Annual Report 2020

Flexible, attractive and environment-friendly office properties

entra

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This is Entra

Entra is a leading owner, manager and developer of office properties and owns a large portfolio of centrally located, high quality properties in the largest cities in Norway. Our business is characterized by solid tenants on long lease contracts and a high occupancy ratio. Entra's project development portfolio is the key driver for our growth.

Mission

To create lively and sustainable workplaces facilitating job satisfaction and efficiency

Vision

The most satisfied people work in Entra buildings

Business idea

To develop, let and manage flexible, centrally located, environment-friendly buildings

Business strategy

Based on three pillars: profitable growth, high customer satisfaction and environmental leadership

Geographic focus

Oslo and the surrounding area, Bergen, Trondheim and Stavanger

Core values

- Innovative
- Responsible
- Hands-on
- One team

2020 in summary

Project development

- Started up 97,500 sqm and completed 16,000 sqm of development projects,
- 147,500 sqm under development at year-end

Investment activity

- Acquired two properties, total of 5,400 sqm

Asset management

- Gross letting of 508 million, net letting of 202 million
- Portfolio occupancy of 97.9 per cent at year-end

Financial

Rental income

2 353 mill

2019: 2 338 mill (1 %)

Net income from property management

1 451 mill

2019: 1 471 mill (–1 %)

Dividend per share

4.90

2019: 4.70 per share (+4 %)

EPRA NRV per share

189

2019: 154 (+23 %)

Loan to value

37.0 %

2019: 40.2 %

Rating

Baa1
Stable outlook

Moody's credit rating

Non-financial

Customer satisfaction score of

87 vs Industry average 81

Energy consumption

118 kwh/sqm (-13 %)

Greenhouse gas intensity

4.45 (4.53)

kg CO_2e / sqm.

Employee motivation/ engagement score of

82 vs national benchmark GELx score of 72

GRESB Score of

87 vs GRESB average 70

EPRA Sustainability BPR

Gold

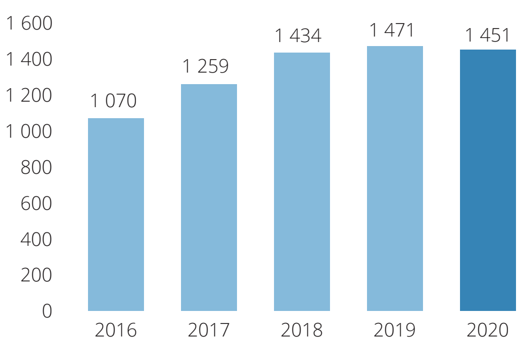
	2020	2019	2018	2017	2016
All amounts in NOK million					
Rental income	2 353	2 338	2 243	2 075	1 899
Change period-on-period	1 %	4 %	8 %	9 %	8 %
Net operating income	2 142	2 149	2 058	1 913	1 740
Change period-on-period	0 %	4 %	8 %	10 %	11 %
Net income from property management [1]	1 451	1 471	1 434	1 259	1 070
Change period-on-period	-1 %	3 %	14 %	18 %	34 %
Profit before tax	7 274	3 735	3 073	5 030	3 306
Change period-on-period	95 %	22 %	-39 %	52 %	8 %
Profit after tax	5 696	3 225	2 735	4 514	2 722
Change period-on-period	77 %	18 %	-39 %	66 %	-
Market value of the property portfolio [1]	56 746	48 964	45 630	40 036	35 785
Net nominal interest bearing debt [1]	20 930	19 585	18 941	17 852	17 454
Loan to value [1]	37.0 %	40.2 %	41.3 %	43.3 %	47.6 %
Interest coverage ratio [1]	3.4	3.3	3.6	3.0	2.7
Average outstanding shares (million)	182.1	182.4	183.6	183.7	183.7
All amounts in NOK per share					
EPRA NRV [1]	189	154	144	130	106
Change period-on-period	23 %	7 %	10 %	24 %	N/A
EPRA NTA [1]	187	153	142	129	104
Change period-on-period	23 %	8 %	10 %	24 %	N/A
EPRA NDV [1]	149	124	116	105	82
Change period-on-period	20 %	7 %	11 %	28 %	N/A
EPRA NAV [1]	186	151	141	127	101
Change period-on-period	23 %	7 %	11 %	26 %	14 %
EPRA NNNAV [1]	172	141	131	118	93
Change period-on-period	22 %	9 %	11 %	26 %	15 %
EPRA Earnings [1]	5.73	5.81	5.59	5.23	4.27
Change period-on-period	-1 %	4 %	7 %	22 %	31 %
Cash earnings [1]	7.83	8.01	7.74	6.81	5.80
Change period-on-period	-2 %	3 %	14 %	17 %	17 %
Dividend per share [2]	4.90	4.70	4.50	4.10	3.45
Change period-on-period	4 %	4 %	10 %	19 %	15 %

[1] Refer to section "Alternative performance measures" for calculation of the key figure.

