

Q4/FY 2018

Oslo, 8 February 2019



Agenda

Highlights in the quarter

Operations and market

Financial update

Strategic review and outlook

Q&A

Highlights in the quarter



Schweigaardsgate 15 B (Oslo Z)

Key figures:

(NOK million)	Q4 18	Q4 17
Rental income	569	526
Net income from property management	352	314
Net value changes	331	865
Profit before tax	714	1 251

Key events:

- Proposing semi-annual dividend of 2.30 per share for H2-18, total of 4.50 per share for 2018 (+ 10 %)
- Net letting of 1 million
- Start-up of new-build project in Universitetsgata 7-9 in Oslo
- Acquisition of St. Olavs plass 5 and divestment of four properties

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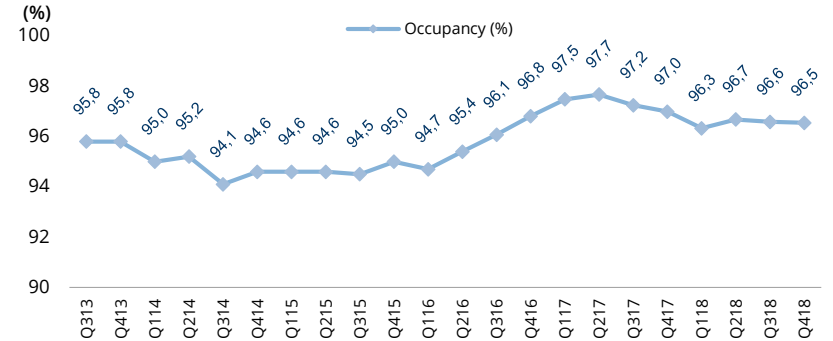
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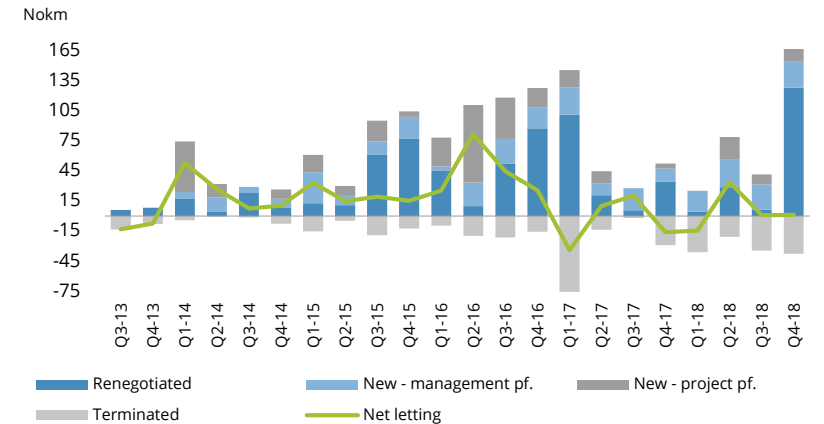
Letting and occupancy

- New and renewed leases of 167 million (72,000 sqm)
- Terminated contracts of 38 million (12,000 sqm)
- Net letting of 1 million
- Occupancy at 96.5 %
- WAULT at 6.7 yrs / 7.4 yrs



Largest new and renegotiated contracts:

Property	Tenant	Sqm	Contract
Kristian August gate 13, Oslo	Spaces/IWG	4,300	New
Langkaia 1, Oslo	Public tenant	3,780	New
Schweigaardsgate 15b, Oslo	The Norwegian Directorate for Education and Training	9,600	Renegotiated
Akersgata 34/36, Oslo	Amedia	6,000	Renegotiated



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

New-build project in Universitetsgata 7-9 in Oslo

- New high quality office property in Oslo city centre
 - Part of Tullinkvartalet
 - 22,300 sqm
 - BREEAM-NOR Excellent
- 25 % pre-let
- Estimated project cost: 1.2 billion
- Estimated yield-on-cost: 6.0 %
- Expected completion: Q3 2021



Universitetsgata 7-9, Oslo

New-build project at Brattørkaia 12 in Trondheim



- 1,900 sqm
- 100 % pre-let to The Norwegian State Educational Loan Fund ("Lånekassen")
- 10 year lease contract
- Estimated total project cost: 86 million
- Estimated yield-on-cost: 5.4 %
- Expected completion: Q1 2020

Portfolio of ongoing projects

	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	470	6.1
Tollbugata 1 A	100	Oslo	Oct-19	9 000	100	460	289	5.1
Tullinkvartalet (UIO)	100	Oslo	Dec-19	21 000	82	1 489	1 025	5.5
Holtermanns veg 1-13	100	Trondheim	Jan-20	11 700	53	340	116	6.0
Brattørkaia 12	100	Trondheim	Jan-20	1 900	100	86	21	5.4
Universitetsgaten 7-9	100	Oslo	Sep-21	22 300	25	1 191	324	6.0
Total				84 100		4 089	2 244	

