

Q1 2023

Oslo, 25 April 2023



Holtermanns veg 1-13, Trondheim

Agenda

Highlights in the quarter

Operations and market

Financial update

Closing remarks

Q&A

Highlights in the quarter



Storgata 51, Oslo

Key figures:

| (NOK million) | Q1-23 | Q1-22 |
|-------------------------------------|-------|-------|
| Rental income | 872 | 781 |
| Net income from property management | 391 | 433 |
| Net value changes | -451 | 3,146 |
| Profit/loss before tax | -70 | 3,583 |

Key events in the quarter:

- 12 % rental income growth
- Net letting of 5 million
- Preparing for start of one newbuild project
- Divestment of Grønland 32 in Drammen

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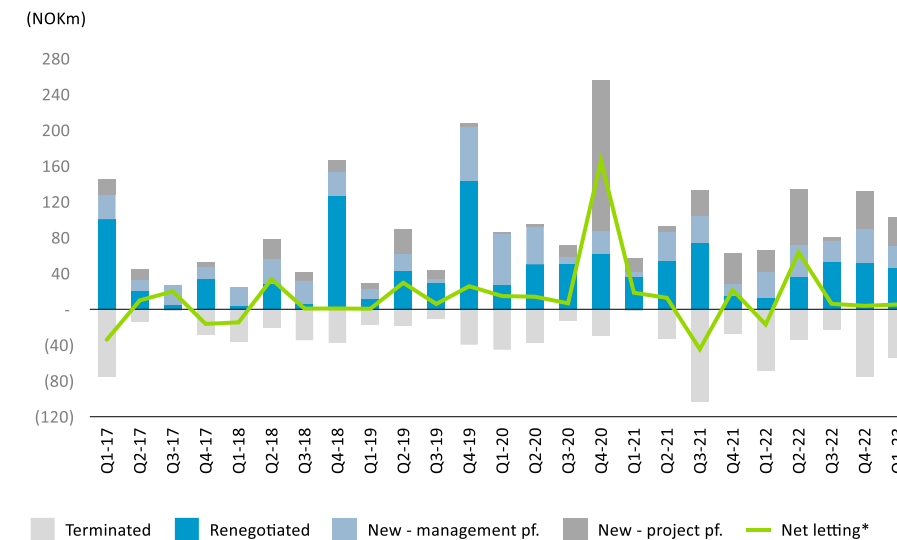
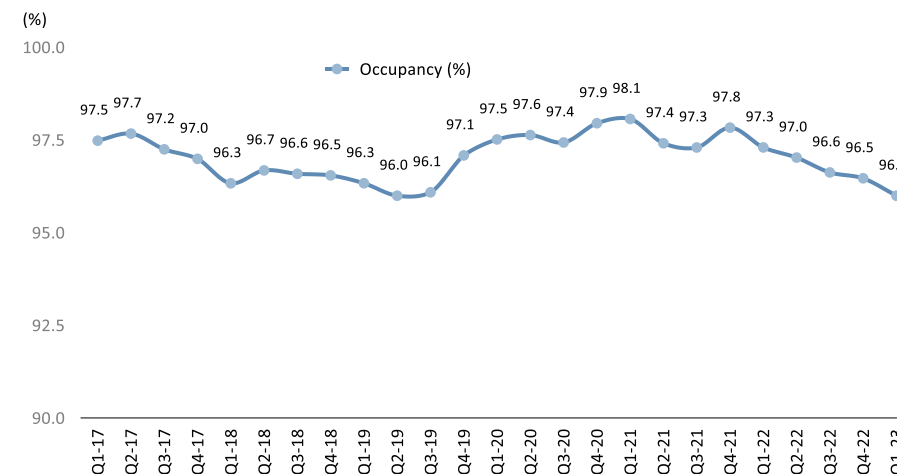
Q&A

Letting and occupancy

- New and renewed leases of 103 million (39,800 sqm)
- Terminated contracts of 54 million
- Net letting of 5 million
- Occupancy at 96.0 %
- WAULT at 6.1 years (6.3 years incl. project portfolio)
- 57% of rental income from public sector tenants

Largest new and renegotiated contracts

| Property | Tenant | Sqm | Contract |
|---|--|-------|--------------|
| Schweigaards gate 15B, Oslo | The Norwegian Directorate for Education and Training | 5,630 | Renegotiated |
| Holtermanns veg 1-13 phase 2, Trondheim | Trondheim Torg AS | 5,540 | New |
| Storgata 51, Oslo | Municipality of Oslo | 3,750 | Renegotiated |
| Malmskriverveien 16, Sandvika | Norges Realfagsgymnas | 2,750 | New |
| Prinsens gate 1, Trondheim | Trondheim Torg AS | 2,450 | New |
| Kongens gate 87, Trondheim | Trondheim Torg AS | 2,440 | New |
| Grønland 53, Drammen | Viken Fiber | 2,000 | New |






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

Preparing for start of newbuild project in Sandvika

- Newbuild project in Malmskriverveien 18 in Sandvika
 - 2,750 sqm
 - Fully let to Akademiet Realfagsgymnas on 25-year lease
- Built on parking lot, on top of existing basement
- Construction will commence in Q2-23, completion in Q3 2024
- BREEAM-NOR Excellent, Energy class A
- Total project cost incl. VAT and initial value of land of around 175 MNOK



Ongoing development portfolio progressing according to plan

| | 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 | 1,132 | 4.5 |
| Schweigaards gate 15 | Oslo | Very good | Q2-23 / Q1-24 | 22,900 | 83 | 1,422 | 1,170 | 4.8 |
| Kongens gate 87 | Trondheim | Excellent | Q2-23 | 7,100 | 86 | 261 | 234 | 5.6 |
| Newbuild | | | | | | | | |
| Holtermanns veg 1-13 phase II | Trondheim | Excellent | Q2-23 | 20,900 | 67  | 703 | 635 | 5.8 |
| Refurbishment | | | | | | | | |
| Vahls gate 1-3 | Oslo | Excellent | Q2-23 | 14,900 | 100 | 743  | 695 | 4.4  |
| Brattørkaia 13 B | Trondheim | Excellent | Q2-23 | 6,000 | 97 | 248 | 177 | 5.0 |
| Total | | | | 87,600 | 82 ³⁾ | 4,693 | 4,043 | |