[2] Entra pays semi-annual dividends. Dividend for 2020 constitute dividend approved and paid for the first half of 2020 and proposed dividend for the second half of 2020.

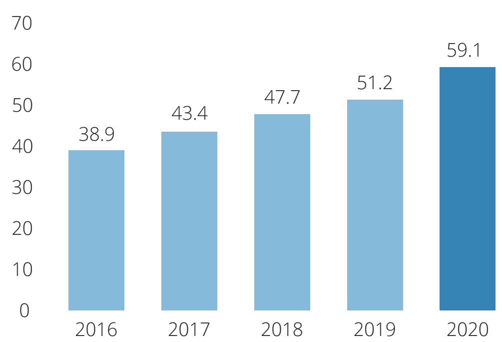
Net income from property management

NOKm



Total assets

NOKbn



Highlights in 2020

Q1 2020

Q2 2020

In Q1, Entra finalised the new-build project in Holtermannsveg 1-13 in Trondheim, the first of three planned buildings on the landplot. The approved zoning allows total construction of approximately 48,000 sqm, where this first building is 11,700 sqm. The property is fully let and we aim for a BREEAM-NOR Excellent classification. The property was developed at a yield on cost of 6.3 per cent.

Due to the Covid-19 pandemic, Norway went into a partial lockdown from 12 March 2020. In this situation, Entra's top priority was to help to reduce the spread of the infection by following the advice of national and local authorities and to protect the health and safety of our community, our tenants and other users of our buildings, as well as our employees. Entra implemented the company's contingency plans, procedures and routines to ensure that the company continued to deliver operations, services and property management without interruption. Entra has sought to find individual solutions that gave tenants that struggled room to return to normal operation after the demanding period. Looking back, Covid-19 had in 2020 very limited impact on our financial figures, and our estimate is around 14 million, or 0.8 per cent of revenues in Q2-Q4 of lost revenues mainly driven by lower turnover based rent from certain tenants within co-working, parking and food&beverage.

During Q2, Entra started up two new redevelopment projects. In Grønland 32, a central riverside location in Drammen outside Oslo, Entra is refurbishing 5,000 sqm in an approximately 7,400 sqm office building. The project is expected to be completed in Q2 2021. The property is 100 per cent pre-let and is being developed at a yield on cost of 7.0 per cent.

In Tøyen in Oslo, Entra started refurbishing 10,100 sqm in Hagegata 22-24. The office space being refurbished makes up almost half of the building, and occupancy in the project space will remain at about 80 per cent during the construction period. The project is expected to be completed at the end of 2021. The property is 100 per cent pre-let and is being developed at a yield on cost of 5.5 per cent.

The key interest rate in Norway was reduced from 1.5 per cent to 0 per cent from January to April. Lower interest rates contributed to a significant yield compression in the Norwegian market during the second half of 2020, not least in Oslo, where eight of Entra's ten most valuable properties are located. Following the uncertainties from Covid-19, the activity in the transaction market was low during the spring, yields were relatively stable, and the yield gap increased. During the autumn, the activity in the transaction market picked up, and a number of transactions of relevance for the valuation of Entra´s portfolio were completed. Prime yield in Oslo thus went from 3.60-3.70 to 3.25-3.30.

During Q4 2020 Entra started up five new development projects. In Bergen Entra started the redevelopment of 14,200 sqm in Møllendalsveien 6-8 in Bergen. Entra acquired this property in

Q3 2020

Q4 2020

2019. The property is 44 per cent pre-let on a 10-year contract and is being developed at a yield on cost of 5.2 per cent.

Entra also started the redevelopment of 15,800 sqm in Stenersgata 1. This is the first phase of a redevelopment project comprising the office spaces this large combined office/shopping centre property where Entra owns the office part. The project is expected to be completed in Q2 2023 with a BREEAM-NOR Very Good classification. The project is 57 per cent pre-let and is being developed at a yield on cost of 4.5 per cent.

At St. Olavs plass 5 Entra started redeveloping a 16,500 sqm office property located near Tullinkvartalet in Oslo. The project is scheduled for completion in Q3 2022. The project is planned with a BREEAM-NOR Very Good classification. The project is currently 60 per cent pre let and is being developed at a yield on cost of 4.8 per cent.