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

Property swap transaction in Oslo



St. Olavs plass 5, Oslo

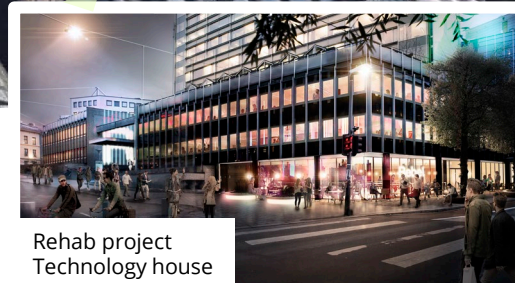
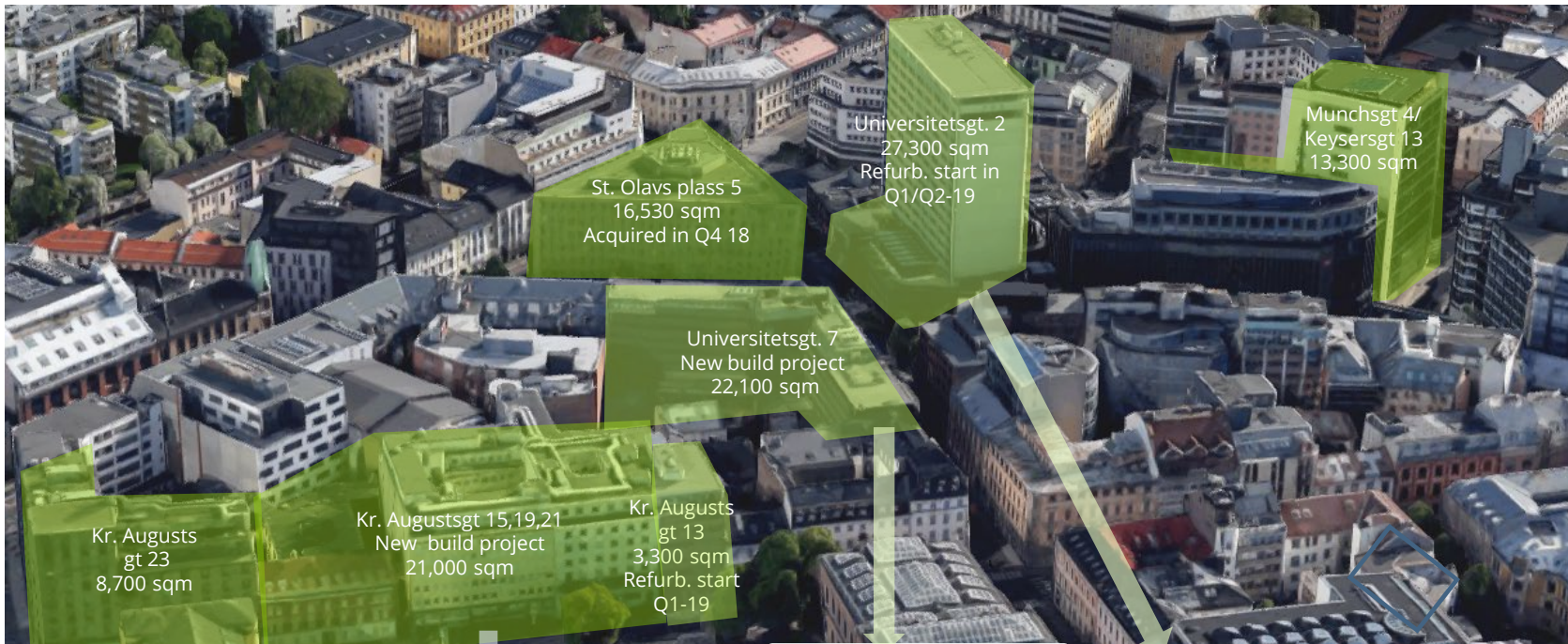
Acquisition of St. Olavs plass 5 in Oslo

- 16,530 sqm
- Gross transaction value: 850 million
 - Exciting property with development potential
 - Adds a significant asset to Tullin property cluster
 - Eliminates rental obligation towards seller

Divestment of three properties

- Tollbugata 1 (project), Pilestredet 19-21 and Pilestredet 28 in Oslo
- Transaction value: 1.1 billion

Update on Tullin quarter portfolio/development projects



Divestment of Aasta Hansteens vei 10

- Non-core property located at Stovner in Oslo
- Transaction value: 80 mill
- 20 % premium to book value as of 30.9.18
- Closing on 31 January 2019



Aasta Hansteens vei 10, Stovner

Status Oslo S Utvikling (33.3 % owned)

- Barcode;
 - Offices and parking developed and sold
 - 15,000 sqm ground floor sold in Q1-19 (LOI)
- Bispevika North;
 - Under development
 - 662 apartments expected finalised by 2020
 - 22,000 sqm office, finalised in Q2-19
 - 12,000 sqm ground floor sold in Q1-19 (LOI)
- Bispevika South;
 - ~ 800 apartments, ~ 13.000 sqm ground floor
 - Planned developed 2019-2024



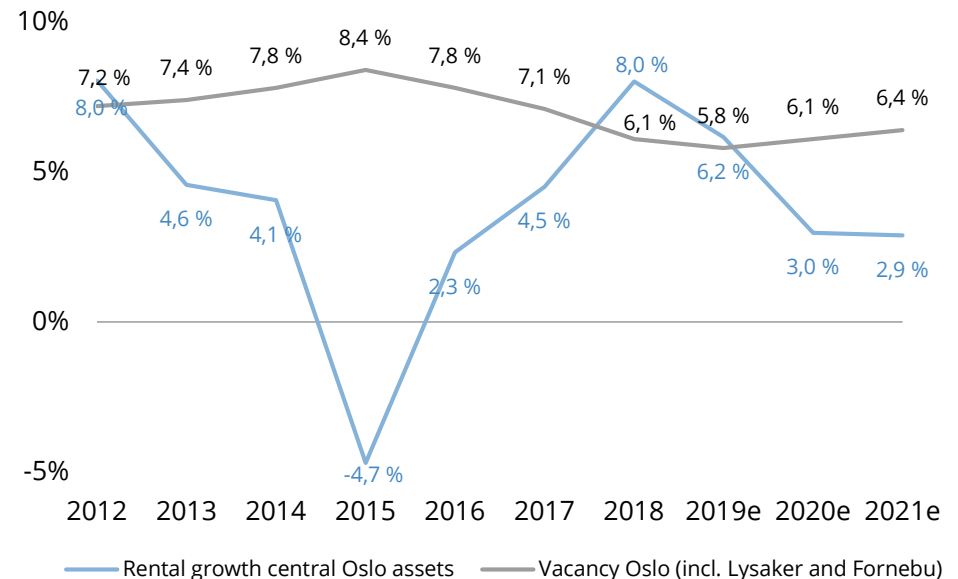
- 1 Barcode retail/basement**
 - Parking/storage of 26,000 sqm
 - Retail space of 28,000 sqm (LOI)
 - Sold in Q2-18 / Q1-19
- 2 Dronninglunden**
 - 109 of 138 apartments sold
 - Completion in H2 2019
- 3 Eufemias Hage**
 - All 145 apartments sold
 - Completed in 2018
- 4 Eufemia**
 - Office project of 22,400 sqm
 - Forward sold for 1,740 mill
 - Completion in May 2019
- 5 Eufemias Pluss (West/South)**
 - 126 of 165 apartments sold
 - Completion in H2 2019/ Q1 2020
- 6 Vannkunsten**
 - 86 of 214 apartments sold
 - Completion during 2020
- 7 Remaining development potential**
 - ~ 800 apartments

