

Real Estate Projects

MARCH 2017



Realkapital Investor

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Realkapital Investor

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Our vision and philosophy is to transform bricks into gold.

The Vision portrays who we are, our investment philosophy and the results we wish to achieve.



Anders Brustad-Nilsen
Managing Director (CEO)/Partner

Our investment philosophy is to buy properties with potential beyond the expected. Some examples; to be first mover in an area development, show financial creativity in the purchase phase, identify deals off market, optimize tenant contracts, conceptualize properties or areas, buy vacancy to rent or build on etc. We also invest in cash flow properties where the property, tenant or location has superb fundamental characteristics and where the property's ability to be fully let are high.

Our main strategy to reach our goal to find bricks and to be able to transform them into gold are fundamental analysis on tenants and their needs and demands, finding deal opportunities primarily off marked, market analysis on cycles and hands on management of the potential in each property.

Historically we have bought real estate in Germany, Sweden and Norway with good results. As competition

increases and the real estate business gets more professionalized and analysed, we have concentrated our geographical area to greater Oslo as the main rule. This enhances our competition level in all phases of the lifecycle; -identifying opportunities, understanding tenants locally, asset management, property development and exit strategy.

We have always focused on commuting hubs. Two times Tøyen and Mariboesgate 13 downtown Oslo as examples in recent years. On this part our strategy has not changed. The reason being mainly three folded;

- a) Tenants tend to rent more often close to hubs than far off and we believe this trend is getting stronger.
- b) Political will. The new Oslo plan towards 2030 are based on building volume on top or close to existing or new major communication hubs to grasp the growing city in a sustainable way.
- c) Oslo is one of the fastest growing capitals in Europe.

As a consequence of the above we have analysed all major office clusters in Oslo; What separates them and what is similar, how many works, lives, eat out or studies at each cluster. If any differences - can we explain price differences on rents and houses, how will the future needs be and is there arbitrage in todays and future pricing? We think so.

This year we have used our knowledge to identify and acquire three highly attractive properties on commuting hubs in greater Oslo. Carl Berner Center is a development project where the goal is to create 16.000 sqm of high quality local shopping center and apartments together with the investor, Scandinavia's largest construction company PEAB. Carl Berner and Grünerløkka has had the highest growth in house pricing in Norway by over 20 % in 2016, but still much of these areas are underdeveloped with services.

Beddingen 8 on Aker Brygge was bought this fall and is located in CBD and the aim is to increase WAULT and rent levels and take advantage of the timing on the major improvements Norwegian Propety has done on the buildings and outside areas at Aker Brygge. These improvements won the prestigious "Cityprisen" in 2016. Timing on increasing rent levels since signed is also crucial for this investment.

The business plan for Grønland 34 acquired from Oslo Areal this fall, was to renegotiate short WAULT on all contracts having in mind a premium location and a quality building. Grønland 34 is a highly attractive office building on the riverbank at Union Brygge in Drammen close to the train station with good parking coverage. Union Brygge, developed by Aspelin Ramm and Selvaag, won "Cityprisen" 2017.

We have also bought properties with long leases with Løvenskiold Handel, Volvo and Scania this year. All properties have strong tenants, potential on the plots and high probability to be re-let if tenant move out after contract period.

The transaction market is all time high both in terms of volume and pricing. Are we at the top of the cycle or are we still on way to reach the peak? As we speak interest rates are highly debated. Shall the interest rate further down due to Norwegian GDP growth still not being very strong, with the result continued increase in real estate pricing? Or will increasing US interest rates influence our market and mark the end of all time low interest rents with decreasing real estate prices as a result? On the next page you can read our market comments from head of analysis in Cushman & Wakefield elaborate on the topic; Is the free lunch over?



Early sketches viewed from Carl Berner Torg

Free lunch is over

A fantastic journey for real estate



Håvard Bjorå
Head of Research

Real Estate have been a fantastic place to be during past two decades of consistent lowering interest rates environment. With bond like income streams and equity like capital appreciation real estate have been a favoured asset class to many institutions and wealthy individuals, resulting in a downwards pressure on yields with corresponding increase in values. It is legitimate to start consider what happens next.

Looking at relationship between the income streams and capital appreciation the majority of real estate return is coming from income, but we have been blessed with capital appreciation of 45 % (after deductions for capex, for those who like the details) since millennium (source: MSCI). Yes, this do also include rocky periods, with dot.com and credit crunch fresh in mind, which underpin the equity like nature of capital appreciation, but the long-term investor has harvested handsome rewards. During the same period, we have seen government bonds and swap rates compressing, giving a boost to the value of the securities, but interest rates has suffered and has hit a new low in the summer gone.

The 45% capital appreciations, representing 2.3 % y-o-y, is midget compared to generated income of 6.5 % y-o-y in the same period (admittedly highest first few years). However, the appreciation has been an important element, but as we look back this has mainly been driven

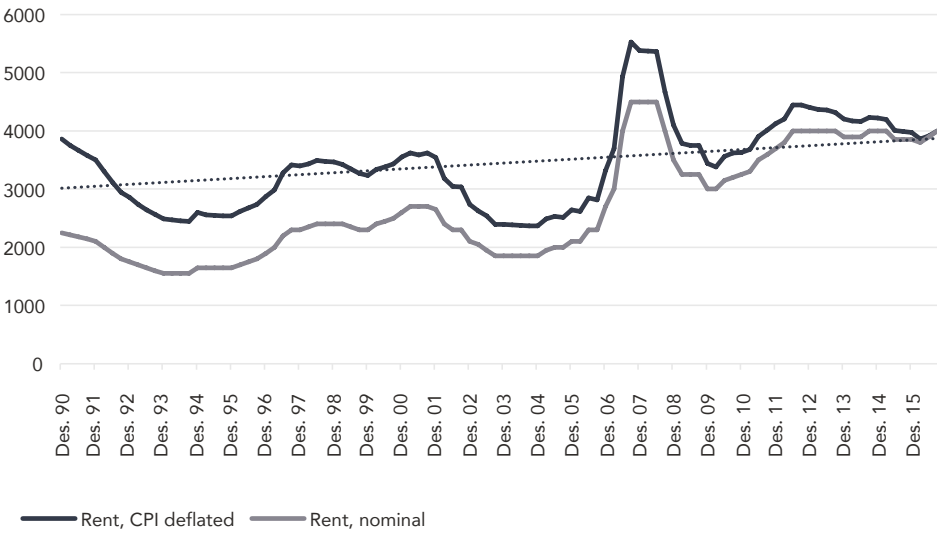
by lowering yields, and very little based on improved cash flows. Prime rental has since beginning of the 90th increased with close to 3 % y-o-y in nominal terms, looks promising, but only 1 % y-o-y in real terms which is mainly a result of capex sourced back to the assets in order to stay up-to-date (for avid readers, capex for a broad office portfolio has been 0.8 % y-o-y). In other, slightly more tabloid words, the through cycles rental uplift is a result of inflations and investment, not market improvements.

So what is happening next?
On the negative side, we can assume the fest with successive decreasing yields is largely over for this time, given the proximity to interest rates and bond yields. The 10-year gov-bond has over the last decade dropped over 400 bps to 0.88 % in July 2016, which is the lowest in history, but have since increased to 1.76 %. Nordea Analytics is expecting a steady increase of 10-year gov-bond to 2.45 % by end of 2018. Spot price for 10-year swap is projected to increase 80 bps by end of 2018 to 2.75 % and macro economists keep this steady towards 2020. This will give an upwards pressure on yields and in turn downwards pressure on values, but only modestly, given still healthy fundamentals.

On the positive side, consensus of economic forecasters expects mainland GDP to grow by an annual rate of 2 % over the next 3 years with a total employment growth estimated to increase by 1% per year over same period. The residential market shows still strong momentum and no signs of downwards correction, but the risk is increasing by day, and main office markets demonstrates continues strong demand for quality space. Development pipeline is under control, but has the potential to increase significantly with high number of large tenders for office space, likely to affect the 2019 and onwards Oslo office supply and demand balance.