In the core of Oslo's central business district, Entra started the redevelopment of 13,000 sqm in Tordenskiolds gate 12 for completion in Q3 2022. The project is currently 92 per cent pre-let and is being developed at a yield on cost of 4.4 per cent.

In Schweigaards gate 15 Entra started redeveloping the 22,900 sqm office building located near Oslo central station. The redevelopment is estimated for completion in Q2 2023. The project is currently 31 per cent pre-let and is being developed at a yield on cost of 4.7 per cent

Entra also finalised the redevelopment and expansion project involving 4,300 sqm office space in Kristian Augusts gate 13. This has been a pilot pioneer project within circular economy and more than 80 per cent of the input factors in the project came from re-used materials. Occupancy is at 100 per cent and the property is let to the co-working operator IWG/Spaces. The project was developed at a yield on cost of 4.5 per cent.

The fourth quarter was influenced by the strategic interest in Entra resulting in two unsolicited, voluntary offers made by Castellum Aktiebolag and Samhallsbyggnadsbolaget i Norden AB («SBB») for all the shares in Entra ASA. On 29 January 2021, the Board recommended shareholders with a long-term view on their investment not to accept any of the offers as they stood. The conclusion was based on the Board's view of the company's capability to generate competitive returns in the future, the strategic merit of a focused Entra, and supported by the communicated positions of the two largest sharehold-ers, Fastighets AB Balder and the Government Pension Fund Norway. Castellum withdrew their offer on 6 February 2021 and SBB withdrew their offer on 1 March 2021.

Letter from the CEO

A different year

2020 was a very different year where the Covid-19 pandemic influenced our lives in so many ways. The top priority of governments and society, as well as for Entra, has been to safeguard life and health and help to prevent the spread of the virus. As a result, a significant number of working hours were spent at the home office. We have had many discussions both internally and with our customers regarding how this will affect office use and the demand for office space going forward. When we at some point in time can put Covid-19 behind us, many people will continue to work more digital and from other locations than the office. However, a more distributed way of working also means that the office will play an even more important role as the common meeting place that manifests the company's identity and corporate culture. When reviewing the contracts signed in 2020, both ours and in the market in general, Norwegian tenants do not seem to have reduced their requirements for office space.

Also before the pandemic we experienced increased tenant focus on flexibility, digitalisation and the social dimension of the workplace. Now we can clearly see that these trends are accelerating. Through the pandemic we have learnt to appreciate the flexibility of being able to work from different locations and experienced the efficiency of digital collaboration tools. At the same time, the importance of personal, physical meetings and social contact has become very clear. We believe our customers to a greater extent will be looking for more hybrid workplace solutions supporting work from different locations, and also a combination of physical and digital meetings. Understanding and working with our customers on how we can design office solutions, products and services supporting a more flexible way of working will become even more important in the years to come.

In 2020, we marked Entra's 20 years anniversary as an independent company. Whereas we have had to postpone any physical celebration for later, we have had time to reflect on the company's history and development. Entra was separated from Statsbygg with a balance sheet of around 4 billion in 2000, which has grown to almost 60 billion in 2020. Entra's strategy has remained relatively intact over these years. The company has always focused on owning, managing and developing centrally located office properties with good qualities, has had a strong customer focus and was concerned with sustainability and the environment already back in 2000.

With this early focus on the real estate industry's effect on the environment, Entra has over the last 10 years taken the position a as the environmental leader within our industry in Norway. We have worked systematically to reduce carbon emissions, the energy consumption in the management portfolio has been reduced with more than 45 per cent and around 80 per cent of all waste is sorted. Entra also has a long history of developing buildings with high environmental qualities, and as of year-end as much as 58 per cent of our portfolio is, or in process of being, BREEAM certified. Of the projects we have completed during 2020, we are particularly proud of the innovative and circular redevelopment project in Kristian Augusts gate 13 in Oslo, where as much as 80 per cent of the input factors in the project came from reused materials. The real estate industry needs to find new solutions for a more circular economy, and this project has given us valuable experience and amongst other things led to simplification in the recertification of building materials.

Among the most critical success factors for all businesses are the people. Entra has a very robust, flexible and competent organization. We are privileged to have solid expertise in the entire value chain, and we are recognized as an industry leader in Norway. This year we are particularly proud of how the Entra organization, despite a challenging situation following Covid-19, has pulled together as a team, embraced digital collaboration tools and found new ways of working. We have kept our buildings safe and open for our customers throughout the crisis, and we had the technology and solutions in place to do the rapid switch to remote work in March 2020.

