

Q1 2020

Oslo, 30 April 2020



The Covid-19 situation

Adaptations:

- Norway went into partial lock down on 12 March
- Entra's response;
 - Follow authorities' advice and recommendations
 - Contingency plan in place:
 - Health and safety first priority
 - Technological solutions in place for remote work
 - All properties are open, continue to deliver services and management without interruption
- From 20 April, Norway has started a gradual re-opening

Key government interventions and stimulus:

- Phase 1:
 - Compensating temporary lay offs
 - Cash support for companies with severe loss of revenue
 - Key policy interest rate cut to 0.25 %
 - New state guarantee scheme for bank loans
 - New Government Bond Fund
- Phase 2:
 - Norwegian Government has significant muscles and is expected to accelerate public spending to fuel the economy

Agenda

Highlights in the quarter

Operations and market

Financial update

Closing remarks

Q&A

Highlights in the quarter



Key figures:

(NOK million)	Q1 20	Q1 19
Rental income	587	585
Net income from property management	357	375
Net value changes	-337	462
Profit before tax	58	857

Key events:

- Adaptation to COVID-19 situation
- Net letting of 15 million
- Finalised one development project
- Semi-annual dividend of NOK 2.40 per share for H2-19 to be paid on 12 May (subject to AGM decision)

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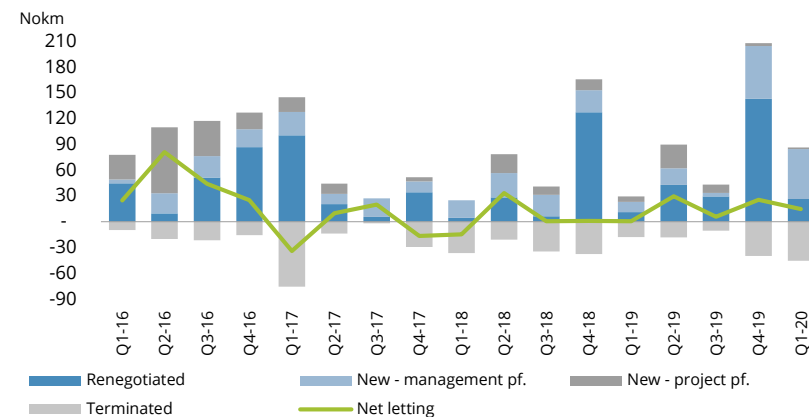
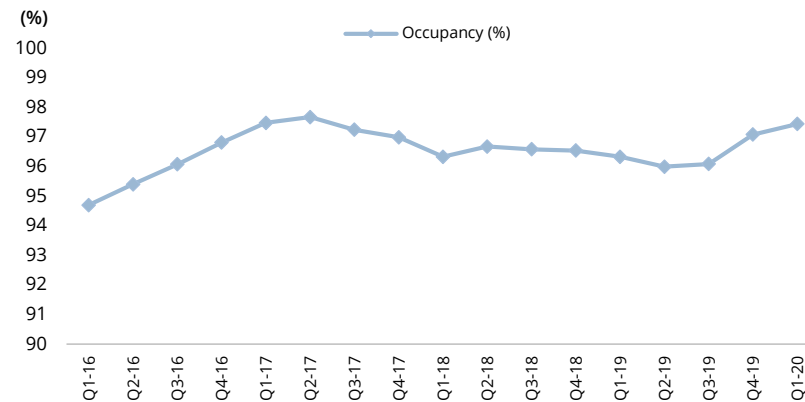
Q&A

Letting and occupancy

- New and renewed leases of 86 million (36,400 sqm)
- Terminated contracts of 45 million (16,500 sqm)
- Net letting of 15 million
- Occupancy at 97.4 %
- WAULT at 6.9 yrs (7.0 yrs incl. project portfolio)

Largest new and renegotiated contracts:

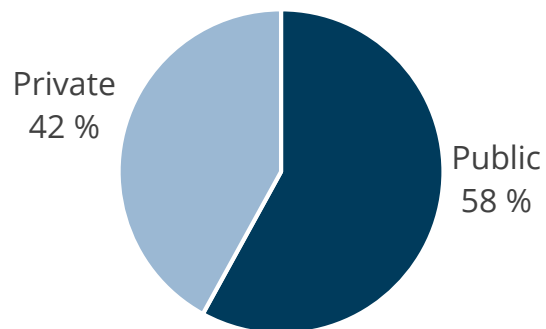
Property	Tenant	Sqm	Contract
Verkstedveien 1, Oslo	Norwegian Health Network	5,200	New
Verkstedveien 1, Oslo	The Norwegian Directorate of eHealth	3,900	Renegotiated
Langkaia 1, Oslo	Undisclosed public tenant	2,400	New
Langkaia 1, Oslo	Gule sider	2,300	New
Fredrik Selmers vei 4, Oslo	The Norwegian Tax Authority	1,500	New



