

Q2 2020

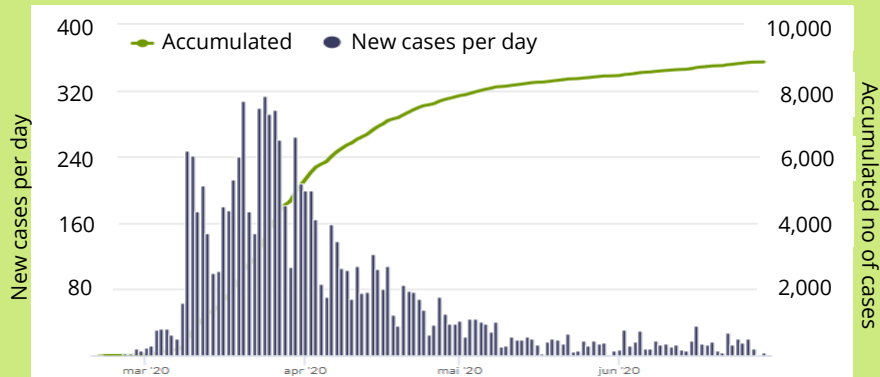
Oslo, 10 July 2020



The Covid-19 situation in Norway

The virus situation:

- Virus spread in Norway currently under control
- Most activities and businesses have re-opened
- Advise to avoid public transportation in rush hours limits the use of city center offices
- Social distance of at least one meter also in the office



Source: Norwegian Institute of Public Health

The Norwegian economy:

- Picking up faster than expected after the lock-down
 - GDP expected to fall by 3.5 % in 2020 (-5,5 % in April)
 - Private consumption and public spending picking up
 - Registered unemployment expected to fall to ~4 % by year-end (currently around 5.7 %)
 - Expansive fiscal stimulus/use of Norwegian oil fund;
 - Key policy interest rate cut to 0 %
 - Increasing oil prices and tax incentives reduce the fall in petroleum investments and activity
 - Several direct measures to support people and businesses
 - Lower international demand will continue to affect economic development

Source: Central bank of Norway

Agenda

Highlights in the quarter

Operations and market

Financial update

Closing remarks

Q&A

Highlights in the quarter



Key figures:

(NOK million)	Q2 20	Q2 19
Rental income	587	580
Net income from property management	350	352
Net value changes	591	453
Profit before tax	940	937

Key events:

- Limited effects from Covid-19 on business operations and financials
- Solid net letting of 14 million
- Started two refurbishment projects in Oslo and Drammen
- Semi-annual dividend of NOK 2.40 per share for H1-20 to be paid on 12 October 2020

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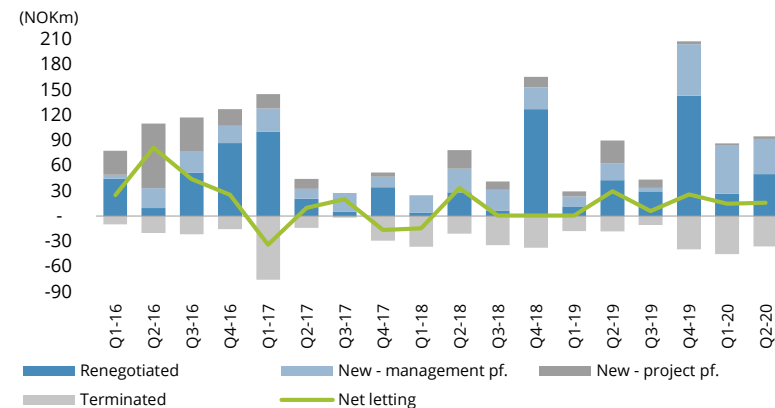
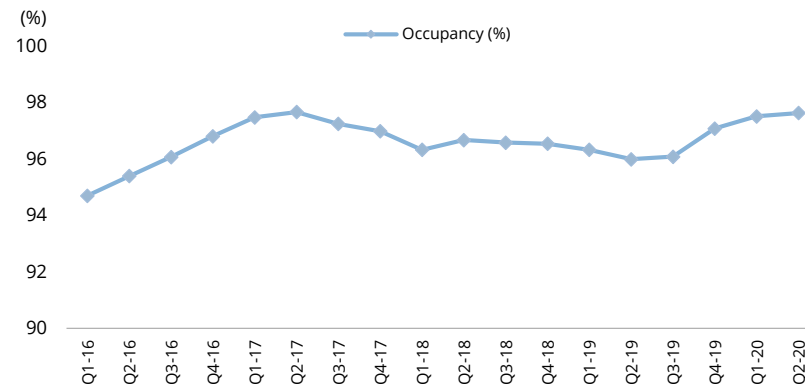
Q&A