As a result, we are also this year able to deliver very satisfactory results. We have let a total of 195,000 sqm resulting in a net letting of 202 million in 2020. As of year-end, our management

Entra's portfolio and high-quality tenant base has proven to be resilient, and our letting activity through 2020 has confirmed the attractiveness of the locations and products we have put to market.

portfolio is close to fully let with an occupancy ratio of 97.9 per cent. We have finalised two and started seven new development projects. As of 31.12.20 our portfolio of ongoing projects contained 147,500 sqm, and we have a development pipeline of some 350,000-400,000 sqm that will provide significant revenue growth in the years to come.

Our income development was relatively flat in 2020 as several large properties were emptied during 2019 and 2020 and prepared to undergo redevelopment. The value of our property portfolio however, increased by 15 per cent from yield compression combined with solid project development and letting activities. For the past years, our sector has been well supported by yield compressions, low interest rates and market rental growth. With low vacancies, particularly in the Central Oslo market, and limited new-build activity, we believe rent levels will continue to grow. The transaction market is very active, and strong demand for Norwegian office properties continues. We have a very solid balance sheet and considerable financial resources to continue developing and growing the portfolio and the revenue base in the years to come.

Entra has a large, high quality property portfolio and a strong market position in an attractive Norwegian market. This resulted in significant strategic interest for Entra at the end of 2020 and beginning of 2021 and it is our impression that investors and the market increasingly have learned to appreciate the qualities in Entra's organization and portfolio.

The past year has been different and full of surprises. It is still too early to fully understand the effects of the pandemic on society, and the way we will work and use the office in the years to come. Entra's portfolio and high-quality tenant base has however proven to be resilient, and our letting activity through 2020 has confirmed the attractiveness of the locations and products we have put to market. The Entra organization has shown stamina and the ability to adapt through this challenging and very different year, and we are confident that Entra is well set to meet whatever the future will bring.

Oslo, 3 March 2021

Sonja Horn
Chief Executive of Entra ASA

Management



	Sonja Horn	Anders Olstad	Kjetil Hoff
Position	*CEO*	*CFO and Deputy CEO*	*COO*
Born	1973	1967	1977
Nationality	Norwegian	Norwegian	Norwegian
Gender	Female	Male	Male
With Entra since	2013	2015	2014
Shareholding in Entra	30,404	61,185	3,845
Education	MSc in Business ("Siviløkonom") from the Norwegian Business School (BI)	MBA with distinction from INSEAD, MSc from the Royal Norwegian Naval Academy, as well as studies at the Norwegian Business School (BI) and the Law faculty at the University in Bergen	MSc in Business ("Siviløkonom") from the Norwegian School of Economics (NHH)
Prior positions	EVP Property Management in Entra, Director and SVP Real Estate Asset Management at Statoil Fuel & Retail (now Circle K), transaction advisor and partner with Union Norsk Næringsmegling, Head of Large Corporate Accounts with Fokus Bank, Director of Commercial Real Estate at Fokus Kreditt and client account manager with Sparebankenes Kredittselskap (now DnB)	CFO at Helly Hansen, Relacom, Hurtigruten, and Lindorff. Before that, he held the position as Director of Business Development at B.Skaugen, consultant with McKinsey & Company and various positions in the Norwegian Armed Forces	Head of Investments in Entra, Head of Asset Management in Asset Buyout Partners, corporate finance advisor SpareBank 1 SR Markets, business developer in OBOS, management consultant in Accenture

			
Per Ola Ulseth	Tore Bakken	Åse Lunde	Kristine Marie Hilberg
EVP Project Development	*EVP Market and Commercial Real Estate Development*	*EVP Digitalisation and Business Development*	*EVP HR and organisation*
1966	1967	1973	1972
Norwegian	Norwegian	Norwegian	Norwegian
Male	Male	Female	Female
2018	2019	2018	2013
5,495	3,353	7,544	3,808
MSc from the Norwegian University of Science and Technology (NTNU), Executive leadership programme from IMD Lausanne, Switzerland	Real estate studies from the Norwegian Business School (BI).	Executive Master of Management innovation, branding and digital communications from the Norwegian Business School (BI) and bachelor in HR Management from Lillehammer University College (HiL)	Master in HR Management Griffith University, Studies in Business Administration from the Norwegian Business School BI, Bachelor Biomedical Laboratory Sciences from Norwegian University of Science and Technlogy (NTNU)
Director Projects in Rambøll Norway,Technical Director and Excecutive Vice President in Skanska Norway. Project and technology management from amongst other WSP, ODA (The Organisation Development Alliance) and Veidekke	Commercial Director and Head of Management at Storebrand Asset Management. Director of Sales & Marketing and Partner- Head of Commercial Real Estate and partner at Malling & Co. Markets. Head of Commercial Real Estate Colliers International. Investment Director at Collies International. Commercial Real Estate Advisor at Akershus Eiendom. Commercial Real Estate Advisor at Norsk Næringsmegling (now Union Group). Advisor Private Real Estate at Eiendomsforum. Officer with various positions in the Norwegian Armed Forces	Head of DigiLife, Senior business developer digital channels, FX advisory (digital) at Nordea. Head of digital sales, Product owner at Nordnet Bank	Senior Advisor HR Schneider Electric, HR Manager Areva, Senior Account Executive Abbott Diagnostics, Senior Biomedical Laboratory Scientist at Ullevål University Hospital