Market development

Rent and vacancy

- Strong economic development;
 - GDP growth > 2 %
 - Increasing employment
 - CPI 2018 (nov-nov) at 3.5 %
- Oslo
 - Vacancy continues to decrease
 - Significant uplift in market rents
- Regional cities;
 - Increased employment and higher activity in the oil sector
 - Increasing market rents in city centre locations

Market rental growth and vacancy in Oslo



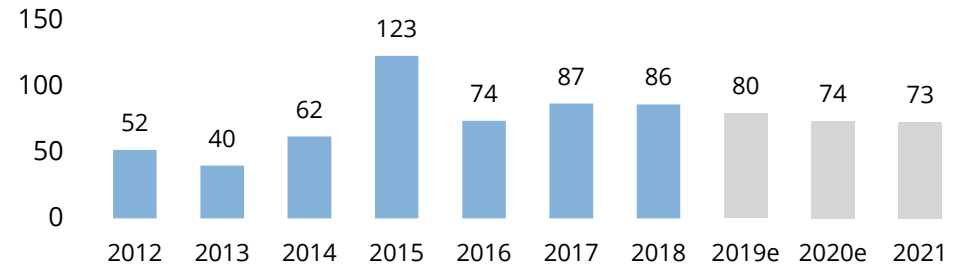
Source: Entra consensus report January 2019, average of estimates from leading market specialists in Norwegian market. Nominal rental value growth

Market development

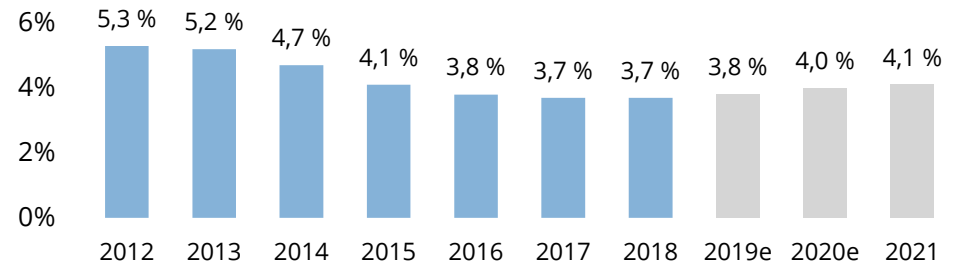
Transactions and yields

- Active transaction market
- Yields remain stable at low levels,
 - Expected to slide upwards on back of increasing interest rates
 - Valuation effects balanced by increasing market rents and strong demand side

Total transaction volume (NOKbn)*



Prime yield Oslo*



* Source: Entra consensus report, January 2019. Estimates from leading market specialists in Norwegian market

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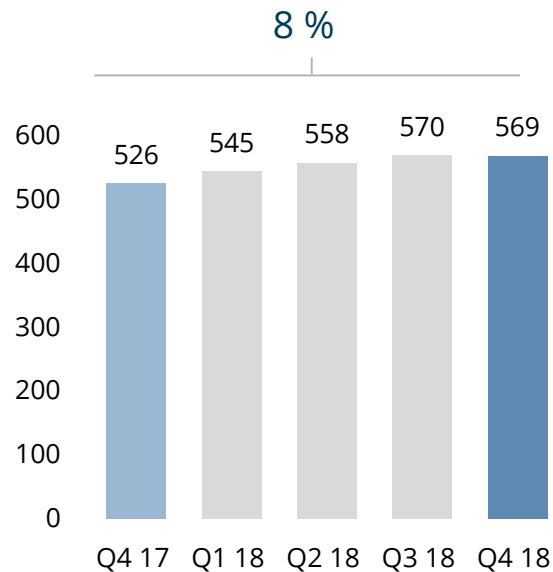
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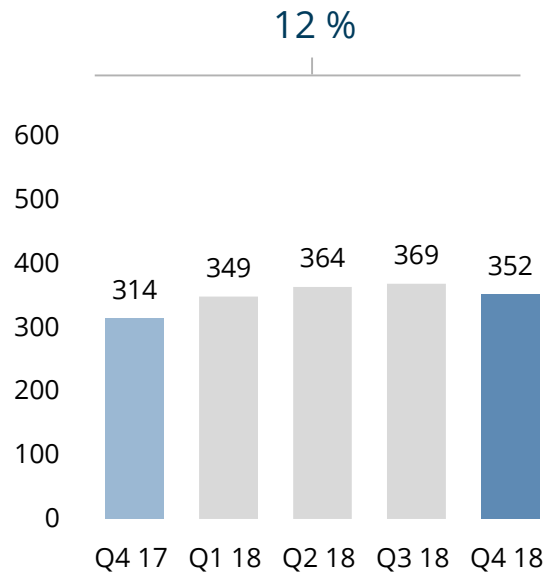
Q&A

Key financials

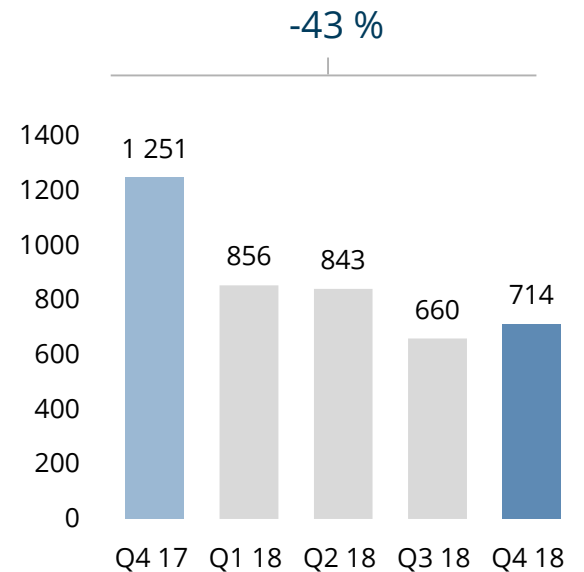
Rental income
(NOKm)



