Q1

Quarterly Report 2019

Central, flexible and environment friendly office properties

entra

Financial highlights

- Rental income of 585 million (545 million) in the quarter
- Net income from property management of 375 million (349 million)
- Net value changes of 462 million (492 million)
- Profit before tax of 857 million (856 million)
- Net letting of 1 million
- Finalised Powerhouse Brattørkaia in Trondheim with BREEAM-NOR Outstanding

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Rental income

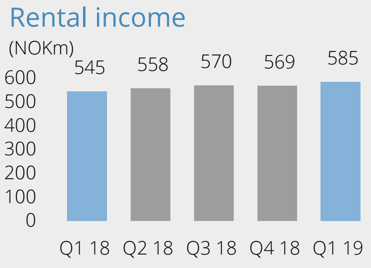
+ 40 mill.

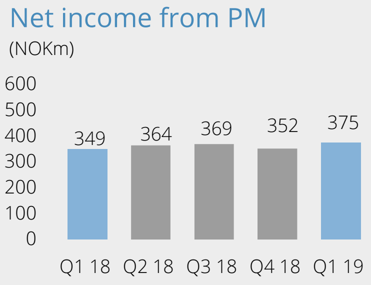
Property management

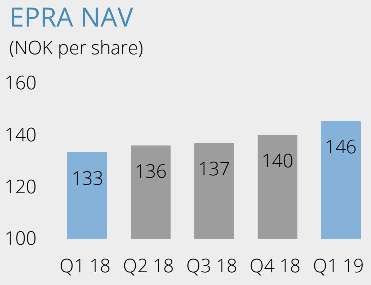
+ 26 mill.

EPRA NAV excl. dividend

+ 9 %







Key figures

All amounts in NOK million	Q1-19	Q1-18	2018	2017	2016	2015
Rental income	585	545	2 243	2 075	1 899	1 760
Change period-on-period	7%	4 %	8 %	9 %	8 %	-1 %
Net operating income	542	501	2 058	1 913	1 740	1 574
Change period-on-period	8%	2 %	8 %	10 %	11 %	-3 %
Net income from property management*	375	349	1 434	1 259	1 070	799
Change period-on-period	7%	12 %	14 %	18 %	34 %	3 %
Profit before tax	857	856	3 073	5 030	3 306	3 075
Change period-on-period	0 %	-34 %	-39 %	52 %	8 %	123 %
Profit after tax	707	734	2 735	4 514	2 722	2 721
Change period-on-period	-4 %	-30 %	-39 %	66 %	0 %	165 %
Market value of the property portfolio*	46 438	42 765	45 630	40 036	35 785	29 598
Net nominal interest bearing debt*	18 508	17 207	18 941	17 852	17 454	14 640
Loan to value*	40.1%	40.2%	41.3%	43.3%	47.6%	46.1%
Interest coverage ratio*	3.5	3.6	3.6	3.0	2.7	2.5
Average outstanding shares (million)	182.7	183.7	183.6	183.7	183.7	183.7

All amounts in NOK per share*	Q1-19	Q1-18	2018	2017	2016	2015
EPRA NAV*	146	133	141	127	101	89
Change period-on-period	9%	21 %	11%	26 %	14%	16%
EPRA NNNAV*	135	124	131	118	93	81
Change period-on-period	9%	22 %	11%	26 %	15%	20%
EPRA Earnings*	1.46	1.35	5.59	5.23	4.27	3.25
Change period-on-period	8%	9 %	7 %	22%	31%	8%
Cash earnings*/**/***	2.03	1.88	7.74	6.81	5.80	4.96
Change period-on-period	8%	11 %	14%	17 %	17%	21%
Dividend per share****	0.00	0.00	4.50	4.10	3.45	3.00
Change period-on-period	0 %	0 %	10 %	19 %	15 %	20%

Reference
* Refer to section "Alternative performance measures" for calculation of the key figure
** Cash earnings in 2015 has been adjusted by 115 million due to termination of swap contracts in Q2-2015.
The termination fee was defined as a one-off item and did not reduce cash earnings as a basis for dividend for 2015.
*** Cash earnings definition changed from Q1-16 to also include net income from property management for JVs excluding Oslo S Utvikling. See definitions.
**** In 2016, Entra ASA started with semi-annual payments of dividends. Dividend for 2018 of 4.50 per share constitute dividend of 2.20 per share approved and paid for the first half 2018 and dividend of 2.30 per share proposed for the second half of 2018.

Financial developments

Results

Rental income

Rental income was up by 7.3 per cent from 545 million in Q1 2018 to 585 million in Q1 2019. The increased rental income can be explained by the factors in the below income bridge.

All amounts in NOK million	Q1-18 Q1-19
Rental income previous period	545
Development projects	-1
Acquisitions	9
Divestments	-6
Other*	13
Like-for-like growth	24
Rental income	**585**

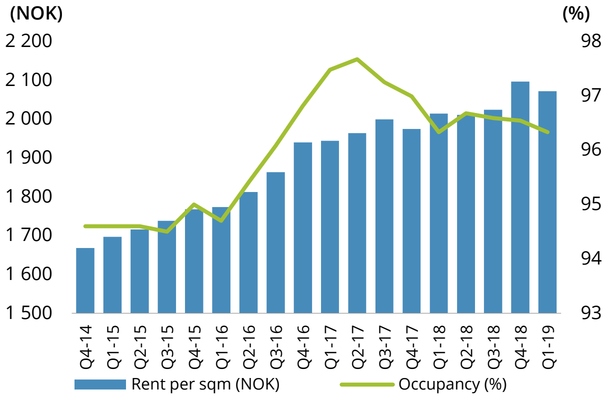
*Includes extraordinary lease buy-out in Q1 2019 of 12 million

The increase in rental income in the quarter, compared to the same quarter last year, is mainly driven by the acquisition of the Bryn portfolio during the second half of 2018, partly offset by reduced rental income due to the divestment of three non-core properties, one during the first quarter of 2018 and the other two in January 2019. In addition, Entra recognised in the quarter an extraordinary rental income due to a lease buy-out of 12 million related to a termination of a lease contract 2 years prior to expiration.

On a like-for-like basis the rental growth was 4.8 per cent, compared to the same quarter last year. The annual indexation of the lease contracts constituted 3.5 per cent. Near all of Entra's lease contracts are 100 per cent linked to positive changes in CPI. The annual adjustment is mostly made on a November to November basis.

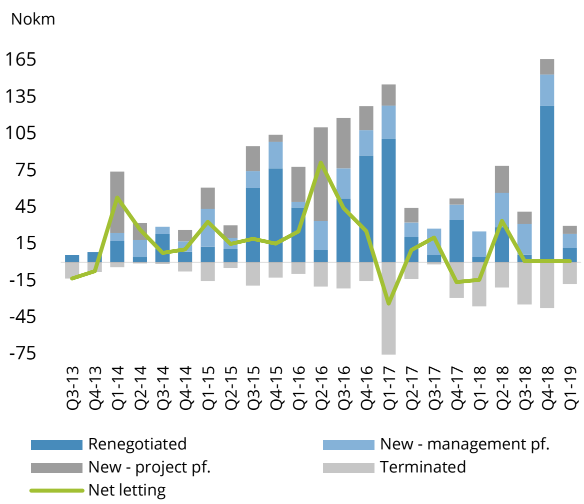
Average 12 months rolling rent per square meter was 2,071 (2,014) as of 31.03.19. The increase is mainly related to the commencing and completion of newbuild and rehabilitation projects and CPI adjustments for 2019.

RENT (12M ROLLING) PER SQM AND OCCUPANCY RATE



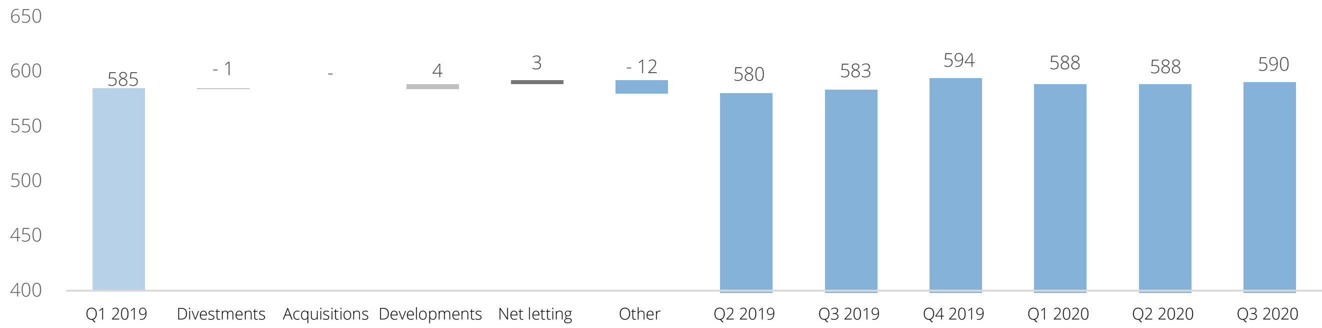
Compared to the previous quarter, the occupancy rate went slightly down, from 96.5 per cent to 96.3 per cent. The reduction is mainly related to an increased vacancy at one property in Oslo, Langkaia 1, where one of the tenants moved out at year-end 2018. The market rental income of vacant space as of 31.03.19 was approximately 86 million on an annualised basis.

