

2nd quarter 2018

Oslo, 11 July 2018



Agenda

Highlights in the quarter

Operations and market

Financial update

Summary and closing remarks

Q&A

Highlights in the quarter



Langkaia 1, Oslo

Key figures:

(NOK million)	Q2 18	Q2 17
Rental income	558	517
Net income from property management	364	328
Net value changes	459	1 114
Profit before tax	843	1 446

Key events:

- Net letting of 34 mill
- Finalised Brattørkaia 16 project in Trondheim
- Acquisition of large development project at Bryn in Oslo and land plot in Bergen
- Semi-annual dividend of NOK 2.20 per share for H1-18
- Share buy-back of up to 2 % of outstanding shares

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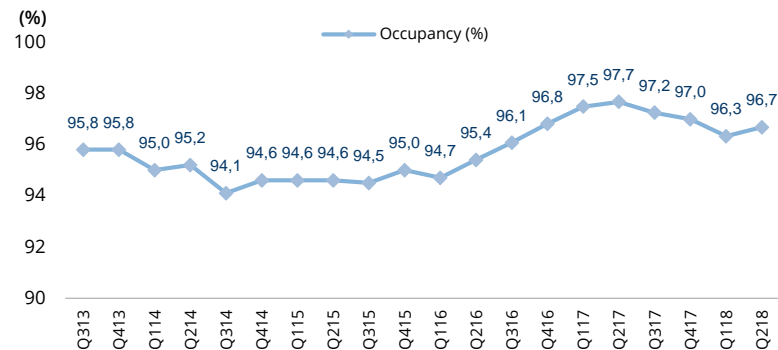
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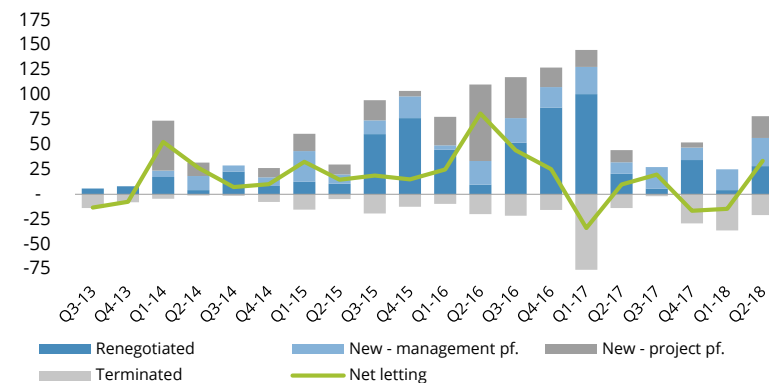
Letting and occupancy

- New and renewed leases of 79 mill (33,000 sqm)
- Terminated contracts of 21 mill (11,000 sqm)
- Net letting of 34 mill
- Occupancy at 96.7 %
- WAULT at 6.6 yrs / 7.4 yrs



Largest new and renegotiated contracts:

Property	Tenant	Sqm	Contract
Holtermannsveg 1-13, Trondheim	Norwegian Tax Authority	5,000	New
Powerhouse Brattørkaia, Trondheim	Enova	2,600	New
Powerhouse Brattørkaia, Trondheim	International Workplace Group (Regus)	1,700	New
Cort Adelers gt 30, Oslo	Export Credit Norway	1.350	New
Langkaia 1, Oslo	Norwegian Defence Estates Agency	3,735	Renegotiated



* Net letting = new contracts + uplift on renegotiations - terminated contracts

Finalised Brattørkaia 16 in Trondheim

- 10,500 sqm new-build project
- Fully let to BI Norwegian Business School
- 20 year lease contract
- Total project cost: 277 mill
- Yield-on-cost: 6.9 %



Brattørkaia 16, BI Norwegian Business School

Project Portfolio

	Ownership (%)	Location	Expected completion	Project area (sqm)	Occupancy (%)	Estimated total project cost* (NOKm)	Of which accrued* (NOKm)	Yield on cost**
Powerhouse Kjørbo, block 2	100	Sandvika	Oct-18	3 950	100	122	113	6.4
Powerhouse Brattørkaia 17 A	100	Trondheim	Mar-19	18 200	78 	523 	405	6.1 
Tollbugata 1 A	100	Oslo	Oct-19	9 000	100	460	202	5.1
Tullinkvartalet (UIO)	100	Oslo	Dec-19	21 000	92	1 489	886	5.5
Holtermanns veg 1-13	100	Trondheim	Jan-20	11 700	53	340	41	6.0
Total				63 850		2 934	1 648	