Net income from property
management (NOKm)



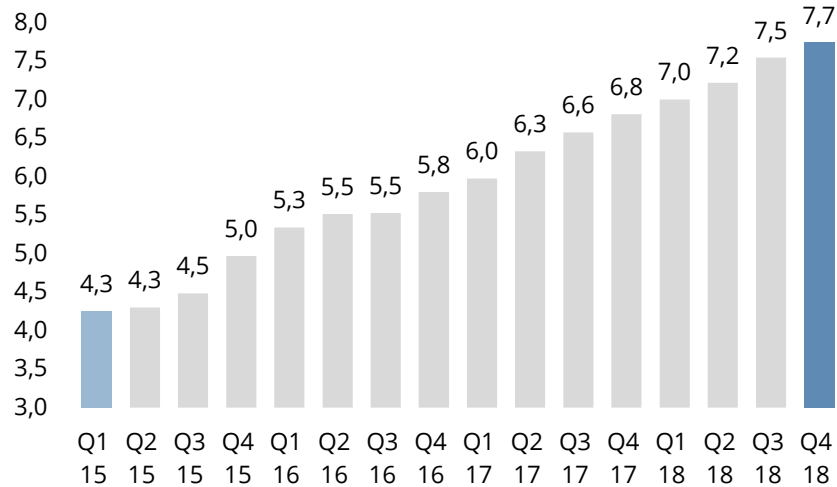
Profit before tax
(NOKm)



Key financials - per share

Cash Earnings* (NOK per share)

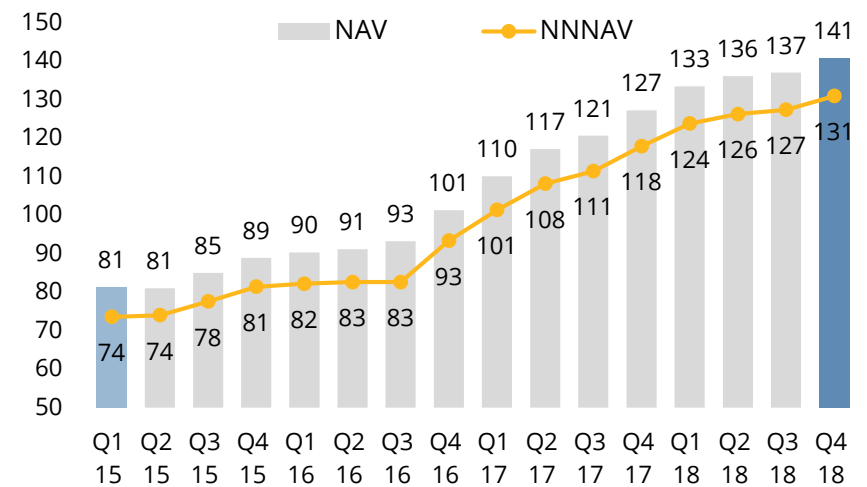
CAGR: 16 %



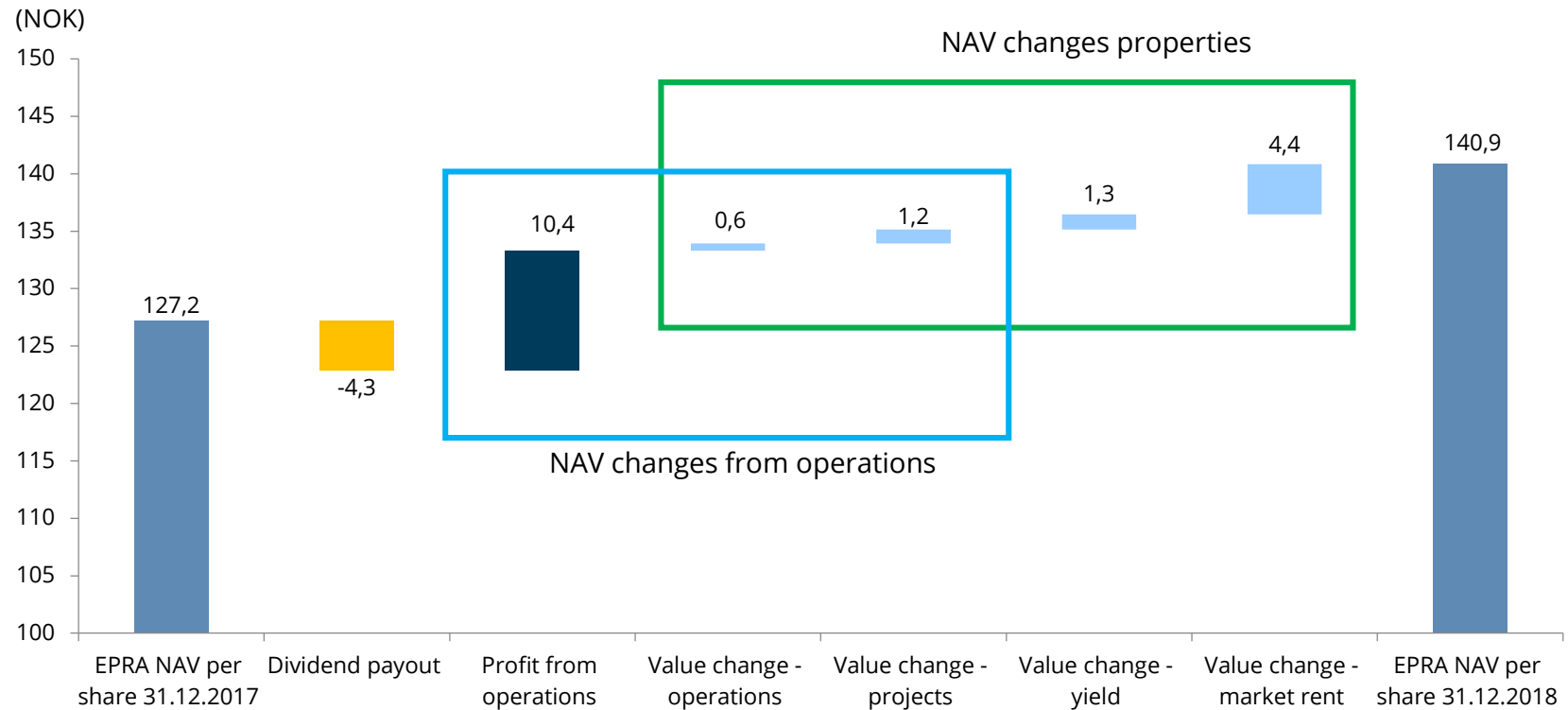
* Annualised, rolling four quarters.

