

Green Bond Investor Presentation

Entra ASA, September 2016



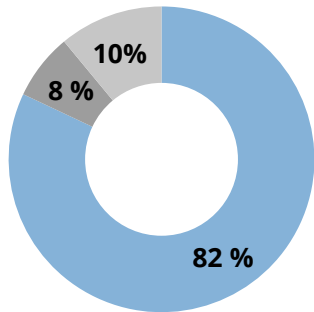
- **About Entra**
- Key financials
- CSR and environmental leadership in Entra
- Summary

Overview of Entra

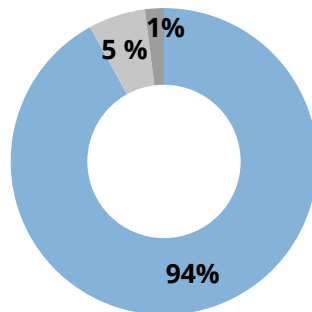
- A leading owner, manager and developer of Norwegian office properties
- Focused on flexible, high-quality assets in centrally-located office markets close to public transportation hubs



Portfolio by area



Portfolio by value



■ Management portfolio ■ Project portfolio ■ Land and development portfolio

Key figures as of 30.06.16

Number of Properties	96
Total Area ('000s)	1 243 sqm
Occupancy Rate	95.4%
WAULT	7.1 years
Property Market Value	32.1 bn
Net Interest-Bearing Debt	15.0 bn
Loan-to-Value	45.9 %
EPRA NAV per share	91.0

Key investment highlights

- Large, high quality office portfolio offering a solid 5.6 % net yield and growth potential
- Specialised focus and leading position in stable Norwegian market
- Strong, fully integrated real estate platform
- Solid track record and strong financial and operating profile



Biskop Gunnerusgt 14
Oslo



National Library
Oslo



Tordenskioldsgate 12
Oslo



Brynsengfaret 6
Oslo



Fredrik Selmers vei 4
Oslo



Akersgata 51
Oslo



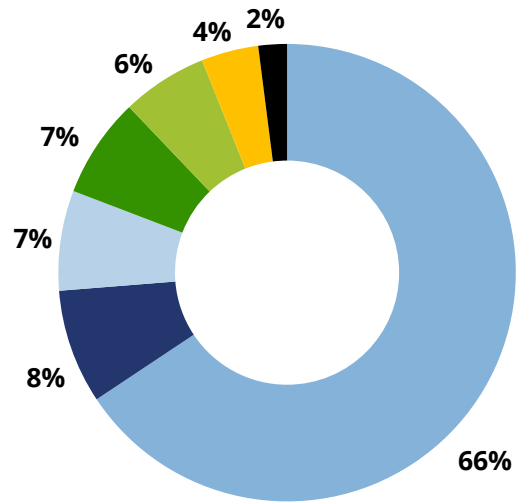
Havnelageret
Oslo



Schweigaardsgate 15
Oslo

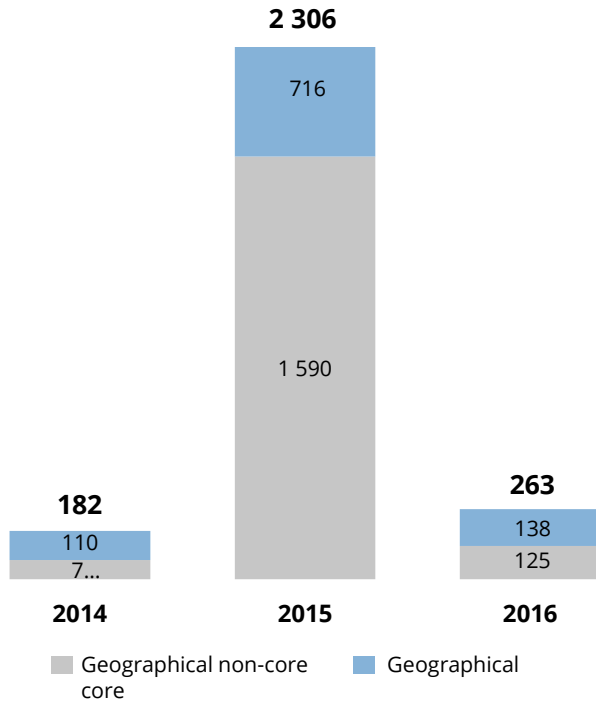
Centrally located portfolio in the largest cities in Norway

Management portfolio by value (100% = NOK 30bn)



Successful divestments of non-core properties since IPO

Divestments since IPO (NOKm)



Overview of sold properties

Sold properties	Location	Transaction quarter	No of sqm	Transaction value (NOKm)
Kalfarveien 31	Bergen	Q2 2016	8 440	85
Fritznersgate 12	Oslo	Q2 2016	824	53
Telemarksgata 11	Skien	Q2 2016	4 300	11
Ringstabekk AS	Bærum	Q1 2016	5 570	114
Strandveien 13, Tromsø	Tromsø	Q4 2015	11 560	158
Tollbugata 2, Bodø	Bodø	Q4 2015	940	14
Hans Kiersgate 1 b and c	Drammen	Q4 2015	2 230	11
Kirkegata 2 B	Arendal	Q3 2015	5 800	33
Gullfaks, Hinna Park (frwd sale)	Stavanger	Q3 2015	17 900	Est. 700
Keysersgate 15	Oslo	Q1 2015	315	16
Portfolio of six properties	Østfold	Q1 2015	62 918	1 375
Grønnegaten 122	Tromsø	Q4 2014	6 600	72
Skansegaten 2	Stavanger	Q4 2014	4 379	110
Sum			131 776	2 751