QUARTERLY NET LETTING



Gross letting, including re-negotiated contracts was 30 million in the quarter of which 6 million is attributable to letting in the project portfolio. Lease contracts with an annual lease of 18 million were terminated in the quarter. Net letting defined as new lease contracts plus lease-up on renegotiated contracts less terminated contracts came in at 1 million (-15 million) in the quarter. The time difference between net letting in the management portfolio in the quarter and its effect on the financial results is normally 6-12 months, while new contracts signed in the project portfolio tend to have a later impact on the results.

RENTAL INCOME DEVELOPMENT



The graph above shows the estimated development of contracted rental income based on all reported events, including income effect from divestments and acquisitions, completion of new development projects, net letting based on new and terminated contracts in the management portfolio, and other effects such as estimated CPI adjustments. It does not reflect any letting targets on the vacant areas in the portfolio or on contracts that will expire, but where the outcome of any renegotiation process is not known, i.e. not yet reported in "Net letting". The graph therefore does not constitute a forecast, but rather aims to demonstrate the rental income trend in the existing contract portfolio on the balance sheet date based on all reported events.

Operating costs

All amounts in NOK million	Q1-19	Q1-18
Maintenance	6	7
Tax, leasehold, insurance	13	18
Letting and prop. adm.	14	12
Direct property costs	10	7
Operating costs	**43**	**44**

Operating costs were 43 million in the quarter, a decrease of 1 million compared to the same quarter in 2018. The 5 million reduction from tax, leasehold and insurance is mainly related to reduced leasehold cost of 3 million as future fixed lease payments under IFRS 16 are recognised as lease liabilities, while previously being recognised as operating costs on a straight-line basis. Further, property taxes are reduced on certain properties in Oslo.

Net operating income

As a consequence of the effects explained above, net operating income came in at 542 million (501 million) in the quarter.

Other revenues and other costs

Other revenues were 69 million (13 million) and other costs 60 million (11 million). In the quarter, 47 million of other revenues and 42 million of other costs is related to the development of Tollbugata 1A in Oslo, which is forward-sold and expected to be delivered to the buyer in the fourth quarter of 2019.

All of the income and costs related to assets in the Bryn portfolio expected to be zoned for residential development and subsequently sold to a third party, is recognised as other revenues and other cost. The net effect of this is 4.5 million in the first quarter of 2019.

In addition to the effects explained above, the net effect from other revenues and other costs in the quarter consists of income and cost from services provided to tenants.

Administrative costs

Administrative costs amounted to 48 million (44 million) in the quarter. The 4 million increase is primarily due to Entra's technology and digitization initiatives.

Result from associates and JVs

All amounts in NOK million	Q1-19	Q1-18
Income from property management	3	0
Other income and costs	21	14
Results from associates and JVs	**23**	**14**

For a detailed breakdown of the results from associates and JVs, see the section Partly owned companies.

Net realised financials

All amounts in NOK million	Q1-19	Q1-18
Interest and other finance income	2	12
Interest and other finance expense	-134	-121
Net realised financials	**-131**	**-110**

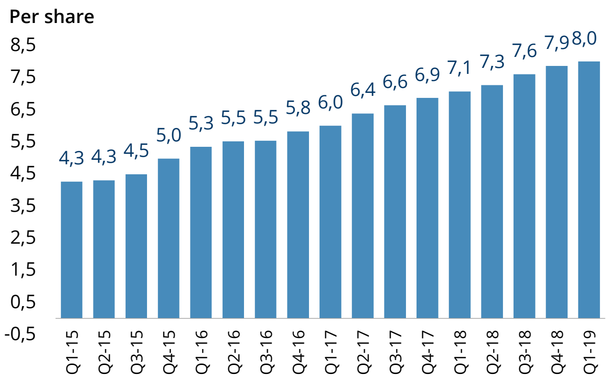
Net realised financials have increased in the first quarter of 2019 compared to 2018 mainly due to higher interest rates on floating rate debt (Nibor).

Net income and net income from property management

Net income came in at 395 million (363 million) in the quarter. When including only the income from property management in the results from JVs, the net income from property management was 375 million (349 million) in the quarter representing a year-on-year increase of 8 per cent. For calculation of Net income from property management, see the section Alternative performance measures.

NET INCOME FROM PROPERTY MANAGEMENT PER SHARE

(Annualised, rolling 4 quarters)



Value changes

Net value changes amounted to 462 million (492 million) in the quarter.

The valuation of the property portfolio resulted in a net positive value change of 484 million (357 million) in the quarter. About 332 million of the total value changes is attributable to increased market rent, primarily in the central parts of Oslo, about 19 million is a net result of new contracts signed in the quarter partly offset by effects from terminated contracts and 13 million is related to yield compression on a few properties. In the project portfolio, about 97 million relates to ongoing projects, mainly explained by reduced risk as each project is moving towards completion in combination with improved market conditions. The remaining 23 million stems from other property related changes.

Net changes in the value of financial instruments was -22 million (135 million) in the quarter. The negative development in the quarter is mainly explained by lower long-term interest rates.

Tax

Tax payable of 3 million (3 million) in the quarter is related to the partly owned entity Papirbredden in Drammen. The change in deferred tax was -147 million (-119 million) in the quarter. The change in deferred tax in the quarter was positively impacted by tax exempted divestments of Aasta Hansteens vei 10 and Pilestredet 28 of 34 million in total. The effective tax rate is less than the corporate income tax mainly due to divestment of properties without tax effect.

The Group, except for certain partly owned companies with marginal tax effect, is currently not in a tax payable position due to tax loss carry forward. At year-end 2018, the tax loss carry forward for the Group's wholly-owned subsidiaries was 321 million (810 million).

Profit

Profit before tax was 857 million (856 million) in the quarter. Profit after tax was 707 million (734 million) in the quarter, which also equals the comprehensive income after tax.

EPRA Earnings

EPRA Earnings amounted to 266 million (248 million) in the first quarter of 2019. The increase in EPRA Earnings in the quarter is mainly related to increased net income from property management. Further information about the EPRA Earnings calculations can be found on page 26.

Balance sheet

The Group's assets amounted to 48,564 million (44,607 million) as at 31.03.19. Of this, investment properties amounted to 45,837 million (42,847 million). One (no) property were classified as held for sale as at 31.03.19.

Investments in associates and jointly controlled entities were 260 million (456 million). The decrease is mainly attributable to paid dividends from OSU following sales of assets.

Housing-units for sale of 408 million at the end of the quarter (nil) relates to the properties in the Bryn portfolio expected to be zoned for residential development and subsequently sold to a third party.

Other receivables and other current assets was 662 million (320 million) at the end of the quarter. The 2019 amount includes capitalised construction costs related to the forward-sold asset Tollbugata 1A.

Other non-current liabilities was 686 million (354 million) at the end of the quarter. The increase is mainly related to the capitalisation of lease liabilities of 235 million following the implementation of IFRS 16.

Book equity totalled 22,913 million (21,187 million). Equity per share was 146 (133) based on the EPRA NAV standard and 135 (124) based on EPRA NNNAV. Outstanding shares at 31.03.19 totalled 182,664,010 (183,732,461) as Entra held 1,068,451 (nil) treasury shares.

Cash flow statement

Net cash flow from operating activities came to 430 million (306 million) in the quarter. The increase mainly relates to working capital movements.

The net cash flow from investment activities was 9 million (276 million) in the quarter. Proceeds from property transactions of 291 million (615 million) in the quarter was related to Aasta Hansteens vei 10 and Pilestredet 28. Purchase of investment properties of -23 million (nil) in the quarter was related to the acquisition of leased land under Lars Hilles gate 30 in Bergen. The cash effect from investment in and upgrades of investment properties amounted to -335 million (-307 million) in the quarter.

Net cash flow from financing activities was -326 million (-616 million) in the quarter. During the quarter Entra has had a net decrease of bank loans and commercial papers of 120 million and 200 million, respectively.

The net change in cash and cash equivalents was 113 million (-34 million) in the quarter.

Financing

During the first quarter, Entra's gross interest bearing nominal debt decreased by 320 million to 18,851 million. The change in interest bearing debt comprised a decrease in bank financing of 120 million and a reduction in commercial papers of 200 million. The debt decrease can mainly be attributed to divestment of the properties Aasta Hansteens vei 10 and Pilestredet 28.

In the quarter, Entra secured a new eight-year green term-loan facility of 1,500 million with the Nordic Investment Bank. The facility is earmarked to the Entra development projects at the Tullinkvartalet in Oslo, Universitetsgaten 7-9 in Oslo and Holtermanns veg 1-13 in Trondheim, which are among Entra's most environmental friendly and sustainable development projects with targeted environmental classification of BREEAM-NOR Excellent.

Further, Entra has increased bank credit facilities with 1,000 million, comprising a new 4-year green term loan of 500 million and an increase of an existing 3-year revolving credit facility of 500 million.

Interest bearing debt and maturity structure

As at 31.03.19, net interest bearing nominal debt after deduction of liquid assets of 343 million (155 million) was 18,508 million (17,207 million).

