



NORWEGIAN  
PROPERTY

# 4th Quarter 2023

Friday, February 2, 2024



# Agenda

- Highlights
- Markets and operations
- Financial update
- Closing remarks
- Appendix

# Highlights Q4

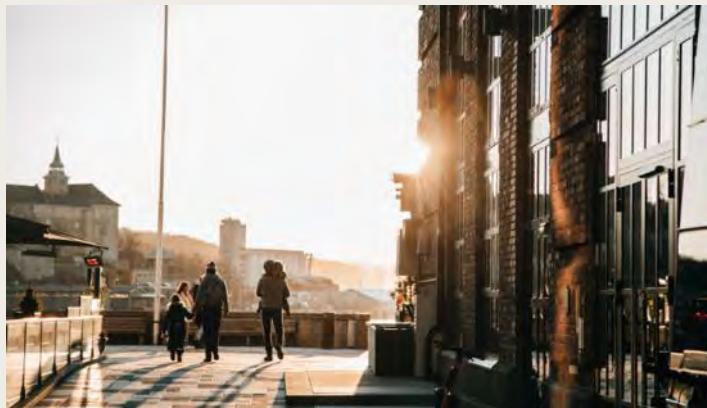
- Rental income of NOK 292 million, up from NOK 258 last year
- Operating profit before value adjustments and JVs of NOK 232 million
  - Up 17% from last year Q4, and up 9% for the full year
- Profit before income tax and value adjustments of NOK 51 million
- Write down of investment property of NOK 895 million (-3.6%)
  - Cap rate from peak Q2-22 adjusted with approx. 150 bps

## Acquisitions

- Telegrafen building in Kvadraturen in Oslo

## Financing

- New equity of NOK 500 million
- New green loan of NOK 1 000 million in connection with the Telegrafen acquisition
- Refinancing of NOK 4 000 million
- Facilities in place for all 2024 bond maturities



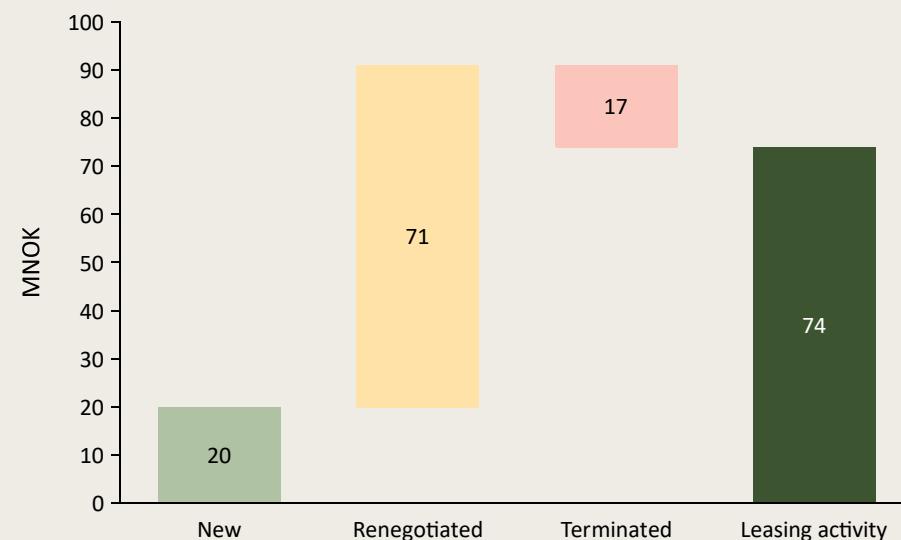
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# Rental Update

## Leasing activity Q4 2023

- High activity in the quarter
- Extended terms on several key tenants
- New signings in all core areas



## Net Lease Q4 2023



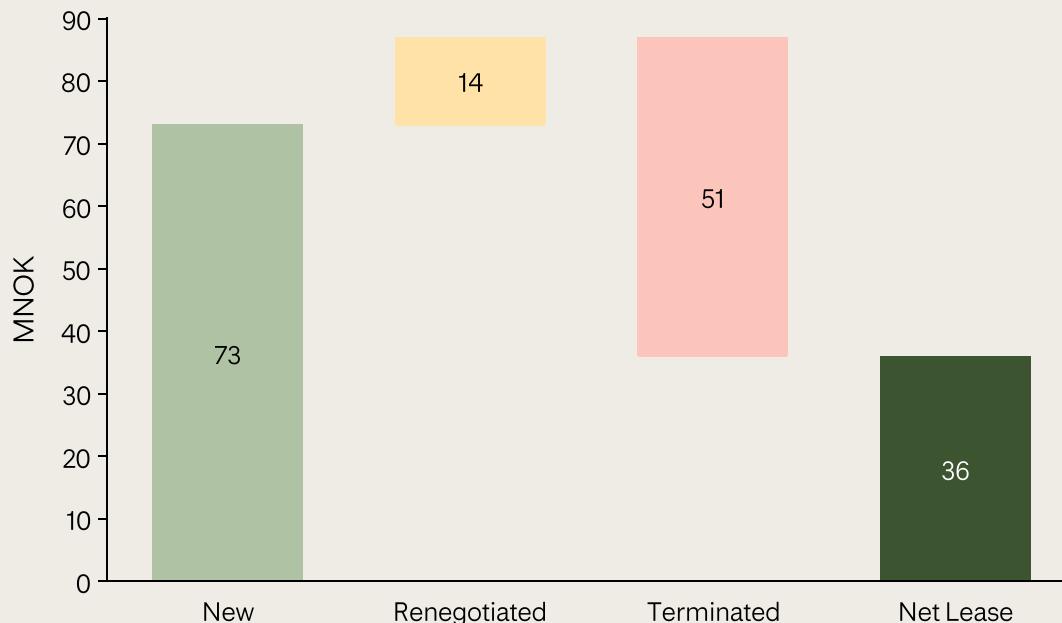
## New and renegotiated leases



# Rental Update

## Net Lease 2023 in total

- Positive net letting of MNOK 36
- New and extended deals in all core areas
- Improved terms on many extensions



## New and renegotiated leases:



*Wiersholm*



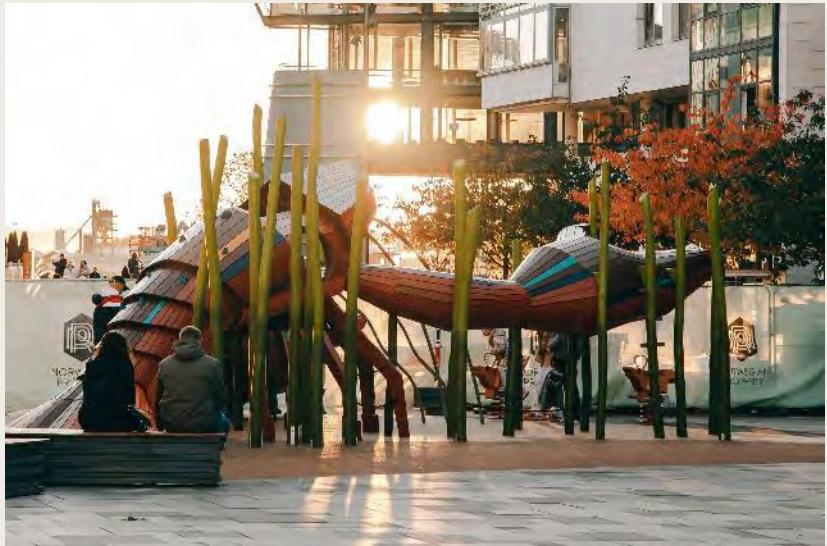
# Turnover – Aker Brygge

- Full year 2023 MNOK 2 019 (+8%)
- Q4 2023 MNOK 469 (-4%)



## Main activities and highlights for Q4:

- Opening of new playground at Bryggetorget
- The Breakfast Club in October
- Opening of “Bonji Spaceman” art at Bryggetorget
- Charity event “Idrettshjelpen”

