



NORWEGIAN
PROPERTY

3rd quarter 2021

Oslo, October 21st 2021

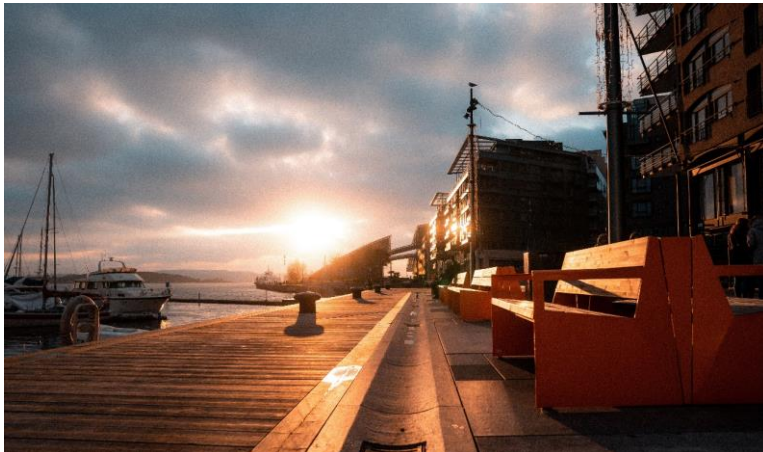


Agenda

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

Q3 in short

- Rental income of NOK 229 million. Up from NOK 176 million in Q3-20
- Profit before value adjustments NOK 85 million and profit after income tax NOK 326 million
 - Earnings per share (EPS) NOK 0.51
- De-listing of the shares in Norwegian Property ASA from Euronext Oslo Børs
- High activity in the rental market
- Refinancing



:: STRANDEN, AKER BRYGGE:



:: SNARØYVEIEN 30. FORNEBU:



Agenda

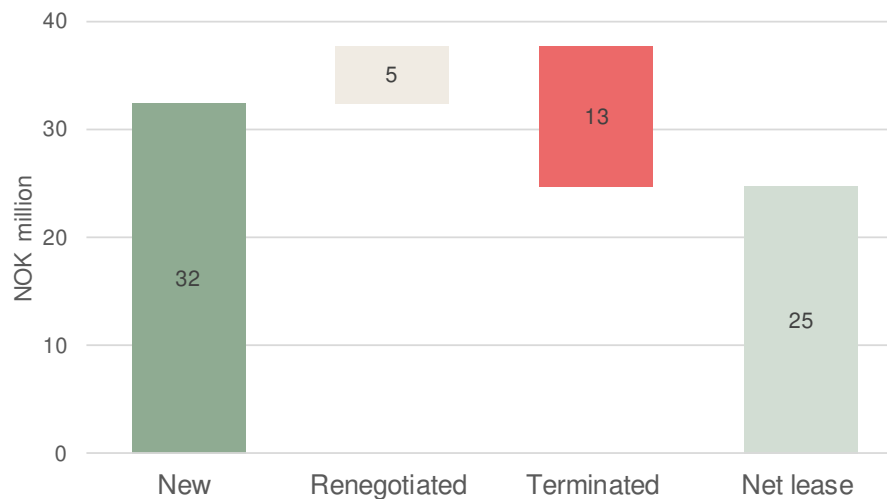
- Highlights
- **Markets and operations**
- Financial update
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- Q&A session

Rental update

Rental contracts in Q3-2021

- High activity in the quarter regarding both new and renegotiated contracts
- Positive net letting of MNOK 25

Net lease contracts Q3



New leases:

 **INTUNOR**
People

oche

NORWAY DESIGNS
EST. 1957

Turnover Aker Brygge Q3

Turnover Aker Brygge
Q3 2021 **NOK 476 mill (+15 %)**

- Quarter still influenced by:
 - home office
 - lack of tourists and business travelers
 - no culture events
- Covid-19 restrictions lifted towards end of quarter
- Turnover in several weeks in September and October above same weeks in 2019
- Well positioned for 2022



ET HAV AV
MULIGHETER



AKER
BRYGGE





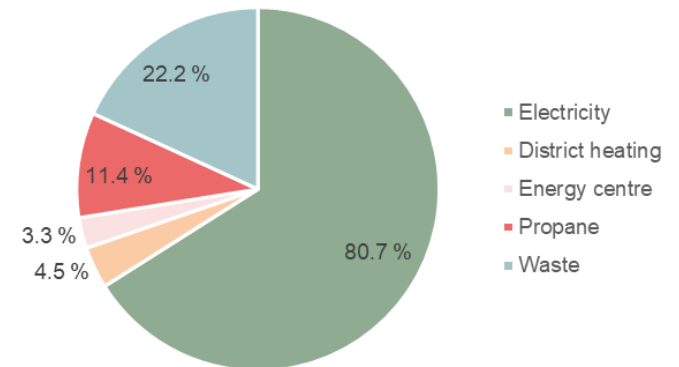
Reducing carbon emissions from waste

One of UN's Sustainability Goals that NPRO prioritizes is Climate Action. Focus during Q3 has been on waste.

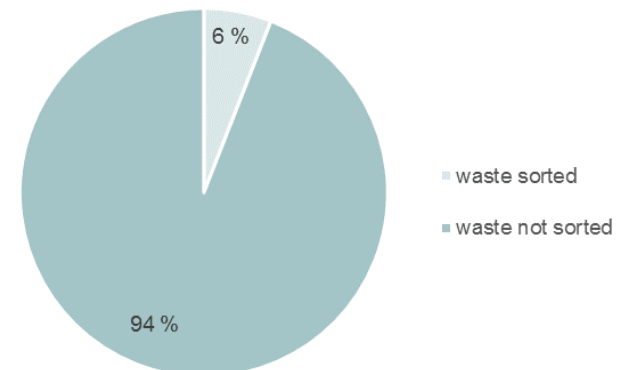
- In 2020, more than 20 % of NPRO's carbon emissions came from waste
- 94 % of these emissions origin from waste not sorted
- **Projects to improve waste sorting:**
 - Increased information to tenants on fractions and how to sort waste
 - Improved signs with new standardized colors and pictograms
 - Investigating new technology to enable allocating of cost according to each tenant's amount of waste
- **Worked with BNP Paribas to arrange sustainability week with daily lectures for tenants at Aker Brygge**



CO₂e emissions split on category



CO₂e emission from waste



Market trends - office



::SEA FRONT, AKER BRYGGE:

Rental market Oslo

- Very good activity during the quarter and several new leases signed during Q3
- Particularly good demand for office space at Aker Brygge
- NPRO experiences stable rent levels during the quarter in all our core areas