Letting and occupancy

- New and renewed leases of 95 million (40,900 sqm)
- Terminated contracts of 38 million (14,400 sqm)
- Net letting of 14 million
- Occupancy at 97.6 %
- WAULT at 6.8 yrs (6.8 yrs incl. project portfolio)

Largest new and renegotiated contracts:

Property	Tenant	Sqm	Contract
Hagegata 22-24, Oslo	Oslo Municipality	10,100	New/Renegotiated
Biskop Gunnerus' gate 6, Oslo	Statsbygg	9,300	Renegotiated
Grønland 32, Drammen	Vestre Viken HF	5,000	New
Langkaia 1, Oslo	Private tenant	1,440	New
Langkaia 1, Oslo	Public tenant	1,100	New



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

Start-up of two new refurbishment projects

Hagegata 22-24, Oslo




- Refurbishment of 10,100 sqm
- Let to Oslo Municipality
- Total project cost: 433 mill (incl. initial value)
- Yield on cost: 5.5 %
- Expected completion: Q4 2021

Grønland 32, Drammen



- Refurbishment of 5,000 sqm
- Fully let to Vestre Viken Hospital Trust (public tenant)
- Total project cost: 158 mill (incl. initial value)
- Yield on cost: 7.0 %
- Expected completion: Q2 2021

Status 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⁾ (%)
Redevelopment								
Kristian Augusts gate 13	100	Oslo	Q4-20	4 300	100	304	258	5.0
Universitetsgata 7-9	100	Oslo	Q3-21	21 900	52	1 235	744	5.9
Universitetsgata 2 - Rebel	100	Oslo	Q3-21	28 100	35 	1 650	1 211	5.6
Refurbishment								
Grønland 32	100	Drammen	Q2-21	5 000	100	158	94	7.0
Hagegata 22-24	100	Oslo	Q4-21	10 100	100	433	355	5.5
Total				69 400		3 780	2 662	

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)

The office market

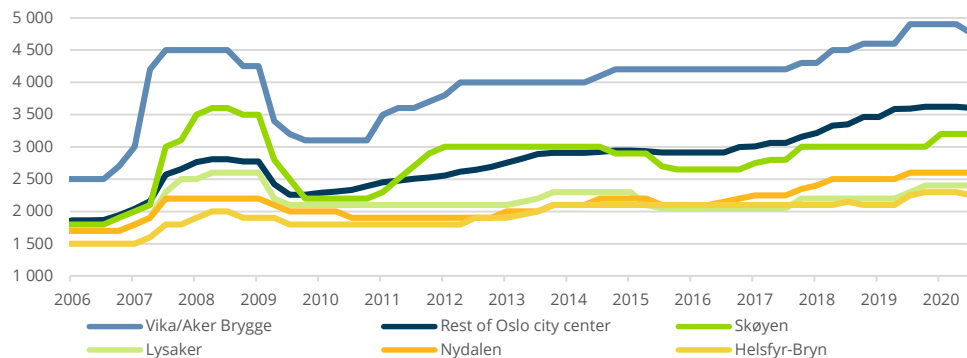
Letting market:

- The letting market has picked up after a slow-down in March/April
- Our observation is that rent levels have held up well
- Record low vacancy in Oslo; overall 5-6 %, city centre 3-4 %
- Solid interest for our products and project pipeline
- Letting processes take more time

Transaction market:

