



NORWEGIAN
PROPERTY

4th Quarter 2022

Friday, February 3rd, 2023

Agenda

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

Financials in short

Q4 2022

- Rental income of NOK 258 million, up from NOK 236 last year
- Operating profit before value adjustments of NOK 176 million and Profit before income tax and value adjustments of NOK 76 million
- Write down of investment property of NOK 403 million (-1.6%)
- Earnings per share (“EPS”) for the quarter of NOK -0.59
- **Financing**
 - Refinancing of NOK 1 030 million
 - 2 new loans established (NOK 935 million)
 - NOK 600 million RCF was prolonged by one year



Full year 2022

- Rental income of NOK 1 014 million, first full year rental income above NOK 1 billion since 2011
- Operating result before value adjustments MNOK 844, confirms solid operational platform
- Profit of NOK 296 million, EPS of NOK 0.46
- Positive development for turnover at ground floor Aker Brygge, above pre covid 2019 level



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Rental Update

Rental contracts in Q4-2022

- Good activity in the quarter regarding new and renegotiated contracts
- Positive net letting of MNOK 27
- Substantial uplift for new contracts



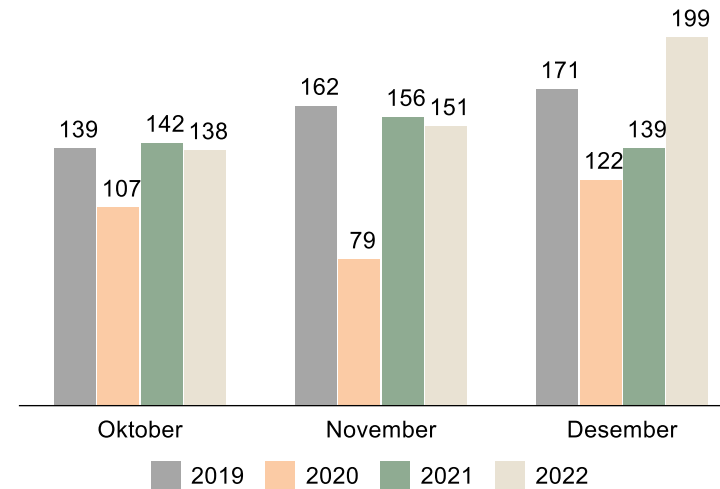
New and renegotiated leases:



Turnover Q4 - Aker Brygge

Q4 2022	YTD 2022
MNOK 488	MNOK 1 863
+11.7 % q-o-q	+31.4 % y-o-y

- ⇒ Full year turnover slightly above 2019 level
- ⇒ Pleased with turnover in most segments, taken into consideration 3 restaurants closed in Q4, ready to open before busy season 2023



Main activities and highlights for Q4:

- Several Christmas activities
- Oslo Fjord Light Festival
- Shopping breakfast

Sustainability update

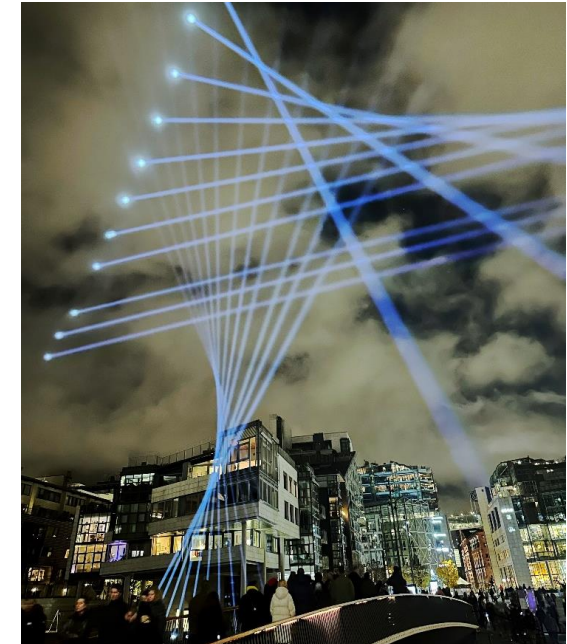


Oslo Light Festival – art available for all

- NPRO has been a proud contributor to Fjord Oslo since the beginning
- Fjord Oslo is an art festival that transforms the Harbor Promenade into an outdoor exhibition of light, open and free of charge to everyone
- Fjord Oslo 2022 presented eleven works of art from renowned artists from ten different countries

The Transparency Act

- Due diligence assessment of the suppliers conducted
- New ethical guidelines for suppliers
- Updated purchasing instruction has been incorporated by all our suppliers
- Reporting according to the Transparency Act will be available in the annual report



Photos from Fjord Oslo 2022

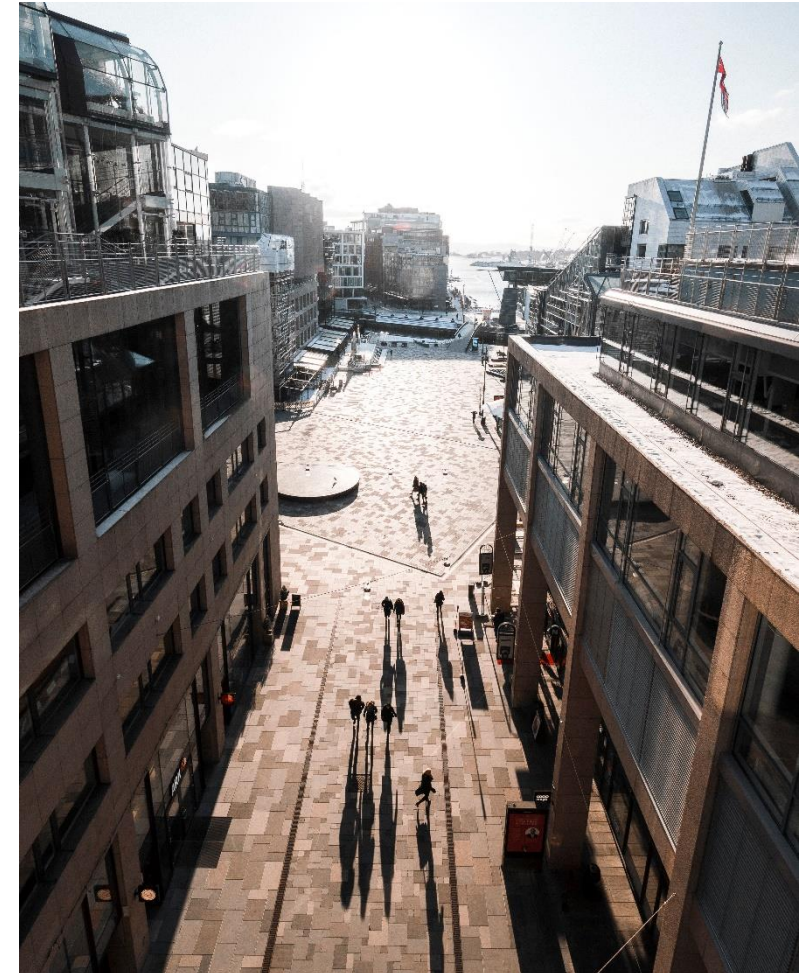
Market trends - office

Rental market Oslo

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

Oslo transaction market

- Transaction market affected by uncertainty
- Still a gap between sellers' expectations and potential buyers' updated valuations
- Some transactions closed in fourth quarter
 - Sommerrogata 17
 - Entra disposals at Majorstua, Skøyen and Drammen
 - In Sweden we see some listed real estate companies focus on selling trophy assets to improve liquidity, pay down debt and to show proof of valuations are more or less at Q3 levels
- The bond market has opened in Q1 2023, with falling margins but still in the high end
- Banks still prioritize current and industrial customers
- Transaction market is still affected by access to financing
 - Loan amount
 - Duration
 - Margins

