

Q4/FY 2022

Oslo, 10 February 2023



Agenda

Highlights in the quarter

Operations and market

Financial update

Closing remarks

Q&A

Highlights in the quarter



Tordenskioldsgate 12

Key figures:

(NOK million)	Q4-22	Q4-21
Rental income	806	677
Net income from property management	320	392
Net value changes	-511	2,832
Profit/loss before tax	-206	3,216

Key events in the quarter:

- Net letting of 4 million
- Finalised two redevelopment and one newbuild project
- Sale of four properties
- November CPI of 6.5 % increasing rents from 1 January 2023
- Proposing dividend of NOK 2.50 per share for H2-22, total of 5.10 per share for 2022 (same as for 2021)

Agenda

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Operations and market

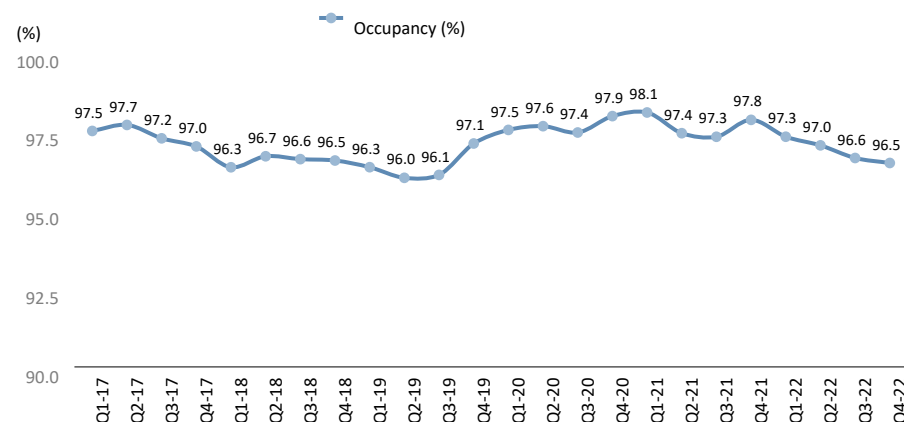
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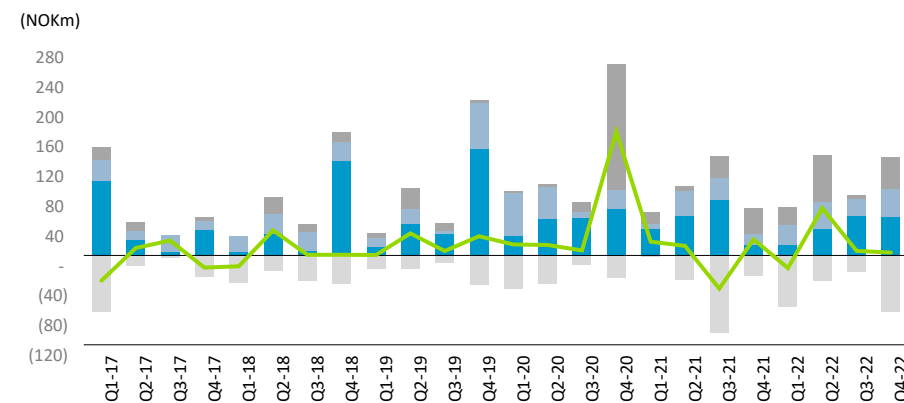
Letting and occupancy

- New and renewed leases of 131 million (58,200 sqm)
- Terminated contracts of 76 million
- Net letting of 4 million
- Occupancy at 96.5 %
- WAULT at 6.1 years (6.3 years incl. project portfolio)



Largest new and renegotiated contracts

Property	Tenant	Sqm	Contract
Holtermanns veg 1-13, phase 3, Trondheim	Norwegian Broadcasting Corporation (NRK)	9,600	New
Grønland 51, Drammen	University of South-Eastern Norway	2,700	New
Storgata 51, Oslo	Studieforbundet AOF	2,200	New
Nygårdsgaten 91 and 93, Bergen	Sopra Steria	2,100	New
Løkketangen 2-14B, Sandvika	Toothfairy Farm	2,000	Renegotiated
Schweigaards gate 6-14, Oslo	Nobina	1,200	New



■ Terminated
 ■ Renegotiated
 ■ New - management pf.
 ■ New - project pf.
 — Net letting*

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

Finalised redevelopment project in Tordenskiolds gate 12 in Oslo



Tordenskiolds gate 12, Oslo

- Large redevelopment in Oslo CBD
 - Seafront, nearby Oslo City Hall
- 13,000 sqm
- 92 % let to blue chip law firm
- Total project cost NOK 1,182 million (1,203 million at project start)
- Yield on cost: 4.8 % (4.4 % at project start)

Finalised newbuild project in Nygårdsgaten 91 and 93 in Bergen

- Newbuild project in central Bergen
 - Next to Media City Bergen
- 12,000 sqm
- 85 % let (19 % pre-let at project start)
- Total project cost NOK 633 million (619 million at project start)
- Yield on cost: 6.0 % (5.3 % at project start)
- BREEAM-NOR Excellent



Nygårdsgaten 91 and 93, Bergen

Finalised redevelopment project in Møllendalsveien 6-8 in Bergen

- Located in central Bergen
- 14,200 sqm
- 95 % let to public tenants (44 % pre-let at project start)
- Total project cost NOK 677 million (636 million at project start)
- Yield on cost: 5.4 % (5.4 % at project start)
- BREEAM-NOR Excellent



Møllendalsveien 6-8, Bergen

Status ongoing projects

	Location	BREEAM-NOR/ BREEAM In-Use	Completion	Project area (sqm)	Occupancy (%)	Total project cost ¹⁾ (NOKm)	Of which accrued ¹⁾ (NOKm)	Yield on cost ²⁾ (%)
Redevelopment								
Stenersgata 1	Oslo	Very good	Q3-23 ↑	15,800	79	1,316	1,020	4.5 ↑
Schweigaards gate 15	Oslo	Very good	Q2-23 / Q1-24	22,900	83 ↑	1,422	1,088	4.8 ↑
Kongens gate 87	Trondheim	Excellent	Q2-23	7,100	86 ↑	261 ↑	216	5.6
Newbuild								
Holtermanns veg 1-13 phase II	Trondheim	Excellent	Q2-23	20,900	61 ↑	703	594	5.8 ↑
Refurbishment								
Vahls gate 1-3	Oslo	Excellent	Q2-23	14,900	100	753 ↓	655	4.3 ↑
Brattørkaia 13B	Trondheim	Excellent	Q1-23 / Q2-23	6,000	97 ↑	248 ↑	139	5.0
Total				87,600	82 ³⁾	4,703	3,711	

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

Preparing for start of new-build in Holtermannsvei 1-13, phase 3



Phase 3
15,500 sqm, 60 % pre let

Phase 2
Finalised Q2 -23
20,900 sqm, 61 % pre let

Phase 1
Finalised in Q1-20
11,700 sqm, 100 % let

- Final step in Holtermannsveg 1-13 development
- 15,500 sqm
- 60 % pre let to Norwegian Broadcasting Corporation (NRK)
 - 20 year lease
 - NRK will acquire 49 % of section at project completion
- BREEAM-NOR Excellent, Energy class A

