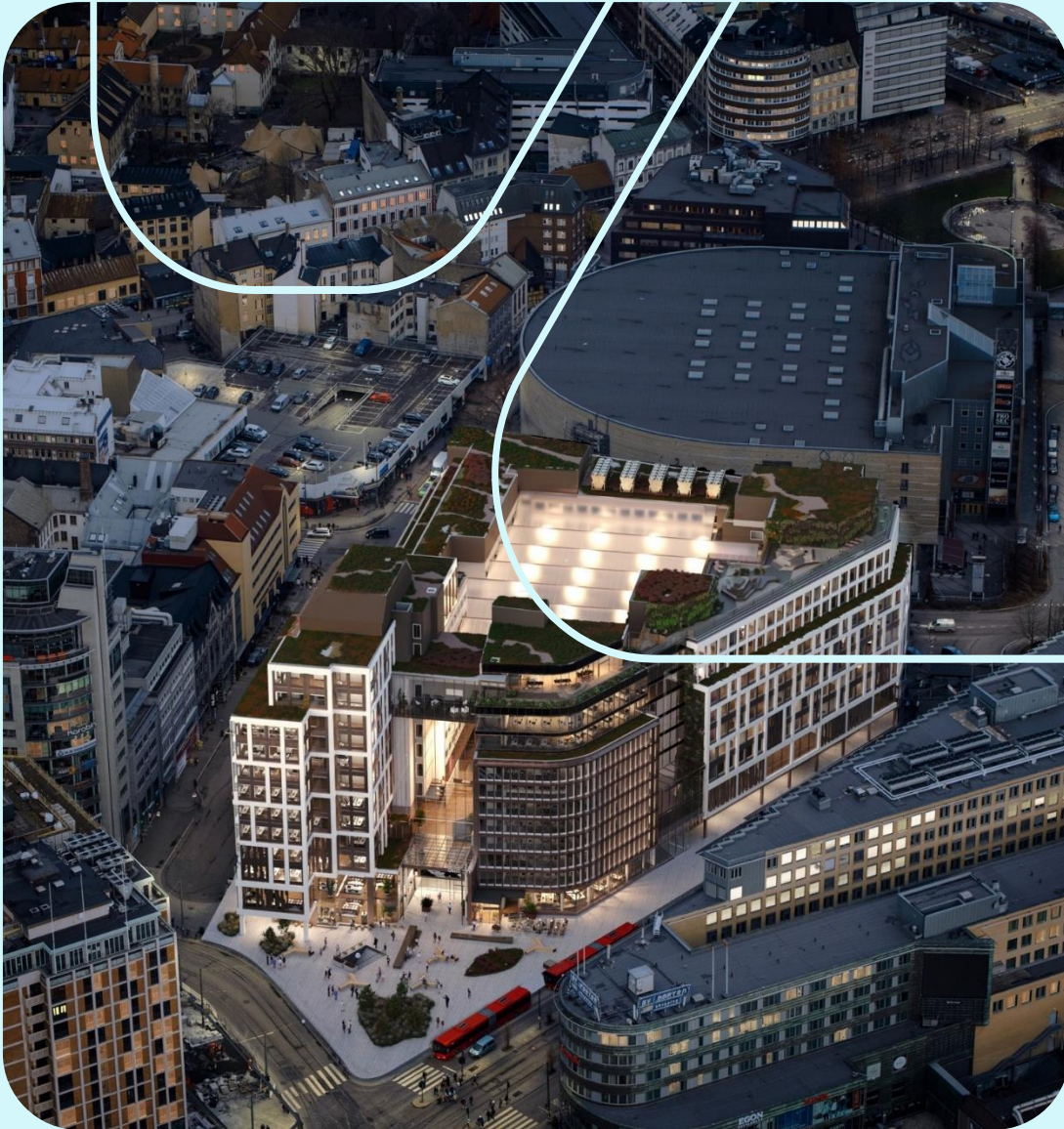




Q2 2024

Oslo, 12 July 2024





# Highlights

## Key figures

(NOK million)	Q2-24	Q2-23	YTD 2024	YTD 2023
Rental income	853	854	1 730	1 726
Net income from property management	348	350	673	741
Net value changes	2	-2 063	-1 625	-2 515
Profit/loss before tax	344	-1 739	-969	-1 809

## Key events in the second quarter

- Rental income of 853 million, NIPM of 348 million, affected by divestments
- Net value changes of 2 million and profit before tax of 344 million
- Positive net letting of 12 million
- Closed sale of the Trondheim portfolio and sold Hotel Savoy
- Balance sheet strengthened; effective leverage improved with 4 % points
- Finalised one redevelopment and started up three refurbishment projects

# Agenda

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Operations and market

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Financial update

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Closing remarks

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Q&A

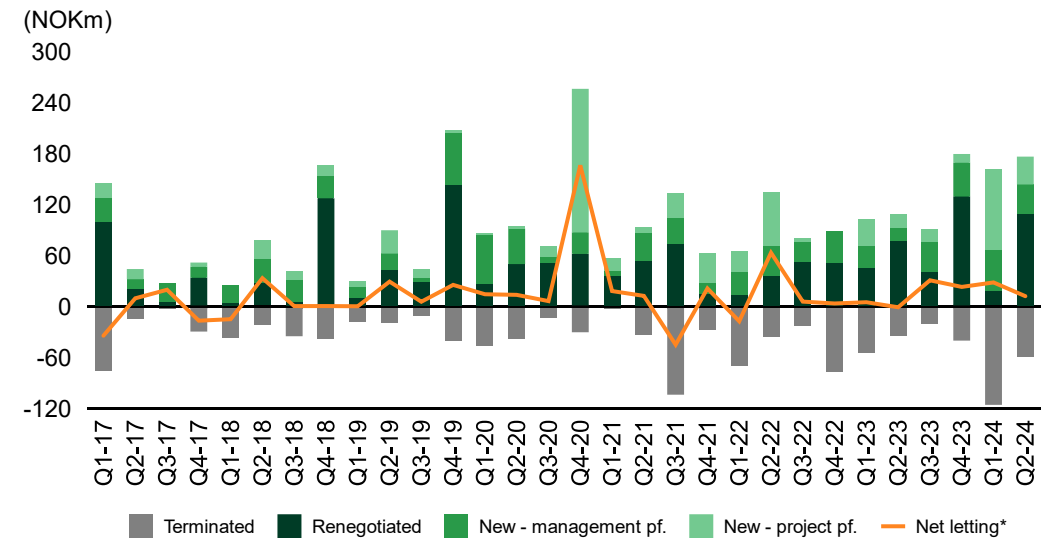
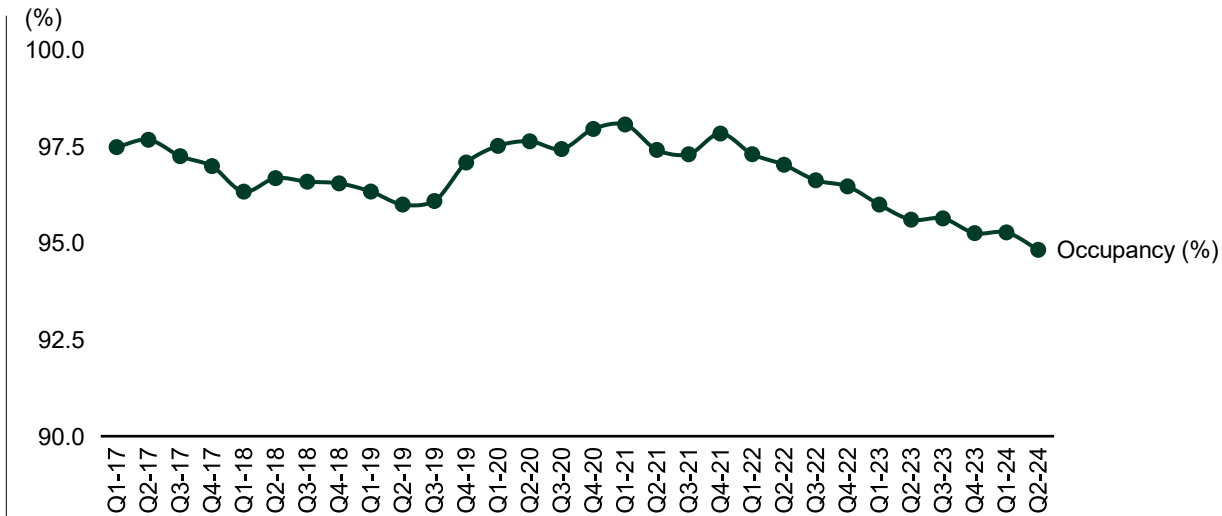
# Operations and market