Re-investing in central, high quality assets

Trondheimsporten



Lettable area (sqm)	28,600
Pre-let	87%
WAULT (years)	10.0
Public tenants share	100%
Project cost (NOKm)	680
Yield-on-cost	6.4%
Closing	Sep-16

Oslo City office



Lettable area (sqm)	33,300
Rent 2016e (NOKm)	95
Occupancy	100%
WAULT (years)	c. 4
Public tenants share	>90%
No. of parking spaces (#)	170
Closing	Dec-15

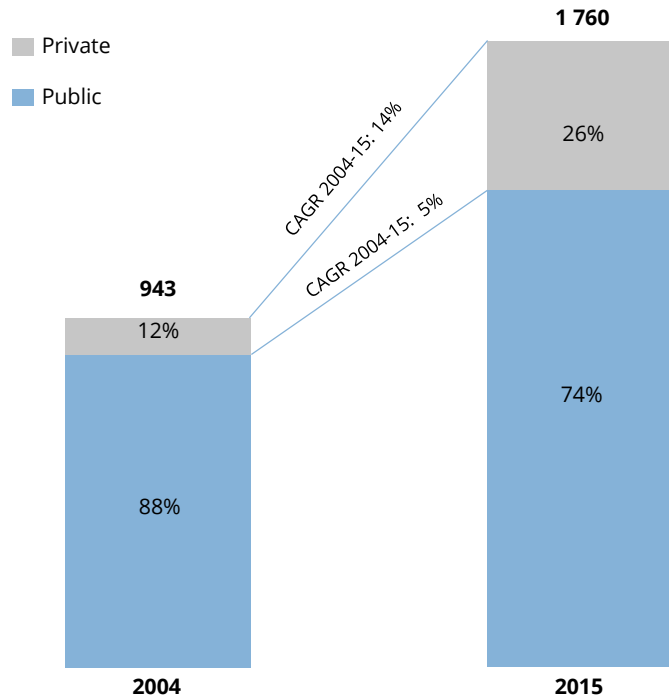
Skøyen (Oslo) portfolio



Lettable area (sqm)	61,000
Rent (Annualised Q416)	135
Occupancy	100%
WAULT (years)	c. 6
Public tenants share	40%
No. of parking spaces (#)	370
Closing	Dec-15

