

Norwegian Property ASA

Interim report

Second quarter and first half of 2024



Highlights in the second quarter

- **Profit before income tax and value adjustments** of NOK 135 million, which is an improvement from NOK 99 million for the same period last year.
- **The fair-value adjustment for investment properties** was positive by NOK 78 million (0.3 per cent).
- **Rental income** of NOK 354 million showed a substantial growth of 28.8 per cent after the acquisitions of the properties Martin Linges vei 33 and Telegrafan. The like-for-like growth was NOK 15 million (5.5 per cent).
- **Annual rental income (run rate)** from the property portfolio was NOK 1,474 million and increased by NOK 4 million from the beginning of the quarter.
- New and renegotiated leases signed in the quarter with an annual rental uplift totalling NOK 12 million. Expired leases totalled NOK 12 million. Therefore, **net letting** came in at break-even in the second quarter.
- **The joint venture residential company Nordr** had 1,147 residential units under construction at the end of the quarter.
 - A total of 237 units were sold, up from 151 units in the previous quarter.
 - Construction was started for a total of 137 residential units, up from 13 units in the first quarter.
 - A total of 365 units were delivered, up from 214 units in the first quarter.
- The company has successfully carried out significant refinancing activities in recent quarters in connection with future loan maturities. The **new senior secured bonds issued** totalled NOK 1,395 million in the second quarter.
- **The property at Martin Linges vei 33** was taken over in the first quarter and has been confirmed to remain fully owned by Norwegian Property in the second quarter.
- **Earnings per share (EPS)** was NOK 0.23.
- **EPRA NRV** was NOK 20.52 per share.
- **Dividend** of NOK 0.14 per share.

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).

		2Q-24	2Q-23	30.06.24	30.06.23	31.12.23
Profit and loss						
Revenues ¹	NOK mill.	354.1	275.0	664.5	540.8	1,109.6
Operating profit before administrative expenses ²	NOK mill.	306.2	230.8	573.7	458.8	953.2
Operating profit before value adjustments ¹	NOK mill.	315.7	209.3	566.3	430.9	829.8
Profit before income tax and value adjustments ²	NOK mill.	135.0	99.3	269.9	219.1	388.3
Profit before income tax, value adjustments and joint ventures ²	NOK mill.	113.8	106.9	246.3	217.2	444.1
Change in fair value of investment property and rental guarantee ¹	NOK mill.	77.6	(613.4)	322.6	(769.3)	(3,150.3)
Profit before income tax ¹	NOK mill.	210.9	(428.7)	623.1	(476.5)	(2,765.8)
Profit after income tax ¹	NOK mill.	148.2	(371.2)	452.7	(428.9)	(2,348.1)
Balance sheet						
Market value of property portfolio ²	NOK mill.	27,186.4	24,620.8	27,186.4	24,620.8	23,893.7
Market value of joint ventures ²	NOK mill.	1,992.0	1,992.0	1,992.0	1,992.0	1,992.0
Gross interest-bearing debt ²	NOK mill.	16,219.1	12,141.9	16,219.1	12,141.9	13,988.4
Net interest-bearing debt ²	NOK mill.	15,789.7	11,789.1	15,789.7	11,789.1	13,035.5
Net LTV ²	Per cent	54.1	44.3	54.1	44.3	50.4
Total equity ¹	NOK mill.	10,699.9	11,996.4	10,699.9	11,996.4	10,411.6
Equity ratio ²	Per cent	37.0	45.5	37.0	45.5	39.9
Pre-tax return on equity ²	Per cent	8.0	(14.0)	23.6	(7.8)	(24.1)
Cash flow						
Net cash flow from operating activities ¹	NOK mill.	61.8	139.9	247.3	305.5	561.1
Cash and cash equivalents ¹	NOK mill.	258.9	136.3	258.9	136.3	325.6
Key figures; per share						
Number of shares outstanding, end of the period	Mill. shares	643.6	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	643.6
Profit before income tax ³	NOK	0.33	(0.67)	0.97	(0.74)	(4.30)
Earnings per share (EPS) ³	NOK	0.23	(0.58)	0.70	(0.67)	(3.65)
Net cash flow from operating activities ³	NOK	0.10	0.22	0.38	0.47	0.87
Interest-bearing debt ³	NOK	25.20	18.87	25.20	18.87	21.74
NAV, book value ³	NOK	16.63	18.64	16.63	18.64	16.18

EPRA performance measures		2Q-24	2Q-23	30.06.24	30.06.23	31.12.23
EPRA Earnings						
EPRA earnings, per share ⁴	NOK	0.14	0.12	0.31	0.26	0.54
EPRA NAV metrics						
Net Reinstatement Value (NRV), per share ⁴	NOK	20.52	22.92	20.52	22.92	19.99
Net Tangible Assets (NTA), per share ⁴	NOK	20.19	22.63	20.19	22.63	19.68
Net Disposal Value (NDV), per share ⁴	NOK	18.22	20.22	18.22	20.22	17.85
EPRA net initial yield						
EPRA Net Initial Yield (NIY) ⁴	Per cent	4.97	4.28	4.97	4.28	4.98
EPRA "Topped-up" NIY ⁴	Per cent	5.03	4.33	5.03	4.33	5.06
EPRA vacancy rate						
EPRA vacancy rate ⁴	Per cent	6.03	6.07	6.03	6.07	3.85
EPRA cost ratio						
EPRA cost ratio, including direct vacancy cost ⁴	Per cent	16.98	21.21	18.44	20.80	20.30
EPRA cost ratio, excluding direct vacancy cost ⁴	Per cent	15.12	18.45	16.37	18.42	18.01
EPRA LTV						
EPRA LTV ratio ⁴	Per cent	59.7	51.7	59.7	51.7	56.8

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 354 million in the second quarter (NOK 275 million¹). The NOK 79 million growth (28.8 per cent) from the corresponding period last year is mainly related to the acquisitions of the properties Martin Linges vei 33 and Telegrafan. Adjusted for the acquisition of properties (like-for-like revenue), this represented an increase of NOK 15 million from the same period of 2023 (5.5 per cent). The increase is primarily linked to the CPI adjustment at the start of 2024 as well as the effect of net new and renegotiated leases during the past year. Rental income for the first half of 2024 totalled NOK 665 million (NOK 541 million), representing a like-for-like increase of NOK 32 million (5.9 per cent).

The total ongoing annual rental income (run rate) was NOK 1,474 million as of July 1. This represented an increase of NOK 4 million since April 1.

Retail and restaurant turnover for Aker Brygge was reduced by 4.4 per cent for the second quarter compared to the corresponding period last year.

Operating costs

Property-related operational expenses totalled NOK 24 million (NOK 24 million) for the second quarter and NOK 46 million in the first half (NOK 45 million). Other property-related expenses came to NOK 24 million (NOK 20 million) for the second quarter and NOK 45 million for the first half (NOK 37 million). Administrative expenses amounted to NOK 12

million (NOK 14 million) for the second quarter and NOK 31 million in the first half (NOK 30 million).

Operating profit before fair-value adjustments

The share of profit from joint ventures was NOK 21 million (negative at NOK 8 million) for the second quarter and NOK 24 million for the first half (NOK 2 million).

Thereby, operating profit before fair-value adjustments amounted to NOK 316 million (NOK 209 million) for the second quarter and NOK 566 million in the first half (NOK 431 million).

Fair-value adjustments for investment property

The valuation of the property portfolio yielded a positive unrealised fair-value adjustment of NOK 78 million (negative change of NOK 613 million). This represented a 0.3 per cent change from the value as of March 31 and the cost of investments for the period. The positive unrealised fair-value adjustment for the first half of 2024 totalled NOK 323 million (negative change of NOK 769 million). The total market value of the property portfolio as of June 30, 2024 amounted to NOK 27,186 million.

