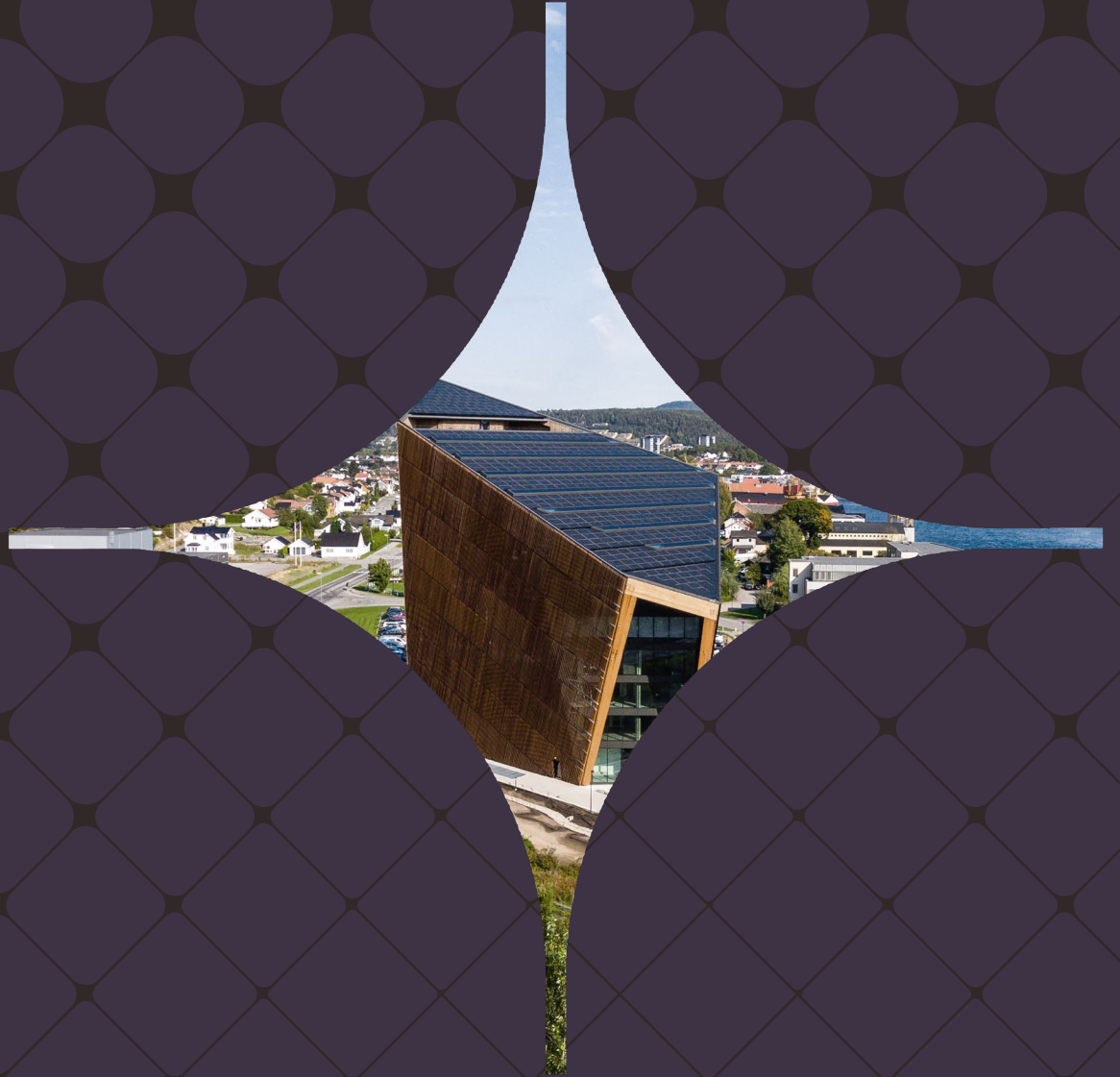




Recreate

1H 2023
Presentation





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Highlights in the period

- **Sold** Inkognitogaten 33 and Fornebuveien 1-3 with total sales value of NOK 613 million as part of the work to repay expensive short-term loans and trade creditors
- **Joint venture** (RCR Property Group) agreement with XG Group AS. Recreate has managed to secure additional funding for approx. 60% (NOK 0,95 billion) of current property values going forward
- **Strong results in the letting market** with signing of 18 contracts with an annual rent of NOK 15.8 million including Fangene på Fortet, Statens Vegvesen and Zimmer & Peacock
- **Negative fair value adjustments** of investment properties of NOK 133.5 million due to increased yield levels
- **Profit before tax was negative** at NOK 188.6 million
- **Reversal of previous impairment of right-of-use** of NOK 20.3 million due to agreed termination of unprofitable Evolve locations
- **Impairment of goodwill** related to Evolve of NOK 2.5 million due to uncertainty of funding and grant of capital given the situation of the Group

- **One-off operating expenses** of NOK 11 million related to loss from sale of Inkognitogaten 33 and Fornebuveien 1-3
