



NORWEGIAN
PROPERTY

1st Quarter 2023

Friday, April 21st, 2023



Agenda

- Highlights
- Markets and operations
- JV's
- Financial update
- Closing remarks
- Appendix

Highlights Q1

- Rental income of NOK 266 million, up from NOK 242 last year
- Operating profit before value adjustments of NOK 222 million and Profit before income tax and value adjustments of NOK 120 million
- Write down of investment property of NOK 156 million (-0.6%)
- Earnings per share (“EPS”) for the quarter of NOK -0.09
- Solid rental market in all submarkets
- First dividend from JV Nordr to be paid out during Q2



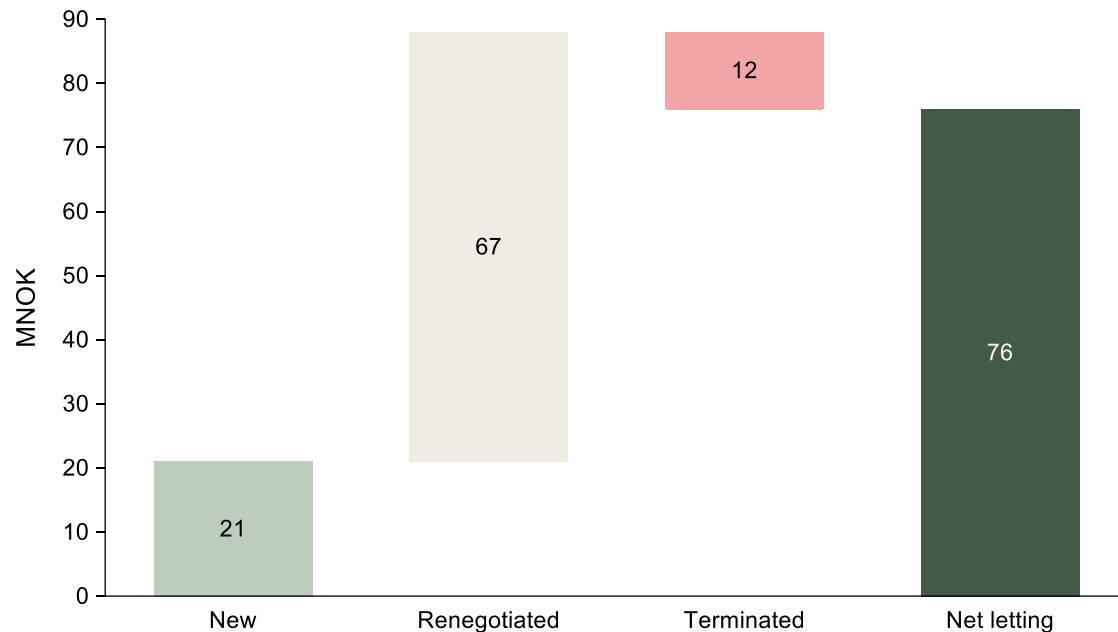
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Rental Update

Rental contracts in Q1-2023

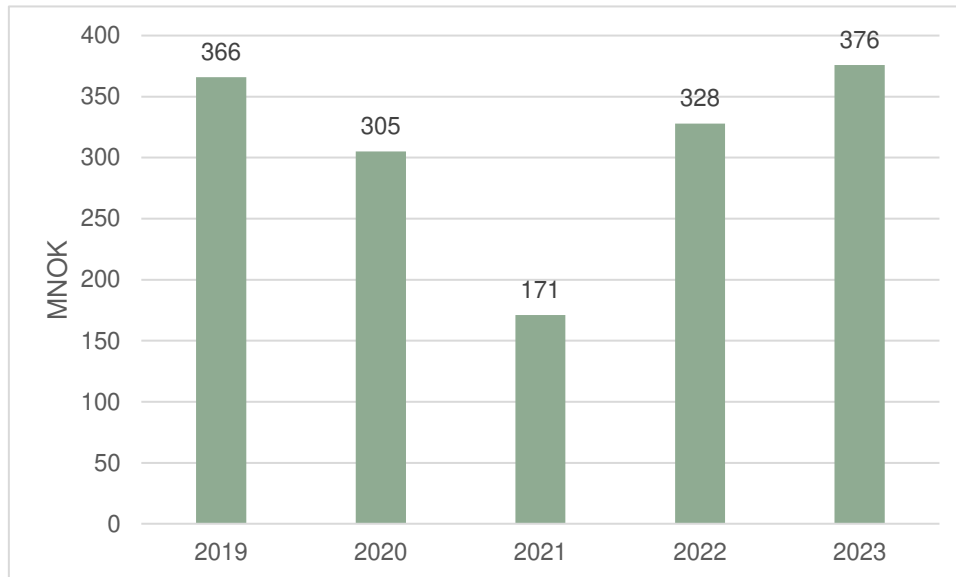
- Very good leasing activity in the quarter
- Positive letting activity of MNOK 76
- Substantial uplift for renegotiated contracts



New and renegotiated leases:



Turnover Q1 - Aker Brygge



- ⇒ *Turnover above pre covid level*
- ⇒ *Increased turnover in all segments adjusted for vacant space on ground floor*

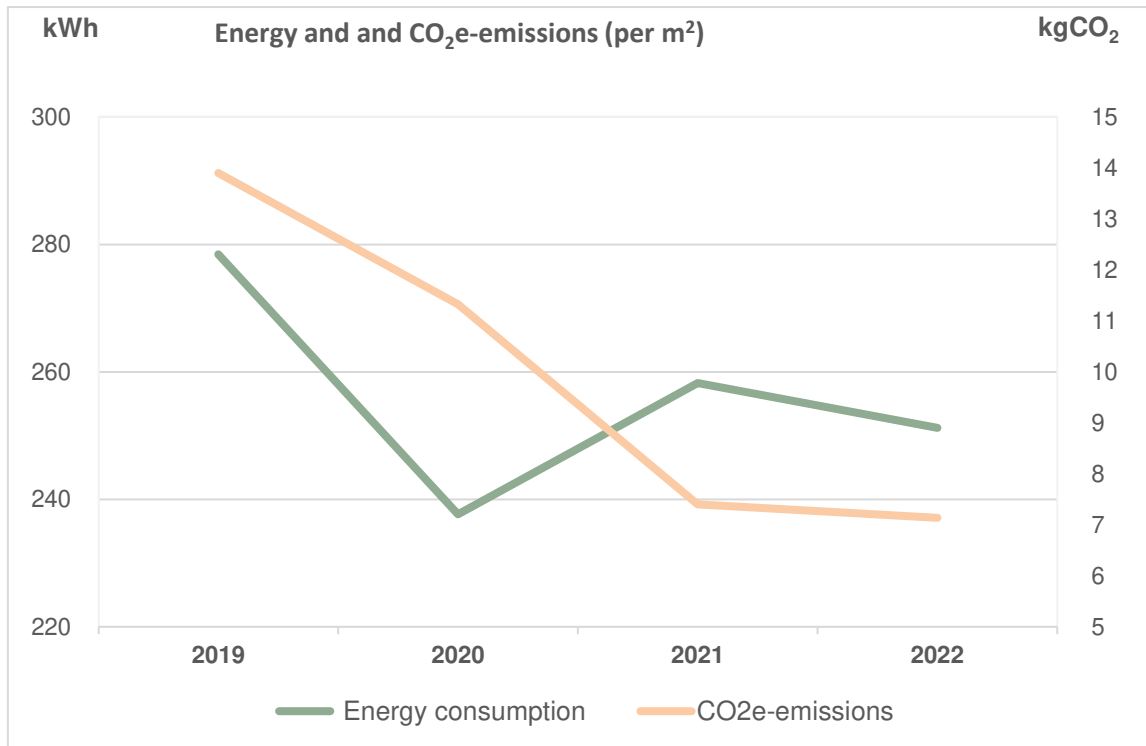
Main activities and highlights for Q1:

- Breakfast shopping event in March
- Outdoor F&B areas opened before Easter



Climate report 2022

- 2025 target already achieved



		Total	Change 2019-2022	Office	Retail	Rest.
Energy consumption	kWh/sqm	251	-10%	210	342	693
CO ₂ e emissions	Kg/sqm	9	-38%	4	6	33

- 2019 targets to reduce energy consumption with 5-10% and CO₂e emissions with 10-20% in 2025 already achieved
- CO₂e-emissions reduced more than energy consumption due to increased share of renewable energy

Market trends - office

Rental market Oslo

- Strong office rental market
- Limited new office supply in the near future

Oslo transaction market

- Transaction market is affected by uncertainty
- Value-add opportunities still continue to attract investors' attention
- There is still a gap between sellers' expectations and potential buyers' updated valuations for many assets
- Transaction market is still affected by restricted access to financing



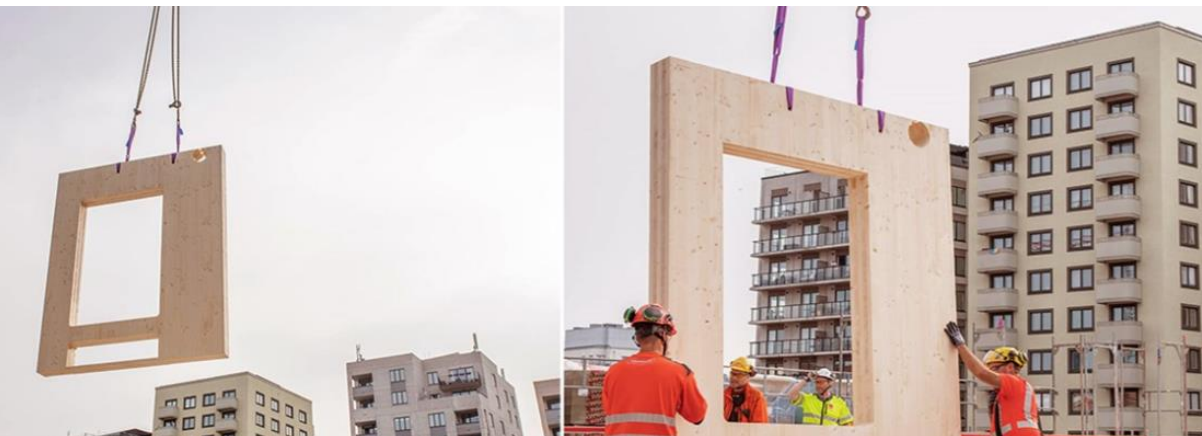


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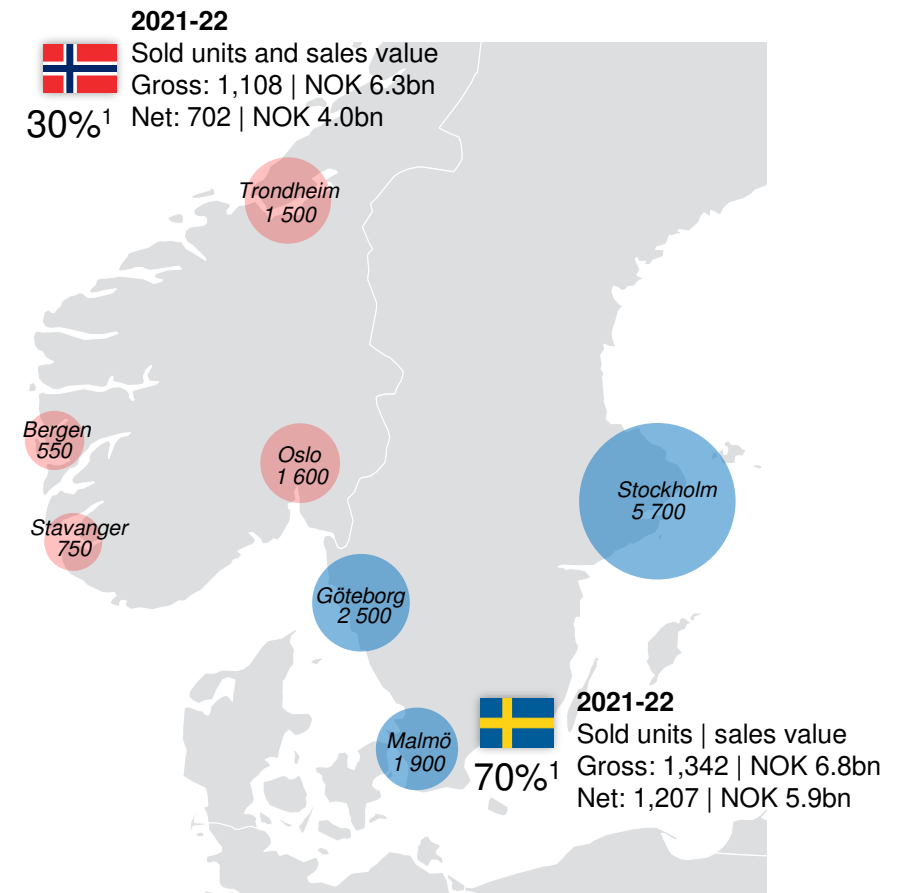
Nodr – leading residential developer in the Nordics

- Proactive sales and marketing, including focus on operational efficiency has positioned the company for a challenging market
- Units in production will decrease until end of 2023 due to estimated fewer sales and construction starts during the year
- Significant deleveraging of balance sheet since investment
- First proposed dividend to be paid during Q2-23



Source: Folkhem/KRONFOTO

Activity per region



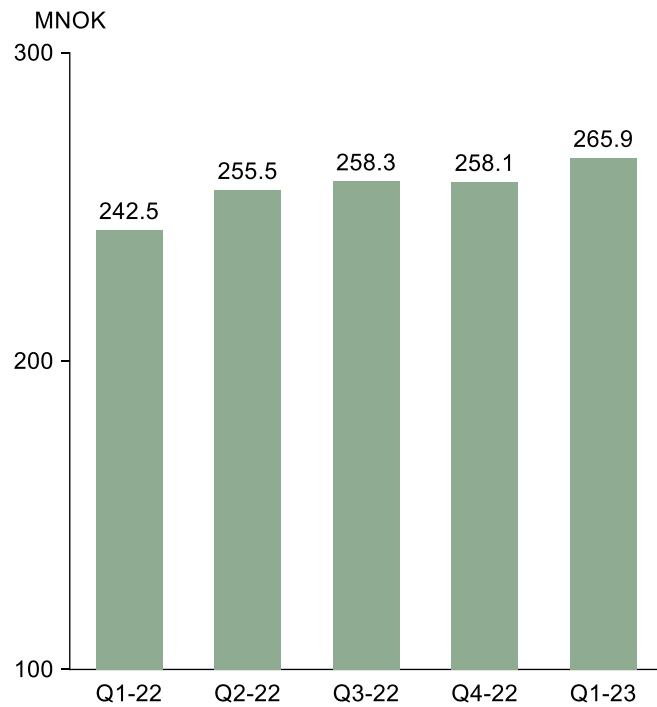
Note 1: Nordr's proportional share (net) of building rights