EPRA NAV/NNNAV (NOK per share)

CAGR: 15 %



EPRA NAV per share development 2018

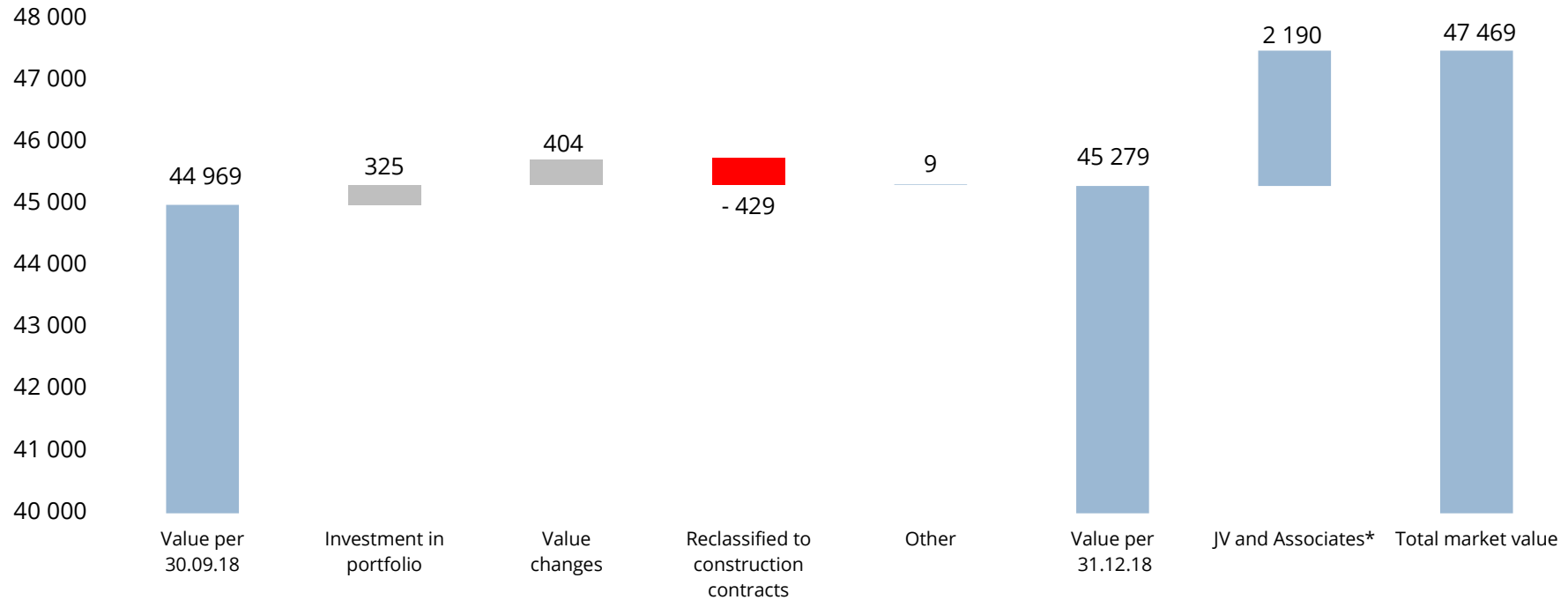


Profit and loss statement

All figures in NOK millions	Q4		Full year	
	2018	2017	2018	2017
Rental income	569	526	2 243	2 075
Repairs & maintenance	-10	-13	-35	-40
Operating costs	-44	-33	-149	-121
Net operating income	515	480	2 058	1 913
Other revenue	456	68	521	285
Other costs	-442	-59	-500	-246
Administrative costs	-44	-48	-157	-163
Share of profit from associates and JVs	31	82	156	244
Net realised financials	-134	-137	-491	-550
Net income	383	386	1 587	1 483
- of which net income from property management	352	314	1 434	1 259
Changes in value of investment properties	404	831	1 387	3 460
Changes in value of financial instruments	-73	34	99	87
Profit before tax	714	1 251	3 073	5 030
Tax payable	-5	-2	-13	-8
Change in deferred tax	71	152	-325	-507
Profit for period/year	779	1 401	2 735	4 514

Investment property value development

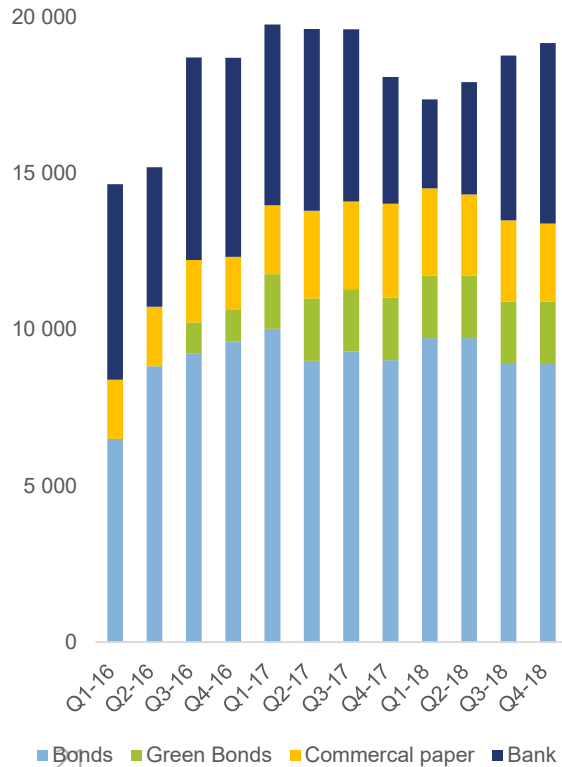
(NOKm)