Sale of four properties

Sørkedalsveien 6, Oslo



21,840 sqm

Karenslyst Allé 8 A, Oslo



2,830 sqm

Karenslyst Allé 8 B, Oslo



5,380 sqm

Konggata 51, Drammen



3,580 sqm

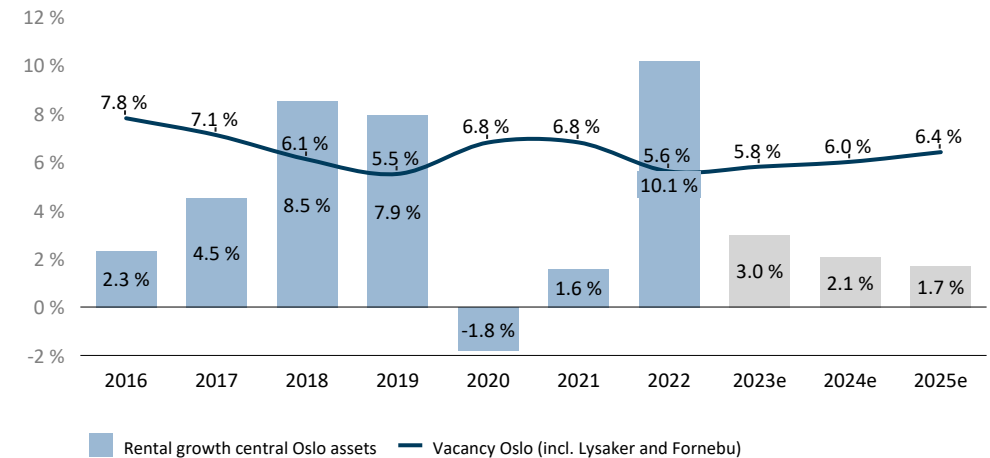
- Total transaction value: NOK 1.9 bn
- ~ 2 % below book values as of 30.9.22
- Non-core assets, the three Oslo assets were acquired in the Oslo Areal transaction
- Proceeds will be used to strengthen balance sheet

Market development

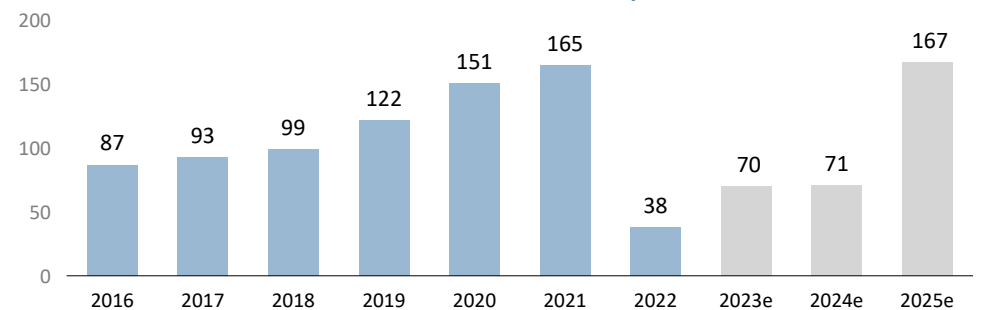
Rent and vacancy

- Strong market rental growth of >10 % in 2022
 - Entra’s rental income adjusted with CPI of 6,5 % from 1 January 23 ¹⁾
 - Solid employment growth through 2022
 - Office supply remains tight, limited new supply in coming years
 - Expecting continued rental growth, although at a slower pace
- Solid Norwegian economy
 - GDP growth > 1 % expected also in 2023
 - No signs of macro changes impacting office demand so far

Market rental growth and vacancy in Oslo



Newbuild volumes Oslo (1,000 sqm)

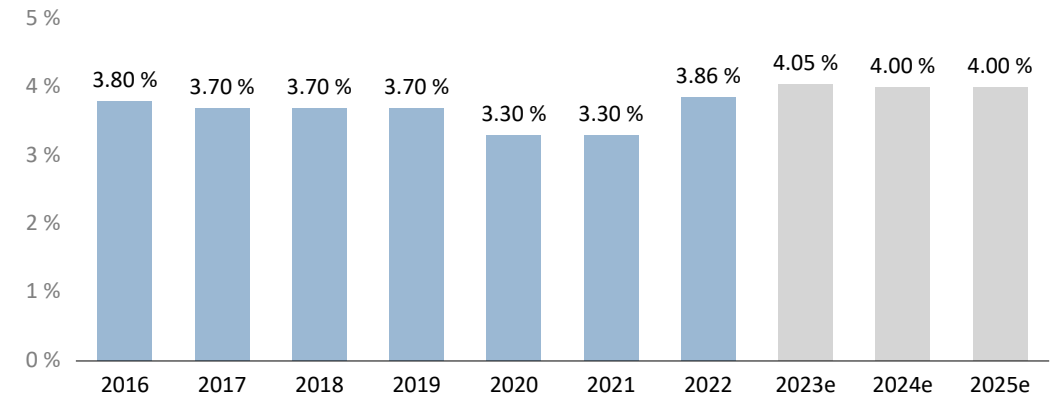


Market development

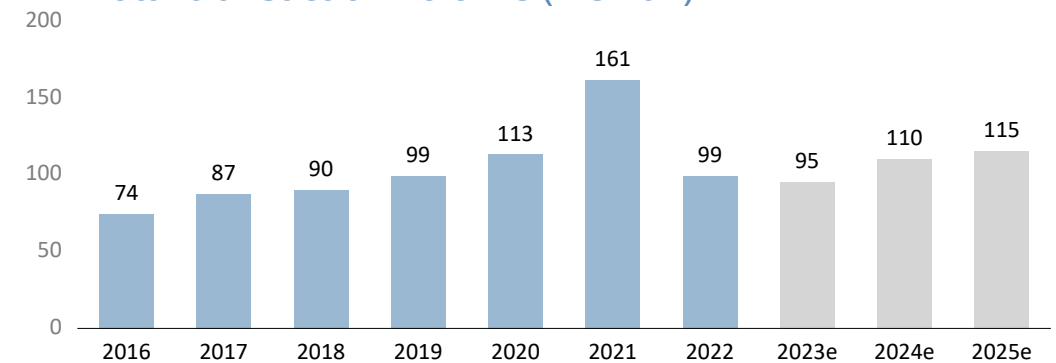
Transactions and yields

- Low activity in the transaction market in the second half of 2022
- Central assets with rent/value-add potential in favour
- Improving signs in financing market
- Prime yields expected to level out around 4 %
- Strong inflation and market rental growth have balancing effects on valuations

Prime yield Oslo



Total transaction volume (NOKbn)



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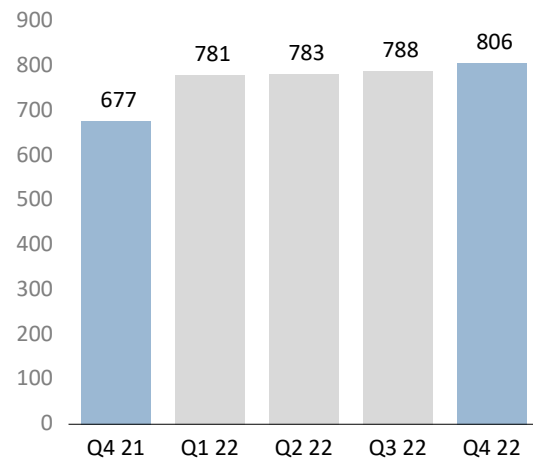
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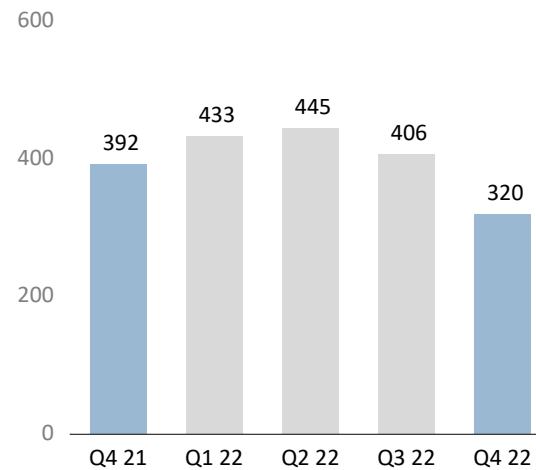
Key financials