The average remaining term for the Group's debt portfolio was 4.9 years at 31.03.19 (4.4 years as at 31.03.18). The calculation takes into account that available long-term credit facilities can replace short-term debt.

Entra's financing is mainly based on negative pledge of the Group's assets, which enables a broad and flexible financing mix. Entra's financing structure includes bank loans, bonds and commercial papers. At the end of the period, 70 per cent (84 per cent) of the Group's financing came from the debt capital markets.

Maturity profile and composition interest bearing debt

Maturity profile	0-1 yrs	1-2 yrs	2-3 yrs	3-4 yrs	4+ yrs	Total	%
Commercial paper (NOKm)	2 300	0	0	0	0	2 300	12
Bonds (NOKm)	1 700	700	1 300	3 000	4 200	10 900	58
Bank loans (NOKm)	0	345	964	3 150	1 192	5 651	30
Total (NOKm)	**4 000**	**1 045**	**2 264**	**6 150**	**5 392**	**18 851**	**100**
Unutilised credit facilities (NOKm)	**0**	**1 480**	**0**	**1 350**	**4 240**	**7 070**	
Unutilised credit facilities (%)	0	21	0	19	60	100	

Financing policy and status

All amounts in NOK million	31.03.2019	Target
Loan-to-value (LTV)	40.1%	Below 50 per cent over time
Interest coverage ratio (ICR)	3.5	Min. 1.8x
Debt maturities <12 months	21%	Max 30%
Maturity of hedges <12 months	38%	Max 50%
Average time to maturity (hedges)	3.3	2-6 years
Financing commitments next 12m	177%	Min. 100%
Average time to maturity (debt)	4.9	Min. 3 years

Interest rates and maturity structure

The average interest rate[1] of the debt portfolio was 2.96 per cent (2.75 per cent) as at 31.03.19. The change in average interest rate stems mainly from higher Nibor interest rates and increased share of fixed interest rates in the debt portfolio, as part of the forward start swap portfolio has become fixed rate payer swaps. 62 per cent (54 per cent) of the Group's financing was hedged at a fixed interest rate as at 31.03.19 with a weighted average maturity of 3.3 years (4.1 years).

The Group manages interest rate risk through floating-to-fixed interest rate swaps and fixed rate bonds. The table below shows the maturity profile and contribution from these fixed rate instruments, as well as the maturity profile for credit margins on debt.

	Fixed rate instruments[2]		Forward starting swaps[3]			Average credit margin	
	Amount (NOKm)	Interest rate (%)	Amount (NOKm)	Interest rate (%)	Tenor (years)	Amount (NOKm)	Credit margin (%)
<1 year	400	2.47	2 750	2.01	6.7	8 001	0.90
1-2 years	1 800	4.14	800	2.21	5.8	700	1.24
2-3 years	950	3.15				1 300	0.96
3-4 years	1 550	2.15				4 650	0.93
4-5 years	1 250	1.87				3 100	0.94
5-6 years	900	2.71					0.88
6-7 years	1 900	2.20					0.00
7-8 years	110	4.36					0.00
8-9 years							0.00
9-10 years							0.00
>10 years	500	4.85				1 100	0.39
Total	**9 360**	**2.85**	**3 550**	**2.05**	**6.5**	**18 851**	**0.90**

[1]Average reference rate (Nibor) is 1.29 per cent as of the reporting date.

[2]Excluding forward starting swaps and credit margins on fixed rate bonds (credit margins are displayed in the table to the right).

[3]The table displays future starting point, notional principle amount, average fixed rate and tenor for forward starting swaps.

The property portfolio

Entra's management portfolio consists of 76 buildings with a total area of approximately 1.1 million square meters. As of 31.03.19, the management portfolio had a market value of around 41.5 billion. The occupancy rate was 96.3 per cent (96.3 per cent). The weighted average unexpired lease term for the Group's leases was 6.5 years (6.6) for the management portfolio and 7.2 years (7.4) when the project portfolio is included. The public sector represents approximately 62 per cent of the total customer portfolio. The entire property portfolio consists of 91 properties with a market value of about 46.5 billion.

Entra's properties are valued by two external appraisers (Akershus Eiendom and Cushman & Wakefield) on a quarterly basis. The market value of the portfolio in Entra's balance sheet is based on the average of the appraisers' valuation. Valuation of the management portfolio is performed on a property by property basis, using individual DCF models and taking into account the property's current characteristics combined with the external appraiser's estimated return requirements and expectations on future market development. The market value is defined as the external appraiser's estimated transaction value of the individual properties on valuation date. The project portfolio is valued based on the same principles, but with deduction for remaining investments and perceived risk as of valuation date. The land and development portfolio is valued based on actually zoned land.

Year-on-year, the portfolio net yield is stable at 5.0 per cent. 12 months rolling rent has increased from 2,014 to 2,071 per square meter during the last year, whereas the market rent has increased from 2,086 to 2,152 per square meter.

	Properties	Area	Occupancy	Wault	Market value		12 months rolling rent		Net yield	Market rent	
	(#)	(sqm)	(%)	(year)	(NOKm)	(NOK/sqm)	(NOKm)	(NOK/sqm)	(%)	(NOKm)	(NOK/sqm)
Oslo	38	602 544	96.1	5.8	26 514	44 003	1 375	2 282	4.8	1 476	2 450
Trondheim	9	133 794	95.7	7.5	3 855	28 816	227	1 697	5.5	232	1 738
Bergen	7	104 986	95.0	7.1	4 010	38 200	213	2 027	4.8	240	2 284
Sandvika	9	98 733	99.7	9.0	2 888	29 246	171	1 731	5.5	148	1 504
Stavanger	5	78 612	96.4	8.4	2 174	27 653	141	1 798	6.0	129	1 644
Drammen	8	70 520	98.3	6.7	2 034	28 846	129	1 828	6.0	118	1 679
Management portfolio	**76**	**1 089 189**	**96.3**	**6.5**	**41 475**	**38 079**	**2 256**	**2 071**	**5.0**	**2 344**	**2 152**
Project portfolio	8	104 457		15.9	4 148	39 707					
Development sites	7	114 859		0.5	815	7 095					
Property portfolio	**91**	**1 308 505**		**7.2**	**46 438**	**35 489**					

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 31.03 corresponds to 7.3 per cent of market rent.

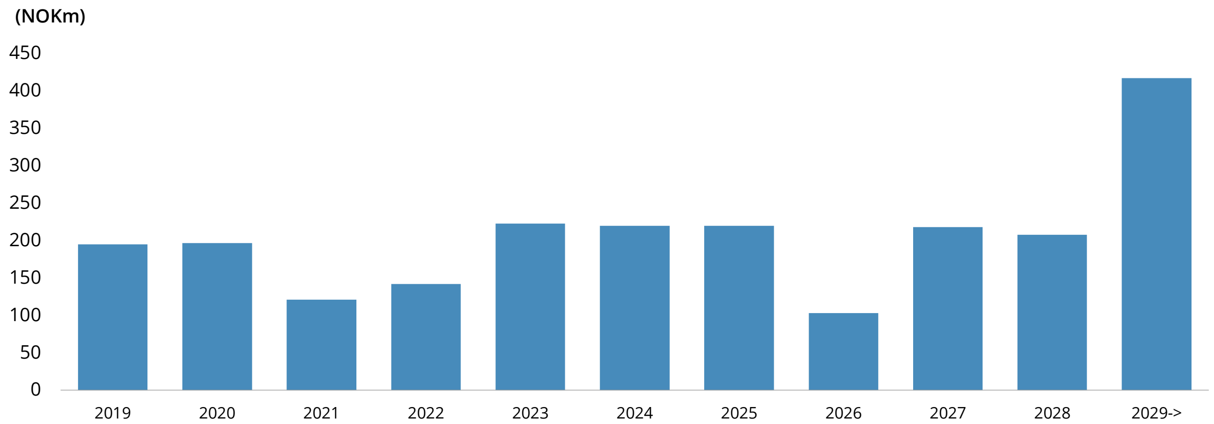
Letting activity

During the first quarter, Entra signed new and renegotiated leases with an annual rent totalling 30 million (14,000 square metres) and received notices of termination on leases with an annual rent of 18 million (8,000 square metres). Net letting was 1 million in the quarter. Net letting is calculated as the annualised rent of new lease contracts plus lease-up on renegotiated contracts less terminated contracts.

Significant contracts signed in the quarter:

- New 10 year lease contract for 1,150 sqm in Tullinkvartalet in Oslo with Sector Asset Management
- New 5 year lease contract for 2,250 sqm in Prinsens gate 1 in Trondheim with Trøndelag County Counsil
- New 10 year lease contract for 450 sqm in Lars Hilles gate 30 in Bergen with The University of Bergen
- Renegotiated lease contract for 5 years and 1,300 sqm in Jåttåvågveien 7 in Stavanger with Lotus Exploration & Production

MATURITY PROFILE OF THE MANAGEMENT PORTFOLIO:



Investments and divestments

Entra has invested a total of 395 million (277 million) in the portfolio of investment properties in the first quarter. The decomposition of the investments is as follows:

All amounts in NOK million	Q1-19	Q1-18	2018
Acquisitions	23	0	914
Developments	318	243	1057
- Newbuild projects	*262*	*158*	*761*
- Refurbishment projects	*55*	*85*	*296*
Like-for-like portfolio	43	26	105
- Tenant alterations	*43*	*24*	*85*
- Maintenance capex	*1*	*2*	*19*
Other	10	8	35
- Capitalised borrowing costs	*10*	*8*	*35*
Capital expenditure	**395**	**277**	**2 110**

Project development

The portfolio of ongoing project with a total investment exceeding 50 million is presented below.

