



**R8 PROPERTY ASA**  
QUARTERLY REPORT Q1 2021

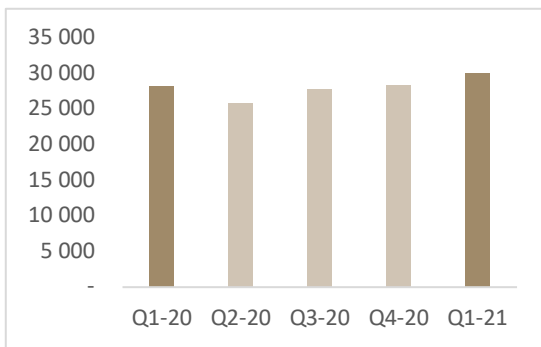
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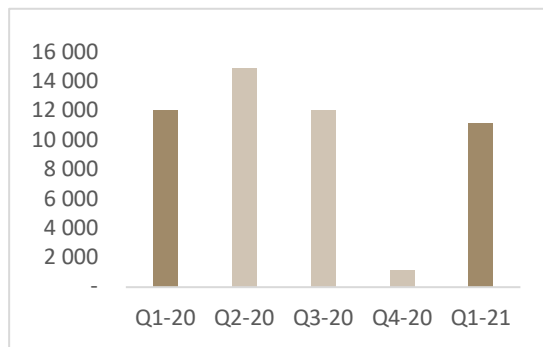
# FINANCIAL HIGHLIGHTS

- Rental income of 30,1 million (28,6 million) in the quarter
- Net income from property management of 11,2 million (13,0 million)
- Positive total portfolio value changes of 24,3 million (negative of 53,3 million)
- Profit before tax of 38,5 million (negative 78,2 million)
- EPRA NAV per share of 46,0 (39,0)

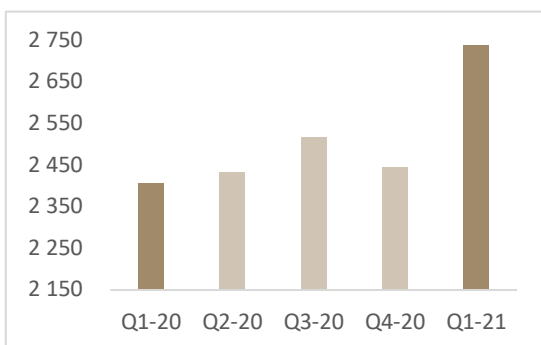
Rental income  
(KNOK)



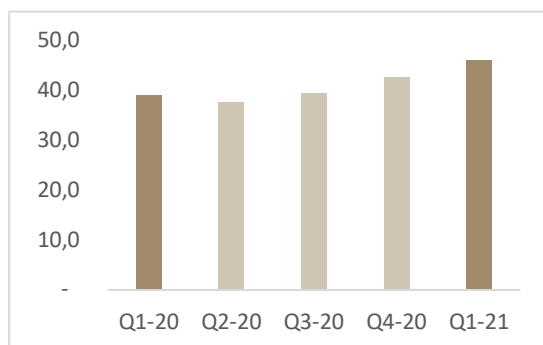
Net income property management  
(KNOK)



Market value of the property portfolio  
(MNOK)



EPRA NAV  
(NOK per share)



# KEY FIGURES

All amounts in NOK thousand	Q1-21	Q1-20	2020	2019
Rental income	30 067	28 619	114 153	99 755
Change period-on-period	5 %	37 %	14 %	42 %
Net income from property management	11 192	13 017	46 457	41 717
Change period-on-period	-14 %	12 %	11 %	2 %
Profit before tax	38 501	-90 184	-45 109	76 635
Change period-on-period	-143 %	-451 %	-159 %	9 %
Profit after tax	32 397	-78 244	-26 771	59 177
Change period-on-period	-141 %	-491 %	-145 %	-3 %
Market value of property portfolio	2 740 242	2 406 797	2 445 360	2 416 805
Market value of property portfolio and other investments*	2 858 551	2 459 618	2 569 952	2 417 302
Net nominal interest-bearing debt	1 994 354	1 643 084	1 724 414	1 576 757
Loan to value of property portfolio	72,8 %	68,3 %	70,5 %	65,2 %
Loan to value of property portfolio and other investments*	69,8 %	66,8 %	67,1 %	65,2 %
Interest coverage ratio	1,3	0,8	0,6	0,6
Number of shares***	19 720	19 720	19 720	19 720
All amounts in NOK per share	Q1-21	Q1-20	2020	2019
EPRA NAV**	46,0	39,0	42,6	40,7
Change period-on-period	18 %	0 %	5 %	78 %
EPRA NNNAV**	41,9	34,8	40,8	37,8
Change period-on-period	20 %	-2 %	8 %	9 %
EPRA Earnings	-0,4	-0,1	-0,8	0,4
Change period-on-period	157 %	-192 %	-300 %	30 %

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

\*\* EPRA NAV or EPRA NNNAV does not reflect any added value from the Group's investment and development of Evolve (co-working) and Orbit Technology.

\*\*\* The number of outstanding shares increased from 1 972 064 to 19 720 640 in Q4-20, as a result of a share split with ratio 1:10 decided at the extraordinary general meeting (EGM) on October 29<sup>th</sup> 2020.

From Q4-20 and going forward R8 Evolve is not treated as a subsidiary due to lack of control. Consequently, the comparative figures for Q1 2020 have been restated.

# FINANCIAL DEVELOPMENT

## Results

### Net income from property management

The Group's rental income was up by 5,2 per cent from 28,6 million in Q1-20 to 30,1 million in Q1-21.

- Total operating income came in at 36,1 million (31,9 million) in the quarter.
- Total operating cost amounted to 24,9 million (18,9 million) in the quarter.
- Net operating income from property management came in at 11,2 million (13,0 million) in the quarter.

In the first quarter of 2021 two new properties were acquired, Fornebuveien 1-3 at Fornebu in Oslo and Slottsfjell Park in Tønsberg. This has resulted in an increase in rental income and associated operating and administrative costs.

Operating income and costs are also affected by changes in the property portfolio from Q1-20 to Q1-21. Henrik Ibsensgate 40-42 and Powerhouse Telemark were both ongoing projects in Q1-20 and then completed later in 2020. Rådhusgata 2 and Kammerherreløkka (commercial property) had higher occupancy in Q1-20 compared to Q1-21.

The Group does not have any own used properties in Q1-21 as R8 Evolve AS is not consolidated in the Total Comprehensive Income from Q4-20 and going forward. Of this reason there is no specification of rental income from own used properties in Q1-21 compared to previous quarters in 2020.

### Net financials

Net financials amounted to 3,0 million (-49,9 million) in the quarter. Interest and other finance expenses were 20,9 million (15,8 million) and net share of loss from associates and joint ventures was -4,1 million (-0,7 million) and relates to the Group's investments in R8 Evolve and Orbit Technology. Gains from investment in shares amounted to 15,5 million from divested shares in Orbit Technology. Unrealised changes in fair value of financial instruments gave a net positive contribution of 12,2 million (-33,9 million). The positive change comes from interest rate swaps.

### Value changes

The valuation of the property portfolio resulted in a net positive value change of 24,3 million (-53,3 million) in the quarter. Properties with significant changes to highlight are increased value of Fornebuveien 1-3 and Rådhusgata 2.

### Profit

Profit before tax was 38,5 million (-90,2 million) in the quarter. Profit after tax was 32,4 million (-78,2 million) in Q1-21.

