

Green Bond Financing

Reinforcing the environmental leadership

Entra ASA, November 2016



- **About Entra**
- Green Bond financing
Reinforcing the environmental leadership
- Summary

Overview of Entra

- A leading owner, manager and developer of Norwegian office properties
- Strong, fully integrated real estate platform
- Focused on large, flexible, high-quality assets in centrally-located office markets close to public transportation hubs
- Management portfolio constitutes 82% of total sqm area, and 94% of the total value
- Solid track record and strong financial and operating profile



Biskop Gunnerusgt 14
Oslo



Fredrik Selmers vei 4
Oslo

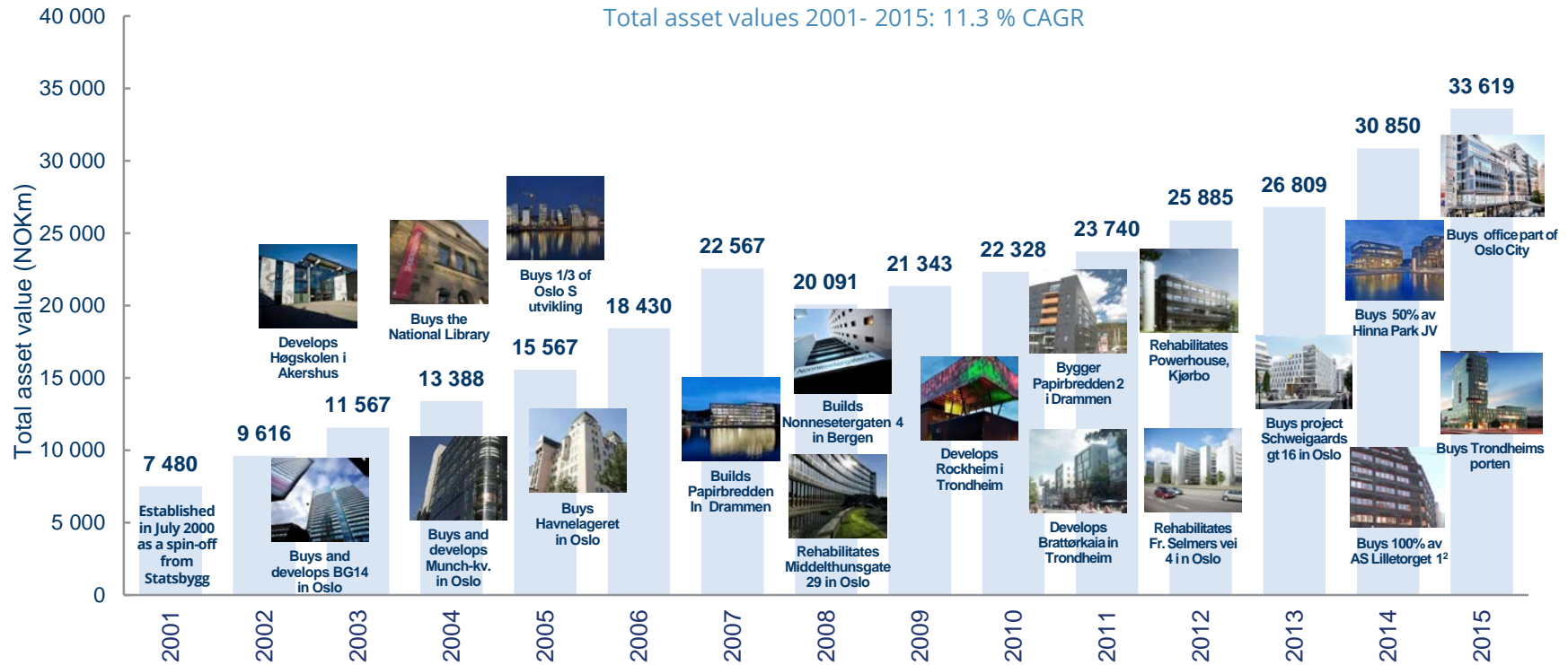


National Library
Oslo

Key figures as of 30.09.16

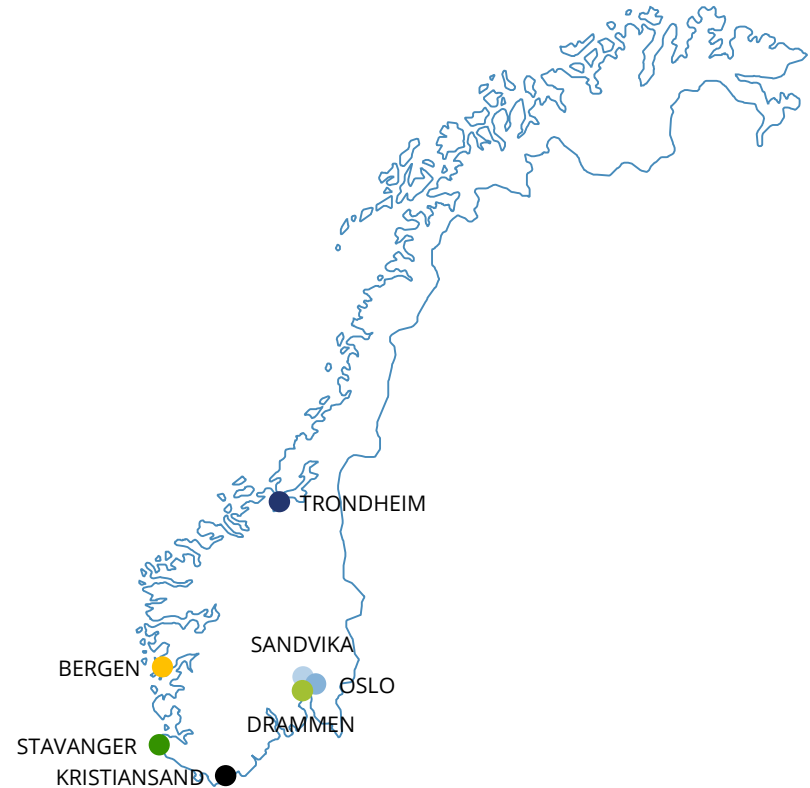
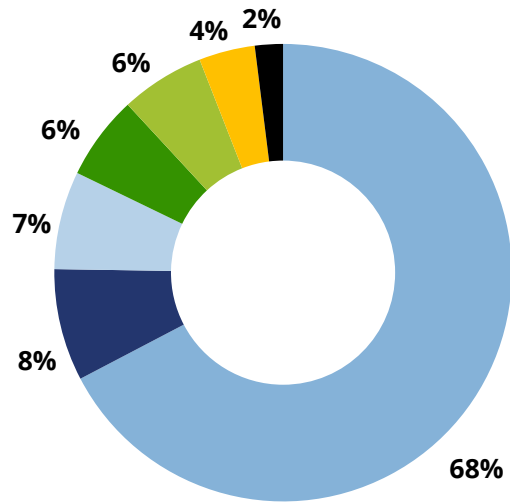
Number of Properties	87
Total Area ('000s)	1 079 sqm
Occupancy Rate	96.1%
WAULT	6.8 years
Property Market Value	35.2 bn
Net Interest-Bearing Debt	17.7 bn
Loan-to-Value	48.7 %
EPRA NAV per share	93.0