# Letting and occupancy

- New and renewed leases of 176 million (60 700 sqm)
- Terminated contracts of 59 million
- Net letting of 12 million
- Occupancy 94.8 %
- WAULT at 6.3 years (6.6 years incl. project portfolio)
- 52 % of rental income from public sector tenants in the management portfolio

## Largest new and renegotiated contracts

Property	Tenant	Sqm Contract
Brynsengfaret 6, Oslo	Oslo Municipality	9 800 New
Biskop Gunnerus gate 14 A, Oslo	Vitec Financial Services	2 100 Renegotiated
Fredrik Selmers vei 6, Oslo	Escape Travel	2 100 New and renegotiated
Tullins gate 2, Oslo	The Norwegian Association of Researchers	1 400 Renegotiated
Langkaia 1, Oslo	Norwegian Defence	1 100 New
Schweigaards gate 15, Oslo	The Norwegian State Housing Bank	750 New



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

# Sale of Hotel Savoy (Universitetsgata 11)

- Total transaction value of 225 million
- 28 per cent above Q1 book values
- Acquired by Entra in 2021 for 185 million
- Proceeds used to strengthen Entra's balance sheet
- Closed on 28 June (debt repayment in July)



# Finalised redevelopment project Schweigaards gate 15 in Oslo

## Large redevelopment, next to Oslo Central Station

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22 900 sqm

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93 % let (31 % at project start)



Total project cost: NOK 1 416 million



BREEAM-NOR Very Good

Yield on cost: 5.3 % (4.7 % at project start)



# Started refurbishment project in Brynsengfaret 6 in Oslo

**Large refurbishment at the most central public  
transport node in the eastern part of Oslo**

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35 400 sqm

---

76 % pre-let

---

Total project cost: NOK 1 327 million

---

Expected completion: Q1/Q4 25

---

BREEAM In-use Excellent

---

Yield on cost: 5.8 %





# Started refurbishment project in Nonnesetergaten 4 in Bergen

## Large refurbishment, close to Bergen Central Station

---

17 300 sqm

---

55 % pre-let

---

Total project cost: NOK 1 004 million

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Expected completion: Q3 25 / Q3 26

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BREEAM In-use Very Good

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Yield on cost: 5.7 %



# Started refurbishment project in Malmskriverveien 2 and 4 in Sandvika

## Refurbishment, close to Sandvika train station

---

3 400 sqm

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Fully let, District Court of Asker and Bærum

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Total project cost: NOK 201 million

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Expected completion Q3 25

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Yield on cost: 5.3 %



# Ongoing development portfolio

	Location	BREEAM-NOR/ BREEAM In-Use	Completion	Project area (sqm)	Occupancy (%)	Total project cost <sup>1</sup> (NOKm)	Of which accrued <sup>1</sup> (NOKm)	Yield on cost <sup>2</sup> (%)	
<b>Newbuild</b>									
	Malmskriverveien 16	Sandvika	Excellent	Q3-24	2 700	100	175	130	5.0
	Holtermanns veg 1-13 phase III	Trondheim	Excellent	Q4-25	15 500	N/A <sup>4)</sup>	684	301	N/A <sup>4)</sup>
<b>Refurbishment</b>									
	Brynsengfaret 6	Oslo	Excellent	Q1 /Q4-25	35 400	76	1 327	847	5.8
	Nonnesetergaten 4	Bergen	Very good	Q3-25 / Q3-26	17 300	55	1 089	634	5.7
	Malmskriverveien 2-4	Sandvika		Q3-25	3 400	100	213	102	5.3
<b>Total</b>					<b>74 300</b>	<b>72 <sup>3)</sup></b>	<b>3 488</b>	<b>2 014</b>	

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

<sup>2</sup> Estimated net rent (fully let) at completion/total project cost (including initial value)

<sup>3</sup> Weighted average occupancy of the project portfolio

<sup>4</sup> Entra has agreed to sell Holtermanns veg 1-13 phase 3 after completion. The agreed asset value is based on a 100 per cent pre-let project. Occupancy and yield on cost on this project is not reported from Q1-24.

