

Q4 2020

Oslo, 12 February 2021



Agenda

Highlights in the quarter

Operations and market

Financial update

Closing remarks

Q&A

Highlights in the quarter



Universitetsgata 2 and St. Olavs plass 5

Key figures:

(NOK million)	Q4 20	Q4 19
Rental income	590	595
Net income from property management	362	384
Net value changes	4,533	569
Profit before tax	4,923	1,040

Key events:

- Ongoing strategic interest for the company
- Strong net letting of 166 million
- Finalised one and started up five development projects
- Proposing semi-annual dividend of 2.5 per share for H2-20, total of 4.9 per share for 2020 (+ 4%)

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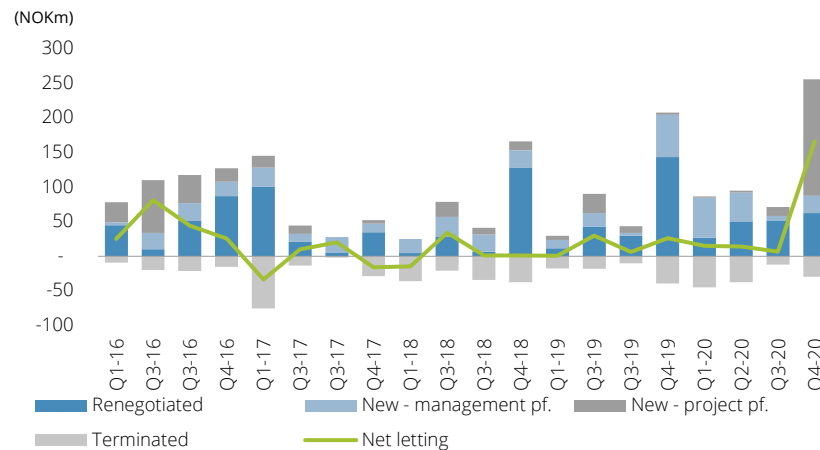
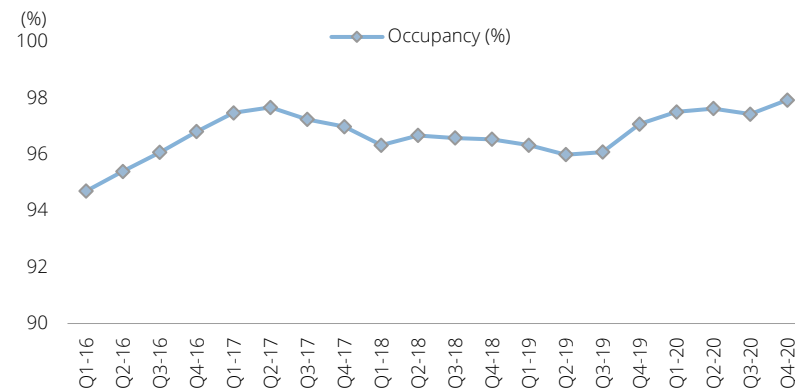
Q&A

Letting and occupancy

- New and renewed leases of 256 million (85,800 sqm)
- Terminated contracts of 30 million (13,800 sqm)
- Net letting of 166 million
- Occupancy at 97.9 %
- WAULT at 6.9 yrs (7.1 yrs incl. project portfolio)

Largest new and renegotiated contracts:

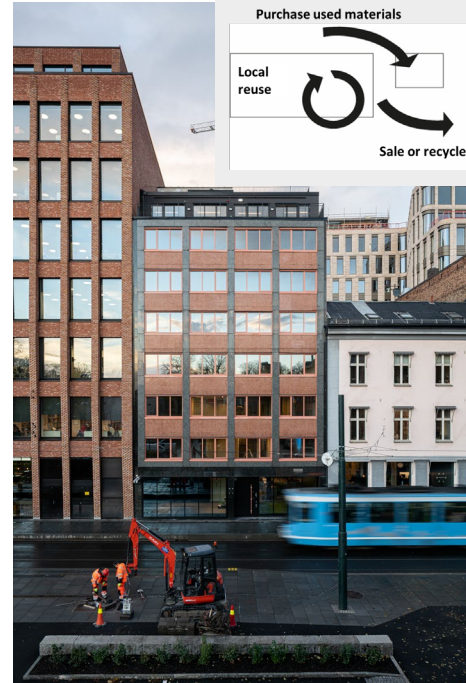
Property	Tenant	Sqm	Contract
Tordenskiolds gate 12, Oslo	Schjødt	11,200	New
Stenersgata 1, Oslo	Sopra Steria	10,500	New
Biskop Gunnerus' gate 14A, Oslo	Sopra Steria	7,000	Renegotiated
Universitetsgata 7, Oslo	Knowit	7,200	New
Schweigaards gate 15, Oslo	Nortura	3,900	New
St. Olavs plass 5, Oslo	Oslo Pensjonsforsikring	3,400	New



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

Finalised redevelopment project in Kristian Augusts gate 13 in Oslo

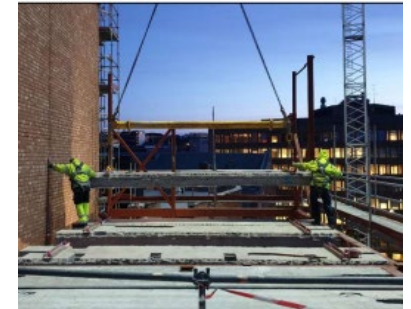
- Redevelopment of 4,300 sqm of which 900 sqm add-on
 - Part of the Tullin quarter
 - 100 % pre let to Spaces
- Pioneer pilot project within circular economy
 - 80 % re-used materials
 - 70 % CO₂ reduction in used materials
 - 45 % CO₂ reduction vs standard reference building
- Total project cost: 317 million
- Yield on cost: 4.5 %



Kristian Augusts gate 13, Oslo



Hollow-core slabs from the Government quarter



Re-used in Kristian Augusts gate

Start of redevelopment project in Stenersgata 1 in Oslo (Oslo City)

- Stepwise redevelopment of large combined office / shopping centre property
 - Phase 1: 15,800 sqm
 - 57 % pre let
 - Estimated project cost: 1.2 bn (incl. initial value)
 - Estimated yield-on-cost: 4.5 %
 - Expected completion: Q2 2023
 - BREEAM-NOR Very Good
- Centrally located, adjacent to Oslo Central Station
- Acquired in 2015
 - Shopping centre owned by Steen&Strøm, office part by Entra