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

Successful divestment of Grønland 32 in Drammen

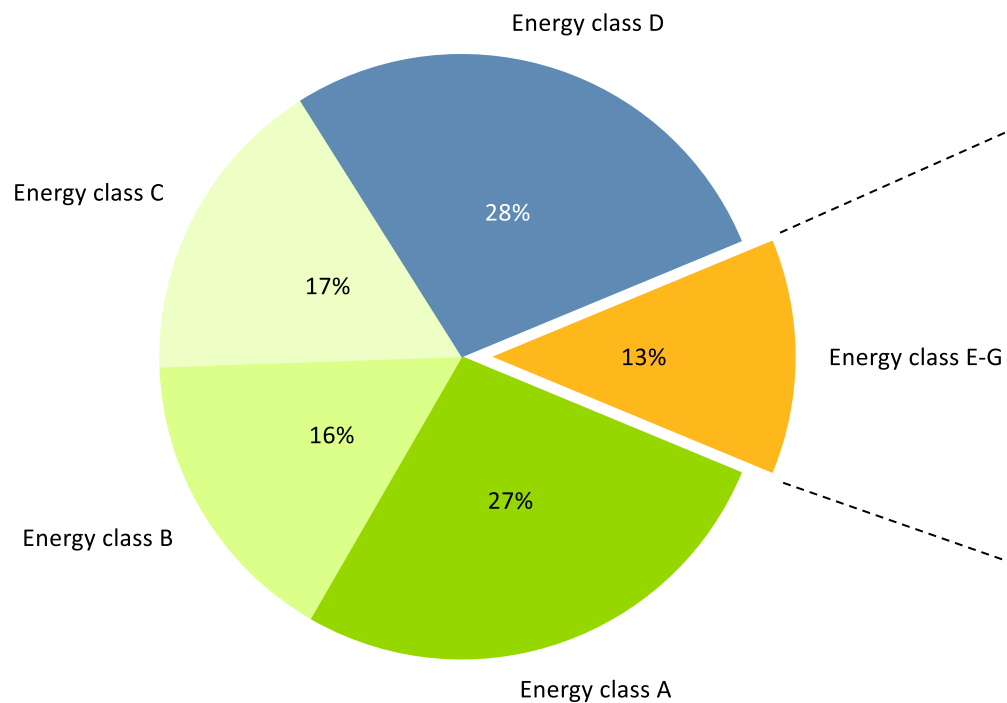


- Total transaction value 335 million
- 18 % above book values as of 31.12.22
- Closed on 1 March 23, proceeds used to strengthen balance sheet

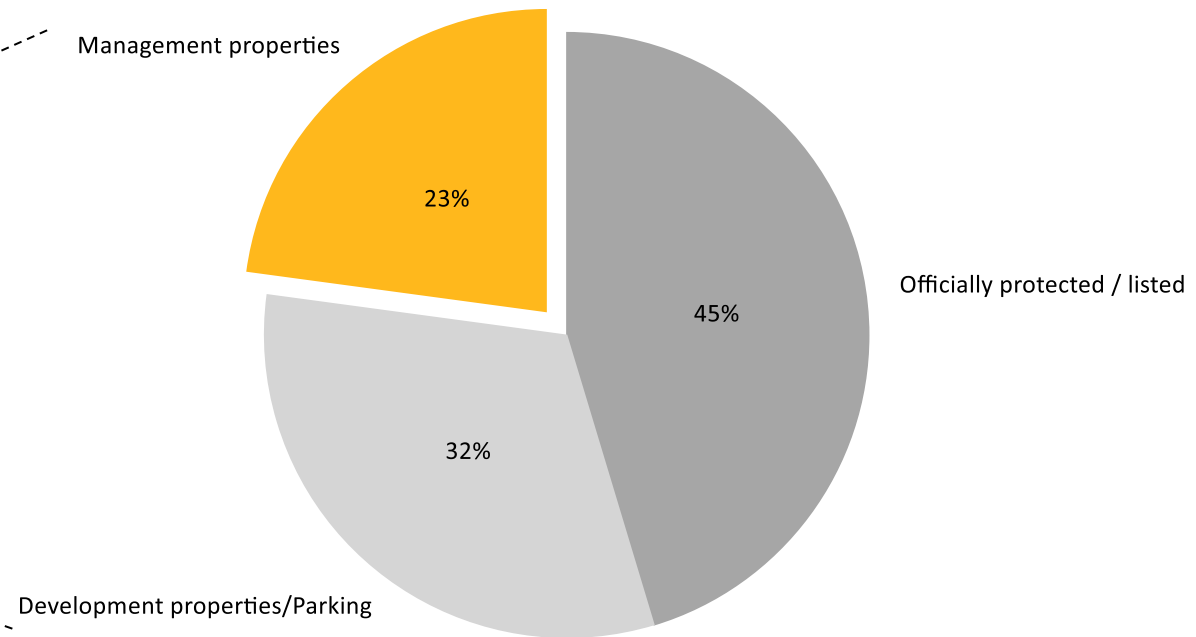
Entra portfolio well prepared for new EU legislation

- Proposal from European parliament that office buildings must be:
 - At least energy class E by 2027
 - At least energy class D by 2030

Energy class distribution of Entra's assets
(% of market value)



Distribution of properties with Energy Class E-G
(100% = 9.6 billion in total market value)