* Total project cost (Including book value at date of investment decision/cost of land)

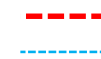
** Estimated net rent (fully let) at completion/total project cost (including cost of land)

Acquired large development project at Bryn in Oslo

- Current property portfolio:
 - 8 buildings, 57,000 square meters
 - Annual rent NOK 60 million, duration of ~ 4 years
- Land plot of 38,000 sqm
 - Expected development potential: ~120,000 sqm
 - Aiming for approx 50 % office and 50 % residential development
- Price: NOK 1.1 bn on closing + up to 0.3 bn when zoned
- JM to buy the residential development when zoned

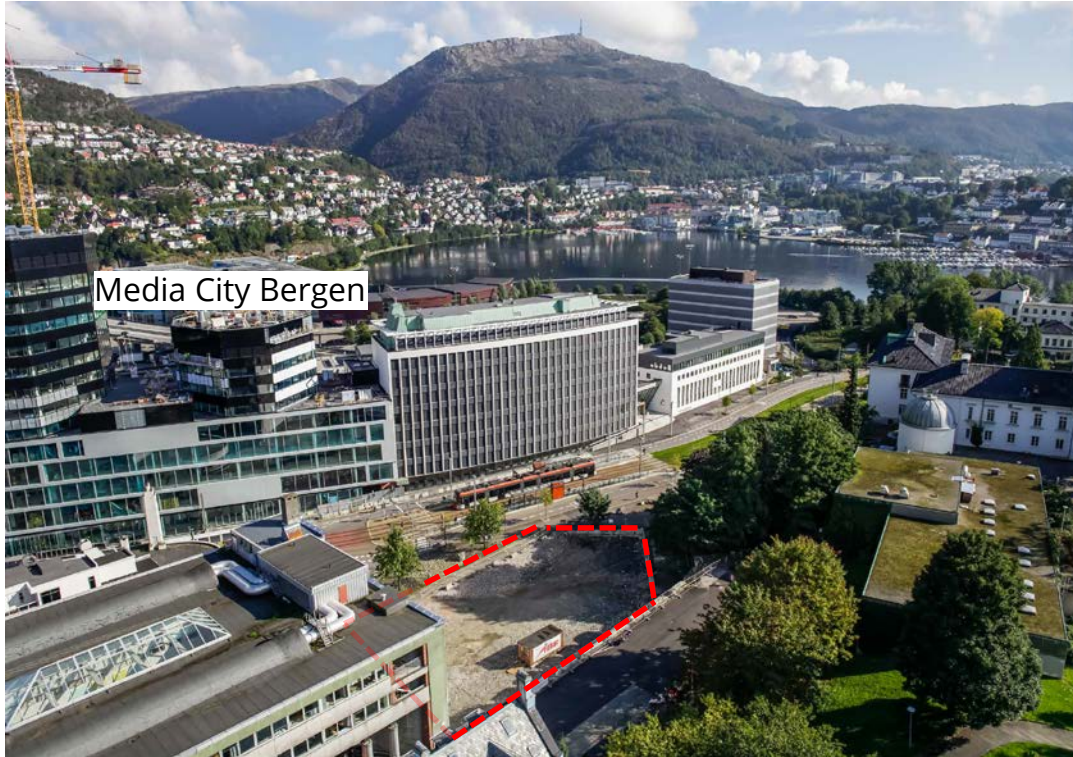


Bryn, Oslo



New development area
Existing Entra properties

Acquired land plot in Bergen



- Adjacent to Lars Hilles gate 30/Media City Bergen
- Zoning in place for new office building of approx. 12,500 sqm
- Transaction price: NOK 135 mill
- Capitalising on MCB/further strengthening Entra's position in Bergen

