

Q4/FY 2019

Oslo, 7 February 2020



Agenda

Highlights in the quarter

Operations and market

Financial update

Closing remarks

Q&A

Highlights in the quarter



Tullinkvartalet (UiO), Oslo

Key figures:

(NOK million)	Q4 19	Q4 18
Rental income	595	569
Net income from property management	384	352
Net value changes	569	331
Profit before tax	1 040	714

Key events:

- Strong net letting of 26 million
- Finalised three development projects
- Acquisition of one development property
- Proposing semi-annual dividend of 2.4 per share for H2-19, total of 4.7 per share for 2019 (+ 4 %)

Agenda

Highlights in the quarter

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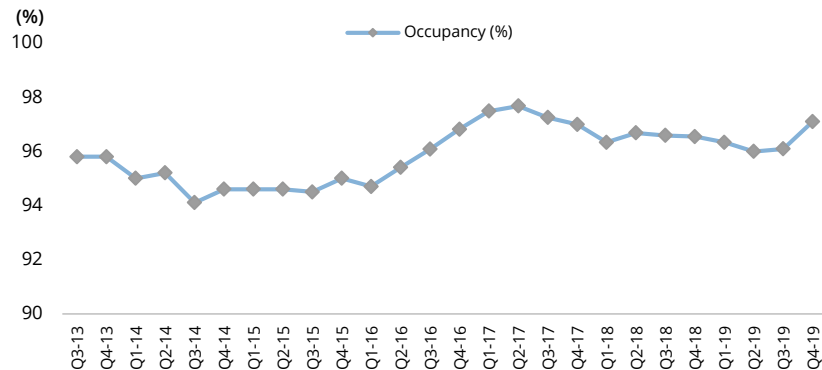
Financial update

Closing remarks

Q&A

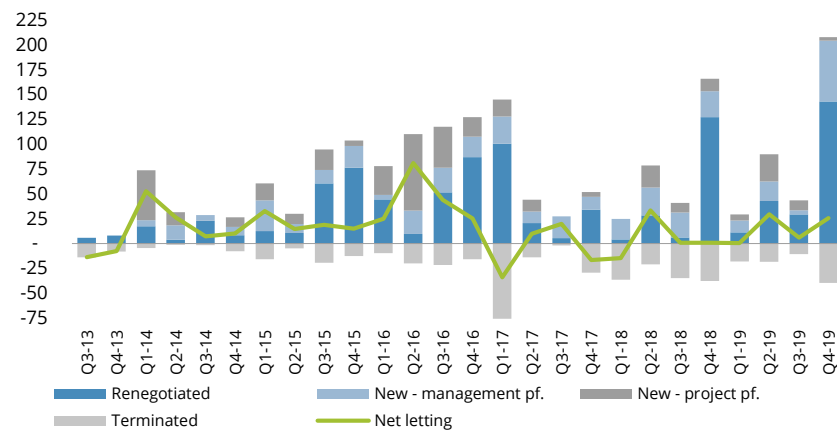
Letting and occupancy

- New and renewed leases of 208 million (90,000 sqm)
- Terminated contracts of 40 million (14,200 sqm)
- Net letting of 26 million
- Occupancy at 97.1 %
- WAULT at 6.8 yrs (6.9 yrs incl. project portfolio)





Largest new and renegotiated contracts:

Property	Tenant	Sqm	Contract
Stenersgata 1, Oslo	The Immigration appeals board	7,600	Renegotiated
Langkaia 1, Oslo	Undisclosed	5,600	New
Tvetenveien 22, Oslo	The Norwegian Government	4,100	Renegotiated
Verkstedveien 3, Oslo	Codan Insurance	3,000	New
Prinsens gate 1, Trondheim	The County Governor of Trøndelag	2,700	New



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

Finalised new-build project in Tullinkvartalet in Oslo

- New 23,000 sqm university/office building
- 95 % let
 - University of Oslo, Faculty of Law (82 %)
- BREEAM Excellent
- Total project cost: 1,424 mill 
- Yield-on-cost: 6.0 % 



Tullinkvartalet UiO, Oslo

Finalised redevelopment of Tollbugata 1 in Oslo

- Refurbishment and connection of two old buildings
- 9,000 sqm, fully let
- Total project cost: 446 million
- Yield-on-cost: 5.4 %
- Forward sold for 615 million
 - Closing in November 2019



Tollbugata 1, Oslo



Finalised new-build project at Brattørkaia 12 in Trondheim

- 1,900 sqm
- Fully let to public tenant on 10 year lease
- Total project cost: 86 million
- Yield-on-cost: 5.4 %



Brattørkaia 12, Trondheim

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⁾ (%)
Holtermanns veg 1-13	100	Trondheim	Jan-20	11 700	91 	352 	302	6,1 
Kristian Augustsgate 13	100	Oslo	Aug-20	4 300	100	304	184	5,0
Universitetsgata 7-9	100	Oslo	Sep-21	21 900	49	1 235	559	5,9 
Universitetsgata 2 - Rebel	100	Oslo	Sep-21	28 100	18 	1 650	917	5,6
Total				66 000		3 541	1 962	

Acquisition of Møllendalsveien 6-8 in Bergen

- Located within existing property cluster, nearby Media City Bergen
- 14,500 sqm
- Property value: 400 million
- Lease contract duration: ~1 year
- Plan to re-develop into attractive office product



Møllendalsveien 6-8, Bergen

New partnership for development of land plot in Stavanger

- Development of the area Jåttåvågen Phase 2
- Adjacent to existing portfolio at Hinna Park
- Partnership between Entra, OBOS, Camar and Stavanger municipality
 - Entra 12.5 % ownership
- Estimated development potential;
 - minimum 205,000 sqm
 - 60 % residential and 40 % office
 - expected to be realized over the next 25 years
- Up-front payment for Entra: 12.5 million