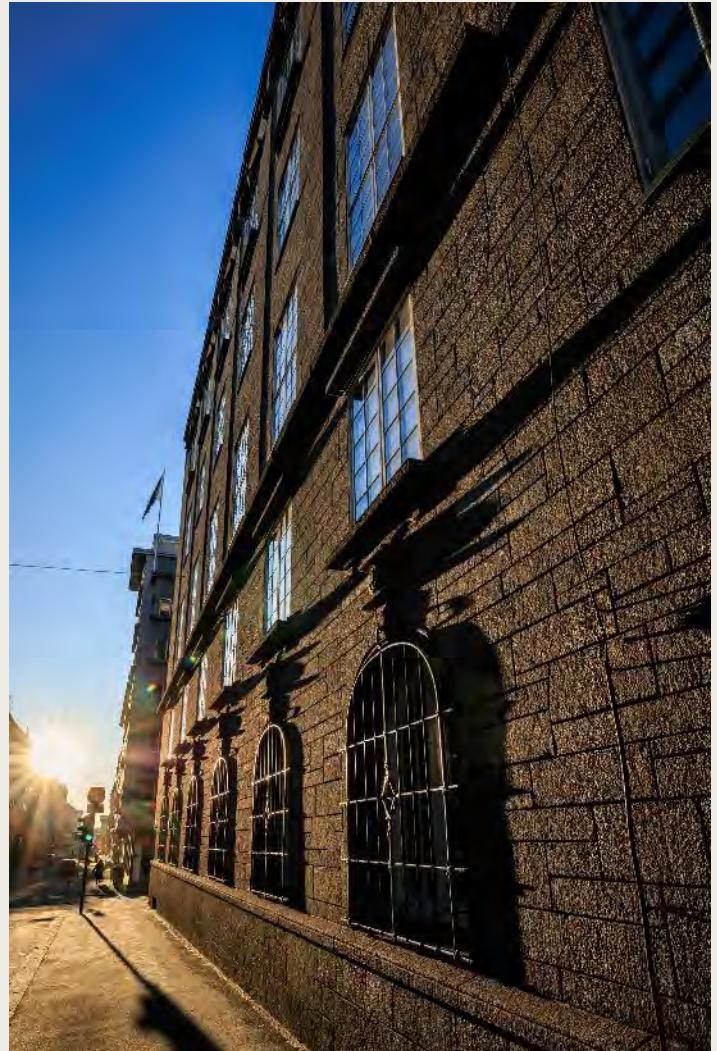
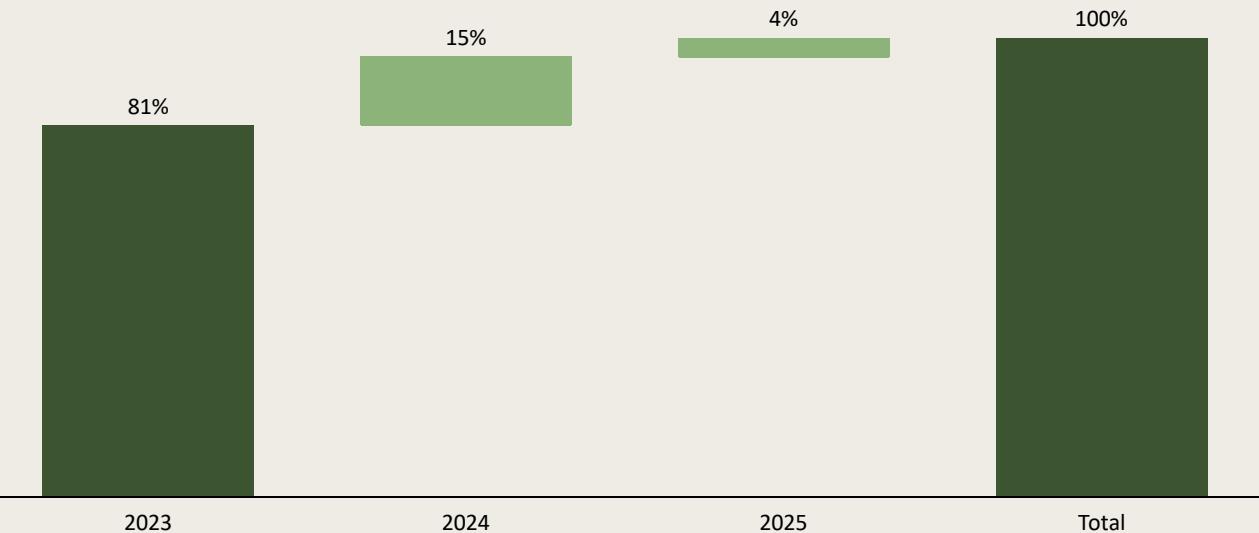


# Update sustainability



## BREEAM and BREEAM in use

- Ambition to achieve BREEAM-in-use certification of Very Good or higher
- Another four properties achieved «BREEAM in use – Very good» certification during 2023
- In addition, newly acquired property Telegrafen was certified as «BREEAM in use – excellent» in January 2023
- Achieved certification for 81% of our portfolio<sup>(1)</sup>
- All classified Very Good or Excellent



(1) Excl. Development properties

# Market trends - office

## Rental market Oslo

- Very good rental market
- Another quarter with high level of extended leases
- Limited supply of new build due to higher construction and interest costs

## Oslo transaction market

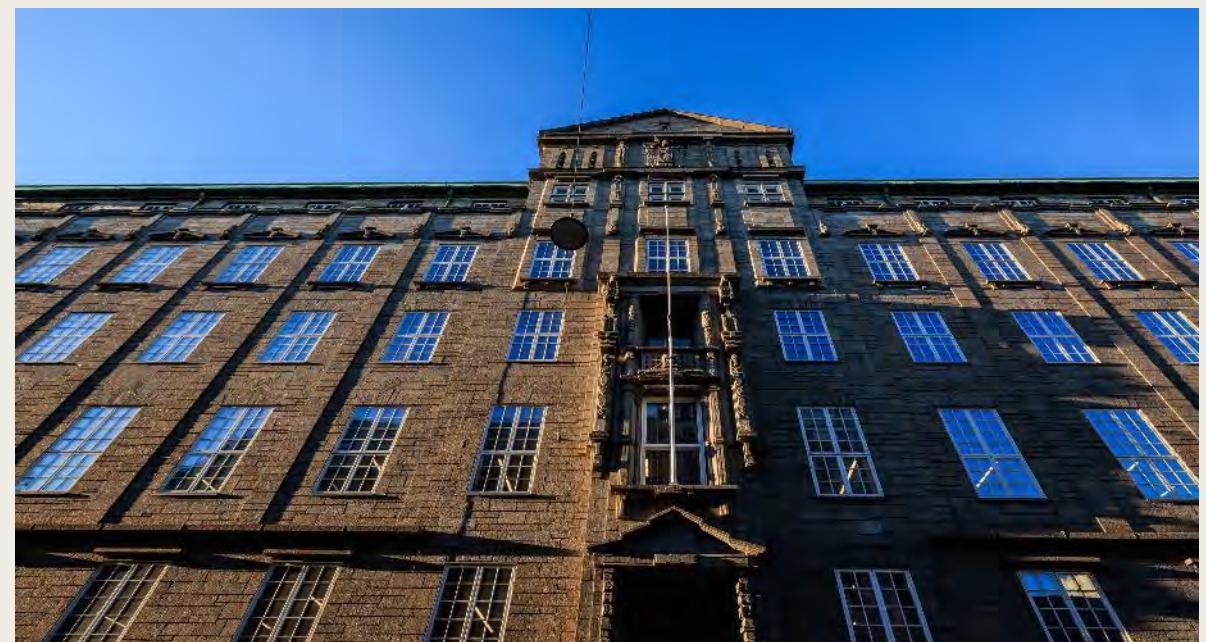
- There has been several transactions involving centrally located assets in Oslo last quarter
  - Indicates cap rates peaked during Q4-23
- Several off-market transactions are initiated
- Financing for quality real estate assets has improved



# Acquisition in Q4 2023

## Telegrafen

- NPRO has a growth strategy
- Good strategic fit to increase our Portfolio within CBD, one of NPRO's three core areas
- 25 500 sqm located in Kvadraturen, strategically placed in the inner city of Oslo
- Newly renovated building, with offices fully let to quality tenants
- Breeam in use - Excellent
- Financed with a green bond of MNOK 1 000

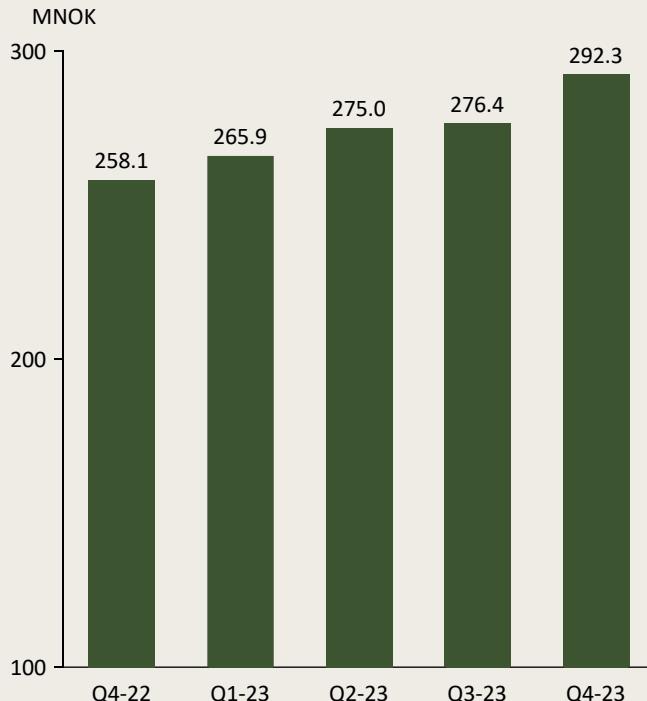


# Agenda

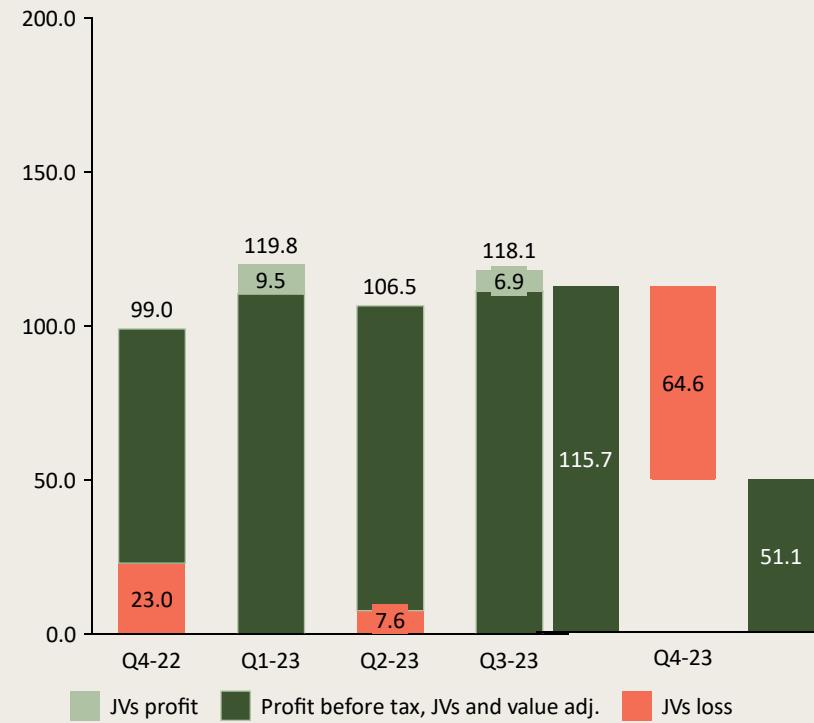
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# Financial highlights

