

Q2 2022

Oslo, 13 July 2022



Agenda

Highlights in the quarter

Operations and market

Financial update

Closing remarks

Q&A

Highlights in the quarter



Universitetsgata 7-9

Key figures:

(NOK million)	Q2 22	Q2 21
Rental income	783	602
Net income from property management	445	370
Net value changes	-857	756
Profit before tax	-413	1,126

Key events in the quarter:

- High letting activity, net letting of 64 million
- Strong operational performance
- Planning for start of two new refurbishment projects

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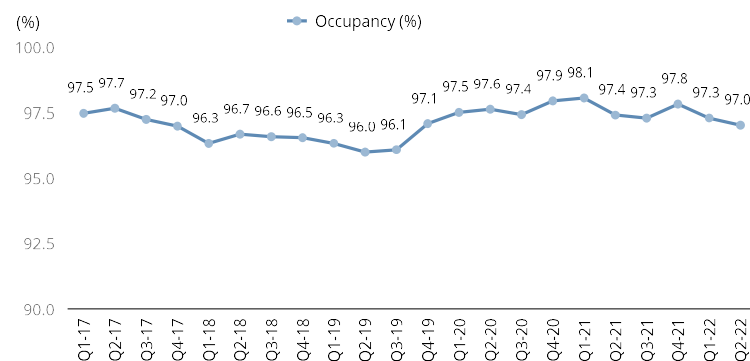
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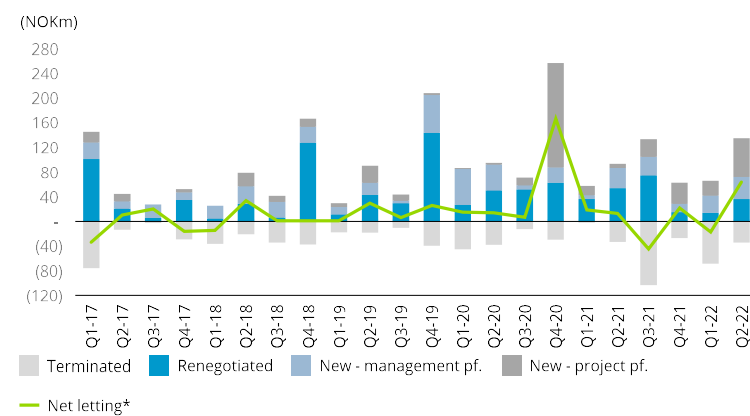
Letting and occupancy

- New and renewed leases of 134 million (53,900 sqm)
- Terminated contracts of 35 million
- Net letting of 64 million
- Occupancy at 97.0 %
- WAULT at 6.2 years (6.5 years incl. project portfolio)



Largest new and renegotiated contracts

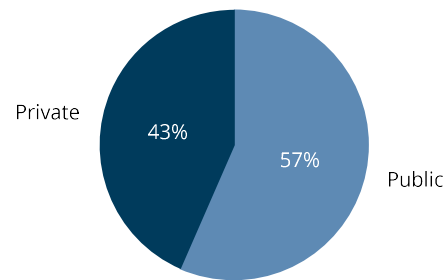
Property	Tenant	Sqm	Contract
Schweigaards gate 15, Oslo	Amedia	8,550	New
Nedre Vollgate 11, Oslo	Private tenant	5,900	New
Lakkegata 51, Oslo	Manpower	4,900	Renegotiated
Akersgata 51/Apotekergeta 6, Oslo	SATS Vest AS	2,700	Renegotiated
Malmskriverveien 18, Sandvika	Municipality of Bærum	2,250	Renegotiated



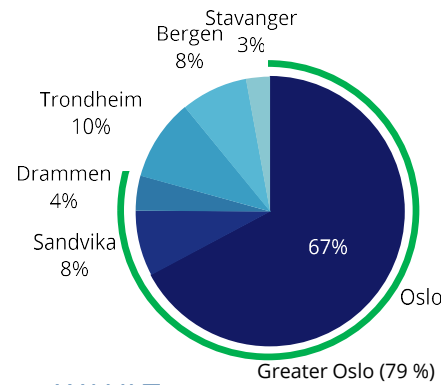
* Net letting = new contracts + uplift on renegotiations – terminated contracts

