



R8 PROPERTY PRESENTATION

Q4 2021



Skien brygge

Agenda

I	HIGHLIGHTS & KEY FIGURES
II	Development in the quarter
III	Meeting new consumer preferences
IV	Project and development portfolio
V	Financial statement



Photo: Ivar Kvaal

HIGHLIGHTS FOR THE QUARTER

- Positive portfolio value changes of NOK 76.7 million (NOK -1.3 million)
- Profit before tax of NOK 63.0 million (NOK -2.7 million), mainly driven by positive value changes
- Agreement made to acquire the remaining 25 per cent of Evolve, increasing R8 Property's ownership to 100 per cent effective from 1 January 2022
- Evolve property portfolio valued at NOK 195 million (100 per cent basis) based on external third-party valuation in Q4 2021
- Fair value per share NOK 52.10

Subsequent events

- Firm lease agreement with Comfort Hotel Skien Brygge AS for approximately 6,300 sqm in the upcoming development project Skien Brygge. The lease contract will have a duration of 20 years, starting at project completion expected in Q4 2024
- In January 2022, R8 Property entered into a market making agreement with SpareBank 1 Markets AS to enhance liquidity in the trading of the company's shares
- Sale of Grønlikroken 5 and agreement on sale of three properties, Bedriftsveien 52/58, Rødmyrlia 20 and Østveien 665-667

Key figures Q4 2021

All amounts in NOK million

Q4-21

Rental income

31.0

Net Income from property management

6.1

Market value on property portfolio

2 703

Profit before tax

63.0

Agenda

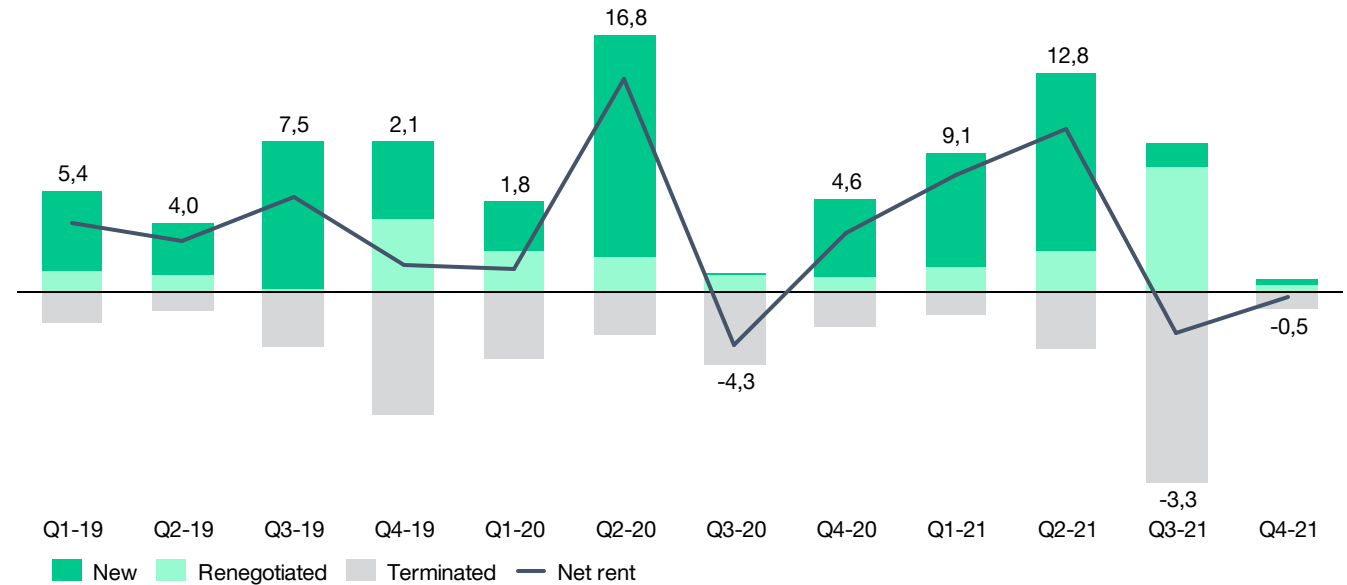
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Photo: Ivar Kvaal

LETTING AND OCCUPANCY Q4-21

- Net letting in Q4 of NOK -0.5 million
- 5 new leases of NOK 0.4 million
- 3 renewed lease of NOK 0.5 million
- 11 terminated contracts of NOK 1.4 million



Management Portfolio (ownership ≥ 50%)

Occupancy	Annual rental income	WAULT
90.7	120.3	5.8
%	mNOK	years

* Net letting management & project portfolio = new signed contracts + renegotiated contracts – terminated contracts

** Terminated contracts = contracts that have been terminated in the actual quarter prior to actual expiration date on contract + contracts that have ended in the quarter according to expiration date in contract

NEW LEASE CONTRACTS

Tenant	Property	Contract	Duration (years)	Sqm
Brunvoll Mar-EI AS	Dokkvegen 8 & 10	New	10	422
Spillorama Skien AS	Henrik Ibsensgate 6	Renegotiated	5	377
Cita Boligstyling AS	Rødmyrlia 20	New	2	133
Other (2 tenants)		New/renegotiated	1	66
Total				998



