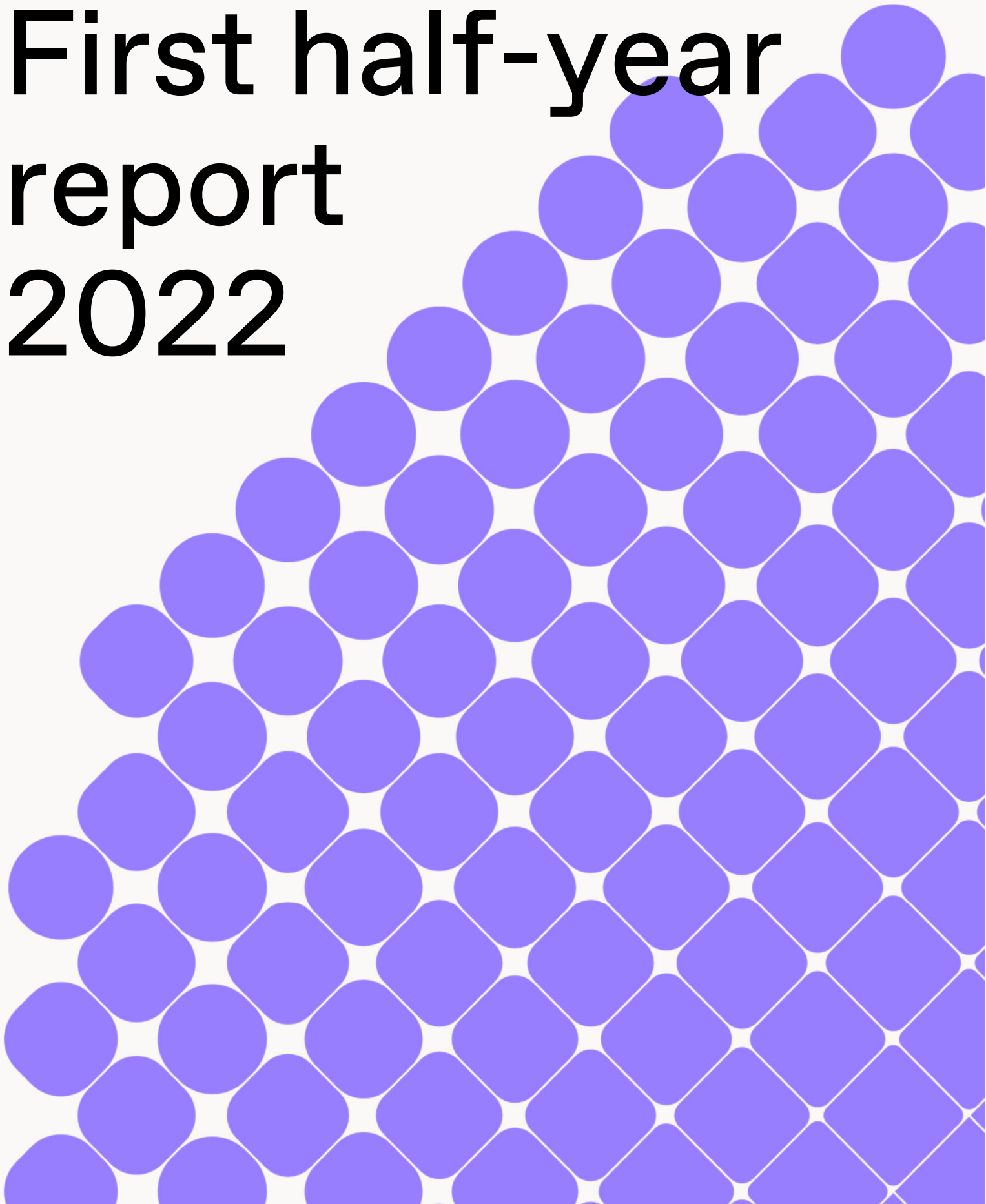




Recreate

Q2 2022

First half-year report 2022





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Highlights for the second quarter 2022

- **R8 Property ASA** was renamed **Recreate ASA**
- **Development** of Fornebuveien 1-3 was completed
- **Sale of two non-core properties** completed in line with the strategy to allocate investments towards sustainable and modern properties
- **First half-year 2022 profit before tax** NOK 56.7 million*
- **Strong letting market and substantial ARR growth** in Evolve. Increased rental income in Recreate
- **Negative value adjustments** due to yield effects from increased long-term interest rates

* Profit before tax for Q1-22 and Q2-22 includes fair value changes from owner-occupied investment property. For Q2-22: Profit before tax of NOK 28.9 million and Change in fair value from owner-occupied property (comprehensive income for the period) of NOK 27.8 million



CEO and founder of Recreate Emil Eriksrød comments on the performance in the second quarter of 2022:

"I am pleased to announce that the second quarter of 2022 has delivered the company's highest rental income to date. This comes as a result of a strong letting market with increased rental income for our commercial and hotel properties.

We completed two property sales aligned with our strategy to allocate more resources towards sustainable, modern, and attractively located properties. Moreover, one key development project, Fornebuveien 1-3 were completed during the second quarter. The Fornebu concept building, Grow, has one of the most attractive and central locations outside of Oslo and is currently let to Schlumberger on a three-year contract.

Today's global geopolitical situation has led to increased uncertainty concerning macroeconomic conditions, which may cause increased volatility going forward. In addition, the market for commercial properties was impacted by higher yields in the second quarter, driven by increased long-term interest rates. This resulted in an overall negative value adjustment for the Group's property portfolio.

The trend towards more flexible and efficient office spaces continues to boost demand for the wholly owned flex space provider Evolve. Environmental footprint, innovation and technology have become essential features in the decision-making process for tenants.

Our letting activities are going well, and our attractive portfolio of sustainable properties centrally located in urban areas and city hubs in Norway, Recreate is well-positioned to meet market demand.

We are currently experiencing uncertainty in the financial markets and corresponding funding possibilities, with expected challenging liquidity in coming quarters. We are working on several solutions to strengthen liquidity both short-term and long-term, with property sales considered likely along with possible share issue and/ or alternative debt financing."

Subsequent events

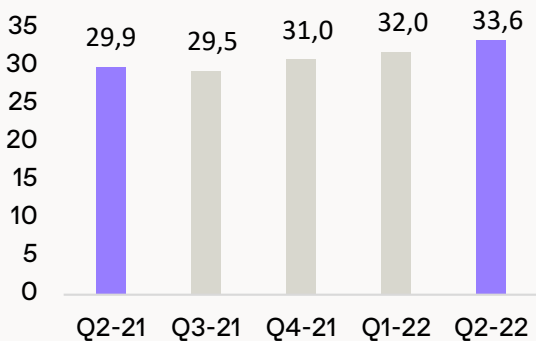
- Transaction to acquire 83.45 per cent of the shares in Inkognitogaten 33 A AS was completed. Subsequently R-Venure AS exercised option to acquire 41,75 per cent of the shares in Inkognitogaten 33 A AS. Recreate ASA now owns 50 per cent of the shares in Inkognitogaten 33 A AS.
- Recreate issued an option to Brødrene Jensen AS to acquire 50 per cent of the **Lørenveien Næring AS (Parallell)**. Brødrene Jensen AS holds 13.7 per cent of the shares in Recreate, and the option agreement, which may be exercised by the end of Q3 2022, is made in accordance with the principle of arm's length and on market terms. Completion of acquisition of Lørenveien Næring AS is conditional upon financing, reservation valid until 31 October 2022.



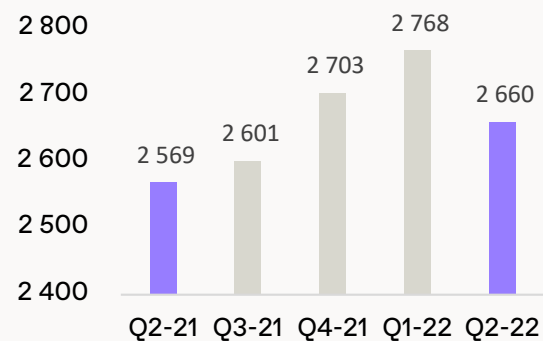
Financial Q2 2022

- Rental income of NOK 33.6 million (NOK 29.9 million) in the quarter
- Other operating revenue of NOK 17.3 million (NOK 2.9 million) mainly from our Flex services (Evolve)
- Negative total portfolio value changes of NOK 81.3 million* (NOK +33.1 million) mainly from Kjelleveien 21 and project Slottsfjell Park
- Positive contribution of NOK 14.4 million from value changes of interest rate swaps and the investment in Inkognitogaten 33A AS related to our ongoing rehabilitation project on the property
- Profit before tax of NOK-89.2 million** (NOK 1.7 million) includes profit before tax of NOK -57.2 million and changes in fair value of owner-occupied investment property of NOK -31.9 million (other comprehensive income)
- Fair value per share of NOK 52.2 million*** as of 30.06.22

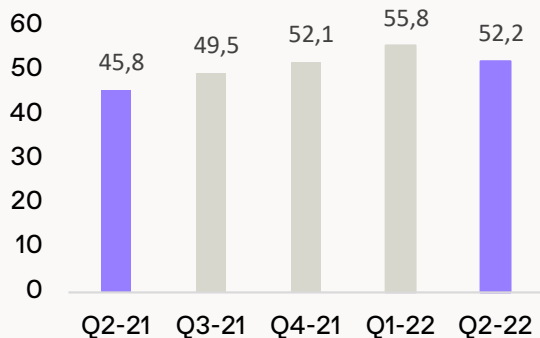
Rental income (MNOK) +3.7



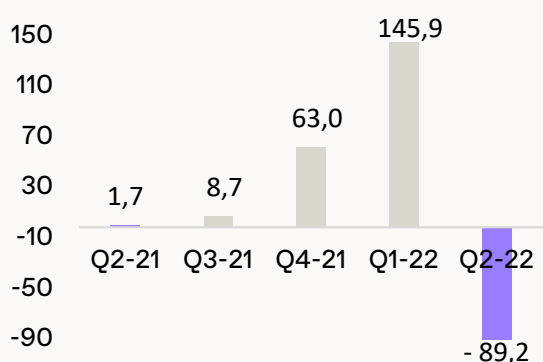
Market value of the property portfolio (MNOK) +90.9



Fair value per share*** (NOK) +6.4



Profit before tax** (MNOK) -90.8



* Includes fair value changes of owner-occupied investment property of NOK -31.9 million

** Profit before tax for Q1-22 and Q2-22 includes fair value changes from owner-occupied investment property. The profit before tax for Q2-22 includes the following: Profit before tax of NOK -57.2 million and changes in fair value of owner-occupied investment property of NOK -31.9 million

*** Including fair value of subsidiaries and investments in jointly controlled entities, associates and shares. Fair values are based on third party transactions and valuations performed in Q4-21 and Q1-22



Financial development

Profit and loss

Net income from property management

1 January 2022 the Group acquired the remaining 25 per cent of Evolve, increasing ownership to 100 per cent. From Q1-22 and going forward Evolve is consolidated in the Total Comprehensive Income and balance sheet and the Group will have own used properties.

The Group had rental income of NOK 33.6 million in Q2-22 compared with NOK 29.9 million in Q2-21. For the first half-year of 2022 rental income was NOK 65.6 million, compared to NOK 60.1 million the first six months of 2021. According to accounting principles in IFRS for own used properties, i.e. Properties used by companies within Recreate ASA, are to be eliminated from reported rental income. Rental income from own used properties in Q2-22 were NOK 1.7 million and NOK 3.3 million for the first half-year. Total rental income including own use in Q2-22 was NOK 35.3 million, and NOK 68.9 million for the first-half year. The increase of respectively 18 per cent and 15 per cent is related to changes in the property portfolio and CPI adjustment.