The business

Entra is the largest investment alternative offering investors Oslo-focused, high quality office exposure. Approximately 75 per cent of the Company's portfolio by value is located in the Greater Oslo region with prime locations in connection with public transportation hubs. Since Entra was taken public in 2014, the portfolio has been refined through divestment of 8.3 billion of non-core assets, acquisitions of 8.2 billion and 9.5 billion of project investments which has resulted in an unparalleled portfolio of modern, efficient and large office assets.

The value of Entra's property portfolio as of 31 December 2020 was 56.7 billion, and the company's EPRA NRV was NOK 189 per share. The net yield on Entra's portfolio is currently estimated to 4.4 per cent. Entra has a strong balance sheet with a loan to value of 37 per cent and Baa1 credit rating with Stable Outlook from Moody's.

Entra offers investors superior cash flow visibility and quality with 58 per cent of rental income from public sector tenants with AAA credit rating and with a weighted average unexpired lease term (WAULT) of around seven years. The management portfolio has had a consistently high occupancy rate, currently at approximately 98 per cent. Entra's operational platform and service organisation has placed the company consistently in the top three in the annual public Norwegian Tenant Index ranking of Norwegian landlords. The Company has proved resilient during Covid-19 with payments in 2020 collected at near normal levels. Entra is exposed to a solid Norwegian economy supported by strong public finances and a property market with low office vacancy rates and expectations for continued rental growth.

Sustainability has been an integrated part of Entra's business model for more than 10 years. Entra is working actively to reduce the CO_2 footprint of its property portfolio and has a firm ambition to become a net zero carbon company by 2030. Entra has developed several Powerhouses, office buildings producing more energy than they consume over their lifetime. In 2020, the company also redeveloped an office property where more than 80 per cent of the input factors came from reused materials. 23 of Entra's properties are BREEAM certified and another 11 properties are in process. Entra has achieved a Green Star rating with a score of 87 on the Global Real Estate Sustainability Benchmark (GRESB) compared to an average score of 70. Entra established its first green bond in 2016 and currently has around 48 per cent of its debt portfolio in green bonds and bank loans.

Profitable project development has been the Company's major lever for growth, and Entra and its project development organisation has a proven track record of delivering attractive new-build and redevelopment projects. In the period from 2015 to 2020, Entra invested a total of 9.8 billion across 20 projects with an average yield on cost of 6.3 per cent. The value of these projects upon completion was 12.3 billon, representing an increase of 26 per cent.

Entra has during 2020 started up seven and finalised two development projects and the portfolio of ongoing projects

Entra's strategy is built around the following three focus areas.

Profitable growth + Customer satisfaction + Environmental leadership

as of 31 December 2020 consists of 9 properties totalling 147,500 sqm. In addition, Entra has a short-term pipeline of zoned projects totaling 90,000 sqm and a long-term pipeline of 250,000-300,000 sqm. The value potential of these newbuilds and redevelopment projects is only partly reflected in the company's net asset value (NAV).

Since the IPO in 2014, Entra has provided its shareholders with an annual total shareholder return of 21 per cent. Rental income has grown by 6 per cent p.a. and EPRA NRV per share has grown by 16 per cent p.a. (18 per cent if dividends paid in the period are included).

Vision

Entra's vision "The most satisfied people work in Entra buildings" has extended Entra's definition of customers to include all the people working in Entra buildings. Broadening the customer definition from around 700 tenants to the more than 40,000 users of Entra buildings provides new opportunities and has extended our strategic positioning and how we interact with our customers.

Strategy

Profitable growth

Entra has a solid track record of portfolio growth and value creation. During 2020, the value of Entra's property portfolio increased by 15 per cent to 56.7 million resulting from a strong underlying yield compression combined with solid project development and letting activities.

Entra signed new and renegotiated leases with annual rent totalling 508 million (195,000 sqm) in 2020, and the occupancy ratio was 97.9 per cent (97.1 per cent) at year-end.

