

Norwegian Property ASA

Interim report Fourth quarter and full year 2023



Highlights in the fourth quarter

- **Acquisition of the Telegrafan property** in central Oslo completed in the fourth quarter.
 - 25,000 sqm located in Kvadraturen. newly renovated office building, fully let to quality tenants.
- **Equity issue** of NOK 500 million.
 - Part of the financing of the Telegrafan property acquisition.
- Facilities in place for all 2024 bond maturities.
 - Refinancing of all 2024 debt maturities completed.
 - New loan facilities with a total limit of NOK 4,005 million have been established in collaboration with relationship banks, and a new NOK 1 billion green bond has been established related to the acquisition of Telegrafan.
 - Loans maturing in 2024 amount to NOK 3,215 million, and the available unused credit facilities amount to NOK 3,086.4 million at year-end.
- **Rental income** of NOK 292.3 million showed a like-for-like growth of NOK 24 million (9.3 per cent) compared with last year.
- Reduction of the **overall financial vacancy** in the property portfolio to 4.7 per cent.
- **Another quarter with positive net letting.**
 - New and renegotiated leases signed in the fourth quarter with an annual rental uplift totalling NOK 27 million. Expired leases totalled NOK 17 million. Net letting therefore came in at NOK 10 million in the fourth quarter.
 - Annual rental income (run rate) from the property portfolio was NOK 1,295 million and increased by NOK 143 million from the beginning of the fourth quarter.
- **Profit before income tax, value adjustments and share of results from JVs** of NOK 115.7 million.
- **Fair-value adjustment** for investment properties and financial derivatives.
 - The fair-value adjustment of investment properties was negative by NOK 895 million (3.6 per cent), mainly due to increased yield levels for the investment properties.
 - The fair-value adjustment for financial derivatives was negative by NOK 85.5 million after a reduction in long-term market interest rates.
- **The joint venture residential company Nordr** had 1,282 residential units under construction at year-end.
 - A total of 109 units were sold in the fourth quarter.
 - Construction was started for a total of 110 residential units while a total of 303 units were delivered.
- **Earnings per share (EPS)** was negative at NOK 1.27.
- **EPRA NRV** was NOK 20 per share.
- **Dividend** of NOK 0.13 per share for the fourth quarter.

Key financial figures and APMs

The financial information for Norwegian Property is prepared in accordance with IFRS. The company also reports on the supplementary financial alternative performance measures (APMs). The table below shows a summary of the key IFRS figures from the group accounts as well as the alternative performance measures (APMs).

Profit and loss		4Q-23	4Q-22	31.12.23	31.12.22
Revenues ¹	NOK mill.	292.3	258.1	1,109.6	1,014.4
Operating profit before administrative expenses ²	NOK mill.	252.9	216.6	953.2	871.8
Operating profit before value adjustments ¹	NOK mill.	167.8	176.1	829.8	843.5
Profit before income tax and value adjustments ²	NOK mill.	51.1	75.9	388.3	485.1
Profit before income tax, value adjustments and joint ventures ²	NOK mill.	115.7	99.0	444.1	451.3
Change in fair value of investment property and rental guarantee ¹	NOK mill.	(895.0)	(403.0)	(3,150.3)	(154.7)
Profit before income tax ¹	NOK mill.	(929.4)	(361.1)	(2,765.8)	502.5
Profit after income tax ¹	NOK mill.	(814.7)	(381.4)	(2,348.1)	295.9
Balance sheet		4Q-23	4Q-22	31.12.23	31.12.22
Market value of property portfolio ²	NOK mill.	23,893.7	25,201.0	23,893.7	25,201.0
Market value of joint ventures ²	NOK mill.	1,995.0	2,181.0	1,995.0	2,181.0
Gross interest-bearing debt ²	NOK mill.	13,988.4	12,185.7	13,988.4	12,185.7
Net interest-bearing debt ²	NOK mill.	13,035.5	11,890.9	13,035.5	11,890.9
Net LTV ²	Per cent	50.4	43.4	50.4	43.4
Total equity ¹	NOK mill.	10,411.6	12,562.1	10,411.6	12,562.1
Equity ratio ²	Per cent	39.9	46.7	39.9	46.7
Pre-tax return on equity ²	Per cent	(32.4)	(16.0)	(24.1)	4.0
Cash flow		4Q-23	4Q-22	31.12.23	31.12.22
Net cash flow from operating activities ¹	NOK mill.	(4.3)	(105.0)	590.3	457.4
Cash and cash equivalents ¹	NOK mill.	325.6	185.1	325.6	185.1
Key figures; per share		4Q-23	4Q-22	31.12.23	31.12.22
Number of shares outstanding, end of the period	Mill. shares	643.6	643.6	643.6	643.6
Average number of shares in the period	Mill. shares	643.6	643.6	643.6	643.6
Profit before income tax ³	NOK	(1.44)	(0.56)	(4.30)	0.78
Earnings per share (EPS) ³	NOK	(1.27)	(0.59)	(3.65)	0.46
Net cash flow from operating activities ³	NOK	(0.01)	(0.16)	0.92	0.71
Interest-bearing debt ³	NOK	21.74	18.93	21.74	18.93
NAV, book value ³	NOK	16.18	19.52	16.18	19.52
EPRA performance measures		4Q-23	4Q-22	31.12.23	31.12.22
EPRA Earnings					
EPRA earnings, per share ⁴	NOK	0.15	0.13	0.54	0.53
EPRA NAV metrics					
Net Reinstatement Value (NRV), per share ⁴	NOK	19.99	24.26	19.99	24.26
Net Tangible Assets (NTA), per share ⁴	NOK	19.68	23.94	19.68	23.94
Net Disposal Value (NDV), per share ⁴	NOK	17.85	21.26	17.85	21.26
EPRA net initial yield					
EPRA Net Initial Yield (NIY) ⁴	Per cent	4.98	4.13	4.98	4.13
EPRA "Topped-up" NIY ⁴	Per cent	5.05	4.23	5.05	4.23
EPRA vacancy rate					
EPRA vacancy rate ⁴	Per cent	3.85	5.01	3.85	5.01
EPRA cost ratio					
EPRA cost ratio, including direct vacancy cost ⁴	Per cent	20.63	23.16	20.30	20.42
EPRA cost ratio, excluding direct vacancy cost ⁴	Per cent	18.13	20.69	18.01	17.96
EPRA LTV					
EPRA LTV ratio ⁴	Per cent	59.2	50.7	59.2	50.7

¹ IFRS figures: The IFRS figures which appear in the group accounts.

² APMs: APMs which do not derive directly from the IFRS group accounts and have been explained in the overview of the definitions at the end of this report.

³ IFRS figures and APMs per share: When calculating the APMs and IFRS measures per share, the figures related to the profit and cash flow have been divided by the average number of shares for the period, and those related to the balance sheet have been divided by the number of shares at the end of the period. The number of shares excludes treasury shares.

⁴ EPRA APMs: The calculation of the EPRA APMs is specified in the separate EPRA performance measures section of this report.

Financial developments

Results

Operating revenue

The rental income from commercial properties amounted to NOK 292.3 million in the fourth quarter (NOK 258.1 million¹). Adjusted for the acquisition of properties (like-for-like revenue), this represented an increase of NOK 24 million from the same period of 2022. Rental income for the year totalled NOK 1,109.6 million (NOK 1,014.4 million), representing a like-for-like increase of NOK 84.9 million. The increase is primarily linked to the CPI adjustment at the start of 2023 as well as the effect of net new and renegotiated leases during the past year.

The total ongoing annual rental income (run rate) was NOK 1,295 million as of January 1. This represented an increase of NOK 143 million since October 1.

Retail and restaurant turnover for both Aker Brygge in Oslo CBD and Vinslottet at Hasle for the fourth quarter was marginally reduced compared to the corresponding period last year. For the full year, the turnover at Aker Brygge and Vinslottet is up 8 and 10 per cent, respectively.

Operating costs

Property-related operational expenses totalled NOK 22.1 million (NOK 20.4 million) for the fourth quarter and NOK 82.5 million for the year (NOK 73.8 million). Other property-related expenses came to NOK 17.4 million (NOK 21.2 million) for the quarter and NOK 73.9 million for the year (NOK 68.8 million). Administrative expenses amounted to NOK 20.5 million (NOK 17.4 million) for the quarter and NOK 67.5 million for the year (NOK 62.1 million).

Operating profit before fair-value adjustments

Share of profit from joint ventures was negative at NOK 64.6 million (NOK 23.1 million) for the fourth

quarter and negative at NOK 55.8 million for the year (profit of NOK 33.8 million).

Thereby, operating profit before fair-value adjustments amounted to NOK 167.8 million (NOK 176.1 million) for the fourth quarter and NOK 829.8 million for the year (NOK 843.5 million).

Fair-value adjustments for investment property

The valuation of the property portfolio yielded a negative unrealised fair-value adjustment of NOK 895 million (NOK 403 million). The negative fair-value adjustment is mainly related to increased yield levels for the company's properties. This represented a 3.6 per cent change from the value as of September 30 and the cost of investments for the period. The total market value of the property portfolio as of December 31, 2023 amounted to NOK 23,893.7 million. The negative unrealised fair-value adjustment for the year totalled NOK 3,150.3 million (11.6 per cent) compared to NOK 154.7 million for last year.

