



public property invest

PUBLIC PROPERTY INVEST ASA

Q3 2024 presentation

Agenda

- 1. Highlights**
2. Operations
3. Financial update
4. Summary and concluding remarks
5. Q&A

Highlights

Q3 2024

- Rental income of 173 (145) million
- Net operating income of 157 (129) million
- Net income from property management of 81 (56) million
- Profit before tax of 30 (-305) million
- Renewed leases with 6.9 million in annual rent
- Partial repayment of two bonds with 664 million
- EPRA NRV increased to 26.2 (26.0) per share

- October 24:
 - André Gaden appointed as new CEO, Ilija Batljan continues as CIO
 - Acquisition of Jærveien 33 in Sandnes



Highlights



Normalised annual run rate

Run rate figures are presented on a 12 months basis from period-end

Amounts in NOK million	Q3 2024
Rental income ¹⁾	696
Other income	0
Property expenses	(69)
Net operating income	627
Administration expenses	(72)
Reimbursed property management fee ²⁾	18
Run rate EBITDA	573
Net realised financials ³⁾	(270)
Net income from property management	303
Net income from property management/share	1.45
Net debt/Run rate EBITDA	7.8

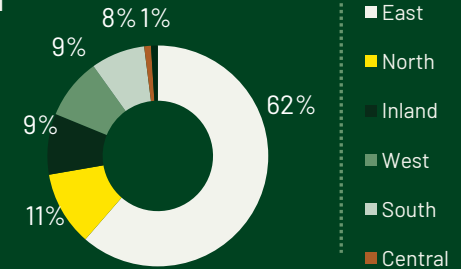
1) Based on signed agreements at period end. 2) PPI receives reimbursement of property management fees from management of properties not owned by the Group. The organisation in PPI manages SBB's remaining Norwegian portfolio as well as Nordiqus AB's Norwegian portfolio. 3) Based on interest rates and swap agreements after closed refinancing in April and September 2024. Does not include amortisation of capitalised borrowing cos

Portfolio highlights

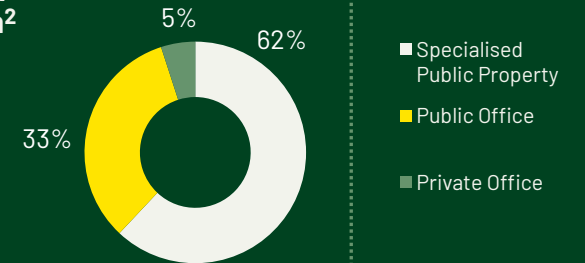
Key figures as of 30.9.24

61 # properties	368k sqm. BTA	110k sqm. Development potential	125 Tenants
696m NOK Normalized GRI	1 913 NOK GRI / BTA	4.6 years WAULT	97 % Occupancy
9.9 bn NOK Portfolio value	26.8k NOK Property value / BTA	6.5% Net yield	26.2 NOK EPRA NRV per share

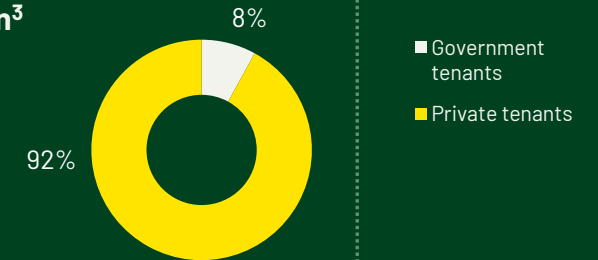
Geographical distribution¹



Property type distribution²



Tenant distribution³



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Letting and occupancy

Key events in the quarter

- Renewed leases:
 - Annual rent of 6.9 million
 - 4,642 sqm
 - No terminated contracts
- Occupancy at 96.7%
- WAULT at 4.6 years

Largest new and renegotiated lease contracts

Property	Tenant	Sqm	Contract duration
Anton Jennssens gate 2, Tønsberg	Coop	2 082	5 year
Anton Jennssens gate 7, Tønsberg	Norges Vassdrags- og Energidirektorat	1 220	2.5 years
Rosenkrantzgate 17, Drammen	Boots Norge	188	5 year

