



NORWEGIAN
PROPERTY

1st quarter 2022

Oslo, April 28th 2022



Agenda

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

Q1 in short

- **Rental income of NOK 242 million. Up from NOK 226 million last year**
- **Profit before value adjustments NOK 119 million and profit after income tax NOK 636 million**
 - Earnings per share (EPS) NOK 0.99
- **Value uplift due to improved pricing of city floor Aker Brygge and some major comparable office transactions in NPRO's core areas**
 - Turnover for city floor, back at above pre-covid levels
- **Scope assigns first time issuer rating of NPRO: BBB- / stable**



:: VINSLOTTET, HASLE:



:: DRAMMENSVEIEN 60. FROGNER:



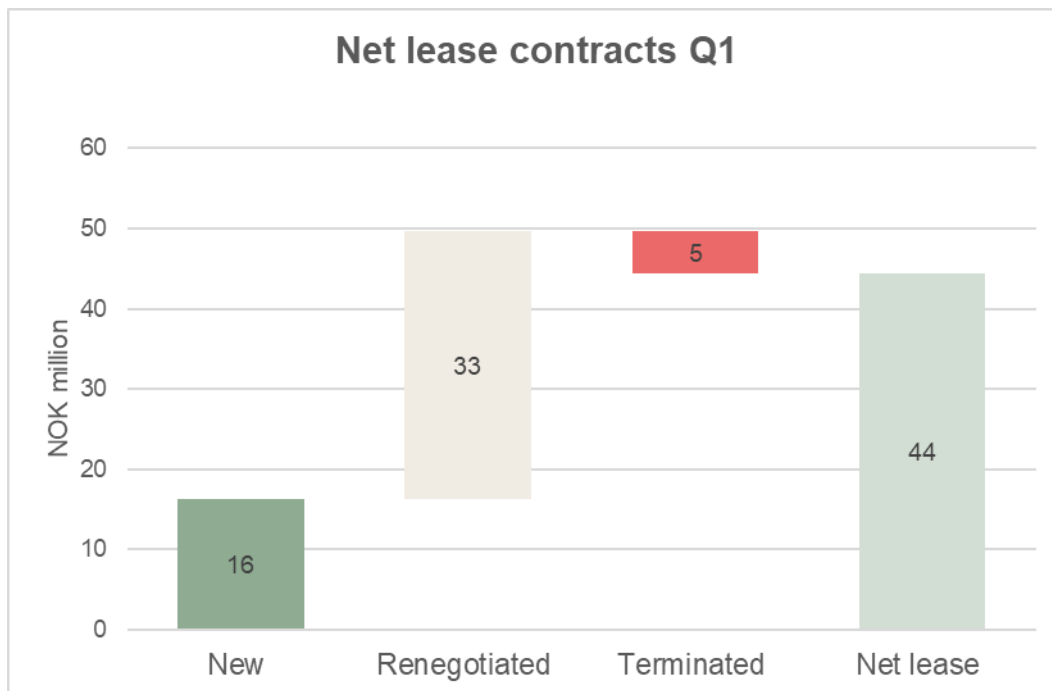
Agenda

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

Rental update

Rental contracts in Q1-2022

- High activity in the quarter regarding renegotiated contracts
- Positive net letting of MNOK 44



New leases:



KLUGE

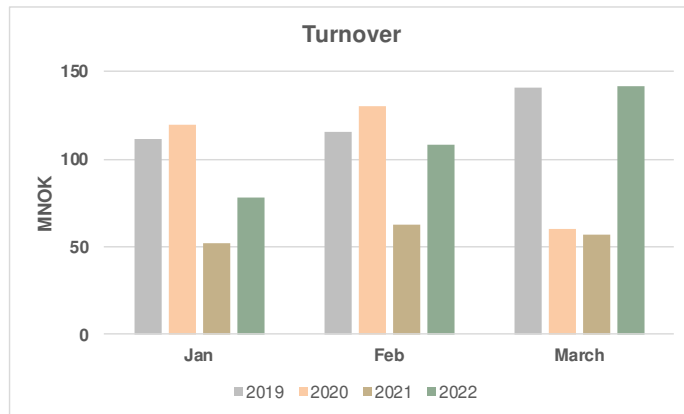
econpartner

Turnover Q1 - Aker Brygge

Turnover Aker Brygge

- Q1 2022

NOK 328 mill (+ 91 %)



- ⇒ Government lifted all major covid restrictions 12th February
- ⇒ Turnover picked up immediately and are already above 2019 levels
- ⇒ Still some effects from reduced international travelling and leisure

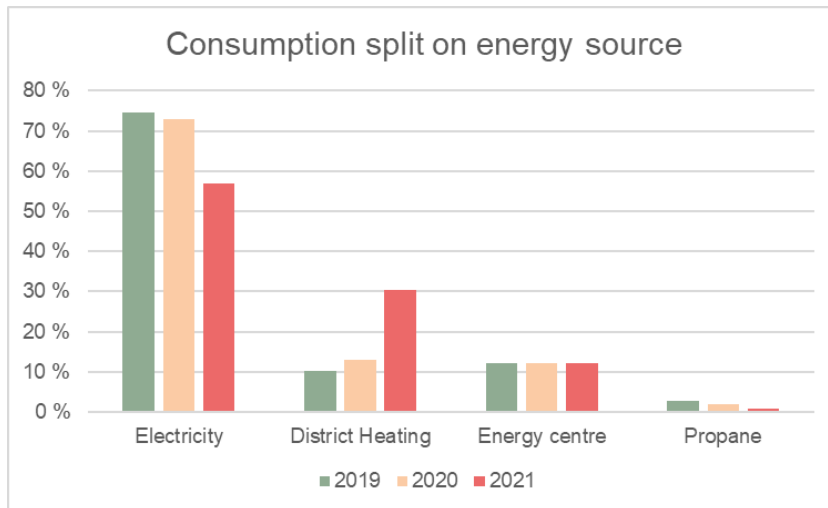
Some activities during second half of the quarter

- Breakfast Club in shopping street
- Opening of new restaurant Vanité by Hancock



Climate report 2021

- **More environmentally friendly energy mix contributed to reduced carbon emissions (per m²) of 35% from 2020 to 2021**
 - Central heating and cooling increased by 356 % after acquisition of Snarøyveien 30
 - Increased production of renewable energy due to new technology at Snarøyveien 36