Land plot: Johannes Bruns gate 16/16A and Nygårdsgaten 91/93

Share buy-back program initiated

- Buy-back of up to 2 % of outstanding shares (up to 3.7 mill shares)
 - 2/3 of the shares to be purchased in the market and the remaining 1/3 from Norwegian Ministry of Trade, Industries and Fisheries
 - Shares to be withdrawn from outstanding share capital at next AGM
- Rationale:
 - Attractive investment opportunity; buying the high quality Entra portfolio at a significant discount
 - Implicit yield of 5.5 %¹⁾ vs portfolio valuation yield at 4.9 %
 - Accretive to earnings per share and NAV multiples

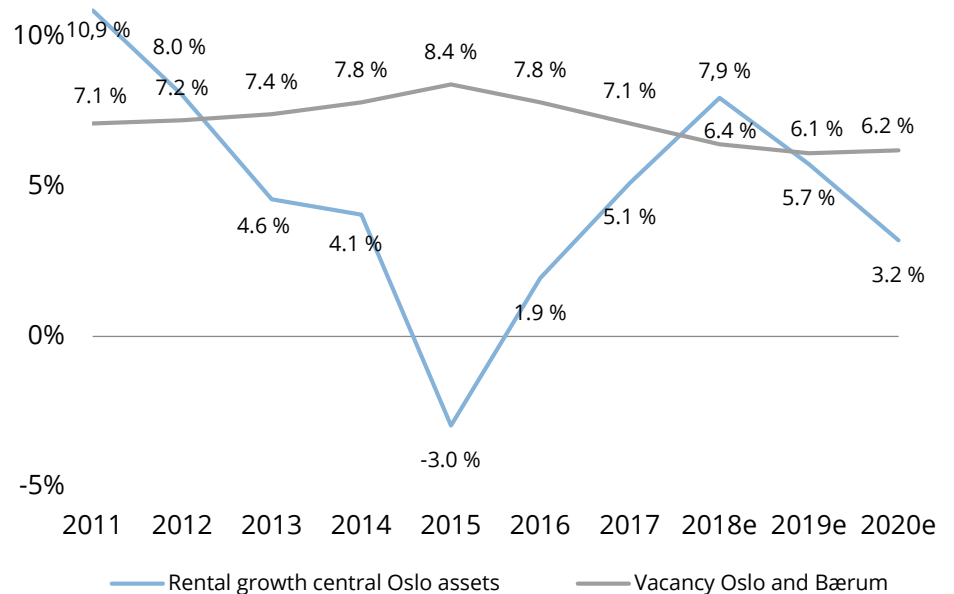
¹⁾Based on share price of NOK 112

Market development

Rent and vacancy

- Economic growth picking up
 - Interest rates expected to increase, but also growth in GDP and employment
- Oslo
 - Strong employment growth
 - Supply side limited next two years
 - Significant uplift in market rents
- Regional cities;
 - Increasing market rents in Bergen and Trondheim city centre
 - Optimism back in Stavanger, stable rent levels in city centre and at Hinna Park

Market rental growth and vacancy in Oslo*



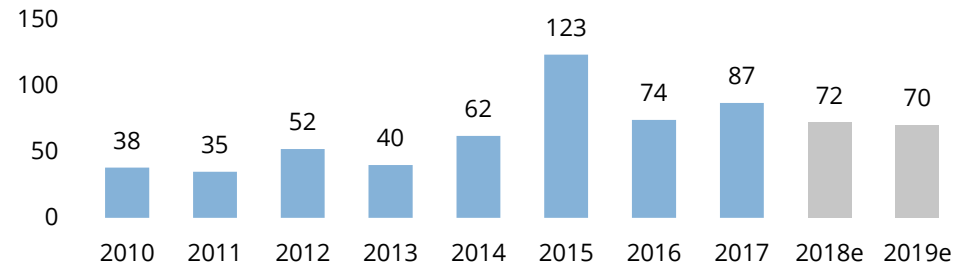
Source: Entra consensus report, average of estimates from leading market specialists in Norwegian market. Nominal rental value growth