- **One-off operating expenses** of NOK 5 million related to the ongoing restructuring process
- **One-off finance expenses** of NOK 14.7 million related to loss from sale of the remaining shares in Orbit Technology AS

Subsequent events

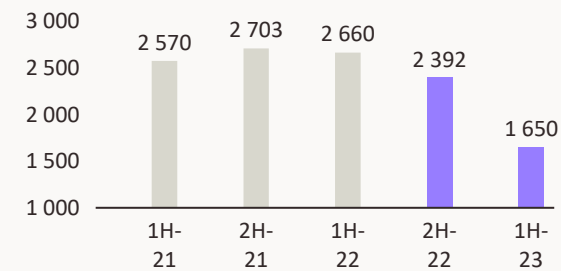
- The joint venture (RCR Property Group) with XG Group AS has been approved by all creditors and closing of the transaction has been completed
- Extended approx. 47% of its short-term interest-bearing debt with the Group's secured financial creditors
- Received positive indications that the remaining secured short-term bank debt will be extended in the following weeks once formal credit approvals are obtained
- Agreement signed in August to sell Recreate's shares (50%) in Vestsiden Terrasse AS



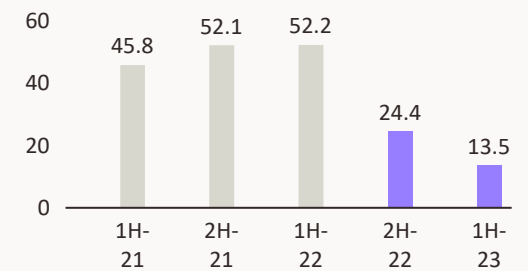
Key figures

Finance	1H-23	1H-22
Rental income	40.4	65.6
Other operating income	45.2	44.3
Property portfolio value changes*	-133.5	-6.9
Market value on property portfolio**	1 650	2 660
Profit before tax*	-188.6	56.7
Fair value per share***	13.5	52.2

Market value of the property portfolio (MNOK)
 Δ -742



Fair value per share (NOK) Δ -10.9



* Including changes in fair value from owner-occupied property (total comprehensive income)