From Q2-21 to Q2-22 there have been several changes in the property portfolio. The Group has sold seven properties the last year in line with the strategy to focus on sustainable properties centrally located. Henrik Ibsensgate 40-42 and Rådhusgata 2 was sold in Q2-21, Storgata 171-175 in Q4-21, Bedriftsveien 52-54 and Grønlikroken 5 in Q1-22, and Østveien 665-667 and Rødmyrlia 20 in Q2-22.

The project Polymer Exploration Centre was completed and delivered to the tenant in Q4-21. The project at Fornebuveien 1-3 was completed i Q2-22 and new tenants have moved in. In sum these changes in the property portfolio had a net positive effect of approximately NOK 2.3 million on rental income.

At the same time CPI adjustment has contributed positively as well as there has been an increase in occupancy from Q2-21 to Q2-22. In sum, these are the main resulting in higher rental income.

- Total operating income came in at NOK 50.9 million (NOK 32.9 million) in the quarter, and NOK 109.9 million (NOK 69.1 million) in the first half-year
- Total operating cost amounted to NOK 51.1 million (NOK 23.4 million) in the quarter, and NOK 105.6 million (NOK 48.3 million) in the first half-year
- Net operating income from property management came in at NOK -0.2 million (NOK 9.6 million) in the quarter, and NOK 4.3 million (NOK 20.8 million) the first half-year

The increase in total operating income (via other operating revenue) and total operating costs in the quarter and the first half-year, is mainly due to Evolve being acquired from 1 January 2022 and consolidated from Q1-22. In addition, operating costs have increased due costs related to property transactions in the quarter and first half of 2022.



Net financials

Net financials amounted to NOK -7.7 million (NOK -41.0 million) in the quarter, and NOK 59.3 million (NOK -38.0 million) in the first half-year. Interest and other finance expenses amounted to NOK 23.0 million (NOK 18.2 million) in the quarter, and NOK 45.7 million (NOK 39.1 million) in the first half-year.

Net share of loss from associates and joint ventures was NOK -1.0 million (NOK -9.6 million) in the quarter and NOK -2.6 million (NOK -13.7 million) the first half-year and relates to the Group's investments in Orbit Technology. Last year this was also related to investment in Evolve.

Gains from investment in shares amounted to NOK 33.9 million (NOK 15.5 million) in the first half-year (no gains from investments in shares in Q2-22 and Q2-21). This mainly relates to the acquisition of Evolve. As the acquisition was achieved in stages (step acquisitions), the Group has in accordance with IFRS measured the value of the previously held shareholding at fair value at the time of acquisition and recognized associated gains in the result. This has led to an increased value of NOK 33.3 million on the previously held ownership in Q1-22. Gains from investment in shares the first half-year of 2021 was from divested shares in Orbit Technology.

Unrealised changes in fair value of financial instruments gave a net positive contribution of NOK 14.4 million (NOK -13.8 million) in the quarter, and NOK 71.4 million (NOK -1.6 million) the first half-year. The positive change in the quarter mainly comes from interest swaps (NOK 12.3 million). In addition, the effect relates to a forward contract to acquire the remaining shares in Inkognitogaten 33 A AS and a put option issued in Q3-21 to sell 50 per cent of these shares (in total a positive effect of NOK 2.1 million).

The forward contract was originally an option and during the second quarter of 2021 the Group made an irreversible commitment to buy the underlying asset and consequently considers the option as a forward contract until the settlement date planned 30 June 2022. The transaction was postponed and completed 15 July 2022. The negative result in Q2-21 was related to the call option in Inkognitogaten 33 A AS.

Value changes

The valuation of the investment portfolio resulted in a net negative value change of NOK 81.3 million (NOK +33.1 million) in the quarter, of which NOK -31.9 million came from own-used properties, and NOK -6.9 million (NOK 57.4 million) for the first half-year, of which NOK 27.8 million came from own-used properties. Properties with significant changes to highlight in the quarter are decreased value of Kjelleveien 21, Dokkvegen 8 & 10 and project Slottsfjell Park. In Q2-21 the positive value change mainly resulted from Mulighetenes By (Arkaden) and Fornebuveien 1-3.

Profit

Profit before tax was NOK -89.1 million (NOK 1.7 million), includes profit before tax of NOK -57.2 million and changes in fair value of owner-occupied investment property of NOK -31.9 million (comprehensive income). For the first half-year, profit before tax was NOK 56.7 million (NOK 40.1 million), includes profit before tax of NOK 28.9 million and changes in fair value of owner-occupied investment property of NOK 27.8 million (comprehensive income).

Total comprehensive income for the period was NOK -69.9 million (NOK -3.8 million) in Q2-22. For the first half-year, total comprehensive income for the period was NOK 55.5 million (NOK 28.6 million).



Balance sheet

The Group's assets amounted to NOK 3 358 million (NOK 2 829 million) as of 30.06.22 of which investment property, including own-used properties, constituted NOK 2 649 million (NOK 2 559 million).

Other intangible assets were NOK 155.3 million (NOK 7.5 million) and the increase is related to the remaining 25 per cent of the shares in Evolve that the Group acquired 1 January 2022.

Rights of use assets amounted to NOK 199.5 million (NOK 0.07 million) as of 30.06.22, and is mainly related to leasing contracts in Evolve.

Investments in associates, jointly controlled entities and shares were NOK 44.0 million (NOK 109.6 million) at the end of Q2 2022. Investments in Orbit Technology AS, Sandefjord Eiendomsinvest AS and Inkognitogaten 33 A AS constitute a large proportion of the balance sheet value. The ownership in Inkognitogaten 33 A AS is reduced from 16.6 per cent in Q2-21 to 8.3 per cent in Q2-22. The ownership in Orbit Technology AS has changed from 35.5 per cent in Q2-21 to 29.9 per cent in Q2-22. Share of loss from associates and joint ventures also explains the change from Q2-21 to Q2-22.

Financial derivatives as an asset in the quarter amount to NOK 99.9 million (NOK 29.7 million) and relates to interest swaps and the forward contract to acquire the remaining shares in Inkognitogaten 33 A AS.

Total current assets came in at NOK 152.3 million (NOK 62.3 million) in Q2-2022. The change from Q2-21 is related to increase in other receivables in connection to property transactions.

Financial derivatives as a liability in the quarter were NOK 32.8 million (NOK 21.0 million). This is related to an option to sell shares in Inkognitogaten 33 A AS issued in Q3-21.

Lease liabilities (non-current and current portion) totalled NOK 212.5 million (NOK 4.2 million) as of 30.06.22 and is related to Evolve.

Book equity totalled NOK 1 012.0 million (NOK 903.1 million), representing an equity ratio of 30.1 per cent (31.9 per cent). Equity per share was NOK 45.2 (NOK 43.0) based on the EPRA NRV standard and NOK 35.7 (NOK 40.4) based on EPRA NTA. The decrease in EPRA NTA from Q2-21 to Q2-22 is due to the consolidation of Evolve in the financial statements in Q2-22 related adjustment of goodwill in accordance with EPRA BPR.

Outstanding shares at 30.06.22 totalled 21 694 324. The number of outstanding shares increased from 19 720 640 at the end of Q1-21 to 21 694 324 on 30 June 2021 in connection with the company being listed on Euronext Growth.



Cash flow statement

- Net cash flow from operating activities came in at NOK -16.9 million (NOK -6.1 million) in the quarter, and NOK -11.3 million (NOK -2.7 million) in the first half-year of 2022
- The net cash flow from investment activities was NOK -81.1 million (NOK -69.4 million) in the quarter, and NOK -112.9 million (NOK -207.3 million) in the first half-year of 2022
- Net cash flow from financing activities was NOK 105.0 million (NOK 62.6 million) in the quarter, and NOK 125.5 million (NOK 192.5 million) in the first half-year of 2022
- Cash and cash equivalents at the end of Q1-22 came in at NOK 26.2 million (NOK 18.1 million), and NOK 26.2 million (NOK 18.1 million) in the first half-year of 2022



Financing

Recreate ASA's total interest-bearing nominal debt as of 30.06.22 was NOK 1 902 million (NOK 1 746 million). During the second quarter the total interest-bearing nominal debt increased by NOK 103.7 million. The increase was mainly due to prepayments in relation to acquiring Parallell and progress in construction projects.

Recreate ASA is not in breach of any covenant requirements at the end of Q2-22.

Interest bearing debt and maturity structure

The average remaining term for the Group's debt portfolio was 3.1 years at 30.06.22.

Maturity structure and composition of interest bearing debt

All amounts in NOK million

Maturity profile	0-1 yrs	1-3 yrs	3-5 yrs	5+ yrs	Total
Bank loans	234	1 183	45	309	1 772
Subordinated loans	119	12	-	-	131
Total	353	1 195	45	309	1 903
	19 %	63 %	2 %	16 %	100 %

Interest rates and maturity structure

The average interest rate of the debt portfolio was 4.23 per cent as of 30.06.2022. 34 per cent of the Group's financing was hedged at a fixed rate as of 30.06.22 with a weighted average maturity of 5.6 years.

Fixed rate instruments	Amount	Interest rate (%)
1-3 years	210 638	2,27
3-4 years	-	-
4-5 years	86 175	1,49
5-6 years	-	-
6-8 years	195 000	2,17
8-10 years	161 021	1,75
Total	652 834	1,74



Key figures

All amounts in NOK million	Q2-22	Q2-21	YTD Q2-22	YTD Q2-21	2021
Rental income	33 587	29 981	65 614	60 049	120 576
Change period-on-period	12 %	14 %	9 %	9 %	6 %
Net income from property management	-209	9 581	4 294	20 773	42 586
Change period-on-period	-102 %	-36 %	-79 %	-26 %	-8 %
Profit before tax*	-89 194	1 648	56 703	40 149	111 858
Change period-on-period	-5513 %	105 %	41 %	133 %	-348 %
Profit after tax*	-69 851	-3 797	55 541	28 601	79 271
Change period-on-period	1740 %	86 %	94 %	127 %	-396 %
Market value of the property portfolio	2 659 907	2 569 549	2 659 907	2 569 549	2 703 434
Fair value of the property portfolio and other investments**	2 856 077		2 856 077		
Net nominal interest-bearing debt	1 902 798	1 746 436	1 902 798	1 746 436	1 785 287
Loan to value of property portfolio	71,5 %	68,0 %	71,5 %	68,0 %	66,0 %
Loan to fair value of property portfolio and other investments**	66,6 %		66,6 %		
Interest coverage ratio	0,1	0,6	0,2	1,0	0,6
Number of shares	21 694	21 694	21 694	21 694	21 694
All amounts in NOK per share	Q2-22	Q2-21	YTD Q2-22	YTD Q2-21	2021
Fair value per share (EPRA NRV incl. fair value adjustment)**	52,2	45,8	52,2	45,8	52,1
Change period-on-period	14 %	N/A	14 %	N/A	19 %
EPRA NRV	45,2	43,0	45,2	43,0	45,1
Change period-on-period	5 %	N/A	5 %	N/A	3 %
EPRA NTA	35,7	40,4	35,7	40,4	42,3
***Change period-on-period	-12 %	N/A	-12 %	N/A	3 %
EPRA NDV	32,2	36,0	32,2	36,0	37,4
***Change period-on-period	-10 %	N/A	-10 %	N/A	5 %
EPRA Earnings	-0,7	-0,5	0,4	-0,7	0,5
***Change period-on-period	-34 %	N/A	150 %	N/A	169 %

* For Q2-22 and YTD Q2-22 numbers include Comprehensive income (fair value changes from owner-occupied investment property of NOK -31.9 million in Q2-22 and NOK 27.8 million YTD Q2-22).

