

R8 PROPERTY PRESENTATION

Q2 2021



Photo: Snohetta

Agenda

I	FINANCIAL KEY FIGURES
II	Development in the quarter
III	Project and development portfolio
IV	Financial statement



Photo: Ivar Kvaal

Financial key figures Q2 2021

All amounts in NOK million

Rental income	29.9
Net Income from property management	9.6
Market value on property portfolio	2 569.5
Profit before tax	1.6

Agenda

I Financial key figures

II DEVELOPMENT IN THE QUARTER

III Project and development portfolio

IV Financial statement



Photo: Ivar Kvaal

HIGHLIGHTS FOR THE QUARTER

- Successful private placement completed raising net proceeds of NOK 54 million in new equity. Transaction size of the IPO totaled NOK 75 million
- Listing on Euronext Growth Oslo with first day of trading 9 June 2021
- Option to acquire Inkognitogaten 33 in Oslo exercised. The property is under refurbishment with expected completion in Q2 2022 and is 100 per cent pre-let
- Milestone lease contracts secured in Q2 including a 10-year contract with 24Sevenoffice in Inkognitogaten 33
- Sale of two properties, Henrik Ibsensgate 40-42 in Oslo and Rådhusgata 2 in Skien
- Shift in working preferences accelerated following Covid-19 boosts demand for office sharing concept Evolve and the technology solutions provider Orbit
- Two new hybrid contracts signed in the quarter. Total area of 3,667 sqm and 280 users in Inkognitogaten 33 and Fornebuveien 1-3.

Subsequent events

- Lease contract with Comfort Hotel Porsgrunn extended by five years. The revised lease contract will end in February 2039
- Agreement to enter a 20-year lease contract with Comfort Hotel Skien Brygge in the upcoming development project Skien Brygge. A firm lease agreement is expected to be finalized and signed during H2-21

R8 Hybrid

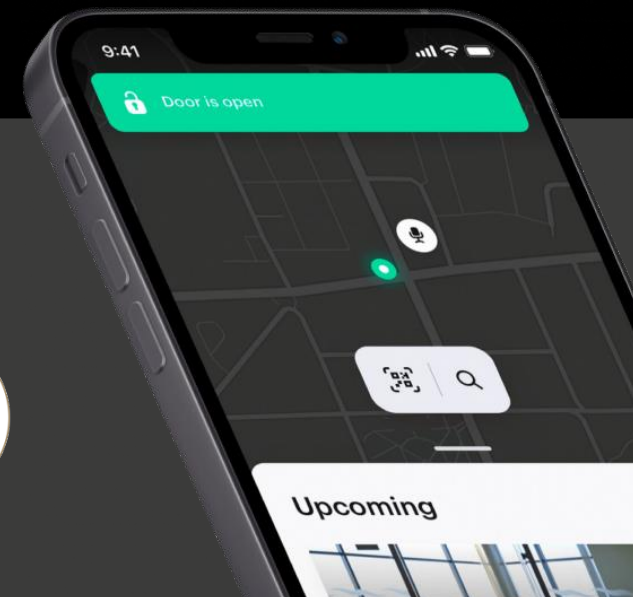
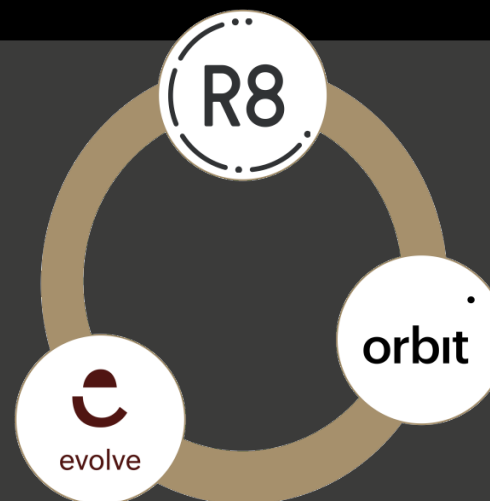
TO MEET THE OFFICE USERS' CHANGED BEHAVIOR AND NEEDS AFTER COVID-19, R8 HAS LAUNCHED R8 HYBRID.

- ❁ **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.



