

3rd quarter 2018

Oslo, 18 October 2018



Agenda

Highlights in the quarter

Operations and market

Financial update

Summary and closing remarks

Q&A

Highlights in the quarter



Tordenskiolds gate 12, Oslo

Key figures:

(NOK million)	Q3 18	Q3 17
Rental income	570	507
Net income from property management	369	307
Net value changes	204	700
Profit before tax	660	1,031

Key events:

- Net letting of 1 mill
- Finalised renovation project Powerhouse Kjørbo, Block 2
- Investment Grade rating from Moody's: Baa1 Stable outlook

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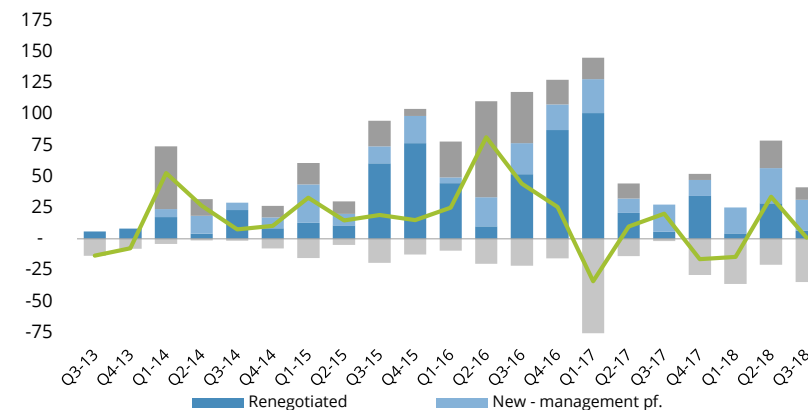
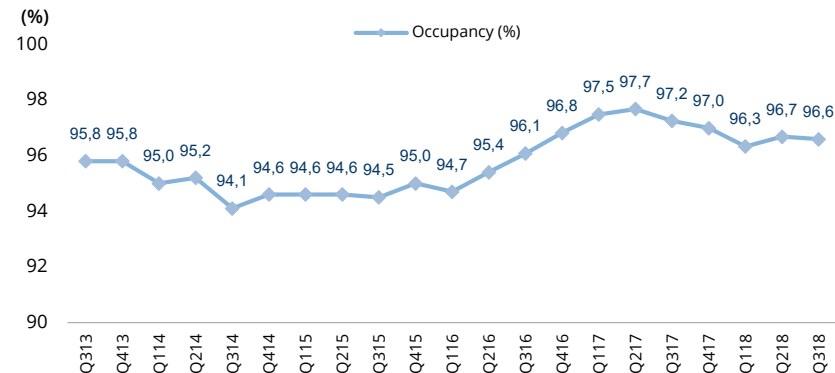
Q&A

Letting and occupancy

- New and renewed leases of 41 mill (17,500 sqm)
- Terminated contracts of 35 mill (12,500 sqm)
- Net letting of 1 mill
- Occupancy at 96.6 %
- WAULT at 6.4 yrs / 7.4 yrs

Largest new and renegotiated contracts:

Property	Tenant	Sqm	Contract
Biskop Gunnerus gate 14, Oslo	Sopra Steria	2,000	New
Brattørkaia 12, Trondheim	Norwegian State Educational Loan Fund	1,900	New
Jåttavågveien 7 Bygg C, Stavanger	Tampnet	1400	New
Prinsens gate 1, Trondheim	The University hospital of St. Olav	900	New



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

Finalised Powerhouse Kjørbo, Block 2

- Refurbishment of 3,950 sqm
- BREEAM Excellent
- Total project cost: 118 mill
- Yield-on-cost: 6.6% (+0.2%)