Strong track record of growth and value development

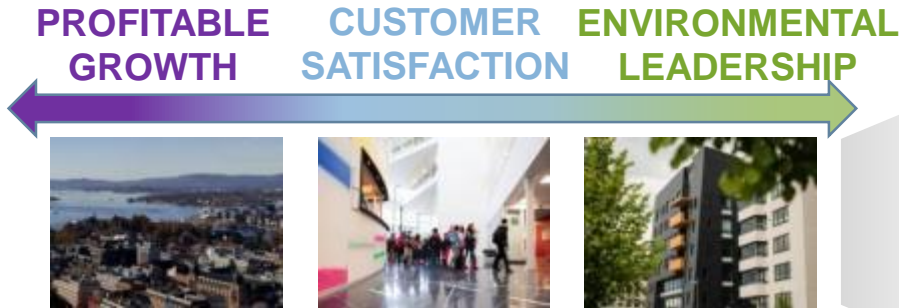


Centrally located portfolio in the largest cities in Norway

Management portfolio by value (100% = NOK 33 bn)



Environmental leadership an integrated part of Entra's business model



- Strategic priority for Entra
- Green buildings are in demand and green investments add value
- «Green Stars» drive innovation ...
- ...systematically used to develop the portfolio

Major gains are achieved when environmental commitment underpins the business; for the environment, for our customers for Entra and for our profitability

Environmental strategy based on three focus areas



Develop the portfolio

1 New-builds and purchase of properties

Green criteria's when purchasing property.
Over time come down to Entra's average energy consumption

2 Innovative green buildings

Build profitable innovative environmental buildings for learning and development of new solutions

Strengthen customer relationships

3 Investments in portfolio

Make technical environmental investments in the portfolio in collaboration with customers (green benefit agreements)

4 Operation and use

Reducing water consumption and waste Consider BREEM in use by pilot

Develop and share competence

5 "Entra building"

Entra Building implemented.
Target of BREEM Exc/Energy class A
Flexible solutions
Focus on life cycle costs

6 Industry co-operation

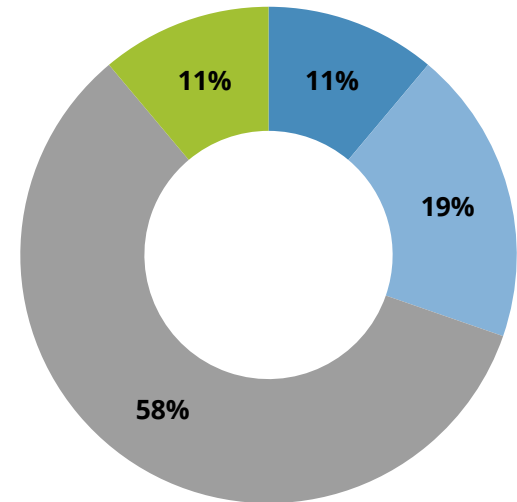
Directorships in environmental trade organizations.
Lecture / posts / articles

Financial profile

Key debt metrics as of 30.09.16

Interest bearing nominal debt	17 704m
Unutilised credit facilities	4 955m
Loan-to-value	48.7 %
Weighted average maturity	4.6 yrs
Average interest rate	3.41 %
Share at fixed rate	51 %
Average maturity of interest rate hedges	3.2 yrs

Composition of interest bearing debt (100% = 17 704 NOKm)