Resilient cash flow from premier tenants in major Norwegian cities

Large base of public tenants



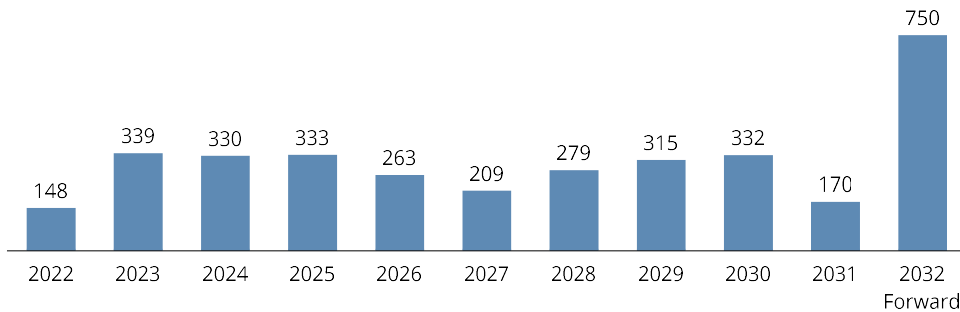
Rent per city



Premier, well diversified tenants

20 largest tenants	Proportion of total contractual rent	No. of properties	Sector
Norwegian Tax Administration	4.3 %	4	Public
Municipality of Oslo	3.9 %	11	Public
Norconsult	2.9 %	6	Private
Rebel U2	2.8 %	2	Private
Norwegian Labour and Welfare Administration	2.7 %	2	Public
National Library Administration	2.6 %	3	Public
Sopra Steria	2.5 %	4	Private
The Norwegian Police	2.3 %	6	Public
University College of Oslo	2.3 %	1	Public
The Norwegian Roads Administration	2.2 %	1	Public
Norwegian Defence	2.1 %	4	Public
Ministry of Climate and Environment	2.0 %	2	Public
Municipality of Bærum	1.7 %	5	Public
Municipality of Trondheim	1.5 %	6	Public
KPMG	1.5 %	1	Private
Norwegian Court	1.5 %	7	Public
Schjødt	1.4 %	1	Private
University College of Southeast Norway	1.3 %	3	Public
Municipality of Bergen	1.3 %	4	Public
Norwegian Post	1.3 %	3	Public
Total	44.0 %		

Staggered lease maturities with 6.5 years WAULT



CPI link: Close to 100 %

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								
St. Olavs plass 5	100	Oslo	Q3-22	16,500	95	1,147	1,071	4.9
Tordenskiolds gate 12	100	Oslo	Q4-22	13,000	92	1,182	984	4.6
Stenersgata 1	100	Oslo	Q2-23	15,800	79	1,316	897	4.3
Schweigaards gate 15	100	Oslo	Q2-23 / Q1-24	22,900	73 ↑	1,422	937	4.7
Møllendalsveien 6-8	100	Bergen	Q4-21 / Q4-22	14,200	95	673	590	5.0
Kongens gate 87	100	Trondheim	Q2-23	7,100	22	235	149	5.6
Newbuild								
Nygårdsgaten 91-93	100	Bergen	Q4-22	11,900	58	619	502	5.5
Holtermanns veg 1-13 phase 2	100	Trondheim	Q2-23	20,900	29	703	468	5.7
Refurbishment								
Vahls gate 1-3	100	Oslo	Q2-23	14,900	100	775	572	4.0
Total				137,200	76 ³⁾	8,072	6,170	

¹⁾ Total project cost (including book value at date of investment decision/cost of land), excluding capitalized interest cost

²⁾ Estimated net rent (fully let) at completion/total project cost (including cost of land)

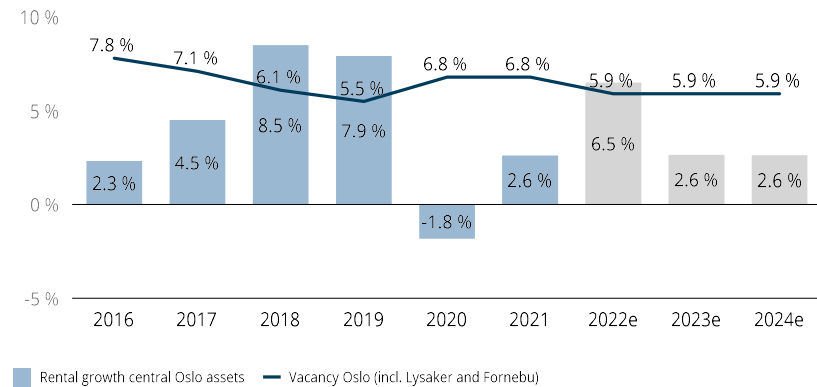
³⁾ Weighted average occupancy of the project portfolio