Dokkvegen 8 & 10,
Porsgrunn

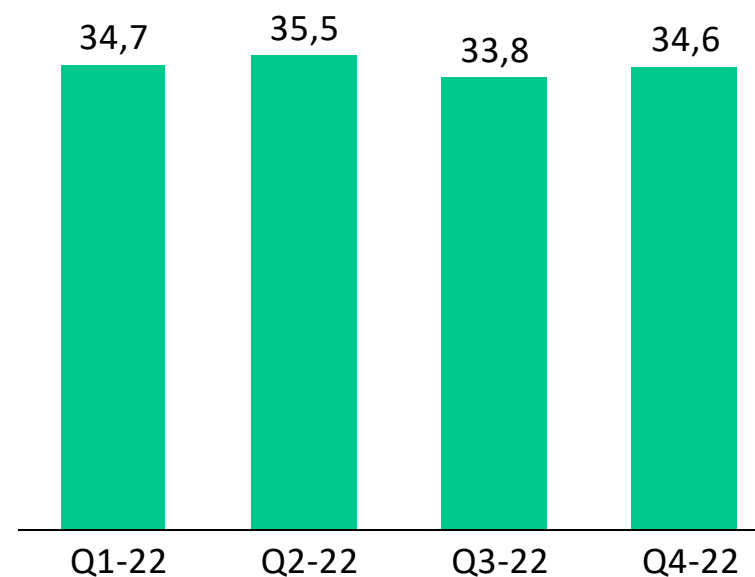


Rødmyrlia 20,
Skien

12 MONTH ROLLING RENT

As of 31.12.2021 the 12 month rolling rent of the property portfolio totals NOK 138.6 million

The 12 month rolling rent is based on signed lease contracts and adjusted for changes in rent related to signed SPAs of properties which will be completed within the next 12 months.



FINANCIAL DEVELOPMENT

- Rental income of NOK 31.0 million in Q4-21 compared with NOK 28.4 million in Q4-20. The 9.2 per cent increase is related to changes in the property portfolio and impairments related to Covid-19 last year
- Share of profit (loss) from associates and joint ventures affected Net financials with a negative contribution of NOK 8.0 million (R8 Evolve NOK 7.5 million, Orbit Technology NOK 0.5 million)
- Positive unrealised change in fair value of investment properties of NOK 76.7 million
- Negative change in unrealised fair value of financial derivatives of NOK 0.8 million is related to two effects. Interest rate swaps had positive contribution of NOK 4.0 million. A forward contract to acquire the remaining shares in Inkognitogaten 33 A AS and an option issued in Q3-21 to sell 50 per cent of these shares, had a negative effect of NOK 4.8 million

THE PROPERTY PORTFOLIO

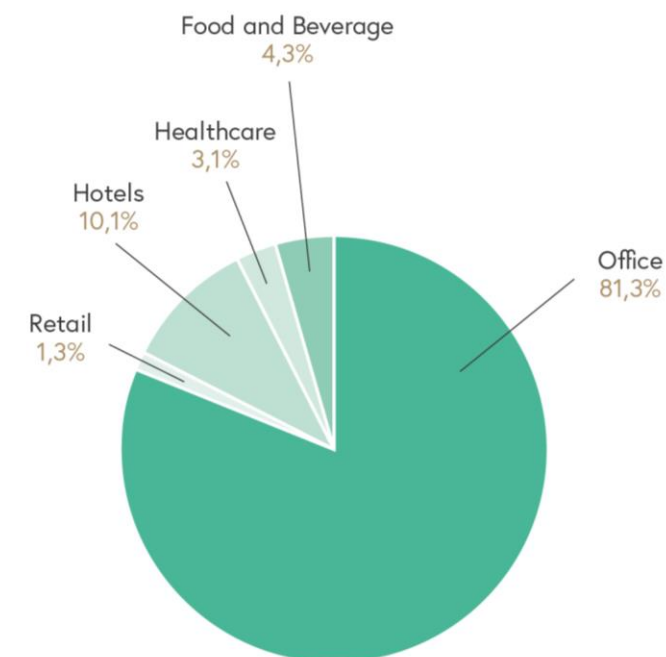
DEVELOPMENT IN THE QUARTER

31.12.2021	Area (sqm)	Occupancy (sqm)	Occupancy (%)	No. of properties	Market value (tNOK)	Market value (NOK/sqm)	Wault ¹⁾ (yrs)	Annual rent (tNOK)	Annual rent (NOK/sqm)	Wault ²⁾ (yrs)	Net direct yield (%)	Net yield (valuation) (%)	Market rent ³⁾ (tNOK)	Market rent ³⁾ (NOK/sqm)
Green Office	32 390	29 128	89,9	5	944 550	29 162	5,2	56 991	1 957	4,5	5,3	5,6	64 130	1 980
City Office	38 702	35 355	91,4	13	644 150	16 644	3,8	42 403	1 199	3,8	4,6	6	53 422	1 380
Commercial Prop.	11 199	10 128	90,4	6	306 150	27 337	13,3	20 915	2 065	13,2	5,6	6,4	22 283	1 990
Total management portfolio	82 291	74 611	90,7	24	1 894 850	23 026	6,1	120 309	1 612	5,8	5,1	5,9	139 834	1 699
Project Office	26 675	21 066	79	6	797 850	29 910	10,1							
Total project portfolio	26 675	21 066	79	6	797 850	29 910	10,1							
Total property portfolio	108 966	95 677	87,8	30	2 692 700	24 711	7,3							

1) Wault weighted on property market value

2) Wault weighted on annual rent

3) Includes market rent from available areas



The calculation of net yield is based on the valuers' assumption of ownership costs, which on 31 December 2021 corresponds to 9.1 per cent of market rent. Parking areas (sqm) are not included in this overview.

