



NORWEGIAN
PROPERTY

3rd quarter 2022

Oslo, October 21 2022



Agenda

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

Q3 in short

- **Stable growth in rental income**
 - Rental income of NOK 258 million. Up from NOK 229 million last year
- **Profit before value adjustments NOK 115 million and loss after income tax NOK 314 million**
 - Earnings per share (EPS) -NOK 0.73
- **LTV of 41.9%**
- **Net lease of 13 million**
 - Renegotiated contracts signed at substantial higher levels than current rent
- **Opening of new outdoor park in Nydalen, constructed with recycled building materials**



:: SANDAKERVEIEN 140. NYDALEN:



:: PARK RECYCLED MATERIALS. NYDALEN:



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Rental update

Rental contracts in Q3-2022

- Good activity in the quarter regarding new and renegotiated contracts
- Positive net letting of MNOK 13
- Substantial uplift for renegotiated contracts



New and renegotiated leases:

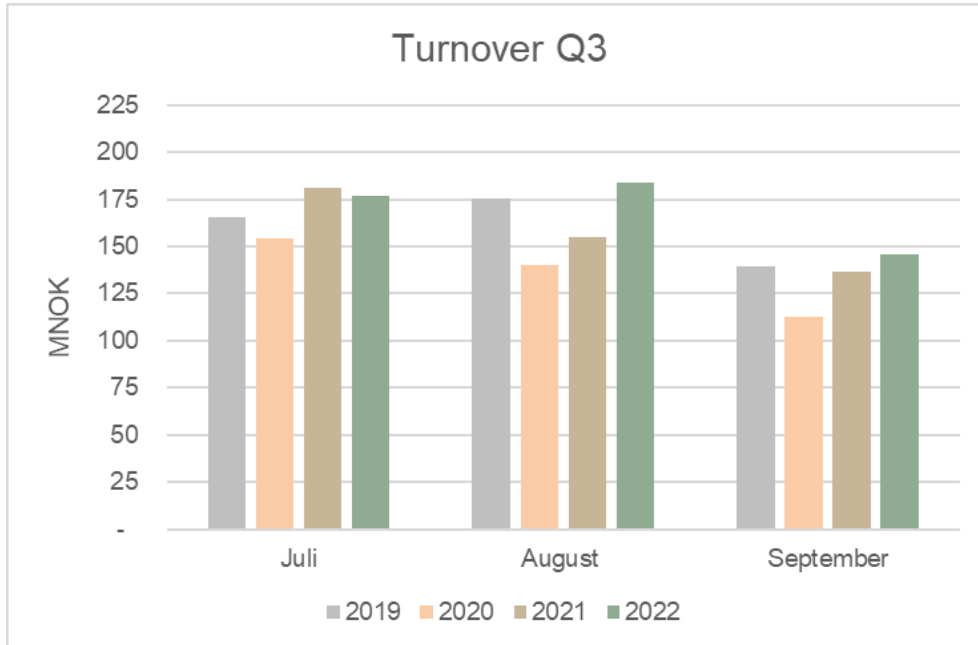
Arkwright



Turnover Q3 - Aker Brygge

Turnover Aker Brygge

- Q3 2022 **NOK 507 mill (+7%)**
- YTD 2022 **NOK 1 368 mill (+41%)**



Main activities and happenings during third quarter

- Outdoor Movie at Bryggetorget in August
- Norway's biggest boat exhibition in September
- The Oslo Byfestival in August



Environmental update



- **Climate friendly park built with recycled material**
 - Official opening of new outdoor park constructed with recycled building materials in Nydalen
 - Collaboration with several vendors with a common interest in gaining knowledge about the circular economy
 - Aim to create a green and accessible outdoor area for both tenants, residents and visitors in line with NPRO's vision to create engaging meeting places
- **Improving biodiversity**
 - Collaboration with the foundation "Marinreperatørene" to increase biodiversity and marine life
 - Special emphasis on creating habitats for red listed species such as lobsters and Norwegian blue mussels
 - Work locally on pioneer initiatives with proven positive effects - scalable and with aim to further expand



Market trends - office



::SNARØYVEIEN 30, FORNEBU:

Rental market Oslo

- Strong rental market, assumed to continue into Q4-22
- Limited new supply in near future
- Substantial CPI adjustments for 2023
 - NPRO applies October index