Rental income was 2,353 million (2,338 million) in 2020. The relatively flat income development was negatively impacted by several large properties being taken out of operations for redevelopment. Net income from property management was 1,451 million (1,471 million). Net value changes was 5,705 million (1,955 million) and profit before tax was 7,274 million (3,735 million) for 2020.

Entra has throughout 2020 again demonstrated its ability to attract external debt capital on attractive terms from multiple sources of funding, and Entra's average interest rate was 2.38 per cent (2.99 per cent) at year-end.

Entra's dividend policy is to distribute approximately 60 per cent of Cash Earnings to its shareholders on a semi-annual basis. Refer to page 194 for a definition of Cash Earnings. The board of Entra proposes to distribute a semi-annual dividend of NOK 2.50 per share for the second half of 2020. Entra's total dividend for 2020 will then be NOK 4.90 per share compared to NOK 4.70 per share for 2019.

Customer satisfaction

One of Entra's goals is to provide the best customer experience. Entra takes full responsibility for property management in its properties and has a dedicated customer service centre to provide consistent and timely follow-up to enquiries. Entra works actively on maintaining good relationships with its

tenants in order to achieve high customer satisfaction and to maximise lease renewal rates. The Norwegian Tenant Index is used to measure customer satisfaction. In 2020, Entra again achieved an exceptionally high customer satisfaction score of 87 versus an industry average of 81. On environmental matters, Entra achieved a customer score of 87 compared with an industry average of 75, showing that our tenants truly value Entra's environmental efforts. The customer centre contributes to increasing customer satisfaction and forms the foundation for efficient management of properties.

Entra targets early engagement with its existing tenants ahead of their lease maturities and works together with its tenants to design workspace that meets their current needs and future requirements. Adopting to and making use of new technology has become a core priority in Entra.

Environmental leadership

Entra continues to implement and seek new environmental initiatives to meet climate-related challenges, to meet stakeholder expectations and to reduce costs. The Group has developed a corporate culture with a strong environmental focus throughout the whole organisation. Entra's environmental awareness and work to combat climate change is built on the precautionary principle. The Group's environment strategy includes goals and measures for the group, for its counterparties, for the property portfolio and for the development projects. The strategy has the following overall objectives:

- Entra shall become a net zero carbon company by 2030
- Entra shall influence and set requirements for its counterparties
- Entra shall be an environmental leader in property management
- Entra's development projects shall have a high degree of quality and flexibility and a low environmental burden

Entra has been a leader in the development of environmentally sustainable buildings and has had high environmental ambitions in all its projects. Entra's target is to achieve a rating of BREEAM-NOR Excellent or better for new and BREEAM-NOR Very Good or better for refurbishment/redevelopment projects. 58 per cent of the rental income and 58 per cent of the property values in the portfolio stem from properties that are or are in process of being BREEAM certified if projects currently under construction are included.

For many years, Entra has had a strong focus on reducing energy consumption in its portfolio. Through a number of measures of varying scope, Entra has managed to reduce the energy consumption of its management properties by 42 per cent since 2011. Energy consumption constitutes some 75 per cent of Entra's CO_2 footprint.

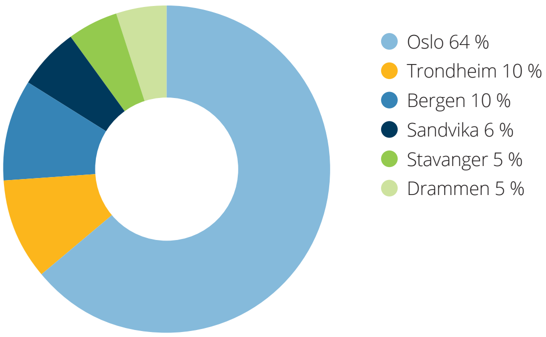
To provide insight for our stakeholders, we submit response to the Global Real Estate Sustainability Benchmark (GRESB) and were proud to achieve Green Star status with a total score of 87 in 2020.

