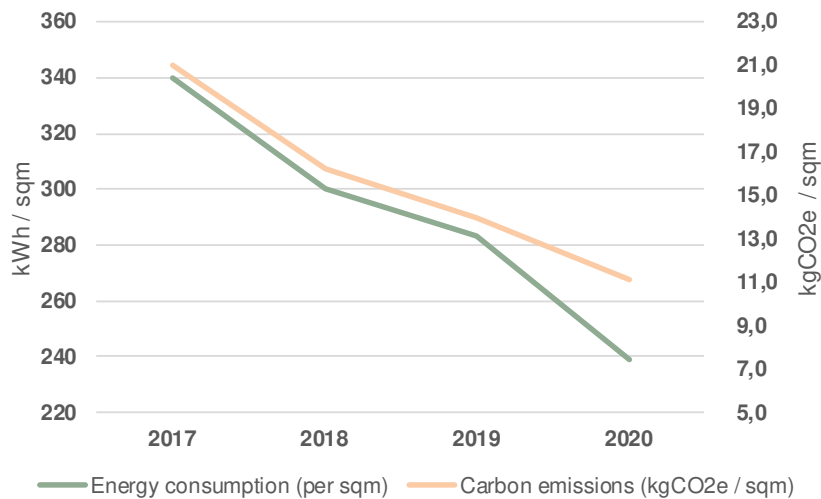


Environmental update

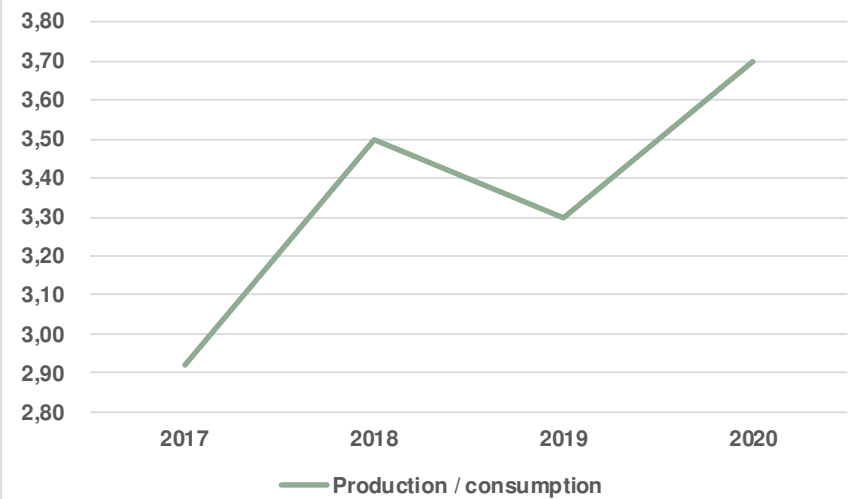
Climate report 2020



Energy consumption and CO₂ e emissions



Energy Central's increasing efficiency



		Office	Retail	Restaurant
Energy consumption	kWh / sqm	171 (-7%)	341 (-22%)	630 (-26%)
CO2 emissions	kg / sqm	6 (-2%)	10 (-20%)	20 (-27%)

Q1 acquisition in Nydalen

- a strategic area for NPRO

2019

- Gjerdrums vei 5
 - 2 450 sqm with office and storage
 - The properties are currently rented out
- Gjerdrums vei 3
 - 3 400 sqm parking and residential
 - The properties are currently rented out

2021 – Q1

- Gjerdrums vei 1
 - Enterprise value MNOK 18
 - 340 sqm culture

- ⇒ Total plot size is ~4 500 sqm
- ⇒ An architectural competition is initiated
- ⇒ Long-term plan to re-zone and develop 12-15,000 sqm office

3 strategic transactions as basis for future value creation through development of future office building



Foto: google maps

Market trends - office



:: HOLMENS GATE. AKER BRYGGE:

Rental market Oslo

- Increased activity and several new leases signed during Q1
- NPRO experiences stable rent levels during the quarter in all our core areas

Transaction market

- High activity in the transaction market
 - Prime yield at 3.25%
- Margins in the bond market have continued to tighten during the quarter
- Banks are open for business

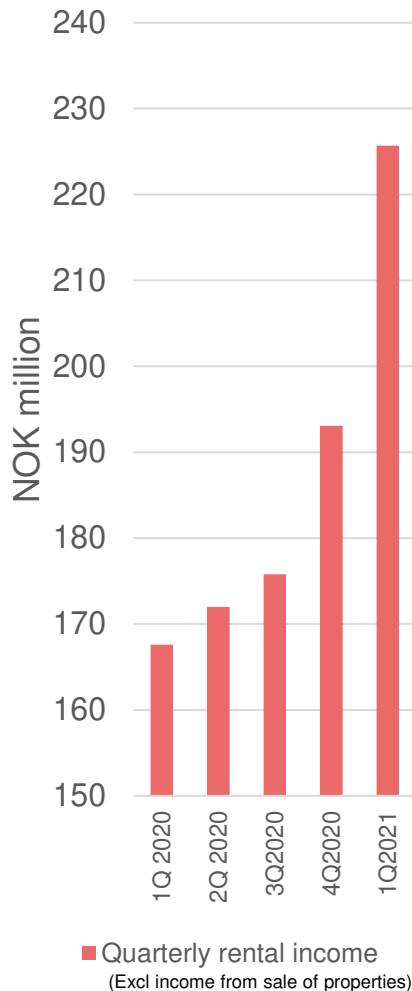


Agenda

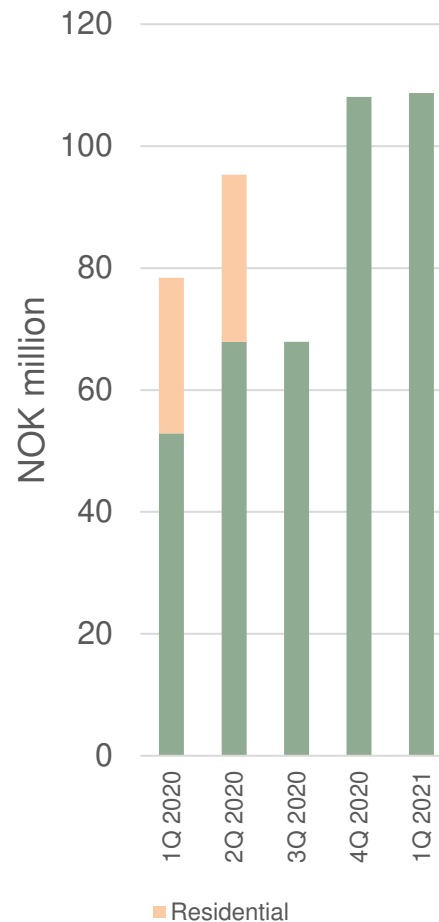
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Financial highlights