Powerhouse Kjørbo, Block 2, Sandvika

Project Portfolio

	Ownership (%)	Location	Expected completion	Project area (sqm)	Occupancy (%)	Estimated total project cost ¹⁾ (NOKm)	Of which accrued ¹⁾ (NOKm)	Yield on cost ²⁾ (%)
Powerhouse Brattørkaia 17 A	100	Trondheim	Mar-19 ³⁾	18 200	85 	523	451	6.1
Tollbugata 1 A	100	Oslo	Oct-19	9 000	100	460	221	5.1
Tullinkvartalet (UIO)	100	Oslo	Dec-19	21 000	82 	1 489	940	5.5
Holtermanns veg 1-13	100	Trondheim	Jan-20	11 700	53	340	57	6.0
Total				59 900		2 812	1 669	

¹⁾ Total project cost (Including book value at date of investment decision/cost of land)

²⁾ Estimated net rent (fully let) at completion/total project cost (including cost of land)

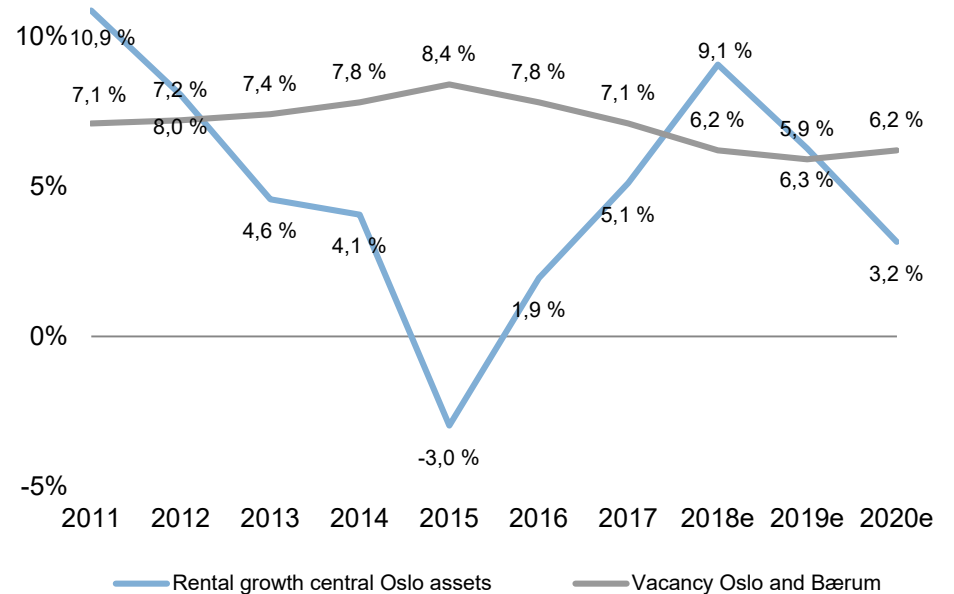
³⁾ Stepwise rental income effect from 1.3.19 - 1.8.19

Market development

Rent and vacancy

- Positive development in Norwegian economy continues
 - Strong GDP and employment growth
- CPI (Sept-Sept): 3,4%
- Oslo market further improving in short and medium term
 - Increasing employment growth
 - Limited new-build activity
 - Significant uplift in market rents in city centre
- Expect development pipeline outside city centre to increase from 2020

Market rental growth and vacancy in Oslo*



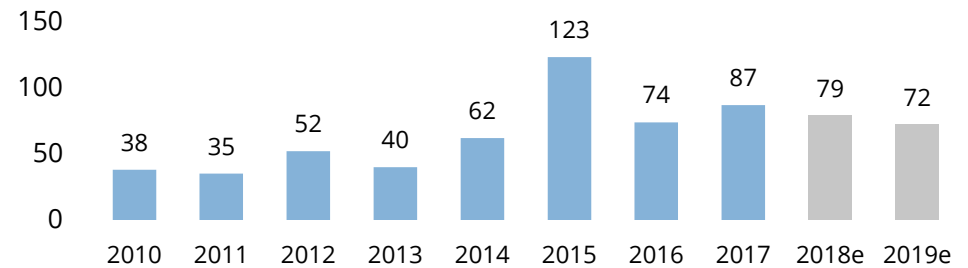
Source: Entra consensus report, average of estimates from leading market specialists in Norwegian market. Nominal rental value growth