Corporate segments in the first table follow the corporate structure of the group. Several of the properties are combined buildings and the actual rental conditions measured in rental income (in the management portfolio) are presented in the figure above.

UPDATE ON INVESTMENTS

R8 Evolve (Joint venture - 75 per cent)

Evolve offers flexible workplaces with access to 27 locations. To meet the office users changed behavior needs after Covid-19, R8 has launched R8 Hybrid. R8 Hybrid is a combination of an ordinary, permanent lease and a membership in Evolve.

R8 owns 75 per cent of R8 Evolve. As of 31.12.21 the investment had a book value of NOK 41.7 million. In Q4-21 an external valuation was performed, and the company was estimated to NOK 195 million (100 per cent basis).

Orbit Technology (Joint venture - 30.5 per cent)

Orbit Technology offers a two-sided technology platform for supply and demand of office space. The platform matches free office space with market needs (subscribers) in real time. The technology also ensures that the buildings are smarter through simpler access control and user administration. Group's investment in Orbit Technology had a book value of NOK 11.3 million per 31.12.21 (includes booked loan for conversion). Latest transaction in Q4-21 implied a total fair value of Orbit Technology at NOK 150 million.

UPDATE ON INVESTMENTS

Skien Brygge (Associate - 25 per cent)

Skien Brygge is a long-term project which involves the development of both residential and commercial properties. The development project is structured in three phases. The project is going as planned and commencement of phase one is expected in the second quarter of 2022 following a completion in Q1 2025. The development of phase two and three last phases is estimated in the period from 2025 to 2033.

R8 owns 25 per cent of Skien Brygge Utvikling which currently involves phase one of the project. The Group has also signed a letter of intent for phase two and three of the project with the same ownership as phase one. Skien Brygge is considered as an investment in an associate. As of 31.12.21 the investment had a book value of NOK 3 million.

Newsec has presently valued phase one of the project at NOK 75 million (100 per cent basis).

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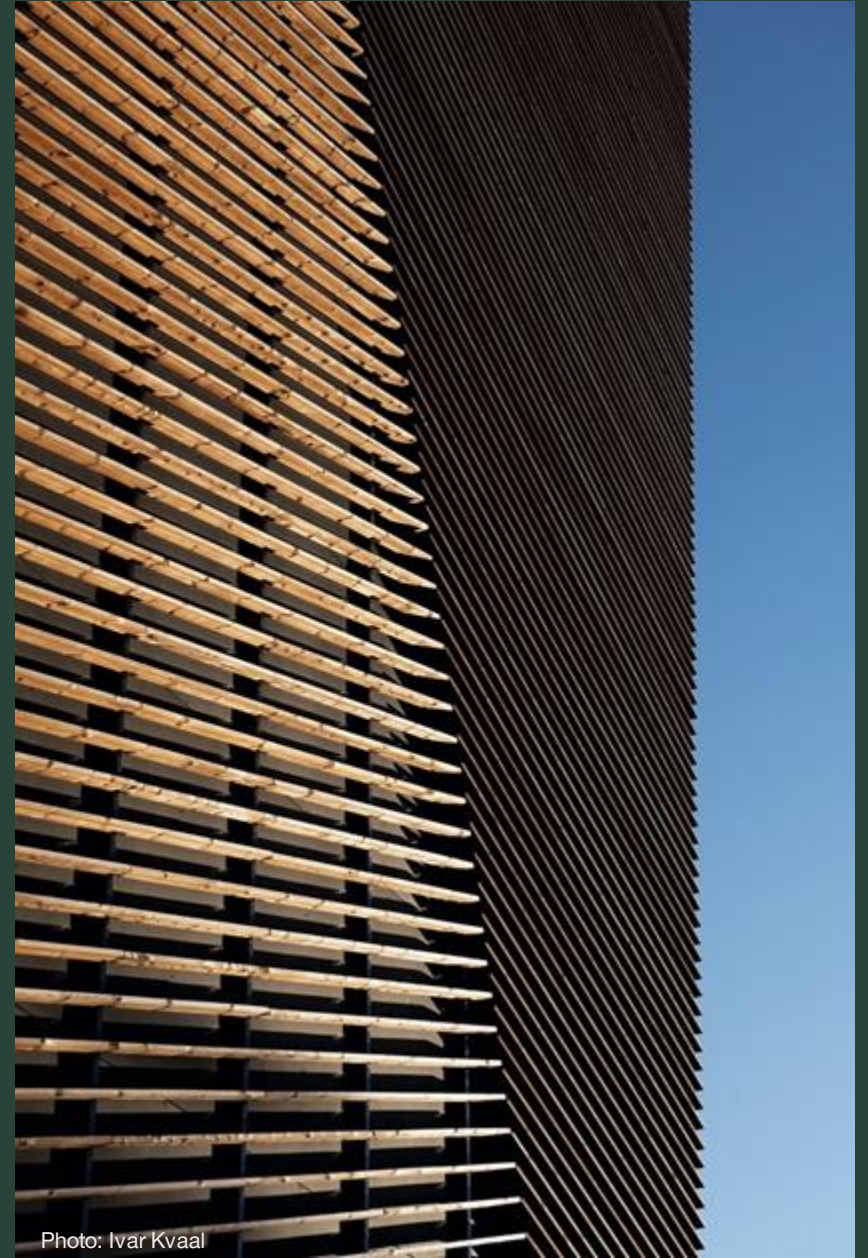


