



NORWEGIAN
PROPERTY

2nd quarter 2022

Oslo, July 7th 2022



Agenda

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

Q2 in short

- **Rental income of NOK 256 million. Up from NOK 229 million last year**
- **Profit before value adjustments NOK 176 million and profit after income tax NOK 511 million**
 - Earnings per share (EPS) NOK 0.79
- **Record high net lease of NOK 87 million**
- **New 15 years lease contract with public tenant at Snarøyveien 36**
- **Three new revolving credit facilities of approx. NOK 1 900 million replacing current facilities of NOK 1 200 million**
- **Refinancing of NOK 900 million**



:: SANDAKERVEIEN 140. NYDALEN:



:: SNARØYVEIEN 36. FORNEBU:



Agenda

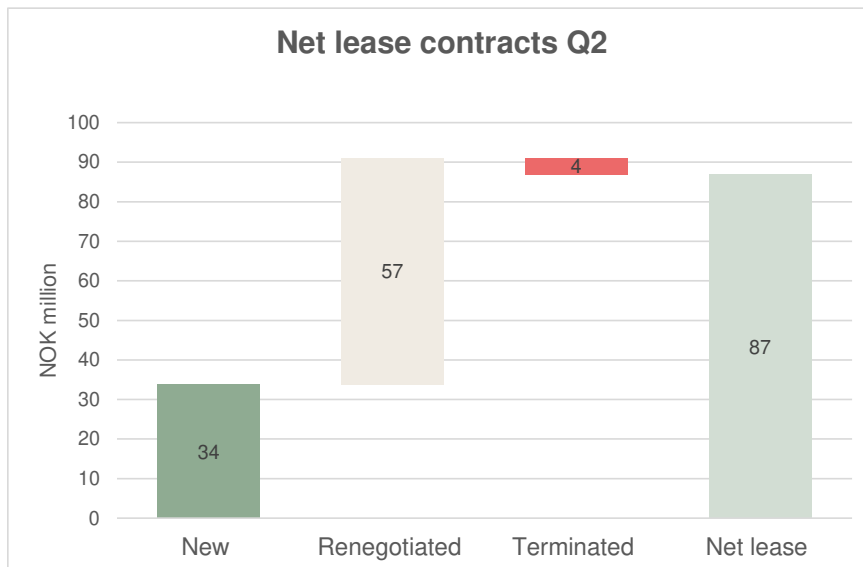
- Highlights
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Rental update

Rental contracts in Q2-2022

- High activity in the quarter regarding new and renegotiated contracts
- Record high positive net letting of MNOK 87

New and renegotiated leases:



Integrated
Wind
Solutions

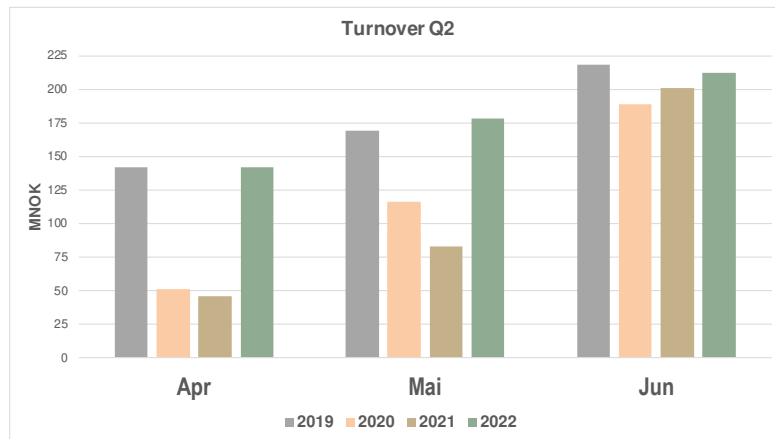
Danske Bank

NORVEGIAN
FASHION
CENTER

Turnover Q2 - Aker Brygge

Turnover Aker Brygge

- Q2 2022 NOK 532 mill (+61%)
- YTD 2022 NOK 861 mill (+73%)



⇒ Q1 2022 was massive influenced by comprehensive covid restrictions, still Aker Brygge's turnover is at same level YTD as in 2019

Main activities and happenings during second quarter

- The National Museum, opened June 11, 2022
- Three new restaurants opened; Shufl, Wiigen and Cultivate Food
- Three new shops opened; Line of Oslo, Andreas Feet and You & I Kid



Sustainable summer



Improving biodiversity

- NPRO's beehives at Fornebu ("Fornebees") continue to thrive and produce approx. 80 kg honey a year
- Reduced mowing to allow meadows and flowers to grow with the intention of contributing to the increase of other wild and endangered insects
- Aim to further expand focus on biodiversity across entire portfolio

Accessible outdoor areas for all

- Summer Play introduced at Fornebu
 - Activities, food trucks and a new play-ground set up at Fornebu for the summer.
 - Aim to create a green and accessible outdoor environment for both tenants, residents and visitors

Transparency Act ("Åpenhetsloven") in force 1st July 2022

- The continuous processes of due diligence assessment, reporting and information is handled by a separate committee, reporting to the management and the board
- The Transparency Act is also included in our ethical guidelines which all employees must review annually through a web-based solution and confirm that they will comply with



Market trends - office



::SNARØYVEIEN 30, FORNEBU:

Rental market Oslo

- Very strong rental market
- Limited new supply in near future

Transaction market

- Transaction market slightly affected by uncertainty
 - Prime assets, some development projects and other assets where potential buyers identifying synergies achieve strong demand / valuation
 - Somewhat a gap between sellers' expectations and potential buyers' updated valuations
- Prime yield 3.25%
 - Property valuations going forward will be influenced by level of funding costs and future rent levels
- Credit spreads have continued to widened through the quarter
- Banks very supportive to finance larger real estate companies with conservative leverage