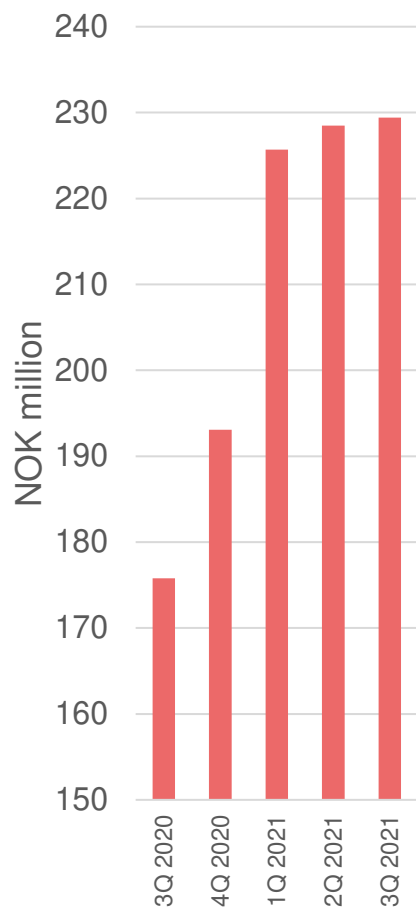
Transaction market

- High activity in the transaction market
 - Prime yield at 3.25%
- Attractive financing conditions and several different sources for real estate companies

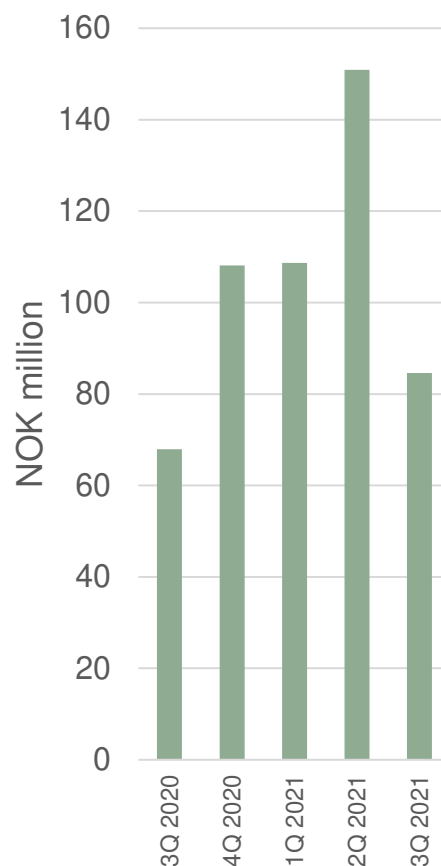
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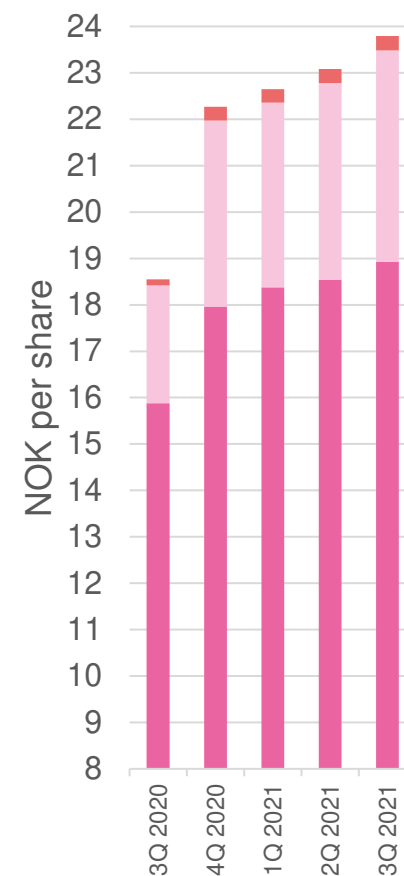
Financial highlights

RENTAL INCOME


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

PROFIT BEFORE TAX AND VALUE ADJ.