### Other information

R8 Evolve AS is not consolidated in the Total Comprehensive Income (TCI) from Q4-20 and going forward.

This is due to changes in ownership and associated agreements regarding controlling influence. As R8 Evolve was treated as a subsidiary in Q1 2020, comparative figures have been restated for this quarter.

Orbit Technology AS is not consolidated in the Total Comprehensive Income (TCI) from Q1-21 and going forward.

This is due to changes in ownership and associated agreements regarding controlling influence.

## Balance sheet

The Group's assets amounted to 3 020 million (2 554 million) as of 31.03.21. Of this, investment property amounted to 2 731 million (2 387 million).

Investments in associates and jointly controlled entities were 118,3 million (52,1 million) at the end of Q1 2021. Investments in R8 Evolve AS and Inkognitogaten 33A AS constitutes a large proportion of the balance sheet value.

Financial derivatives as an asset in the quarter amounts to 43,4 million (0,0 million) results from an option right to acquire the remaining shares in Inkognitogaten 33 A AS.

Total current assets came in at 96,7 million (99,0 million) in Q1-2021. The decrease in inventory properties is related to a reassessment of the investment in Vestsiden Terrasse that resulted in a reclassification from inventory property to investment property.

Book equity totaled 794 million (702 million), representing an equity ratio of 26,3 percent (27,5 percent). Equity per share was 46,0 (39,0) based on the EPRA NAV standard and 41,9 (34,8) based on EPRA NNNAV. Outstanding shares at 31.03.21 totaled 19 720 640. The number of outstanding shares increased from 1 972 064 to 19 720 640 in Q4-20, as a result of a share split with ratio 1:10 decided at the extraordinary general meeting (EGM) on October 29<sup>th</sup> 2020.

### Other information

R8 Evolve AS and Orbit Technology AS are not consolidated in the balance sheet from Q4-20 and going forward. This is due to changes in ownership and associated agreements regarding controlling influence. As R8 Evolve was treated as a subsidiary in Q1 2020, comparative figures have been restated for this quarter.

## Cash flow statement

Net cash flow from operating activities came in at 3,4 million (-7,3 million) in the quarter.

The net cash flow from investment activities was -138,0 million (-91,1 million) in the quarter.

Net cash flow from financing activities was 129,9 million (63,6 million) in the quarter.

Cash and cash equivalents at the end of Q1-21 came in at 31,0 million (16,2 million).

## Financing

R8 Property's total interest-bearing nominal debt as of 31.03.21 was 1 994 million (1 643 million). During the first quarter the total interest-bearing nominal debt increased by 230 million. The increase was mainly due to the purchase of Slottsfjell Park and Fornebuveien 1-3 in Oslo.

R8 Property is not in breach of any covenant requirements at the end of Q1-21.

### Interest bearing debt and maturity structure

The average remaining term for the Group's debt portfolio was 3,7 years at 31.03.21.

## Maturity structure and composition of interest-bearing debt

All amounts in NOK thousand

Maturity profile	0-1 yrs	1-3 yrs	3-5 yrs	5+ yrs	Total
Bank loans	357 240	1 044 332	218 263	286 240	1 906 075
Subordinated loans	78 487	9 640			88 127
<b>Total</b>	<b>435 727</b>	<b>1 053 972</b>	<b>218 263</b>	<b>286 240</b>	<b>1 994 354</b>
	22 %	53 %	11 %	14 %	100 %

## Interest rates and maturity structure

The average interest rate of the debt portfolio was 3,45 per cent as of 31.03.2021. 29 per cent of the Group's financing was hedged at a fixed rate as of 31.03.21 with a weighted average maturity of 5,4 years.

Fixed rate instruments	Amount	Interest rate (%)
1-3 years	113 373	3,09 %
3-4 years	80 000	2,73 %
4-5 years	119 425	1,72 %
5-6 years	15 000	1,65 %
6-8 years	63 800	1,53 %
8-10 years	195 000	2,17 %
<b>Total</b>	<b>586 598</b>	<b>2,25 %</b>

1) Excluding credit margins

## Convertible loans

The Group has 81,5 million in convertible loans.

# *The Property portfolio*



Foto: Ivar Kvaal



# THE PROPERTY PORTFOLIO

R8 Property's management portfolio as of 31.03.2021 consists of 28 buildings with a total area of approximately 109 789 square meters. The portfolio is divided into three operating subunits:

Green Office: properties with energy classification and environmental focus

City Office: other ordinary office properties

Commercial Property: properties located in the city center where majority of tenants operates within food & beverage or healthcare

As of 31.03.2021 the occupancy is at 85,1 percent. However, most of the vacancy is strategic related to Arkaden. The occupancy in the Commercial Property subunit is increasing as the project is moving forward.

The average wault<sup>2)</sup> (weighted on annual rent) in the management portfolio is 6,5 years. Average annual rent per square meter was 1 646 NOK of 31.03.2021.

The net direct yield is at 5,0% based on annual rent as of 31.03.2021. Average yield on the total management portfolio (value weighted) as basis of property valuations is 6,1% as of 31.03.2021.

## CORPORATE UNITS Q1-21

31.03.2021	Area			No. of prop.		Market value		Wault <sup>1)</sup>		Annual rent		Wault <sup>2)</sup>		Net direct yield		Net yield (valuation)		Market rent <sup>3)</sup>	
	(sqm)	(sqm)	(%)	(#)	(tNOK)	(NOK/sqm)	(yrs)	(tNOK)	(NOK/sqm)	(yrs)	(%)	(%)	(tNOK)	(NOK/sqm)	(%)	(%)	(tNOK)	(NOK/sqm)	
Green Office	32 390	28 414	87,7	5	942 000	29 083	5,2	54 536	1 919	4,9	4,7	5,7	62 599	1 933					
City Office	44 383	38 832	87,5	16	883 180	19 899	5,8	49 386	1 272	5,1	5,1	5,8	66 659	1 502					
Commercial Prop.	33 016	26 219	79,4	7	669 000	20 263	9,5	49 891	1 903	9,6	5,1	7,1	61 868	1 874					
<b>Total management portfolio</b>	<b>109 789</b>	<b>93 465</b>	<b>85,1</b>	<b>28</b>	<b>2 494 180</b>	<b>22 718</b>	<b>6,6</b>	<b>153 813</b>	<b>1 646</b>	<b>6,5</b>	<b>5,0</b>	<b>6,1</b>	<b>191 127</b>	<b>1 741</b>					
Project Office	4 900	4 900	100,0	6	236 500	48 265	11,2												
<b>Total project portfolio</b>	<b>4 900</b>	<b>4 900</b>	<b>100,0</b>	<b>6</b>	<b>236 500</b>	<b>48 265</b>	<b>11,2</b>												
<b>Total property portfolio</b>	<b>114 689</b>	<b>98 365</b>	<b>85,8</b>	<b>34</b>	<b>2 730 680</b>	<b>23 809</b>	<b>7,0</b>												

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 31 March 2021 corresponds to 9.7% of market rent. The Group has no single external customers representing over 10% of the Group's revenue. Furthermore, the Group has around 87% of its estimated market value of properties and 91% of its rental income geographically from the county of Vestfold Telemark, while the rest is located in the county of Oslo.

R8 Property has one ongoing projects in Porsgrunn (research center - Polymer Exploration Center). This project is 50% owned by R8 Property. Furthermore, R8 Property are doing feasibility studies on additional four properties.

Parking areas (sqm) are not included in this overview.

Corporate segments in the table above follow the corporate structure of the group. Several of the properties are combined buildings and the actual rental conditions measured in square meters and rental income are presented in the table below.