NOK million

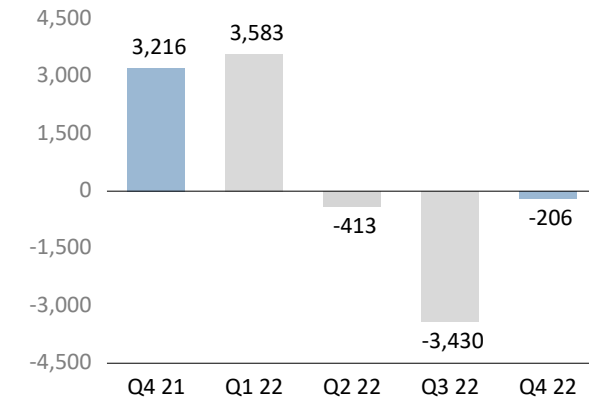
Rental income



Net income from property management



Profit/loss before tax

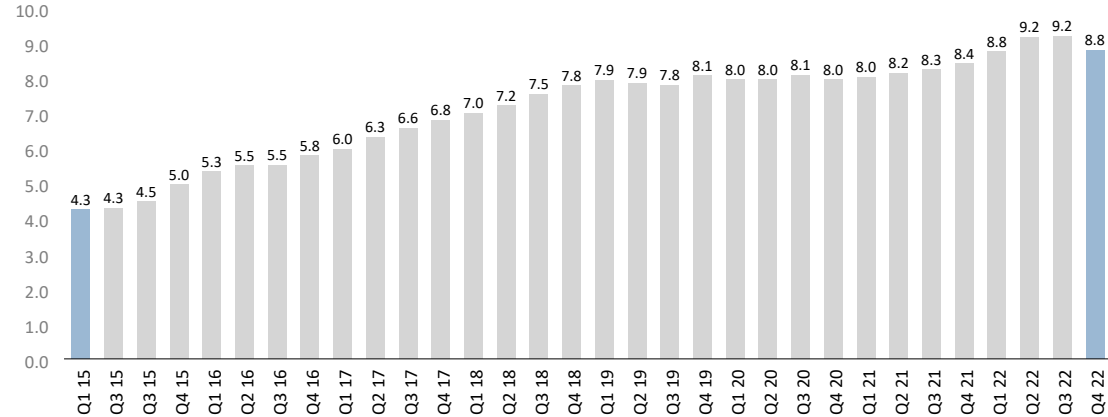


Key financials per share

NOK per share

Cash Earnings¹⁾

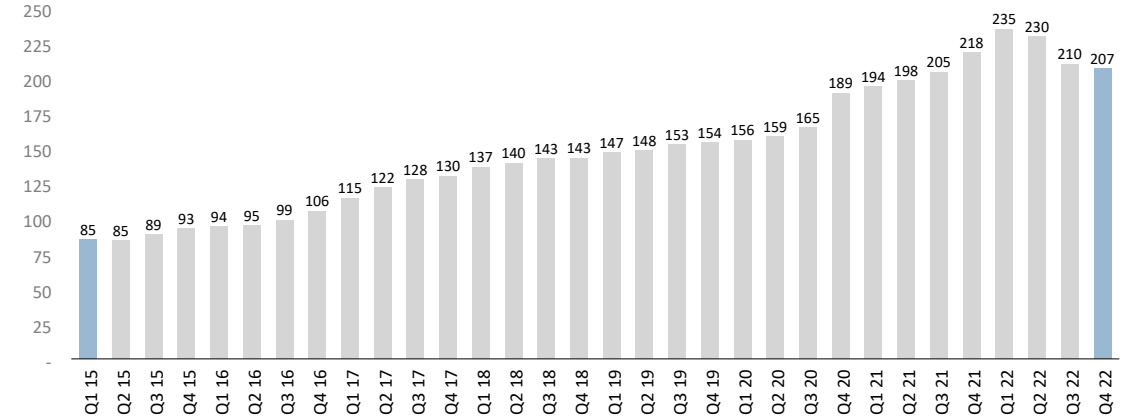
CAGR: 10 %



1) Annualised, rolling four quarters

EPRA NRV

CAGR: 12 %



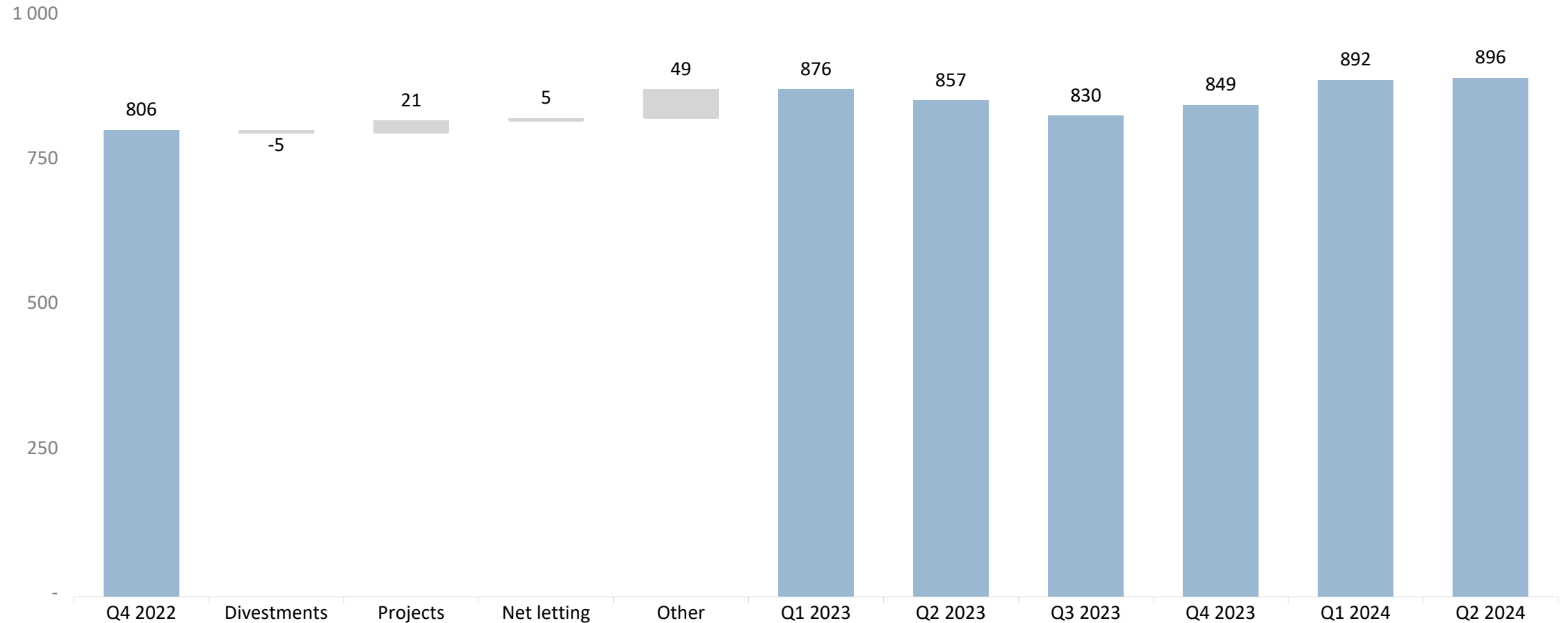
Profit and loss statement

NOK million

	Q4-22	Q4-21	2022	2021
Rental income	806	677	3,158	2,508
Operating costs	-74	-62	-263	-234
Net operating income	732	614	2,895	2,274
Other revenues	44	21	112	73
Other costs	-29	-10	-85	-43
Administrative costs	-57	-71	-210	-210
Share of profit from associates and JVs	-17	-15	-37	19
Net realised financials	-368	-155	-1,095	-551
Net income	305	384	1,579	1,561
- of which net income from property management	320	392	1,603	1,561
Changes in value of investment properties	-363	2,771	-2,519	5,057
Changes in value of financial instruments	-149	61	473	206
Profit/loss before tax	-206	3,216	-467	6,825
Tax payable	-4	-8	-31	-19
Change in deferred tax	10	-665	-71	-1,433
Profit/loss for period/year	-200	2,543	-569	5,373