Portfolio overview

Segment	No of properties	Square meters	Market value (NOK million)	Rental income (NOK million)	Occupancy (%)	WAULT (years)
Central	2	4 473	114	6	65.8	13.3
East	32	223 888	6 024	407	96.4	4.5
Inland	8	40 064	851	76	99.6	4.2
North	8	41 118	1 066	79	95.1	5.7
South	3	22 820	751	59	100.0	2.8
West	7	31 293	871	62	98.3	5.5
Sum management portfolio	60	363 657	9 677	690	96.7	4.6
Development sites	1	4 438	187			
Sum property portfolio	61	368 095	9 864	690	96.7	4.6

Acquisition of Jærveien 33 in Sandnes/Stavanger in October

Jærveien 33

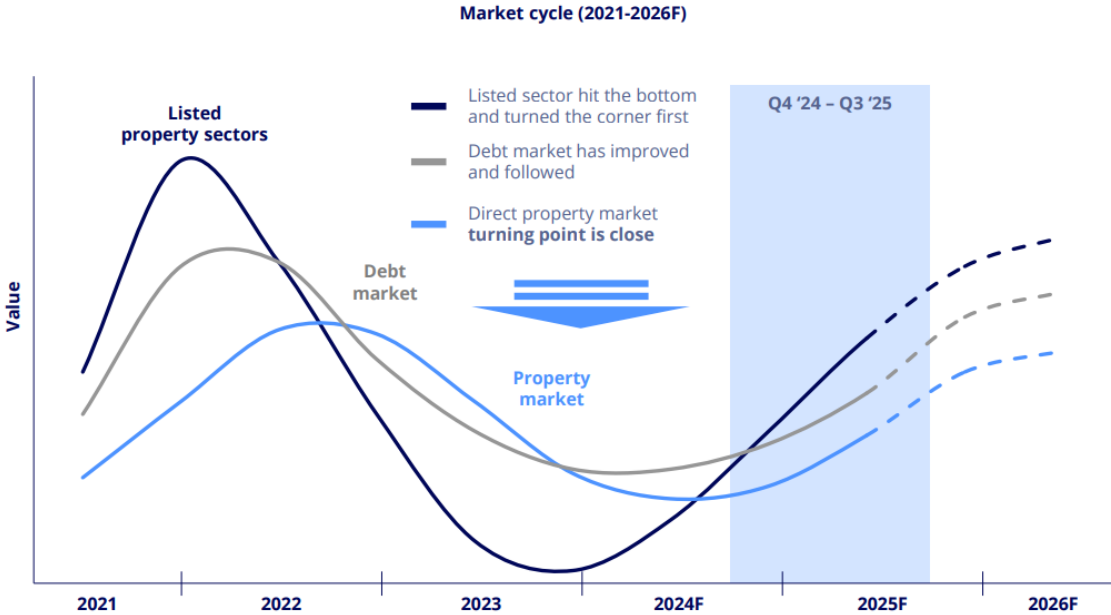


- Newly refurbished, located in Sandnes city centre
 - 4,700 sqm
 - 100 % let to Sandnes Municipality, centre for addiction and psychiatry
- Annual rent: NOK 10.5 million, triple net
- WAULT of 4.3 yrs + 5x2 yrs extension options
- Total property value: NOK 139 million
 - Net yield of 7.2 %
 - Rolling over existing debt totalling NOK 98 million
 - Equity settled through issuing approx. 1.8 mill new PPI shares @ 20.67 per share
- Closed on 14 October 2024