Net financial items

Net realised financial expenses amounted to NOK 181 million (NOK 110 million) for the second quarter and NOK 296 million in the first half (NOK 212 million).

Long-term market interest rates did not change significantly during the second quarter. The fair-value adjustment for financial derivatives was negative at NOK 2 million (positive change of NOK 85 million). The positive fair-value adjustment in the first half was NOK 31 million (NOK 74 million).

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

Profit for the period

The pre-tax profit amounted to NOK 211 million for the second quarter (loss of NOK 429 million) and NOK 623 million in the first half (loss of NOK 477 million).

The increase in the provision for deferred tax was NOK 63 million in the second quarter (reduction of NOK 58 million) and NOK 170 million in the first half (reduction of NOK 48 million).

Net profit in the second quarter was thereby NOK 148 million (loss of NOK 371 million) and NOK 453 million in the first half (loss of NOK 429 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	2Q-24	2Q-23	30.06.24	30.06.23	31.12.23
Nordr	21.4	(7.3)	24.1	2.5	(55.1)
Forusbeen 35	(0.3)	(0.2)	(0.5)	(0.6)	(0.7)
Total share of profit	21.2	(7.6)	23.6	1.9	(55.8)

Norwegian Property owns Nordr together with Fredensborg and Union Real Estate Fund III. Nordr had 1,147 flats under construction and a substantial land bank of 13,300 units in Norway and Sweden at the end of the period.

Norwegian Property's share of net assets in the balance sheet as of June 30 was NOK 958 million (NOK 983 million)².

Balance sheet

Total assets in the balance sheet as of June 30 were NOK 28,928 million (NOK 26,370 million) with investment properties accounting for NOK 26,834 million (NOK 24,186 million) and the properties used by the owner accounting for NOK 104 million (NOK 159 million). Non-current receivables amounted to

NOK 249 million, which were related to the rental guarantee provided by the seller of the property at Snarøyveien 30 (NOK 276 million).

Investment in joint ventures was NOK 958 million (NOK 983 million).

Norwegian Property held NOK 259 million in cash and cash equivalents (NOK 136 million).

Total interest-bearing liabilities in the balance sheet came to NOK 16,219 million (NOK 12,142 million) with non-current interest-bearing liabilities totalling NOK 11,367 million (NOK 9,891 million) and current interest-bearing liabilities amounting to NOK 4,852 million (NOK 2,251 million).

Financial derivatives accounted for a net asset of NOK 172 million (NOK 219 million) with NOK 173 million classified as assets (NOK 239 million) and NOK 1 million as liabilities (NOK 20 million).

Equity totalled NOK 10,700 million (NOK 11,996 million), representing an equity ratio of 37.0 per cent (45.5 per cent). The book value of equity per share was NOK 16.63 (NOK 18.64). 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 positive at NOK 62 million for the second quarter (NOK 140 million) and NOK 247 million in the first half (NOK 306 million). Cash earnings in the second quarter amounted to NOK 113 million. The change in the rental guarantee receivables and other short-term items amounted to negative amounts of NOK 5 million and NOK 46 million, respectively.

Net cash flow from investing activities was negative at NOK 159 million (NOK 83 million) for the second quarter and NOK 2,385 million for the first half (NOK 149 million). Investments related to the adjustments for lessees associated with new and renegotiated leases as well as ongoing operational investments

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

amounted to NOK 151 million for the second quarter and NOK 258 million for the first half. The takeover of the property at Martin Linges vei 33 amounted to NOK 2,114 million for the first half. Other investing activities was NOK 8 million for the second quarter and NOK 13 million for the first half.

Net cash flow from financing activities was negative at NOK 105 million (NOK 81 million) for the second quarter, following a reduction of NOK 21 million in interest-bearing debt and a dividend payment of NOK 84 million. For the first half, net cash flow from financing activities positive at NOK 2,071 million (negative at NOK 205 million).

Cash and cash equivalents showed a reduction of NOK 202 million (NOK 24 million) and a reduction of NOK 67 million in the first half (NOK 49 million).

Dividend

The board has resolved to pay a dividend of NOK 0.14 per share for the second quarter of 2024.

Financing

Key figures

The table below presents the key figures related to interest-bearing debt and hedges as of June 30.

Interest bearing debt and hedging		30.06.24	30.06.23	31.12.23
Interest-bearing debt	NOK mill.	16,219.1	12,141.9	13,988.4
Cash and cash equivalents	NOK mill.	258.9	136.3	325.6
Interest-bearing receivables ¹	NOK mill.	170.5	216.5	627.3
Interest-hedging ratio	Per cent	67.3	66.2	63.9
Unutilised credit facilities ⁴	NOK mill.	1,800.6	1,149.0	3,086.4
Remaining time to maturity for interest hedge agreements	Years	3.9	5.2	4.8
Average interest rate	Per cent	4.78	3.70	4.39
Average interest margin	Per cent	1.72	1.43	1.53
Remaining time to maturity for interest-bearing debt	Years	2.8	3.5	2.8
Market value of the property portfolio	NOK mill.	27,186.4	24,620.8	23,893.7
Market value of investment in joint ventures ²	NOK mill.	1,992.0	1,992.0	1,992.0
Gross debt to asset ratio (gross LTV)	Per cent	55.6	45.6	54.0
Net debt to asset ratio (net LTV) ³	Per cent	54.1	44.3	50.4

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.

⁴ Unutilised credit facilities of NOK 1,800.6 million include NOK 420 million of new bond with settlement date July 8 which will refinance NOK 400 million NPRO 09 bond maturing July 12.

Interest-bearing liabilities

Interest-bearing liabilities totalled NOK 16,219 million as of June 30 (NOK 12,142 million). In addition, the company had undrawn credit and overdraft facilities of NOK 1,801 million (NOK 1,149 million).

The company has successfully carried out significant refinancing activities in the recent quarter in connection with future loan maturities. In May 2024, Norwegian Property ASA issued new senior secured bonds with a tenor of 5 years. The bonds are split into a NOK 635 million bond with a coupon of 3 months NIBOR plus 1.50 per cent p.a. and a NOK 340 million bond with a coupon of 5.50 per cent p.a. The bonds are secured with a first priority pledge in the Fondbygget property at Aker Brygge in Oslo. Proceeds from the new bonds were used to refinance NOK 950 million in the bonds NPRO 07 and NPRO 08. In June 2024 the company issued another bond of NOK 420 million with a first priority pledge in the Drammensveien 60 property in Oslo. The new bond will refinance the NOK 400 million bond NPRO 09.

The NOK 300 million bond NPRO 15, maturing in June, was refinanced with an RCF in SEB.

Loans which are maturing over the next 12 months amount to NOK 4,852 million, of which NOK 860 million have been refinanced with bank facilities.

Interest hedges

The table below presents the maturity structure of interest-rate hedges for the company's interest-bearing debt as of June 30, 2024.

Maturity profile of interest hedges	Amount (NOK mill.)	Interest ¹ (per cent)	Share of total liabilities (per cent)
< 1 year	8,208	4.1	51
1 > 2 year	1,129	1.4	7
2 > 3 year	1,200	4.0	7
3 > 4 year	(0)	-	(0)
4 > 5 year	1,040	2.8	6
> 5 year	4,642	1.2	29
Total	16,219	3.0	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 6.4 per cent overall, 4.9 per cent in the city centre and 10.4 per cent in Nydalen. Moderate vacancy rates in the past few years have contributed to positive trends for rents. Office vacancy at Fornebu is 9.0 per cent. The prime yield for the Oslo CBD is estimated by various analysts to be approximately 4.75 per cent.