** Including fair value of subsidiaries and investments in jointly controlled entities, associates and shares. Fair values are based on third party transactions and valuations performed in Q4-21 and Q1-22

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

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



The property portfolio

Photo: Skanska





18
Management
properties

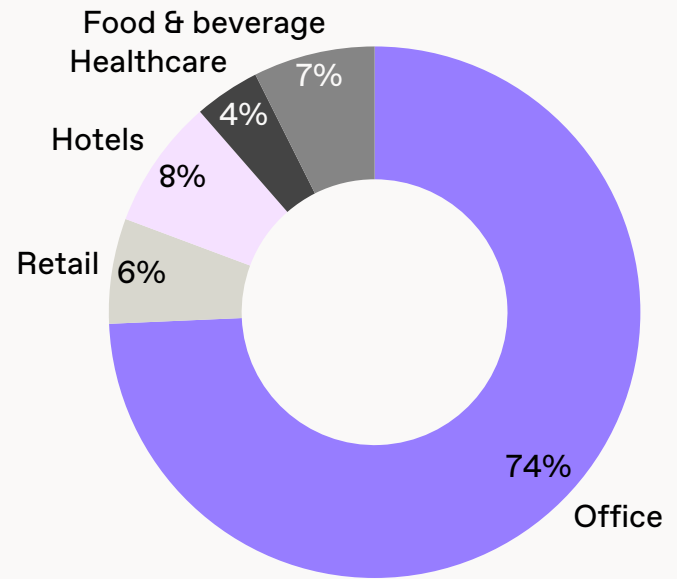
5
Project
properties

7.3 years
Average wault
Property portfolio

98 091
Total area (sqm)
Property portfolio

1 752
Average rent per
sqm
Management
portfolio

91.6 %
Occupancy
Management
portfolio



Based on annual rent of the
Property portfolio

Recreate ASA's management portfolio as of 30.06.2022 consists of 18 buildings (25 buildings) with a total area of 76 274 square meters (83 141 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 centre where majority of tenants operates within food & beverage or healthcare

As of 30.06.2022 the occupancy of the management portfolio was 91.6 per cent (90.3 per cent). The increase is mainly related to higher occupancy for properties within Green Office due changes in the property portfolio, including completion of Polymer Exploration Centre in Porsgrunn, as well as new lease contracts. Average annual rent per square meter in the management portfolio was 1 752 NOK (1 589 NOK) as of 30.06.2022. Public sector represent about 23 per cent of annual rent and 84 per cent of the annual rent derives from tenants operating within Office.

The average wault (weighted on annual rent) in the management portfolio is 6.7 years (5.5 years). The maturity profile of the contracts in the management portfolio is presented under the section Letting activity.

The net direct yield is at 4.5 per cent (5.4 per cent) based on annual rent as of 30.06.2022. Average yield on the total management portfolio (value weighted) as basis of property valuations is 5.6 per cent (6.1 per cent) as of 30.06.2022.

The total property portfolio (when including the project portfolio) has an occupancy of 88.2 per cent (87.4 per cent). The change is mainly a net effect of higher occupancy related to properties within Green Office and Commercial Property, and lower occupancy related to Mulighetenes By (Arkaden) in the project portfolio based on strategic reasons. The entire portfolio consists of 23 properties (32) with a total areal of approximately 98 091 square meters (109 816 square meters), and a market value of NOK 2 649 million (NOK 2 559 million).



30.06.2022	Area		Occupancy		No. of prop. (#)	Market value		Wault ¹⁾ (yrs)	Annual rent		Wault ²⁾ (yrs)	Net direct yield (valuation)		Net yield (valuation)		Market rent ³⁾	
	(sqm)	(sqm)	(%)	(%)		(tNOK)	(NOK/sqm)		(tNOK)	(NOK/sqm)		(%)	(%)	(tNOK)	(NOK/sqm)		
Green Office	37 248	34 696	93,1	6	1 127 250	30 263	7,7	68 247	1 967	6,2	4,7	5,5	74 317	1 995			
City Office	29 196	26 101	89,4	8	640 600	21 941	4,1	34 886	1 337	4,0	3,8	5,5	45 463	1 557			
Commercial Prop.	9 830	9 104	92,6	4	314 150	31 958	13,8	19 331	2 123	13,6	5,0	5,9	21 367	2 174			
Total management portfolio	76 274	69 901	91,6	18	2 082 000	27 296	7,5	122 464	1 752	6,7	4,5	5,6	141 147	1 851			
Project portfolio	21 817	16 582	76,0	1	447 000	20 489	7,8	30 016	1 810								
Development portfolio	0	0	0,0	4	120 100	0	1,0										
Total project portfolio	21 817	16 582	76,0	5	567 100	25 993	6,3	30 016	1 810								
Total property portfolio	98 091	86 483	88,2	23	2 649 100	27 007	7,3	152 479	1 763								

- 1) Wault weighted on property market value
- 2) Wault weighted on annual rent
- 3) Includes market rent from available areas



Letting activity

During the second quarter of 2022 the Group signed new and renewed leases with an annual rent of NOK 4.1 million and received termination on leases totalling NOK 4.1 million. Net letting in the quarter amounted to NOK 0 million.

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

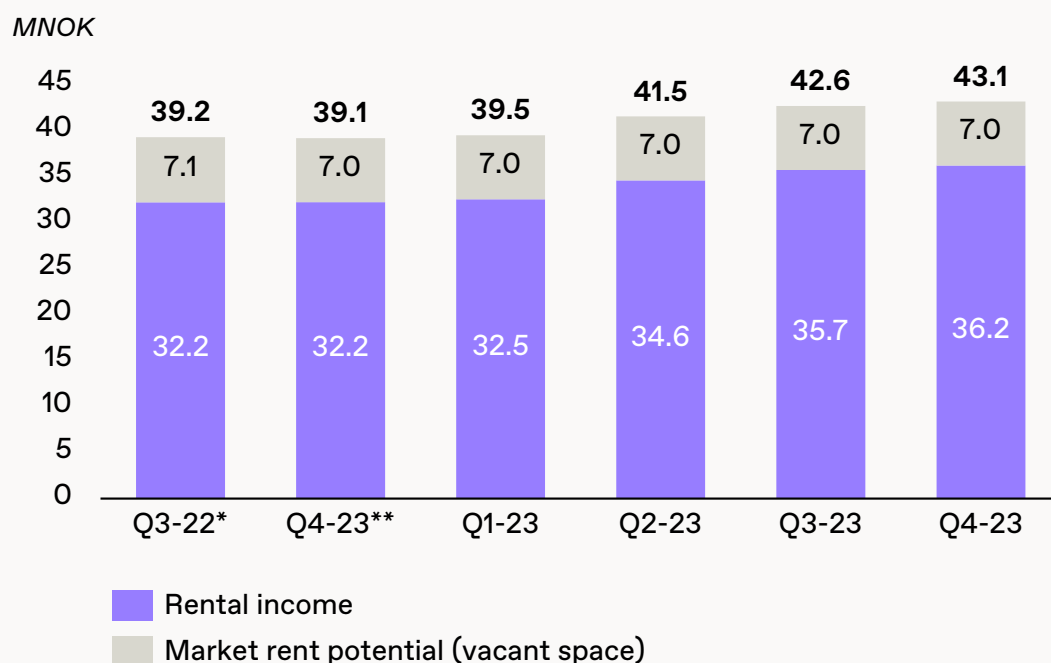
Terminated contracts = contracts that have been terminated in the reporting quarter prior to contractual expiration date + contracts that have ended in the quarter according to expiration date in contract

New contracts in the quarter:

Tenant	Property	Contract	Duration	Sqm
Skien Boligbyggelag	Hesselberggaten 4	Renegotiated	0.7	1 422
Normal Norge AS	Arkaden	New	5+5+5	536
Volue Technology AS	Dokkvegen 8 & 10	Renegotiated	5	526
Homleids Klær AS	Arkaden	Renegotiated	10	212
Nille AS	Arkaden	Renegotiated	5	210
Nora Skien AS	Arkaden	Renegotiated	7	163
Other		New/renegotiated	0.3-3	41
Total				3 110



Rental income development and market rent potential



*Consolidation of Inkognitogaten 33A (Inkognito Park) in Q3-22, with rental income from Q4-22. Divestment of Vipeveien 51 in Q3-22.

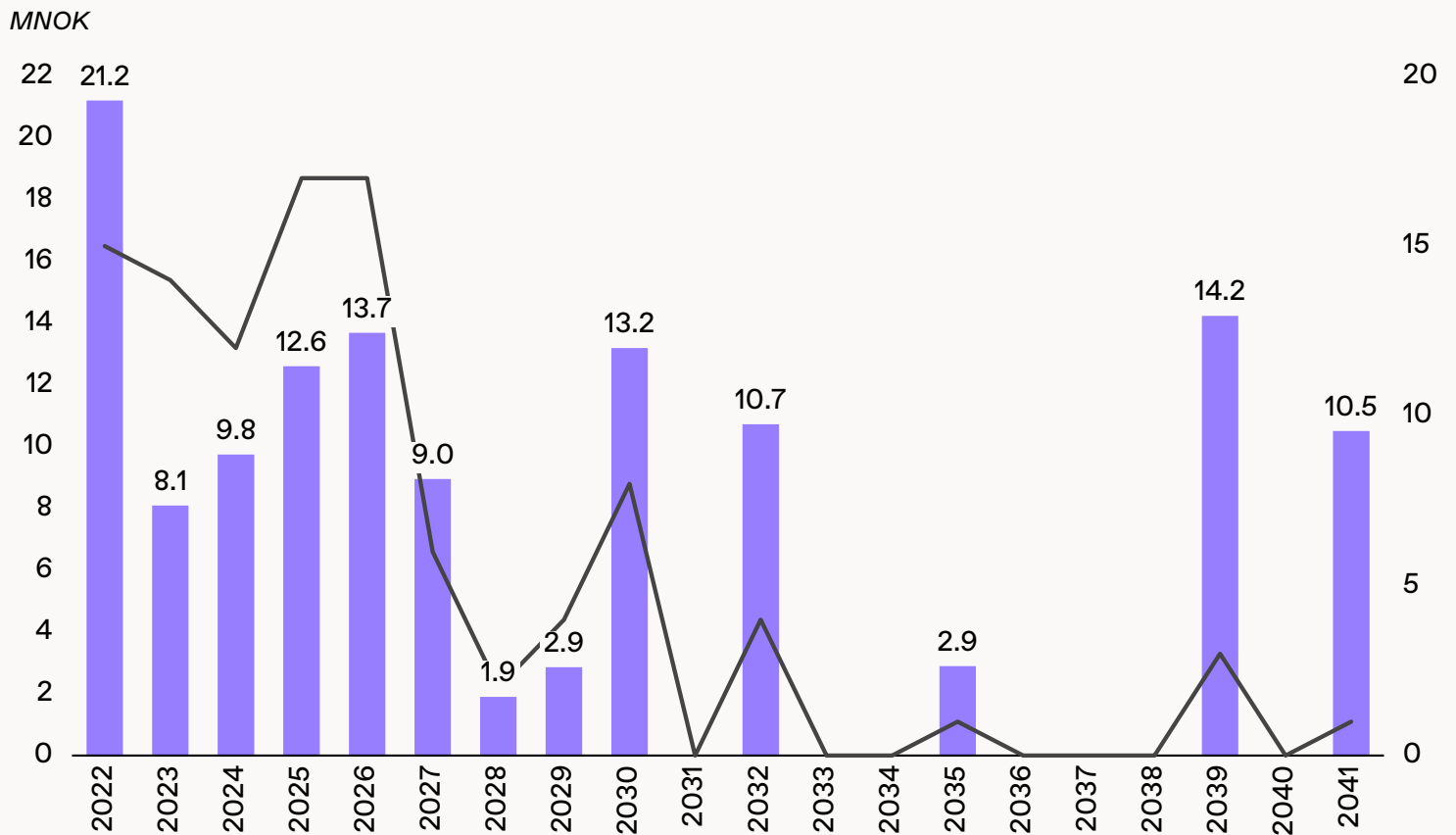
** Acquisition of Lørenveien 73 (Parallell) in Q4-22, conditional upon financing, is not included until completion is final. Divestment of Versvikveien 6B and Storgata 106 in Q4-22 is included.