Stenersgata 1 in Oslo

Start of redevelopment project in Schweigaards gate 15 in Oslo

- Redevelopment of large office building in Oslo city centre
 - 22,900 sqm
 - BREEAM-NOR Very Good
 - 31 % pre-let
- Estimated project cost: 1.4 bn (incl. initial value)
- Estimated yield-on-cost: 4.7 %
- Expected completion: Q2 2023



Schweigaards gate 15 in Oslo

Start of redevelopment project in Møllendalsveien 6-8 in Bergen

- Redevelopment of large office building in Bergen city centre
 - 14,200 sqm, acquired in 2019
 - 44 % pre-let to public tenant
- Estimated project cost: 0.6 bn (incl. initial value)
- Estimated yield-on-cost: 5.2 %
- Expected completion: Q4 2021



Møllendalsveien 6-8 in Oslo

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								
Universitetsgata 7-9	100	Oslo	Sep-21	21 900	86	1 295 	940	5.8 
Universitetsgata 2 - Rebel	100	Oslo	Sep-21	28 100	52 	1 650	1 413	5.6
St. Olavs plass 5	100	Oslo	Aug-22	16 500	60	1 148	668	4.8
Tordenskiolds gate 12	100	Oslo	Sep-22	13 000	92	1 203	757	4.4
Stenersgata 1	100	Oslo	Jun-23	15 800	57	1 166	675	4.5
Schweigaards gate 15	100	Oslo	Jun-23	22 900	31	1 362	635	4.7
Møllendalsveien 6-8	100	Bergen	Dec-21	14 200	44	636	374	5.2
Refurbishment								
Grønland 32	100	Drammen	Jun-21	5 000	100	158	109	7.0
Hagegata 22-24	100	Oslo	Dec-21	10 100	100	433	373	5.5
Total				147 500		9 051	5 944	

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)

Transactions

Acquisition of Lagårdsveien 6 in Stavanger



- 13,600 sqm
- Called option to acquire for 126 million
- Fair market value at 313 million (Newsec estimate)
- Fully let to Norwegian Police
- Six years remaining lease duration
- Transaction closed in Q1 2021

Acquisition of Møllendalsveien 1 A in Bergen



- 5,800 sqm
- Property value: NOK 208 mill
- Fully let, 2.7 years remaining duration
- Located next to Møllendalsveien 6-8
- Natural add-on to existing portfolio
- Transaction closed in Q1 2021

Sale of Tollbodalmeningen 2A in Bergen



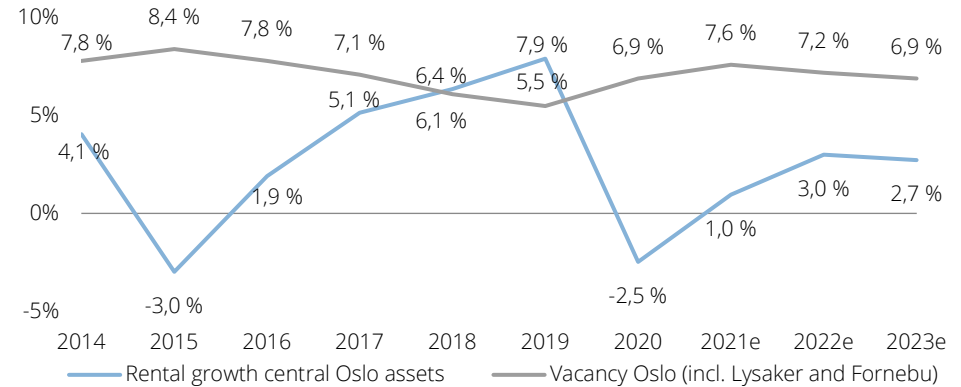
- 1,800 sqm
- Sold for NOK 40 million
- + 21 % to book values as of 31.12.20
- Though unique, a non-core property for Entra
- Transaction closed in Q1 2021

Market development

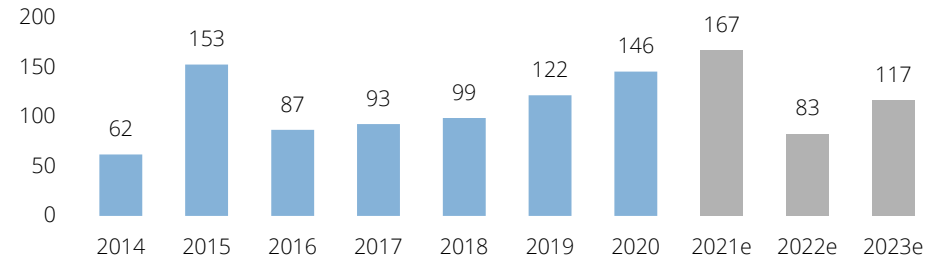
Rent and vacancy

- Limited economic impact from Covid-19
 - New partial lock down in Oslo and surrounding areas in January, outlook still uncertain
 - Norwegian Government providing significant support programs
- Office market in Oslo;
 - Vacancy increasing slightly
 - Higher new build volumes, particularly in eastern fringe office clusters
 - Limited new build activity in central Oslo
 - Slight decrease in overall rent levels, expected to pick up gradually
- Stable vacancy and letting activity in both Bergen and Trondheim

Market rental growth and vacancy in Oslo



Newbuild volumes Oslo (1,000 sqm)



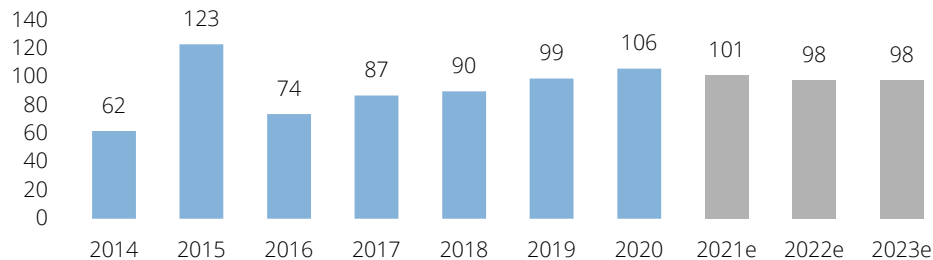
Source: Entra consensus report Q4 2020, average of estimates from leading market specialists in Norwegian market. Nominal rental value growth

Market development

Transactions and yields

- High activity in the transaction market
- Significant yield compression in the Norwegian market after key policy rate was reduced to 0 %
 - Prime yield in Oslo down from 3.60-3.70 % to 3.25-3.30 %
 - Narrow yield spread to regional markets
 - Strong demand for attractive properties with long leases
- Financing market open and well functioning