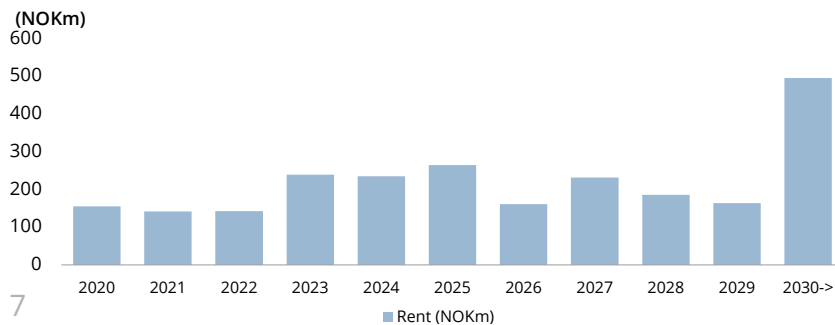
* Net letting = new contracts + uplift on renegotiations - terminated contracts

Solid and resilient tenant structure

Tenant structure



Staggered lease maturities with 6.9 year WAULT



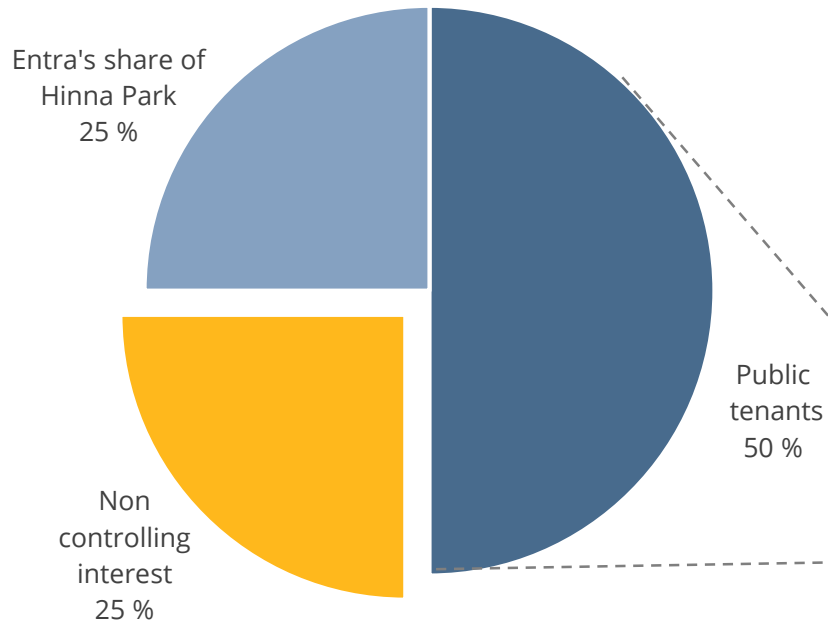
Solid and well diversified tenant structure

Tenant	% of total rent	# properties	Public sector
Norwegian Tax Administration	5.4 %	6	✓
The Norwegian Public Roads Administration	3.5 %	2	✓
National Library of Norway	3.2 %	3	✓
University College of Oslo	2.9 %	2	✓
The Norwegian Police	2.7 %	4	✓
Oslo Municipality	2.6 %	8	✓
The Norwegian Defence	2.4 %	4	✓
The Norwegian Court	2.3 %	7	✓
Norconsult AS	2.0 %	6	
Bærum Municipality	1.9 %	5	✓
The Immigration Appeals Board	1.8 %	1	✓
Trondheim Municipality	1.8 %	2	✓
University College of Southeast Norway	1.7 %	2	✓
Norway Post	1.6 %	2	✓
Sopra Steria AS	1.5 %	2	
Bane NOR SF	1.5 %	3	✓
Circle K AS	1.4 %	1	
The Norwegian Public Service Pension Fund	1.3 %	1	✓
Norwegian Petroleum Directorate	1.3 %	1	✓
The Norwegian Environment Agency	1.3 %	1	✓
Total top 20	44.1 %		