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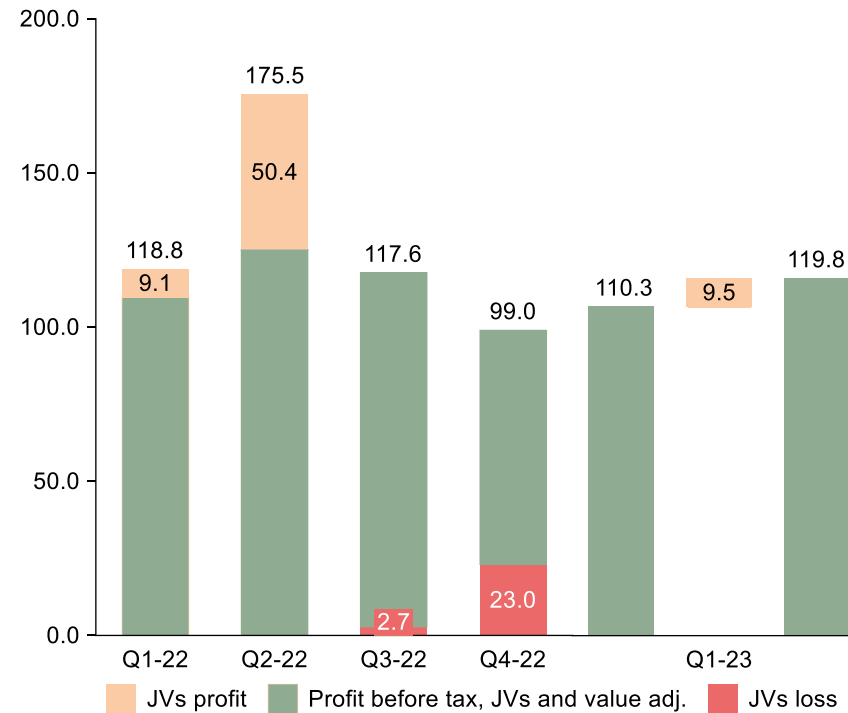
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Financial highlights

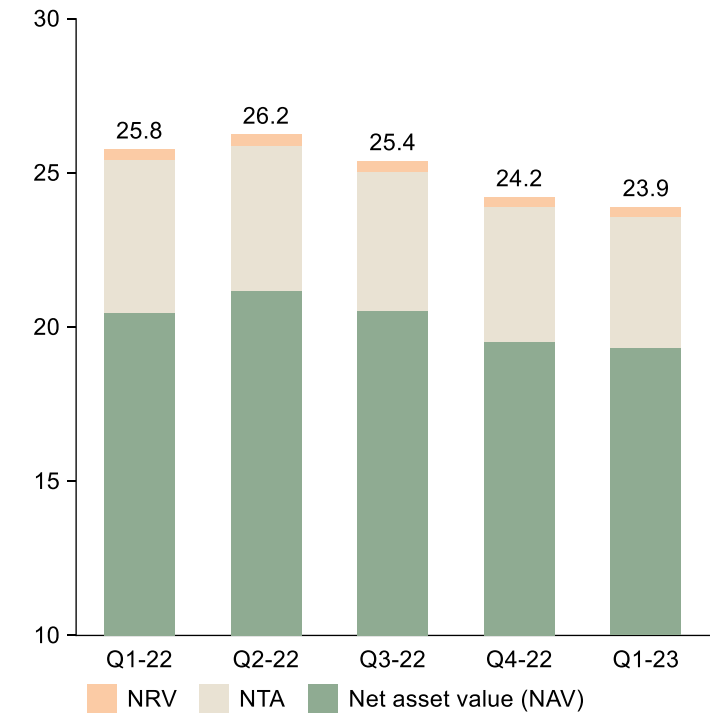
Rental Income (MNOK)



Profit Before Tax and Value Adj. (MNOK)



Value Per Share (MNOK)



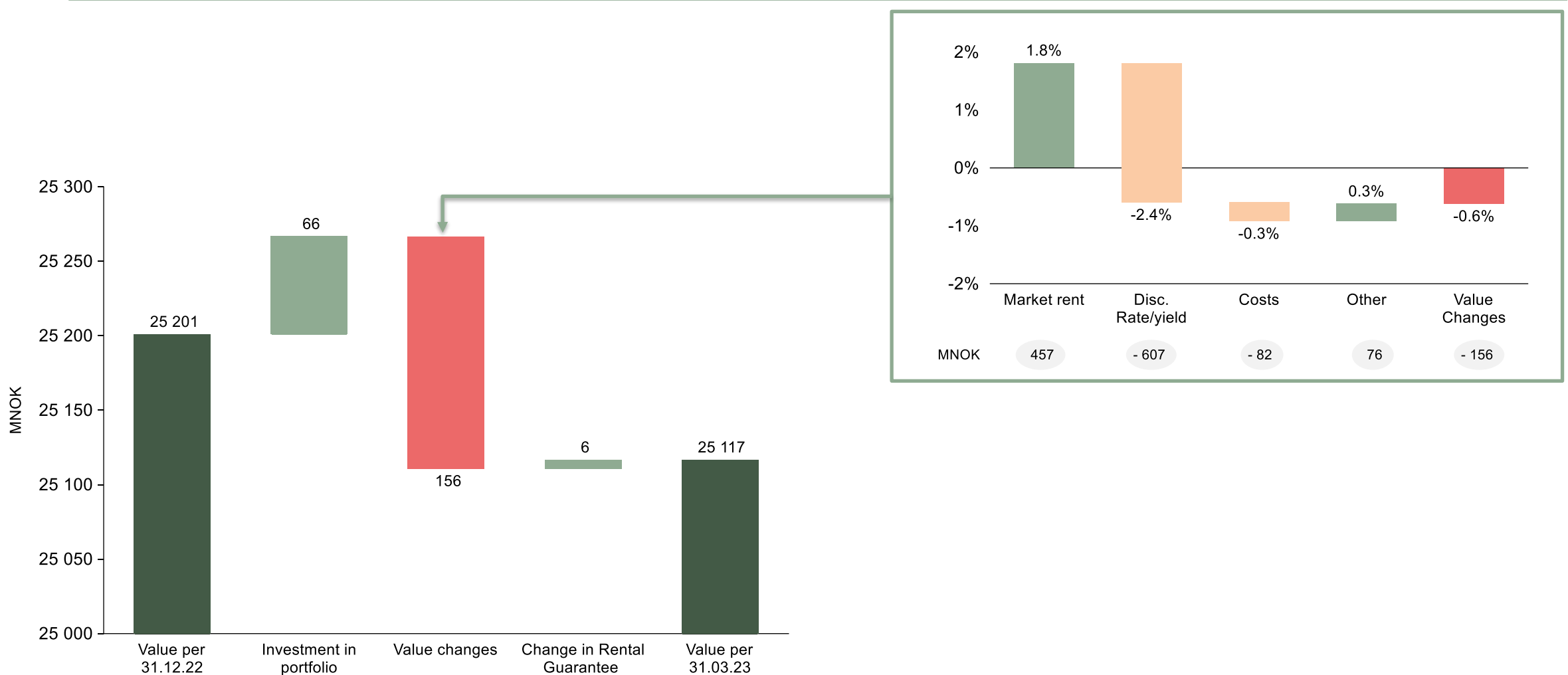
*There was a loss in JV of NOK 2.7 mill in Q3-22 and 23.1 mill in Q4-22.

Income statement – Q1 2023

MNOK	Q1		Full year
	2023	2022	2022
Rental income	265.9	242.5	1 014.4
Revenues	265.9	242.5	1 014.4
Property-related operational expenses	(20.9)	(16.0)	(73.8)
Other property-related expenses	(16.9)	(17.2)	(68.8)
Administrative expenses	(15.9)	(14.3)	(62.1)
Share of profit in joint ventures*	9.5	9.1	33.8
Operating profit before value adjustments	221.6	204.2	843.5
Change in market value of investment property	(155.9)	559.5	(154.7)
Operating profit	65.7	763.6	688.8
Realised financial items	(101.8)	(85.4)	(358.4)
Change in market value of financial instruments	(11.7)	123.1	172.2
Net financial items	(113.4)	37.8	(186.2)
Profit before income tax	(47.8)	801.4	502.5
Income tax (not payable)	(9.9)	(165.2)	(206.6)
Profit for the period	(57.7)	636.2	295.9
Earnings per share (NOK)	(0.09)	0.99	0.46
Profit before income tax and value adjustments	119.8	118.8	485.1

*Related to Nordr and Forusbeen 35

Change in investment property value in Q1



Portfolio valuation by area Q1-2023

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Negative Q1 fair value adjustment of NOK 156 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