** Includes investment property classified as held for sale

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



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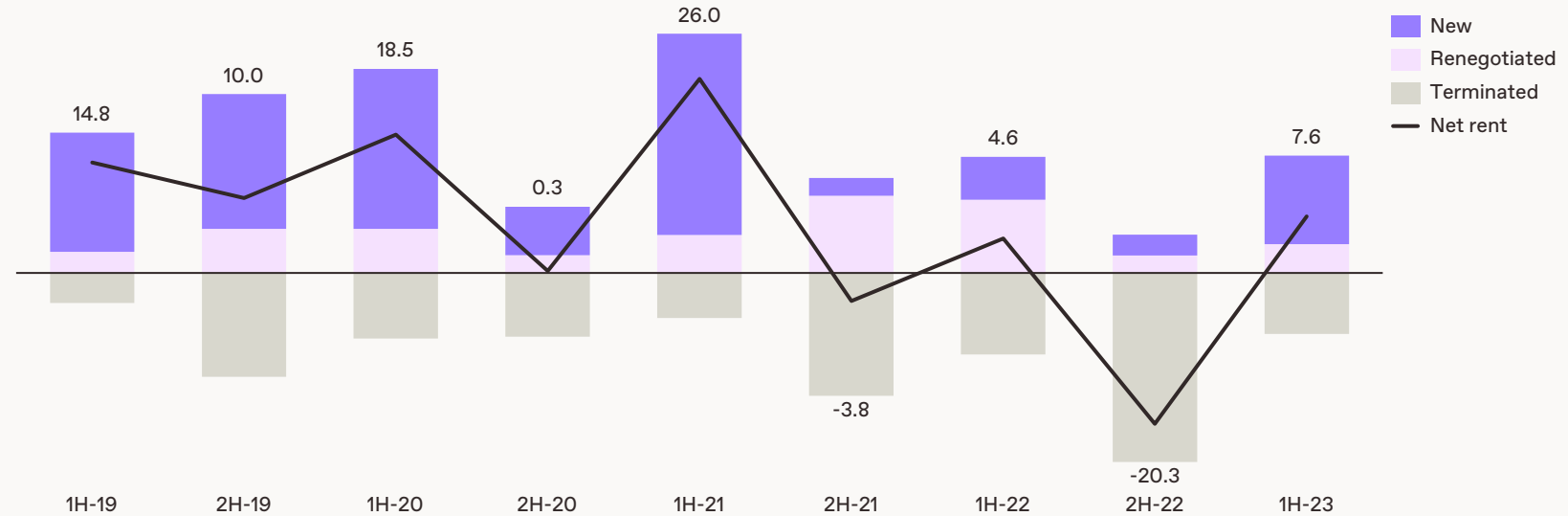
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Letting & occupancy 1H 2023

- Net letting in the period of NOK 7.6 million
- 10 new leases of NOK 11.9 million
- 8 renewed leases of NOK 3.9 million
- 13 terminated contracts of NOK 8.2 million



Management Portfolio (ownership ≥ 50%)

Occupancy
83.4 %

Annual rental income
79.9 MNOK

WAULT (annual rent)
6.9 years

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

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



New lease contracts

Tenant	Property	Contract	Duration	Sqm
Fangene på Fortet Skien	Arkaden	New	20+10+10	2 070
Statens Vegvesen	Vinkelbygget	New	10	1 736
Zimmer & Peacock AS	Vinkelbygget	New	10	1 585
Eramet Norway AS	Powerhouse	New	5	1 053
Arkaden Fysioterapi	Arkaden	Renegotiated	5	648
RTC Offshore AS	Torggata 8	Renegotiated	5	433
Sikkerhetsmakulering AS	Dokkvegen 8 & 10	Renegotiated	5	420
Strøm Mat & Bar AS	Nedre Hjellegate 11	Renegotiated	20*	343
Egde Consulting AS	Powerhouse	New	5	305
9 other tenants		New/Renegotiated	0.2-5	1 766
Total				10 359



Kjelleveien 21 (Vinkelbygget), Tønsberg

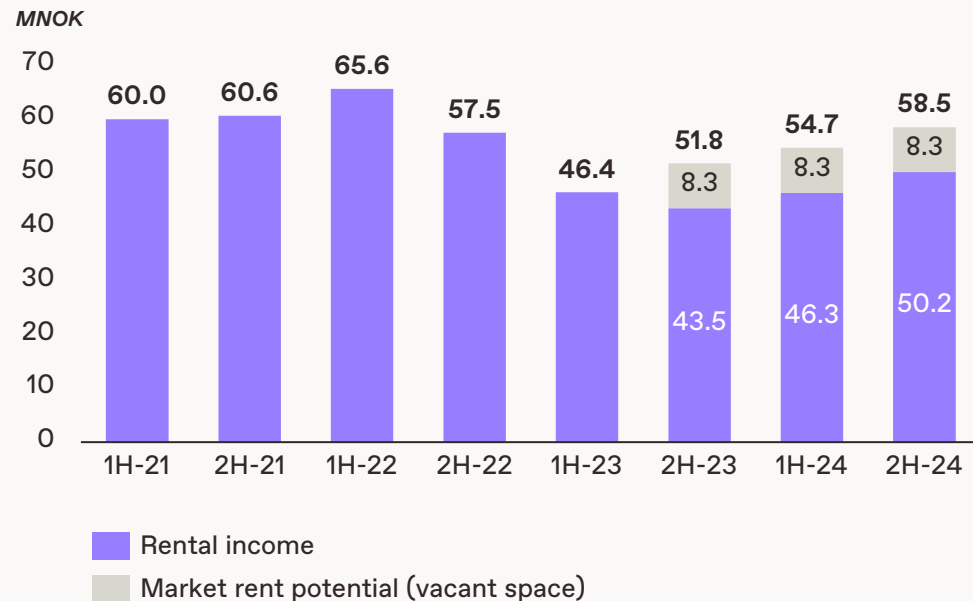


Arkaden, Skien

* The revised lease contract adds an additional 10 years on top of the existing lease agreement set to expire in March 2038



