



**entra**

## **Prospectus**

Entra ASA

## **Registration Document**

Oslo, 19 September 2016

Joint Lead Managers:



---

**Important information**

The Registration Document is based on sources such as annual reports and publicly available information and forward looking information based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Company's (including subsidiaries and affiliates) lines of business.

A prospective investor should consider carefully the factors set forth in chapter 1 Risk factors, and elsewhere in the Prospectus, and should consult his or her own expert advisers as to the suitability of an investment in the bonds.

This Registration Document is subject to the general business terms of the Joint Lead Managers, available at its websites ([www.dnb.no](http://www.dnb.no)) ([www.seb.no](http://www.seb.no)) and ([www.swedbank.no](http://www.swedbank.no)).

The Joint Lead Managers and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers's corporate finance department may act as manager or co-manager for this Company in private and/or public placement and/or resale not publicly available or commonly known.

Copies of this presentation are not being mailed or otherwise distributed or sent in or into or made available in the United States. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The distribution of the Registration Document may be limited by law also in other jurisdictions, for example in Canada, Japan and in the United Kingdom. Verification and approval of the Registration Document by the Norwegian FSA ("Finanstilsynet") implies that the Registration Document may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Registration Document in any jurisdiction where such action is required.

The Norwegian FSA has controlled and approved the Registration Document pursuant to the Norwegian Securities Trading Act § 7-7.. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Registration Document. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Registration Document. The Registration Document was approved by the Norwegian FSA on 19 September 2016. The Registration Document is valid for 12 months from the approval date.

The Registration Document together with a Securities Note and any supplements to these documents constitutes the Prospectus.

The content of the Prospectus does not constitute legal, financial or tax advice and potential investors should seek legal, financial and/or tax advice.

Unless otherwise stated, the Prospectus is subject to Norwegian law. In the event of any dispute regarding the Prospectus, Norwegian law will apply.

**TABLE OF CONTENTS:**

1 Risk factors.....	4
2 Definitions.....	6
3 Persons responsible .....	7
4 Statutory Auditors .....	8
5 Information about the Issuer .....	9
6 Business overview.....	10
7 Organisational structure .....	16
8 Trend information .....	18
9 Administrative, management and supervisory bodies .....	19
10 Major shareholders.....	22
11 Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses .....	23
12 Third party information and statement by experts and declarations of any interest .....	25
13 Documents on display .....	26
Cross Reference List .....	27
Joint Lead Managers's disclaimer .....	28
Articles of Association for Entra ASA.....	29

# 1 Risk factors

Investing in bonds issued by Entra ASA involves inherent risks. Entra ASA and its subsidiaries are engaged in the development, letting, management, operation, purchase and sale of real estate in Norway. As the Company is the operative company of the Group the risk factors for Entra ASA and the Group are deemed to be equivalent for the purpose of this Registration Document. If any of the following risks actually occur, the Company's business, financial position and operating results could be materially and adversely affected. The factors described below are summarising the risks of which the Company is aware and represent the principal risks inherent in investing in bonds issued by the Company. Occurrence of the risk factors described below may cause inability of Entra ASA to pay interest, principal or other amounts on or in connection with the bonds.

## *Risks relating to prevailing economic conditions*

- The value of the Group's assets is exposed to macroeconomic fluctuations
- The Group's properties are all located in Norway, and slowdowns in the economic activity in these geographic areas could materially and adversely affect the commercial property industry in which the Group operates
- Interest rate fluctuations could materially and adversely affect the Group's business, financial condition, results of operations and cash flows
- A lower rate of inflation or reduced consumer price index could lead to lower than anticipated rental rates for the Group's properties

## *Risks related to the business of the Group and the industry in which the Group operates*

- The Group could be unable to let a property or re-let a property following the expiry of a tenancy at economically attractive rates or at all
- The failure by tenants of the Group to meet their obligations, or the termination of lease agreements by tenants, could result in significant loss of rental income, increase in bad debts and decrease in the value of the Group's properties
- The Group's costs of maintaining, replacing and improving its existing properties could be higher than estimated
  - The Group is subject to development risks such as e.g. cost overruns, delays and other unforeseen events in its business of development of commercial properties
  - The Group is dependent on the services of external construction companies and service providers in connection with the development and construction of its new projects and is thus exposed to risks if a contractor should experience financial or other difficulties
- The Group owns and operates a portion of its property portfolio through subsidiaries with significant non-controlling interests or jointly controlled entities which are exposed to the same type of risks and uncertainties that are described for The Group.
- Ground condemnation or other environmental issues related to the Group's land and buildings could entail additional costs and/or liability for the Group
- The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenue
- Failure to attract or retain highly skilled personnel could materially and adversely affect the Group's business and operations
- Damage to the Group's reputation and business relationships could have an adverse effect on its business and results of operations
- The Group is subject to the risk of objects falling from the facades and roofs of the Group's properties, which could damage the Group's reputation and have an adverse effect on its business and results of operations

## *Risks related to valuation of the Group's property portfolio*

- Adjustment based on changes in the fair value of the Group's properties or inaccuracies in calculations of fair value could negatively affect the Group's financial condition and results of operations
- The Property Appraisal Reports could incorrectly assess the value of the Group's properties

Registration Document

---

*Risks relating to the financial profile of the Group*

- There are covenants in the Group's bank loan agreements relating to the value-adjusted equity ratio, interest cover ratio and the loan-to-value of property that restrict the Group's ability to incur indebtedness above a certain level
- The Group's degree of leverage could affect its ability to obtain additional financing for working capital, capital expenditures, acquisitions, development or other general corporate purposes.
- The Group could require additional capital in the future in order to execute its strategy, which may not be available on favourable terms, or at all
- The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders
- The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders

*Risks related to laws and regulations applicable to the Group*

- Laws and regulations could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and restrict its ability to operate
- A change in laws and regulations regarding tax and other duties/charges could result in higher tax expense and duties/charges for the Group
- The Group could be subject to litigation and disputes that could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows
- Some of the Group's properties are protected as cultural heritage or regulated as special area preservation, which could restrict the Group's ability to utilise its properties
- Changes in, or completion of, planning regulations and existing exemption practices by authorities could significantly affect the operations of the Group and changes in infrastructure could materially impact the Group's properties