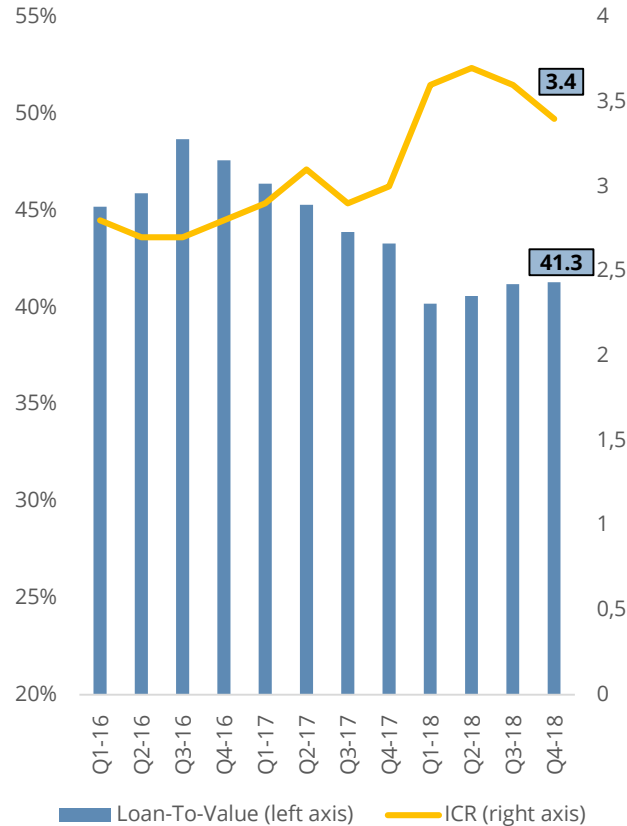
* Entra's share of gross market value of JVs and Associates (book value equity = 358 million)

Financial update

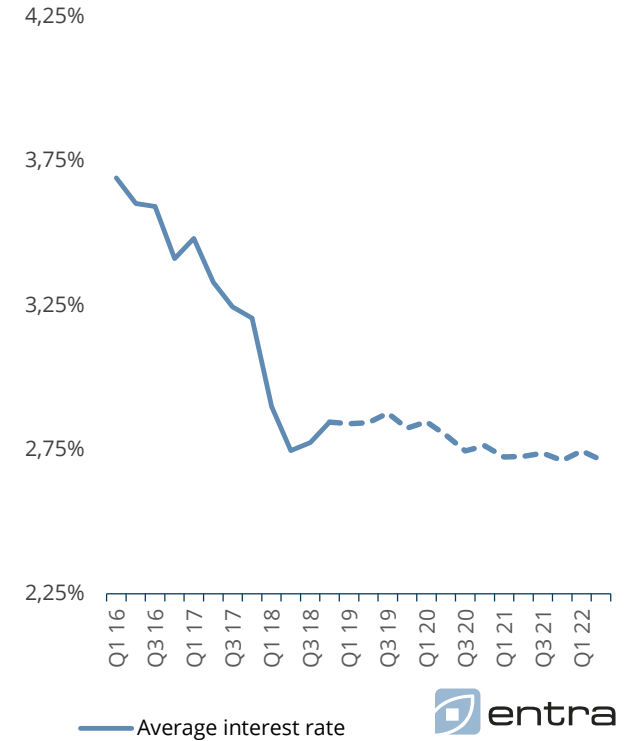
Financing mix



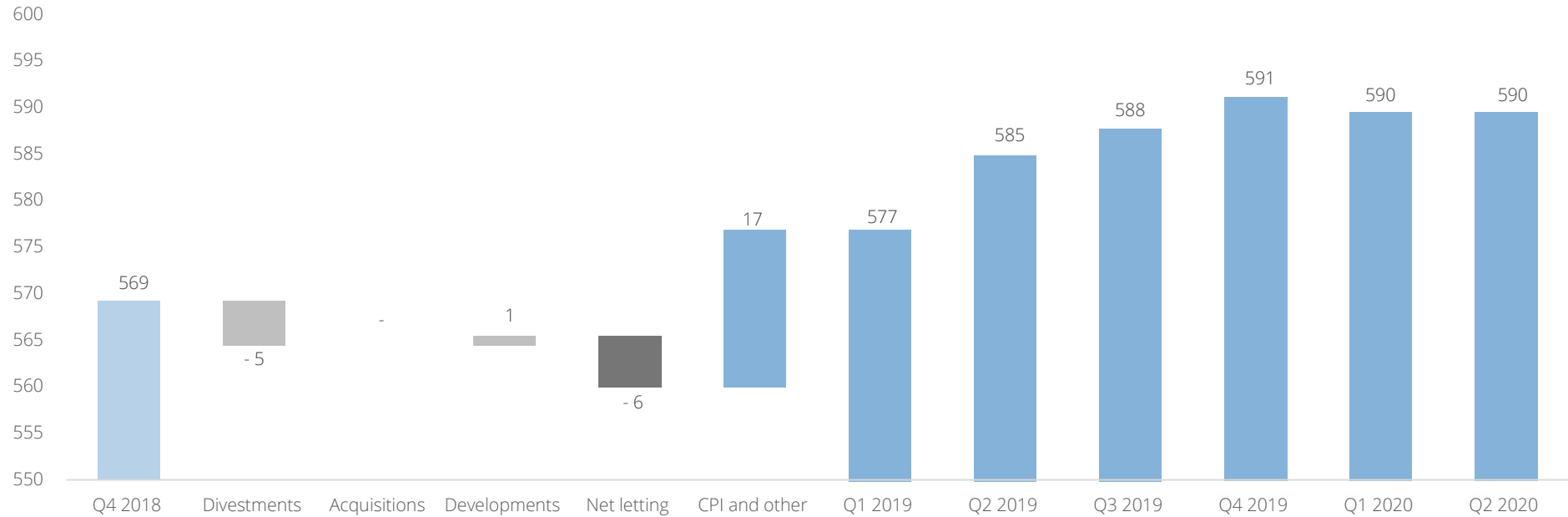
LTV and ICR



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

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Technology and digitization on the agenda