Net financial items

Net realised financial expenses amounted to NOK 116.7 million for the fourth quarter (NOK 100.1 million) and NOK 441.6 million for the year (NOK 358.4 million). The increase in costs in 2023 is primarily related to the increased short-term floating interest rates.

Long-term market interest rates were reduced during the fourth quarter. The negative fair-value adjustment for financial derivatives was NOK 85.5 million (NOK 34 million). The negative fair-value adjustment for the year was NOK 3.9 million (positive change of NOK 172.2 million).

Profit for the period

The pre-tax loss amounted to NOK 929.4 million for the fourth quarter (NOK 361.1 million) and NOK 2,765.8 million for the year (profit of NOK 502.5 million).

¹ The figures in brackets refer to the corresponding period of the previous year.

The reduction in the provision for deferred tax was NOK 114.7 million in the fourth quarter (increase of NOK 20.3 million) and NOK 417.8 million for the year (increase of NOK 206.6 million).

Net loss in the fourth quarter was thereby NOK 814.7 million (381.4 million) and NOK 2,348.1 million for the year (profit of NOK 295.9 million).

Joint ventures

The table below presents a summary of Norwegian Property's share of profit and loss from joint ventures.

Amounts in NOK million	4Q-23	4Q-22	31.12.23	31.12.22
Nordr	(64,4)	(22,8)	(55,1)	34,3
Forusbeen 35	(0,2)	(0,2)	(0,7)	(0,6)
Total share of profit	(64,6)	(23,1)	(55,8)	33,8

Norwegian Property owns Nordr together with Fredensborg and Union Real Estate Fund III. Nordr had 1,282 flats under construction and a substantial land bank of 13,300 units in Norway and Sweden at the end of the year.

Norwegian Property's share of the net profit relating to Nordr was negative at NOK 64.4 million (NOK 22.8 million) for the fourth quarter² and NOK 55.1 million for the year (positive at NOK 34.3 million). Project related write-downs and one-off costs totalling NOK 92 million have negatively affected the share of the net result from Nordr in the fourth quarter. Norwegian Property's share of net assets in the balance sheet as of December 31 was NOK 930.1 million (NOK 1,061.7 million).

Balance sheet

Total assets in the balance sheet as of December 31 were NOK 26,111 million (NOK 26,910.8 million) with investment properties accounting for NOK 23,517.7 million (NOK 24,859.1 million) and the properties used by the owner accounting for NOK 144.9 million (NOK 108.8 million). Non-current receivables amounted to NOK 231.1 million, which were related

to the rental guarantee provided by the seller of the property at Snarøyveien 30 (NOK 233.1 million).

Investment in joint ventures was NOK 933.2 million (NOK 1,061.7 million).

Norwegian Property held NOK 325.6 million in cash and cash equivalents (NOK 185.1 million).

Total interest-bearing liabilities in the balance sheet came to NOK 13,988.4 million (NOK 12,185.7 million) with non-current interest-bearing liabilities totalling NOK 10,777.8 million (NOK 10,351.6 million) and current interest-bearing liabilities amounting to NOK 3,210.6 million (NOK 1,834.1 million).

Financial derivatives accounted for a net asset of NOK 141.4 million (NOK 145.3 million) with NOK 151.2 million classified as assets (NOK 163.5 million) and NOK 9.8 million as liabilities (NOK 18.2 million).

Equity totalled NOK 10,411.6 million (NOK 12,562.1 million), representing an equity ratio of 39.9 per cent (46.7 per cent). The book value of equity per share was NOK 16.18 (NOK 19.52). Outstanding shares totalled 649,825,596 (649,825,596). Treasury shares totalled 6,250,000, and 643,575,596 shares were held by the external shareholder.

Cash flow

Net operational cash flow was negative at NOK 4.3 million for the fourth quarter (NOK 105 million) and positive at NOK 590.3 million for the year (NOK 457.4 million). Cash earnings in the fourth quarter amounted to NOK 115.5 million. The change in the rental guarantee receivables and other short-term items amounted to negative amounts of NOK 6.7 million and NOK 113.1 million, respectively.

Net cash flow from investing activities was negative at NOK 2,164.5 million for the fourth quarter (NOK 67.4 million) and NOK 2,443.7 million for the year (NOK 258.9 million). Investments in fixed assets amounted to NOK 1,793 million for the fourth quarter and are related to the acquisition of the Telegrafren property, the adjustments for lessees associated

² See note 6 to the interim accounts for financial and operational information on Nordr for 2023.

with new and renegotiated leases as well as ongoing operational investments. Investments totalled NOK 2,033.2 million for the year. Other investing activities include dividends from joint ventures and changes in interest-bearing receivables (net negative change of NOK 371.5 million for the fourth quarter and NOK 410.5 million for the year).

Net cash flow from financing activities was positive at NOK 2,279.3 million for the fourth quarter (NOK 96.4 million), following an increase in interest-bearing debt of NOK 1,860 million, a capital increase of NOK 499.7 million and a dividend payment of NOK 80.4 million. For the year, net cash flow from financing activities was positive at NOK 1,993.9 million (NOK 327 million).

Cash and cash equivalents showed an increase of NOK 110.5 million for the fourth quarter (reduction of NOK 76 million) and NOK 140.5 million for the year (reduction of NOK 128.5 million).

Dividend

The board has resolved to pay a dividend of NOK 0.13 per share for the fourth quarter of 2023.

Financing

Key figures

The table below presents the key figures related to interest-bearing debt and hedges as of December 31.

Interest bearing debt and hedging		31.12.23	31.12.22
Interest-bearing debt	NOK mill.	13,988.4	12,185.7
Cash and cash equivalents	NOK mill.	325.6	185.1
Interest-bearing receivables ¹	NOK mill.	627.3	110.2
Interest-hedging ratio	Per cent	63.9	70.1
Unutilised credit facilities	NOK mill.	3,086.4	1,157.0
Remaining time to maturity for interest hedge agreements	Years	4.8	5.6
Average interest rate	Per cent	4.39	3.48
Average interest margin	Per cent	1.53	1.36
Remaining time to maturity for interest-bearing debt	Years	2.8	3.8
Market value of the property portfolio	NOK mill.	23,893.7	25,201.0
Market value of investment in joint ventures ²	NOK mill.	1,992.0	2,181.0
Gross debt to asset ratio (gross LTV)	Per cent	54.0	44.5
Net debt to asset ratio (net LTV) ³	Per cent	50.4	43.4

¹ Interest-bearing receivables include loans in relation to joint ventures.

² Applies to the book value of the investment in Nordr (joint venture), adjusted for the EPRA-revaluation of the investment.

³ Interest-bearing debt less the liquid assets and interest-bearing receivables in relation to the market value of the property portfolio and the real value of the shares in Nordr.

Interest-bearing liabilities

Interest-bearing liabilities totalled NOK 13,988.4 million as of December 31 (NOK 12,185.7 million). In addition, the company had undrawn credit and overdraft facilities of NOK 3,086.4 million (NOK 1,157 million).

New loan facilities with a total limit of NOK 4,005 million have been established in collaboration with relationship banks in connection with facilities due in the fourth quarter of 2023 and in 2024.

In connection with the acquisition of the Telegrafan property, a new NOK 1 billion green bond has been established.

Loans maturing in 2024 amount to NOK 3,215 million.

Interest hedges

The table below presents the maturity structure of interest-rate hedges for the company's interest-bearing debt as of December 31, 2023.

Maturity profile of interest hedges	Amount (NOK mill.)	Interest ¹ (per cent)	Share of total liabilities (per cent)
< 1 year	6 065	4,1	43
1 > 2 year	400	2,5	3
2 > 3 year	2 200	2,8	16
3 > 4 year	-	-	-
4 > 5 year	300	2,2	2
> 5 year	5 042	1,3	36
Total	14 007	2,8	100

¹ Average base interest rate for the matured amount.

Market and operations

Commercial property market

Norwegian Property estimates the office vacancy rates in Oslo to be 6.1 per cent overall, 4.9 per cent in the city centre and 10 per cent in Nydalen. Moderate vacancy rates in the past few years have contributed to positive trends for rents. Office vacancy at Fornebu is 8.8 per cent. The prime yield for the Oslo CBD is estimated by various analysts to be approximately 4.75 per cent.

In this quarter there has been a few property related transactions in the bond market, and investors seem to be slightly more positive towards the property industry. Margins for the sector were reduced during the quarter.

The 10-year swap interest rate went from 4.2 per cent at the beginning of the quarter to 3.3 per cent at the end of the quarter. Inflation remains high, but there are signs that the economy is slowing down. Norges Bank hiked the interest rate to 4.5 per cent in December, and they have stated that the interest rate will remain at that level for some time as inflation is still high.

The property portfolio

Key figures

Norwegian Property owned 30 investment properties as of December 31. These are primarily located in the central areas of the Oslo region. The company's properties mainly comprise office premises as well as retail and restaurant space along with the associated warehousing and parking for the office areas.