The bond market has continued to improve in the quarter for property related transactions. Margins for the sector were reduced by approximately 20 bp during the quarter. Norwegian Property issued a 5 year bond in May at a margin of 150 bp, while Nordic Bond Pricing indicated 169 bp at the beginning of April.

The 10-year swap interest rate started at 3.7 per cent at the beginning of the quarter, increased to 4.1 per cent in April, and came back to 3.7 per cent at the end of the quarter. Inflation is still above Norges Bank's target, the activity in the Norwegian economy is still high and the exchange rate is weak. Norges Bank kept the interest rate at 4.5 per cent in June, and they also raised the interest rate path.

The property portfolio

Key figures

Norwegian Property owned 31 investment properties as of June 31. They are 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 1,474 million as of July 1, 2024. That represented an increase of NOK 4 million since April 1. NOK 66 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 6.6 per cent, which is primarily related to the properties Sandakerveien 138-140, Snarøyveien 30 and 36, Martin Linges vei 33 as well as some minor offices vacancies in CBD. The weighted average remaining duration of the leases was 5.9 years. The average rent adjustment factor for the consumer price index was 100.0 per cent for the total portfolio as of June 30, 2024.

The key figures above do not include the space which is under construction as of June 30. Ongoing projects at the end of the quarter are specified in the table shown below.

Area	Property	Tenant	Area (sqm)	Compl. date
Aker Brygge	Kaibygning I	DLA Piper Norway	5,150	Q3 2024
Fornebu	Martin Linges Vei 33	NOV Process & Flow Technologies	4,000	Q4 2024
Nydalen	Gjerdrums vei 17	The entire building is being refurbished	820	Q3 2024
Nydalen	Sandakerveien 138	Proteket	1,100	Q3 2024
Nydalen	Sandakerveien 140	Unifon	950	Q3 2024

New leases

Norwegian Property signed new and renegotiated leases in the second quarter with an annual rental uplift totalling NOK 12 million. Expired leases totalled NOK 12 million. Therefore, net letting came in at break-even in the second quarter.

Property transactions

The property at Martin Linges vei 33 was taken over by Norwegian Property in the first quarter of 2024, with an opportunity for previous investors to obtain a minority stake. In the second quarter of 2024, it has been confirmed that the previous investors do not want to invest in the property, which remains wholly owned by Norwegian Property.

Valuation of the property portfolio

An independent appraiser has valued the properties in the company's portfolio based on the same methods and principles applied in the previous periods. In addition, the company has prepared a valuation based on similar principles. The accounting valuation as of June 30, 2024 is based on an average of the two valuations.

As of June 30, the company's portfolio of investment properties was valued at NOK 27,186 million (NOK 24,621 million). The rent guarantee receivables and properties used by the owner were carried separately in the balance sheet at NOK 249 million and NOK 104 million, respectively, and recognised at fair value. Fair-value adjustments recognised in the profit and loss for the investment properties was NOK 78 million for the second quarter. This represents a 0.3 per cent change from the value as of March 31 and the cost of investments for the period.

Shareholder information

As of June 30, 2024, 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.

AGM held

The annual general meeting (AGM) was held on 19 April 2024. All resolutions were adopted as proposed in the notice of the meeting. The AGM re-elected Bjørn Henningsen as Chair, and Kathrine Astrup Fredriksen, Cecilie Astrup Fredriksen and Lars Erich Nilsen as directors.

The environment and corporate social responsibility (CSR)

Norwegian Property was ranked on the Financial Times' list of European Climate Leaders in 2024. Financial Times, in collaboration with the data provider Statista, has compiled a list of European

companies that have managed to significantly reduce their emissions of greenhouse gases. The measurements for the emissions are the amount of CO2 equivalents emitted per euro in revenue, and the reduction is measured over five years. The list also includes assessments of the company's transparency in terms of emissions that do not come directly from its operations but from the entire value chains, as well as its collaboration with sustainability auditors.

In June, Norwegian Property obtained an Eco-Lighthouse certification. The certification is Norway's most widely used certification for enterprises seeking to document environmental efforts and demonstrate social responsibility. The certification lasts for three years, is industry-specific and functions as an environmental management system.

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To encourage environmentally friendly commuting to and from the workplace, Norwegian Property repeated last year's success and hosted three days of bike repair free of charge for employees and tenants at Aker Brygge during the quarter. As an add-on, a bike repair team which offers employment training for people who face barriers to employment, were engaged this year.

In April Aker Brygge Marina welcomed a youth enterprise, Pungdom UB, to establish a sea squirt habitat at the Marina. Sea squirts naturally filter and cleanse seawater, and thus help fight nutritional salt and nitrogen problems in the fjord.

Norwegian Property puts a special emphasis on creating job opportunities for young people to obtain working experience and has employed students as seasonal workers at the Marina.

Efforts to create safe, accessible and free outdoor areas for all continue during the summer months, Norwegian Property is hosting free family activities

every weekend at Snarøyveien 30. Here, families can enjoy outdoor games, meet and greet with Peppa Pig, clowns, balloon art and face paint.

Risk and risk management

Norwegian Property assesses risk on an ongoing basis as part of the daily operations. A comprehensive annual review of the risks associated with the group is carried out in collaboration with all the relevant levels of the organisation. Each risk factor is described and presented with the possible negative outcomes. The analysis of risk factors includes the following groups of risks.

- Financial risks - such as the fair-value changes of investment properties, interest-rate risk and access to external capital.
- Credit risk - such as the risk of losses on claims.
- Liquidity risk - such as the risk associated with the refinancing of debt, access to external capital and the risk of delayed rent payments.
- Market risk - such as changes in market rents, vacancy in the property portfolio, reduction in turnover based rents and the risk related to inflation.
- Project risk - such as the uncertainty related to office vacancy, cost overruns, delays, accidents, demolition and recycling.
- Social and governance risk - such as the risk related to human rights, decent working conditions, equality and non-discrimination among employees, non-discrimination of people with disabilities in properties and outdoor areas and corruption.
- Physical climate risk - such as increased precipitation and higher sea levels.
- Climate transition risk - such as the demand for more environmentally-friendly premises.
- Climate regulatory risk - such as increased taxes and stricter requirements on regulations.
- Business model risk - such as greater uncertainty of the office needs for businesses and the demand for more flexibility in the leases.

The latest description and analysis of risk and risk management is included on pages 122-137 in the 2023 annual report. Risk and risk management is also explained in the directors' report and the sustainability report, where both are a part of the 2023 annual report.

Outlook

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. Norwegian Property will continue its efforts to expand and develop its business through additional acquisitions as well as by pursuing several interesting long-term development opportunities in the existing property portfolio.

The supply of new office capacity is limited due to there being only a few new builds which have commenced in the last couple of years. Given today's building cost, in combination with the current rent levels and yields, not many projects will be commenced. Hence, there will be a good demand for high quality office space and the rent levels will most likely continue to rise.

Property values have shown a positive development in the first half of 2024. Capital is now available from several different funding sources.

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 any possible uncertainty with a continued focus on the strategy of further expanding and developing the business.

Declaration by the board of directors and the CEO

Today, the board and the CEO have considered and approved the directors' report for the first half of 2024 and the consolidated half-year financial statements for Norwegian Property ASA as at June 30, 2024. The consolidated financial statements for the first half have been prepared in accordance with IAS 34 Interim reporting as approved by the EU and additional Norwegian reporting requirements pursuant to the Norwegian Securities Trading Act.