Photo: Ivar Kvaal

R8 Hybrid

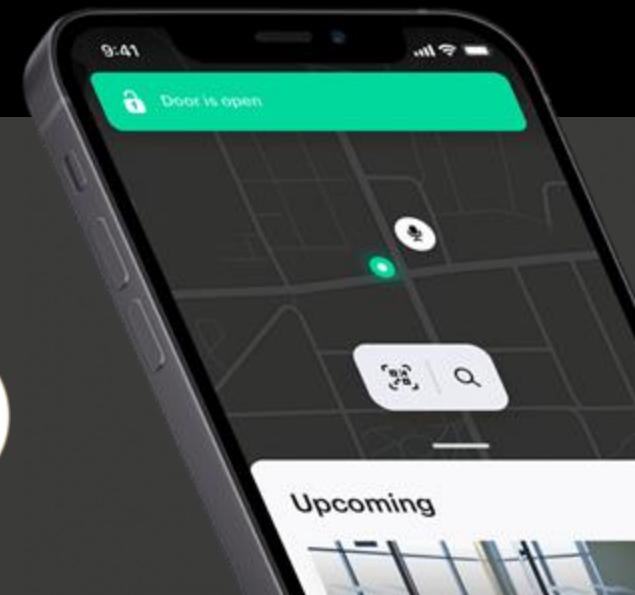
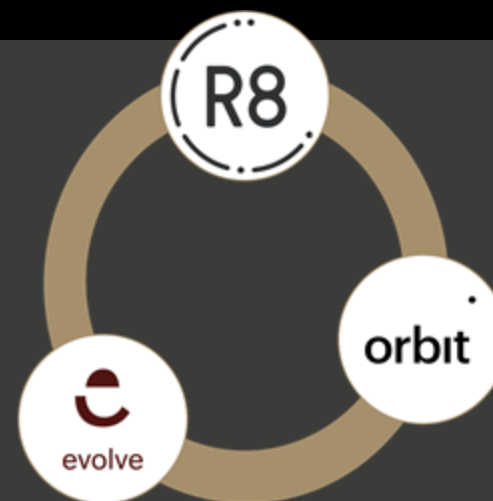
TO MEET THE OFFICE USERS' CHANGED BEHAVIOR AND NEEDS AFTER COVID-19, R8 HAS LAUNCHED R8 HYBRID.

- ♣ **Combining ordinary office rental and co-working provides both flexibility and predictability**
- ♣ **Tenants get access to a network of office spaces, meeting rooms and other facilities**
- ♣ **Corporate agreements for existing tenants**
- ♣ **Utilizes the capacity of the buildings in a better way**

R8 Hybrid is a combination of an ordinary, permanent lease and a membership in Evolve Business Space, with access to their 27 locations with flexible workplaces.

The benefits are many: The employer keeps their environment, meeting points and predictability that comes with a traditional office; the employees get flexibility to work efficiently where they want, and reduced commuting time. In addition, users get access to video conferencing and beautiful meeting rooms, all closer to where people live.

For R8 Property, this is a unique tool and competitive advantage, that adapts to the "new normal" in working life, post-Covid. Many companies can manage with fewer fixed square meters, when a possible shortage of space in "peak hours" can be covered through access to available capacity in Evolve.



Tenants signed in on R8 Hybrid:

24 SevenOffice
Inkognitogaten 33
1,274 sqm
80 users

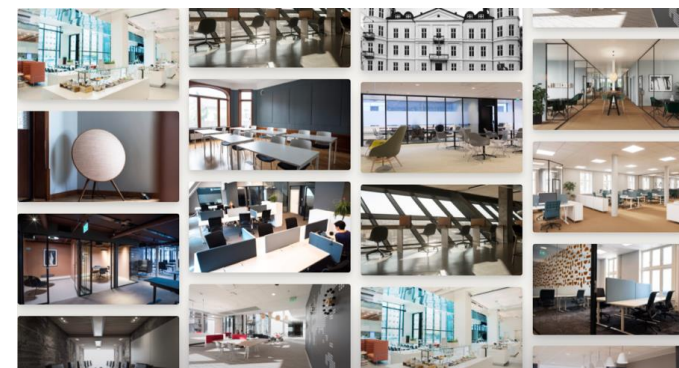
Schlumberger Information Solutions
Fornebuveien 1-3
2,393 sqm
200 users

