

Q1 2019

Oslo, 26 April 2019



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Q&A

Highlights in the quarter



Tordenskiolds gate 12, Oslo

Key figures:

| (NOK million) | Q1 19 | Q1 18 |
|-------------------------------------|-------|-------|
| Rental income | 585 | 545 |
| Net income from property management | 375 | 349 |
| Net value changes | 462 | 492 |
| Profit before tax | 857 | 856 |

Key events:

- Net letting of 1 million
- Finalised Powerhouse Brattørkaia in Trondheim
- Recruitment of new CEO initiated

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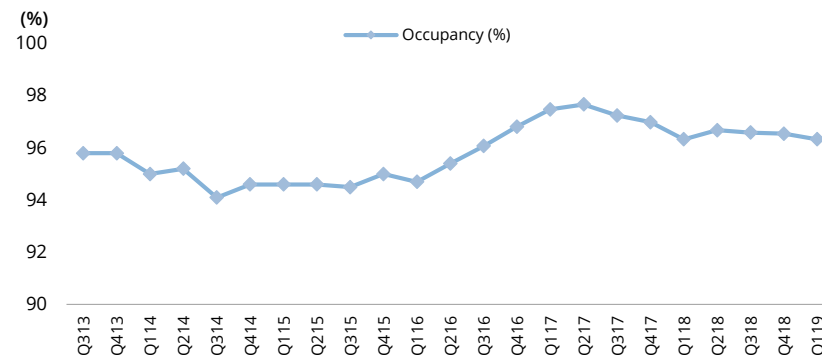
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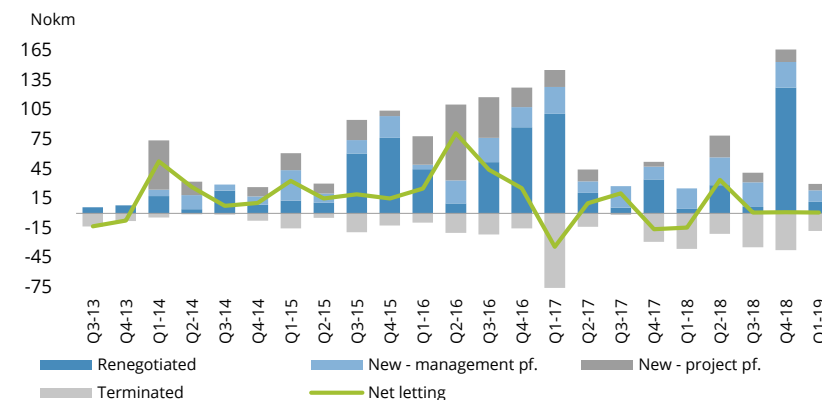
Letting and occupancy

- New and renewed leases of 30 million (14,200 sqm)
- Terminated contracts of 18 million (7,800 sqm)
- Net letting of 1 million
- Occupancy at 96.3 %
- WAULT at 6.5 yrs / 7.2 yrs



Largest new and renegotiated contracts:

| Property | Tenant | Sqm | Contract |
|----------------------------|--------------------------------|-------|--------------|
| Prinsens gate 1, Trondheim | Trøndelag County Council | 2,250 | New |
| Tullinkvartalet, Oslo | Sector Asset Management | 1,150 | New |
| Jåttåvagneien 7, Stavanger | Lotus Exploration & Production | 1,300 | Renegotiated |



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

Finalised Powerhouse Brattørkaia in Trondheim

- 18,200 sqm new office building
- Occupancy: 91 % (▲ 6 %)
- Energy positive
 - Produce 500,000 kWh renewable energy p.a. - more than 2x actual consumption
- BREEAM-NOR Outstanding
- Innovative technical solutions
- Total project cost 518 mill (▼5 mill)
 - Yield-on-cost: 6.2 % (▲0,1 %)