Our own forecasts towards 2020 suggest an increase in quality rents broadly in line with inflation, but a delayed hike in yields resulting in a combined effect of another couple of years with values levelling out before a moderate decline in values, as we get closer to 2020.

With this in mind the transaction heavy investor, relying on leveraging a cash flow to magnifying the yield compression effect will have to start rethink. Other real estate players will again need to get used to an environment of 1. Income return only, or 2. adding value to the assets over and above general market movements. The winner will be seen against the players understanding, better than others, how to add value to the tenants organisation, how your products can stimulate tenants in a constant strive to drive innovation and in turn productivity.



Capital 1/4 of the return, but 85 % of the risk



Vektergården - Grønland 34, Drammen

The property «Vektergården» was acquired from Oslo Areal in June 2016. The 6.700 sqm building over 6 floors had shorter term leases (2.2 year weighted) and one floor vacated with only months left of rent when acquired. However, location is among the best in Drammen at newly developed "Union Brygge" with proximity to the city centre and railway as well as a nice location at the riverside – making the offices attractive.

Over the first half year of ownership the shorter lease has been prolonged for 5 years and the vacant floor has been fully let out on a 8 year lease.



Exited investments



TØYEN TORG

This once neglected area has now transformed into a hip and urban area. We are proud to have been project manager for the revitalization.

Exited investments have average IRR > 65 %

—

MORSTONGVEIEN 47, EIDSBERG

Property class:	Retail
Lettable area:	15 500
Investment year:	2012
Realization year:	2016
Purchase price:	172 890 000
Sales price:	189 200 000
Equity multiple:	2,2
Investment period:	4,75 y
Equity IRR:	17,0 %



ØKERNVEIEN 9, OSLO

Property class:	Office
Lettable area:	12 688
Investment year:	2008
Realization year:	2014
Purchase price:	214 000 000
Sales price:	415 000 000
Equity multiple:	1,4
Investment period:	6,6 y
Equity IRR:	7,0 %



ØKERNVEIEN 11-13, OSLO

Property class:	Office
Lettable area:	11 984
Investment year:	2012
Realization year:	2014
Purchase price:	106 000 000
Sales price:	319 938 000
Equity multiple:	5,0
Investment period:	3,0 y
Equity IRR:	69,6 %



ØVRE VOLL GATE 13, OSLO

Property class:	Office
Lettable area:	5 420
Investment year:	2015
Realization year:	2015 (Investor hand-over)
Purchase price:	158 000 000
Sales price:	n/a
Equity multiple:	n/a
Investment period:	0
Equity IRR:	n/a



MARIBOESGATE 13, OSLO

Property class:	Office
Lettable area:	17 144
Investment year:	2014
Realization year:	2015 (Investor hand-over)
Purchase price:	404 000 000
Sales price:	n/a
Equity multiple:	n/a
Investment period:	1,0 y
Equity IRR:	n/a



TYSK BOLIGVEKST AS

Property class:	Residence
Lettable area:	15 891
Investment year:	2007
Realization year:	2014
Purchase price:	125 316 908
Sales price:	150 000 000
Equity multiple:	1,3
Investment period:	6,9 y
Equity IRR:	4,5 %



MAIL HANDLING FACILITIES (MISC)

Property class:	Logistics
Lettable area:	16 045
Investment year:	2009
Realization year:	2010/2012
Purchase price:	257 000 000
Sales price:	291 000 000
Equity multiple:	1,8
Investment period:	1,2 y / 3,6 y
Equity IRR:	24,0 %



HAGEVEIEN 20, TØNSBERG

Property class:	Logistics
Lettable area:	16 092
Investment year:	2005
Realization year:	2006
Purchase price:	82 500 000
Sales price:	105 000 000
Equity multiple:	3,0
Investment period:	1,0 y
Equity IRR:	209,0 %



TEVLINGVEIEN 23, OSLO

Property class:	Office
Lettable area:	24 300
Investment year:	2005
Realization year:	2007
Purchase price:	227 500 000
Sales price:	326 200 000
Equity multiple:	5,2
Investment period:	2,2 y
Equity IRR:	126,0 %



MISC (HAUGESUND)

Property class:	Commercial
Lettable area:	15 673
Investment year:	2007
Realization year:	2013
Purchase price:	73 000 000
Sales price:	88 847 788
Equity multiple:	2,7
Investment period:	6,0 y
Equity IRR:	16,0 %



HAGEVEIEN 20, TØNSBERG

Property class:	Logistics
Lettable area:	16 092
Investment year:	2006
Realization year:	2014
Purchase price:	105 000 000
Sales price:	42 000 000
Equity multiple:	-
Investment period:	7,4 y
Equity IRR:	-100,0 %



NORGES GRUPPEN (MISC)

Property class:	Commercial
Lettable area:	28 572
Investment year:	2003
Realization year:	2006
Purchase price:	176 175 000
Sales price:	255 000 000
Equity multiple:	6,9
Investment period:	2,3 y
Equity IRR:	135,0 %



ALFASETVEIEN 11, OSLO

Property class:	Industrial
Lettable area:	13 841
Investment year:	2003
Realization year:	2005
Purchase price:	125 644 800
Sales price:	151 000 000
Equity multiple:	2,6
Investment period:	2,0 y
Equity IRR:	66,4 %



FINNESTADVEIEN 44, STAVANGER

Property class:	Office
Lettable area:	22 000
Investment year:	2004
Realization year:	2006
Purchase price:	379 500 000
Sales price:	456 000 000
Equity multiple:	3,3
Investment period:	3,3 y
Equity IRR:	96,0 %



GRÅTERUDVEIEN 8, DRAMMEN

Property class:	Logistics
Lettable area:	14 934
Investment year:	2010
Realization year:	2011 (Investor hand-over)
Purchase price:	77 369 535
Sales price:	n/a
Equity multiple:	n/a
Investment period:	1,0 y
Equity IRR:	n/a



REGBUEVEIEN 9, SKI

Property class:	Logistics
Lettable area:	10 000
Investment year:	2004
Realization year:	2005
Purchase price:	100 500 000
Sales price:	127 502 349
Equity multiple:	2,7
Investment period:	1,1 y
Equity IRR:	140,0 %



BRONGSGATAN 10, ÅSTORP (SVERIGE)

Property class:	Logistics
Lettable area:	14 934
Investment year:	2010
Realization year:	2011 (Investor hand-over)
Purchase price:	77 369 535
Sales price:	n/a
Equity multiple:	n/a
Investment period:	1,0 y
Equity IRR:	n/a



Carl Berner Torg Trondheimsveien 113, Oslo

Realkapital Investor recently acquired Carl Berner Center together with PEAB Eiendomsutvikling AS. The plot is 6 432 sqm and the existing buildings will be demolished and redeveloped to a 16 000 sqm complex; consisting of apartments, retail stores, restaurants, cafés as well as public space.

Realkapital Investor and PEAB are committed to create an attractive living and shopping space in the middle of Oslo. The property is within close walking distance to metro station. Estimated completion is 2018/2019.



Early sketches viewed from Carl Berner Plass.

Preliminary sketches; the industrial building to the right is to be revitalized to café and dining area.