Total ongoing annual rental income (run rate) from the company's whole property portfolio was NOK 1,295 million as of January 1, 2024. That represented an increase of NOK 143 million since October 1. The run rate for Telegrafan, which was acquired in the fourth quarter, amounts to NOK 81 million. The remaining increase is related to the CPI adjustments at the turn of the year as well as new and

renegotiated agreements in the period. NOK 71 million of the run rate is related to the rental guarantee provided by the seller of the property at Snarøyveien 30. The overall financial vacancy in the property portfolio totalled 4.7 per cent, which is primarily related to the properties Sandakerveien 138-140 as well as Snarøyveien 30 and 36. The weighted average remaining duration of the leases was 5.3 years. The average rent adjustment factor for the consumer price index was 99.9 per cent for the total portfolio as of December 31, 2023.

The key figures above do not include the space which is under construction as of December 31. Ongoing projects at the end of the quarter are specified in the table shown below.

Area	Property	Tenant	Area (sqm)	Compl. date
Aker Brygge	Verkstedhallene	DLA Piper Norway	5 300	Q4-24
Aker Brygge	Dokkbygningen	Fritzøe Eiendom	270	Q2-24
Aker Brygge	Tingvalla	Nook Energy	300	Q1-24
Fornebu	Snarøyveien 36	NSM	2 400	Q1-24
Nydalen	Sandakerveien 138	Arla Foods	370	Q1-24
Nydalen	Sandakerveien 138	Asics Norge	430	Q1-24
Nydalen	Sandakerveien 138	Common areas	1 900	Q1-24
Nydalen	Sandakerveien 138	Siga Norge	290	Q1-24
Nydalen	Gjerdrums vei 17	Total refurbishment	820	Q2-24

New leases

Norwegian Property signed new and renegotiated leases in the fourth quarter with an annual rental uplift totalling NOK 27 million (NOK 87 million for the year). Expired leases totalled NOK 17 million (NOK 51 million for the year). Net letting therefore came in at NOK 10 million in the fourth quarter (NOK 36 million for the year).

Property transaction

The acquisition of the Telegrafan property in central Oslo was completed in the fourth quarter. The property is over 25,000 sqm, newly renovated and the offices are fully let.

Norwegian Property has three clear geographical areas of focus: Oslo CBD, Nydalen and Fornebu, and the acquisition of the Telegrafan property is a strategically important purchase for Norwegian

Property that entails an increased investment in the CBD.

Valuation of the property portfolio

Two independent appraisers have valued all the properties in the company's portfolio based on the same methods and principles applied in the previous periods. The accounting valuation as of December 31, 2023 is based on an average of the two valuations.

As of December 31, the company's portfolio of investment properties was valued at NOK 23,893.7 million (NOK 25,201 million). The rent guarantee receivables and properties used by the owner were carried separately in the balance sheet at NOK 231.1 million and NOK 144.9 million, respectively, and recognised at fair value. Fair-value adjustments recognised in the profit and loss for the investment properties were negative at NOK 895 million for the fourth quarter. This represents a 3.6 per cent change from the value as of September 30 and the cost of investments for the period.

Shareholder information

As of December 31, 2023, the company has a share capital of NOK 331,411,054 divided into 649,825,596 shares, each with a par value of NOK 0.51. The company owns 6,250,000 treasury shares. Geveran Trading Co. Ltd. owns the remaining 643,575,596 shares in the company.

An equity issue of NOK 500 million were carried out in the fourth quarter as part of the financing of the Telegrafan property acquisition. The share capital was increased by NOK 6,498,255, from NOK 324,912,798 to NOK 331,411,054, by increasing the nominal value of each of the issued shares by NOK 0.01, from NOK 0.50 to NOK 0.51. No new shares were issued.

The environment and corporate social responsibility (CSR)

Lunch with Impact

Norwegian Property houses several thousand employees and aims to deliver good working conditions and attractive working environments for

all tenants. In 2023, the Non-Discrimination Act contributed to an increased focus on social responsibility in connection to the workplace and the well-being of employees. This affects our tenants on various levels. As a measure to promote safe and inclusive working environments, Norwegian Property hosted a lunch seminar for key personnel among our tenants, who have an impact on the companies they represent. The seminar addressed mental health in the workplace and initiated dialogue to reduce stigma.

Santa's exchange market for pre-loved toys

Norwegian Property's emphasis on sustainability goal 11. Sustainable Cities and Societies was implemented in this year's Christmas campaign at Aker Brygge. To inspire and facilitate circularity, an exchange market for pre-loved toys was set up at Terminalbygget. Here, children of all ages were invited to bring a toy they had outgrown and exchange it for another pre-loved toy. The initiative was well-received by both children and their parents.

The Sport's Aid – Gatelagene

Norwegian Property contributed to The Sport's Aid and their fundraising for Gatelagene. Gatelagene is a non-profit initiative where people who struggle with drug-related challenges meet to play football. With meals, team play, fresh clothing, a trainer, and a hot shower all included it provides a sense of inclusiveness and mastery. It gives those outside of working life access to drug-free activity which leads to drug-free hours, that turn into weeks and eventually drug-free lives.

Accessible art for all – Boonji Spaceman and Christian Torp Gallery

Norwegian Property continue to create free and accessible activities and inspiring outdoor areas for visitors and tenants. On November 9, Aker Brygge welcomed a seven-metre-high sculpture by renowned contemporary artist Brendan Murphy. On the same day, Norwegian Property opened a new art gallery where leading Scandinavian contemporary artists of their generation will exhibit their artworks.

Outlook

Norwegian Property manages modern and flexible properties located in attractive clusters near public transport hubs. The company has delivered strong and stable results from its operations over a long period.

The company has three clusters for commercial properties - Oslo CBD, Nydalen and Fornebu.

Norwegian Property has a strategy for growth in its core commercial property business as well as an ambition to consider opportunities in other property segments. The acquisition of the Telegrafan property in central Oslo was completed in the fourth quarter of 2023. Norwegian Property will continue its efforts to expand and develop its business through additional acquisitions and by pursuing several

interesting long-term development opportunities in the existing property portfolio.

The property values have shown negative development since mid-2022 in a more troubled market with rising interest rates, inflation and worrying international geopolitical developments.

Norwegian Property's financial position is sound, with a high equity ratio and a relatively low loan-to-value ratio. The company has a highly diversified portfolio of tenants in the public sector and various private business segments. This contributes to the company being well positioned in order to handle the uncertainty with a continued focus on the strategy of further expanding and developing the business.

Interim accounts

Consolidated condensed income statement and statement of comprehensive income

Amounts in NOK million	Note	4Q-23	4Q-22	31.12.23	31.12.22
Rental income	3	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)
Total property-related expenses		(39,4)	(41,6)	(156,4)	(142,6)
Administrative expenses		(20,5)	(17,4)	(67,5)	(62,1)
Total operating expenses		(59,9)	(59,0)	(224,0)	(204,7)
Share of profit in joint ventures	6	(64,6)	(23,1)	(55,8)	33,8
Operating profit before fair-value adjustments		167,8	176,1	829,8	843,5
Change in market value of investment property and rental guarantee	4	(895,0)	(403,0)	(3 150,3)	(154,7)
Operating profit		(727,2)	(226,9)	(2 320,4)	688,8
Financial income	10	25,9	2,0	42,3	17,2
Financial cost	10	(142,6)	(102,1)	(483,9)	(375,6)
Realised net financial items		(116,7)	(100,1)	(441,6)	(358,4)
Change in market value of financial derivative instruments	7, 10	(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	11	114,7	(20,3)	417,8	(206,6)
Profit for the period		(814,7)	(381,4)	(2 348,1)	295,9
Profit attributable to non-controlling interests		-	-	-	-
Profit attributable to shareholders of the parent company		(814,7)	(381,4)	(2 348,1)	295,9

Amounts in NOK million	Note	4Q-23	4Q-22	31.12.23	31.12.22
Value adjustment of owner-occupied property, net of tax	4	(2,5)	1,0	(10,6)	2,7
Other comprehensive income that will not be reclassified to profit or loss, net of tax		(2,5)	1,0	(10,6)	2,7
Currency changes on translation of foreign joint venture operations	6	19,6	(34,6)	30,3	(58,3)
Other comprehensive income that subsequently may be reclassified to profit or loss, net of tax		19,6	(34,6)	30,3	(58,3)
Total comprehensive income		(797,6)	(415,0)	(2 328,4)	240,3
Total comprehensive income attributable to shareholders of the parent company		(797,6)	(415,0)	(2 328,4)	240,3
Total comprehensive income attributable to non-controlling interests		-	-	-	-

Consolidated condensed balance sheet

Amounts in NOK million	Note	31.12.2023	31.12.2022
Financial derivative instruments	7	147,6	161,6
Investment property	4	23 517,7	24 859,1
Owner-occupied property	4	144,9	108,8
Other fixed assets	5	30,3	31,5
Investment in joint ventures	6	933,2	1 061,7
Rental guarantee receivables	4	231,1	233,1
Total non-current assets		25 004,9	26 455,8
Financial derivative instruments	7	3,6	1,9
Receivables	9	777,0	268,0
Cash and cash equivalents	9	325,6	185,1
Total current assets		1 106,2	455,0
Total assets		26 111,0	26 910,8
Share capital		328,3	321,8
Share premium		3 773,3	3 280,1
Other paid in equity		6 310,1	7 563,1
Retained earnings		-	1 397,1
Total equity		10 411,6	12 562,1
Deferred tax	11	1 360,5	1 893,3
Financial derivative instruments	7	-	18,2
Interest bearing liabilities	9	10 777,8	10 351,6
Other liabilities		2,6	2,0
Total non-current liabilities		12 140,9	12 265,2
Financial derivative instruments	7	9,8	-
Interest bearing liabilities	9	3 210,6	1 834,1
Other liabilities		338,1	249,4
Total current liabilities		3 558,5	2 083,5
Total liabilities		15 699,4	14 348,7
Total equity and liabilities		26 111,0	26 910,8