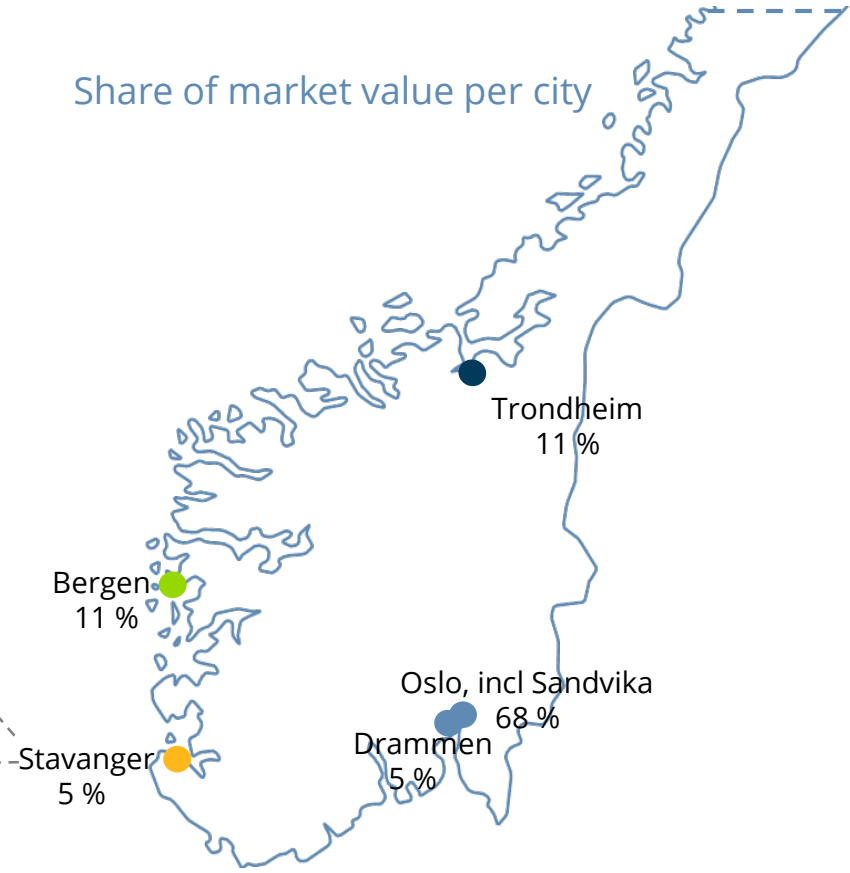
Limited direct exposure to oil and oil-service