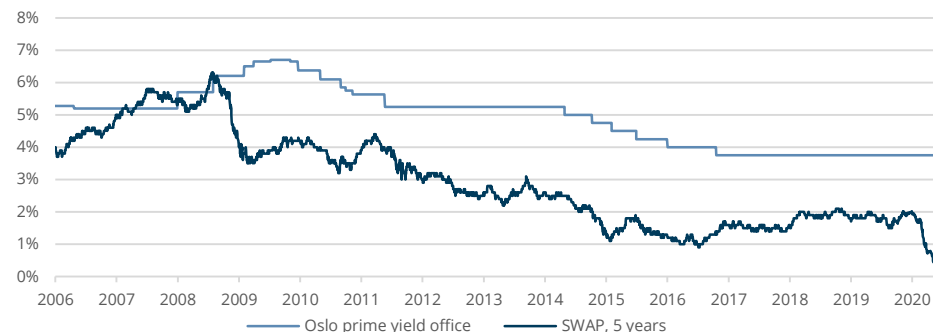
- Few transactions in Q2-20
- Activity level expected to pick up significantly in H2-20
- Attractive yield spread
 - Oslo prime yield currently at 3.6 - 3.7 %
 - Key policy rate at 0 %; 3M NIBOR 0.32%

Rent levels high quality office in Oslo



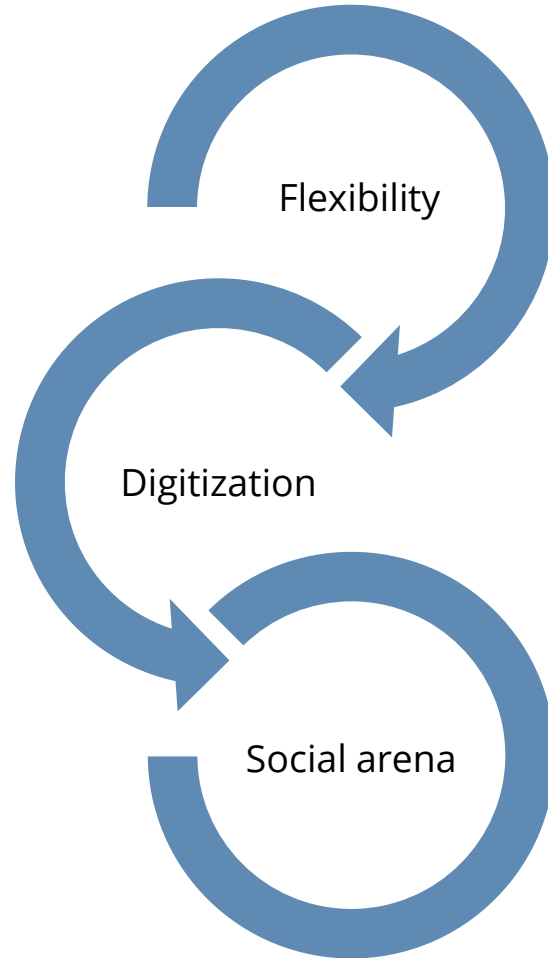
Source: Akershus Eiendom

Oslo prime yield vs 5yr swap



Source: Akershus Eiendom and DnB Markets

Observed office trends



- Individual flexibility
- Contractual flexibility
- Flexible and safe buildings

- Mobile/home office
- Digital collaboration
- Smart buildings

- Collaboration
- Knowledge sharing/onboarding
- Building culture

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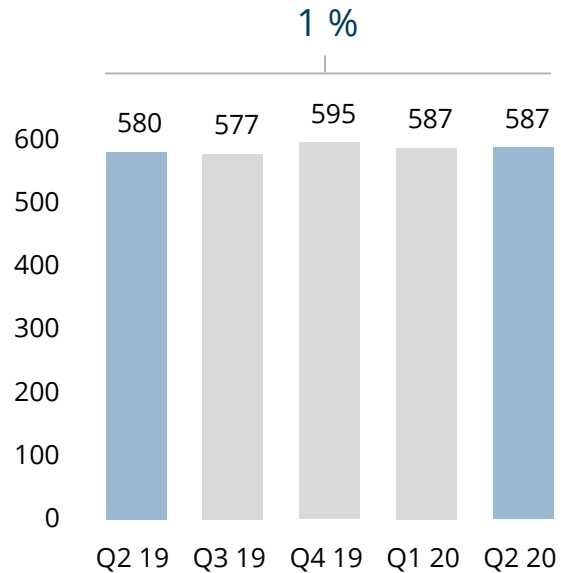
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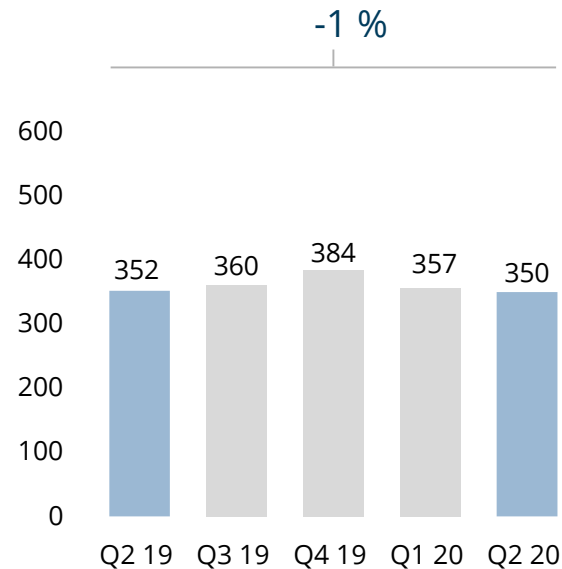
Key financials