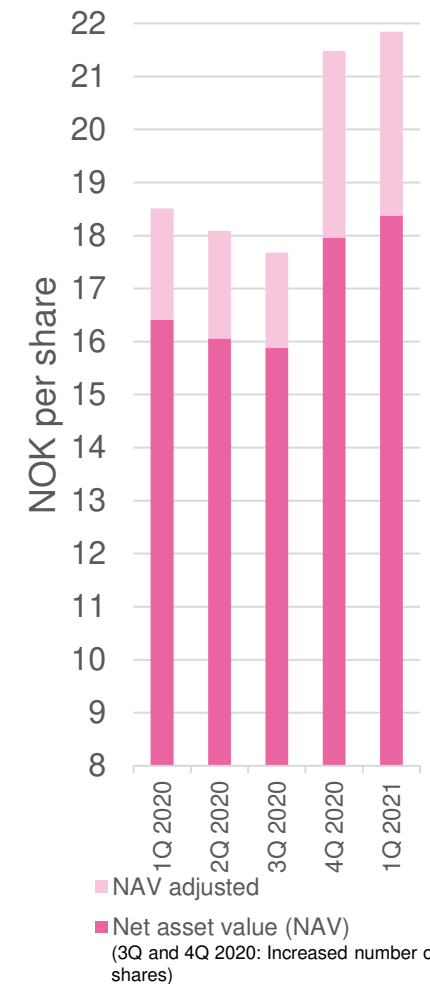
RENTAL INCOME



PROFIT BEFORE TAX AND VALUE ADJ.



VALUE PER SHARE



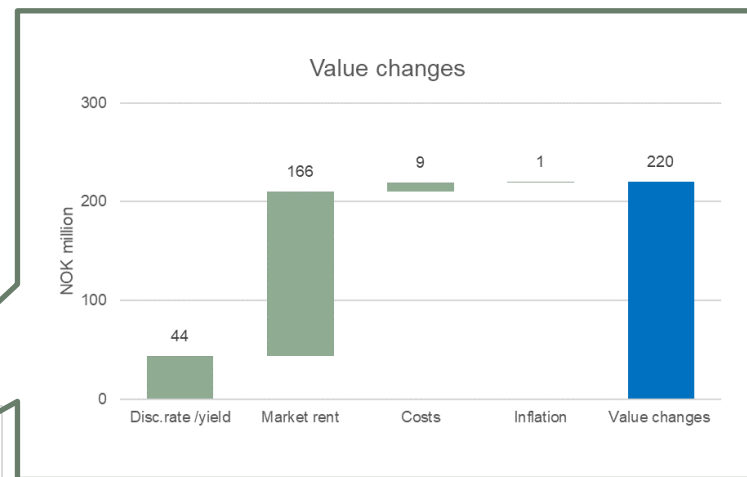
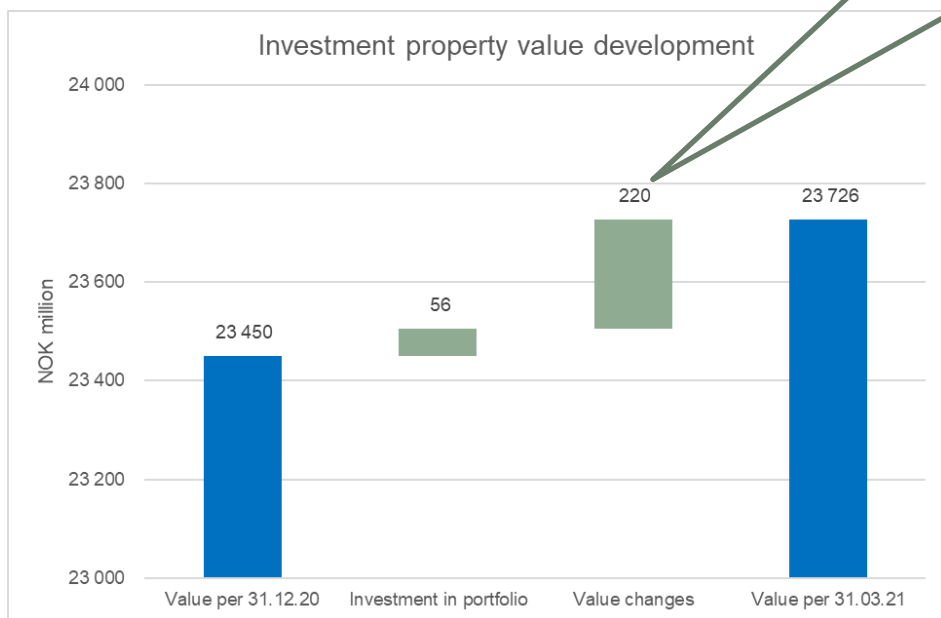
Income statement – Q1

NOK million	Q1 2021	Q1 2020
Rental income	225.7	167.7
Income from sale of residential units ¹	-	397.2
Revenues	225.7	564.9
Property-related operational expenses	(16.3)	(14.4)
Other property-related expenses	(15.1)	(20.6)
Project cost from sale of residential units ¹	-	(371.7)
Administrative expenses	(12.0)	(13.2)
Share of profit in joint ventures ²	8.1	-
Operating profit before value adjustments	190.5	145.1
Change in market value of investment property	210.4	13.5
Operating profit	400.9	158.6
Realised financial items	(81.8)	(66.7)
Change in market value of financial instruments	96.3	(192.2)
Net financial items	14.5	(258.9)
Profit before income tax	415.4	(100.3)
Income tax (not payable)	(80.8)	(0.5)
Profit for the period	334.6	(100.8)
Earnings per share (NOK)	0.52	(0.20)
Profit before income tax and value adjustments	108.7	78.4

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 Nordr Eiendom and Forusbeen 35 in 2021.

Change in investment property value in Q1





Portfolio valuation by area Q1-2021

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Positive fair value adjustment of NOK 210 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	140,446	4.3	14,502.5	103,260	494.0	3.1	5.7	3.3
Nydalen	67,930	3.9	1,878.1	27,648	97.3	4.8	15.8	5.7
Fornebu	256,638	7.9	6,546.0	25,507	370.8	5.2	8.6	5.7
Hasle	10,684	7.1	310.7	29,080	13.7	4.0	9.9	5.2
Total Portfolio	475,698	5.7	23,237.3	48,849	975.7	3.9	8.0	4.2
Gullhaugveien 9-13 project	24,131		489.0	20,264	-	-		
Total incl. Gullhaugvn 9-13	499,829		23,726.3	47,469	975.7	3.8		