Oslo transaction market

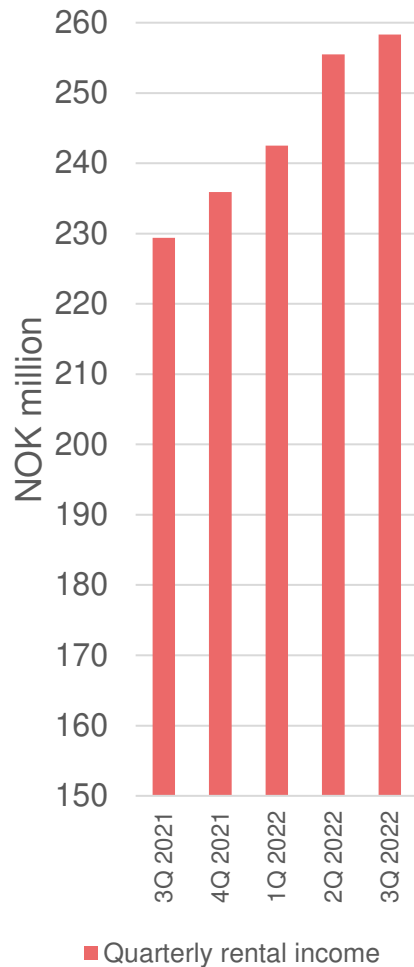
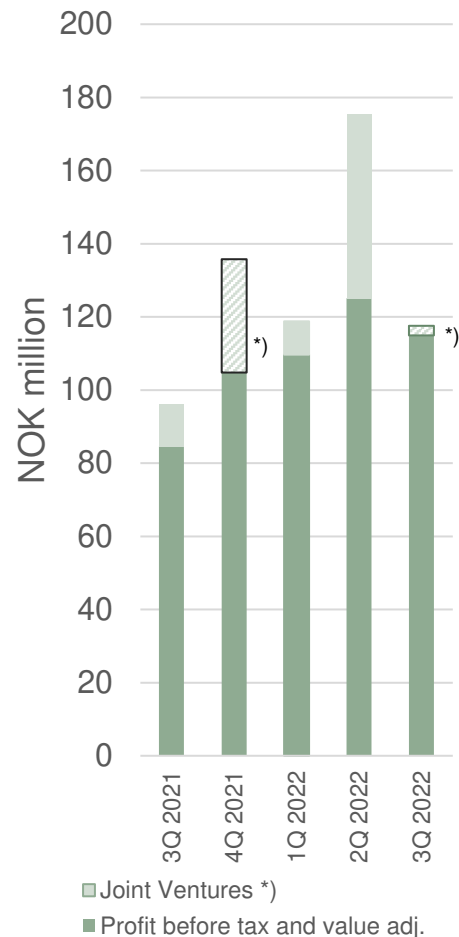
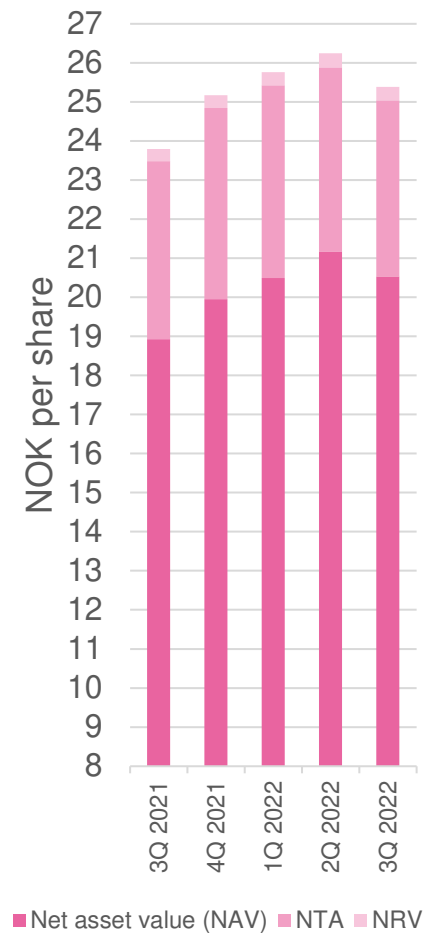
- Transaction market affected by uncertainty
 - Limited transactions closed in this quarter
 - Lot of opportunities in the market
 - A gap between sellers' expectations and potential buyers' updated valuations
- Nordic real estate out of flavour in the bond market
- Banks positioning to prioritize current customers



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Financial highlights

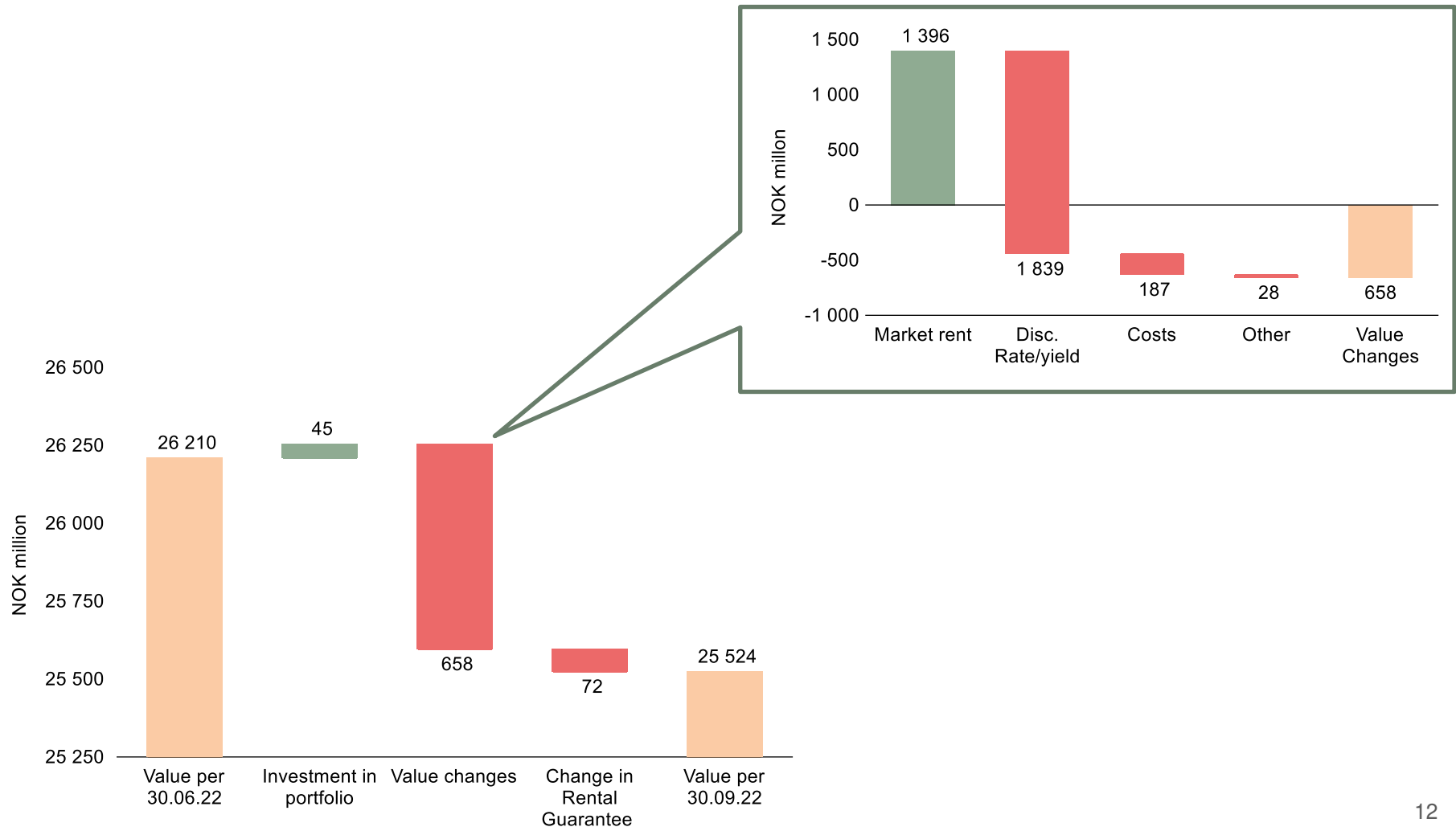
RENTAL INCOME

PROFIT BEFORE TAX AND VALUE ADJ.