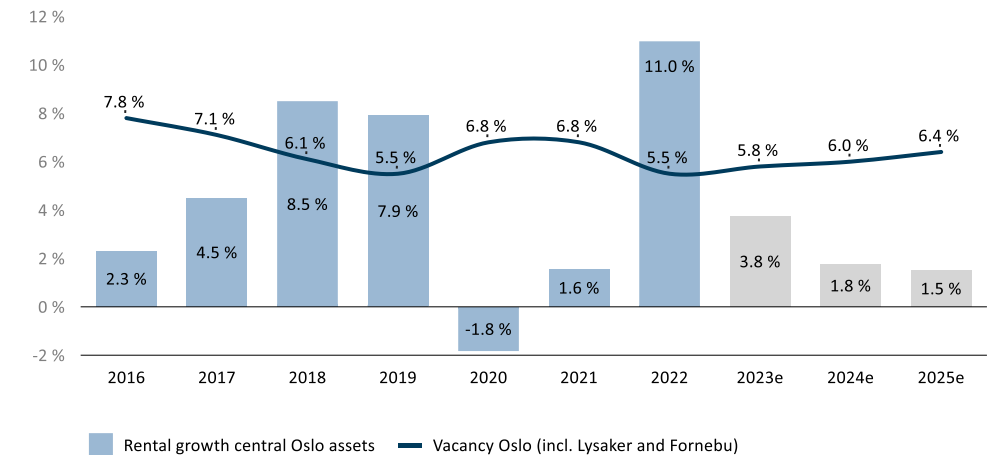


Market development

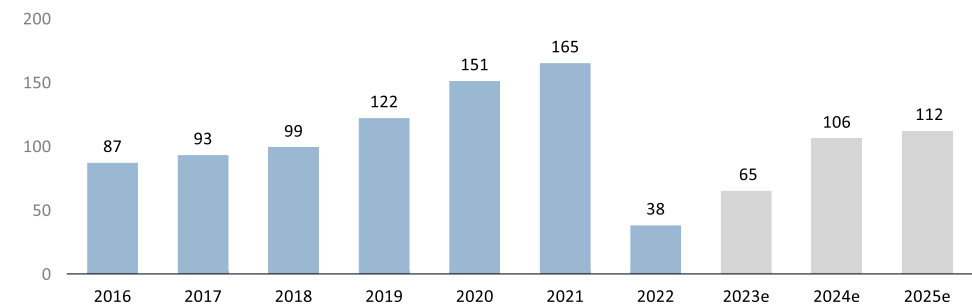
Rent and vacancy

- Resilient Norwegian economy, supported by strong government finances
- More moderate expectations for rental growth in Oslo going forward after record strong growth in 2022
- Vacancies expected to remain low in Oslo
- Newbuild activity continues to be very low
- Favourable market conditions in regional cities
 - Market rent in Trondheim up by 10+ % last year, vacancy below 5 %
 - Stable market rents in Bergen, vacancy in city centre around 6 %

Market rental growth and vacancy in Oslo



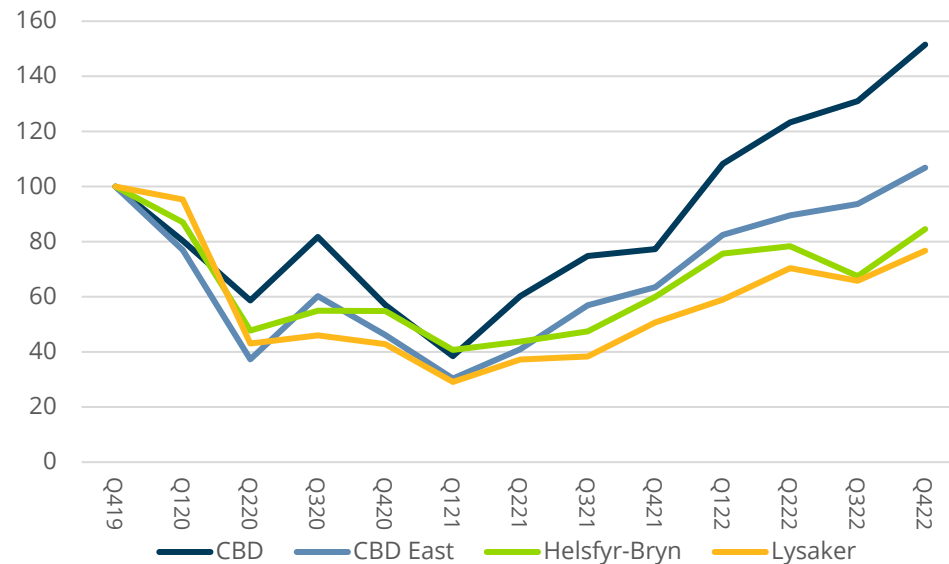
Newbuild volumes Oslo (1,000 sqm)



Positive post-pandemic office trends in Norway

- Study from Akershus Eiendom / JLL:
 - Hybrid office is here to stay, most employees in Norway are back in the office but expect higher level of flexibility
 - Activity at workplace around 10 % (0.5 day/week) below pre pandemic level in Norway, 20 % (1 day/week) below in Oslo
 - Significant differences between city centre and fringe areas, and between public and private tenants
 - The role of the office has changed, no longer only a work place but also a service and facilities provider
 - Location increasingly important, unusual high share of companies state that they want to stay, or move to the city centre

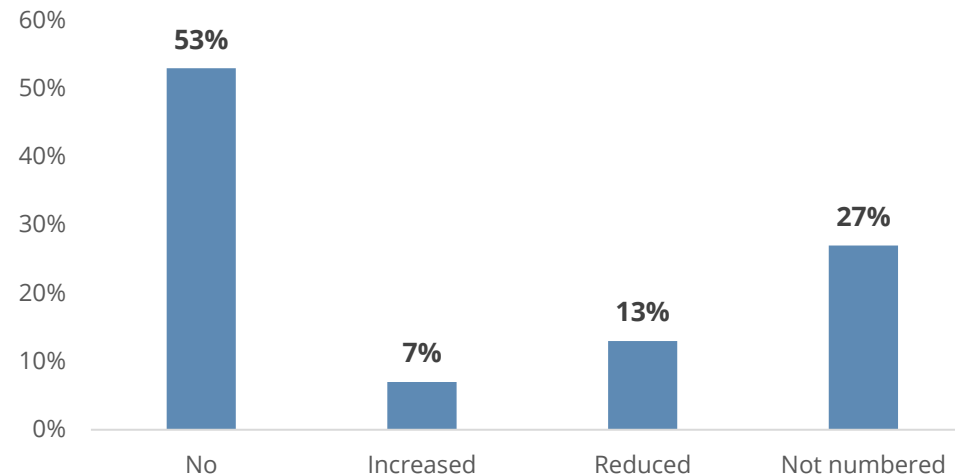
Activity at the work place in Oslo



Source: Akershus Eiendom/Plaace/Telia

Survey on expected area requirements

“Has the pandemic and use of home office changed your area requirements”