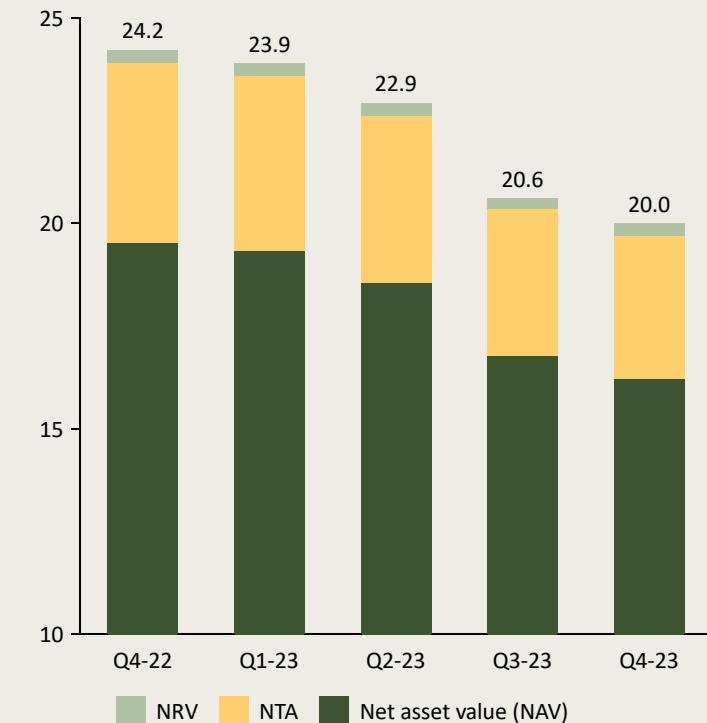
**Rental Income (MNOK)**



**Profit Before Tax and Value Adj. (MNOK)**



**Value Per Share (MNOK)**

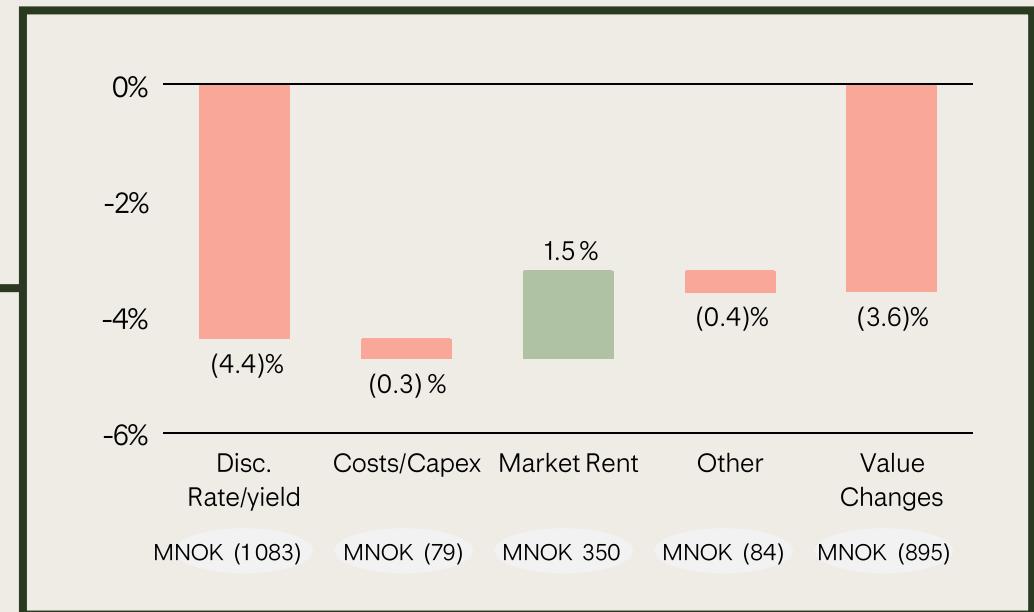
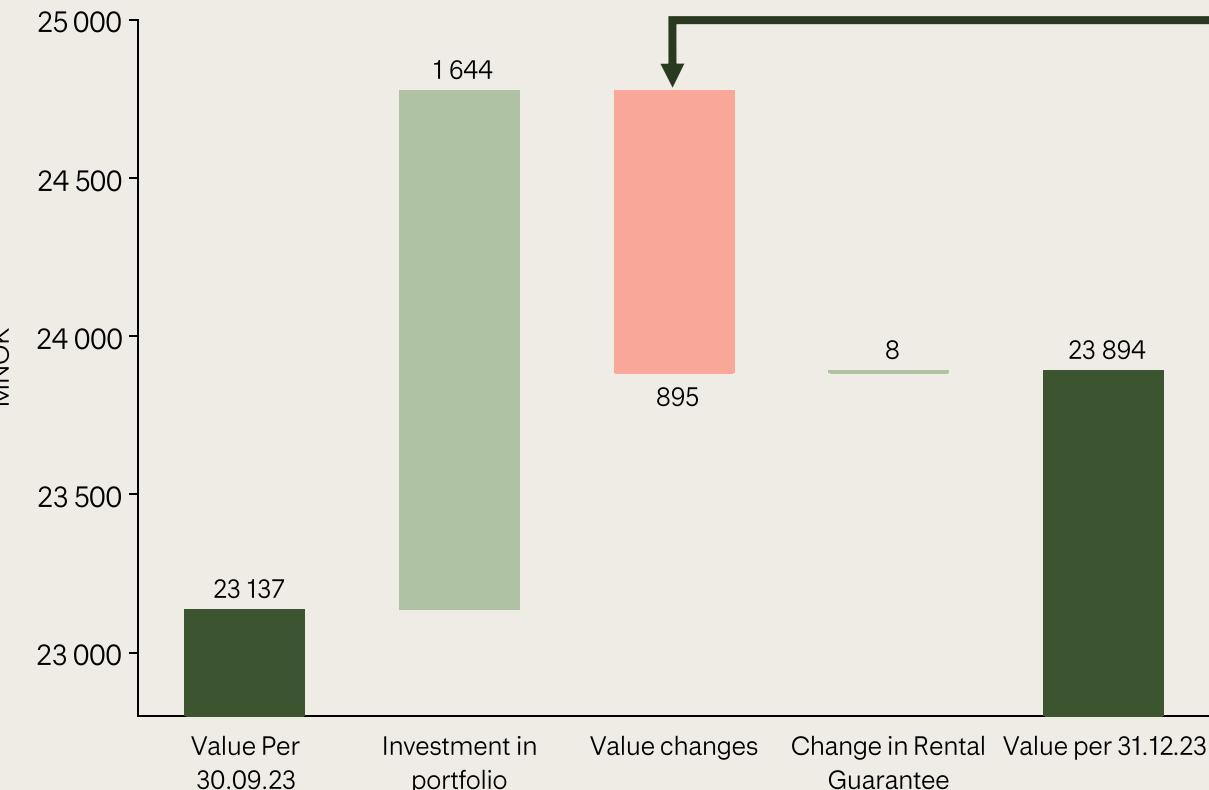