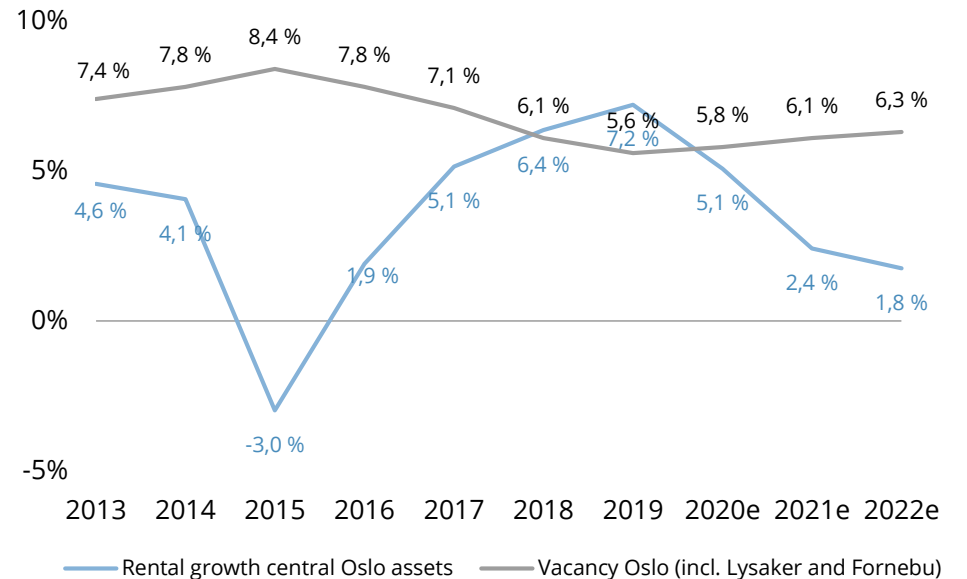


Market development

Rent and vacancy

- Solid Norwegian macro
 - Expecting GDP and CPI growth > 2 %
- Oslo;
 - Vacancy remains low
 - Normalised new building activity
 - Expecting continued rental growth in Oslo
- Regional cities;
 - Rental growth and low vacancy in central Bergen
 - Moderate recovery in Stavanger
 - Stable development in Trondheim

Market rental growth and vacancy in Oslo



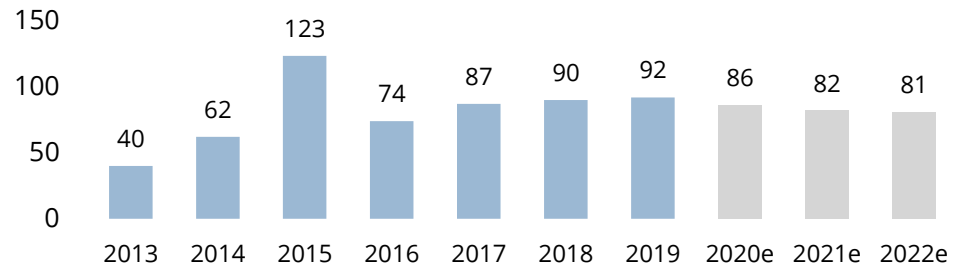
Source: Entra consensus report January 2020, average of estimates from leading market specialists in Norwegian market. Nominal rental value growth

Market development

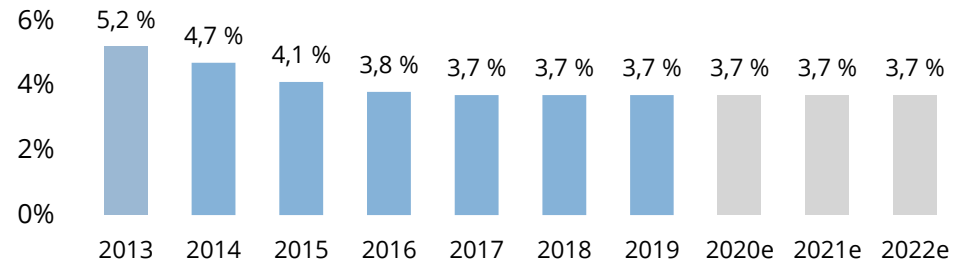
Transactions and yields

- Expecting continued high activity in transaction market
- Prime yield outlook remains flat
- Tightening yield gap in Bergen
- Open and competitive financing market

Total transaction volume (NOKbn)*



Prime yield Oslo*



Source: Entra consensus report January 2020. Estimates from leading market specialists in Norwegian market

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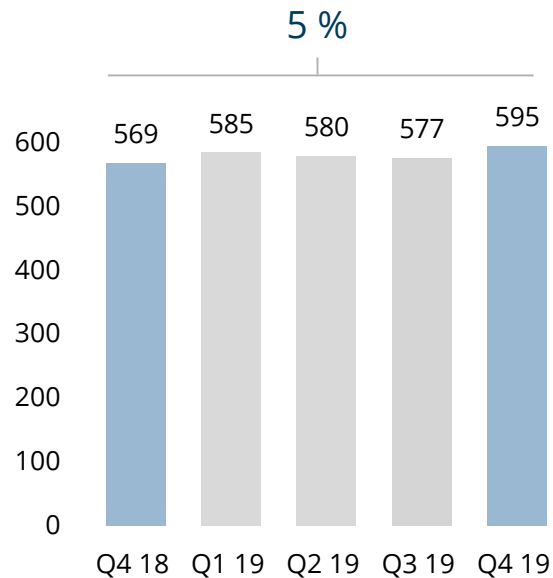
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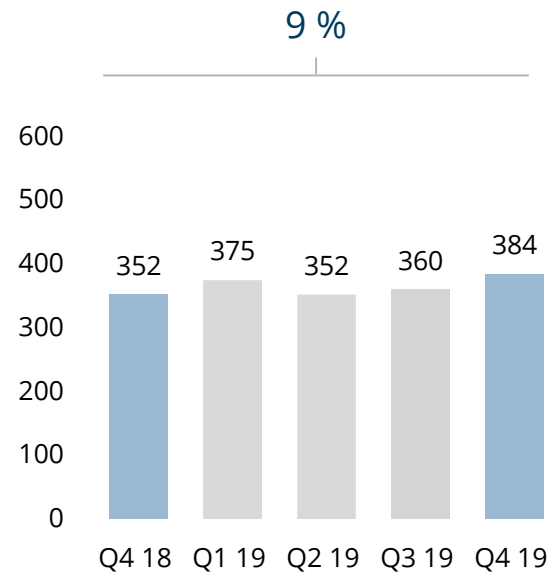
Key financials