Stavanger portfolio ~ 6 % of rental income

Distribution of consolidated rent

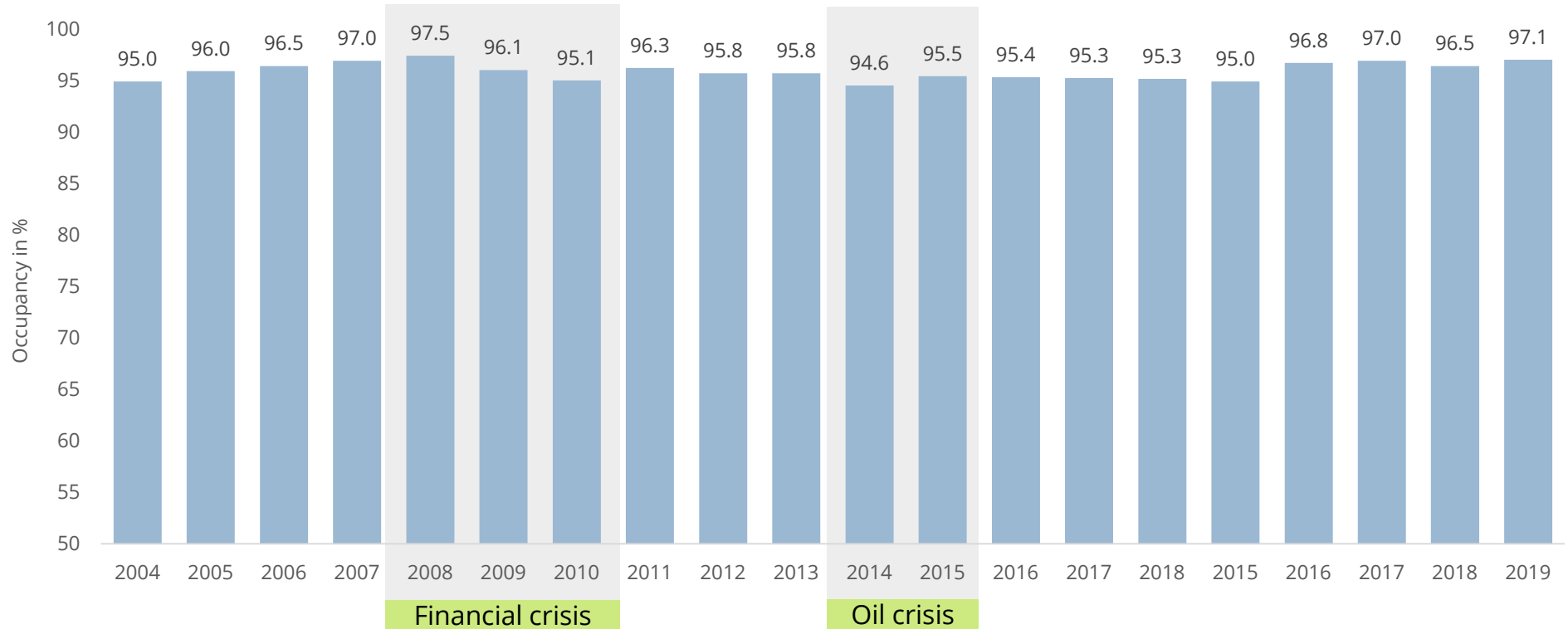


Share of market value per city





Consistently high occupancy rates

Portfolio occupancy 2004 – 2020



Small effect from COVID-19 on ongoing projects, flexible pipeline

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⁾ (%)
Kristian Augustsgate 13	100	Oslo	Q4-20 	4 300	100	304	222	5,0
Universitetsgata 7-9	100	Oslo	Sep-21	21 900	52 	1 235	653	5,9
Universitetsgata 2 - Rebel	100	Oslo	Sep-21	28 100	18	1 650	1 109	5,6
Total				54 300		3 189	1 984	

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)

- One project completion postponed due to COVID-19 delays in supply chain
- Fixed price construction contracts
- Re-evaluating start-up of redevelopments in Oslo; important to retain flexibility

Finalised new-build project in Holtermanns veg 1-13 in Trondheim

- New 11,700 sqm university/office building
- 98 % let to Norwegian Tax Authority
- BREEAM-Nor Excellent
- Total project cost: 346 mill ▼
- Yield-on-cost: 6.3 % ▲



Holtermannsveg 1-13, Trondheim

Difficult to assess future impact on property markets

Letting market:

Oslo

- 73 % of portfolio values in Oslo and surrounding areas
- Strong fundamentals pre Covid-19
 - Overall vacancy 5-6 %, city centre vacancy of 3-4 %
 - Limited new-built activity during last five years
 - Strong letting market; many letting processes ongoing



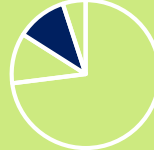
Bergen

- 11 % of property values, assets located in the city centre
- Low vacancy in city centre, little new supply of modern, flexible office premises
- South fringe areas may be affected by oil market decline
- Several exiting letting processes ongoing



Trondheim

- 11 % of property values
- Assets located in the city centre/ clusters close to the centre
- High degree of public sector tenants
- Limited oil exposure
- Several exiting letting processes ongoing



Stavanger

- 5 % of property values
- Assets located at Hinna Park and Ullandhaug
- Volatile market
- Strongly affected by oil market activity and outlook
- Constitutes 6 % of rental income, 50 % from public tenants



Transaction market:

- Currently limited transaction activity due to COVID-19
- Financing market is functioning

- Oslo prime yield (pre-COVID-19) at ~3.7 %
- Key policy rate at 0.25 % (reduced by 1.25 percentage points in March)