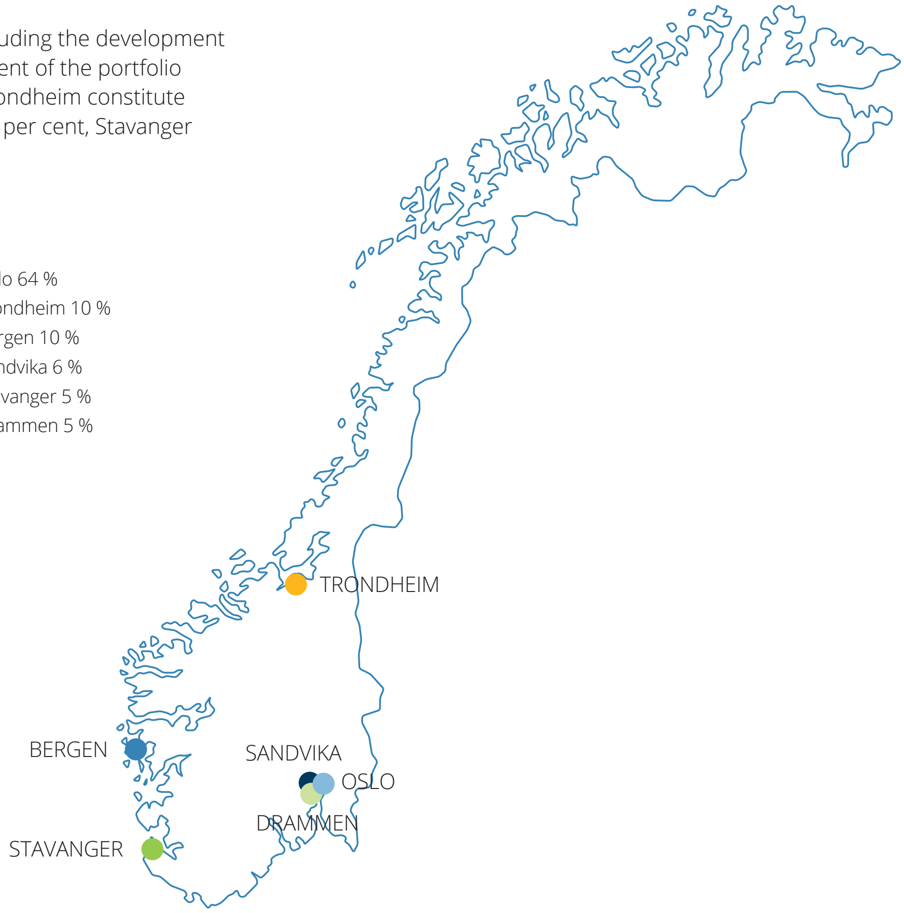
For a further description of Entra's ESG strategy and achievements, see the separate section on ESG which is included in this annual report.

The property portfolio

Geographic exposure

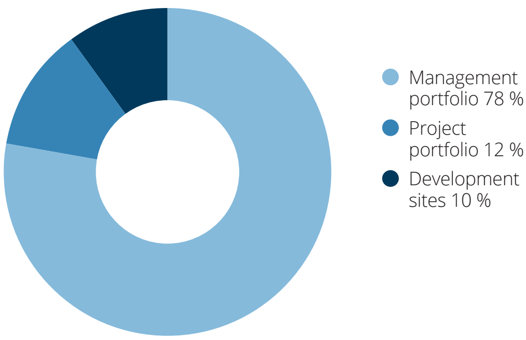
Entra's management properties (i.e. not including the development projects) located in Oslo constitute 64 per cent of the portfolio values whereas the properties located in Trondheim constitute 10 per cent, Bergen 10 per cent, Sandvika 6 per cent, Stavanger 5 per cent and Drammen 5 per cent



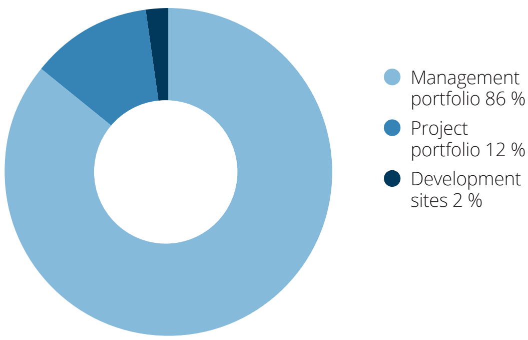


As of 31 December 2020, Entra's property portfolio comprised 90 assets, and the market value of the portfolio was 56.7 billion. A full list of the properties can be found on pages 190 to 192.

Portfolio by area



Portfolio by value



Property management

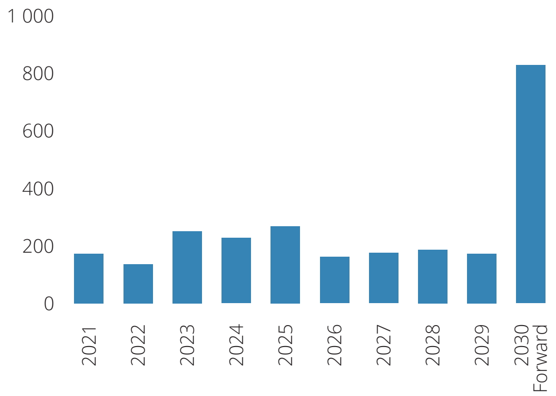
The management portfolio

Entra's management portfolio consists of 73 buildings with a total area of approximately 1.05 million square metres. As of 31 December 2020, the management portfolio had a market value of around 49 billion (45 billion), and the occupancy rate was 97.9 per cent (97.1 per cent). The weighted average unexpired terms for the Group's leases were 6.9 years (6.8) for the management portfolio and 7.1 years (6.9) when the project portfolio is included. Entra focuses the portfolio on the major cities in Norway: Oslo and the surrounding region, Bergen, Stavanger and Trondheim.