NOK million

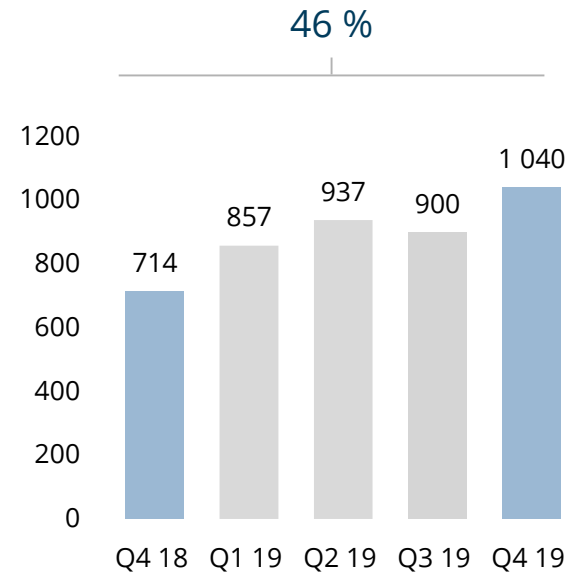
Rental income



Net Income from Property Management



Profit before tax

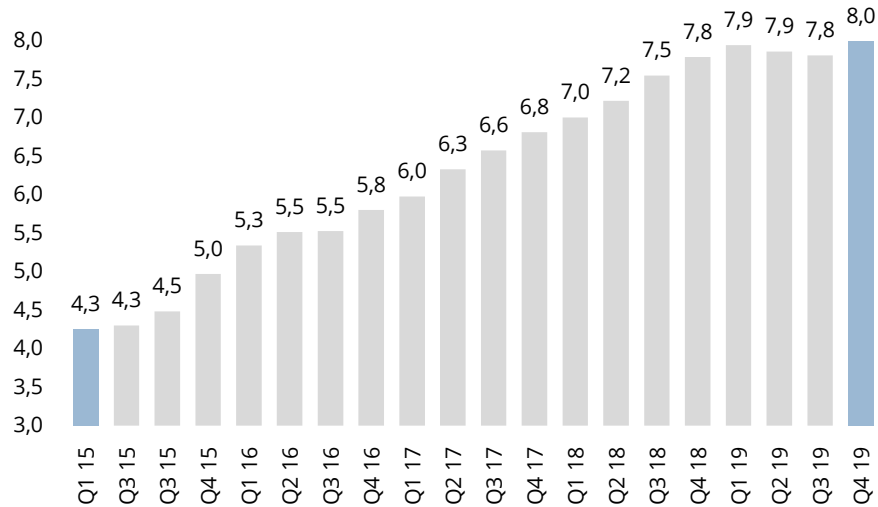


Key financials per share

NOK per share

Cash Earnings*

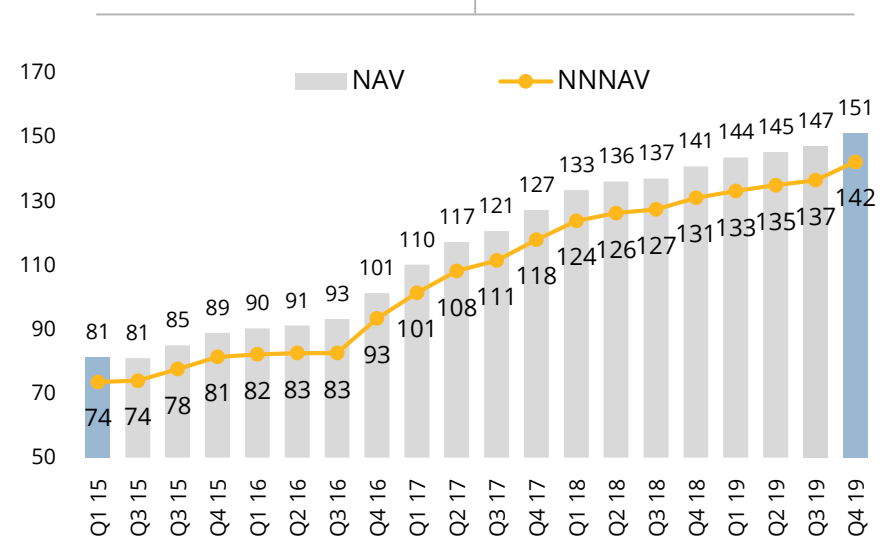
CAGR: 14 %



* Annualised, rolling four quarters

EPRA NAV/NNNAV

CAGR: 14 %



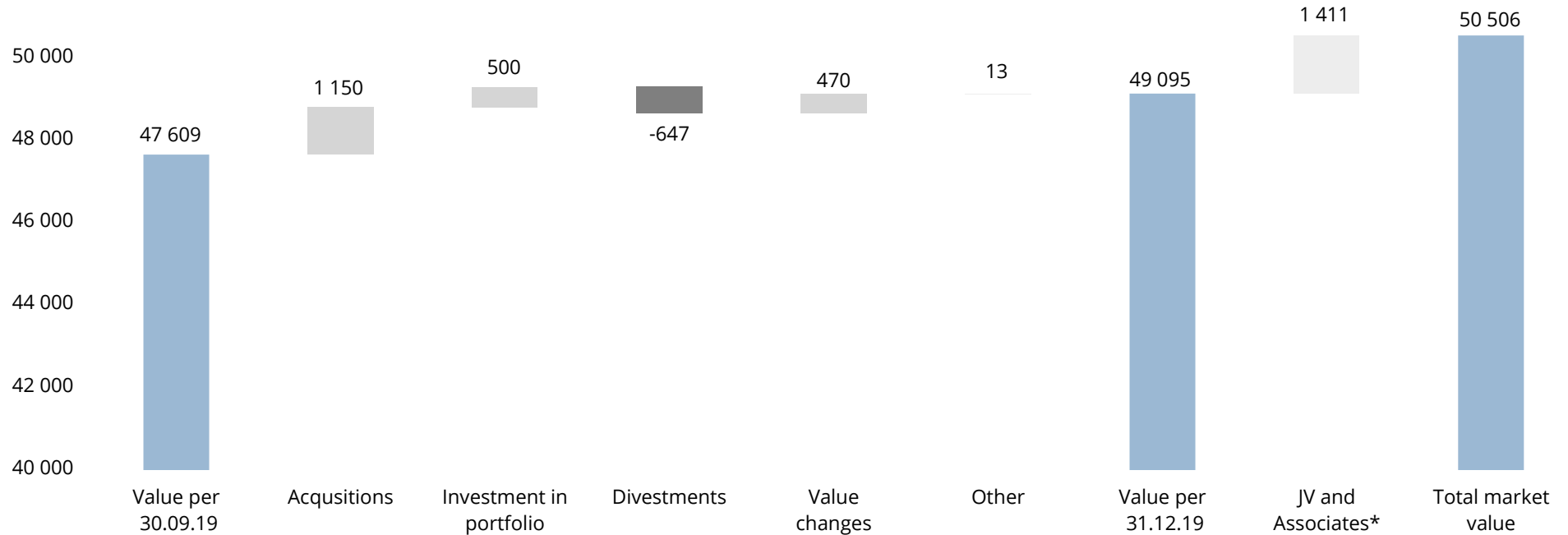
Profit and loss statement

NOK million

	Q4		Full year	
	2019	2018	2019	2018
Rental income	595	569	2 338	2 243
Operating costs	-49	-54	-189	-184
Net operating income	547	515	2 149	2 058
Other revenues	60	456	300	521
Other costs	-43	-442	-260	-500
Administrative costs	-39	-44	-171	-157
Share of profit from associates and JVs	88	31	312	156
Net realised financials	-140	-134	-551	-491
Net income	471	383	1 780	1 587
- of which net income from property management	384	352	1 471	1 434
Changes in value of investment properties	470	404	1 909	1 387
Changes in value of financial instruments	99	-73	46	99
Profit before tax	1 040	714	3 735	3 073
Tax payable	-2	-5	-11	-13
Change in deferred tax	-7	71	-498	-325
Profit for period/year	1 031	779	3 225	2 735