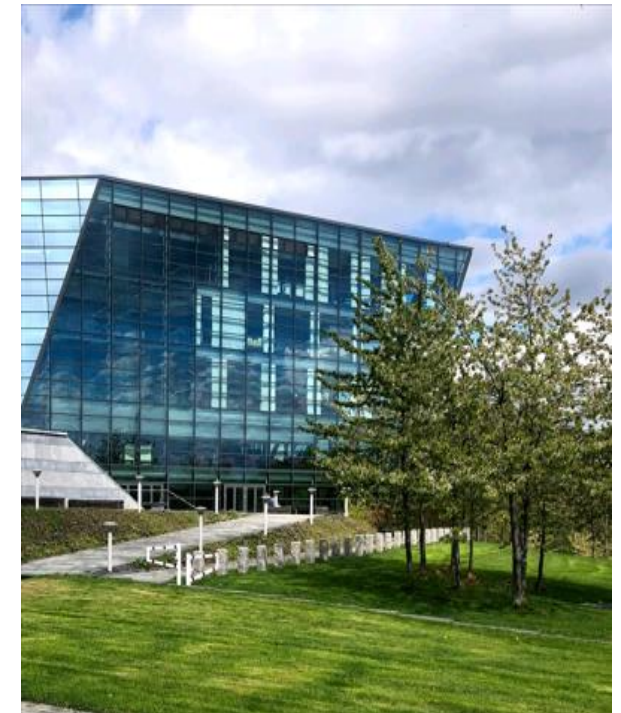
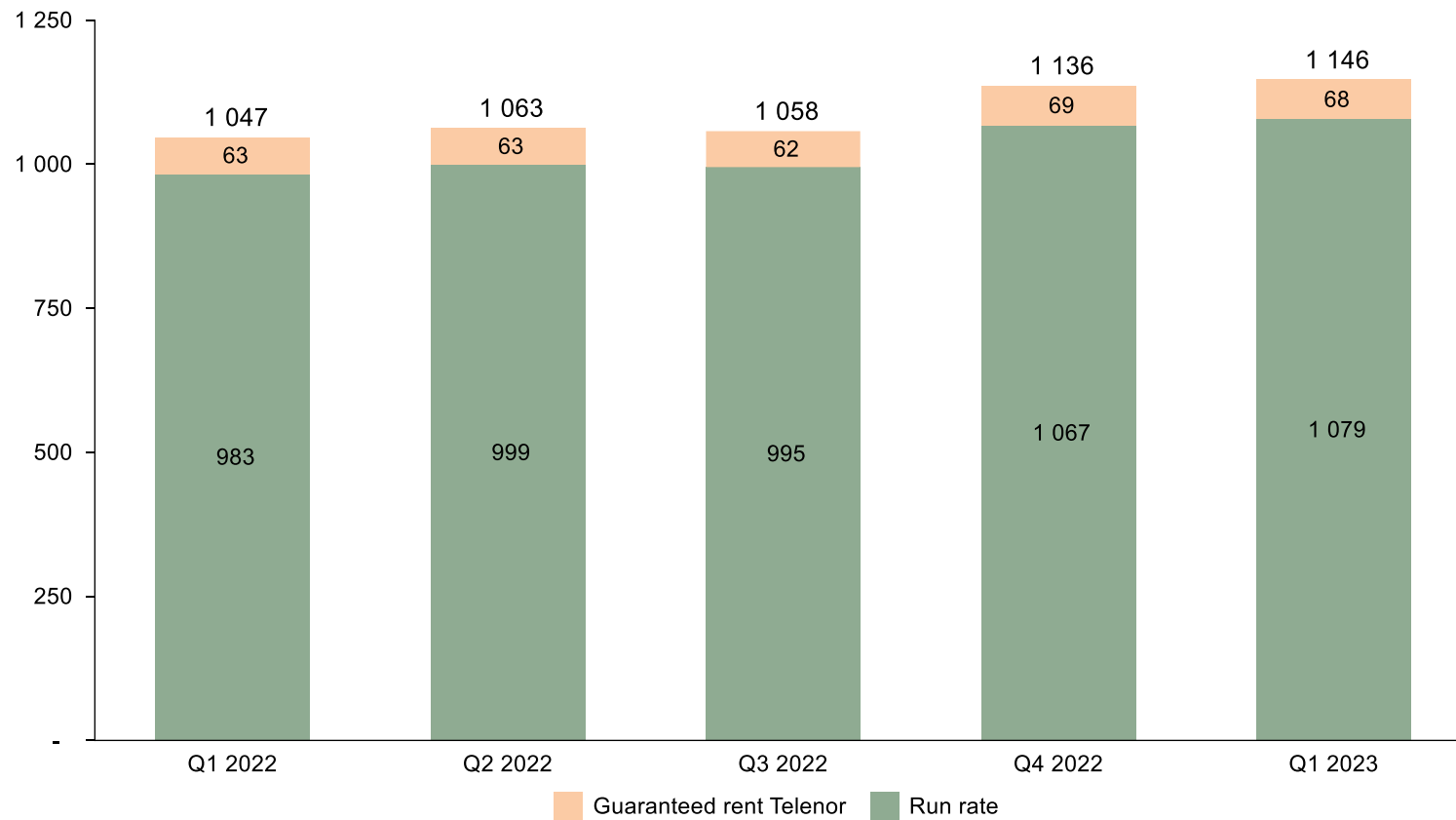
Area	Total space	WAULT	Valuation*		Gross rent per year	Net yield**	Vacancy based on market rent***	Net yield fully let
	m ²	Years	MNOK	NOK/m ²	MNOK	(%)	(%)	(%)
CBD	145 906	4.1	14 859	101 839	588.3	3.6	3.4	3.7
Nydalen excl. Projects	88 885	2.7	2 517	28 321	127.0	4.6	21.2	5.8
Fornebu	256 637	6.9	7 291	28 408	410.8	5.2	5.6	5.9
Hasle	10 684	5.1	324	30 284	17.0	4.8	6.0	5.1
Total Portfolio	502 112	5.0	24 990	49 770	1 143.1	4.2	6.6	4.5
Projects	3 257	N/A	126	38 803	3.4	N/A	N/A	N/A
Total Portfolio	505 370	5.0	25 117	49 700	1 146.5	4.2	6.6	4.5

* Fornebu valuation includes non-current receivables amounting to NOK 269.4 million, related to the rental guarantee provided by the seller of the property at Snarøyveien 30.

** For illustration; based on rents as of March 31st, 2023 and estimated long term property expenses of 8 per cent.

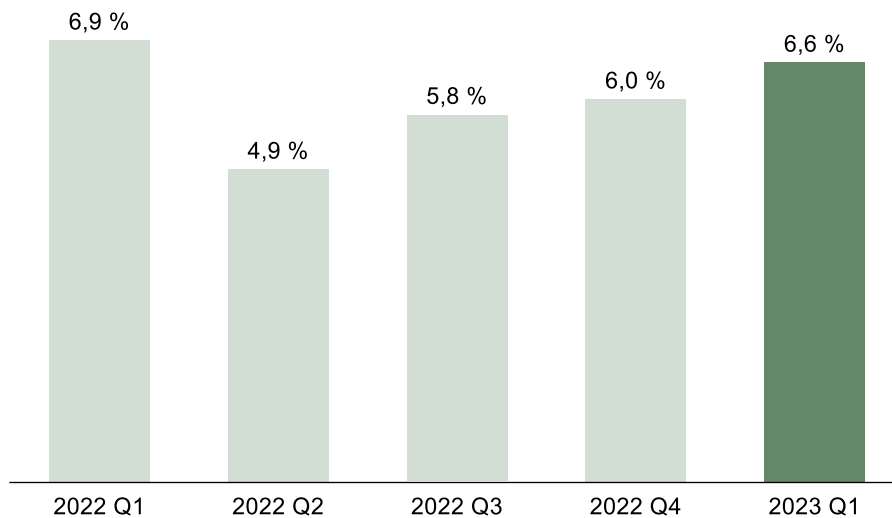
*** Vacancy calculated as market rent in vacant space, using market rent estimated by Cushman & Wakefield.