■ Residential

VALUE PER SHARE


■ Net asset value (NAV) ■ NTA ■ NRV

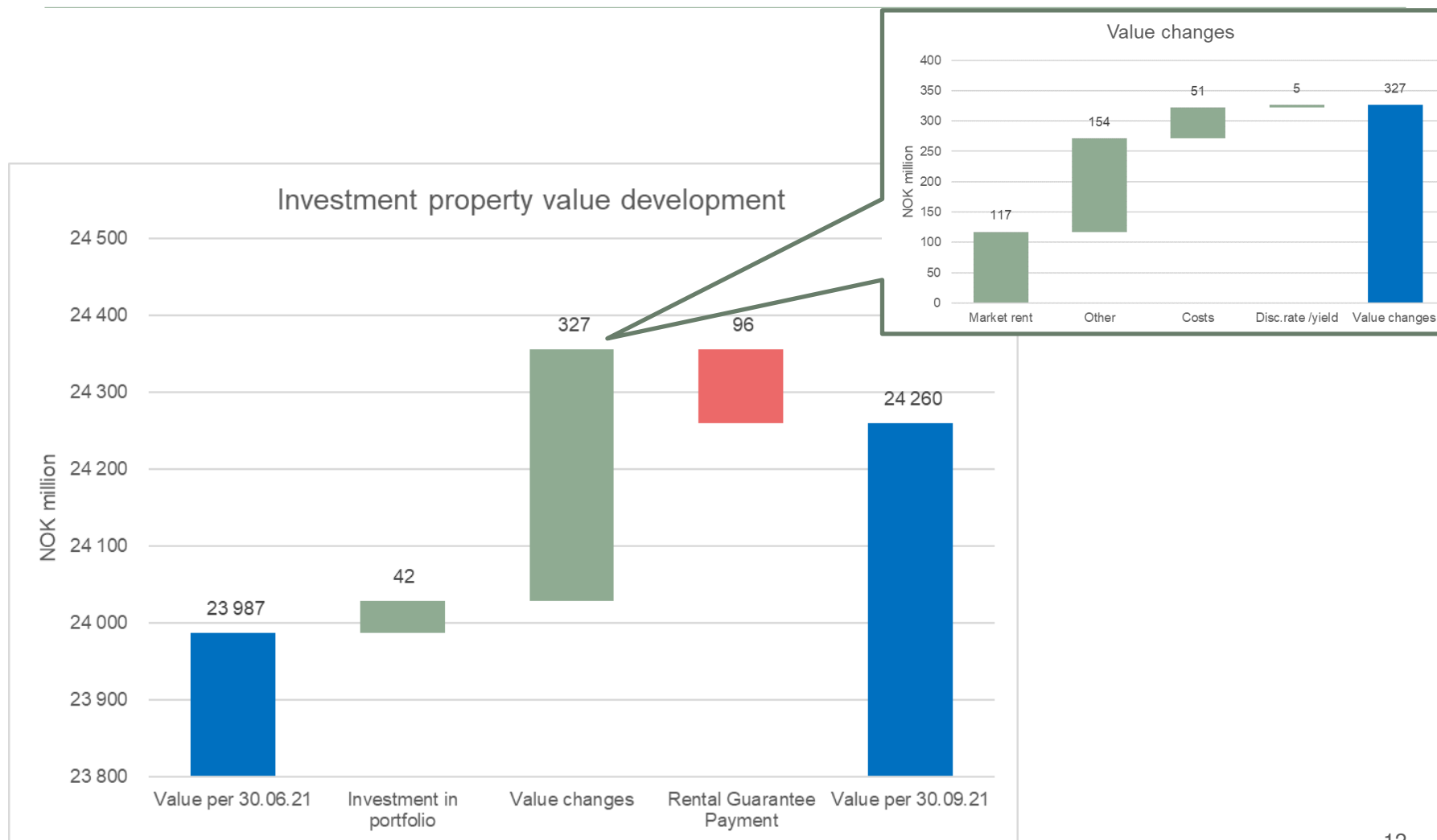
Income statement – Q3 and YTD 2021

NOK million	Note	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	Full year 2020
Rental income		229.4	175.8	683.7	515.5	708.6
Income from sale of residential units	1	-	0.8	-	855.9	855.9
Revenues		229.4	176.6	683.7	1,371.4	1,564.5
Property-related operational expenses		(17.9)	(13.8)	(49.1)	(42.8)	(51.6)
Other property-related expenses		(18.2)	(13.2)	(48.1)	(49.7)	(55.1)
Project cost from sale of residential units	1	-	1.9	-	(800.4)	(800.4)
Administrative expenses		(11.7)	(10.2)	(37.9)	(33.0)	(46.8)
Share of profit in joint ventures	2	(11.6)	(13.0)	43.9	(13.0)	(0.4)
Operating profit before value adjustments		169.9	128.3	592.4	432.6	610.3
Change in market value of investment property		326.6	353.1	602.7	105.0	1,827.5
Operating profit		496.5	481.5	1,195.1	537.7	2,437.8
Realised financial items		(85.4)	(60.4)	(248.4)	(191.1)	(260.6)
Change in market value of financial instruments		45.8	14.7	133.2	(192.2)	(101.6)
Net financial items		(39.6)	(45.8)	(115.3)	(383.2)	(362.2)
Profit before income tax		456.9	435.7	1,079.9	154.4	2,075.6
Income tax (not payable)		(130.8)	(93.7)	(243.3)	(83.3)	(399.7)
Profit for the period		326.1	342.0	836.6	71.1	1,675.9
Earnings per share (NOK)		0.51	0.64	1.30	0.14	2.70
Profit before income tax and value adjustments		84.6	67.9	344.0	241.6	349.7

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

² Related to Nordr and Forusbeen 35 for Q3 2021. Related to Nordr for Q3 2020.

Change in investment property value in Q3



Portfolio valuation by area Q3-2021

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Positive fair value adjustment of NOK 326 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	145,937	4.0	14,895.2	102,066	511.0	3.2	1.9	3.2
Nydalen	67,930	3.6	1,917.7	28,231	99.0	4.7	14.2	5.5
Fornebu	256,638	7.4	6,606.5	25,743	371.9	5.2	7.5	5.6
Hasle	10,684	6.6	310.7	29,083	14.2	4.2	9.1	4.7
Total Portfolio	481,189	5.3	23,730.1	49,316	996.2	3.9	5.5	4.1
Sandakerveien 138-140 project	24,131		530	21,961	-	-		
Total incl. Sandakerv. 138-140	505,320		24,260.1	48,009	996.2	3.8		

1) Nydalen excluding part of Sandakerveien 138-140 as preparations are being made for a development / refurbishment project.

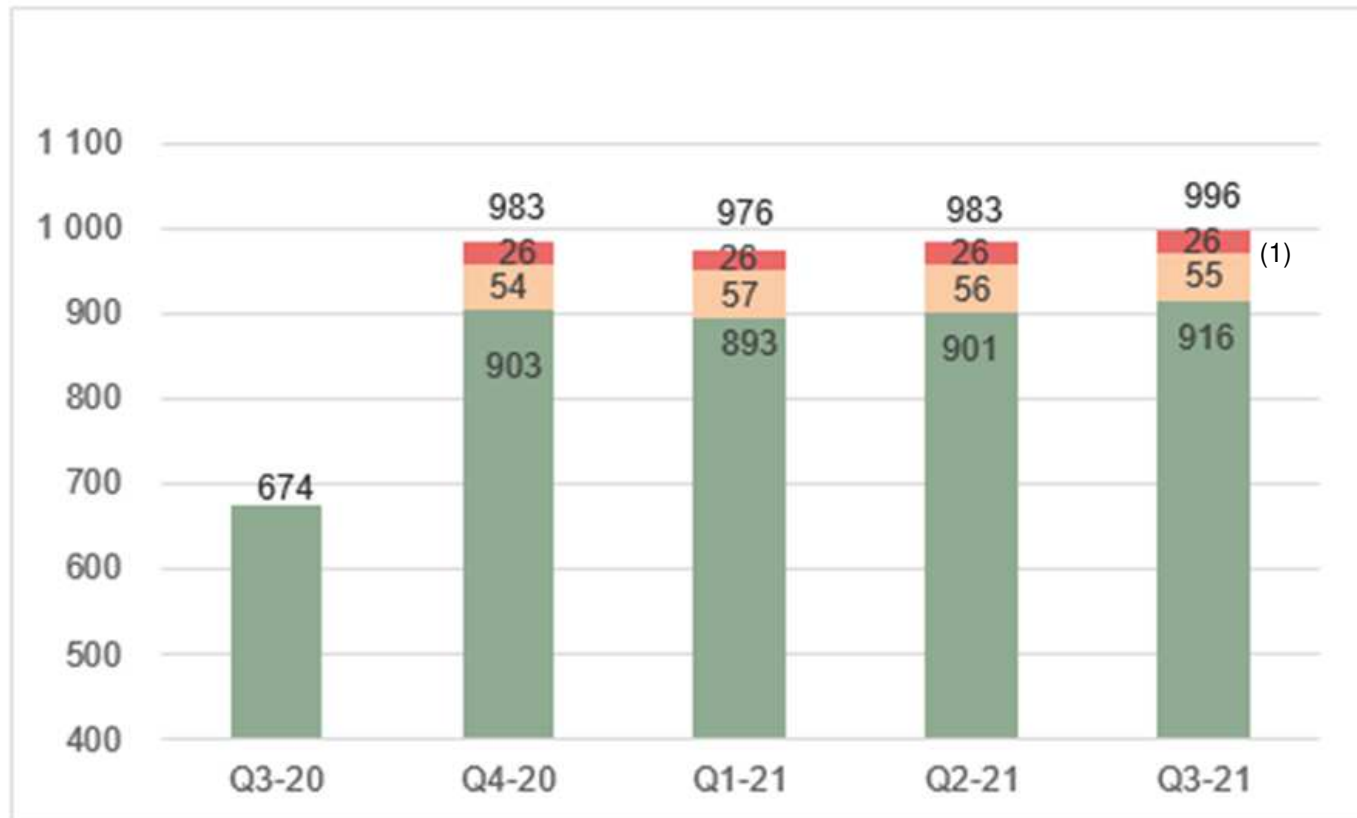
¹ 50% of Forusbeen 35 was sold in Dec-20 and it is therefore not included in this table. Fornebu valuation includes non-current receivables amounting to NOK 215.9 million, related to the rental guarantee provided by the seller of the property at Snarøyveien 30.

² For illustration; based on rents as of September 30, 2021 and estimated long term property expenses of 8 per cent. Net yield for Nydalen has been calculated excluding Sandakerveien 138-140 (former 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 Sandakerveien 138-140 (former Gullhaugveien 9-13) where a zoning process for conversion is initiated.