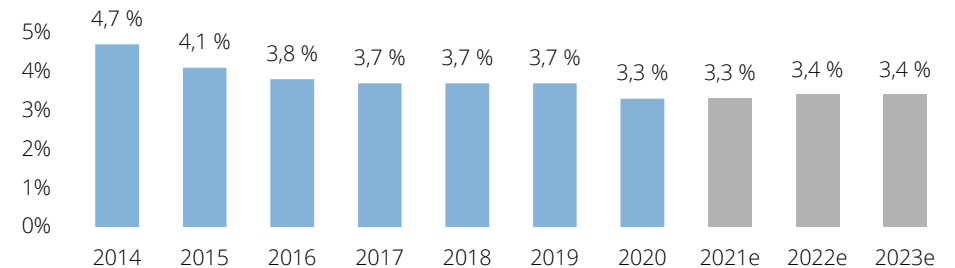
Total transaction volume (NOKbn)*



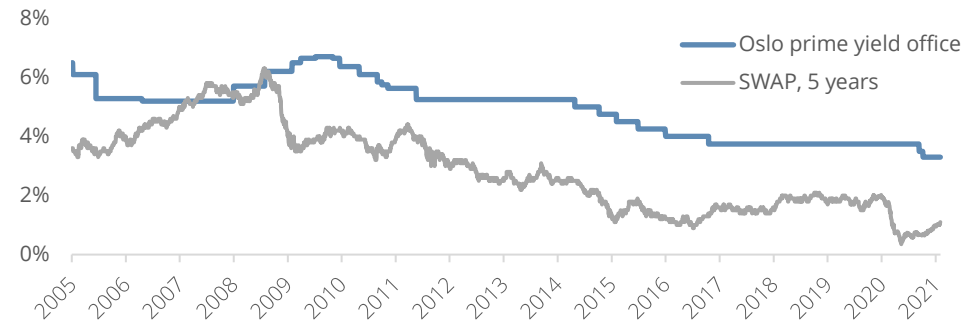
* Source: Entra consensus report Q4 2020. Estimates from leading market specialists in Norwegian market

** Source: Akershus Eiendom/JLL

Prime yield Oslo*



Yield gap Oslo**



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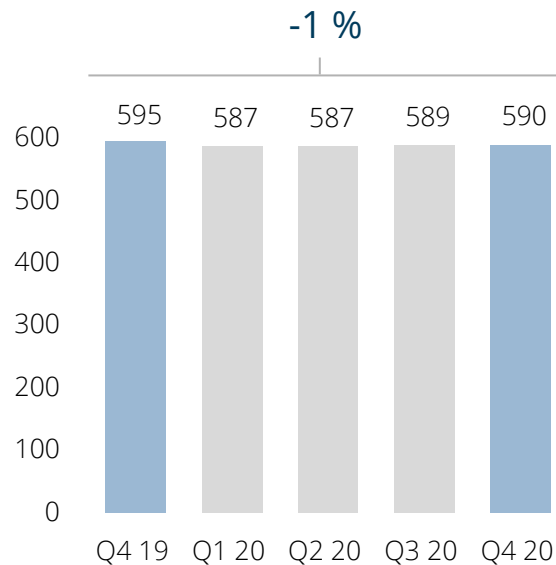
Closing remarks

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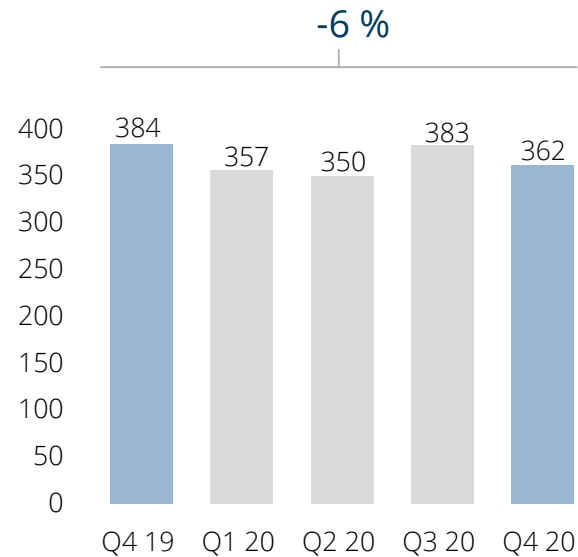
Key financials