		Energy consumption	Carbon emissions
	Office	214 kWh/m ²	4 kg/m ²
	Retail	323 kWh/m ²	5 kg/m ²
	Restaurant	610 kWh/m ²	24 kg/m ²

Market trends - office



::SNARØYVEIEN 30, FORNEBU:

Rental market Oslo

- Strong interest for vacant space
- Limited new supply in near future

Transaction market

- Strong transaction market during Q1
 - Has been office transactions in all our core areas where assets are sold substantially above guiding
- Prime yield 3.25%
 - Property valuations might be influenced by the increased interest rates
- Still attractive financing conditions and several different sources for large real estate companies

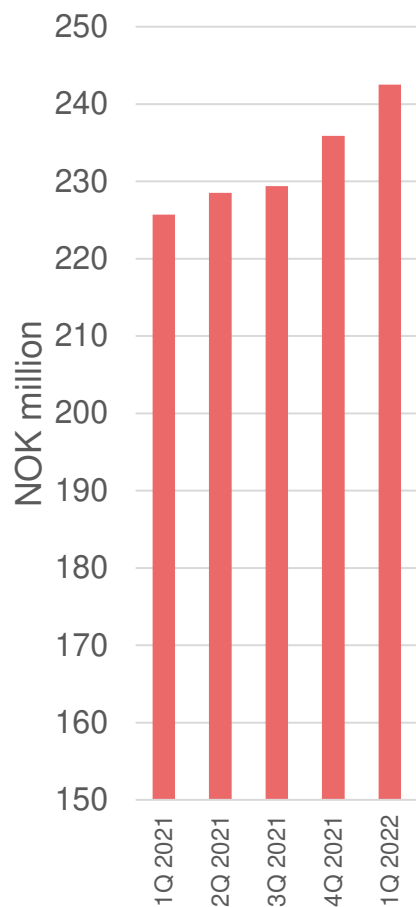


Agenda

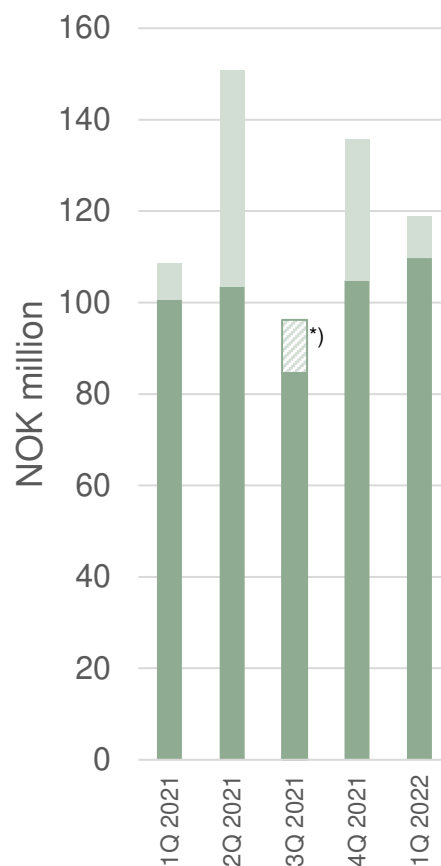
- Highlights
- Markets and operations
- **Financial update**
- Closing remarks
- Q&A session



Financial highlights

RENTAL INCOME

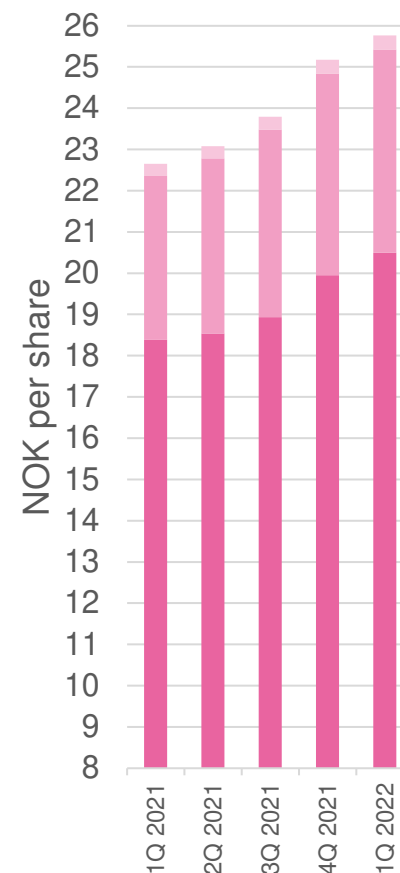
■ Quarterly rental income

PROFIT BEFORE TAX AND VALUE ADJ.

■ Joint Ventures *)

■ Profit before tax and value adj.

*) There was a loss of NOK 11.6 mill in JV in Q3-21

VALUE PER SHARE

■ Net asset value (NAV) ■ NTA ■ NRV

Income statement – Q1 2022

NOK million	Note	Q1 2022	Q1 2021	Full year 2021
Rental income		242.5	225.7	919.6
Revenues		242.5	225.7	919.6
Property-related operational expenses		(16.0)	(16.3)	(64.3)
Other property-related expenses		(17.2)	(15.1)	(60.1)
Administrative expenses		(14.3)	(12.0)	(59.2)
Share of profit in joint ventures	1	9.1	8.1	74.9
Operating profit before value adjustments		204.2	190.5	810.8
Change in market value of investment property		559.5	210.4	1,365.0
Operating profit		763.6	400.9	2,175.8
Realised financial items		(85.4)	(81.8)	(331.1)
Change in market value of financial instruments		123.1	96.3	150.2
Net financial items		37.8	14.5	(180.9)
Profit before income tax		801.4	415.4	1,994.9
Income tax (not payable)		(165.2)	(80.8)	(421.3)
Profit for the period		636.2	334.6	1,573.6
Earnings per share (NOK)		0.39	0.32	2.14
Profit before income tax and value adjustments		118.8	108.7	479.7

¹ Related to Nordr and Forusbeen 35.