Strong ARR growth and company development in 2021

ARR Q4: 89 mNOK

Key highlights in Q4

- Continued strong effect from rebranding, marketing and digitalization of sale process
- Old customer agreements converted to new product and price structure
- Strengthening the organization with additional FTE's to support operations and further growth



27 locations – operational and pipeline

Key performance indicators Q4-21

- Total sqm: 26 631
- Total workstations: 1918
- Total users: 1 376
- Occupancy: 75,28%
- RevPOW: 3 889 (pr month)

New center to open next 12 months

- | | | | |
|---------------------|------------|-------|-----------|
| - Lørenveien 73 | Oslo | Q1-22 | 1,400 sqm |
| - Fornebuveien 1-3 | Oslo | Q2-22 | 2,000 sqm |
| - Storgata 42 | Lillestrøm | Q2-22 | 1,000 sqm |
| - Inkognitogaten 33 | Oslo | Q3-22 | 2,000 sqm |



KEY MILESTONES REACHED – PRE 3 MONTHS

- Launch new website
- Beta automated billing
- Deal with Folq could add potentially up to 850 Orbit subscribers
- Good PR coverage in several newspapers: FA, Estate & shifter
- Successful pilot with Storebrand (sept-okt) and students from NMBU (dec)

KEY MILESTONES AHEAD – NEXT 3 MONTHS

- Grow subscription base to 1000 users
- Implement tracking plan and data collection
- Launch automated billing
- Phase one of new admin dashboard for desktop

GENERAL METRICS

Employees	11 FTE's + 6 contracted
# customers	
# users	900
Runway	[●]
Revenue forecast (current year)	[●]
ARR	[●]

COMPANY SPECIFIC METRICS (Δ LAST 3 MONTHS)

# of PBO locations	14 (3 in progress)
# of satellites locations	17
# of bookings	3 533
# of subscribers	55
# of access request	74 723

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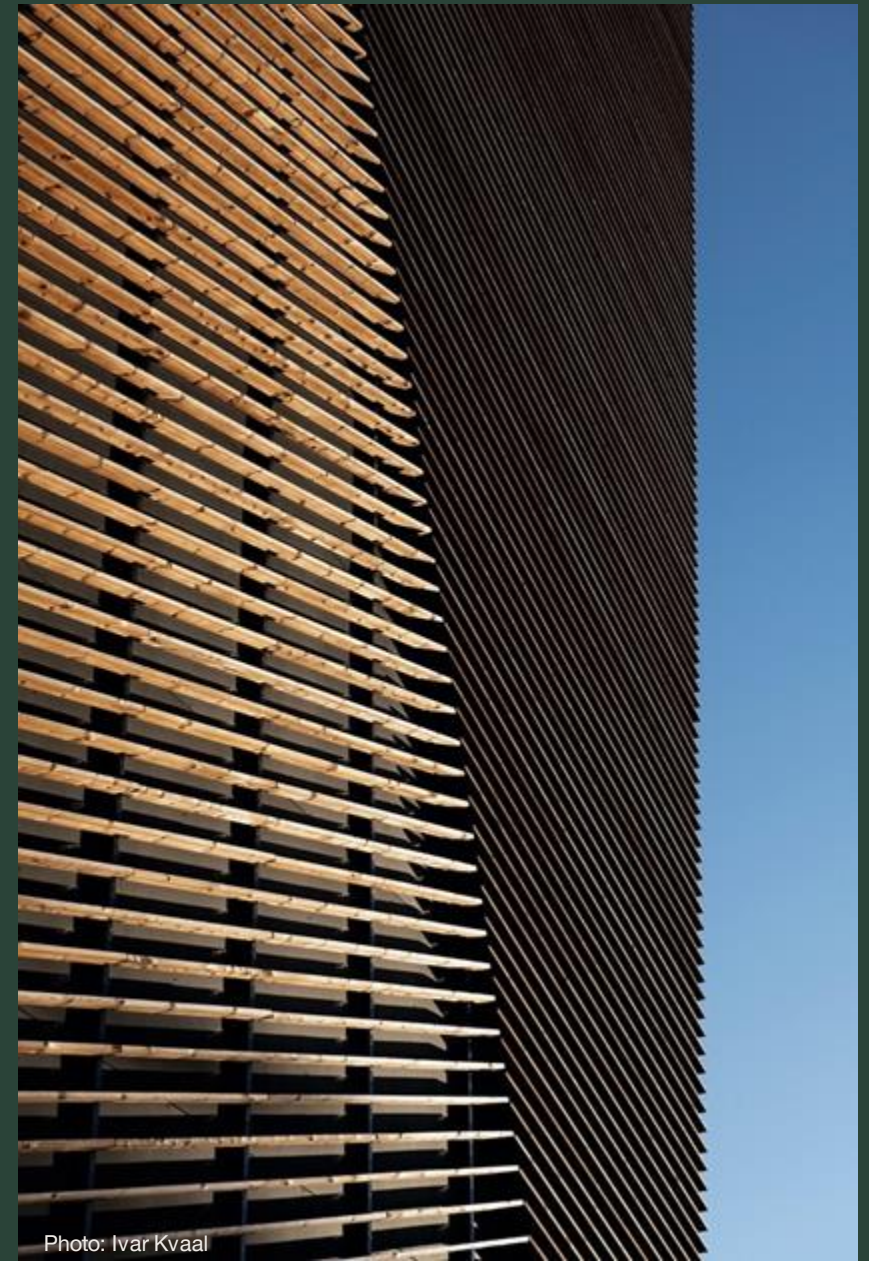