## 2 Definitions

Annual Report of 2015	Entra ASA' financial report of 2015
Annual Report of 2014	Entra ASA' financial report of 2014
Articles of Association	The articles of association of the Company, as amended and currently in effect
Board of Directors	The board of directors of the Company
BREEAM-NOR	BREEAM is the world's leading sustainability assessment method for masterplanning projects, infrastructure and buildings. BREEAM-NOR is a Norwegian adaptation of BREEAM
EBIT	Earnings before interest and taxes
Entras Consensus Report	Quarterly report compiled by Entra dated 1 July 2016, outlining the average view of leading market specialists in the Norwegian market on current and future rent levels and yields. The report is publicly available upon request.
Companies Registry	The Norwegian Registry of Business Enterprises ( <i>Foretaksregisteret</i> )
Company/Issuer/Entra	Entra ASA the parent company of the Group
Consolidated Financial Statements	The consolidated financial statements and notes included in the Company's annual report to shareholders
Green Benefit Agreements:	Entra's own scheme for working with customers on environmental measures. Entra identifies and finance the measures. Customers pay back the cost through an increased rent for a set period of time.
Group	The Company and its subsidiaries
IFRS	International Financial Reporting Standards
ISIN	International Securities Identification Number
Joint Lead Manager:	DNB Bank ASA, DNB Markets, Dronning Eufemias gt 30, 0191 Oslo, Norway SEB, Postboks 1843 Vika, 0123 OSLO, Norway Swedbank Norway, P.O. Box 1441 Vika, 0115 Oslo, Norway
NOK	Norwegian kroner
Prospectus:	Securities Note together together with the Registration Document dated 19 September 2016 constitutes the Prospectus.
Registration Document	This document dated 19 September 2016
Securities Note	Document to be prepared for each new issue of bonds under the Prospectus
VPS or VPS System	The Norwegian Central Securities Depository, Verdipapirsentralen

## **3 Persons responsible**

### **3.1 Persons responsible for the information**

Persons responsible for the information given in the Registration Document are as follows:  
Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo

### **3.2 Declaration by persons responsible**

**Responsibility statement:**

Entra ASA confirms that, taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 19 September 2016

Entra ASA

---

Arve Regland  
CEO

## **4 Statutory Auditors**

### **4.1 Names and addresses**

The Company's auditor for 2015 and 2014 has been Deloitte AS, independent State Authorised Public Accountants, Dronning Eufemias gate 14, N-0191 Oslo. Telephone +47 23 27 90 00.

State Authorised Public Accountant Eivind Skaug has been liable for the Auditor's report for 2015 and 2014.

Deloitte AS is member of The Norwegian Institute of Public Accountants.

## **5 Information about the Issuer**

### **5.1 History and development of the Issuer**

Entra was founded in July 2000 when a portion of Statbygg's property portfolio operating within the competitive market was transferred to a separate legal entity. Entra's strategy of owning, managing and operating properties, and its core focus on office properties, have remained stable since its establishment. However, Entra has been actively managing its portfolio through transactions and development which has resulted in an increase in the average size per property and greater concentration of the portfolio around the four largest cities in Norway. Entra has also undertaken several large development projects. Entra ASA was listed on the Oslo Stock Exchange in October 2014.

#### **5.1.1 Legal and commercial name**

The legal name of the Issuer is Entra ASA, the commercial name is Entra.

#### **5.1.2 Place of registration and registration number**

The Company is registered in the Norwegian Companies Registry with registration number 999 296 432.

#### **5.1.3 Date of incorporation**

Entra ASA was incorporated on 20 December 2012.

#### **5.1.4 Domicile and legal form**

The Company is a limited liability company organized under the laws of Norway, including the Companies Act. See also section 6 Business overview.

The Company's registered address is Biskop Gunnerus gate 14, 0185 Oslo. Postal address: Postboks 52, Økern, 0508 Oslo. The Company's telephone number is: +47 21 60 51 00.

#### **5.1.5 Events after the last financial reporting date of Entra ASA (30.06.16)**

There has been no significant events after the balance sheet date.

## 6 Business overview

Entra ASA ("Entra" or "the Company") is listed on Oslo Stock Exchange with the ticker ENTRA.

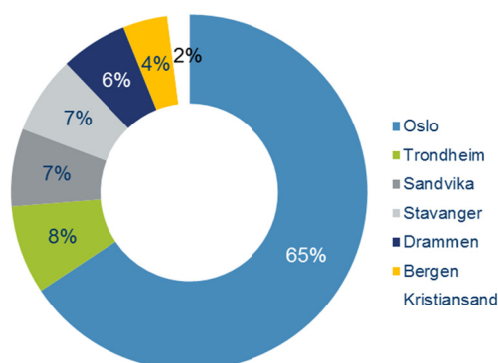
Entra is a significant owner, manager and developer of office properties in Norway<sup>1</sup>, focused on centrally-located, high quality properties in Oslo, Bergen, Stavanger and Trondheim. Entra owns and manages 96 buildings with a total area of approximately 1.25 million square metres. As of 30.06.16, the property portfolio had a market value of around 32 billion. The occupancy rate was 95.4 per cent (94.6 per cent in 2Q 2015). The weighted average unexpired terms for the Group's leases was 7.1 years (7.4 in 2Q 2015) for the management portfolio and 7.4 years (7.6 in 2Q 2015) when the project portfolio is included. The public sector represents approximately 73 per cent of the total customer portfolio. Entra's strategic areas of concentration are Oslo and the surrounding region, Bergen, Stavanger and Trondheim. Entra has its head office in Oslo.

The Company is a professional owner and manager of its own property portfolio. Entra operates the properties with its own staff. Entra creates additional value in its portfolio through property and project development. The Company has considerable expertise and experience in early phase design, planning and building of new, and renovation of existing, office properties. Approximately 90 % of Entra's portfolio consists of office properties. In addition Entra owns some major cultural buildings such as the National Library and Rockheim, as well as some buildings that are used for education.

Entra's business concept is to develop, let and manage attractive and environmentally leading buildings, as well as engaging in active portfolio management through the purchase and sale of properties.

### *Geographic exposure*

Entra is organised in two geographic units Oslo and Regional Cities. A large part of Entra's properties (65 per cent of market value) are located in central Oslo, the remaining part (35 per cent of market value) are located in Trondheim, Bergen, Stavanger, Sandvika, Drammen and Kristiansand.