Market development

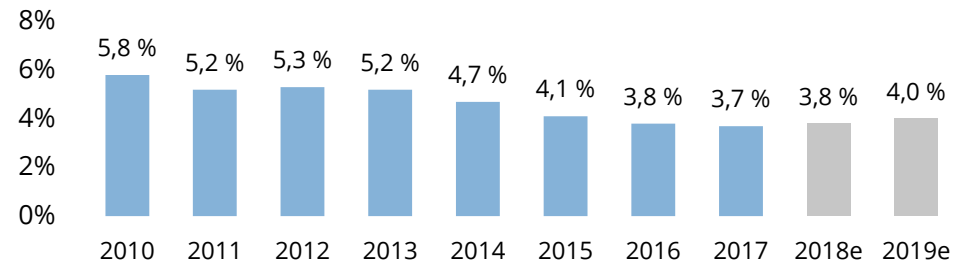
Transactions and yields

- Increasing activity in the transaction market
- Yields remain stable at low levels, expected to slide upwards
 - Interest rates on a rising trend
 - Valuation effects balanced by market rent outlook and strong demand side

Total transaction volume (NOKbn)*



Prime yield Oslo*



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

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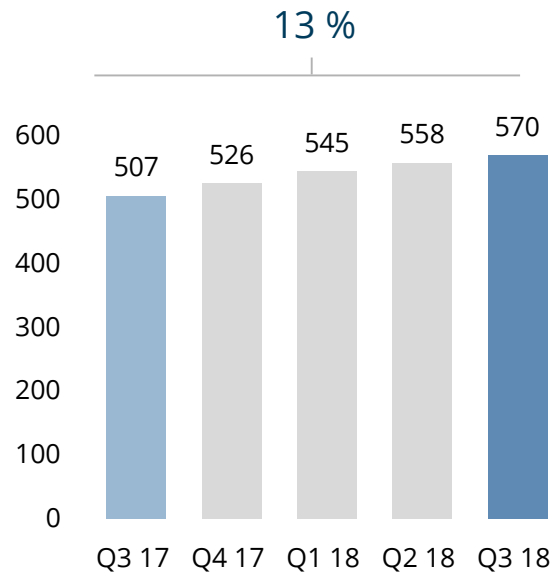
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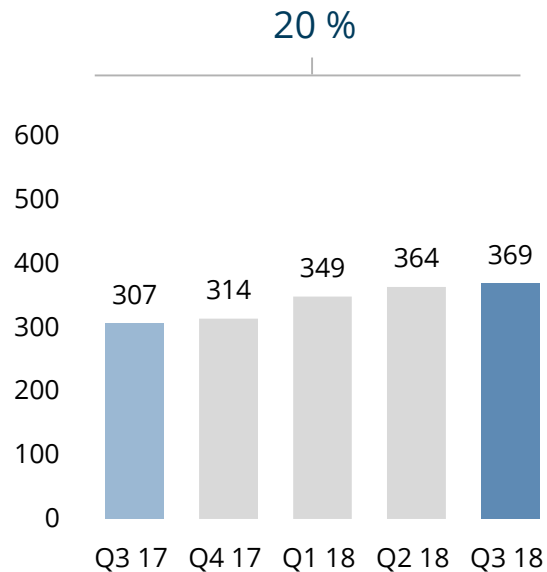
Q&A

Key financials

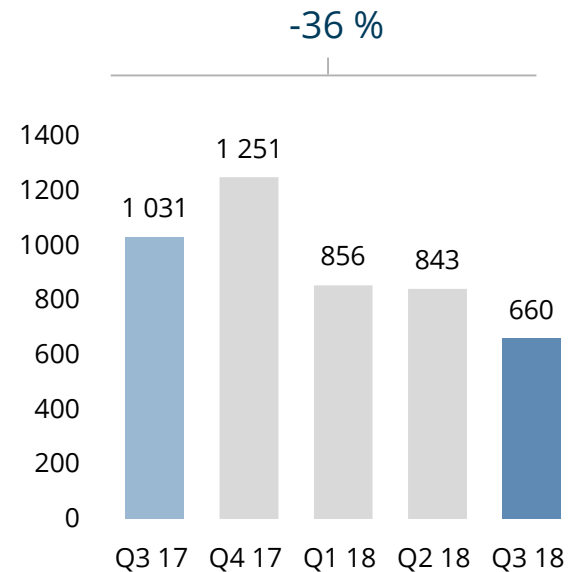
Rental income
(NOKm)