# Income statement – Q4 and 2023

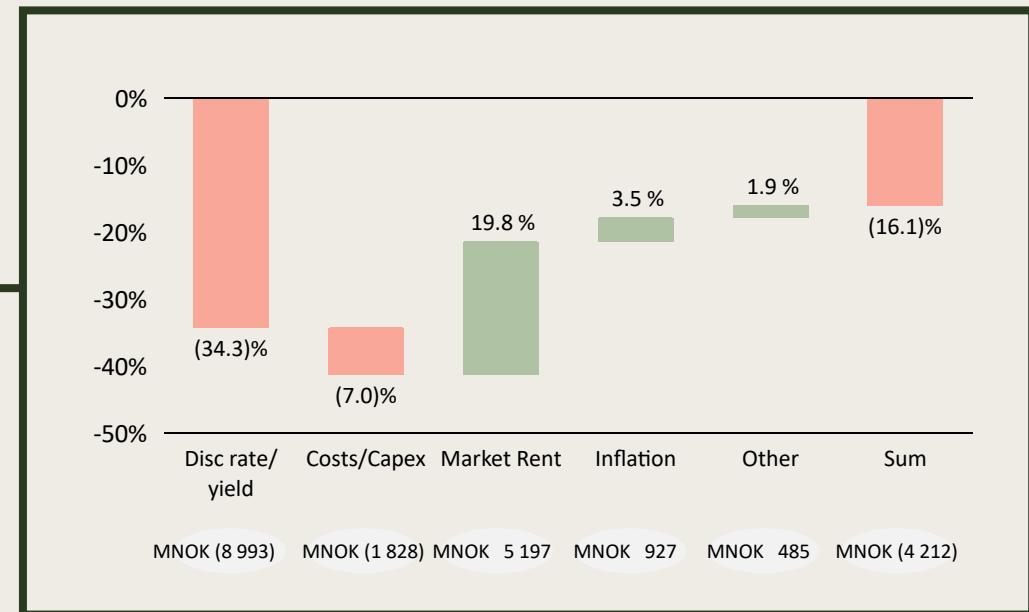
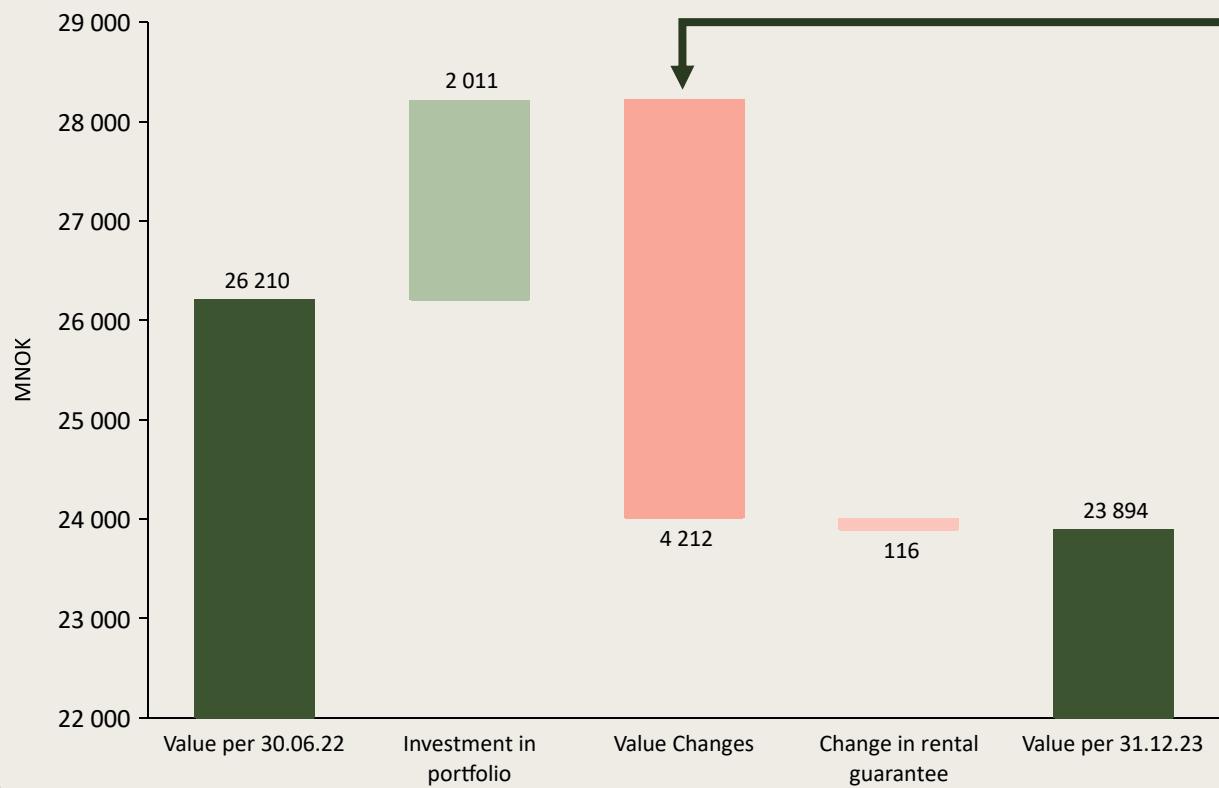
MNOK	Q4		Full year	
	2023	2022	2023	2022
Rental income	292.3	258.1	1 109.6	1 014.4
Revenues	292.3	258.1	1 109.6	1 014.4
Property-related operational expenses	(22.1)	(20.4)	(82.5)	(73.8)
Other property-related expenses	(17.4)	(21.2)	(73.9)	(68.8)
Administrative expenses	(20.5)	(17.4)	(67.5)	(62.1)
Share of profit in joint ventures*	(64.6)	(23.1)	(55.8)	33.8
Operating profit before value adjustments	167.8	176.1	829.8	843.5
Change in market value of investment property	(895.0)	(403.0)	(3 150.3)	(154.7)
Operating profit	(727.2)	(226.9)	(2 320.4)	688.8
Realised financial items	(116.7)	(100.1)	(441.6)	(358.4)
Change in market value of financial instruments	(85.5)	(34.0)	(3.9)	172.2
Net financial items	(202.2)	(134.1)	(445.4)	(186.2)
Profit before income tax	(929.4)	(361.1)	(2 765.8)	502.5
Income tax (not payable)	114.7	(20.3)	417.8	(206.6)
Profit for the period	(814.7)	(381.4)	(2 348.1)	295.9
Earnings per share (NOK)	(1.27)	(0.59)	(3.65)	0.46
Profit before income tax and value adjustments	51.1	75.9	388.3	485.1

\*Related to Nordr and Forusbeen 35

# Change in investment property value in Q4



# Change in investment property value since peak valuation Q2-22



# Portfolio valuation by area Q4-2023

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
- Negative Q3 fair value adjustment of NOK 895 million for properties owned 100%
- Projects include Gjerdrums vei 1-5 and Gjerdrums vei 17 in Nydalen

Area	Total space	WAULT	Valuation <sup>1</sup>		Gross rent per year	Net yield <sup>2</sup>	Vacancy based on market rent <sup>3</sup>	Exit yield, weighted average <sup>4</sup>
	m <sup>2</sup>	Years	MNOK	NOK/m <sup>2</sup>	MNOK	(%)	(%)	(%)
CBD	171 372	4.7	14 801	86 370	692.2	4.3	1.6	4.9
Nydalen excl. Projects	88 548	2.8	2 200	24 848	130.8	5.5	18.7	6.2
Fornebu	256 637	7.0	6 517	25 393	450.2	6.4	4.3	6.3
Hasle	10 684	4.5	283	26 483	18.6	6.0	8.0	6.3
<b>Total Portfolio</b>	<b>527 241</b>	<b>5.3</b>	<b>23 801</b>	<b>45 143</b>	<b>1 291.8</b>	<b>5.0</b>	<b>4.7</b>	<b>5.4</b>
Projects	3 594	N/A	92	25 692	3.4	N/A	N/A	N/A
<b>Total Portfolio</b>	<b>530 836</b>	<b>5.3</b>	<b>23 894</b>	<b>45 011</b>	<b>1 295.2</b>	<b>5.0</b>	<b>4.7</b>	<b>5.4</b>

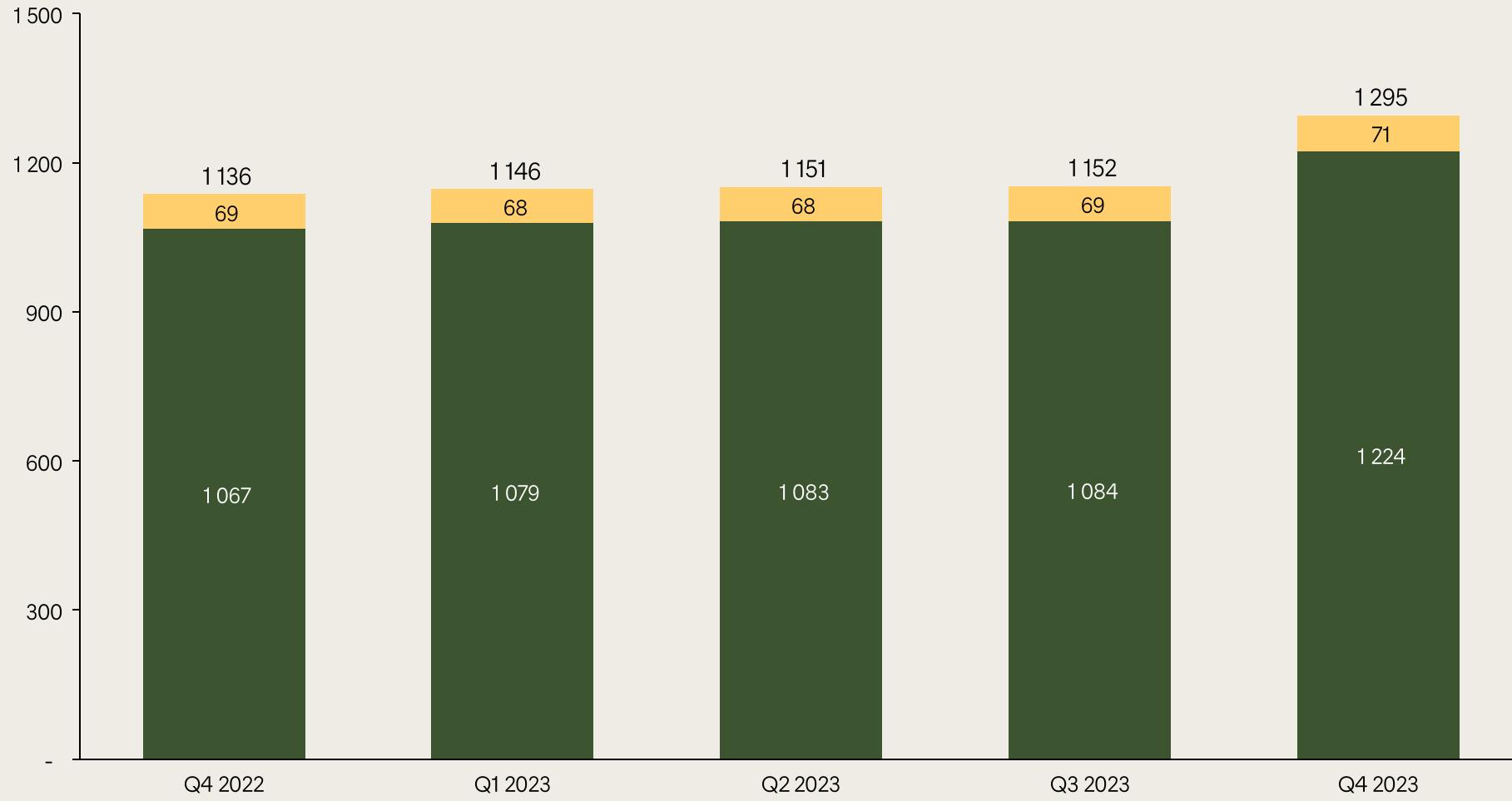
<sup>1</sup> Fornebu valuation includes non-current receivables amounting to NOK 231 million, related to the rental guarantee provided by the seller of the property at Snarøyveien 30.