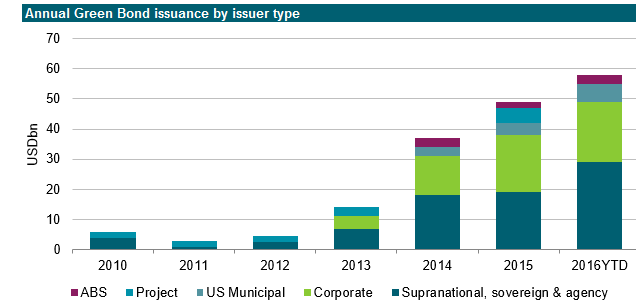


- Bank loans subsidiaries
- Bank loans
- Bonds
- Commercial paper

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Introduction to Green Bonds

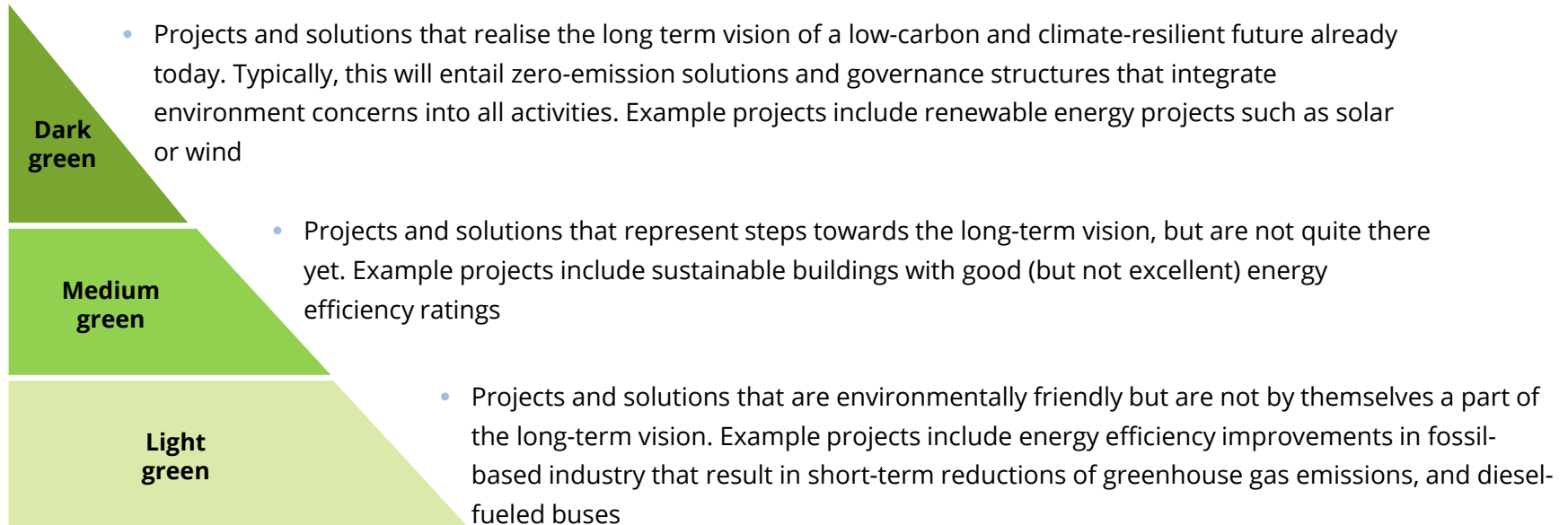
- Green bonds are broadly defined as fixed-income securities that raise capital for a project with specific environmental benefits
- Green Bonds are designed to encourage sustainable investments
- Five pillars of the green bond framework:
 - Simplicity – Green Bonds are issued under the same documentation as regular bonds
 - Governance/Selection process - projects are selected based on criteria set out in the green bond framework
 - Credibility – second opinion of the green bond framework from environmental specialists, i.e. CICERO
 - Traceability – the net proceeds will credited to earmarked accounts at the issuers
 - Transparency/reporting – the issuer will report to the green bond investors on an annually basis in the form of a “Green Bond Report”
- Green Bonds can be used to finance new projects and to refinance existing ones



Source: Bloomberg New Energy Finance, Oct-16

Second opinion of Green Bond Framework by CICERO

CICERO grades with shades of green



Entra Green Bond

- Entra decided to become a Green Bond issuer ultimo 2015, and the process was initiated early 2016
- The Green Bond Framework was constructed with intention of reinforcing the current environmental leadership of Entra
- In this process Entra chose to work together with SEB and CICERO (Norway's foremost institute for interdisciplinary climate research)
- Entra Green Bond Framework
 - The Green Bond proceeds will finance existing properties, new projects and major renovation projects with certification from BREEAM-NOR with a minimum certification of "excellent"