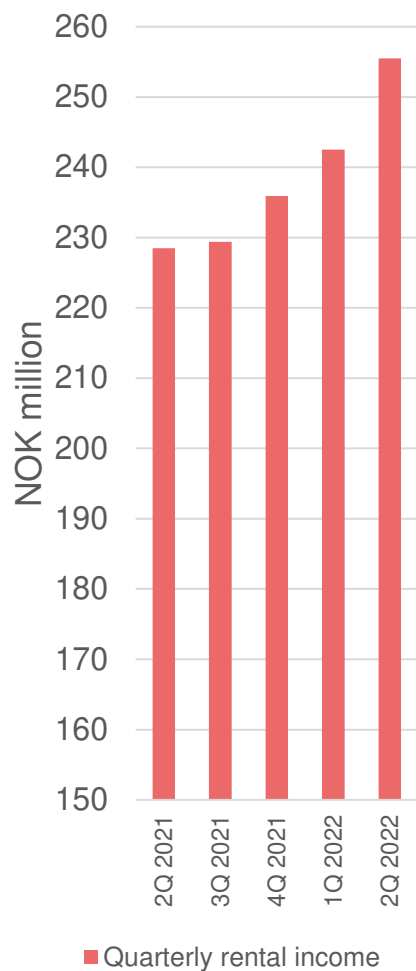
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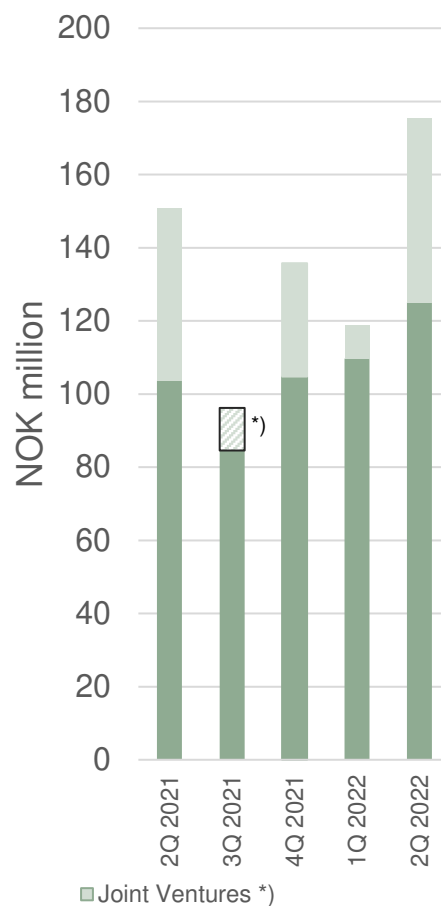


Financial highlights

RENTAL INCOME



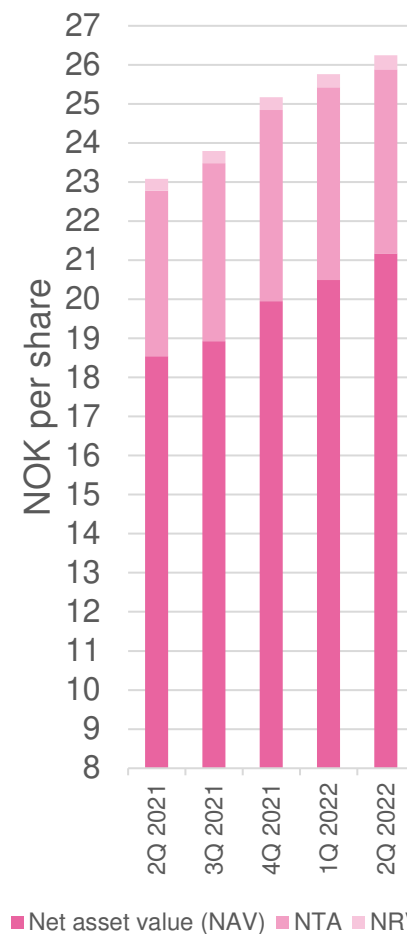
PROFIT BEFORE TAX AND VALUE ADJ.



■ Profit before tax and value adj.

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

VALUE PER SHARE



Income statement – Q2 and YTD 2022

NOK million	Note	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	Full year 2021
Rental income		255.5	228.6	498.0	454.3	919.6
Revenues		255.5	228.6	498.0	454.3	919.6
Property-related operational expenses		(17.1)	(14.9)	(33.1)	(31.2)	(64.3)
Other property-related expenses		(11.5)	(14.8)	(28.6)	(29.9)	(60.1)
Administrative expenses		(13.6)	(14.2)	(27.9)	(26.2)	(59.2)
Share of profit in joint ventures	1	50.4	47.3	59.5	55.4	74.9
Operating profit before value adjustments		263.7	231.9	467.8	422.4	810.8
Change in market value of investment property		347.2	65.8	906.7	276.2	1,365.0
Operating profit		610.9	297.8	1,374.6	698.6	2,175.8
Realised financial items		(88.2)	(81.3)	(173.6)	(163.1)	(331.1)
Change in market value of financial instruments		56.1	(8.9)	179.2	87.4	150.2
Net financial items		(32.1)	(90.2)	5.7	(75.7)	(180.9)
Profit before income tax		578.8	207.5	1,380.2	623.0	1,994.9
Income tax (not payable)		(68.2)	(31.7)	(233.4)	(112.5)	(421.8)
Profit for the period		510.6	175.8	1,146.8	510.4	1,573.1
Earnings per share (NOK)		0.79	0.27	1.78	0.79	2.44
Profit before income tax and value adjustments		175.5	150.6	294.3	259.4	479.7

¹ Related to Nordr and Forusbeen 35.