Net income from property
management (NOKm)

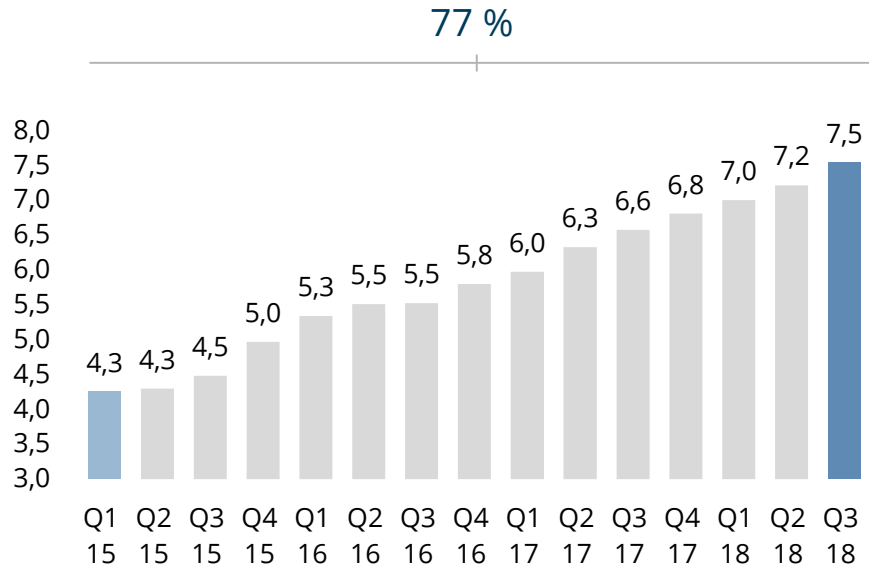


Profit before tax
(NOKm)



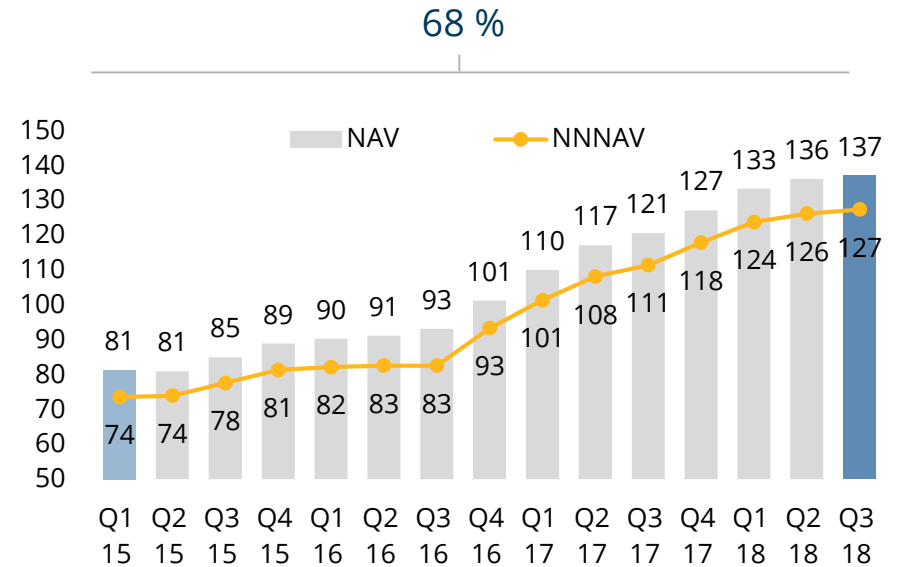
Key financials - per share

Cash Earnings* (NOK per share)



* Annualised, rolling four quarters.