Change in investment property value in Q1



Portfolio valuation by area Q1-2022

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Positive Q1 fair value adjustment of NOK 560 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	145,938	3.9	15,614.8	106,996	536.2	3.2	1.0	3.2
Nydalen	92,213	3.3	2,767.7	30,014	121.7	4.0	21.8	4.9
Fornebu	256,637	7.4	7,084.3	27,604	373.7	4.9	9.1	5.3
Hasle	10,684	5.9	339.8	31,799	15.2	4.1	5.8	4.5
Total Portfolio	505,472	5.1	25,806.5	51,054	1,046.7	3.7	6.9	4.0

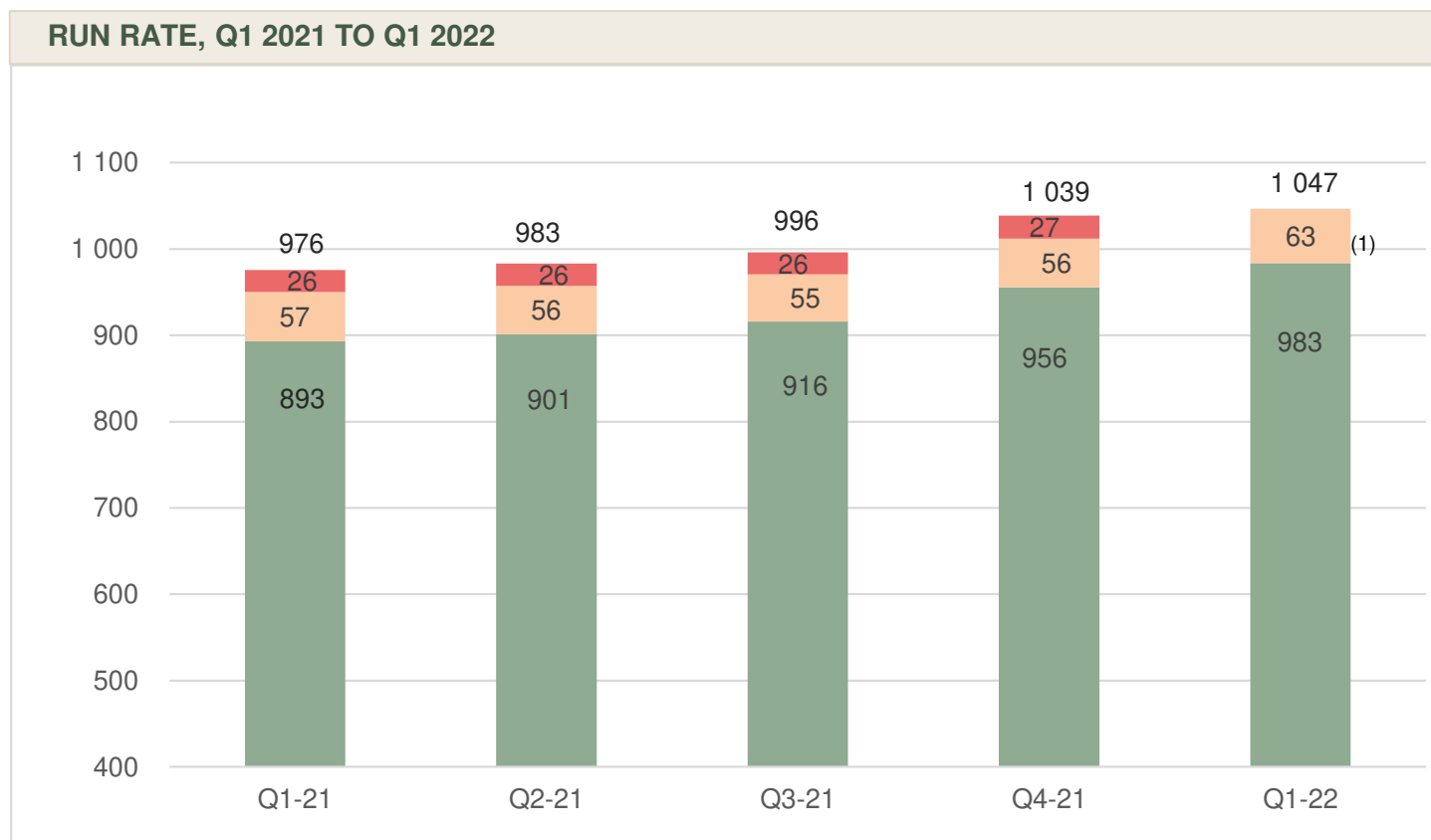
¹ 50% of Forusbeen 35 was sold in Dec-20 and it is therefore not included in this table. Fornebu valuation includes non-current receivables amounting to NOK 242.1 million, related to the rental guarantee provided by the seller of the property at Snarøyveien 30.

² For illustration; based on rents as of March 31, 2022 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.



Run rate last 5 quarters

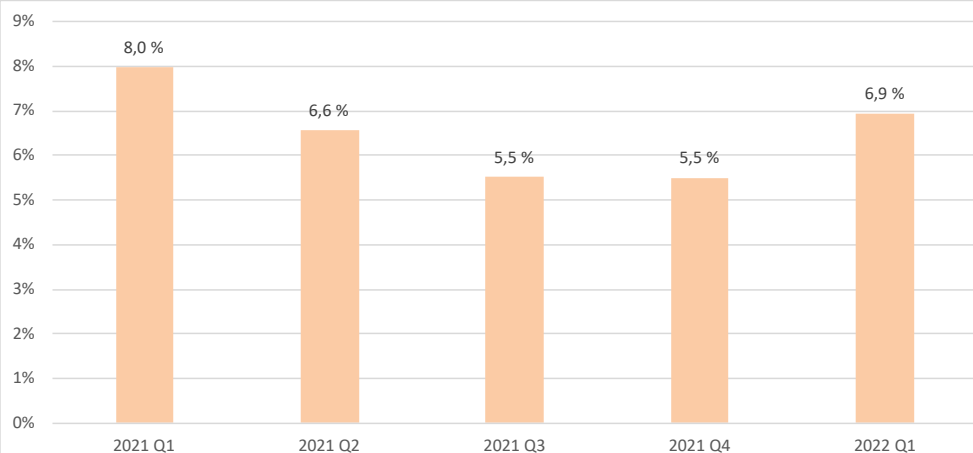


(1) MNOK 63 as rental guarantee from Telenor.