VALUE PER SHARE


Income statement – Q3 and YTD 2022

NOK million	Note	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	Full year 2021
Rental income		258.3	229.4	756.3	683.7	919.6
Revenues		258.3	229.4	756.3	683.7	919.6
Property-related operational expenses		(20.3)	(17.9)	(53.4)	(49.1)	(64.3)
Other property-related expenses		(19.0)	(18.2)	(47.6)	(48.1)	(60.1)
Administrative expenses		(16.8)	(11.7)	(44.7)	(37.9)	(59.2)
Share of profit in joint ventures	1	(2.7)	(11.6)	56.9	43.9	74.9
Operating profit before value adjustments		199.6	169.9	667.4	592.4	810.8
Change in market value of investment property		(658.4)	326.6	248.3	602.7	1,365.0
Operating profit		(458.8)	496.5	915.7	1,195.1	2,175.8
Realised financial items		(84.7)	(85.4)	(258.3)	(248.4)	(331.1)
Change in market value of financial instruments		26.9	45.8	206.2	133.2	150.2
Net financial items		(57.8)	(39.6)	(52.1)	(115.3)	(180.9)
Profit before income tax		(516.6)	456.9	863.6	1,079.9	1,994.9
Income tax (not payable)		47.1	(130.8)	(186.3)	(243.3)	(421.8)
Profit for the period		(469.5)	326.1	677.4	836.6	1,573.1
Earnings per share (NOK)		(0.73)	0.51	1.05	1.30	2.44
Profit before income tax and value adjustments		114.9	84.6	409.1	344.0	479.7

¹ Related to Nordr and Forusbeen 35.

Change in investment property value in Q3



Portfolio valuation by area Q3-2022

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Negative Q3 fair value adjustment of NOK 658 million for properties owned 100%

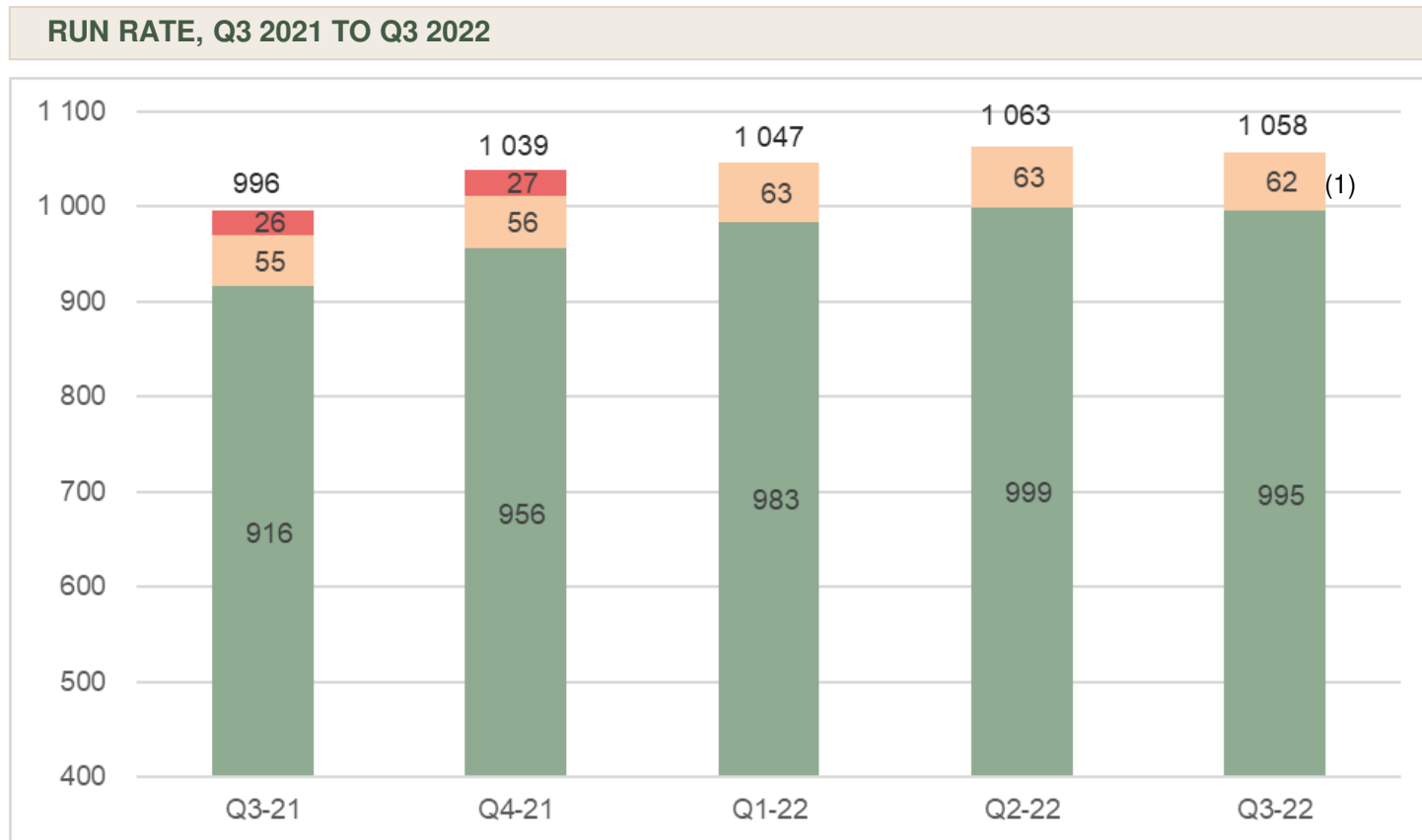
Area	Total space (m ²)	WAULT (years)	Valuation ¹⁾		Gross rent per year NOK mill.	Net yield ²⁾ (%)	Vacancy based on market rent ³⁾ (%)	Net yield fully let (%)
			NOK mill.	NOK/m ²				
CBD	145,902	4.2	14,941.8	102,410	546.2	3.4	1.8	3.4
Nydalen	92,212	2.9	2,759.9	29,929	120.5	4.0	22.0	5.0
Fornebu	256,637	7.1	7,495.6	29,207	374.5	4.6	4.9	5.1
Hasle	10,684	5.2	326.9	30,596	16.4	4.6	5.4	4.9
Total Portfolio	505,435	5.1	25,524.1	50,499	1,057.5	3.8	5.8	4.1