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⁾ (%) |
|-----------------------|---------------|-----------|---------------------|--------------------|---------------|---|---------------------------------------|---------------------------------|
| Tollbugata 1 A | 100 | Oslo | Oct-19 | 9,000 | 100 | 460 | 330 | 5.1 |
| Tullinkvartalet (UIO) | 100 | Oslo | Oct-19 ↓ | 22,700 | 86 ↑ | 1,450 ↓ | 1,072 | 5.8 ↑ |
| Holtermanns veg 1-13 | 100 | Trondheim | Jan-20 | 11,700 | 60 ↑ | 340 | 178 | 6.0 |
| Brattørkaia 12 | 100 | Trondheim | Jan-20 | 1,900 | 100 | 86 | 39 | 5.4 |
| Universitetsgata 7-9 | 100 | Oslo | Sep-21 | 22,300 | 25 | 1,191 | 363 | 6.0 |
| Total | | | | 67 600 | | 3 527 | 1 983 | |

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

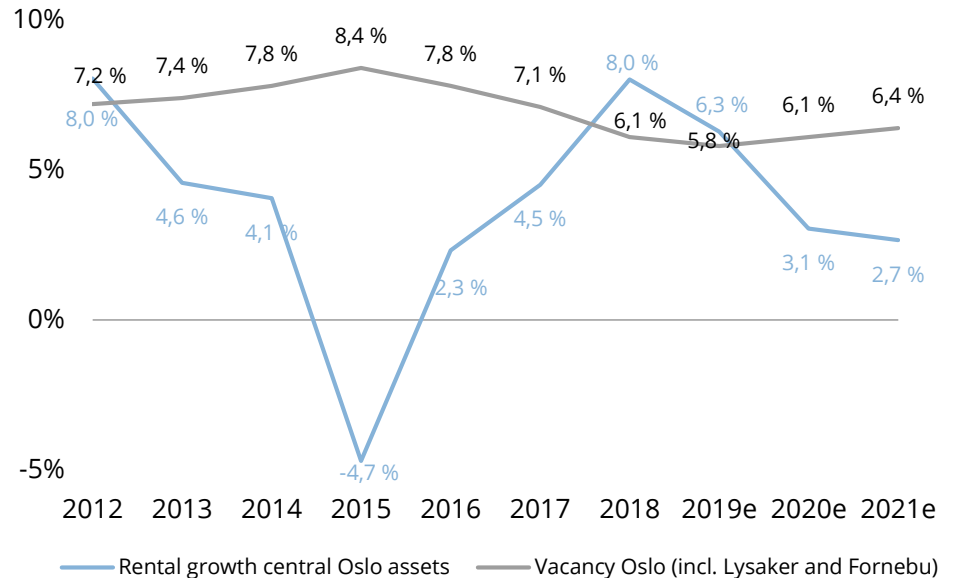
²⁾ Estimated net rent (fully let) at completion/total project cost (including cost of land)

Market development

Rent and vacancy

- Strong economic development;
 - GDP growth > 2 %
 - Oslo city centre vacancy at very low level
 - 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



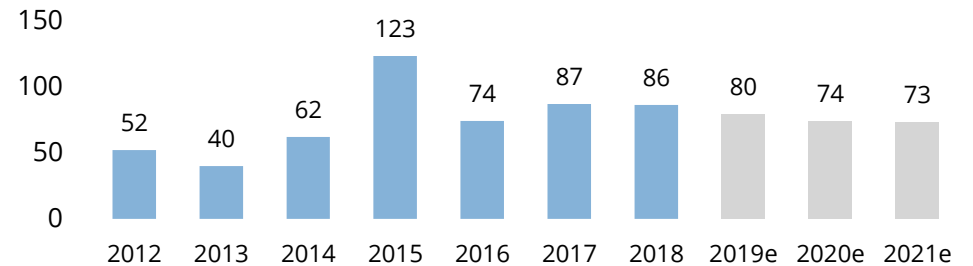
Source: Entra consensus report April 2019, average of estimates from leading market specialists in Norwegian market. Nominal rental value growth