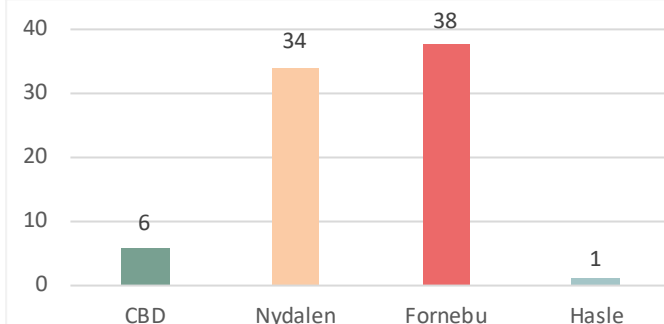


Vacancy based on market rent

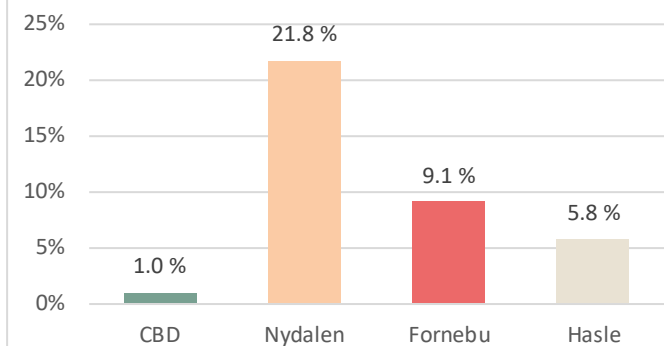
MARKET RENT VACANCY, LAST 5 QUARTERS



MARKET RENT VACANCY FOR EACH AREA (MNOK RUN RATE)



VACANCY SPLIT ON AREA

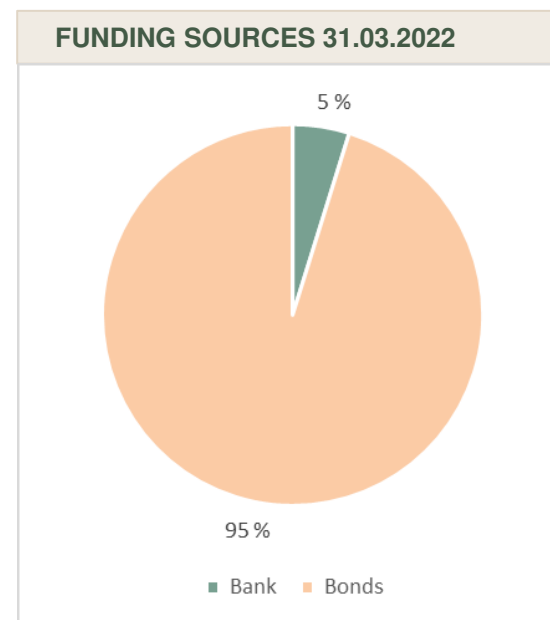


Financial position

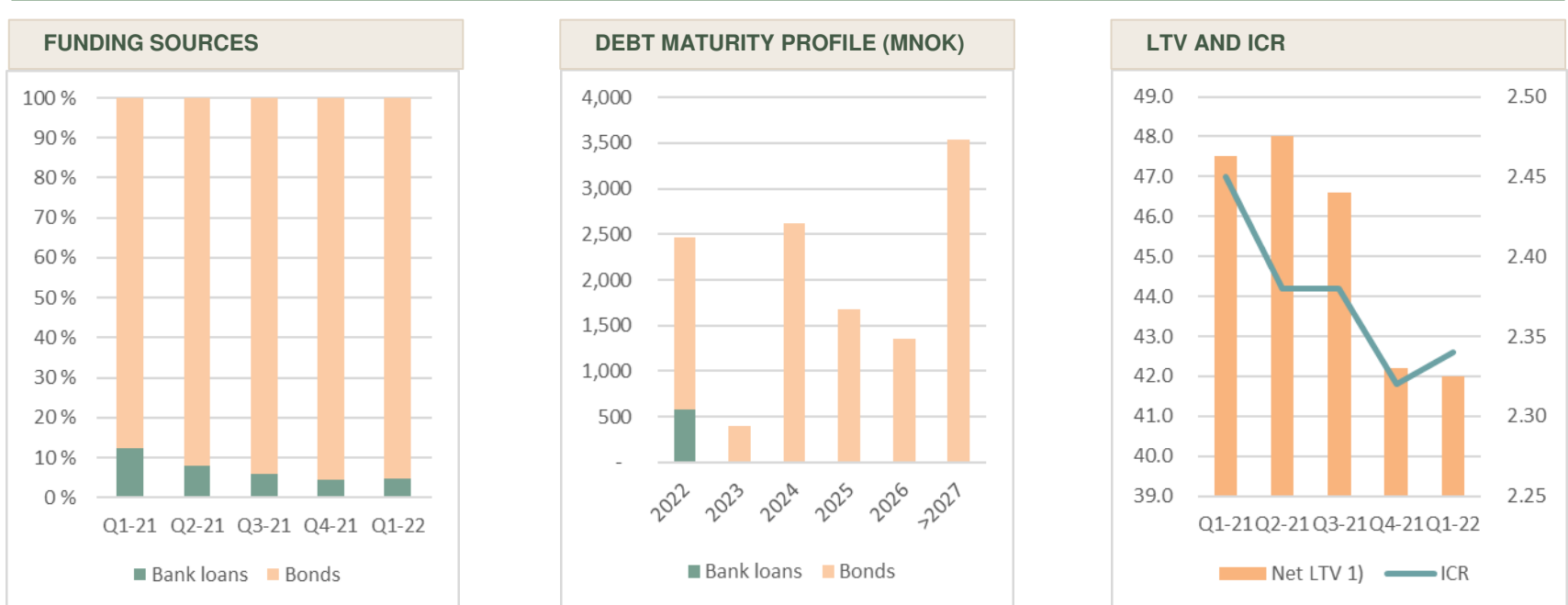
Interest bearing debt and hedging		31.03.2022
Total interest-bearing debt	NOK million	12 054
Property value	NOK million	25 806
Market Value of investment in JV	NOK million	2 331
Net Loan to value ¹	Per cent	42.0
Cash and cash equivalents	NOK million	142
Interest-bearing receivables	NOK million	97
Unused committed credit facilities	NOK million	1 750
Average remaining duration. Hedging	Years	6.5
Average interest rate (including margin)	Per cent	2.84
Average margin	Per cent	1.33
Average remaining duration. Borrowing	Years	4.2
Hedging ratio ²	Per cent	70.2
WAULT	Years	5.1

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

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



Financing



- **Diversified sources of funding**
 - 11.5 bn in bonds Q1 2022, including 650 mill green bond
- **Diversified maturity profile**
 - Average remaining time to maturity Q1 2022 is 4.2 years
- **LTV below long time target**
 - Net LTV 42.0 % as of Q1 2022, including the value of the investment in Nordr.