Sustainable cash flows supported by premier tenants

Rental growth in both public and private tenants

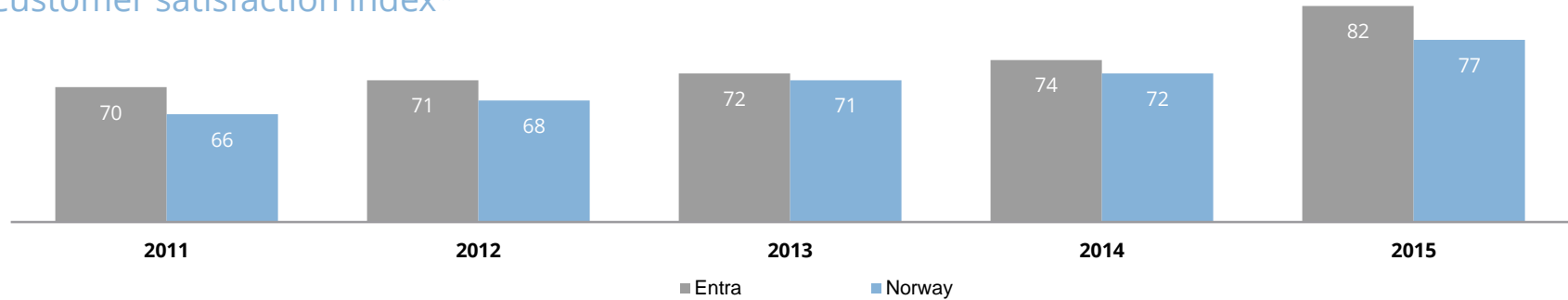


Solid and diversified tenant structure

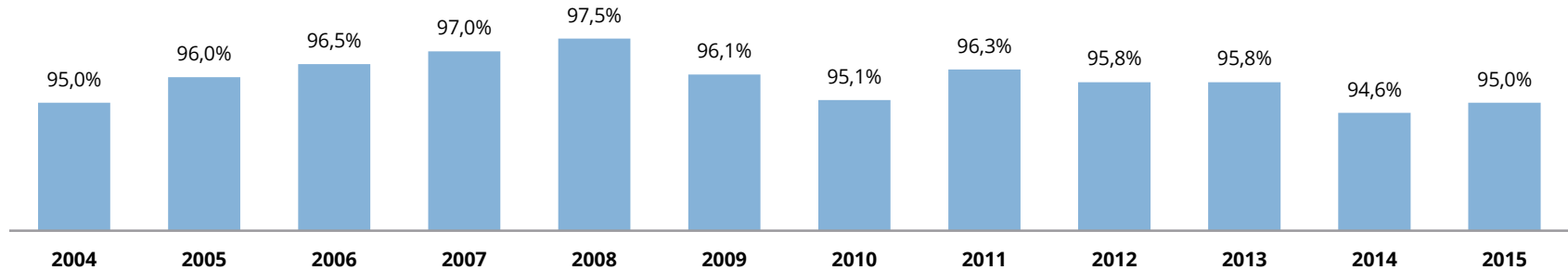
Tenant	In % of rent	Sector
1 Norwegian Tax Administration	6.0%	Public
2 Norwegian Public Road Administration	4.0%	Public
3 Norwegian Directorate of Health	3.7%	Public
4 National Library of Norway	3.5%	Public
5 The Norwegian National Rail Administration	3.4%	Public
6 Custom Region Oslo and Akershus	2.5%	Public
7 Norwegian Water Resources and Energy Directorate	2.5%	Public
8 The Norwegian Defence Estates Agency	2.2%	Public
9 Norway Post	2.2%	Public
10 Borgarting Court of Appeal	1.9%	Public
11 Immigration Appeals Board	1.8%	Public
12 University College of Southeast Norway	1.8%	Public
13 Bærum Municipality	1.8%	Public
14 County Governor of Oslo and Akershus	1.7%	Public
15 Norconsult AS	1.6%	Private
16 Norwegian Petroleum Directorate	1.5%	Public
17 Norwegian Environment Agency	1.5%	Public
18 Norwegian Directorate for Education and Training	1.4%	Public
19 Asker and Bærum Police District	1.4%	Public
20 Oslo Municipality Undertaking for Social Services Buildings	1.4%	Public
Total top 20	49.2%	
Other tenants	50.8%	
Total	100.0%	

Superior customer satisfaction and occupancy

Customer satisfaction index*



Historic occupancy

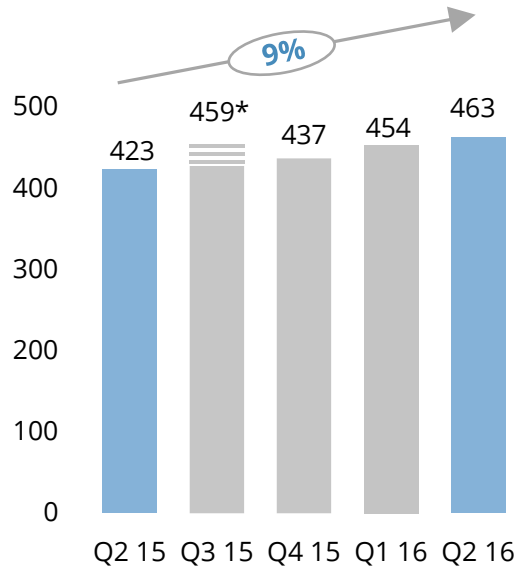


* Source: Norsk leietakerindeks

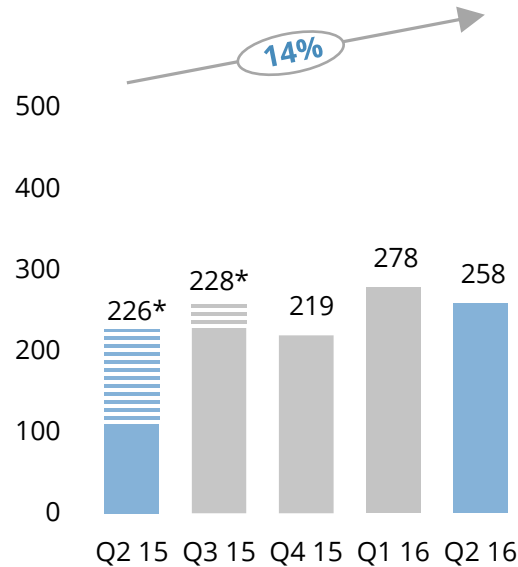
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Key financials

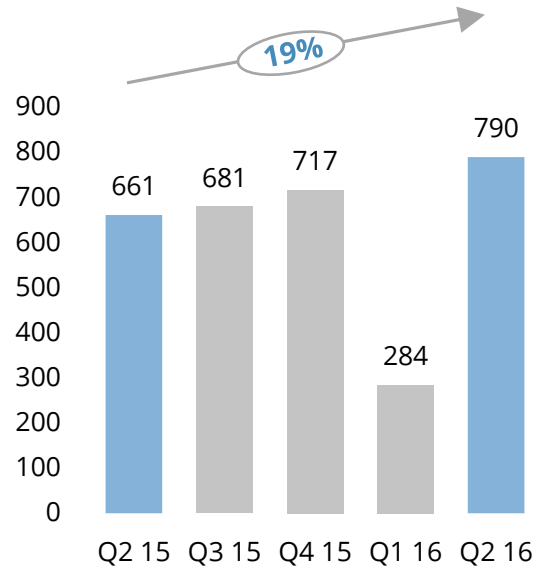
Rental income (NOKm)