Market development

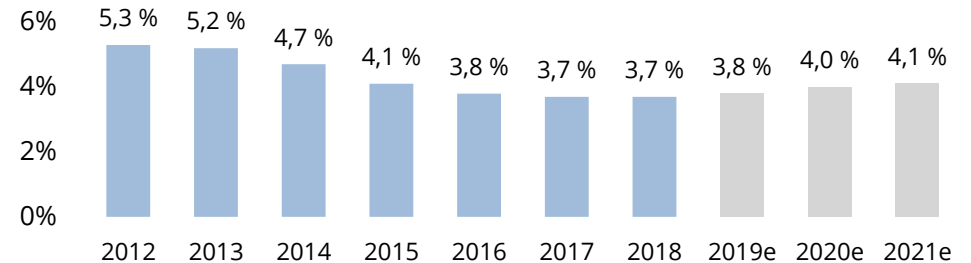
Transactions and yields

- Active transaction market
- Improved financing conditions
 - Long term interest rate levels and credit spreads reduced
- Yields remain stable at low levels

Total transaction volume (NOKbn)*



Prime yield Oslo*



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

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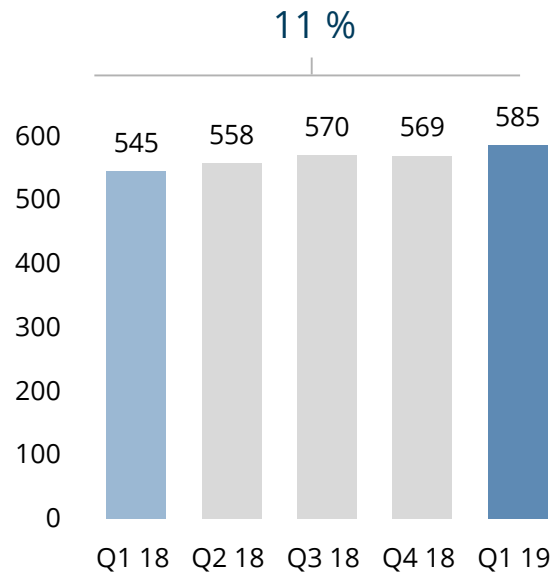
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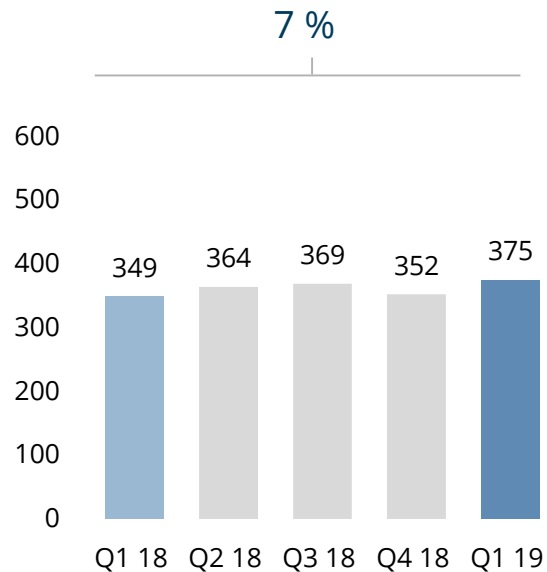
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Key financials

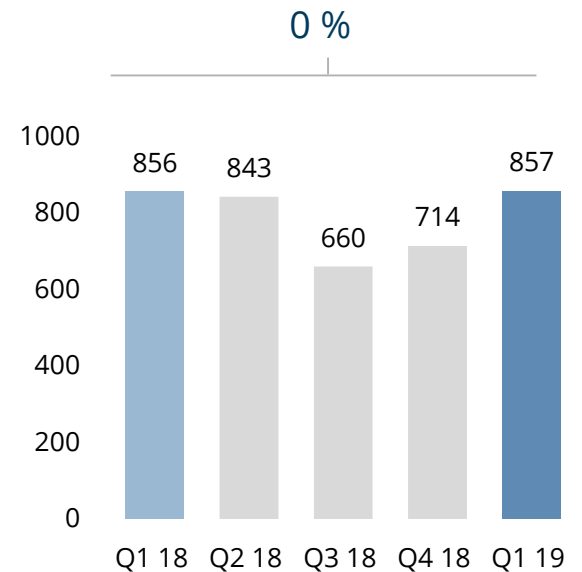
Rental income
(NOKm)