New tenants signed in Q2 on R8 Hybrid:

24 SevenOffice
Inkognitogaten 33
1,274 sqm
80 users

Confidential tenant
Fornebuveien 1-3
2,393 sqm
200 users

52% increase in net ARR last 6 months

Net ARR increase: + 22,189,400 NOK

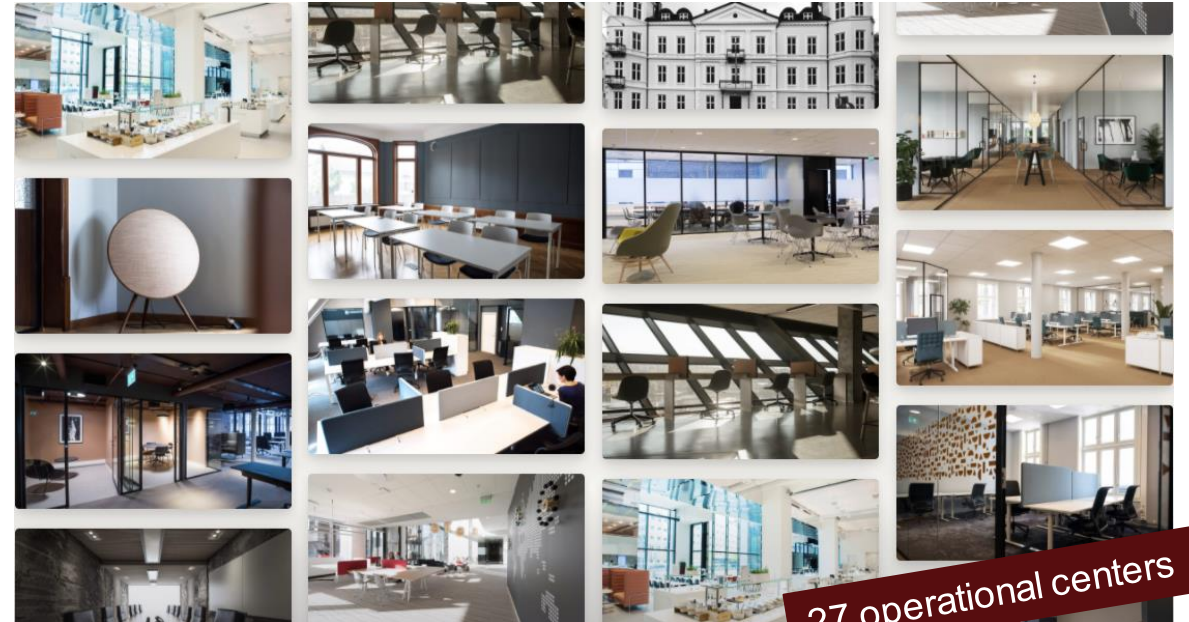


Key highlights in Q2

- New company profile on webpages
- New product line
- High market activity

New center to open next 12 months

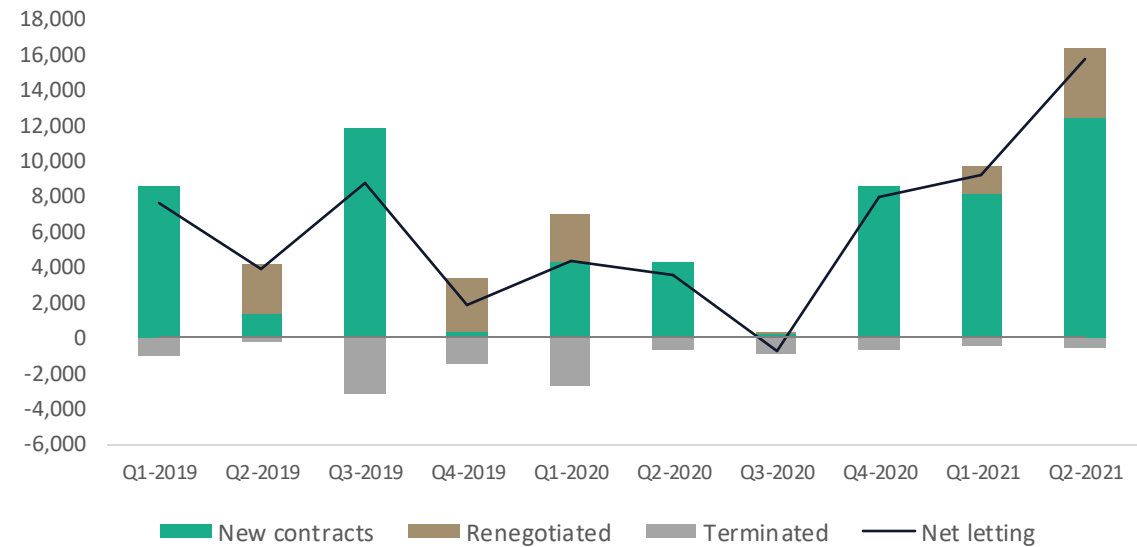
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|---------------------|------------|-------|-----------|
| - Lagårdveien 80 | Stavanger | Q3-21 | 3,000 sqm |
| - Lørenveien 73 | Oslo | Q1-22 | 1,400 sqm |
| - Fornebuveien 1-3 | Oslo | Q2-22 | 2,000 sqm |
| - Storgata 42 | Lillestrøm | Q2-22 | 1,000 sqm |
| - Inkognitogaten 33 | Oslo | Q2-22 | 2,000 sqm |