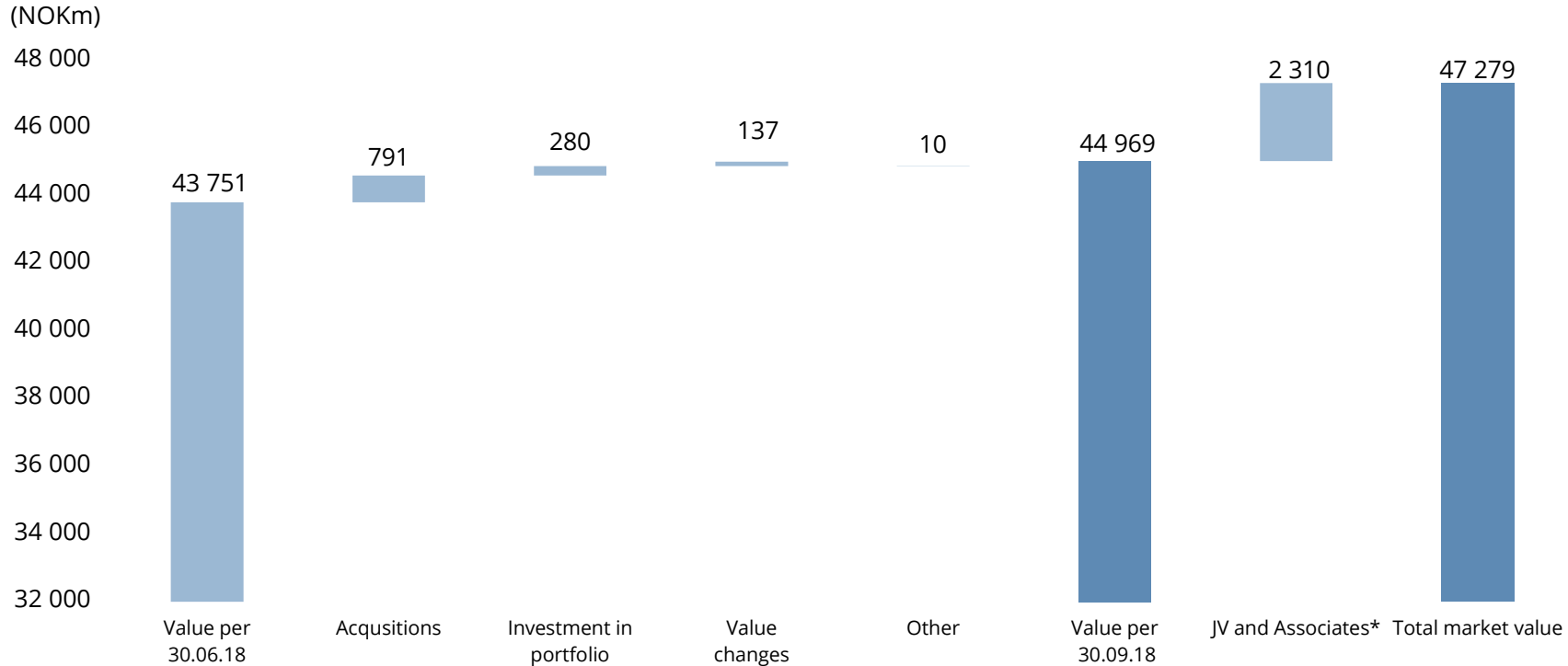
EPRA NAV/NNNAV (NOK per share)



Profit and loss statement

All figures in NOK millions	Q3		YTD Q3		Full year
	2018	2017	2018	2017	2017
Rental income	570	507	1 673	1 549	2 075
Repairs & maintenance	-8	-13	-25	-27	-40
Operating costs	-38	-26	-105	-89	-121
Net operating income	525	468	1 543	1 433	1 913
Other revenue	22	26	66	217	285
Other costs	-19	-24	-58	-188	-246
Administrative costs	-33	-36	-113	-115	-163
Share of profit from associates and JVs	89	31	125	163	244
Net realised financials	-127	-133	-358	-413	-550
Net income	457	331	1 204	1 097	1 483
- of which net income from property management	369	307	1 082	945	1 259
Changes in value of investment properties	137	682	983	2 630	3 460
Changes in value of financial instruments	67	18	172	53	87
Profit before tax	660	1 031	2 359	3 779	5 030
Tax payable	-3	-1	-8	-6	-8
Change in deferred tax	-130	-207	-396	-660	-507
Profit for period/year	528	823	1 956	3 113	4 514