<sup>2</sup> For illustration; based on rents as of December 31<sup>st</sup>, 2023 and estimated long term property expenses of 8 per cent.

<sup>3</sup> Vacancy calculated as market rent in vacant space, using market rent estimated by Cushman & Wakefield.

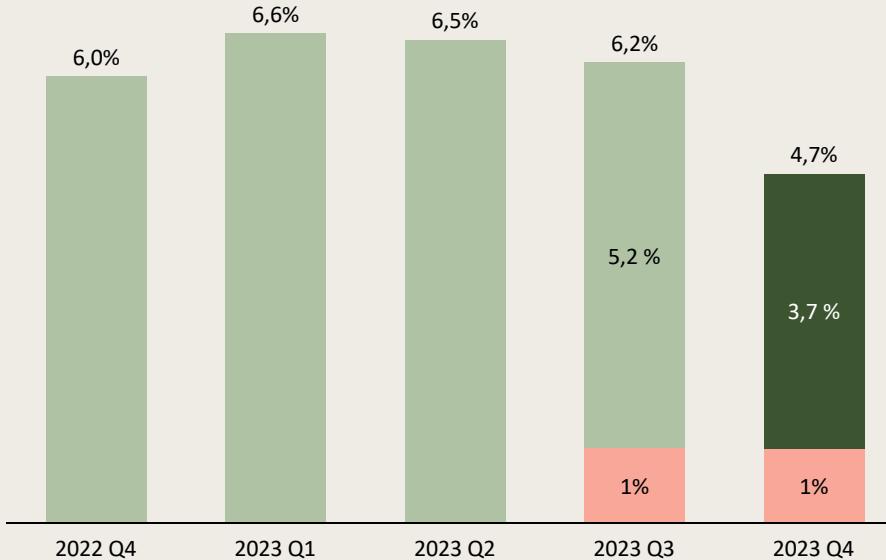
<sup>4</sup> Weighted average exit yields in external appraisals

# Run rate last 5 quarters

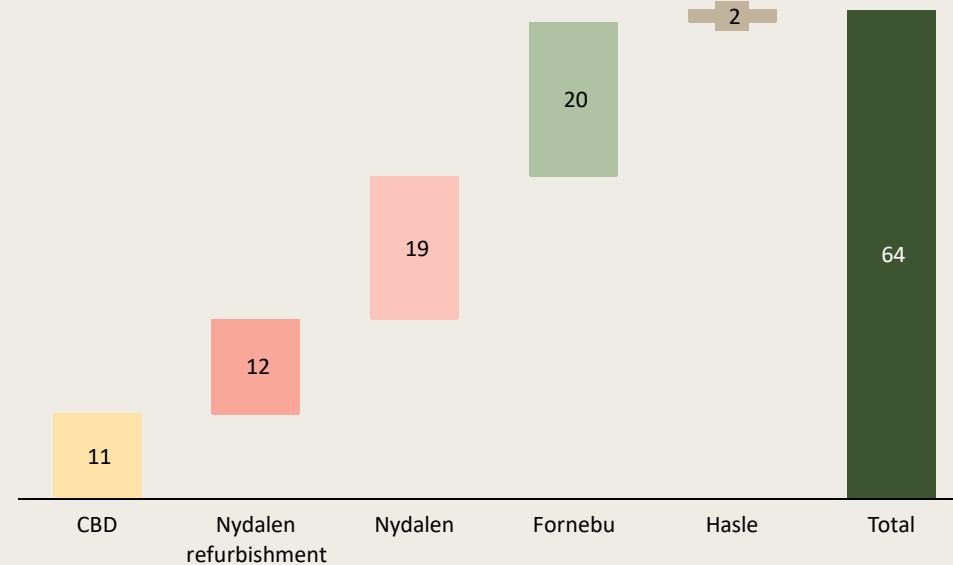


# Vacancy based on market rent

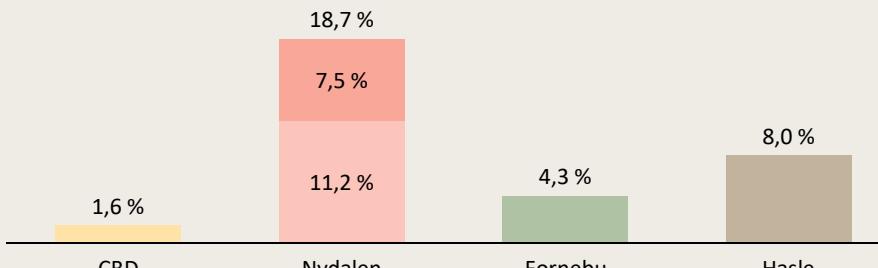
Market Rent Vacancy Last Five Quarters



Market Rent Vacancy for Each Area (MNOK Run Rate)



Vacancy Split on Area



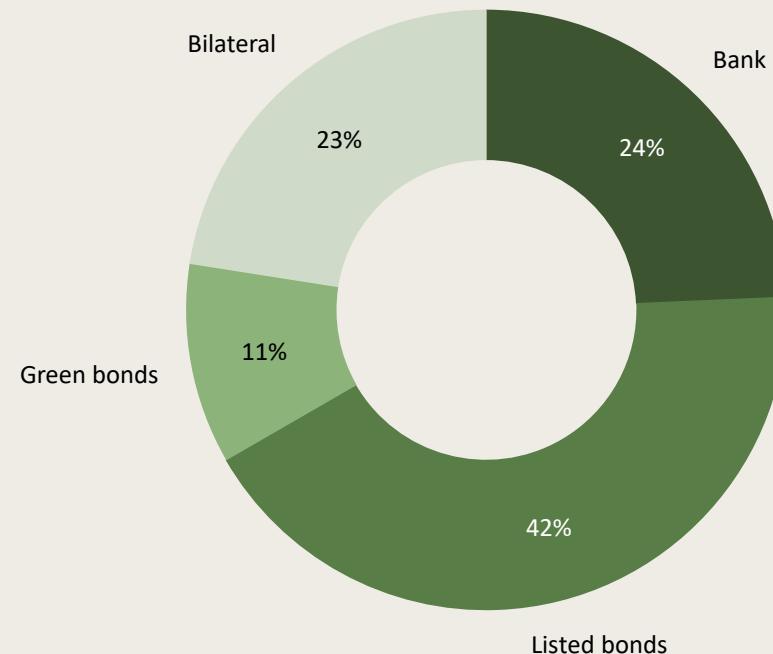
# Financial position

## Interest bearing debt and hedging

**31.12.2023**

Total interest-bearing debt	MNOK	13 988
Property value	MNOK	23 894
Market Value of investment in JV	MNOK	1 995
Net Loan to value*	Per cent	50.4
Cash and cash equivalents	MNOK	326
Interest-bearing receivables	MNOK	627
Unused committed credit facilities	MNOK	3 086
Average remaining duration. Hedging	Years	4.8
Average interest rate (including margin)	Per cent	4.39
Average margin	Per cent	1.53
Average remaining duration. Borrowing	Years	2.8
Hedging ratio**	Per cent	63.9
WAULT	Years	5.0