	Ownership (%)	Location	Expected completion	Project area (sqm)	Occupancy (%)	Estimated total project cost [1] (NOKm)	Of which accrued[1] (NOKm)	Yield on cost[2](%)
Tollbugata 1 A	100	Oslo	Oct-19	9 000	100	460	330	5.1
Tullinkvartalet (UIO)	100	Oslo	Oct-19	22 700	86	1 450	1 072	5.8
Holtermanns veg 1-13	100	Trondheim	Jan-20	11 700	60	340	178	6.0
Brattørkaia 12	100	Trondheim	Jan-20	1 900	100	86	39	5.4
Universitetsgaten 7-9	100	Oslo	Sep-21	22 300	25	1 191	363	6.0
Total				**67 600**		**3 527**	**1 983**	

[1] Total project cost (Including book value at date of investment decision/cost of land)

[2] Estimated net rent (fully let) at completion/total project cost (including cost of land)

Status ongoing projects

In Tullinkvartalet in Oslo, Entra has ongoing construction of a new 22,700 sqm campus building for the Faculty of Law of the University of Oslo. The property is 82 per cent let to the University on a 25 year lease. The new-build project involves Entra's properties in Kristian Augusts gate 15-19, and parts of 21, which to a large extent is being demolished and re-built.

The project will be finalised in October 2019. The project has high environmental ambitions and aims for a BREEAM-NOR Excellent classification. During the quarter a new lease contract with Sector Asset Management has been signed which increased the occupancy to 86 per cent. The estimated total project cost has been reduced by 39 million in the quarter and expected completion has been pushed forward from December to October 2019.

Entra is refurbishing Tollbugata 1A in Oslo. The property consists of two buildings totalling 9,000 sqm adjacent to Oslo Central station, and the project is expected to be completed in October 2019. Both properties are fully let on a 15-year lease to The Directorate of Norwegian Customs. The property is forward sold as part of the property swap transaction announced in December 2018. The transaction will close when the project is completed.

In Holtermanns veg 1-13, Entra has ongoing construction of a new office building (the first of three buildings). The approved zoning allows construction of approximately 48,000 sqm and the first building stage is 11,700 sqm, including a 2,000 sqm basement with parking. During the quarter the occupancy has increased from 53 per cent to 60 per cent as the Norwegian Tax Authority decided to call an option for additional space. The property will be completed in the first quarter of 2020. The project has high environmental ambitions and aims for a BREEAM-NOR Excellent classification.

In Universitetsgata 7-9 in Tullinkvartalet in Oslo, Entra is building a new 22,300 sqm office property. The property is currently 25 per cent pre-let and will be finalised in the third quarter of 2021.The project has high environmental ambitions and aims for a BREEAM-NOR Excellent classification.

Entra also started a new-build project at Brattørkaia 12 in Trondheim. Brattørkaia 12 will be 2,000 sqm and is fully let to The Norwegian State Educational Loan Fund ("Lånekassen"). The property will be finalised in January 2020 and aim for Energy class A.

During the quarter, Entra finalised the new-build project Powerhouse Brattørkaia in Trondheim. The property is 18,200 sqm and is currently 91 per cent let. The project has extraordinarily high environmental qualities and aims for a BREEAM-NOR Outstanding classification.

Transactions

Entra actively seeks to improve the quality of its property portfolio through a disciplined strategy of acquisitions and divestments. Entra focuses on acquisitions of large properties and projects in specific areas within its four core markets; Oslo and the surrounding region, Bergen, Trondheim and Stavanger. Target areas include both areas in the city centers and selected clusters and public transportation hubs outside the city centers, allowing Entra to offer rental opportunities at a price range that fits its customer base. Entra's experience, financial strength and knowledge of its tenants makes the company well positioned to make acquisitions that meets these acquisition criteria. The acquisition and divestment strategy is flexible, allowing Entra to adapt to feedback from customers and market changes, and to create and respond to market opportunities as they arise.

Transactions in 2018 and YTD 2019

Purchased properties	Area	Transaction quarter	No of sqm	Transaction value	Closing date
Kristian Augusts gate 11	Oslo	Q1 2019	-	23	Q4 2019
St. Olavs plass 5	Oslo	Q4 2018	16 530	850	Q4 2019
Bryn portfolio	Oslo	Q2 2018	57 000	1 400	Q3 2018
Johannes Bruns gate 16/16A, Nygårdsgaten 91/93	Bergen	Q2 2018	-	135	Q2/Q4 2018
Nils Hansens vei 20	Oslo	Q1 2018	3 150	50	03.04.2018
Sum			**76 680**	**2 435**	

Sold properties		Transaction quarter	No of sqm	Transaction value	Closing date
Aasta Hansteens vei 10	Oslo	Q4 2018	5 390	80	31.01.2019
Tollbugt 1, Pilestredet 19-23, Pilestredet 28	Oslo	Q4 2018	19 650	1 150	Q1/Q4 2019
Sum			**25 040**	**1 230**	

Partly owned companies

Papirbredden Eiendom AS (60 %)

Entra and Drammen Municipality own Papirbredden Eiendom AS. The company owns six office properties totalling around 59,000 sqm and a future development potential totalling around 60,000 sqm in Drammen.

Hinna Park Eiendom AS (50 %)

Entra and Camar Eiendom own Hinna Park Eiendom AS. The company owns three office properties of around 28,000 sqm and development potential for two new office properties totalling around 37,000 sqm. Hinna Park Eiendom AS is consolidated in the Group's financial statements as Entra has a controlling vote on the Board of Directors.

Entra OPF Utvikling AS (50 %)

Entra and Oslo Pensjonsforsikring (OPF) own Entra OPF Utvikling AS. The company owns two properties in Bergen, the property Lars Hilles gate 30 (MediaCity Bergen) and Allehelgensgate 6. Entra OPF Utvikling AS is consolidated in the Group's financial statements as Entra has a controlling vote on the Board of Directors.

Oslo S Utvikling AS "OSU" (33.33 %)

OSU is a property development company that is undertaking the office and residential development of parts of the city district Bjørvika in Oslo. In Q1 2019, OSU paid out a dividend to Entra of 140 million.

Financial figures for partly owned entities and JVs (based on 100 % ownership)

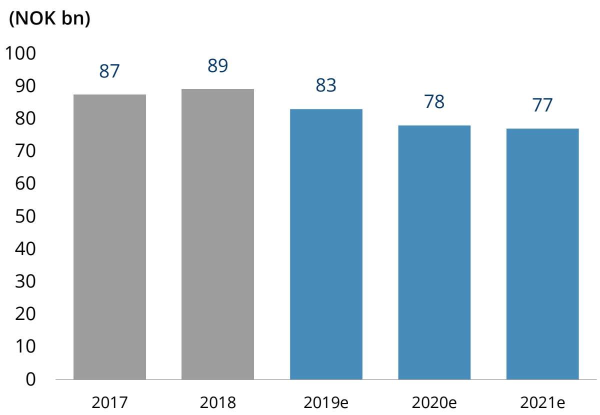
All amounts in NOK million	Papirbredden Eiendom AS	Hinna Park Eiendom AS	Entra OPF Utvikling AS	Sum consolidated companies	Oslo S Utvikling AS	Other*	Sum associated companies & JVs
Share of ownership (%)	60	50	50		33		
Rental income	28	33	32	93	28	1	29
Net operating income	27	32	29	88	28	1	29
Net income	21	22	28	71	59	6	65
Changes in value of investment properties	27	-13	60	74	0	0	0
Changes in value of financial instruments	0	2	0	1	2	0	2
Profit before tax	48	10	88	145	61	6	67
Tax	-10	-2	-19	-32	1	-1	1
Profit for the period	**37**	**8**	**68**	**114**	**62**	**6**	**68**
Non-controlling interests	15	4	34	52			
*Entra's share of profit**					21	3	23
Book value					249	11	260
Market value properties	**1 808**	**1 127**	**2 604**	**5 540**	**7 294**		**7 294**
Entra's share:							
Market value properties	1 085	564	1 302	2 951	2 432		2 432
EPRA NAV	654	187	1 330	2 172	1 357	11	1 369
EPRA NNNAV	614	170	1 298	2 083	1 210	11	1 221
*EPRA Earnings***	10	9	11	29		3	3

* Recognised as Share of profit from associates and JVs
** From Q1 2019, earnings from the associated company OSU are excluded from EPRA Earnings as the business of this company is development of properties for sale and is not considered relevant for measurement of the operating performance of the underlying property portfolio under management.