Investment property value development

NOK million

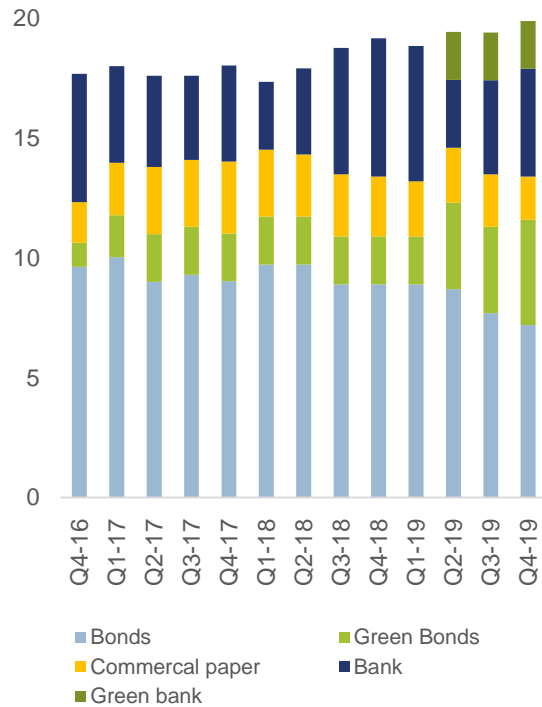


* Entra's share of gross market value of JVs and Associates (book value equity = 397 million)