Run rate last 5 quarters

RUN RATE, Q3 2020 TO Q3 2021

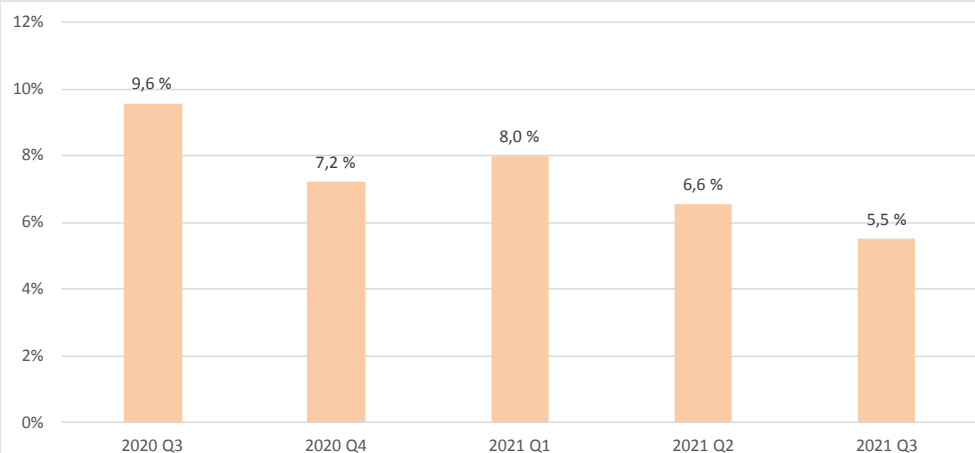


(1) MNOK 55 from Telenor and MNOK 26 for premises rented to ABB, starting March 2022

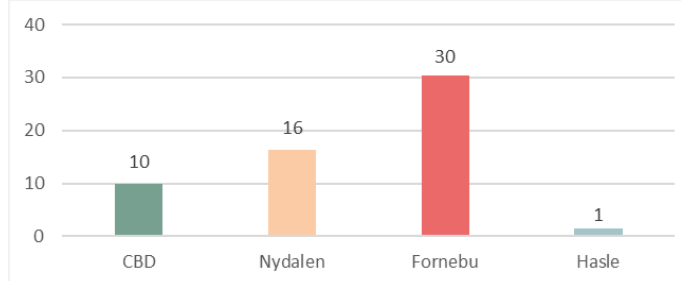


Vacancy based on market rent

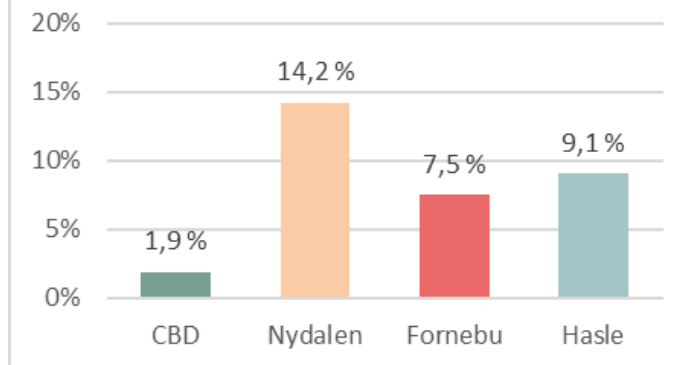
MARKET RENT VACANCY, LAST 5 QUARTERS



MARKET RENT VACANCY FOR EACH AREA (MNOK RUN RATE)



VACANCY SPLIT ON AREA



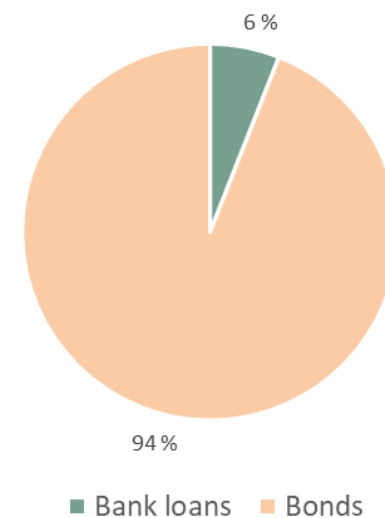
Financial position

Interest bearing debt and hedging		30.09.2021
Total interest-bearing debt	NOK million	12 184
Property value	NOK million	24 260
Net Loan to value ¹	Per cent	46.6
Cash and cash equivalents	NOK million	776
Interest-bearing receivables	NOK million	110
Unused committed credit facilities	NOK million	1 600
Average remaining duration. Hedging	Years	6.4
Average interest rate (including margin)	Per cent	2.72
Average margin	Per cent	1.33
Average remaining duration. Borrowing	Years	4.6
Hedging ratio ²	Per cent	70.1
WAULT	Years	5.3

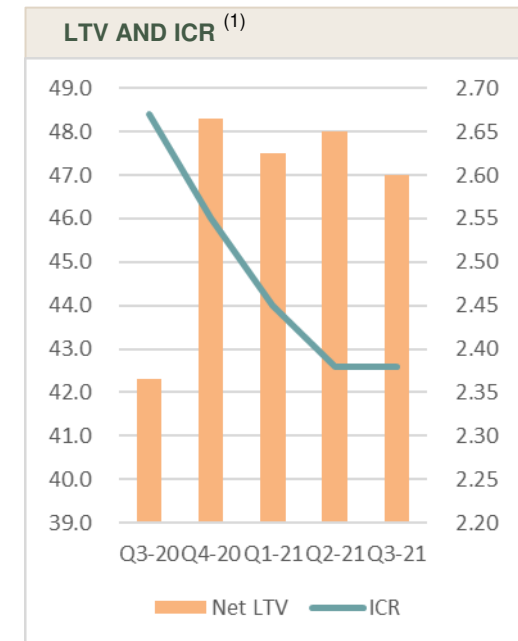
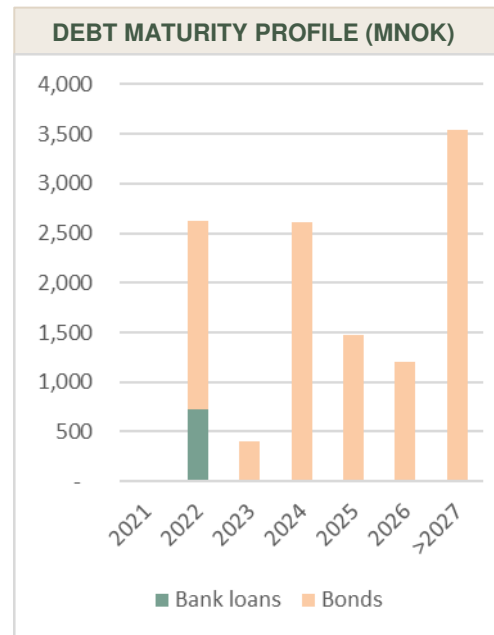
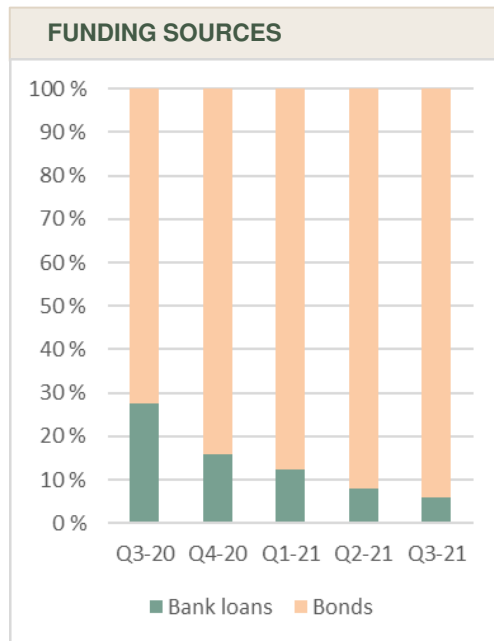
¹ Net loan to value = interest bearing debt net of cash and interest-bearing receivables divided by gross property value