Run rate last 5 quarters

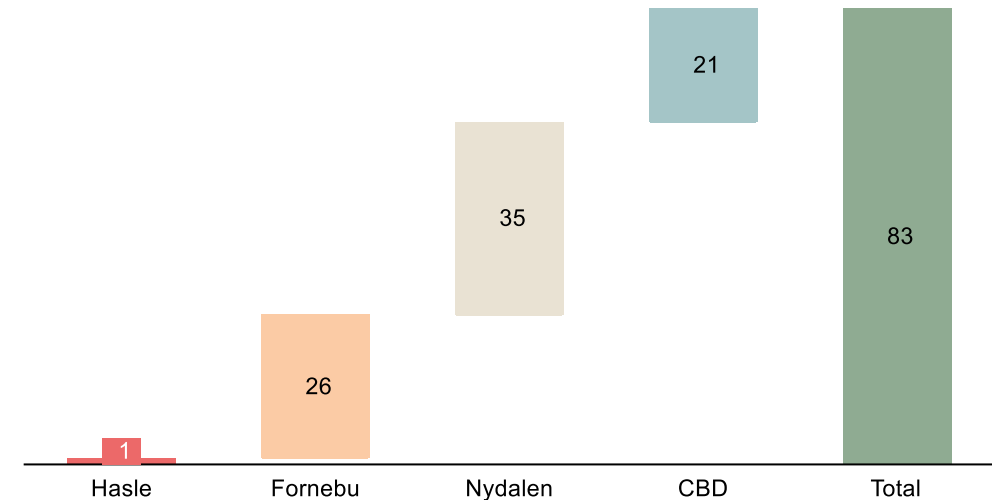


Vacancy based on market rent

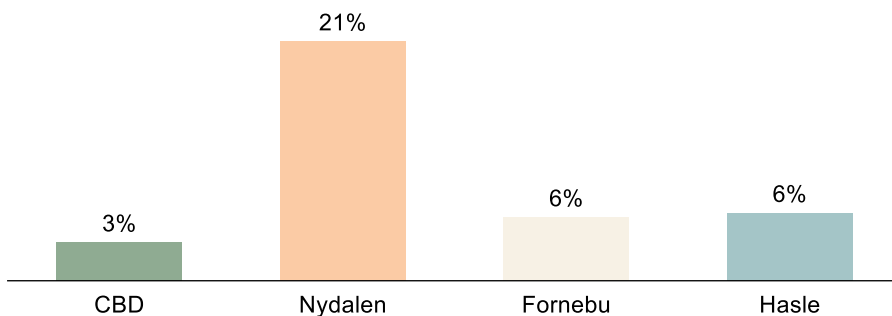
Market Rent Vacancy Last Five Quarters



Market Rent Vacany for Each Area (MNOK Run Rate)



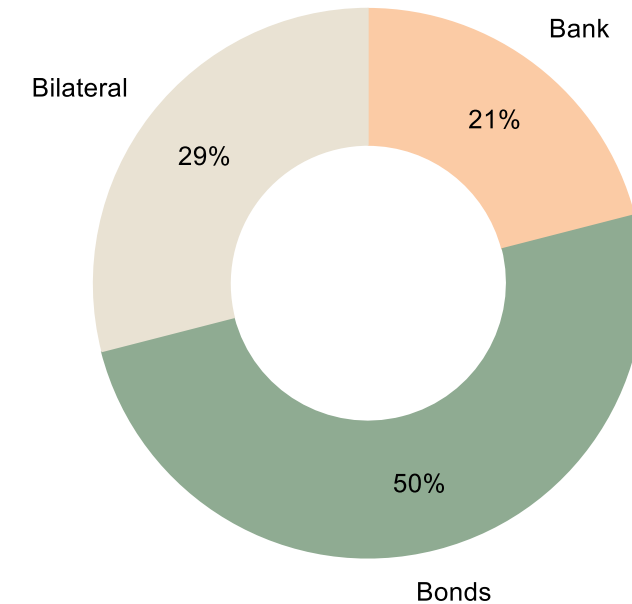
Vacancy Split on Area



Financial position

Interest bearing debt and hedging		31.03.2023
Total interest-bearing debt	MNOK	12 142
Property value	MNOK	25 117
Market Value of investment in JV	MNOK	2 100
Net Loan to value*	Per cent	43.6
Cash and cash equivalents	MNOK	160
Interest-bearing receivables	MNOK	114
Unused committed credit facilities	MNOK	1 227
Average remaining duration. Hedging	Years	5.3
Average interest rate (including margin)	Per cent	3.48
Average margin	Per cent	1.39
Average remaining duration. Borrowing	Years	3.6
Hedging ratio**	Per cent	67.1
WAULT	Years	5.0

Funding sources

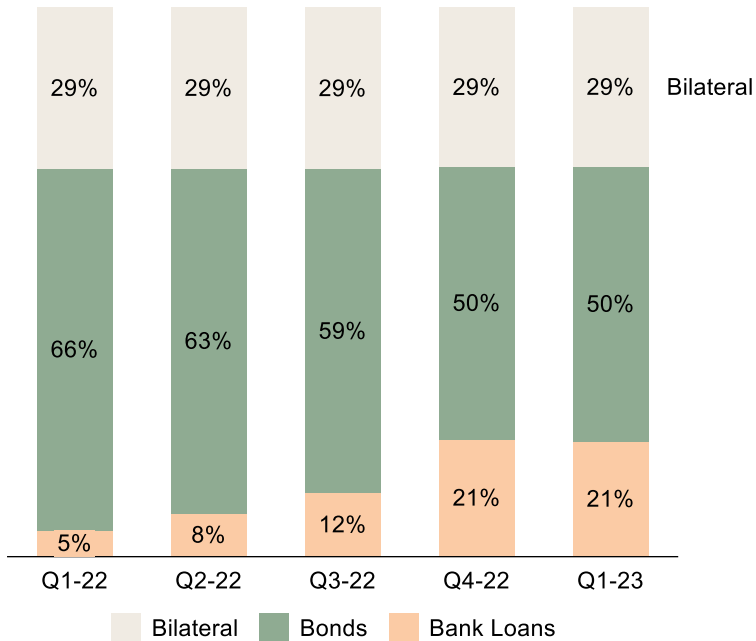


* Net loan to value = interest bearing debt net of cash and interest-bearing receivables divided by gross property value incl. NAV in Nordr

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

Financing

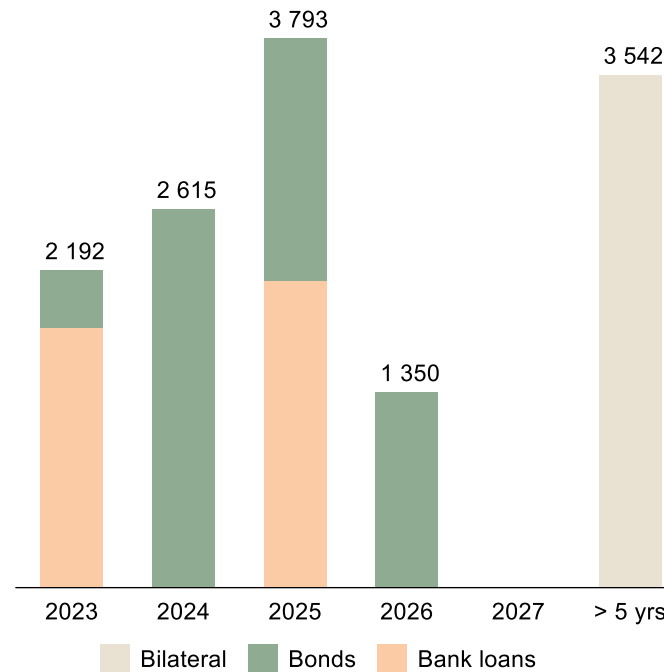
Funding Sources (%)



• Diversified sources of funding

- 6 bn in listed bonds Q1 2023, including 650 mill green bond, 3.5 bn in bilateral bonds. Remaining 2.6 bn in bank loans.