¹ Fornebu valuation includes non-current receivables amounting to NOK 226.7 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 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

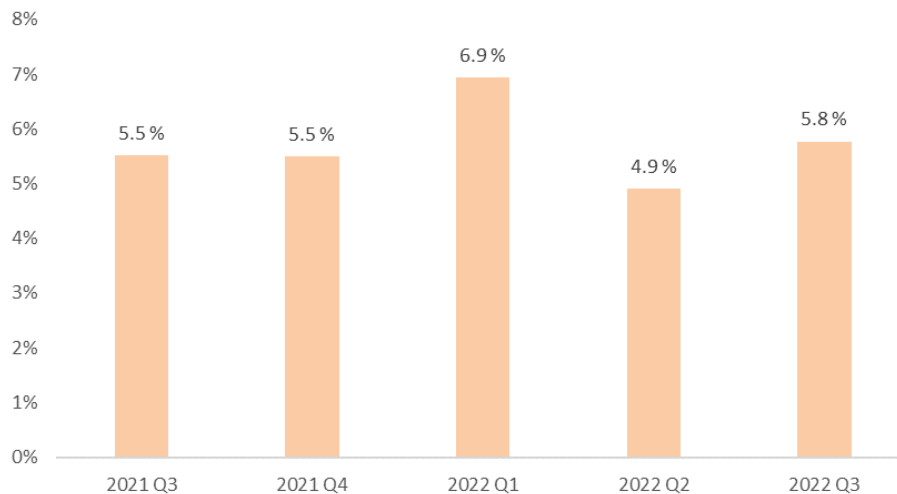


(1) MNOK 62 as rental guarantee from Telenor.

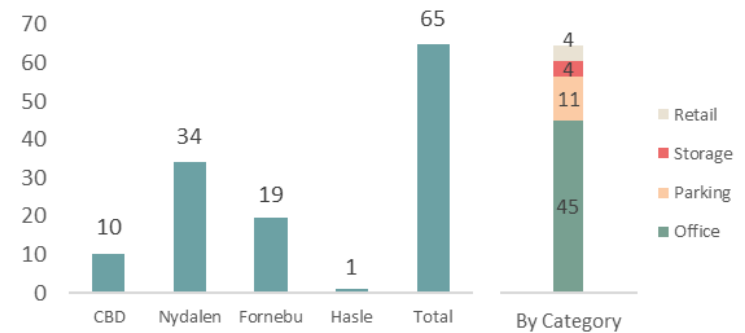


Vacancy based on market rent

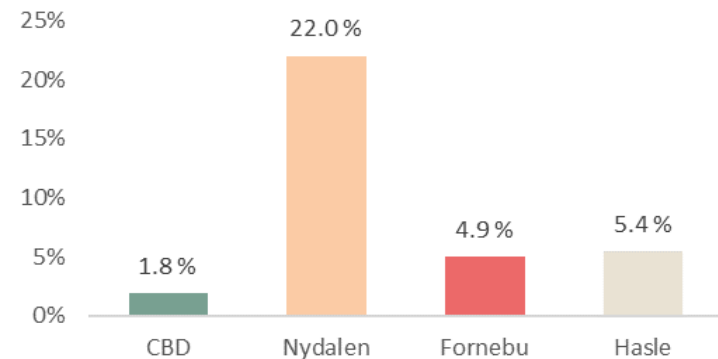
MARKET RENT VACANCY, LAST 5 QUARTERS



MARKET RENT VACANCY FOR EACH AREA (MNOK RUN RATE)