27 operational centers

LETTING AND OCCUPANCY Q2-21

- Net letting of NOK 15.7 million
- 7 new leases of NOK 12.4 million
- 5 renewed leases of NOK 3.9 million
- 5 terminated contracts of NOK -0.6 million



* Net letting = New signed contracts + renegotiated contracts – terminated contracts (by expiration date)

** The Group received notice from HELFO that they will not use option rights in Kjelleveien 21 and that the lease agreement will end according to the lease contract on July 31 2022.

Occupancy

86.8

%

Annual rental income

147.3

mNOK

WAULT

6.2

years

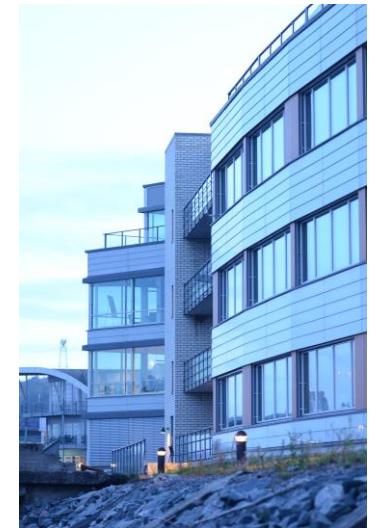
NEW LEASE CONTRACTS

Property	Tenant	Sqm	Duration	Contract
Fornebuveien 1-3, Oslo	Confidential tenant	2,393	3+3	New
Inkognitogaten 33, Oslo *	24SevenOffice	1,274	10	New
Dokkvegen 8 & 10, Porsgrunn	Emerson Process Norway AS	2,077	5	Renegotiated
Hesselberggaten 4, Skien	Skien Boligbyggelag	1,422	2	New
Storgata 106, Porsgrunn	Friisebrygga Legesenter	560	5	Renegotiated
Dokkvegen 8 & 10, Porsgrunn	Caverion AS	340	7	Renegotiated
Kammerherreløkka, Porsgrunn	Re:Sale	292	5	New
Total		8,358		

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



Fornebuveien 1-3,
Oslo



Dokkvegen 8,
Porsgrunn

FINANCIAL DEVELOPMENT

- The IPO process resulted in a significant non-recurring increase in operating expenses of approximately NOK 5 million
- Sale of two properties, Henrik Ibsensgate 40-42 in Oslo and Rådhusgata 2 in Skien, contributed to higher transaction costs and reduction of interest-bearing debt
- Share of profit (loss) from associates and joint ventures affected Net financials with a negative contribution of NOK 9.6 million (Evolve NOK 8.4 million, Orbit Technology NOK 1.2 million)
- Positive unrealised change on fair value of employee stock options led to reduced administrative expenses of NOK 2.4 million
- New and renewed leases and changes in market conditions contributed to a positive unrealised change in fair value of investment properties of NOK 33.1 million
- Negative change in unrealised fair value of financial derivatives of NOK 13 million, of which NOK 12 million is related to a forward contract to acquire the remaining shares in Inkognitogaten 33 A AS. The forward contract was originally an option and during the second quarter of 2021 this option to buy the underlying asset was exercised. Consequently, the option was considered a forward contract until the settlement date which is estimated in Q2 2022