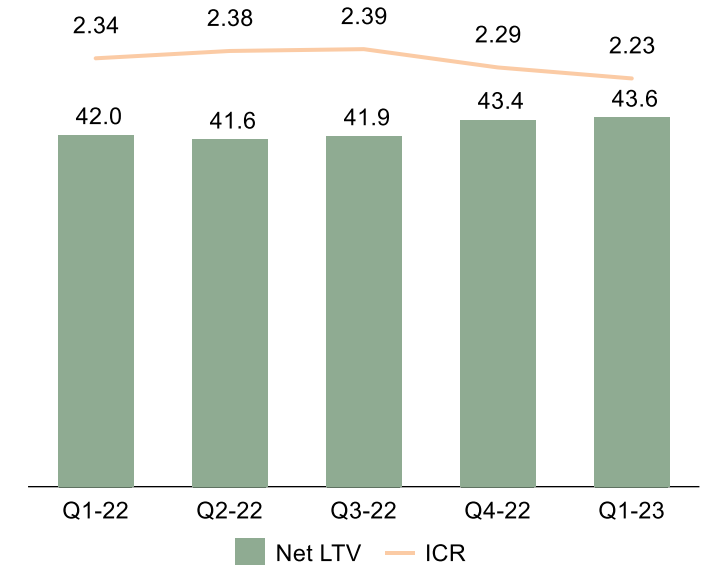
Debt Maturity Profile (MNOK)



• Diversified maturity profile

- Average remaining time to maturity Q1 2023 is 3.6 years

LTV and ICR* (MNOK)



• LTV below long time target

- Net LTV 43.6 % as of Q1 2023, including the value of the investment in Nordr.

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

Refurbishments in 2023

Area	Property	Tenant	Area (sqm)	Quarter Finalized
Aker Brygge	Støperiet	Latter	100	Q4 2023
Aker Brygge	Verkstedhallene	Arkwright	460	Q2 2023
Fornebu	Snarøyveien 36	NSM	12 000	Q1 2024
Nydalen	Gjerdrums vei 17	Building is under refurbishment	822	Q4 2023
Nydalen	Gullhaugvn. 9-13 CD	Common areas	1 900	Q3 2023
Aker Brygge	Tingvalla	Retail tenant	300	Q4 2023



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Summary

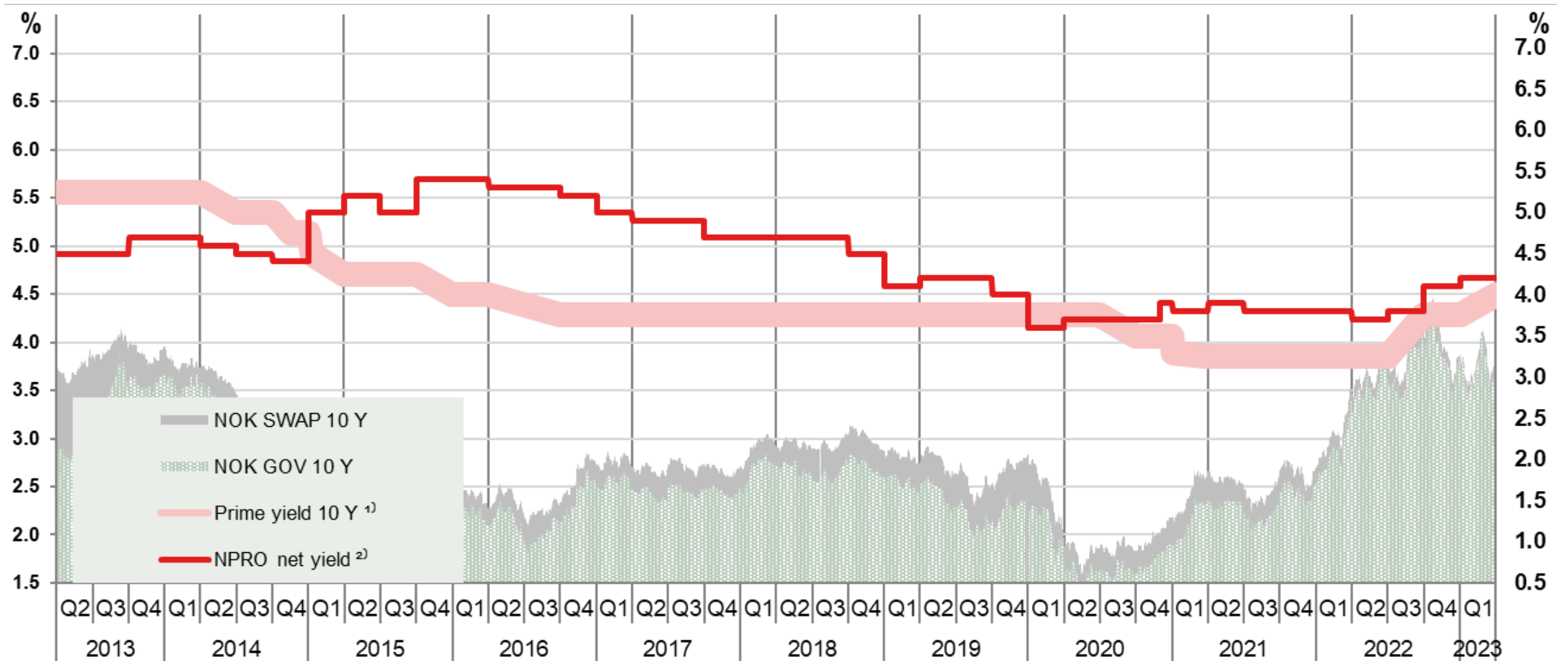
- Very strong operational performance during the quarter
- Solid balance sheet
- Ambition to grow the company
- Reduced uncertainty in financing
- Dividend of NOK 0.125 / share
- Operational focus going forward
 - Rental activities



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Yield spread



¹ Source: Akershus Eiendom 20.04.2023

² NPRO net yield as summarised in slide; Portfolio valuation Q1-2023

Balance sheet – Q1 2023

MNOK	31.03.2023	31.03.2022	31.12.2022
Investment property	24 686.4	25 454.9	24 859.1
Owner-occupied property	160.9	109.4	108.8
Property, plant and equipment	30.3	34.1	31.5
Investment in joint ventures*	1 092.8	1 076.9	1 061.7
Receivables	582.0	465.3	501.1
Cash and cash equivalents	159.8	141.6	185.1
Equity	12 445.3	13 184.1	12 562.1
Deferred tax	1 903.2	1 851.7	1 893.3
Long term interest bearing debt	10 611.1	9 581.5	10 351.6
Short term interest bearing debt	1 530.8	2 472.5	1 834.1
Market value financial derivatives (net)	(133.6)	(96.3)	(145.3)
Net other debt	355.4	288.5	251.4
Equity ratio (%)	46.3	48.1	46.7
NAV per share, book value of equity (NOK)	19.34	20.49	19.52
Net Reinstatement Value (NRV), per share (NOK)	23.89	25.76	24.26
Net Tangible Assets (NTA), per share (NOK)	23.58	25.42	23.94
Net Disposal Value (NDV), per share (NOK)	20.91	22.40	21.26

*Related to the investment in Nordr.