### 6.1 Strategy

Entra's business strategy has three pillars: profitable growth, customer satisfaction and environmental leadership.

#### *Profitable growth*

Entra has a solid track record of portfolio growth and value creation since its incorporation. Entra has demonstrated its ability to access external capital on competitive terms, with multiple sources of funding and a long relationship with the capital markets. Entra's dividend policy is to distribute 60 per cent of cash earnings to its shareholders.

#### *Customer satisfaction*

Entra seeks to manage its tenant relationships actively in order to increase tenant satisfaction and maximise lease renewal rates. Entra works together with its tenants to design workspaces that will meet their current needs and future requirements. To further strengthen its relationships with tenants, Entra use internal resources for property management on near all of its management properties. Entra has a dedicated customer service centre providing consistent and timely follow-up to enquiries. Entra also targets early engagement with its existing tenants ahead of their lease maturities and works with tenants to develop customised extension strategies as necessary.

<sup>1</sup> Entrass Consensus Report - See chapter 6.7 for description of market shares and competition.

Entra benefits from the quality of its tenants, which include both a strong public and private sector tenant base. In 2015, Entra achieved an exceptionally high customer satisfaction rating of 82 versus an industry average of 77 according to the Norwegian Tenant Index.

#### *Environmental leadership*

Entra continues to implement and seek new environmental initiatives to meet climate-related challenges and customer demand for environmentally sustainable properties and to further reduce costs. Entra's target is to achieve a rating of BREEAM-NOR Excellent or better for all new buildings and BREEAM-NOR Very Good or better for rehabilitation/renovation projects. Entra also enters into Green Benefit Agreements with tenants, through which Entra works with the tenant to propose investments in the property to improve its environmental sustainability. Through these and other programmes, Entra has reduced the average energy consumption of its management properties by 25 per cent over the last five years and by 9 per cent, from 171 to 155 kilowatt hours per square metre, in 2015.

## 6.2 The property portfolio

As of 30 June 2016, Entra's property portfolio comprised 96 properties, and the market value of the property portfolio was around NOK 32 billion. Key figures for the property portfolio as of 30 June 2016 can be found in the table below.

	Number (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value (NOKm) (NOK/sqm)		12 months rolling rent (NOKm) (NOK/sqm)		Net yield (%)	Market rent (NOKm) (NOK/sqm)	
Oslo	39	551 184	95.9	6.5	19 736	35 806	1 175	2 132	5.5	1 174	2 129
Trondheim	9	117 187	98.2	6.2	2 467	21 048	176	1 499	6.4	166	1 415
Sandvika	9	94 594	90.4	10.2	2 118	22 389	118	1 247	5.1	121	1 281
Stavanger	6	79 194	93.6	9.7	2 053	25 928	134	1 689	6.0	135	1 702
Drammen	8	70 516	92.8	8.8	1 861	26 388	113	1 605	5.7	106	1 506
Bergen	6	57 119	98.8	5.2	1 236	21 643	83	1 455	6.0	93	1 623
Kristiansand	7	45 158	92.6	8.5	620	13 727	51	1 139	7.3	49	1 093
Other	2	9 823	79.1	4.0	74	7 523	6	658	7.6	7	667
<b>Management portfolio</b>	<b>86</b>	<b>1 024 776</b>	<b>95.4</b>	<b>7.1</b>	<b>30 164</b>	<b>29 435</b>	<b>1 857</b>	<b>1 812</b>	<b>5.6</b>	<b>1 850</b>	<b>1 806</b>
Project portfolio	6	97 412		13.9	1 437	14 749					
Development sites	4	120 911		0.7	446	3 688					
<b>Property portfolio</b>	<b>96</b>	<b>1 243 098</b>		<b>7.4</b>	<b>32 047</b>	<b>25 780</b>					

Youngsgt. 7-9 is included in market value of the management portfolio at sales price of 60 million.

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 30.06 corresponds to 8.4 per cent of market rent.

## 6.3 Project portfolio

As of 30 June 2016 Entra and its jointly controlled entities had a portfolio of 7 larger ongoing development projects, being projects with an estimated individual investment of more than NOK 50 million. The below description also includes projects in jointly controlled entities not consolidated in the financial accounts, except projects in Oslo S Utvikling.

	Ownership (%)	Location	Expected completion	Project area ('000 sqm)	Occupancy (%)	Estimated total project cost* (NOKm)	Of which accrued* (NOKm)	Yield on cost**
<b>Group:</b>								
Strømsveien 96	100	Oslo	Dec-16	18 100	46	433	294	6.6
Cort Adelers gate 30	100	Oslo	Dec-16	4 700	100	162	110	6.3
Powerhouse Kjørbo, block 3	100	Sandvika	Jul-17	4 200	54	144	75	5.6
Trondheimsporten	100	Trondheim	Nov-17	28 600	77	680	284	6.4
<b>Total Group</b>				<b>55 600</b>		<b>1 419</b>	<b>762</b>	
<b>Jointly controlled companies:</b>								
Sundtkvartalet	50	Oslo	Dec-16	31 300	49	1 055	837	6.7
MediaCity Bergen	50	Bergen	Aug-17	45 000	69	1 677	1 243	6.1
<b>Total Jointly controlled companies</b>				<b>76 300</b>		<b>2 733</b>	<b>2 080</b>	
<b>Forward sold property projects:</b>								
Gullfaks***	50	Stavanger	Aug-16	17 900	100	539	531	6.7
<b>Total Forward sold projects</b>				<b>17 900</b>		<b>539</b>	<b>531</b>	

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

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

\*\*\* Gullfaks; Occupancy is reported as 100 per cent let due to a rental guarantee included in the purchase transaction of Hinna Park AS

## 6.5 Transactions

Entra actively seeks to improve the quality of its property portfolio through a disciplined strategy of acquisitions and divestments. Entra focuses on acquisition of large properties and projects in specific areas within our four core markets; Oslo, Bergen, Trondheim and Stavanger. Target areas include areas in the city centers and selected clusters and communication hubs outside the city centers, allowing Entra to offer rental opportunities at a price range that fits its customer base. Entra's experience, financial strength and knowledge of its tenants makes the company well positioned to make acquisitions that meet these acquisition criteria. Also, Entra actively divests smaller properties and properties outside its core markets. The acquisition and divestment strategy is flexible, allowing Entra to respond to market opportunities as they arise.