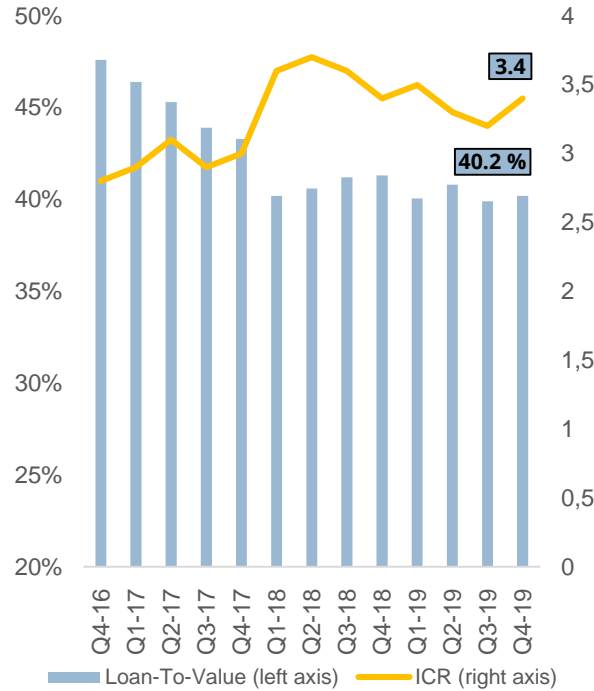
Financial update

Financing mix

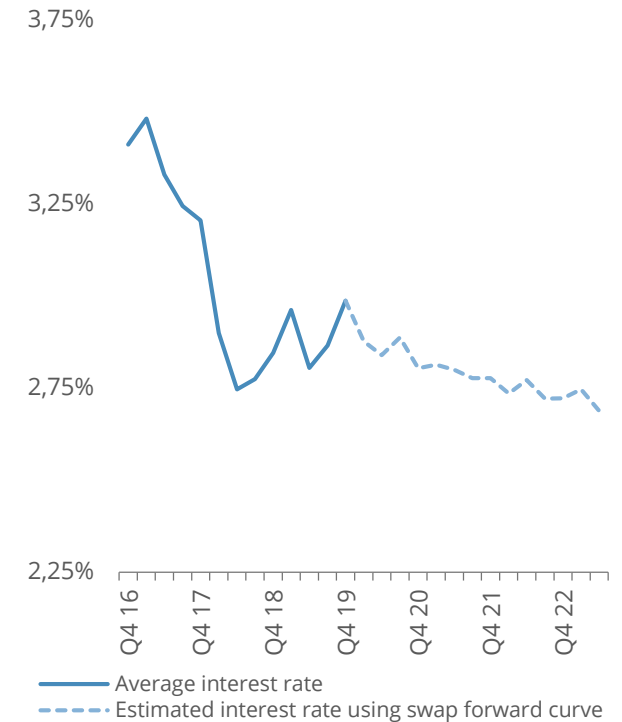
NOK billion



LTV and ICR

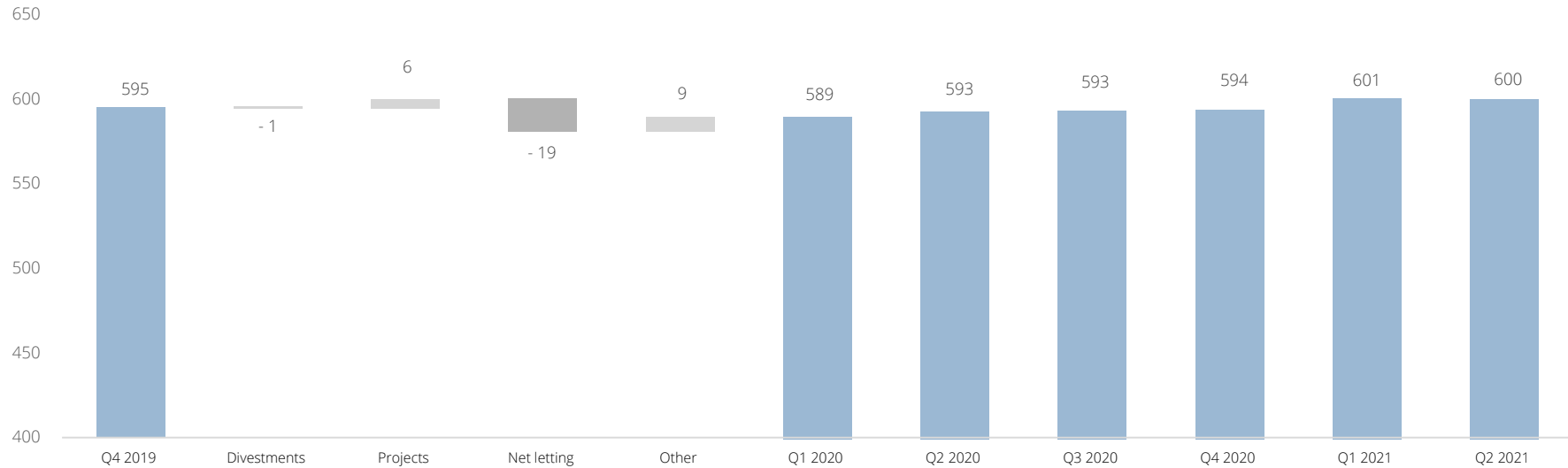


Development in avg. interest rate



Rental income development based on reported events*

NOK million



* 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, and where the outcome of the renegotiation process is not known

Shareholder and share capital information

- Secondary placement of 25,556,225 shares completed on 3 December 2019
 - Norwegian Ministry of Trade Industry and Fisheries reduced their holding from 22.4 % to 8.2 %
 - 90 days lock up on remaining shareholding

- Semi-annual dividend of NOK 2.4 per share
 - To be approved on AGM 30 April 2020
 - Ex date: 4 May 2020
 - Payment date: 12 May 2020

Agenda

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Strategy



Profitable growth



High customer satisfaction

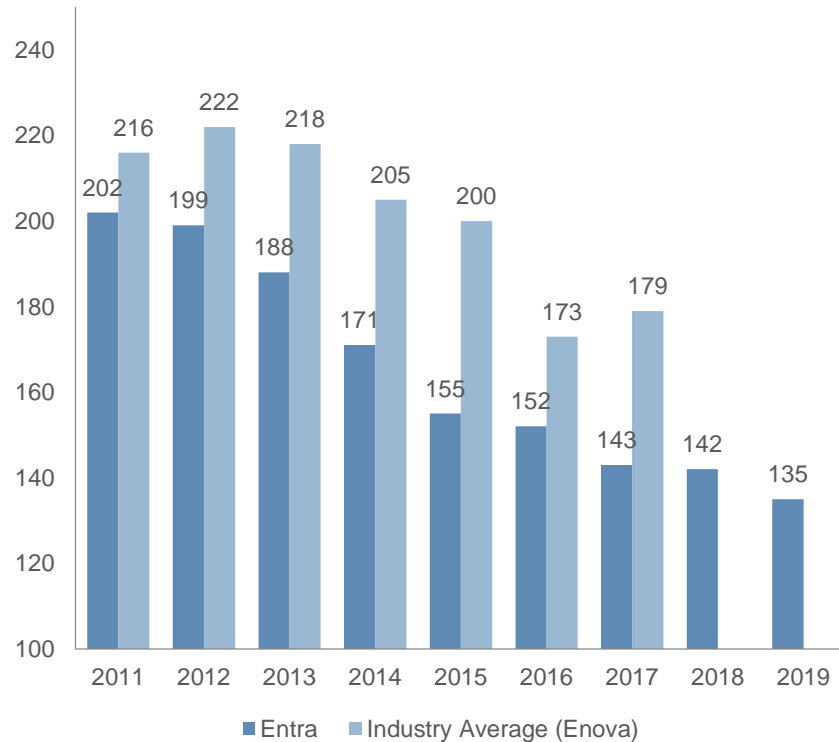


Environmental leadership

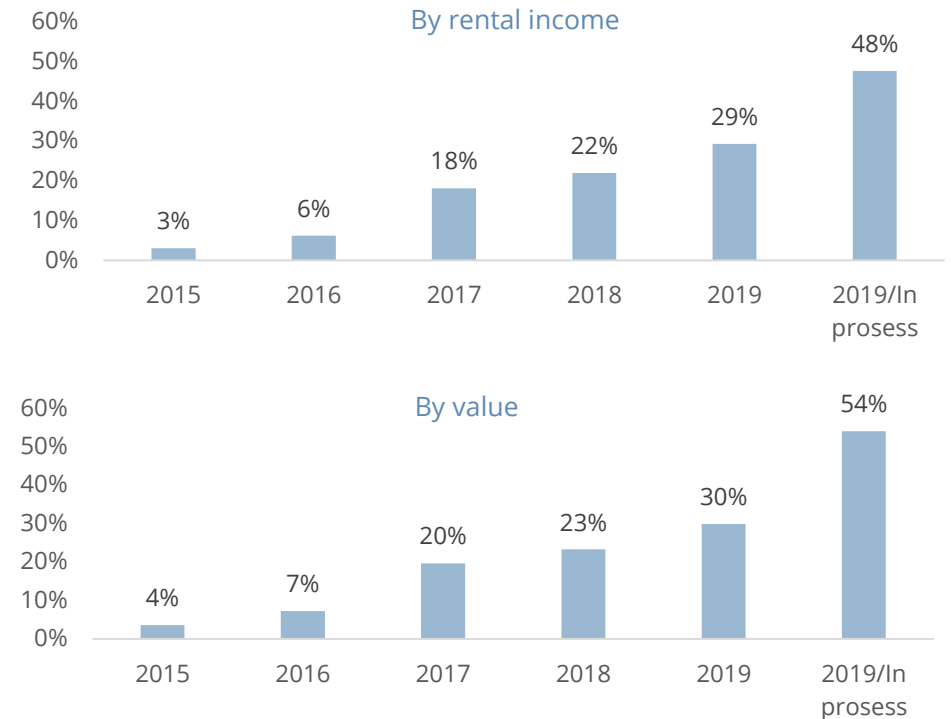
Sustainable business development and operations

Strategic target: Sustainable operations, environmental leadership

Energy consumption (Kwh/sqm)