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

FUNDING SOURCES 30.09.2021



Financing



- **Diversified sources of funding**
 - 11.5 bn in bonds Q3 2021, including 650 mill green bond

- **Diversified maturity profile**
 - Average remaining time to maturity Q3 2021 is 4.6 years

- **LTV below long time target**
 - Net LTV 46.6% as of Q3 2021

Refurbishments in 2021

Area	Property	Tenant	Area (sqm)	Quarter Finalized
Aker Brygge	Verkstedhallene	Advokatfirmaet Wiersholm	700	Q4 2021
Aker Brygge	Verkstedhallene	Rica Eiendom	700	Q4 2021
Aker Brygge	Fondbygget	Oche	650	Q1 2022
CBD	Lille Grensen 7	Norway Designs	800	Q1 2022
CBD	Lille Grensen 7	Palmer Group	550	Q4 2021
Fornebu	Snarøyveien 30	ABB	13 000	Q1 2022
Fornebu	Snarøyveien 36	Bank Norwegian*	2 650	Q4 2021
Nydalen	Gullhaugveien 9-13	Intunor	1 900	Q1 2022
Nydalen	Gullhaugveien 9-13	NGI	6 500	Q1 2022

*Bank Norwegian increases its office space from 1,550 sqm to 2,650 sqm in Snarøyveien 36.



:: SNARØYVEIEN 36. FORNEBU:



:: VERKSTEDHALLEN. AKER BRYGGE:



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Summary

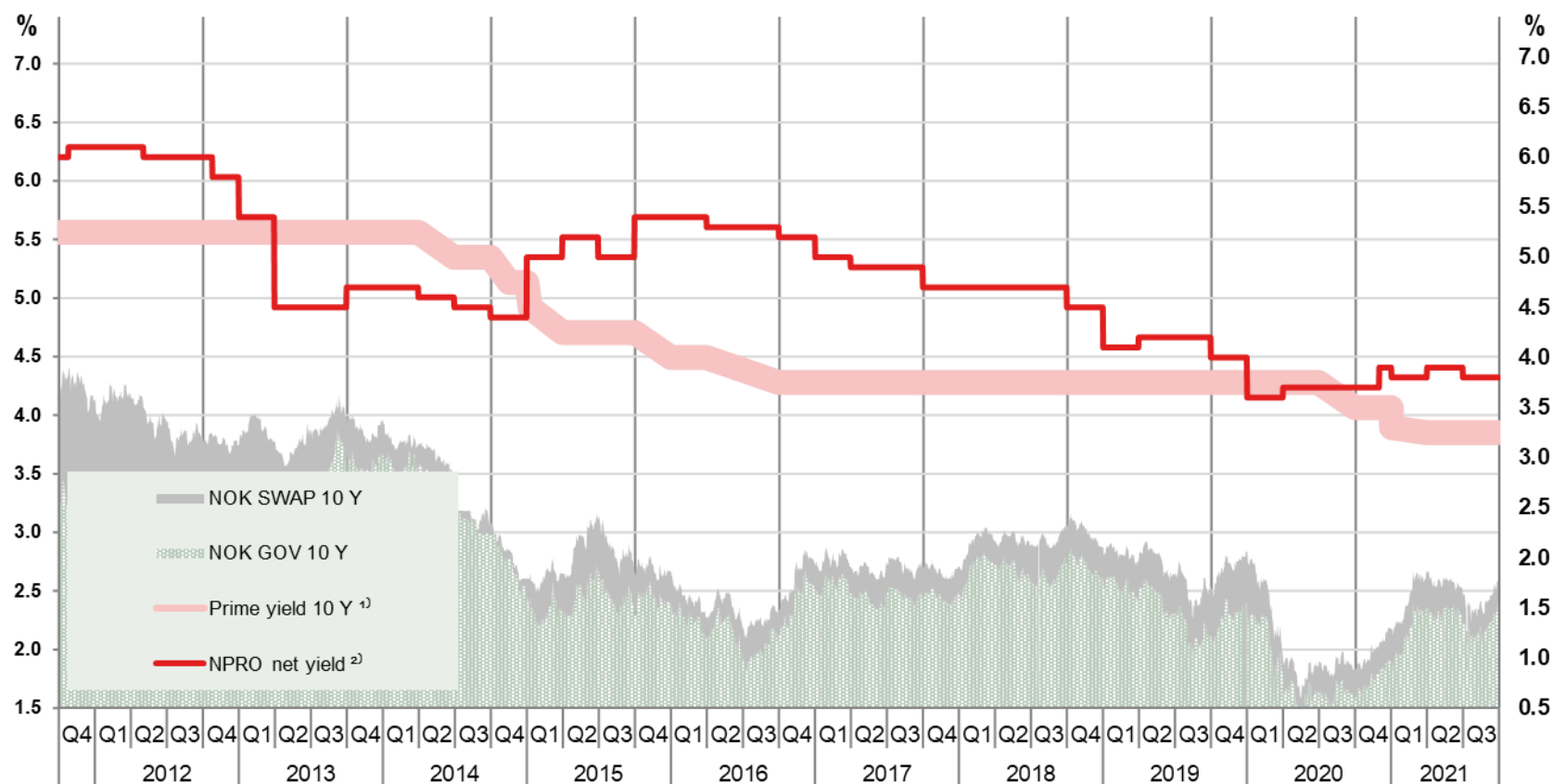
- De-listing of NPRO share from Euronext Oslo Børs
- Good net letting
- Refinancing
- Operational focus going forward
 - Pursue opportunities
 - Rental activities
 - Financing



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- **Appendix**

Yield spread



¹ Source: Akershus Eiendom

² NPRO net yield as summarised in slide; Portfolio valuation Q3-2021

Balance sheet – Q3 2021

NOK million	Note	30.09.2021	30.09.2020	31.12.2020
Investment property		23,940.9	16,694.2	23,087.6
Owner-occupied property		103.3	92.3	97.6
Property, plant and equipment		34.7	38.0	37.8
Investment in joint ventures	1	1,061.2	1,021.3	1,013.6
Receivables		384.1	86.8	460.6
Cash and cash equivalents		776.2	285.7	665.8
Equity		12,185.1	9,384.4	11,560.9
Deferred tax		1,506.5	950.3	1,268.0
Long term interest bearing debt		10,592.8	6,422.6	10,700.6
Short term interest bearing debt		1,591.6	969.3	1,396.4
Market value financial derivatives (net)		43.9	267.7	177.0
Net other debt		380.4	224.1	260.1
Equity ratio (%)		46.3	51.4	45.5
NAV per share, book value of equity (NOK)		18.93	18.55	17.96
Net Reinstatement Value (NRV), per share (NOK)		23.62	18.55	22.27
Net Tangible Assets (NTA), per share (NOK)		23.31	18.42	21.97
Net Disposal Value (NDV), per share (NOK)		20.57	15.84	19.37

¹ Related to the investment in Nordr.