# Market development

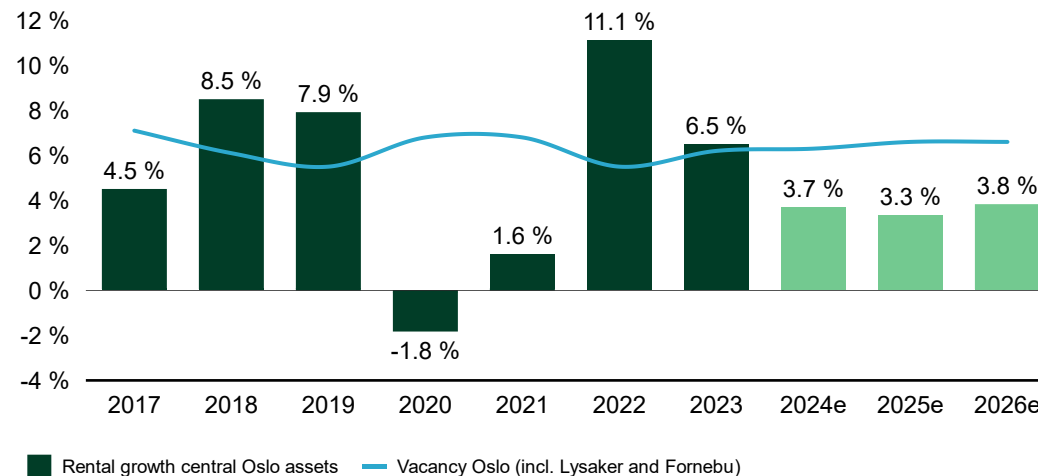
## Norwegian economy expected to pick up

- Lower interest rates and solid wage growth expected to fuel private consumption and housing investments, combined with increased public spending
- Increased projections for GDP and employment growth
- Inflation on a downward trend, June CPI at 2.6 %
- Key policy rate at 4.50 % since December 2023, first cut expected in Q1 2025

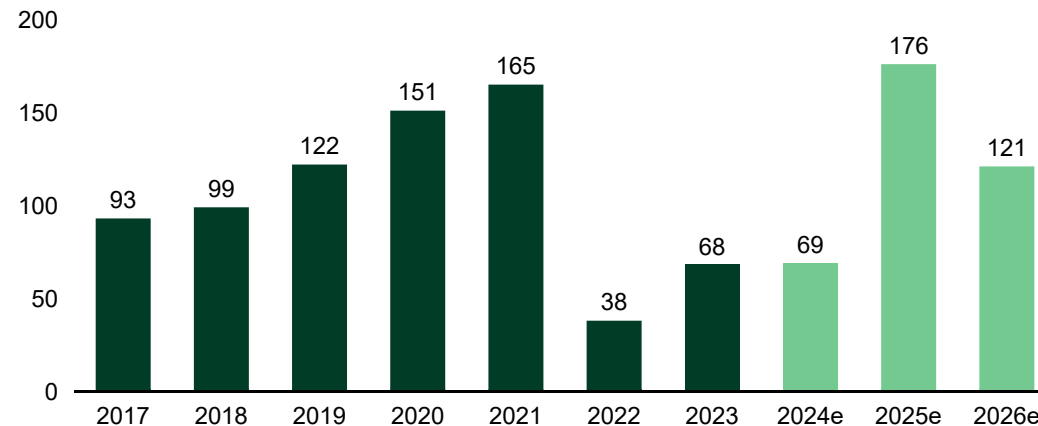
## Rent and vacancy

- Activity in the letting market remains good
- Expectations of continued market rental growth
  - Low office vacancy and continued employment growth
  - Very limited new office supply following several years with low newbuild volumes
  - Breakeven rents for newbuilds above current market rents

## Market rental growth and vacancy in Oslo



## Newbuild volumes Oslo (1,000 sqm)



Source: Entra consensus report Q2 2024, average of estimates from leading market specialists in Norwegian market

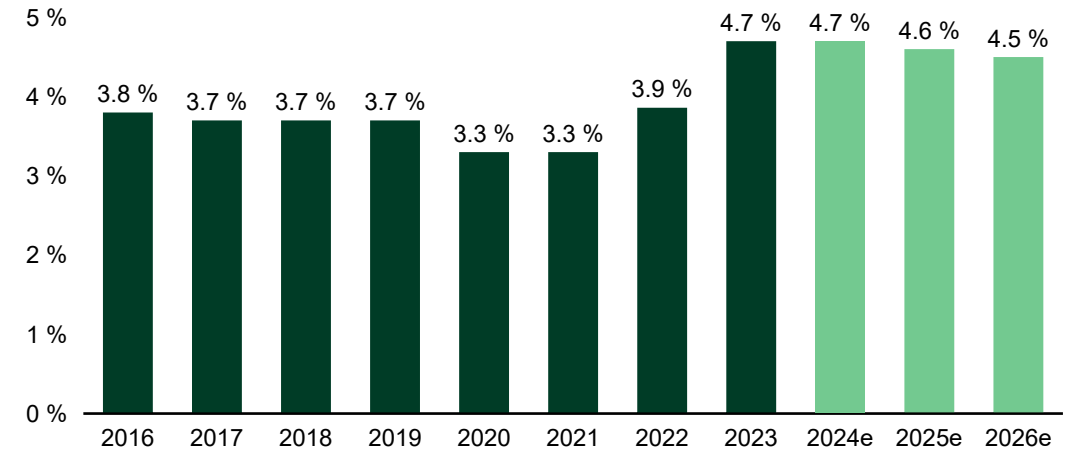
# Market development

## Transaction and yields

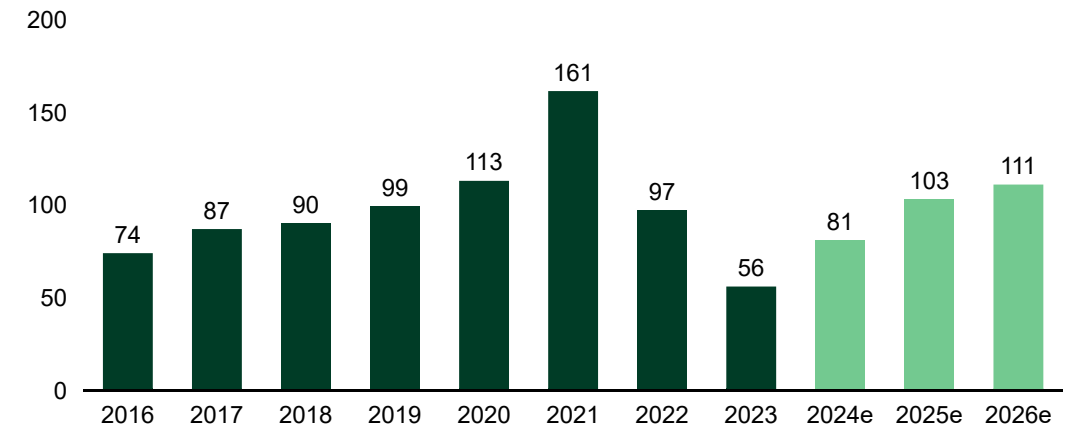
- Interest rates and inflation believed to have topped out
- Prime yields expected to decrease slightly from 2025
- Financing markets opening up, tightening credit margins
- Transaction volumes expected to pick up through 2024

Source: Entra consensus report Q2 2024, average of estimates from leading market specialists in Norwegian market