The graph shows the estimated development in contractual rental income and market rent potential on vacant space. The figures are based on owned properties, including adjustments from signed new, renewed and terminated contracts, as well as acquisitions and divestments which will be completed within the next 18 months. Future CPI adjustments are not include. Market rent is based on market rent set by Newsec.



Maturity profile in the management portfolio

— Number of contracts expiring
■ Revenue expiring





Investments & divestments

Recreate ASA has invested NOK 22.9 million (NOK 60.8 million)¹⁾ in the portfolio of investment properties in the quarter.

Project Development

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

Project	Ownership (%)	Expected completion	Project area (sqm)	Occupancy (%)	Est. total project cost (tNOK)	Of which accrued (tNOK)
Inkognito Park ¹⁾	8.3	Q3-22	3 263	100	111 468	97 536
Total			10 239	97	111 468	176 752

¹⁾ Inkognitogaten 33A AS is not consolidated in the financial statements due to an ownership below 20%, and is treated as investment in shares.

Status ongoing projects

Inkognito Park is undergoing an internal reconstruction leaving nothing but the facade and a few historically important elements untouched. The property is fully let to Evolve and 24 Seven Office. The project is in the final stages and tenants will move in Q3 22.

Status completed projects

Fornebuveien 1-3 was a rehabilitation project of a 1980's office building. In total eight floors have been rehabilitated, and Evolve and Schlumberger moved in to the office areas in Q2 22. There are some minor remaining works in common areas and basement.



Recreate ASA has the following project and development portfolio, in addition to the ongoing projects presented above:

Project Portfolio – zoned

Project	Ownership	Location	Segment	Area	Zoning	Building permit
Skien Brygge – phase 1	25 %	Skien	Commercial/Residential	14 825	Approved	Approved
Skien Brygge – phase 2	25 %	Skien	Commercial/Residential	23 925	Approved	
Skien Brygge – phase 3	25 %	Skien	Commercial/Residential	19 525	Approved	
Utsikten	100 %	Skien	Residential	1 496	Approved	Approved
Vestsiden Terrasse	50 %	Porsgrunn	Residential	4 257	Approved	
Arkaden – phase 3	100 %	Skien	Commercial/Residential	7 151	Approved	

Development Portfolio

Project	Ownership	Location	Segment	Area
Slottsfjell Park	100 %	Tønsberg	Commercial	17 000
Powerhouse Tønsberg	100 %	Tønsberg	Commercial	11 000
Porsgrunn Næringspark	100 %	Porsgrunn	Commercial	18 400
Kammerherreløkka	50 %	Porsgrunn	Commercial	2 800

Status other projects

The Group's residential 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 9 single homes /detached homes, all with a great view of Skien City.
- Vestsiden Terrasse in 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.
- Skien Brygge is a large development project at the heart of Skien City Centre. The project will include approximately 400 new homes and 20 000 sqm commercial real estate. Phase one of the projects is expected in 2022. In Q1-22 Skien Brygge entered a 20-year lease contract with Comfort Hotel Skien Brygge AS.

Status development projects

Recreate ASA carried out a feasibility study together with Snøhetta, Skanska, Asplan Viak and Rambøll to determine the possibility of building a Powerhouse Paris Proof office building in Tønsberg. The feasibility study consisted of three building were all of them were planned as Paris Proof. An initiative was sent to the planning authorities. The initiative was rejected. A new initiative will be submitted after Tønsberg kommune area planning has concluded. LOT are signed with Capitane Hotels, Rambøll Norge and Evolve.

Transactions

In the first half year of 2022 the Group has sold four properties, Bedriftsveien 52-58 and Grønlikroken 5 in Skien in Q1-22, and Rødmyrli 20 in Skien and Østveien 665-667 in Tønsberg in Q2-22.

The Group has also acquired the remaining 25 per cent of Evolve, increasing the ownership to 100 per cent from 1 January 2022.



Investments in subsidiaries, jointly controlled entities and associates

1 January 2022 the ownership of Evolve increased from 75 per cent to 100 per cent and Evolve is now considered as a subsidiary. The Group owns 29.9 per cent of the shares in Orbit Technology and has an ownership of 25 per cent of Skien Brygge Utvikling. These investments are considered as investments in associates.

Skien Brygge

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 currently postponed due to high building costs and commencement of phase one is under review. The development of phase two and three last phases is estimated in the period from 2025 to 2033.

Recreate owns 25 per cent of Skien Brygge Utvikling which currently involves phase one of the project. The Group has also signed a letter of intent for phase two and three of the project with the same ownership as phase one.

Skien Brygge is considered as an investment in an associate. As of 30.06.22 the investment had a book value of NOK 3 million. Newsec has valued phase one of the project at NOK 75 million (100 per cent basis).

Orbit Technology

Orbit Technology offers a two-sided technology platform for supply and demand of office space. The subscription-based platform matches free office space with market needs in real time. The technology also ensures that the buildings are smarter through simpler access control and user administration. The Group's investment in Orbit Technology is considered as an investment in associate with a book value of NOK 8.6 million per 30.06.22. Latest transaction in Q4-21 implied a total fair value of Orbit Technology at NOK 150 million.

During the second half of 2021 Orbit Technology established a US subsidiary called Getorbit.com LCC. to get a presence in the US market.



Evolve

Evolve offers flexible workplaces with access to 23 locations. To meet the office users changed behaviour needs after Covid-19, the Group has launched Recreate Hybrid. Recreate Hybrid is a combination of an ordinary, permanent lease and a membership in Evolve. 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 Recreate ASA, 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.

The Group owns 100 per cent of R8 Evolve from 1 January 2022. An external valuation was performed in Q4-21, estimating a company value of NOK 195 million (100 per cent basis).



Partly owned companies

Dokkvegen Utvikling AS (50%)

Recreate ASA and Dione AS own Dokkvegen Utvikling AS. This is a holding company with 100 per cent ownership in Dokkvegen 20 AS in Porsgrunn (4 858 sqm) where the building 'Polymer Exploration Center' (research center) is under construction.

Fornebuveien 1-3 Invest AS (50%)

Recreate ASA 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 33 A AS (8.3%)

Recreate ASA and a group of investors own Inkognitogaten 33 A AS. The company owns the property known as Inkognitogaten 33 aka Inkognito Park in Oslo. In July 2022 the Group has completed the transaction to acquire 83.45% of the shares in Inkognitogaten 33 A AS and the company will be consolidated in the Group's financial statements from Q3-22.

Kammerherreløkka AS (50%)

Recreate ASA and Bane NOR Eiendom AS own Kammerherreløkka AS. The company owns one hotel building (6 272 sqm) and one office building (2 786 sqm) in Porsgrunn.

Orbit Technology AS (29.9%)

Recreate ASA and a group of investors own Orbit Technology AS. The company offers technology solutions that enable office sharing at scale, by turning unused office space into satellite workspaces, available and affordable for anyone.

Sandefjord Eiendomsinvest AS (25.2%)

Recreate ASA 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%)

Recreate ASA, 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%)

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

Vestsiden Terrasse AS (50%)

Recreate ASA and Mynd Eiendom AS own Vestsiden Terrasse AS. The company owns land in Porsgrunn where planned to develop and sell approximately 42 houses/apartments.



Other information

Organization

At 30.06.22 the Group had 41 employees. During the quarter there were no injuries that caused absence from work.

Share and shareholder information

Recreate ASA's share capital is NOK 5 423 581 divided into 21 694 324 shares, with each share having a par value of NOK 0.25. Recreate ASA has one class of shares. All shares provide equal rights, including the right to any dividends. Each share carries one vote.

The Group has a share-options scheme for senior executives consisting of 350 000 options. One option gives the right to buy one share.

The number of outstanding shares increased from 19 720 640 in Q1-21 to 21 694 324 in Q2-21 as a result of R8 Property ASA (now Recreate ASA) being listed on Euronext Growth together with a fully subscribed private placement of MNOK 75 million in June 2021.

As of 30.06.2022, Recreate ASA had 174 shareholders. Norwegian investors held 99.9 per cent of the share capital. The 10 largest shareholders at 30.06.22 were:

Shareholders	Ownership
Rising Group AS	45.1%
Brødrene Jensen AS	13.7%
IKAB AS	8.7%
Acini Capital AS	2.8%
Aubert Invest AS	2.6%
Sarepta Holding AS	2.5%
Holta & Co AS	1.8%
Carucel Invest AS	1.5%
R-Venture AS	1.2%
Kabbe Holding AS	1.2%
Total	81.0%



Outlook

Key drivers in the general marketplace that could influence the Groups business going forward, hence are ongoing considerations for the Group:

- Significant increase in commodity prices (including energy prices)
- Increasing construction costs
- Increasing interest rates
- Inflation
- Expected limited supply of new office spaces in the short to medium term

Key drivers in the marketplace are assessed similar to Q1 2022, although the general focus on energy prices, inflation and increasing interest rates have been at the center of attention. Key policy rates are on the rise in Europe and United States and are expected to increase further the coming quarters. This may impact funding options and availability going forward.

Being a real estate developer with an accompanying management portfolio the sentiment in the marketplace is monitored continuously. Increasing interest rates and construction costs is an ongoing concern, with increase in cost of financing potentially contributing to yield expansion. Higher construction cost is expected to limit new supply of office premises, on top of a slim pipeline from projects during the pandemic.

However, increasing demand for office spaces and expected strong CPI – coupled with increasing constructions costs - could contribute to an upward pressure on rental income that may partially counter the effect of potential higher yields. Post pandemic has given additional fuel to the demand for hybrid work solutions, a trend that may be reinforced by current uncertainty. This is a positive for flexible office provider Evolve.

The Group is currently experiencing uncertainty in the financial markets and corresponding funding possibilities, with expected challenging liquidity in coming quarters.

The Group is working on several solutions to improve and strengthen the liquidity in the short and longer term, and sale of properties is considered likely. Share issue and/ or alternative debt financing are to be expected going forward.