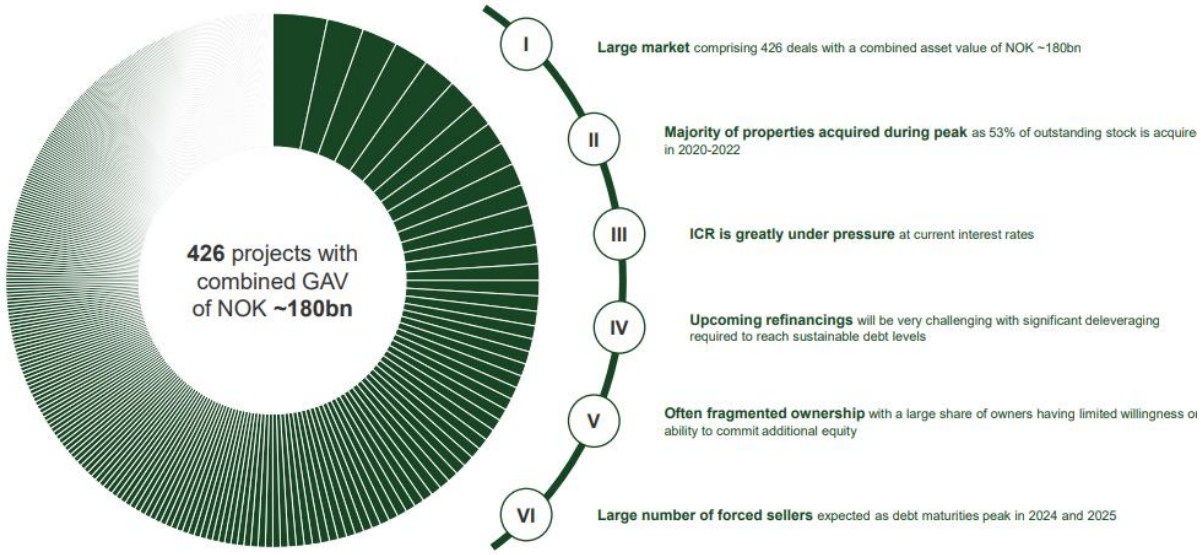
Attractive transaction market fundamentals

Direct market presumably at the bottom of the cycle



Source: Colliers, Q3 2024

Project finance market a highly interesting source to deal flow



Strategy and focus areas

Maximising organic growth

- Strong structural demand from growing public sector
- Rent uplift potential from catching up with cost inflation and reinstatement values
 - Avg. portfolio rent of 1,913 per sqm vs ~ 4,000 per sqm required in new-build
- Long-term growth through asset enhancements and development potential / sale of building rights

Pursuing value accretive transactions

- Aiming for position as leading consolidator
- Attractive timing, presumably at bottom of the cycle
- Use of share vehicle offering:
 - attractive entry point and liquidity for sellers
 - value accretive transactions for existing shareholders
- Progressing significant pipeline of attractive transactions

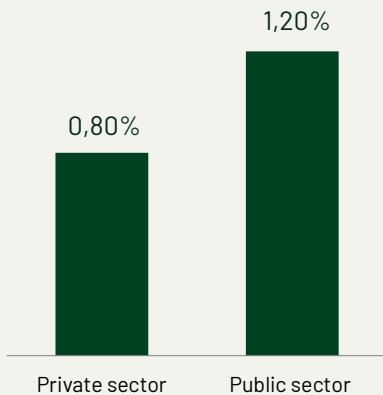
Reducing financing costs

- Obtaining IG rating a top priority
- Significant potential for reduced financing costs and more attractive financing mix
- Financial metrics in line with IG rated peers:
 - 42.5 % Loan to Value
 - 7.8x NIBD / EBITDA
 - Strong cashflows, 92 % from AAA government credit

Strategy and focus areas

“To be the preferred local provider of social infrastructure properties to a growing public sector”

Strong public sector employment growth (CAGR 2013-2023)