## Prime yield Oslo



## Total transaction volume (NOK billion)

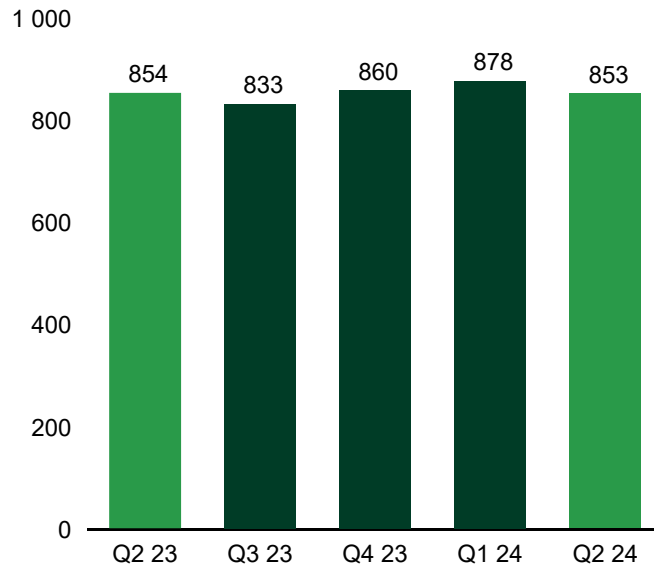


# Financial update

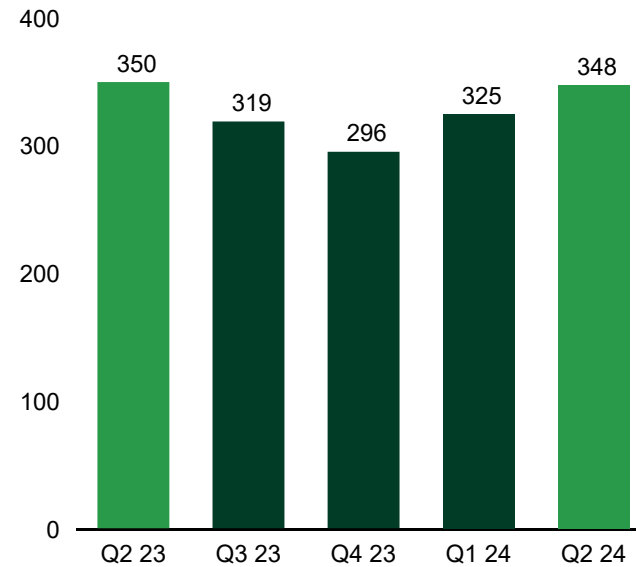
# Strong operating results in line with expectations