## Transactions in 2015 and YTD 2016

Purchased properties	Area	Transaction quarter	No of sqm	Transaction value (NOKm)	Closing date
Skøyen portfolio (three properties)	Oslo	Q2 2016	61 000	2 529	01.09.2016
Land plot, Lars Hillesgate 25	Bergen	Q2 2016	na	53	tbd
Office part of Oslo City*	Oslo	Q4 2015	40 250	1 650	31.12.2015
Trondheimsporten	Trondheim	Q4 2015	28 600	163	18.12.2015
<b>Sum</b>			<b>129 850</b>	<b>4 395</b>	

Sold properties		Transaction quarter	No of sqm	Transaction value (NOKm)	Closing date
Kalfarveien 31	Bergen	Q2 2016	8,440	85	30.09.2016
Fritznersgate 12	Oslo	Q2 2016	824	53	15.09.2016
Telemarksgata 11	Skien	Q2 2016	4 300	11	01.07.2016
Ringstabekk AS**	Bærum	Q1 2016	5 570	114	06.04.2016
Strandveien 13, Tromsø	Tromsø	Q4 2015	11 560	158	28.01.2016
Tollbugata 2, Bodø	Bodø	Q4 2015	940	14	01.12.2015
Hans Kiersgate 1 b and c	Drammen	Q4 2015	2 230	11	30.10.2015
Kirkegata 2 B	Arendal	Q3 2015	5 800	33	30.09.2015
Gullfaks, Hinna Park (forward sale)	Stavanger	Q3 2015	17 900	Est. 700	Q3 2016
Keysersgate 15	Oslo	Q1 2015	315	16	01.03.2015
Portfolio of six properties	Moss, Skien, Lillestrøm	Q1 2015	62 918	1 375	24.02.2015
Grønnegaten 122	Tromsø	Q4 2014	6 600	72	07.04.2015
Skanseгатen 2	Stavanger	Q4 2014	4 379	110	09.01.2015
<b>Sum</b>			<b>123 336</b>	<b>2 752</b>	

\* Included 50 per cent of parking basement

\*\* Commercial areas included in number of sqm (residential not included)

## 6.6 Letting situations

### Tenants and lease structure

Entra's tenant base comprises primarily public sector tenants with long-term leases, and, as of 30 June 2016, public sector tenants accounted for approximately 73 per cent of rental income. Entra's public sector tenants are, or are wholly owned by, governmental, county or municipal bodies. The market rent of the management properties was NOK 1,806 per square metre, while the 12 months rolling rent was NOK 1,812 per square metre, as of 30 June 2016. As of the same date, the management properties had a weighted average unexpired lease term (WAULT) of 7.1 years.

## Registration Document

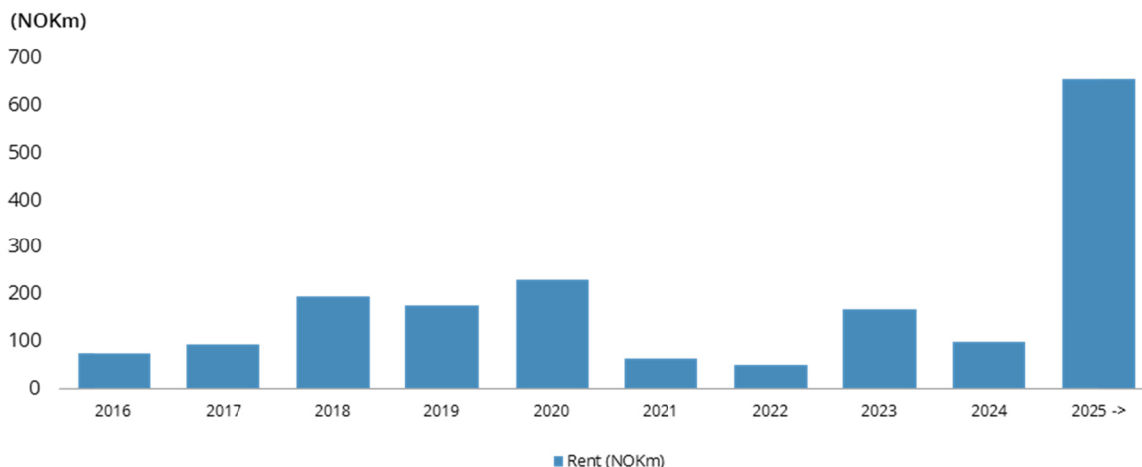
The following table sets forth the 20 largest tenants in Entra's management properties as of 30 June 2016 .

Tenant	Proportion of rent	Public/private sector
Norwegian Tax Administration	6.0%	Public
Norwegian Public Road Administration	4.0%	Public
Norwegian Directorate of Health	3.7%	Public
National Library of Norway	3.5%	Public
The Norwegian National Rail Administration	3.4%	Public
Custom Region Oslo and Akershus	2.5%	Public
Norwegian Water Resources and Energy Directorate	2.5%	Public
The Norwegian Defence Estates Agency	2.2%	Public
Norway Post	2.2%	Public
Borgarting Court of Appeal	1.9%	Public
Immigration Appeals Board	1.8%	Public
University College of Southeast Norway	1.8%	Public
Bærum Municipality	1.8%	Public
County Governor of Oslo and Akershus	1.7%	Public
Norconsult AS	1.6%	Private
Norwegian Petroleum Directorate	1.5%	Public
Norwegian Environment Agency	1.5%	Public
Norwegian Directorate for Education and Training	1.4%	Public
Asker and Bærum Police District	1.4%	Public
Oslo Municipality Undertaking for Social Services Buildings	1.4%	Public
The National Museum of Art, Architecture and Design	1.3%	Public
<b>Total</b>	<b>49.2%</b>	

### Letting activity in 2015 and first half of 2016

In 2015, Entra signed leases with an aggregate annual rent of NOK 294 million, divided between 143,600 square metres. For the first six months of 2016 Entra signed leases with an aggregate annual rent of NOK 188 million, divided between 76,000 square metres:

The occupancy level as of 30.06.16 was highest in Bergen with 98.8 per cent and lowest in Sandvika with 90.4 per cent. The maturity structure of the Group's lease portfolio as of 30 June 2015 is set out in the graph below.