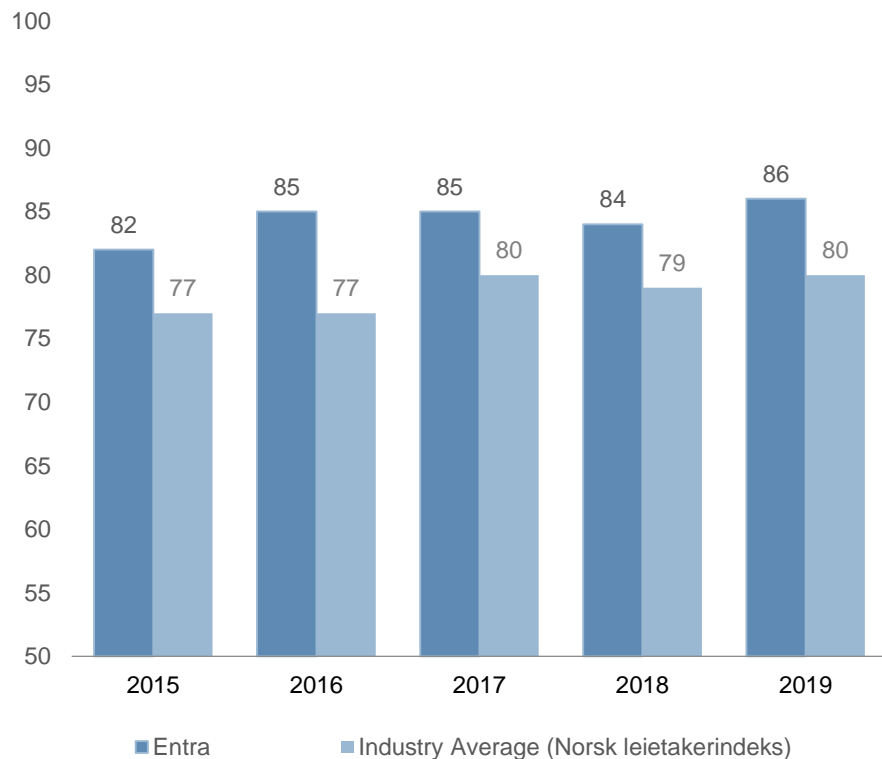
Share of portfolio certified BREEAM Very Good or better *



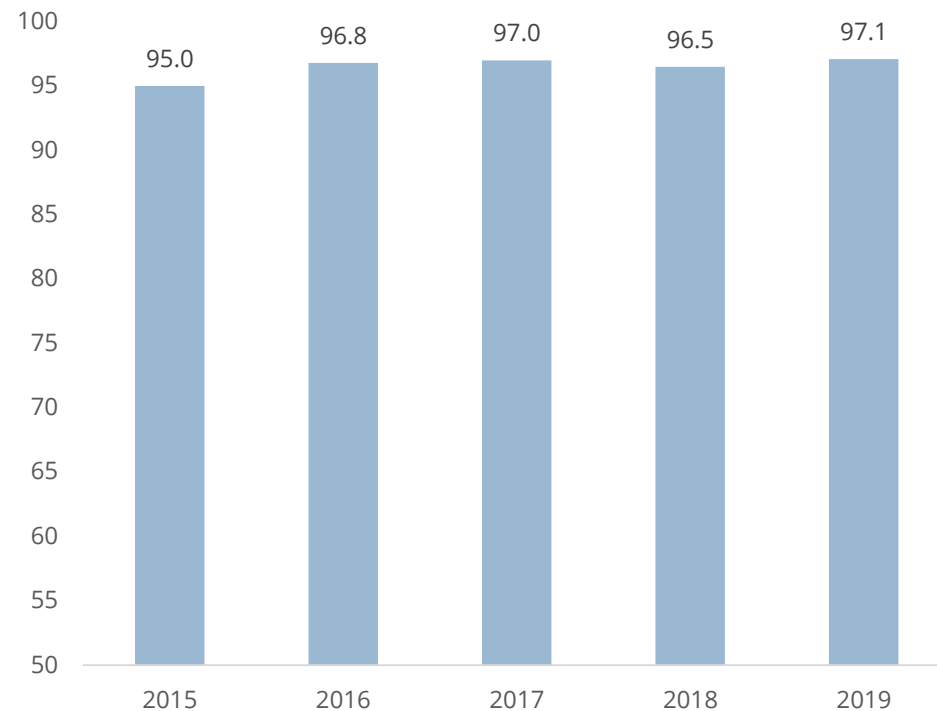
* BREEAM-NOR and BREEAM In-Use.

Strategic target: Best in class customer satisfaction

Customer satisfaction score



Portfolio occupancy



Technology and digitalisation – business drivers and objectives

Buildings and projects



- Maintenance and property management
- Project cost
- Environmental impact

Why

- Standardization
- Centralised technical surveillance
- Data intelligence across portfolio
- Carbon emission reductions

What

Customer experience



- Office product changing rapidly
- More flexibility and new services
- Ownership to the customer journey