## TENANT INDUSTRY Q1-21

31.03.2021	Occupancy		Wault <sup>2)</sup>		Annual rent	
	(sqm)	(%)	(yrs)	(tNOK)	(NOK/sqm)	(NOK/sqm)
Office	69 504		5,5	113 273		1 630
Retail	7 244		5,6	10 443		1 442
Hotels	6 237		12,9	11 877		1 904
Healthcare	5 573		5,1	6 871		1 233
Food and Beverage	4 907		11,0	11 349		2 313
<b>Total management portfolio</b>	<b>93 465</b>		<b>6,5</b>	<b>153 813</b>		<b>1 646</b>

1) Wault weighted on property market value

2) Wault weighted on annual rent

3) includes market rent from available areas

# INVESTMENTS AND DIVESTMENTS

R8 Property has invested 34,5 million (31,3 million) in the portfolio of investment properties in the quarter.

## Project Development

The portfolio of ongoing projects with a total investment exceeding 10 million is presented below.

Project	Ownership (%)	Unit	Expected completion	Project area (sqm)	Occupancy (%)	Est. total project cost (tNOK) <sup>1)</sup>	Of which accrued (tNOK)
Polymer Exploration Centre	50	Office	Q4-21	4 900	100	167 243	99 406
<b>Total</b>				<b>4 900</b>	<b>100</b>	<b>167 243</b>	<b>99 406</b>

<sup>1)</sup> Total project cost (Including book value at date of investment decision/cost of land)

### R8 Home

The groups residential development projects are organized within the subunit R8 Home, currently working on three development projects in Telemark.

- Utsikten Terrasse is a high-end residential project in Skien. The project consists of 11 single homes / detached homes, all with a great view of Skien City. Expected go-to market in H1 2021.
- Vestsiden Terrasse is a residential project in Porsgrunn. The project has recently received regulatory permission of approximately 42 units, divided between single homes, detached homes and small apartment buildings. Sales is expected to start in Q4 2021.
- Skien Brygge is a large development project at the heart a Skien City Centre. The project will include approximately 400 new homes and 20 000 sqm commercial real estate. Phase one of the projects in expected in 2021.

### Status ongoing projects

R8 Property started building Polymer Exploration Centre in Q2-20. This building is a specialized towards polymer/ plastic research with one tenant in Norner AS (part of SCG Chemicals). Polymer Exploration Centre has been granted 'Katapult' status from SIVA (Selskapet for industrivekst SF).

### Transactions YTD 2021

In the first quarter of 2021 the Group has acquired two properties, Fornebuveien 1-3 at Lysaker in Oslo and Slottsfjell Park in Tønsberg.

R8 Property ASA has also sold 12% of the shares in Orbit Technology AS.

# PARTLY OWNED COMPANIES

## **Dokkvegen Utvikling AS (50 %)**

R8 Property and Dione AS own Dokkvegen Utvikling AS. This is a holding company with 100% ownership in Dokkvegen 20 AS in Porsgrunn (4,450 sqm) where the building 'Polymer Exploration Center' (research center) is under construction.

## **Fornebuveien 1-3 Invest AS (50 %)**

R8 Property and Brødrene Jensen AS own Fornebuveien 1-3 Invest AS. The company owns the property known as Fornebuveien 1-3 at Lysaker in Oslo.

## **Inkognitogaten 33A AS (16%)**

R8 Property and a group of investors own Inkognitogaten 33A AS. The company owns the property known as Inkognitogaten 33 aka Inkognito Park in Oslo.

## **Kammerherreløkka AS (50 %)**

R8 Property and Bane NOR Eiendom AS own Kammerherreløkka AS. The company owns one hotel building (6 282 sqm) and one office building (2 767 sqm) in Porsgrunn.

## **Orbit Technology AS (35,5 %)**

R8 Property and Alligate AS own Orbit Technology AS. The company offers technology solutions that enables office sharing at scale, by turning unused office space into satellite workspaces, available and affordable for anyone.

## **R8 Evolve AS (75 %)**

R8 Property and Alligate AS own R8 Evolve AS. This is a holding company with 100% ownership in Evolve Akersgata AS, Evolve Bjørvika AS, Evolve IT Fornebu AS and Evolve Sandaker AS.

## **Sandefjord Eiendomsinvest AS (25,2 %)**

R8 Property and a group of investors own Sandefjord Eiendomsinvest AS. The company owns the property known as Nordre Fokserød 14 in Sandefjord.

## **Skien Brygge Utvikling AS (25 %)**

R8 Property, Bane NOR Eiendom AS and Skien Boligbyggelag own Skien Brygge Utvikling AS. The company owns land in Skien where a project has started to develop a neighbourhood in Skien including office buildings, hotel and apartments.

## **Telemarksgaten 10 AS (14 %)**

R8 Property and a group of investors own Telemarksgaten 10 AS. The company owns the property known as Telemarksgaten 10 in Skien.

## **Vestsiden Terrasse AS (50%)**

R8 Property and Mynd Eiendom AS own Vestsiden Terrasse AS. The company owns land in Porsgrunn where it's planned to develop and sell 40-50 houses/apartments.

# OTHER INFORMATION

## Organization

At 31.03.21 the Group had 30 employees. During the quarter there were no injuries that caused absence from work.

## Legal structure

At an extraordinary general meeting (EGM) on October 29<sup>th</sup> 2020 the decision was made to transform the legal structure of R8 Property from AS (aksjeselskap) to ASA (allmennaksjeselskap). In connection with the change in legal structure the EGM elected a new Board of directors, one Board member resigned (Tommy Thovsland) while two new members joined the board (Elin Tufte Johansen and Marianne Lie).

## Share and shareholder information

R8 Property's share capital is NOK 4 930 160 divided into 19 720 640 shares, with each share having a par value of NOK 0.25. The EGM in October decided on a share split with ratio 1:10 resulting in the number of outstanding shares increasing from 1 972 064 to 19 720 640.

R8 Property has one class of shares. All shares provide equal rights, including the right to any dividends. Each of the shares carries one vote.

The Group has a share-options scheme for senior executives consisting of 400 000 options. One option gives the right to buy one share.