Photo: Ivar Kvaal

Project Portfolio – under construction								
Project	Ownership	Location	Type	Area	Expected completion	Occupancy	Project Cost (NOK million)	Of which accrued (NOK million)
Polymer Exploration Centre	50%	Porsgrunn	Office	4,858	Q4 2021	100%	175.2	174.2
Inkognitogaten 33	8.3% ²	Oslo	Office	3,263	Q3 2022	100%	105.9 ¹ ↑	45.9
Fornebuveien 1-3	50 %	Bærum	Office	6,976	Q2 2022	95 %	88.6	13.7
Sum Project Portfolio - under construction				15,097			369.8	233.7

Project Portfolio - zoned						
Project	Ownership	Location	Type	Area	Zoning	Building permit
Skien Brygge - Phase 1	25%	Skien	Residential / Commercial	14,825	•	•
Skien Brygge - Phase 2	25%	Skien	Residential / Commercial	23,925	•	
Skien Brygge - Phase 3	25%	Skien	Residential / Commercial	19,525	•	
Utsikten	100%	Skien	Residential	1,496	•	•
Vestsiden Terrasse	50%	Porsgrunn	Residential	4,257	•	
Arkaden - Phase 3	100%	Skien	Office / Parking / Retail	7,151	•	
Sum Project Portfolio - zoned				71,179		

Development Portfolio				
Project	Ownership	Location	Type	Area
Slottsfjell Park	100%	Tønsberg	Office	17,000
Powerhouse Tønsberg	100%	Tønsberg	Office	11,000
Porsgrunn Næringspark	100%	Porsgrunn	Office	18,400
Kammerherreløkka	50%	Porsgrunn	Office	2,800
Sum Development Portfolio				49,200

1: Investment has increased with approx NOK 30 million. Demolition of inner walls and slabs has clarified need for significant upgrades in structural system.

2: Inkognitogaten 33A AS is not consolidated in the financial statements due to an ownership below 20% and is treated as investment in shares.

POLYMER EXPLORATION CENTER



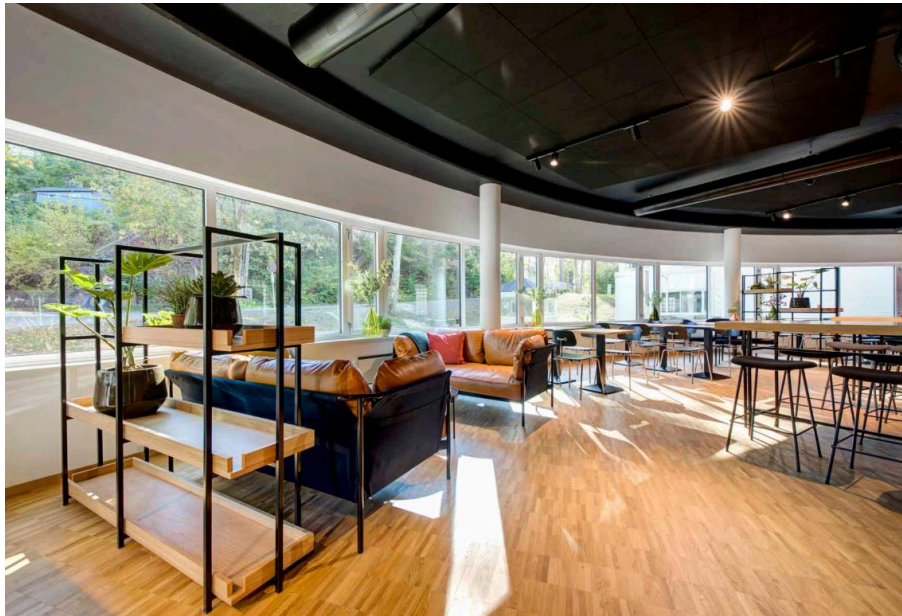
- Newbuild – office and laboratory
- Ownership: 50%
- Location: Porsgrunn
- Expected completion: Q4 21
- Size: 4,858 sqm
- Occupancy: 100%
- Estimated project cost: NOK 175,2 million
- Energy rating: A

INKOGNITO PARK



- Redevelopment - office
- Ownership: 8.3%
- Location: Oslo
- Expected completion: Q3 22
- Size: 3,263 sqm
- Occupancy: 100%
- Estimated project cost: NOK 105,9 million
- BREEAM-NOR: Very Good
- Energy rating: E

FORNEBUVEIEN 1-3



- Redevelopment - office
- Ownership: 50%
- Location: Bærum
- Expected completion: Q2 22
- Size: 6,976 sqm
- Occupancy: 95%
- Estimated project cost: NOK 88,6 million