NOK million

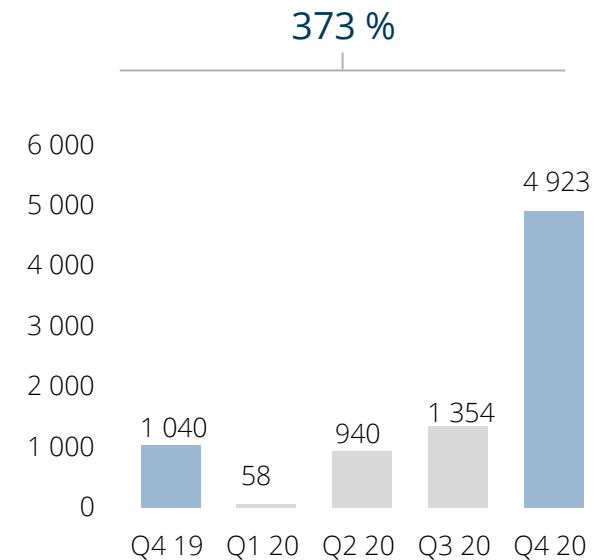
Rental income



Net Income from Property Management



Profit before tax

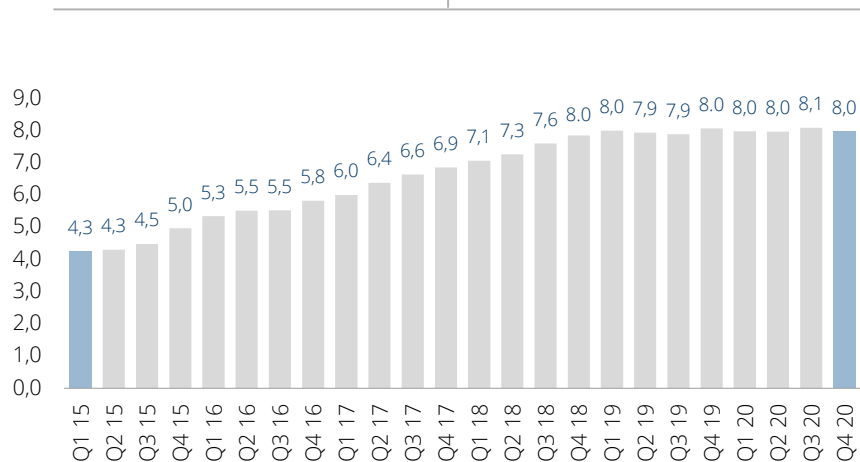


Key financials per share

NOK per share

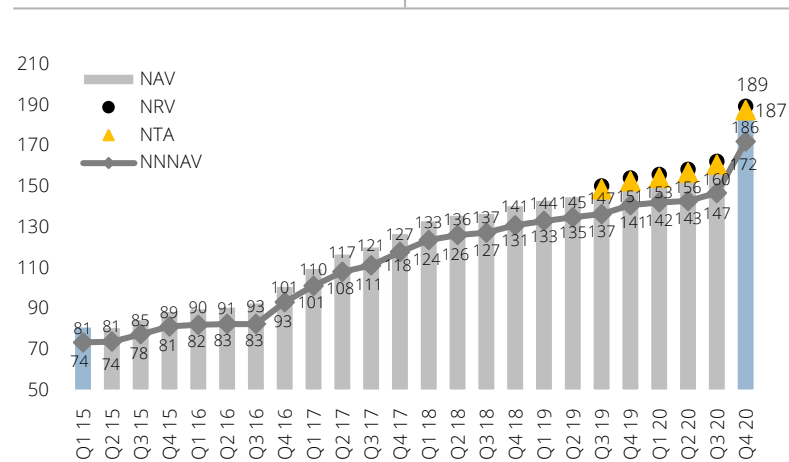
Cash Earnings*

CAGR: 12 %



EPRA NRV / NTA / NAV / NNNAV

CAGR (NAV): 15 %



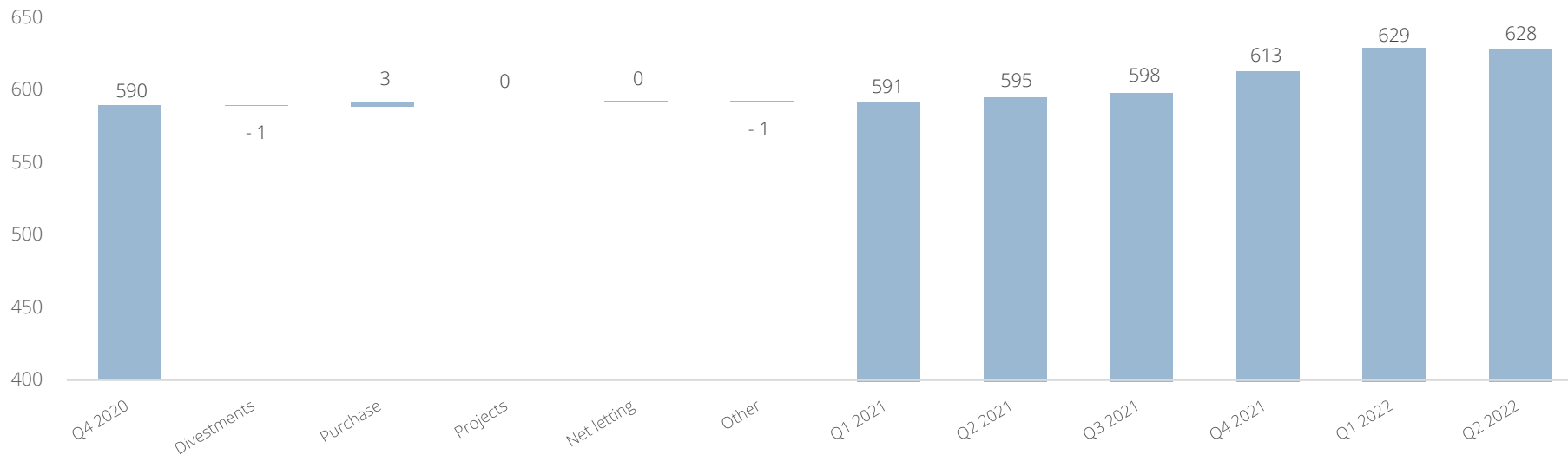
* Annualised, rolling four quarters

Profit and loss statement

All amounts in NOK million	Q4-20	Q4-19	2020	2019
Rental income	590	595	2 353	2 338
Operating costs	-57	-49	-211	-189
Net operating income	533	547	2 142	2 149
Other revenues	44	60	113	300
Other costs	-37	-43	-79	-260
Administrative costs	-55	-39	-186	-171
Share of profit from associates and JVs	28	88	120	312
Net realised financials	-123	-140	-541	-551
Net income	390	471	1 569	1 780
- of which net income from property management	362	384	1 451	1 471
Changes in value of investment properties	4 469	470	5 980	1 909
Changes in value of financial instruments	64	99	-275	46
Profit before tax	4 923	1 040	7 274	3 735
Tax payable	-13	-2	-26	-11
Change in deferred tax	-1 063	-7	-1 552	-498
Profit for period/year	3 846	1 031	5 696	3 225