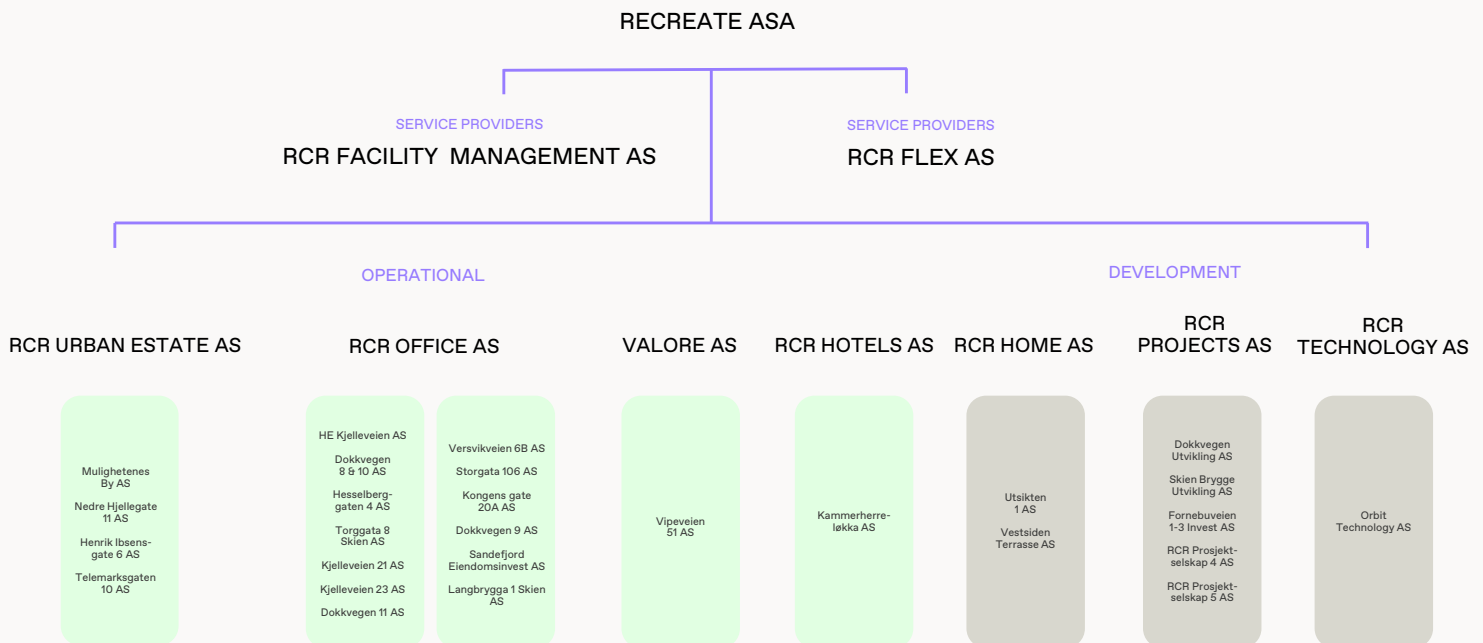
Completion of the acquisition of Lørenveien Næring AS (Parallell) in Q4 2022 is conditional upon financing, and will require liquidity supply from transactions and/ or other sources of capital.



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 30 June 2022.



The company Inkognitogaten 33A AS has a temporary placement as a subsidiary of Recreate ASA. It is expected that this company is placed under the right segment no later than 2022.





Financial statements

Photo: Morten Bjerk





Statement of total comprehensive income

All amounts in NOK thousand

	Note	Q2-22	YTD Q2-22	Q2-21	YTD Q2-21	2021
Rental income	2	33 587	65 614	29 981	60 049	120 576
Other operating revenue	2	17 321	44 273	2 983	9 048	16 619
Total operating income		50 908	109 886	32 965	69 096	137 195
Maintenance and other operating expenses		36 764	68 843	20 289	36 227	70 181
Other property-related expenses		2 285	4 849	717	1 444	3 808
Administrative expenses		12 068	31 900	2 378	10 653	20 620
Total operating costs		51 117	105 592	23 384	48 323	94 609
Net income from property management		-209	4 294	9 581	20 773	42 586
Changes in fair value from investment properties	4,5	-49 368	-34 728	33 122	57 404	147 024
Operating profit		-49 577	-30 433	42 703	78 177	189 610
Gains from investment in shares		-	33 919	-	15 479	22 137
Interest and other finance income		1 963	2 390	498	820	2 339
Share of profit (loss) from associates and joint ventures		-1 049	-2 645	-9 583	-13 682	-30 645
Interest and other finance expense		-22 982	-45 692	-18 190	-39 078	-73 712
Changes in fair value of financial instruments	4	14 391	71 382	-13 780	-1 567	2 130
Net financial items		-7 677	59 355	-41 056	-38 029	-77 752
Profit before tax		-57 254	28 921	1 648	40 149	111 858
Tax payable		-	-	-	-	-
Tax expense		10 577	4 617	-5 444	-11 548	-32 587
Profit for the period/year		-46 677	33 539	-3 797	28 601	79 271
Changes in fair value from owner-occupied investment property	4, 5	-31 940	27 782	-	-	-
Change in deferred tax on comprehensive income	4	8 766	-5 780	-	-	-
Total comprehensive income for the period/year that will not be reclassified to profit or loss in subsequent periods		-69 851	55 541	-3 797	28 601	79 271
Profit attributable to:						
Equity holders of the company		-63 417	33 266	-12 636	9 936	43 146
Non-controlling interest		-6 434	22 275	8 839	18 664	36 125
Other comprehensive income						
Net OCI that may be reclassified to profit or loss in subsequent periods		-14 115	11 117	-	-	-
Net OCI that will not be reclassified to profit or loss in subsequent periods		-9 059	10 884	-	-	-
Total comprehensive income attributable to:						
Equity holders of the company		-49 302	22 149	-12 636	9 936	43 146
Non-controlling interest		2 625	11 390	8 839	18 664	36 125
Earnings per share:						
Basic (NOK)		-2,92	1,53	-0,62	0,52	2,07
Diluted (NOK)		-2,88	1,52	-0,62	0,46	1,77

Notes 1 through to 10 form an integral part of the consolidated financial statements.



Balance sheet

All amounts in NOK thousand

	Note	30.06.2022	30.06.2021	31.12.2021
NON-CURRENT ASSETS				
Deferred tax asset		-	10 244	2 603
Other intangible assets		155 303	7 527	7 589
Total intangible assets		155 303	17 771	10 191
Investment property	4,5	1 894 150	2 559 250	2 692 700
Owner-occupied property	4,5	754 950	-	-
Other operating assets		10 521	1 155	1 301
Right-of-use assets		199 521	66	36
Total non-current tangible assets		2 859 143	2 560 471	2 694 037
Investment in jointly controlled entities, associates and shares	4	44 048	109 657	73 754
Loans to related parties		32 070	40 178	54 097
Financial derivatives	4	99 852	29 716	21 118
Other long-term receivables		15 467	9 907	12 562
Total financial assets		191 438	189 458	161 531
TOTAL NON-CURRENT ASSETS		3 205 884	2 767 700	2 865 759
CURRENT ASSETS				
Inventory property		10 807	10 299	10 734
Property for sale		-	-	-
Trade receivables		15 290	18 693	12 729
Other receivables		99 951	15 164	11 270
Other receivables to related parties		-	0	10 928
Total current receivables		126 048	44 156	45 662
Cash and bank deposits		26 239	18 120	24 855
TOTAL CURRENT ASSETS		152 287	62 277	70 517
TOTAL ASSETS		3 358 171	2 829 977	2 936 276
EQUITY				
Shareholders equity		853 388	789 261	820 345
Non-controlling interest		158 606	113 880	131 331
TOTAL EQUITY		1 011 994	903 141	951 676
LIABILITIES				
Interest-bearing debt		1 549 445	1 510 249	1 477 278
Deferred tax liability		74 383	76 757	90 139
Financial derivatives	4	32 778	21 080	21 086
Debt to related parties		-0	-	-
Lease liabilities, non-current portion		172 143	2 964	2 352
Other non-current liabilities		9 082	5 100	5 684
Total non-current liabilities		1 837 830	1 616 150	1 596 540
Trade payables		48 495	21 826	23 968
Interest-bearing debt		353 353	236 187	308 009
Debt to related parties		92	160	3 026
Lease liabilities, current portion		40 362	1 206	1 179
Other current liabilities		66 046	51 306	51 879
Total current liabilities		508 347	310 686	388 060
TOTAL LIABILITIES		2 346 177	1 926 836	1 984 600
TOTAL EQUITY AND LIABILITIES		3 358 171	2 829 977	2 936 276

Notes 1 through to 10 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	Revaluation surplus	Non-controlling interest	Total equity
Equity at 01.01.2021	4 930	200 291	140 340	362 820	-	52 919	761 300
Profit for year	-	-	-	43 146	-	36 125	79 271
Capital increase as of 05.06.2021	493	74 507	-	-	-	-	75 000
Acquisitions/capital increase subsidiaries	-	-	-	-	-	43 000	43 000
Share based options	-	-	-3 842	-	-	-	-3 842
Change in non-controlling interest	-	-	-	728	-	-713	15
Cost of equity transactions directly in equity	-	-3 069	-	-	-	-	-3 069
Equity at 31.12.2021	5 423	271 729	136 498	406 694	-	131 331	951 675
Profit for year	-	-	-	22 149	-	11 390	33 539
Other comprehensiv income	-	-	-	-	11 117	10 884	22 002
Capital increase as of 30.06.2022	-	-	-	-	-	5 000	5 000
Share based options	-	-	-223	-	-	-	-223
Equity at 30.06.2022	5 423	271 729	136 275	428 842	11 117	158 605	1 011 994

Notes 1 through to 10 form an integral part of the consolidated financial statements.



Statement of cash flows

All amounts in NOK thousand

	Note	Q2-22	YTD Q2-22	Q2-21	YTD Q2-21	2021
Profit before tax		-57 254	28 921	1 648	40 149	111 858
Expensed interest and fees on loans and leases		22 982	45 692	18 190	39 078	73 712
Interest and fees paid on loans and leases		-20 698	-39 444	-13 314	-35 245	-67 847
Share of profit from associates and jointly controlled entities		1 049	2 645	9 583	13 682	30 645
Gains from investment in shares	6	-	-31 766	-	-15 479	-22 137
Depreciation and amortisation	7	1 488	3 489	60	121	321
Other adjustments		5 029	5 199	714	1 226	999
Change in market value investment properties	4, 5	49 368	34 728	-33 122	-57 404	-147 024
Change in market value financial instruments	4	-14 391	-71 382	13 780	1 567	-2 130
Change in working capital		-4 496	10 626	-3 657	9 624	-8 834
Net cash flow from operating activities		-16 923	-11 293	-6 118	-2 682	-30 436
Proceeds from sales of investment properties and companies		-1 331	31 925	35 121	35 121	43 187
Proceeds from sales of shares		-	1 247	2 500	17 500	42 100
Purchase of shares		-	-6 850	-18 271	-18 271	-
Purchase of business net of cash		-	-	-13 500	-105 161	-105 161
Upgrades and construction of investment properties		-47 602	-82 034	-75 236	-136 536	-156 251
Purchase of intangible assets and other plant and equipment		-5 622	-5 622	-0	-0	-408
Net payment financial assets		-26 536	-51 536	-	-	13 300
Net cash flow from investment activities		-81 091	-112 869	-69 386	-207 348	-163 233
Proceeds interest-bearing debt		176 419	395 045	45 479	245 877	414 417
Repayment interest-bearing debt		-52 459	-245 448	-25 147	-168 421	-282 773
Net payments of loans to other related parties		-9 001	-14 051	-7 970	21 999	-41 815
Proceeds from convertible loans		-	-	-	42 783	42 783
Proceeds from equity		-	-	50 233	50 233	50 233
Repayment of other liabilities		-10 000	-10 000	-	-	-
Net cash flow from financing activities		104 959	125 546	62 595	192 471	182 845
Change in cash and cash equivalents		6 945	1 384	-12 909	-17 559	-10 824
Cash and cash equivalents at beginning of period		19 294	24 855	31 029	35 679	35 679
Cash and cash equivalents at end of period		26 239	26 239	18 120	18 120	24 855

Notes 1 through to 10 form an integral part of the consolidated financial statements.