Present investments



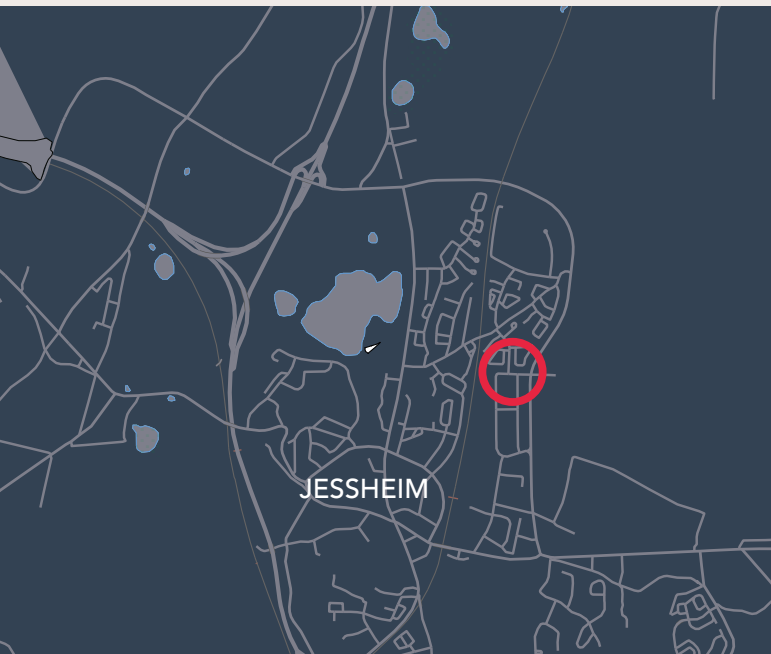
PORTAL SKØYEN, DRAMMENSVEIEN 211-213

The property has been refurbished to attract new tenants

Jessheim Næringspark Jessheim

FACTS

Contact person: Kari Myrland
Date of analysis: 31.12.16
Wgtd. remaining lease period (years): 4,5
Year of build: 2000-2008
Lettable space (sqm): 13 220
Property type: Office, workshop, retail
Tenant(s): Misc.
Vacancy: 0,0 %
Land (sqm): 18.975 (freehold)



Property company	Realkapital 8 AS
Date of incorporation	01.03.17
Initial project cost	285 500 000
Initial project cost per sqm	20 900
Net purchase yield	6,7 %
Paid up equity	111 500 000
No. of shares	1 000 000
Capital paid back to partners	0
Minimum share %	1,0 %
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1 % share)	n/a

BUSINESS/DEVELOPEMENTPLAN
FOR THE PROPERTY

- Attractive retail park with stable cash flow
- Large plot with excellent location in an area with strong growth
- Development potential



Prognosis* (End of Year)	2016	2017	2018
Gross rental income			
Net operating income			
Net cash flow after loan instalments and dividend			
Net cash flow before loan instalments and dividend			
Budgeted dividend			
Net yield			
Estimated property value			
Estimated NPV interest swap			
Net debt			
Latent tax reduction 8%			
Value adjusted equity			
Share value per 1 %			
Calculated annual return (IRR)			

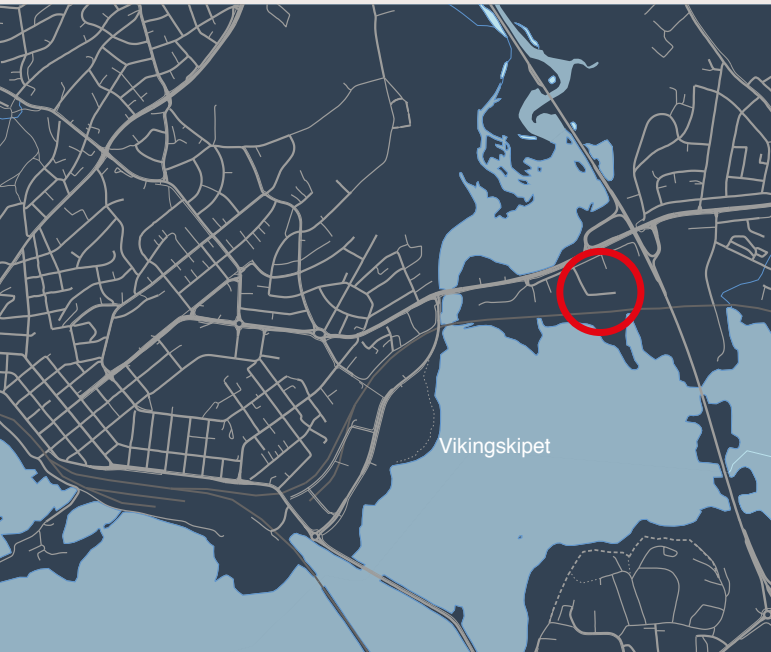
VALUATION PR. 31.12.2016

Net yield	6,30 %	6,50 %	6,70 %
Net operating income 2016			
Estimated property value			
Estimated NPV interest swap (90 %)			
Net debt			
Reduction tax values 10 %			
Cash flow after 31.12.2015			
Dividend after 31.12.2015			
Value adjusted equity			
Estimated property value per sqm			
Share value per 1 %			
Calculated annual return (IRR)			

Maxbo (Properties) Gjøvik, Hamar, Elverum

FACTS

Contact person: Arild Aubert
Date of analysis: 31.12.16
Wgtd. remaining lease period (years): 14,9
Year of build:1982 (2006) / 1977 (1983)
/ 1989 (2008)
Lettable space (sqm): 9.043 / 10.488 / 2.628
Property Property type: Retail
Tenant(s): Løvenskiold Handel AS (Maxbo)
Vacancy: 0,0 %
Land (sqm): 16.931 / 25.566 / 13.483 (freehold)



Property company	Realkapital 6 AS (incl. subsidiaries)
Date of incorporation	01.12.16
Initial project cost	222 000 000
Initial project cost per sqm	10 019
Net purchase yield	6,5 %
Paid up equity	74 000 000
No. of shares	1 000 000
Capital paid back to partners	0
Minimum share %	1,5 %
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1 % share)	n/a

BUSINESS/DEVELOPEMENTPLAN
FOR THE PROPERTY

- Cash flow oriented investment with high annual dividends
- Long term lease contracts with Løvenskiold Handel hosting three regional Maxbo warehosues
- Long term potential with rezoning to residential areas for two of three properties

Prognosis* (End of Year)	2016	2017	2018
Gross rental income			
Net operating income			
Net cash flow after loan instalments and dividend			
Net cash flow before loan instalments and dividend			
Budgeted dividend			
Net yield			
Estimated property value			
Estimated NPV interest swap			
Net debt			
Latent tax reduction 8 %			
Value adjusted equity			
Share value per 1 %			
Calculated annual return (IRR)			

VALUATION PR. 31.12.2016

Net yield	6,30 %	6,50 %	6,70 %
Net operating income 2016			
Estimated property value			
Estimated NPV interest swap (90 %)			
Net debt			
Reduction tax values 10 %			
Cash flow after 31.12.2015			
Dividend after 31.12.2015			
Value adjusted equity			
Estimated property value per sqm			
Share value per 1 %			
Calculated annual return (IRR)			

Beddingen 8 Oslo

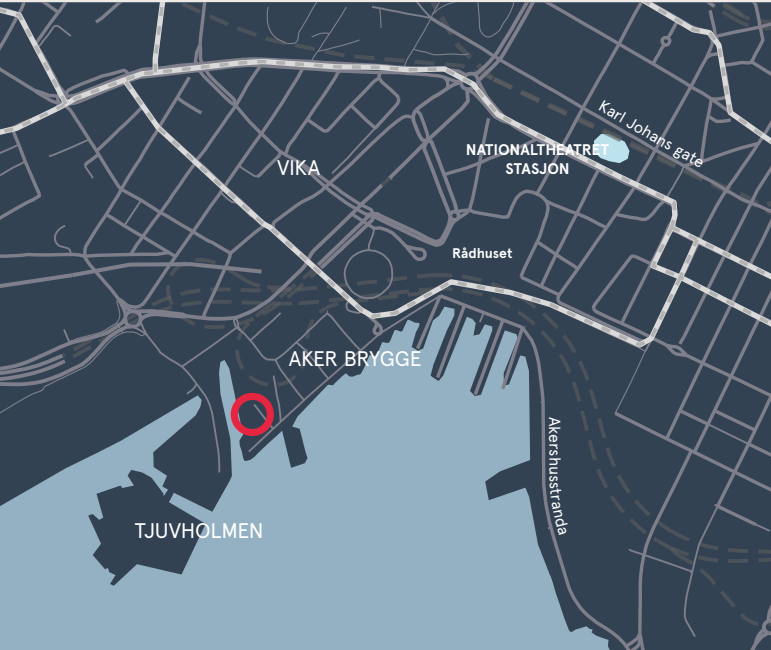
FACTS

Contact person: Anders Aasand
Date of analysis: 31.12.2016
Wgtd. remaining lease period (years): 1,6
Year of build: 1991
Lettable space (sqm): 2 079
Property type: Office
Tenant(s): Misc.
Vacancy: 0,0 %
Land (sqm): n/a