NOK million

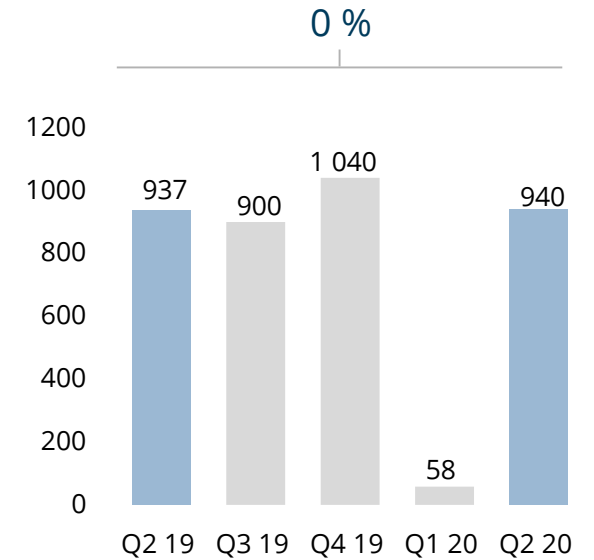
Rental income



Net Income from Property Management



Profit before tax

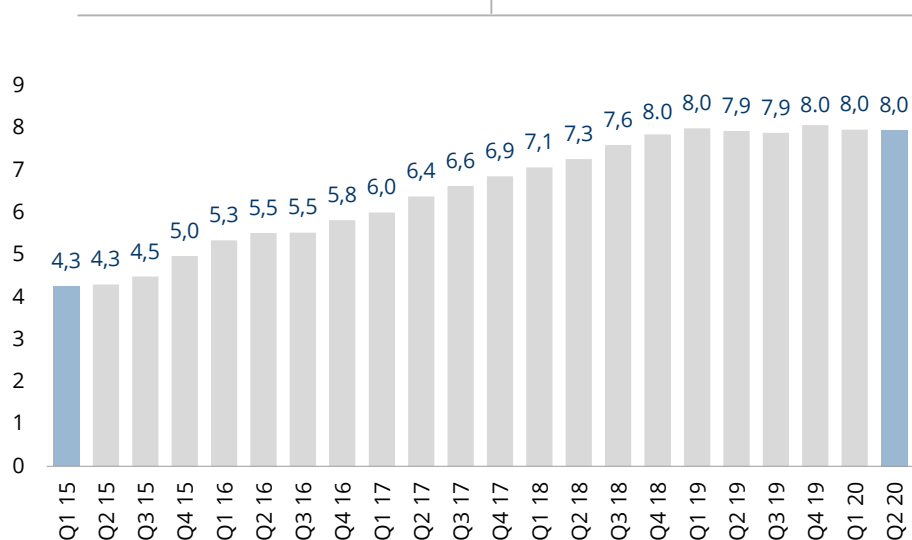


Key financials per share

NOK per share

Cash Earnings*

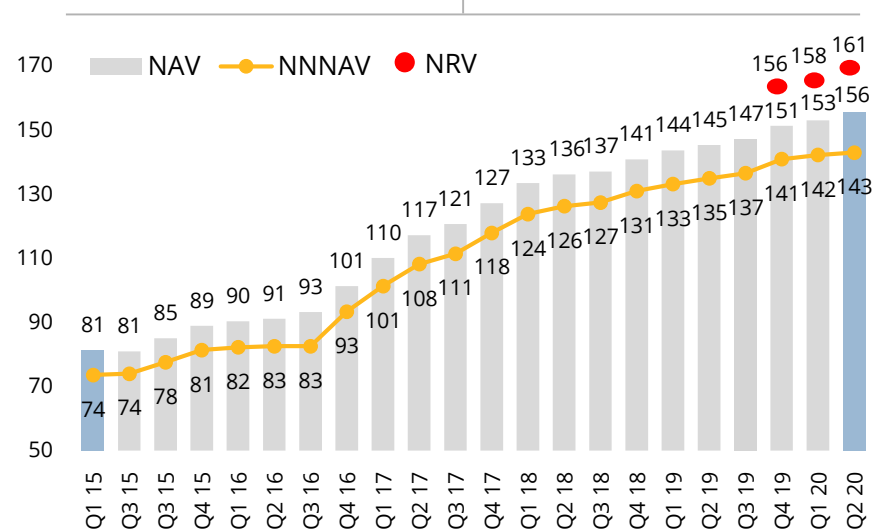
CAGR: 13 %



* Annualised, rolling four quarters

EPRA NRV/NAV/NNNAV

CAGR: 13 %

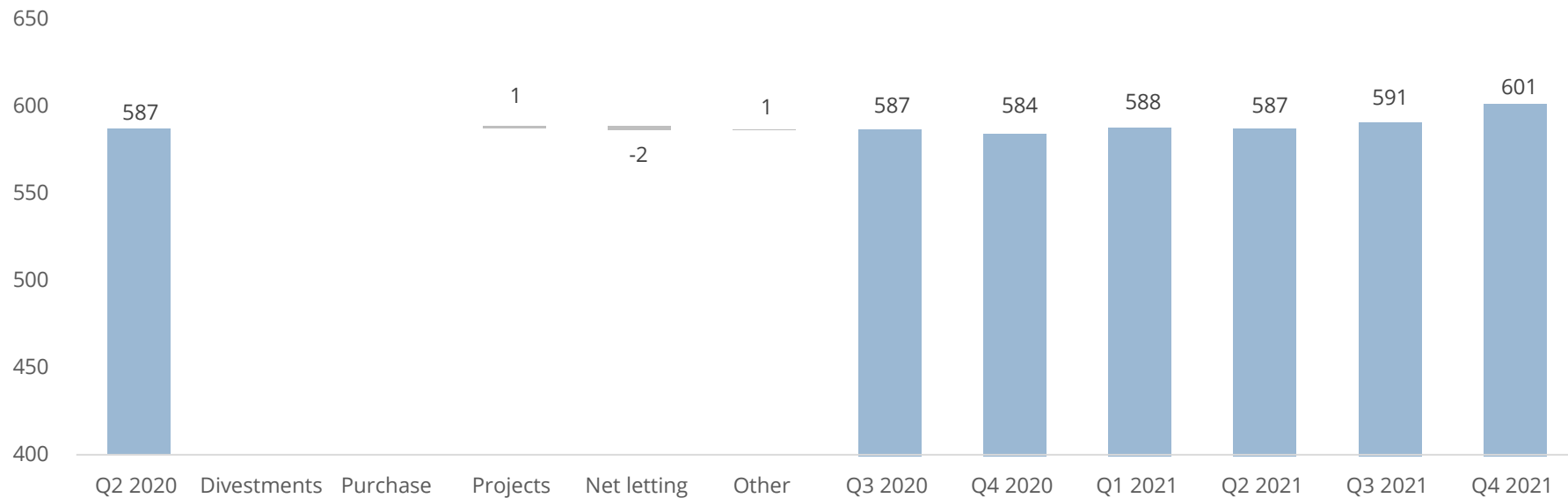


Profit and loss statement

All figures in NOK millions	Q2		YTD		Full year
	2020	2019	2020	2019	2019
Rental income	587	580	1 174	1 165	2 338
Operating costs	-65	-50	-108	-93	-189
Net operating income	522	530	1 066	1 072	2 149
Other revenue	20	71	38	140	300
Other costs	-14	-67	-23	-128	-260
Administrative costs	-39	-42	-89	-90	-171
Share of profit from associates and JVs	1	132	39	155	312
Net realised financials	-141	-139	-288	-271	-551
Net income	349	484	744	880	1 780
- of which net income from property management	350	352	706	727	1 471
Changes in value of investment properties	619	472	619	956	1 909
Changes in value of financial instruments	-28	-19	-365	-41	46
Profit before tax	940	937	997	1 795	3 735
Tax payable	-6	-3	-10	-6	-11
Change in deferred tax	-204	-171	-206	-318	-498
Profit for period/year	730	763	782	1 471	3 225