VACANCY SPLIT ON AREA

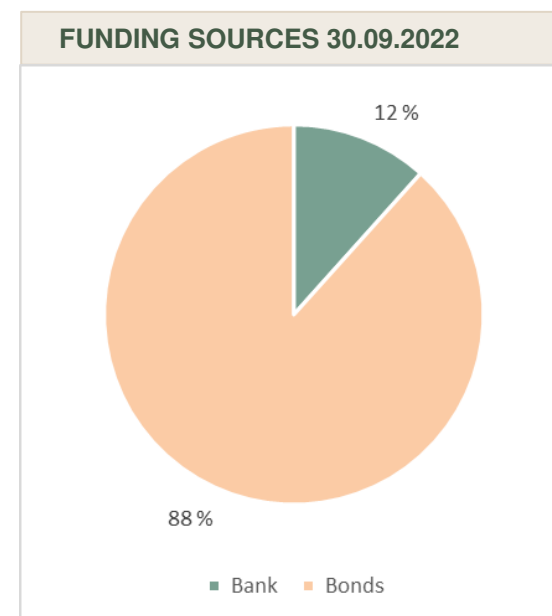


Financial position

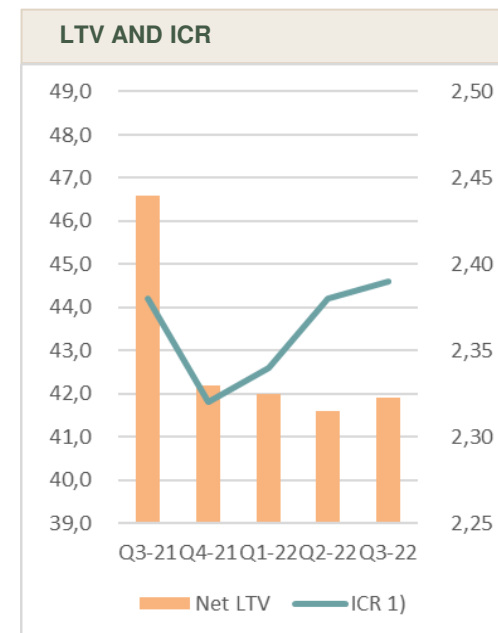
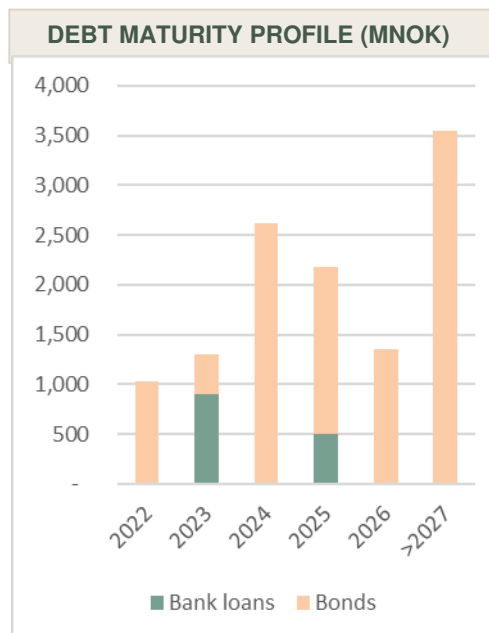
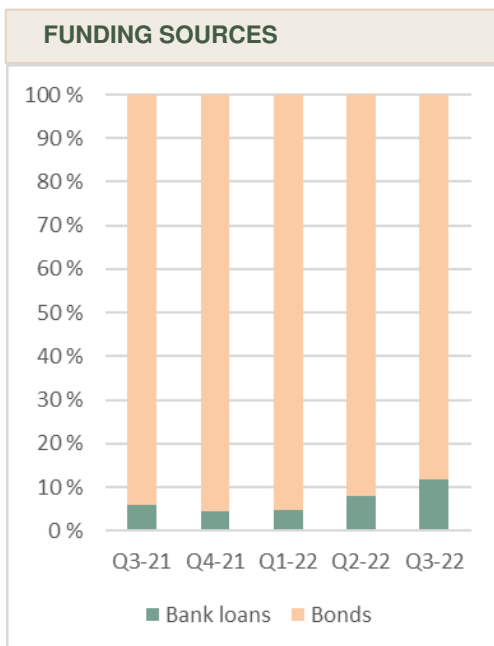
Interest bearing debt and hedging		30.09.2022
Total interest-bearing debt	NOK million	12 012
Property value	NOK million	25 524
Market Value of investment in JV	NOK million	2 227
Net Loan to value ¹	Per cent	41.9
Cash and cash equivalents	NOK million	261
Interest-bearing receivables	NOK million	110
Unused committed credit facilities	NOK million	1 527
Average remaining duration. Hedging	Years	5.9
Average interest rate (including margin)	Per cent	2.93
Average margin	Per cent	1.37
Average remaining duration. Borrowing	Years	3.9
Hedging ratio ²	Per cent	71.1
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**
 - 10.6 bn in bonds Q3 2022, including 650 mill green bond

- **Diversified maturity profile**
 - Average remaining time to maturity Q3 2022 is 3.9 years

- **LTV below long time target**
 - Net LTV 41.9 % as of Q3 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
Fornebu	Snarøyveien 36	Public Tenant	11 881	Q1 2024
Nydalen	Gjerdrums vei 17	The entire building is refurbished	822	Q4 2023



::SNARØYVEIEN 36. FORNEBU



::SANDAKERVEIEN 140. NYDALEN



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Summary

- Solid balance sheet with stable LTV and ICR
- Continuous growth in rental income
- Financing
- Dividend of NOK 0.125 / share
- Operational focus going forward
 - Pursue opportunities
 - Rental activities