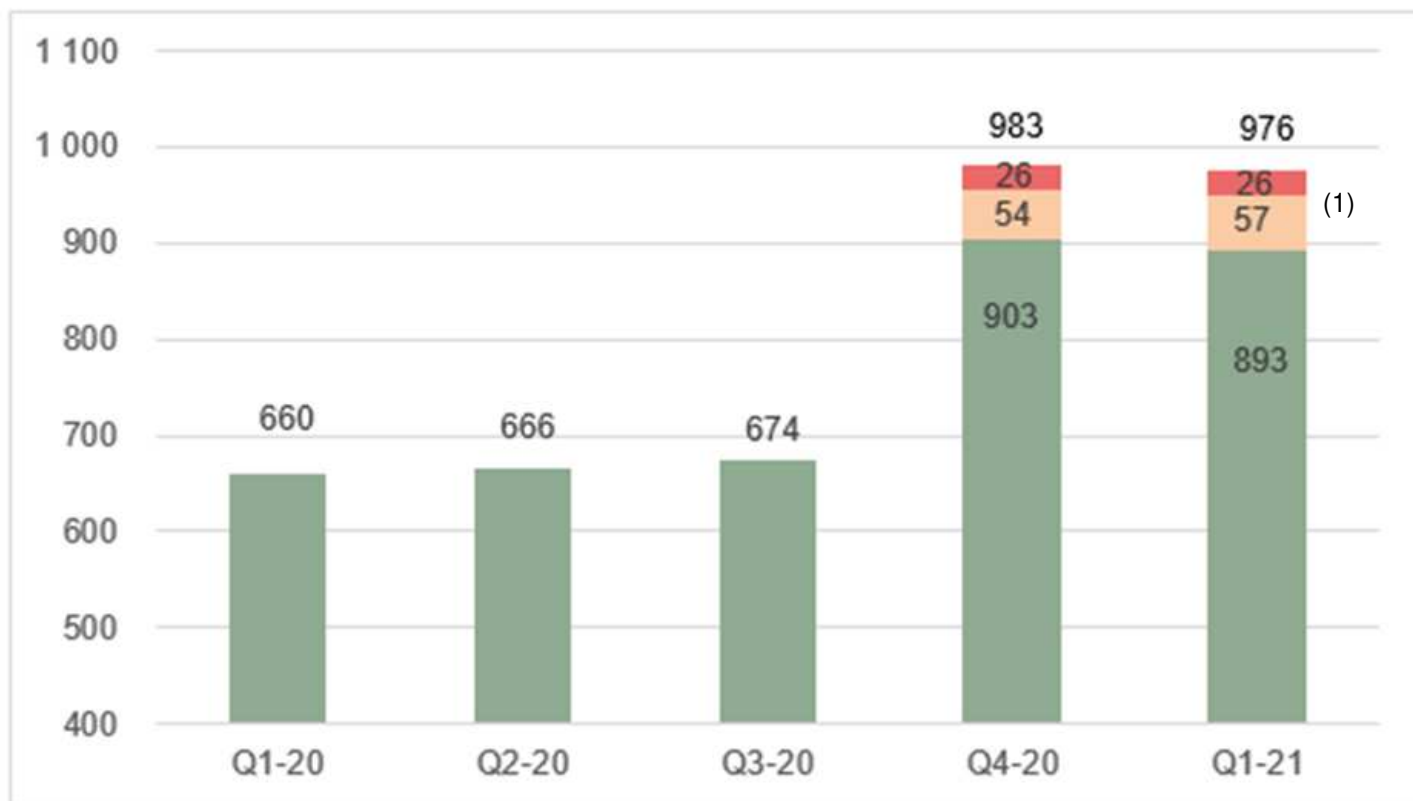
¹ 50% of Forusbeen 35 was sold in Dec-20 and it is therefore not included in this table. Fornebu valuation includes non-current receivables amounting to NOK 306.1 million, related to the rental guarantee provided by the seller of the property at Snarøyveien 30.

² For illustration; based on rents as of March 31, 2021 and estimated long term property expenses of 8 per cent. Net yield for Nydalen has been calculated excluding Gullhaugveien 9-13 as a zoning process for conversion is initiated for the property.

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

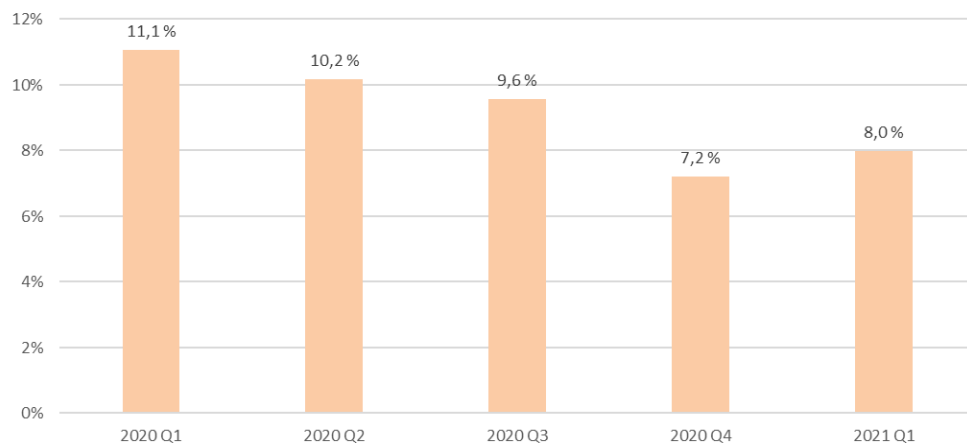
RUN RATE, Q4 2019 TO Q4 2020



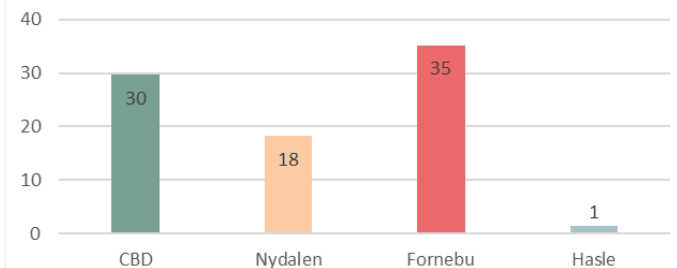
(1) MNOK 57 from Telenor and MNOK 26 for premises rented to ABB, starting March 2022

Vacancy based on market rent

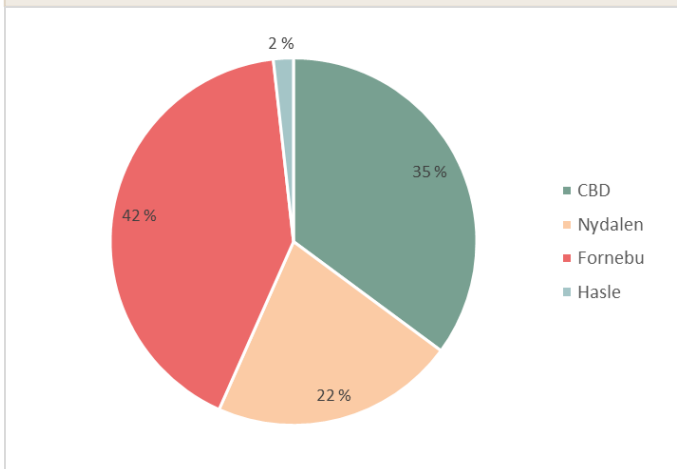
MARKET RENT VACANCY, LAST 5 QUARTERS



MARKET RENT VACANCY FOR EACH AREA (MNOK RUN RATE)