Rental income development based on reported events*

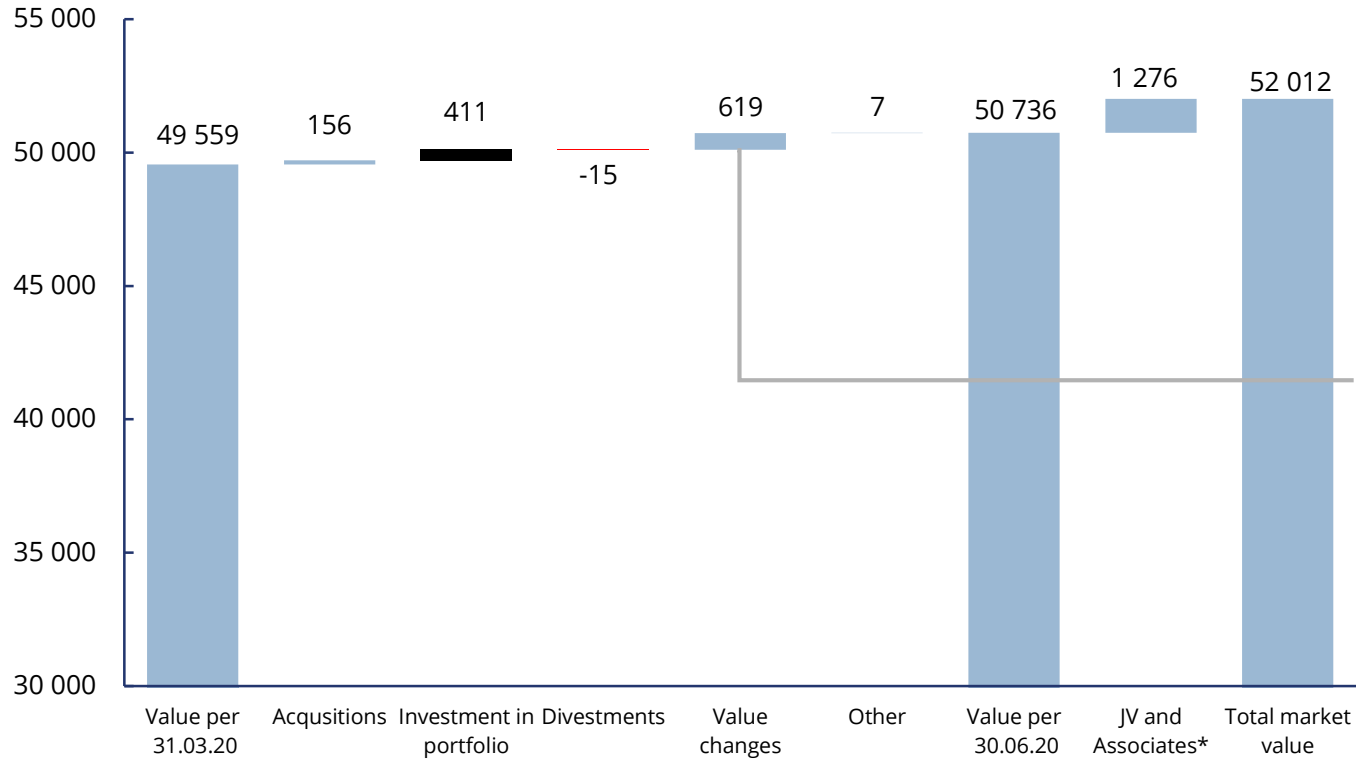
NOK million



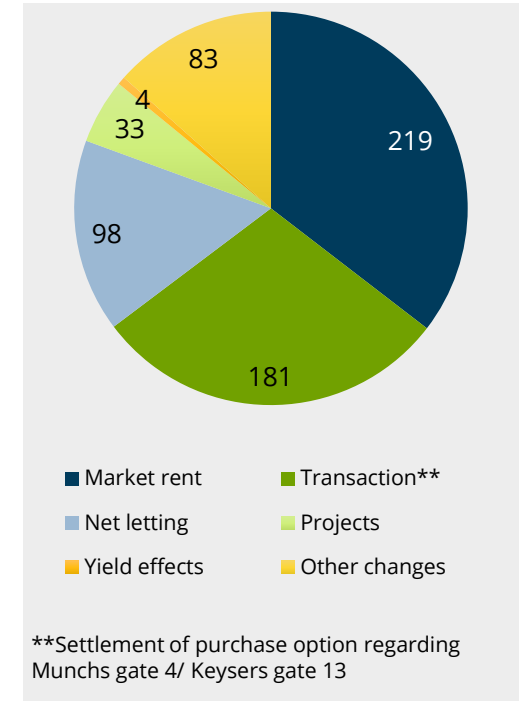
* Does not constitute a forecast; aims to demonstrate the rental income development based on all reported events; does not reflect letting targets on either