## Funding sources

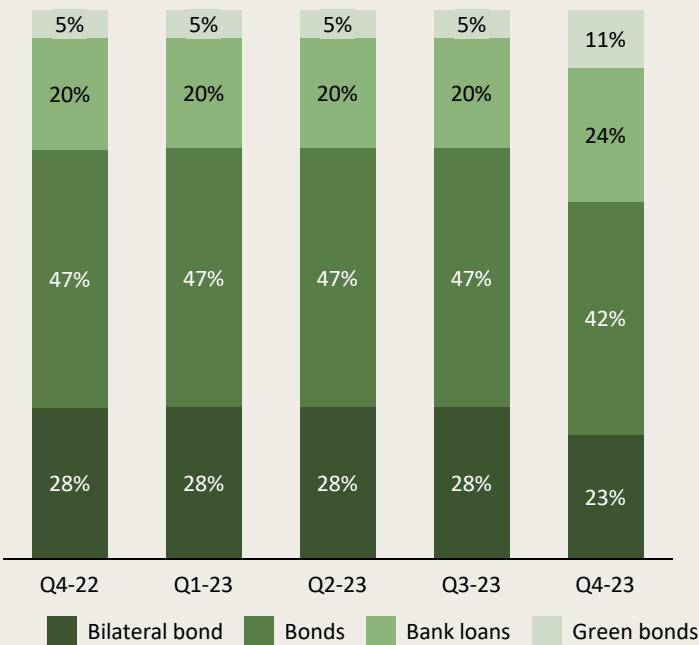


\* Net loan to value = interest bearing debt net of cash and interest-bearing receivables divided by gross property value incl. NAV in Nordr

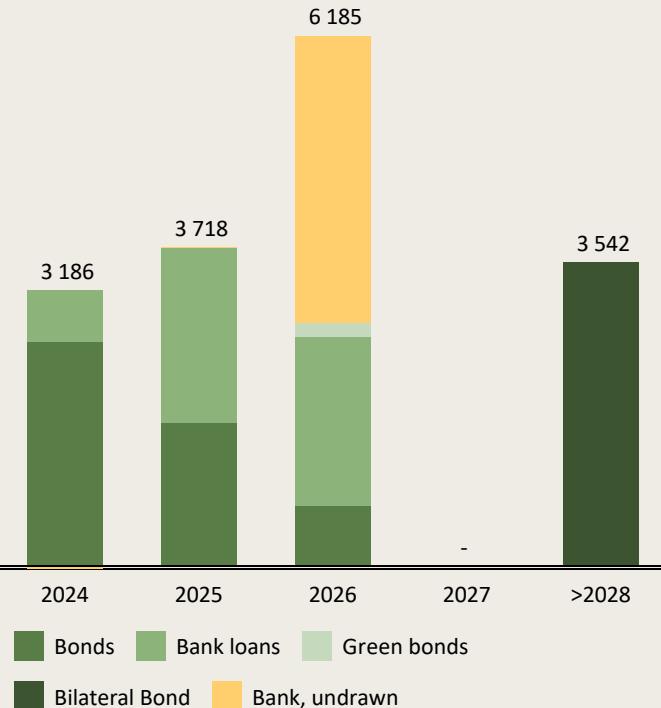
\*\* Calculated as the amount of interest hedging / total interest-bearing debt

# Financing

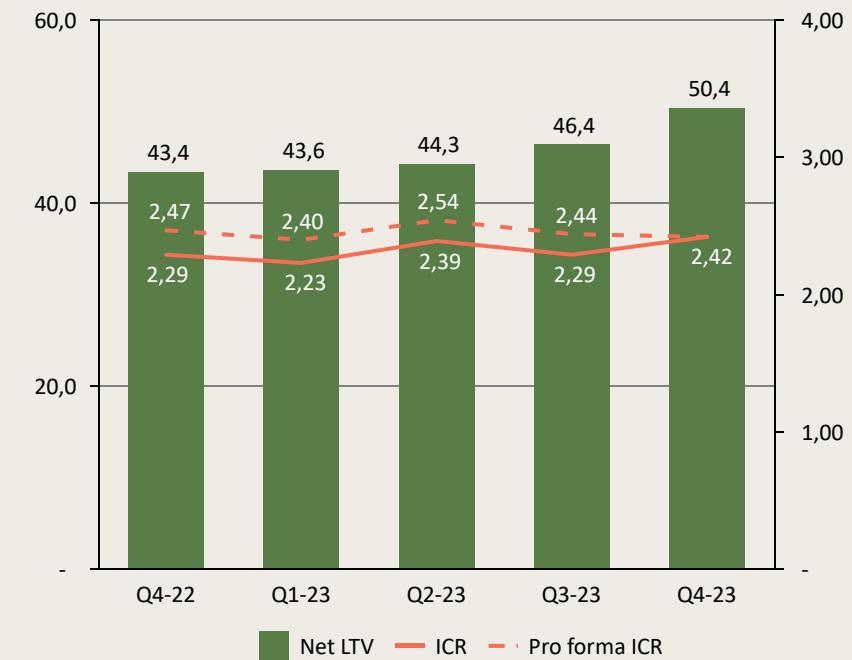
**Funding Sources (%)**



**Debt Maturity Profile (MNOK)**



**LTV and ICR (MNOK)**



- Diversified sources of funding

- 5.0 bn in listed bonds Q4 2023, 1 650 mill green bond, 3.5 bn in bilateral bonds and 3.8 bn in bank loans



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

- Diversified maturity profile

- Average remaining time to maturity Q4 2023 is 2.8 years
- In Q4-23 new bank facilities were established to refinance all bonds maturing in 2024.

- LTV below long-time target

- Net LTV 50.4 % as of Q4 2023, including the value of the investment in Nordr
- Pro forma ICR includes rental guarantee in Snarøyveien 30

# Refurbishments as of Q4 2023

Area	Property	Tenant	Area (sqm)	Quarter finalized
Aker Brygge	Verkstedhallene	DLA Piper Norway	5 300	Q4 2024
Aker Brygge	Dokkbygningen	Fritzøe Eiendom	270	Q2 2024
Aker Brygge	Tingvalla	Nook Energy	300	Q1 2024
Fornebu	Snarøyveien 36	NSM	2 400	Q1 2024
Nydalen	Sandakerveien 138	Arla Foods	370	Q1 2024
Nydalen	Sandakerveien 138	Asics Norge	430	Q1 2024
Nydalen	Sandakerveien 138	Common areas	1 900	Q1 2024
Nydalen	Sandakerveien 138	Siga Norge	290	Q1 2024
Nydalen	Gjerdums vei 17	The entire building is being refurbished	820	Q2 2024

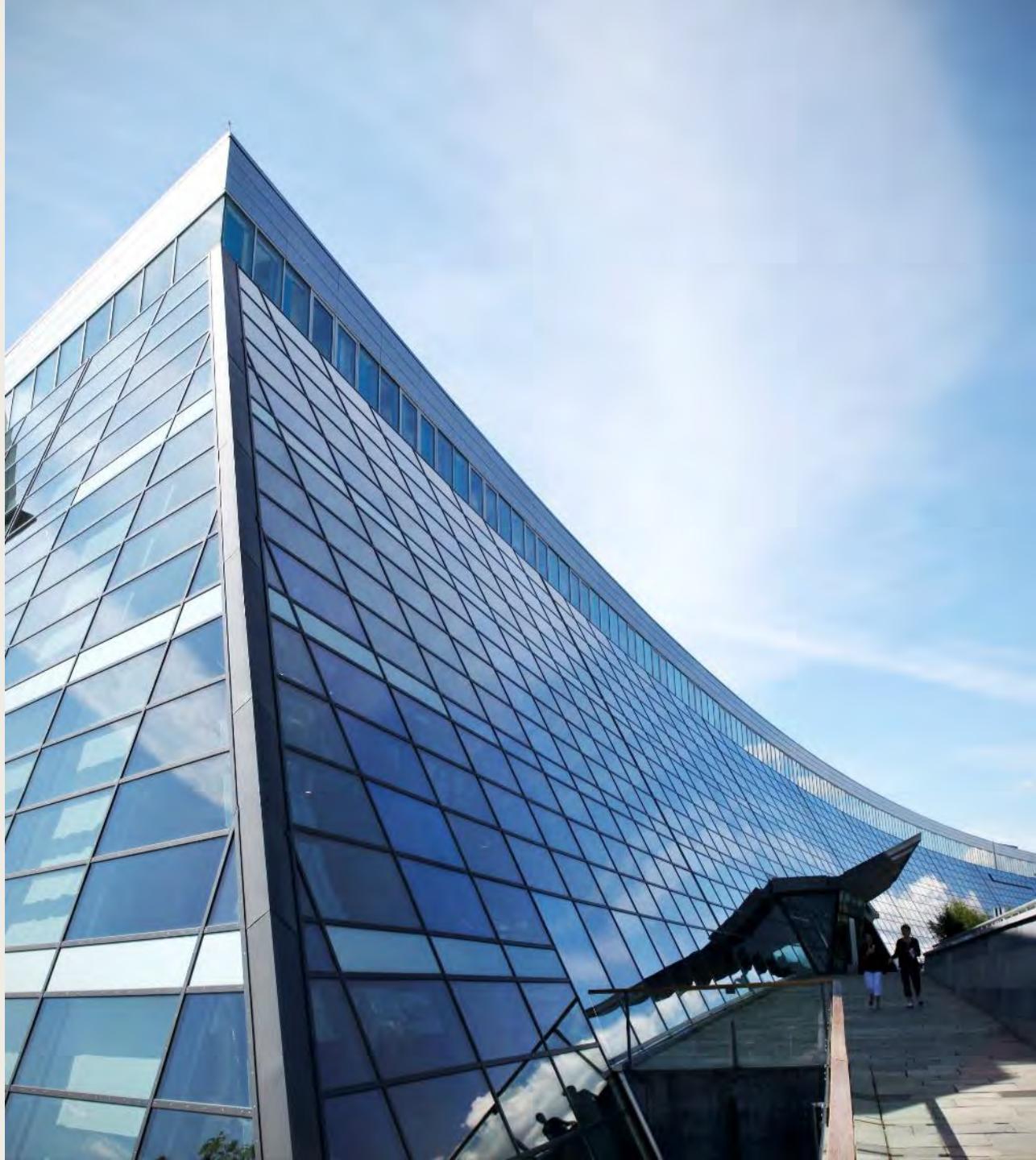


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# Summary

- Very strong operational performance
- Strategic acquisition during the quarter, with ambitions to further grow the company
- Solid balance sheet and new equity of MNOK 500
- Dividend of NOK 0.13 / share