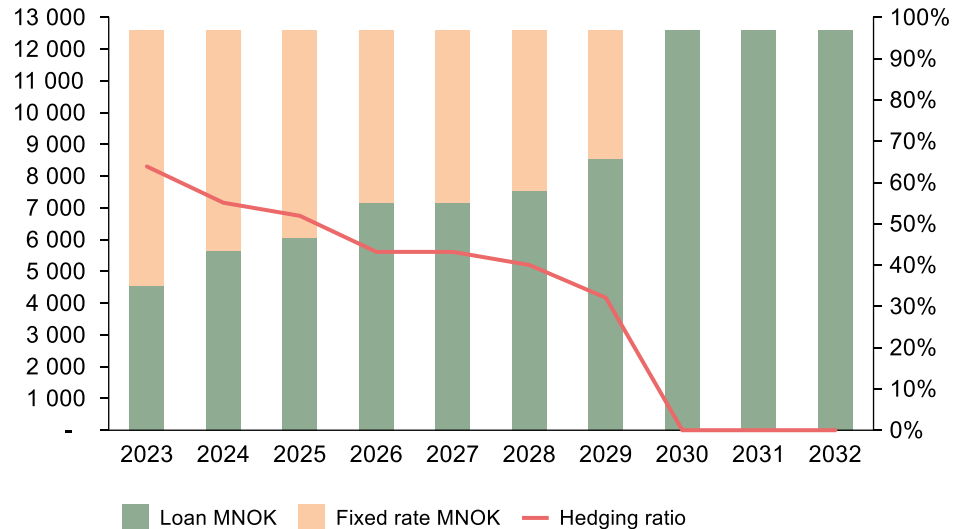
Cash flow – Q1 2023

MNOK	Q1		Full year
	2023	2022	2022
Cash flow from profit and loss before fair-value adj.	111.0	109.2	449.9
Change in rental guarantee receivables*	(4.6)	(5.4)	60.5
Change in short-term items	59.3	42.3	(53.1)
Cash flow from operating activities	165.6	146.0	457.3
Purchase of tangible assets	(66.6)	(94.1)	(258.9)
Cash flow from investment activities	(66.6)	(94.1)	(258.9)
Net change in interest bearing debt	(43.9)	49.6	187.9
Paid dividend	(80.4)	(273.5)	(514.9)
Net cash flow from financing activities	(124.4)	(223.9)	(327.0)
Net change in cash	(25.3)	(171.9)	(128.5)
Net cash at end of period	159.8	141.6	185.1

*Related to Snarøyveien 30

Interest rate hedging Q1 2023

Hedging maturity profile



	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 *)	4 200.0	3.28 %				1 530.0	1.12 %
1-2 years	1 205.0	1.75 %				2 615.0	1.15 %
2-3 years	200.0	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 %				3 542.0	1.85 %
8-9 years							
9-10 years							
>10 years							

*Floating rate loans of MNOK 3 600 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 31.03.2023 was 68.4 %. Remaining average time to maturity was 5.3 years.
- Diversified maturity profile to reduce exposure to interest levels.

Overview and key figures

Key figures as of 31st March 2023

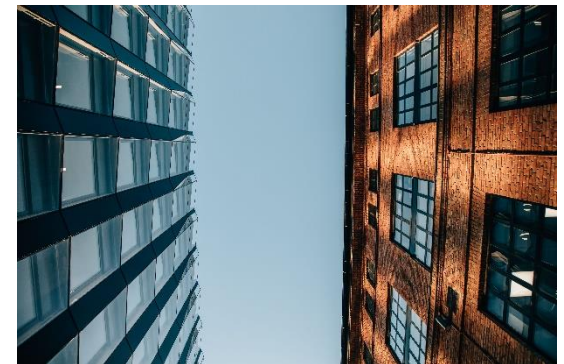
Properties*	no	29
Portfolio size (ex. new space in redev. Projects)**	m ²	505 370
Average size per property	m ²	17 427
Gross rent per year (run rate)	MNOK	1 146
Operational expenses per year***	MNOK	92
Net rent per year (run rate)	MNOK	1 055
Average gross rent per m ² per year	NOK	2 269
Gross market value**	MNOK	25 117
Average value per property	MNOK	866
Average value per m ²	NOK	49 700
Gross yield, actual	%	4.6
Net yield, actual	%	4.2
WAULT**	Years	5.0
CPI adjustment****	%	99.9
Vacancy, calculation based on market rate****	%	6.6