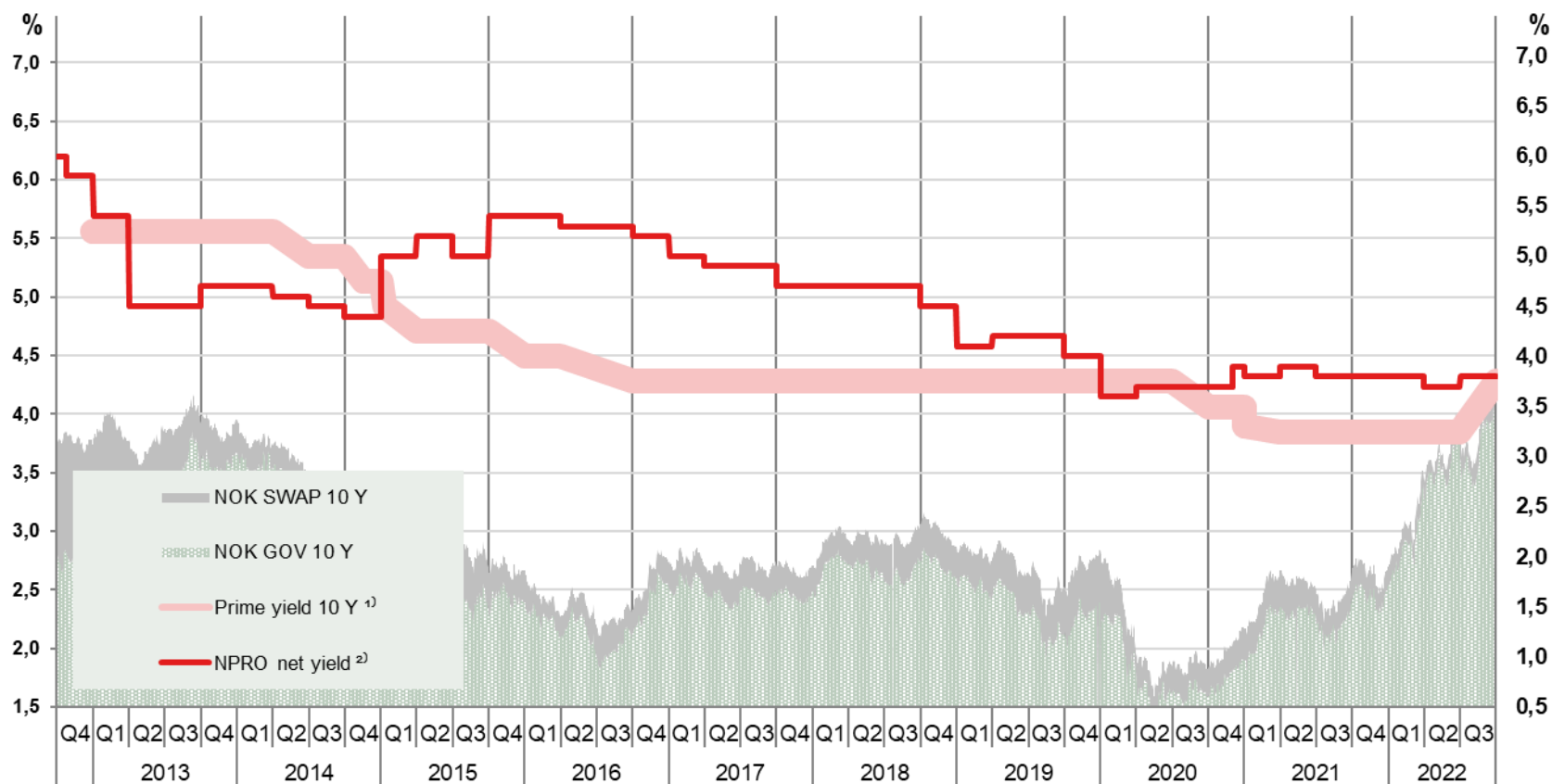




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- **Appendix**

Yield spread



¹ Source: Akershus Eiendom report 20.10.2022

² NPRO net yield as summarised in slide; Portfolio valuation Q3-2022

Balance sheet – Q3 2022

NOK million	Note	30.09.2022	30.09.2021	31.12.2021
Investment property		25,189.7	23,940.9	24,801.3
Owner-occupied property		107.7	103.3	106.7
Property, plant and equipment		31.9	34.7	35.4
Investment in joint ventures	1	1,118.8	1,061.2	1,084.8
Receivables		483.6	384.1	421.6
Cash and cash equivalents		261.2	776.2	313.5
Equity		13,057.5	12,185.1	12,836.6
Deferred tax		1,872.6	1,506.5	1,685.8
Long term interest bearing debt		9,578.1	10,592.8	9,583.0
Short term interest bearing debt		2,433.6	1,591.6	2,421.7
Market value financial derivatives (net)		(179.3)	43.9	26.9
Net other debt		430.3	380.4	209.3
Equity ratio (%)		47.7	46.3	47.9
NAV per share, book value of equity (NOK)		20.29	18.93	19.95
Net Reinstatement Value (NRV), per share (NOK)		25.07	23.79	25.17
Net Tangible Assets (NTA), per share (NOK)		24.73	23.48	24.84
Net Disposal Value (NDV), per share (NOK)		21.99	20.74	21.87

¹ Related to the investment in Nordr.

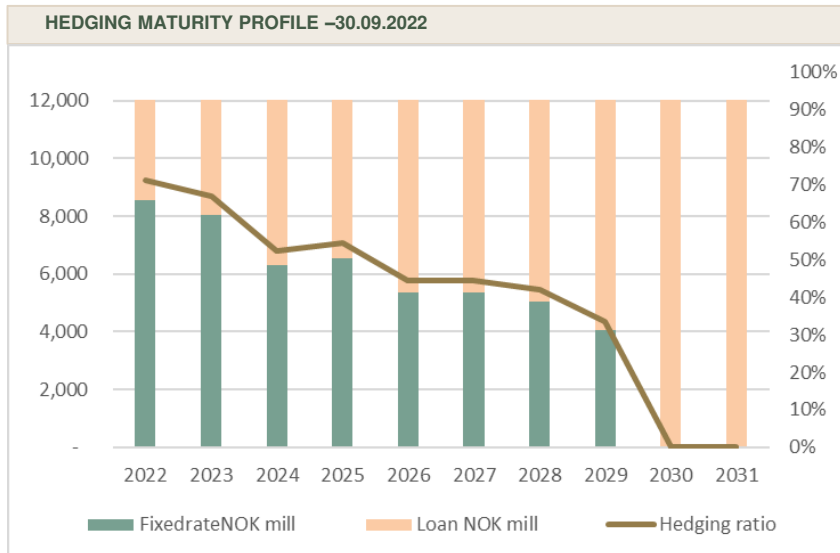
Cash flow – Q3 and YTD 2022

NOK million	Note	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	Full year 2021
Cash flow from profit and loss before fair-value adj.		116.8	97.4	351.4	304.1	403.9
Change in rental guarantee receivables	1	74.8	97.6	65.1	97.6	85.9
Change in short-term items		138.6	155.8	146.0	144.3	(42.7)
Cash flow from operating activities		330.2	350.8	562.4	546.0	447.1
Purchase of tangible assets		(49.4)	(54.7)	(191.4)	(302.9)	(385.9)
Other investment activities	2	-	(23.8)	-	(23.8)	(23.8)
Cash flow from investment activities		(49.4)	(78.4)	(191.4)	(326.7)	(409.7)
Net change in interest bearing debt		(38.2)	435.6	11.0	84.9	(115.5)
Paid dividend		(80.4)	(64.4)	(434.4)	(193.1)	(273.5)
Capital increase		-	-	-	(0.7)	(0.7)
Net cash flow from financing activities		(118.6)	371.3	(423.4)	(108.9)	(389.7)
Net change in cash		162.2	643.7	(52.4)	110.4	(352.3)
Net cash at end of period		261.2	776.2	261.2	776.2	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 30.09.2022 was 71.1%. Remaining average time to maturity was 5.9 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 *)	3 864,7	1,58 %				1 934,0	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 %				2 172,2	1,24 %
4-5 years	200,0	2,16 %				1 350,0	0,92 %
5-6 years	-	0,0					
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					
>10 years	-	0,0					