Market development

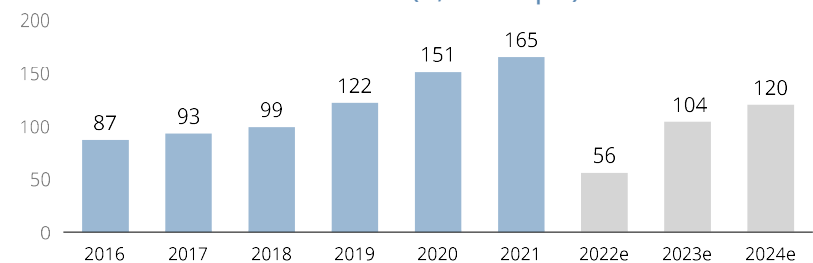
Rent and vacancy

- Solid Norwegian economy, also benefitting from higher energy prices
 - Proven robust through earlier market shocks
- Record high letting activity
- Central Oslo market in particular have very low vacancy and limited supply of new office space in the coming years
- Expectations for continued strong market rental growth in Central Oslo

Market rental growth and vacancy in Oslo



Newbuild volumes Oslo (1,000 sqm)

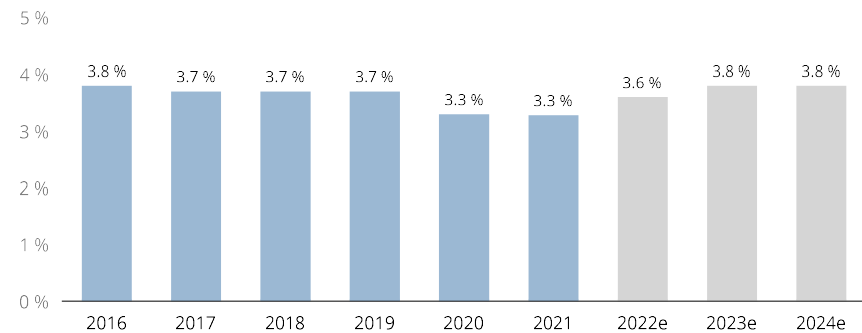


Market development

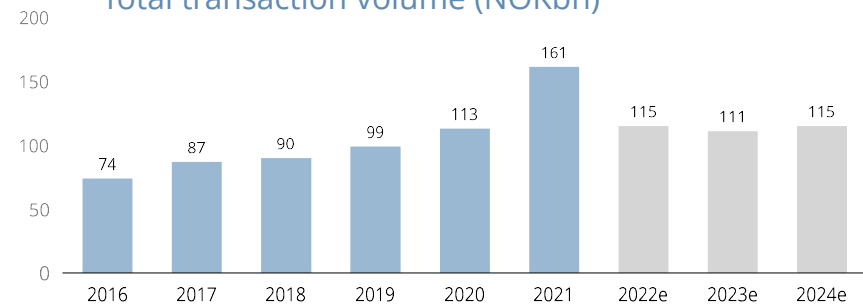
Transactions and yields

- Transaction market holding up well despite pressure on inflation and interest rates causing more insecurity
- 69 % of investors report to be net buyers of office property according to recent Malling & Co* survey
- Increasing cost of financing expected to cause yields to slide slightly upwards, particularly secondary yields
- Low supply of new office space and upwards pressure on inflation and market rents have balancing effects

Prime yield Oslo



Total transaction volume (NOKbn)



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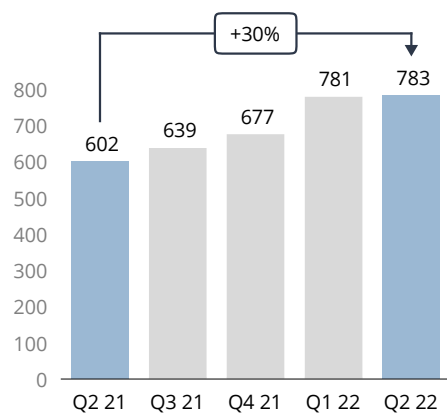
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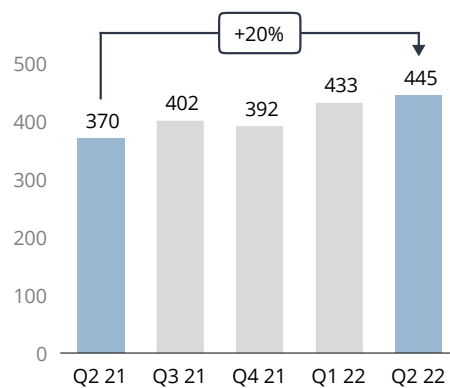
Key financials