Rental income development based on reported events*

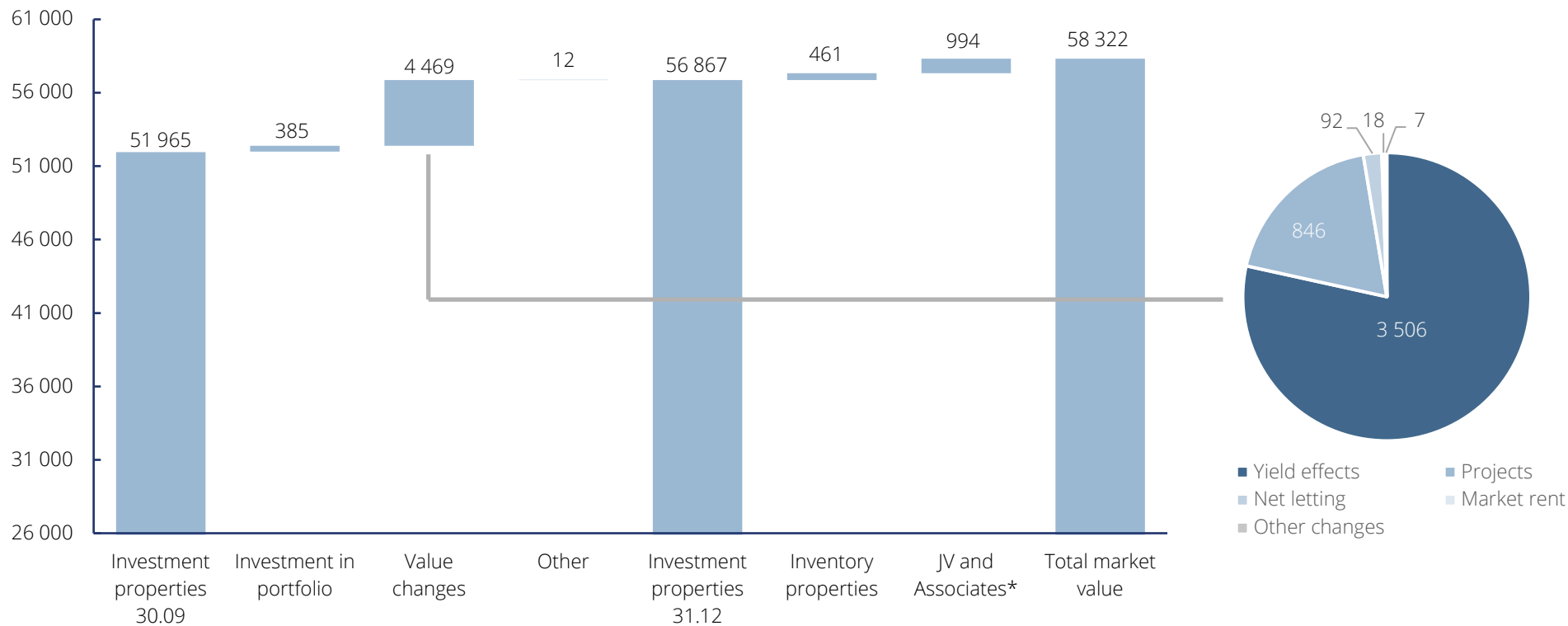
NOK million



* 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

Property value development

NOK million

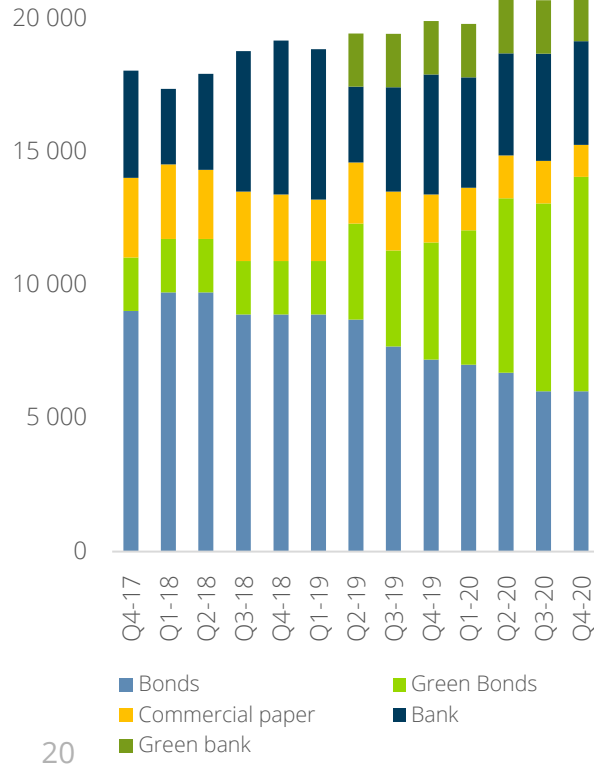


* Entra's share of gross market value of JVs and Associates (book value equity = NOKm 493)