Rental income development & market rent potential



* Divestment Versvikveien 6B and Storgata 106 is included from 2H-23

- The graph shows the historical development in contractual rental income the last 30 months, and the estimated development in contractual rental income and market rent potential on vacant space for the next 18 months
- The figures are based on owned properties, including adjustments from signed new, renewed and terminated contracts, as well as acquisitions and divestments which will be completed (signed SPA) within the next 18 months
- Future CPI adjustments are not included
- Market rent is based on market rent set by external valuers



Financial development

- Rental income of NOK 46.4 million in 1H-23 (NOK 49.2 when including owner-occupied property) compared with NOK 65.6 million in 1H-22. The 29 per cent decline (28 per cent including owner-occupied property) is related to changes in the property portfolio
- Other operating income of NOK 45.2 million in 1H-23, compared with NOK 44.3 million in 1H-22. This is mainly related to the consolidation of Evolve
- Reversal of previous impairment of right-of-use of NOK 20.3 million due to agreed termination of unprofitable Evolve locations, and impairment of goodwill related to Evolve of NOK 2.5 million due to uncertainty of funding and grant of capital given the situation of the Group
- One-off operating expenses of NOK 11 million related to loss from sale of Inkognitogaten 33 and Fornebuveien 1-3, as well as operating expenses of NOK 5 million related to the ongoing restructuring process
- Negative change in fair value of investment properties of NOK 133.5 million (including effect from owner-occupied property) is mainly related to higher market yields on all properties
- Interest and other finance expenses amounted to NOK 55.4 million (NOK 45.7 million) in first six months of 2023. The increased costs in 1H-23 is related to higher interest rates (both Nibor and margins). A larger proportion of expensive short-term debt are paid off in relation to the property sales of Inkognitogaten 33 and Fornebuveien 1-3 in Q1-23
- Changes in fair value of financial instruments (interest swaps) gave a net positive contribution of NOK 22.7 million (NOK 71.4 million)
- Remaining shares in Orbit Technology AS was sold at the end of Q2-23 with a financial loss of NOK 14.7 million



The property portfolio

Corporate units

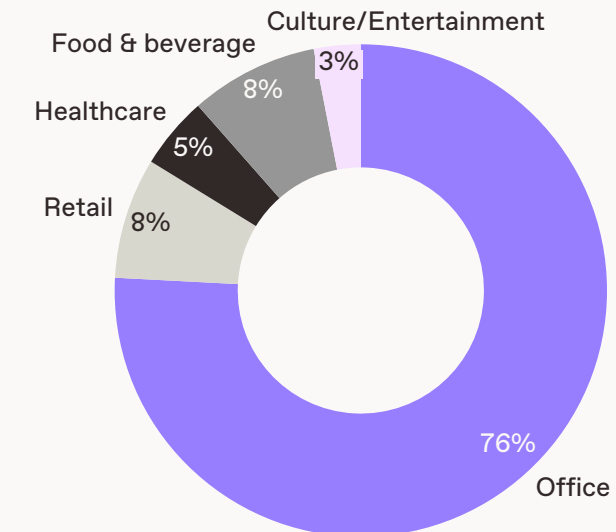
30.06.2023	Area		Occupancy		No. of prop. (#)	Market value		Wault ¹⁾ (yrs)	Annual rent		Wault ²⁾ (yrs)	Net direct yield (%)	Net yield (valuation) (%)	Market rent ³⁾	
	(sqm)	(sqm)	(%)	(%)		(tNOK)	(NOK/sqm)		(tNOK)	(NOK/sqm)				(tNOK)	(NOK/sqm)
Green Office	34 462	28 926	83,9		5	892 400	25 895	8,6	57 696	1 995	8,4	4,3	6,2	70 219	2 038
City Office	19 163	16 208	84,6		6	251 500	13 124	2,0	17 677	1 091	2,1	6,0	7,2	26 584	1 387
Commercial Prop.	3 558	2 576	72,4		3	57 800	16 245	6,4	4 525	1 756	7,0	6,5	8,0	6 671	1 875
Total management portfolio	57 183	47 710	83,4		14	1 201 700	21 015	7,1	79 898	1 675	6,9	4,8	6,5	103 474	1 810
Project portfolio	22 138	17 587	79,4		1	365 000	16 487	8,5	32 577	1 852					
Development portfolio	0	0	0,0		3	72 304	0	1,9							
Total project portfolio	22 138	17 587	79,4		4	437 304	19 754	7,4	32 577	1 852					
Total property portfolio	79 321	65 297	82,3		18	1 639 004	20 663	7,2	112 475	1 723					