Property company	Realkapital 6 AS
Project start	01.11.2016
Initial project cost	87 400 000
Initial project cost per sqm	41 000
Net purchase yield	5,8 %
Paid up equity	30 500 000
No. of shares	1 000 000
Capital paid back to partners	0
Minimum share %	3,5 %
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1 % share)	n/a

BUSINESS/DEVELOPEMENTPLAN
FOR THE PROPERTY

- Maximize value potential of attractive prime CBD location
- Potential to increase rent from offices
- Increase contract length

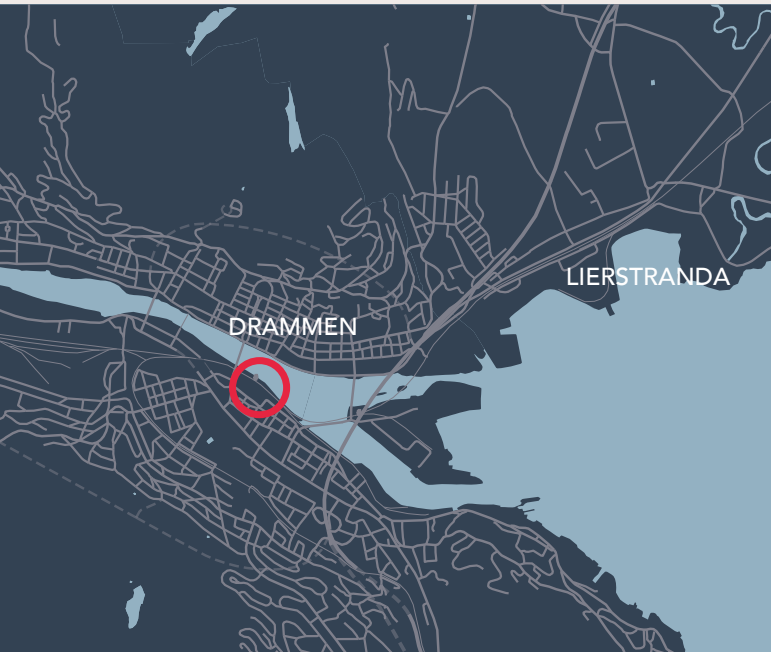


Prognosis* (End of Year)	2016	2017	2018
Gross rental income			
Net operating income			
Net cash flow after loan instalments and dividend			
Net cash flow before loan instalments and dividend			
Budgeted dividend			
Net yield			
Estimated property value			
Estimated NPV interest swap			
Net debt			
Latent tax reduction 8 %			
Value adjusted equity			
Share value per 1 %			
Calculated annual return (IRR)			

Grønland 34 Drammen

FACTS

Contact person: Arild Aubert
Date of analysis: 31.12.16
Wgtd. remaining lease period (years): 4,8
Year of build: 1998
Lettable space (sqm): 6 701
Property type: Office
Tenant(s): Sykehuspartner/Gjensidige
Vacancy: 6,1 %
Land (sqm): 3 593 (freehold)



Property company	Realkapital 5 AS
Date of incorporation	15.10.16
Initial project cost	172 900 000
Initial project cost per sqm	25 802
Net purchase yield	6,6 %
Paid up equity	55 000 000
No. of shares	1 000 000
Capital paid back to partners	0
Minimum share %	1,5 %
Sales trigger	n/a
Last share trade (date)	n/a
Last share trade (per 1 % share)	n/a
Dividend since est. (per 1 % share)	0

BUSINESS/DEVELOPEMENTPLAN
FOR THE PROPERTY

- Attractive office building by waterfront at Union Brygge in Drammen
- Close to Drammen train station and good parking coverage
- Sykehusinnkjøp, Sykehuspartner and Gjensidige are tenants



Prognosis* (End of Year)	2017	2018	2019
Gross rental income			
Net operating income			
Net cash flow before loan instalments and dividend			
Budgeted dividend			
Net yield			
Estimated property value			
Estimated NPV interest swap			
Net debt			
Latent tax reduction 10 %			
Value adjusted equity			
Share value per 1 %			
Calculated annual return (IRR)			

VALUATION PR. 31.12.2016

Net yield	5,60 %	5,70 %	5,80 %
Net operating income 2017			
Estimated property value			
Estimated NPV interest swap (90 %)			
Net debt			
Reduction tax values 10 %			
Cash flow after 31.12.2016			
Dividend after 31.12.2016			
Value adjusted equity			
Estimated property value per sqm			
Share value per 1 %			
Calculated annual return (IRR)			

Ensjøveien 4, Oslo

FACTS

Contact person: Anders Brustad-Nilsen
Date of analysis: 31.12.16
Wgtd. remaining lease period (years): N/A
Year of build: 1975/1980/2015
Lettable space (sqm): 11 562
Property type: Retail/Development
Tenant(s): Bergheim Auto
Vacancy: 0,0 %
Land (sqm): 4 845 (freehold)



Property company	Maxbo AS
Project start	03.06.15
Initial project cost	136 200 000
Net purchase yield	6,8 %
Paid up equity	37 200 000
Dividend since est.	0
Sales Trigger	25 %

BUSINESS/DEVELOPEMENTPLAN FOR THE PROPERTY

- Investor managed
- Transformation into residential purposes
- Part of a new converted district of Oslo, previoush “Bilbyen”

Prognosis* (End of Year)	2016	2017	2018
Gross rental income			
Net operating income			
Net cash flow after loan instalments and dividend			
Net cash flow before loan instalments and dividend			
Budgeted dividend			
Net yield			
Estimated property value			
Estimated NPV interest swap			
Net debt			
Latent tax reduction 8 %			
Value adjusted equity			
Share value per 1 %			
Calculated annual return (IRR)			

VALUATION PR. 31.12.2016

Net yield	6,30 %	6,50 %	6,70 %
Net operating income 2016			
Estimated property value			
Estimated NPV interest swap (90 %)			
Net debt			
Reduction tax values 10 %			
Cash flow after 31.12.2015			
Dividend after 31.12.2015			
Value adjusted equity			
Estimated property value per sqm			
Share value per 1 %			
Calculated annual return (IRR)			

Eikveien 19-20, Drammen

FACTS

Contact person: Anders Aasand
Date of analysis: 31.12.16
Wgtd. remaining lease period (years): 11,2
Year of build: 2005(2016) / 2003
Lettable space (sqm): 5 255
Property Property type: Workshop/office
Tenant(s): Volvo Norge AS / Norsk Scania AS
Vacancy: 0,0 %
Land (sqm): 14.441 / 14.710 (freehold)



Property company	Realkapital 4 AS (incl. subsidiaries)
Date of incorporation	30.06.16
Initial project cost	139 300 000
Initial project cost per sqm	15 400
Net purchase yield	6,5 %
Paid up equity	44 400 000
No. of shares	1 000 000
Capital paid back to partners	0
Minimum share %	2,5 %
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1 % share)	n/a
Dividend since est. (per 1% share)	0

BUSINESS/DEVELOPEMENTPLAN FOR THE PROPERTY

- Cash flow oriented investment with high annual dividends
- Long term lease contracts with Volvo Norge and Norsk Scania hosting truck repair, maintenance and newsales
- Large plots with potential additional development