Market development

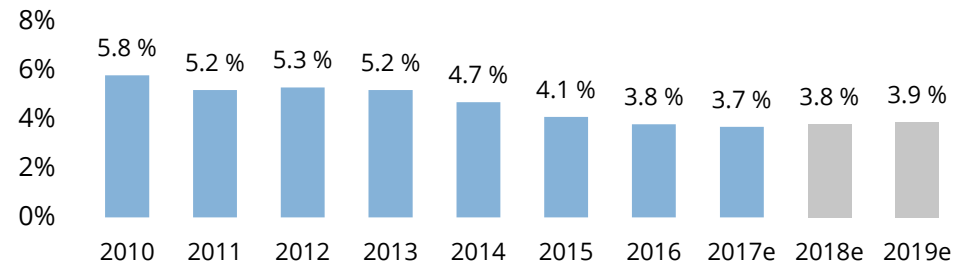
Transactions and yields

- Well-functioning debt markets supporting the transaction market
 - Increasing activity in Q2
- Yields remain stable at low levels
 - Expected to slide upwards
 - Valuation effects balanced by market rent outlook

Total transaction volume (NOKbn)*



Prime yield Oslo*



* Source: Entra consensus report, April 2018. Estimates from leading market specialists in Norwegian market

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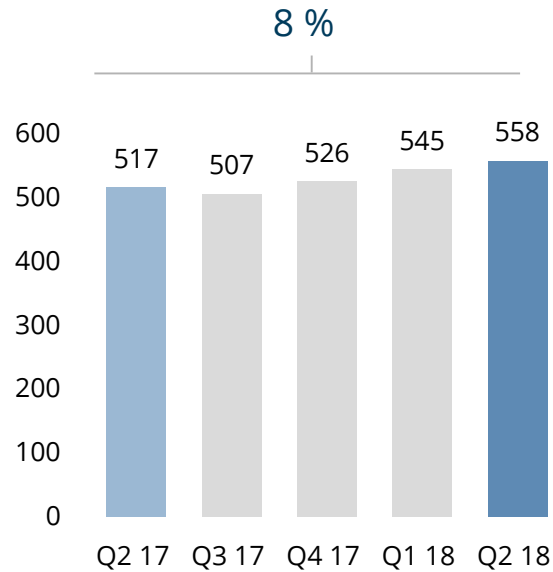
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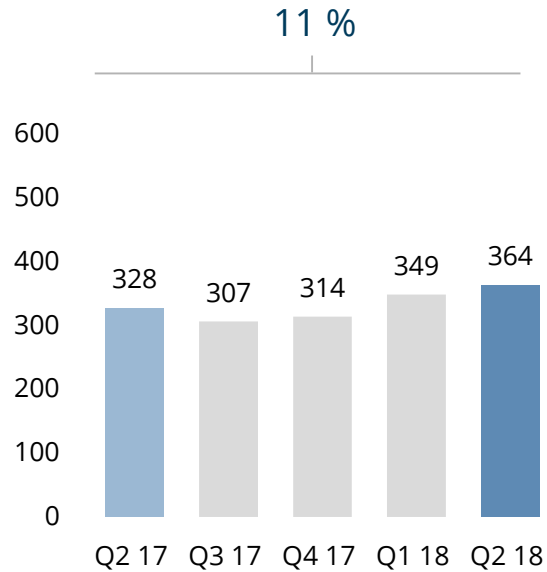
Q&A

Key financials

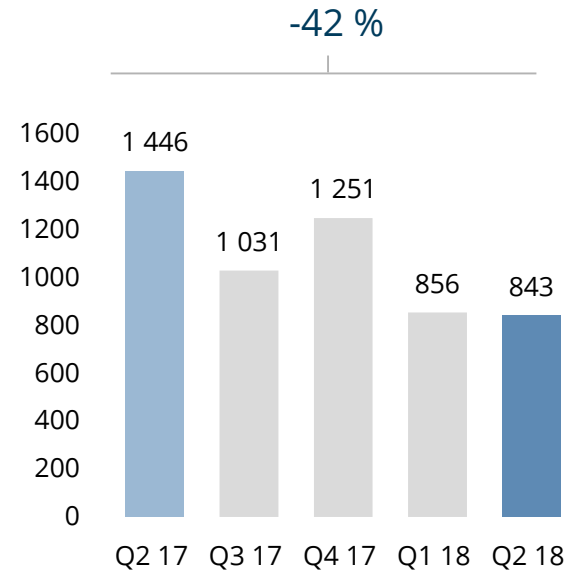
Rental income
(NOKm)



Net income from property
management (NOKm)