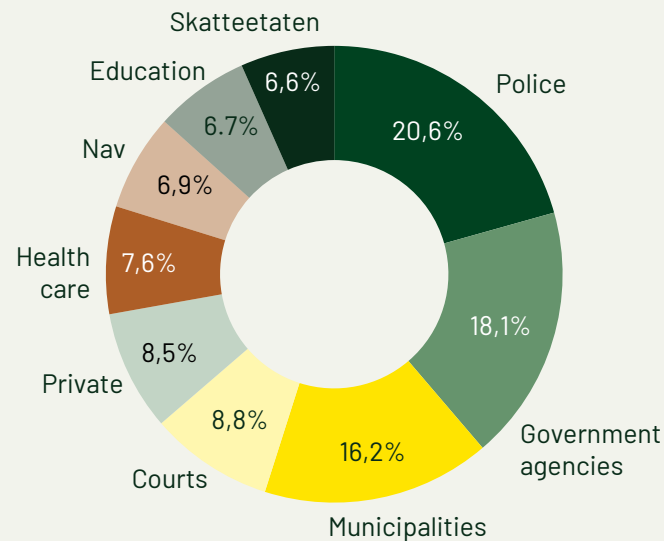


Source: Statistics Norway,

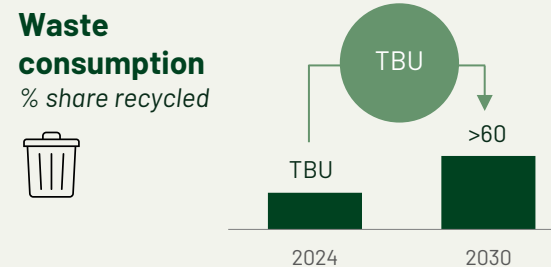
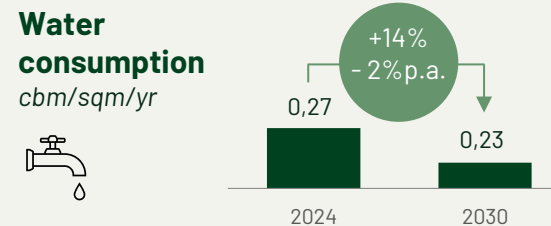
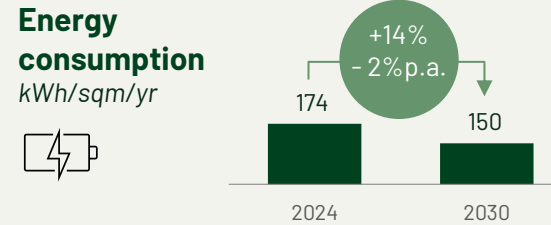