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# Balance sheet – Q4 2023

MNOK	31.12.2023	31.12.2022
Investment property	23 517.7	24 859.1
Owner-occupied property	144.9	108.8
Property, plant and equipment	30.3	31.5
Investment in joint ventures*	933.2	1 061.7
Receivables	1 008.1	501.1
Cash and cash equivalents	325.6	185.1
Equity	10 411.6	12 562.1
Deferred tax	1 360.5	1 893.3
Long term interest bearing debt	10 777.8	10 351.6
Short term interest bearing debt	3 210.6	1 834.1
Market value financial derivatives (net)	(141.4)	(145.3)
Net other debt	340.7	251.4
Equity ratio (%)	39.9	46.7
NAV per share, book value of equity (NOK)	16.18	19.52
Net Reinstatement Value (NRV), per share (NOK)	19.99	24.26
Net Tangible Assets (NTA), per share (NOK)	19.68	23.94
Net Disposal Value (NDV), per share (NOK)	17.85	21.26

\*Related to the investment in Nordr og FB35.

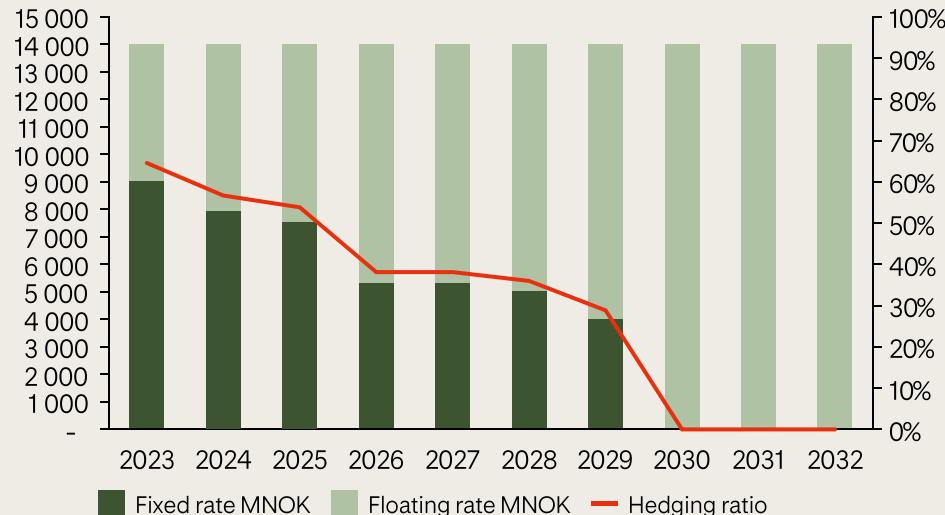
# Cash flow – Q4 and YTD 2023

MNOK	Q4		Full year	
	2023	2022	2023	2022
Cash flow from profit and loss before fair-value adj.	115.5	98.7	445.5	449.9
Change in rental guarantee receivables*	(6.7)	(4.6)	55.2	60.5
Change in short-term items	(113.1)	(199.1)	89.6	(53.1)
Cash flow from operating activities	(4.3)	(105.0)	590.3	457.3
Purchase of tangible assets	(1 793.0)	(67.4)	(2 033.2)	(258.9)
Other investment activities	(371.5)	0.0	(410.5)	0.0
Cash flow from investment activities	(2 164.5)	(67.4)	(2 443.7)	(258.9)
Net change in interest bearing debt	1 860.0	176.8	1 816.0	187.9
Paid dividend	(80.4)	(80.4)	(321.8)	(514.9)
Capital increase	499.7	0.0	499.7	0.0
Net cash flow from financing activities	2 279.3	96.4	1 993.9	(327.0)
Net change in cash	110.5	(76.0)	140.5	(128.5)
Net cash at end of period	325.6	185.1	325.6	185.1

\*Related to Snarøyveien 30

# Interest rate hedging Q4 2023

Hedging maturity profile



Maturity profile interest rates		Forward starting swaps <sup>3</sup>		Average credit margin			
	Amount (NOKm)	Interest rate (%)	Amount	Interest rate (%)	Tenor (years)	Amount (NOKm)	Credit margin (%)
<1 year *)	6 065.0	4.15 %				3 215.0	1.14 %
1-2 years	400.0	2.51 %				3 735.3	1.46 %
2-3 years	2 200.0	2.80 %				3 514.8	1.65 %
3-4 years	(0.0)	0.00 %					
4-5 years	300.0	2.23 %					
5-6 years	1 000.0	1.79 %					
6-7 years	4 042.0	1.16 %				3 542.0	1.85 %
7-8 years	(0.0)	0.00 %					
8-9 years	(0.0)	0.00 %					
9-10 years	(0.0)	0.00 %					
>10 years							

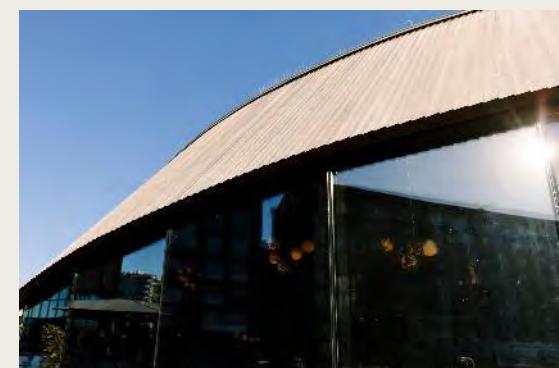
## Interest rate risk:

- 50-100% of the group's debt shall be hedged.
- Average remaining time to maturity shall be 3-6 years.
- Hedging ratio 31.12.2023 was 63.9 %. Remaining average time to maturity was 4.8 years.
- Diversified maturity profile to reduce exposure to interest levels.

# Overview and key figures

Key figures as of 31st December 2023

Properties *	no	30
Portfolio size (ex. new space in redev. Projects) **	m <sup>2</sup>	530 836
Average size per property	m <sup>2</sup>	17 695
Gross rent per year (run rate)	NOK mill.	1 295
Operational expenses per year ***	NOK mill.	104
Net rent per year (run rate)	NOK mill.	1 192
Average gross rent per m <sup>2</sup> per year	NOK	2 440
Gross market value **	NOK mill.	23 894
Average value per property	NOK mill.	796
Average value per m <sup>2</sup>	NOK	45 011
Gross yield, actual	%	5.4
Net yield, actual	%	5.0
WAULT **	Years	5.3
CPI adjustment ****	%	99.9
Vacancy, calculation based on market rate ****	%	4.7



\* 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 Forusbeen 35 and Gjerdums vei 17.