NOTE 1 ACCOUNTING PRINCIPLES

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 2021. 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 2021. There are no significant changes in accounting policies compared with those used when preparing the financial statements for 2021.

The interim financial statements report of Recreae ASA was approved at a Board meeting August 18th 2022 and have not been audited. The financial reporting covers Recreate ASA and subsidiaries.

NOTE 2 INFORMATION ABOUT REVENUE STREAMS

Rental income from investment properties:

The Group's rental income was up by 17.7 per cent from 30.0 million in Q2-21 to 35.2 million in Q2-22

Other operating revenue:

The majority of other operating revenue relates to the coworking subsidiary, R8 Evolve and RCR Facility Management, the Group's real estate service provider.



NOTE 3 SEGMENT INFORMATION

The operating segments have been changed during the period by having reduced the number of segments from three to two. Residential Properties is no longer reported as a standalone segment.

The segments are formally divided on the basis of products and services. The Group is organised into two 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
- △ Coworking, which is a supplier of flexible office spaces

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 recognised in accordance with IAS 40. Income from Coworking is considered revenue from contracts with customers (IFRS 15).

All amounts in NOK thousand

Q2-22	Commercial Properties ¹⁾	Coworking	Eliminations ²⁾	Consolidated
INCOME STATEMENT				
Total operating income	38 932	17 218	-5 243	50 908
- of which is rental income	35 246	-	-1 659	33 587
- of which is other operating revenue	3 686	17 218	-3 583	17 321
Total operating costs	39 141	17 218	-5 243	51 117
Net income	-209	-	-	-209
Fair value adjustments investment property	-49 368	-	-	-49 368
Net fair value financial derivatives	14 391	-	-	14 391
Net financial items	-20 501	-1 263	-305	-22 068
Segment profit	-55 686	-1 263	-305	-57 254
BALANCE SHEET				
Investment property	1 894 150	-	-	1 894 150
Owner-occupied property	754 950	-	-	754 950
Inventory property	10 807	-	-	10 807
Total assets from operating segments	2 659 907	-	-	2 659 907
Deferred tax liability	176 227	-101 844	-	74 383
Interest bearing debt	1 891 990	10 808	-	1 902 798
Total liabilities from operating segments	2 068 217	-91 037	-	1 977 180
RECONCILIATIONS				
<i>Reconciliation of revenue:</i>				
Total operating income from the segments				50 908
Other operating income				-
The Group's total operating income				50 908
<i>Reconciliation of profit:</i>				
Segment profit				-57 254
Total other comprehensive income before tax				-
The Group's profit before tax				-57 254
<i>Reconciliation of balance sheet:</i>				
Total assets from operating segments				2 659 907
Non-current assets				556 784
Current assets				141 480
The Group's total assets				3 358 171
Total liabilities from operating segments				1 977 180
Equity				1 011 994
Non-current liabilities				214 003
Current liabilities				154 994
The Group's total equity and liabilities				3 358 171

1) For key metrics of the segment Commercial Properties - see Note 5 Investment Property

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



Q2-21	Commercial Properties	Coworking	Eliminations ²⁾	Consolidated
INCOME STATEMENT				
Total operating income	32 965	-	-	32 965
- of which is rental income	29 982	-	-	29 982
- of which is other operating revenue	2 984	-	-	2 984
Total operating costs	23 384	-	-	23 384
Net income	9 582	-	-	9 582
Fair value adjustments investment property	33 122	-	-	33 122
Net fair value financial derivatives	-13 780	-	-	-13 780
Net financial items	-27 275	-	-	-27 275
Segment profit	1 659	-	-	1 648
BALANCE SHEET				
Investment property	2 559 250	-	-	2 559 250
Inventory property	10 299	-	-	10 299
Total assets from operating segments	2 569 549	-	-	2 569 549
Deferred tax liability	76 757	-	-	76 757
Interest bearing debt	1 746 436	-	-	1 746 436
Total liabilities from operating segments	1 823 193	-	-	1 823 193
RECONCILIATIONS				
<i>Reconciliation of revenue:</i>				
Total operating income from the segments				32 965
Other operating income				-
The Group's total operating income				32 965
<i>Reconciliation of profit:</i>				
Segment profit				1 648
Total other comprehensive income before tax				-
The Group's profit before tax				1 648
<i>Reconciliation of balance sheet:</i>				
Total assets from operating segments				2 569 549
Non-current assets				208 450
Current assets				51 978
The Group's total assets				2 829 977
Total liabilities from operating segments				1 823 193
Equity				903 141
Non-current liabilities				29 144
Current liabilities				74 498
The Group's total equity and liabilities				2 829 977

* The comparable amounts for Q2 2021 has been changed in accordance with the revised use of segments.

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 2021 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

	30.06.2022	30.06.2021	31.12.2021
Assets at fair value through profit or loss			
- Investment properties (level 3) ¹⁾	1 894 150	2 559 250	2 692 700
- Derivatives (Level 2 and 3) ^{2) 4)}	99 852	29 716	21 118
- Equity instruments (level 3) ³⁾	21 385	35 143	17 045
Total	2 015 386	2 624 109	2 730 863

Assets at fair value through other comprehensive income

- Owner-occupied property (level 3) ¹⁾	754 950	-	-
Total	754 950	-	-

LIABILITIES MEASURED AT FAIR VALUE

	30.06.2022	30.06.2021	31.12.2021
Liabilities at fair value through profit or loss			
- Derivatives (level 2 and 3) ⁴⁾	32 778	21 080	21 086
Total	32 778	21 080	21 086

1) Two of the Group's investment properties Østveien 665-667 and Rødmyrliia 20 have been sold in second quarter for mNOK 49 000, in addition to Grønlikroken 5 and Bedriftsveien 52/58 sold in Q1 for mNOK 66 200.

2) Financial derivatives as an asset relates 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 the Group irreversibly committed to purchase the underlying asset and considers the option to be a futures contract up to the settlement date. The settlement will be completed in the third quarter of 2022. The contract gives rise to an increase in fair value in the quarter.

3) 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.

4) Derivatives consist of both fair value of interest rate swaps and fair value of option contracts.



NOTE 5 INVESTMENT PROPERTIES

All amounts in NOK thousand

	Q2-22	Q2-21	2021
VALUE OF INVESTMENT PROPERTIES			
Opening balance previous period	1 982 550	2 730 680	2 590 400
Other movements	-	-	-
Purchase of investment properties	-	-	-
Projects and upgrades in the property portfolio	7 076	59 327	35 670
Capitalised borrowing costs	-	801	1 254
Sale of investment property	-49 000	-264 680	-11 350
Change in value from investment properties	-46 476	33 122	76 726
Total value of investment property	1 894 150	2 559 250	2 692 700
Opening balance previous period	774 500	-	-
Other movements	-	-	-
Purchase of owner occupied properties	-	-	-
Projects and upgrades in the property portfolio	15 882	-	-
Capitalised borrowing costs	-	-	-
Sale of owner occupied property	-	-	-
Change in value on owner occupied properties	-35 432	-	-
Total value of owner occupied property	754 950	-	-

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.

Owner-occupied property shown above relates solely to the properties Kammerherreløkka (office building), Powerhouse Telemark and Fornebuveien 1-3.

The Group has lease contracts regarding real estate properties, service cars and other inventory. Outstanding right-of-use assets as per 30.06.2022 is tNOK 199 521.

SPECIFICATION OF INVESTMENT PROPERTIES

All amounts in NOK thousand

The Group's 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 Q2-22

30.06.2022	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)	(yrs)	(%)	(%)	(%)	(%)	(tNOK)	(NOK/sqm)	(tNOK)	(NOK/sqm)	
Green Office	37 248	34 696	93,1	6	1 127 250	30 263	7,7	68 247	1 967	6,2	4,7	5,5	74 317	1 995						
City Office	29 196	26 101	89,4	8	640 600	21 941	4,1	34 886	1 337	4,0	3,8	5,5	45 463	1 557						
Commercial Prop.	9 830	9 104	92,6	4	314 150	31 958	13,8	19 331	2 123	13,6	5,0	5,9	21 367	2 174						
Total management portfolio	76 274	69 901	91,6	18	2 082 000	27 296	7,5	122 464	1 752	6,7	4,5	5,6	141 147	1 851						
Project portfolio	21 817	16 582	76,0	1	447 000	20 489	7,8	30 016	1 810											
Development portfolio	0	0	0,0	4	120 100	0	1,0													
Total project portfolio	21 817	16 582	76,0	5	567 100	25 993	6,3	30 016	1 810											
Total property portfolio	98 091	86 483	88,2	23	2 649 100	27 007	7,3	152 479	1 763											

The calculation of net yield is based on the valuers' assumption of ownership costs, which on 30 June 2022 corresponds to 9.3 per cent of market rent. The Group has one single external customer representing over 10 per cent of the Group's revenue, that is Helfo with 12.1 per cent of the Group's revenue. Furthermore, the Group has around 87 per cent of its estimated market value of properties and 89 per cent of its rental income geographically from the county of Vestfold Telemark, while the rest is located in the Oslo area.

During the fourth quarter the Group has reassessed the property Mulighetenes By (Arkaden) and considers the property as a project. This is included in the project portfolio. Recreate are doing feasibility studies on five properties which is included in the development portfolio.

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 Q2-22

30.06.2022	Occupancy	Wault ²⁾	Annual rent	
	(sqm)	(yrs)	(tNOK)	(NOK/sqm)
Office	58 505	5,8	102 010	1 744
Retail	648	3,3	747	1 153
Hotels	6 234	16,5	12 117	1 944
Healthcare	2 593	3,4	3 351	1 292
Food and Beverage	1 921	6,4	4 238	2 206
Total management portfolio	69 901	6,7	122 464	1 752



CORPORATE UNITS Q2-21

30.06.2021	Area (sqm)	Occupancy (sqm) (%)	No. of prop. (#)	Market value (tNOK) (NOK/sqm)	Wault ¹⁾ (yrs)	Annual rent (tNOK) (NOK/sqm)	Wault ²⁾ (yrs)	Net direct yield (%)	Net yield (valuation) (%)	Market rent ³⁾ (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.	11 199	10 193 91,0	6	287 000 25 627	10,1	21 558 2 115	10,2	5,8	7,1	23 605 2 108
Total management portfolio	83 141	75 099 90,3	25	1 840 200 22 133	5,7	119 321 1 589	5,5	5,4	6,1	138 494 1 666
Project portfolio	21 817	16 021 73,4	1	435 050 19 941	8,7	27 996 1 747				
Development portfolio	4 858	4 858 100,0	6	284 000	12,4					
Total project portfolio	26 675	20 879 78,3	7	719 050 26 956	10,2	27 996 1 341				
Total property portfolio	109 816	95 978 87,4	32	2 559 250 23 305	6,9	147 317 1 535				

The calculation of net yield was based on the valuers' assumption of ownership costs, which at 30 June 2021 corresponded to 9.5 per cent of market rent. The Group had one single external customer representing over 10% of the Group's revenue, that was Helfo with 10.2% of the Group's revenue. Furthermore, the Group had around 91% of its estimated marked value of properties and 90% of its rental income geographically from the county of Vestfold Telemark, while the rest was located in the Oslo area.