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Financial update

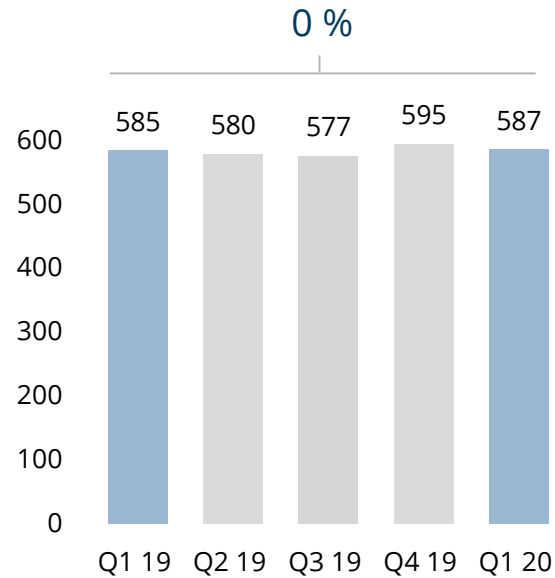
Closing remarks

Q&A

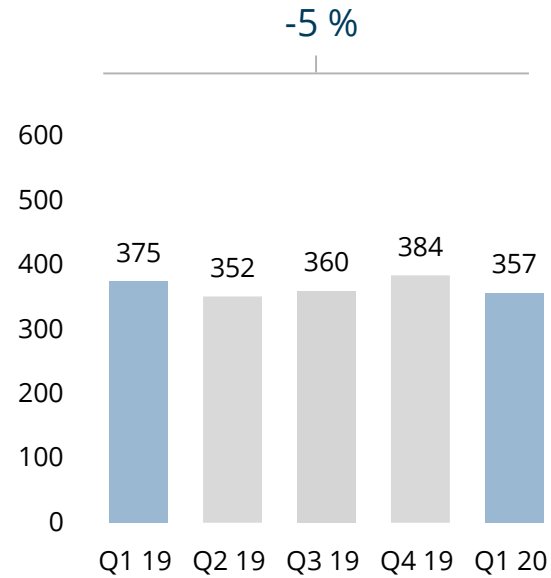
Key financials

NOK million

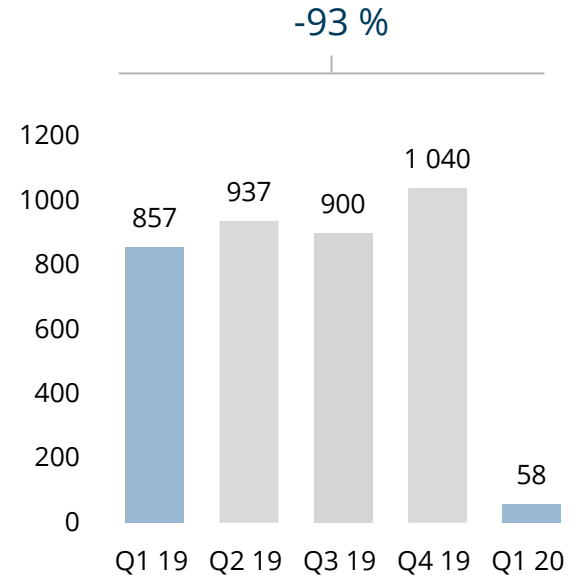
Rental income



Net Income from Property Management



Profit before tax

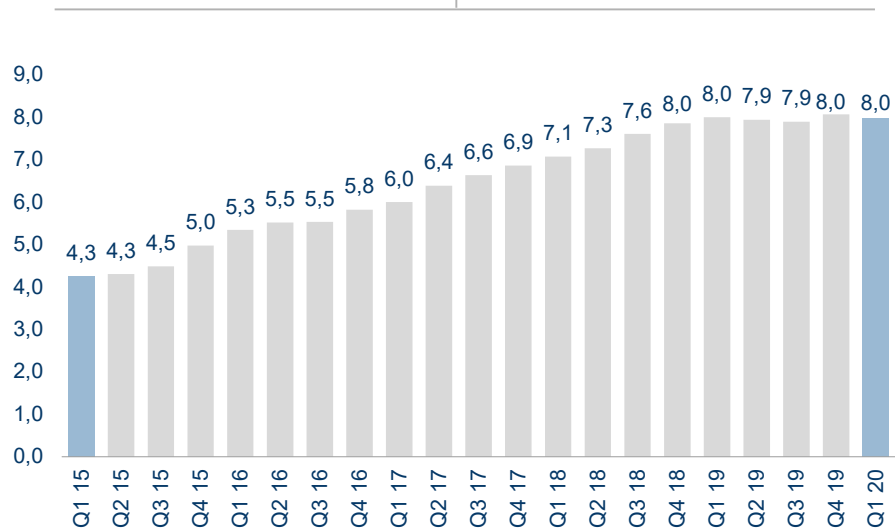


Key financials per share

NOK per share

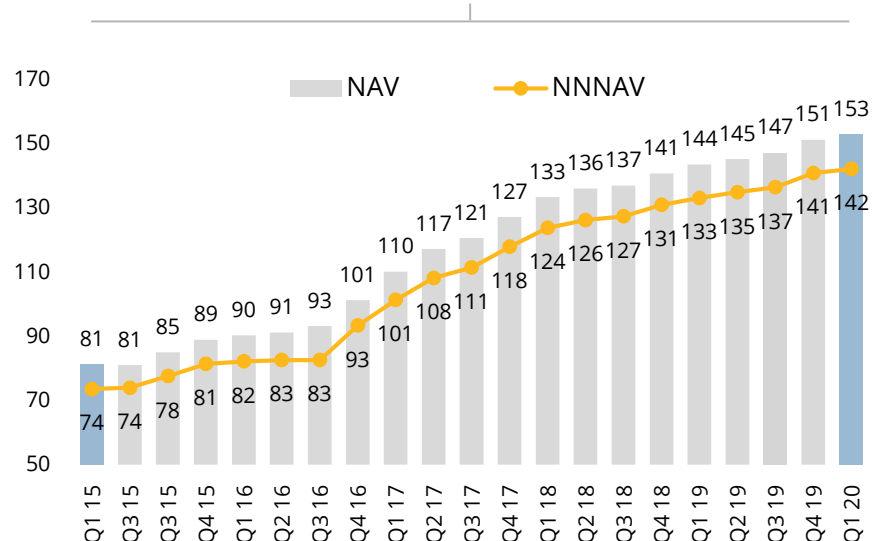
Cash Earnings*

CAGR: 13 %



EPRA NAV/NNNAV

CAGR: 13 %



* Annualised, rolling four quarters

Profit and loss statement

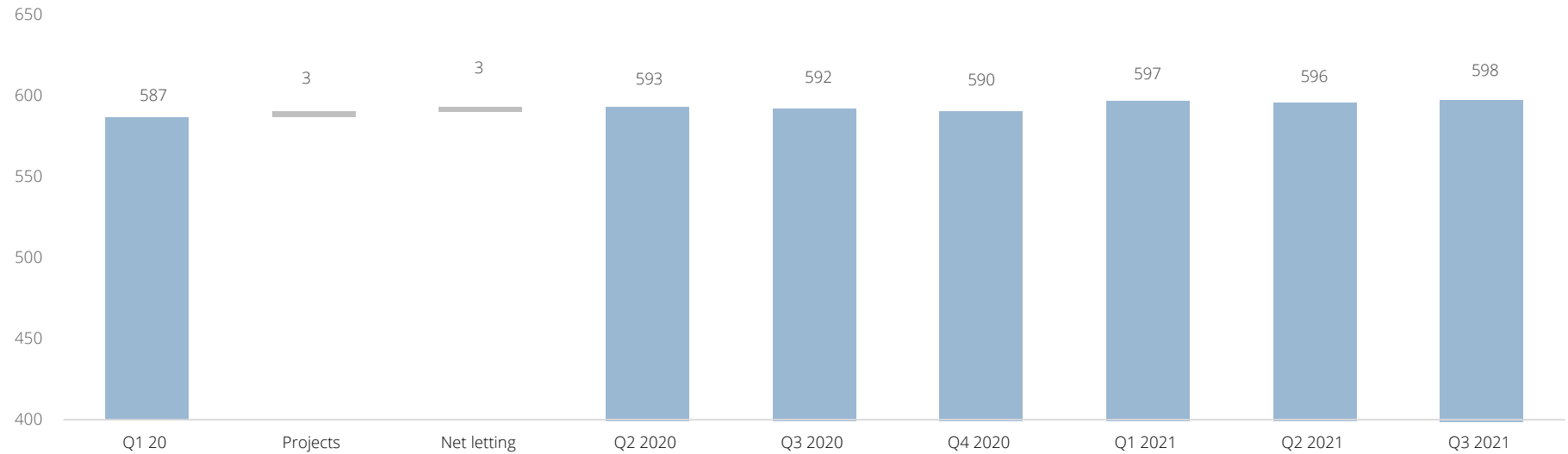
NOK million

	Q1-20	Q1-19	2019
Rental income	587	585	2 338
Operating costs	-42	-43	-189
Net operating income	545	542	2 149
Other revenues	18	69	300
Other costs	-9	-60	-260
Administrative costs	-50	-48	-171
Share of profit from associates and JVs	38	23	312
Net realised financials	-148	-131	-551
Net income	394	395	1 780
- of which net income from property management	357	375	1 471
Changes in value of investment properties	0	484	1 909
Changes in value of financial instruments	-337	-22	46
Profit before tax	58	857	3 735
Tax payable	-3	-3	-11
Change in deferred tax	-2	-147	-498
Profit for period/year	52	707	3 225

Rental income development based on reported events*

NOK million

(NOKm)