NOK million

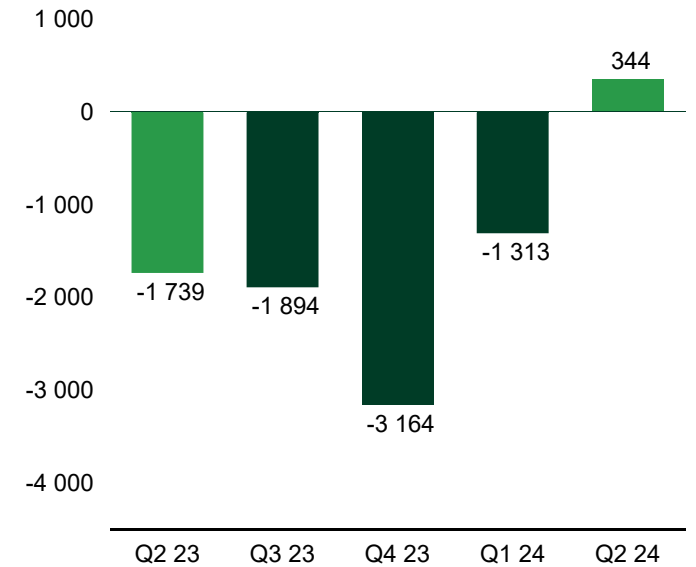
## Rental income



## Net income from property management



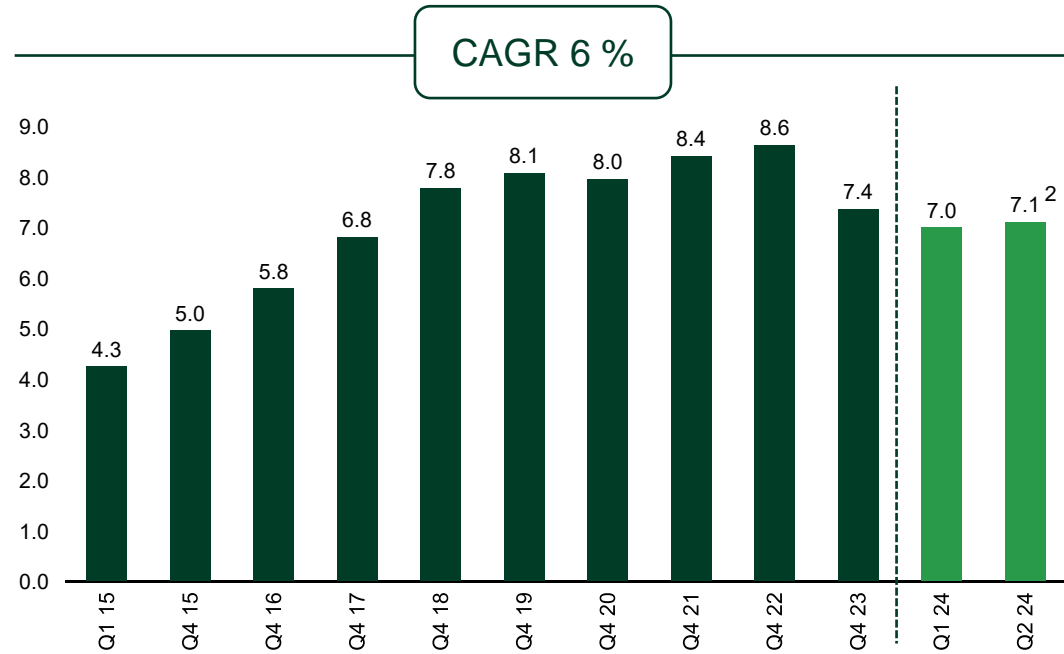
## Profit/loss before tax



# Key financials per share

NOK per share

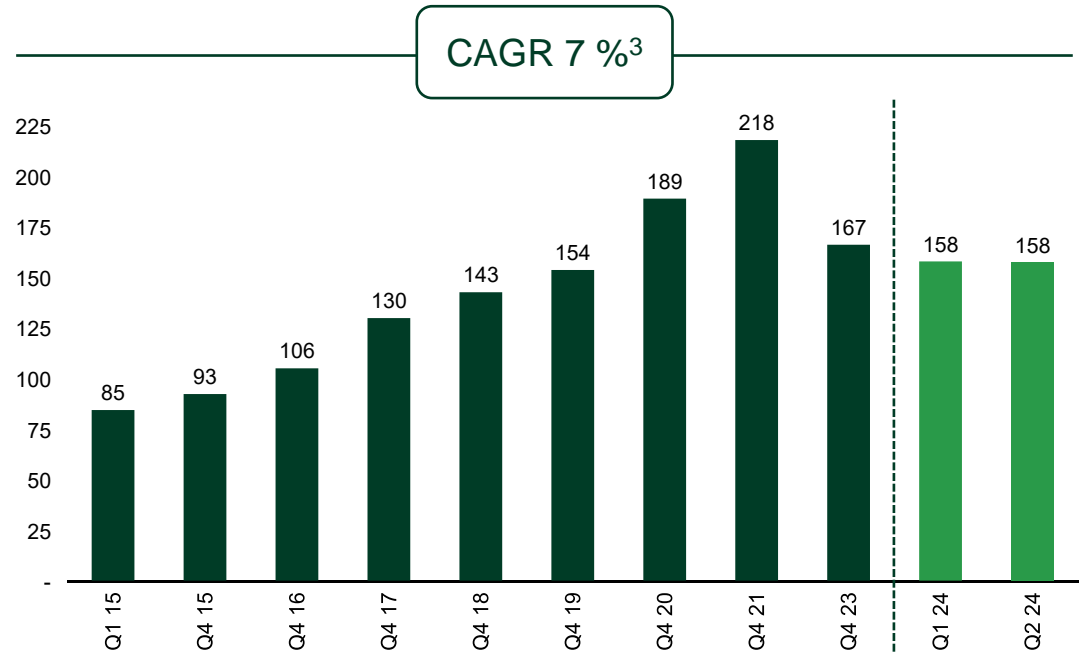
## Cash Earnings<sup>1</sup>



<sup>1</sup> Rolling four quarters

<sup>2</sup> Annualized Cash Earnings for Q2 isolated: 7.6

## EPRA NRV



<sup>3</sup> CAGR 9 % when including dividends in the period



# Profit and loss statement impacted by divestments

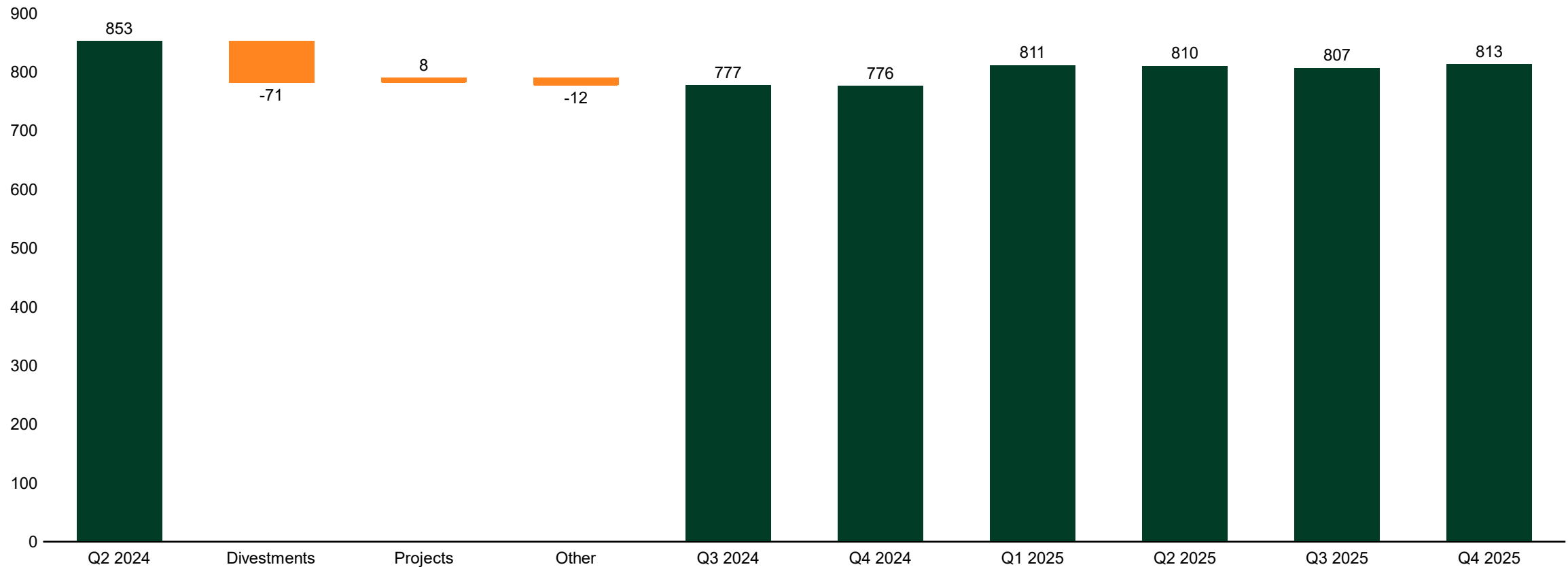
All amounts in NOK million	Q2-24	Q2-23	YTD Q2-24	YTD Q2-23	2023
Rental income	853	854	1 730	1 726	3 418
Operating costs	-68	-67	-146	-142	-282
<b>Net operating income</b>	<b>785</b>	<b>787</b>	<b>1 584</b>	<b>1 584</b>	<b>3 136</b>
Other revenues	58	27	152	45	92
Other costs	-45	-19	-131	-31	-67
Administrative costs	-48	-48	-98	-97	-185
Share of profit from associates and JVs	-7	-28	-21	-35	-72
Net realised financials	-401	-394	-829	-761	-1 620
<b>Net income</b>	<b>342</b>	<b>324</b>	<b>656</b>	<b>706</b>	<b>1 284</b>
<b>- of which net income from property management</b>	<b>348</b>	<b>350</b>	<b>673</b>	<b>741</b>	<b>1 356</b>
Changes in value of investment properties	-414	-2 466	-2 203	-2 888	-8 148
Gain on sale of discontinued operations	397	0	397	0	0
Changes in value of financial instruments	19	403	181	373	-4
<b>Profit/loss before tax</b>	<b>344</b>	<b>-1 739</b>	<b>-969</b>	<b>-1 809</b>	<b>-6 868</b>
Tax payable	-3	-3	-7	-7	-13
Change in deferred tax	4	412	341	433	1 299
<b>Profit/loss for period</b>	<b>345</b>	<b>-1 331</b>	<b>-634</b>	<b>-1 383</b>	<b>-5 582</b>

- Revenues and operations in line with expectations
- Rental income impacted by high CPI, market rental growth and finalised projects, offset by divestments
- Other revenues and other costs grossed with impact from forward sold development project in Trondheim, net effect of 1 million
- Increased financing costs trending downwards again due to lower interest rates and reduced debt following transactions
- Net value changes of 2 million

Table shows the combined P&L for continuing and discontinued operations (Trondheim portfolio)