Specialised assets built for tenants serving critical societal infrastructure

Distribution of assets

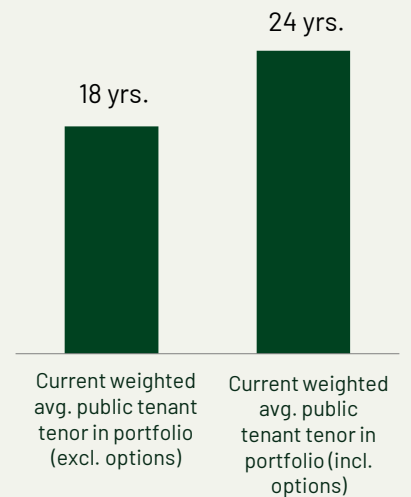


ESG proposition helping tenants deliver on own ESG targets



Evidenced stickiness and competitiveness in PPI's portfolio

Illustration of the average duration PPI tenants have occupied the same building

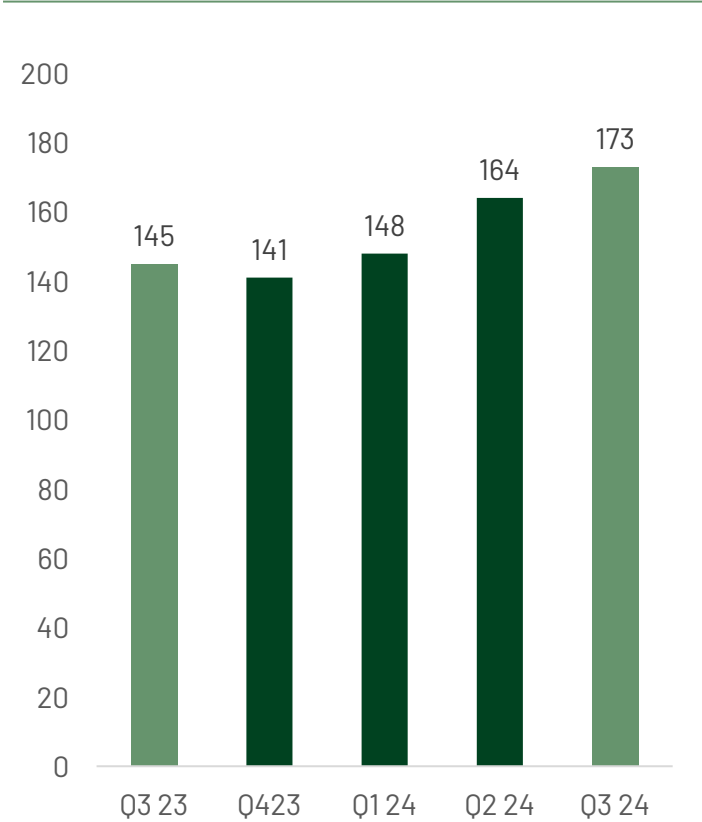


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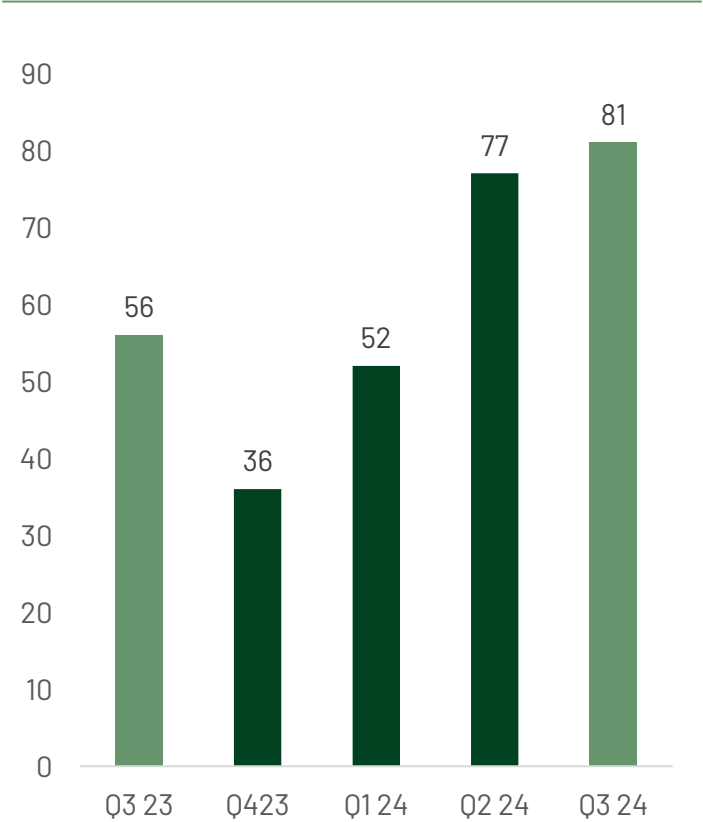
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Financial highlights