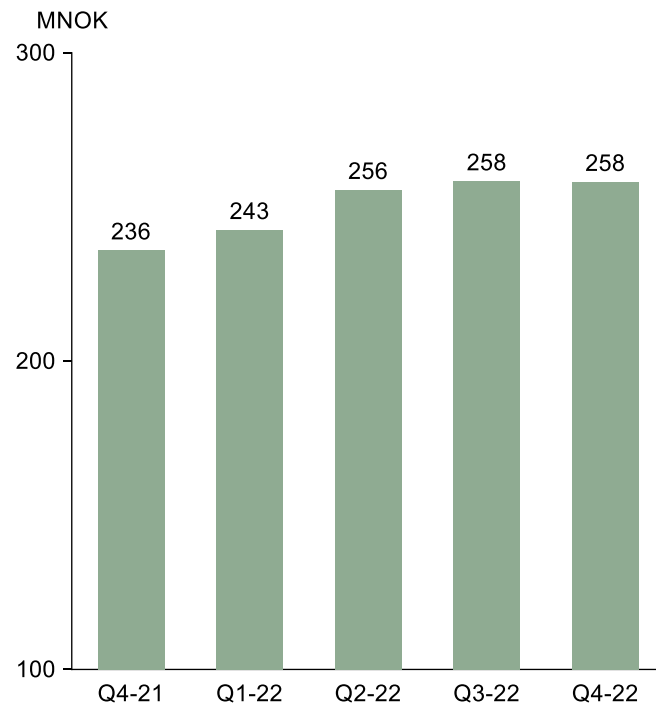


Agenda

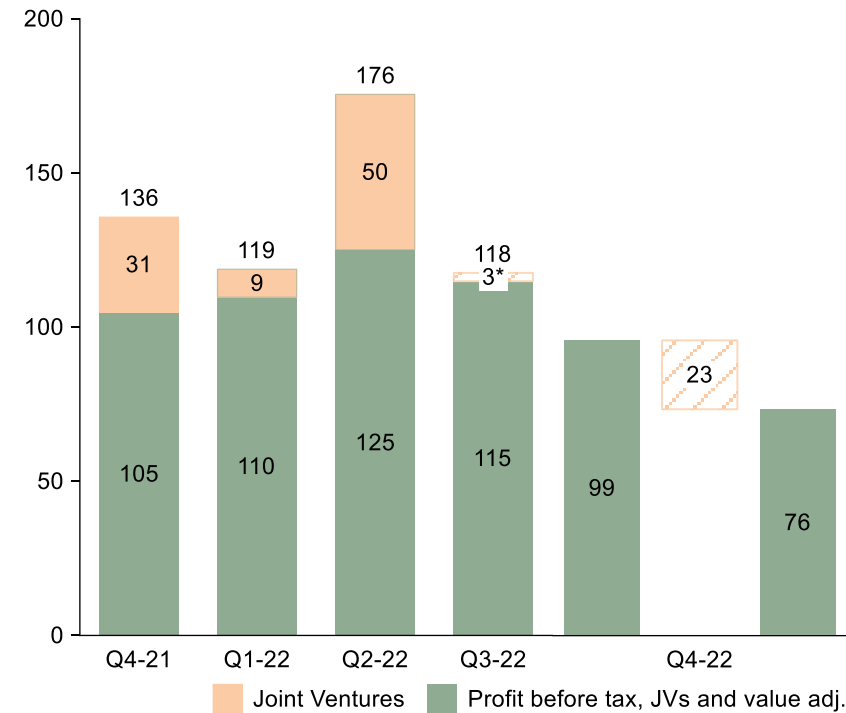
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Financial highlights

Rental Income (MNOK)

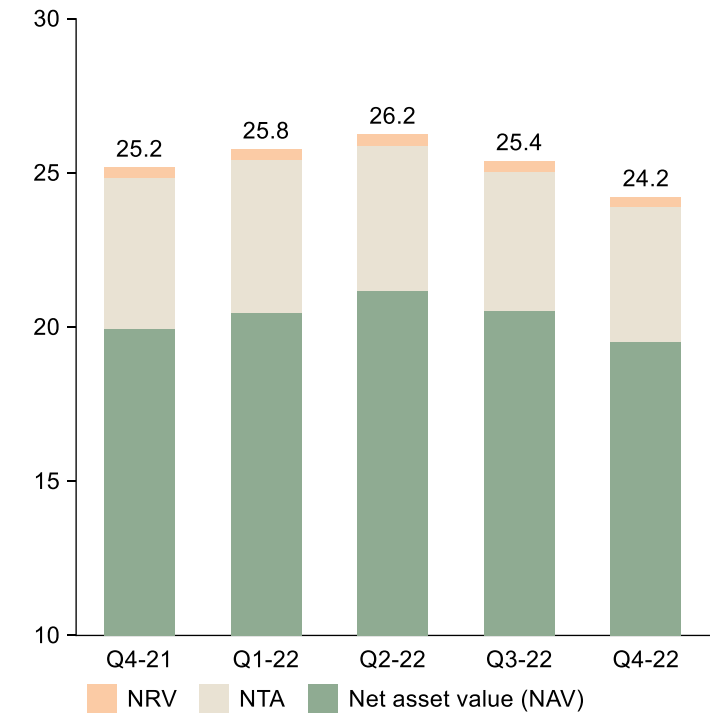


Profit Before Tax and Value Adj. (MNOK)



*There was a loss in JV of NOK 2.7 mill in Q3-22 and 23.1 mill in Q4-22.

Value Per Share (MNOK)



Income statement – Q4 and YTD 2022

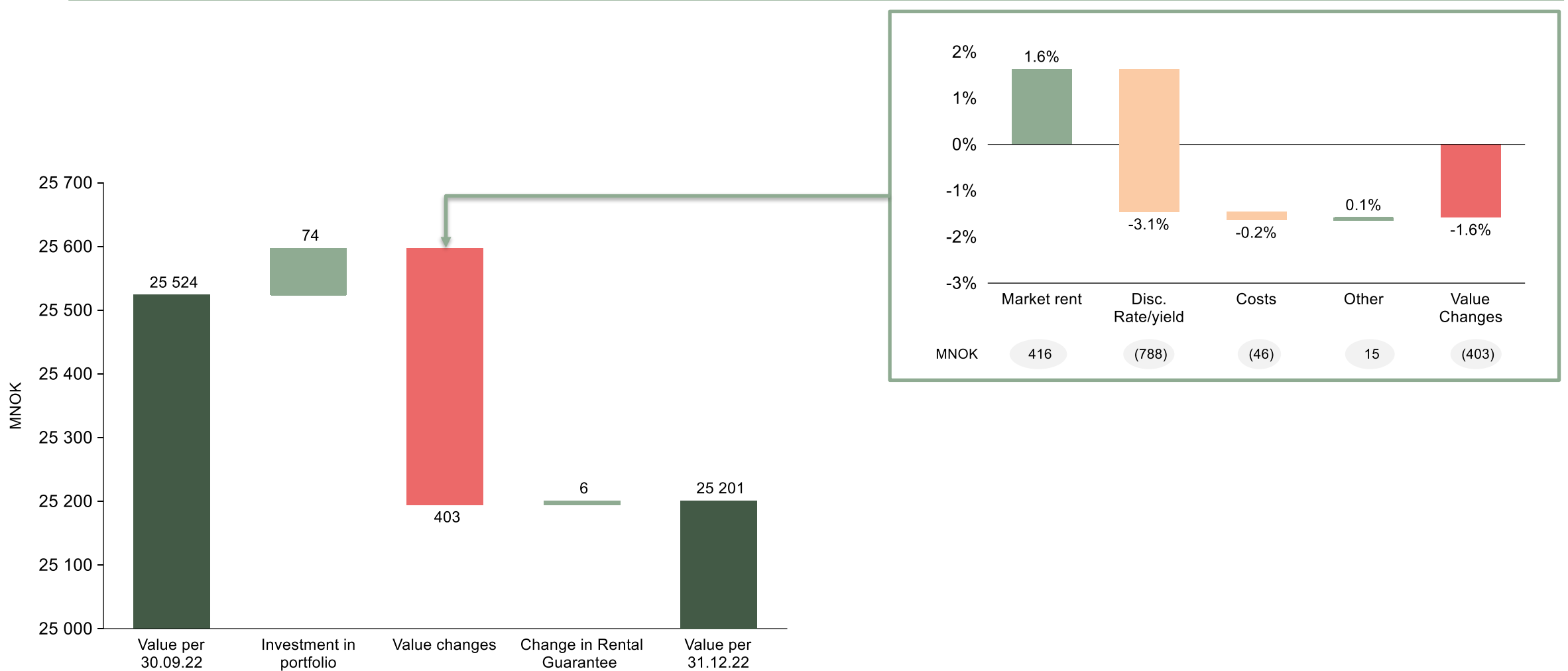
MNOK	Q4		Full year	
	2022	2021	2022	2021
Rental income	258.1	235.9	1 014.4	919.6
Revenues	258.1	235.9	1 014.4	919.6
Property-related operational expenses	(20.4)	(15.2)	(73.8)	(64.3)
Other property-related expenses	(21.2)	(12.0)	(68.8)	(60.1)
Administrative expenses	(17.4)	(21.3)	(62.1)	(59.2)
Share of profit in joint ventures*	(23.1)	31.0	33.8	74.9
Operating profit before value adjustments	176.1	218.4	843.5	810.8
Change in market value of investment property	(403.0)	762.2	(154.7)	1 365.0
Operating profit	(226.9)	980.7	688.8	2 175.8
Realised financial items	(100.1)	(82.6)	(358.4)	(331.1)
Change in market value of financial instruments	(34.0)	17.0	172.2	150.2
Net financial items	(134.1)	(65.6)	(186.2)	(180.9)
Profit before income tax	(361.1)	915.0	502.5	1 994.9
Income tax (not payable)	(20.3)	(178.5)	(206.6)	(421.8)
Profit for the period	(381.4)	736.5	295.9	1 573.1
Earnings per share (NOK)	(0.59)	1.14	0.46	2.44
Profit before income tax and value adjustments	75.9	135.8	485.1	479.7