Market development

Total transaction volume in Norway summed up to around 89 billion in 2018. The market remains active with strong demand from both national and international investors. The expected transaction volume for 2019 is 83 billion, according to Entra's consensus report. The financing market continue to be well functioning and the outlook for the Norwegian economy is solid. The overall high demand for Norwegian real estate has caused prime yield to remain stable at around 3.8 per cent, despite slowly increasing interest rates. Prime yields are expected to remain stable for some time yet, and then to rise slowly over the next few years.

TRANSACTION VOLUME NORWAY



Source: Entra Consensus report

According to Entra's Consensus report, the office vacancy in the Oslo area dropped during 2018 and is expected to go below 6 per cent by the end of this year. The drop is primarily driven by increasing employment and moderate net new capacity to the market, stemming from limited construction activity and continued office-to-residential conversion. Vacancy is lowest in the city centre. Consequently, the uplift in rent levels is expected to continue. Modern, centrally located office premises are especially attractive and are expected to see the strongest growth.

In Bergen, the office vacancy has dropped to about 9 per cent due to low construction activity, office-to-residential conversion, slightly increased employment and new optimism in the oil and gas industry. Rents in the city centre of Bergen has increased due to low vacancy and low supply of modern, centrally located office premises.

The Stavanger area is experiencing increasing employment and optimism due to higher activity in the oil and gas sector. As a result of this, combined with low construction activity, office vacancies have fallen to about 10 per cent. Rents appear to have levelled out in the main oil and gas intensive areas. In Stavanger city centre, the vacancy is low, there is an increasing demand for modern, flexible and centrally located office premises and rent levels appears to increase slightly.

In Trondheim, the overall office vacancy has levelled out at around 10 per cent. Vacancy is highest in the fringe areas of the city. The volume of new office space will increase in 2019. The market has shown ability to absorb the new capacity and most of the premises that will be completed in 2019 are pre-let. Rent levels in the city centre have increased, while there is a downward pressure on rents in the fringe areas.

Market data Oslo

	2016	2017	2018	2019e	2020e	2021e
Vacancy Oslo incl. Fornebu and Lysaker (%)	7.8	7.1	6.1	5.8	6.1	6.4
Rent per sqm, high standard Oslo office	2 950	3 083	3 330	3 539	3 647	3 744
Prime yield (%)	3.8	3.7	3.7	3.8	3.9	4.0

Source: Entra consensus report, April 2019

Other information

Organisation and HSE

At 31.03.19 the Group had 170 (151) employees.

On 27 February 2019, it was announced that Arve Regland would resign from his position as CEO of Entra to take on a position outside of the Group. Mr. Regland will stay in his position until the end of June 2019. The board of directors has started the search for a new CEO.

In Q1 2019, Entra had 1 injury with long term absence from work in the ongoing projects. In addition, two persons fell on ice/snow outside two buildings and got minor injuries. HSE focus both in on-going projects and in the operations and works continually to avoid injuries. The Group had an LTIF rate (number of accidents with lost time per million hours worked in last 12 months) on ongoing projects of 5.0 at the end of the first quarter 2019 vs 4.1 at the end of the first quarter 2018.

Risk management

Entra assesses risk on an ongoing basis, primarily through a semi-annually comprehensive review of the Groups risk maps, which includes assessments of all risk factors in collaboration with all levels of the organization. Each risk factor is described and presented with the possible negative outcome given an increased probability of a situation to occur. The risk assessment also includes a broad description on how we monitor and work to minimize the risks, as well as a statement on how we assess the changes in the last period on each risk factor.

Entra's main risk factors consist of both financial and non-financial risk. A thorough description and analysis is included on pages 28-33 in the 2018 annual report.

Share and shareholder information

Entra's share capital is NOK 183,732,461 divided into 183,732,461 shares, each with a par value of NOK 1 per share. The Board has proposed to the annual general meeting on 26 April 2019 to cancel a total of 1,600,406 shares acquired under the share buy-back program announced in the stock exchange notice of 11 July 2018, including shares to be acquired from the Norwegian Ministry of Trade, Industry and Fisheries. Given a positive vote at the annual general meeting the share capital will thus be reduced to NOK 182,132,055 divided into 182,132,055 shares.

Entra has one class of shares and all shares provide equal rights, including the right to any dividends.

As of 9 April 2019, Entra had 5,444 shareholders. Norwegian investors held 56 per cent of the share capital. The 10 largest shareholders as registered in VPS on 9 April 2019 were:

Shareholder	% holding
Norwegian Ministry of Trade, Industry and Fisheries	33.4
Folketrygdfondet	6.5
State Street Bank (Nominee)	3.8
DNB Markets Aksjehandel/-analyse	2.6
State Street Bank (Nominee)	2.3
Länsförsäkringar Fastighetsfond	1.7
Danske Invest Norske	1.4
The Bank of New York Mellon	1.4
BNP Paribas Securities Services	1.2
The Bank of New York Mellon SA/NV	1.1
SUM 10 LARGEST SHAREHOLDERS	**55.4**

Events after the balance sheet date

There have been no significant events after the balance sheet date.

Annual general meeting and dividend

The annual general meeting in Entra ASA is held on 26 April 2019. In line with the dividend policy of distributing approximately 60 per cent of Cash Earnings, the board of Entra has proposed to distribute a semi-annual dividend of NOK 2.30 per share for the second half of 2018. The last day the share is traded including the right to receive the dividend is 26 April 2019. The dividend will be paid on or about 8 May 2019.

Outlook

Entra continues to deliver on its core strategic pillars; profitable growth, customer satisfaction, and environmental leadership.

Deliberate and targeted project development of newbuilds and refurbishments is an important source to profitable growth. Emerging trends like co-working, employee wellbeing and increased flexibility demands from tenants will impact Entra's priorities, making technology development and being close to the tenants even more important. Entra has in recent years had the most satisfied customers amongst the major Norwegian real estate companies, and a priority is to further develop end-user focus with product and service offerings to realize the vision of owning buildings where the most satisfied people work.

Environmental leadership and sustainability has been a key priority for Entra during the last decade and is an integral part of all business operations in the company. There is a continued growing interest from all stakeholders on this topic, and the financial benefits are also materialising through increasing focus from tenants, lower cost of funding through green financing, and higher valuations of environmentally friendly properties.

The Norwegian economy is seeing a moderate upturn with GDP growth and increasing employment. Nevertheless, there is still general uncertainty about the future stemming primarily from geopolitical and financial macro factors that could impact the Norwegian economy.

Modern, environmentally friendly offices located near public transportation hubs are attractive and obtain solid rents compared to premises located in less central areas. Entra's portfolio in Oslo constitutes around 65 per cent of the market value of the management portfolio, and the Oslo office market is expected to continue favourably in the coming years with low vacancy levels and higher rental prices. The office markets in Bergen and Trondheim are expected to maintain stable, and there are positive signs in Stavanger where one expects a moderate recovery in the coming years.

Interest rates bottomed out on historically low levels during 2018 and have trended upwards. This could potentially lead to both increased cost of funding and market yields. However, the Norwegian transaction market is very active and driven by strong demand from both domestic and international investors.

The yield compression has levelled out, and one expects a flat to moderate increase over the coming years. However, Entra's portfolio with a healthy mix of attractive yielding properties and value enhancing development project combined with a positive rental market outlook should provide a continued positive portfolio value development, albeit at a significantly slower pace than in recent years.

With Entra's flexible properties in attractive locations and clusters, strong tenant base with long lease contracts, exciting project pipeline and solid financial position, the Board believe that the company is well positioned for the future.

Oslo, 25 April 2019

The Board of Entra ASA

Financial statements

Statement of comprehensive income

All amounts in NOK million	Q1-19	Q1-18	2018
Rental income	585	545	2 243
Operating costs	-43	-44	-184
Net operating income	542	501	2 058
Other revenues	69	13	521
Other costs	-60	-11	-500
Administrative costs	-48	-44	-157
Share of profit from associates and JVs	23	14	156
Net realised financials	-131	-110	-491
Net income	**395**	**363**	**1 587**
- of which net income from property management	**375**	**349**	**1 434**
Changes in value of investment properties	484	357	1 387
Changes in value of financial instruments	-22	135	99
Profit before tax	**857**	**856**	**3 073**
Tax payable	-3	-3	-13
Change in deferred tax	-147	-119	-325
Profit for period/year	**707**	**734**	**2 735**
Actuarial gains and losses	0	0	-7
Change in deferred tax on comprehensive income	0	0	2
Total comprehensive income for the period/year	707	734	2 729
Profit attributable to:			
Equity holders of the Company	654	694	2 537
Non-controlling interest	53	40	198
Total comprehensive income attributable to:			
Equity holders of the Company	654	694	2 532
Non-controlling interest	53	40	198