Refurbishments in 2022

Area	Property	Tenant	Area (sqm)	Quarter finalized
Aker Brygge	Kaibygning 1	GG Drift	548	Q2 2022
Aker Brygge	Tingvalla	GG Drift	300	Q3 2022
Aker Brygge	Fondbygget	Shuffle Aker Brygge	819	Q2 2022
Aker Brygge	Terminalbygget	Fjordalleen Invest	200	Q2 2022
Nydalen	Gjerdrums vei 8	Wamalino	780	Q3 2022
Fornebu	Snarøyveien 30	Smith & Nephew	477	Q2 2022



::SNARØYVEIEN 36. FORNEBU



::SANDAKERVEIEN 140. NYDALEN



Agenda

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



Summary

- Many office buildings for sale
- Scope assigns first time issuer rating of NPRO:
 - BBB- / stable
- Dividend of NOK 0.125 / share
- Financing
- Operational focus going forward
 - Pursue opportunities
 - Rental activities



Experiences and activities



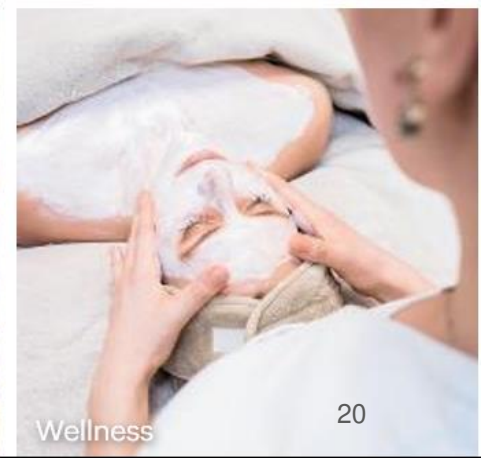
Coffee shops



Sauna



Florist



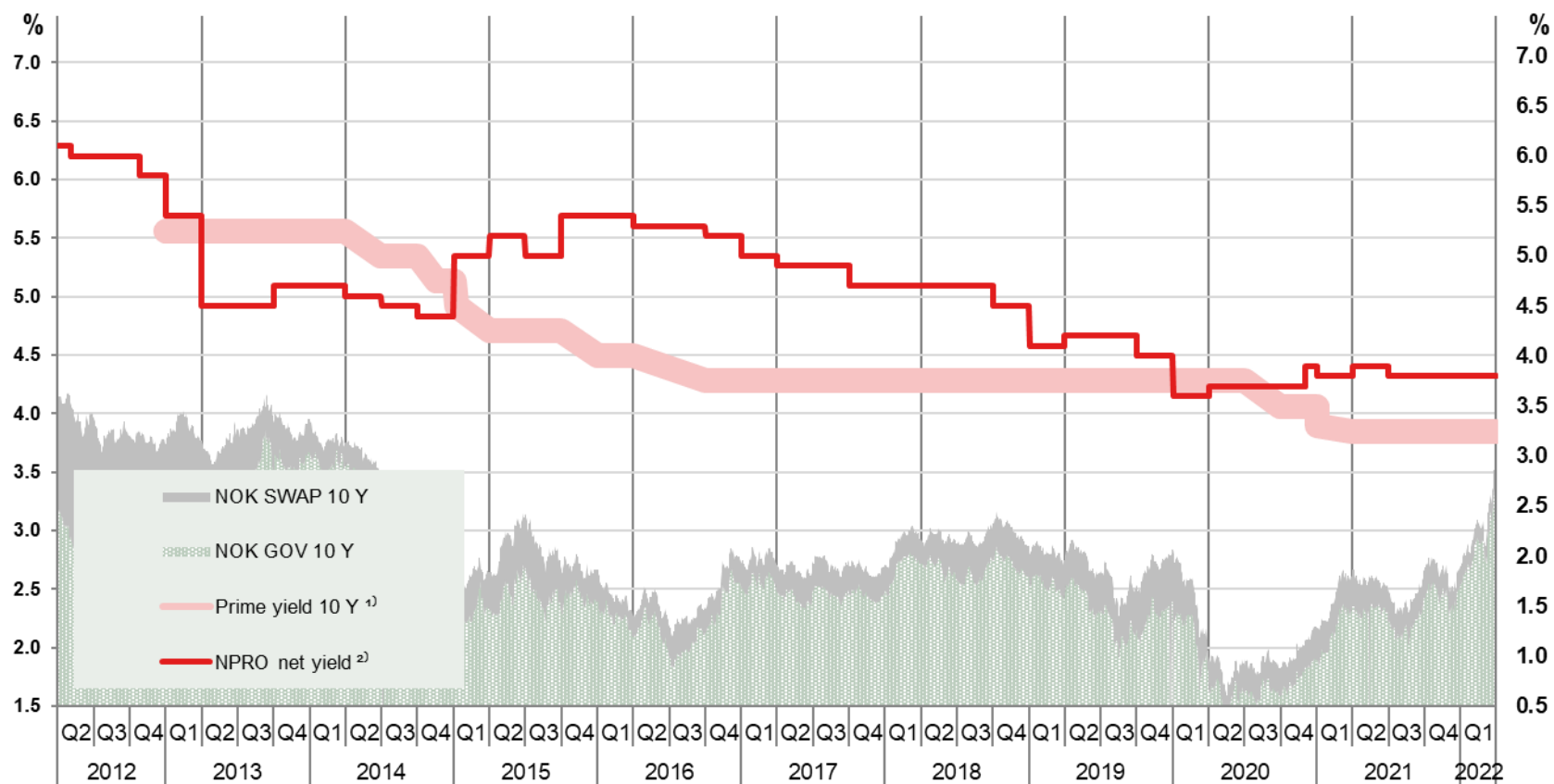
Wellness



Agenda

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

Yield spread



¹ Source: Akershus Eiendom

² NPRO net yield as summarised in slide; Portfolio valuation Q1-2022

Balance sheet – Q1 2022

NOK million	Note	31.03.2022	31.03.2021	31.12.2021
Investment property		25,454.9	23,315.0	24,801.3
Owner-occupied property		109.4	105.3	106.7
Property, plant and equipment		34.1	36.9	35.4
Investment in joint ventures	1	1,076.8	1,016.7	1,084.8
Receivables		465.3	495.0	421.6
Cash and cash equivalents		141.6	222.7	313.5
Equity		13,184.1	11,831.6	12,836.6
Deferred tax		1,851.7	1,350.6	1,685.8
Long term interest bearing debt		9,581.5	10,701.3	9,583.0
Short term interest bearing debt		2,472.5	896.8	2,421.7
Market value financial derivatives (net)		(96.3)	80.7	26.9
Net other debt		288.5	330.6	209.3
Equity ratio (%)		48.1	46.9	47.9
NAV per share, book value of equity (NOK)		20.49	18.38	19.95
Net Reinstatement Value (NRV), per share (NOK)		25.76	22.65	25.17
Net Tangible Assets (NTA), per share (NOK)		25.42	22.36	24.84
Net Disposal Value (NDV), per share (NOK)		22.40	19.79	21.87

¹ Related to the investment in Nordr.

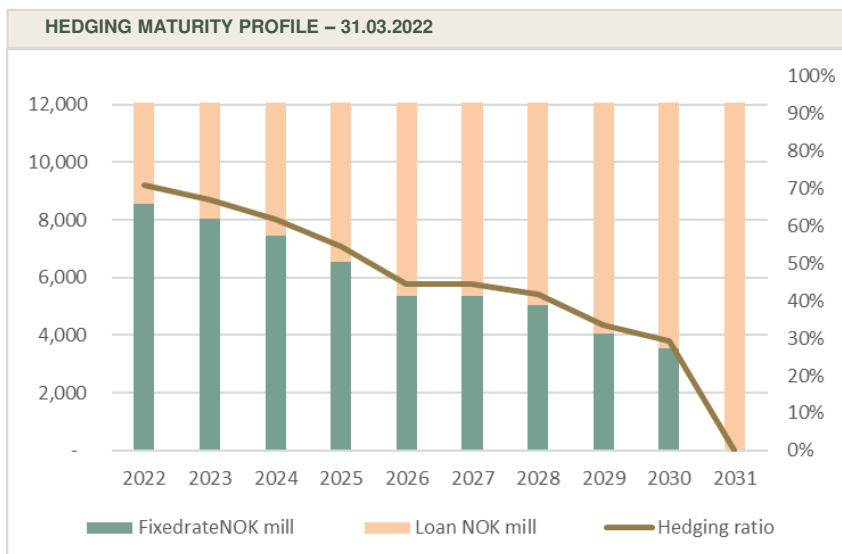
Cash flow – Q1 2022

NOK million	Note	Q1 2022	Q1 2021	Full year 2021
Cash flow from profit and loss before fair-value adj.		109.2	101.9	403.9