Summary 2022

- Rental income MNOK 1 014, first year since 2011 income above MNOK 1 000
 - CPI adjustment of 7.5% for 2023
- Operating result before value adjustments MNOK 844, confirms solid operation profits
- Change in market value of investment property MNOK -155 / -0.6%
- Hedging ratio of 70% with average duration of 5.6 years mitigates effect from higher interest rates

*Related to Nordr and Forusbeen 35

Change in investment property value in Q4



Portfolio valuation by area Q4-2022

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Negative Q4 fair value adjustment of NOK 403 million for properties owned 100%
- Nydalen includes approximately 1 900 sqm of common areas in Sandakerveien 138 currently being refurbished
- Projects include Gjerdrums vei 1-5 and Gjerdrums vei 17 in Nydalen

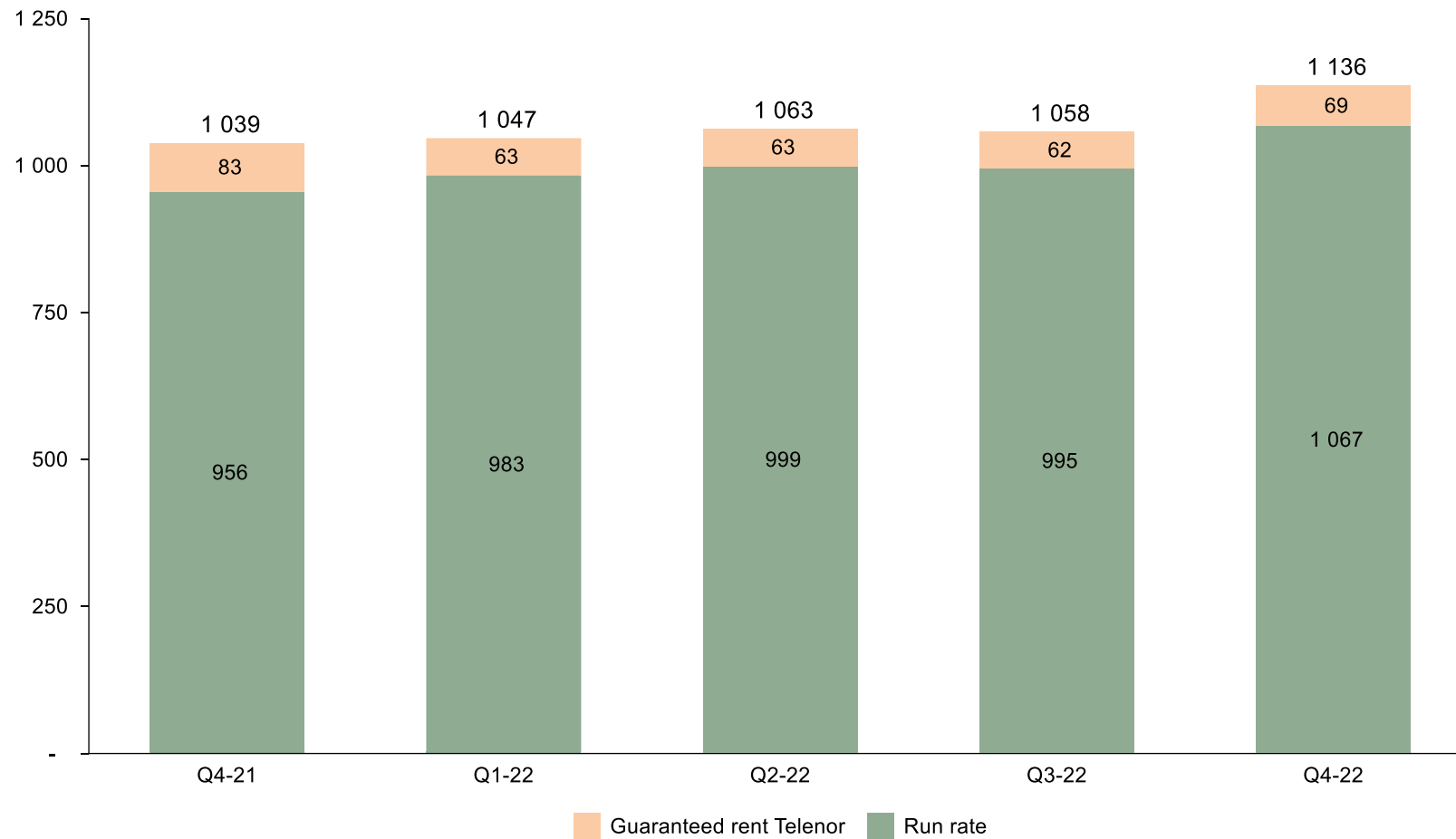
Area	Total space	WAULT	Valuation*		Gross rent per year	Net yield**	Vacancy based on market rent***	Net yield fully let
	m ²	Years	MNOK	NOK/m ²	MNOK	(%)	(%)	(%)
CBD	145 902	3.8	14 860	101 848	585.6	3.6	2.1	3.7
Nydalen excl. Projects	88 955	3.0	2 555	28 720	127.1	4.6	20.4	5.7
Fornebu	256 637	7.0	7 334	28 578	403.8	5.1	5.5	5.7
Hasle	10 684	5.3	328	30 714	17.0	4.8	6.0	5.1
Total Portfolio	502 178	4.9	25 077	49 936	1 133.4	4.2	5.8	4.5
Projects	3 257	N/A	124	38 127	2.9	2.2	N/A	2.2
Total Portfolio	505 435	4.9	25 201	49 860	1 136.4	4.1	5.9	4.5

* 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.