Cash flow – Q3 and YTD 2021

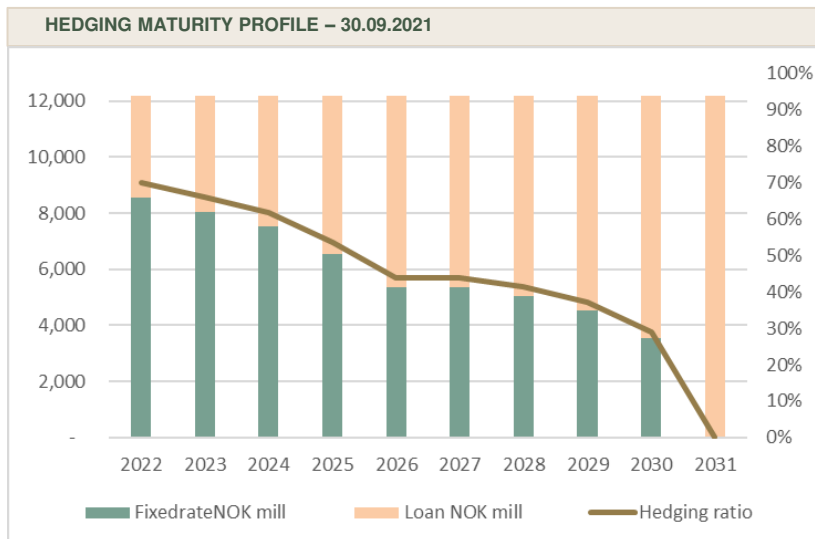
NOK million	Note	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	Full year 2020
Cash flow from profit and loss before fair-value adj.		97.5	82.0	304.1	258.6	356.9
Change in property-related inventory and other short-term items	1	-	(26.3)	-	600.3	600.0
Change in rental guarantee receivables	2	97.6	-	97.6	-	-
Change in short-term items		155.8	57.7	144.3	66.7	50.9
Cash flow from operating activities		350.8	113.4	546.0	925.7	1,007.8
Purchase of tangible assets		(54.7)	(22.0)	(302.9)	(192.1)	(5,197.4)
Other investment activities	3	(23.8)	(1,020.1)	(23.8)	(1,020.1)	(1,020.1)
Cash flow from investment activities		(78.4)	(1,042.0)	(326.7)	(1,212.2)	(6,217.5)
Net change in interest bearing debt		435.6	(85.4)	84.9	(770.0)	3,950.6
Paid dividend		(64.4)	-	(193.1)	(34.6)	(34.6)
Capital increase		-	1,095.0	(0.7)	1,095.0	1,677.7
Net cash flow from financing activities		371.3	1,009.6	(108.9)	290.5	5,593.7
Net change in cash		643.7	81.0	110.4	3.9	384.0
Net cash at end of period		776.2	285.7	776.2	285.7	665.8

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

² Related to Snarøyveien 30.

³ Related to the investment in Nordr.

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 30.09.2021 was 70.1% and remaining average time to maturity was 6.4 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	3,637.0	0.77 %				1,589.0	0.96 %
1-2 years	500.0	2.19 %				1,030.0	1.33 %
2-3 years	500.0	1.51 %				400.0	1.06 %
3-4 years	1,005.0	2.00 %				1,650.0	1.27 %
4-5 years	1,200.0	1.52 %				965.0	1.02 %
5-6 years	- 0.0	0.00 %				3,025.0	1.09 %
6-7 years	300.0	2.23 %					
7-8 years	500.0	1.91 %					
8-9 years	1,000.0	1.62 %					
9-10 years	3,542.0	1.10 %				3,025.0	1.09 %
>10 years	- 0.0	0.00 %					

Overview and key figures



Key figures as of 30th September 2021

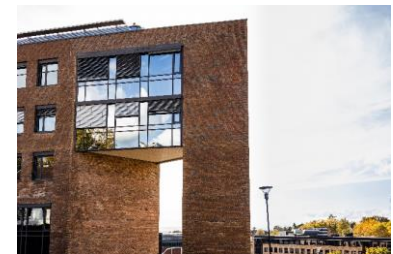
Properties ¹⁾	no	29
Portfolio size (ex. new space in redev. Projects) ²⁾	m ²	505,320
Average size per property	m ²	17,425
Gross rent per year (run rate)	NOK mill.	996
Operational expenses per year ³⁾	NOK mill.	80
Net rent per year (run rate)	NOK mill.	917
Average gross rent per m ² per year	NOK	1,971
Gross market value ²⁾	NOK mill.	24,260
Average value per property	NOK mill.	837
Average value per m ²	NOK	48,009
Gross yield, actual	%	4.2
Net yield, actual	%	3.9
WAULT ²⁾	Years	5.3
CPI adjustment ⁴⁾	%	99.9
Vacancy, calculation based on market rate ⁴⁾	%	5.5