# Rental income development impacted by divestments

NOK million

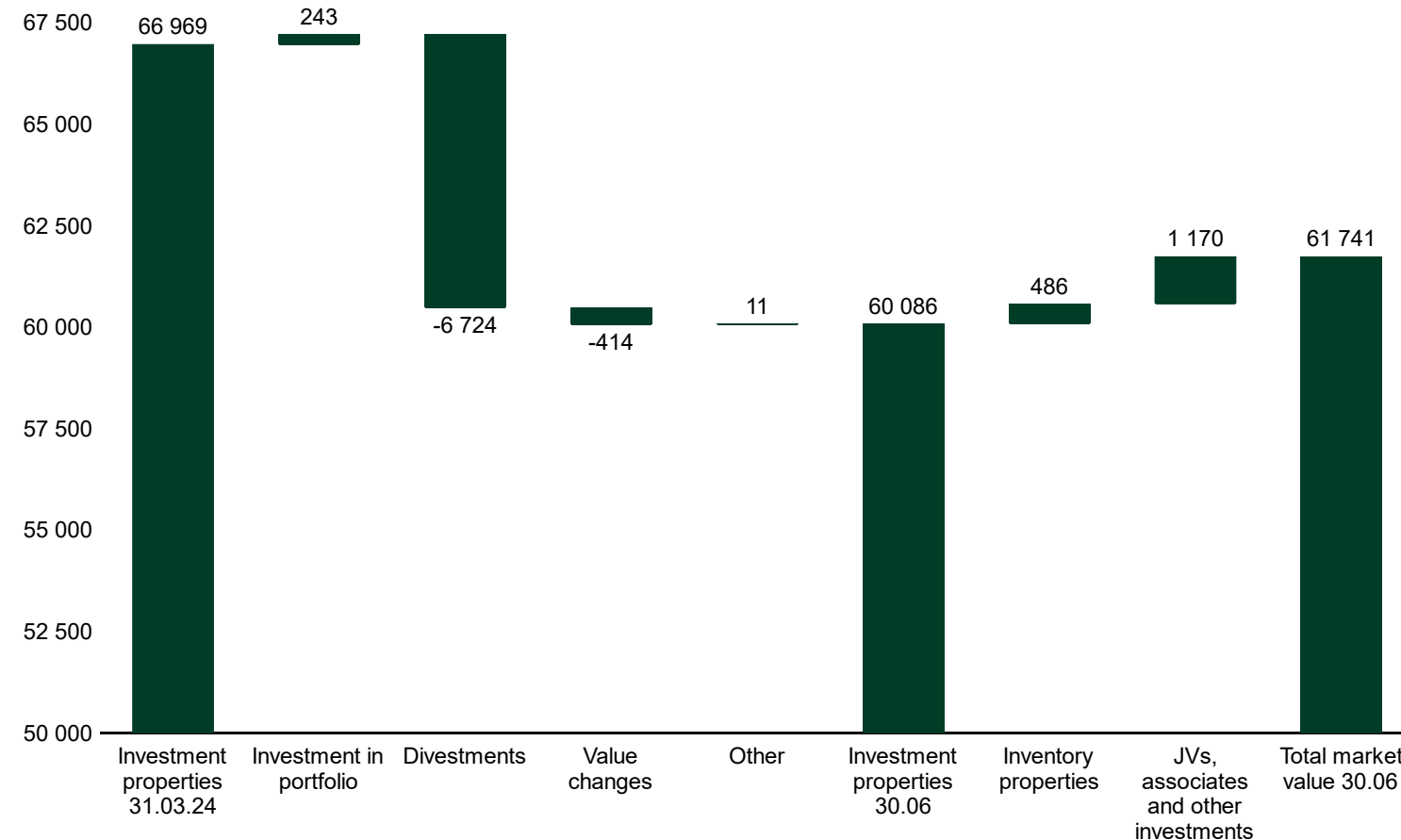


Based on reported events. Does not constitute a forecast; aims to demonstrate the rental income development based on all reported events; does not reflect letting targets on either vacant areas or on contracts that will expire, and where the outcome of the renegotiation process is not known. Assumes 3.5 % CPI from Q1 2025.

# Property value development

## Property value development in Q2-24

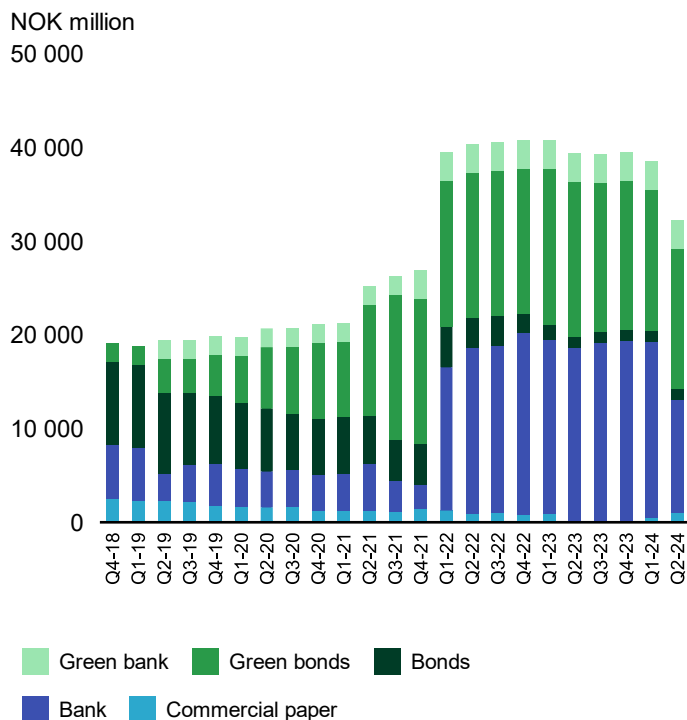
NOK million



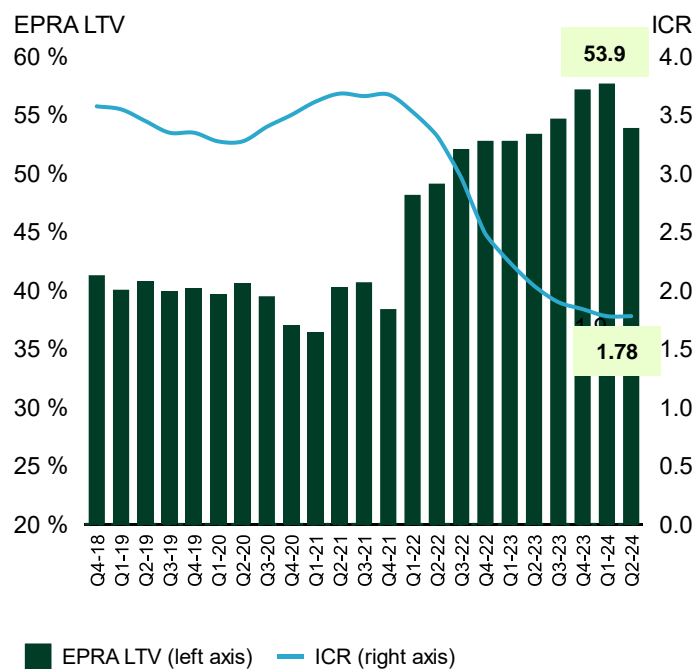
- Negative property value change of 0.7%
  - Decreased inflation expectations and increased discount rates on certain assets
- Portfolio net yield currently at 4.99 %
  - 5.72 % if fully let at market rent
  - Average property yields excluding Trondheim adjusted up by 120 bps since peak valuation in Q1-22; 146 bps considering the higher-than-expected indexation
- Like-for-like property values written down by 19 % since peak valuations in Q1-22