Consolidated condensed statement of changes in equity

Amounts in NOK million		Share capital	Treasury shares ¹	Share premium	Other paid in equity	Retained earnings	Total equity
Total equity	31.12.21	324,9	(3,1)	3 280,1	7 563,1	1 671,6	12 836,6
Total comprehensive income	-	-	-	-	-	240,3	240,3
Paid dividend	-	-	-	-	-	(514,8)	(514,8)
Total equity	31.12.22	324,9	(3,1)	3 280,1	7 563,1	1 397,1	12 562,1
Total comprehensive income	-	-	-	-	(1 253,0)	(1 075,3)	(2 328,4)
Share issue	-	6,5	-	493,2	-	-	499,7
Paid dividend	-	-	-	-	-	(321,8)	(321,8)
Total equity	31.12.23	331,4	(3,1)	3 773,3	6 310,1	-	10 411,6

¹ The company owns 6,250,000 treasury shares.

Consolidated condensed statement of cash flow

Amounts in NOK million	Note	4Q-23	4Q-22	31.12.23	31.12.22
Profit before income tax		(929,4)	(361,1)	(2 765,8)	502,5
Paid taxes		-	(0,1)	-	(0,1)
Depreciation of tangible assets		1,5	1,5	7,1	6,5
Interest income on guarantee receivables		(1,7)	(1,7)	(5,7)	(7,7)
Fair value adj. of investment property and rental guarantee	3	895,0	403,0	3 150,3	154,7
Fair value adjustment of financial derivative instruments	4	85,5	34,0	3,9	(172,2)
Profit for joint venture	6	37,0	23,1	28,2	(33,8)
Change in rental guarantee receivables	4	(6,7)	(4,6)	55,2	60,5
Change in short-term items		(85,5)	(199,1)	117,2	(53,1)
Net cash flow from operating activities		(4,3)	(105,0)	590,3	457,4
Payments for purchase of inv. property and other fixed assets		(1 793,0)	(67,4)	(2 033,2)	(258,9)
Net other investing activities		(371,5)	-	(410,5)	-
Net cash flow from investing activities		(2 164,5)	(67,4)	(2 443,7)	(258,9)
Net change in interest-bearing debt	6	1 860,0	176,8	1 816,0	187,9
Capital increase		499,7	-	499,7	-
Paid dividend		(80,4)	(80,4)	(321,8)	(514,9)
Net cash flow from financial activities		2 279,3	96,4	1 993,9	(327,0)
Net change in cash and cash equivalents		110,5	(76,0)	140,5	(128,5)
Cash and cash equivalents at the beginning of the period		215,1	261,2	185,1	313,5
Cash and cash equivalents at the end of the period		325,6	185,1	325,6	185,1

Notes to the condensed financial statements

NOTE 1: General information

The Norwegian Property ASA real estate group primarily owns commercial properties in the Oslo region. Norwegian Property also owns a share (joint venture) in the residential development company Nordr. Nordr has residential units under construction and a land bank in the largest Norwegian and Swedish cities. In Stavanger, Norwegian Property has a joint venture for the development of a property with a combined residential and commercial purpose.

The holding company, Norwegian Property ASA, is a public limited company with its headquarters located at Bryggegate 3, Oslo (Norway). Geveran Trading Co. Ltd. owns all the shares in Norwegian Property ASA.

The interim report of Norwegian Property ASA was approved at a board meeting on February 1, 2024. The report has not been audited.

In accordance with the requirements of section 3, sub-section 3 of the Norwegian Accounting Act, Norwegian Property presents annual statements on corporate governance and social responsibility. The latest disclosures are contained in the annual report for 2022.

NOTE 2: Accounting policies

The financial statements include Norwegian Property ASA and subsidiaries. Sold properties are included in the accounts until the completion of the transactions. Acquired properties are included in the financial statements from the date of acquisition.

Management makes estimates and assumptions concerning the future. The accounting estimates will by definition seldom be fully in accordance with the final outcome. Estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities primarily relate to the valuation of investment property.

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are prepared in accordance with the applicable IFRS standards and interpretations. The accounting policies used in preparing the interim report are in accordance with the principles applied in preparing the annual accounts for 2022. The interim report presents condensed financial statements and does not contain all the information required for full annual financial statements. The report should, therefore, be read in conjunction with the financial statements for 2022.

No significant changes have been made to accounting policies compared with the principles used in the preparation of the financial statements for 2022. Norwegian Property has not implemented any new standards or changes of standards in the 2023 interim financial statement which has had a significant impact on the accounts. There are no material new standards and interpretations not yet implemented.

NOTE 3: Segment information

COMMERCIAL PROPERTIES

Norwegian Property's primary business is the ownership and management of commercial properties in the Oslo region.

RESIDENTIAL PROPERTIES

The company has an investment in the residential development company Nordr. In Stavanger, Norwegian Property has a joint venture for the development of a property with a combined residential and commercial purpose (Forusbeen 35).

FINANCIAL SEGMENT INFORMATION

The segmentation of operating profit, excluding the administrative owner costs, reflects the division into commercial property and residential property segments. A similar division has also been made for all balance sheet items apart from those related to group functions, financing of the group and tax positions.

The segment information relating to income statement items in the fourth quarter of 2023 is specified in the table below.

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Revenue	292,3	-	-	292,3
Total property-related expenses	(39,4)	-	-	(39,4)
Administrative expenses	-	-	(20,5)	(20,5)
Share of profit in joint ventures	(0,1)	(64,4)	-	(64,6)
Change in market value of investment property	(895,0)	-	-	(895,0)
Operating profit	(642,3)	(64,4)	(20,5)	(727,2)
Net financial items			(202,2)	(202,2)
Profit before income tax			(222,7)	(929,4)
Income tax			114,7	114,7
Profit for the period			(108,0)	(814,7)

The segment information relating to income statement items in the fourth quarter of 2022 is specified in the table below.

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Revenue	258,1	-	-	258,1
Total property-related expenses	(41,6)	-	-	(41,6)
Administrative expenses	-	-	(17,4)	(17,4)
Share of profit in joint ventures	(32,5)	9,4	-	(23,1)
Change in market value of investment property	(403,0)	-	-	(403,0)
Operating profit	(218,9)	9,4	(17,4)	(226,9)
Net financial items			(134,1)	(134,1)
Profit before income tax			(151,5)	(361,1)
Income tax			(20,3)	(20,3)
Profit for the period			(171,9)	(381,4)

The segment information relating to income statement items for the full year of 2023 is specified in the table below.

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Revenue	1 109,6	-	-	1 109,6
Total property-related expenses	(156,4)	-	-	(156,4)
Administrative expenses	-	-	(67,5)	(67,5)
Share of profit in joint ventures	(0,5)	(55,3)	-	(55,8)
Change in market value of investment property	(3 150,3)	-	-	(3 150,3)
Operating profit	(2 197,7)	(55,3)	(67,5)	(2 320,4)
Net financial items			(445,4)	(445,4)
Profit before income tax			(512,9)	(2 765,9)
Income tax			417,8	417,8
Profit for the period			(95,1)	(2 348,1)

The segment information relating to income statement items for the full year of 2022 is specified in the table below.

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Revenue	1 014,4	-	-	1 014,4
Total property-related expenses	(142,6)	-	-	(142,6)
Administrative expenses	-	-	(62,1)	(62,1)
Share of profit in joint ventures	(1,1)	34,8	-	33,8
Change in market value of investment property	(154,7)	-	-	(154,7)
Operating profit	716,0	34,8	(62,1)	688,8
Net financial items			(186,2)	(186,2)
Profit before income tax			(248,3)	502,5
Income tax			(206,6)	(206,6)
Profit for the period			(454,9)	295,9

The segment information related to balance sheet items as of December 31, 2023 is specified in the table below.

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Investment property	23 662,6	-	-	23 662,6
Other fixed assets	26,3	-	4,0	30,3
Investment in joint ventures	-	933,2	-	933,2
Receivables	1 008,1	-	-	1 008,1
Cash and cash equivalents	-	-	325,6	325,6
Deferred tax	-	-	(1 360,5)	(1 360,5)
Financial derivative instruments	-	-	141,4	141,4
Interest bearing liabilities	-	-	(13 988,4)	(13 988,4)
Other liabilities	(144,4)	-	(196,4)	(340,7)
Total equity			(10 411,6)	(10 411,6)

The segment information related to balance sheet items as December 31, 2022 is specified in the table below.