CORPORATE UNITS Q2-21

30.06.2021	Area		Occupancy		No. of prop.	Market value		Wault ¹⁾	Annual rent		Wault ²⁾	Net direct yield	Net yield (valuation)	Market rent ³⁾	
	(sqm)	(sqm)	(%)	(#)	(tNOK)	(NOK/sqm)	(yrs)	(tNOK)	(NOK/sqm)	(yrs)	(%)	(%)	(tNOK)	(NOK/sqm)	
Green Office	32 390	28 673	88,5	5	904 550	27 927	5,4	55 029	1 919	4,9	5,1	5,8	62 387	1 926	
City Office	39 552	36 233	91,6	14	648 650	16 400	4,1	42 734	1 179	4,0	5,7	6,1	52 502	1 327	
Commercial Prop.	33 016	26 214	79,4	7	722 050	21 870	9,3	49 554	1 890	9,4	5,0	6,8	63 703	1 929	
Total management portfolio	104 958	91 120	86,8	26	2 275 250	21 678	6,2	147 317	1 617	6,2	5,3	6,2	178 592	1 702	
Project Office	4 858	4 858	100,0	6	284 000	58 460	12,4								
Total project portfolio	4 858	4 858	100,0	6	284 000	58 460	12,4								
Total property portfolio	109 816	95 978	87,4	32	2 559 250	23 305	6,9								

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 30 June 2021 corresponds to 10% of market rent. The Group has one single external customer representing over 10% of the Group's revenue, that is Helfo with 10,2% of the Group's revenue. Furthermore, the Group has around 91% of its estimated market value of properties and 90% of its rental income geographically from the county of Vestfold Telemark, while the rest is located in the Oslo area.

R8 Property has one ongoing project in Porsgrunn (research center - Polymer Exploration Center). This project is 50% owned by R8 Property. Furthermore, R8 Property are doing feasibility studies on additional five 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 Q2-21

30.06.2021	Occupancy	Wault ²⁾	Annual rent	
	(sqm)	(yrs)	(tNOK)	(NOK/sqm)
Office	67 252	5,1	107 031	1 591
Retail	7 151	5,4	10 142	1 418
Hotels	6 237	12,6	11 774	1 888
Healthcare	5 573	4,9	6 908	1 240
Food and Beverage	4 907	10,8	11 462	2 336
Total management portfolio	91 120	6,2	147 317	1 617

1) Wault weighted on property market value

2) Wault weighted on annual rent

3) includes market rent from available areas

UPDATE ON INVESTMENTS

Orbit Technology (Joint venture - 35.5 per cent)

Orbit Technology offers technology solutions that enables office sharing at scale, by turning unused office space into satellite workspaces, available and affordable for anyone. The Group's investment in Orbit Technology had a book value of NOK 5.98 million per 30.06.21. Latest transaction in Q1 -21 implied a total fair value of Orbit Technology at NOK 150 million.

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 Q2 2024. The development of phase two and three last phases is estimated in the period from 2025 to 2033.

R8 owns 25% 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 31.06.21 the investment had a book value of NOK 3 million.

Newsec has presently valued phase one of the project at NOK 42 million (100% basis).

DIVESTMENT OF DEVELOPMENT PROJECT, HENRIK IBSENSGATE 40-42, OSLO

Equity IRR : 26%



- Vacant property acquired 2019
- Refurbishment project completed in 2020
- Property divested in April 2021
- Signed 10Y lease contract with Evolve Bjørvika
- Signed 10Y lease contract with 4 Service Facility (F&B)



Area	1,592 sqm
Divestment amount	NOK 160 million ¹⁾
Total project cost	NOK 120 million
Development margin	25%