1) Wault weighted on property market value

2) Wault weighted on annual rent

3) includes market rent from available areas

Tenant industry



Corporate segments in the table to the left 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 property portfolio) are presented in the figure above.



Update on investments

Evolve

Subsidiary - 100 per cent

Evolve offers flexible workplaces with access to 25 locations. Sustainability is leading when choosing places, buildings, designs, furniture and fixtures. The offices can grow and change together with the customers and get a consistently high standard of common facilities and own offices. All meeting rooms, furniture, operating and common costs are included in the rental agreement.

The financial situation in Evolve is challenging with stressed liquidity and financial lease obligations. To ensure continued operations Evolve is working on a restructuring in consultation with its creditors to address the lease obligations.

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.

Recreate 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.



Outlook

Recreate outlook

47% of its short-term interest-bearing debt with the Group's secured financial creditors has been extended. Recreate has received positive indications that the remaining secured short-term bank debt (36%) will be extended in the following weeks once formal credit approvals are obtained. The Group has also positive dialogues with the remaining (16%) financial creditors (shareholders) and is working on extending the remaining loans which mature in mid-October.

Through the joint venture (RCR Property Group) with XG Group AS, Recreate has managed to secure additional funding for approx. 60% of current property values going forward.

The financial situation in Evolve is challenging with stressed liquidity and deferred payments under several property lease agreements until end of October 2023 in collaboration with the vast majority of Evolve's landlords. To ensure continued operations, Evolve is working on a restructuring in consultation with its creditors to address the lease obligations.

Recreate is still experiencing a stressed liquidity situation for the remaining properties/companies and the basis for continuing as a going concern is contingent upon being able to obtain liquidity by way of sale of properties, additional debt facilities or equity issues.

The Group has redefined the strategy, with a renewed focus on property development - a historical core quality of Recreate.

We are continuously focusing on cost reductions and optimization of operations.

General market outlook

The macroeconomic outlook is still uncertain, but Norwegian economy is solid with strong government finances smoothing business cycles. Inflation remains high through 2023 but is decreasing. Interest rates (and higher property yields) is expected to slightly increase to the end of the year and stabilize in 2024.

There is good activity in the letting market and limited new-build activity going forward.



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Project & development portfolio

Project Portfolio – under construction

No projects under construction as of 30.06.23

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
Sum Development Portfolio				46 400



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Revised company strategy:

Value creation through letting and development

- Invest in new construction and rehabilitation projects which will be developed for sale
- Geographic investment area in Telemark and Vestfold
- Structured sales of fully developed properties over the next 12-24 months
- High competence in sustainable property development
- Further develop collaboration with established solid partners
- Local team with knowledge and relationships in the geographic investment area



Revised strategy | Value creation through letting and development

Over time Recreate has operated with a strategy centered around high growth and long-term ownership of purchased and developed properties. Due to changed market conditions, mainly as a result of higher interest rates and decreasing property values, the Board of directors have decided to revise existing strategy. Going forward the company will adjust focus to harmonize company strategy with Recreate's financial position and prevailing market conditions .