NOK million

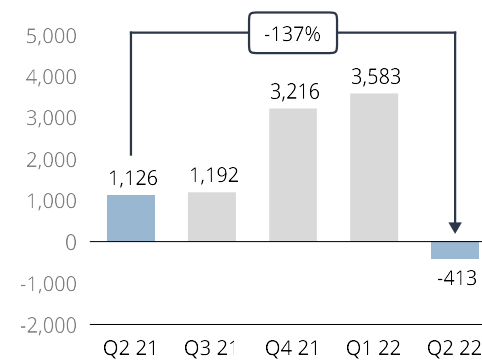
Rental income



Net Income from property management



Profit before tax

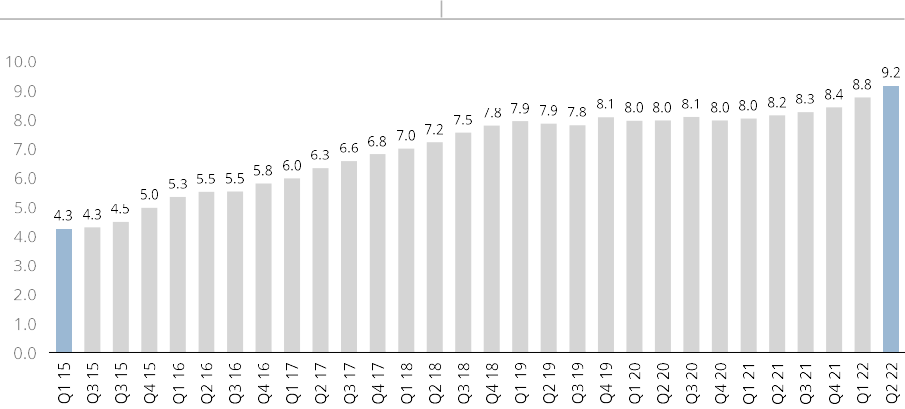


Key financials per share

NOK per share

Cash Earnings¹⁾

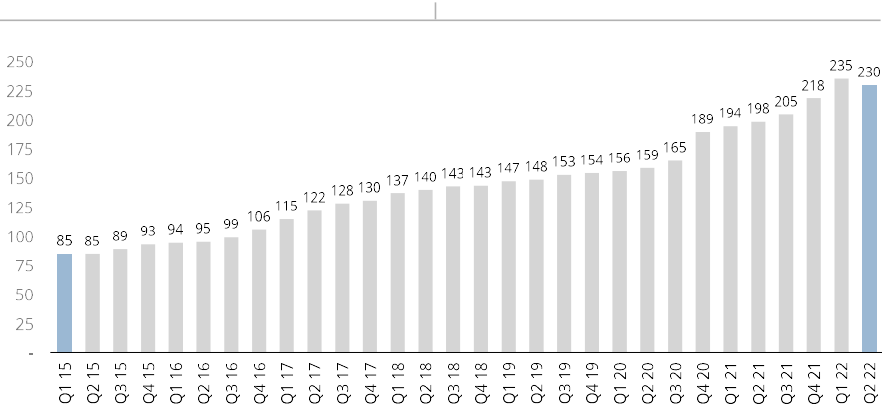
CAGR: 11 %



1) Annualised, rolling four quarters

EPRA NRV

CAGR: 15 %



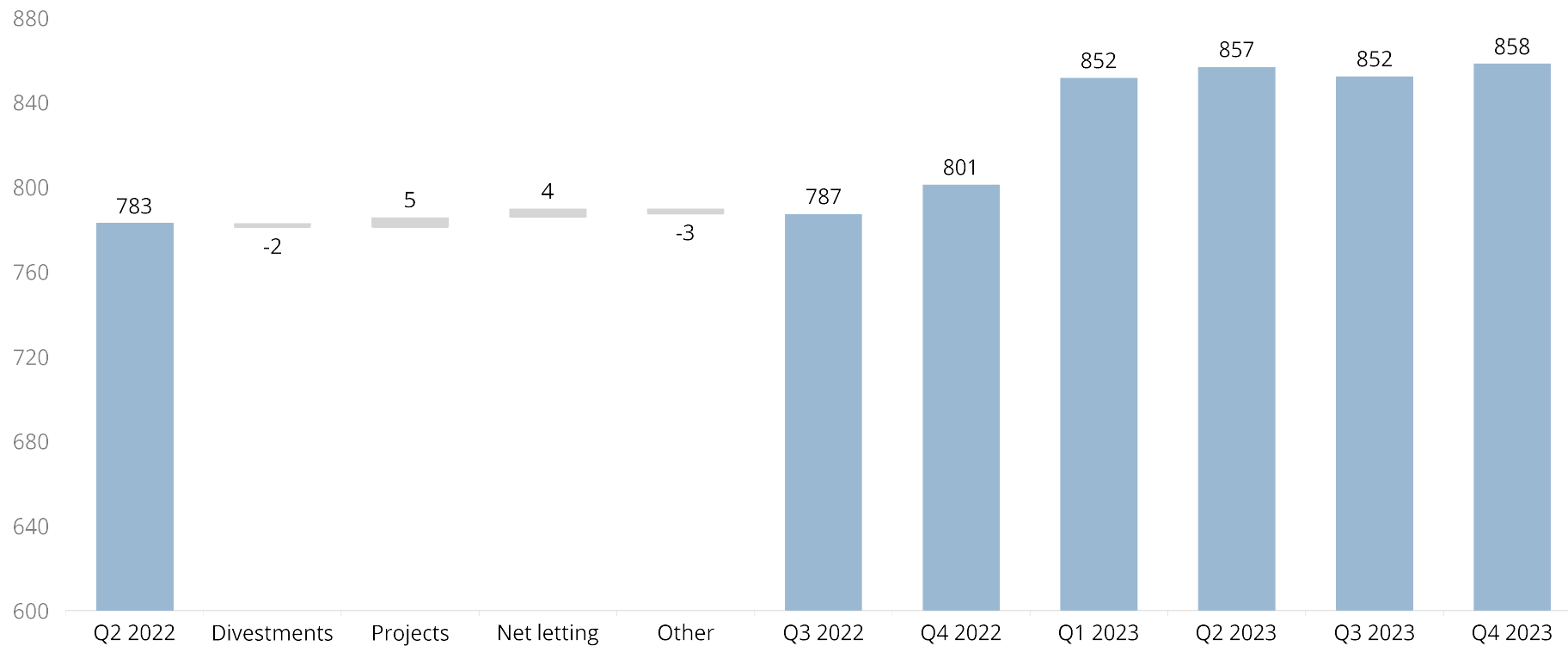
Profit and loss statement

NOK million

	Q2-22	Q2-21	YTD Q2-22	YTD Q2-21	2021
Rental income	783	602	1,564	1,193	2,508
Operating costs	-60	-63	-124	-114	-234
Net operating income	723	539	1,440	1,079	2,274
Other revenues	26	21	47	37	73
Other costs	-22	-17	-41	-26	-43
Administrative costs	-44	-47	-109	-96	-210
Share of profit from associates and JVs	-2	1	-3	41	19
Net realised financials	-238	-128	-452	-255	-551
Net income	444	370	882	780	1,561
- of which Net income from property management	445	370	877	740	1,537
Changes in value of investment properties	-1,040	724	1,796	1,505	5,057
Changes in value of financial instruments	183	33	492	132	206
Profit before tax	-413	1,126	3,170	2,417	6,825
Tax payable	-21	-4	-25	-7	-19
Change in deferred tax	107	-245	-658	-510	-1,433
Profit for period/year	-327	877	2,488	1,900	5,373