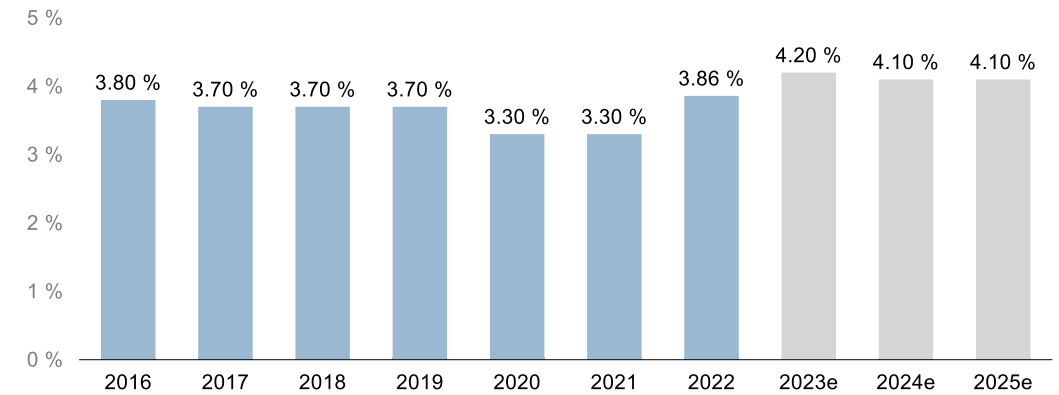
Source: Akershus Eiendom

Market development

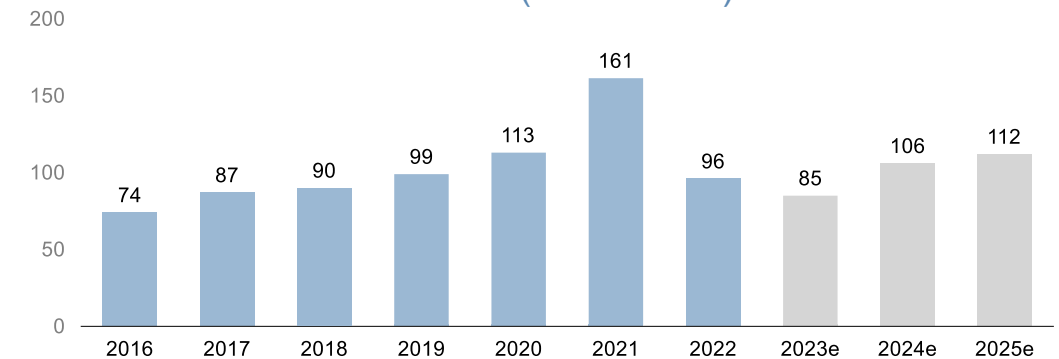
Transactions and yields

- Transaction activity at very low levels, total volume of around NOK 10 billion in Q1 23
- Financing market and interest rate uncertainty delays and halts transaction processes
- Prime yields expected to top out around 4.2 %
- Inflation and market rental growth have balancing effects on valuations

Prime yield Oslo



Total transaction volume (NOK billion)



Source: Entra consensus report Q1 2023, average of estimates from leading market specialists in Norwegian market

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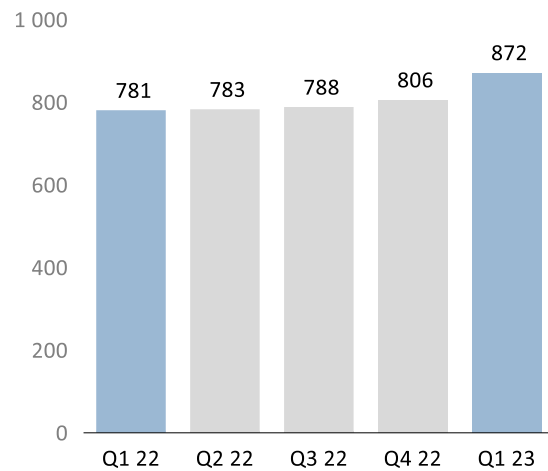
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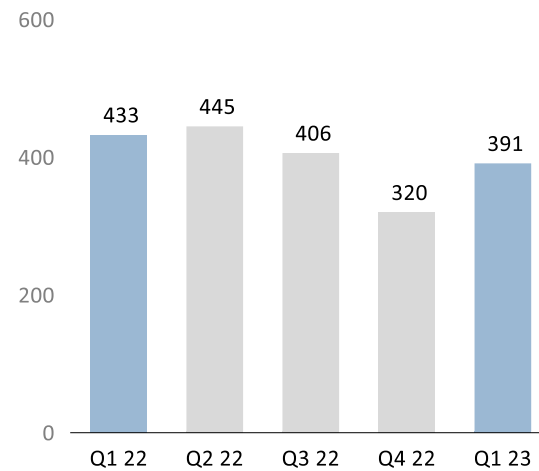
Solid rental income growth; results impacted by higher financing costs and negative value changes