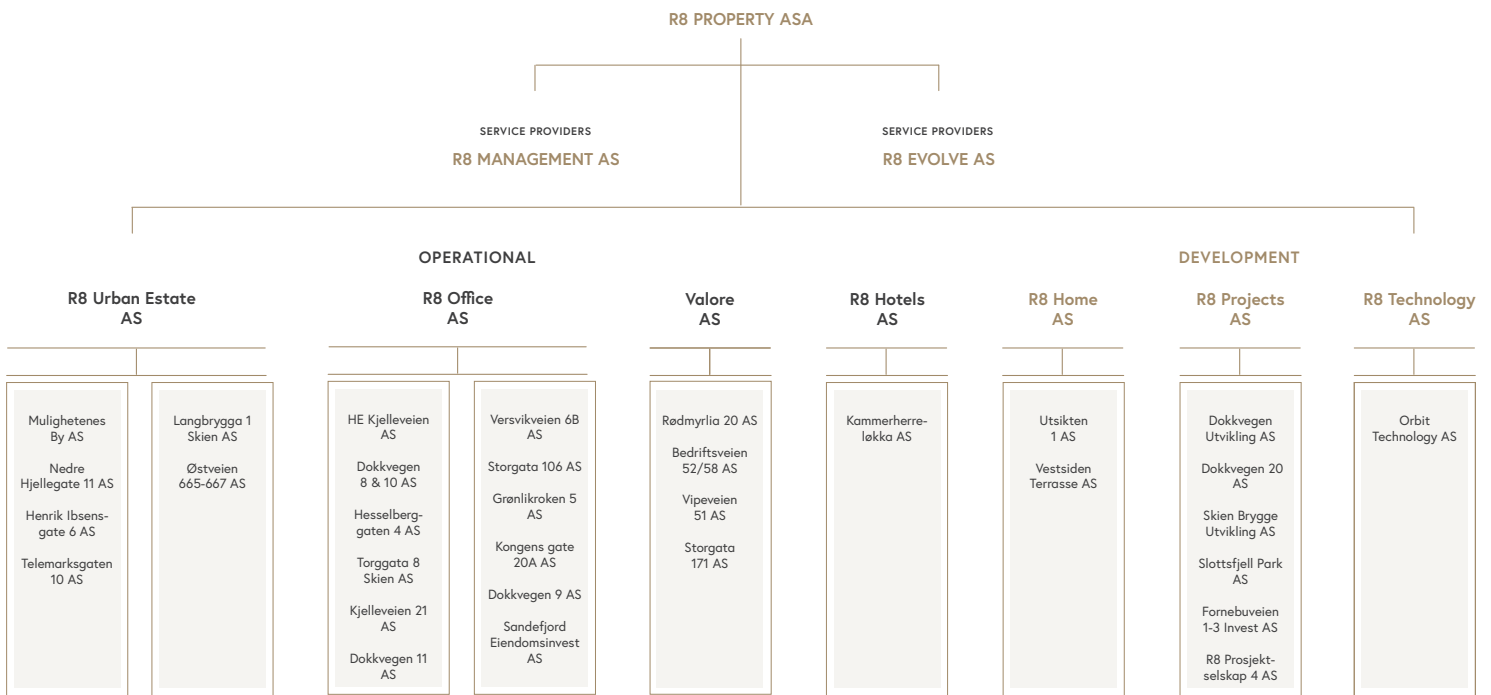
As of 31.03.2021, R8 Property had 51 shareholders. Norwegian investors held 100 per cent of the share capital. The 10 largest shareholders on 31.03.21 were:

Shareholder	Ownership
R8 Group AS	48,0 %
Brødrene Jensen AS	13,7 %
IKAB AS	9,1 %
Sarepta Holding AS	2,8 %
Carucel Invest AS	2,5 %
Aubert Invest AS	2,3 %
Holta & Co AS	1,9 %
Kabbe Holding AS	1,8 %
RP Holding AS	1,1 %
Østerlid AS	1,1 %
<b>Total</b>	<b>84,2 %</b>

# Company structure

The main purpose of the group's structure is to have flexibility in the future when the Group is aiming expand the portfolio and include other related businesses. The company structure will continually be optimized to have flexibility with regard to funding, ownership and key partners going forward.

\*The company structure is updated March 31 2021.



The companies Rådhusgt 2 AS, Inkognitogaten 33A AS and HIG 40-42 Prosjekt AS has a temporary placement as a subsidiary of R8 Property. It is expected that these two companies are placed under the right segment no later than 2021.

Foto: Ivar Kvaal



# *Financial statements*

## Statement of total comprehensive income

All amounts in NOK thousand

	Note	Q1-21	Q1-20	2020
Rental income	2	30 067	28 619	114 153
Other operating revenue	2	6 065	3 292	18 338
<b>Total operating income</b>		<b>36 132</b>	<b>31 911</b>	<b>132 491</b>
Maintenance and other operating expenses		15 937	9 619	53 208
Other property-related expenses		727	224	2 196
Administrative expenses		8 275	9 052	30 630
<b>Total operating costs</b>		<b>24 939</b>	<b>18 894</b>	<b>86 034</b>
<b>Net income from property management</b>		<b>11 192</b>	<b>13 017</b>	<b>46 457</b>
Changes in fair value from investment properties	3,4,5	24 282	-53 295	-46 726
<b>Operating profit</b>		<b>35 474</b>	<b>-40 278</b>	<b>-269</b>
Gains from investment in shares		15 479	-	-
Interest and other finance income		322	488	2 053
Share of profit (loss) from associates and joint ventures		-4 099	-676	-6 882
Losses from investment in shares		-	-	-496
Interest and other finance expense		-20 887	-15 805	-66 142
Changes in fair value of financial instruments	4	12 213	-33 914	26 628
<b>Net financial items</b>		<b>3 027</b>	<b>-49 906</b>	<b>-44 840</b>
<b>Profit before tax</b>		<b>38 501</b>	<b>-90 184</b>	<b>-45 109</b>
Tax expense		-6 103	11 940	18 338
<b>Profit for year</b>		<b>32 397</b>	<b>-78 244</b>	<b>-26 771</b>
<b>Profit attributable to:</b>				
Equity holders of the company		22 572	-55 495	-11 007
Non-controlling interest		9 826	-22 749	-15 764
<b>Total comprehensive income attributable to:</b>				
Equity holders of the company		22 572	-55 495	-11 007
Non-controlling interest		9 826	-22 749	-15 764
<b>Earnings per share:</b>				
Basic (NOK)		1,14	-2,81	-0,56
Diluted (NOK)		1,01	-2,81	-0,56
<b>Other comprehensive income</b>				
Net OCI that may be reclassified to profit or loss in subsequent periods		-	-	-
Net OCI that will not be reclassified to profit or loss in subsequent periods		-	-	-

Notes 1 through to 9 form an integral part of the consolidated financial statements.

## Balance sheet

All amounts in NOK thousand

	Note	31.03.2021	31.03.2020	31.12.2020
<b>NON-CURRENT ASSETS</b>				
Deferred tax asset		10 244	2 426	10 169
Other intangible assets		7 566	9 081	7 605
<b>Total intangible assets</b>		<b>17 810</b>	<b>11 506</b>	<b>17 773</b>
Investment property	4,5	2 730 680	2 387 000	2 436 000
Other operating assets		874	846	765
Right-of-use assets		92	234	127
<b>Total non-current tangible assets</b>		<b>2 731 646</b>	<b>2 388 080</b>	<b>2 436 892</b>
Investment in associates and jointly controlled entities	4	118 310	52 821	124 592
Financial derivatives	4	43 415	-	46 618
Other long-term receivables		12 472	3 180	9 554
<b>Total financial assets</b>		<b>174 196</b>	<b>56 000</b>	<b>180 764</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2 923 652</b>	<b>2 455 587</b>	<b>2 635 429</b>
<b>CURRENT ASSETS</b>				
Inventory property		9 562	19 797	9 360
Trade receivables		15 663	16 451	14 155
Other receivables		14 130	15 979	12 625
Other receivables to related parties		26 278	30 573	14 370
<b>Total current receivables</b>		<b>65 634</b>	<b>82 801</b>	<b>50 510</b>
Cash and bank deposits		31 029	16 249	35 679
<b>TOTAL CURRENT ASSETS</b>		<b>96 663</b>	<b>99 050</b>	<b>86 188</b>
<b>TOTAL ASSETS</b>		<b>3 020 315</b>	<b>2 554 637</b>	<b>2 721 617</b>
<b>EQUITY</b>				
Shareholders equity		731 339	657 974	708 382
Non-controlling interest		62 754	44 857	52 919
<b>TOTAL EQUITY</b>		<b>794 093</b>	<b>702 832</b>	<b>761 300</b>
<b>LIABILITIES</b>				
Interest-bearing debt		1 518 409	636 033	1 347 535
Deferred tax liability		82 092	76 380	79 110
Financial derivatives	4	20 068	45 703	35 646
Lease liabilities, non-current portion		3 224	4 155	3 567
<b>Total non-current liabilities</b>		<b>1 623 793</b>	<b>762 271</b>	<b>1 465 858</b>
Trade payables		34 314	23 520	40 926
Interest-bearing debt		475 945	1 007 051	376 879
Debt to related parties		6 905	23 901	6 633
Lease liabilities, current portion		1 216	1 100	1 258
Other current liabilities		84 050	33 962	68 764
<b>Total current liabilities</b>		<b>602 429</b>	<b>1 089 534</b>	<b>494 459</b>
<b>TOTAL LIABILITIES</b>		<b>2 226 222</b>	<b>1 851 805</b>	<b>1 960 317</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 020 315</b>	<b>2 554 637</b>	<b>2 721 617</b>

Notes 1 through to 9 form an integral part of the consolidated financial statements.