SLOTTSFJELL PARK + POWERHOUSE TØNSBERG



Powerhouse Tønsberg

- A new planning initiative will be sent when Tønsberg Kommune has concluded the area planning.
- Newbuild and redevelopment – office and hotel
- Ownership: 100%
- Location: Tønsberg
- Est. Size: 28,000 sqm



Slottsfjell Park



Outdoor area

SKIEN BRYGGE – LARGE CITY DEVELOPMENT PROJECT



- Newbuild – office, hotel, residential, city floor & parking
- Ownership: 25%
- Location: Skien
- Size: 58,275 sqm

PHASE 1

KEY FIGURES (PHASE 1)

Total size	18,419 sqm
- Office	3,468 sqm
- Hotel	6,199 sqm
- Residential	4,756 sqm
- Indoor parking	3,396 sqm
- Culture	600 sqm

OWNERSHIP

R8	25%
Bane NOR Eiendom	50%
SBBL	25%

PROJECT HIGHLIGHTS

- ✓ BREEAM certified office building 100% with ambition of energy class A
- ✓ BREEAM certified hotel building with ambition of energy class A, Comfort Hotel Skien Brygge (20y contract)
- ✓ West-faced, high quality apartments by the waterfront

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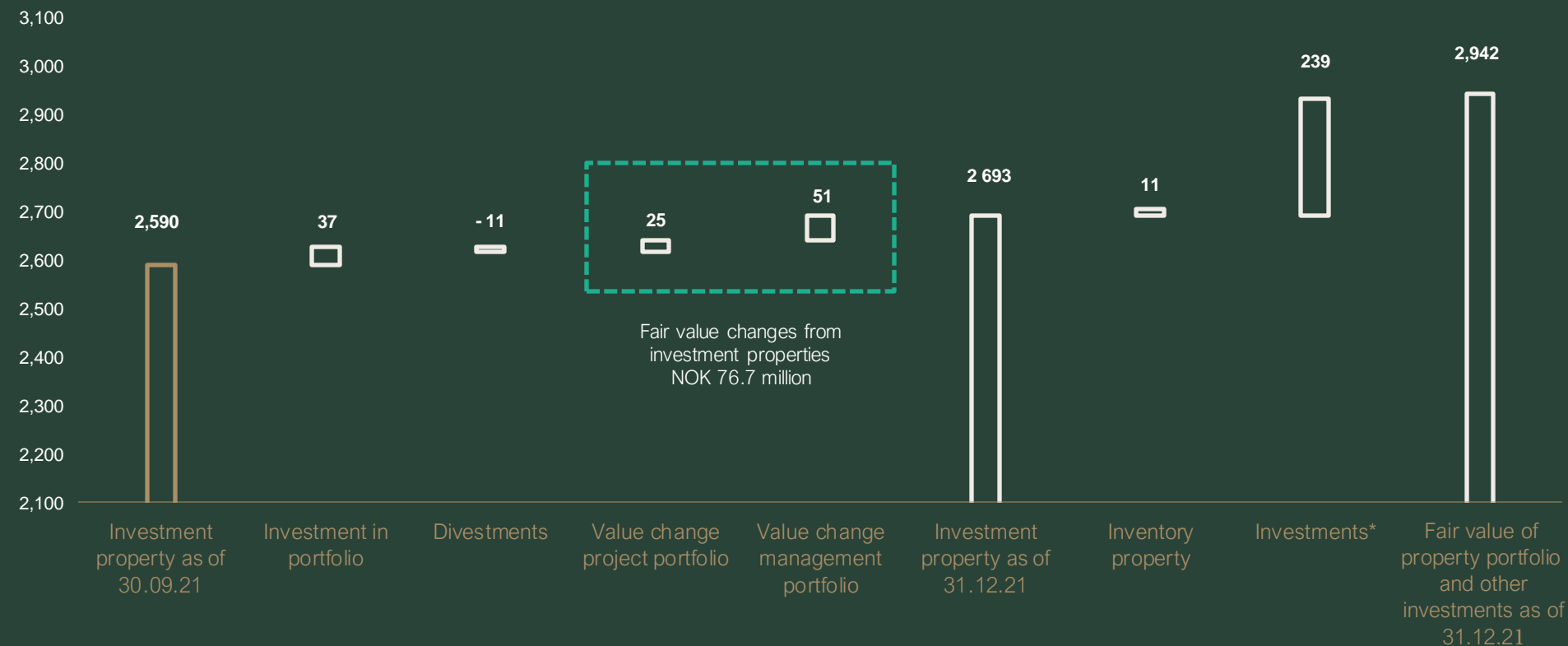
All amounts in NOK thousand	Q4-21	Q4-20	2021	2020
Rental income	31 032	28 411	120 576	114 153
Change period-on-period	9 %	4 %	6 %	14 %
Net income from property management	6 132	1 124	42 586	46 457
Change period-on-period	446 %	-7 %	-8 %	11 %
Profit before tax	62 983	-2 685	111 858	-45 109
Change period-on-period	-2446 %	-118 %	-348 %	-159 %
Profit after tax	47 366	6 238	79 271	-26 771
Change period-on-period	659 %	-45 %	-396 %	-145 %
Market value of the property portfolio	2 703 434	2 445 360	2 703 434	2 445 360
Fair value of the property portfolio and other investments*	2 942 354			
Net nominal interest-bearing debt	1 785 287	1 724 414	1 785 287	1 724 414
Loan to value of property portfolio	66,0 %	70,5 %	66,0 %	70,5 %
Loan to fair value of property portfolio and other investments*	60,7 %			
Interest coverage ratio	0,4	0,1	0,6	0,6
Number of shares	21 694	19 720	21 694	19 720
All amounts in NOK per share	Q4-21	Q4-20	2021	2020
Fair value per share (EPRA NRV incl. fair value adjustment)*	52,1			
**Change period-on-period	N/A			
EPRA NRV	45,1	43,8	45,1	43,8
**Change period-on-period	3 %	N/A	3 %	N/A
EPRA NTA	42,3	41,0	42,3	41,0
**Change period-on-period	3 %	N/A	3 %	N/A
EPRA NDV	37,4	35,6	37,4	35,6
**Change period-on-period	5 %	N/A	5 %	N/A
EPRA Earnings	0,2	-0,7	0,5	-0,8
**Change period-on-period	123 %	N/A	169 %	N/A