Recreate had one ongoing newbuild project in Porsgrunn (research center - Polymer Exploration Center) in 2021. This is included in development portfolio. The project was owned 50% by Recreate. Furthermore, Recreate had feasibility studies on additional five properties.

In the fourth quarter of 2021 the Group reassessed the property Mulighetenes By (Arkaden) as a project, included in the project portfolio. This affect the key figures of the property portfolio. Figures for Q2-21 have been restated.

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

TENANT INDUSTRY Q1-21

30.06.2021	Occupancy (sqm)	Wault ²⁾ (yrs)	Annual rent (tNOK) (NOK/sqm)
Office	62 394	4,8	96 932 1 554
Retail	1 169	3,4	1 440 1 232
Hotels	6 237	12,6	11 774 1 888
Healthcare	3 086	2,9	4 111 1 332
Food and Beverage	2 213	7,0	5 064 2 288
Total management portfolio	75 099	5,5	119 321 1 589

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 has received mNOK 50.0 from Brødrene Jensen AS as an short-term loan, with an option agreement for Brødrene Jensen to acquire 50 per cent of the property Parallell. In addition, The Group has received mNOK 2.0 in from Holta & Co AS and Sonja og Emil Aubert Legat, and mNOK 8.0 from Aubert Invest AS, on subordinate loans. Brødrene Jensen AS, Holta & co AS, Aubert Invest AS and Sonja og Emil Legat are all shareholders of the Group.

NOTE 7 KEY FIGURES

INTEREST COVERAGE RATIO (ICR)

	Q2-22	Q2-21	2021
Net income from property management	-209	9 581	42 586
Depreciation (excl. IFRS 16)	1 488	60	321
Net realised financials	1 963	498	2 339
Net effect from leases	-	-	-4
EBITDA adjusted	3 242	10 139	45 242
Interest cost	22 897	18 190	73 426
Other finance expense	85		286
Applicable net interest cost	22 982	18 190	73 712
Interest Coverage Ratio (ICR)*	0,1	0,6	0,6

* Interest expense on project financing, i.e. on new buildings and renovations, is excluded in interest coverage ratio.



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	Q2-22 / 30.06.2022	Q2-21 / 30.06.2021	2021 / 31.12.2021
EPRA Earnings per share (EPS)	NOK	-0,7	-0,5	0,5
EPRA NRV per share	NOK	45,2	43,0	45,1
EPRA NTA per share	NOK	35,7	40,4	42,3
EPRA NDV per share	NOK	32,2	36,0	37,4
EPRA net initial yield	%	4,3 %	4,7 %	4,7 %
EPRA "topped-up" net initial yield	%	4,5 %	4,9 %	5,0 %
EPRA vacancy rate	%	6,2 %	6,7 %	7,2 %
EPRA cost ratio (including direct vacancy costs)	%	55,2 %	42,5 %	47,7 %
EPRA cost ratio (excluding direct vacancy costs)	%	43,1 %	29,7 %	36,5 %
EPRA LTV	%	71,4 %	69,3 %	66,9 %

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 interest rate swaps and gains/losses on the sale of properties and their associated tax effects.

All amounts in NOK thousand

	Q2-22 / 30.06.2022	Q2-21 / 30.06.2021	2021 / 31.12.2021
Profit for period/year	-46 677	-3 797	79 271
Add:			
Changes in value of investment properties	49 368	-33 122	-147 024
Tax on changes in value of investment properties ¹⁾	-10 861	7 287	39 259
Profits or losses on disposal of investment properties, development properties held for investment and other interests	3 918	-3 199	8 096
Tax on profits or losses on disposal of investment properties, development properties held for investment and other interests ¹⁾	-	-	-
Acquisition costs on share deals and non-controlling joint venture interest	-	-	-
Tax on acquisition costs on share deals and non-controlling joint venture interest ¹⁾	-	-	-
Changes in value of other investment interests	-2 132	12 768	25 853
Tax on changes in value of other investment interests swaps ¹⁾	-	-	-
Changes in value of interest rate swaps	-12 259	1 012	-27 982
Tax on changes in value of interest rate swaps ¹⁾	2 697	-223	6 156
Share of profit jointly controlled entities - fair value adjustments	-	9 583	30 645
Reversal of deferred tax EPRA adjustments jointly controlled entities ¹⁾	-	-	-
Net income non-controlling interest of subsidiaries	1 851	343	-3 767
Reversal of tax non-controlling interests of subsidiaries ¹⁾	-407	-75	829
Change in tax rate ¹⁾	-	-	-
EPRA Earnings	-14 502	-9 423	11 336

¹⁾ 22 per cent from 2022 and 22 per cent for 2021.

EPRA NET ASSET VALUE METRICS

EPRA NET REINSTATEMENT VALUE (NRV):

The objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included. NRV does not include any real estate transfer tax as property transactions in Norway generally do not levied such taxes, hence no adjustments for RETT is being done.

EPRA NET TANGIBLE ASSETS (NTA):

The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallising levels of deferred tax liability. The Group has chosen the second option in the EPRA BPR to adjust for deferred tax, estimating the real tax liability based on how the company has completed property transactions lately.

EPRA NET DISPOSAL VALUE (NDV):

Shareholders are interested in understanding the full extent of liabilities and resulting shareholder value if company assets are sold and/or liabilities are not held until maturity. For this purpose, the EPRA Net Disposal Value provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the Balance Sheet, net of any resulting tax. This measure should not be viewed as a "liquidation NAV" because, in many cases, fair values do not represent liquidation values.



NET ASSET VALUE	Q2-22 / 30.06.2022	Q2-21 / 30.06.2021	31.12.2021
NAV - book value of equity	1 011 994	903 140	951 676
Hybrid instruments	1 264	1 264	1 264
Diluted NAV	1 013 258	904 404	952 940
Less: Non-controlling interest	-158 605	-113 880	-131 331
Fair value of interest rate swaps	-27 157	18 820	6 393
Goodwill as a result of deferred tax	-5 640	-5 640	-5 640
Deferred tax	163 477	133 483	159 783
Net reinstatement value (EPRA NRV)	985 332	937 188	982 145
<i>EPRA NRV per share</i>	<i>45,2</i>	<i>43,0</i>	<i>45,1</i>
Goodwill as per the IFRS	-147 009	-1 372	-1 372
Intangible assets as per the IFRS	-2 654	-	-577
Estimated real deferred tax ¹⁾	-58 310	-56 263	-57 789
Net tangible assets (EPRA NTA)	777 359	879 553	922 408
<i>EPRA NTA per share</i>	<i>35,7</i>	<i>40,4</i>	<i>42,3</i>
Fair value of interest rate swaps according to above	27 157	-18 820	-6 393
Deferred tax as per the IFRS	-105 167	-77 220	-101 994
Fair value adjustment of interest bearing debt	-	-	-
Intangible assets according to above	2 654	-	577
Net disposal value (EPRA NDV)	702 003	783 513	814 598
<i>EPRA NDV per share</i>	<i>32,2</i>	<i>36,0</i>	<i>37,4</i>

¹⁾ The Group's est. real deferred tax related to temporary differences of properties has been calculated to 1.0 %. The deferred tax adjustment is calculated based on a discount rate of 7.0 % and the assumption that 50 % of the property portfolio are realized in 50 years in transactions structured as sale of companies in which the tax discount is 7.5 %. The same presumptions in regards to the realisation of 50 % of the property portfolio applies for the treatment of deferred tax asset on losses carried forward, but with a tax discount of 8.0%. The other half of losses carried forward is expected to be realised over the next 30 years, starting 5 years after the reporting date and with an equivalent amount each year thereafter. The losses carried forward is discounted with a rate of 7.0 %. The real tax liability related to the gains/losses account is estimated by anticipating an amortisation of 20 % annually and a discount rate of 7.0 %.

EPRA NET INITIAL YIELD (NIY)

EPRA NIY is calculated on the basis of annualised rental income at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property, grossed up with (estimated) purchaser's costs.

EPRA 'topped-up' NIY incorporates an adjustment to the EPRA NIY for the expiration of rent-free periods and other unexpired lease incentives such as discounted rent periods and step rents.

The tabel below relates solely to the segment "commercial properties" as defined in note 6 in the Group's annual report.

All amounts in NOK thousand

	Q2-22 / 30.06.2022	Q2-21 / 30.06.2021	31.12.2021
Investment property - consolidated ¹⁾	2 649 100	2 559 250	2 692 700
Investment property - share of JVs	-	-	-
Total Property portfolio	2 649 100	2 559 250	2 692 700
Less: projects and development sites	-567 100	-719 050	-797 850
Completed property portfolio	2 082 000	1 840 200	1 894 850
Allowance for estimated purchasers' costs	10 410	9 201	9 474
Gross up completed property portfolio valuation	2 092 410	1 849 401	1 904 324
12 months rolling rent	99 875	103 223	100 176
Estimated ownership cost	11 117	10 784	10 537
Annualised net rents	88 758	92 439	89 639
Add: notional rent expiration of rent free periods or other lease incentives	5 844	2 773	5 206
Topped-up net annualised rent	94 602	95 212	94 845
EPRA NIY	4,3 %	5,0 %	4,7 %
EPRA 'topped-up' NIY	4,5 %	5,2 %	5,0 %

¹⁾ owner-occupied investment property is included



EPRA VACANCY RATE

EPRA vacancy rate is calculated based on the estimated rent value (ERV) of vacant space divided by the estimated rent value of the whole property portfolio of completed properties.

All amounts in NOK thousand

	Q2-22 / 30.06.2022	Q2-21 / 30.06.2021	31.12.2021
Estimated market rent vacant space	8 942	9 230	10 081
Total market rent whole portfolio	144 690	138 494	139 834
EPRA vacancy rate*	6,2 %	6,7 %	7,2 %

* During the fourth quarter of 2021 the Group has reassessed the property Mulighetenes By (Arkaden) and considers the property as a project. The reduction in total market rent whole portfolio compared to Q2 2021 is mainly due to the aforementioned change in consideration of Mulighetenes By.

EPRA COST RATIO

The EPRA cost ratios are aimed at providing a consistent base-line from which companies can provide further information around costs where appropriate and for stakeholders to receive transparent and consistent reporting between real estate companies. The EPRA cost ratios analyses administrative and operating cost, both including and excluding costs of direct vacancy, against gross rental income.

All amounts in NOK thousand

	Q2-22 / 30.06.2022	Q2-21 / 30.06.2021	31.12.2021
Total operating cost	51 117	23 384	94 609
Share of joint ventures expenses	-	-	-
Less: Costs related to non-property activities and external customers	-28 492	-7 359	-30 320
Less: Ground rent cost	-385	-155	-709
Less: Investment property depreciation	-	-	-
Less: Gains/losses on sale of properties & disposals	-3 918	-3 199	-6 356
EPRA Cost (including direct vacancy cost)	18 322	12 670	57 223
Direct vacancy cost	4 016	3 817	13 527
EPRA Cost (excluding direct vacancy cost)	14 306	8 854	43 696
Gross rental income less ground rent	33 202	29 826	119 867
Share of joint ventures	-	-	-
Total gross rental income less ground rent	33 202	29 826	119 867
EPRA Cost Ratio (including vacancy cost)	55,2 %	42,5 %	47,7 %
EPRA Cost Ratio (excluding vacancy cost)	43,1 %	29,7 %	36,5 %

Comment: Capital expenditures related to the property portfolio is generally being capitalised and as a consequence adjusted for through fair value recognised in the profit and loss statement. Overhead and other property related costs are being recognised in the profit and loss statement.