Net income from property
management (NOKm)



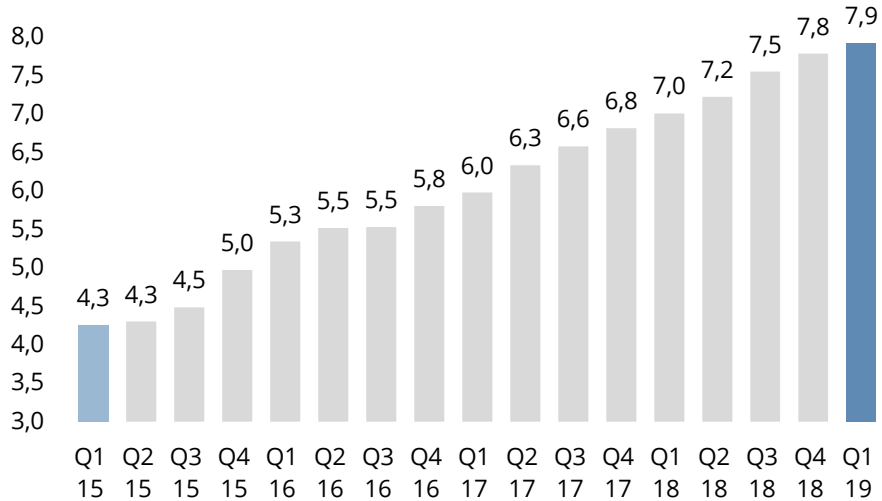
Profit before tax
(NOKm)



Key financials - per share

Cash Earnings* (NOK per share)

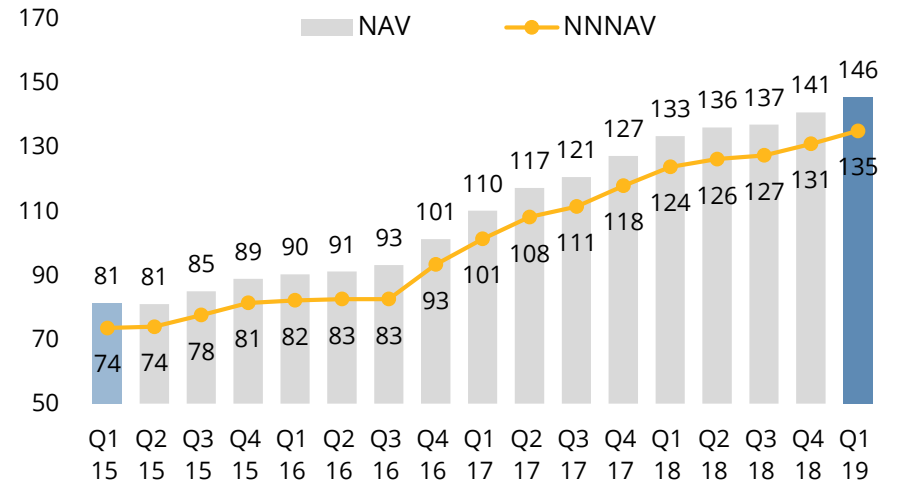
CAGR: 16 %



* Annualised, rolling four quarters.