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Investment property	24 967,9	-	-	24 967,9
Other fixed assets	29,4	-	2,1	31,5
Investment in joint ventures	-	1 061,7	-	1 061,7
Receivables	501,1	-	-	501,1
Cash and cash equivalents	-	-	185,1	185,1
Deferred tax	-	-	(1 893,3)	(1 893,3)
Financial derivative instruments	-	-	145,3	145,3
Interest bearing liabilities	-	-	(12 185,7)	(12 185,7)
Other liabilities	(115,3)	-	(136,1)	(251,4)
Total equity			(12 562,1)	(12 562,1)

NOTE 4: Investment property and rental guarantees

Changes in the carrying amount of investment property and rental guarantees are specified in the table below.

Amounts in NOK million	Note	4Q-23	4Q-22	31.12.23	31.12.22
Total value of investment property and rental guarantees, opening balance		23 136,5	25 524,1	25 201,0	25 143,0
Fair value adjustments of investment property		(898,4)	(403,0)	(3 197,8)	(205,6)
Fair value adjustments of rental guarantees	1	3,4	-	47,5	50,9
Total fair value adjustments of investment property and rental guarantees		(895,0)	(403,0)	(3 150,3)	(154,7)
Fair value adjustments of owner-occupied investment property, recognised in other comprehensive income	2	(4,0)	1,0	(16,3)	2,1
Interest income on rental guarantee receivables	1	1,7	1,7	5,7	7,7
Investment in properties		1 647,8	72,6	1 908,8	263,4
Payments related to the rental guarantee	1	6,7	4,6	(55,2)	(60,5)
Total value of investment property and rental guarantees, closing balance		23 893,7	25 201,0	23 893,7	25 201,0
Of which is book value of investment property		23 517,7	24 859,1	23 517,7	24 859,1
Of which is book value of owner-occupied inv. property	2	144,9	108,8	144,9	108,8
Of which is book value of rental guarantee receivables	1	231,1	233,1	231,1	233,1

¹ An estimated value related to the rental guarantee provided by the seller of the property at Snarøyveien 30 is presented as a receivable in the balance sheet. The seller guarantees an agreed level for the rent and common costs of vacant premises from the takeover in 2020 until mid-2027.

² Owner-occupied property is accounted for at fair value and revaluation is included in other comprehensive income.

Investment property and rental guarantees at fair value through profit or loss is specified in the following table broken down by the valuation method.

Amounts in NOK million	Level 1 ¹	Level 2 ¹	Level 3 ¹	Total
31.12.23				
Investment property	-	-	23 517,7	23 517,7
Owner-occupied property	-	-	144,9	144,9
Rental guarantee receivables	-	-	231,1	231,1
Total	-	-	23 893,7	23 893,7
31.12.22				
Investment property	-	-	24 859,1	24 859,1
Owner-occupied property	-	-	108,8	108,8
Rental guarantee receivables	-	-	233,1	233,1
Total	-	-	25 201,0	25 201,0

¹ Level 1: Observable market value for similar assets or liabilities, Level 2: Significant other observable inputs for similar assets, Level 3: Significant other unobservable inputs

The company's policy is to make transfers between levels at the time of the incident or circumstance which caused the transfer. No movements between the levels have occurred in 2022 and 2023.

NOTE 5: Other fixed assets

Other tangible fixed assets in the balance sheet are specified in the table below.

Amounts in NOK million	31.12.23	31.12.22
Energy production and distribution system at Aker Brygge in Oslo	25,9	27,7
Other assets	4,4	3,8
Other fixed assets	30,3	31,5

NOTE 6: Joint ventures

NORDR

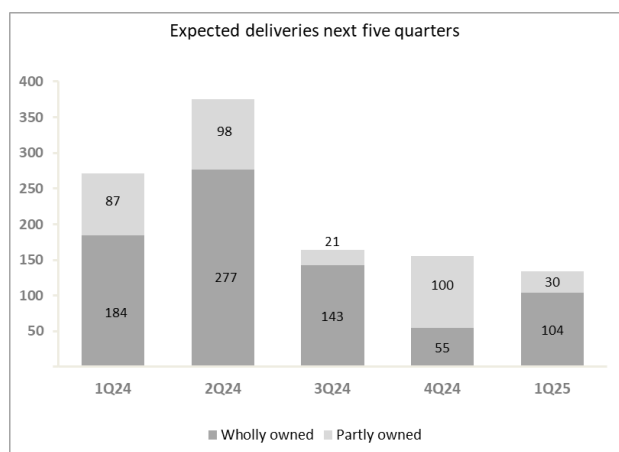
Nordr has flats under construction and a substantial land bank in Norway and Sweden. The land bank is largely located in the largest Norwegian and Swedish cities, with an emphasis on eastern Norway and the extended Stockholm capital region in Sweden.

Norwegian Property owns Nordr together with Fredensborg and Union Real Estate Fund III. While Norwegian Property and Fredensborg are equal partners with a share of 42.5 per cent of preference shares each Union own 15 per cent. Norwegian Property owns 42.4 per cent of all shares in the company.

The table below presents the quarterly development of the project portfolio for Nordr over the past five quarters.

Project portfolio Nordr	4Q-22	1Q-23	2Q-23	3Q-23	4Q-23
Units sold	147	89	165	82	109
Construction starts	178	117	109	83	110
Units completed	269	172	264	299	351
Units delivered	263	175	233	298	303
Units under construction	1 881	1 826	1 671	1 455	1 282
Units under construction incl. tenant owned units (hyresrätter)	2 358	2 303	2 148	1 763	1 590
Sales ratio, units under construction (per cent)	74	73	75	70	62
Completed unsold units	37	34	37	56	58
Sales value, units sold in the period	744	490	847	420	490
Sales value, units under constr. (NOK mill.)	10 461	10 881	10 788	9 345	7 839

The figure below shows the expected completions during the next five quarters based on the best estimate for the timing of the projects. A total of 1,100 residential units are expected to be completed during the next five quarters in both wholly and partly owned projects in Norway and Sweden.



Independent appraisers have valued all the plots in the company's portfolio, and there was a substantial increase in the values compared to the values at the time of the acquisition. The value uplift increased the NAV metrics for Norwegian Property but does not affect the book value of the investment.

FORUSBEEN 35

The property at Forusbeen 35 in Stavanger has been rezoned from a commercial building to a combined residential and commercial property. Until the construction begins, the operation of the property will continue as a commercial property. Norwegian Property owns the project as a joint venture together with Base Bolig. The shareholders each have a share of 50 per cent.

FINANCIAL INFORMATION FOR JOINT VENTURES

The change in the carrying amount of investments in joint ventures are specified in the table below.

Amounts in NOK million	Nordr	Forusbeen 35	Total 31.12.23	Total 31.12.22
Book value, opening balance	1 061,7	-	1 061,7	1 084,8
Share of profit for the period	(55,1)	(0,7)	(55,8)	33,8
Currency changes ¹	30,3	-	30,3	(58,3)
Intercompany transactions	(0,5)	(4,6)	(5,1)	(3,1)
Dividend received	(106,3)	-	(106,3)	-
Capital increase	-	13,5	13,5	-
Negative book value against receivables ²	-	(5,1)	(5,1)	4,5
Book value, closing balance	930,1	3,1	933,2	1 061,7

¹ The currency risk associated with the Nordr business in Sweden is not hedged.

² The share of negative equity for a joint venture is accounted for as a reduction of receivables.

Norwegian Property's share of profit in joint ventures for the fourth quarter is specified in the table below.

Amounts in NOK million	Nordr	Forusbeen 35	Total 4Q-23	Total 4Q-22 ¹
Revenue	1 535,7	0,3	1 536,0	985,1
Project cost from the sale of residential units	(1 671,9)	-	(1 671,9)	(1 035,2)
Other operating expenses	(52,8)	(0,8)	(53,6)	(57,2)
Share of profit in joint ventures	4,5	-	4,5	97,1
Operating profit	(184,6)	(0,5)	(185,0)	(10,2)
Net financial items	(13,0)	-	(13,0)	(57,0)
Profit before income tax	(197,5)	(0,5)	(198,0)	(67,1)
Income tax	45,5	0,1	45,6	12,9
Profit for the period	(152,0)	(0,4)	(152,4)	(54,2)
Share of profit for the period	(64,4)	(0,2)	(64,6)	(23,1)
The groups total share of profit for the period	(64,4)	(0,2)	(64,6)	(23,1)

¹ The groups share of losses for the fourth quarter of 2022 is related to Nordr (NOK 22.5 million) and Forusbeen 35 (NOK 0.6 million).

Norwegian Property's share of profit in joint ventures for the full year is specified in the table below.

Amounts in NOK million	Nordr	Forusbeen 35	Total 31.12.23	Total 31.12.22 ¹
Revenue	4 772,1	1,0	4 773,1	3 272,0
Project cost from the sale of residential units	(4 766,8)	-	(4 766,8)	(3 246,8)
Other operating expenses	(225,6)	(2,9)	(228,4)	(258,9)
Share of profit in joint ventures	74,7	-	74,7	354,0
Operating profit	(145,6)	(1,9)	(147,5)	120,4
Net financial items	(51,6)	-	(51,6)	(85,4)
Profit before income tax	(197,2)	(1,9)	(199,1)	35,0
Income tax	67,2	0,4	67,7	45,2
Profit for the period	(130,0)	(1,5)	(131,4)	80,2
Share of profit for the period	(55,1)	(0,7)	(55,8)	33,8
The groups total share of profit for the period	(55,1)	(0,7)	(55,8)	33,8

¹ The groups share of net profit for 2022 is related to Nordr (profit of NOK 35.2 million) and Forusbeen 35 (loss of NOK 1.4 million).