Rental income development based on reported events*

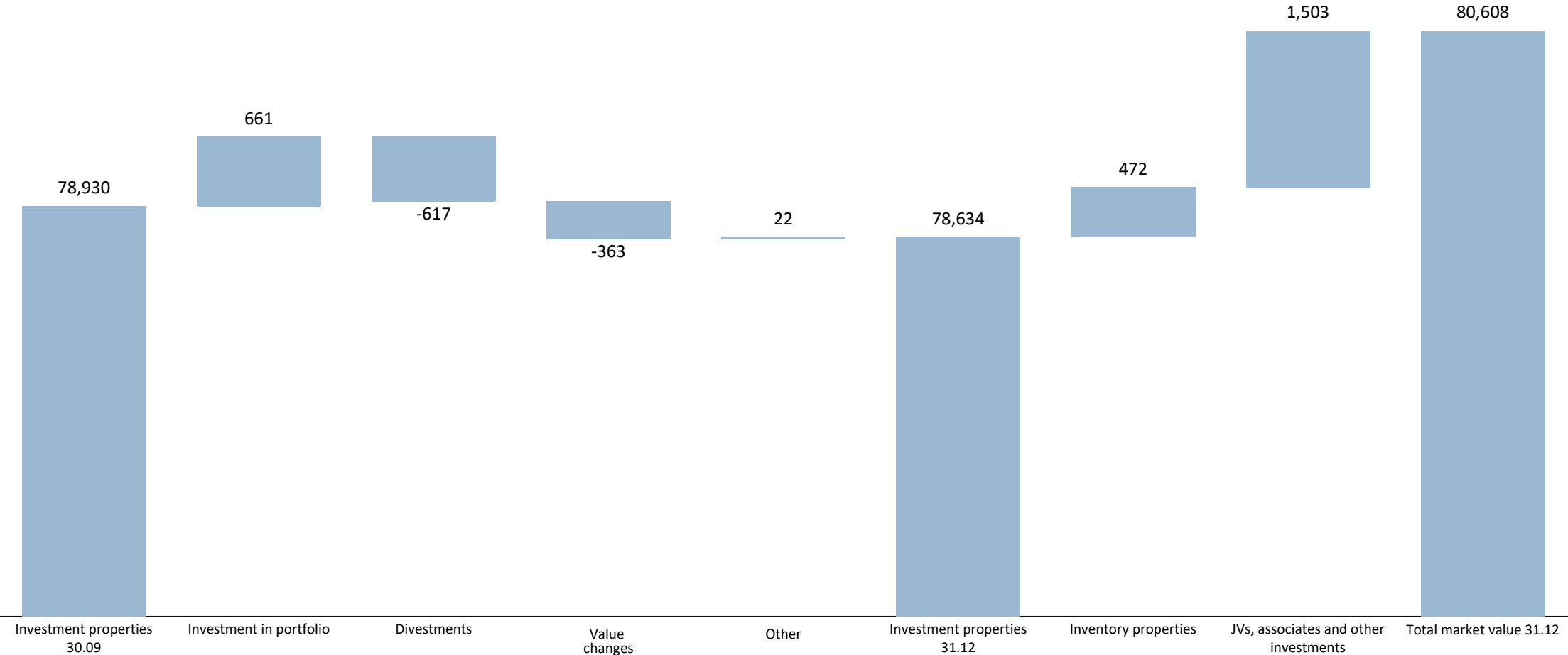
NOK million



* 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

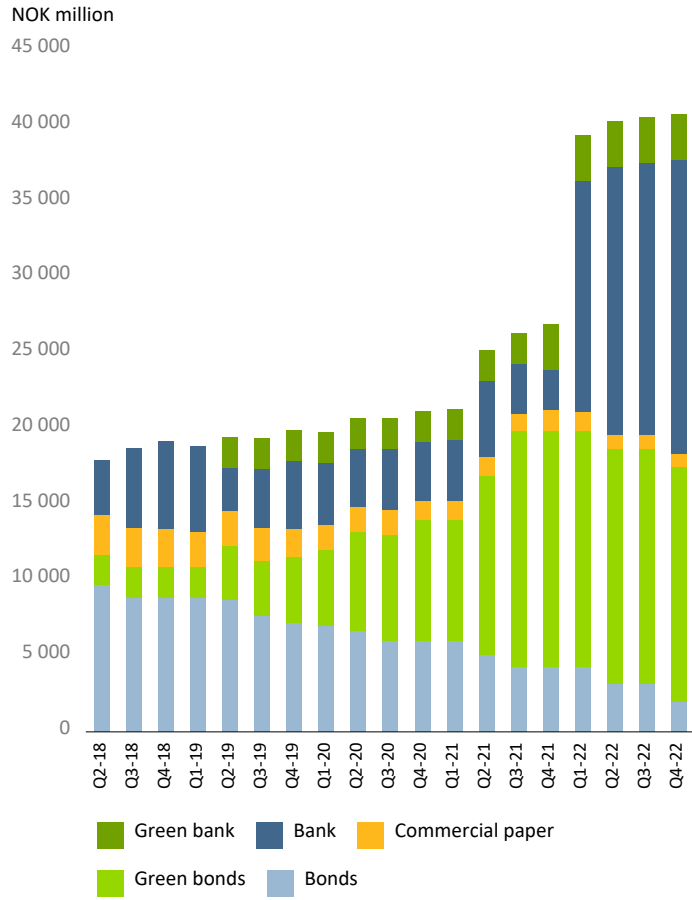
Property value development

NOK million

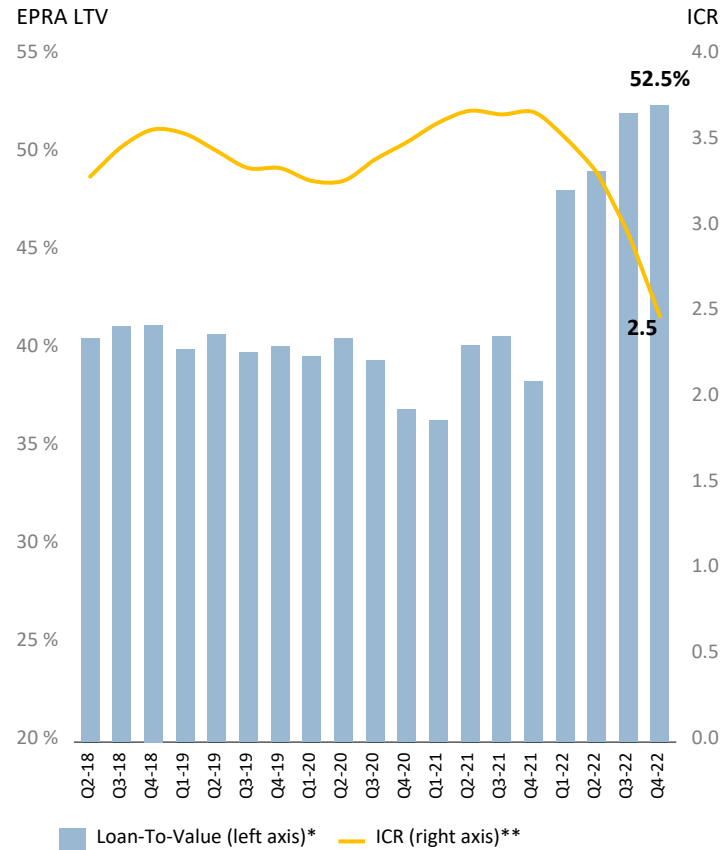


Financial update

Financing mix



EPRA LTV* and ICR**



* LTV according to Moody's definition: 50.1 %

** ICR calculated on last 4 quarters

Q4 activities and status