Change in rental guarantee receivables	1	(5.4)	-	85.9
Change in short-term items		42.3	76.6	(42.7)
Cash flow from operating activities		146.0	178.5	447.1
Purchase of tangible assets		(94.1)	(56.2)	(385.9)
Other investment activities	2	-	-	(23.8)
Cash flow from investment activities		(94.1)	(56.2)	(409.7)
Net change in interest bearing debt		49.6	(500.4)	(115.5)
Paid dividend		(273.5)	(64.4)	(273.5)
Capital increase		-	(0.7)	(0.7)
Net cash flow from financing activities		(223.9)	(565.4)	(389.7)
Net change in cash		(171.9)	(443.2)	(352.3)
Net cash at end of period		141.6	222.7	313.5

¹ Related to Snarøyveien 30.

² 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 31.03.2022 was 70.2% excluding interest rate swaps maturing on 05.07.2022. Remaining average time to maturity was 6.3 years.
- Diversified maturity profile to reduce exposure to interest levels.

	Maturity profile interest rates		Forward starting swaps ³			Average credit margin	
	Amount (NOKm)	Interest rate (%)	Amount	Interest rate (%)	Tenor (years)	Amount (NOKm)	Credit margin (%)
<1 year *)	3,507.0	1.43 %				2,469.0	1.10 %
1-2 years	600.0	2.07 %				400.0	1.06 %
2-3 years	1,205.0	1.70 %				2,615.0	1.18 %
3-4 years	200.0	2.51 %				1,675.0	1.23 %
4-5 years	1,200.0	1.52 %				1,350.0	0.92 %
5-6 years	0.0	0.00 %					
6-7 years	300.0	2.14 %					
7-8 years	1,000.0	1.76 %					
8-9 years	4,042.0	1.15 %				3,542.0	1.8500 %
9-10 years	0.0	0.00 %					
>10 years	0.0	0.00 %					

*) Floating rate loans of MNOK 2 939 included in <1 year interval

Overview and key figures



Key figures as of 31st March 2022

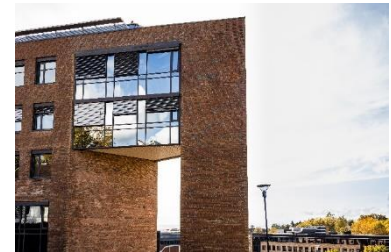
Properties ¹⁾	no	29
Portfolio size (ex. new space in redev. Projects) ²⁾	m ²	505,472
Average size per property	m ²	17,430
Gross rent per year (run rate)	NOK mill.	1,047
Operational expenses per year ³⁾	NOK mill.	84
Net rent per year (run rate)	NOK mill.	963
Average gross rent per m ² per year	NOK	2,071
Gross market value ²⁾	NOK mill.	25,806
Average value per property	NOK mill.	890
Average value per m ²	NOK	51,054
Gross yield, actual	%	4.2
Net yield, actual	%	3.8
WAULT ²⁾	Years	5.1
CPI adjustment ⁴⁾	%	99.9
Vacancy, calculation based on market rate ⁴⁾	%	6.9