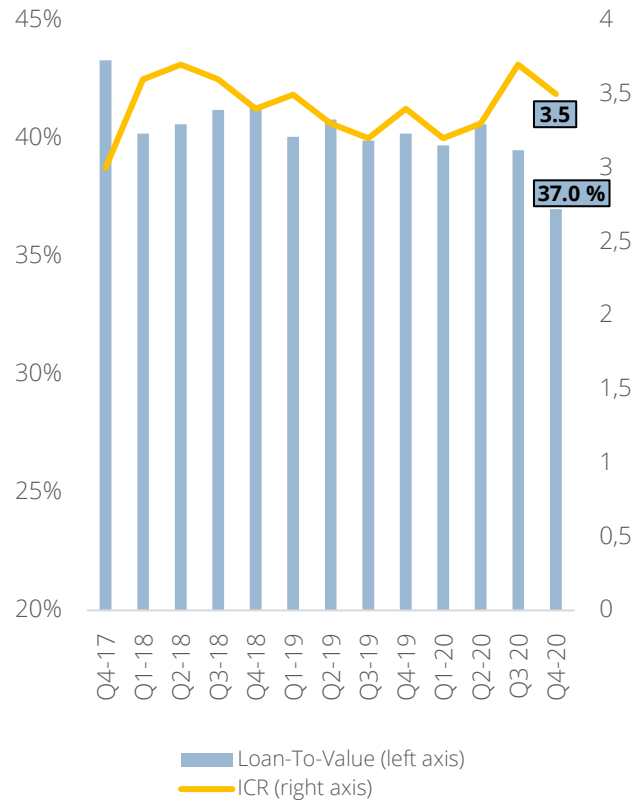
Financial update

Financing mix

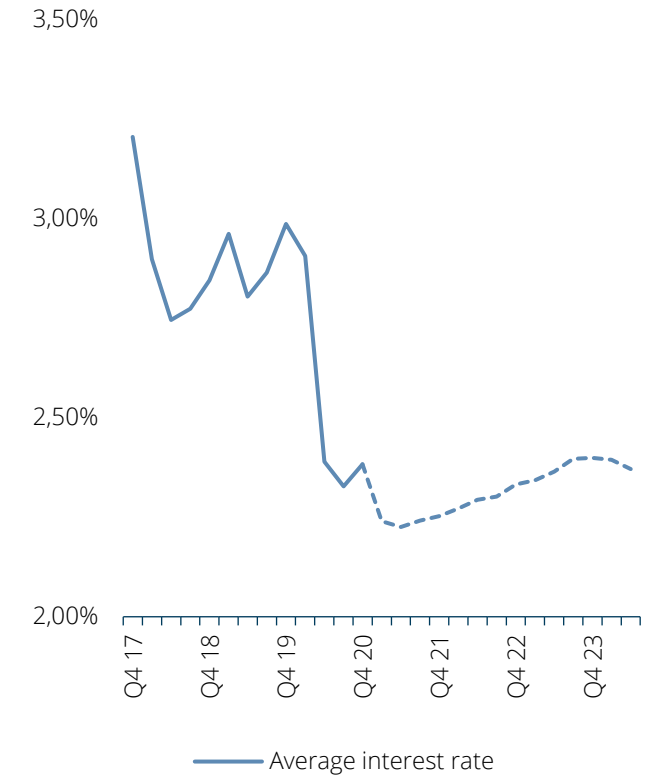
NOK billion



LTV and ICR



Development in avg. interest rate



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Strategy



Profitable growth



High customer satisfaction

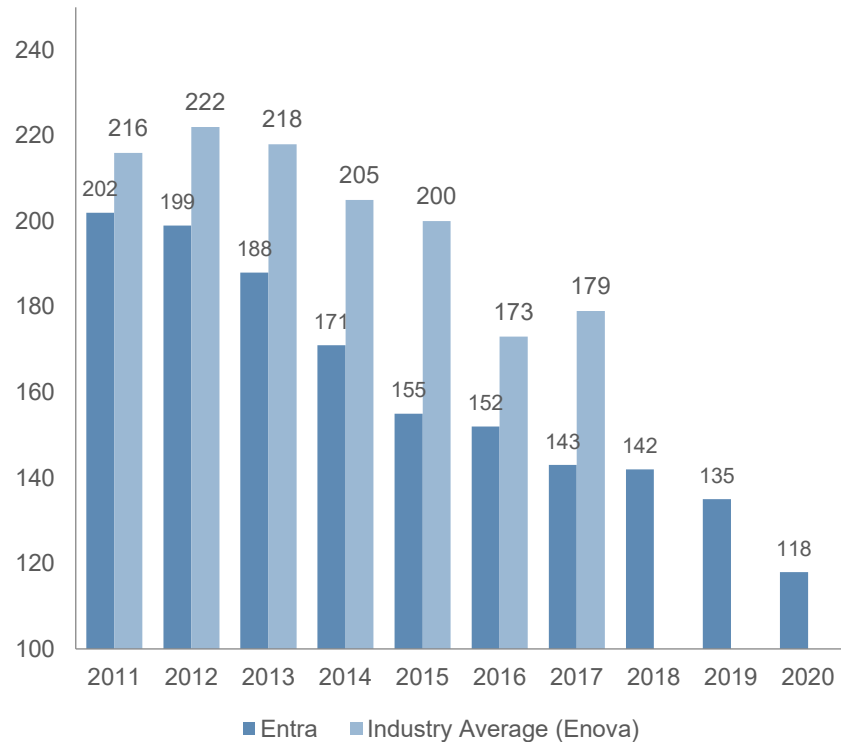


Environmental leadership

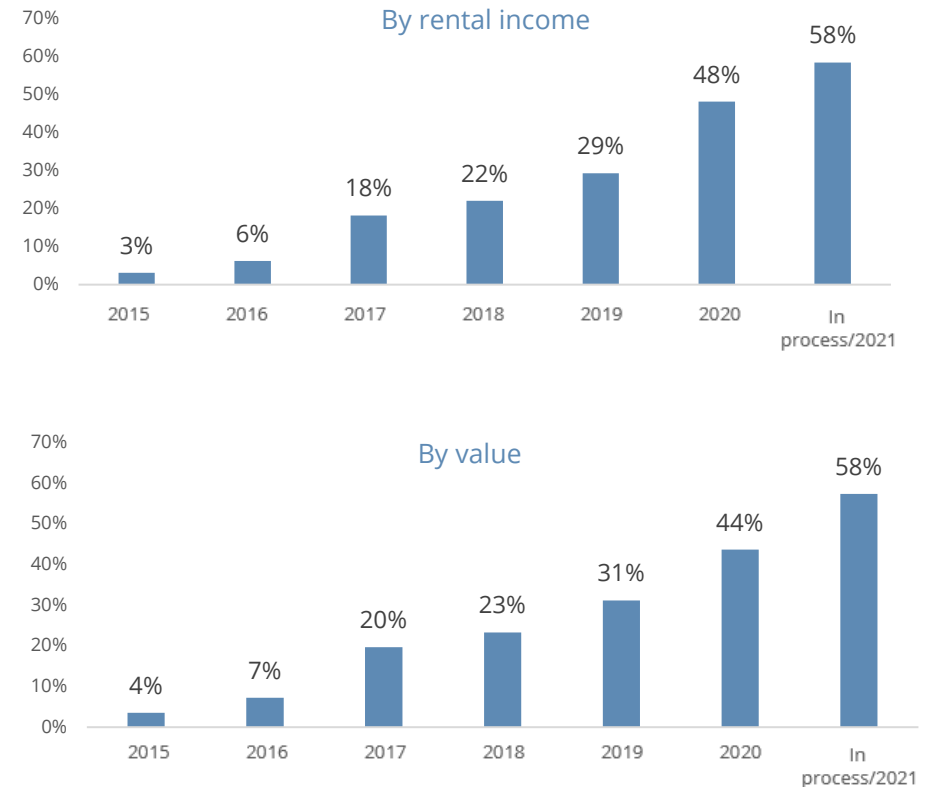
Sustainable business development and operations

Strategic target: Sustainable operations, environmental leadership

Energy consumption (Kwh/sqm)



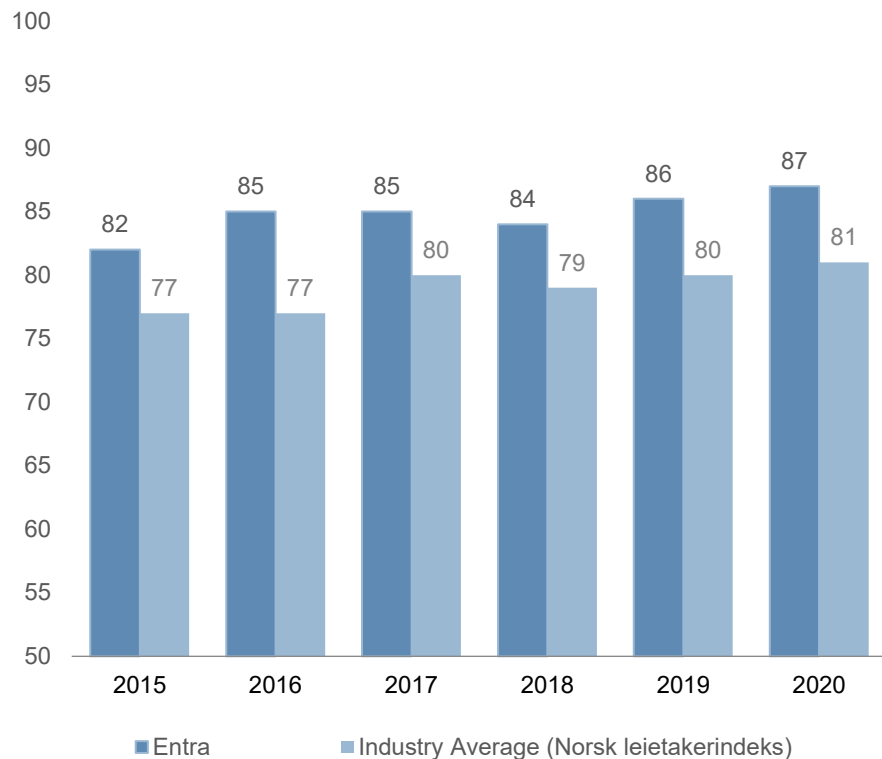
Share of portfolio certified BREEAM Very Good or better *