NOTE 7: Financial derivatives

Change in net derivatives in the balance sheet (interest-rate derivatives) is specified in the table below¹.

Amounts in NOK million	4Q-23	4Q-22	31.12.23	31.12.22
Net book value of derivatives, opening balance	226,9	179,3	145,3	(26,9)
Fair value adjustments of derivatives	(85,5)	(34,0)	(3,9)	172,2
Net book value of derivatives, closing balance	141,4	145,3	141,4	145,3
Of which classified as non-current assets	147,6	161,6	147,6	161,6
Of which classified as current assets	3,6	1,9	3,6	1,9
Of which classified as non-current liabilities	-	(18,2)	-	(18,2)
Of which classified as current liabilities	(9,8)	-	(9,8)	-

¹ All interest-rate derivatives are cash flow hedges, and Norwegian Property does not use hedge accounting for these derivatives.

NOTE 8: Financial instruments

The book value and fair value of the financial instruments are specified in the table below.

Amounts in NOK million	31.12.2023		31.12.2022	
	Book value	Fair value	Book value	Fair value
Non-current derivatives	147,6	147,6	161,6	161,6
Non-current receivables	231,1	231,1	233,1	233,1
Current derivatives	3,6	3,6	1,9	1,9
Current receivables	654,7	654,7	134,4	134,4
Cash and cash equivalents	325,6	325,6	185,1	185,1
Total financial assets	1 362,7	1 362,7	716,1	716,1
Non-current derivatives	-	-	18,2	18,2
Non-current interest-bearing liabilities	10 777,8	10 786,6	10 351,6	10 349,9
Other non-current liabilities	1,8	1,8	2,0	2,0
Current derivatives	9,8	9,8	-	-
Current interest-bearing liabilities	3 210,6	3 213,3	1 834,1	1 833,2
Other current liabilities	300,5	300,5	209,1	209,1
Total financial liabilities	14 300,5	14 312,0	12 415,1	12 412,5

The estimated fair value of financial instruments is based on market prices and valuation methods. For cash and cash equivalents, fair value is assumed to be equal to the book value.

Interest-bearing receivables and liabilities are measured at the present value of future cash flows. Account is taken of the estimated difference between the current margin and market conditions (market value higher than the book value of debt in

the listing indicates a negative equity effect when the applicable borrowing margin is less favourable than current market conditions).

The fair value of financial derivatives (interest-rate and currency derivatives) is the estimated present value of future cash flows which is calculated by using quoted swap curves and exchange rates as at the balance sheet date. The technical calculations are performed by the banks.

Other receivables and other current liabilities are carried principally at fair value and subsequently measured at amortised cost. However, discounting

is not usually considered to have any significant effect on these types of assets and liabilities.

Financial instruments at fair value through profit or loss are specified in the table below by the valuation method.

Amounts in NOK million	Level 1 ¹	Level 2 ¹	Level 3 ¹	Total
31.12.23				
Non-current derivatives (assets)	-	147,6	231,1	378,7
Current derivatives (assets)	-	3,6	-	3,6
Current derivatives (liabilities)	-	(9,8)	-	(9,8)
Total	-	141,4	231,1	372,5
31.12.22				
Non-current derivatives (assets)	-	161,6	233,1	394,7
Current derivatives (assets)	-	1,9	-	1,9
Non-current derivatives (liabilities)	-	(18,2)	-	(18,2)
Total	-	145,3	233,1	378,4

¹ Level 1: Observable market value for similar assets or liabilities, Level 2: Significant other observable inputs for similar assets, Level 3: Significant other unobservable inputs

The company's policy is to make transfers between levels at the time of the incident or circumstance which caused the transfer. No movements between the levels have occurred in 2022 and 2023.

NOTE 9: Net interest-bearing position

The change in the net interest-bearing position is specified in the table below.

Amounts in NOK million	Note	4Q-23	4Q-22	31.12.23	31.12.22
Loan facilities at par value, opening balance		12 144,9	12 014,2	12 190,4	12 003,2
Net change of loan facilities		1 862,1	176,2	1 816,6	187,2
Loan facilities at par value, closing balance	1	14 007,0	12 190,4	14 007,0	12 190,4
Accrued financial items		(18,6)	(4,7)	(18,6)	(4,7)
Book value of interest-bearing debt		13 988,4	12 185,7	13 988,4	12 185,7
Of which classified as non-current liabilities		10 777,8	10 351,6	10 777,8	10 351,6
Of which classified as current liabilities		3 210,6	1 834,1	3 210,6	1 834,1
Of which are bonds		10 177,5	9 582,1	10 177,5	9 582,1
Of which are bank facilities		3 810,9	2 603,6	3 810,9	2 603,6
Interest-bearing debt		(13 988,4)	(12 185,7)	(13 988,4)	(12 185,7)
Interest-bearing receivable	2	627,3	110,2	627,3	110,2
Cash and cash equivalents		325,6	185,1	325,6	185,1
Net interest-bearing position		(13 035,5)	(11 890,5)	(13 035,5)	(11 890,5)

¹ Unutilised credit facilities were NOK 3,086.4 million as of December 31, 2023. Unutilised credit facilities were NOK 1,157 million as of December 31, 2022.

² Interest-bearing receivables are related to loans to joint ventures and other interest-bearing investments.

Norwegian Property is exposed to interest rate risk on floating-rate borrowings. The general policy in accordance with the applicable loan agreements is that at least 60 per cent of the company's interest-bearing debt at any time will be hedged. As of December 31, 2023, 63.9 per cent of such loans was secured (December 31, 2022: 70.1 per cent). The

remaining time to maturity for interest hedging agreements was 4.8 years (5.6 years).

The total average interest margin on loans was 153 basis points (136 basis points). The loan portfolio has an average interest rate of 4.39 per cent (3.48 per cent), and the remaining time to maturity for interest-bearing debt was 2.8 years (3.8 years).

The group's loan facilities as of December 31, 2023 are specified in the table below.

(Amounts in NOK million)	Security (property)	Due (year)	Drawn amount	Short-term loan	Long-term loan	Undrawn amount
Bond NPRO07	Fondbygget	2024	500.0	500.0	-	-
Bond NPRO08	Fondbygget	2024	450.0	450.0	-	-
Bond NPRO09	Drammensveien 60	2024	400.0	400.0	-	-
Bond NPRO14	Kaibygning I	2026	350.0	-	350.0	-
Bond NPRO15	Kaibygning I	2024	300.0	300.0	-	-
Bond NPRO16	Bryggegate 9/Støperiet	2024	505.0	505.0	-	-
Bond NPRO17	Lille Grensen 7	2024	460.0	460.0	-	-
Bond NPRO19	Verkstedhallene	2025	975.0	-	975.0	-
Bond NPRO20	Terminalbygget	2025	700.0	-	700.0	-
Bond NPRO21	Snarøyveien 36	2026	650.0	-	650.0	-
Bond NPRO22	Kaibygning I	2026	150.0	-	150.0	-
Bond NPRO23	Terminalbygget	2026	200.0	-	200.0	-
Bond unlisted	Smørøysveien 30	2030	3,542.0	-	3,542.0	-
Bond unlisted	Telegrafan	2026	1,000.0	-	1,000.0	-
RCF SEB	Property portfolio 1	2025	500.0	-	500.0	6.5
RCF Swedbank	Property portfolio 2	2025	595.3	-	595.3	-
RCF DNB	Property portfolio 3	2024	600.0	600.0	-	(28.9)
RCF DNB	Verkstedhallene	2026	264.8	-	264.8	408.7
RCF DNB	Terminalbygget	2026	400.0	-	400.0	276.2
RCF DNB	Lille Grensen 7	2026	-	-	-	375.1
Term loan SEB	Kaibygning I	2026	530.0	-	530.0	-
Term loan SEB	Kaibygning I	2025	500.0	-	500.0	-
RCF SEB	Fondbygget	2026	-	-	-	898.9
RCF SEB	Kaibygning I	2026	-	-	-	300.0
Term loan Swedbank/SR-Bank	Sandakerveien 138/140	2025	435.0	-	435.0	-
Term loan Swedbank	Drammensveien 60	2026	-	-	-	367.4
Term loan Swedbank	Bryggegate 9/Støperiet	2026	-	-	-	482.6
Total interest-bearing debt, 31 December 2023			14,007.0	3,215.0	10,792.0	3,086.4
Accrued financial items			(18.6)	(4.4)	(14.2)	
Book value of interest-bearing debt, 31 December 2023			13,988.4	3,210.6	10,777.8	

NOTE 10: Net financial items

A breakdown of the net financial items in the income statement is presented below.

Amounts in NOK million	4Q-23	4Q-22	31.12.23	31.12.22
Interest income on bank deposits and receivables	24,9	0,3	38,4	9,5
Other financial income ¹	1,0	1,7	3,9	7,7
Total financial income	25,9	2,0	42,3	17,2
Interest expense on borrowings	(142,6)	(102,1)	(483,9)	(375,6)
Total financial cost	(142,6)	(102,1)	(483,9)	(375,6)
Realised net financial items	(116,7)	(100,1)	(441,6)	(358,4)
Change in the market value of financial derivative instruments	(85,5)	(34,0)	(3,9)	172,2
Net financial items	(202,2)	(134,1)	(445,4)	(186,2)

¹ Interest calculated in relation to the rental guarantee receivable for the property at Snarøyveien 30 (see note 4).