Net income from property management (NOKm)



Profit before tax (NOKm)



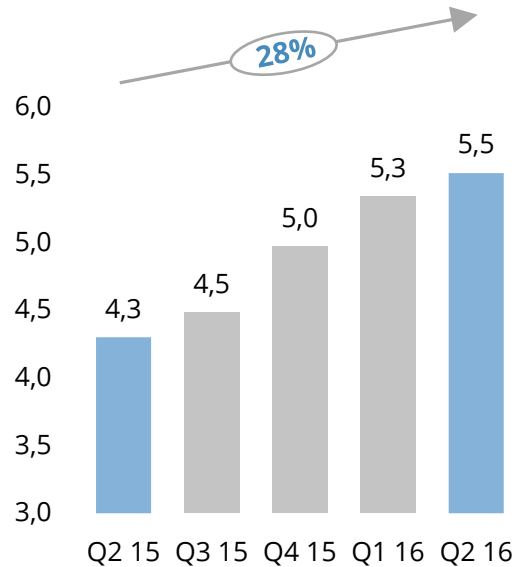
* Q215 adjusted for cost related to termination of swaps (115m), actually reported number was 111m

* Q315 adjusted for extraordinary rental income in relation to Berner buyout (30m), actually reported number was 258m

Key financials - per share

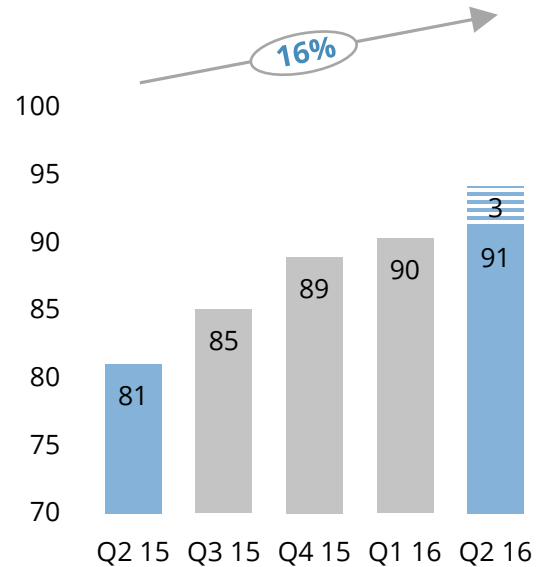
Cash Earnings*

(NOK per share)



EPRA NAV + Dividends**

(NOK per share)



* Annualised, rolling 4 quarters

**Dividends presented in shaded area

Financial results

All figures in NOK millions	Q2-16	Q2-15	YTD Q2-16	YTD Q2-15	2015
Rental income	463	423	916	864	1 760
Repairs & maintenance	-14	-8	-16	-16	-56
Operating costs	-27	-34	-50	-60	-129
Net operating income	421	381	850	787	1 574
Other revenue	54	27	113	192	240
Other costs	-55	-22	-109	-180	-224
Administrative costs	-28	-32	-72	-87	-168
Share of profit from associates and JVs	11	32	19	42	44
Net realised financials	-140	-245	-273	-394	-625
Net income	264	140	528	361	840
- of which net income from property management	258	110	536	321	799
Changes in value of investment properties	567	178	749	893	1 818
Changes in value of financial instruments	-41	344	-203	423	417
Profit before tax	790	661	1 074	1 677	3 075
Tax payable	0	0	0	0	0
Change in deferred tax	-187	-155	-250	-223	-354
Profit for period/year	603	506	824	1 454	2 721

Balance sheet

All figures in NOK millions	Q2-16	Q2-15	2015
Book value of property portfolio	31 170	27 939	28 823
Investments in associates and JVs	1 503	1 170	2 789
Financial derivatives	640	425	530
Other assets	1 404	652	1 265
Cash and bank deposits	158	72	212
Total assets	34 874	30 259	33 619
Total equity	13 625	12 058	13 354
Interest-bearing debt	15 701	13 396	15 205
Deferred tax liability	3 572	3 178	3 324
Financial derivatives	1 283	941	1 121
Other liabilities	693	685	615
Total non-current liabilities	34 874	30 259	33 619