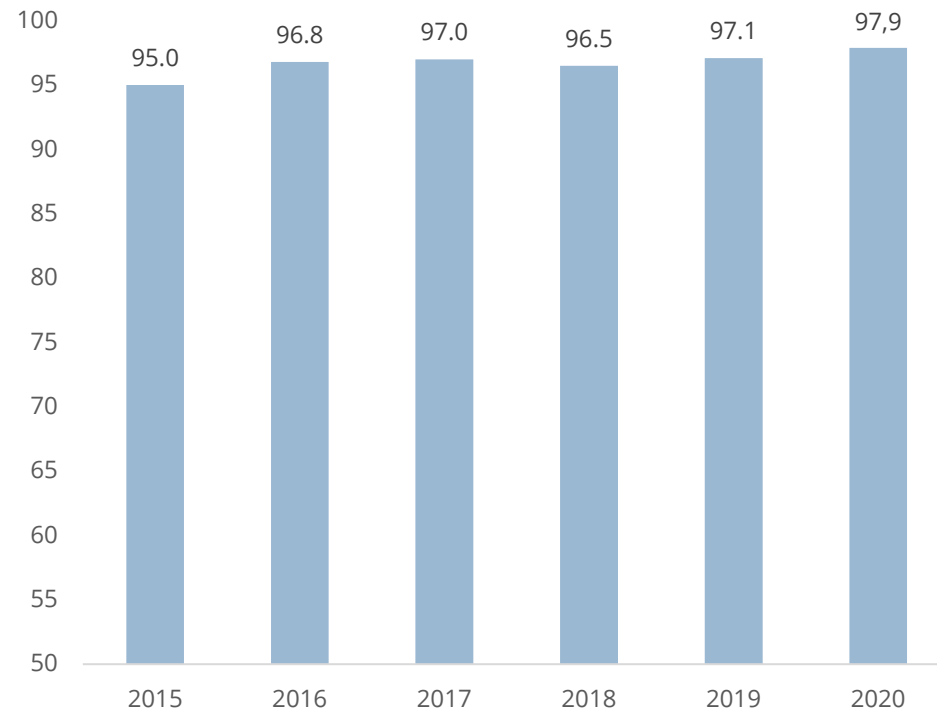
* BREEAM-NOR and BREEAM In-Use

Strategic target: Best in class customer satisfaction

Customer satisfaction score

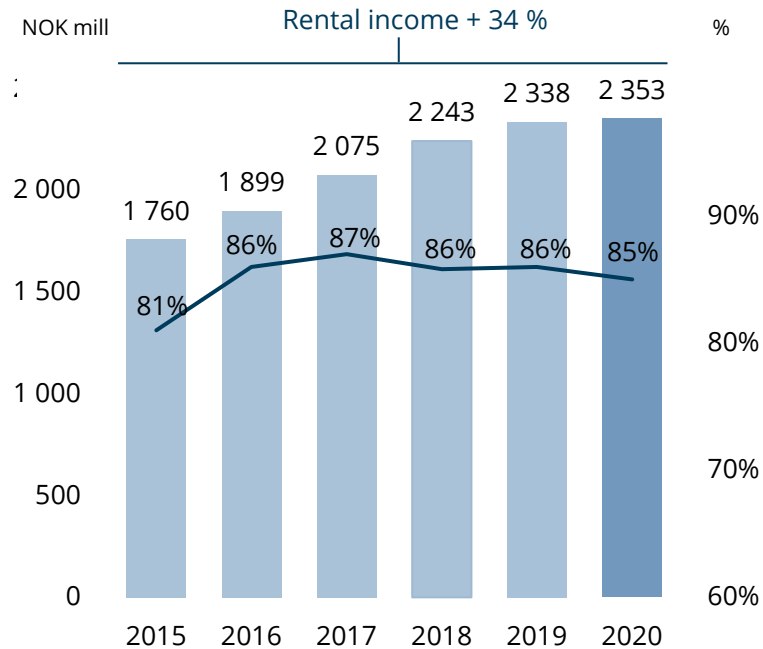


Portfolio occupancy

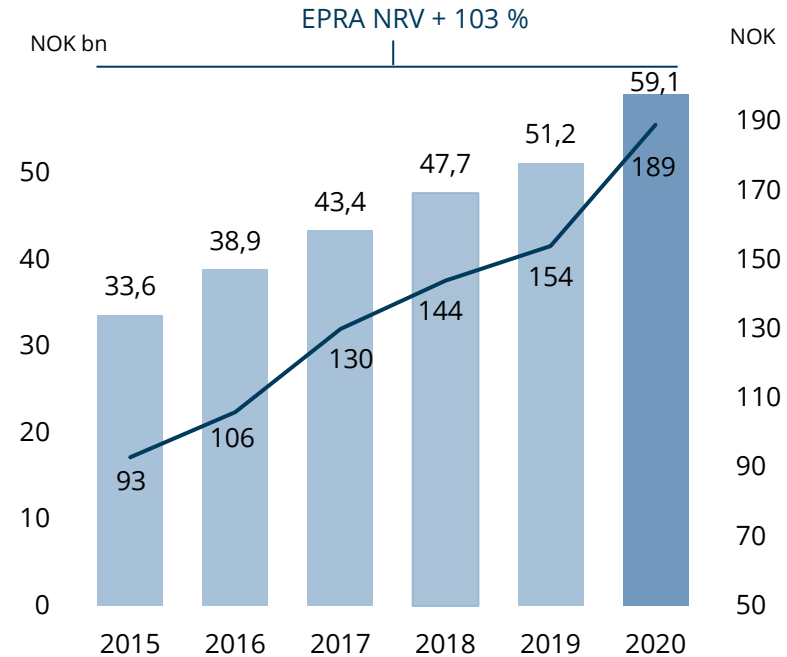


Strategic target: Profitable growth

Rental income and EBIT margin

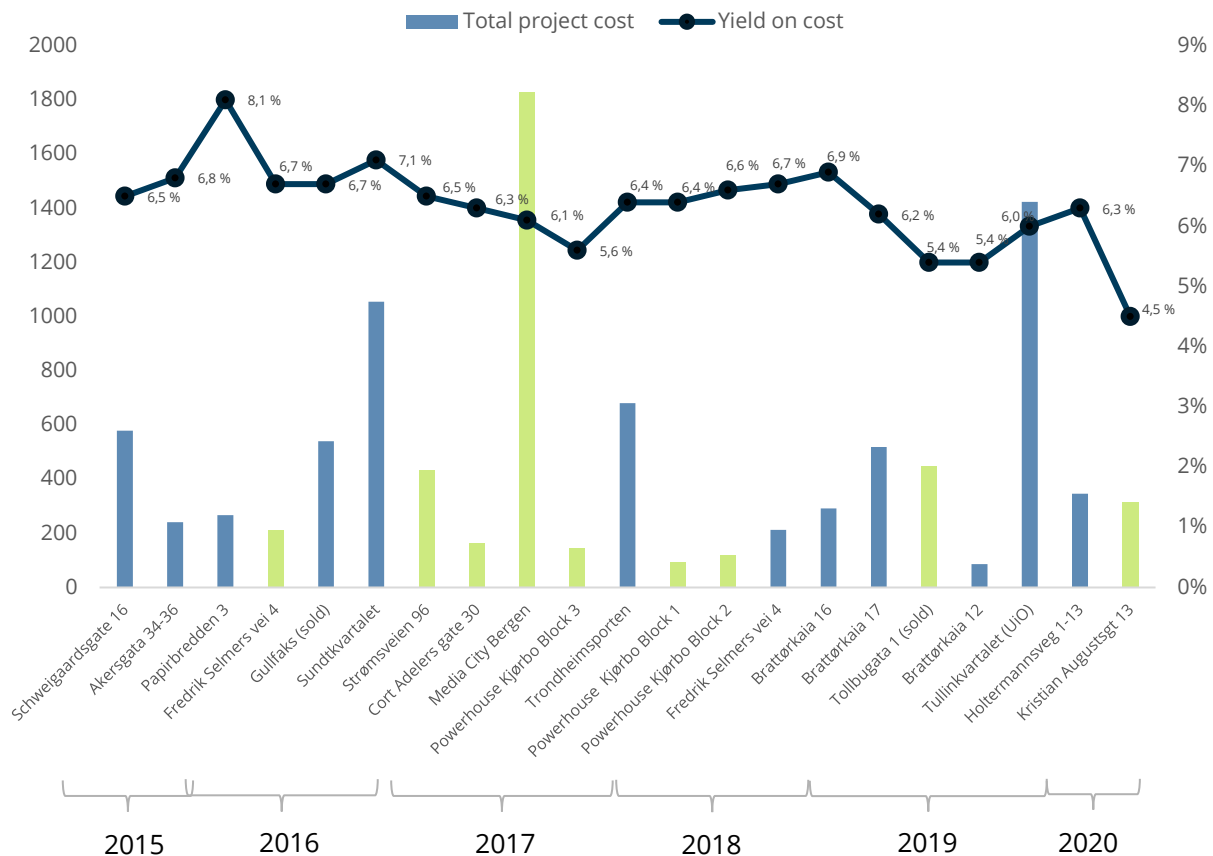


Total asset value and EPRA NRV per share



Solid track record of profitable project development

- Finalised 20 projects > 50 mill during 2015-2020, all delivered on time



Average yield on cost: 6.3 %

Total project cost: ~ 9.8 bn

Valuation at completion: ~ 12.3 bn (+ 26 %)

NAV contribution at completion: 2.6 bn, (14.2 /share)

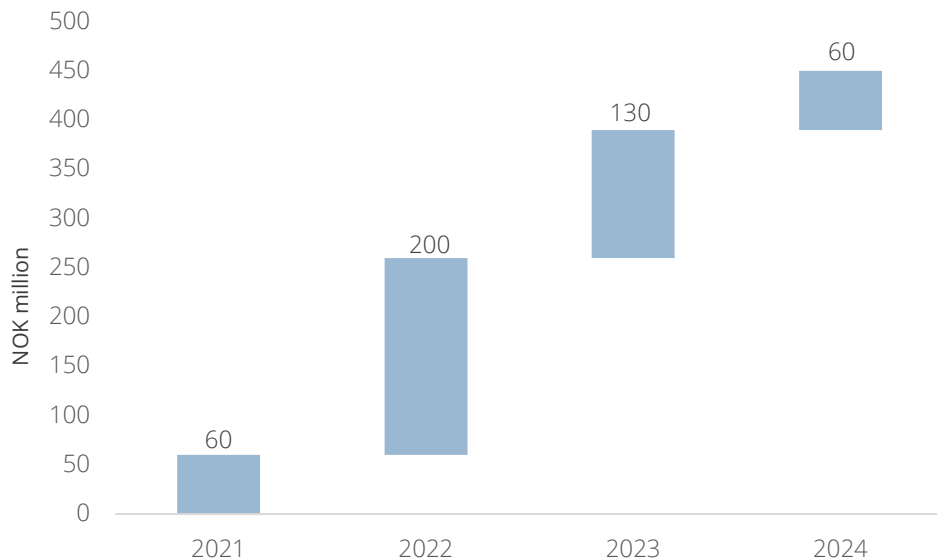
Contribution to net operating income: 618 mill*

* Incl sold projects

Solid growth prospects ahead

Ongoing project portfolio ~147,500 sqm

Fully let adding NOK ~450 mill in rental income 2021-2024



Short term pipeline (zoned, awaiting tenants) ~90,000 sqm