** For illustration; based on rents as of December 31st, 2022 and estimated long term property expenses of 8 per cent.

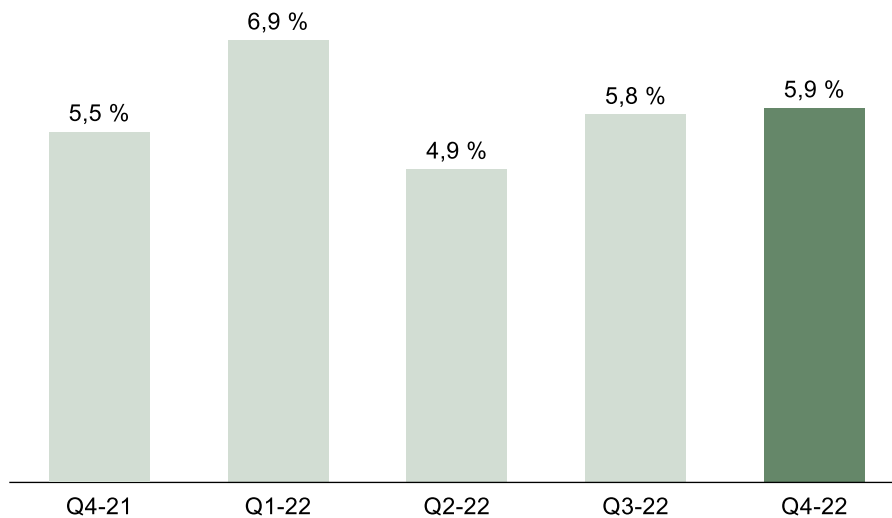
*** Vacancy calculated as market rent in vacant space, using market rent estimated by Cushman & Wakefield.

Run rate last 5 quarters

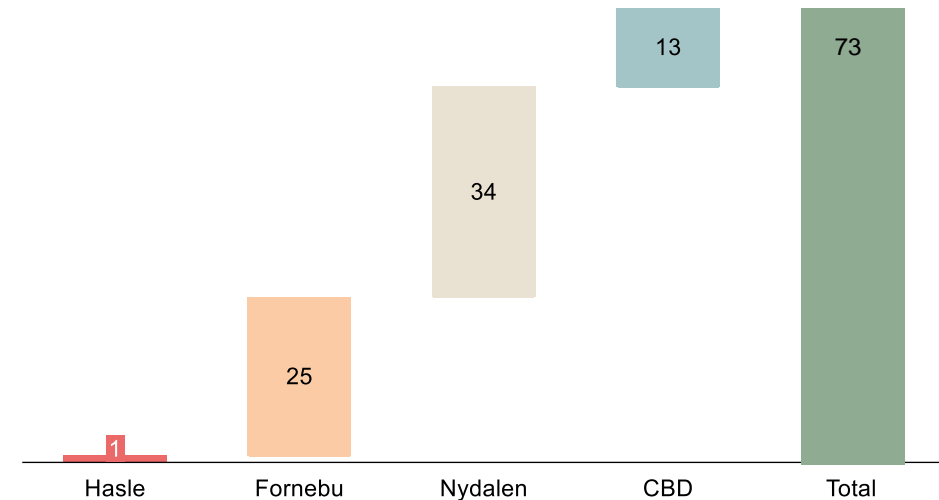


Vacancy based on market rent

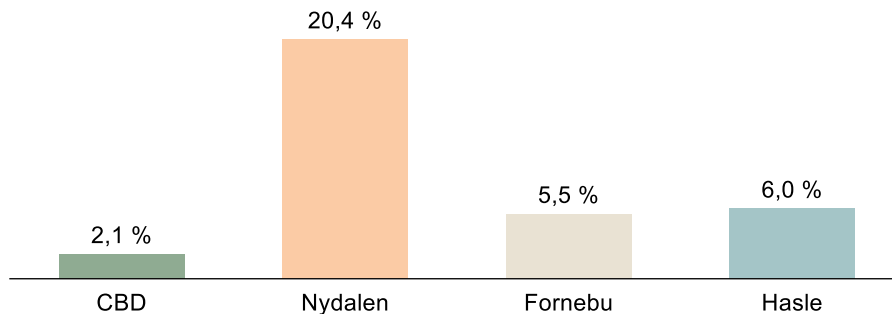
Market Rent Vacancy Last Five Quarters



Market Rent Vacany for Each Area (MNOK Run Rate)



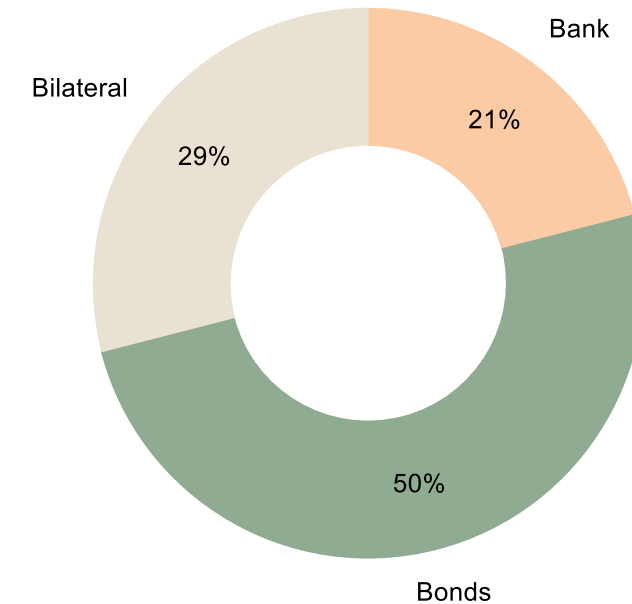
Vacancy Split on Area



Financial position

Interest bearing debt and hedging		31.12.2022
Total interest-bearing debt	MNOK	12 186
Property value	MNOK	25 201
Market Value of investment in JV	MNOK	2 181
Net Loan to value*	Per cent	43.4
Cash and cash equivalents	MNOK	185
Interest-bearing receivables	MNOK	110
Unused committed credit facilities	MNOK	1 157
Average remaining duration. Hedging	Years	5.6
Average interest rate (including margin)	Per cent	3.48
Average margin	Per cent	1.36
Average remaining duration. Borrowing	Years	3.8
Hedging ratio**	Per cent	70.1
WAULT	Years	4.9

Funding sources

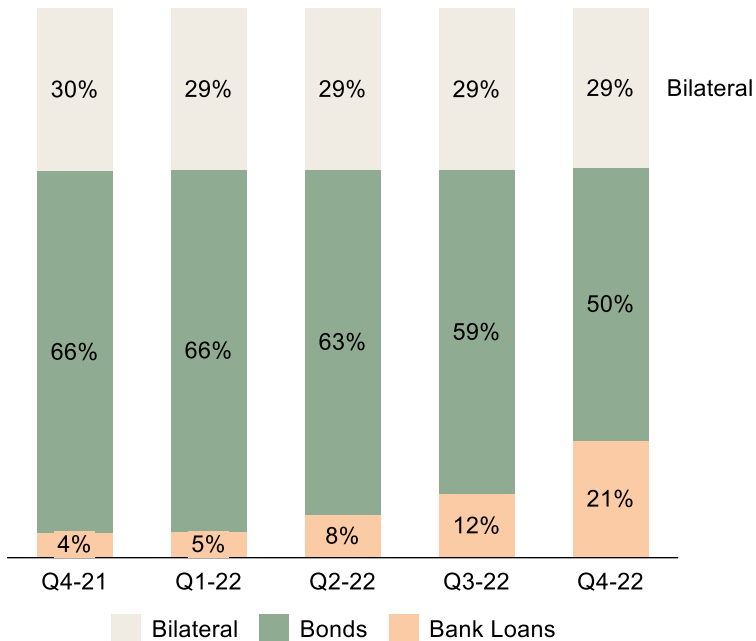


* Net loan to value = interest bearing debt net of cash and interest-bearing receivables divided by gross property value incl. NAV in Nordr