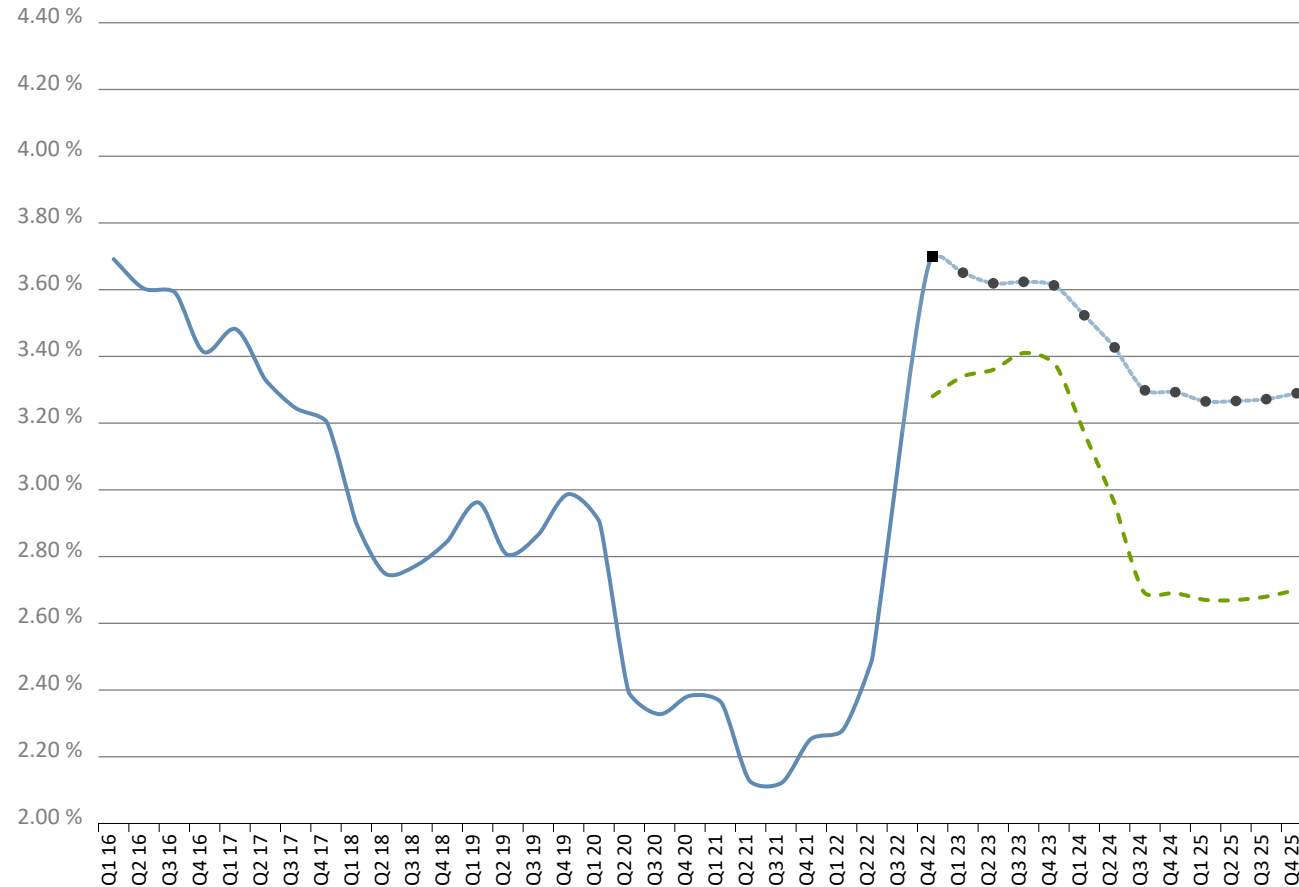
- Extended 4 billion in bank facilities
- Issued 820 million in commercial papers
- Total unutilised credit facilities of 6.5 billion as of 31.12
- Net interest-bearing debt of 40.6 billion

Active and positive start in 2023

- 2 bond tap-issues; total 900 million on long tenors and improving terms
- 5 commercial paper issues; total 1.200 million at attractive terms