NOK million

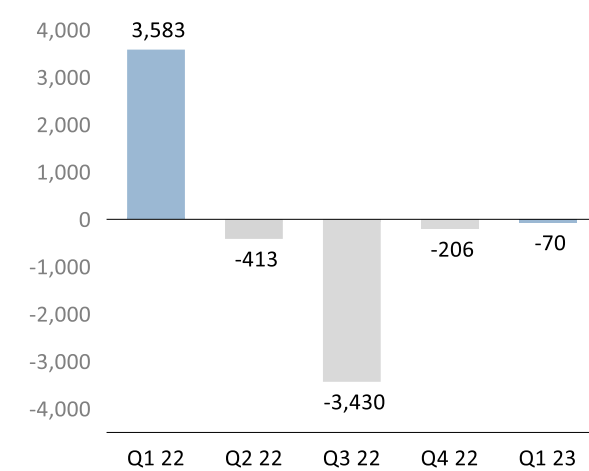
Rental income



Net income from property management



Profit/loss before tax

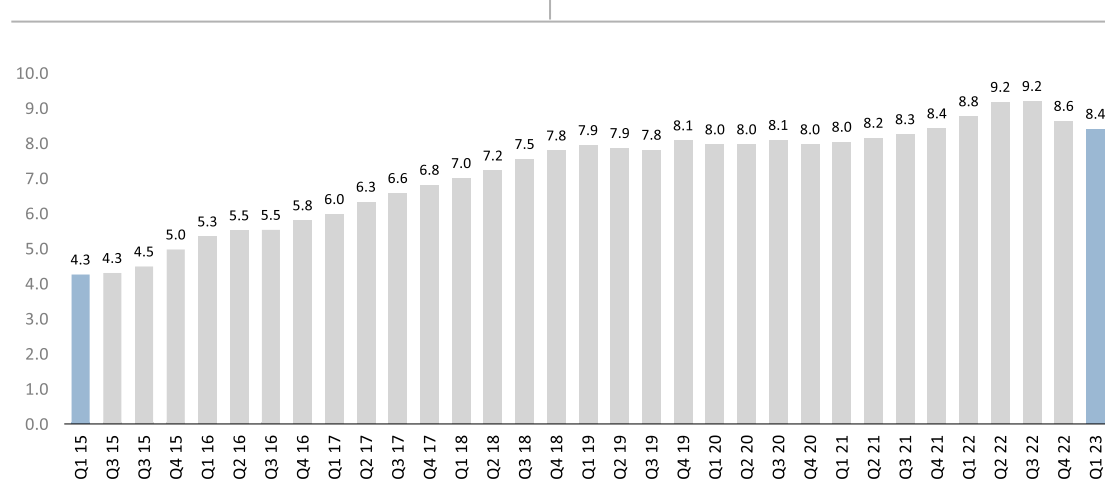


Key financials per share holding up well in today's market

NOK per share

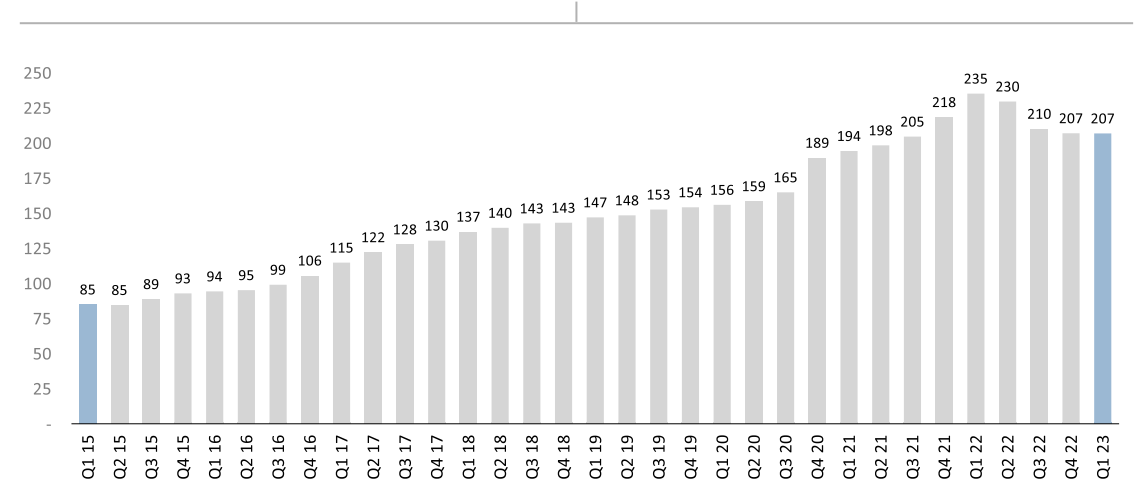
Cash Earnings¹⁾

CAGR: 9 %



EPRA NRV

CAGR: 12 %



1) Annualised, rolling four quarters

Profit and loss statement in line with expectations

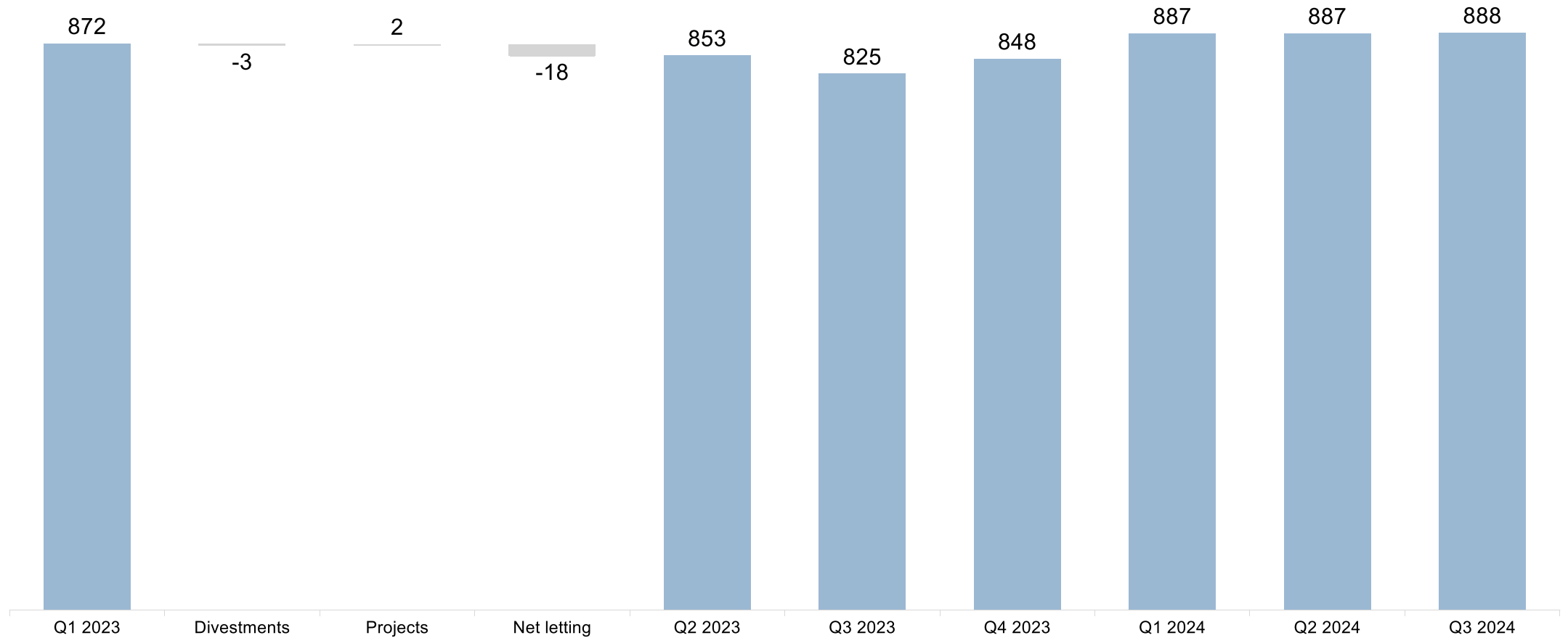
NOK million

| | Q1-23 | Q1-22 | 2022 |
|--|-------|-------|--------|
| Rental income | 872 | 781 | 3,158 |
| Operating costs | -74 | -64 | -263 |
| Net operating income | 798 | 717 | 2,895 |
| Other revenues | 18 | 20 | 112 |
| Other costs | -12 | -19 | -85 |
| Administrative costs | -48 | -65 | -210 |
| Share of profit from associates and JVs | -7 | -1 | -37 |
| Net realised financials | -366 | -215 | -1,095 |
| Net income | 382 | 438 | 1,579 |
| - of which net income from property management | 391 | 433 | 1,603 |