Change in investment property value in Q2



Portfolio valuation by area Q2-2022

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Positive Q1 fair value adjustment of NOK 347 million for properties owned 100%

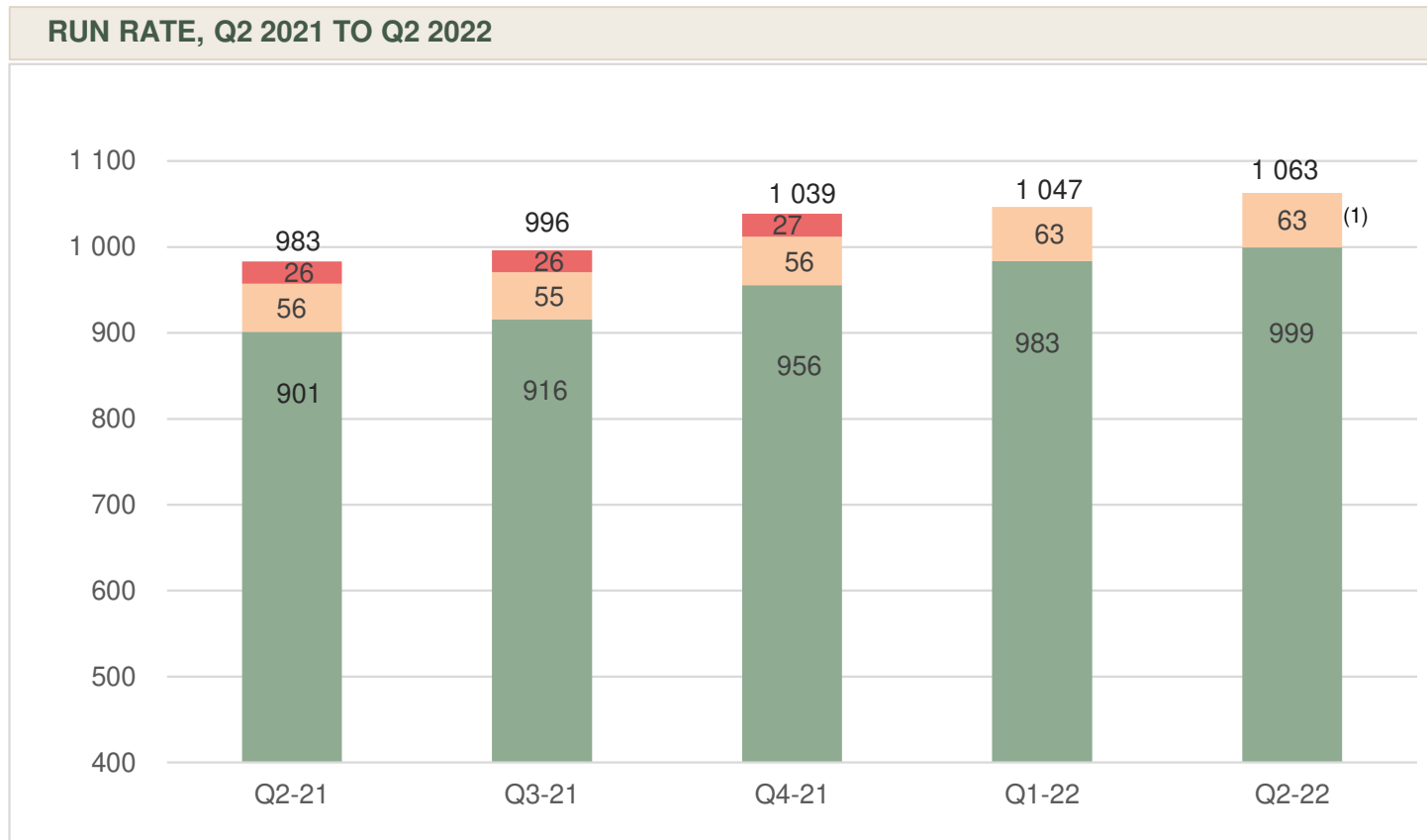
Area	Total space (m ²)	WAULT (years)	Valuation ¹⁾		Gross rent per year NOK mill.	Net yield ²⁾ (%)	Vacancy based on market rent ³⁾ (%)	Net yield fully let (%)
			NOK mill.	NOK/m ²				
CBD	145,906	4.4	15,649.8	107,260	549.3	3.2	0.9	3.3
Nydalen	92,213	3.0	2,828.6	30,675	120.5	3.9	21.4	4.9
Fornebu	256,637	7.3	7,390.7	28,798	376.6	4.7	4.0	5.2
Hasle	10,684	5.5	341.0	31,916	16.3	4.4	5.4	4.6
Total Portfolio	505,440	5.3	26,210.2	51,856	1,062.7	3.7	4.9	4.0

¹ Fornebu valuation includes non-current receivables amounting to NOK 248.2 million, related to the rental guarantee provided by the seller of the property at Snarøyveien 30.

² For illustration; based on rents as of June 30th, 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

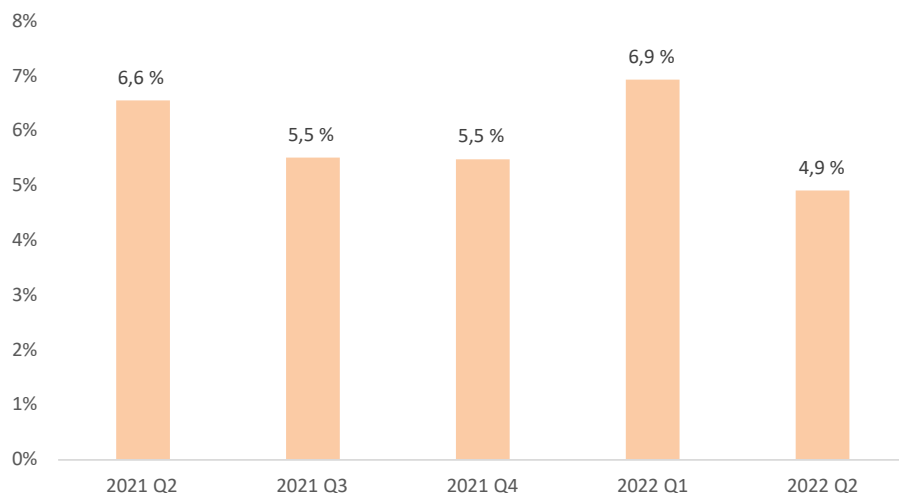


(1) MNOK 63 as rental guarantee from Telenor.