Balance sheet

All amounts in NOK million	31.03.2019	31.03.2018	31.12.2018
Intangible assets	133	124	127
Investment properties	45 837	42 847	44 714
Other operating assets	20	23	23
Investments in associates and JVs	260	456	367
Financial derivatives	320	377	321
Long-term receivables	241	243	236
Total non-current assets	**46 811**	**44 070**	**45 788**
Housing-units for sale	408	0	407
Investment properties held for sale	260	0	565
Trade receivables	79	62	47
Other receivables and other current assets	662	320	671
Cash and bank deposits	343	155	230
Total current assets	**1 753**	**537**	**1 921**
Total assets	**48 564**	**44 607**	**47 709**
Shareholders' equity	21 118	19 592	20 524
Non-controlling interests	1 795	1 596	1 746
Total equity	**22 913**	**21 187**	**22 269**
Interest bearing debt	14 812	12 962	14 931
Deferred tax liability	5 005	4 666	4 861
Financial derivatives	501	500	481
Other non-current liabilities	686	354	456
Total non-current liabilities	**21 004**	**18 482**	**20 730**
Interest bearing debt	4 039	4 400	4 239
Trade payables	207	192	190
Other current liabilities	401	346	281
Total current liabilities	**4 647**	**4 938**	**4 710**
Total liabilities	**25 651**	**23 420**	**25 439**
Total equity and liabilities	**48 564**	**44 607**	**47 709**

Changes in equity

All amounts in NOK million	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Non-controlling interest	Total equity
Equity 01.01.2018	**184**	**0**	**3 556**	**15 159**	**433**	**19 331**
Profit for period				2 537	198	2 735
Other comprehensive income				-6		-6
Consolidation effect Entra OPF change of control					1 123	1 123
Dividend				-790	-8	-798
Net equity effect of LTI & employee share saving scheme				-1		-1
Repurchase of shares under share buy-back program		-1	-20	-94		-115
Equity 31.12.2018	**184**	**-1**	**3 535**	**16 806**	**1 746**	**22 269**
Change in accounting principle for IFRS 16				-6	-4	-10
Equity 01.01.2019	**184**	**-1**	**3 535**	**16 800**	**1 742**	**22 260**
Profit for period				654	53	707
Equity transaction at fair value in JV *				11		11
Repurchase of shares under share buy-back program **		-1	-11	-52		-64
Equity 31.03.2019	**184**	**-2**	**3 524**	**17 412**	**1 795**	**22 913**

* In Q1-19, one of the subsidiaries of OSU merged with an unrelated party. The transaction was executed at fair value, with a total equity effect of 32 million attributable to the equity holders of OSU. Entra's share of the equity effect is 11 million.

** As of 31 March 2019, Entra had acquired 1,065,851 shares in the market under the share buy-back program. Pursuant to the agreement with the Norwegian Ministry of Trade, Industry and Fisheries (the "Ministry"), total equity attributable to the shareholders has been reduced with an additional NOK 58 million for the commitment to redeem 534,555 shares from the Ministry.

Statement of cash flows

All amounts in NOK million	Q1-19	Q1-18	2018
Profit before tax	857	856	3 073
Income tax paid	-8	-5	-9
Net expensed interest and fees on loans	131	110	491
Net interest and fees paid on loans	-119	-109	-504
Share of profit from associates and jointly controlled entities	-23	-14	-156
Depreciation and amortisation	2	3	15
Changes in value of investment properties	-484	-357	-1 387
Changes in value of financial instruments	22	-135	-99
Change in working capital	51	-42	-35
Net cash flow from operating activities	**430**	**306**	**1 389**
Proceeds from property transactions	291	615	618
Purchase of investment properties	-23	0	-925
Investment in and upgrades of investment properties	-335	-307	-1 201
Investment in property and housing-units for sale	-48	-30	-362
Purchase of intangible and other operating assets	-8	-2	-15
Net payment financial assets	-7	0	9
Dividends from associates and JVs	140	0	231
Net cash flow from investment activities	**9**	**276**	**-1 645**
Proceeds interest bearing debt	4 550	1 980	13 209
Repayment interest bearing debt	-4 870	-2 596	-11 998
Proceeds from issue of shares/repurchase of shares	-6	0	-116
Dividends paid	0	0	-798
Net cash flow from financing activities	**-326**	**-616**	**297**
Change in cash and cash equivalents	113	-34	41
Cash and cash equivalents at beginning of period	230	189	189
Cash and cash equivalents at end of period	**343**	**155**	**230**

NOTE 1 – ACCOUNTING PRINCIPLES

The results for the period have been prepared in accordance with IAS 34 Interim Financial Reporting. The financial reporting covers Entra ASA, subsidiaries, associated companies and jointly controlled entities. The interim financial statements have not been audited.

Except for the implementation of the standards IFRS 16, the accounting principles that have been used in the preparation of the interim financial statements are in conformity with the principles used in preparation of the annual financial statements for 2018. IFRS 16 is effective for accounting periods beginning on or after 1 January 2019.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. For leases with at lease term of 12 months or less and leases of low-value assets, the Group will recognise a lease expense on a straight-line basis as permitted by IFRS 16.

The effect of the implementation of IFRS 16 on the opening balance sheet as of 1 January 2019 was the following:

All amounts in NOK million	Effect 1.1.19
Investment properties	231
Total assets	**231**
Total equity	-10
Deferred tax liability	-3
Other non-current liabilities	235
Other current liabilities	9
Total equity and liabilities	**231**

Property lease contracts

The Group has analysed all its lease contracts for the lease of ground, parking lots and buildings to evaluate if they fulfil the criteria to qualify as leases according to IFRS 16. Only fixed payments are included in the initial measurement of the lease liability, excluding the Group's turnover based lease contracts. Based on this analysis, the Group has identified a limited number of lease contracts according to the standard concerning leased ground, parking lots and buildings.

The lease term corresponds to the non-terminable period. The discount rate used to calculate the lease liability is determined, for each asset, based on the Group's incremental borrowing rate for leases with under 15 years until maturity. For leases with over 15 years until maturity, the discount rate is based on the properties' net yields, adjusted for company-specific features that affect Entra's incremental borrowing rate, such as tenant-specific factors and the length of the lease.

Entra applies the fair value model in IAS 40 to its investment properties, where the rental expenses under the property lease contracts until the implementation of IFRS 16 were included in the individual property's assumed future cash flows. The leased properties meet the definition of investment properties in IAS 40 and Entra also applies the fair value model to right-of-use assets associated with the property lease contracts. By separating the rental expenses from the other cash flows of the property, the discounted cash flows of the property increase by an amount equal to the value of the right-of-use asset. The discount rate used to calculate the right-of-use asset in accordance with IAS 40 is different from the discount rate used to calculate the lease liability. Further, the value of the right-of-use asset include expected CPI adjustments, while expected CPI adjustments cannot be factored in when determining the lease liability. The value of the right-of-use assets is consequently different from the value of the lease liability.

The impacts on the statement of comprehensive income was the following:
- Reduction of the rents included in Operating costs involving an increase in Net operating income;
- Financial costs on the lease debt is included in Net realised financials; and
- Changes in the value of the right-of-use assets is included in Changes in value of investment properties.

If the Group had early implemented IFRS 16 from 1 January 2018, Net income for first quarter of 2018 would have increased by 2 million compared to reported numbers.

NOTE 2 – SEGMENT INFORMATION

The Group has one main operational unit, led by the EVP of the property portfolio. The property portfolio is divided into six different geographic areas in Oslo, Sandvika, Drammen, Stavanger, Bergen and Trondheim, with management teams monitoring and following upon each area. The geographic units are supported by a Letting and Property Development division, Project Development division and a Digital and Business Development division. In addition, Entra has group and support functions within accounting and finance, legal, investment, procurement, communication and HR.

The geographic areas do not have their own profit responsibility. The geographical areas are instead followed up on economical and non-economical key figures ("key performance indicators"). These key figures are analysed and reported by geographic area to the chief operating decision maker, that is the board and CEO, for the purpose of resource allocation and assessment of segment performance. Hence, the Group report the segment information based upon these six geographic areas.

Operating segments Q1–19

	Properties	Area	Occupancy	Wault	Market value		12 months rolling rent		Net yield	Market rent	
	(#)	(sqm)	(%)	(year)	(NOKm)	(NOK/sqm)	(NOKm)	(NOK/sqm)	(%)	(NOKm)	(NOK/sqm)
Oslo	38	602 544	96.1	5.8	26 514	44 003	1 375	2 282	4.8	1 476	2 450
Trondheim	9	133 794	95.7	7.5	3 855	28 816	227	1 697	5.5	232	1 738
Bergen	7	104 986	95.0	7.1	4 010	38 200	213	2 027	4.8	240	2 284
Sandvika	9	98 733	99.7	9.0	2 888	29 246	171	1 731	5.5	148	1 504
Stavanger	5	78 612	96.4	8.4	2 174	27 653	141	1 798	6.0	129	1 644
Drammen	8	70 520	98.3	6.7	2 034	28 846	129	1 828	6.0	118	1 679
Management portfolio	**76**	**1 089 189**	**96.3**	**6.5**	**41 475**	**38 079**	**2 256**	**2 071**	**5.0**	**2 344**	**2 152**
Project portfolio	8	104 457		15.9	4 148	39 707					
Development sites	7	114 859		0.5	815	7 095					
Property portfolio	**91**	**1 308 505**		**7.2**	**46 438**	**35 489**					

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 31.03 corresponds to 7.3 per cent of market rent.