VACANCY FOR EACH AREA IN % OF TOTAL VACANCY



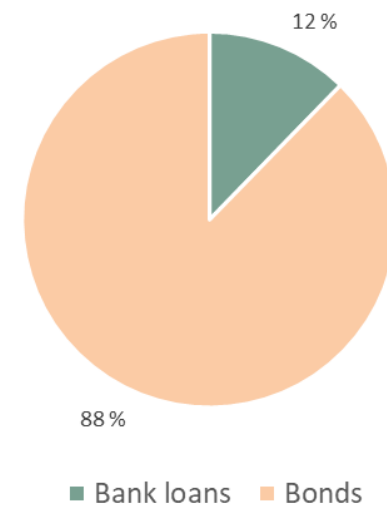
Financial position

Interest bearing debt and hedging		31.03.2021
Total interest-bearing debt	NOK million	11 598
Property value	NOK million	23 726
Net Loan to value ¹	Per cent	47.5
Cash and cash equivalents	NOK million	223
Interest-bearing receivables	NOK million	100
Unused committed credit facilities	NOK million	1 410
Average remaining duration. Hedging	Years	7.0
Average interest rate (including margin)	Per cent	2.81
Average margin	Per cent	1.39
Average remaining duration. Borrowing	Years	4.8
Hedging ratio ²	Per cent	73.6
WAULT	Years	5.7

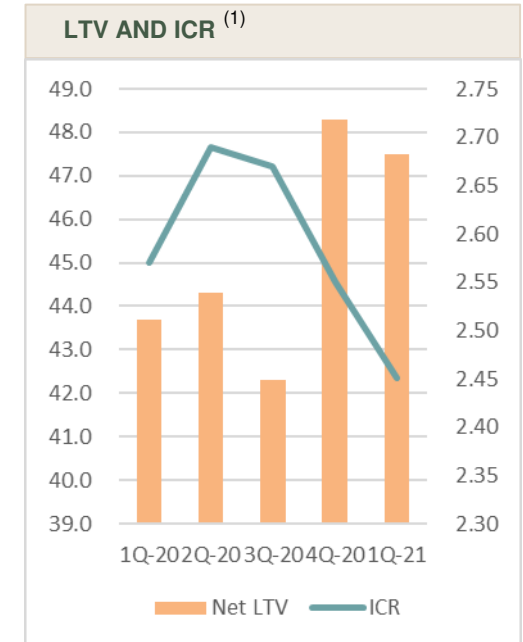
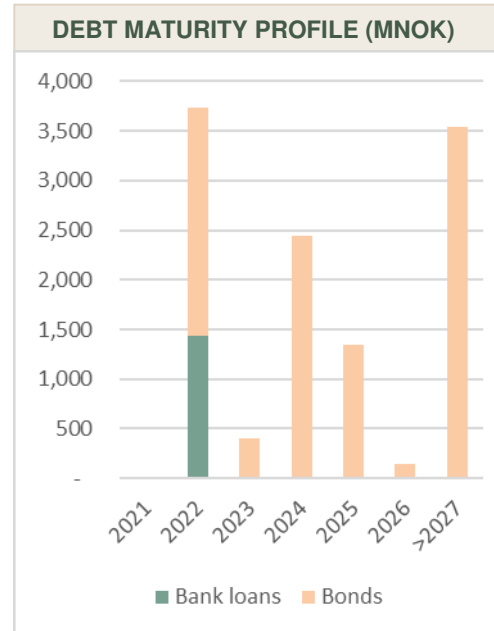
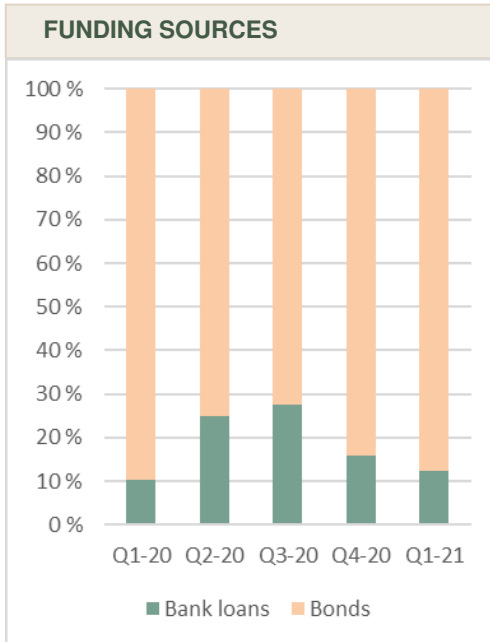
¹ Net loan to value = interest bearing debt net of cash and interest-bearing receivables divided by gross property value

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

FUNDING SOURCES 31.03.2021



Financing



- **Diversified sources of funding**
 - 10.2 bn in bonds Q1 2021

- **Diversified maturity profile**
 - Average remaining time to maturity Q1 2021 is 4.8 years

- **LTV below long time target**
 - Net LTV 47.5% as of Q1 2021

Refurbishments in 2021

Area	Property	Tenant	SQM	Quarter finalized
Aker Brygge	Dokkbygget	SATS HiYoga	1 100	Q3 2021
Aker Brygge	Various buildings	Various tenants	2 000	Q2 - Q4 2021
Aker Brygge	Verkstedhallene	EconPartner	800	Q3 2021
CBD	Lille Grensen 7	Palmer Group	550	Q4 2021



:: LILLE GRENSEN 7. CBD:



:: KIOSK AT THE PIER. AKER BRYGGE:

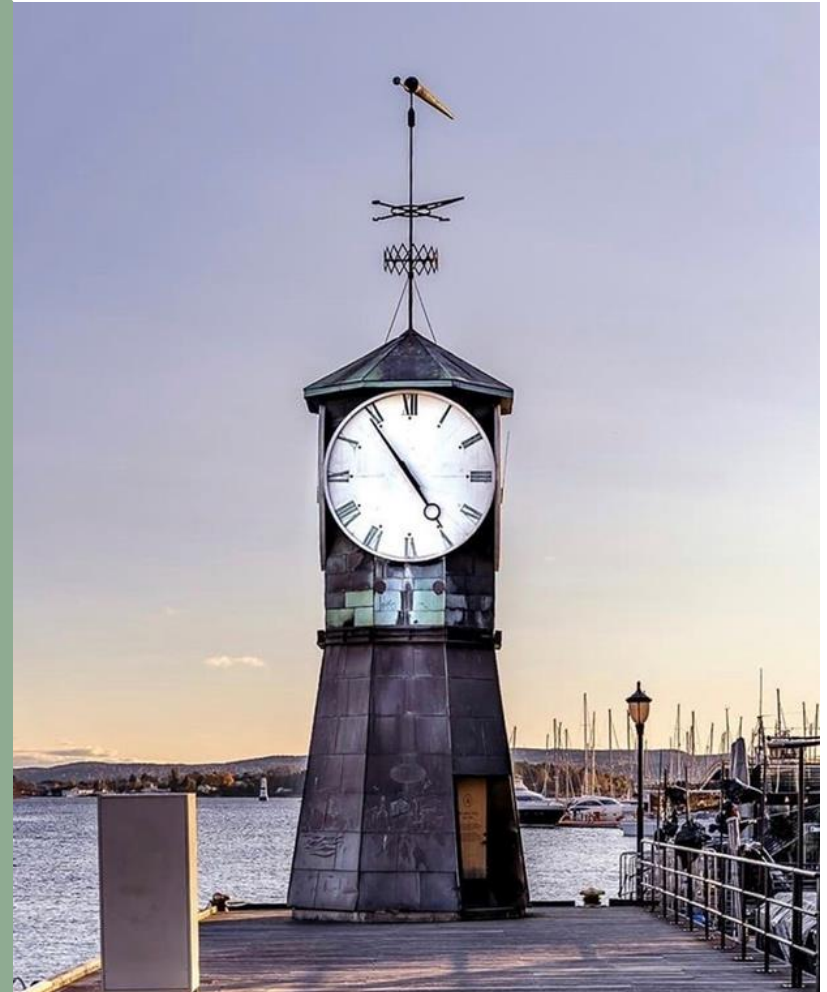


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Summary

- **Dividend for Q1 2021 NOK 0.10**
 - Ex date: 4th May
- **Strategic acquisition**
- **Topline growth**
- **Operational focus going forward**
 - Pursue opportunities
 - Rental activities
 - Financing



Q & A

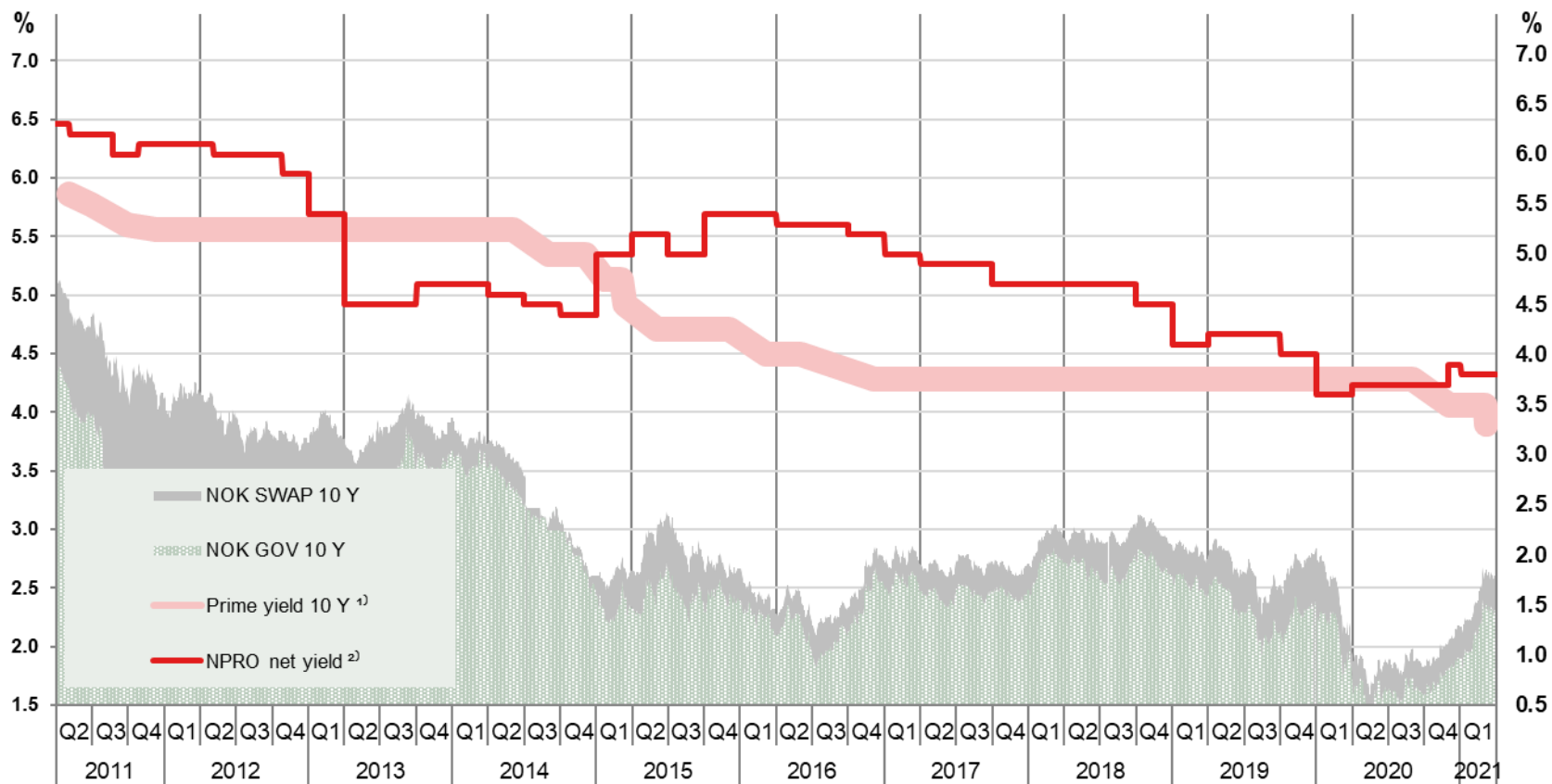




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- **Appendix**

Yield spread


¹ Source: Akershus Eiendom

² NPRO net yield as summarised in slide; Portfolio valuation Q1-2021

Balance sheet – Q1

NOK million	31.03.2021	31.03.2020
Investment property	23 315.0	16 557.0
Owner-occupied property	105.3	90.5
Property, plant and equipment	36.9	39.9
Investment in joint ventures ¹	1 016.7	-
Inventory ²	-	394.6
Receivables	495.0	101.0
Cash and cash equivalents	222.7	196.6
Equity	11 831.6	8 100.5
Deferred tax	1 350.6	867.0
Long term interest bearing debt	10 701.3	5 672.6
Short term interest bearing debt	896.8	2 165.5
Market value financial derivatives (net)	80.7	267.7
Net other debt	330.6	306.1
Equity ratio (%)	46.9	46.5
NAV per share, book value of equity (NOK)	18.38	16.41
NAV, adjusted per share (NOK)	21.84	18.51
NNNAV per share (NOK)	20.41	17.01

¹ Related to the investment in Nordr Eiendom in 2021.