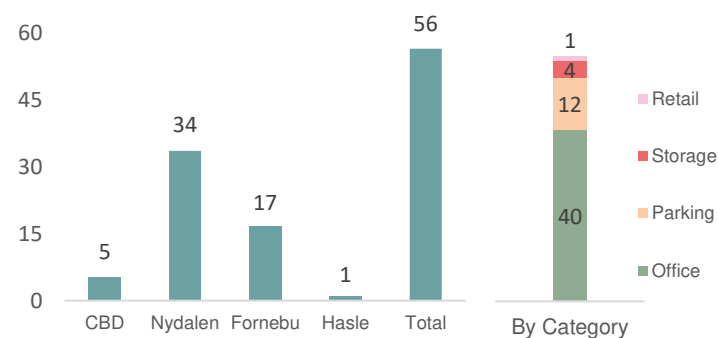


Vacancy based on market rent

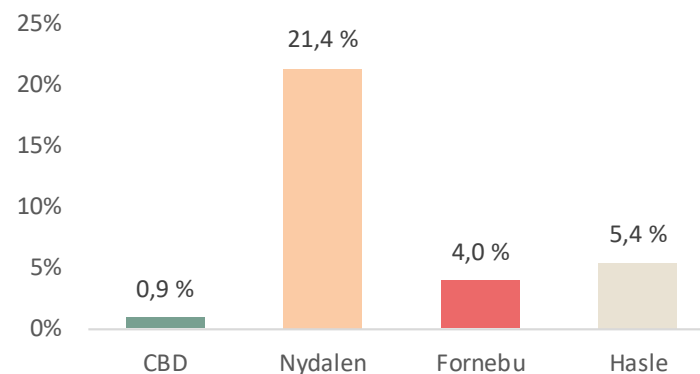
MARKET RENT VACANCY, LAST 5 QUARTERS



MARKET RENT VACANCY FOR EACH AREA (MNOK RUN RATE)



VACANCY SPLIT ON AREA

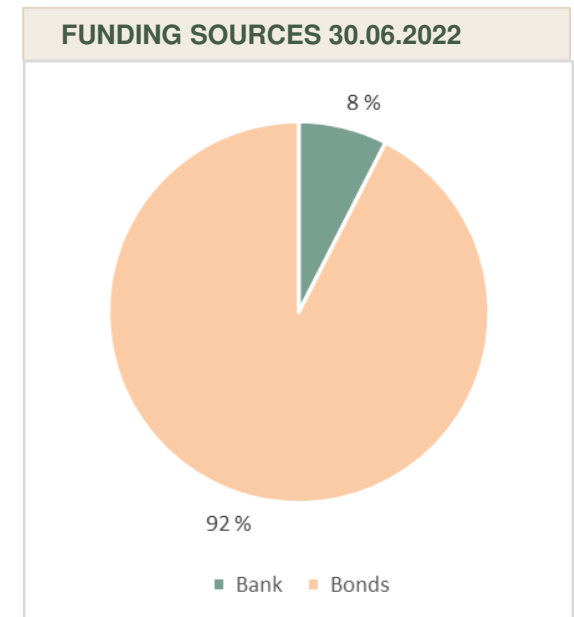


Financial position

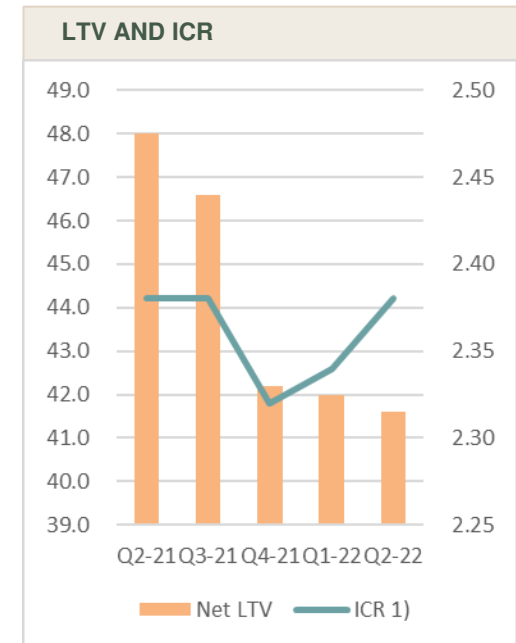
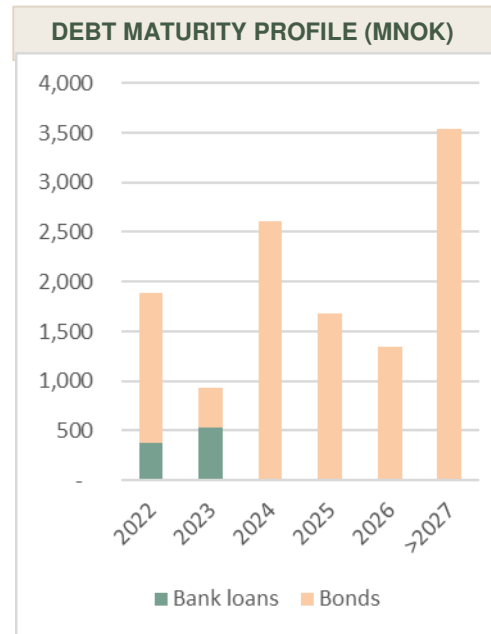
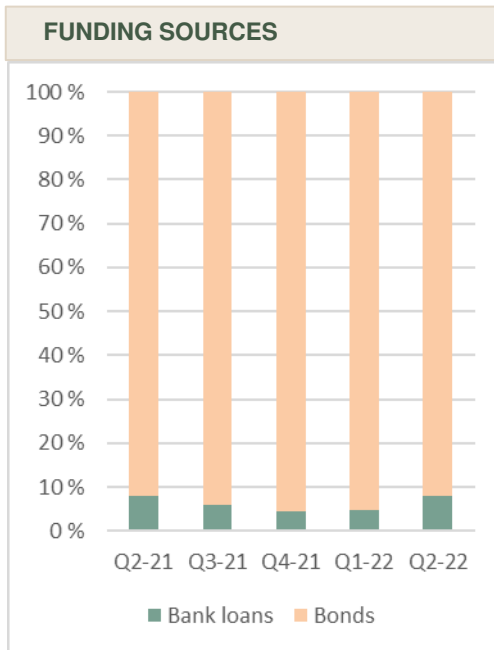
Interest bearing debt and hedging		30.06.2022
Total interest-bearing debt	NOK million	12 054
Property value	NOK million	26 210
Market Value of investment in JV	NOK million	2 260
Net Loan to value ¹	Per cent	41.6
Cash and cash equivalents	NOK million	99
Interest-bearing receivables	NOK million	107
Unused committed credit facilities	NOK million	2 066
Average remaining duration. Hedging	Years	6.1
Average interest rate (including margin)	Per cent	2.96
Average margin	Per cent	1.36
Average remaining duration. Borrowing	Years	4.0
Hedging ratio ²	Per cent	70.9
WAULT	Years	5.3