1) Including Forusbeen 35 which is owned 50%

2) Not including Forusbeen 35

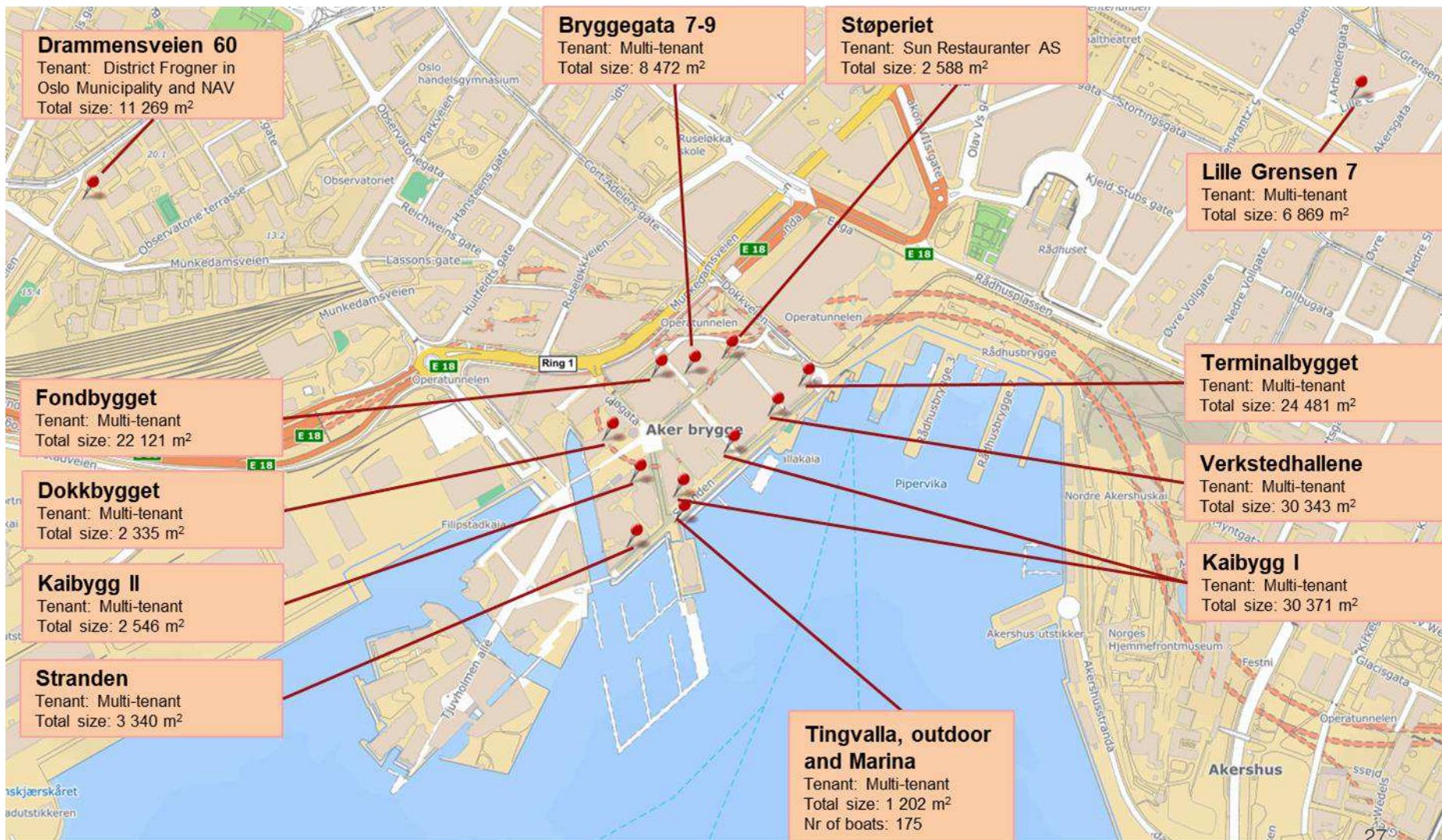
3) For illustration; based on estimated long term property expenses of 8 per cent of gross rent.