## 6.7 Market developments

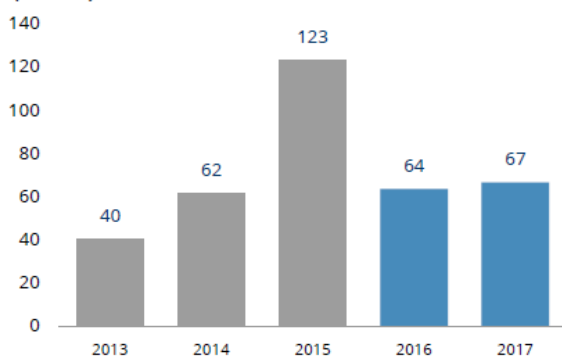
### The transaction market

The transaction volume in the Norwegian market was record high in 2015 and totalled around 120 bn according to Entra's consensus report. The high volumes were driven by low interest rates, demand from foreign investors and several large portfolios being offered in the market.

Transaction volumes in 2016 have decreased with around 50 per cent compared to the same period in 2015 and is now down at more normalised levels compared to previous years. In 2016, there have been significantly fewer acquisition targets available, which combined with a tighter and more selective financing market have limited the transaction volumes.

## TRANSACTION VOLUME NORWAY

(NOK bn)



Source: Entra Consensus report

**The letting market<sup>2</sup>**

Office vacancy in Oslo is expected to drop from 8.3 per cent in Q4 2015 to around 8 per cent by the end of 2016 according to Entra's consensus report. The expected decrease in vacancy is explained by increasing employment, office to residential conversion and general low construction activity in 2016-17. There has been high activity in the letting market this spring. Rents for modern offices in the city centre remains stable at around 3,000 per square meter. Rent levels are expected to rise by 2-3 per cent in 2017-18 according to Entra's consensus report. In Bergen, Stavanger and Trondheim, the office vacancy seems to be levelling out at about 10 per cent. The negative impact from reduced activity in the oil and gas industry seems to be flattening out.

In Bergen, the office vacancy is mainly related to properties situated around the oil and gas intensive office areas at Kokstad / Sandsli / Flesland. In the city centre, low vacancy levels has led to relatively stable rents. Stavanger is still experiencing downward pressure on rent levels. In Trondheim, modern offices located in or near by city centre, are attractive and rents are stable. Outside the city centre, rent levels are experiencing downward pressure and the office vacancy is increasing due to high new building activity.

Overall, Entra is in a relatively good position having long lease contracts with solid tenants and a low exposure towards the oil and gas sector. Modern offices located near public transportation are attractive and obtain solid rents compared to premises located in less central areas.

## Market data Oslo

	2013	2014	2015	2016e	2017e	2018e
Vacancy Oslo and Bærum (%)	7.4	7.8	8.4	8.0	7.5	7.1
Rent per sqm, high standard Oslo office	2 907	3 025	2 935	2 941	3 033	3 105
Prime yield (%)	5.2	4.7	4.1	4.0	4.0	na

Source: Entra Consensus report

**Competition**

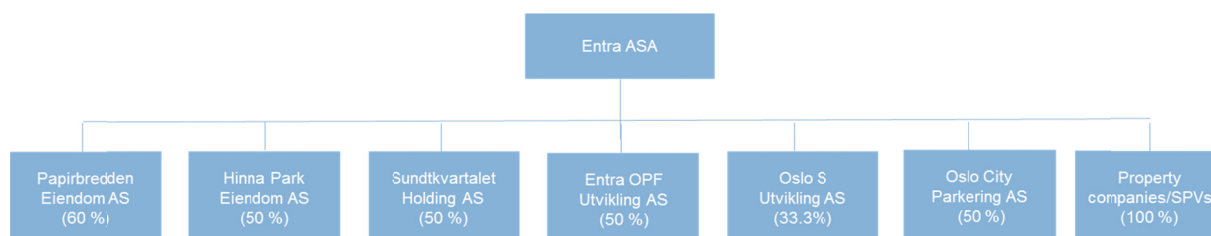
The Norwegian commercial real estate market consists of a relatively large number property owners and managers. According to a survey done by Akershus Eiendom, Entra is the largest property owner in Oslo (including Lysaker and Fornebu) with a market share of approximately 6 % (based on square). Other large property owners are KLP, Statsbygg and the Norwegian Government, Storebrand, Thon Gruppen and Norwegian Property ASA. The 10 largest property owners in Oslo represent approximately 30 % of the total market according to the survey.

<sup>2</sup> Source: Entra and Entra consensus report

<sup>3</sup> Source: Akershus Eiendom – see Clause 12

## 7 Organisational structure

The below figure illustrates the legal structure of Entra.



### 7.1 Associates and jointly controlled entities

Entra also selectively gains access to development projects through its shareholding in subsidiaries with significant noncontrolling interests and jointly controlled entities. Entra has demonstrated its ability to successfully work with partners to create value through such subsidiaries and jointly controlled entities. Entra's interests currently include:

#### **Papirbredden Eiendom AS (60 % ownership)**

Entra and Drammen Municipality own Papirbredden Eiendom AS. The company owns six office properties and development potential for one new office property of around 39,000 sqm in Drammen.

#### **Sundtkvartalet Holding AS (50 % ownership)**

Entra and Skanska Commercial Development Norway Holding AS own Sundtkvartalet Holding AS. The company will build a new office building of approximately 31,000 square meters.

#### **Hinna Park Eiendom AS (50 % ownership)**

Entra and Camar Eiendom AS own Hinna Park Eiendom AS. The company owns three office properties and development potential for two new office properties totalling around 29,300 sqm. The company also owns the ongoing development project Gullfaks which has been forward sold to Wintershall.

#### **Entra OPF Utvikling AS (50 % ownership)**

Entra and Oslo Pensjonsforsikring (OPF) own Entra OPF Utvikling AS. The company owns two properties in Bergen of which one is the project property MediaCity Bergen in Lars Hilles gate 30. According to the agreement between Entra and Oslo Pensjonsforsikring, Entra OPF Utvikling AS is not to be financed with debt, any capital requirements are thus to be financed with equity contributions from the owners.