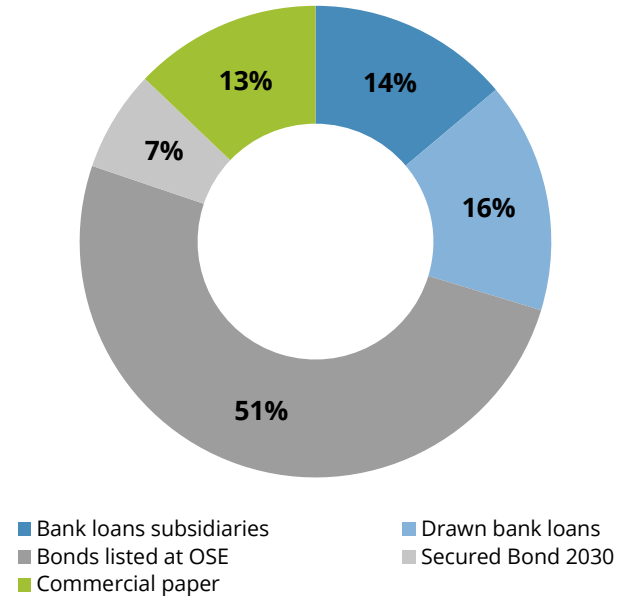
Financial profile

Key debt metrics as of 30.06.16

Interest bearing nominal debt	15 196m
Unutilised credit facilities	5 108m
Loan-to-value	45.9 %*
Weighted average maturity	4.8 yrs
Average interest rate	3.59 %
Share at fixed rate	58 %
Average maturity of interest rate hedges	3.7 yrs

* Pro forma LTV post the Skøyen transaction is 49.8 %

Composition of interest bearing debt (100% = 15 196 NOKm)



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Corporate Social Responsibility in Entra

- Entra is committed to operate in accordance with responsible, ethical and sound business principles
- Entra, has identified the following three areas as core for making an important and positive contribution to society and for achieving a sustainable value chain:
 - The environment
 - Health, safety and environment (“HSE”)
 - Anti-corruption and business crime
- Entra’s CSR work is built on the following principles:
 - Entra’s ethical guidelines
 - Entra’s core values: To be responsible, pro-active and hands-on
 - The Norwegian Accounting Act, § 3-3C
 - FNs Global Compact
 - ILOs eight core conventions
- Carbon Disclosure Project (“CDP”) reporting and score

Corporate social responsibility

Entra reports its work with respect to corporate social responsibility (CSR) based on the fundamental values and principles set out in the UN’s Global Compact. Reporting is based on the Report to Parliament no. 27 (2013–2014) “Diverse and value-creating ownership” and the relevant section in the Accounting Act, § 3–3C.

Entra is committed to operate in accordance with responsible, ethical and sound business principles. Entra maintains a close dialogue with its main stakeholder groups. Such dialogue with customers, suppliers, employees, owners, authorities, research communities and other industry participants is fundamental to Entra’s CSR work. We believe that partnership with others is important for making greater progress in our efforts to achieve a sustainable value chain.

Entra, has identified the following three areas as core for making an important and positive contribution to society and for achieving a sustainable value chain:

- The environment
- Health, safety and environment (HSE)
- Anti-corruption and business crime

The environment
Climate-related challenges are our shared responsibility. Entra seeks to meet these challenges by reducing its own energy consumption and limiting carbon emissions in all parts of the value chain. Entra has an ambition to be an environmental leader in the property sector. Based on technology, expertise and experience Entra contributes to reducing energy consumption through measures in existing buildings and through refurbishments and new buildings.

Entra complies with national and international environmental requirements and takes responsibility outside its own value chain by actively driving innovation and sharing its experience and expertise with other stakeholders. Entra sees no contradiction between long-term financial profitability and its commitment on global climate change. Both customers and Entra have lower costs over time in environmentally friendly buildings, among other things through lower energy costs.

Only around 3 per cent of the total amount of buildings are being built or refurbished each year. Some 80 per cent of today’s buildings will still be standing in 40 years’ time. In order to create a lasting environmental impact Entra is therefore working not only on environmental measures in new buildings and refurbishments but also on measures in its existing building portfolio. Green Benefit Agreements¹⁾ are examples of efficient tools for reducing the environmental burden of the existing building portfolio.

Entra’s environmental strategy and action plans
Entra has a defined environment strategy, as well as established targets and action plans for further work. Four important priorities for environmental work in Entra are set out below:

1. Develop the property portfolio with the help of innovation and new expertise
Entra’s objective is always to have one innovative, environmentally friendly building under development.

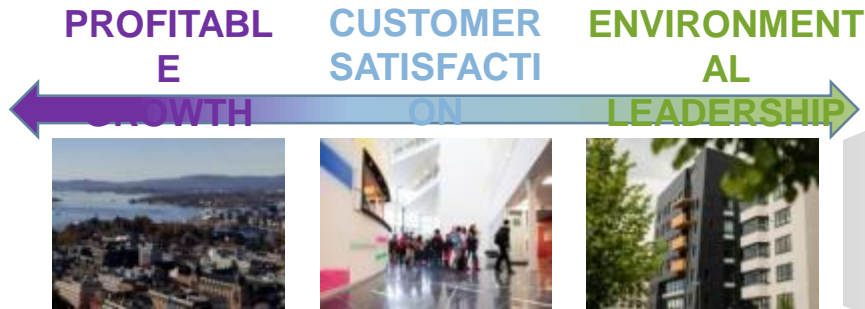
In recent years Entra has established a leading position in the sector by creating, through development or renovation, innovative, environmentally friendly buildings. Entra will continue to build profitable, innovative, environmentally friendly buildings and harness experience that can be used in the existing property portfolio. Entra uses clear, experience-based environmental criteria in property transactions and new buildings so that environmental considerations are included in the decision-making process together with commercial considerations.