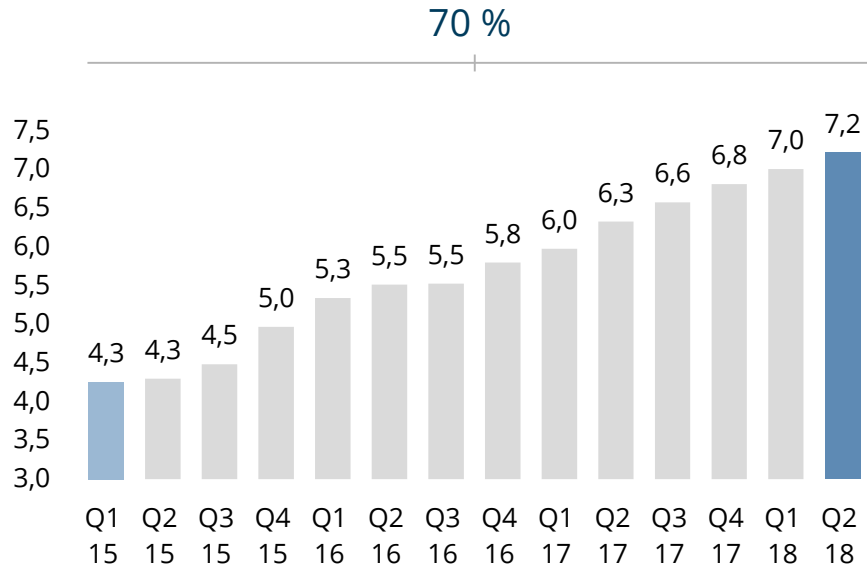


Profit before tax
(NOKm)



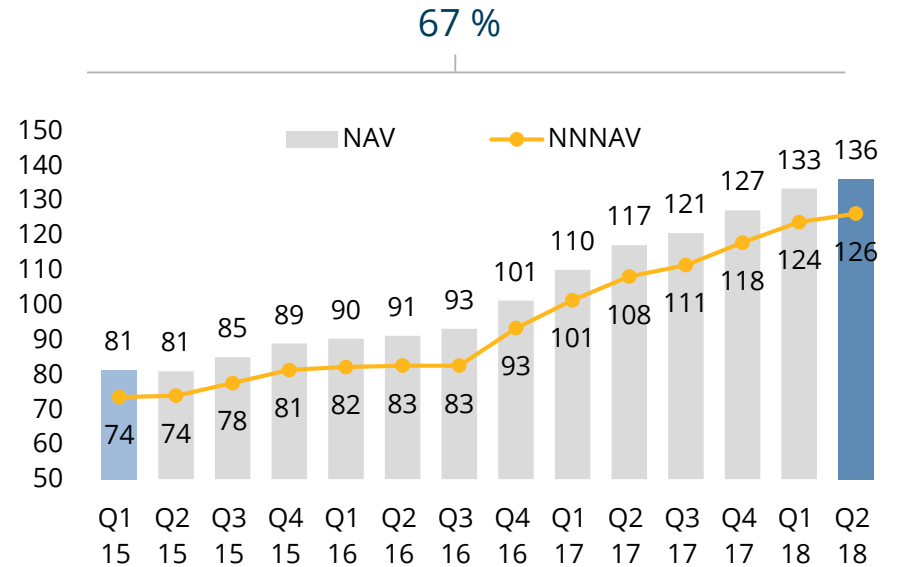
Key financials - per share

Cash Earnings*
(NOK per share)



* Annualised, rolling four quarters.