#### **Oslo S Utvikling AS (OSU) (33.33 % ownership)**

OSU is a property development company that is undertaking the development of parts of the city district Bjørvika in Oslo. Entra's share of the market value of the properties and projects in OSU is estimated at approximately 1.3 billion as of 31.03.16. The estimate is based on valuations from two external appraisers. Entra's share of the net asset value as at 31.03.16 was 0.6 billion after taking into account estimated latent deferred tax of 10 per cent.

#### **Oslo City Parkering AS (50 % ownership)**

Entra and Steen & Strøm AS owns Oslo City Parkering AS. The company owns the parking basement of the property Oslo City.

## **7.2 Issuer dependent upon other entities**

Entra ASA is the operating entity in the Group. Entra ASA is dependent on cash flows from its subsidiaries. For the financial year 2015 NOK 1,999 million of the Entra ASA total operating income of NOK 1,999 million came from its subsidiaries. As a main rule the subsidiaries are financed through the mother company so that the mother company has access to the cash flows.

Dividends and group contributions from subsidiaries are recognised as income from the investment in the subsidiary in the year that the allocation is made by the subsidiary. Dividends and group contributions from subsidiaries that exceed the retained earnings over the period of ownership are considered repayments of the acquisition cost.

The Group's existing loan agreements contain, and any future borrowing arrangements may contain, cross default provisions. See the chapter on Risk Factors for a further description of the risk and potential consequences of default on covenants and performance requirements in the loan agreements.

## 8 Trend information

### 8.1 Outlook

The Norwegian economy is still influenced by a weaker macroeconomic development and general uncertainty even though one recently has seen positive development in certain key macro indicators. Brexit is causing general uncertainty but it is too early to predict how or even if Brexit will impact the Norwegian commercial real estate market and economy in general.

The downturn in the oil sector and related industries has primarily had a negative impact in the southern and western part of Norway, and sub markets with a high level of oil sector exposure are experiencing increasing vacancies and pressure on rents. Entra is in a relatively good position having low exposure to the geographical areas being hit by the downturn, long lease contracts with solid tenants and a low exposure towards the oil sector.

In Oslo, that constitutes more than 60 per cent of Entra's revenues, we expect vacancy levels to have peaked and to see a falling trend going forward as net new office space coming into the market during 2016 and 2017 is marginal due to low new building activity and high conversion from commercial to residential buildings. The slight decrease in market rent levels in previous quarters has flattened out, and we expect a positive trend from 2017.

Modern offices located near public transportation are attractive and obtain solid rents compared to premises located in less central areas.

The good credit availability and historically low market interest rates for all maturities has continued. The volatility and uncertainty in the financial markets is high, but Entra, with its strong balance sheet and predictable cash flow, is in a very good position to secure favourable financing also going forward.

Property investors seek quality properties with good locations and long and secure cash flows. The yield compression in the Norwegian market is expected to level out. However, Entra's portfolio with a healthy mix of attractive properties and value enhancing development projects should provide a continued positive value development, albeit at a significantly slower pace.

With its flexible properties in attractive locations, strong tenant base with long lease contracts, exciting project pipeline and solid financial position, the Board believe that Entra is well positioned for the future.

### 8.2 Statement of no material adverse change

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements. See clause 11.6.

## 9 Administrative, management and supervisory bodies

### 9.1 Information about persons

#### Board of Directors

The table below set out the names of the members of the Board of Directors of Entra ASA:

Name	Position	Business address
Siri Hatlen	Chair	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Vidar Salbuviik	Board member	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Katarina Staaf	Board member	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Kjell Bjordal	Board member	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Arthur Sletteberg	Board member	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Cathrine Varr Austheim	Board member	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Hans Petter Skogstad	Board member	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo

#### Siri Beate Hatlen, Chair

Board Chair from 2012

Birth year: 1957

Education: Engineering degree, Norwegian Institute of Technology, MBA INSEAD

Other board appointments: Chair in Sevan Marine ASA, Jernbaneinfrastrukturforetaket AS, Ungdoms-OL 2016, Teknologirådet, NBMU. Board member in Eksportkreditt Norge AS, Nye Veier AS, Norsk Bremuseum

#### Kjell Bjordal, Vice chair

Board member from 2012

Birth year: 1953

Education: Business degree from Norwegian School of Economics, further studies in law at Oslo University and business at Wharton Business School

Other board appointments: Chair in Norsk Landbrukskjemi AS, Brødr. Dyrøy AS, Axess Holding AS og Sparebank 1 SMN. Board member in Florvaag Bruk Holding AS, Novela AS og AxessAS

#### Vidar Salbuviik, Board member

Board member from 2016

Birth year: 1958

Education: Siviløkonom from Norwegian School of Economics

Other board appointments: Argentum Centre of Private Equity, Oslo Børs ASA, HitecVision AS, Storstein AS, Kings Bay AS, Herøya Næringspark AS

#### Katarina Staaf, Board member

Board member from 2016

Birth year: 1967

Education: BSc Economics from University of Gothenburg

Other board appointments: Fastpartner AB, Länsförsäkringar Fondförvaltning

#### Arthur Sletteberg, Board member

Board member from 2012

Position: CEO of Nmi AS

Birth year: 1960

Education: Business degree from Norwegian School of Economics, Masters degree in international economic policy from the Kiel Institute for the World Economy

Other board appointments: Chair in Bahati Invest AS. Board member in Arctic Securities AS.