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

Financing

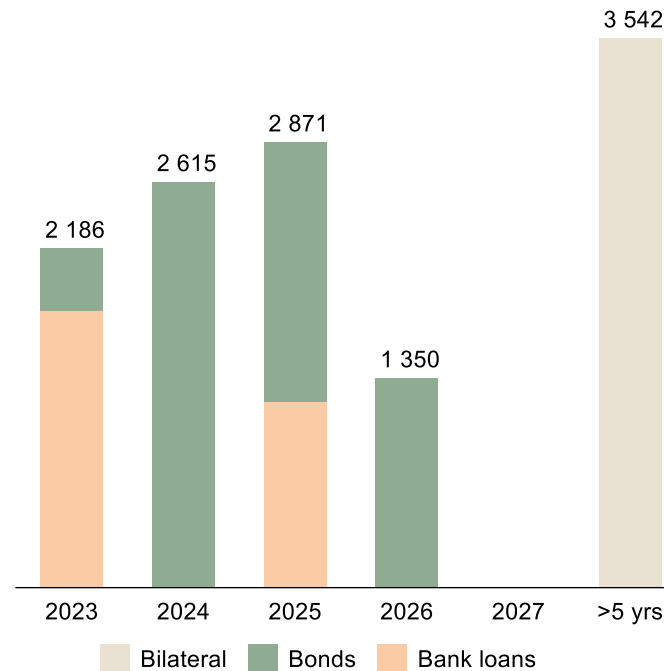
Funding Sources (%)



- Diversified sources of funding**

- 9.6 bn in bonds Q4 2022, including 650 mill green bond

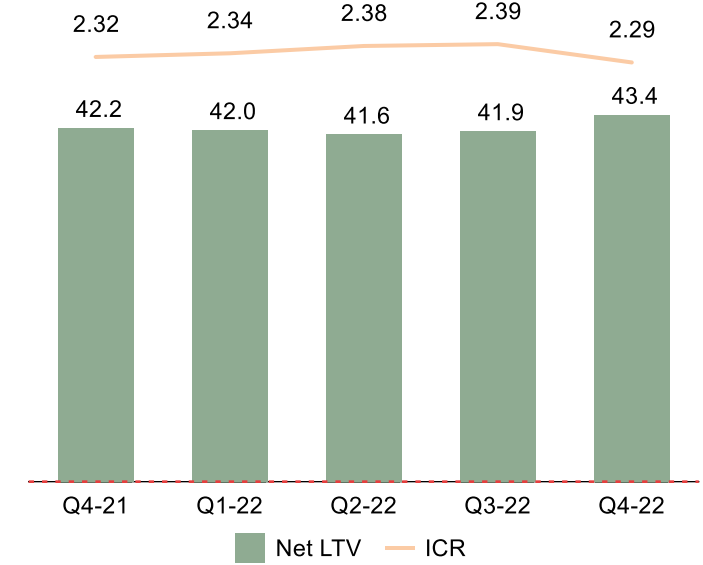
Debt Maturity Profile (MNOK)



- Diversified maturity profile**

- Average remaining time to maturity Q4 2022 is 3.8 years

LTV and ICR* (MNOK)



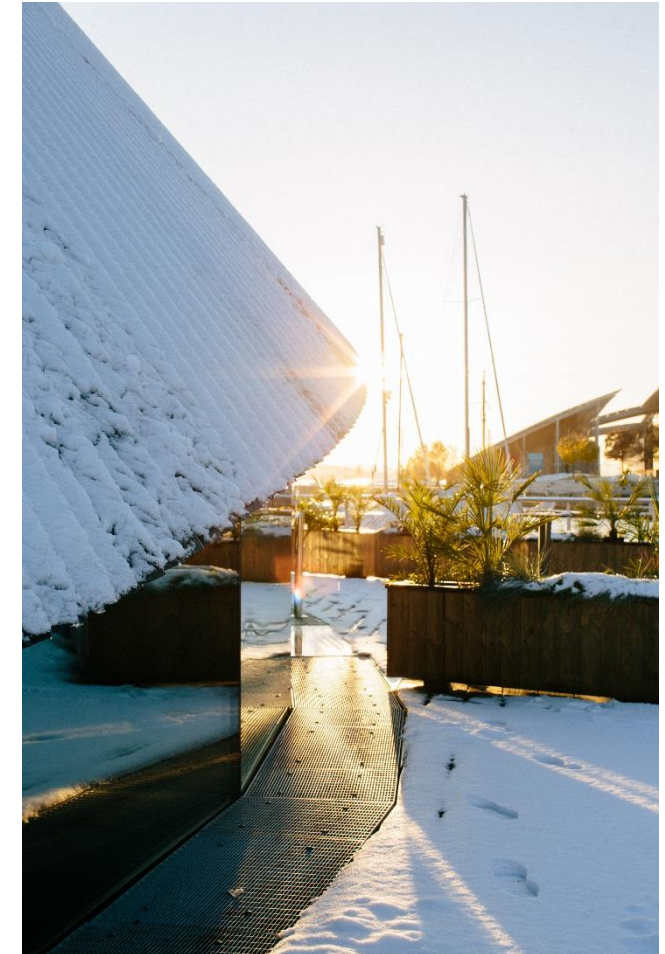
- LTV below long time target**

- Net LTV 43.4 % as of Q4 2022, including the value of the investment in Nordr.

*ICR = EBITDA / Net interest cost, rolling 4 quarters

Refurbishments in 2022

Area	Property	Tenant	Area (sqm)	Quarter Finalized
Aker Brygge	Støperiet	Latter	100	Q2 2023
Aker Brygge	Tingvalla	GG Drift	300	Q2 2023
Aker Brygge	Verkstedhallene	Gallagher Bergvall	600	Q1 2023
Fornebu	Snarøyveien 36	Public Tenant	12 000	Q1 2024
Nydalen	Gjerdrums vei 17	The property is being refurbished	800	Q4 2023
Nydalen	Gullhaugveien 9-13	Common areas	1 900	Q3 2023



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Summary

- Strong operational performance during the year
- Solid balance sheet
- Ambition to grow the company
- Reduced uncertainty in financing, but still challenging
- Dividend of NOK 0.125 / share
- Operational focus going forward
 - Pursue opportunities
 - Rental activities