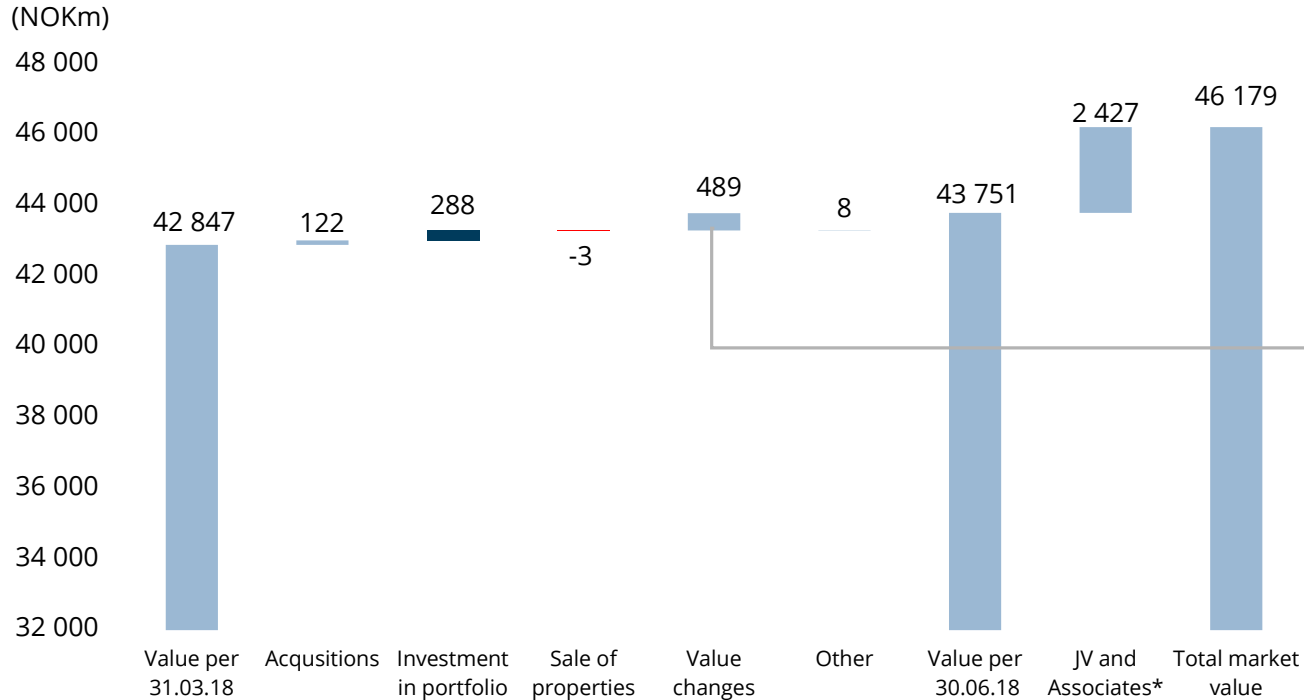
EPRA NAV/NNNAV
(NOK per share)



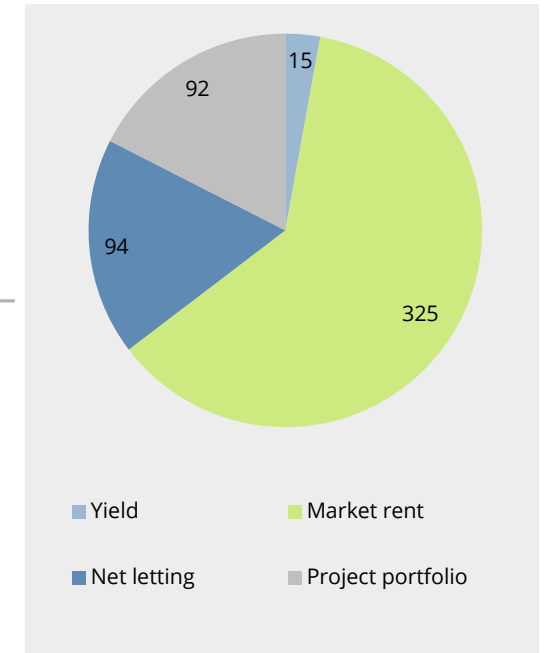
Profit and loss statement

All figures in NOK millions	Q2		YTD Q2		Full year
	2018	2017	2018	2017	2017
Rental income	558	517	1 103	1 042	2 075
Repairs & maintenance	-11	-8	-18	-14	-40
Operating costs	-31	-33	-68	-63	-121
Net operating income	516	476	1 018	965	1 913
Other revenue	31	129	44	190	285
Other costs	-28	-105	-39	-164	-246
Administrative costs	-36	-36	-80	-79	-163
Share of profit from associates and JVs	21	8	36	132	244
Net realised financials	-120	-138	-230	-279	-550
Net income	384	333	747	765	1 483
- of which net income from property management	364	328	713	638	1 259
Changes in value of investment properties	489	1 078	846	1 947	3 460
Changes in value of financial instruments	-30	36	105	35	87
Profit before tax	843	1 446	1 699	2 748	5 030
Tax payable	-2	-5	-5	-5	-8
Change in deferred tax	-147	-195	-266	-453	-507
Profit for period/year	694	1 246	1 428	2 290	4 514