The company has historically created profitability in development through project identification, development, implementation and letting. Going forward this will form the core of Recreate's revised strategy – «value creation through development and letting»

Focus on new construction and rehabilitation projects with increased capital discipline

- *Recreate will be more of a property developer, than a company seeking to build a large management portfolio. Projects must be developed with defined ROI requirements and a more flexible approach to ownership combined with focus on target value optimization and ROE to shareholders.*

Healthy economic and long-term growth

- *Recreate has taken and will continue to take active ownership measures to ensure the company's foundation for long-term, healthy economic growth by making significant adjustments to the portfolio. Ongoing and new projects must have a target 15% IRR and an opportunistic approach to ownership period.*

More development in cooperation with solid partners

- *Recreate will target more development in partnership that enable participation in larger – area defining projects – being less capital intensive for Recreate's shareholders. Recreate aims to be the most attractive partner in the geographical areas in which the company operates.*

Geographic investment area in Telemark and Vestfold

- *Recreate will target investments in the region where we already have a leading position and optimal setting for creating added value for our shareholders*

Maintain and develop internal expertise and local knowledge

- *The size of the organization has been reduced as a result of less aggressive growth ambitions. By investing in development projects, together with preferred partners, in the redefined target geographical area – Recreate seeks to be the region's preferred employer for attractive and skilled employees.*

Forward-looking and future-oriented property development

- *Recreate will continue to utilize its expertise in digitization, smart use of technology and focus on sustainable, energy efficient building.*



Revised strategy | Core pillars in renewed strategy

Sound financial platform

- Increased focus on efficient allocation of capital over time
- Reduce financial risk by selling value-optimized properties, reducing LTV over time and establishing a sensible liquidity buffer adapted to the size of the development portfolio
- Establish a predictable cash flow from service sales and – to a greater extent – adapt the current cost base to the size of the company's property and development portfolio
- Maintain target of 15% ROE

Focused property strategy

- Recreate will focus on new construction, rehabilitation and development projects with value optimization potential
- The company will actively work to have a continuously well-diversified portfolio of projects in various stages of development – adapted to the company's financial and organizational capacity
- Sustainable property development is a core pillar for all Recreate projects, with a set goal of reducing greenhouse gas emissions by 50% by 2030 – and be a driving force for climate-efficient property development

Target geographic focus

- Recreate's geographical investment area will be the Telemark and Vestfold region where the company has a strong established position
- Recreate has been active in this region since 2010 and has established itself as a leading property developer with local knowledge – a key factor for successful property development and letting
- Recreate has historically achieved the best results with property development projects including housing, office and retail. Going forward Recreate will continue to develop attractive projects across segments

Cooperation and partnership

- In developing property projects, Recreate has historically worked with several different partners. Recreate will continue to cooperate with established partners and at the same time seek additional partnerships
- Recreate's goal is to have the regions best project department within early phase development and project implementation
- Letting is at the core of our value creation. The company has a large corporate network and extensive experience in Telemark and Vestfold region



Revised strategy | Completed projects



Total area	40,305 (BTA)
Total project cost	1,553 (NOK mill)
Value at completion	1,787 (NOK mill)
Project development gain*	234 (NOK mill)
Project development gain*	15.1 (%)

*Project development gain based on external valuation at project completion



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Financial statement

All amounts in NOK thousand	YTD Q2-23	YTD Q2-22	2022
Rental income	46 408	65 614	123 140
Change period-on-period	-29 %	9 %	2 %
Other operating income	45 211	44 273	92 562
Change period-on-period	2 %	389 %	457 %
Net income from property management	-23 103	4 294	-130 599
Change period-on-period	-638 %	-79 %	-407 %
Profit before tax*	-188 581	56 703	-577 620
Change period-on-period	-433 %	41 %	-616 %
Profit after tax*	-172 397	55 541	-506 357
Change period-on-period	-410 %	94 %	-739 %
Market value of the property portfolio**	1 649 997	2 659 907	2 391 689
Fair value of the property portfolio and other investments***	1 667 497	2 856 077	2 445 032
Net nominal interest-bearing debt	1 486 139	1 902 798	2 045 008
Loan to value of property portfolio	90,1 %	71,5 %	85,5 %
Loan to fair value of property portfolio and other investments***	89,1 %	66,6 %	83,6 %
Interest coverage ratio	-0,0	0,2	-0,3
Number of shares	21 694	21 694	21 694
All amounts in NOK per share	YTD Q2-23	YTD Q2-22	2022
Fair value per share (EPRA NRV incl. fair value adjustment)***	13,5	52,2	22,8
Change period-on-period	-74 %	14 %	-74 %
EPRA NRV	13,1	45,2	22,1
Change period-on-period	-71 %	5 %	-71 %
EPRA NTA	6,1	35,7	13,2
****Change period-on-period	-83 %	-12 %	-83 %
EPRA NDV	6,6	32,2	13,7
****Change period-on-period	-79 %	-10 %	-79 %
EPRA Earnings	-2,8	0,4	-5,8
****Change period-on-period	-799 %	150 %	-1174 %