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

Overview and key figures



Key figures as of 30th September 2022

Properties ¹⁾	no	29
Portfolio size (ex. new space in redev. Projects) ²⁾	m ²	505 435
Average size per property	m ²	17 429
Gross rent per year (run rate)	NOK mill.	1 058
Operational expenses per year ³⁾	NOK mill.	85
Net rent per year (run rate)	NOK mill.	973
Average gross rent per m ² per year	NOK	2 092
Gross market value ²⁾	NOK mill.	25 297
Average value per property	NOK mill.	872
Average value per m ²	NOK	50 051
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⁾	%	5,8

1) Including Forusbeen 35 which is owned 50%

2) Not including Forusbeen 35

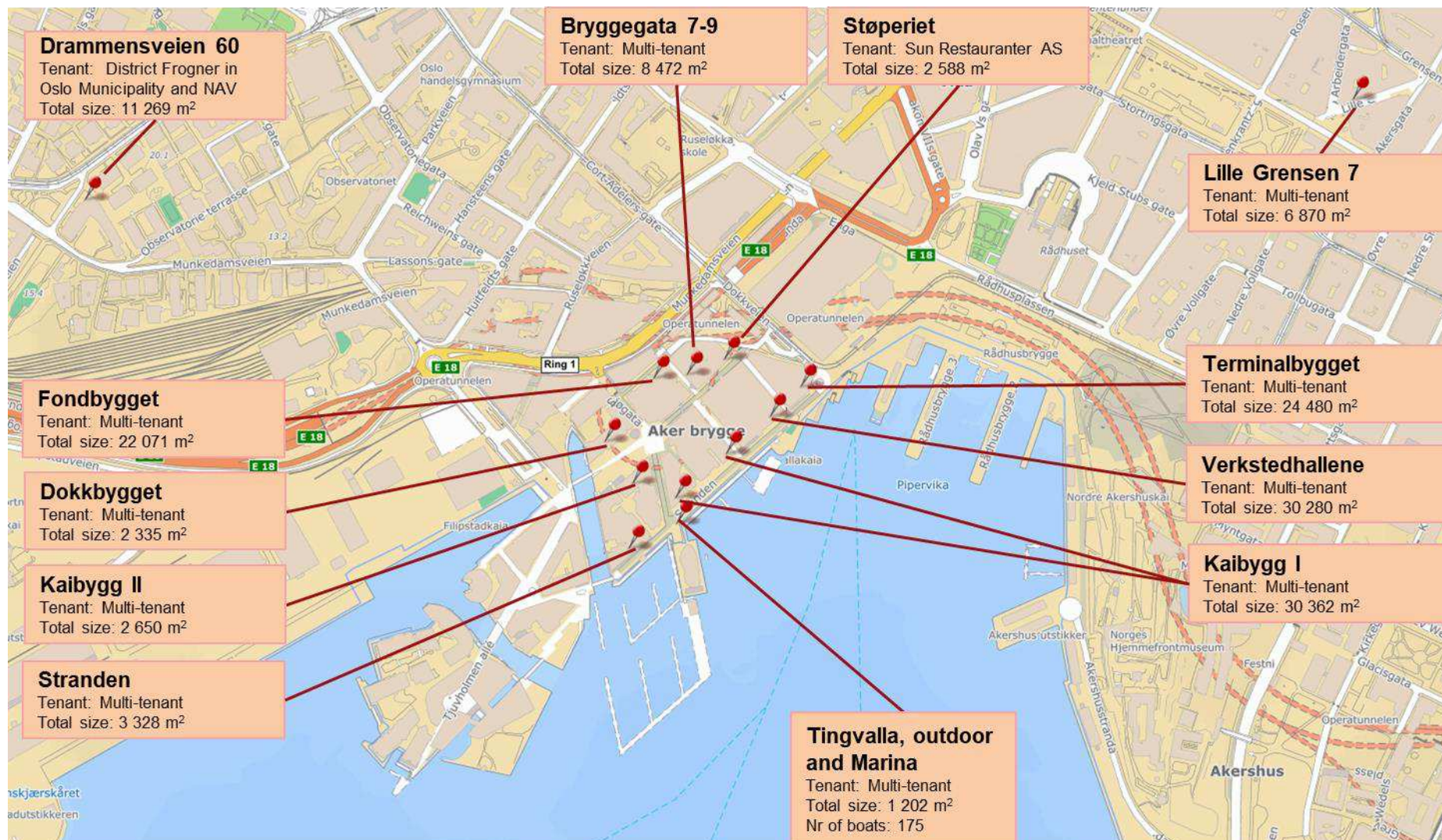
3) For illustration; based on estimated long term property expenses of 8 per cent of gross rent.