Rental income development based on reported events*

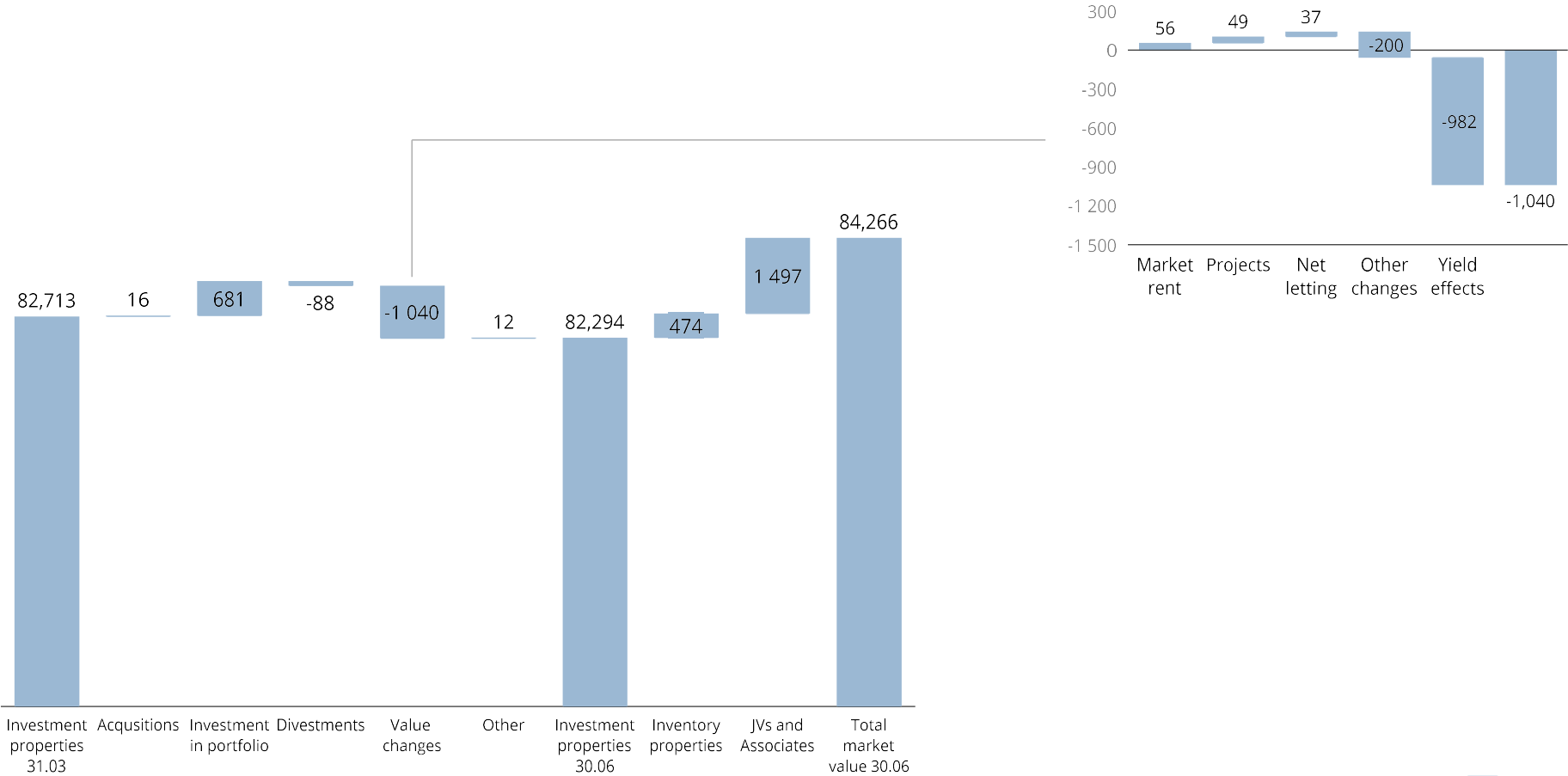
NOK million



* 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

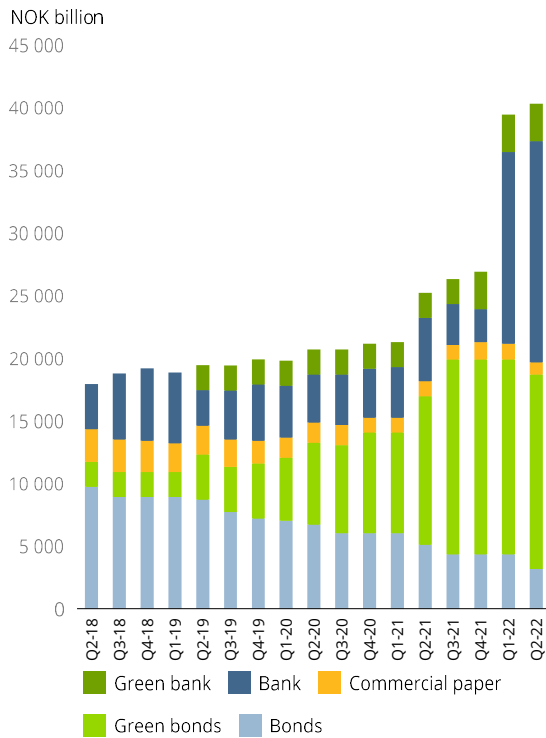
Property value development

NOK million

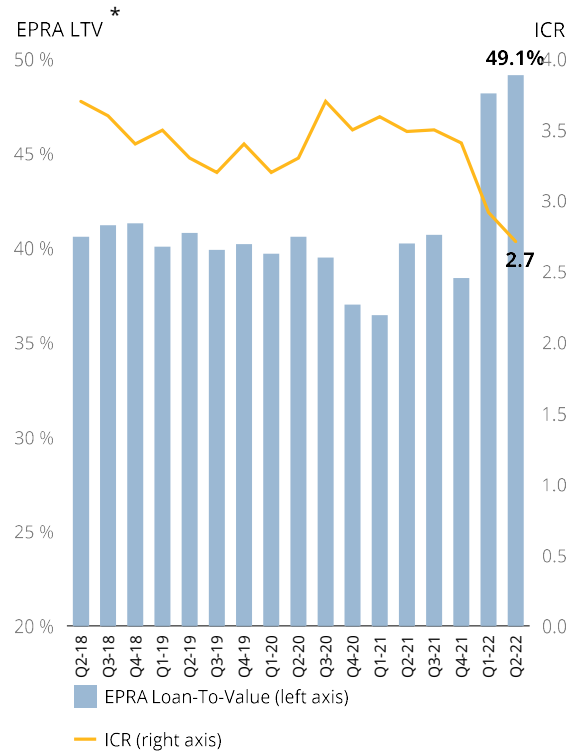


Financial update

Financing mix



EPRA LTV and ICR