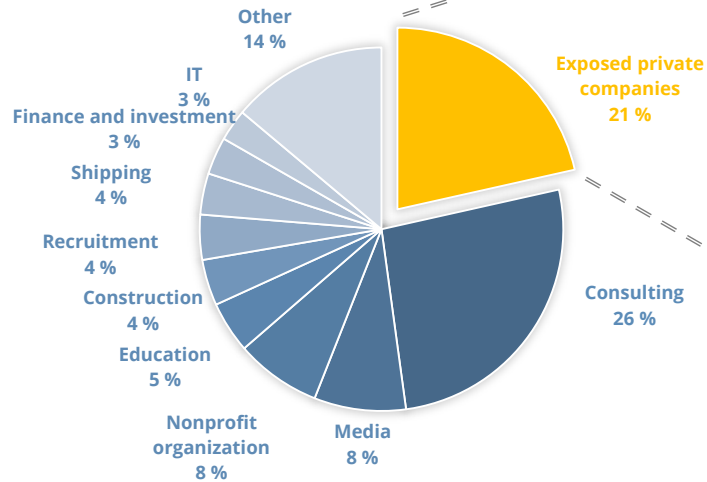
* Does not constitute a forecast; aims to demonstrate the rental income development based on all reported events; does not reflect letting targets on either vacant areas or on contracts that will expire, and where the outcome of the renegotiation process is not known

Limited exposure to companies affected by COVID-19 and oil price

~58 % of rental income from public sector; below 10 % gross from companies with direct exposure