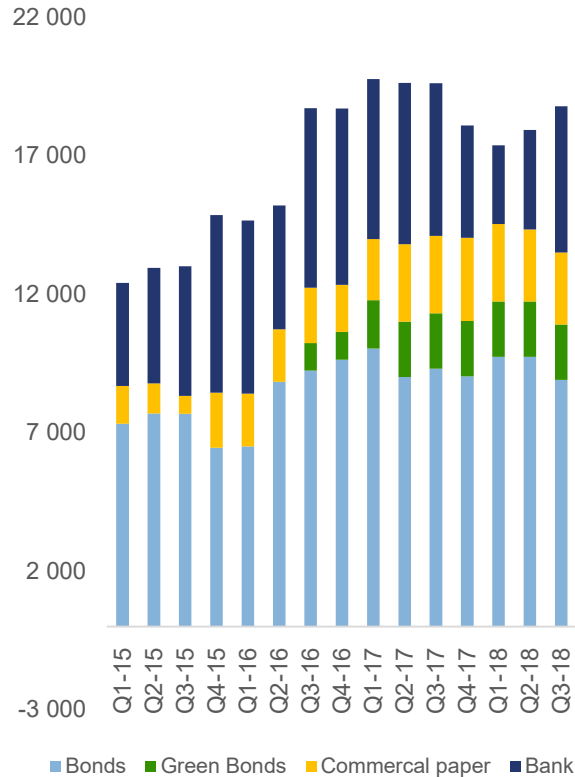
Investment property value development



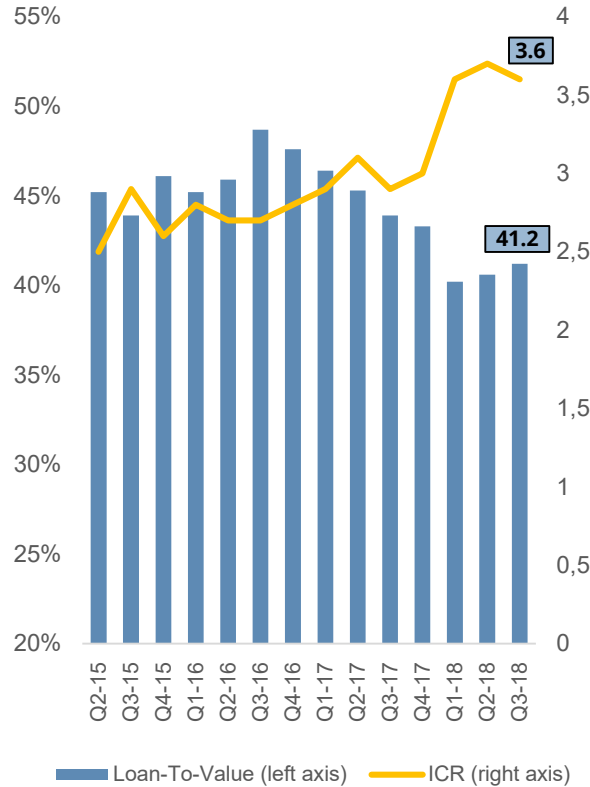
* Entra's share of gross market value of JVs and Associates (book value equity = 480 million)