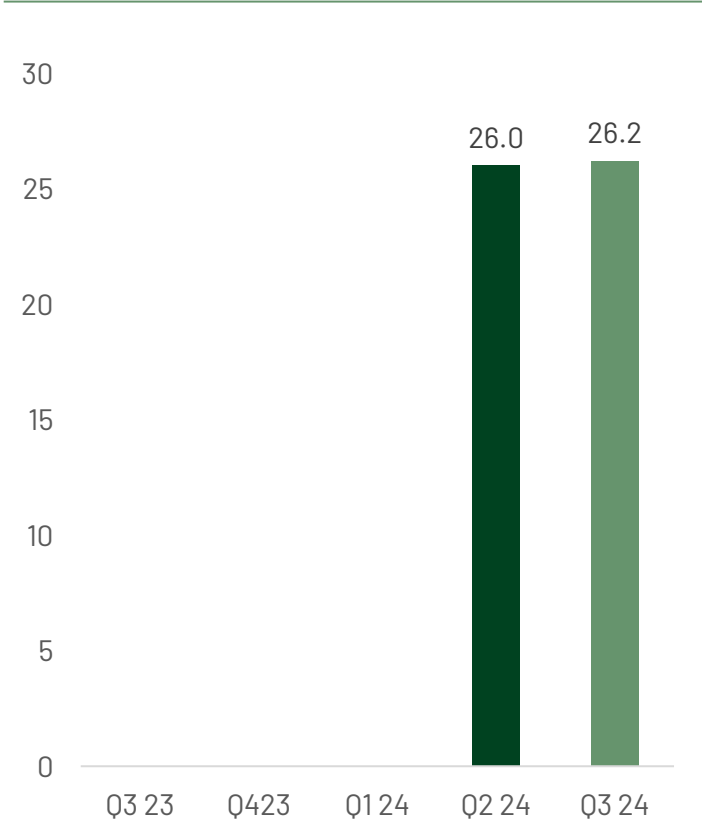
Rental income



Net income from property management



EPRA NRV per share



Profit and loss

Amounts in NOK million	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Rental income	173	145	485	434	575
Other income	0	0	1	0	0
Operating income	173	146	485	435	576
Property expenses	-15	-17	-49	-44	-75
Net operating income	157	129	437	391	501
Administration expenses	-22	-7	-50	-19	-31
Reimbursed property management fee	6		9		
Interest income	11	0	19	1	6
Interest expenses	-80	-73	-229	-197	-272
Net interest income from interest rate derivatives	8	6	23	11	19
Net income from property management	81	56	210	186	223
Net unrealised financials	-5	-6	-30	-18	-25
Transaction costs	-7		-99		
Changes in value of interest rate derivatives	-25	-2	0	31	-25
Changes in value of investment properties	-14	-352	-254	-794	-1143
Profit (loss) before tax	30	-305	-173	-595	-969
Income tax expense	-12	20	-34	42	69
Net profit (loss)	17	-285	-207	-553	-900

COMMENTS

- 19 % rental income growth since Q3 23, impacted by transactions
- 91 % NOI margin
- Net adm expenses of 16 million
- Net interest expenses of 61 million in the quarter
- Positive portfolio value changes of 17 million, offset by 31 million in portfolio capex

Balance sheet

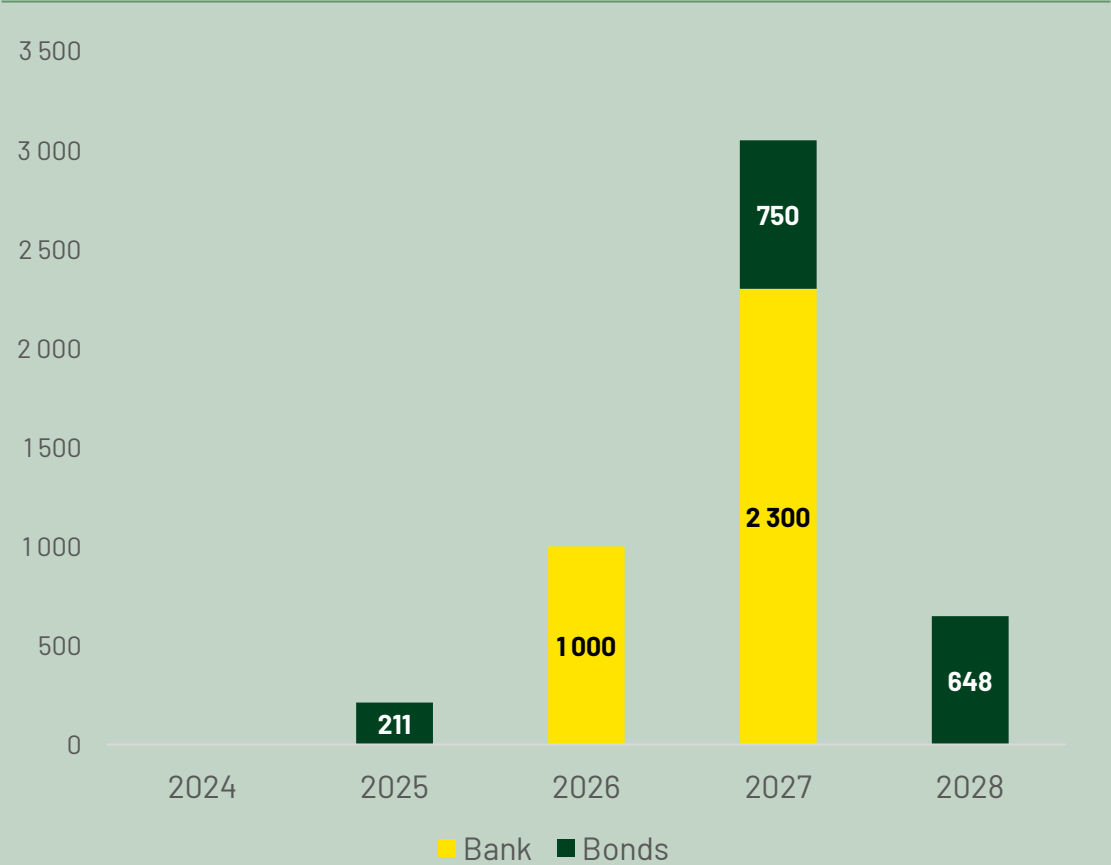
Amounts in NOK million	30.09.2024	31.12.2023
Investment properties	9 864	8 336
Cash and cash equivalents	480	123
Other current and non-current assets	80	64
Total assets	10 424	8 522
Total equity	5 354	2 850
Total interest bearing liabilities	4 866	5 505
Other current and non-current liabilities	204	167
Total equity and liabilities	10 424	8 522