To the best of knowledge of the board and the CEO, the interim financial statements for the first half of 2024 have been prepared in accordance with the applicable accounting standards, and the information in the financial statements provides a true and fair picture of the overall assets, liabilities, financial position and financial results of the group as at June 30, 2024.

To the best of knowledge of the board and the CEO, the directors' half-year report provides a true and fair overview of important events in the accounting period and their influence on the financial statements for the first half. To the best of knowledge of the board and the CEO, the description of the most important risk factors and uncertainties facing the business in the next accounting period and of significant transactions with related parties also provides a true and fair overview.

Oslo, July 5, 2024

The board of directors and the CEO of Norwegian Property ASA

Bjørn Henningsen
(Chair)

Cecilie Astrup Fredriksen
(Director)

Kathrine Astrup Fredriksen
(Director)

Lars Erich Nilsen
(Director)

Bent Oustad
(CEO)

Interim accounts

Consolidated condensed income statement and statement of comprehensive income

Amounts in NOK million	Note	2Q-24	2Q-23	30.06.24	30.06.23	31.12.23
Rental income	3	354.1	275.0	664.5	540.8	1,109.6
Revenues		354.1	275.0	664.5	540.8	1,109.6
Property-related operational expenses		(23.6)	(23.7)	(45.7)	(44.7)	(82.5)
Other property-related expenses		(24.3)	(20.4)	(45.1)	(37.3)	(73.9)
Total property-related expenses		(47.9)	(44.1)	(90.8)	(82.0)	(156.4)
Administrative expenses		(11.8)	(13.9)	(31.0)	(29.9)	(67.5)
Total operating expenses		(59.6)	(58.1)	(121.7)	(111.9)	(224.0)
Share of profit in joint ventures	6	21.2	(7.6)	23.6	1.9	(55.8)
Operating profit before fair-value adjustments		315.7	209.3	566.3	430.9	829.8
Change in market value of investment property and rental guarantee	4	77.6	(613.4)	322.6	(769.3)	(3,150.3)
Operating profit		393.2	(404.1)	888.9	(338.5)	(2,320.4)
Financial income	10	18.8	5.0	76.5	9.2	42.3
Financial cost	10	(199.5)	(114.9)	(373.0)	(220.9)	(483.9)
Realised net financial items		(180.7)	(110.0)	(296.4)	(211.7)	(441.6)
Change in market value of financial derivative instruments	7, 10	(1.7)	85.4	30.6	73.7	(3.9)
Net financial items		(182.3)	(24.6)	(265.9)	(138.0)	(445.4)
Profit before income tax		210.9	(428.7)	623.1	(476.5)	(2,765.8)
Income tax	11	(62.7)	57.5	(170.4)	47.6	417.8
Profit for the period		148.2	(371.2)	452.7	(428.9)	(2,348.1)
Profit attributable to non-controlling interests		-	-	-	-	-
Profit attributable to shareholders of the parent company		148.2	(371.2)	452.7	(428.9)	(2,348.1)

Amounts in NOK million	Note	2Q-24	2Q-23	30.06.24	30.06.23	30.06.23
Value adjustment of owner-occupied property, net of tax	4	0.5	(0.8)	(0.9)	(0.9)	(10.6)
Other comprehensive income that will not be reclassified to profit or loss, net of tax		0.5	(0.8)	(0.9)	(0.9)	(10.6)
Currency changes on translation of foreign joint venture operations	6	0.1	3.6	3.8	25.0	30.3
Other comprehensive income that subsequently may be reclassified to profit or loss, net of tax		0.1	3.6	3.8	25.0	30.3
Total comprehensive income		148.8	(368.4)	455.6	(404.8)	(2,328.4)
Total comprehensive income attributable to shareholders of the parent company		148.8	(368.4)	455.6	(404.8)	(2,328.4)
Total comprehensive income attributable to non-controlling interests		-	-	-	-	-

Consolidated condensed balance sheet

Amounts in NOK million	Note	30.06.2024	30.06.2023	31.12.2023
Financial derivative instruments	7	166.7	233.3	147.6
Investment property	4	26,833.5	24,186.3	23,517.7
Owner-occupied property	4	104.0	159.0	144.9
Other fixed assets	5	29.3	29.6	30.3
Investment in joint ventures	6	958.2	982.7	933.2
Rental guarantee receivables	4	249.0	275.5	231.1
Total non-current assets		28,340.7	25,866.4	25,004.9
Financial derivative instruments	7	5.8	6.1	3.6
Receivables	9	322.9	361.1	777.0
Cash and cash equivalents	9	258.9	136.3	325.6
Total current assets		587.7	503.5	1,106.2
Total assets		28,928.3	26,369.9	26,111.0
Share capital		328.3	321.8	328.3
Share premium		3,773.3	3,280.1	3,773.3
Other paid in equity		6,598.3	7,563.1	7,563.1
Retained earnings		-	831.4	(1,253.1)
Total equity		10,699.9	11,996.4	10,411.6
Deferred tax	11	1,530.6	1,845.5	1,360.5
Financial derivative instruments	7	-	10.0	-
Interest bearing liabilities	9	11,367.4	9,891.0	10,777.8
Other liabilities		2.3	2.0	2.6
Total non-current liabilities		12,900.4	11,748.5	12,140.9
Financial derivative instruments	7	0.6	10.4	9.8
Interest bearing liabilities	9	4,851.7	2,250.8	3,210.6
Other liabilities		475.9	363.8	338.2
Total current liabilities		5,328.1	2,625.1	3,558.6
Total liabilities		18,228.5	14,373.5	15,699.4
Total equity and liabilities		28,928.3	26,369.9	26,111.0

Oslo, July 5, 2024

The board of directors and the CEO of Norwegian Property ASA

Bjørn Henningsen
(Chair)Cecilie Astrup
Fredriksen (Director)Kathrine Astrup
Fredriksen (Director)Lars Erich Nilsen
(Director)Bent Oustad
(CEO)

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	31.12.22	324.9	(3.1)	3,280.1	7,563.1	1,397.1	12,562.1
Total comprehensive income	-	-	-	-	-	(404.8)	(404.8)
Paid dividend	-	-	-	-	-	(160.9)	(160.9)
Total equity	30.06.23	324.9	(3.1)	3,280.1	7,563.1	831.4	11,996.4
Total comprehensive income	-	-	-	-	-	(1,923.6)	(1,923.6)
Share issue	-	6.5	-	493.2	-	-	499.7
Paid dividend	-	-	-	-	-	(160.9)	(160.9)
Total equity	31.12.23	331.4	(3.1)	3,773.3	7,563.1	(1,253.1)	10,411.6
Total comprehensive income	-	-	-	-	(964.8)	1,420.4	455.6
Paid dividend	-	-	-	-	-	(167.3)	(167.3)
Total equity	30.06.24	331.4	(3.1)	3,773.3	6,598.3	-	10,699.9