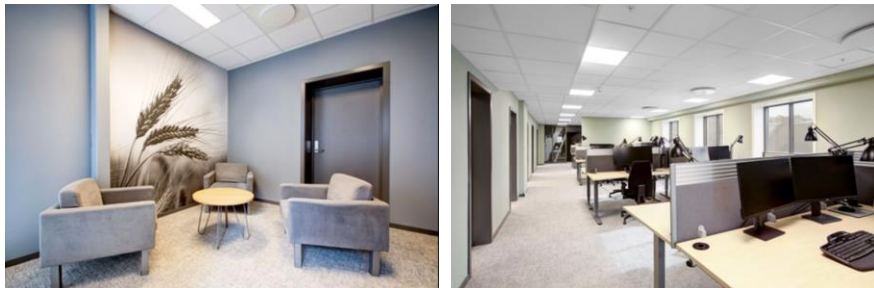
1) R8 Property ASA has guaranteed NOK 1.2 million of annual rent for 3 years for F&B premise on first floor.

DIVESTMENT OF DEVELOPMENT PROJECT, RÅDHUSGATA 2, SKIEN

Equity IRR : 24%



- Vacant property acquired 2018
- Refurbishment project completed in January 2020
- Property divested in April 2021
- Signed 10Y lease contract with NAV Skien



Area	3,338 sqm
Divestment amount	NOK 114 million ¹⁾
Total project cost	NOK 95 million
Development margin	17%

1) R8 Property ASA has guaranteed NOK 1.7 million of annual rent for 2 years for unrented premise on first floor (intended as F&B) as well as NOK 2.0 million in lump sum if area is not rented out after 2 years.

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III **PROJECT AND DEVELOPMENT PORTFOLIO**

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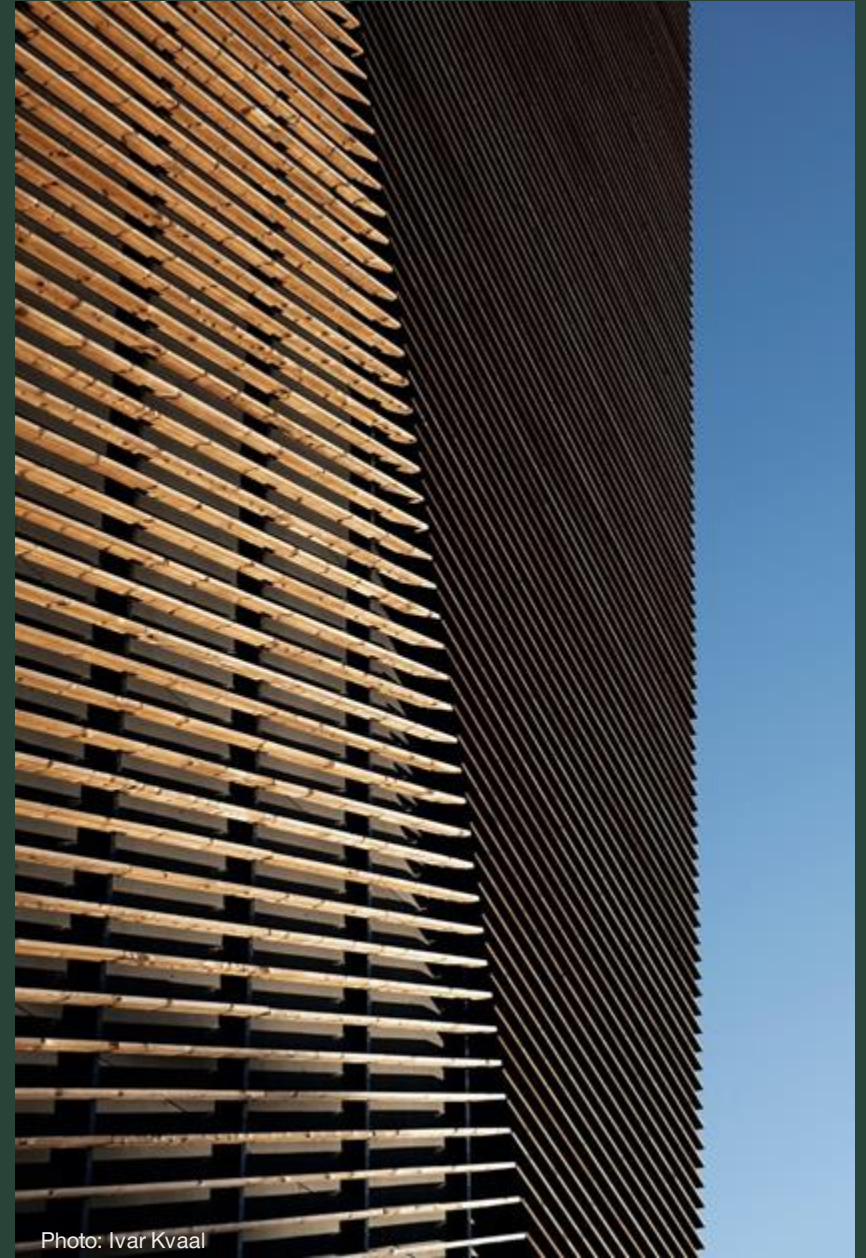