EPRA NAV/NNNAV (NOK per share)

CAGR: 15 %

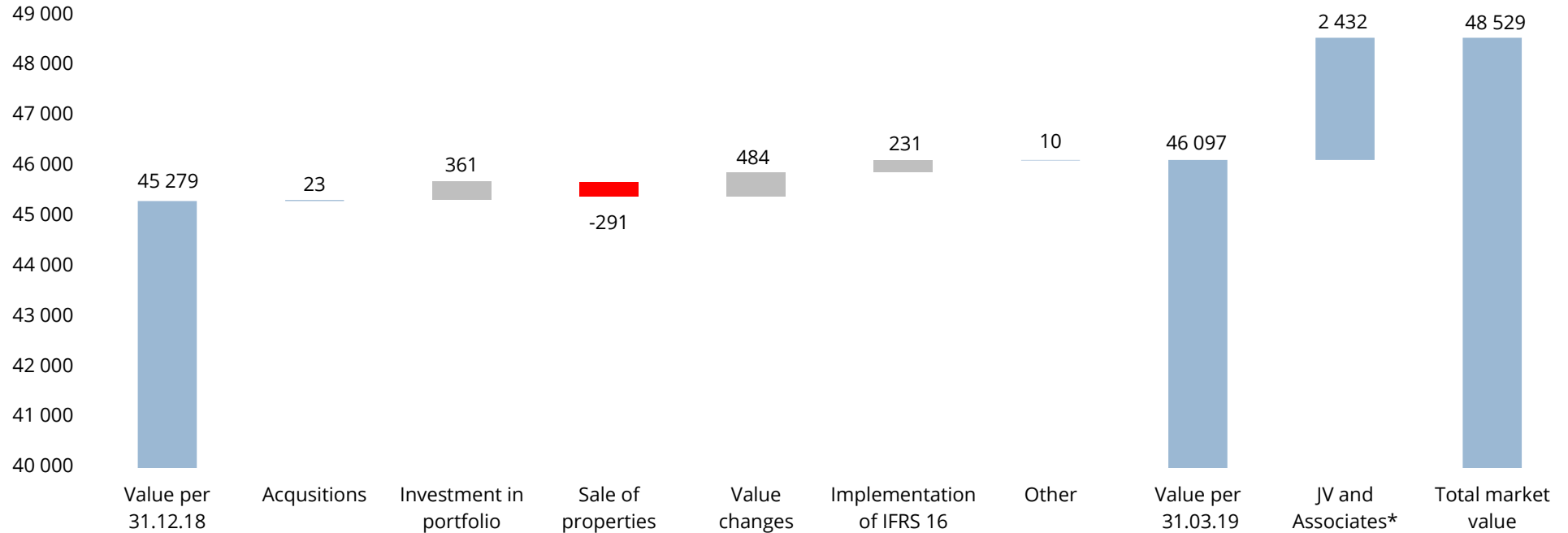


Profit and loss statement

| All figures in NOK millions | Q1 | | Full year |
|---|------------|------------|--------------|
| | 2019 | 2018 | 2018 |
| Rental income | 585 | 545 | 2 243 |
| Operating costs | -43 | -44 | -184 |
| Net operating income | 542 | 501 | 2 058 |
| Other revenues | 69 | 13 | 521 |
| Other costs | -60 | -11 | -500 |
| Administrative costs | -48 | -44 | -157 |
| Share of profit from associates and JVs | 23 | 14 | 156 |
| Net realised financials | -131 | -110 | -491 |
| Net income | 395 | 363 | 1 587 |
| - of which net income from property management | 375 | 349 | 1 434 |
| Changes in value of investment properties | 484 | 357 | 1 387 |
| Changes in value of financial instruments | -22 | 135 | 99 |
| Profit before tax | 857 | 856 | 3 073 |
| Tax payable | -3 | -3 | -13 |
| Change in deferred tax | -147 | -119 | -325 |
| Profit for period/year | 707 | 734 | 2 735 |