Entra is developing buildings that are environmental leaders in a global context, irrespective of whether they are new buildings or refurbishments of existing properties. Entra uses GREEN-NOR as an environment classification tool and works to achieve

¹⁾ Entra’s scheme for working with customers on environmental measures. The scheme is further described later in this report.

Entra’s CSR Report for 2015

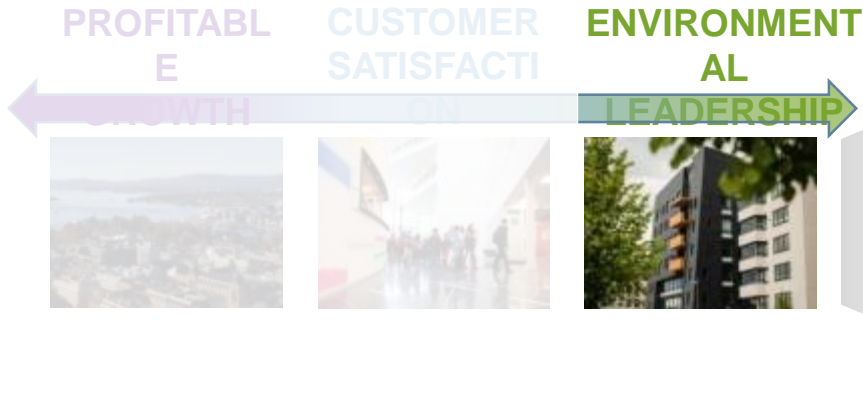
Environmental leadership an integrated part of Entra's business model



- Strategic priority for Entra
- Green buildings are in demand and green investments add value
- «Green Stars» drive innovation ...
- ...systematically used to develop the portfolio

Major gains are achieved when environmental commitment underpins the business; for the environment, for our customers for Entra and for our profitability

Environmental strategy based on three focus areas



- *Entra shall focus on innovative green buildings and work towards 150 kWh/m² for the portfolio as a whole*
- *Entra's environmental contribution shall be realised in close cooperating with our customers through Green Benefit Agreements*
- *Entra will develop, possess and share leading expertise with other in the industry*

Develop the portfolio

1 New-builds and purchase of properties

Green criteria's when purchasing property.
Over time come down to Entra's average energy consumption

2 Innovative green buildings

Build profitable innovative environmental buildings for learning and development of new solutions

Strengthen customer relationships

3 Investments in portfolio

Make technical environmental investments in the portfolio in collaboration with customers (green benefit agreements)

4 Operation and use

Reducing water consumption and waste Consider BREEAM in use by pilot

Develop and share competence

5 "Entra building"

Entra Building implemented.
Target of BREEAM Exc/Energy class A
Flexible solutions
Focus on life cycle costs