## Statement of changes in equity

All amounts in NOK thousand

	Share capital	Share premium	Other paid-in equity	Retained earnings	Non-controlling interest	Total equity
<b>Equity at 01.01.2020</b>	<b>4 930</b>	<b>200 291</b>	<b>134 420</b>	<b>373 828</b>	<b>64 663</b>	<b>778 131</b>
Profit for year	-	-	-	-11 007	-15 764	-26 771
Acquisitions/capital increase subsidiaries	-	-	-	-	4 020	4 020
Share based options	-	-	5 920	-	-	5 920
<b>Equity at 31.12.2020</b>	<b>4 930</b>	<b>200 291</b>	<b>140 340</b>	<b>362 821</b>	<b>52 919</b>	<b>761 300</b>
Profit for year	-	-	-	22 572	9 826	32 397
Share based options	-	-	380	-	-	380
Change in non-controlling interest	-	-	-	6	9	15
<b>Equity at 31.03.2021</b>	<b>4 930</b>	<b>200 291</b>	<b>140 719</b>	<b>385 398</b>	<b>62 754</b>	<b>794 093</b>

Notes 1 through to 9 form an integral part of the consolidated financial statements.

## Statement of cash flows

All amounts in NOK thousand

	Note	Q1-21	Q1-20	2020
Profit before tax		38 501	-90 184	-45 109
Expensed interest and fees on loans and leases		20 887	15 805	64 089
Interest and fees paid on loans and leases		-21 931	-15 408	-59 439
Share of profit from associates and jointly controlled entities		4 099	676	6 882
Gains from investment in shares		-15 479		
Depreciation and amortisation	7	60	149	495
Other adjustments		512	-	2 649
Change in market value investment properties	4, 5	-24 282	53 295	46 726
Change in market value financial instruments	4	-12 213	33 914	-26 628
Change in working capital		13 281	-5 574	-2 767
<b>Net cash flow from operating activities</b>		<b>3 436</b>	<b>-7 328</b>	<b>-13 101</b>
Proceeds from sales of investment properties and companies		-	-	47 441
Proceeds from sales of shares		15 000	-	25 015
Purchase of shares		-	-43 000	-121 902
Purchase of business net of cash		-91 662	-2 944	-
Upgrades and construction of investment properties		-61 300	-44 941	-183 531
Purchase of intangible assets and other plant and equipment		-	-211	-
Net payment financial assets		-	-	14 795
<b>Net cash flow from investment activities</b>		<b>-137 962</b>	<b>-91 095</b>	<b>-218 182</b>
Proceeds interest-bearing debt		242 276	73 417	190 395
Repayment interest-bearing debt		-143 274	-5 711	-20 091
Change in loans to other related parties		-11 908	-4 074	6 606
Proceeds from convertible loans		42 783	-	37 936
Contributions from non-controlling interests		-	-	1 076
<b>Net cash flow from financing activities</b>		<b>129 876</b>	<b>63 632</b>	<b>215 922</b>
Change in cash and cash equivalents		-4 650	-34 791	-15 361
Cash and cash equivalents at beginning of period		35 679	51 040	51 040
<b>Cash and cash equivalents at end of period</b>		<b>31 029</b>	<b>16 248</b>	<b>35 679</b>

Notes 1 through to 9 form an integral part of the consolidated financial statements.

## NOTE 1 ACCOUNTING PRINCIPLES

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This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are prepared in accordance with applicable IFRS standards and interpretations. The accounting principles that have been used in the preparation of the interim financial statements are in conformity with the principles used in preparation of the annual financial statements for 2020. The interim report presents condensed financial statements, and do not contain all the information required for full annual financial statements. The report should therefore be read in conjunction with the financial statements for 2020. There are no significant changes in accounting policies compared with those used when preparing the financial statements for 2020.

During the year the Group reassessed the treatment of R8 Evolve, a company purchased in the first quarter 2020, in regard to the control of the company. The renewed assessment concludes that the Group do not have the necessary power to influence decision making in the acquired company and as such, R8 Evolve will no longer be treated as a subsidiary due to lack of control. As a consequence, the comparative figures for Q1 2020 has been restated.

The interim financial statements report of R8 Property ASA was approved at a Board meeting on 6th May 2021 and have not been audited. The financial reporting covers R8 Property ASA and subsidiaries.

## NOTE 2 INFORMATION ABOUT REVENUE STREAMS

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**Rental income from investment properties:**

The Group's rental income was up by 5.2 per cent from 28.6 million in Q1-20 to 30,1 million in Q1-21.

**Other operating revenue:**

The majority of other operating revenue relates to R8 Management, the group's real estate service provider.

## NOTE 3 SEGMENT INFORMATION

The operating segments are formally divided on the basis of products and services. The Group is organised into three reportable segments as follows, divided by the nature of their characteristics in regards to the assets, activities and income streams:

- Commercial Properties, which is a supplier of commercial property to customers
- Residential Properties, which provides new housing units to customers

There has been no aggregation of segments in the reported segments presented above. The operating segment of the Group as of today represent their own nature in regards to when and how income is generated (through sales or assets appreciation) and the products or services provided. The chief operating decision maker is the executive board and the CEO, which are the highest decision-making authority of the Group. Geographically, all of the Group's operations takes place in Norway. There is no single customer representing over 10% of the Group's total operating income. The rest of the Group's operations counts for less than 10% measured in revenue, profit or loss or combined assets and is not presented as a own segment below.

The Group's accounting principles applied to both the segment reporting and the profit & loss statement are identical. Income related to Commercial property is presented according to IFRS 16. Change in fair value of investment property is recognized in accordance with IAS 40. Income from Residential Properties is considered revenue from contracts with customers (IFRS 15).