Photo: Ivar Kvaal

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%	174.0 ↑	136.0
Inkognitogaten 33	16.5% ²	Oslo	Office	3,266	Q2 2022	100%	73.1	9.3
Sum Project Portfolio - under construction				8,124			247.1	145.3

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 7 million, while rent has increased by NOK 0.5 million. Total project cost for Polymer Exploration Centre includes book value at date of investment decision/cost of land.

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 174 million
- Energy rating: A

INKOGNITO PARK



- Redevelopment - office
- Ownership: 16.5%
- Location: Oslo
- Expected completion: Q2 22
- Size: 3,263 sqm
- Occupancy: 100%
- Estimated project cost: NOK 73 million
- BREEAM-NOR: Very Good
- Energy rating: E

SLOTTSFJELL PARK + POWERHOUSE TØNSBERG



Powerhouse Tønsberg

- Feasibility study with Powerhouse completed in Q2-21
- Newbuild and redevelopment – office and hotel
- Ownership: 100%
- Location: Tønsberg
- Est. Size: 28,000 sqm



Slottsfjell Park



Outdoor area

SKIEN BRYGGE



- Newbuild – office, hotel and residential
- Ownership: 25%
- Location: Skien
- Size: 58,275 sqm

UTSIKTEN TERRASSE (RESIDENTIAL)



- Newbuild - residential
- Ownership: 100%
- Location: Skien
- Size: 1,496 sqm

VESTSIDEN TERRASSE (RESIDENTIAL)



- Newbuild - residential
- Ownership: 50%
- Location: Porsgrunn
- Size: 4,257 sqm

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All amounts in NOK thousand	Q2-21	Q2-20	YTD Q2-21	YTD Q2-20	2020
Rental income	29 981	26 261	60 049	54 880	114 153
Change period-on-period	14 %	18 %	9 %	18 %	14 %
Net income from property management	9 581	15 057	20 773	28 074	46 457
Change period-on-period	-36 %	22 %	-26 %	16 %	11 %
Profit before tax	1 648	-31 773	40 149	-121 957	-45 109
Change period-on-period	105 %	-294 %	133 %	-299 %	-159 %
Profit after tax	-3 797	-27 200	28 601	-105 793	-26 771
Change period-on-period	86 %	-314 %	127 %	-321 %	-145 %
Market value of the property portfolio	2 569 549	2 432 019	2 569 549	2 432 019	2 445 360
Market value of the property portfolio and other investment	2 679 206	2 493 852	2 679 206	2 493 852	2 569 952
Net nominal interest-bearing debt	1 746 436	1 668 002	1 746 436	1 668 002	1 724 414
Loan to value of property portfolio	68,0 %	68,6 %	68,0 %	68,6 %	70,5 %
Loan to value of property portfolio and other investments*	65,2 %	66,9 %	65,2 %	66,9 %	67,1 %
Interest coverage ratio	0,6	1,0	1,0	0,9	0,6
Number of shares	21 694	19 720	21 694	19 720	19 720

All amounts in NOK per share	Q2-21	Q2-20	YTD Q2-21	YTD Q2-20	2020
EPRA NRV	47,6	41,9	47,6	41,9	43,8
**Change period-on-period	14 %	0 %	14 %	0 %	0 %
EPRA NTA	45,0	39,3	45,0	39,3	41,1
**Change period-on-period	14 %	0 %	14 %	0 %	0 %
EPRA NDV	40,5	33,1	40,5	33,1	35,6
**Change period-on-period	23 %	0 %	23 %	0 %	0 %
EPRA Earnings	-0,5	0,4	-0,7	0,3	-0,8
Change period-on-period	213 %	-150 %	364 %	0 %	-296 %

* Including investments in jointly controlled entities, associates and shares.