| Changes in value of investment properties | -421 | 2,837 | -2,519 |
| Changes in value of financial instruments | -30 | 309 | 473 |
| Profit/loss before tax | -70 | 3,583 | -467 |
| Tax payable | -3 | -4 | -31 |
| Change in deferred tax | 21 | -765 | -71 |
| Profit/loss for period/year | -53 | 2,814 | -569 |

- Revenues in line with expectations
- Operating costs slightly higher primarily due to increased vacancy in the management portfolio
- Administrative costs in line with expectations; pegging towards 210 million in 2023
- Financing costs impacted by higher interest rates and higher debt levels following the acquisition of Oslo Areal in Q1 2022

Stable rental income development expected*

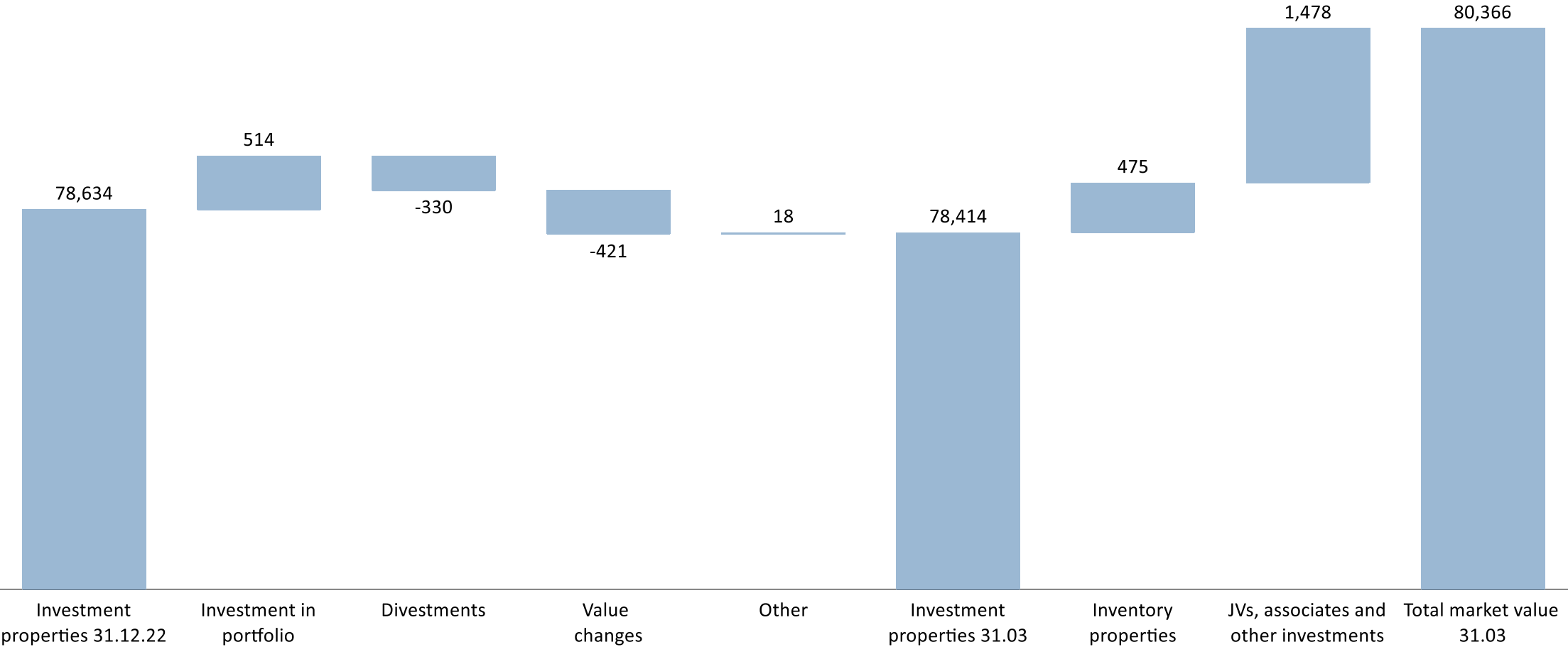
NOK million



* Based on reported events. 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. Assumes 4.5 % CPI from Q1 24.

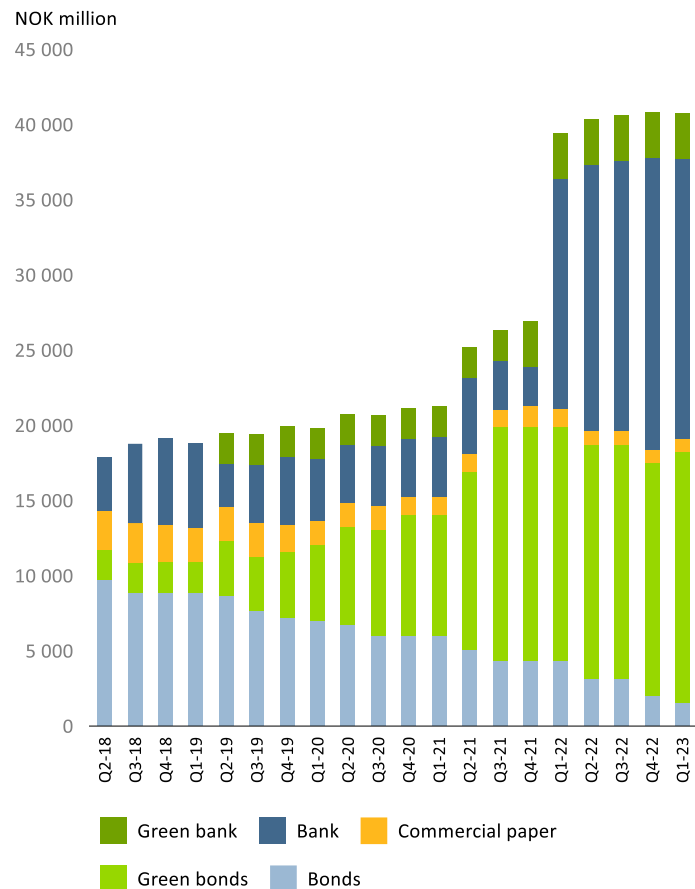
Property value development in the quarter