Investment property value development



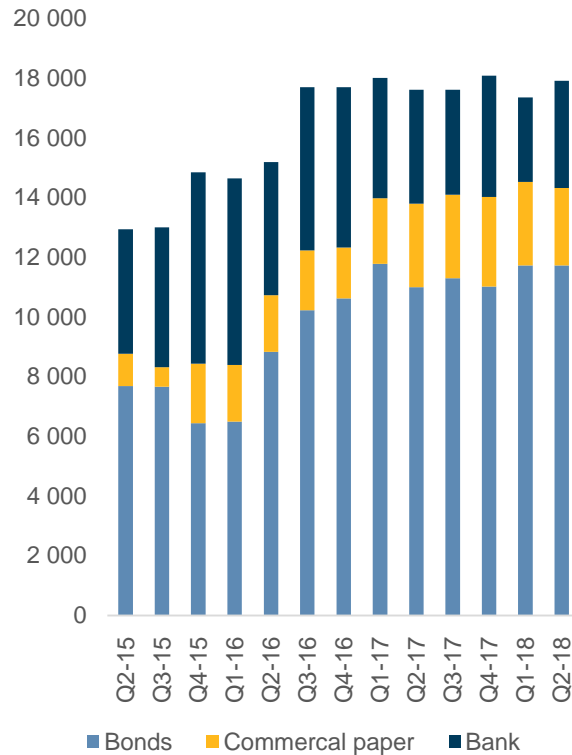
* Entra's share of gross market value of JVs and Associates (book value equity = 469 million)



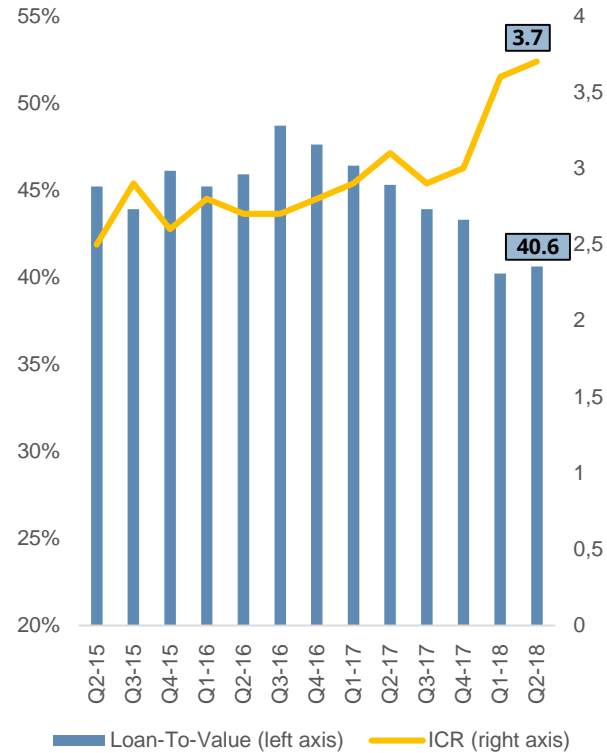
** In addition: other changes – 38 million