** 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 only calculated for Q2-21.

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

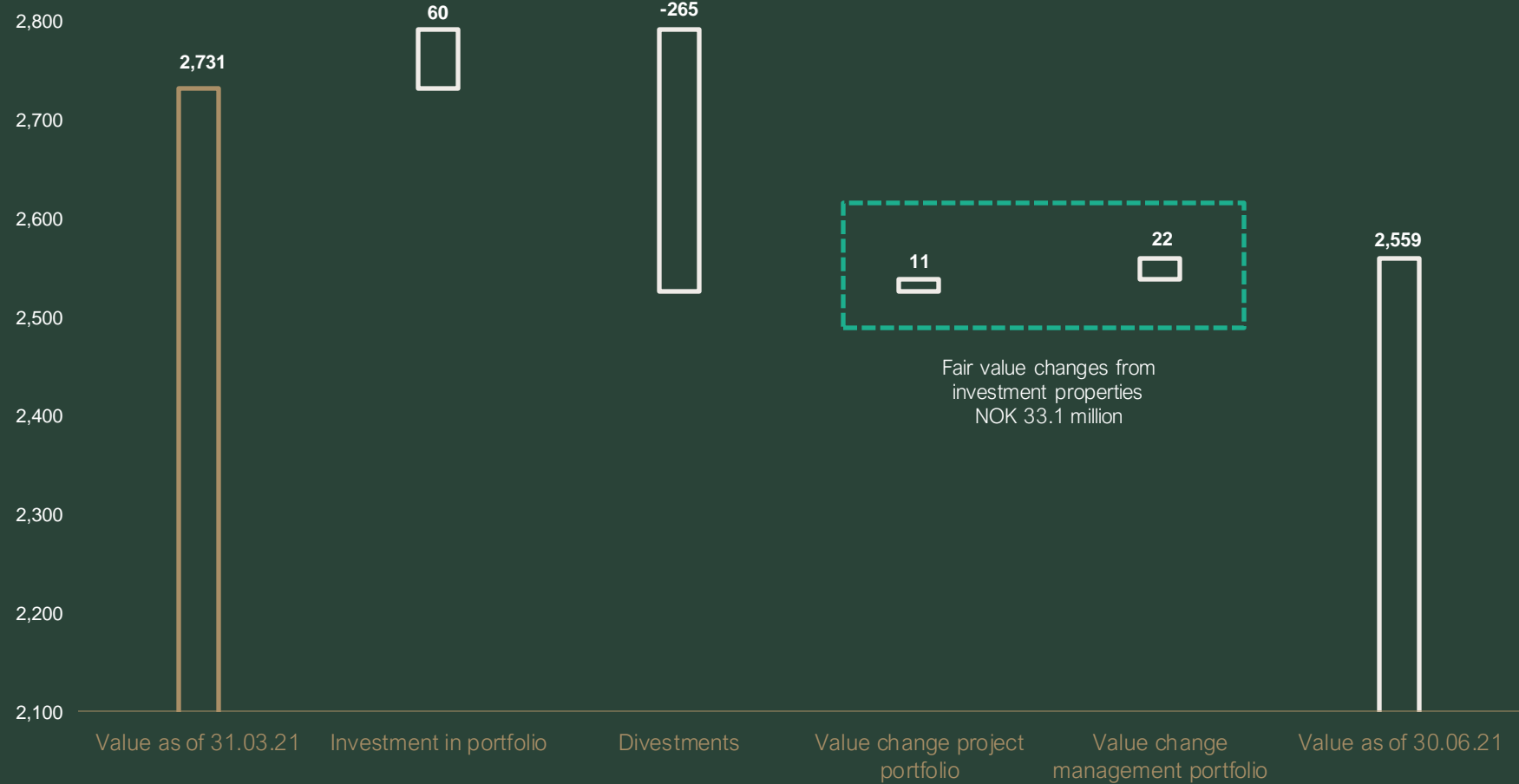
Statement of total comprehensive income

All amounts in NOK thousand

	Note	Q2-21	Q2-20	YTD Q2-21	YTD Q2-20	2020
Rental income	2	29 981	26 261	60 049	54 880	114 153
Other operating revenue	2	2 983	4 020	9 048	7 311	18 338
Total operating income		32 965	30 281	69 096	62 192	132 491
Maintenance and other operating expenses		20 289	9 398	36 227	19 017	53 208
Other property-related expenses		717	359	1 444	583	2 196
Administrative expenses		2 378	5 467	10 653	14 518	30 630
Total operating costs		23 384	15 224	48 323	34 118	86 034
Net income from property management		9 581	15 057	20 773	28 074	46 457
Changes in fair value from investment properties	3,4,5	33 122	-26 418	57 404	-79 713	-46 726
Operating profit		42 703	-11 362	78 177	-51 639	-269
Interest and other finance income		498	572	820	1 060	2 053
Share of profit (loss) from associates and joint ventures		-9 583	-997	-13 682	-1 673	-6 882
Losses from investment in shares		-	-	-	-	-496
Interest and other finance expense		-18 190	-15 565	-39 078	-31 369	-66 142
Changes in fair value of financial instruments	4	-13 780	-4 421	-1 567	-38 335	26 628
Net financial items		-41 056	-20 411	-38 029	-70 318	-44 840
Profit before tax		1 648	-31 773	40 149	-121 957	-45 109
Tax payable	27	0		0		
Tax expense		-5 444	4 573	-11 548	16 164	18 338
Profit for year		-3 797	-27 200	28 601	-105 793	-26 771

Value development*

(MNOK)



* Value changes for Investment Property

All amounts in NOK thousand

	Note	30.06.2021	30.06.2020	31.12.2020
NON-CURRENT ASSETS				
Deferred tax asset		10 244	2 939	10 169
Other intangible assets		7 527	13 092	7 605
Total intangible assets		17 771	16 031	17 773