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**
 - 11.1 bn in bonds Q2 2022, including 650 mill green bond

- **Diversified maturity profile**
 - Average remaining time to maturity Q2 2022 is 4.0 years

- **LTV below long time target**
 - Net LTV 41.6 % as of Q2 2022, including the value of the investment in Nordr.

Refurbishments in 2022

Area	Property	Tenant	Area (sqm)	Quarter finalized
Aker Brygge	Tingvalla	GG Drift	300	Q2 2023
Nydalen	Gjerdrums vei 8	Wamalino	780	Q3 2022
Fornebu	Snarøyveien 36	Public Tenant	11 881	Q1 2024



::SNARØYVEIEN 36. FORNEBU



::SANDAKERVEIEN 140. NYDALEN



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Summary

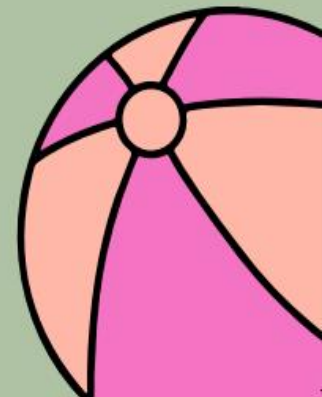
- Record high net lease including new public tenant at Fornebu
- Dividend of NOK 0.125 / share
- Financing
- Operational focus going forward
 - Pursue opportunities
 - Rental activities



Fornebu

Summer PLAY

TORSDAG – SØNDAG
23. JUNI – 15. AUGUST
kl. 12 - 17



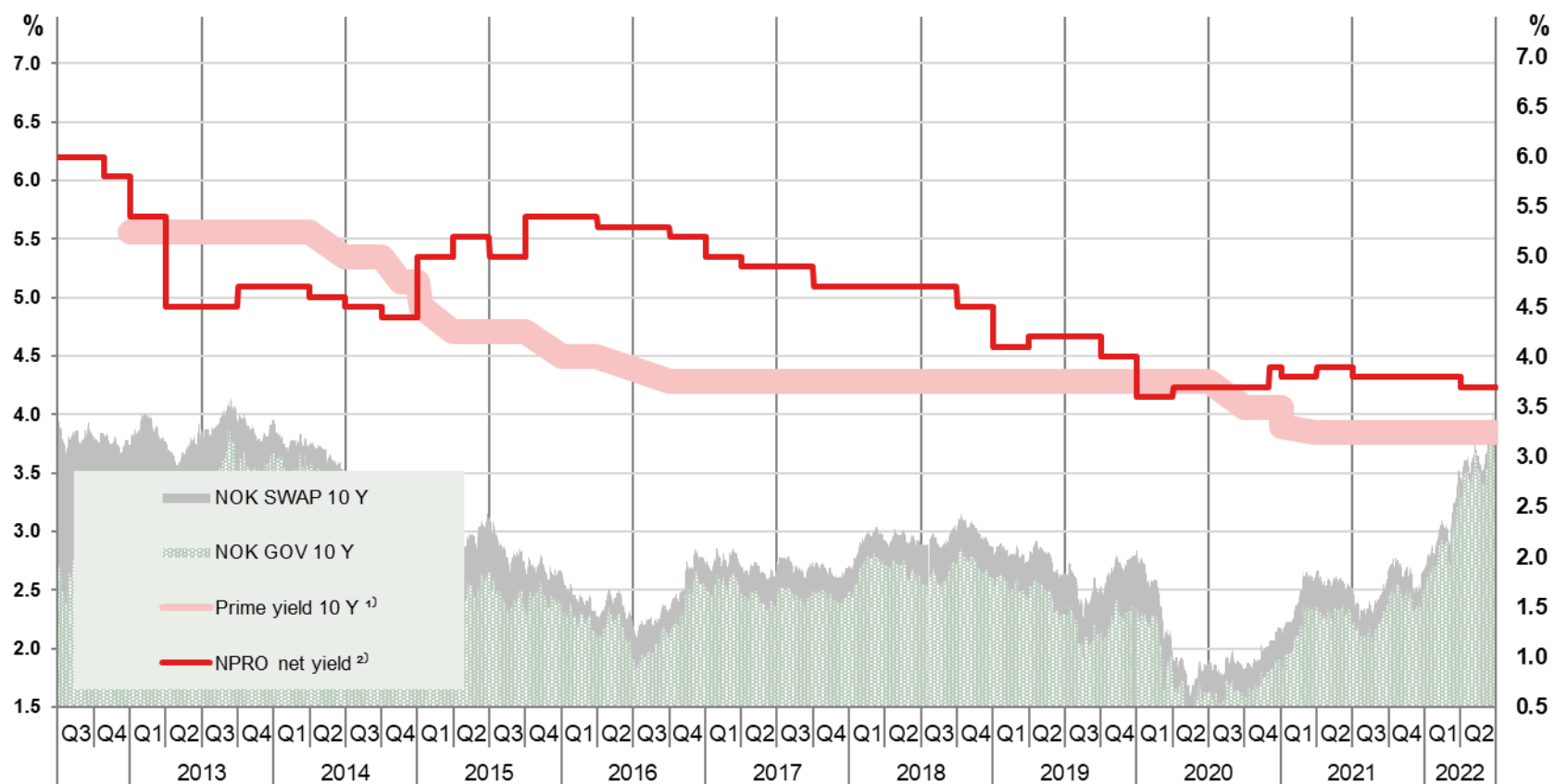
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PROPERTY