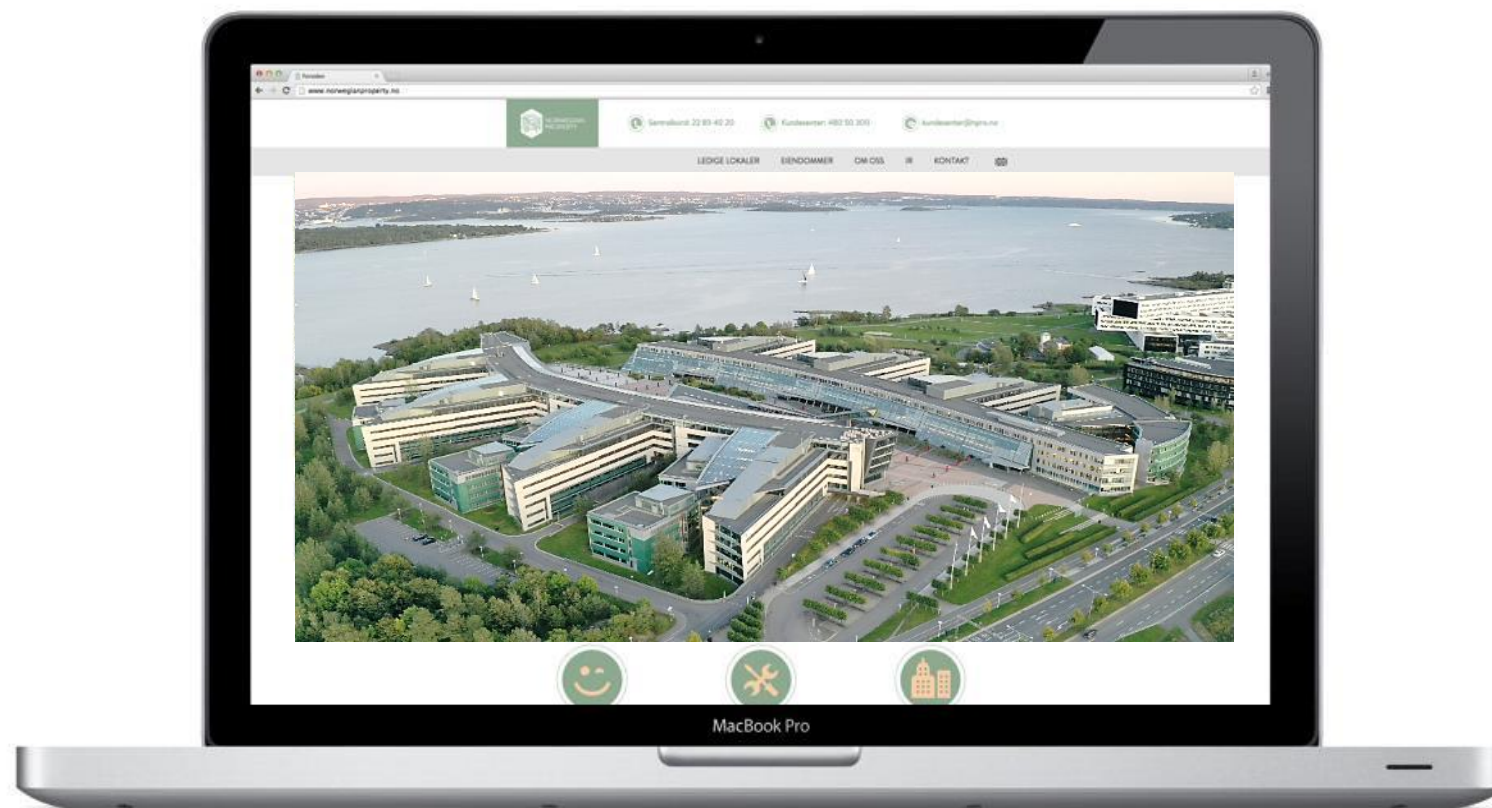


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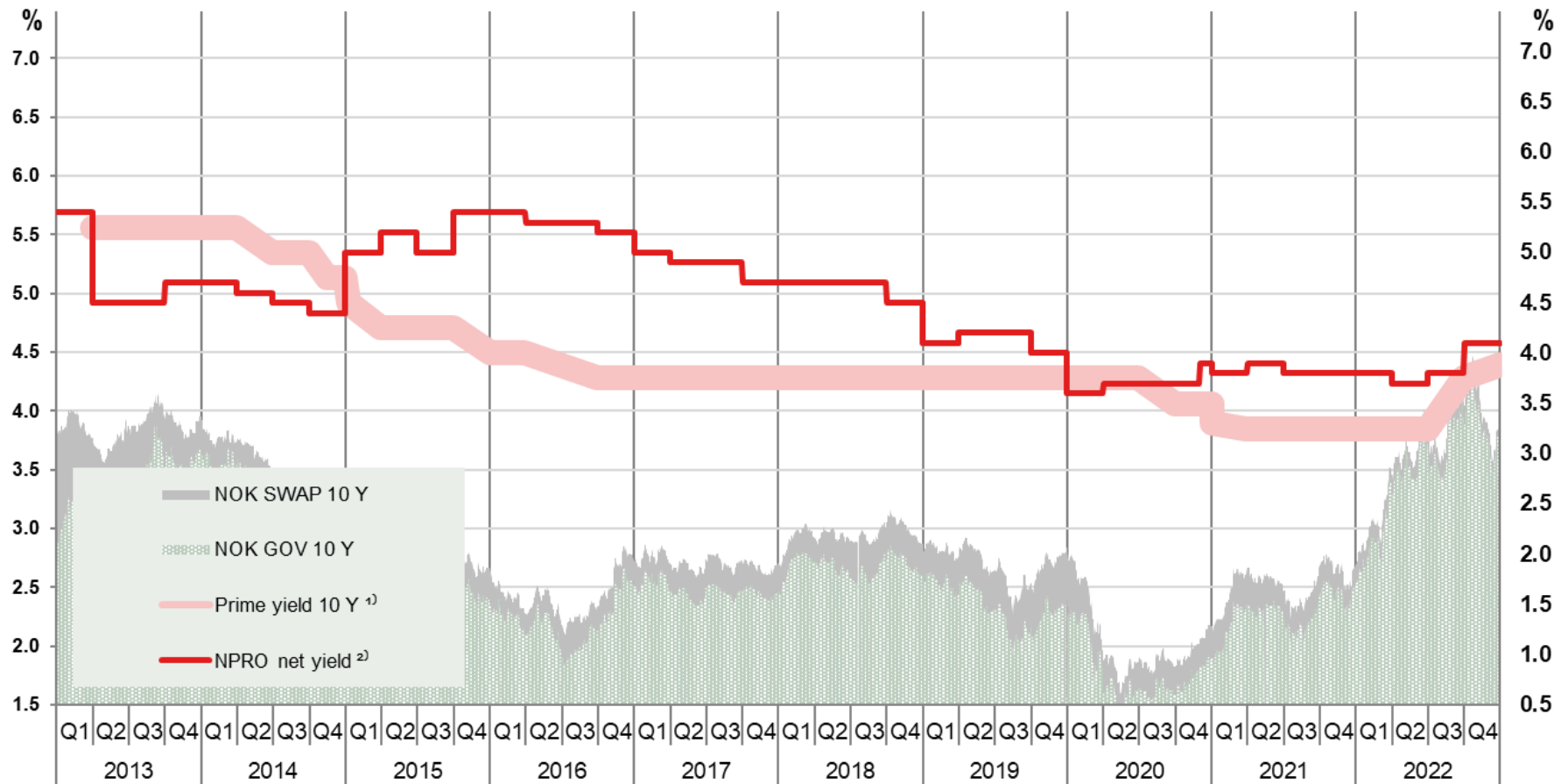
Q & A



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Yield spread



¹ Source: Akershus Eiendom report 20.10.2022

² NPRO net yield as summarised in slide; Portfolio valuation Q4-2022

Balance sheet – Q4 2022

MNOK	31.12.2022	31.12.2021
Investment property	24 859.1	24 801.3
Owner-occupied property	108.8	106.7
Property, plant and equipment	31.5	35.4
Investment in joint ventures*	1 061.7	1 084.8
Receivables	501.1	421.7
Cash and cash equivalents	185.1	313.5
Equity	12 562.1	12 836.6
Deferred tax	1 893.3	1 685.8
Long term interest bearing debt	10 350.7	9 583.0
Short term interest bearing debt	1 835.0	2 421.7
Market value financial derivatives (net)	(145.3)	26.9
Net other debt	251.4	209.3
Equity ratio (%)	46.7	47.9
NAV per share, book value of equity (NOK)	19.52	19.95
Net Reinstatement Value (NRV), per share (NOK)	24.26	25.17
Net Tangible Assets (NTA), per share (NOK)	23.94	24.84
Net Disposal Value (NDV), per share (NOK)	21.26	21.87

*Related to the investment in Nordr.