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

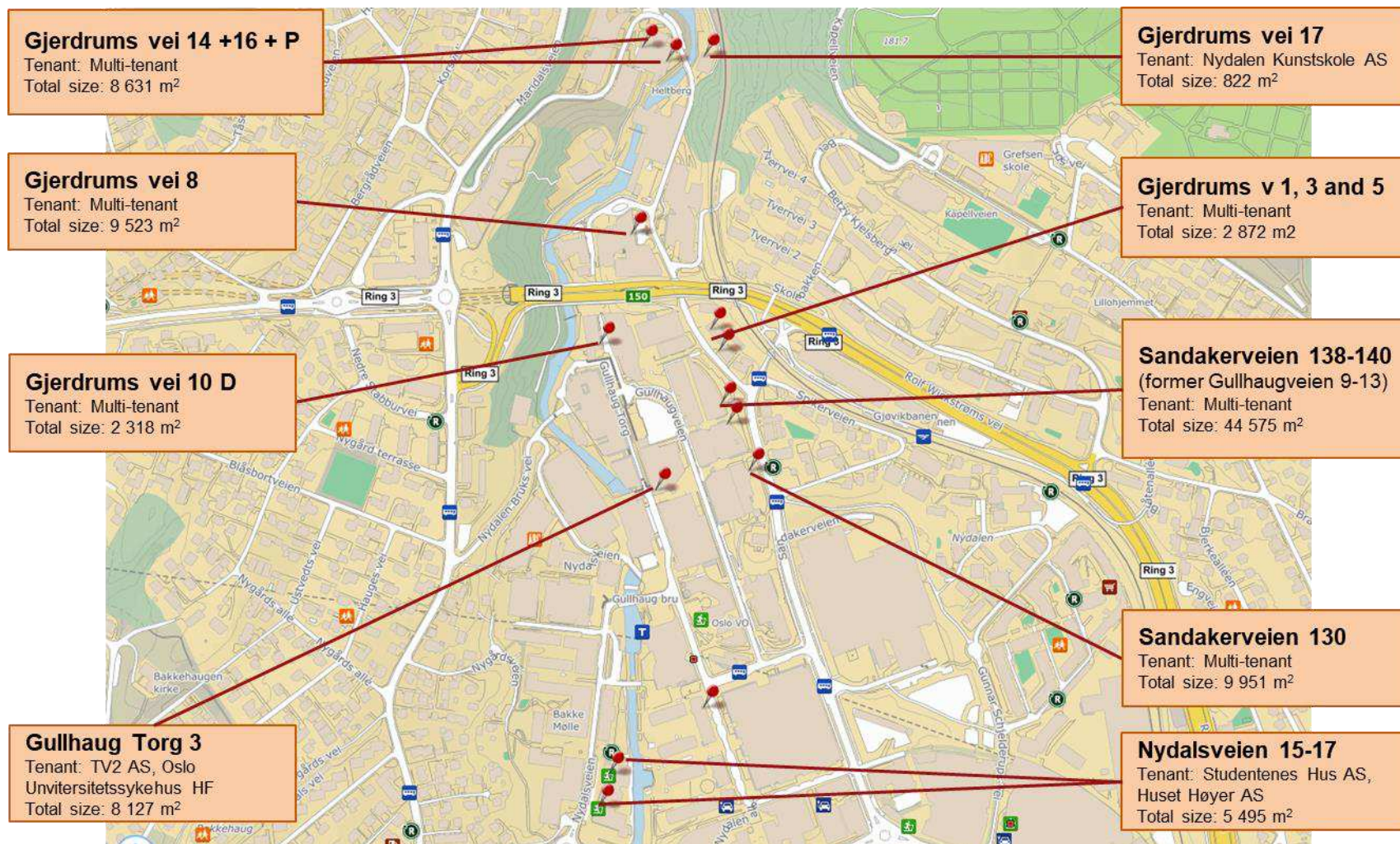




CBD



Nydalen



Other



Vinslottet

- 8 922 sqm retail
- 284 sqm warehouse
- 1479 sqm parking

Snarøyveien 36

- 40 659 sqm office
- 17 213 sqm parking

Snarøyveien 30

- 144 658 sqm office
- 8 203 sqm warehouse
- 45 578 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 Q1-2022

1/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m ²	Market rent vacancy	CPI	WAULT per March 2022	Run rate per March 2022
	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	2.6	29.2
Dokkbygningen	2,022	257	0	56	0	2,335	0.0	100.0	4.7	5.6
Drammensveien 60	8,974	0	1,890	405	0	11,269	0.0	100.0	7.2	29.7
Fondbygget (incl. Felix)	13,073	2,535	1,052	0	5,461	22,121	0.0	100.0	4.9	59.9
Lille Grensen 7	5,056	1,651	163	0	0	6,870	0.7	100.0	7.7	18.1
Kaibygning I (Stranden 5)	21,112	6,341	2,366	0	552	30,371	0.2	100.0	3.5	118.5
Kaibygning II	0	1,741	805	0	0	2,546	2.6	100.0	7.1	6.2
Stranden	2,684	158	24	474	0	3,340	0.5	100.0	5.3	13.3
Støperiet	0	2,588	0	0	0	2,588	0.0	100.0	2.3	5.8
Terminalbygget (Stranden 1)	17,771	3,225	1,678	1,387	421	24,481	0.2	100.0	3.4	107.0
Tingvallautstikkeren, uteareal og marina ¹	0	1,202	0	0	0	1,202	0.0	100.0	2.9	29.1
Verkstedhallene (Stranden 3)	19,218	7,713	2,615	0	797	30,343	4.0	100.0	3.0	113.7
Total CBD	96,294	29,499	10,593	2,321	7,231	145,938	1.0	99.9	3.9	536.2

¹ Adjusted for normal seasonal short term contracts



Property details Q1-2022

2/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per March 2022	Run rate per March 2022
	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
Nydalen										
Gjerdrums vei 10 G (10D)	2,140	0	178	0	0	2,318	1.6	100.0	3.5	4.7
Gjerdrums vei 14, 16 and 16 P-house	5,363	0	976	2,292	0	8,631	4.7	100.0	2.7	12.3
Gjerdrums vei 17	806	0	16	0	0	822	9.3	100.0	0.7	1.2
Gjerdrums vei 3	0	0	0	0	463	463	12.7	100.0	0.3	0.8
Gjerdrums vei 5	1,387	0	868	0	55	2,310	4.2	100.0	1.1	2.7
Gjerdrums vei 8	7,726	0	633	1,164	0	9,523	2.2	100.0	3.3	16.2
Gullhaug Torg 3	7,793	0	334	0	0	8,127	0.0	100.0	2.3	15.8
Sandakerveien 138-140 (Gullhaugvn 9-13)	23,504	0	7,328	13,743	0	44,575	43.9	100.0	2.9	39.3
Nydalsveien 15	3,711	0	65	0	28	3,804	0.2	100.0	4.2	8.8
Nydalsveien 17	0	1,691	0	0	0	1,691	0.0	100.0	3.2	5.0
Sandakerveien 130	5,542	0	1,047	3,362	0	9,951	10.9	100.0	5.8	15.1
Total Nydalen	57,971	1,691	11,445	20,561	546	92,213	21.8	100.0	3.3	121.7



Property details Q1-2022

3/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per March 2022	Run rate per March 2022
	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
Fornebu										
Snarøyveien 30	144,658	0	8,203	45,578	0	198,439	2.2	100.0	8.0	332.0
Snarøyveien 36	40,658	0	326	17,213	0	58,198	42.0	100.0	2.7	41.8
Total Fornebu	185,316	0	8,529	62,791	0	256,637	9.1	100.0	7.4	373.7
Hasle										
Vinslottet	0	8,922	284	1,479	0	10,684	5.8	100.0	5.9	15.2
Total Hasle	0	8,922	284	1,479	0	10,684	5.8	100.0	5.9	15.2
GROSS TOTAL	339,582	40,111	30,851	87,152	7,777	505,472	6.9	99.9	5.1	1,046.7

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

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 2020. 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.