* Including changes in fair value from owner-occupied property (total comprehensive income) in YTD Q2-22 and 2022.

** Includes investment property classified as held for sale.

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

**** Negative change period-on-period partly due to adjustments for goodwill related to Evolve.

***** Evolve is consolidated in the financial statements from 1 January 2022.



Statement of total comprehensive income

All amounts in NOK thousand

	Note	YTD Q2-23	YTD Q2-22	(Restated) 2022*
Rental income	2	46 408	65 614	123 140
Other operating income	2	45 211	44 273	92 562
Total operating income		91 618	109 886	215 702
Maintenance and other operating expenses		37 453	44 462	135 585
Depreciation and amortisation		29 276	24 381	127 630
Changes in fair value from owner-occupied properties	4,5	16 166	-	166 723
Other property-related expenses		3 634	4 849	7 545
Administrative expenses		28 192	31 900	75 540
Total operating costs		114 721	105 592	513 023
Net income from property management		-23 103	4 294	-297 322
Changes in fair value from investment properties	4,5	-117 288	-34 728	-255 577
Operating profit		-140 391	-30 433	-552 899
Gains from investment in shares		-	33 919	33 919
Interest and other financial income		1 564	2 390	5 501
Share of profit (loss) from associates and joint ventures		-2 363	-2 645	-4 727
Loss from investment in shares		-14 721	-	-
Interest and other financial expenses		-55 431	-45 692	-139 824
Changes in fair value of financial instruments	4	22 762	71 382	80 410
Net financial items		-48 190	59 355	-24 721
Profit before tax		-188 581	28 921	-577 620
Tax expense		16 183	4 617	71 263
Profit for the period/year		-172 397	33 539	-506 357
Changes in fair value from owner-occupied property	4,5	-	27 782	-
Change in deferred tax on comprehensive income	4	-	-5 780	-
Total comprehensive income for the period/year that will not be reclassified to profit or loss in subsequent periods		-172 397	55 541	-506 357

* The changes in fair value from owner-occupied property in 2022 were incorrectly classified as other comprehensive income. The numbers for 2022 have been restated to correct this classification error and Tnok 166 723 has been classified as an operating cost in the profit and loss. The restatement has no effect on the total comprehensive income for 2022. There is no effect in 2023 related to the restatement.



Statement of total comprehensive income (excl. Coworking (Evolve)). As basis for comparison to previous reported TCI without consolidation of Evolve