NOTE 11: Deferred tax and income tax

The change in deferred tax and tax expense is presented in the table below.

Amounts in NOK million	4Q-23	4Q-22	31.12.23	31.12.22
Profit before income tax	(901,8)	(361,1)	(2 738,2)	502,5
Income tax calculated at 22 per cent	(198,4)	(79,4)	(602,4)	110,6
Differences between financial accounts and tax accounts	83,7	99,8	184,6	96,1
Income tax	(114,7)	20,3	(417,8)	206,6
Deferred tax, opening balance	1 587,9	1 872,7	1 893,3	1 685,8
Acquired in asset acquisitions	(112,1)	-	(112,1)	-
Recognised through profit and loss	(114,7)	20,3	(417,8)	206,6
Payable tax through profit and loss	-	-	-	0,1
Recognised through comprehensive income	(0,7)	0,3	(3,0)	0,7
Deferred tax, closing balance	1 360,5	1 893,3	1 360,5	1 893,3

NOTE 12: Related-party disclosures

A management fee of NOK 1.6 million has been expensed in 2023 from a company related to the shareholder Geveran Trading Co. Ltd.

No other agreements or significant transactions with related parties have been carried out in 2023.

Intercompany balances and transactions with subsidiaries (which are related parties of Norwegian Property ASA) are eliminated in the consolidated financial statements and are not covered by the information given in this note. Financial matters

related to directors and senior management are described in the annual financial statements (see note 19 and 20 to the financial statements for 2022).

NOTE 13: Events after the balance sheet date

In accordance with the mandate from the annual general meeting in 2023 the board decided on 1 February 2024 that a dividend of NOK 0.13 per share will be paid for the fourth quarter of 2023.

No other significant events have occurred after the balance sheet date as of December 31, 2023.

EPRA Performance Measures

EPRA (European Public Real Estate Association) is an association for the publicly traded European real estate sector. EPRA was founded in 1999 as a not-for-profit association. It has several hundred members, covering the whole spectrum of the listed real estate industry (companies, investors and their suppliers). EPRA's mission is to promote, develop and represent the European public real estate sector through the provision of better information to investors and stakeholders, active involvement in the public and political debate, promotion of best practices as well as the cohesion and strengthening of the industry. For further information, see www.epra.com.

EPRA has issued Best Practices Recommendations Guidelines on areas of reporting that are the most relevant to investors and where more consistent reporting across Europe would bring the greatest benefits in the overall transparency of the sector.

Norwegian Property report on the following EPRA Performance Measures.

EPRA Earnings

EPRA Earnings is a key measure of the underlying operating performance of the property portfolio and an indication of the extent to which current dividend payments are supported by earnings. EPRA Earnings is calculated based on the IFRS Earnings for the commercial property portfolio adjusted for changes in the market value of investment properties, changes in the market value of financial derivative instruments and the related tax effects.

EPRA earnings		4Q-23	31.12.2023	4Q-22	31.12.2022
IFRS earnings	NOK mill.	(814,7)	(2 348,1)	(381,4)	295,9
Adjustments to calculate EPRA Earnings:					
Change in market value of inv. property and rental guarantee	NOK mill.	895,0	3 150,3	403,0	154,7
Change in market value of financial derivative instruments	NOK mill.	85,5	3,9	34,0	(172,2)
Share of profit from JVs ¹	NOK mill.	64,4	55,1	22,5	(35,2)
Income tax	NOK mill.	(134,2)	(513,4)	3,0	100,4
EPRA earnings	NOK mill.	95,9	347,7	81,1	343,6
Average outstanding shares (million)	Mill. shares	643,6	643,6	643,6	643,6
EPRA Earnings per share	NOK	0,15	0,54	0,13	0,53

¹ Earnings from the Nordr joint venture (JV) are adjusted for as it is related to the development of residential properties for sale, and they are not relevant for the measurement of the performance of the commercial property portfolio.

EPRA NAV Metrics

The EPRA NAV set of metrics make adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios.

EPRA Net Reinstatement Value (NRV)

The EPRA NRV metric assumes that entities never sell assets and it aims to represent the value required to rebuild the entity.

Investments in JVs are revalued based on an estimated fair value of such investments. The fair value on financial derivatives and deferred taxes on investment properties are excluded. Property transfer taxes do not normally

apply to Norwegian transactions, and therefore such taxes are not included in the NRV calculation. The fair value of financial instruments, which are used for hedging purposes where the company has the intention of keeping the hedge position until the end of the contractual duration, is excluded. Under normal circumstances, the financial derivatives that companies use to provide an economic hedge are held until maturity and so any fair value movements will not crystallise.

EPRA Net Reinstatement Value (NRV)		31.12.2023	31.12.2022
IFRS equity	NOK mill.	10 411,6	12 562,1
Revaluation of investments made in JVs	NOK mill.	1 061,9	1 119,3
Net Asset Value (NAV) at fair value	NOK mill.	11 473,5	13 681,4
Deferred tax on properties and financial instruments	NOK mill.	1 531,6	2 077,1
Net fair value on financial derivatives	NOK mill.	(141,4)	(145,3)
Net Reinstatement Value (NRV)	NOK mill.	12 863,6	15 613,2
Outstanding shares at period end (million)	Mill. shares	643,6	643,6
NRV per share (NOK)	NOK	19,99	24,26

EPRA Net Tangible Assets (NTA)

The EPRA NTA metric assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

Investments in JVs are revalued based on an estimated fair value of such investments. Norwegian Property has adopted the second option in the EPRA BPR guidelines to adjust for deferred tax, estimating the real tax assets and liabilities based on how the company has previously carried out transactions and otherwise utilised existing tax positions. The fair value of financial instruments that are used for hedging purposes are excluded.

EPRA Net Tangible Assets (NTA)		31.12.2023	31.12.2022
IFRS equity	NOK mill.	10 411,6	12 562,1
Revaluation of investments made in JVs	NOK mill.	1 061,9	1 119,3
Net Asset Value (NAV) at fair value	NOK mill.	11 473,5	13 681,4
Reversal deferred tax liability as per balance sheet	NOK mill.	1 360,5	1 893,3
Adjustment for estimated fair value of deferred tax ²	NOK mill.	(25,2)	(19,7)
Net fair value on financial derivatives	NOK mill.	(141,4)	(145,3)
Net Tangible Assets (NTA)	NOK mill.	12 667,4	15 409,7
Outstanding shares at period end (million)	Mill. shares	643,6	643,6
NTA per share (NOK)	NOK	19,68	23,94

² Estimated fair value of deferred taxes where the estimated fair value of the tax asset related to carry-forward losses are greater than the estimated fair value of relevant tax liabilities. The calculations assume that carry-forward losses can be utilised over the next 5 years with a discount rate of 5 per cent. The real tax liability related to the gains/losses accounts is estimated on the basis of the annually depreciation rates in the Norwegian tax legislation and a discount rate of 5 per cent. The estimated fair value of the deferred tax liability related to the temporary differences of properties as of December 31, 2023 has been calculated to 3.6 per cent based on a discount rate of 5 per cent and the assumption that properties outside Aker Brygge are realised over the next 50 years period in transactions structured as sale of companies in which the tax discount is 5.7 per cent.

EPRA Net Disposal Value (NDV)

The EPRA NDV metric represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

Investments in JVs are revalued based on an estimated fair value of such investments. Financial liabilities are valued at the estimated fair value, net of deferred tax.

EPRA Net Disposal Value (NDV)		31.12.2023	31.12.2022
IFRS equity	NOK mill.	10 411,6	12 562,1
Revaluation of investments made in JVs	NOK mill.	1 061,9	1 119,3
Net Asset Value (NAV) at fair value	NOK mill.	11 473,5	13 681,4
Fair value adjustment of financial liabilities, net of tax ³	NOK mill.	11,5	2,0
Net Disposal Value (NDV)	NOK mill.	11 485,0	13 683,4
Outstanding shares at period end (million)	Mill. shares	643,6	643,6
NDV per share (NOK)	NOK	17,85	21,26

³ The fair value adjustment related to financial liabilities is related to the valuation as shown in note 8 to the interim financial statement, where the estimated difference between the current margins and the market conditions are taken into account as well as changes in the fair value of listed bonds. Tax is taken into account with 22 per cent.

EPRA Net Initial Yield

EPRA NET INITIAL YIELD (NIY) AND EPRA "TOPPED-UP" NIY

The EPRA Net Initial Yield metrics presents annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property and increased with estimated purchasers' costs. The EPRA NIY is a comparable measure for portfolio valuations.

The EPRA "Topped-up" NIY metric incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods or other unexpired lease incentives such as discounted rent periods and step rents.