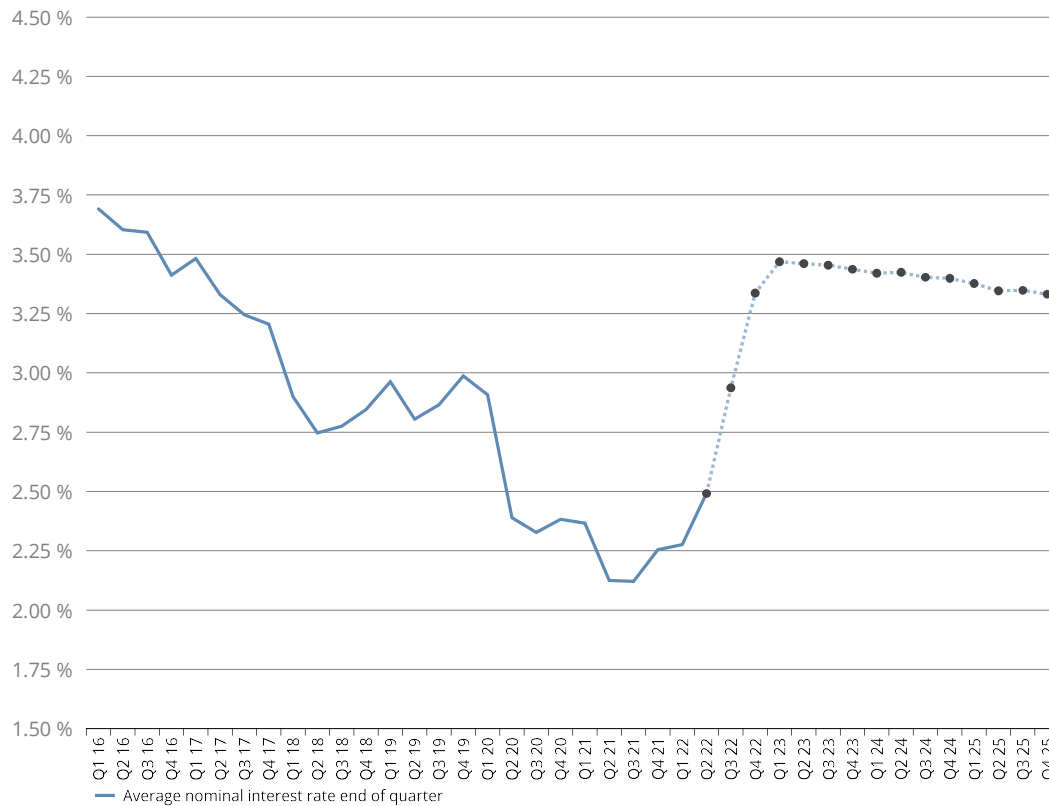
Sensitivities EPRA NRV/share and LTV

EPRA NRV		% -point Δ Yield				
		0.125 %	0.25%	0.375 %	0.50%	0.75%
% Δ Market rent	230	214	199	185	172	159
	2.5 %	240	224	209	194	168
	5.0 %	251	234	218	204	190
	7.5 %	262	244	228	213	199
	10.0 %	272	255	238	223	208
	12.5 %	283	265	248	232	217
	15.0 %	294	275	258	242	212