# Financing position and activities in the quarter

## Financing mix



## EPRA LTV<sup>1</sup> and ICR<sup>2</sup>



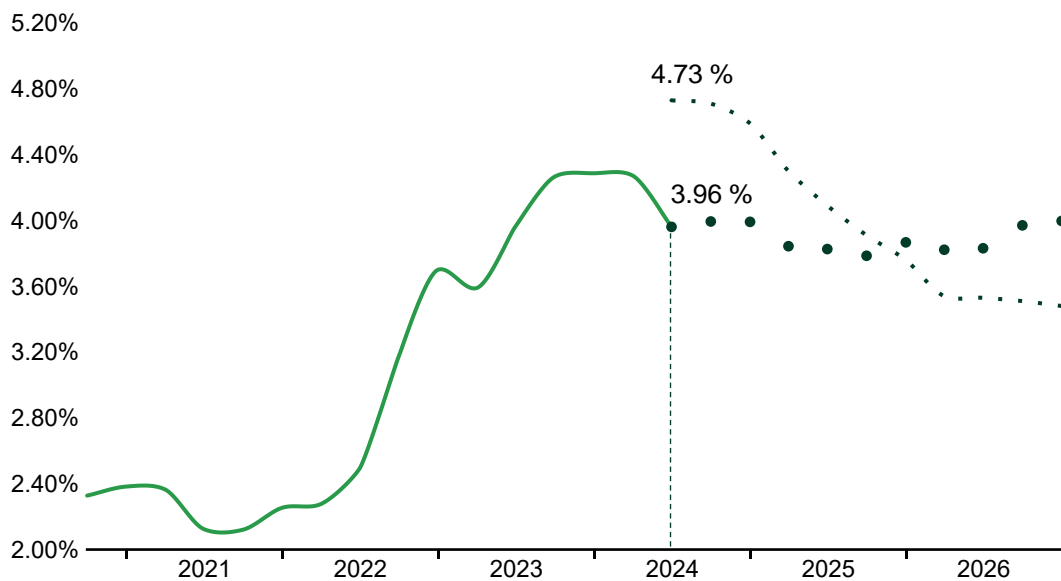
1 LTV according to Moody's definition: 50.4 %  
2 ICR calculated on last 4 quarters

## Q2 status

- Net repayment of debt of 6.2 billion
- Issued commercial papers of 1.6 billion
- Net nominal interest-bearing debt of 31.9 billion
- Effective leverage reduced with 4.0 percentage points to 50.4 per cent
- Net debt / EBITDA improved to 11.9 L12M (11.6 for 2Q isolated)
- Reported ICR to improve gradually
  - ICR for Q2 isolated 1.91, not full effect of divestments
  - Expect further improvement of 10-20 bps next quarters

# Projected interest rate development

## Entra's nominal all-in interest rate, including credit margins



— Average nominal interest rate end of quarter

-•- Estimated interest rate using swap forward curve, also including forward starting swaps