* Including Forusbeen 35 which is owned 50%

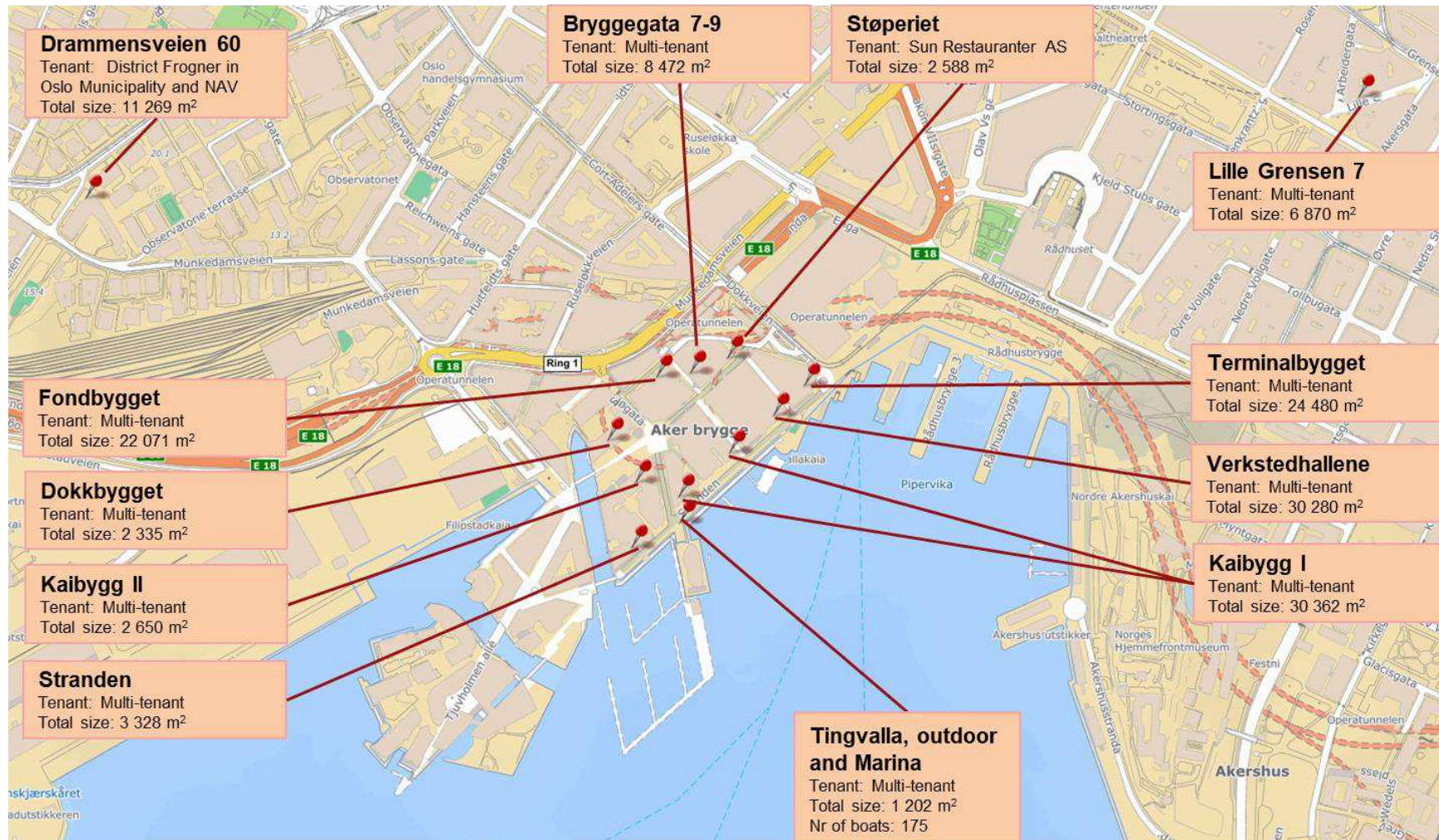
** Not including Forusbeen 35

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

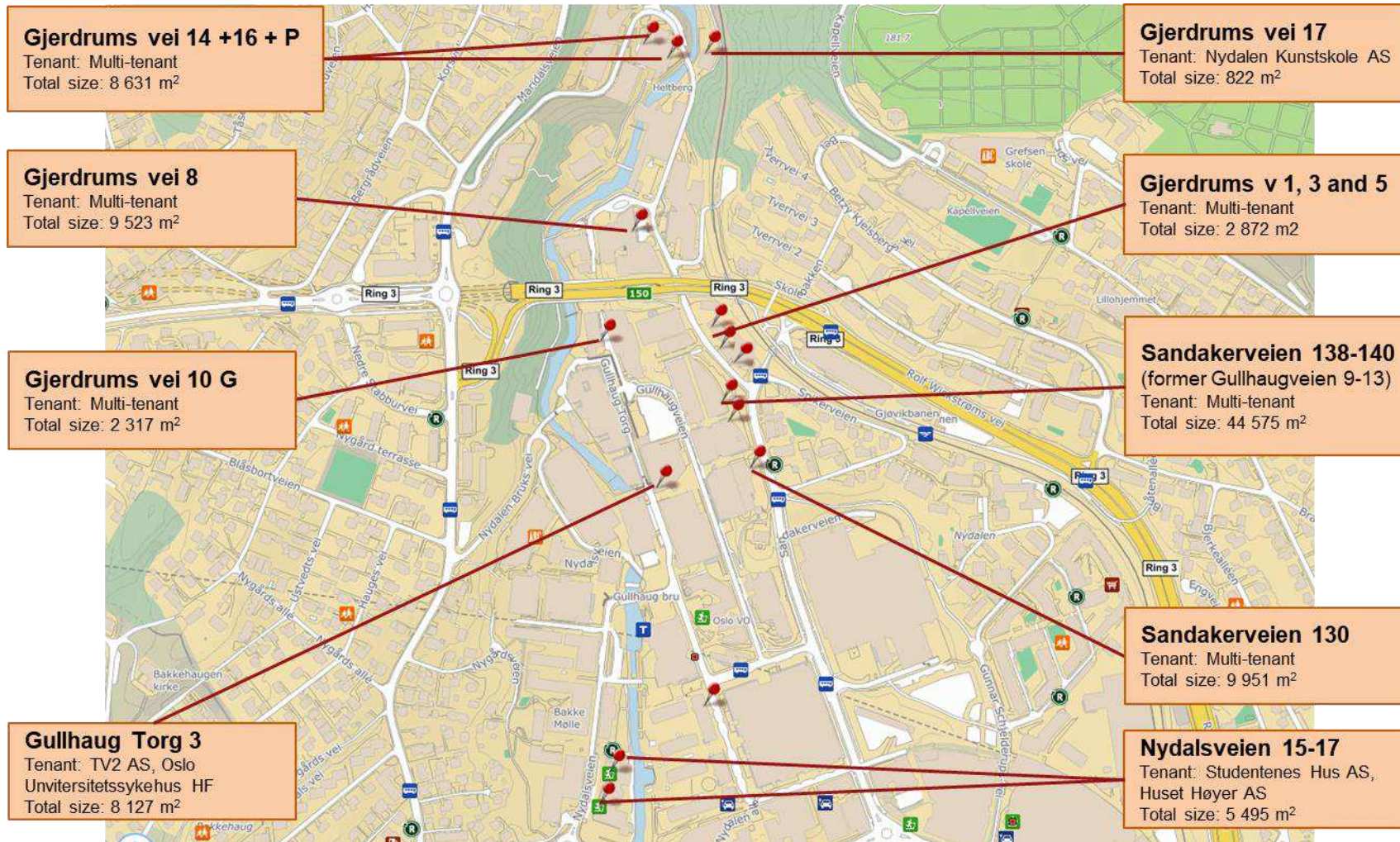
**** Calculation of vacancy is based on Market rate as estimated by Cushman & Wakefield. Not including Forusbeeen 35 and Gjerdrums vei 17.



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 Q1-2023

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Property	Property facts						Rent facts			
	Space split						Market rent vacancy	CPI	WAULT per March 2023	Run rate per March 2023
	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2				
	m2	m2	m2	m2	m2	m2	%	%	Years	MNOK
CBD										
Bryggegate 7-9	6 384	2 088	-	-	-	8 472	3.87	98.0	2.5	31.0
Dokkbygningen	2 022	257	-	56	-	2 335	-	100.0	5.0	5.7
Drammensveien 60	8 974	-	1 890	405	-	11 269	-	100.0	6.2	32.0
Fondbygget (incl. Felix)	12 901	2 664	1 044	-	5 461	22 071	8.1	100.0	5.1	62.9
Lille Grensen 7	5 135	1 694	38	-	-	6 867	-	100.0	5.1	28.3
Kaibygning I (Stranden 5)	20 825	6 555	2 290	-	693	30 362	0.4	100.0	4.0	128.1
Kaibygning II	-	1 827	824	-	-	2 651	26.9	100.0	6.0	10.1
Stranden	2 674	156	24	474	-	3 328	0.4	100.0	4.8	13.7
Støperiet	-	2 588	-	-	-	2 588	-	100.0	8.3	6.3
Terminalbygget (Stranden 1)	17 766	3 195	1 736	1 364	421	24 481	2.3	100.0	4.9	115.1
Tingvallaustikkeren, uteareal og marina ¹	-	1 201	-	-	-	1 201	-	100.0	1.9	31.6
Verkstedhallene (Stranden 3)	19 259	7 927	2 317	-	779	30 282	5.3	100.0	2.8	123.4
Total CBD	95 939	30 152	10 163	2 298	7 353	145 906	3.4	99.9	4.1	588.3



Property details Q1-2023

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Property	Property facts						Rent facts			
	Space split						Market rent vacancy	CPI	WAULT per March 2023	Run rate per March 2023
	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	10.1	100.0	3.0	4.8
Gjerdrums vei 14, 16 and 16 P-house	5 363	-	976	2 292	-	8 631	12.4	100.0	3.3	13.1
Gjerdrums vei 17	806	-	16	-	-	822	-	100.0	-	
Gjerdrums vei 1	282	-	-	-	55	337	-	100.0	1.1	
Gjerdrums vei 3	45	-	-	-	418	463	11.1	100.0	1.1	0.8
Gjerdrums vei 5	1 710	-	263	-	-	1 972	11.7	100.0	0.4	2.6
Gjerdrums vei 8	7 726	-	633	1 163	-	9 522	0.8	100.0	2.3	19.7
Gullhaug Torg 3	7 793	-	334	-	-	8 127	4.2	100.0	2.1	14.9
Sandakerveien 138-140 (Gullhaugvn 9-13)	23 446	-	7 323	13 736	-	44 505	39.6	100.0	2.1	44.1
Nydalsveien 15	3 711	-	65	-	28	3 804	-	100.0	3.3	9.4
Nydalsveien 17	-	1 691	-	-	-	1 691	-	100.0	2.2	5.3
Sandakerveien 130	5 542	-	1 047	3 361	-	9 950	13.4	100.0	5.0	15.8
Total Nydalen	58 563	1 691	10 834	20 553	501	92 142	21.2	100.0	2.7	130.4



Property details Q1-2023

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Property	Property facts						Rent facts			
	Space split						Market rent vacancy	CPI	WAULT per March 2023	Run rate per March 2023
	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	3.2	100.0	7.6	365.5
Snarøyveien 36	40 660	-	326	17 213	-	58 198	15.9	100.0	1.8	45.2
Total Fornebu	185 377	-	8 469	62 791	-	256 637	5.6	100.0	6.9	410.8
Hasle										
Vinslottet	-	8 922	284	1 479	-	10 684	6.0	100.0	5.1	17.0
Total Hasle	-	8 922	284	1 479	-	10 684	6.0	100.0	5.1	17.0
GROSS TOTAL	339 879	40 765	29 751	87 121	7 854	505 370	6.6	99.9	5.0	1 146.5

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