Prognosis* (End of Year)	2016	2017	2018
Gross rental income			
Net operating income			
Net cash flow after loan instalments and dividend			
Net cash flow before loan instalments and dividend			
Budgeted dividend			
Net yield			
Estimated property value			
Estimated NPV interest swap			
Net debt			
Latent tax reduction 8 %			
Value adjusted equity			
Share value per 1 %			
Calculated annual return (IRR)			

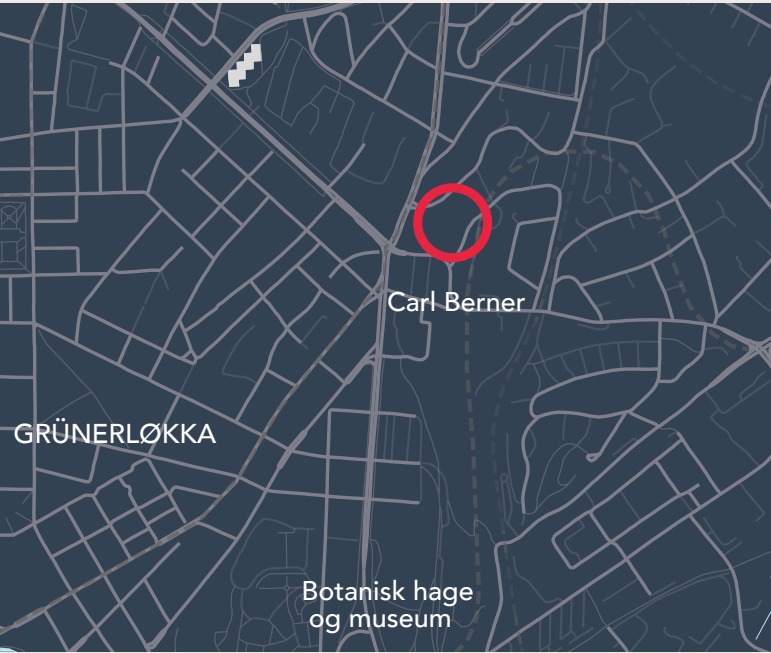
VALUATION PR. 31.12.2016

Net yield	6,30 %	6,50 %	6,70 %
Net operating income 2016			
Estimated property value			
Estimated NPV interest swap (90 %)			
Net debt			
Reduction tax values 10 %			
Cash flow after 31.12.2015			
Dividend after 31.12.2015			
Value adjusted equity			
Estimated property value per sqm			
Share value per 1 %			
Calculated annual return (IRR)			

Trondheims- veien 113 Oslo

FACTS

Contact person: Anne-Lise Øien
Date of analysis: 31.12 16
Wgtd. remaining lease period (years): N/A
Year of build:
Lettable space (sqm): Development
Property Property type: Retail/residential
Tenant(s):
Vacancy: N/A
Land (sqm): 6 432 (freehold)



Property company	Realkapital 5 AS
Project start	01.07.16
Initial project cost	
Net purchase yield	
Paid up equity	
Capital paid back to partners	
Sales Trigger	

BUSINESS/DEVELOPEMENTPLAN
FOR THE PROPERTY

- New development project for residential and retail at Carl Berner Torg – a public transport hub, centrally located in Oslo City
- The project estimated to build 111 apartments, convenience stores, cafes and restaurants
- The apartments and retail stores are planned to be completed in 2018/19

Prognosis* (End of Year)	2015	2016	2017
Gross rental income			
Net operating income			
Net cash flow after loan instalments and dividend			
Net cash flow before loan instalments and dividend			
Budgeted dividend			
Net yield			
Estimated property value			
Estimated NPV interest swap			
Net debt			
Latent tax reduction 7 %			
Value adjusted equity			
Share value per 1 %			
Calculated annual return (IRR)			

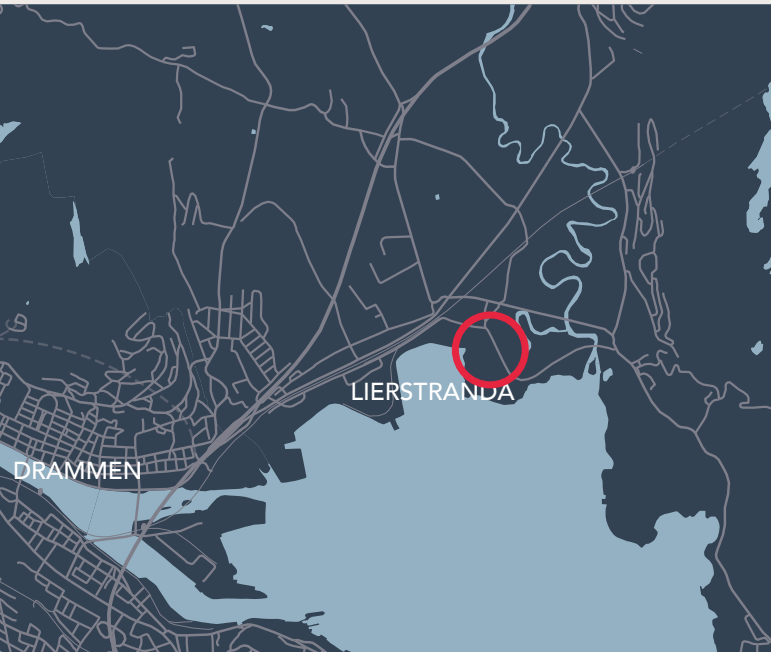
VALUATION PR. 31.12.2016

Net yield	6,70 %	6,90 %	7,10 %
Net operating income			
Estimated property value			
Reduction tax values 7 %			
Net debt			
Cash flow after 30.06.2015			
Dividend after 30.06.2015			
Value adjusted equity			
Estimated property value per sqm			
Share value per 1 %			
Calculated annual return (IRR)			

Linnesstranda 2 Lier

FACTS

Contact person: Arild Aubert
Date of analysis: 31.12.16
Wgtd. remaining lease period (years): 13,3
Year of build: 1975/1980/2015
Lettable space (sqm): 11 562
Property type: Industrial/logistics/office
Tenant(s): Nor Tekstil AS/Scanox AS
Vacancy: 0,0 %
Land (sqm): 20 928 (freehold)



Property company	Realkapital 2 AS
Date of incorporation	03.06.15
Initial project cost	136 200 000
Initial project cost per sqm	11 780
Net purchase yield	6,8 %
Paid up equity	37 200 000
No. of shares	1 000 000
Capital paid back to partners	4 000 000
Minimum share %	5,0 %
Sales trigger	25 %
Last share trade (date)	n/a
Last share trade (per 1 % share)	n/a
Dividend since est. (per 1 % share)	40 000

BUSINESS/DEVELOPEMENTPLAN
FOR THE PROPERTY

- Cash flow oriented investment with high annual dividends.
- Long term lease with Nor Tekstil AS, housing the most modern and efficient laundry in Norway
- The property may eventually be converted for residential purposes.