All amounts in NOK thousand

Q1-21	Commercial Properties <sup>1)</sup>	Residential Properties	Eliminations <sup>3)</sup>	Consolidated
<b>INCOME STATEMENT</b>				
Total operating income	35 830	330	-29	36 132
- of which is rental income	30 067	-	-	30 067
- of which is other operating revenue	5 763	330	-29	6 065
Total operating costs	24 409	559	-29	24 939
<b>Net income</b>	<b>11 421</b>	<b>-229</b>	<b>-</b>	<b>11 192</b>
Fair value adjustments investment property	24 282	-	-	24 282
Net fair value financial derivatives	12 213	-	-	12 213
Net financial items	-9 061	-106	-19	-9 186
<b>Segment profit</b>	<b>38 855</b>	<b>-335</b>	<b>-19</b>	<b>38 501</b>
<b>BALANCE SHEET</b>				
Investment property	2 730 680	-	-	2 730 680
Inventory property	-	9 562	-	9 562
<b>Total assets from operating segments</b>	<b>2 730 680</b>	<b>9 562</b>	<b>-</b>	<b>2 740 242</b>
Deferred tax liability	82 694	-602	-	82 092
Interest bearing debt	1 983 972	10 382	-	1 994 354
<b>Total liabilities from operating segments</b>	<b>2 066 666</b>	<b>9 780</b>	<b>-</b>	<b>2 076 446</b>
<b>RECONCILIATIONS</b>				
<i>Reconciliation of revenue:</i>				
Total operating income from the segments				36 132
Other operating income				-
<b>The Group's total operating income</b>				<b>36 132</b>
<i>Reconciliation of profit:</i>				
Segment profit				38 501
Total other comprehensive income before tax				-
<b>The Group's profit before tax</b>				<b>38 501</b>
<i>Reconciliation of balance sheet:</i>				
Total assets from operating segments				2 740 242
Non-current assets				192 972
Current assets				87 101
<b>The Group's total assets</b>				<b>3 020 315</b>
Total liabilities from operating segments				2 076 446
Equity				794 093
Non-current liabilities				23 292
Current liabilities				126 484
<b>The Group's total equity and liabilities</b>				<b>3 020 315</b>

1) For key metrics of the segment Commercial Properties - see Note 14 Investment Property

2) The segment Technology was sold during the year and hence there's no assets or liabilities outlined above

3) Eliminations consists of intercompany transactions made at arm lengths principles

The financial report has in 2020 changed the structure of its reportable segments, see the annual report of 2020, hence earlier periods for comparable amounts has been restated.

Q1-20	Commercial Properties	Residential Properties	Eliminations	Consolidated
<b>INCOME STATEMENT</b>				
Total operating income	31 920	-	-10	31 911
- of which is rental income	28 619	-	-	28 619
- of which is other operating revenue	3 301	-	-10	3 292
Total operating costs	18 284	619	-10	18 894
<b>Net income</b>	<b>13 636</b>	<b>-619</b>	<b>-</b>	<b>13 017</b>
Fair value adjustments investment property	-53 295	-	-	-53 295
Net fair value financial derivatives	-33 914	-	-	-33 914
Net financial items	-15 904	-89	-	-15 993
<b>Segment profit</b>	<b>-89 476</b>	<b>-708</b>	<b>-</b>	<b>-90 184</b>
<b>BALANCE SHEET</b>				
Investment property	2 387 000	-	-	2 387 000
Inventory property	-	19 797	-	19 797
<b>Total assets from operating segments</b>	<b>2 387 000</b>	<b>19 797</b>	<b>-</b>	<b>2 406 797</b>
Deferred tax liability	76 207	173	-	76 380
Interest bearing debt	1 632 968	10 116	-	1 643 084
<b>Total liabilities from operating segments</b>	<b>1 709 175</b>	<b>10 289</b>	<b>-</b>	<b>1 719 464</b>
<b>RECONCILIATIONS</b>				
<i>Reconciliation of revenue:</i>				
Total operating income from the segments				31 911
Other operating income				-
<b>The Group's total operating income</b>				<b>31 911</b>
<i>Reconciliation of profit:</i>				
Segment profit				-90 184
Total other comprehensive income before tax				-
<b>The Group's profit before tax</b>				<b>-90 184</b>
<i>Reconciliation of balance sheet:</i>				
Total assets from operating segments				2 406 797
Non-current assets				68 587
Current assets				79 252
<b>The Group's total assets</b>				<b>2 554 637</b>
Total liabilities from operating segments				1 719 464
Equity				702 832
Non-current liabilities				49 858
Current liabilities				82 483
<b>The Group's total equity and liabilities</b>				<b>2 554 637</b>

## NOTE 4 INFORMATION ABOUT FAIR VALUE OF ASSETS & LIABILITIES

All amounts in NOK thousand

The valuation methods and principles are unchanged in the quarter. See the annual financial statements for 2020 for further information. Set out below is a summary of assets and liabilities measured at fair value divided between the different valuation hierarchies set out in IFRS 7.

### ASSETS MEASURED AT FAIR VALUE

	31.03.2021	31.03.2020	31.12.2020
Assets at fair value through profit or loss			
- Investment properties (level 3)	2 730 680	2 387 000	2 436 000
- Derivatives (level 3) <sup>1)</sup>	43 415	-	46 618
- Equity instruments (level 3) <sup>2)</sup>	34 213	-	34 374
<b>Total</b>	<b>2 808 307</b>	<b>2 387 000</b>	<b>2 516 992</b>

### LIABILITIES MEASURED AT FAIR VALUE

	31.03.2021	31.03.2020	31.12.2020
Liabilities at fair value through profit or loss			
- Derivatives (level 2)	20 068	45 703	35 646
<b>Total</b>	<b>20 068</b>	<b>45 703</b>	<b>35 646</b>

<sup>1)</sup> Financial derivatives as an asset results from an option right to acquire the remaining shares in Inkognitogaten 33 A AS. This option is in-the-money and give rise to a positive increase fair value of the option during the quarter.

<sup>2)</sup> The investment of shares in Inkognitogaten 33 A AS is measured using fair value considering that fair value can be measured accurately and reliably for this investment. The other investments in associates and jointly controlled entities is measured at amortised cost because the fair value can not be measured in a reliable and sufficient way.

## NOTE 5 INVESTMENT PROPERTIES

All amounts in NOK thousand

	Q1-21	Q1-20	2020
<b>VALUE OF INVESTMENT PROPERTIES</b>			
Opening balance previous period	2 436 000	2 409 000	2 409 000
<b>Other movements</b>			
Purchase of investment properties	230 890		16 000
Projects and upgrades in the property portfolio	38 445	26 855	164 415
Capitalised borrowing costs	1 063	4 439	13 311
Sale of investment property		-	-120 000
Change in value from investment properties	24 282	-53 295	-46 726
<b>Total value of investment property</b>	<b>2 730 680</b>	<b>2 387 000</b>	<b>2 436 000</b>

Investment properties are valued at fair value based on independent external valuations. The valuation method is included at level 3 in the valuation hierarchy, see Note 4.

The Group has lease contracts regarding service cars. Outstanding right-of-use assets as per 31.03.2021 is tNOK 91,7.

### SPECIFICATION OF INVESTMENT PROPERTIES

All amounts in NOK thousand

The Groups investment properties is organised into three corporate units:

Green Office: properties with energy classification and environmental focus

City Office: other ordinary office properties

Commercial Property: properties located in the city center where majority of tenants operates within food & beverage or healthcare

The units do not have their own profit responsibility. Financial results are reported as economical and non-economical key figures ("key performance indicators"). These key performance indicators are reported and analysed by unit to the chief operating decision maker, who is the executive board and the CEO, which are the highest decision-making authority of the Group, for the purpose of resource allocation and assessment of unit performance. The Group reports information based upon these three units.