1) Including Forusbeen 35 which is owned 50%

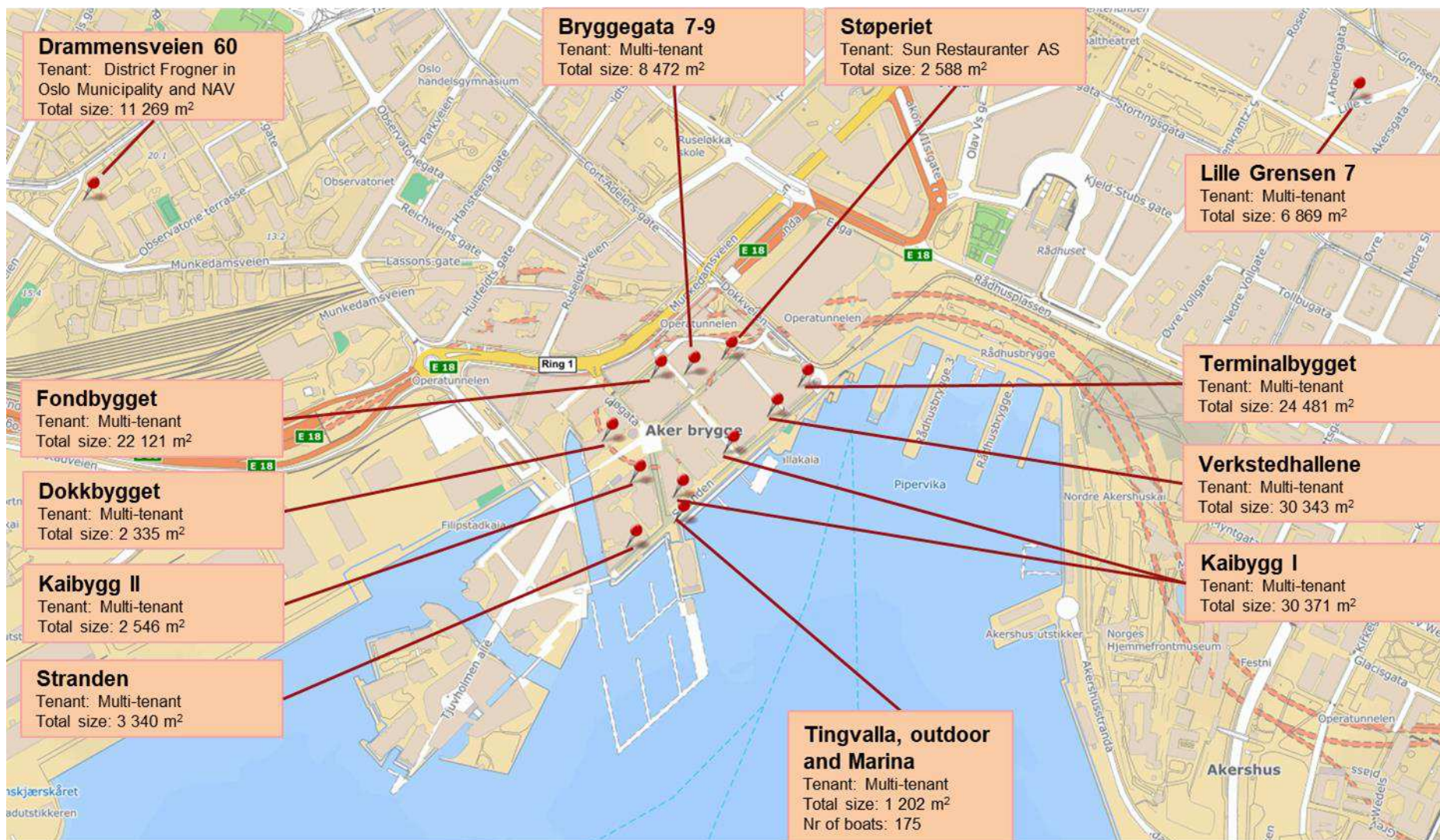
2) Not including Forusbeen 35

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.

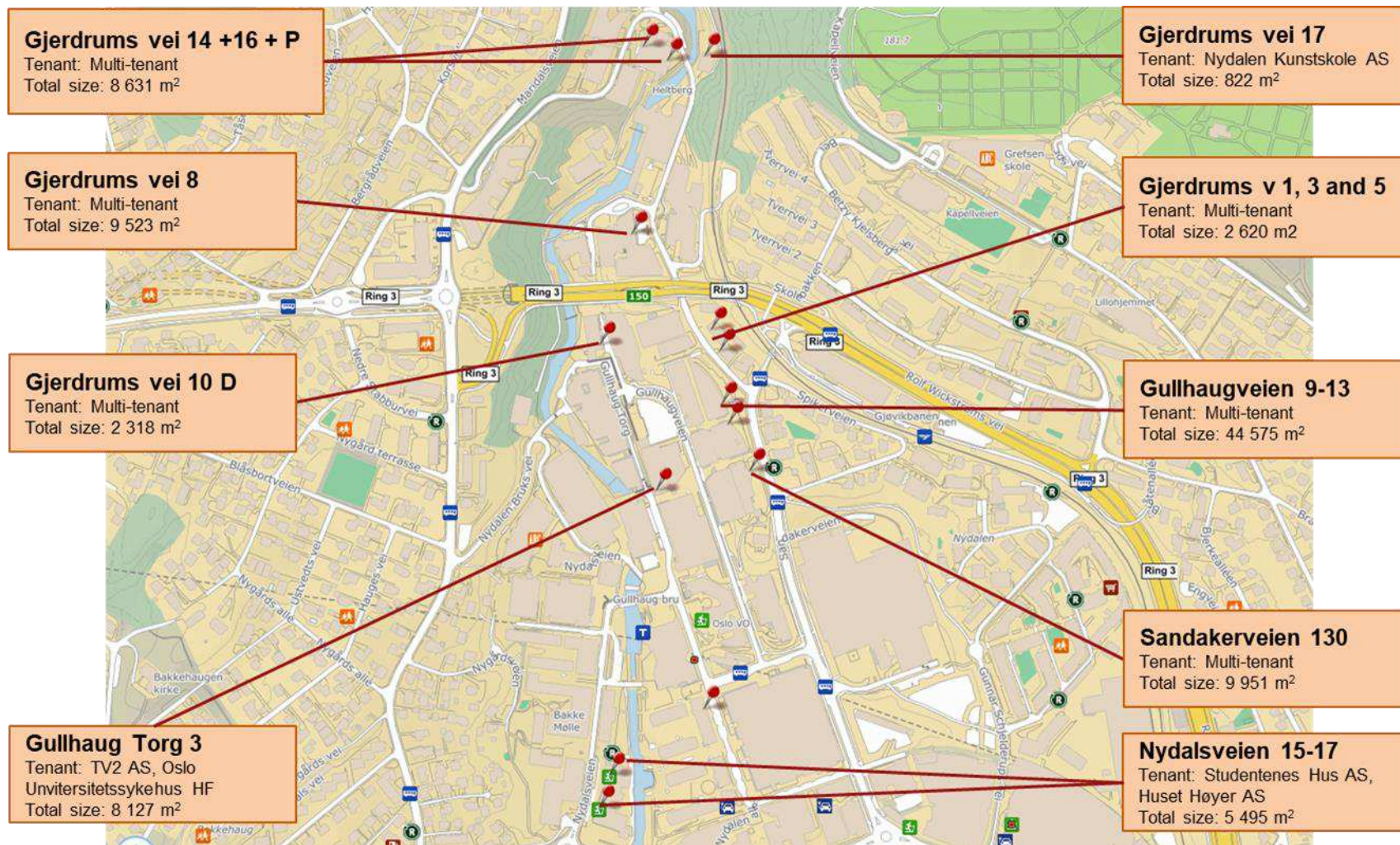
4) Calculation of vacancy is based on Market rate as estimated by Cushman & Wakefield. Not including Forusbeen 35 and part of Gullhaugveien 9-13 as zoning process is ongoing.