Prognosis* (End of Year)	2017	2018	2019
Gross rental income	10 448 594	10 709 809	10 977 554
Net operating income	9 767 847	10 018 293	10 268 751
Net cash flow before loan instalments and dividend	6 780 000	6 710 000	6 490 000
Budgeted dividend	5 000 000	4 300 000	4 100 000
Net yield	6,10 %	6,20 %	6,30 %
Estimated property value	164 200 000	165 600 000	167 100 000
Estimated NPV interest swap	-960 000	-850 000	-740 000
Net debt	-90 200 000	-88 400 000	-86 000 000
Latent tax reduction 10 %	-6 230 000	-6 750 000	-7 260 000
Value adjusted equity	66 810 000	69 600 000	73 100 000
Share value per 1 %	668 100	696 000	731 000
Calculated annual return (IRR)	33,2 %	27,3 %	24,1 %

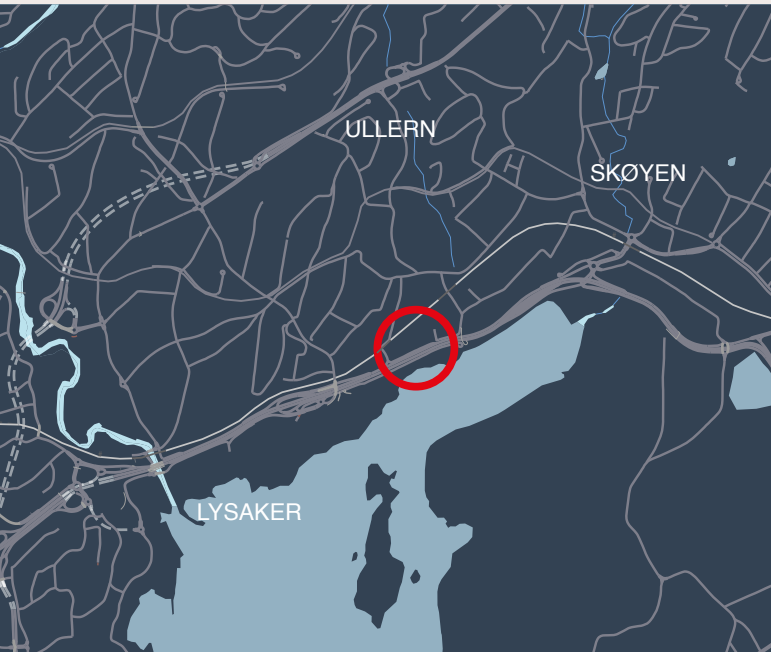
VALUATION PR. 31.12.2016

Net yield	5,90 %	6,00 %	6,10 %
Net operating income 2017	9 767 847	9 767 847	9 767 847
Estimated property value	165 600 000	162 800 000	160 100 000
Estimated NPV interest swap (90 %)	-1 070 000	-1 070 000	-1 070 000
Net debt	-93 700 000	-93 700 000	-93 700 000
Reduction tax values 10 %	-5 910 000	-5 670 000	-5 440 000
Value adjusted equity	64 920 000	62 360 000	59 890 000
Estimated property value per sqm	14 323	14 081	13 847
Share value per 1 %	649 200	623 600	598 900
Calculated annual return (IRR)	47,8 %	44,3 %	40,9 %

Drammensveien 211 – 213 Oslo

FACTS

Contact person: Anders Brustad-Nilsen/Anne-Lise Øien
Date of analysis: 31.12.16
Wgtd. remaining lease period (years): 13,0 (Bilia AS)
Year of build: 1965/1990/1995/2004
Lettable space (sqm): 17 433
Property Property type: Industrial/logistics/office
Tenant(s): Bilia AS/misc.
Vacancy: 42 %
Land (sqm): 9 716 (freehold)



Property company	Realkapital 1 AS
Date of incorporation	07.01.15
Initial project cost	260 000 000
Initial project cost per sqm	14 914
Net purchase yield	Development
Paid up equity	27 500 000
No. of shares	1 000 000
Capital paid back to partners	0
Minimum share %	4,0 %
Sales trigger	20 %
Last share trade (date)	n/a
Last share trade (per 1 % share)	n/a
Dividend since est. (per 1 % share)	0

BUSINESS/DEVELOPEMENTPLAN
FOR THE PROPERTY

- The property common areas have been renewed in 2016, and was completed in January 2017
- The focus has been to attract tenants who are entitled to urban qualities at low rental cost in an embracing atmosphere
- Some new tenants has already moved in, and the new concept seem to attract even more tenants
- For more information visit Portal:Skøyen’s website: www.portalskoyen.no

Prognosis* (End of Year)	2017	2018	2019
Gross rental income	15 297 167	18 305 959	18 672 079
Net operating income	11 140 470	14 142 541	14 404 575
Net cash flow before loan instalments and dividend	-7 200 000	1 680 000	1 940 000
Budgeted dividend	0	0	0
Net yield	5,70 %	5,80 %	5,90 %
Estimated property value	248 100 000	248 400 000	248 700 000
Estimate NPV development/vacancies	140 200 000	150 200 000	160 200 000
Net debt	-243 290 000	-241 610 000	-239 670 000
Latent tax reduction 10 %	-18 470 000	-19 560 000	-20 440 000
Value adjusted equity	126 540 000	137 430 000	148 790 000
Share value per 1 %	1 265 400	1 374 300	1 487 900
Calculated annual return (IRR)	65,6 %	49,1 %	39,9 %

VALUATION PR. 31.12.2016

Net yield	6,10 %	6,20 %	6,30 %
Net operating income 2017	11 140 470	11 140 470	11 140 470
Estimated property value	202 600 000	198 900 000	195 400 000
Estimate NPV development/vacancies	140 200 000	140 200 000	140 200 000
Net debt	-236 090 000	-236 090 000	-236 090 000
Reduction tax values 10 %	-14 240 000	-14 090 000	-13 990 000
Value adjusted equity	92 470 000	88 920 000	85 520 000
Estimated property value per sqm	19 664	19 452	19 251
Share value per 1 %	924 700	889 200	855 200
Calculated annual return (IRR)	81,9 %	78,4 %	75,0 %

Raglamyrveien 2 Haugesund

FACTS

Contact person: Kari Myrland
Date of analysis: 31.12.2016
Wgtd. remaining lease period (years): 8,2
Year of build: 1988
Lettable space (sqm): 5 074
Property type: Retail/Big box
Tenant(s): Math Lande Møbler/KID/Staples
Vacancy: 0,0 %
Land (sqm): 14 327 (freehold)

Property company	Raglamyr Forretningsbygg AS
Date of incorporation	05.06.13
Initial project cost	64 000 000
Initial project cost per sqm	12 613
Net purchase yield	6,8 %
Paid up equity	23 500 000
Capital paid back to partners	3 974 000
Sales trigger	n/a

BUSINESS/DEVELOPEMENTPLAN
FOR THE PROPERTY

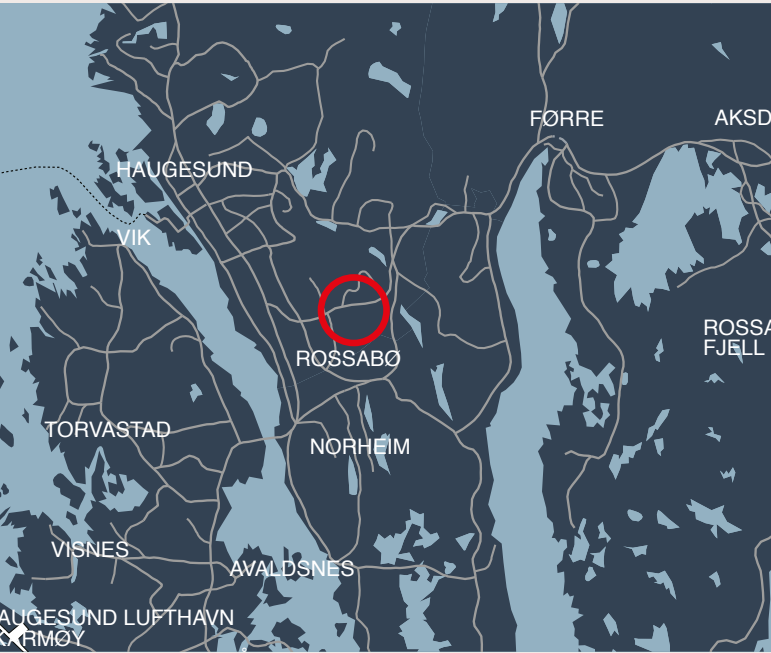
- Retail building containing 3 big box stores
- Located in outer edge of Haugesund facing the national state highway E134
- Fully let to tenants, leases expires 31.12.2021