### CORPORATE UNITS Q1-21

31.03.2021	Area		Occupancy		No. of prop. (#)	Market value		Wault <sup>1)</sup> (yrs)	Annual rent		Wault <sup>2)</sup> (yrs)	Net direct yield		Net yield (valuation)		Market rent <sup>3)</sup>	
	(sqm)	(sqm)	(%)	(%)		(tNOK)	(NOK/sqm)		(tNOK)	(NOK/sqm)		(%)	(%)	(tNOK)	(NOK/sqm)		
Green Office	32 390	28 414	87,7	5	942 000	29 083	5,2	54 536	1 919	4,9	4,7	5,7	62 599	1 933			
City Office	44 383	38 832	87,5	16	883 180	19 899	5,8	49 386	1 272	5,1	5,1	5,8	66 659	1 502			
Commercial Prop.	33 016	26 219	79,4	7	669 000	20 263	9,5	49 891	1 903	9,6	5,1	7,1	61 868	1 874			
<b>Total management portfolio</b>	<b>109 789</b>	<b>93 465</b>	<b>85,1</b>	<b>28</b>	<b>2 494 180</b>	<b>22 718</b>	<b>6,6</b>	<b>153 813</b>	<b>1 646</b>	<b>6,5</b>	<b>5,0</b>	<b>6,1</b>	<b>191 127</b>	<b>1 741</b>			
Project Office	4 900	4 900	100,0	6	236 500	48 265	11,2										
<b>Total project portfolio</b>	<b>4 900</b>	<b>4 900</b>	<b>100,0</b>	<b>6</b>	<b>236 500</b>	<b>48 265</b>	<b>11,2</b>										
<b>Total property portfolio</b>	<b>114 689</b>	<b>98 365</b>	<b>85,8</b>	<b>34</b>	<b>2 730 680</b>	<b>23 809</b>	<b>7,0</b>										

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 31 March 2021 corresponds to 9.7% of market rent. The Group has no single external customers representing over 10% of the Group's revenue. Furthermore, the Group has around 87% of its estimated marked value of properties and 91% of its rental income geographically from the county of Vestfold Telemark, while the rest is located in the county of Oslo.

R8 Property has one ongoing projects in Porsgrunn (research center - Polymer Exploration Center). This project is 50% owned by R8 Property. Furthermore, R8 Property are doing feasibility studies on additional four properties.

Parking areas (sqm) are not included in this overview.

Corporate segments in the table above follow the corporate structure of the group. Several of the properties are combined buildings and the actual rental conditions measured in square meters and rental income are presented in the table below.

### TENANT INDUSTRY Q1-21

31.03.2021	Occupancy (sqm)	Wault <sup>1)</sup> (yrs)	Annual rent	
			(tNOK)	(NOK/sqm)
Office	69 504	5,5	113 273	1 630
Retail	7 244	5,6	10 443	1 442
Hotels	6 237	12,9	11 877	1 904
Healthcare	5 573	5,1	6 871	1 233
Food and Beverage	4 907	11,0	11 349	2 313
<b>Total management portfolio</b>	<b>93 465</b>	<b>6,5</b>	<b>153 813</b>	<b>1 646</b>

## CORPORATE UNITS Q1-20

31.03.2020	Area			No. of prop. (#)	Market value		Wault <sup>1)</sup> (yrs)	Annual rent		Wault <sup>2)</sup> (yrs)	Net direct yield (%)	Net yield (valuation) (%)	Market rent <sup>3)</sup>	
	(sqm)	Occupancy (sqm)	(%)		(tNOK)	(NOK/sqm)		(tNOK)	(NOK/sqm)				(tNOK)	(NOK/sqm)
Green Office	29 255	27 171	92,9	5	771 000	26 354	4,1	48 986	1 803	3,4	5,6	6,0	53 956	1 844
City Office	36 110	30 571	84,7	14	498 500	13 805	4,6	32 349	1 058	4,2	5,9	6,8	44 230	1 225
Commercial Prop.	33 002	28 289	85,7	7	665 500	20 165	9,3	49 439	1 748	9,9	5,9	7,1	61 324	1 858
<b>Total management portfolio</b>	<b>98 367</b>	<b>86 031</b>	<b>87,5</b>	<b>26</b>	<b>1 935 000</b>	<b>19 671</b>	<b>6,0</b>	<b>130 775</b>	<b>1 520</b>	<b>6,1</b>	<b>5,8</b>	<b>6,6</b>	<b>159 510</b>	<b>1 622</b>
Project Office	14 450	12 873	89,1	6	452 000	31 280	11,5							
<b>Total project portfolio</b>	<b>14 450</b>	<b>12 873</b>	<b>89,1</b>	<b>6</b>	<b>452 000</b>	<b>31 280</b>	<b>11,5</b>							
<b>Total property portfolio</b>	<b>112 817</b>	<b>98 904</b>	<b>87,7</b>	<b>32</b>	<b>2 387 000</b>	<b>21 158</b>	<b>7,1</b>							

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 31 December 2019 corresponds to 10% of market rent.

R8 Property had in Q1-2020 three on-going projects, the new building Powerhouse Telemark and Polymer Exploration Center, both in Porsgrunn, and Henrik Ibsensgate 40-42 AS located in Oslo.

## TENANT INDUSTRY Q1-20

31.03.2020	Occupancy		Wault <sup>2)</sup> (yrs)	Annual rent	
	(sqm)	(%)		(tNOK)	(NOK/sqm)
Office	58 932		4,7	88 324	1 499
Retail	10 441		5,5	12 466	1 194
Hotels	6 178		13,9	11 614	1 880
Healthcare	5 551		5,4	6 781	1 222
Food and Beverage	4 929		9,8	11 590	2 351
<b>Total management portfolio</b>	<b>86 031</b>		<b>6,1</b>	<b>130 775</b>	<b>1 520</b>

1) Wault weighted on property market value

2) Wault weighted on annual rent

3) includes market rent from available areas

## NOTE 6 TRANSACTIONS WITH RELATED PARTIES

The Group acquired 100% of the shares in Fomebuveien 1-3 AS for the amount of mNOK 78 in January 2021. Fomebuveien 1-3 AS is owned by Fomebuveien 1-3 Invest AS, which is owned by R8 Property ASA with 50% and Brødrene Jensen AS with 50%. Brødrene Jensen AS is also a shareholder in R8 Property ASA. R8 Property ASA has sold 10% of the shares in Orbit Technology AS for the amount of mNOK 15 to Brødrene Jensen AS.

## NOTE 7 KEY FIGURES

All amounts in NOK thousand

## DEBT RATIO (LTV)

	31.03.2021	31.03.2020	31.12.2020
Net nominal interest-bearing debt	1 994 354	1 643 084	1 724 414
Total market value of the property portfolio	2 740 242	2 406 797	2 445 360
<b>Debt ratio (LTV) % of Property Portfolio</b>	<b>72,8</b>	<b>68,3</b>	<b>70,5</b>
Net nominal interest-bearing debt	1 994 354	1 643 084	1 724 414
Total market value of the property portfolio including other investments*	2 858 551	2 459 618	2 569 952
<b>Debt ratio (LTV) % of Property Portfolio including other investments*</b>	<b>69,8</b>	<b>66,8</b>	<b>67,1</b>

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

## INTEREST COVERAGE RATIO (ICR)

	Q1-21	Q1-20	2020
Net income from property management	11 192	13 017	46 457
Depreciation (excl. IFRS 16)	60	149	495
Net realised financials	15 800		2 053
Net effect from leases	-	-	-1
<b>EBITDA adjusted</b>	<b>27 053</b>	<b>13 166</b>	<b>49 004</b>
Interest cost	20 887	15 805	78 799
Other finance expense		-	644
<b>Applicable net interest cost</b>	<b>20 887</b>	<b>15 805</b>	<b>79 443</b>
<b>Interest Coverage Ratio (ICR)</b>	<b>1,3</b>	<b>0,8</b>	<b>0,6</b>

## NOTE 8 EPRA REPORTING

The following performance indicators have been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its Best Practices Recommendations guide.