#### Cathrine Vaar Austheim, Employee representative

Board member from 2016

Position: Project Controller

Birth year: 1980

Education: MSc in Business, BI Norwegian Business School

---

**Hans Petter Skogstad, Employee representative**

Board member from 2016

Position: Head of Research, Letting and Business Development

Birth year: 1962

Education: Cand. Oecon from University of Oslo

**Group Management**

The table below set out the names of the members of the Group Executive Board:

Name	Position	Business address
Arve Regland	Chief Executive Officer	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Anders Olstad	Chief Financial Officer	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Tom Bratlie	Execute Vice President HR and Communication	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Kristin Haug Lund	Execute Vice President Development and Technology	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Anders Solaas	Executive Vice President Letting and Business	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Sonja Horn	Executive Vice President Central Oslo	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo
Mona Aarebrot	Executive Vice President Greater Oslo	Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo

**Arve Regland, Chief Executive Officer**

Birth year: 1972

Employed: 2014

Education: MSc in Business, BI Norwegian Business School, and State authorized auditor, Norwegian School of Economics

**Anders Olstad, Chief Financial Officer**

Birth year: 1967

Employed: 2015

Education: Master of Business, Insead. Royal Norwegian Navy Academy

**Tom Bratlie, Executive Vice President HR and Communication**

Birth year: 1967

Employed: 2015

Education: Studies in communication and PR from BI Norwegian Business School

**Kristin Haug Lund, Executive Vice President Development & Technology**

Birth year: 1965

Employed: 2012

Education: Engineering degree, Norwegian Institute of Technology

Masters degree, Real Estate Development and Management, Norwegian University of Science and Technology

**Anders Solaas, Executive Vice President Letting and Business**

Birth year: 1963

Employed: 2010

Education: Mannheim University, Germany, Lund University, Sweden

**Sonja Horn, Executive Vice President Central Oslo**

Birth year: 1973

Employed: 2013

Education: MSc in Business, BI Norwegian Business School

**Mona Aarebrot, Executive Vice President Greater Oslo**

Birth year: 1968

Employed: 2012

Education: MSc in Business, BI Norwegian Business School

## **9.2 Administrative, management and supervisory bodies conflicts of interest**

There are no potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and/or other duties.

## 10 Major shareholders

### 10.1 Ownership

Entra's share capital is NOK 183,732,461 divided into 183,732,461 shares, with each share having a par value of NOK 1.00. All shares have been issued in accordance with the Norwegian Public Limited Companies Act and are fully paid.

Entra has one class of shares.

All shares provide equal rights, including the right to any dividends. Each of the shares carries one vote. There are no share options or other rights to subscribe for or acquire shares issued by Entra. Neither Entra nor any of its subsidiaries directly or indirectly owns shares in the company.

The 10 largest shareholders of Entra ASA, as registered in the VPS on 30 June 2016 were as follows:

Shareholder	%holding
Norwegian Ministry of Trade, Industry and Fisheries	49.7
Ceveran Trading	7.7
Folketrygdfondet	7.6
Danske Invest Norske	2.1
State Street Bank (Nominee)	2.0
JP Morgan Bank Luxembourg (Nominee)	1.7
The Bank of New York (Nominee)	1.4
Danske Invest Norske	1.1
State Street Bank (Nominee)	1.0
The Bank of New York (Nominee)	0.9
<b>SUM 10 LARGEST SHAREHOLDERS (VPS 20.04.16)</b>	<b>75.2</b>

Entra ASA is subject to the reporting requirements on corporate governance set out in § 3–3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance of 30 October 2014, issued by the Norwegian Corporate Governance Board (NUES), ("the Code"). Entra's board approved Entra's Corporate Governance guidelines at its board meeting on 20 January 2016 ("the Guidelines") in order to express Entra's desire to demonstrate good corporate governance in accordance with the Code. Each year the management and board of Entra evaluate the corporate governance principles and how they are incorporated in the group.

The following elements are central in Entra's corporate governance guidelines:

- Entra shall maintain open, reliable and relevant communication with the outside world about the group's business and matters related to corporate governance.
- Entra shall have a board that is independent of the group's management.
- Emphasis shall be placed on avoiding as far as possible conflicts of interest between shareholders, the board and management.
- Entra shall have a clear division of work between the board and management.
- Equal treatment of shareholders.

The full set of Corporate Governance Guidelines and Entra's compliance with the Code of Conduct is included in the Annual Report for 2015 which is available on [www.entra.no](http://www.entra.no)

### 10.2 Change in control of the Issuer

There are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

# 11 Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses

## 11.1 Historical Financial Information

The financial statements for the Group have been prepared in accordance with EU approved International Financial Reporting Standards (IFRS) and Interpretations, together with the additional disclosure requirements of the Norwegian Accounting Act. The Group's accounting policies is shown in Annual Report of 2015, page 59-65, note 2.

According to the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, information in a prospectus may be incorporated by reference.

Because of the complexity in the historical financial information and financial statements this information is incorporated by reference to the [Annual Report 2015](#) and the [Annual Report 2014](#). Please see Cross Reference List for complete references.

	Annual Report	
	2015	2014
<b>Entra ASA Consolidated</b>		
Statement of total comprehensive income	53	51
Balance Sheet – assets	54	52
Balance Sheet – equity and liabilities	55	53
Statement of cash flow	57	55
Notes	59-98	57-97
<b>Entra ASA</b>		
Statement of income	101	99
Balance Sheet – assets	102	100
Balance Sheet – equity and liabilities	103	101
Cash flow statement	104	102
Notes	106-121	104-109

## 11.2 Financial statements

See section 11.1 Historical Financial Information.

## 11.3 Auditing of historical annual financial information

### 11.3.1 Statement of audited historical financial information

The historical financial information for 2015 and 2014 has been audited.

A statement of audited historical financial information is given in [Annual Report 2015](#) page 124-125 and [Annual Report 2014](#) page 112-113.

## 11.4 Age of latest financial information

### 11.4.1 Last year of audited financial information

The last year of audited financial information is 2015.

## **11.5 Legal and arbitration proceedings**

Entra ASA is currently involved in legal arbitration proceedings or disputes with Norwegian Datasenter Group AS/ Greenfield Property AS and Evry ASA/Evry AS.

The hearing of the dispute with Norwegian Datasenter Group AS and Greenfield Property AS took place in Oslo District Court in January 2015 and Entra prevailed on all counts. The judgment has been appealed by the counterparty. The hearing of the dispute will take place in February 2017.

The hearing of the dispute with Evry ASA/Evry AS took place in Oslo District Court in February 2015 and Evry ASA/Evry AS prevailed. Entra disagree with the verdict and the ruling has been appealed. The hearing of the dispute will take place in October 2016.

Entra ASA has not made any provision for the claims as the Company considers it not probable that an outflow of resources involving economic benefits will be required to settle the obligation.

Other than the above, neither the Company nor any of its subsidiaries at the date hereof is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past a significant effects on the Group's financial position or profitability.