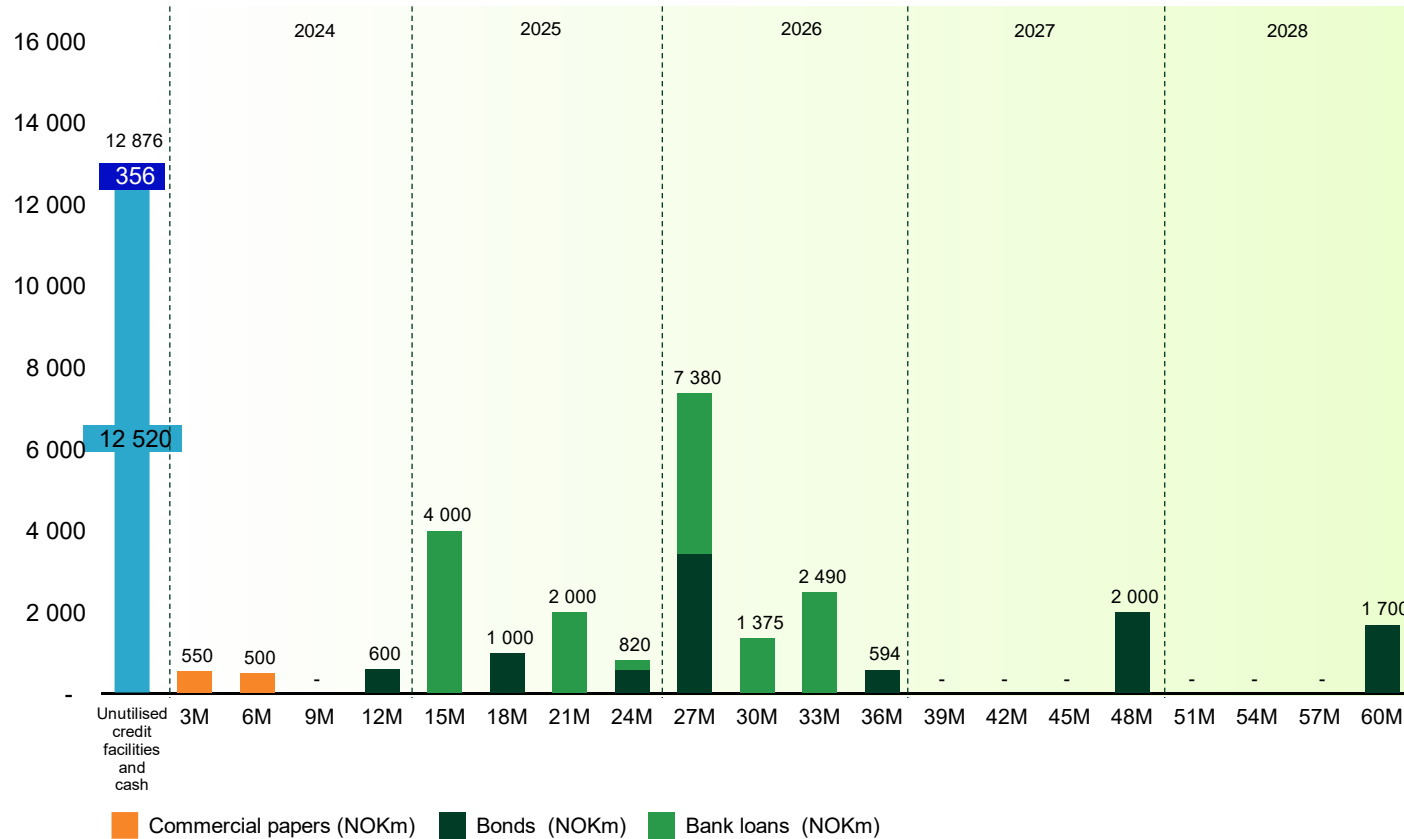
- - 3M/1M NIBOR Forward curve

Updated 11 July 2024

- Assumptions in graph:
  - 3M/1M NIBOR forward curve
  - Existing hedges included
  - As-is debt levels
  - Refinancing upon debt expiry at today's market bank margins
- Effective interest rates 15 bps higher than nominal due to issuance of bonds below par value
- 71 % of debt portfolio currently hedged at fixed rate with time to maturity of hedge portfolio of 3.8 years (incl. fwd. start swaps)
- Time to maturity of 2.7 years of fixed credit margins

# Increased and large liquidity buffer

NOK million



- 12.9 billion available liquidity as of 30.06
  - 12.5 billion unutilised credit facilities
  - 0.4 billion cash
- Liquidity buffer planned to be reduced
- 3.8 years average time to maturity of debt
- Debt markets are open with increasingly attractive pricing
- Transparent balance sheet with no exotic debt instruments

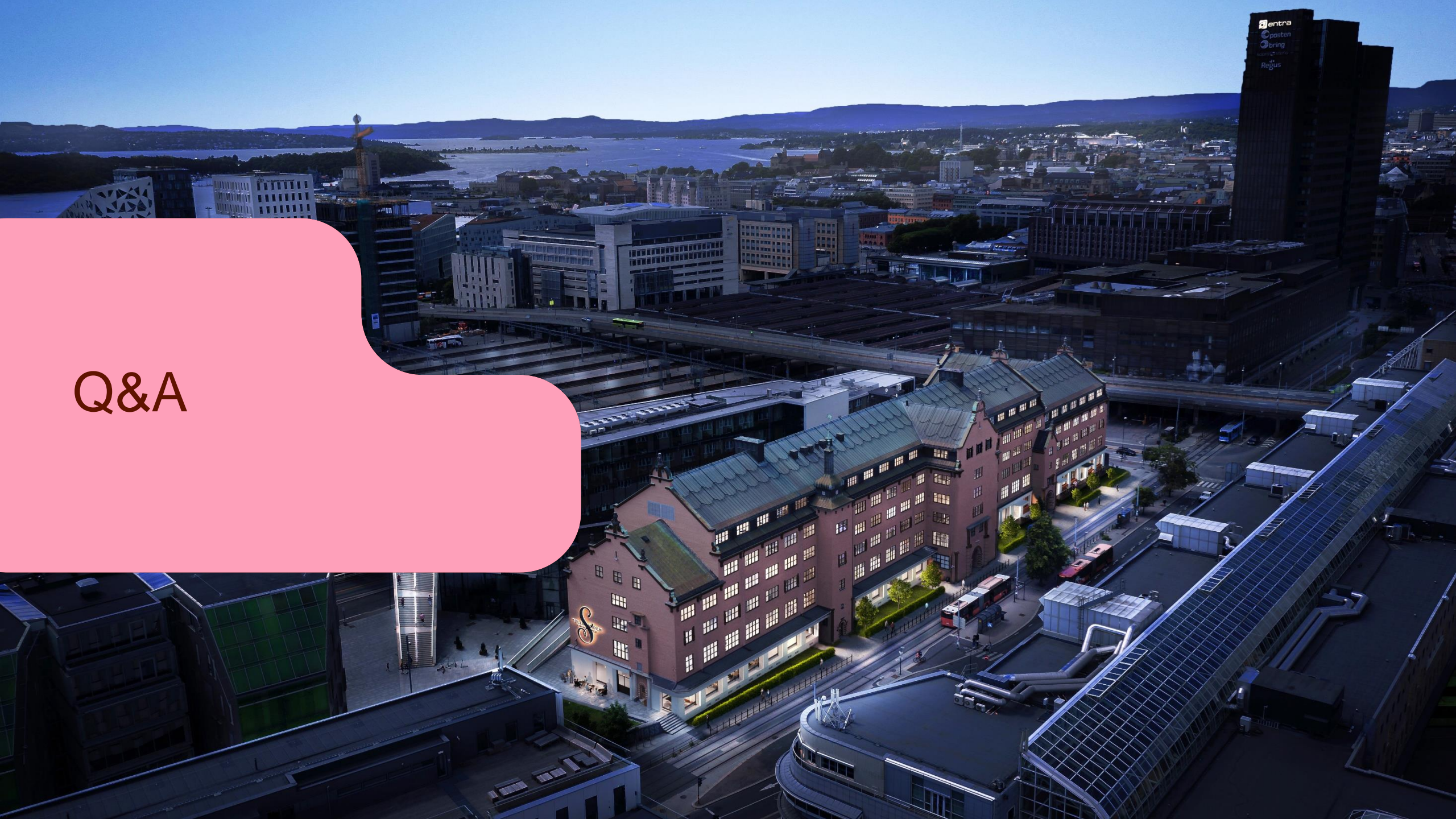
# Closing remarks



## Closing remarks and outlook

- Positive outlook for Norwegian economy
  - GDP and employment growth expected to pick up
  - Interest rates believed to have topped out, expectations of first cut in Q1 25
- Letting market remain solid with increasing market rents and low vacancy
  - Supported by employment growth and low new build volumes over time
  - Breakeven rents for newbuilds remain above market rents
- Debt markets opening up, contracting credit margins
  - Positive signs in the transaction market
  - Consensus expect prime yields to decrease slightly from 2025
- Solid balance sheet, improving debt metrics
  - Moody's affirmed rating of Baa3, Stable Outlook in June



An aerial photograph of a city at dusk. The sky is a deep blue, and the city lights are beginning to glow. In the foreground, a large, multi-story brick building with a green roof is illuminated from within. To its right, a modern building with a glass facade is visible. In the background, a large body of water is visible, and a tall, dark skyscraper stands on the right side of the frame. A pink callout box is overlaid on the left side of the image, containing the text "Q&A".

Q&A



**Next event**

**3rd quarter results**  
**17 October 2024**

For more information see,  
[www.entra.no/investor-relations](http://www.entra.no/investor-relations)