 <p>Spire Helsfyr Oslo New-build 20,000 sqm Status: Zoned Marketing ongoing</p>	 <p>Nygårdsgaten 91-93 Bergen New-build 12,400 sqm Status: Zoned Marketing ongoing</p>	 <p>Holtermannsv. 1-13 II Trondheim New-build ~ 20,600 sqm Status: Zoned Marketing ongoing</p>
 <p>Holtermannsv. 1-13 III Trondheim New-build ~ 15,500 sqm Status: Zoned Marketing ongoing</p>	 <p>Kongens gate 87 Trondheim Redevelopment/add-on ~ 10,000 sqm Status: Zoned Marketing ongoing</p>	 <p>Jørgen Kanitz gate Sandvika New-build ~ 10,500 sqm Status: Zoned Marketing ongoing</p>

Long term pipeline (unzoned) ~ 250,000-300,000 sqm



Closing remarks and outlook

- 2020 another solid year
 - 23 % NRV growth, 4 % dividend growth
 - Net letting of 202 million, occupancy at 97.9 %
 - Completed 16,000 sqm and started up 97,500 sqm in new development projects
- Outlook
 - Solid market fundamentals
 - Rental market holding up well, strong transaction market
 - Covid-19 uncertainty prevails
 - Strong development pipeline fuelling further growth



Universitetsgata 7-9, Oslo. To be finalised in 2021



Next event
1st quarter results
April 23, 2021

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