NOK million

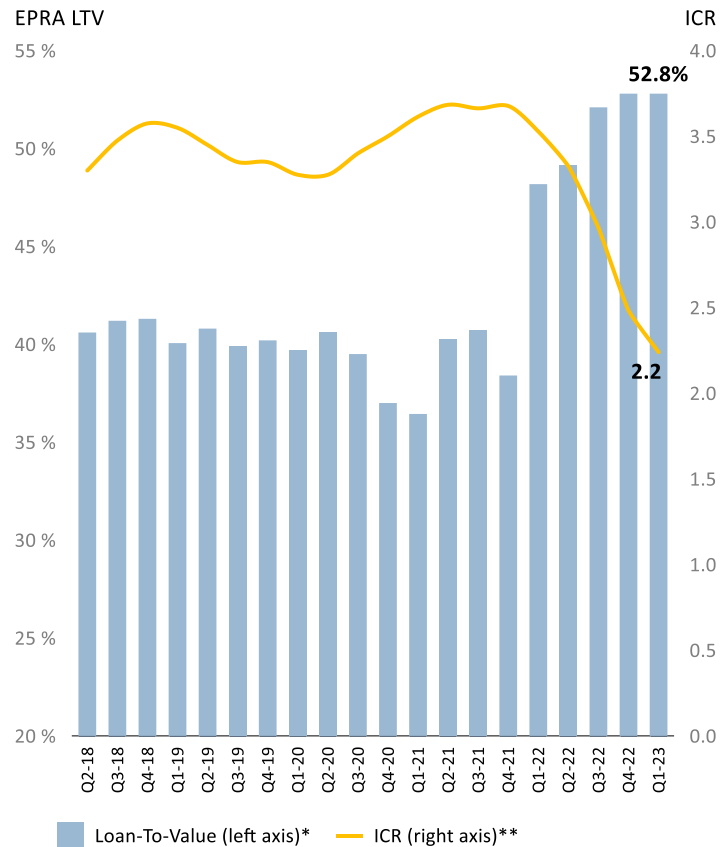


Financing position and activities in the quarter

Financing mix



EPRA LTV* and ICR**



* LTV according to Moody's definition: 49.9 %

** ICR calculated on last 4 quarters

Q1 activities and status

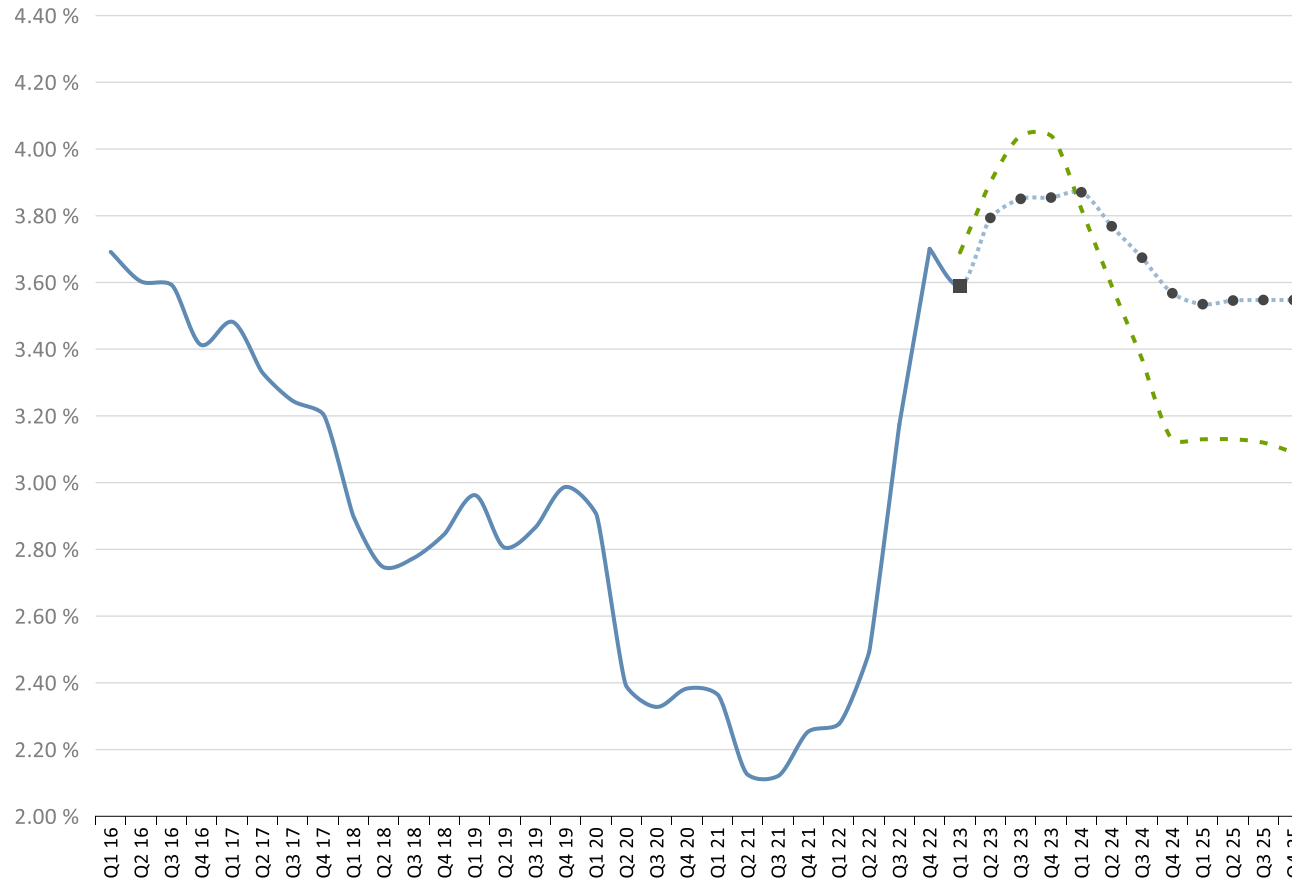
- 3 bond tap-issues; total 1.0 billion on long tenors and improving terms
- 5 commercial paper issues; total 1.2 billion at attractive terms
- Total unutilised credit facilities of 7.3 billion as of 31.03
- Net nominal interest-bearing debt of 40.4 billion