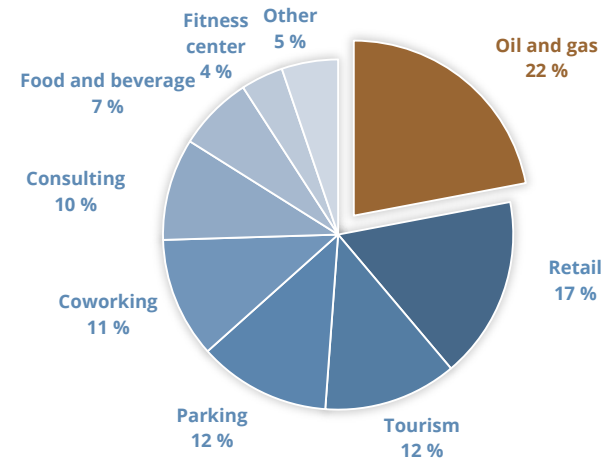
Private sector tenants split on sectors

Total annual rental income ~1,000 mill



Exposed private companies split on sectors

Total annual rental income ~210 mill*

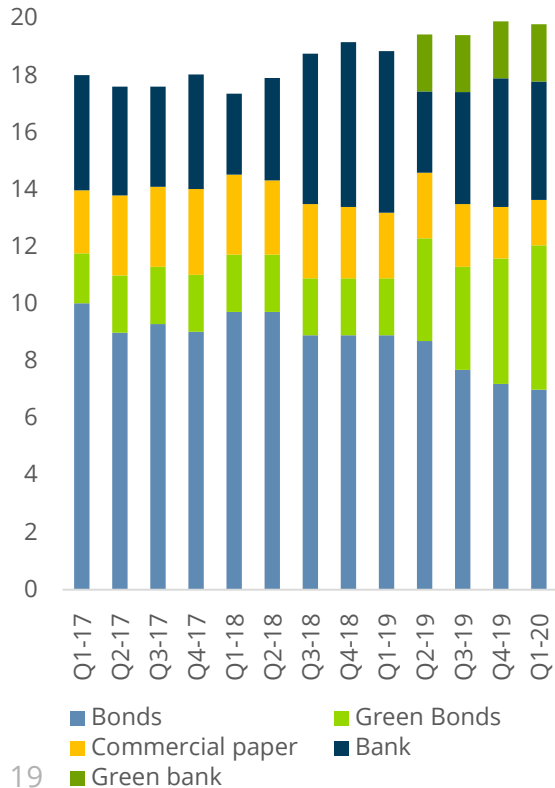


*Of 210 million approximately 60 million is turnover based rent

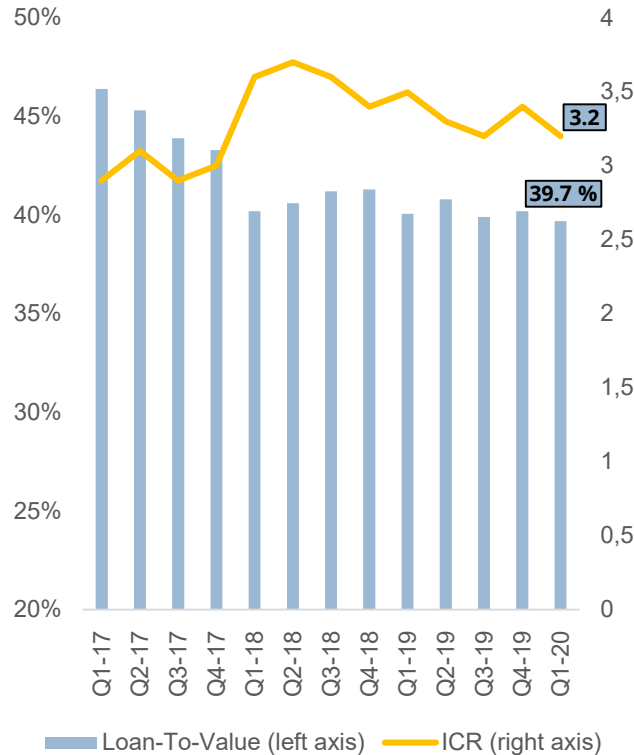
Financial update

Financing mix

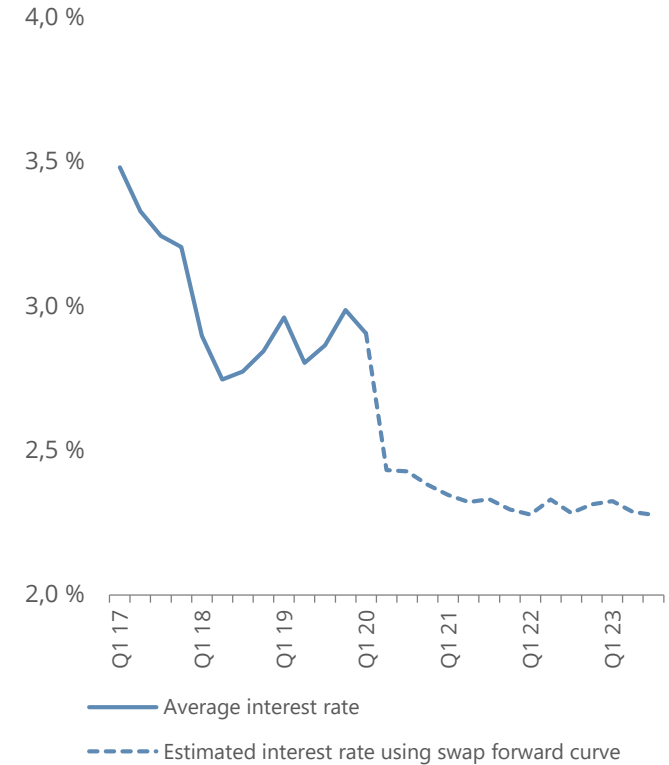
NOK billion



LTV and ICR



Development in avg. interest rate



Strong liquidity and financing position

Maturity profile and composition interest bearing debt

Maturity profile	0-1 yrs	1-2 yrs	2-3 yrs	3-4 yrs	4+ yrs	Total	%
Commercial papers (NOKm)	1 600	0	0	0	0	1 600	8
Bonds (NOKm)	700	1 105	3 000	3 495	3 750	12 050	61
Bank loans (NOKm)	0	728	500	2 710	2 208	6 146	31
Total (NOKm)	2 300	1 833	3 500	6 205	5 958	19 796	100
Unutilised credit facilities (NOKm)	750	0	1 000	3 290	2 000	7 040	
Unutilised credit facilities (%)	11	0	14	47	28	100	

Financing policy

All amounts in NOK millions	31.03.2020	Target
Loan-to-value (LTV)	39.7 %	Below 50 per cent over time
Interest coverage ratio (ICR)	3,2	Min. 1.8x
Debt maturities <12 months	12%	Max 30%
Maturity of hedges <12 months	41%	Max 60%
Average time to maturity (hedges)	2.9	2-6 years
Back-stop of short-term interest bearing debt*	306%	Min. 100%
Average time to maturity (debt)	4.8	Min. 3 years

- Available liquidity
 - 7.3 bn in cash and unutilised credit facilities
 - > 3x of debt maturing next 12 months
- Financial covenants
 - LTV of 75 % (39.7 % as of Q1)
 - ICR 1.4 (3.2 as of Q1).

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Closing remarks and outlook

- COVID-19 situation and oil crisis making outlook uncertain
- Norwegian government with solid muscles, providing support to businesses and the financial market
- Entra in a solid position
 - Resilient tenant portfolio, 58 % public tenants
 - Track record of maintaining high occupancy
 - Strong liquidity and financing position
 - Flexible development pipeline



Universitetsgata 7-9, Oslo



Next event
2nd quarter results
10 July, 2020

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