Financial update

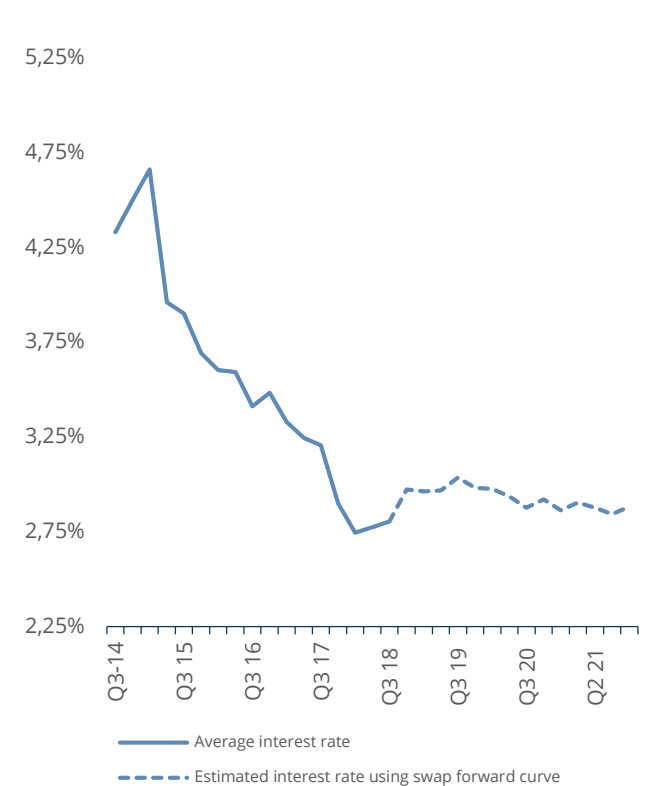
Financing mix



LTV and ICR



Development in avg. interest rate



Rating from Moody's

- Investment Grade
- Baa1, stable outlook
- Reflects;
 - Leadership position in Norway
 - Centrally located, modern and high-quality portfolio
 - Clear, well-defined strategy
 - Solid tenants on long leases
 - Consistently high occupancy rates
 - Good liquidity/high unencumbered asset ratio
- Longer maturities, broadening investor universe

Moody's
INVESTORS SERVICE

Rating Action: Moody's assigns first-time Baa1 rating to Entra ASA; stable outlook

03 Oct 2018

London, 03 October 2018 – Moody's Investors Service ("Moody's") has today assigned a first-time Baa1 long-term issuer rating to Entra ASA, a large Oslo-based office real estate company. The outlook on the rating is stable.

"Entra's rating reflects its strong market position in office properties located in attractive locations on the fringe of the central business district in Oslo, its modern, high-quality NOK 43.7 bn property portfolio and the large exposure towards highly creditworthy government and public tenants with very long dated average lease maturities and consistently high occupancy rates across all cities" says Maria Gillholm, a Moody's VP - Senior Credit Officer and lead analyst for Entra ASA.

RATINGS RATIONALE

Entra's Baa1 issuer rating reflects a baseline credit assessment (BCA) of baa1 with no uplift owing to the low likelihood of the Norwegian government providing extraordinary support. Consequently, the assigned rating at Baa1 is in line with the BCA. Entra is a governmental-related issuer (GRI) because the Norwegian Government owns 33% of the company. Entra ASA's Baa1 long-term issuer rating reflects (1) its position as the largest office property company in Norway, (2) its leadership (81%) position in office properties located in attractive locations on the fringe of the central business district (CBD) in Oslo, (3) its modern, high-quality NOK 43.7 bn property portfolio, (4) a clear, well-defined strategy to focus on offices in Norway's four largest cities and government tenants, (5) the large exposure towards highly creditworthy governments and public tenants with very long dated average lease maturities (7.4 years including project properties as of June 2018) and consistently high occupancy rates across all cities, and (6) good liquidity and high unencumbered asset ratio of 89.3%.

The company's strengths are partly offset by (1) the significant geographic concentration to Norway, (2) relatively elevated expected leverage for the rating (total debt/total assets of around 42% in the next 12-18 months), (3) somewhat weak EBITDA fixed coverage, and (4) concentration of debt maturities in the coming two years (29% of total debt as of June 2018), however fully back-stopped by unutilized credit facilities.