Q2 activities and status (to date)

- 1 commercial paper issue; total 0.5 billion at attractive terms
- Funding still available, but base rates and credit margins have increased

Expected interest rate development

Entra's nominal interest rate, including credit margins

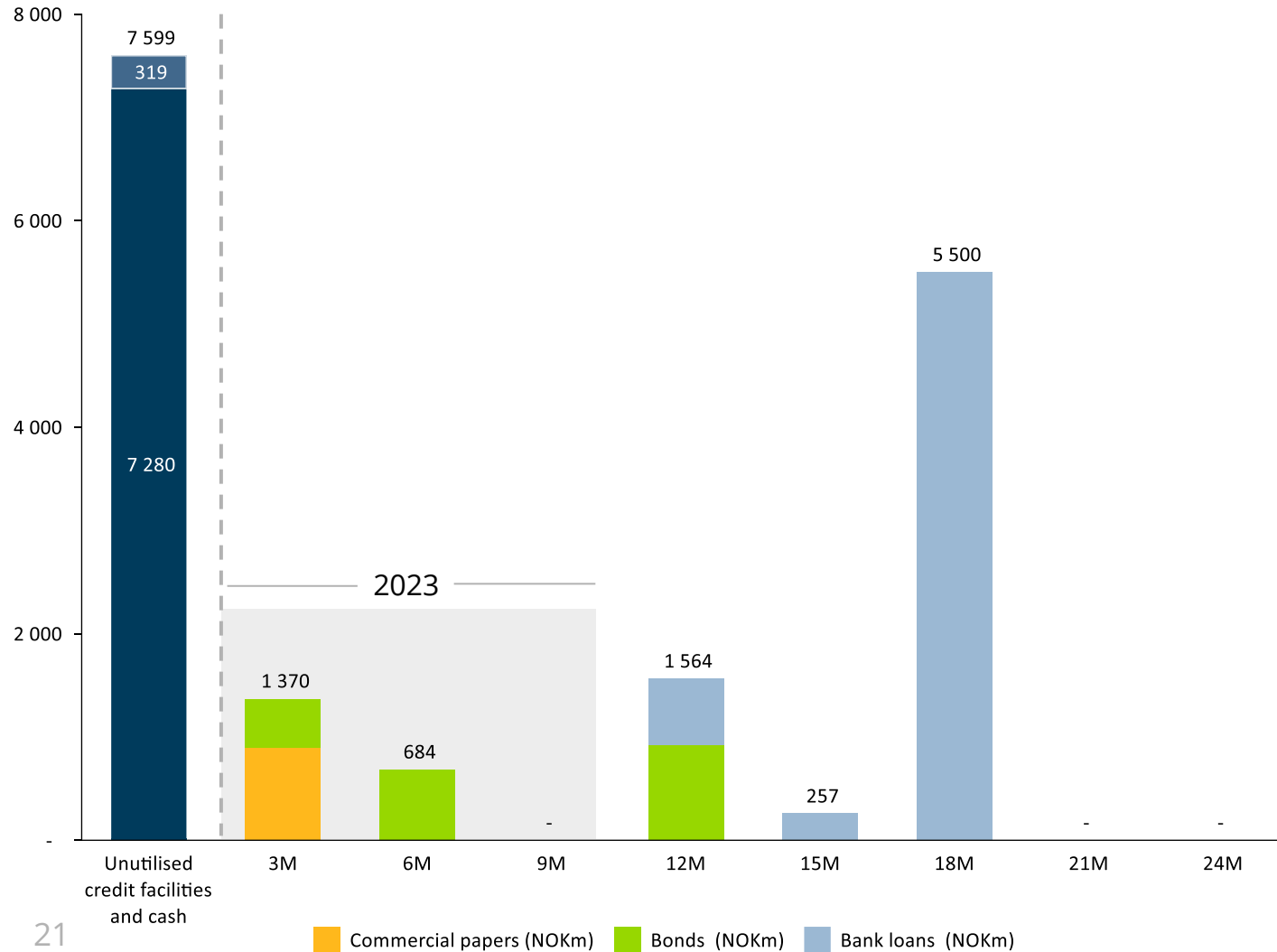


- Effective interest rates 15 bps higher than nominal due to issuance of bonds below par value
- 51 % of debt portfolio hedged at fixed rate
- 4.6 years time to maturity of hedge portfolio (incl. fwd. start swaps) of 22.7 billion (2.6 years for entire debt portfolio 40.7 billion)
- 2.3 years time to maturity of fixed credit margins
- Limited effects of possible credit margin increases
 - 1 bp by end of 2023
 - 4 bps by end of 2024
 - 9 bps by end of 2025
- Deleveraging through asset rotation will have a positive effect also 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

Limited maturities of bonds and CP next 24 months

NOK million



- 7.3 billion of unutilised credit facilities and 0.3 billion in cash as of 31.03.23
- 9.4 billion of debt maturing next 18 months
 - 3.0 billion in bonds and commercial paper
 - 6.4 billion in bank debt
- 4.1 years average time to maturity of debt
- Solid and transparent balance sheet with no exotic debt instruments
- Ongoing discussions with our five partner banks to extend existing facilities

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Closing remarks and outlook

- Resilient Norwegian economy, supported by strong government finances
- Workplace activity back at more normalised levels
- Demand for centrally located offices remain strong
- Favourable rental market dynamics with low vacancies and limited new-build activity
- Limited transaction activity due to general market uncertainty
 - Still interest for attractive locations
 - Transaction activity expected to pick up in H2
- Additional divestments planned to further strengthen balance sheet



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

An architectural rendering of a modern, multi-story brick building complex. The building features a grid-like facade of windows and a prominent central section. In the foreground, a paved courtyard is filled with people, including a woman carrying a child, a man walking, and a man sitting on a bench. Bicycles are parked in the courtyard. To the left, a traditional stone building is visible. The sky is overcast.

Next event
2nd quarter results
14 July 2023

Kristian Augusts gate 13, 15 A-C, 17 and 21, Oslo

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