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

Consolidated condensed statement of cash flow

Amounts in NOK million	Note	2Q-24	2Q-23	30.06.24	30.06.23	31.12.23
Profit before income tax		210.9	(428.7)	623.1	(476.5)	(2,765.8)
Depreciation of tangible assets		1.4	1.7	3.1	3.7	7.1
Interest income on guarantee receivables		(1.8)	(1.6)	(3.6)	(2.9)	(5.7)
Fair value adj. of investment property and rental guarantee	3	(77.6)	613.4	(322.6)	769.3	3,150.3
Fair value adjustment of financial derivative instruments	4	1.7	(85.4)	(30.6)	(73.7)	3.9
Profit for joint venture	6	(21.2)	7.6	(23.6)	(1.9)	55.8
Change in rental guarantee receivables	4	(5.4)	(10.0)	(10.7)	(14.6)	55.2
Change in short-term items		(46.2)	42.9	12.2	102.2	60.4
Net cash flow from operating activities		61.8	139.9	247.3	305.5	561.1
Investments related to the acquisition of investment properties		-	-	(2,114.1)	-	(1,540.8)
Investment in and upgrading of investment properties		(150.9)	(82.7)	(257.9)	(149.3)	(460.0)
Net other investing activities		(8.0)	(0.1)	(12.7)	(0.1)	(413.7)
Net cash flow from investing activities		(158.9)	(82.8)	(2,384.7)	(149.4)	(2,414.4)
Net change in interest-bearing debt	6	(21.0)	(0.1)	2,238.0	(44.0)	1,816.0
Capital increase		-	-	-	-	499.7
Paid dividend		(83.7)	(80.4)	(167.3)	(160.9)	(321.8)
Net cash flow from financial activities		(104.7)	(80.6)	2,070.7	(204.9)	1,993.9
Net change in cash and cash equivalents		(201.8)	(23.5)	(66.7)	(48.8)	140.5
Cash and cash equivalents at the beginning of the period		460.7	159.8	325.6	185.1	185.1
Cash and cash equivalents at the end of the period		258.9	136.3	258.9	136.3	325.6

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 July 5, 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 2023.

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 2023. 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 2023.

No significant changes have been made to accounting policies compared with the principles used in the preparation of the financial statements for 2023. Norwegian Property has not implemented any new standards or changes of standards in the 2024 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 second quarter of 2024 is specified in the table below.

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Revenue	354.1	-	-	354.1
Total property-related expenses	(47.9)	-	-	(47.9)
Administrative expenses	-	-	(11.8)	(11.8)
Share of profit in joint ventures	(0.2)	21.4	-	21.2
Change in market value of investment property	77.6	-	-	77.6
Operating profit	383.6	21.4	(11.8)	393.2
Net financial items			(182.3)	(182.3)
Profit before income tax			(194.1)	210.8
Income tax			(62.7)	(62.7)
Profit for the period			(256.8)	148.2

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

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Revenue	275.0	-	-	275.0
Total property-related expenses	(44.1)	-	-	(44.1)
Administrative expenses	-	-	(13.9)	(13.9)
Share of profit in joint ventures	(17.0)	9.4	-	(7.6)
Change in market value of investment property	(613.4)	-	-	(613.4)
Operating profit	(399.6)	9.4	(13.9)	(404.1)
Net financial items			(24.6)	(24.6)
Profit before income tax			(38.5)	(428.7)
Income tax			57.5	57.5
Profit for the period			19.0	(371.2)

The segment information relating to income statement items for the first half of 2024 is specified in the table below.

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Revenue	664.5	-	-	664.5
Total property-related expenses	(90.8)	-	-	(90.8)
Administrative expenses	-	-	(31.0)	(31.0)
Share of profit in joint ventures	(0.3)	24.0	-	23.6
Change in market value of investment property	322.6	-	-	322.6
Operating profit	896.0	24.0	(31.0)	889.0
Net financial items			(265.9)	(265.9)
Profit before income tax			(296.9)	623.1
Income tax			(170.4)	(170.4)
Profit for the period			(467.3)	452.7

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

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Revenue	540.8	-	-	540.8
Total property-related expenses	(82.0)	-	-	(82.0)
Administrative expenses	-	-	(29.9)	(29.9)
Share of profit in joint ventures	(0.3)	2.2	-	1.9
Change in market value of investment property	(769.3)	-	-	(769.3)
Operating profit	(310.7)	2.2	(29.9)	(338.4)
Net financial items			(138.0)	(138.0)
Profit before income tax			(167.9)	(476.4)
Income tax			47.6	47.6
Profit for the period			(120.3)	(428.9)

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 related to balance sheet items as of June 30, 2024 is specified in the table below.

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Investment property	26,937.5	-	-	26,937.5
Other fixed assets	25.1	-	4.2	29.3
Investment in joint ventures	-	958.2	-	958.2
Receivables	571.9	-	-	571.9
Cash and cash equivalents	-	-	258.9	258.9
Deferred tax	-	-	(1,530.6)	(1,530.6)
Financial derivative instruments	-	-	172.0	172.0
Interest bearing liabilities	-	-	(16,219.1)	(16,219.1)
Other liabilities	(224.2)	-	(254.0)	(478.2)
Total equity			(10,699.9)	(10,699.9)

The segment information related to balance sheet items as of June 30, 2023 is specified in the table below.

Amounts in NOK million	Commercial properties	Residential properties	Group	Total
Investment property	24,345.3	-	-	24,345.3
Other fixed assets	27.2	-	2.4	29.6
Investment in joint ventures	-	982.7	-	982.7
Receivables	636.6	-	-	636.6
Cash and cash equivalents	-	-	136.3	136.3
Deferred tax	-	-	(1,845.5)	(1,845.5)
Financial derivative instruments	-	-	219.0	219.0
Interest bearing liabilities	-	-	(12,141.9)	(12,141.9)
Other liabilities	(175.5)	-	(190.2)	(365.7)
Total equity			(11,996.4)	(11,996.4)

The segment information related to balance sheet items as 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)	(340.8)
Total equity			(10,411.6)	(10,411.6)

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	2Q-24	2Q-23	30.06.24	30.06.23	31.12.23
Total value of investment property and rental guarantees, opening balance		26,935.2	25,116.7	23,893.7	25,201.0	25,201.0
Fair value adjustments of investment property		77.6	(607.9)	319.0	(794.2)	(3,197.8)
Fair value adjustments of rental guarantees	1	-	(5.5)	3.5	24.9	47.5
Total fair value adjustments of investment property and rental guarantees		77.6	(613.4)	322.6	(769.3)	(3,150.3)
Fair value adjustments of owner-occupied investment property, recognised in other comprehensive income	2	0.1	(1.9)	(2.4)	(2.3)	(16.3)
Interest income on rental guarantee receivables	1	1.8	1.6	3.6	2.9	5.7
Investment in properties		166.4	107.8	2,958.2	173.9	1,908.8
Payments related to the rental guarantee	1	5.4	10.1	10.8	14.7	(55.2)
Total value of investment property and rental guarantees, closing balance		27,186.4	24,620.8	27,186.4	24,620.8	23,893.7
Of which is book value of investment property		26,833.5	24,186.3	26,833.5	24,186.3	23,517.7
Of which is book value of owner-occupied inv. property	2	104.0	159.0	104.0	159.0	144.9
Of which is book value of rental guarantee receivables	1	249.0	275.5	249.0	275.5	231.1

¹An 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.

²Owner-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
	30.06.24			
Investment property	-	-	26,833.5	26,833.5
Owner-occupied property	-	-	104.0	104.0
Rental guarantee receivables	-	-	249.0	249.0
Total	-	-	27,186.4	27,186.4
	30.06.23			
Investment property	-	-	24,186.3	24,186.3
Owner-occupied property	-	-	159.0	159.0
Rental guarantee receivables	-	-	275.5	275.5
Total	-	-	24,620.8	24,620.8
	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

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 2023 and 2024.

NOTE 5: Other fixed assets

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

Amounts in NOK million	30.06.24	30.06.23	31.12.23
Energy production and distribution system at Aker Brygge in Oslo	24.8	27.0	25.9
Other assets	4.5	2.6	4.4
Other fixed assets	29.3	29.6	30.3

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.