CBD

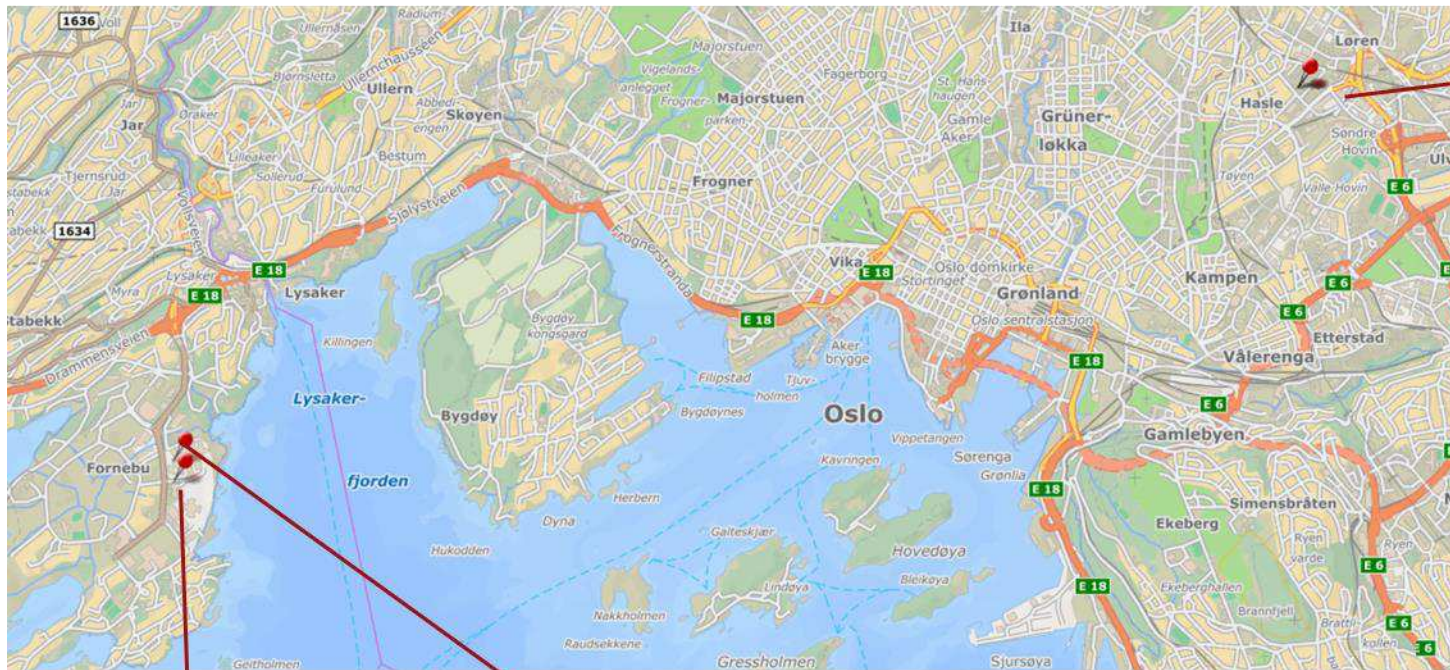


Nydalen





Other



Vinslottet

- 8 922 sqm retail
- 284 sqm warehouse
- 1 497 sqm parking

Snarøyveien 36

- 40 659 sqm office
- 17 213 sqm parking

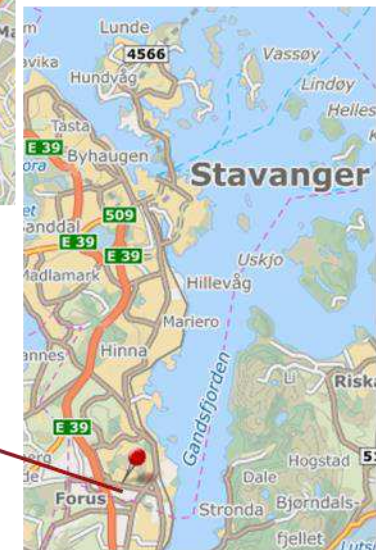
Snarøyveien 30

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

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 Q3-2021

1/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Sept 2021	Run rate per Sept 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	0.0	98.0	2.5	28.2
Dokkbygningen	2,022	257	0	56	0	2,335	0.0	100.0	6.2	4.8
Drammensveien 60	8,975	0	1,890	404	0	11,269	0.0	100.0	7.7	28.7
Fondbygget (incl. Felix)	13,073	2,535	1,052	0	5,461	22,121	0.1	100.0	5.2	58.0
Lille Grensen 7	5,056	1,650	163	0	0	6,869	1.1	100.0	6.3	21.2
Kaibygning I (Stranden 5)	21,112	6,341	2,366	0	552	30,371	3.4	100.0	3.6	113.9
Kaibygning II	0	1,741	805	0	0	2,546	2.0	100.0	8.2	8.0
Stranden	2,684	158	24	474	0	3,340	0.1	100.0	5.2	12.9
Støperiet	0	2,588	0	0	0	2,588	0.0	100.0	2.8	5.6
Terminalbygget (Stranden 1)	17,771	3,225	1,678	1,387	421	24,481	0.2	100.0	3.9	103.2
Tingvallautstikkeren, uteareal og marina ¹	0	1,202	0	0	0	1,202	0.0	100.0	2.4	26.4
Verkstedhallene (Stranden 3)	19,218	7,713	2,615	0	797	30,343	12.3	100.0	2.9	100.1
Total CBD	96,295	29,498	10,593	2,321	7,231	145,937	1.9	99.9	4.0	511.0

¹ Adjusted for normal seasonal short term contracts



Property details Q3-2021

2/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Sept 2021	Run rate per Sept 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	2.3	100.0	3.9	4.5
Gjerdrums vei 14, 16 and 16 P-house	5,363	0	976	2,292	0	8,631	8.4	100.0	3.2	11.3
Gjerdrums vei 17	806	0	16	0	0	822	8.2	100.0	1.6	1.2
Gjerdrums vei 3	0	0	0	0	463	463	34.6	100.0	0.3	0.8
Gjerdrums vei 5	1,843	0	258	0	55	2,157	7.9	100.0	1.4	2.5
Gjerdrums vei 8	7,726	0	633	1,164	0	9,523	12.4	100.0	2.9	15.7
Gullhaug Torg 3	7,793	0	334	0	0	8,127	0.1	100.0	3.2	15.2
Sandakerveien 138-140 (Gullhaugvn 9-13)	23,504	0	7,328	13,743	0	44,575	35.1	100.0	2.8	20.1
Nydalsveien 15	3,711	0	65	0	28	3,804	0.0	100.0	4.7	8.4
Nydalsveien 17	0	1,691	0	0	0	1,691	0.0	100.0	3.5	4.7
Sandakerveien 130	5,542	0	1,047	3,362	0	9,951	8.9	100.0	6.3	14.6
Total Nydalen	58,428	1,691	10,835	20,561	546	92,061	14.2	100.0	3.6	99.0

¹ Part of Sandakerveien 138-140 is not included in the calculation of run rate and vacancy as preparations are being made for a development / refurbishment project.



Property details Q3-2021

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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 Sept 2021	Run rate per Sept 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	7.9	333.4
Snarøyveien 36	40,659	0	327	17,213	0	58,199	44.0	100.0	2.8	38.6
Total Fornebu	185,222	0	7,527	62,791	1,098	256,638	7.5	100.0	7.4	371.9
Hasle										
Vinslottet	0	8,922	284	1,479	0	10,684	9.1	100.0	6.6	14.2
Total Hasle	0	8,922	284	1,479	0	10,684	9.1	100.0	6.6	14.2
GROSS TOTAL	339,945	40,111	29,239	87,151	8,875	505,320	5.5	99.9	5.3	996.2

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

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