Cash flow – Q4 and full year 2022

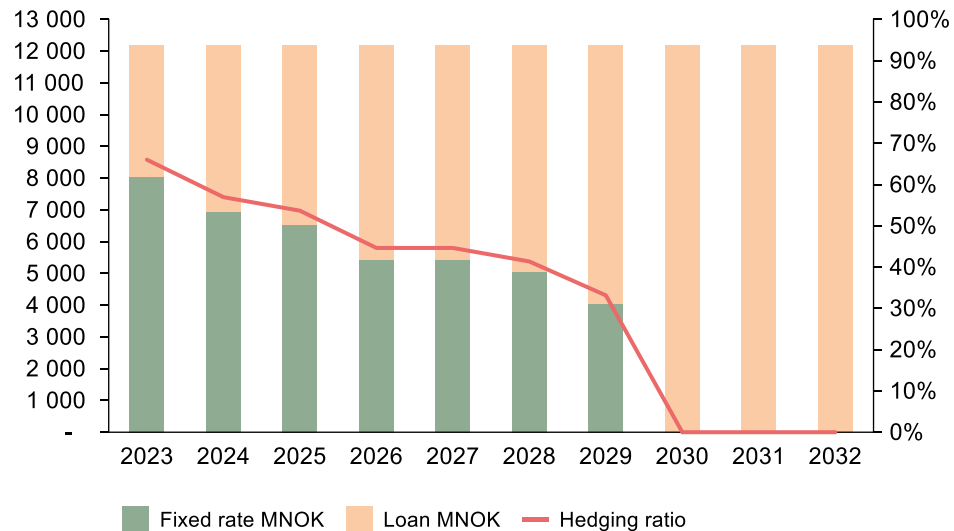
MNOK	Q4		Full year	
	2022	2021	2022	2021
Cash flow from profit and loss before fair-value adj.	98.6	99.8	450.0	403.9
Change in rental guarantee receivables*	(4.6)	(11.7)	60.5	85.9
Change in short-term items	(199.1)	(187.0)	(53.1)	(42.7)
Cash flow from operating activities	(105.0)	(98.9)	457.4	447.1
Purchase of tangible assets	(67.4)	(83.0)	(258.9)	(385.9)
Other investment activities**	0.0	0.0	0.0	(23.8)
Cash flow from investment activities	(67.4)	(83.0)	(258.9)	(409.7)
Net change in interest bearing debt	176.8	(200.4)	187.9	(115.5)
Paid dividend	(80.4)	(80.4)	(514.9)	(273.5)
Capital increase	0.0	0.0	0.0	(0.7)
Net cash flow from financing activities	96.4	(280.8)	(327.0)	(389.7)
Net change in cash	(76.1)	(462.7)	(128.5)	(352.3)
Net cash at end of period	185.1	313.5	185.1	313.5

*Related to Snarøyveien 30

** Related to the investment in Nordr

Interest rate hedging

Hedging maturity profile – 31.12.2022



	Maturity profile interest rates		Forward starting swaps			Average credit margin	
	Amount (MNOK)	Interest rate (%)	Amount (MNOK)	Interest rate (%)	Tenor (yrs)	Amount (MNOK)	Credit margin (%)
<1 year *)	4 143.5	3.23 %				1 834.0	1.19 %
1-2 years	1 105.0	1.59 %				2 615.0	1.15 %
2-3 years	400.0	2.51 %				2 849.5	1.28 %
3-4 years	1 200.0	1.52 %				1 350.0	0.92 %
4-5 years							
5-6 years	300.0	2.23 %					
6-7 years	1 000.0	1.79 %					
7-8 years	4 042.0	1.16 %					1.85 %
8-9 years							
9-10 years							
>10 years							

*Floating rate loans of MNOK 3 643 included in <1 year interval

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 31.12.2022 was 70.1%. Remaining average time to maturity was 5.6 years.
- Diversified maturity profile to reduce exposure to interest levels.

Overview and key figures

Key figures as of 31st December 2022

Properties*	no	29
Portfolio size (ex. new space in redev. Projects)**	m ²	505 435
Average size per property	m ²	17 429
Gross rent per year (run rate)	MNOK	1 136
Operational expenses per year***	MNOK	91
Net rent per year (run rate)	MNOK	1 045
Average gross rent per m ² per year	NOK	2 248
Gross market value**	MNOK	25 201
Average value per property	MNOK	869
Average value per m ²	NOK	49 860
Gross yield, actual	%	4.5
Net yield, actual	%	4.1
WAULT**	Years	4.9
CPI adjustment****	%	99.9
Vacancy, calculation based on market rate****	%	5.9