EPRA Reporting - summary	Unit	Q1-21 / 31.03.2021	Q1-20 / 31.03.2020	2020 / 31.12.2020
EPRA Earnings per share (EPS)	NOK	-0,4	-0,1	-0,8
EPRA NAV per share	NOK	46,0	39,0	42,6
EPRA NNNAV per share	NOK	41,9	34,8	40,8

The details for the calculation of the key figures are shown in the following tables:

### EPRA EARNINGS

EPRA Earnings is a measure of the underlying development in the property portfolio and is calculated as net income after tax adjusted for non-controlling interests, excluding value changes on investment properties, unrealised changes in the market value of financial derivatives and gains/losses on the sale of properties and their associated tax effects.

All amounts in NOK thousand

	Q1-21 / 31.03.2021	Q1-20 / 31.03.2020	2020 / 31.12.2020
Profit for period/year	32 397	-78 244	-26 771
<b>Add:</b>			
Changes in value of investment properties	-24 282	53 295	46 726
Tax on changes in value of investment properties <sup>1)</sup>	5 342	-4 017	-10 280
Changes in value of financial instruments	-12 213	33 914	-26 628
Tax on changes in value of financial instruments <sup>1)</sup>	3 427	-7 461	-5 248
Share of profit jointly controlled entities - fair value adjustments	-11 379	-	6 882
Reversal of deferred tax EPRA adjustments jointly controlled entities <sup>1)</sup>	-	-	-
Net income non-controlling interest of subsidiaries	-514	-240	-211
Reversal of tax non-controlling interests of subsidiaries <sup>1)</sup>	113	-48	45
Change in tax rate <sup>1)</sup>	-	-	-
<b>EPRA Earnings</b>	<b>-7 109</b>	<b>-2 802</b>	<b>-15 485</b>

<sup>1)</sup> 22 per cent from 2021 and 22 per cent for 2020.

### EPRA NAV AND EPRA NNNAV - NET ASSET VALUE

The objective with EPRA NAV is to demonstrate the fair value of net assets given a long-term investment horizon. EPRA NAV is calculated as net asset value adjusted to include market value of all properties in the portfolio and interest-bearing debt, and to exclude certain items not expected to crystallise in a long-term investment property business model such as e.g. financial derivatives and deferred tax on the market value of investment properties.

The objective with EPRA NNNAV is to report the fair value of net assets in the Group on the basis that these are immediately realised. EPRA NNNAV is EPRA NAV adjusted to reflect the fair value of debt and derivatives and in order to include deferred tax on value changes.

All amounts in NOK thousand

	31.03.2021	31.03.2020	31.12.2020
<b>NAV - book value of equity</b>	<b>794 093</b>	<b>702 832</b>	<b>761 300</b>
Less: Non-controlling interest	-62 754	-44 857	-52 919
Deferred property tax	159 771	75 378	150 058
Fair value of financial derivative instruments	15 653	35 649	-18 815
<b>EPRA NAV</b>	<b>906 763</b>	<b>769 001</b>	<b>839 625</b>
Market value on property portfolio	2 730 680	2 387 000	2 436 000
Tax value on property portfolio	1 437 138	1 451 624	1 352 105
Basis for calculation of tax on gain on sale	1 293 542	935 376	1 083 895
<b>Less: Market value of tax on gain on sale (5 per cent tax rate)</b>	<b>64 677</b>	<b>46 769</b>	<b>54 195</b>
Net market value on financial derivatives	20 068	45 703	-10 972
Tax expense on realised financial derivatives <sup>1)</sup>	-4 415	-10 055	-7 842
<b>Less: Net result from realisation of financial derivatives</b>	<b>15 653</b>	<b>35 649</b>	<b>-18 815</b>
Book value of interest bearing debt	1 994 354	1 643 084	1 724 414
Nominal value of interest bearing debt	1 994 354	1 643 084	1 724 414
Basis for calculation of tax on realisation of interest bearing debt	-	-	-
<b>Less: Market value of tax on realisation</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EPRA NNNAV</b>	<b>826 433</b>	<b>686 583</b>	<b>804 245</b>

<sup>1)</sup> 22 per cent from 2021 and 22 per cent for 2020.

## NOTE 9 EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

The corona pandemic outbreak has had impacts on the Groups tenants, financials and property values. Going forward, the uncertainty connected to the pandemic development remains, making forward looking estimates and forecast challenging. However, the property values within our Office segment/industry are considered to be strong. Our tenant portfolio is divided into five different industries/segments: Office, Hotels, Food & Beverage, Healthcare and Retail – with Office as the majority at approx. 74 percent of the revenue. R8 Property's tenant portfolio is diversified in number of tenants as well as in business sectors and segments. Public tenants make up approx. 24% of the group's rental income, another approx. 25% of our revenue comes from large private tenants within banking, telecom, insurance and professional services etc.

In Q2 2021 the Group has divested two properties in the portfolio to external parties. The transactions were completed in Q2 2021. Property values in both transactions are set as book value, in accordance with IFRS, as of 31.03.21.



# CONTACT

## CONTACT INFO

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## Financial calendar

Q2 report 2021	<b>01.09.21</b>
Q3 report 2021	<b>11.11.21</b>
Q4 report 2021	<b>17.02.22</b>
Annual report 2021	<b>24.03.22</b>

### **R8 Property**

#### **Head office and postal address**

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3920 Porsgrunn

[www.r8property.no](http://www.r8property.no)



# DEFINITIONS

Annual rent	The contractual annual rent from the properties of the Group including forward starting contracts and excluding any market contribution.
Cash earnings	Result from property management less payable tax.
Contractual rent	Annual cash rental income being received as of relevant date.
EPRA Earnings	Net income after tax excluding value changes on investment properties, unrealised changes in the market value of financial derivatives and gains/losses on the sale of properties and their associated tax effects. EPRA earnings are intended to give an indication of the underlying development in the property portfolio.
EPRA NAV	Net asset value adjusted to include market value of all properties in the portfolio and interest-bearing debt, and to exclude certain items not expected to crystallise in a long-term investment property business model such as e.g. financial derivatives and deferred tax on the market value of investment properties. The objective with EPRA NAV is to demonstrate the fair value of net assets given a long-term investment horizon.
EPRA NNAV	EPRA NNAV is EPRA NAV adjusted to reflect the fair value of debt and derivatives and in order to include deferred tax on value changes. The objective with EPRA NNAV is to report the fair value of net assets in the Group on the basis that these are immediately realised.
Loan-to-value ("LTV")	Net nominal value of interest-bearing liabilities (excluding debt to group companies) divided by the market value of the property portfolio.
Management properties	Properties that are actively managed by the company.
Market rent	The annualised market rent of the management properties, fully let as of the relevant date, expressed as the average of market rents estimated by the independent professionally qualified valuers.
Market value of property portfolio	The market value of all the properties owned by the parent company and subsidiaries, regardless of their classification for accounting purposes.
Net yield	Net rent divided by the market value of the management properties of the Group.
Occupancy	Estimated market rent of occupied space of the management properties, divided by the market rent of the total space of the management portfolio.
Project properties	Properties where it has been decided to start construction of a new building and/or renovation.
Interest Coverage Ratio ("ICR")	Net income from property management excluding depreciation and amortisation for the Group, divided by net interest on interest-bearing nominal debt and fees and commitment fees related to investment activities.
Total area	Total area including the area of management properties, project properties and land / development properties.
WAULT	Weighted Average Unexpired Lease Term measured as the remaining contractual rent amounts of the current lease contracts of the management properties of the Group.