* Including fair value of investments in jointly controlled entities, associates and shares. Fair values are based on third party transactions and valuations performed in 2021.

** From Q2-21 EPRA key figures has been prepared according to the EPRA BPR of 2019. Former reporting was in accordance with 2016 EPRA BPR. Change in period-on-period is therefore not calculated for Q4-21 and 2020.

Fair value of property portfolio and other investments

(MNOK)



*Investments in jointly controlled entities, associates and shares.

All amounts in NOK thousand

	Note	Q4-21	Q4-20	2021	2020
Rental income	2	31 032	28 411	120 576	114 153
Other operating revenue	2	4 211	6 499	16 619	18 338
Total operating income		35 243	34 910	137 195	132 491
Maintenance and other operating expenses		20 071	18 002	70 181	53 208
Other property-related expenses		1 421	1 040	3 808	2 196
Administrative expenses		7 619	14 744	20 620	30 630
Total operating costs		29 111	33 786	94 609	86 034
Net income from property management		6 132	1 124	42 586	46 457
Changes in fair value from investment properties	4,5	76 726	-1 257	147 024	-46 726
Operating profit		82 859	-133	189 610	-269
Gains from investment in shares		6 658	-	22 137	-
Interest and other finance income		829	620	2 339	2 053
Share of profit (loss) from associates and joint ventures		-8 004	-2 969	-30 645	-6 882
Losses from investment in shares		-	-496	-	-496
Interest and other finance expense		-18 559	-18 513	-73 712	-66 142
Changes in fair value of financial instruments	4	-800	18 806	2 130	26 628
Net financial items		-19 876	-2 552	-77 752	-44 840
Profit before tax		62 983	-2 685	111 858	-45 109
Tax expense		-15 617	8 922	-32 587	18 338
Profit for year		47 366	6 238	79 271	-26 771

All amounts in NOK thousand

	Note	31.12.2021	31.12.2020
NON-CURRENT ASSETS			
Deferred tax asset		2 603	10 169
Other intangible assets		7 589	7 605
Total intangible assets		10 191	17 773
Investment property	4,5	2 692 700	2 436 000
Other operating assets		1 301	765
Right-of-use assets		36	127
Total non-current tangible assets		2 694 037	2 436 892
Investment in jointly controlled entities, associates and shares	4	73 754	124 592
Loans to related parties		54 097	-
Financial derivatives	4	21 118	46 618
Other long-term receivables		12 562	9 554
Total financial assets		161 531	180 764
TOTAL NON-CURRENT ASSETS		2 865 759	2 635 429
CURRENT ASSETS			
Inventory property		10 734	9 360
Trade receivables		12 729	14 155
Other receivables		11 270	12 625
Other receivables to related parties		10 928	14 370
Total current receivables		45 662	50 510
Cash and bank deposits		24 855	35 679
TOTAL CURRENT ASSETS		70 517	86 188
TOTAL ASSETS		2 936 276	2 721 617

As of 31.12.2021

BALANCE SHEET – EQUITY AND LIABILITIES

All amounts in NOK thousand

	Note	31.12.2021	31.12.2020
EQUITY			
Shareholders equity		820 345	708 382
Non-controlling interest		131 331	52 919
TOTAL EQUITY		951 676	761 300
LIABILITIES			
Interest-bearing debt		1 480 313	1 347 535
Deferred tax liability		90 139	79 110
Financial derivatives	4	21 086	35 646
Lease liabilities, non-current portion		2 352	3 567
Other non-current liabilities		5 684	-
Total non-current liabilities		1 599 575	1 465 858
Trade payables		23 968	40 926
Interest-bearing debt		304 974	376 879
Debt to related parties		3 026	6 633
Lease liabilities, current portion		1 179	1 258
Other current liabilities		51 879	68 764
Total current liabilities		385 025	494 459
TOTAL LIABILITIES		1 984 600	1 960 317
TOTAL EQUITY AND LIABILITIES		2 936 276	2 721 617