- Improved value proposition for tenants and end users

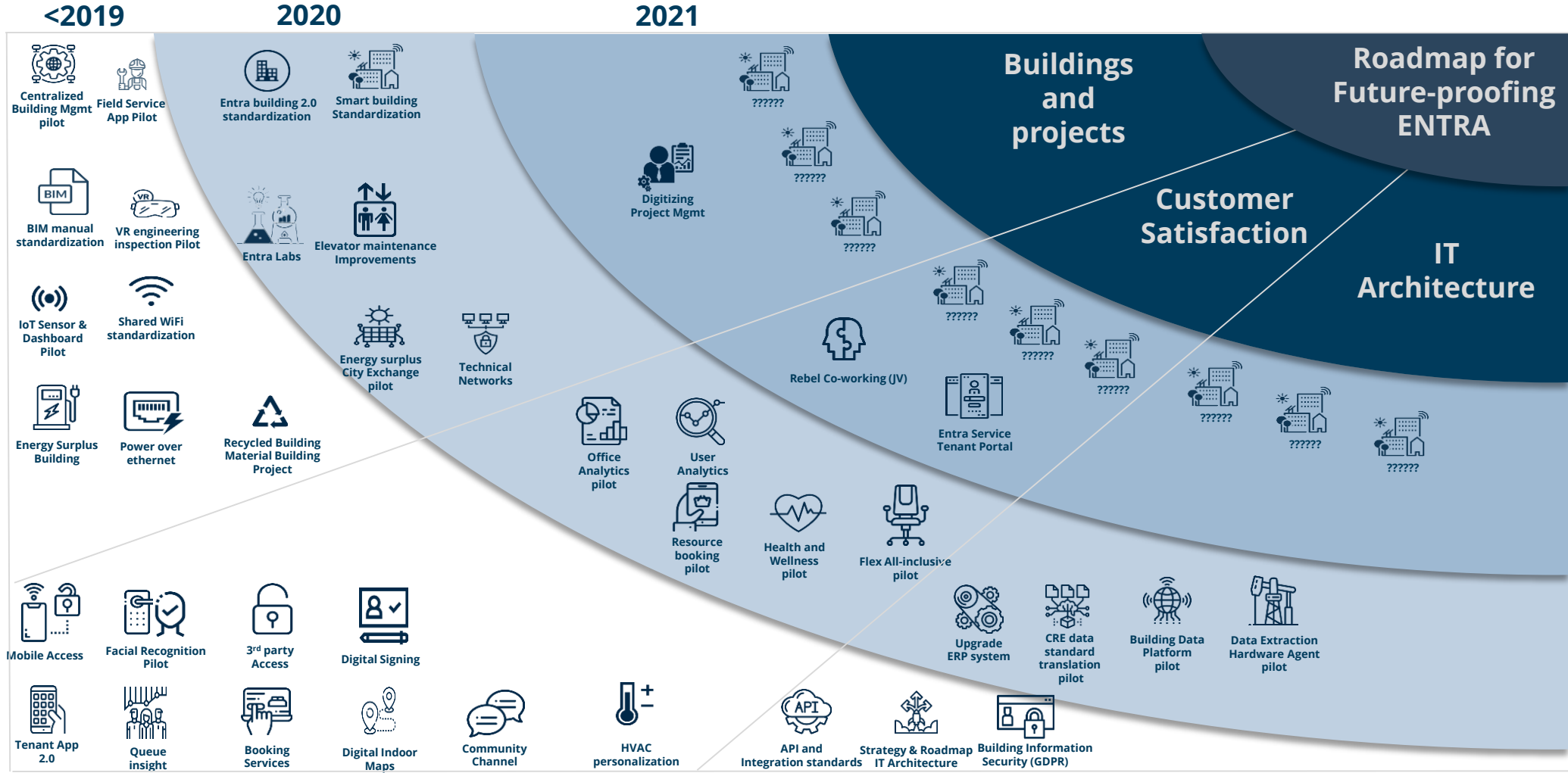
IT Architecture



- Sensor data to optimize
- Ability to scale improvements across portfolio
- Efficiency improvements

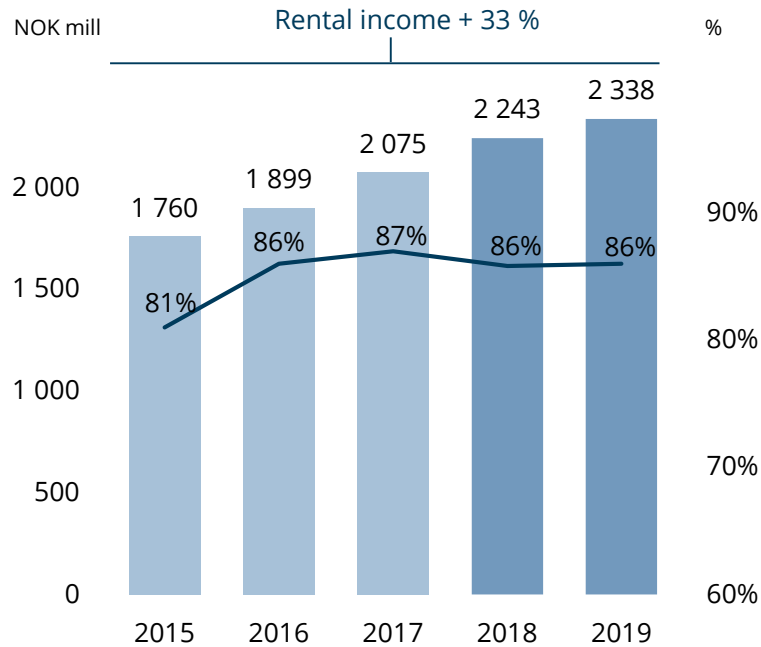
- ERP system upgrade
- Data standardization and platform architecture
- Extract building data
- Improve usability of data