* Including Forusbeen 35 which is owned 50%

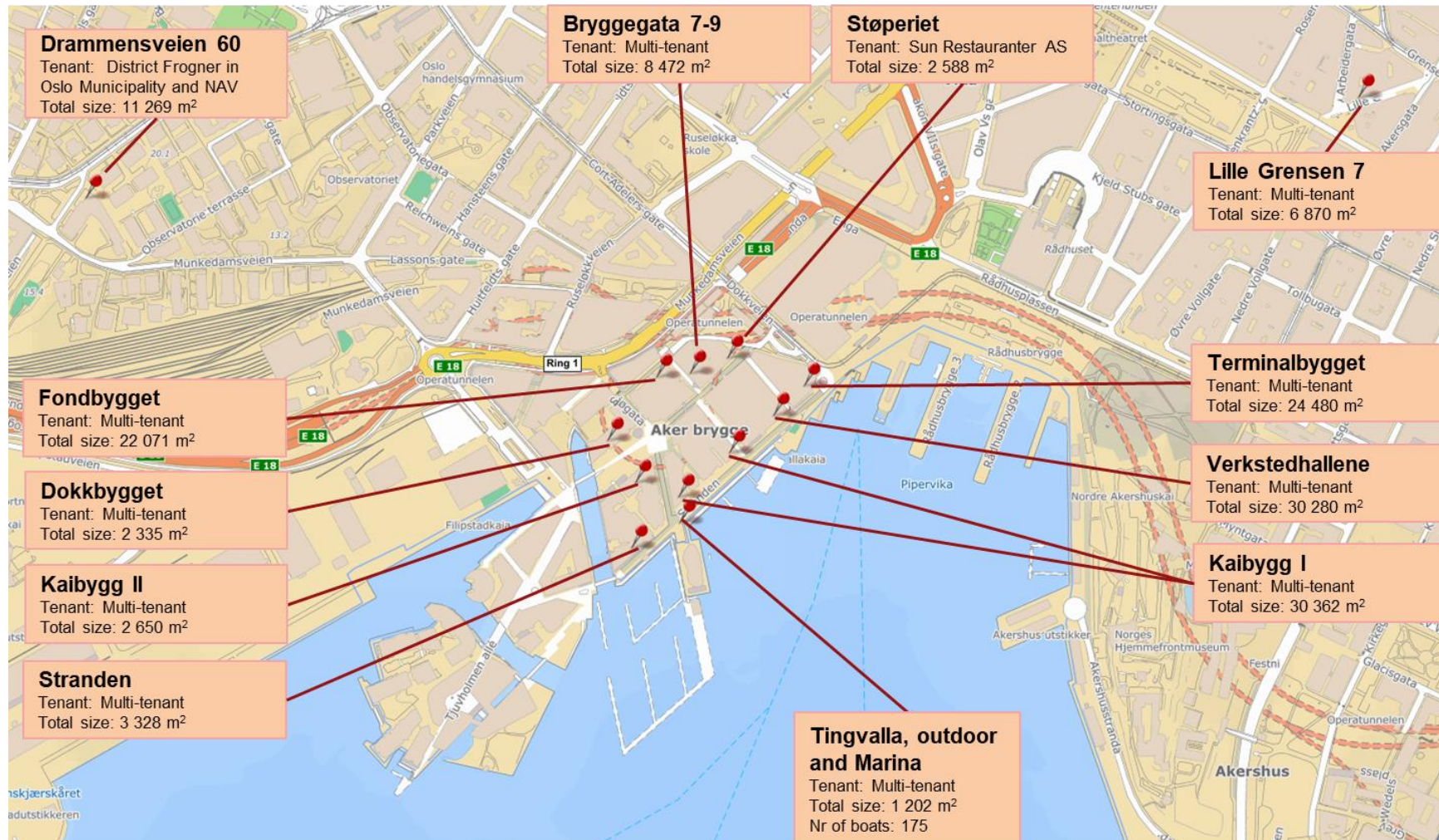
** Not including Forusbeen 35

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

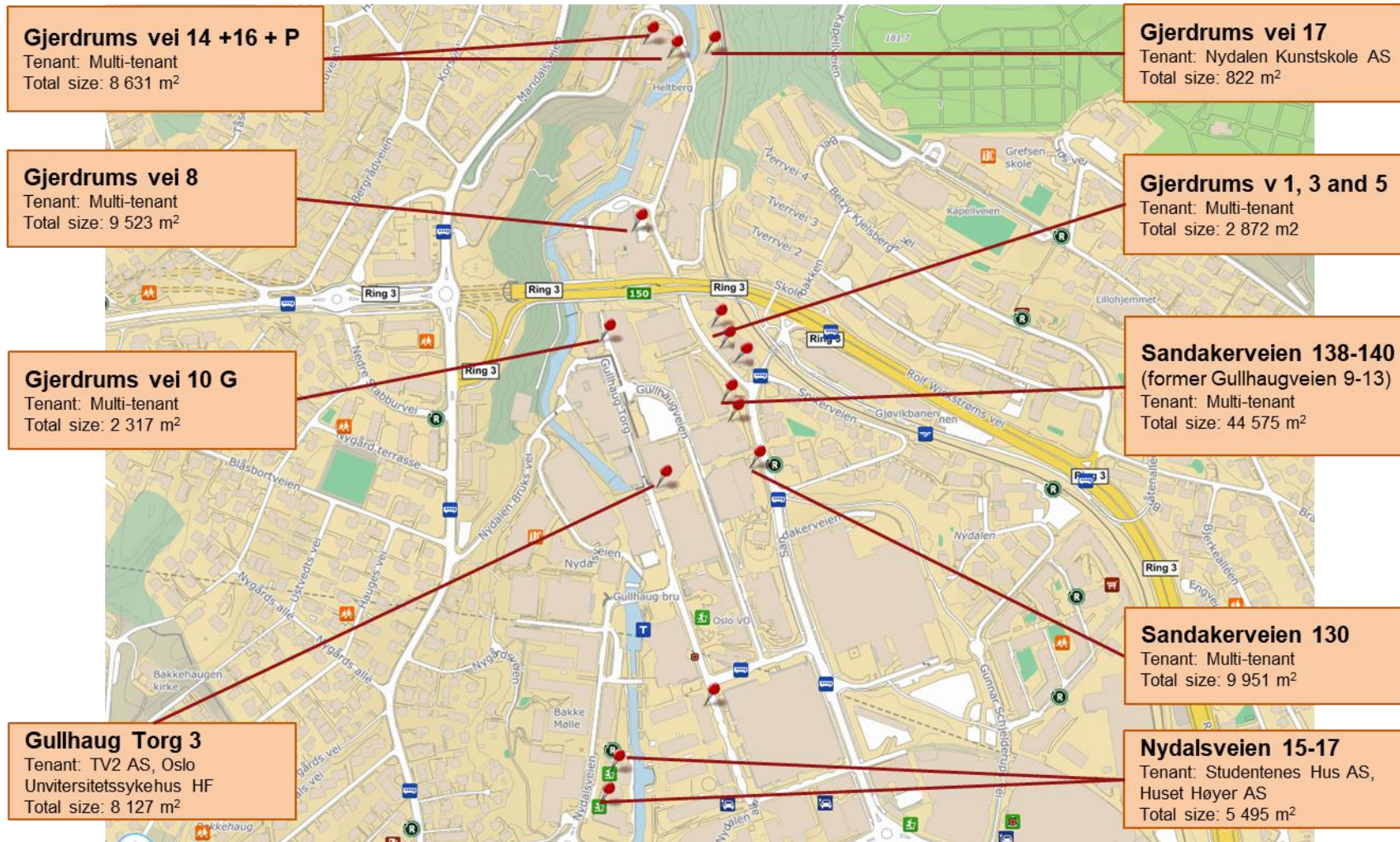
**** Calculation of vacancy is based on Market rate as estimated by Cushman & Wakefield. Not including Forusbeeen 35 and Gjerdrums vei 17.



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 Q4-2022

1/3

Property	Property facts						Rent facts			
	Space split									
	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Market rent vacancy	CPI	WAULT per Dec 2022	Run rate per Dec 2022
	m2	m2	m2	m2	m2	m2	%	%	Years	MNOK
CBD										
Bryggegate 7-9	6 384	2 088	-	-	-	8 472	4.0	98.0	3.3	29.7
Dokkbygningen	2 022	257	-	56	-	2 335	10.1	100.0	5.0	5.5
Drammensveien 60	8 974	-	1 890	405	-	11 269	-	100.0	6.5	32.0
Fondbygget (incl. Felix)	12 901	2 664	1 044	-	5 461	22 071	-	100.0	4.7	68.1
Lille Grensen 7	5 135	1 694	38	-	-	6 867	-	100.0	5.4	28.0
Kaibygning I (Stranden 5)	20 825	6 555	2 290	-	693	30 362	0.4	100.0	4.3	127.3
Kaibygning II	-	1 802	848	-	-	2 650	29.2	100.0	6.2	9.4
Stranden	2 672	158	24	474	-	3 328	0.5	100.0	5.1	13.6
Støperiet	-	2 588	-	-	-	2 588	-	100.0	8.5	6.3
Terminalbygget (Stranden 1)	17 766	3 195	1 736	1 364	421	24 481	0.1	100.0	2.7	115.0
Tingvallaustikkeren, uteareal og marina ¹	-	1 201	-	-	-	1 201	-	100.0	2.3	31.5
Verkstedhallene (Stranden 3)	18 954	7 927	2 619	-	779	30 279	4.9	100.0	2.9	119.1
Total CBD	95 632	30 129	10 490	2 298	7 353	145 902	2.1	99.9	3.8	585.6



Property details Q4-2022

2/3

Property	Property facts						Rent facts			
	Space split						Market rent vacancy	CPI	WAULT per Dec 2022	Run rate per Dec 2022
	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2				
	m2	m2	m2	m2	m2	m2	%	%	Years	NOK million
Nydalen										
Gjerdrums vei 10 G (former 10D)	2 139	-	178	-	-	2 317	10.2	100.0	3.3	4.7
Gjerdrums vei 14, 16 and 16 P-house	5 363	-	976	2 292	-	8 631	7.5	100.0	3.4	13.0
Gjerdrums vei 17	806	-	16	-	-	822	-	100.0	-	-
Gjerdrums vei 1	282	-	-	-	55	337	-	100.0	1.3	0.4
Gjerdrums vei 3	45	-	-	-	418	463	17.0	100.0	1.2	0.8
Gjerdrums vei 5	1 710	-	263	-	-	1 972	11.7	100.0	0.6	2.1
Gjerdrums vei 8	7 726	-	633	1 163	-	9 522	0.9	100.0	2.5	19.7
Gullhaug Torg 3	7 793	-	334	-	-	8 127	9.6	100.0	2.3	14.8
Sandakerveien 138-140 (Gullhaugvn 9-13)	23 504	-	7 328	13 743	-	44 575	38.4	100.0	2.6	44.1
Nydalsveien 15	3 711	-	65	-	28	3 804	-	100.0	3.5	9.4
Nydalsveien 17	-	1 691	-	-	-	1 691	-	100.0	2.4	5.3
Sandakerveien 130	5 542	-	1 047	3 361	-	9 950	13.5	100.0	5.2	15.7
Total Nydalen	58 621	1 691	10 839	20 560	501	92 212	20.6	100.0	3.0	130.0



Property details Q4-2022

3/3

Property	Property facts						Rent facts			
	Space split						Market rent vacancy	CPI	WAULT per Dec 2022	Run rate per Dec 2022
	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2				
	m2	m2	m2	m2	m2	m2	%	%	Years	NOK million
Fornebu										
Snarøyveien 30	144 717	-	8 144	45 578	-	198 439	3.5	100.0	7.6	359.0
Snarøyveien 36	40 658	-	326	17 213	-	58 198	21.8	100.0	1.8	44.7
Total Fornebu	185 375	-	8 470	62 791	-	256 637	5.5	100.0	7.0	403.8
Hasle										
Vinslottet	-	8 922	284	1 479	-	10 684	6.0	100.0	5.3	17.0
Total Hasle	-	8 922	284	1 479	-	10 684	6.0	100.0	5.3	17.0
GROSS TOTAL	339 628	40 742	30 083	87 128	7 854	505 435	5.9	99.9	4.9	1 136.4

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