6 Industry co-operation

Directorships in environmental trade organizations.
Lecture / posts / articles

Entra is developing energy efficient and environment friendly buildings

Green is valuable for owner and for the tenant

Lower operating/common costs

Branding / CSR

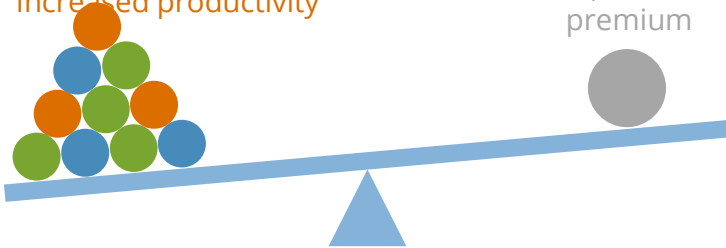
Higher rent

Higher valuation and exit value

Lower sick leave

Increased productivity

Capex cost premium



High quality targets for new-build and renovations



Powerhouse Kjørbo, Sandvika



Schweigaardsgate 16, Oslo



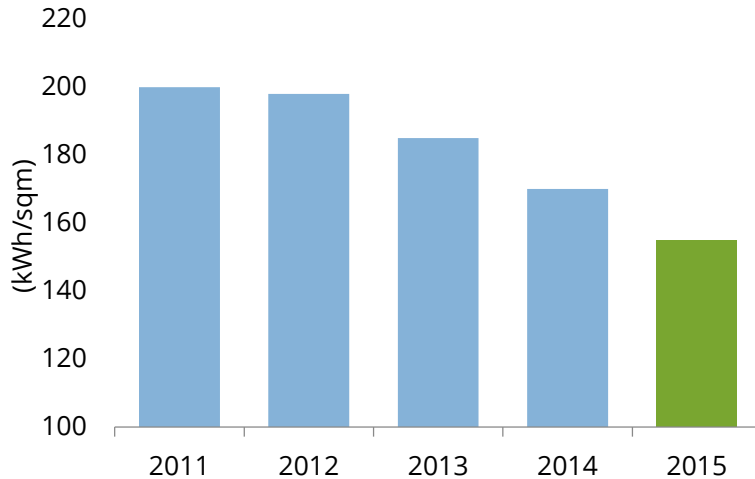
Brattørkaia 15, Trondheim



Papirbredden 2, Drammen

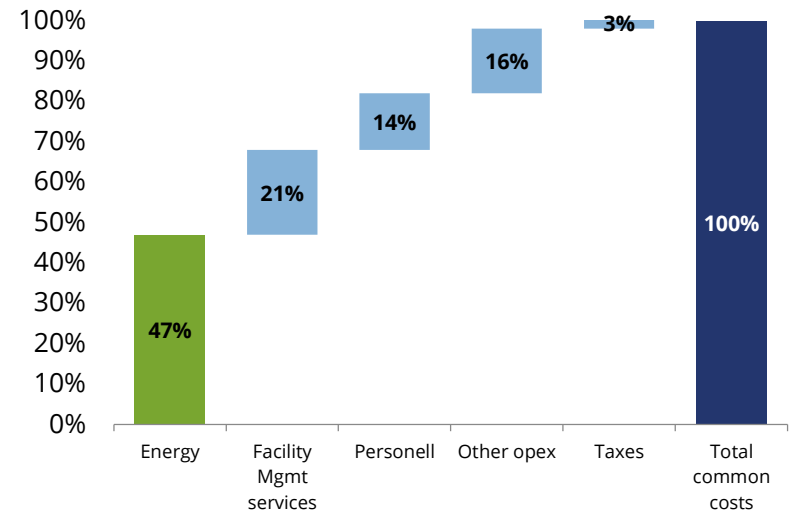
Reducing energy consumption – the most important measure

Portfolio energy consumption



- Single most important measure to reduce emissions
- Contribute with more than 90 % of our total CO2 footprint

Tenants common costs split (avg.)



- Most important measure to reduce tenants common costs which in turn gives potential for higher rent

Profitability in Green buildings

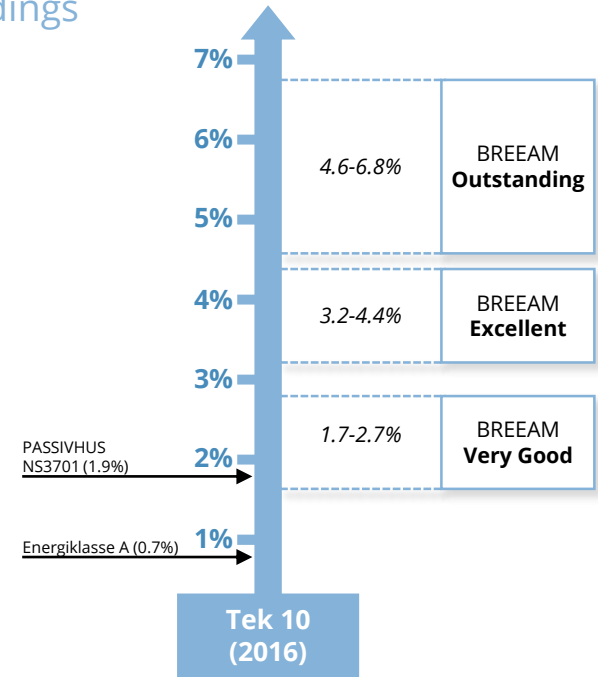
In Norway

- The extra cost of building green buildings estimated to 3-7%
- Observed value enhancement in central areas

International

- 5-20% higher rental income
- 10-25% higher transaction values
- 8% increase in energy efficiency gives 1% higher transaction value

Additional capex related to green buildings



Source: Entra, "Nordic City rapport - autumn 2013"; "The economics of green building (Eichholtz, Kok & Quigley, 2010); "The value of sustainability in real estate: a review from a valuation perspective" (Warren-Myers, 2012); North Pass research 2012; NGBC

BREEAM-NOR and the rating scale



- BREEAM (Building Research Establishment's Environment Assessment Method) is an internationally recognised measure and mark of a building's sustainable qualities
- BREEAM uses independent and licensed assessors when examining and evaluating the below criteria

BREEAM-NOR rating criteria

BREEAM-NOR Section	Section Weighting
Energy	19.0%
Health and wellbeing	15.0%
Materials	13.5%
Management	12.0%
Transport	10.0%
Innovation	10.0%
Land use & Ecology	10.0%
Pollution	8.0%
Waste	7.5%
Water	5.0%

BREEAM-NOR rating categories

BREEAM-NOR Rating	% Score
Outstanding	≥ 85
Excellent	≥ 70
Very Good	≥ 55
Good	≥ 45
Pass	≥ 30
Unclassified	< 30

Outstanding: Less than 1% of new buildings

Excellent: Top 10% of new buildings

Very Good: Top 25% of new buildings

Good: Top 50% of new buildings

Pass: Top 75% of new buildings

Source: BREEAM-NOR Technical manual English version 2016

Green Bond framework

- Entra Green Bond Framework
 - The Green Bond proceeds will finance existing properties, new projects and major renovation projects with certification from BREEAM with a minimum certification of “excellent”
- Proceeds from the bond issue are earmarked funding of a pool of properties/projects with high environmental standards