BREEAM-NOR: **Outstanding**



Powerhouse Kjørbo

BREEAM-NOR: **Excellent**



Circle K-building, Schweigaardsgate 16

CICERO – Second opinion

CICERO – Second opinion

“*Based on the overall assessment of the project types that will be financed as well as governance, reporting and transparency considerations, Entra’s Green Bond Framework gets a **Dark Green shading**”*

Strengths:

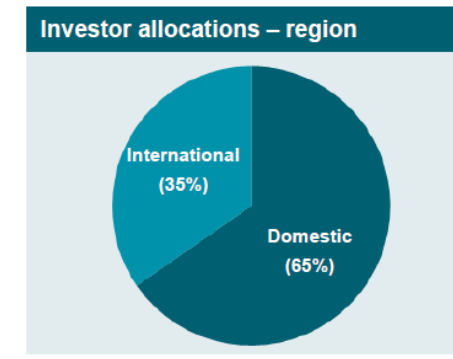
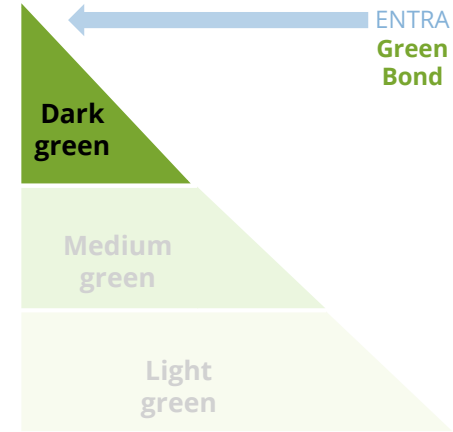
- Entra will document the transfers to and from the Special Account, to ensure tracking and simplify review
- Proceeds from the Green Bond will be used to exclusively to projects that meet the certification criteria under Eligible Projects
- Solid governance with respect to allocation of funds and investor letter which are verified annually by CCO

Weaknesses:

“*We find no weaknesses in Entra’s Green Bond framework”*

Entra Green Bond - the transaction

- The CICERO Dark Green rating proves Entra's exceptional sustainability profile
- Entra issued the first real estate green bond in Norway medio September 2016
- The deal size was NOK 1 bn, with a tenor of 7Y floating rate note (FRN), arranged by SEB and Swedbank
- Entra experienced high demand for the green bond issue from domestic and international investors, the latter expanded the regular debt funding base, as 35% of the bond issue was allocated to international investors
- The high demand for the Entra Green Bond resulted in an successful placing of the bond issue at very favourable terms for Entra



Entra Green Bond - investors

Green project pipeline - Examples

Brattørkaia 16, Trondheim



- New university building
- 8,350 sqm
- 100 % pre-let to BI Norwegian Business School (20 year lease)
- Construction period: 16/18
- Zoning status: Approved
- Target certification: BREEAM Excellent

Tullinkvartalet, Oslo



- New university building planned for the University of Oslo, Faculty of Law
- 21,000 sqm
- Expected construction period: 2016-2019
- Zoning status: Awaiting zoning plan approval
- Target certification: BREEAM Excellent

Powerhouse, Brattørkaia 17B



- New office building
- 15,000 sqm
- Letting processes ongoing
- Zoning status: Approved
- Target Certification: BREEAM Outstanding

Oslo Solar, Oslo



- New office building
- 30-50,000 sqm
- Zoning initiated
- Target certification: BREEAM Outstanding

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Summary

- Entra is one of Norway's leading real estate companies with a solid track record and strong financial and operating profile
 - Solid tenant structure with approximately 70% public tenants
 - WAULT of 6.8 years
- Environmental leadership is a strategic priority for Entra
- The Green Bond framework will finance existing properties, new projects and major renovation projects with certification from BREEAM with a minimum certification of “excellent”
 - received the highest possible shading by CICERO – Dark Green
- Entra is now established as a high quality green bond issuer
 - Entra will pursue this type of financing going forward, as it expands the funding base and reinforces the environmental leadership.