- Smart buildings



- Why
 - Improve employee comfort and efficiency
 - Improve space utilisation
 - Improve stability, security and safety
 - Reduce environmental impact.
 - Reduce operating costs, optimise maintenance and property management
- How we work
 - Centralised monitoring and technical operation
 - Standardisation, use of data and intelligence across portfolio
 - New technology; e.g. sensors, digital twins, VR and facial recognition
 - Carbon monitoring and reduction; e.g. energy saving and renewable production

Technology and digitization on the agenda

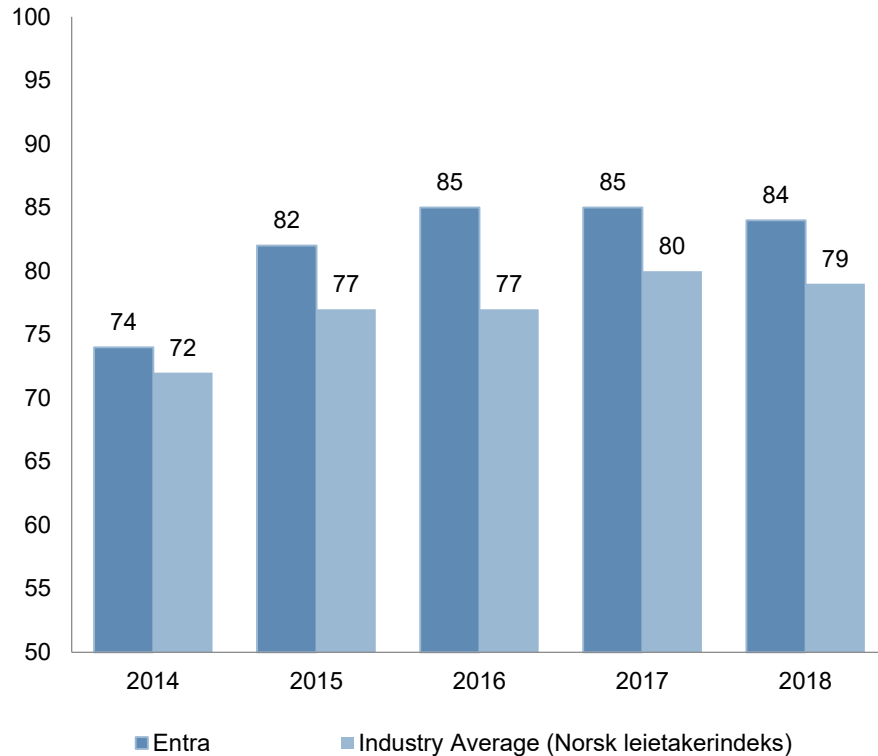
- User experience



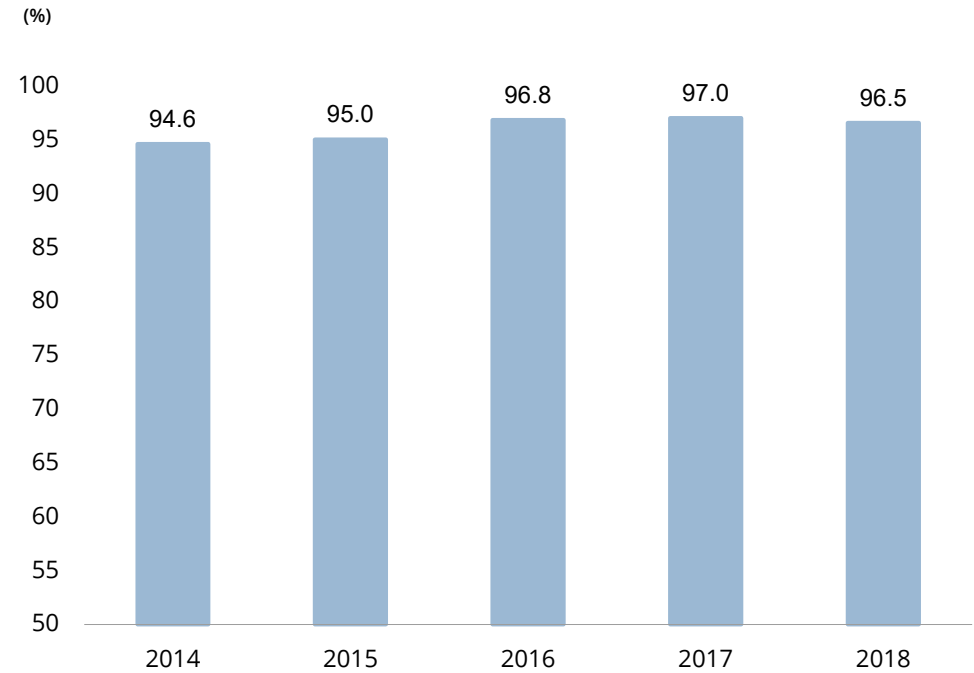
- Why
 - Office product and landscape changing rapidly
 - Surge for increased flexibility and new services
 - Own the customer journey vs. supplier of «bricks and mortar»
- How we work
 - Build a platform for digitization and innovation.
 - Re-new and optimise business critical systems, e.g. ERP system and IT architecture
 - Develop new and flexible concepts
 - Increase range of services offered to tenants and users
 - Tenant experience app; e.g. cafeteria, taxi, lunch, maintenance