COMMENTS

- 100 % of portfolio valued externally on quarterly basis
 - Like-for-like property values written down by 22 % since peak in 2022
 - Portfolio net yield at 6.5 %
- Gross/net interest bearing debt of 4.9 bn / 4.4 bn as of 30.09
 - Net repayment NOK 664 million in the quarter
 - EPRA LTV at 45.0 %, LTV at 42.5 %

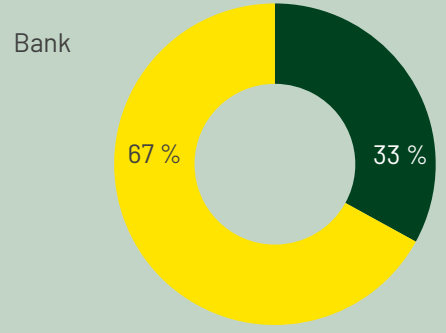
Financing position and debt maturities

Debt maturity structure as of 30.9.24

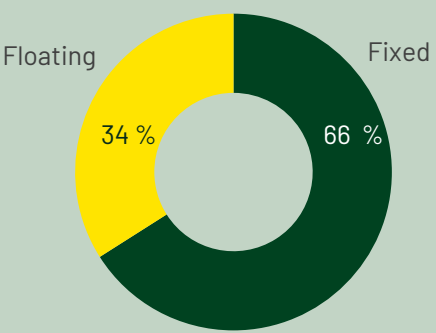


Financing position at 30.09.24

Financing mix



Share of fixed/floating interest rates



Net Debt/EBITDA

7.8x

ICR

2.3

Loan to Value

42.5 %

Avg interest rate

6.0 %

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Concluding remarks



PPI is a proud sponsor of Norges Friidrettsforbund and Landslagets Friidrettsskole
- aiming to include more children in organized sports activities.

- Solid operations, results in line with run rate guiding
 - Sticky, long-term cashflows from 92 % government tenants
 - 96.7 % occupancy
- Continue building lean and pro-active management team and organisation
 - André Gaden appointed as new, permanent CEO
 - Ilija Batljan continues as CIO
- Pursuing value accretive transactions
 - Closed 139 million transaction in October
 - Large and diverse pipeline, settlement in PPI shares proves attractive for sellers and accretive for PPI
- Chasing potential for reduced financing costs and more attractive financing mix
 - Falling market interest rates and tighter credit margins
 - Obtaining IG rating a top priority
 - Portfolio quality and financial policy in line with (or better) than IG rated peers

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We are a Norwegian property company with a long-term strategy of owning, operating and developing social infrastructure properties in a sustainable manner.

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