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- **Appendix**

Yield spread



¹ Source: Akershus Eiendom

² NPRO net yield as summarised in slide; Portfolio valuation Q2-2022

Balance sheet – Q2 2022

NOK million	Note	30.06.2022	30.06.2021	31.12.2021
Investment property		25,849.9	23,573.8	24,801.3
Owner-occupied property		112.1	100.5	106.7
Property, plant and equipment		33.0	36.0	35.4
Investment in joint ventures	1	1,136.2	1,048.8	1,084.8
Receivables		482.7	492.0	421.6
Cash and cash equivalents		99.0	132.6	313.5
Equity		13,625.4	11,924.6	12,836.6
Deferred tax		1,920.6	1,381.4	1,685.8
Long term interest bearing debt		9,580.5	10,721.0	9,583.0
Short term interest bearing debt		2,473.1	1,027.5	2,421.7
Market value financial derivatives (net)		(152.4)	89.7	26.9
Net other debt		265.5	239.6	209.3
Equity ratio (%)		48.9	47.0	47.9
NAV per share, book value of equity (NOK)		21.17	18.53	19.95
Net Reinstatement Value (NRV), per share (NOK)		26.24	23.08	25.17
Net Tangible Assets (NTA), per share (NOK)		25.88	22.78	24.84
Net Disposal Value (NDV), per share (NOK)		22.89	20.16	21.87

¹ Related to the investment in Nordr.

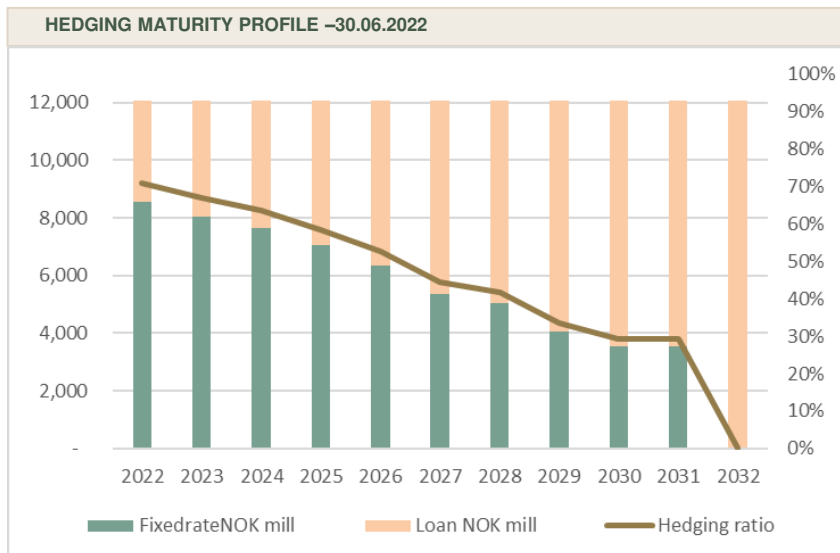
Cash flow – Q2 and YTD 2022

NOK million	Note	Q2 2022	Q2 2021	YTD Q2 2022	YTD Q2 2021	Full year 2021
Cash flow from profit and loss before fair-value adj.		125.4	104.7	234.6	206.7	403.9
Change in rental guarantee receivables	1	(4.3)	-	(9.7)	-	85.9
Change in short-term items		(34.9)	(88.1)	7.4	(11.5)	(42.7)
Cash flow from operating activities		86.2	16.7	232.2	195.1	447.1
Purchase of tangible assets		(48.0)	(192.0)	(142.1)	(248.2)	(385.9)
Other investment activities	2	-	-	-	-	(23.8)
Cash flow from investment activities		(48.0)	(192.0)	(142.1)	(248.2)	(409.7)
Net change in interest bearing debt		(0.4)	149.6	49.2	(350.8)	(115.5)
Paid dividend		(80.4)	(64.4)	(354.0)	(128.7)	(273.5)
Capital increase		-	-	-	(0.7)	(0.7)
Net cash flow from financing activities		(80.8)	85.3	(304.8)	(480.1)	(389.7)
Net change in cash		(42.6)	(90.1)	(214.6)	(533.2)	(352.3)
Net cash at end of period		99.0	132.6	99.0	132.6	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 30.06.2022 was 70.9% excluding interest rate swaps maturing in Q3 2022. Remaining average time to maturity was 6.1 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 *)	3,907.0	1.74 %				2,419.0	1.20 %
1-2 years	850.0	1.52 %				400.0	1.06 %
2-3 years	755.0	2.04 %				2,615.0	1.18 %
3-4 years	1,000.0	1.39 %				1,675.0	1.23 %
4-5 years	200.0	2.16 %				1,350.0	0.92 %
5-6 years	- 0.0	0.00 %					
6-7 years	700.0	2.07 %					
7-8 years	1,100.0	1.64 %					
8-9 years	3,542.0	1.10 %				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 30th June 2022

Properties ¹⁾	no	29
Portfolio size (ex. new space in redev. Projects) ²⁾	m ²	505,440
Average size per property	m ²	17,429
Gross rent per year (run rate)	NOK mill.	1,063
Operational expenses per year ³⁾	NOK mill.	85
Net rent per year (run rate)	NOK mill.	978
Average gross rent per m ² per year	NOK	2,103
Gross market value ²⁾	NOK mill.	26,210
Average value per property	NOK mill.	904
Average value per m ²	NOK	51,856
Gross yield, actual	%	4.1
Net yield, actual	%	3.7
WAULT ²⁾	Years	5.3
CPI adjustment ⁴⁾	%	99.9
Vacancy, calculation based on market rate ⁴⁾	%	4.9