EPRA LTV*		% -point Δ Yield				
		0.125 %	0.25%	0.375 %	0.50%	0.75%
% Δ Market rent	49 %	51 %	53 %	55 %	56 %	58 %
	2.5 %	48 %	50 %	52 %	55 %	57 %
	5.0 %	47 %	49 %	51 %	54 %	56 %
	7.5 %	46 %	48 %	49 %	51 %	54 %
	10.0 %	45 %	47 %	48 %	50 %	53 %
	12.5 %	44 %	46 %	47 %	49 %	52 %
	15.0 %	43 %	45 %	46 %	48 %	51 %

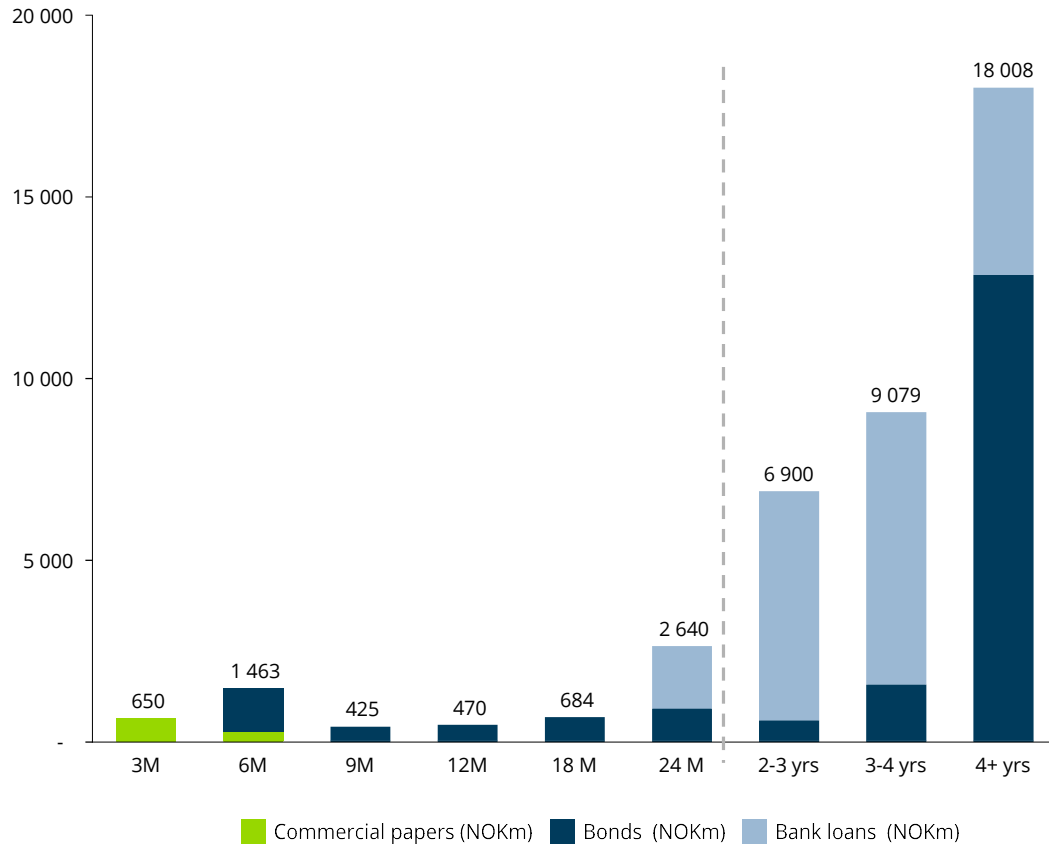
* Moody's LTV definition gives LTV of 47,2 % as of 30.06.2022

Interest rate development



- 50 % of debt portfolio hedged at fixed rate
- 5.0 years time to maturity of hedge portfolio (i.e., 2.8 years for entire portfolio)
- 2.6 years time to maturity of fixed credit margins
- Limited effects of possible margin increases

Maturity profile



- Average time to maturity of debt of 4.2 years
- 3 billion of debt maturing next 12 months
- 3.2 billion of unutilised credit facilities
- Solid and transparent balance sheet with no exotic debt instruments

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Closing remarks and outlook

- Solid Norwegian economy; proven resilient through market turmoil in the past
- Transaction market holding up well despite pressure on inflation and interest rates
- Very active and strong letting market
- Tight supply/demand balance for office space providing positive sediment for increasing market rents in Central Oslo
- Solid balance sheet and well staggered debt maturities with average time to maturity of 4.2 years



Schweigaards gate 15, 15 B, 6-14, and Biskop Gunnerus' gate 14



Next event
3rd quarter results
19 October 2022

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