vacant areas or on contracts that will expire, and where the outcome of the renegotiation process is not known

Investment property value development

NOK million



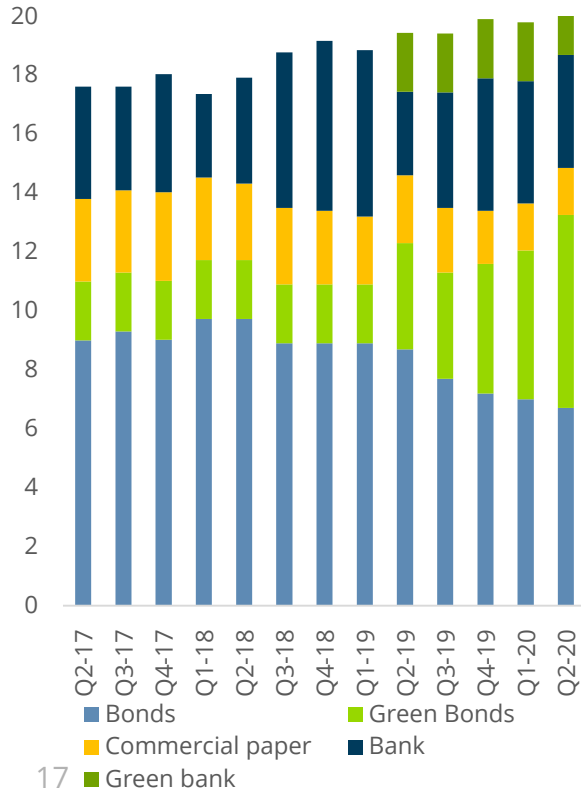
* Entra's share of gross market value of JVs and Associates (book value equity = 447 million)