Prognosis* (End of Year)	2017	2018	2019
Gross rental income	5 350 240	5 483 996	5 621 096
Net operating income	4 782 240	4 901 796	5 024 341
Net cash flow before loan instalments, tax and dividend	3 276 545	3 378 009	3 472 584
Budgeted dividend	987 000	987 000	987 000
Net yield	6,30 %	6,40 %	6,50 %
Estimated property value	77 806 286	78 505 327	79 229 991
Estimated NPV interest swap	n/a	n/a	n/a
Net debt	34 789 794	31 703 212	28 521 309
Latent tax reduction 10 %	5 770 875	5 865 346	5 959 475
Value adjusted equity	37 245 617	40 936 768	44 749 207
Calculated annual return (IRR)	14,8 %	14,4 %	14,1 %

VALUATION PR. 31.12.2016

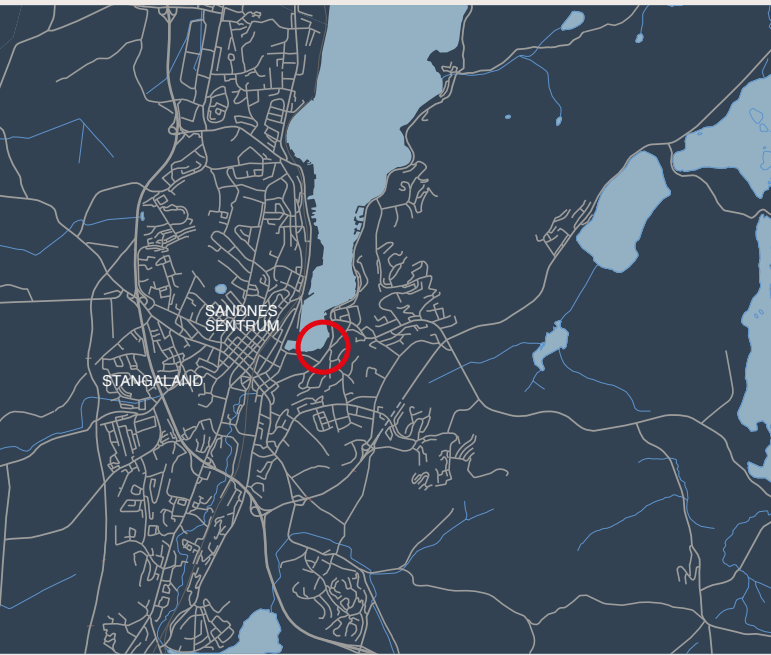
Net yield	6,10 %	6,20 %	6,30 %
Net operating income 2017	4 782 240	4 782 240	4 782 240
Estimated property value	78 397 377	77 132 903	75 908 571
Reduction tax values 10 %	5 783 285	5 675 805	5 571 737
Net debt 30.06.2016	38 484 814	38 484 814	38 484 814
Cash flow equity after 30.06.2016	1 638 718	1 638 718	1 638 718
Dividend after 30.06.2016	978 000	978 000	978 000
Value adjusted equity	34 789 996	33 633 002	32 512 738
Calculated annual return (IRR)	16,0 %	15,0 %	14,0 %



Hanaveien 17, Sandnes

FACTS

Contact person: Kari Myrland
Date of analysis: 31.12.16
Wgtd. remaining lease period (years): 5,2
Year of build: Originally 1980'ies refurbished 2010
Gross building area (sqm): 8 846
Property type: Local mall/fitness/medical
Tenant(s): Coop, Sats Elixia, Ewos, etc
Vacancy: 3,8 %
Land (sqm): 11 364 (freehold)



Property company	Hana Sanz Eiendomsinvest AS
Project start	27.12.10
Initial project cost	110 397 000
Initial project cost per sqm	12 480
Net purchase yield	7,5 %
Paid up equity	21 283 000
Paid up equity per 1 % unit	212 830
Sales Trigger	20,00 %
Last share trade (date)	30.06.16
Last share trade (per 1 %)	375 000
Dividend since est.	1 600 000

BUSINESS/DEVELOPEMENTPLAN FOR THE PROPERTY

- Local mall near the city center of Sandnes
- Largest tenant (Coop) representing 42 % of the rental income
- Utilizing property development potential by building homes on the property's roof

Prognosis* (End of Year)	2017	2018	2019
Gross rental income	10 150 424	10 353 432	10 560 501
Net operating income	8 813 049	8 989 310	9 169 096
Net cash flow before loan instalments and dividend**	5 800 000	5 940 000	6 090 000
Budgeted dividend**	5 000 000	3 000 000	3 000 000
Net yield	7,10 %	7,20 %	7,30 %
Estimated property value	126 600 000	127 300 000	128 100 000
Estimated NPV interest swap	0	0	0
Tax discount reduction ("Skatterabatt")	-4 106 889	-4 439 421	-4 760 998
Net debt	-67 140 440	-64 200 440	-61 110 440
Value adjusted equity	55 352 671	58 660 139	62 228 562
Unit value per 1 %	553 527	586 601	622 286
Calculated annual return (IRR)	17,0 %	16,4 %	15,9 %

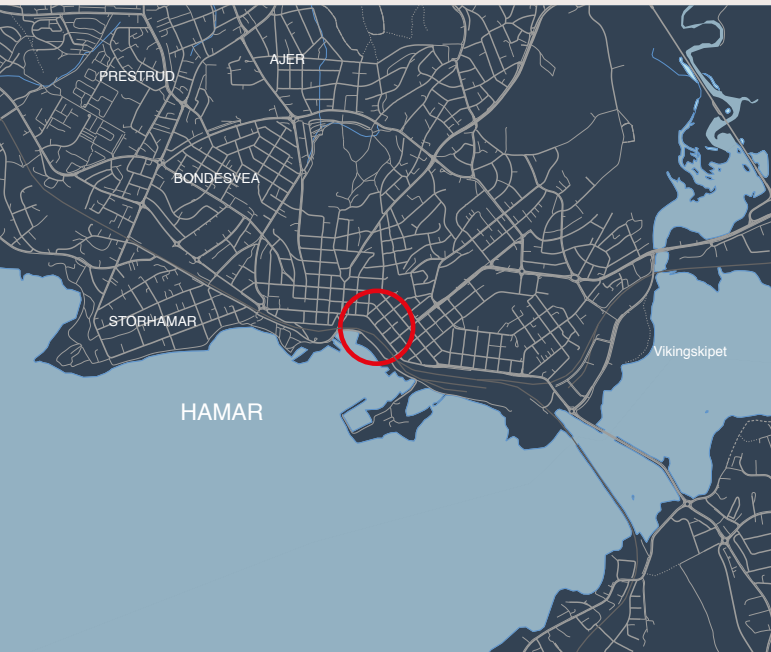
VALUATION PR. 31.12.2016

Net yield	6,80 %	7,00 %	7,20 %
Net operating income 2017	8 813 049	8 813 049	8 813 049
Estimated property value	129 600 000	125 900 000	122 400 000
Estimated NPV interest swap	n/a	n/a	n/a
Net debt 30.06.2016	-70 399 323	-70 399 323	-70 399 323
Cash flow after 30.06.2016	2 458 883	2 458 883	2 458 883
Tax discount reduction ("Skatterabatt") 10 %	-4 067 417	-3 752 917	-3 455 417
Value adjusted equity	57 592 143	54 206 643	51 004 143
Estimated property value per sqm	14 651	14 232	13 837
Unit value per 1 %	575 921	542 066	510 041
Calculated annual return (IRR)	18,9 %	17,8 %	16,6 %

Strandgata 41, Hamar

FACTS

Contact person: Anne-Lise Øien
Date of analysis: 31.12.2016
Wgtd. remaining lease period (years): 0.5
Year of build: Ca. 1920
Gross building area (sqm): 4 802
Property Property type: Development new office space
Tenant(s): Hamar Game Collective
Land (sqm): 991



Property company	Bankbygget Strandgata 41 AS
Initial project cost	44 800 000
Paid up equity	6 800 000
Sales Trigger	9 %

BUSINESS/DEVELOPEMENTPLAN
FOR THE PROPERTY

- The office Building is under development to attract new tenants
- Our plan is to revitalize the building by developing an outstanding co-workingspace for innovation, inspiration and growth
- We invite you to visit our Website - www.hvelv41.no