EPRA LTV

EPRA LTV is a metric to determine the percentage of debt comparing to the appraised value of the properties. In the BPR guidelines released in March 2022, EPRA introduced EPRA LTV as a recommended disclosure. The EPRA LTV is based on a proportionate consolidation. The Group has included its share of net debt and net assets of its material associates as well as deducted for any non-controlling interests. In the disclosures below the Group do not have property related joint ventures.

All amounts in NOK thousand

	Share of			Q2-22 / 30.06.2022	Q2-21 / 30.06.2021	31.12.2021
	Group as reported	material associates	Non- controlling interests	Combined EPRA LTV	Combined EPRA LTV	Combined EPRA LTV
Net debt	1 875 858	24 476	- 284 857	1 615 477	1 568 232	1 580 842
Total property value	2 662 561	41 032	- 440 075	2 263 519	2 262 611	2 361 712
Debt ratio (LTV) %	70,5	59,7	64,7	71,4	69,3	66,9



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

Our tenant portfolio is divided into five different industries/segments: Office, Hotels, Food & Beverage, Healthcare and Retail – with Office as the majority at approx. 84 percent of the revenue. The Group's tenant portfolio is diversified in number of tenants as well as in business sectors and segments. Public tenants make up approx. 23% of the group's rental income, another approx. 30% of our revenue comes from large private tenants within banking, telecom, insurance and professional services etc.

The Group completed the transaction to acquire 83.45% of the shares in Inkognitogaten 33 A AS 15 July 2022.

Recreate ASA and Brødrene Jensen AS entered an agreement that provides Brødrene Jensen with the opportunity to acquire 50 per cent of the Parallell property.

NOTE 10 SUPPLEMENTARY INFORMATION TO INVESTMENTS

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 currently postponed due to high building costs and commencement of phase one is under review. NewSec has valued the project and considers phase one to have a positive contribution of mNOK 75, with a total fair value of mNOK 589 compared to an estimated project cost of mNOK 514. There is also a letter of intent for phase two and three of Skien Brygge where the development of these two last phases is estimated in the period from 2025 to 2033. Phase two and three is estimated with a total fair value of mNOK 1 326 and costs amounting to mNOK 1 068 resulting in a positive contribution of mNOK 258, bringing a total positive effect from Skien Brygge of mNOK 333 from all three phases. R8 owns 25% of Skien Brygge.

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 owns 29.9% of the company through R8 Technology AS. The investment is considered as an investment in associate with a book value of mNOK 8.6 per 30.06.2022. Latest transaction in Q4-21 implied a total fair value of Orbit Technology at mNOK 150.

R8 Evolve offers flexible workplaces with access to 23 locations. The Group owns 100 per cent of R8 Evolve from 1 January 2022. An external valuation was performed in Q4-21, estimating a company value of NOK 195 million (100 per cent basis).



Statement of total comprehensive income for the operating segment: Commercial properties (excl. Coworking (Evolve))

As basis for comparison to previous reported TCI without consolidation of Evolve

All amounts in NOK thousand

	Note	Q2-22	YTD Q2-22	Q2-21	YTD Q2-21	2021
Rental income	2	35 263	68 967	29 981	60 049	120 576
Other operating revenue	2	3 686	9 159	2 983	9 048	16 619
Total operating income		38 950	78 126	32 965	69 096	137 195
Maintenance and other operating expenses		16 529	28 682	20 289	36 227	70 181
Other property-related expenses		1 573	2 980	717	1 444	3 808
Administrative expenses		11 021	27 925	2 378	10 653	20 620
Total operating costs		29 124	59 586	23 384	48 323	94 609
Net income from property management		9 826	18 540	9 581	20 773	42 586
Changes in fair value from investment properties	4,5	-81 308	-6 946	33 122	57 404	147 024
Operating profit		-71 482	11 594	42 703	78 177	189 610
Gains from investment in shares		-	579	-	15 479	22 137
Interest and other finance income		1 762	2 352	498	820	2 339
Share of profit (loss) from associates and joint ventures		-9 853	-17 023	-9 583	-13 682	-30 645
Interest and other finance expense		-21 519	-41 468	-18 190	-39 078	-73 712
Changes in fair value of financial instruments	4	14 391	71 382	-13 780	-1 567	2 130
Net financial items		-15 218	15 822	-41 056	-38 029	-77 752
Profit before tax		-86 700	27 416	1 648	40 149	111 858
Tax payable		-	-	-	-	-
Tax expense		24 954	2 890	-5 444	-11 548	-32 587
Profit for year		-61 746	30 306	-3 797	28 601	79 271



Contact info

Emil Eriksrød

CEO

Phone: +47 415 22 463

emil.eriksrod@recreate.no

Eirik Engaas

CFO

Phone: +47 934 99 340

eirik.engaas@recreate.no

Financial calendar

Q3 report 2022

11.11.22

Q4 report 2022

17.02.23

Annual report 2022

31.03.23

Analyst coverage

Arctic Securities

Carl Frederick Bjerke

Phone: +47 21 01 31 23

cfb@arctic.com

Recreate ASA

Head office and postal address

Dokkvegen 11

3920 Porsgrunn

www.recreate.no



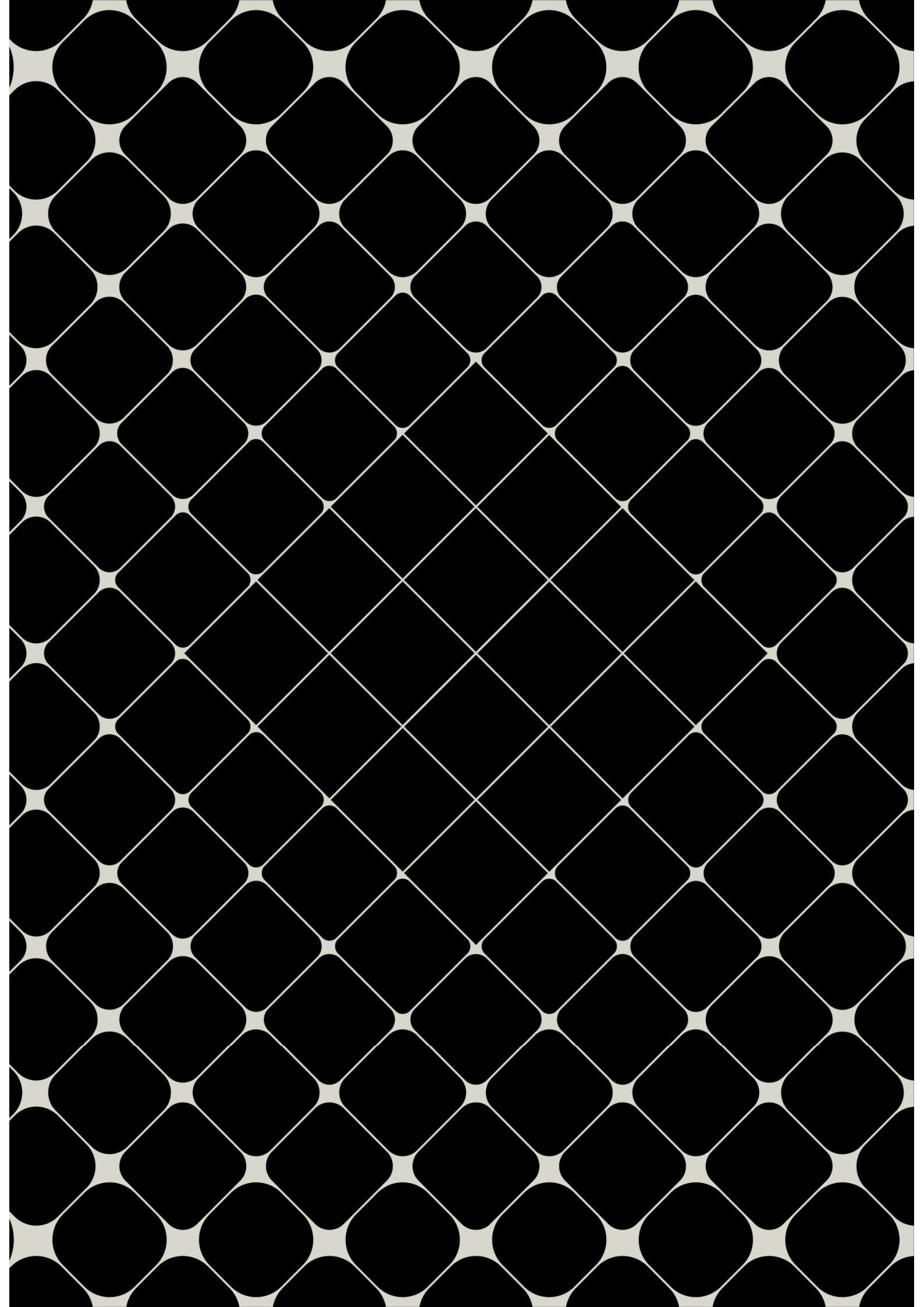
Statement of responsibility

The Board and CEO have considered and approved the condensed consolidated financial statements for the period 1 January to 30 June 2022. We confirm to the best of our knowledge that the condensed financial statements for the above-mentioned period:

- Has been prepared in accordance with International Financial Reporting Standards (IFRS)
- Provide a true and fair view of the Company's assets, liabilities, financial position, and overall result for the period viewed in their entirety
- That the interim management report includes a fair review of any significant events that arose during the above-mentioned period and their effect on the financial report
- Provide a true picture of any significant related parties' transactions, principal risks and uncertainties faced by the Company

Porsgrunn, 18 August 2022

Emil Eriksrød, CEO
George Emil Aubert, Chair of the Board
Knut Bråthen, Board Member
Leif Oddvin Jensen, Board Member
Else Christina Maria Sundby, Board Member
Marianne Lie, Board Member
Elin Tufte Johansen, Board Member
Fredrik Rustan Torgersen, Board Member





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 net realised financial and 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 Net Reinvestment Value (NRV)	EPRA NRV is a NAV metric which uses IFRS equity, excludes deferred tax in relation to financial instruments and investment properties, fair value adjustments of financial instruments and goodwill as a result of deferred tax.
EPRA Net Tangible Assets (NTA)	EPRA NTA is a NAV metric which uses IFRS equity including only estimated real tax liability and excludes fair value of financial instruments, goodwill and intangible assets as per the balance sheet.
EPRA Net Disposal Value (NDV)	EPRA NDV is a NAV metric which uses IFRS equity included all deferred tax liabilities, including fair value of financial instruments and excludes goodwill as per the balance sheet.
EPRA Net Initial Yield (NIY)	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.
EPRA Vacancy Rate	Estimated market rental value (ERV) of vacant space divided by ERV of the whole portfolio.
EPRA Cost Ratios	Administrative and operating costs (included and excluded costs of direct vacancy) divided by gross rental income.
EPRA LTV	Debt divided by market value of the properties.
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.
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.



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