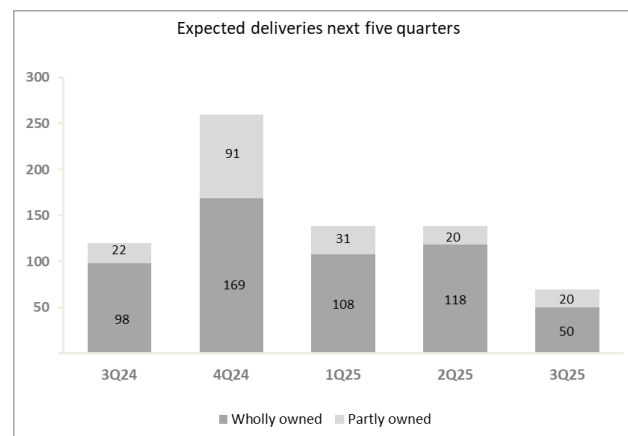
Norwegian Property owns Nordr together with Fredensborg and Union Real Estate Fund III. While Norwegian Property and Fredensborg are equal partners with a share of 42.5 per cent of preference shares each Union own 15 per cent. Norwegian Property owns 42.4 per cent of all shares in the company.

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

Project portfolio	Nordr	2Q-23	3Q-23	4Q-23	1Q-24	2Q-24
Units sold		165	82	109	151	237
Construction starts		109	83	110	13	137
Units completed		264	299	351	268	264
Units delivered		233	298	303	214	365
Units under construction		1671	1455	1282	1273	1147
Units under construction incl. tenant owned units (hyresrätter)		2148	1763	1590	1581	1379
Sales ratio, units under construction (per cent)		75	70	62	66	70
Completed unsold units		37	56	58	76	83
Sales value, units sold in the period		847	420	490	805	1382
Sales value, units under constr. (NOK mill.)		10 788	9 345	7 839	7 396	6 721

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 727 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 30.06.24	Total 30.06.23	Total 31.12.23
Book value, opening balance	930.1	3.1	933.2	1,061.7	1,061.7
Share of profit for the period	24.1	(0.5)	23.6	1.9	(55.8)
Currency changes ¹	3.8	-	3.8	25.0	30.3
Intercompany transactions	(0.3)	(2.1)	(2.4)	-	(5.1)
Dividend received	-	-	-	(106.3)	(106.3)
Capital increase	-	-	-	-	13.5
Negative book value against receivables ²	-	-	-	0.4	(5.1)
Book value, closing balance	957.7	0.5	958.2	982.7	933.2

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 second quarter is specified in the table below.

Amounts in NOK million	Nordr	Forusbeen 35	Total 2Q-24	Total 2Q-23 ¹
Revenue	1,667.6	0.3	1,667.9	1,200.6
Project cost from the sale of residential units	(1,585.1)	-	(1,585.1)	(1,173.8)
Other operating expenses	(59.5)	(1.0)	(60.5)	(71.2)
Share of profit in joint ventures	38.5	-	38.5	12.2
Operating profit	61.6	(0.8)	60.8	(32.2)
Net financial items	(8.9)	-	(8.9)	(2.7)
Profit before income tax	52.8	(0.8)	52.0	(34.8)
Income tax	(2.2)	0.2	(1.9)	17.0
Profit for the period	50.6	(0.6)	50.0	(17.8)
Share of profit for the period	21.4	(0.3)	21.2	(7.6)
The groups total share of profit for the period	21.4	(0.3)	21.2	(7.6)

¹ The groups share of net loss for the second quarter of 2023 is related to Nordr (NOK 7.4 million) and Forusbeen 35 (NOK 0.2 million).

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

Amounts in NOK million	Nordr	Forusbeen 35	Total 30.06.24	Total 30.06.23 ¹	Total 31.12.23 ²
Revenue	2,571.3	0.5	2,571.8	1,979.4	4,773.1
Project cost from the sale of residential units	(2,469.8)	-	(2,469.8)	(1,914.1)	(4,766.8)
Other operating expenses	(95.4)	(1.7)	(97.1)	(114.2)	(228.4)
Share of profit in joint ventures	62.8	-	62.8	36.9	74.7
Operating profit	69.0	(1.2)	67.8	(12.0)	(147.5)
Net financial items	(18.9)	-	(18.9)	(1.7)	(51.6)
Profit before income tax	50.2	(1.2)	48.9	(13.8)	(199.1)
Income tax	6.7	0.3	7.0	18.5	67.7
Profit for the period	56.8	(0.9)	55.9	4.7	(131.4)
Share of profit for the period	24.1	(0.5)	23.6	1.9	(55.8)
The groups total share of profit for the period	24.1	(0.5)	23.6	1.9	(55.8)

¹ The groups share of net profit for the first half of 2023 is related to Nordr (profit of NOK 2.3 million) and Forusbeen 35 (loss of NOK 0.4 million).

² The groups share of the net loss for the full year 2023 is related to Nordr (NOK 55.1 million) and Forusbeen 35 (NOK 0.7 million).

Norwegian Property's share of equity in joint ventures is specified in the table below.

Amounts in NOK million	Nordr	Forusbeen 35	Total 30.06.24	Total 30.06.23	Total 31.12.23
Investment property	-	26.0	26.0	22.8	24.6
Other fixed assets	31.5	-	31.5	39.1	37.8
Investment in joint ventures	806.3	-	806.3	1,139.1	954.1
Property related inventory	8,077.0	119.1	8,196.1	8,733.7	7,363.1
Receivables	775.8	0.3	776.1	671.7	1,257.3
Cash and cash equivalents	657.1	0.0	657.1	308.3	241.9
Deferred tax	(359.8)	1.8	(358.0)	(358.3)	(465.4)
Interest bearing liabilities	(5,933.4)	(126.8)	(6,060.2)	(6,426.4)	(5,333.5)
Other liabilities	(1,805.0)	(0.1)	(1,805.1)	(1,828.2)	(1,874.6)
Total equity	(2,249.5)	(20.5)	(2,270.0)	(2,301.8)	(2,205.2)
The groups share of total equity ¹	(957.7)	(0.5)	(958.2)	(982.7)	(933.2)

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	2Q-24	2Q-23	30.06.24	30.06.23	31.12.23
Net book value of derivatives, opening balance	173.7	133.6	141.4	145.3	145.3
Fair value adjustments of derivatives	(1.7)	85.4	30.6	73.7	(3.9)
Net book value of derivatives, closing balance	172.0	219.0	172.0	219.0	141.4
Of which classified as non-current assets	166.7	233.3	166.7	233.3	147.6
Of which classified as current assets	5.8	6.1	5.8	6.1	3.6
Of which classified as non-current liabilities	-	(10.0)	-	(10.0)	-
Of which classified as current liabilities	(0.6)	(10.4)	(0.6)	(10.4)	(9.8)

¹All 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	30.06.2024		30.06.2023		31.12.2023	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Non-current derivatives	166.7	166.7	233.3	233.3	147.6	147.6
Non-current receivables	249.0	249.0	275.5	275.5	231.1	231.1
Current derivatives	5.8	5.8	6.1	6.1	3.6	3.6
Current receivables	196.9	196.9	277.6	277.6	654.7	654.7
Cash and cash equivalents	258.9	258.9	136.3	136.3	325.6	325.6
Total financial assets	877.4	877.4	928.9	928.9	1,362.7	1,362.7
Non-current derivatives	-	-	10.0	10.0	-	-
Non-current interest-bearing liabilities	11,367.4	11,380.7	9,891.0	9,882.5	10,777.8	10,786.6
Other non-current liabilities	1.8	1.8	2.0	2.0	1.8	1.8
Current derivatives	0.6	0.6	10.4	10.4	9.8	9.8
Current interest-bearing liabilities	4,851.7	4,847.3	2,250.8	2,252.5	3,210.6	3,213.3
Other current liabilities	422.6	422.6	294.3	294.3	300.5	300.5
Total financial liabilities	16,644.1	16,653.0	12,458.6	12,451.8	14,300.5	14,312.0

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
	30.06.24			
Non-current derivatives (assets)	-	166.7	249.0	415.7
Current derivatives (assets)	-	5.8	-	5.8
Current derivatives (liabilities)	-	(0.6)	-	(0.6)
Total	-	172.0	249.0	421.0
30.06.23				
Non-current derivatives (assets)	-	233.3	275.5	508.8
Current derivatives (assets)	-	6.1	-	6.1
Non-current derivatives (liabilities)	-	(10.0)	-	(10.0)
Current derivatives (liabilities)	-	(10.4)	-	(10.4)
Total	-	219.0	275.5	494.5
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

¹Level 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 2023 and 2024.