Technology and digitalisation - roadmap

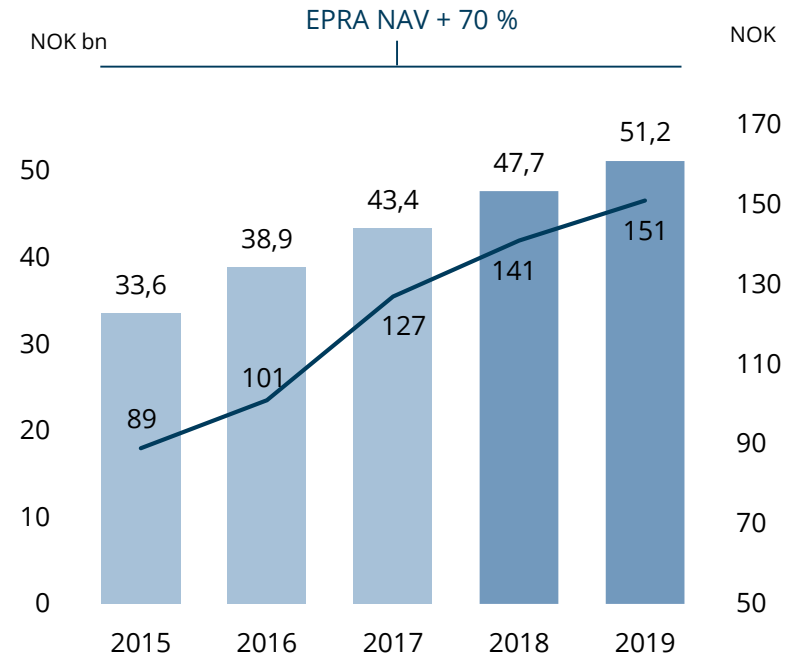


Strategic target: Profitable growth

Rental income and EBIT margin

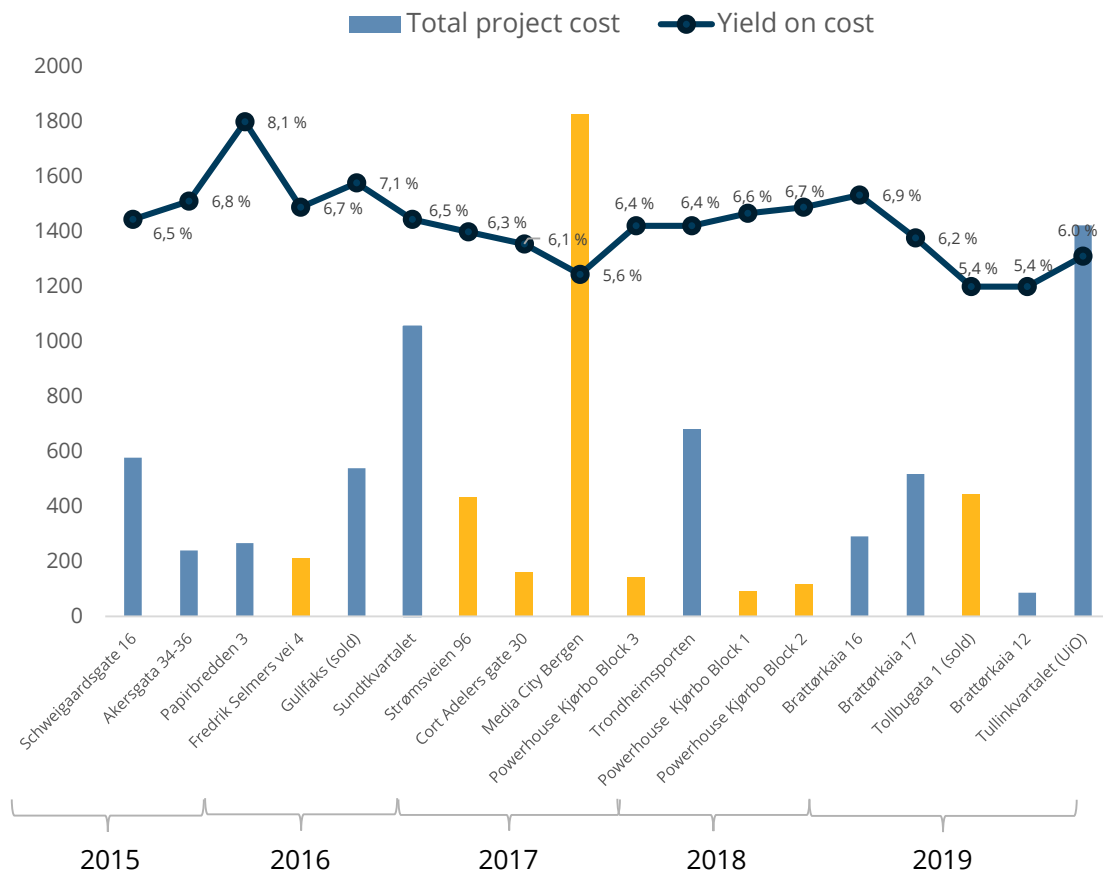


Total asset value and EPRA NAV per share



Solid track record of profitable project development

- Finalised 18 projects > 50 mill during 2015-2019, all delivered on time



Average yield on cost: 6.4 %

Total project cost: ~ 9.1 bn

Valuation at completion: ~ 11.6 bn (+ 28 %)

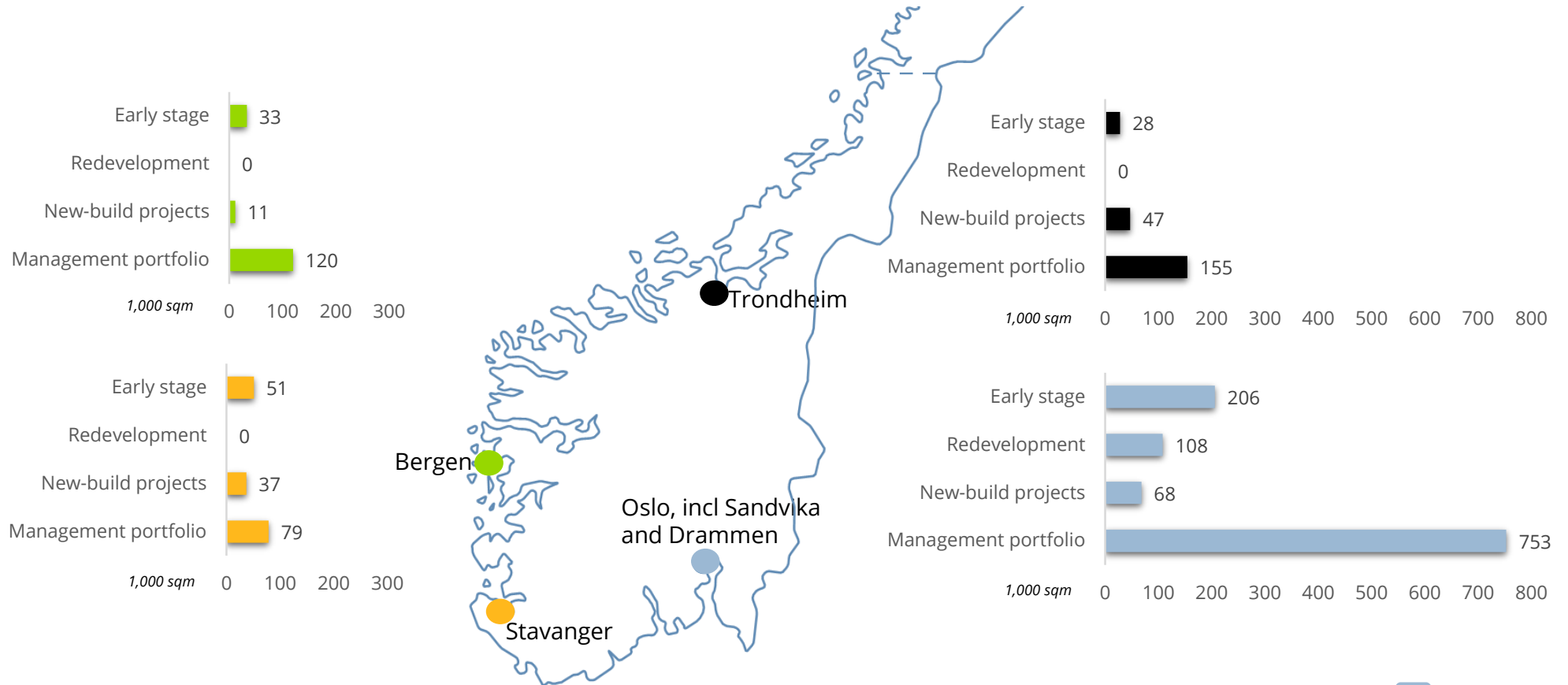
NAV contribution at completion: 2.5 bn, (13.8 /share)

Contribution to net operating income: 584 mill*

* Incl sold projects

Significant pipeline for further growth

~ 66,000 sqm ongoing, 200,000 sqm zoned and 300,000 sqm early stage



Closing remarks and outlook

- 2019 another solid year
 - 7 % NAV growth, 4 % dividend growth
 - Completed 51,800 sqm and started up 26,200 sqm in new development projects
 - Acquired one and sold two properties, net + 5,300 sqm
- Outlook
 - Strong rental and transaction market
 - Supportive macro and financing market
 - Short term portfolio consolidation, but value growth to continue
 - Solid development pipeline



Universitetsgata 7-9, Oslo

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Next event
1st quarter results
30 April, 2020

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