



Moody's updating rating on Entra ASA to Baa2 (Negative Outlook)

12.5.2023 18:03:45 CEST | Entra ASA | Additional regulated information required to be disclosed under the laws of a member state

Moody's Investors Service ("Moody's") has on 12 May 2023 changed Entra's long-term issuer rating to Baa2 (Negative Outlook).

With the acquisition of Oslo Areal in January 2022, Entra increased financial leverage above the requirements communicated for a Baa1 rating. Entra was thus given a grace period to bring the key debt indicators in line with Moody's requirements. Given the subsequent turmoil in the financial markets with a negative macro and interest rate environment, Entra's debt metrics have not improved enough. Further, Moody's has now decided to significantly tighten the rating requirements and has thus today changed its rating on Entra from Baa1 (Negative Outlook) to Baa2 (Negative Outlook).

Entra will continue the work to strengthen the balance sheet and improve the debt metrics, and the company is committed to maintaining a strong Baa rating.

Entra has an ongoing divestment program with an initial aim to divest properties for a total of NOK 5.5-6 billion, of which divestment of eight properties for 3,8 billion has been signed during the last 12 months. These properties have on average been divested 0,2 % below the most recent book values and 4,5 % below peak valuations in Q1 2022, demonstrating the quality and liquidity of the company's assets to a wide range of potential buyers. On average, the real estate portfolio has been written down by around 7 % since Q1 2022. Continued asset divestments at good prices is a priority for management and the Board also going forward, and the divestment target will be reviewed accordingly.

In connection with the presentation of the Q1 2023 results in April, the Board also signaled that the decision on whether Entra should pay out dividends for H1 2023 would be affected by the future development in the financing and property market, and that such decision may be to retain up to 100 % of the cash flow in order to strengthen the company's balance sheet.

Entra has a strong operating profile and operates in a solid Norwegian economy and owns a high-quality portfolio of modern, flexible and environmentally friendly office assets located on central communication hubs in the largest Norwegian cities. As of 31 March 2023, the portfolio was 96 % let with an average contract duration of 6.3 years. The tenant base is very solid with 57 % of rental income from public tenants.

Disclosure regulation

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

Contacts

- Anders Olstad, CFO, +47 900 22 559, ao@entra.no

About Entra ASA

Entra is a leading owner, manager and developer of office properties in Norway. Entra owns and manages around 102 properties totalling approximately 1.6 million square meters, located in Oslo and the surrounding region, Bergen and Trondheim. Entra has a solid customer portfolio with a high proportion of public tenants. The company's strategy is focused on delivering profitable growth, high customer satisfaction and environmental leadership

Attachments

- [Download announcement as PDF.pdf](#)