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

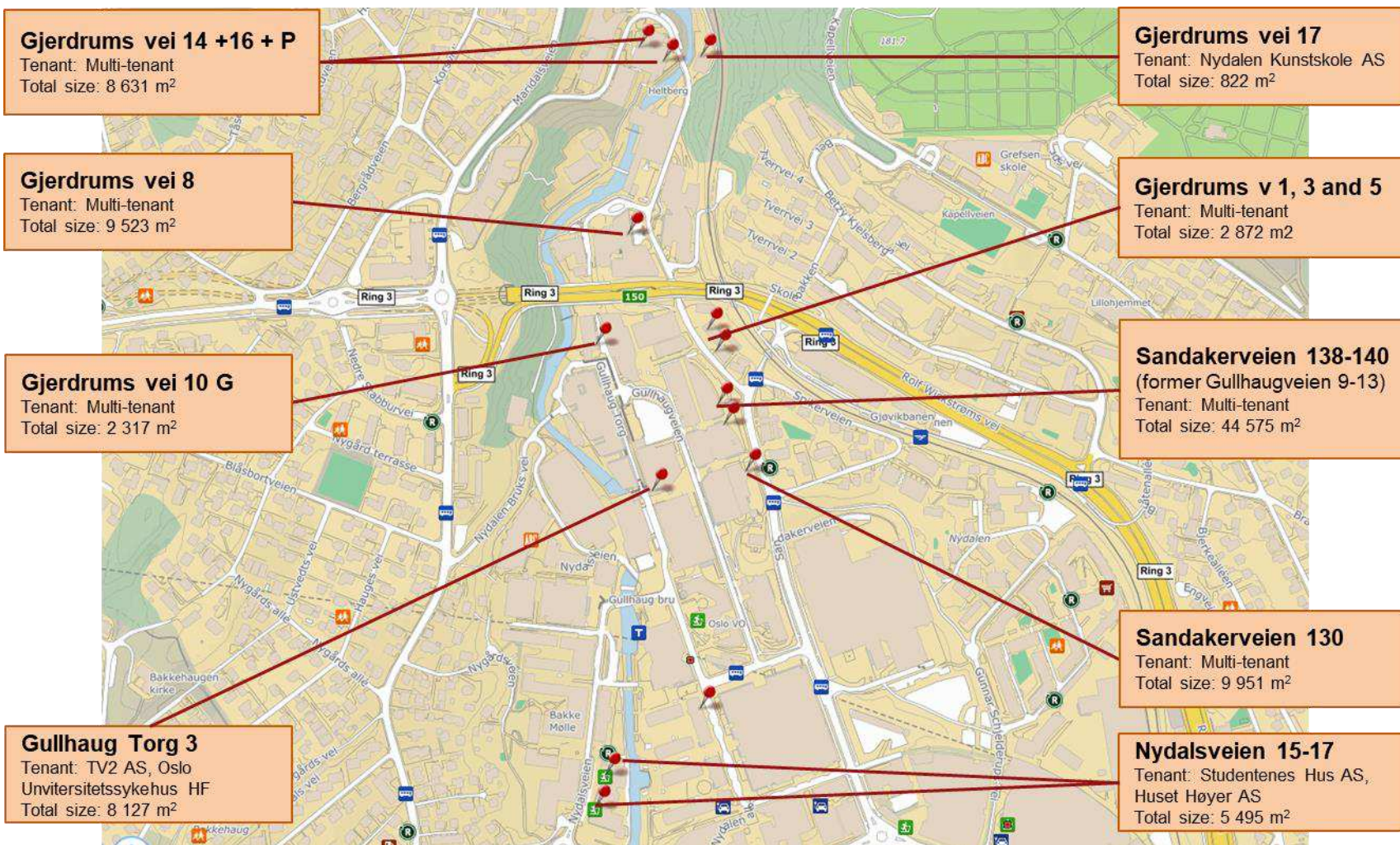




CBD



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 Q3-2022

1/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Sep 2022	Run rate per Sep 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	4,0	98,0	3,1	28,3
Dokkbygningen	2 022	257	0	56	0	2 335	0,0	100,0	5,3	5,9
Drammensveien 60	8 974	0	1 890	405	0	11 269	0,0	100,0	6,7	29,7
Fondbygget (incl. Felix)	12 901	2 664	1 044	0	5 461	22 071	0,0	100,0	4,6	63,7
Lille Grensen 7	5 135	1 694	38	0	0	6 867	0,0	100,0	5,6	26,0
Kaibygning I (Stranden 5)	20 825	6 555	2 290	0	693	30 362	0,3	100,0	4,4	118,8
Kaibygning II	0	1 802	848	0	0	2 650	32,0	100,0	6,6	7,0
Stranden	2 672	158	24	474	0	3 328	0,5	100,0	5,3	12,5
Støperiet	0	2 588	0	0	0	2 588	0,0	100,0	6,8	5,8
Terminalbygget (Stranden 1)	17 766	3 195	1 736	1 364	421	24 481	0,3	100,0	2,9	107,3
Tingvallautstikkeren, uteareal og marina ¹	0	1 201	0	0	0	1 201	0,0	100,0	2,6	28,4
Verkstedhallene (Stranden 3)	18 954	7 927	2 619	0	779	30 279	4,2	100,0	4,3	112,6
Total CBD	95 632	30 129	10 490	2 298	7 353	145 902	1,8	99,9	4,2	546,2



Property details Q3-2022

2/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Sep 2022	Run rate per Sep 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	21,1	100,0	3,2	4,0
Gjerdrums vei 14, 16 and 16 P-house	5 363	0	976	2 292	0	8 631	6,9	100,0	3,2	12,0
Gjerdrums vei 17	806	0	16	0	0	822	0,0	100,0	0,2	0,7
Gjerdrums vei 3	45	0	0	0	418	463	11,7	100,0	0,8	0,8
Gjerdrums vei 5	1 992	0	263	0	55	2 309	4,7	100,0	0,9	2,4
Gjerdrums vei 8	7 726	0	633	1 164	0	9 522	1,0	100,0	2,6	16,6
Gullhaug Torg 3	7 793	0	334	0	0	8 127	0,0	100,0	1,8	15,8
Sandakerveien 138-140 (Gullhaugvn 9-13)	23 504	0	7 328	13 743	0	44 575	43,0	100,0	2,4	39,3
Nydalsveien 15	3 711	0	65	0	28	3 804	0,0	100,0	3,7	8,8
Nydalsveien 17	0	1 691	0	0	0	1 691	0,0	100,0	2,7	5,0
Sandakerveien 130	5 542	0	1 047	3 362	0	9 950	11,5	100,0	5,4	15,1
Total Nydalen	58 621	1 691	10 839	20 560	501	92 212	22,0	100,0	2,9	120,5



Property details Q3-2022

3/3

	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Sep 2022	Run rate per Sep 2022
	m²	m²	m²	m²	m²	m²	%	%	Years	NOK million
Fornebu										
Snarøyveien 30	144 717	0	8 144	45 578	0	198 439	2,7	100,0	7,7	332,1
Snarøyveien 36	40 658	0	326	17 213	0	58 198	12,7	100,0	2,4	42,3
Total Fornebu	185 375	0	8 470	62 791	0	256 637	4,9	100,0	7,1	374,5
							-			
Hasle										
							-			
Vinslottet	0	8 922	284	1 479	0	10 684	5,4	100,0	5,2	16,4
							-			
Total Hasle	0	8 922	284	1 479	0	10 684	5,4	100,0	5,2	16,4
GROSS TOTAL	339 628	40 742	30 083	87 128	7 854	505 435	5,8	99,9	5,1	1 057,5

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

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