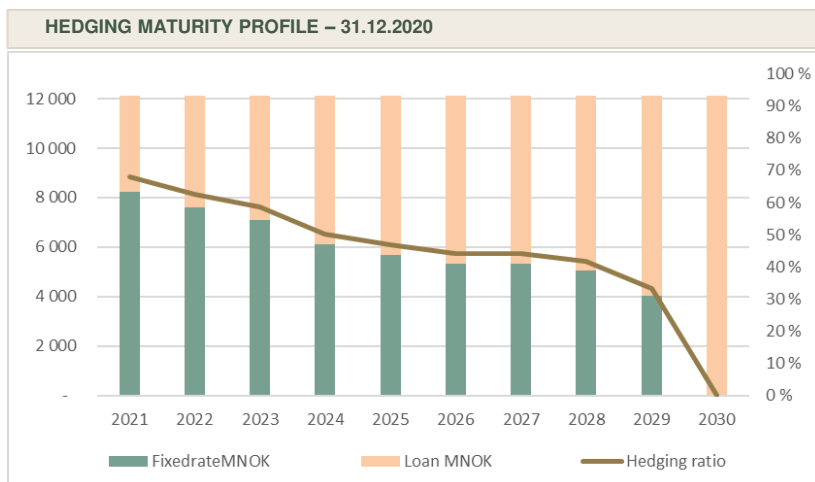
² Related to residential units under construction in 2020 at Hasle in Oslo.

Cash flow – Q1

NOK million	Q1 2021	Q1 2020
Cash flow from profit and loss before fair-value adjustments	101.9	79.6
Change in property-related inventory and other short-term items ¹	-	270.5
Change in short-term items	76.6	32.8
Cash flow from operating activities	178.5	382.9
Purchase of tangible assets	(56.2)	(110.1)
Cash flow from investment activities	(56.2)	(110.1)
Net change in interest bearing debt	(500.4)	(323.4)
Paid dividend	(64.4)	(34.6)
Capital increase	(0.7)	-
Net cash flow from financing activities	(565.4)	(358.0)
Net change in cash	(443.2)	(85.2)
Net cash at end of period	222.7	196.6

¹ Related to residential units under construction in 2020 at Hasle in Oslo.

Interest rate hedging

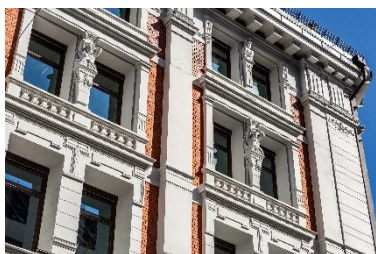
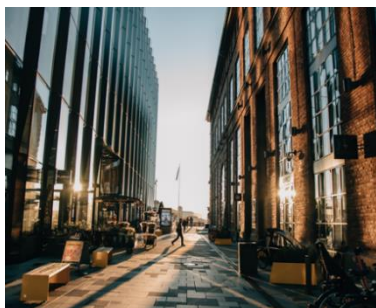


Interest rate risk:

- 50-100% of the group's debt shall be hedged.
- Average remaining time to maturity shall be 3-6 years.
- Hedging ratio 31.03.2021 was 73.6% (including MNOK 300 which will mature during the next two quarters) and remaining average time to maturity was 7 years.
- Diversified maturity profile to avoid exposure to interest levels.

	Fixed rate instruments ²		Forward starting swaps ³			Average credit margin	
	Amount (NOKm)	Interest rate (%)	Amount	Interest rate (%)	Tenor (years)	Amount (NOKm)	Credit margin (%)
<1 year	3,351.1	0.64 %				900.0	1.20 %
1-2 years	650.0	3.39 %				2,830.0	1.11 %
2-3 years	600.0	2.07 %				400.0	1.06 %
3-4 years	1,105.0	1.80 %				2,443.0	1.18 %
4-5 years	200.0	2.51 %				1,350.0	1.34 %
5-6 years	350.0	1.95 %				150.0	1.38 %
6-7 years	- 0.0	0.00 %					
7-8 years	300.0	2.23 %					
8-9 years	1,000.0	1.79 %					
9-10 years	4,042.0	1.16 %				3,542.0	1.85 %
>10 years	- 0.0	0.00 %					

Overview and key figures



Key figures as of 31st March 2021		
Properties ¹⁾	no	29
Portfolio size (ex. new space in redev. Projects) ²⁾	m ²	499,829
Average size per property	m ²	17,235
Gross rent per year (run rate)	NOK mill.	976
Operational expenses per year ³⁾	NOK mill.	78
Net rent per year (run rate)	NOK mill.	898
Average gross rent per m ² per year	NOK	1,952
Gross market value ²⁾	NOK mill.	23,726
Average value per property	NOK mill.	818
Average value per m ²	NOK	47,469
Gross yield, actual	%	4.2
Net yield, actual	%	3.9
WAULT ²⁾	Years	5.7
CPI adjustment ⁴⁾	%	98.5
Vacancy, calculation based on market rate ⁴⁾	%	8.0