1) Including Forusbeen 35 which is owned 50%

2) Not including Forusbeen 35

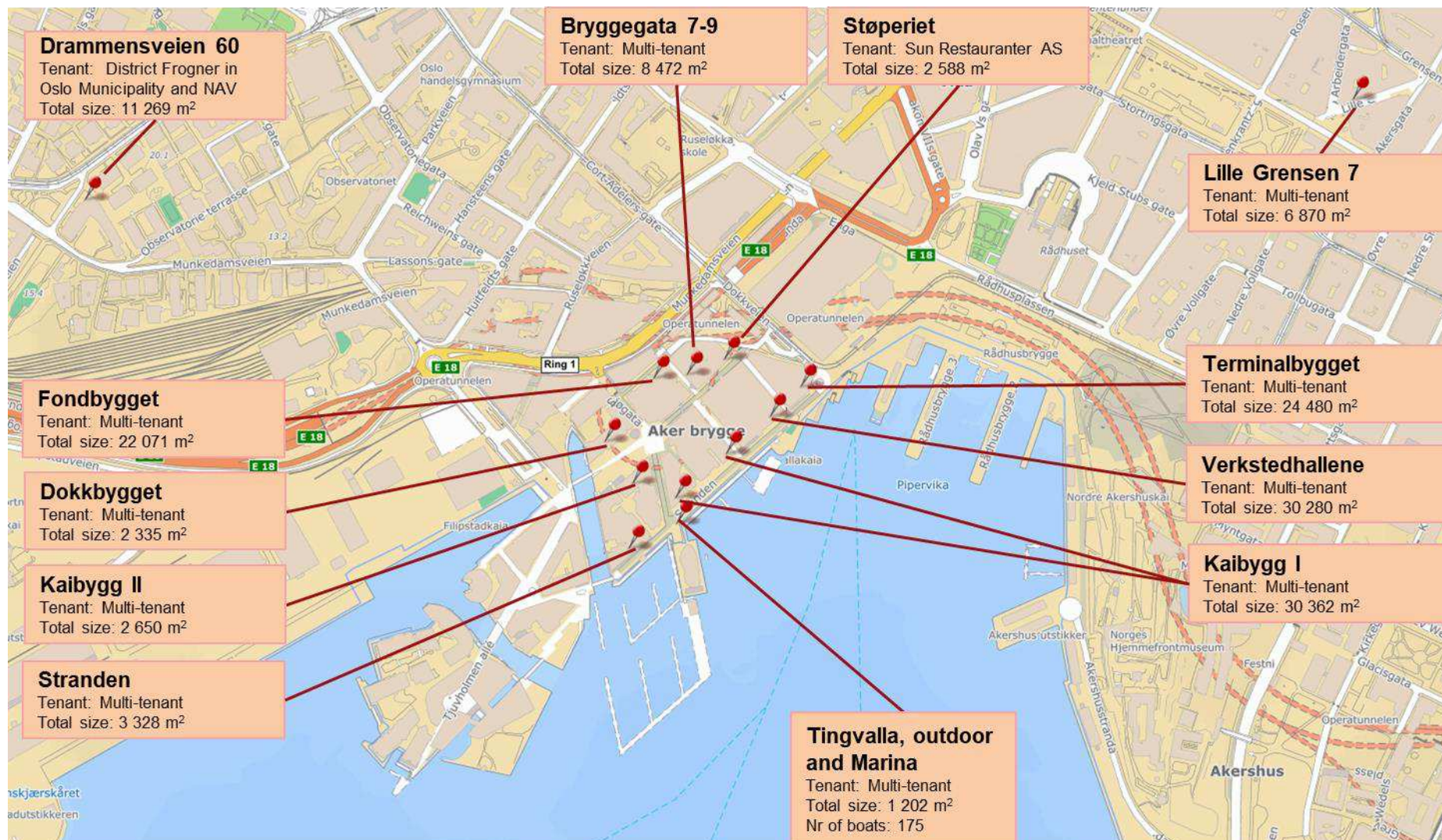
3) For illustration; based on estimated long term property expenses of 8 per cent of gross rent.