RATIONALE FOR STABLE OUTLOOK

The stable outlook on Entra's rating incorporates our assumption that the company will maintain a clear, defined strategy focusing on predominantly offices in attractive locations in Oslo with a significant large share of governmental tenants on long-dated contracts and low vacancy rates. We also expect Entra to continuously invest to maintain its modern high quality portfolio and a high occupancy around current levels.

FACTORS THAT COULD LEAD TO AN UPGRADE

A rating upgrade is unlikely at this stage and will be governed by a greater track record of stable cash flows especially during a downturn. However, an upgrade could result from:

•Continuously maintaining or increase the share of public tenants while maintaining or increase a long average lease term

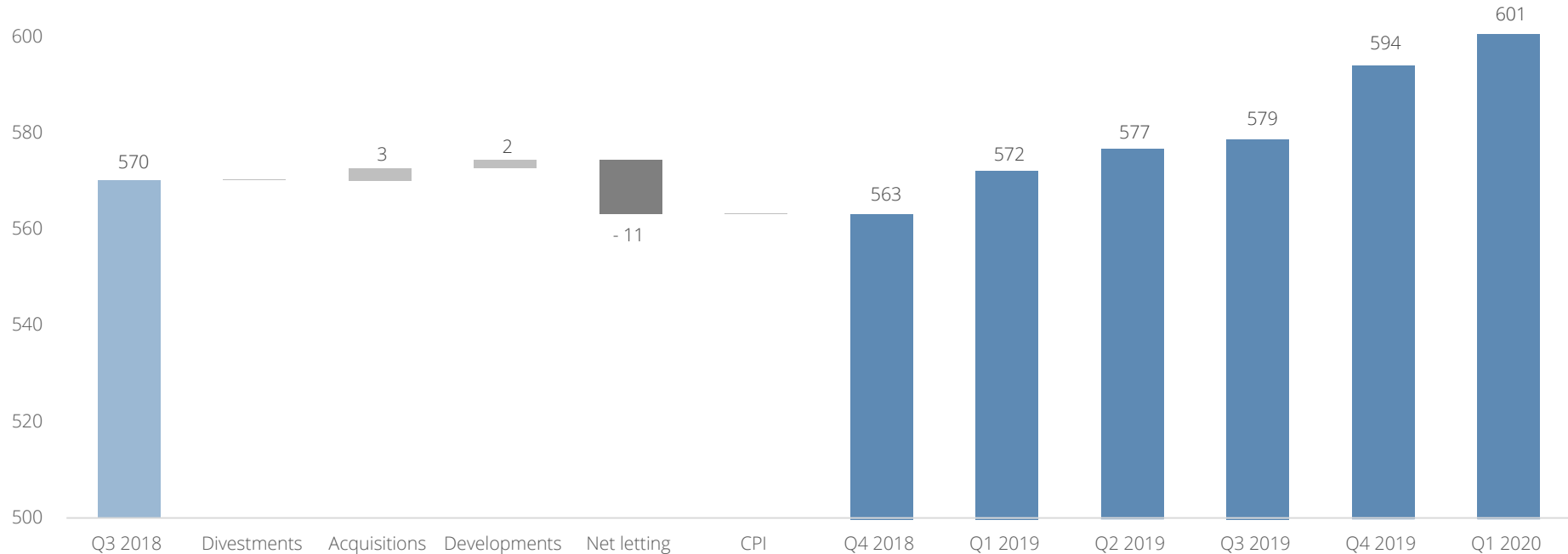
•Sustaining effective leverage as measured by gross debt to total assets, at well below 40% and a financial policy that supports the lower leverage and a fixed charge coverage ratio sustainably around 4.0x

An upgrade will also require Entra to:

- Maintain adequate liquidity
- Reduce reliance on short term funding and extend debt maturities

FACTORS THAT COULD LEAD TO A DOWNGRADE

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

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Closing remarks

- Market conditions remain supportive
 - Strong Norwegian economy
 - Further improvement in Oslo rental market
 - City centre performing best
 - Prime yield remains at low levels but on a slowly rising trend
- Large new refurbishment projects in central Oslo to be started in 2019-2020



Universitetsgata 7-9, Oslo.

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Next event
4th quarter results
February 8, 2019

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