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	2Q-24	2Q-23	30.06.24	30.06.23	31.12.23
Loan facilities at par value, opening balance		16,266.0	12,190.4	14,007.0	12,190.4	12,144.9
Net change of loan facilities		(21.0)	(43.3)	2,238.0	(43.3)	1,862.1
Loan facilities at par value, closing balance	1	16,245.0	12,147.1	16,245.0	12,147.1	14,007.0
Accrued financial items		(25.9)	(5.2)	(25.9)	(5.2)	(18.6)
Book value of interest-bearing debt		16,219.1	12,141.9	16,219.1	12,141.9	13,988.4
Of which classified as non-current liabilities		11,367.4	9,891.0	11,367.4	9,891.0	10,777.8
Of which classified as current liabilities		4,851.7	2,250.8	4,851.7	2,250.8	3,210.6
Of which are bonds		10,021.1	9,581.3	10,021.1	9,581.3	10,177.5
Of which are bank facilities		6,198.0	2,560.6	6,198.0	2,560.6	3,810.9
Interest-bearing debt		(16,219.1)	(12,141.9)	(16,219.1)	(12,141.9)	(13,988.4)
Interest-bearing receivable	2	170.5	216.5	170.5	216.5	627.3
Cash and cash equivalents		258.9	136.3	258.9	136.3	325.6
Net interest-bearing position		(15,789.7)	(11,789.1)	(15,789.7)	(11,789.1)	(13,035.5)

¹ Unutilised credit facilities were NOK 1,800.6 million as of June 30, 2024, NOK 1,149.0 million as of June 30, 2023 and NOK 3,086.4 million as of December 31, 2023.

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 June 30, 2024, 67.3 per cent of such loans was secured (June 30, 2023: 66.2 per cent). The remaining time

to maturity for interest hedging agreements was 3.9 years (5.2 years).

The total average interest margin on loans was 172 basis points (143 basis points). The loan portfolio has an average interest rate of 4.78 per cent (3.70 per cent), and the remaining time to maturity for interest-bearing debt was 2.8 years (3.5 years).

The group's loan facilities as of June 30, 2024 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 issue 2Q24	Fondbygget	2029	635.0	-	635.0	-
Bond issue 2Q24	Fondbygget	2029	340.0	-	340.0	-
Bond NPRO09	Drammensveien 60	2024	400.0	400.0	-	-
Bond issue 2Q24	Drammensveien 60	2027	-	-	-	420.0
Bond NPRO14	Kaibygning I	2026	350.0	-	350.0	-
Bond NPRO16	Bryggegata 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	779.0	-	779.0	-
Bond NPRO22	Kaibygning I	2026	150.0	-	150.0	-
Bond NPRO23	Terminalbygget	2026	200.0	-	200.0	-
Bond unlisted	Snarøyveien 30	2030	3,542.0	-	3,542.0	-
Bond unlisted	Martin Linges vei 33	2025	1,919.0	1,919.0	-	-
Bond unlisted	Telegrafan	2026	1,000.0	-	1,000.0	-
RCF SEB	Property portfolio 1	2025	500.0	500.0	-	20.7
RCF Swedbank	Property portfolio 2	2025	525.0	525.0	-	70.3
RCF DNB	Property portfolio 3	2024	550.0	550.0	-	36.1
RCF DNB	Verkstedhallene	2026	550.0	-	550.0	124.6
RCF DNB	Terminalbygget	2026	400.0	-	400.0	268.7
RCF DNB	Lille Grensen 7	2026	-	-	-	377.7
Term loan SEB	Kaibygning I	2026	530.0	-	530.0	-
Term loan SEB	Kaibygning I	2025	500.0	-	500.0	-
RCF SEB	Kaibygning I	2026	300.0	-	300.0	-
Term loan Swedbank/SR-Bank	Sandakerveien 138/140	2025	435.0	-	435.0	-
Term loan Swedbank	Bryggegata 9/Støperiet	2026	-	-	-	482.6
Total interest-bearing debt, 30 June 2024			16,245.0	4,859.0	11,386.0	1,800.6
Accrued financial items			(25.9)	(7.3)	(18.7)	
Book value of interest-bearing debt, 30 June 2024			16,219.1	4,851.7	11,367.3	

NOTE 10: Net financial items

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

Amounts in NOK million	2Q-24	2Q-23	30.06.24	30.06.23	31.12.23
Interest income on bank deposits and receivables	17.0	3.3	72.9	6.3	38.4
Other financial income ¹	1.8	1.6	3.6	2.9	3.9
Total financial income	18.8	5.0	76.5	9.2	42.3
Interest expense on borrowings	(199.5)	(114.9)	(373.0)	(220.9)	(483.9)
Total financial cost	(199.5)	(114.9)	(373.0)	(220.9)	(483.9)
Realised net financial items	(180.7)	(110.0)	(296.4)	(211.7)	(441.6)
Change in the market value of financial derivative instruments	(1.7)	85.4	30.6	73.7	(3.9)
Net financial items	(182.3)	(24.6)	(265.9)	(138.0)	(445.4)

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	2Q-24	2Q-23	30.06.24	30.06.23	31.12.23
Profit before income tax	210.9	(428.7)	623.1	(476.5)	(2,765.8)
Income tax calculated at 22 per cent	46.4	(94.3)	137.1	(104.8)	(608.5)
Differences between financial accounts and tax accounts	16.3	36.8	33.3	57.2	190.7
Income tax	62.7	(57.5)	170.4	(47.6)	(417.8)
Deferred tax, opening balance	1,467.8	1,903.2	1,360.5	1,893.3	1,893.3
Acquired in asset acquisitions	-	-	-	-	(112.1)
Recognised through profit and loss	62.7	(57.5)	170.4	(47.6)	(417.8)
Payable tax through profit and loss	-	-	-	-	-
Recognised through comprehensive income	0.1	(0.2)	(0.2)	(0.3)	(3.0)
Deferred tax, closing balance	1,530.6	1,845.5	1,530.6	1,845.5	1,360.5

NOTE 12: Related-party disclosures

A management fee of NOK 0.8 million has been expensed in 2024 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 2024.

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 2023).

NOTE 13: Events after the balance sheet date

In accordance with the mandate from the annual general meeting in 2024 the board decided on July 5 that a dividend of NOK 0.14 per share will be paid for the second quarter of 2024.

No other significant events have occurred after the balance sheet date as of June 30, 2024.