Interest rate development

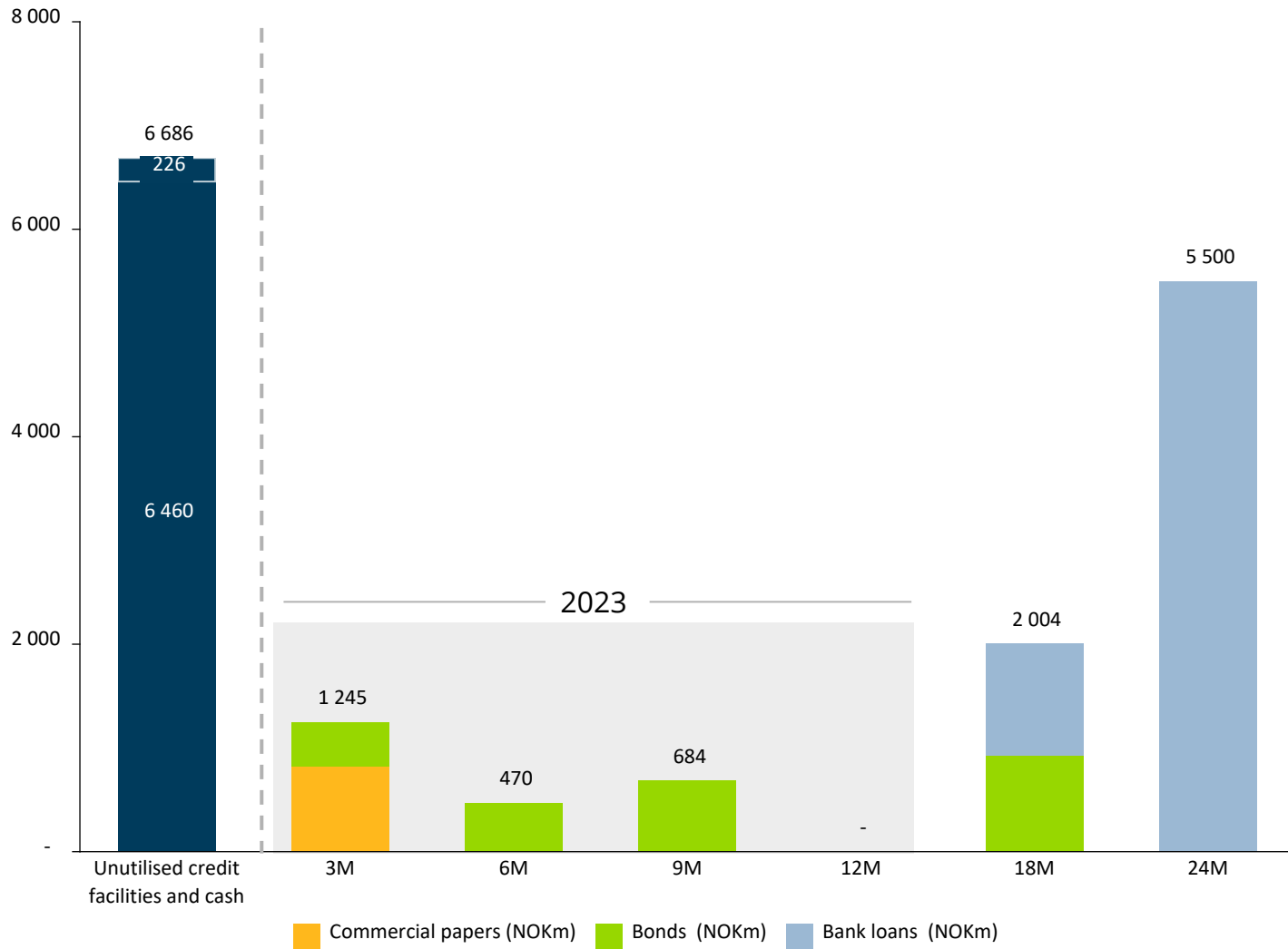
Entra's nominal interest rate, including credit margins



- 49 % of debt portfolio hedged at fixed rate
- 4.7 years time to maturity of hedge portfolio (incl. fwd. start swaps) of 22.3 bn. (2.6 years for entire debt portfolio 40.8 bn)
- 2.3 years time to maturity of fixed credit margins
- Limited effects of possible credit margin increases; 1 bps by end of 2023, 3 bps by end of 2024 and below 10 bps by end of 2025
- De-leveraging through asset rotation will have a positive effect on the hedge position

— Average nominal interest rate end of quarter ● Estimated interest rate using swap forward curve, also including forward starting swaps - - - 3M NOK Forward curve

Maturity of interest bearing debt next 24 months as of 31 December



- 4.3 years average time to maturity of debt
- 4.4 billion of debt maturing next 18 months
 - 1.1 billion in bank debt
 - 3.3 billion in capital market instruments (bonds and CP)
- 6.5 billion of unutilised credit facilities and 226 million in cash as of 31.12
- Solid and transparent balance sheet with no exotic debt instruments

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Strategy



Profitable growth



High customer satisfaction

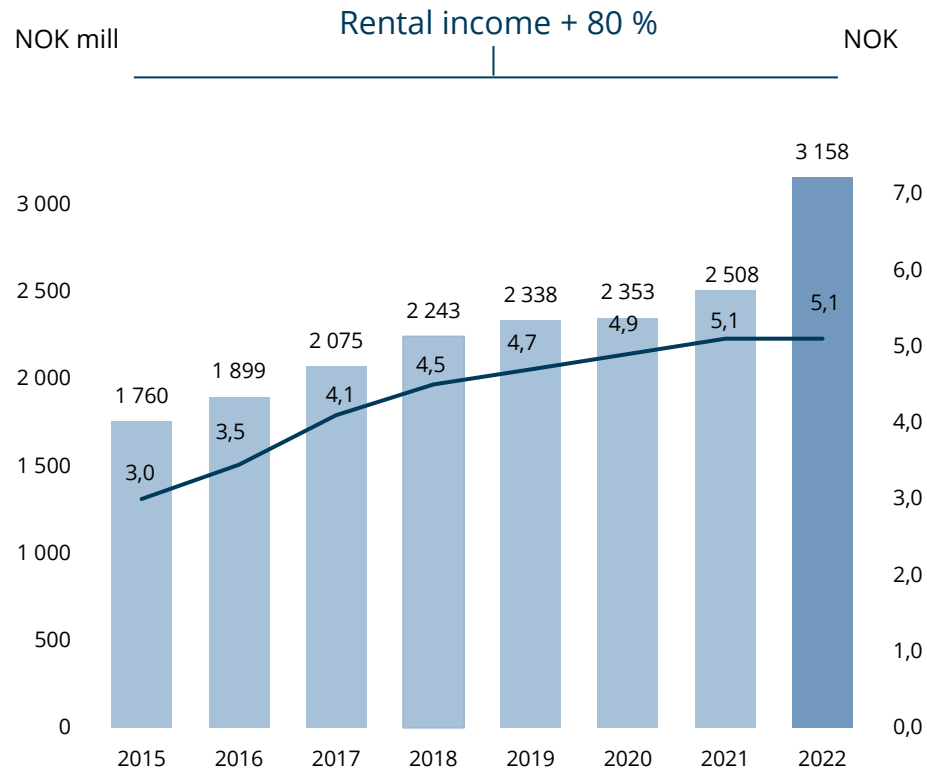


Environmental leadership

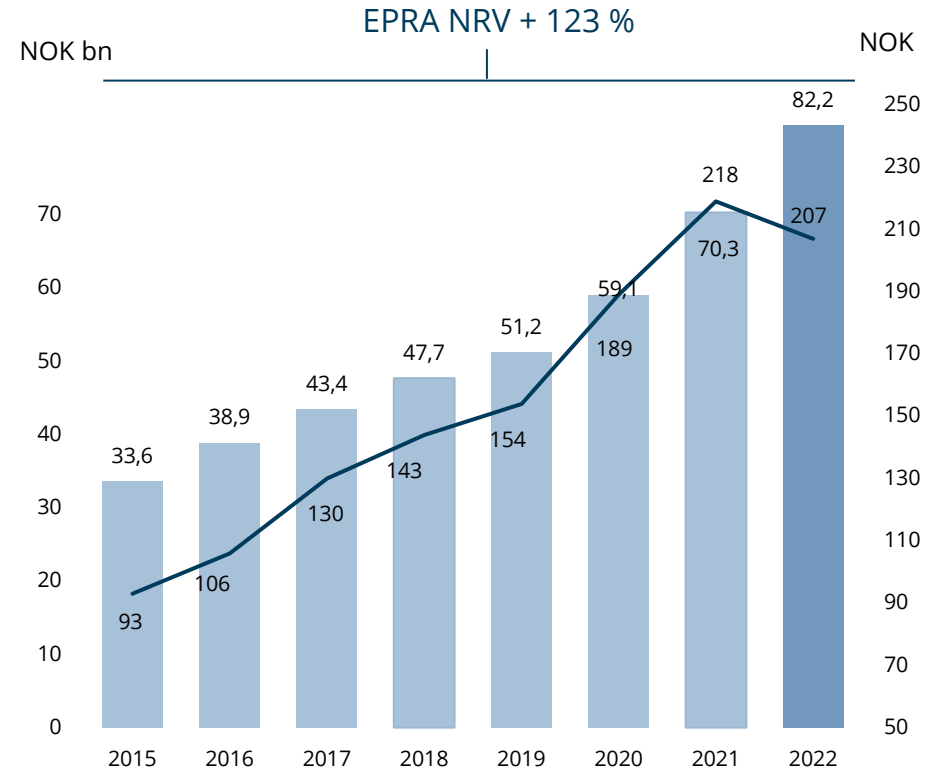
Sustainable business development and operations