Operating segments Q1–18

	Number	Area	Occupancy	Wault	Market value		12 months rolling rent		Net yield	Market rent	
	(#)	(sqm)	(%)	(year)	(NOKm)	(NOK/sqm)	(NOKm)	(NOK/sqm)	(%)	(NOKm)	(NOK/sqm)
Oslo	38	620 812	96.3	5.8	26 344	42 435	1 381	2 224	4.8	1 473	2 372
Trondheim	9	121 056	97.9	6.1	3 358	27 741	203	1 678	5.5	204	1 688
Bergen	7	105 068	93.4	7.8	3 696	35 173	199	1 899	4.9	228	2 167
Sandvika	9	94 191	99.2	9.9	2 620	27 820	152	1 615	5.4	131	1 389
Stavanger	5	78 106	97.2	9.2	2 039	26 111	136	1 739	6.2	124	1 591
Drammen	8	70 504	95.3	7.6	2 018	28 626	123	1 743	5.7	113	1 599
Management portfolio	**76**	**1 089 736**	**96.3**	**6.6**	**40 076**	**36 776**	**2 194**	**2 014**	**5.0**	**2 273**	**2 086**
Project portfolio	4	65 942		20.3	2 205	33 435					
Development sites	4	95 969		0.0	484	5 048					
Property portfolio	**84**	**1 251 647**		**7.4**	**42 765**	**34 167**					

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 31.03 corresponds to 8.0 per cent of market rent.

NOTE 3 – INVESTMENT PROPERTIES

All amounts in NOK million	Q1-19	Q1-18	2018
Closing balance previous period	45 279	40 055	40 055
Implementation of IFRS 16	231		
Purchase of investment properties	23	0	914
Investment in the property portfolio	361	268	1 161
Reclassified due to change of control	0	2 326	2 326
Capitalised borrowing costs	10	8	35
Sale of investment properties	-291	-169	-171
Reclassified to construction contracts	0	0	-429
Changes in value of investment properties	484	357	1 387
Closing balance	**46 097**	**42 847**	**45 279**
Investment properties held for sale	260	0	565
Investment properties	**45 837**	**42 847**	**44 714**

During the first quarter, Entra has handed to the buyer the properties Aasta Hansteens vei 10 and Pilestredet 28 in Oslo.

NOTE 4 – INFORMATION ON THE FAIR VALUE OF ASSETS AND LIABILITIES

With the exception of investment properties of 46,097 million and equity capital instruments of 11 million (level 3), all financial assets and liabilities are level 2.

All amounts in NOK million	31.03.2019	31.03.2018	31.12.2018
Assets measured at fair value:			
Assets measured at fair value through profit or loss			
- Investment properties	45 837	42 847	44 714
- Investment properties held for sale	260	0	565
- Derivatives	320	377	321
Financial assets held for sale			
- Equity instruments	11	4	5
Total	**46 428**	**43 228**	**45 605**
Liabilities measured at fair value:			
Financial liabilities measured at fair value through profit or loss			
- Derivatives	501	500	481
Total	**501**	**500**	**481**

ALTERNATIVE PERFORMANCE MEASURES

Entra's financial information is prepared in accordance with the international financial reporting standards (IFRS). In addition, the company reports alternative performance measures (APMs) that are regularly reviewed by management to enhance the understanding of Entra's performance as a supplement, but not as a substitute, to the financial statements prepared in accordance with IFRS. Financial APMs are intended to enhance comparability of the results and cash flows from period to period, and it is Entra's experience that these are frequently used by analysts, investors and other parties. The financial APMs reported by Entra are the APMs that, in management's view, provide the most relevant supplemental information of a real estate company's financial position and performance. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over the years. Operational measures such as, but not limited to, net letting, vacancy and WAULT are not defined as financial APMs according to ESMA's guidelines.

ENTRA'S FINANCIAL APMS:

- Net Income from property management
- Cash earnings
- Market value of the property portfolio
- Net nominal interest bearing debt
- Debt ratio – Loan-to-value (LTV)
- Interest coverage ratio (ICR)
- EPRA Earnings
- Net Asset Value – EPRA NAV and EPRA NNNAV
- EPRA net initial yield
- EPRA cost ratio

NET INCOME FROM PROPERTY MANAGEMENT & CASH EARNINGS

All amounts in NOK million	Q1-19	Q1-18	2018
Net income	395	363	1 587
Less:			
Other income and costs in associates and JVs	21	14	153
Tax from associates and JVs	0	0	-1
Net income from property management	**375**	**349**	**1 434**
Tax payable	-3	-3	-13
Cash earnings	**372**	**346**	**1422**

MARKET VALUE OF THE PROPERTY PORTFOLIO

All amounts in NOK million	31.03.2019	31.03.2018	31.12.2018
Investment properties	45 837	42 847	44 714
Investment properties held for sale	260	0	565
Other	341	-82	352
Market value of the property portfolio	**46 438**	**42 765**	**45 630**

NET NOMINAL INTEREST BEARING DEBT

All amounts in NOK million	31.03.2019	31.03.2018	31.12.2018
Nominal value of interest bearing debt	18 851	17 363	19 171
Cash and bank deposits	-343	-155	-230
Net nominal interest bearing debt	**18 508**	**17 207**	**18 941**

DEBT RATIO (LTV)

All amounts in NOK million except ratio	31.03.2019	31.03.2018	31.12.2018
Total net nominal interest bearing debt	18 767	17 207	19 019
- Net nominal interest bearing debt	*18 508*	*17 207*	*18 941*
- Other interest bearing liabilities	*259*	*0*	*78*
Total market value of the property portfolio	46 846	42 765	46 037
- Market value of the property portfolio	*46 438*	*42 765*	*45 630*
- Housing-units for sale	*408*	*0*	*407*
Debt ratio (LTV) %	**40.1**	**40.2**	**41.3**

INTEREST COVERAGE RATIO (ICR)

All amounts in NOK million except ratio	Q1-19	Q1-18	2018
Net income	395	363	1 587
Depreciation	2	3	15
Results from associates and joint ventures	-23	-14	-156
Net realised financials	131	110	491
EBITDA adjusted	**506**	**462**	**1 937**
Interest cost	139	125	517
Other finance expense	6	4	27
Applicable net interest cost	**145**	**130**	**544**
Interest Coverage Ratio (ICR)	**3.5**	**3.6**	**3.6**

EPRA REPORTING

The following performance indicators have been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its Best Practices Recommendations guide. The EPRA Best Practices Recommendations Guidelines focus on making the financial statements of public real estate companies clearer and more comparable across Europe.

	Summary table EPRA performance measures	Unit	Q1-19 / 31.03.2019	Q1-18 / 31.03.2018
A	EPRA earnings per share (EPS)	NOK	1.46	1.35
B	EPRA NAV per share	NOK	146	133
	EPRA triple net asset value per share (NNNAV)	NOK	135	124
C	EPRA net initial yield	%	5.0	5.0
	EPRA, "topped-up“ net initial yield	%	5.0	5.0
D	EPRA vacancy rate	%	3.6	3.6
E	EPRA cost ratio (including direct vacancy costs	%	14.8	15.2
	EPRA cost ratio (excluding direct vacancy costs)	%	13.2	14.1

The details for the calculation of the key figures are shown in the following tables:

A. EPRA EARNINGS

EPRA Earnings is a measure of the operational performance of the property portfolio. EPRA Earnings is calculated based on the income statement, adjusted for non-controlling interests, value changes on investment properties, changes in the market value of financial instruments and gains/losses on the sale of properties and the associated tax effects.

All amounts in NOK million	Q1-19 IFRS reported	Q1-19 EPRA adjustments	Q1-19 Non-controlling interests*	Q1-19 EPRA Earnings	Q1-18 IFRS reported	Q1-18 EPRA adjustments	Q1-18 Non-controlling interests*	Q1-18 EPRA Earnings
Rental income	585	0	44	541	545	0	33	512
Operating costs	-43	0	-2	-41	-44	0	-2	-42
Net operating income	542	0	41	501	501	0	31	470
Other revenues	69	0	0	69	13	0	1	13
Other costs	-60	0	0	-60	-11	0	0	-11
Administrative costs	-48	0	-2	-46	-44	0	-2	-42
Share of profit from associates and JVs**	23	21	0	3	14	23	0	-9
Net realised financials	-131	0	-6	-125	-110	0	-6	-104
Net income	**395**	**21**	**33**	**342**	**363**	**23**	**23**	**317**
Changes in value of investment properties	484	484	0	0	357	357	0	0
Changes in value of financial instruments	-22	-22	0	0	135	135	0	0
Profit before tax//EPRA Earnings before tax	**857**	**483**	**33**	**342**	**856**	**515**	**23**	**317**
Tax payable***	-3	0	-1	-2	-3	0	-1	-2
Change in deferred tax***	-147	-68	-6	-73	-119	-49	-4	-67
Profit for period/EPRA Earnings	**707**	**415**	**26**	**266**	**734**	**467**	**18**	**248**

* Excluding non-controlling interests in relation to EPRA adjustments.
** From Q1 2019, earnings from the associated company OSU are excluded from EPRA Earnings as the business of this company is development of properties for sale and is not considered relevant for measurement of the operating performance of the underlying property portfolio under management.
*** The corporate income tax rate is 22 per cent from Q1 2019 and 23 per cent in previous periods.