Investment property value development

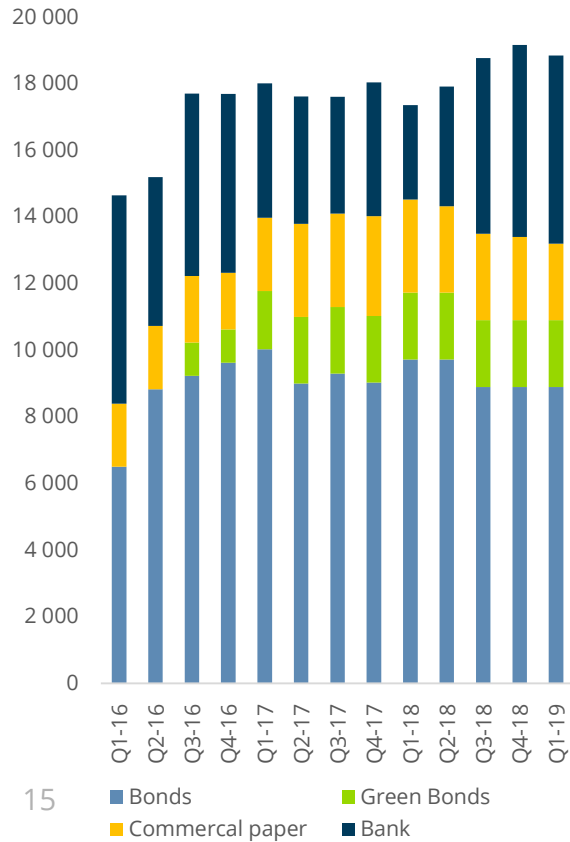
(NOKm)



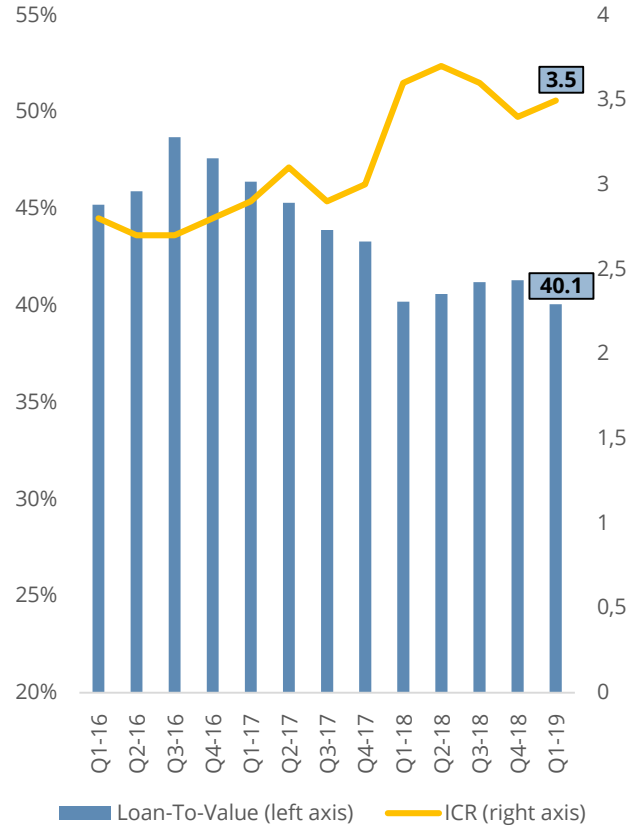
* Entra's share of gross market value of JVs and Associates (book value equity = 249 million)