EPRA Net Initial Yield		31.12.2023	31.12.2022
Investment property, wholly owned	NOK mill.	23,893.7	25,201.0
Investment property, share of JVs	NOK mill.	12.3	10.4
Total property portfolio	NOK mill.	23,906.0	25,211.4
Less projects and land and developments ⁴	NOK mill.	(3.3)	-
Completed management portfolio	NOK mill.	23,902.8	25,211.4
Allowance for estimated purchasers' cost	NOK mill.	107.0	101.5
Gross up completed management portfolio valuation	NOK mill.	24,009.8	25,312.9
12 months rolling rent, including share of JVs	NOK mill.	1,295.5	1,136.8
Estimated ownership cost	NOK mill.	(99.7)	(90.8)
Annualised net rents	NOK mill.	1,195.8	1,045.9
Rent free periods or other lease incentives	NOK mill.	17.5	25.3
Topped up net annualised net rents	NOK mill.	1,213.3	1,071.3
EPRA NIY (net initial yield)	Per cent	4.98	4.13
EPRA "topped-up" NIY (net initial yield)	Per cent	5.05	4.23

⁴ Applies to the property at Gjerdrums vei 17.

EPRA Vacancy Rate

The EPRA Vacancy Rate is calculated based on the Estimated Market Rental Value (ERV) of vacant space divided by the ERV of the whole portfolio, and it is a per cent measure of investment property space that is vacant, based on ERV.

EPRA Vacancy Rate		31.12.2023	31.12.2022
Market rent vacant areas ⁵	NOK mill.	52,0	64,7
Total market rent ⁵	NOK mill.	1 507,9	1 293,2
EPRA vacancy rate	Per cent	3,45	5,01

⁵ Assumptions based on the external valuations for the periods.

EPRA Cost Ratio

The EPRA Cost Ratio is calculated based on the administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income. It is a key measure to enable the meaningful measurement of the changes in a company's operating costs.

EPRA Cost Ratios		4Q-23	31.12.2023	4Q-22	31.12.2022
Operating costs	NOK mill.	(59,9)	(224,0)	(59,0)	(204,7)
Share of joint venture expenses	NOK mill.	(0,4)	(1,4)	(0,8)	(2,6)
EPRA cost (including direct vacancy cost)	NOK mill.	(60,3)	(225,4)	(59,8)	(207,3)
Direct vacancy cost	NOK mill.	7,3	25,5	6,4	24,9
EPRA cost (excluding direct vacancy cost)	NOK mill.	(53,0)	(199,9)	(53,4)	(182,4)
Gross rental income less ground rent	NOK mill.	292,3	1 109,6	258,1	1 014,4
Share of joint ventures	NOK mill.	0,2	0,5	0,1	0,7
Total gross rental income less ground rent	NOK mill.	292,5	1 110,1	258,2	1 015,2
EPRA cost ratio (including direct vacancy cost)	Per cent	20,63	20,30	23,16	20,42
EPRA cost ratio (excluding direct vacancy cost)	Per cent	18,13	18,01	20,69	17,96

EPRA LTV

The EPRA LTV's aim is to assess the gearing of the shareholder equity within a real estate company. The EPRA LTV is calculated based on the IFRS reporting with certain defined adjustments. The adjustments include, among other things, that the EPRA LTV is calculated based on proportional consolidation. This implies that the EPRA LTV include the group's share in the net debt and net assets of joint venture and material associates. Assets are included at fair value and net debt at nominal value.

EPRA LTV Metric		31.12.2023			31.12.2022		
		Group as reported	Share of JV ⁶	Combined	Group as reported	Share of JV ⁶	Combined
Bond loans	NOK mill.	10 177,5	-	10 177,5	9 582,1	-	9 582,1
Bank/Other loans	NOK mill.	3 810,9	3 019,4	6 830,3	2 603,6	3 641,9	6 245,5
Net payables	NOK mill.	436,2	320,1	756,4	-	570,9	570,9
Cash and bank deposits	NOK mill.	(325,6)	(102,4)	(428,0)	(185,1)	(254,5)	(439,6)
Net debt	NOK mill.	14 099,0	3 237,0	17 336,0	12 000,6	3 958,3	15 958,9
Investment properties	NOK mill.	23 893,7	12,3	23 906,0	25 201,0	10,4	25 211,3
Properties held for sale ⁷	NOK mill.	-	5 402,3	5 402,3	-	6 277,8	6 277,8
Net receivables	NOK mill.	-	-	-	16,5	-	16,5
Total property value	NOK mill.	23 893,7	5 414,7	29 308,4	25 217,5	6 288,2	31 505,7
EPRA LTV	Per cent	59,0		59,2	47,6		50,7

⁶ Related to the joint ventures (JV) investments in Nordr and Forusbeen 35.

⁷ Properties held for sale is related to properties classified as inventory. The property inventory includes land, residential projects under development and completed units for sale.

Definitions

Below is an explanation of figures and notions mentioned in the interim report, which are not derived directly from the accounts.

Definition of financial APMs

Operating profit before administrative expenses	Revenues net of property expenses.
Profit before income tax and value adjustments	Profit before tax, adjusted for fair value adjustments to investment properties and financial derivatives.
Profit before income tax, value adjustments and joint ventures	Profit before tax, adjusted for share of profit in joint ventures as well as fair value adjustments to investment properties and financial derivatives.
Market value of property portfolio	The market value of all the group's properties regardless of accounting classification.
Market value of joint ventures	The book value of the investment in joint ventures, adjusted for the EPRA-revaluation of such investments.
Gross interest-bearing debt	Book value totals for long-term and short-term interest-bearing debt, less the holdings of own bonds.
Net interest-bearing debt	Gross interest-bearing debt, less interest bearing receivables and cash/cash equivalents.
LTV	Debt to asset ratio (Loan-To-Value).
Gross debt to asset ratio (gross LTV)	Interest-bearing debt divided by the fair market value of the property portfolio at the balance-sheet date.
Net debt to asset ratio (net LTV)	Net interest-bearing debt divided by the fair market value of the property portfolio at the balance-sheet date.
Equity ratio	Total equity divided by total equity and liabilities.
Pre-tax return on equity	Annualised pre-tax profit in the period divided by average total equity for the period in the balance sheet.
Earnings per share (EPS)	Net earnings for the period divided by the average number of common shares during the period. Diluted earnings per share takes into account the dilution effect of share options.
NAV, book value	Net asset value, the book value of total equity in the balance sheet.

Definition of other financial and operational measures and terms

Run rate for annual rent	Contracted annualised rental income for the property portfolio at the balance sheet date.
Weighted remaining duration of leases	Remaining contractual rent of current leases at the balance sheet date divided by the total contractual rent for the entire lease term.
Space vacancy/Office vacancy	Space vacancy is the total number of square metres available for rent divided by the total number of square metres in the market. Similarly, office vacancy is the number of office square metres available for rent divided by the total number of office square metres in the market.
Financial vacancy rate	Annualised market rent for space which generated no rental income at the balance sheet date, divided by total annualised rent for total space (contract rent for leased space and market rent for vacant space).
Gross yield	Gross yield on the balance sheet date for a property or portfolio of properties is calculated as contractual annualised rental income divided by market value.
Net yield	When calculating net yield, maintenance and property-related costs are deducted from contractual annualised rental income, which is then divided by the market value.
Prime yield	Yield for a fully leased property of best structural quality, with tenants in the best category and in the best location.
Unutilised credit facilities	The difference between the total available credit facilities, based on the current loan agreements, and the amounts at the balance sheet date which are deducted and accounted for as interest-bearing debt in the balance sheet.
Interest hedging ratio	The share of interest-bearing liabilities hedged at the balance sheet date.
Base interest rate	A weighted average of the fixed and floating average interest rates at the balance-sheet date. The fixed average interest rate is calculated as the weighted average of the fixed interest rate paid by the company in relation to outstanding interest-rate contracts and loans. The floating average interest rate is calculated as the weighted average of the Nibor rate paid on interest-bearing debt. The interest-rate base does not include accrued finance charges or margin.
Average interest rate	Weighted average interest rate on interest-bearing debt and fixed-rate interest agreements at the balance-sheet date.
Average interest margin	The weighted average of the interest margin on the outstanding interest-bearing debt at the balance-sheet date.
Remaining time to maturity for interest-bearing debt	Weighted remaining period until maturity for interest-bearing debt at the balance-sheet date.
Remaining time to maturity for interest hedge agreements	The weighted remaining period until maturity for interest hedge agreements at the balance-sheet date.
Like for like	Change in rental income from one period to another based on the same income-generating property portfolio, with rental income adjusted for purchases and sales of properties.
Independent appraisers	Akershus Eiendom and Cushman & Wakefield.
Oslo CBD	The central business district is considered the most attractive area for office space in Oslo. It is usually restricted to the districts of Aker Brygge, Tjuvholmen and Vik.

Other information

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Further information

For further information on Norwegian Property, including presentation material relating to this interim report and financial information, please visit www.npro.no.

Disclaimer

The information included in this Report contains certain forward-looking statements that address activities, events or developments that Norwegian Property ASA ("the Company") expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to economic and market conditions in the geographic areas and markets in which Norwegian Property is or will be operating, counterparty risk, interest rates, access to financing, fluctuations in the currency exchange rates, and changes in governmental regulations. For a further description of other relevant risk factors we refer to Norwegian Property's Annual Report for 2022. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given hereinabove about the current status of the Company or its business. Any reliance on the above-mentioned information is at the risk of the reader, and Norwegian Property disclaims any and all liability in this respect.