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		2Q-24	30.06.2024	2Q-23	30.06.2023	31.12.2023
IFRS earnings	NOK mill.	148.2	452.7	(371.2)	(428.9)	(2,348.1)
Adjustments to calculate EPRA Earnings:						
Change in market value of inv. property and rental guarantee	NOK mill.	(77.6)	(322.6)	613.4	769.3	3,150.3
Change in market value of financial derivative instruments	NOK mill.	1.7	(30.6)	(85.4)	(73.7)	3.9
Share of profit from JVs ¹	NOK mill.	(21.4)	(24.1)	7.4	(2.3)	55.1
Income tax	NOK mill.	42.2	122.4	(84.9)	(98.9)	(513.4)
EPRA earnings	NOK mill.	93.0	197.8	79.3	165.5	347.7
Average outstanding shares (million)	Mill. shares	643.6	643.6	643.6	643.6	643.6
EPRA Earnings per share	NOK	0.14	0.31	0.12	0.26	0.54

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)		30.06.2024	30.06.2023	31.12.2023
IFRS equity	NOK mill.	10,705.1	11,996.4	10,411.6
Revaluation of investments made in JVs	NOK mill.	1,029.1	1,009.3	1,061.9
Net Asset Value (NAV) at fair value	NOK mill.	11,734.2	13,005.7	11,473.5
Deferred tax on properties and financial instruments	NOK mill.	1,643.4	1,961.7	1,531.6
Net fair value on financial derivatives	NOK mill.	(172.0)	(219.0)	(141.4)
Net Reinstatement Value (NRV)	NOK mill.	13,205.6	14,748.4	12,863.6
Outstanding shares at period end (million)	Mill. shares	643.6	643.6	643.6
NRV per share (NOK)	NOK	20.52	22.92	19.99

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)		30.06.2024	30.06.2023	31.12.2023
IFRS equity	NOK mill.	10,705.1	11,996.4	10,411.6
Revaluation of investments made in JVs	NOK mill.	1,029.1	1,009.3	1,061.9
Net Asset Value (NAV) at fair value	NOK mill.	11,734.2	13,005.7	11,473.5
Reversal deferred tax liability as per balance sheet	NOK mill.	1,530.6	1,845.5	1,360.5
Adjustment for estimated fair value of deferred tax ²	NOK mill.	(101.9)	(71.0)	(25.2)
Net fair value on financial derivatives	NOK mill.	(172.0)	(219.0)	(141.4)
Net Tangible Assets (NTA)	NOK mill.	12,990.9	14,561.1	12,667.4
Outstanding shares at period end (million)	Mill. shares	643.6	643.6	643.6
NTA per share (NOK)	NOK	20.19	22.63	19.68

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 June 30, 2024 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)		30.06.2024	30.06.2023	31.12.2023
IFRS equity	NOK mill.	10,705.1	11,996.4	10,411.6
Revaluation of investments made in JVs	NOK mill.	1,029.1	1,009.3	1,061.9
Net Asset Value (NAV) at fair value	NOK mill.	11,734.2	13,005.7	11,473.5
Fair value adjustment of financial liabilities, net of tax ³	NOK mill.	(7.0)	5.3	11.5
Net Disposal Value (NDV)	NOK mill.	11,727.2	13,011.0	11,485.0
Outstanding shares at period end (million)	Mill. shares	643.6	643.6	643.6
NDV per share (NOK)	NOK	18.22	20.22	17.85

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		30.06.2024	30.06.2023	31.12.2023
Investment property, wholly owned	NOK mill.	27,186.4	24,620.8	23,893.7
Investment property, share of JVs	NOK mill.	13.0	11.4	12.3
Total property portfolio	NOK mill.	27,199.4	24,632.2	23,906.0
Less projects and land and developments ⁴	NOK mill.	(8.0)	(3.4)	(3.3)
Completed management portfolio	NOK mill.	27,191.4	24,628.9	23,902.8
Allowance for estimated purchasers' cost	NOK mill.	108.5	101.5	107.0
Gross up completed management portfolio valuation	NOK mill.	27,299.9	24,730.4	24,009.8
12 months rolling rent, including share of JVs	NOK mill.	1,473.1	1,151.2	1,295.5
Estimated ownership cost	NOK mill.	(116.9)	(93.8)	(99.7)
Annualised net rents	NOK mill.	1,356.2	1,057.4	1,195.8
Rent free periods or other lease incentives	NOK mill.	15.8	12.5	19.8
Topped up net annualised net rents	NOK mill.	1,372.0	1,069.9	1,215.6
EPRA NIY (net initial yield)	Per cent	4.97	4.28	4.98
EPRA "topped-up" NIY (net initial yield)	Per cent	5.03	4.33	5.06

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		30.06.2024	30.06.2023	31.12.2023
Market rent vacant areas ⁵	NOK mill.	103.7	81.5	58.1
Total market rent ⁵	NOK mill.	1,718.4	1,341.6	1,507.9
EPRA vacancy rate	Per cent	6.03	6.07	3.85

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		2Q-24	30.06.2024	2Q-23	30.06.2023	31.12.2023
Operating costs	NOK mill.	(59.6)	(121.7)	(58.1)	(111.9)	(224.0)
Share of joint venture expenses	NOK mill.	(0.5)	(0.9)	(0.3)	(0.7)	(1.4)
EPRA cost (including direct vacancy cost)	NOK mill.	(60.1)	(122.6)	(58.3)	(112.6)	(225.4)
Direct vacancy cost	NOK mill.	6.6	13.8	7.6	12.9	25.5
EPRA cost (excluding direct vacancy cost)	NOK mill.	(53.6)	(108.8)	(50.7)	(99.7)	(199.9)
Gross rental income less ground rent	NOK mill.	354.1	664.5	275.0	540.8	1,109.6
Share of joint ventures	NOK mill.	0.1	0.2	0.1	0.2	0.5
Total gross rental income less ground rent	NOK mill.	354.2	664.7	275.0	541.1	1,110.1
EPRA cost ratio (including direct vacancy cost)	Per cent	16.98	18.44	21.21	20.80	20.30
EPRA cost ratio (excluding direct vacancy cost)	Per cent	15.12	16.37	18.45	18.42	18.01

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		30.06.2024			30.06.2023			31.12.2023		
		Group as reported	Share of JV ⁶	Combined	Group as reported	Share of JV ⁶	Combined	Group as reported	Share of JV ⁶	Combined
Bond loans	NOK mill.	10,021.1	-	10,021.1	9,581.3	-	9,581.3	10,177.5	-	10,177.5
Bank/Other loans	NOK mill.	6,198.0	3,187.8	9,385.8	2,560.6	3,333.9	5,894.5	3,810.9	3,019.4	6,830.3
Net payables	NOK mill.	155.3	499.6	654.9	4.7	557.3	562.0	-	320.1	320.1
Cash and bank deposits	NOK mill.	(258.9)	(278.6)	(537.5)	(136.3)	(130.6)	(266.9)	(325.6)	(102.4)	(428.0)
Net debt	NOK mill.	16,115.5	3,408.8	19,524.3	12,010.3	3,760.6	15,770.9	13,662.8	3,237.0	16,899.8
Investment properties	NOK mill.	27,186.4	13.0	27,199.4	24,620.8	11.4	24,632.2	23,893.7	12.3	23,906.0
Properties held for sale ⁷	NOK mill.	-	5,531.7	5,531.7	-	5,867.9	5,867.9	-	5,402.3	5,402.3
Net receivables	NOK mill.	-	-	-	-	-	-	436.2	-	436.2
Total property value	NOK mill.	27,186.4	5,544.7	32,731.1	24,620.8	5,879.3	30,500.1	24,329.9	5,414.7	29,744.6
EPRA LTV	Per cent	59.3		59.7	48.8		51.7	56.2		56.8

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 Vika.

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

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