1) Including Forusbeen 35 which is owned 50%

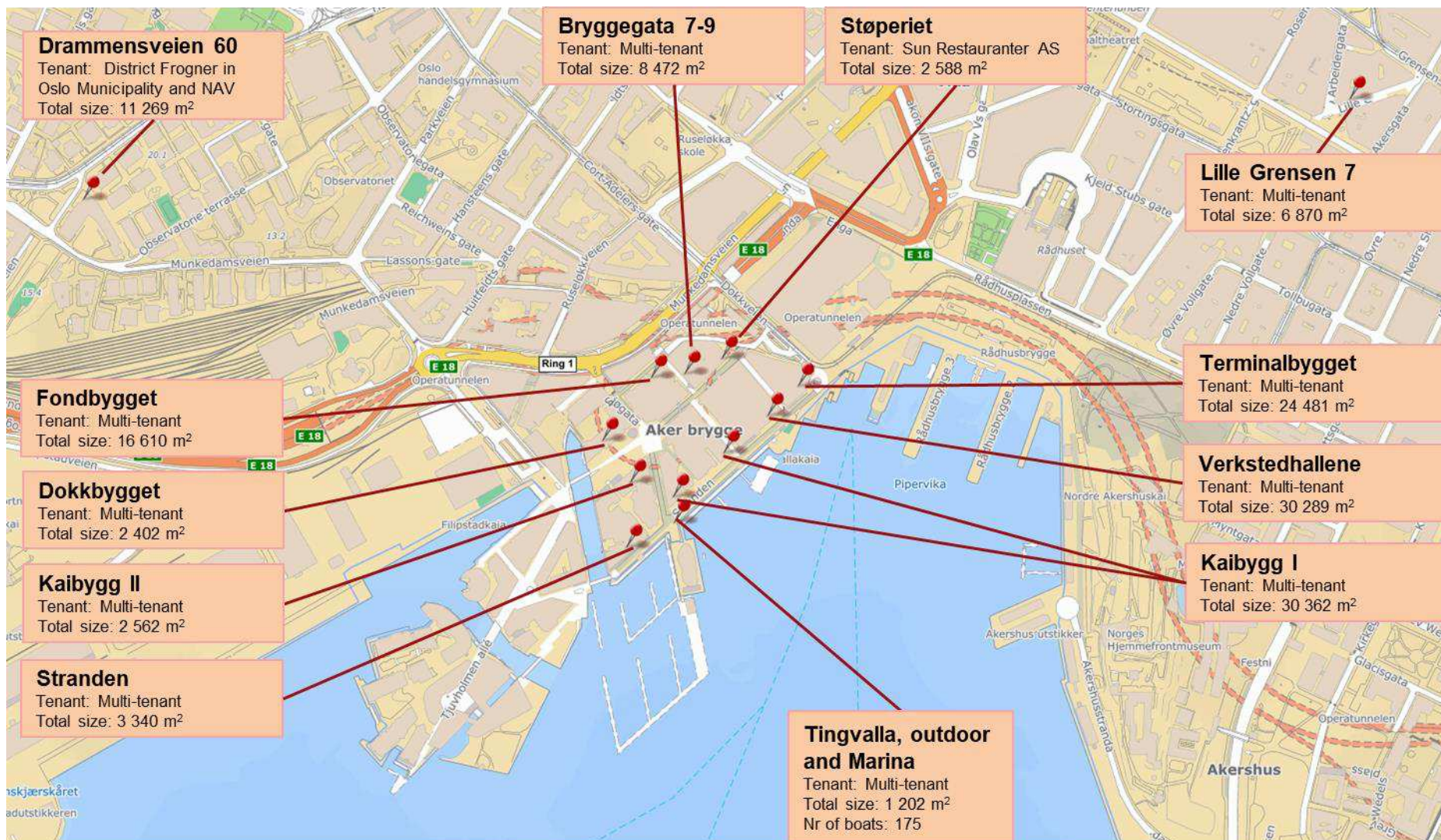
2) Not including Forusbeen 35

3) For illustration; based on estimated long term property expenses of 8 per cent of gross rent. Net yield is 3.9 if the value of part of Gullhaugveien 9-13 is excluded from the calculation.

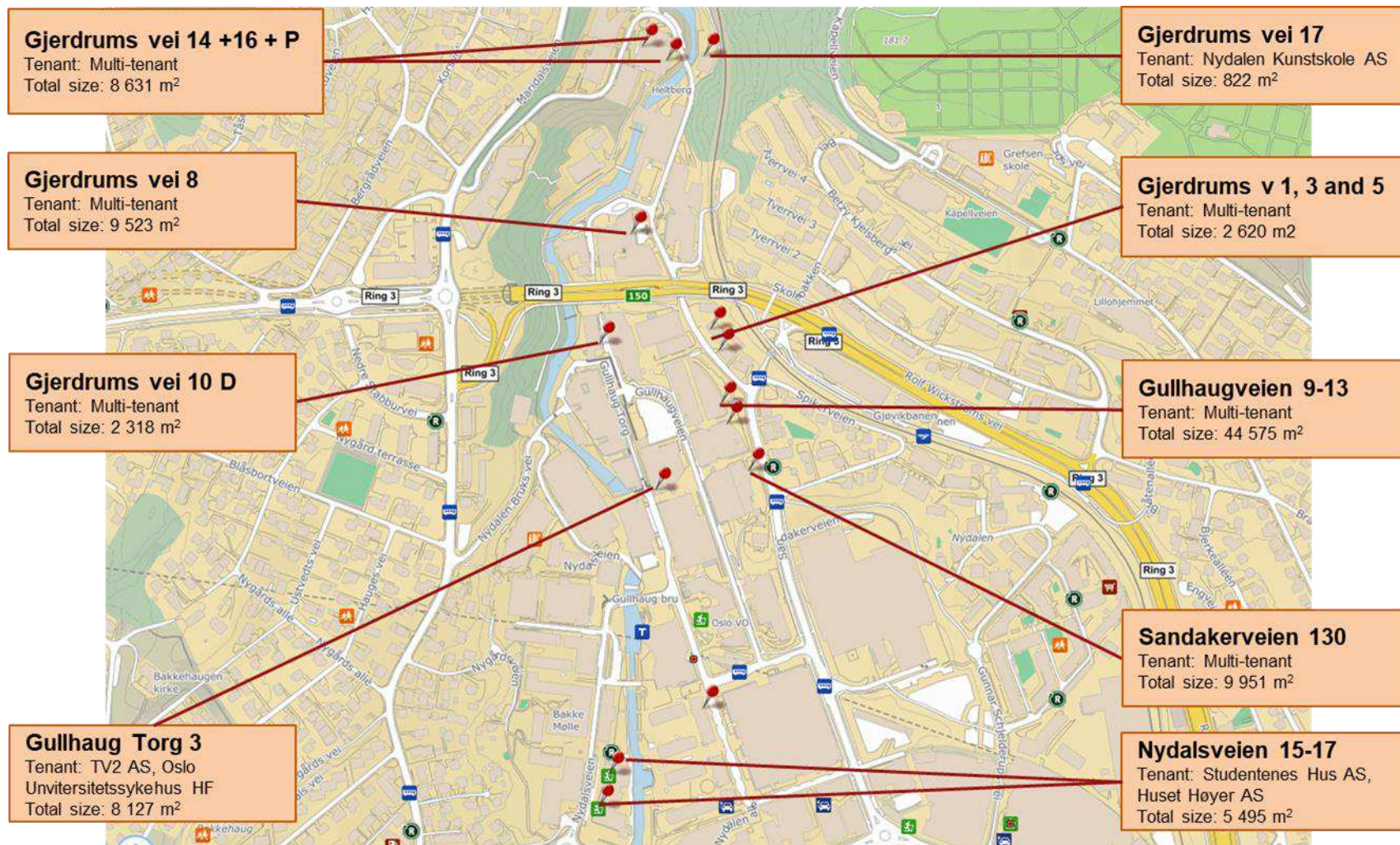
4) Calculation of vacancy is based on Market rate as estimated by Cushman & Wakefield. Not including Forusbeen 35 and part of Gullhaugveien 9-13 as zoning process is ongoing.