# CBD



**1. Terminalbygget**  
Multi-tenant  
Total size: 24 480 m<sup>2</sup>

**8. Fondbygget**  
Multi-tenant  
Total size: 22 071 m<sup>2</sup>

**2. Verkstedhallene**  
Multi-tenant  
Total size: 30 280 m<sup>2</sup>

**9. Bryggegata 7-9**  
Multi-tenant  
Total size: 8 472 m<sup>2</sup>

**3. Kaibyg 1**  
Multi-tenant  
Total size: 30 362 m<sup>2</sup>

**10. Støperiet**  
Tenant: Latter  
Total size: 2 588 m<sup>2</sup>

**4. Kaibyg 2**  
Multi-tenant  
Total size: 2 651 m<sup>2</sup>

**11. Drammensveien 60**  
Tenant: District Frogner in Oslo  
Municipality and NAV  
Total size: 11 269 m<sup>2</sup>

**5. Tingvalla, outdoor and Marina**  
Multi-tenant  
Total size: 1 202 m<sup>2</sup>  
Nr of boats: 175

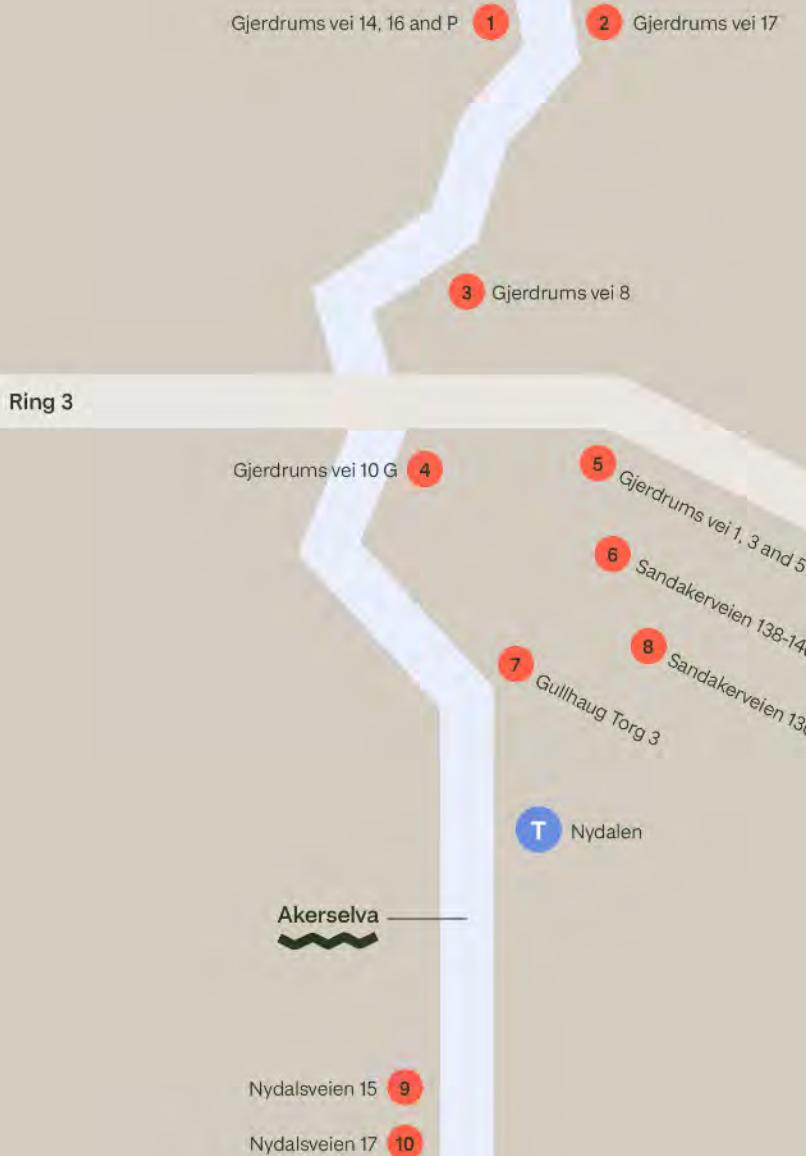
**12. Lille Grensen 7**  
Multi-tenant  
Total size: 6 867 m<sup>2</sup>

**6. Strandens**  
Multi-tenant  
Total size: 3 328 m<sup>2</sup>

**13. Telegrafen**  
Multi-tenant  
Total size: 25 467 m<sup>2</sup>

**7. Dokkbygget**  
Multi-tenant  
Total size: 2 335 m<sup>2</sup>

# Nydalen



**1. Gjerdums vei 14-16**  
Multi-tenant  
Total size: 8 631 m<sup>2</sup>

**7. Gullhaug Torg 3**  
Multi-tenant  
Total size: 8 127 m<sup>2</sup>

**2. Gjerdums vei 17**  
Under development  
Total size: 822 m<sup>2</sup>

**8. Sandakerveien 130**  
Multi-tenant  
Total size: 9 951 m<sup>2</sup>

**3. Gjerdums vei 8**  
Multi-tenant  
Total size: 9 523 m<sup>2</sup>

**9. Nydalsveien 15**  
Multi-tenant  
Total size: 3 804 m<sup>2</sup>

**4. Gjerdums vei 10 G**  
Multi-tenant  
Total size: 2 317 m<sup>2</sup>

**10. Nydalsveien 17**  
Multi-tenant  
Total size: 1 681 m<sup>2</sup>

**5. Gjerdums vei 1, 3 & 5**  
Multi-tenant  
Total size: 2 872 m<sup>2</sup>

**6. Sandakerveien 138-140**  
Multi-tenant  
Total size: 44 575 m<sup>2</sup>

# Hasle



1. Vinslottet  
Multi-tenant  
Total size: 10 684m<sup>2</sup>

# Fornebu



1. Snarøyveien 30  
Multi-tenant  
Total size: 198 439 m<sup>2</sup>

2. Snarøyveien 36  
Multi-tenant  
Total size: 58 194 m<sup>2</sup>

# Stavanger



1. Project: Forusbeen 35  
JV with Base Property 50/50 of Forusbeen 35  
Mixed use commercial and residential

# Property details Q4-2023

1/3

Property	Property facts						Rent facts				
	Space split						Market rent vacancy	CPI	WAULT per dec 2023	Run rate per Dec 2023	
	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2					
	m2	m2	m2	m2	m2	m2	%	%	Years	MNOK	
<b>CBD</b>											
Bryggegata 7-9	6 384	2 088	-	-	-	8 472	-	98.0	2.4	34.2	
Dokkbygningen	2 022	257	-	56	-	2 335	2.0	100.0	5.2	4.8	
Drammensveien 60	8 974	-	1 890	405	-	11 269	-	100.0	5.4	33.2	
Fondbygget (incl. Felix)	12 901	2 664	1 044	-	5 461	22 071	0.3	100.0	4.4	67.0	
Lille Grensen 7	5 109	1 686	72	-	-	6 867	-	100.0	5.3	25.1	
Telegrafen	18 027	4 741	2 090	610	-	25 467	4.0	100.0	7.4	80.6	
Kaibygning I (Stranden 5)	20 825	6 555	2 290	-	693	30 362	0.7	100.0	5.5	136.5	
Kaibygning II	-	1 827	824	-	-	2 651	30.0	100.0	5.0	7.4	
Stranden	2 674	156	24	474	-	3 328	4.9	100.0	5.1	10.7	
Støperiet	-	2 588	-	-	-	2 588	-	100.0	7.5	7.1	
Terminalbygget (Stranden 1)	17 766	3 195	1 736	1 364	421	24 481	0.2	100.0	5.5	122.2	
Tingvallautstikkeren, uteareal og marina <sup>1</sup>	-	1 201	-	-	-	1 201	-	100.0	2.0	32.9	
Verkstedhallene (Stranden 3)	19 183	7 927	2 392	-	779	30 281	1.9	100.0	2.5	130.5	
<b>Total CBD</b>	<b>113 864</b>	<b>34 885</b>	<b>12 362</b>	<b>2 908</b>	<b>7 353</b>	<b>171 372</b>	<b>1.6</b>	<b>99.9</b>	<b>4.7</b>	<b>692.2</b>	

<sup>1</sup> Adjusted for normal seasonal short term contracts

# Property details Q4-2023

2/3

Property	Property facts						Rent facts				
	Space split						Market rent vacancy	CPI	WAULT per dec 2023	Run rate per Dec 2023	
	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2					
	m2	m2	m2	m2	m2	m2	%	%	Years	NOK million	
<b>Nydalen</b>											
Gjerdums vei 10 G (former 10D)	2 139	-	178	-	-	2 317	28.3	100.0	2.9	4.1	
Gjerdums vei 14, 16 and 16 P-house	5 363	-	976	2 292	-	8 631	12.6	100.0	2.8	13.0	
Gjerdums vei 17	806	-	16	-	-	822	-	100.0	-	-	
Gjerdums vei 1	282	-	-	-	55	337	-	100.0	3.1		
Gjerdums vei 3	45	-	-	-	418	463	10.7	100.0	0.6	0.8	
Gjerdums vei 5	1 710	-	263	-	-	1 972	17.8	100.0	2.2	2.6	
Gjerdums vei 8	7 726	-	633	1 163	-	9 522	12.0	100.0	2.2	18.7	
Gullhaug Torg 3	7 793	-	334	-	-	8 127	3.1	100.0	3.2	15.7	
Sandakerveien 138-140 (Gullhaugvn 9-13)	23 446	-	7 323	13 736	-	44 505	31.1	100.0	2.8	47.3	
Nydalsveien 15	3 711	-	65	-	28	3 804	0.1	100.0	2.5	9.8	
Nydalsveien 17	-	1 691	-	-	-	1 691	-	100.0	1.5	5.5	
Sandakerveien 130	5 542	-	1 047	3 361	-	9 950	12.6	100.0	4.2	16.7	
<b>Total Nydalen</b>	<b>58 563</b>	<b>1 691</b>	<b>10 834</b>	<b>20 553</b>	<b>501</b>	<b>92 142</b>	<b>18.7</b>	<b>100.0</b>	<b>2.8</b>	<b>134.2</b>	

# Property details Q4-2023

3/3

Property	Property facts						Rent facts				
	Space split						Market rent vacancy	CPI	WAULT per dec 2023	Run rate per Dec 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	2.7	100.0	6.7	380.5	
Snarøyveien 36	40 660	-	326	17 213	-	58 198	12.0	100.0	8.5	69.7	
<b>Total Fornebu</b>	<b>185 377</b>	<b>-</b>	<b>8 469</b>	<b>62 791</b>	<b>-</b>	<b>256 637</b>	<b>4.3</b>	<b>100.0</b>	<b>7.0</b>	<b>450.2</b>	
Hasle							-	-			
Vinslottet	-	8 922	284	1 479	-	10 684	8.0	100.0	4.5	18.6	
<b>Total Hasle</b>	<b>-</b>	<b>8 922</b>	<b>284</b>	<b>1 479</b>	<b>-</b>	<b>10 684</b>	<b>8.0</b>	<b>100.0</b>	<b>4.5</b>	<b>18.6</b>	
<b>GROSS TOTAL</b>	<b>357 804</b>	<b>45 498</b>	<b>31 949</b>	<b>87 731</b>	<b>7 854</b>	<b>530 836</b>	<b>4.7</b>	<b>99.9</b>	<b>5.3</b>	<b>1 295.2</b>	