Prognosis* (End of Year)	2016	31.12.16	2018
Gross rental income next year			
Net operating income next year			
Net cash flow after loan instalments, tax and dividend			
Net cash flow before loan instalments, tax and dividend			
Budgeted dividend			
Net yield			
Estimated property value			
Estimated NPV interest swap			
Net debt			
Latent tax reduction 8 %			
Value adjusted equity			
Calculated annual return (IRR)			

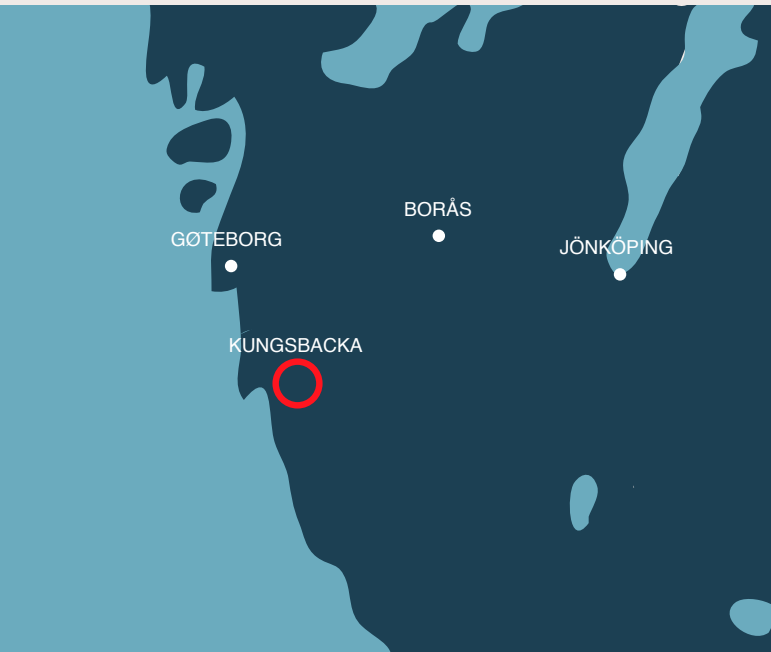
VALUATION PR. 31.12.2016

Net yield	6,80 %	6,90 %	7,00 %
Net operating income 2016			
Estimated property value			
Reduction tax values 8 %			
Net debt 30.06.2015			
Cash flow after 30.06.2015			
Dividend after 30.06.2015			
Value adjusted equity			
Calculated annual return (IRR)			

Infarten 2, Kungsbäcka

FACTS

Contact person: Arild Aubert
Date of analysis: 31.12.16
Wgtd. remaining lease period (years): 3,2
Year of build: 1996
Lettable space (sqm): 6 971
Property type: Office/retail/school
Tenant(s): Misc
Vacancy: 1,3 %
Land (sqm): 5728 (freehold)



Property company	Kungsbäcka Holding AS
Date of incorporation	22.12.04
Initial project cost (SEK)	90 138 000
Initial project cost per sqm (SEK)	12 930
Net purchase yield	8,9 %
Paid up equity (SEK)	12 200 000
No. of shares	1 000
Capital paid back to partners (SEK)	28 215 819
Sales trigger	25 %

BUSINESS/DEVELOPEMENTPLAN
FOR THE PROPERTY

- Office, school and commercial premises located in central Kungsbäcka, a growing city south of Gothenburg
- The property is steady generating healthy cash flow and dividends
- Trade volume in central city is threatened by competition from shopping malls
- Focus on developing the property and adapting the premises according to the tenants’ future needs



Prognosis* (End of Year)	2017	2018	2019
Gross rental income	11 296 122	11 409 083	11 523 174
Net operating income	8 690 000	8 780 000	8 860 000
Net cash flow before loan instalments and dividend	5 500 000	6 500 000	6 500 000
Budgeted dividend	4 000 000	5 000 000	5 000 000
Net yield	6,50 %	6,60 %	6,70 %
Estimated property value	135 100 000	134 200 000	133 600 000
Estimated NPV interest swap	0	0	0
Net debt	61 020 000	59 520 000	57 970 000
Latent tax reduction 10 %	-7 270 000	-7 340 000	-7 430 000
Value adjusted equity	66 810 000	67 340 000	68 200 000
Share value per 1 %	668 100	673 400	682 000
Calculated annual return (IRR)	20,9 %	20,4 %	20,0 %

VALUATION (SEK) PR. 31.12.2016

Net yield	6,20 %	6,40 %	6,60 %
Net operating income	8 690 000	8 690 000	8 690 000
Estimated property value	140 200 000	135 800 000	131 700 000
Reduction tax values 10 %	-7 900 000	-7 530 000	-7 180 000
Net debt	62 470 000	62 470 000	62 470 000
Estimated NPV interest swap	0	0	0
Value adjusted equity	69 830 000	65 800 000	62 050 000
Estimated property value per sqm	20 112	19 481	18 893
Share value per 1 %	698 300	658 000	620 500
Calculated annual return (IRR)	22,0 %	21,6 %	21,2 %

Our team



ANDERS BRUSTAD-NILSEN
MANAGING DIRECTOR (CEO)/
PARTNER

Anders holds a Master of Science degree in Risk Analysis from NTNU (Norwegian Technical University). Prior to joining Realkapital Anders was the Managing Director for a supplier company to the solar industry in Europe and Project Manager for a Norwegian real estate construction company.



ANNE-LISE ØIEN
PROPERTY DEVELOPER/PARTNER

Anne-Lise holds an MBA from California State University as well as an MBA from Oslo School of Business (BI). Prior to joining the Realkapital she has over 20 years’ experience in the retail and service industry as concept developer, management advisor and leadership consultant. She has also been the head of commercial development and Managing director of Trekanten Shopping-mall in Asker.



KARI MYRLAND
SENIOR ASSET MANAGER

Kari holds a Master of Business and Economics degree from NHH (Norwegian School of Economics and Business administration). She also has a Bachelor in Real Estate studies from BI (Norwegian School of management). She has 25 years experience from Asset Management, project development and finance. She has managed her own real estate agency and previously held position as director in Aberdeen Property Investors and senior financial adviser in Nordea.



ANDERS AASAND
INVESTMENT MANAGER

Anders holds a Master of Science degree in Finance (Siviløkonom) from Norwegian School of Economics (NHH). Prior to joining Realkapital he was Principal at Lindsay Goldberg Nordic, the Nordic affiliate of US based Private Equity firm Lindsay Goldberg. Anders has also worked with McKinsey & Company.



ANDERS MØRLAND
INVESTMENT MANAGER

Anders Mørland holds a Master of law degree from UIO (University of Oslo). Prior to joining Realkapital he was Senior Director at CBRE Capital Markets. Anders Mørland has also work experience from Persen Skei Real Estate Advisors and Schjødt Lawfirm.



ARILD AUBERT
CFO PROJECTS/PARTNER

Arild holds degrees as State Authorized Public Accountant (Norway) as well as Certified Financial Analyst (AFA), both from the Norwegian School of Economics (NHH). He joined Realkapital in 2014 and has previously held various management positions in DnB Bank and Pareto group. He has extensive experience in finance, accounting, real estate projects and business management.



HELENE WALTHINSEN
MD/AUTHORIZED ACCOUNTANT

Helene is educated from Sør-Trøndelag College within accounting and auditing. Before joining Realkapital Helene was working 12 years at Entra Eiendom AS as accounting manager and 5 years at Visma as account manager.



ALEXANDRA BERGGREN
ACCOUNTANT

Alexandra holds a Master of Economics and Business degree from NHH (Norwegian School of Economics) and a Bachelor of Economics and Business from UMB (Norwegian University of Life Sciences). Before joining Realkapital Alexandra was working as an Accountant and Investment analyst in the investment company AS Hamang Papirfabrik.

Contact us!

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