Strategic target: Profitable growth

Rental income and dividend per share

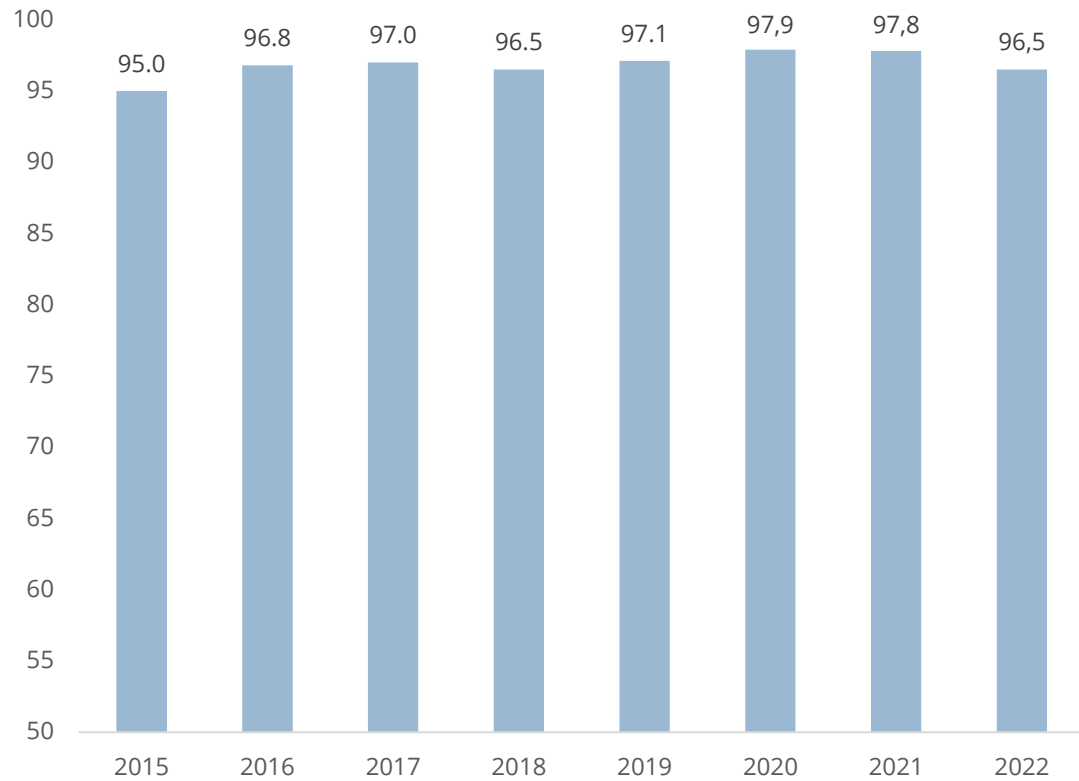


Total asset value and EPRA NRV per share

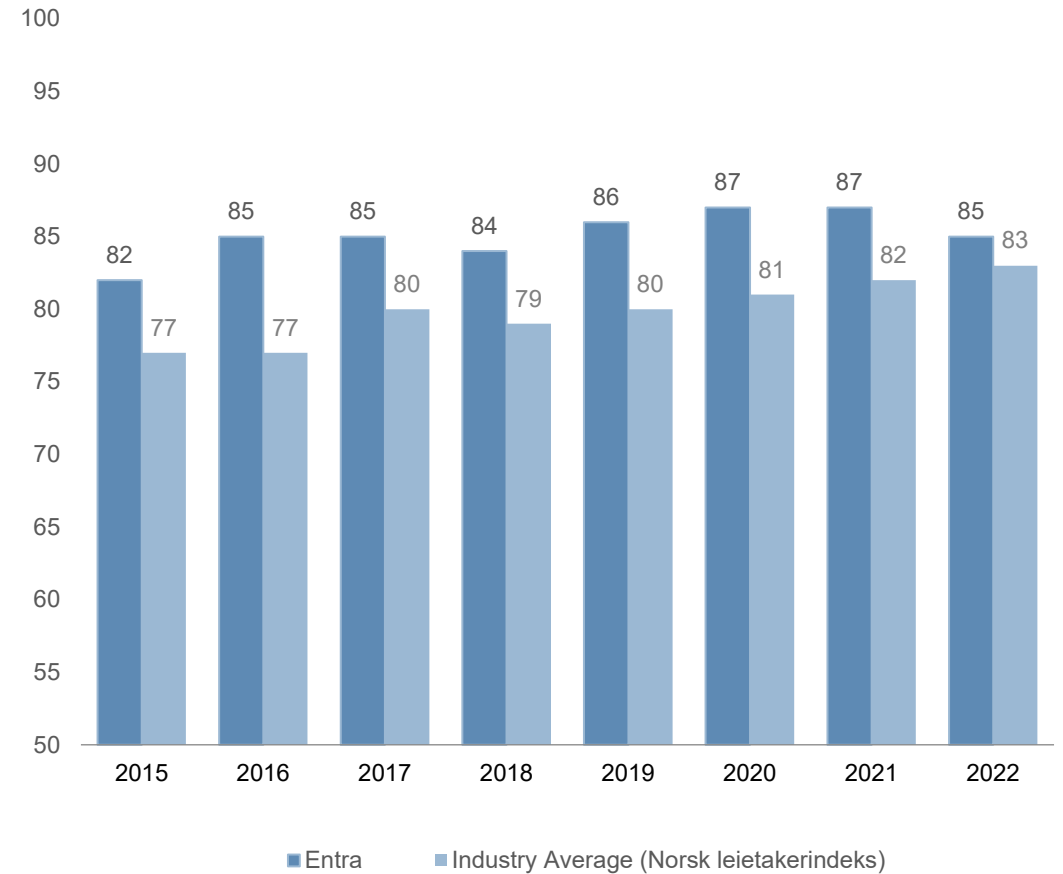


Strategic target: High customer satisfaction and occupancy

Portfolio occupancy

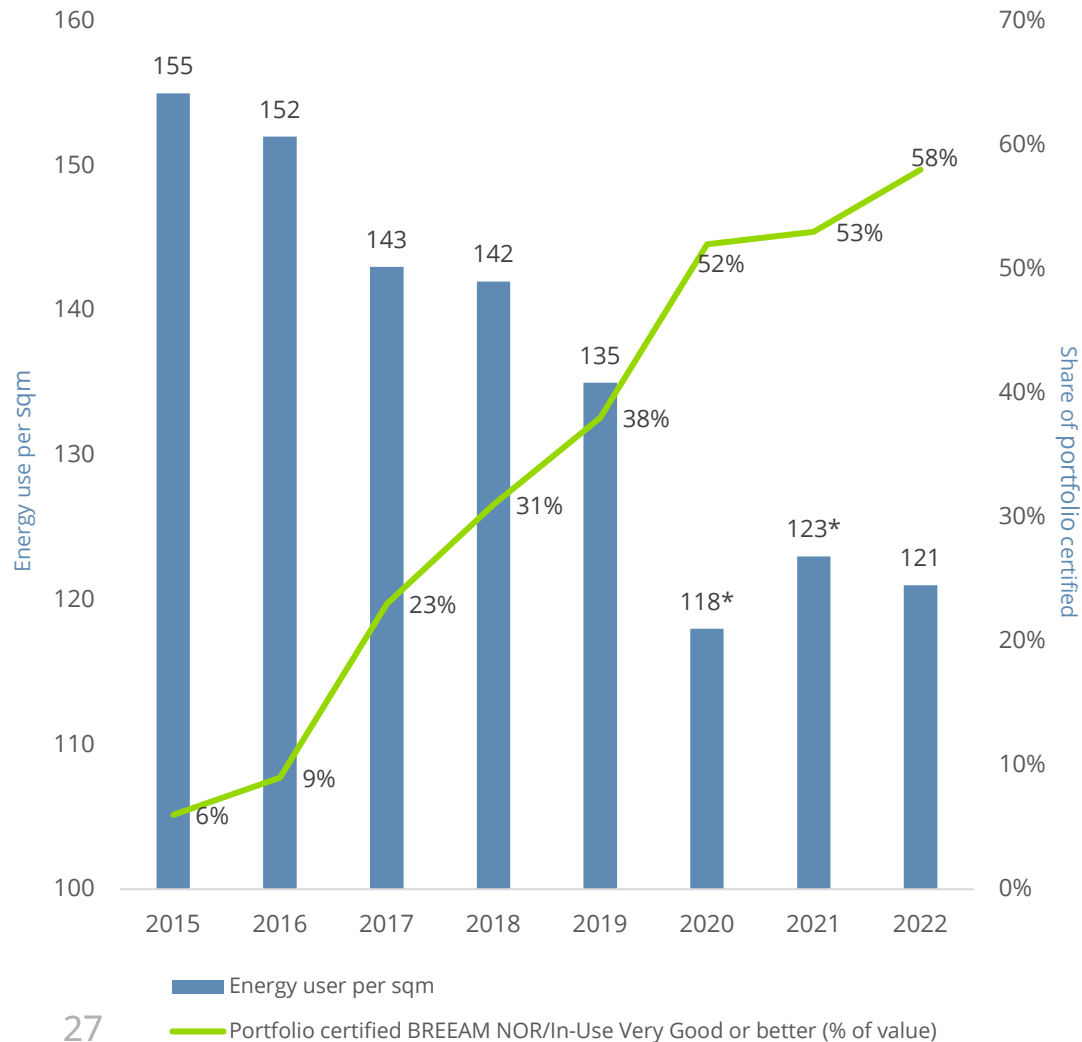


Customer satisfaction score

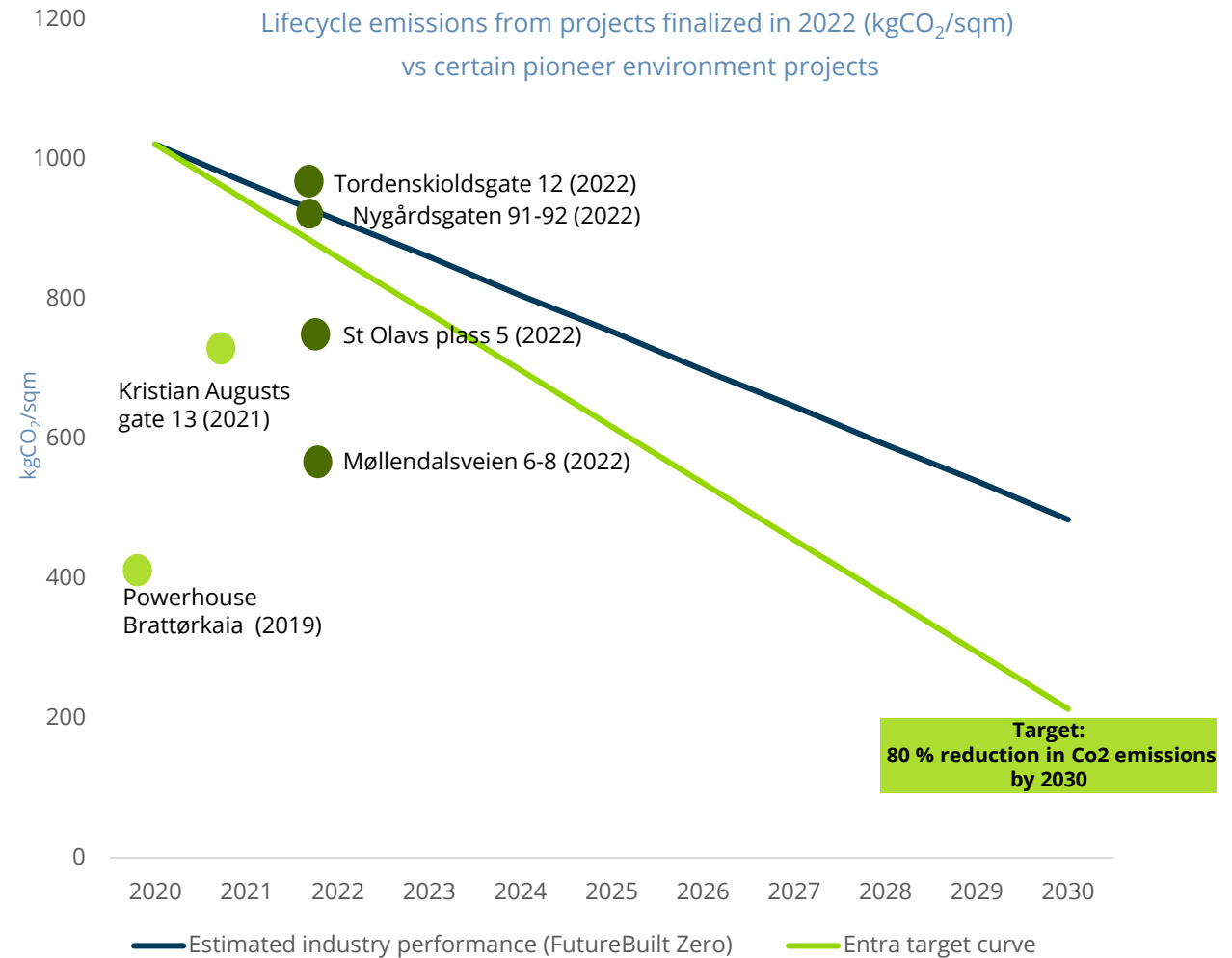


Strategic target: Sustainable operations, environmental leadership

Management portfolio



Project portfolio



Target: 80% reduction in Co2 emissions by 2030

* Numbers influenced by Covid-19

Closing remarks and outlook

- Strong Norwegian economy
 - No signs of macro changes impacting office demand
- Office market dynamics continue to be favourable with low vacancy and limited new-build activity
- Prime yields expected to level out around 4 %
 - Strong inflation and market rental growth have balancing effects on valuations
 - Improving signs in financing market
- Entra's financing cost have likely peaked based on forward curve
- Solid balance sheet with 6.7 billion in available liquidity
 - Planned divestments to further strengthen balance sheet



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



Next event
1th quarter results
25 April 2023

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