BREEAM-NOR: **Outstanding**



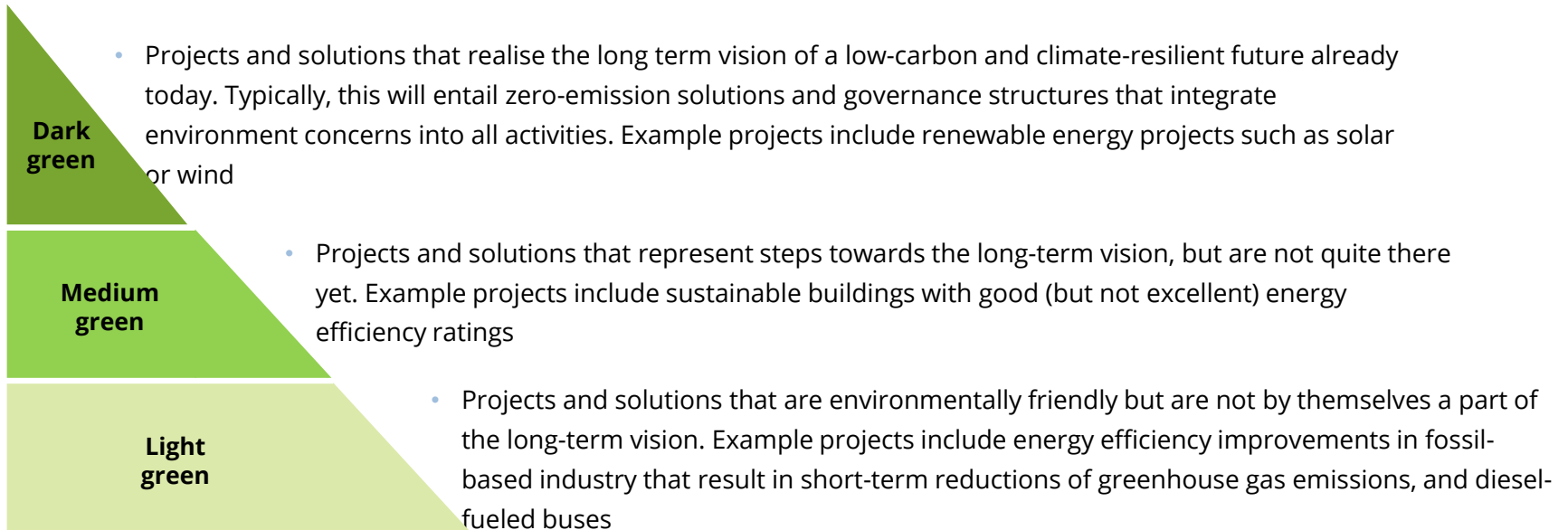
Powerhouse Kjørbo

BREEAM-NOR: **Excellent**



Schweigaardsgate 16

CICERO grades with shades of green



CICERO – Second opinion

CICERO – Second opinion

“*Based on the overall assessment of the project types that will be financed as well as governance, reporting and transparency considerations, Entra’s Green Bond Framework gets a **Dark Green shading**”*

Strengths:

- Entra will document the transfers to and from the Special Account, to ensure tracking and simplify review
- Proceeds from the Green Bond will be used to exclusively to projects that meet the certification criteria under Eligible Projects
- Solid governance with respect to allocation of funds and investor letter which are verified annually by CCO

Weaknesses:

“*We find no weaknesses in Entra’s Green Bond framework”*

Green project pipeline - Examples

Brattørkaia 16, Trondheim



- New university building
- 8,350 sqm
- 100 % pre-let to BI Norwegian Business School (20 year lease)
- Construction period: 16/18
- Zoning status: Approved
- Target certification: BREEAM Excellent

Tullinkvartalet, Oslo



- New university building planned for the University of Oslo, Faculty of Law
- 21,000 sqm
- Expected construction period: 2016-2019
- Zoning status: Awaiting zoning plan approval
- Target certification: Excellent

Powerhouse, Brattørkaia 17B



- New office building
- 15,000 sqm
- Letting processes ongoing
- Zoning status: Approved
- Target Certification: BREEAM Outstanding

Oslo Solar, Oslo



- New office building
- 30-50,000 sqm
- Zoning initiated
- Target certification: BREEAM Outstanding

Transparency and reporting

- The Green Bond framework outlines a procedure for providing a detailed investor report which Entra has committed to provide annually
- The annual investor letter will include
 - A list of projects financed including environmental impact reporting on energy and CO2, water and waste
 - A selection of project examples
 - A summary of Entra's Green Bond development



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Summary

- Entra is one of Norway's leading real estate companies with a solid track record and strong financial and operating profile
 - 49.73% owned by the Norwegian Government
 - Solid tenant structure with approximately 74% public tenants
 - WAULT of 7.1 years
- Environmental leadership is a strategic priority for Entra
- The Green Bond framework will finance existing properties, new projects and major renovation projects with certification from BREEAM with a minimum certification of "excellent"
 - received the highest possible shading by CICERO – Dark Green
- Proceeds from a potential bond issue are earmarked funding of a pool of properties/projects with environmental standards
 - First office buildings in the Green Bond pool: Powerhouse Kjørbo and Schweigaardsgate 16





Anders Olstad, CFO

Trond Simonsen, Manager of
Environment and Technical

www.entra.no/investor-relations