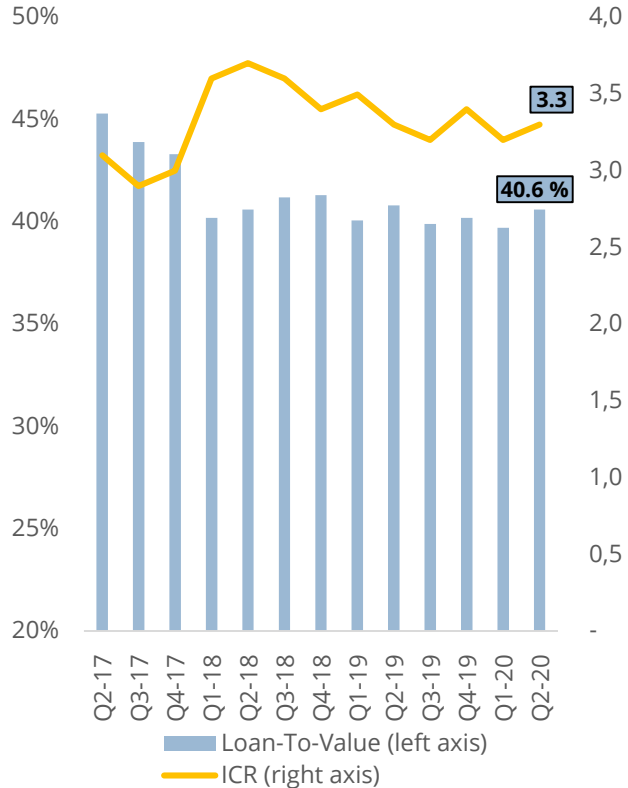
Financial update

Financing mix

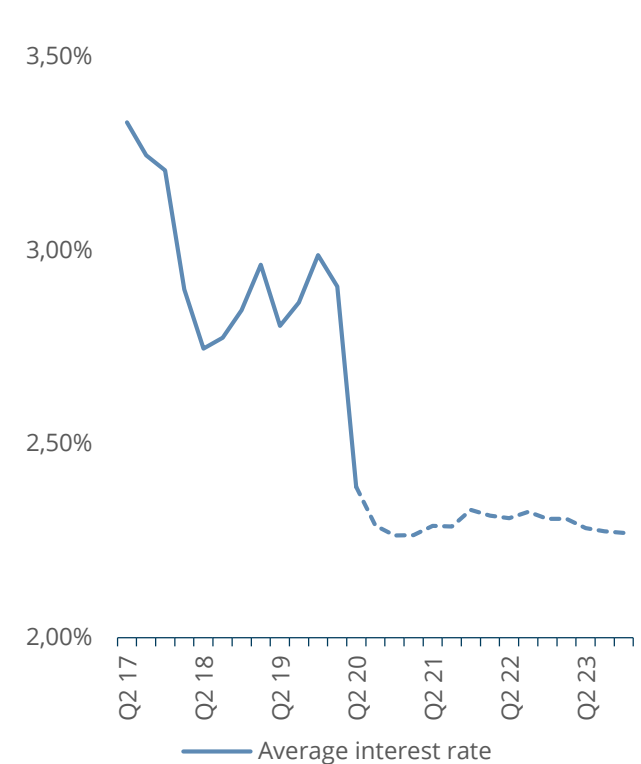
NOK billion



LTV and ICR

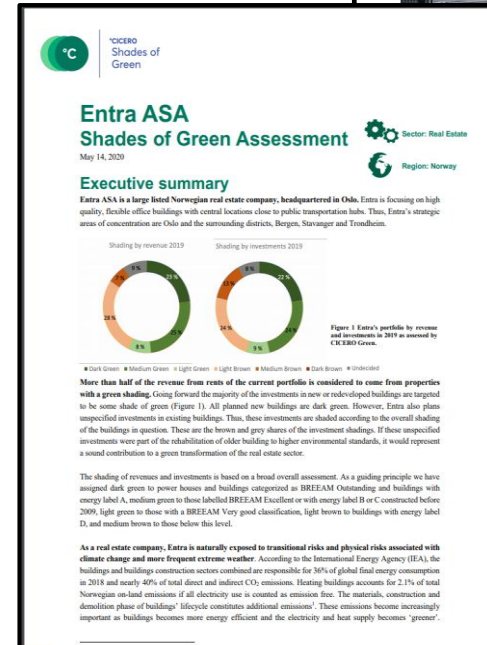


Development in avg. interest rate



Issued new NOK 1.5 bn Green Bond

- Senior unsecured 7 yr Green Bond
- 3 months NIBOR + 110 bps
- Strong investor interest
- “Greenium pricing”, well below Nordic Bond pricing curve
- Earmarked funding of properties/projects certified “Breem Excellent” or better
- Shades of Green Assessment from Cicero
 - More than half of Entra’s revenues and asset values stems from properties with Green Shading
 - Entra’s governance structure and operations assessed to be Excellent



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Closing remarks and outlook

- Extraordinary quarter but limited effects on financial and operational results
- Higher outlook uncertainty
- Solid letting activity; significant letting pipeline
- Entra is in a solid position
 - 97.6 % let, modern and flexible portfolio
 - WAULT of 6.8 years, 58 % public tenants
 - Strong liquidity and financing position
 - Flexible development pipeline



Universitetsgata 2, Oslo



Next event
3rd quarter results
October 16, 2020

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