Financial update

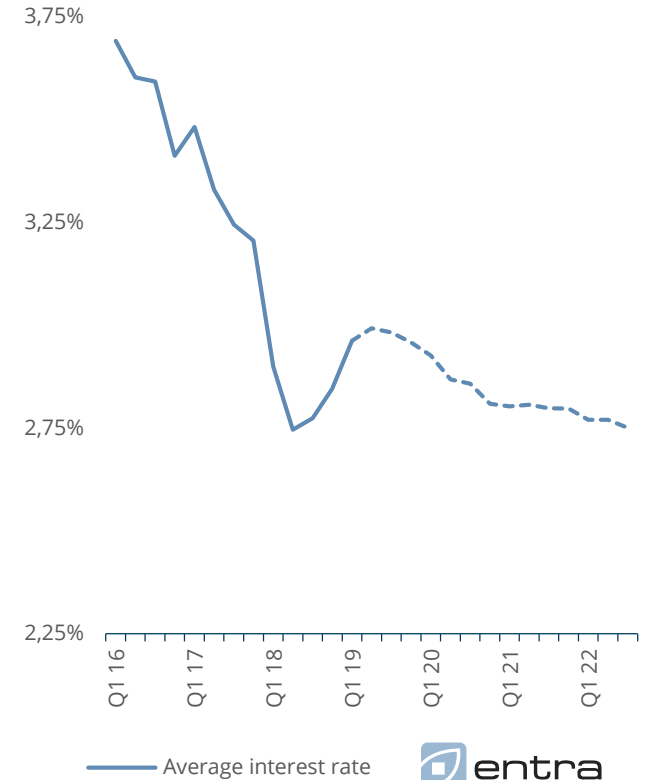
Financing mix



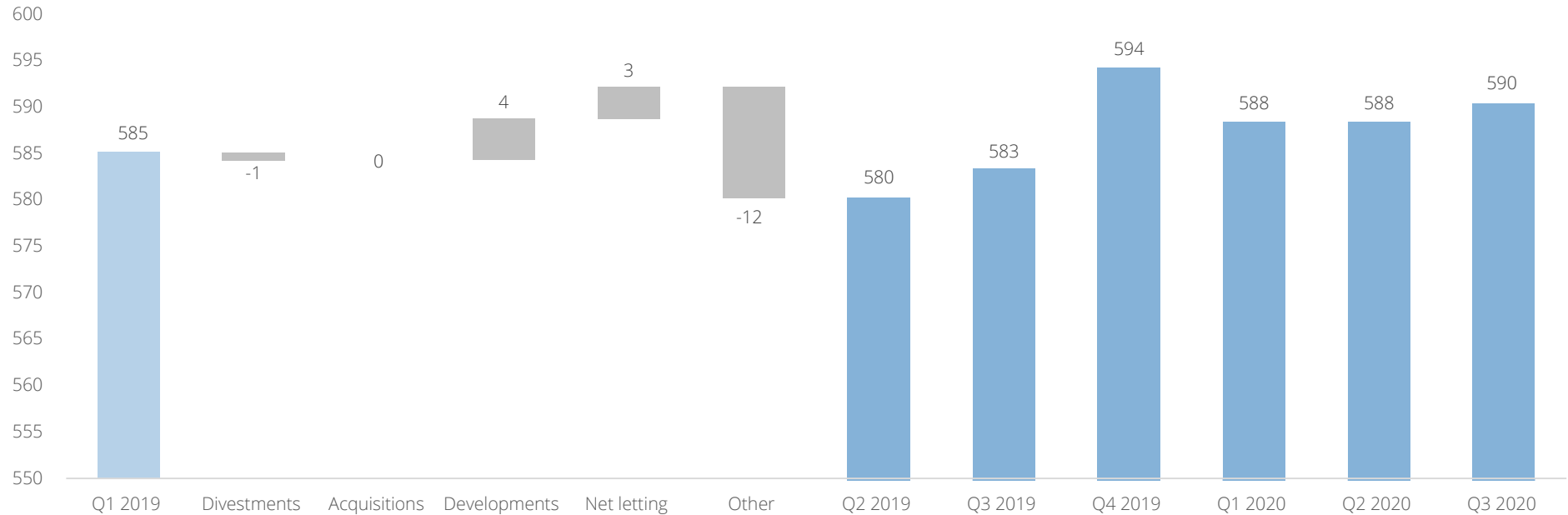
LTV and ICR



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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- Supportive macro, strong rental and transaction market
- Improving financing conditions, yields remain stable
- Focus on progressing project pipeline, both short and long term
- Several exciting redevelopment projects will be added to ongoing project portfolio this and next year

Redevelopment project pipeline



Tordenskioldsgate 12, Oslo



Universitetsgata 2, Oslo



Stenersgata 1 (Oslo City), Oslo



Schweigaardsgate 15, Oslo

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