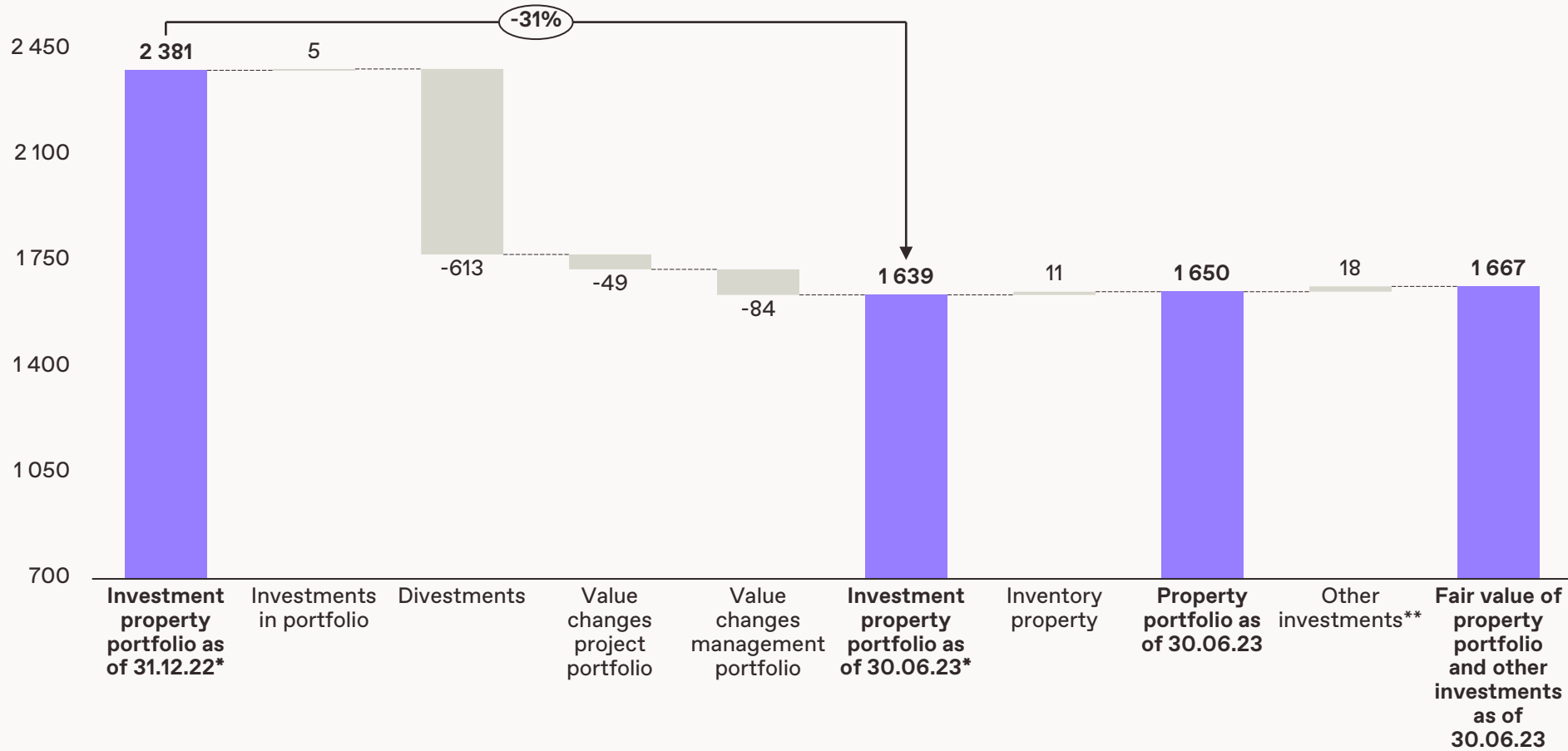
All amounts in NOK thousand

	Note	YTD Q2-23	YTD Q2-22	2022
Rental income	2	49 192	68 967	131 306
Other operating income	2	4 196	9 159	17 978
Total operating income		53 388	78 126	149 284
Maintenance and other operating expenses		31 616	28 289	83 873
Depreciation and amortisation		318	393	513
Changes in fair value from owner-occupied properties		-	-	-
Other property-related expenses		508	2 980	5 895
Administrative expenses		23 635	27 925	64 594
Total operating costs		56 078	59 586	154 874
Net income from property management		-2 690	18 540	-5 590
Changes in fair value from investment properties	4,5	-133 454	-6 946	-422 300
Operating profit		-136 144	11 594	-427 890
Gains from investment in shares		-	579	579
Interest and other financial income		2 273	2 352	5 466
Share of profit (loss) from associates and joint ventures		-10 363	-17 023	-53 863
Impairment loss from investment in shares		-14 721	-	-38 695
Interest and other financial expenses		-49 225	-41 468	-129 736
Changes in fair value of financial instruments	4	22 762	71 382	80 410
Net financial items		-49 273	15 822	-135 840
Profit before tax		-185 417	27 416	-563 730
Tax expense		13 021	-5 215	57 373
Profit for year		-172 397	22 201	-506 357



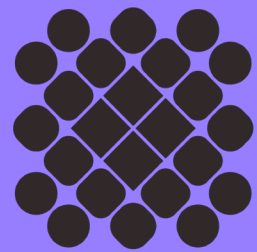
Value development*

MNOK



* Investment property in the chart includes owner-occupied properties and properties held for sale.

** Investments in subsidiaries, jointly controlled entities, associates and shares.



Recreate