Investment property	4,5	2 559 250	2 423 500	2 436 000
Other operating assets		1 155	1 034	765
Right-of-use assets		66	199	127
Total non-current tangible assets		2 560 471	2 424 733	2 436 892
Investment in jointly controlled entities, associates and shares	4, 10	109 657	61 833	124 592
Loans to related parties		40 178	-	-
Financial derivatives	4	29 716	-	46 618
Other long-term receivables		9 907	3 212	9 554
Total financial assets		189 458	65 044	180 764
TOTAL NON-CURRENT ASSETS		2 767 700	2 505 808	2 635 429
CURRENT ASSETS				
Inventory property		10 299	8 519	9 360
Trade receivables		18 693	12 206	14 155
Other receivables		15 164	8 088	12 625
Other receivables to related parties		0	16 443	14 370
Total current receivables		44 156	45 257	50 510
Cash and bank deposits		18 120	17 991	35 679
TOTAL CURRENT ASSETS		62 277	63 248	86 188
TOTAL ASSETS		2 829 977	2 569 056	2 721 617

All amounts in NOK thousand

	Note	30.06.2021	30.06.2020	31.12.2020
EQUITY				
Shareholders equity		789 261	631 633	708 382
Non-controlling interest		113 880	43 999	52 919
TOTAL EQUITY		903 141	675 632	761 300
LIABILITIES				
Interest-bearing debt		1 510 249	569 798	1 347 535
Deferred tax liability		76 757	70 954	79 110
Financial derivatives	4	21 080	50 124	35 646
Lease liabilities, non-current portion		2 964	3 577	3 567
Other non-current liabilities		5 100	12 735	-
Total non-current liabilities		1 616 150	707 189	1 465 858
Trade payables		21 826	46 456	40 926
Interest-bearing debt		236 187	1 098 203	376 879
Debt to related parties		160	2 658	6 633
Lease liabilities, current portion		1 206	1 524	1 258
Other current liabilities		51 306	37 393	68 764
Total current liabilities		310 686	1 186 235	494 459
TOTAL LIABILITIES		1 926 836	1 893 424	1 960 317
TOTAL EQUITY AND LIABILITIES		2 829 977	2 569 056	2 721 617

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