## **11.6 Significant change in the Group's financial or trading position**

There has been no significant change in the financial or trading position of the Group since the end of the last financial period for which interim financial information has been published.

## **12 Third party information and statement by experts and declarations of any interest**

Part of the information given in this Registration Document has been sourced from a third party. It is hereby confirmed that the information has been accurately reproduced and that as far as Entra ASA is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The following table lists such third parties:

<b>Third party</b>	<b>Source</b>	<b>Section(s) in Registration Document</b>
Akershus Eiendom	Based on survey done by Akershus Eiendom, «Office market in Oslo. Ownership structure by area», dated June 2016 and not publicly available	Section 6.7 page 15

## **13 Documents on display**

The following documents (or copies thereof) may be inspected for the life of the Registration Document at the headquarter of Entra ASA, Biskop Gunnerus gate 14, 0185 Oslo, Norway:

- a) the memorandum and articles of association of Entra ASA;
- b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at Entra ASA' request any part of which is included or referred to in the Registration Document;
- c) the historical financial information of Entra ASA and its subsidiary undertakings for each of the two financial years preceding the publication of the Registration Document.

## Cross Reference List

Reference in Registration Document	Refers to	Details
11.1 Historical Financial Information	Annual Report 2015, available at: <a href="http://entra.no/uploads/reports/103/entra-arsrapport-2015-no-web-1.pdf">http://entra.no/uploads/reports/103/entra-arsrapport-2015-no-web-1.pdf</a>	<i>Consolidated</i> Statement of comprehensive income, page 53 Balance Sheet - assets, page 54 Balance Sheet – equity and liabilities, page 55 Statement of cash flow, page 57 Notes, pages 59-98  Income Statement, page 101 Balance Sheet - assets, pages 102 Balance Sheet – equity and liabilities, page 103 Cash flow statement, page 104 Notes, pages 106-121
	Annual Report 2014, available at <a href="http://entra.no/uploads/reports/93/entra-asa-annual-report-2014.pdf">http://entra.no/uploads/reports/93/entra-asa-annual-report-2014.pdf</a>	<i>Consolidated</i> Statement of comprehensive income, page 51 Balance Sheet – assets, page 52 Balance Sheet – equity and liabilities, page 53 Statement of cash flow, page 55 Notes, pages 57-97  Income Statement, page 99 Balance Sheet – assets, page 100 Balance Sheet – equity and liabilities, pages 101 Cash flow statement, page 102 Notes, pages 104-109
11.3.1 Statement of audited historical financial information	Annual Report 2015, available at <a href="http://entra.no/uploads/reports/103/entra-arsrapport-2015-no-web-1.pdf">http://entra.no/uploads/reports/103/entra-arsrapport-2015-no-web-1.pdf</a>	Auditor's report, page 124-125
	Annual Report 2014, available at <a href="http://entra.no/uploads/reports/93/entra-asa-annual-report-2014.pdf">http://entra.no/uploads/reports/93/entra-asa-annual-report-2014.pdf</a>	Auditor's report, page 112-113

## Joint Lead Managers's disclaimer

DNB Bank ASA, DNB Markets, SEB and Swedbank (the "Joint Lead Managers") have assisted the Company in preparing this Registration Document. The Joint Lead Managers has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Registration Document or any other information supplied in connection with bonds issued by Entra ASA or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Company. Each person receiving this Registration Document acknowledges that such person has not relied on the Joint Lead Managers nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Confidentiality rules and internal rules restricting the exchange of information between different parts of the Joint Lead Managers may prevent employees of the Joint Lead Managers who is preparing this presentation from utilizing or being aware of information available to the Joint Lead Managers and/or affiliated companies and which may be relevant to the recipient's decisions.

Oslo (Norway), 19 September 2016

DNB Bank ASA, DNB Markets

SEB

Swedbank

# Articles of Association for Entra ASA

(last amended 16 October 2014)

## **§ 1 Company name**

The company's name is Entra ASA. The company is a public limited liability company.

## **§ 2 Registered office**

The company's registered office is in the municipality of Oslo, Norway.

## **§ 3 Objective of the company**

The objective of the company is to own, acquire, sell, operate, develop and manage real property and other business related to this. The company may also own shares or interests in, or participate in, other companies with businesses similar to the aforesaid.

## **§ 4 The company's share capital**

The company's share capital is NOK 183,732,461 divided into 183,732,461 shares, each with a par value of NOK 1.

## **§ 5 The company's board of directors**

The company's board of directors shall consist of 7 to 10 members to be elected for a period of up to two years at a time. The chair of the board of directors shall be elected by the general meeting.

## **§ 6 Nomination committee**

The company shall have a nomination committee composed of up to five members. The members of the nomination committee, including the chair of the nomination committee, are elected by the general meeting for a period of up to two years. Members of the nomination committee shall be shareholders or representatives of shareholders and should be composed so that broad shareholder interests are represented. Each gender shall be sought represented in the nomination committee.

The nomination committee shall give its recommendation to the general meeting regarding election of shareholder-elected members to the board of directors and members of the nomination committee, as well as remuneration to members of the board of directors and the nomination committee. The remuneration to members of the nomination committee is determined by the general meeting, and the general meeting may adopt instructions for the nomination committee.

## **§ 7 Signatory rights**

Two members of the board of directors jointly, or one member of the board of directors and the chief executive officer jointly, may sign for and on behalf of the company.

## **§ 8 General meeting**

The annual general meeting shall address and decide upon the following matters:

1. Approval of the annual accounts and the annual report, including distribution of dividend.
2. Any other matters which are referred to the general meeting by law.

Shareholders who wish to attend the general meeting must give notice to the company within a time limit stated in the notice of the general meeting, which cannot expire earlier than five days prior to the general meeting. A shareholder who does not comply with the time limit may be refused to attend the general meeting.

Documents relating to matters to be dealt with by the general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the general meeting are sent to him/her.

The board of directors may decide that shareholders may cast their votes in writing in matters to be dealt with at general meetings in the company. Such votes may also be cast through electronic communication. The ability to cast votes in advance is conditional upon a satisfactory method to authenticate the sender is available. The board of directors can establish specific guidelines for written advance voting. The notice of the general meeting shall state whether written advance voting prior to the general meeting is allowed, and any guidelines that are established for such voting.

\*\*\*