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

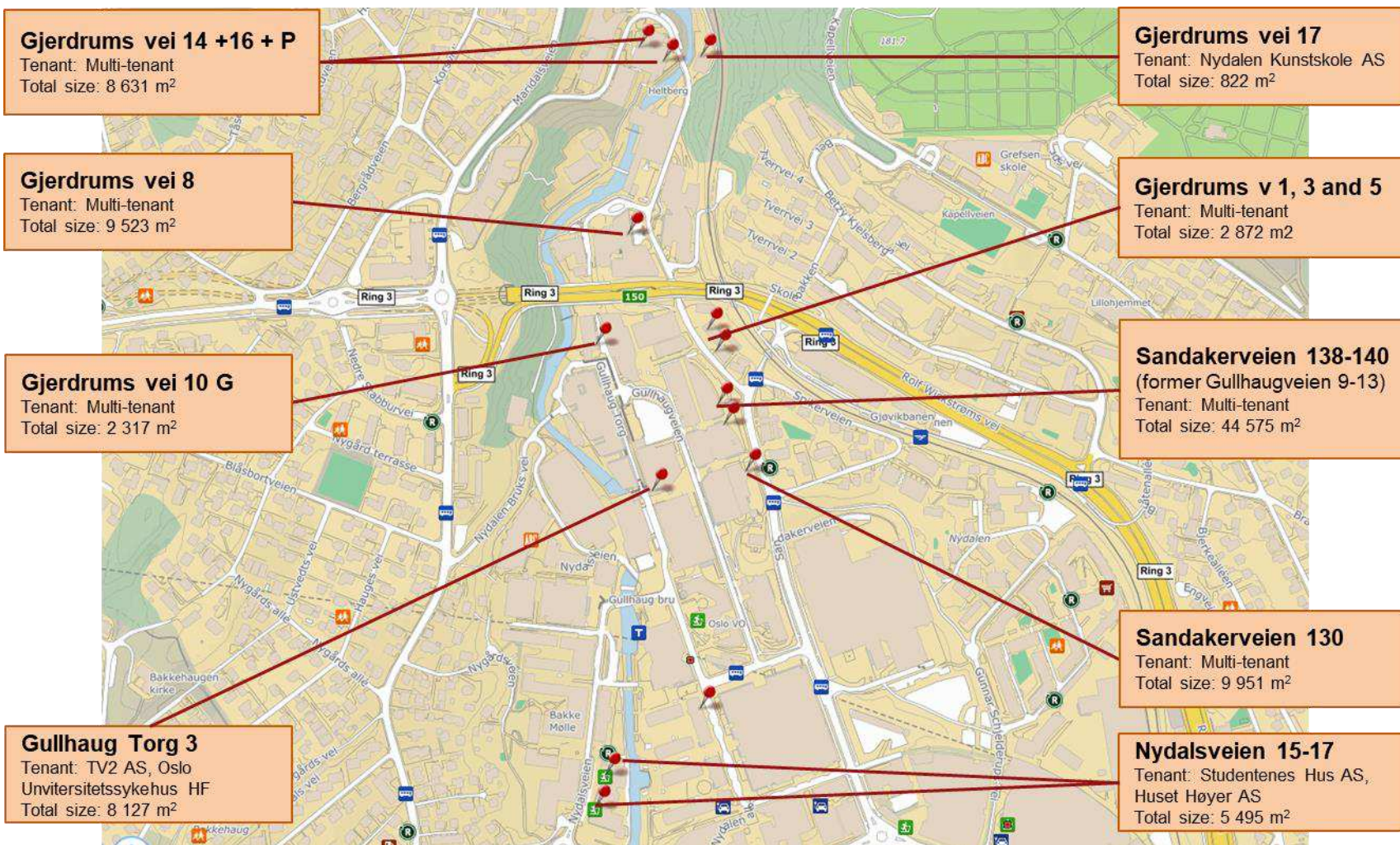




CBD



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

- 144 717 sqm office
- 8 144 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 Q2-2022

1/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per June 2022	Run rate per June 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	2.8	29.3
Dokkbygningen	2,022	257	0	56	0	2,335	0.0	100.0	5.5	5.9
Drammensveien 60	8,974	0	1,890	405	0	11,269	0.0	100.0	7.0	29.7
Fondbygget (incl. Felix)	12,901	2,664	1,044	0	5,461	22,071	0.0	100.0	5.2	62.9
Lille Grensen 7	5,056	1,651	163	0	0	6,870	0.6	100.0	7.3	20.8
Kaibygning I (Stranden 5)	20,825	6,555	2,290	0	693	30,362	0.2	100.0	4.6	118.8
Kaibygning II	0	1,802	848	0	0	2,650	1.4	100.0	7.5	10.6
Stranden	2,674	156	24	474	0	3,328	0.5	100.0	5.5	13.2
Støperiet	0	2,588	0	0	0	2,588	0.0	100.0	7.1	5.8
Terminalbygget (Stranden 1)	17,798	3,198	1,677	1,387	421	24,480	0.2	100.0	3.1	107.3
Tingvallautstikeren, uteareal og marina ¹	0	1,202	0	0	0	1,202	0.0	100.0	2.0	29.1
Verkstedhallene (Stranden 3)	18,954	7,927	2,620	0	779	30,280	3.6	100.0	4.3	115.8
Total CBD	95,588	30,087	10,557	2,321	7,353	145,906	0.9	99.9	4.4	549.3

¹ Adjusted for normal seasonal short term contracts



Property details Q2-2022

2/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per June 2022	Run rate per June 2022
	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
Nydalen										
Gjerdrums vei 10 G (former 10D)	2,139	0	178	0	0	2,317	3.0	100.0	3.3	4.7
Gjerdrums vei 14, 16 and 16 P-house	5,363	0	976	2,292	0	8,631	5.0	100.0	2.9	12.3
Gjerdrums vei 17	806	0	16	0	0	822	9.3	100.0	0.4	1.2
Gjerdrums vei 3	45	0	0	0	418	463	11.3	100.0	1.0	0.8
Gjerdrums vei 5	1,992	0	263	0	55	2,309	4.3	100.0	1.1	2.6
Gjerdrums vei 8	7,726	0	633	1,164	0	9,523	2.0	100.0	2.7	15.8
Gullhaug Torg 3	7,793	0	334	0	0	8,127	0.0	100.0	2.0	15.8
Sandakerveien 138-140 (Gullhaugvn 9-13)	23,504	0	7,328	13,743	0	44,575	43.0	100.0	2.7	38.8
Nydalsveien 15	3,711	0	65	0	28	3,804	0.2	100.0	3.9	8.8
Nydalsveien 17	0	1,691	0	0	0	1,691	0.0	100.0	2.9	5.0
Sandakerveien 130	5,542	0	1,047	3,362	0	9,951	13.6	100.0	5.6	14.8
Total Nydalen	58,621	1,691	10,839	20,561	501	92,213	21.4	100.0	3.0	120.5



Property details Q2-2022

3/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per June 2022	Run rate per June 2022
	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
Fornebu										
Snarøyveien 30	144,717	0	8,144	45,578	0	198,439	2.3	100.0	7.9	334.4
Snarøyveien 36	40,658	0	326	17,213	0	58,198	11.2	100.0	2.5	42.3
Total Fornebu	185,375	0	8,470	62,791	0	256,637	4.0	100.0	7.3	376.6
Hasle										
Vinslottet	0	8,922	284	1,479	0	10,684	5.4	100.0	5.5	16.3
Total Hasle	0	8,922	284	1,479	0	10,684	5.4	100.0	5.5	16.3
GROSS TOTAL	339,584	40,700	30,150	87,152	7,854	505,440	4.9	99.9	5.3	1,062.7

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

Disclaimer

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