Strategic target: Best in class customer satisfaction

Customer satisfaction score

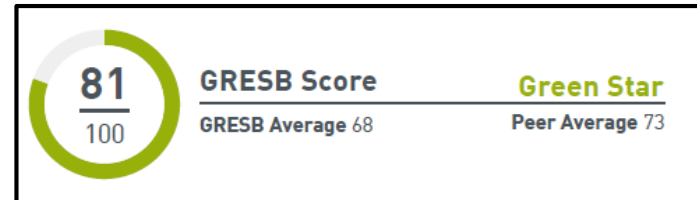
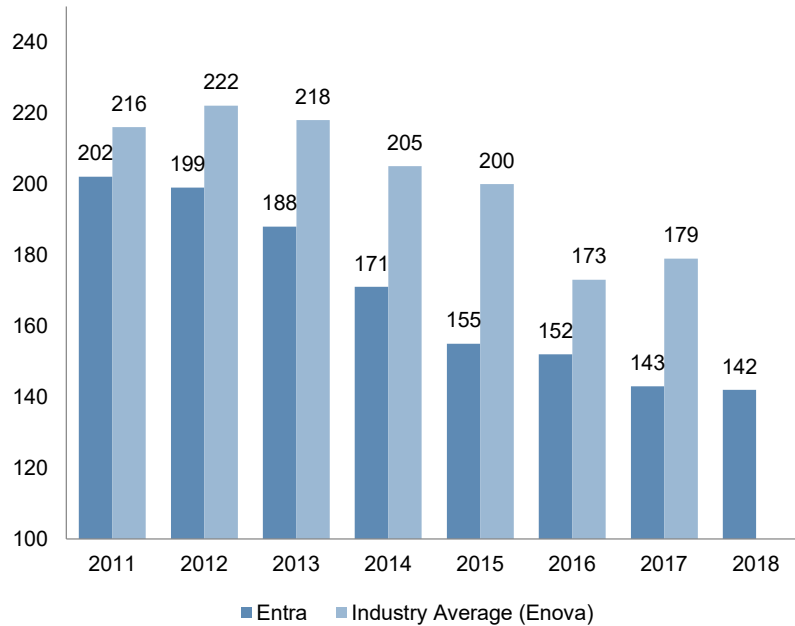


Portfolio occupancy



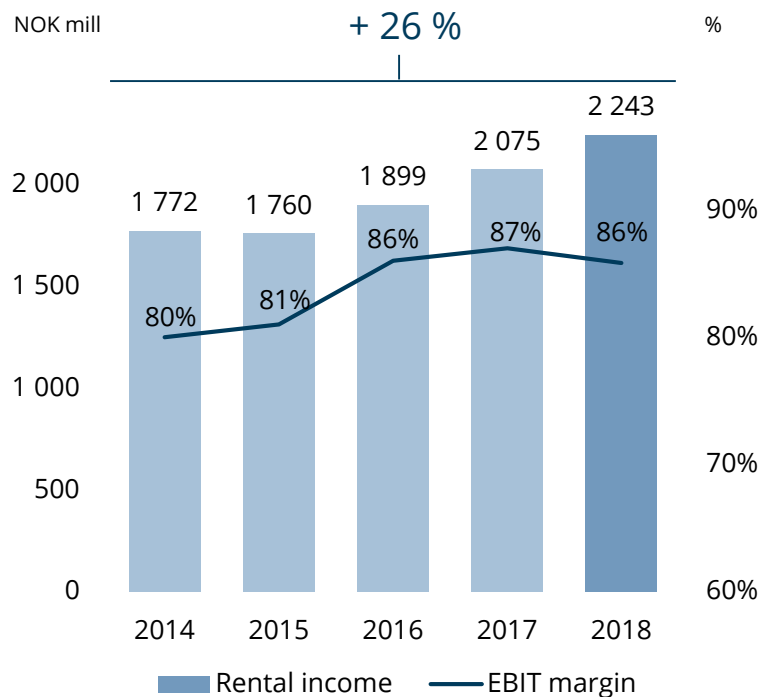
Strategic target: Sustainable operations, environmental leadership

Energy consumption (Kwh/sqm)

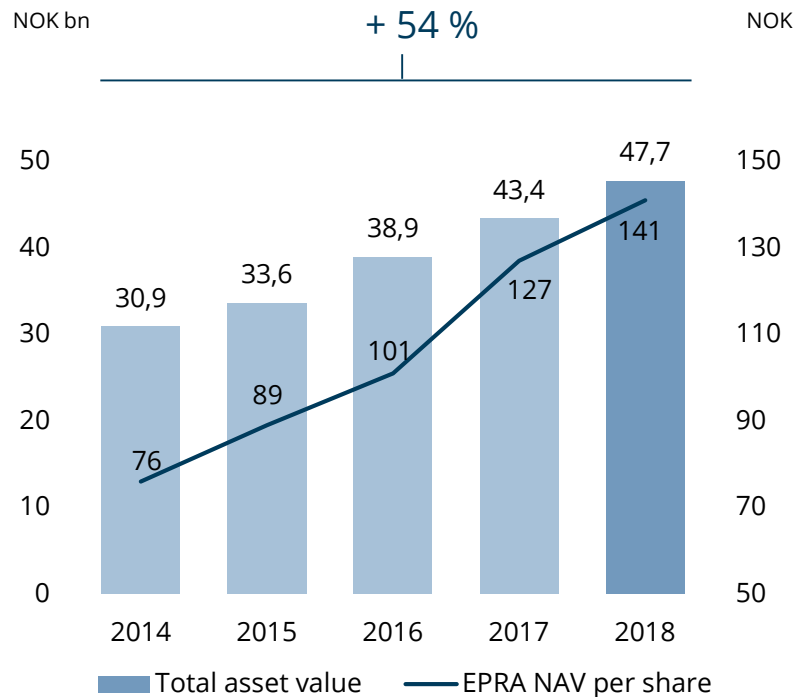


Strategic target: Profitable growth

Rental income and EBIT margin



Total asset value and EPRA NAV per share



Closing remarks and outlook

- 2018 was another good year
 - 14 % growth in cash earnings, 11 % NAV growth
 - Completed 14,500 sqm and started up 44,300 sqm in new development projects
 - Added 75,000 sqm to the long-term development pipeline
 - Near all properties located in strategic property clusters in the largest cities
- Outlook
 - Supportive macro
 - Strong rental and transaction market
 - Short term portfolio consolidation, but value growth to continue
 - Solid development pipeline



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Next event
1st quarter results
April 26, 2019

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