B. NET ASSET VALUE – EPRA NAV AND EPRA NNNAV

The objective with EPRA NAV is to demonstrate the fair value of net assets given a long-term investment horizon. EPRA NAV is calculated as net asset value adjusted to include market value of all properties in the portfolio, and to exclude certain items not expected to crystallise in a long-term investment property business model such as e.g. financial derivatives and deferred tax on the market value of investment properties.

The objective with EPRA NNNAV is to report the fair value of net assets in the Group on the basis that these are immediately realised. EPRA NNNAV is EPRA NAV adjusted to reflect the fair value of debt and derivatives and in order to include deferred tax on value changes.

All amounts in NOK million	31.03.2019	31.03.2018	31.12.2018
Total equity	**22 913**	**21 187**	**22 269**
Less: Non-controlling interests	1 795	1 596	1 746
NAV per financial statement	**21 118**	**19 592**	**20 524**
Add: Adjustment to property portfolio	0	1	1
Add: Revaluation of investments made in JVs	1 108	902	981
Add: Net market value on financial derivatives	181	123	159
Add: Deferred tax arising on revaluation moments	4 177	3 902	4 065
EPRA NAV	**26 584**	**24 519**	**25 729**
Market value on property portfolio	46 438	42 765	45 630
Tax value on property portfolio	17 954	17 234	17 800
Basis for calculation of tax on gain on sale	28 483	25 532	27 830
Less: Market value of tax on gain on sale (5% tax rate)	**1 424**	**1 277**	**1 391**
Net market value on financial derivatives	181	123	159
Tax expense on realised financial derivatives*	40	28	35
Less: Net result from realisation of financial derivatives	**141**	**95**	**124**
Market value of interest bearing debt	19 103	17 703	19 351
Nominal value of interest bearing debt	18 851	17 363	19 171
Basis for calculation of tax on realisation of interest bearing debt	252	341	180
Market value of tax on realisation*	56	78	40
Less: Net result from realisation of interest bearing debt	**197**	**262**	**140**
Less: MV of tax on gain on sale (5% tax rate) & realisation of financial derivatives in JVs	**147**	**138**	**142**
EPRA NNNAV	**24 675**	**22 748**	**23 931**

* 22 per cent from 31.12.2018, 23 per cent from 31.12.2017

C. EPRA NET INTIAL YIELD

EPRA Net initial yield measures the annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

EPRA "topped-up" net initial yield incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

All amounts in NOK million	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Investment property - wholly owned	30 044	4 825	2 916	1 252	226	1 636	40 898
Investment property - share of JVs/Funds	0	0	0	564	1 085	1 302	2 951
Total property portfolio	**30 044**	**4 825**	**2 916**	**1 815**	**1 311**	**2 938**	**43 849**
Less projects and land and developments	-3 531	-969	-28	-103	0	-229	-4 860
Completed management portfolio	**26 514**	**3 855**	**2 888**	**1 713**	**1 311**	**2 708**	**38 989**
Allowance for estimated purchasers' cost	54	16	10	4	5	7	96
Gross up completed management portfolio valuation	**26 568**	**3 871**	**2 898**	**1 717**	**1 316**	**2 716**	**39 085**
12 months rolling rent	1 375	227	171	108	86	143	2 111
Estimated ownership cost	107	16	12	8	5	14	162
Annualised net rents	**1 268**	**211**	**159**	**100**	**81**	**130**	**1 948**
Add: Notional rent expiration of rent free periods or other lease incentives	0	0	0	0	0	0	0
Topped up net annualised net rents	**1 268**	**211**	**159**	**100**	**81**	**130**	**1 948**
EPRA NIY (net initial yield)	**4.8%**	**5.4%**	**5.5%**	**5.8%**	**6.1%**	**4.8%**	**5.0%**
EPRA "topped-up" NIY (net initial yield)	**4.8%**	**5.4%**	**5.5%**	**5.8%**	**6.1%**	**4.8%**	**5.0%**

D. EPRA VACANCY

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

All amounts in NOK million	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Market rent vacant areas	57	10	0	4	2	7	80
Total market rent	1 476	232	148	98	78	169	2 202
Vacancy	**3.86%**	**4.31%**	**0.26%**	**3.73%**	**2.10%**	**4.14%**	**3.62%**

E. EPRA COST RATIO

Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.

All amounts in NOK million	Q1-19	Q1-18	2018
- Maintenance	-6	-7	-35
- Tax, leasehold, insurance	-13	-18	-72
- Letting and prop. adm.	-14	-12	-43
- Direct property costs	-10	-7	-34
Total operating costs	-43	-44	-184
Administrative costs	-48	-44	-157
Share of joint ventures expences	0	0	-8
Less: Ground rent cost	4	5	18
EPRA Cost (including direct vacancy cost)	**-87**	**-83**	**-332**
Direct vacancy cost	-9	-6	-34
EPRA Cost (excluding direct vacancy cost)	**-77**	**-77**	**-298**
Gross rental income less ground rent	**585**	**545**	**2 243**
Share of jount ventures and fund (GRI)	0	0	0
Total gross rental income less ground rent	**585**	**545**	**2 243**
Epra cost ratio (inkluding direct vacancy cost)	**14.8%**	**15.2%**	**14.8%**
Epra cost ratio (excluding direct vacancy cost)	**13.2%**	**14.1%**	**13.3%**

For further information about EPRA, go to www.epra.com.

DEFINITIONS

12 months rolling rent	- The contractual rent of the management properties of the Group for the next 12 months as of a certain date, adjusted for (i) signed new contracts and contracts expiring during such period, (ii) contract based CPI adjustments based on Independent Appraisers' CPI estimates and (iii) the Independent Appraisers' estimates of letting of current and future vacant areas.
Capital expenditure	- Property related capital expenditure, split into four components: (i) Acquisition, (ii) Development, (iii) Like-for-like portfolio and (iv) Other. The components Development and Like-for-like portfolio combined ties to the line item Investment in the property portfolio in the investment properties rollforward, while the two other categories ties to separate line items in the rollforward.
Back-stop of short-term interest bearing debt	- Unutilised credit facilities divided by short-term interest bearing debt.
Cash Earnings	- Net income from property management less tax payable
Contractual rent	- Annual cash rental income being received as of relevant date
Gross yield	- 12 months rolling rent divided by the market value of the management portfolio
Interest Coverage Ratio ("ICR")	- Net income from property management excluding depreciation and amortisation for the Group, divided by net interest on interest bearing nominal debt and fees and commitment fees related to investment activities
Independent Appraisers	- Akershus Eiendom and Cushman & Wakefield Realkapital
Land and dev. properties	- Property / plots of land with planning permission for development
Like-for-like	- The percentage change in rental income from one period to another given the same income generating property portfolio in the portfolio. The figure is thus adjusted for purchases and divestments of properties and active projects
Loan-to-value ("LTV")	- Total net nominal value of interest bearing debt divided by the total market value of the property portfolio.
Management properties	- Properties that are actively managed by the company
Market rent	- The annualised market rent of the management properties, fully let as of the relevant date, expressed as the average of market rents estimated by the Independent Appraisers
Market value of portfolio	- The market value of all properties owned by the parent company and subsidiaries. From Q3-18, the figure does not include Property and housing-units for sale. Does not include the market value of properties in associates and jointly controlled entities.
Net income from property management	- Net income from property management is calculated as Net Income less value changes, tax effects and other income and other cost from associates and JVs
Net letting	- Net letting is calculated as the annualised rent of new lease contracts plus lease-up on renegotiated contracts less terminated contracts
Net nominal interest bearing debt	- Nominal interest bearing debt less cash and bank deposits
Net rent	- 12 months rolling rent less the Independent Appraisers' estimate of ownership costs of the management properties of the Group
Net yield	- Net rent divided by the market value of the management properties of the Group
Occupancy	- Estimated market rent of occupied space of the management properties, divided by the market rent of the total space of the management portfolio.
Outstanding shares	- The number of shares registered with a deduction for the company's own repurchased shares at a given point in time. EPRA Earnings and Cash Earnings per share amounts are calculated using the weighted average number of ordinary shares outstanding during the period. All other per share amounts are calculated using the number of ordinary shares outstanding at period end.
Period-on-period	- Comparison between one period and the equivalent period the previous year
Property portfolio	- Properties owned by the parent company and subsidiaries, regardless of their classification for accounting purposes. Does not include the market value of properties in associates and jointly controlled entities
Project properties	- Properties where it has been decided to start construction of a new building and/or renovation
Total area	- Total area including the area of management properties, project properties and land / development properties
Total net nominal interest bearing debt	- Net nominal interest bearing debt and other interest bearing liabilities, including seller's credits and lease liabilities for land and parking lots in connection with the property portfolio
WAULT	- Weighted Average Unexpired Lease Term measured as the remaining contractual rent amounts of the current lease contracts of the management properties of the Group, including areas that have been re-let and signed new contracts, adjusted for termination rights and excluding any renewal options, divided by Contractual rent, including renewed and signed new contracts

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Financial calendar

Second quarter 2019	11.07.2019
Third quarter 2019	17.10.2019
Fourth quarter 2019	07.02.2020

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