CBD



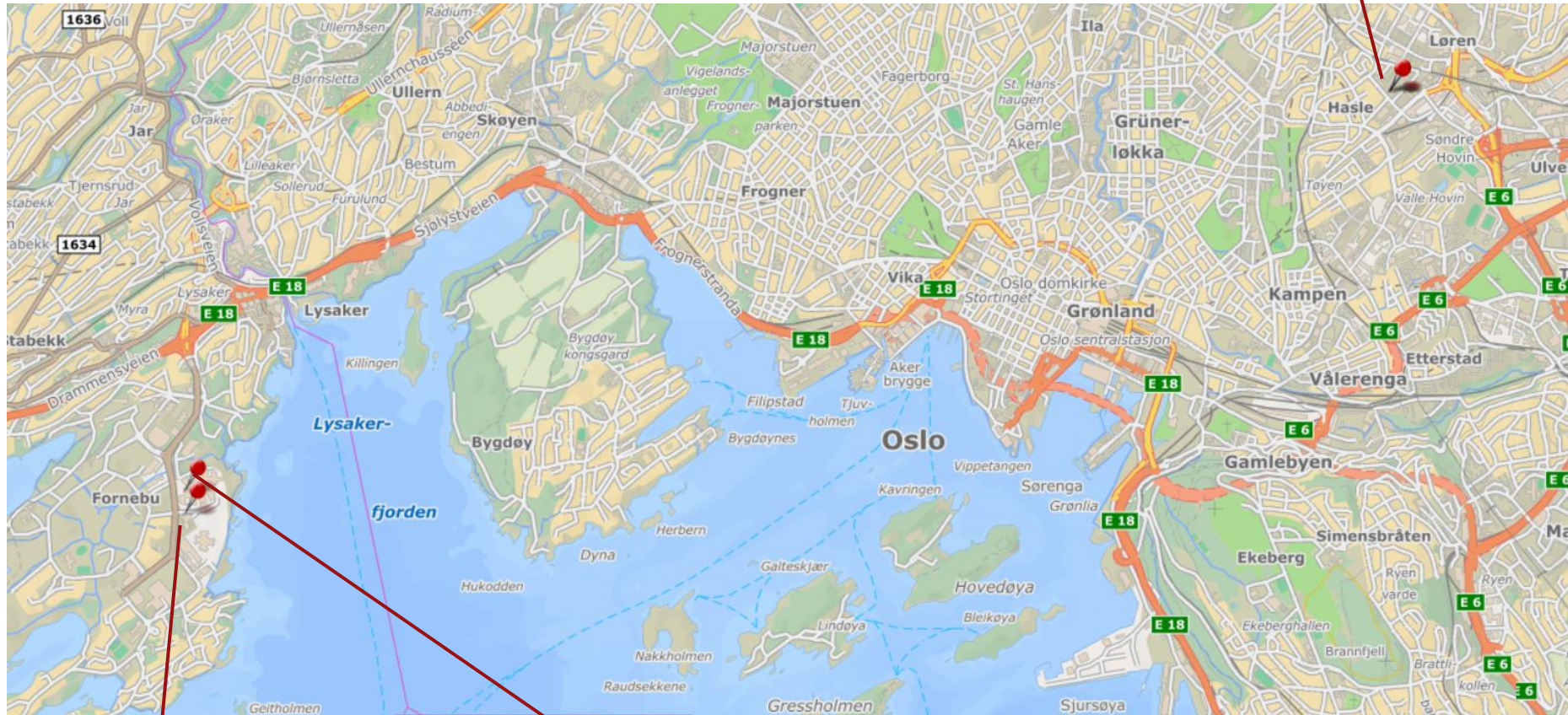
Nydalen



Other

Vinslottet

- 8 922 m² retail
- 284 m² warehouse
- 1 479 m² parking



Snarøyveien 36

- 40 985 m² office
- 17 213 m² parking

Snarøyveien 30

- 144 563 m² office
- 7 200 m² warehouse
- 45 578 m² parking
- 1 098 m² other



Property details Q1-2021

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	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Mar 2021	Run rate per Mar 2021
	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	3.0	28.1
Dokkbygningen	2,098	248	0	56	0	2,402	30.9	100.0	5.9	2.8
Drammensveien 60	8,975	0	1,890	404	0	11,269	0.0	100.0	8.2	28.7
Fondbygget	13,073	2,492	1,044	0	0	16,610	1.8	100.0	5.2	60.2
Lille Grensen 7	4,508	2,199	163	0	0	6,870	12.4	100.0	4.5	21.2
Kaibygning I (Stranden 5)	21,112	6,341	2,349	0	560	30,362	0.6	100.0	4.1	113.8
Kaibygning II	0	1,716	846	0	0	2,562	3.7	100.0	8.1	8.1
Stranden	2,517	325	24	474	0	3,340	11.1	100.0	5.4	9.5
Støperiet	0	2,588	0	0	0	2,588	0.0	100.0	3.3	5.6
Terminalbygget (Stranden 1)	17,771	3,225	1,678	1,387	421	24,481	0.1	100.0	4.3	103.6
Tingvallautstikkeren, uteareal og marina ¹	0	1,202	0	0	0	1,202	0.0	100.0	3.9	25.8
Verkstedhallene (Stranden 3)	19,206	7,737	2,588	0	758	30,289	20.1	100.0	3.0	86.6
Total CBD	95,644	30,161	10,582	2,321	1,739	140,446	5.7	99.9	4.3	494.0

¹ Adjusted for normal seasonal short term contracts



Property details Q1-2021

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	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m ²	Market rent vacancy	CPI	WAULT per Mar 2021	Run rate per Mar 2021
	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	1.3	100.0	4.0	4.4
Gjerdrums vei 14, 16 and 16 P-house	5,363	0	976	2,292	0	8,631	6.1	100.0	3.2	11.9
Gjerdrums vei 17	806	0	16	0	0	822	5.9	100.0	2.0	1.2
Gjerdrums vei 3	0	0	0	0	463	463	42.6	100.0	0.6	0.6
Gjerdrums vei 5	1,839	0	263	0	55	2,157	8.9	100.0	1.8	2.0
Gjerdrums vei 8	7,726	0	633	1,164	0	9,523	20.7	100.0	3.4	13.7
Gullhaug Torg 3	7,793	0	334	0	0	8,127	0.1	100.0	3.6	15.2
Gullhaugveien 9 - 13 ¹	23,504	0	7,328	13,743	0	44,575	36.4	100.0	2.4	20.3
Nydalsveien 15	3,711	0	65	0	28	3,804	0.0	100.0	5.1	8.5
Nydalsveien 17	0	1,691	0	0	0	1,691	0.0	100.0	3.9	5.0
Sandakerveien 130	5,542	0	1,047	3,362	0	9,951	8.9	100.0	6.9	14.4
Total Nydalen	58,424	1,691	10,840	20,561	546	92,061	15.8	100.0	3.9	97.3

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 Q1-2021

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	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Mar 2021	Run rate per Mar 2021
	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	8.4	333.8
Snarøyveien 36	40,659	0	327	17,213	0	58,199	48.7	100.0	3.1	37.0
Total Fornebu	185,222	0	7,527	62,791	1,098	256,638	8.6	100.0	7.9	370.8
Hasle										
Vinslottet	0	8,922	284	1,479	0	10,684	9.9	100.0	7.1	13.7
Total Hasle	0	8,922	284	1,479	0	10,684	9.9	-	7.1	13.7
GROSS TOTAL	339,289	40,774	29,233	87,151	3,383	499,829	8.0	98.5	5.7	975.7

Largest shareholders as of 31 Mar 2021

#	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	4,257,801	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	0.17	1,081,780	ORD	NOR
8	Skandinaviska Enskilda Banken AB	0.14	884,883	NOM	FIN
9	CACEIS Bank	0.12	811,156	NOM	NLD
10	Morgan Stanley & Co. International	0.12	793,901	ORD	GBR
11	Skandinaviska Enskilda Banken AB	0.11	697,296	NOM	FIN
12	SELSA AS	0.07	467,254	ORD	NOR
13	CARUCEL INVEST AS	0.05	356,664	ORD	NOR
14	MATTIS AS	0.05	346,691	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	SURFSIDE HOLDING AS	0.05	300,000	ORD	NOR
18	FUNDER	0.05	296,000	ORD	NOR
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		98.27	638,579,020		12/20 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.