Financial update

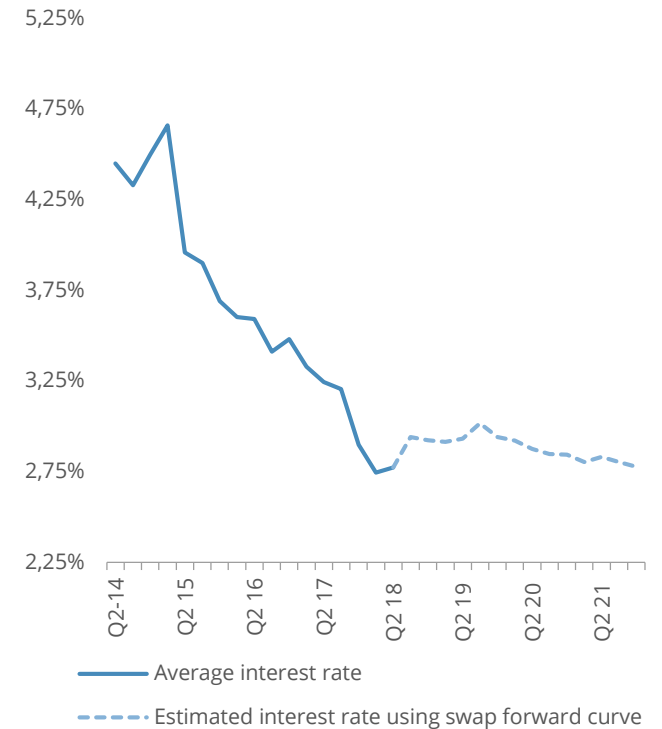
Financing mix



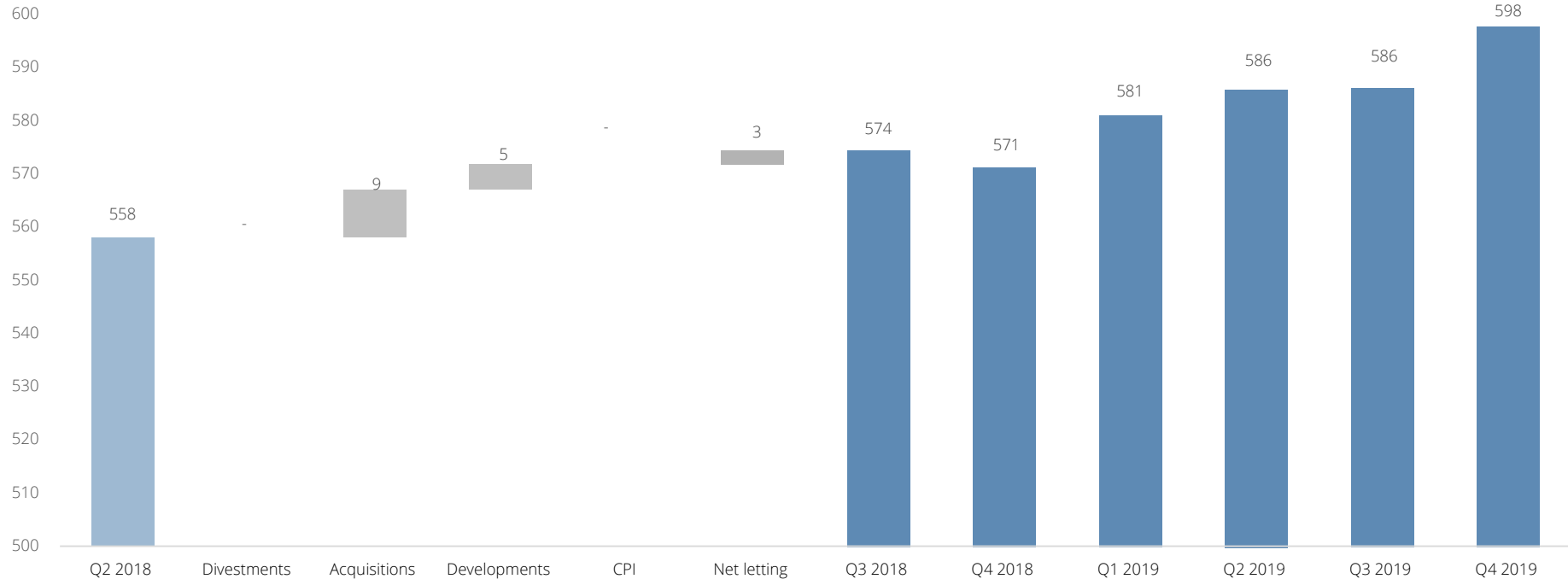
LTV and ICR



Development in avg. interest rate



Rental income development based on reported events



- Does not constitute a forecast; aims to demonstrate the rental income development based on all reported events
- Does not reflect letting targets on either vacant areas or on contracts that will expire, but where the outcome of the renegotiation process is not known
- See Q2 2018 report page 5 for further explanation

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Closing remarks

- Supportive macro outlook
- Strong and broad uplift in market rents in Oslo
- Prime yield remain stable at low levels
- Short term portfolio consolidation, but growth to continue
- Solid development pipeline further strengthened, both short and long term



Universitetsgata 7-9, Oslo. New-build project with start in Q3-18

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Next event
3rd quarter results
October 18, 2018

For more information see www.entra.no/investor-relations