Entra's properties are valued by two external appraisers (Akershus Eiendom and Newsec) on a quarterly basis. The market value of the portfolio in Entra's balance sheet is based on the average of the two external appraisers' valuation of each individual property. 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 appraisers' estimated return requirements and expectations as to future market development. The market value is defined as the external appraisers' estimated transaction value of the individual properties on the valuation date. The project portfolio is valued based on the same principles, but with a deduction for remaining investments and specific project risk on the valuation date. The land and development portfolio is valued based on actually zoned land.

Maturity profile of the management portfolio

(NOKm)



Year-on-year, the portfolio net yield decreased from 4.8 to 4.4 per cent. The 12 months rolling rent increased from 2,318 million to 2,329 million, whereas the portfolio market rent has decreased from 2,500 million to 2,444 million as a number of assets were taken out of the management portfolio for redevelopment during 2020.

	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	34	550 010	98.0	6.9	31 158	56 650	1 388	2 524	4.1	1 506	2 738
Trondheim	11	158 940	97.1	7.1	5 157	32 445	288	1 813	5.3	281	1 770
Bergen	7	105 045	97.1	5.4	4 712	44 859	218	2 080	4.3	258	2 458
Sandvika	9	98 988	99.4	7.5	3 157	31 893	177	1 790	5.3	154	1 556
Stavanger	5	78 607	99.0	6.3	2 272	28 900	139	1 762	5.6	129	1 641
Drammen	7	62 107	97.6	9.5	2 281	36 729	119	1 909	4.9	116	1 863
Management portfolio	**73**	**1 053 697**	**97.9**	**6.9**	**48 737**	**46 253**	**2 329**	**2 210**	**4.4**	**2 444**	**2 320**
Project portfolio	11	162 785		9.7	7 048	43 294					
Development sites	6	128 195		5.3	961	7 497					
Property portfolio	**90**	**1 344 677**		**7.1**	**56 746**	**42 200**					

See the section "Definitions". The calculation of net yield is based on the valuers' assumption of ownership costs, which at 31.12.20 corresponds to 7.2 per cent of market rent.

Letting and letting market

The letting market

According to Entra's consensus report for the fourth quarter of 2020, the office vacancy in Oslo has increased from around 5-6 per cent to more normalized levels at around 7 per cent. It is expected to remain at 7-8 per cent for the coming two years mainly driven by lower economic activity combined with some large projects being finalised in the Eastern Oslo fringe area. Overall average market rents have decreased slightly in 2020 but is expected to rise in the years to come. In the city centre of Oslo, the vacancy was only 3-4 per cent prior to the Covid-19 outbreak and is only marginally higher by year end. Rents levels have held up well during 2020. New supply is fairly limited also going forward. The letting activity picked up during the fall and modern and centrally located office premises continue to be attractive and obtain rents on the same levels as before.

In Bergen, the office vacancy is currently around 8 per cent. There is limited supply of modern premises in the city centre and good demand. Rent levels in the city centre have increased over the last years, while there is a downward pressure on rents in the fringe areas.

In Trondheim, the overall office vacancy is currently around 10 per cent. Vacancy is highest in the fringe areas of the city. As in Bergen, rent levels in the city centre of Trondheim have increased over the last years, while there is a downward pressure on rents in the fringe areas.

The Stavanger area is more challenging due to the volatility in the oil and gas sector on top of the Covid-19 situation, affecting the region as a whole. Vacancy is currently around 11 per cent, and there is downward pressure on rent levels in the main oil and gas intensive areas. In the city centre, the vacancy is low, and there is an increasing demand for modern, flexible and centrally located office premises and rent levels appears to hold up well.

Market data Oslo

	2018	2019	2020e	2021e	2022e	2023e
Vacancy Oslo, incl. Fornebu and Lysaker (%)	6.1	5.5	6.9	7.6	7.2	6.9
Rent per sqm, high standard Oslo office	3 345	3 610	3 521	3 555	3 662	3 762
Prime yield (%)	3.7	3.7	3.3	3.3	3.4	3.4

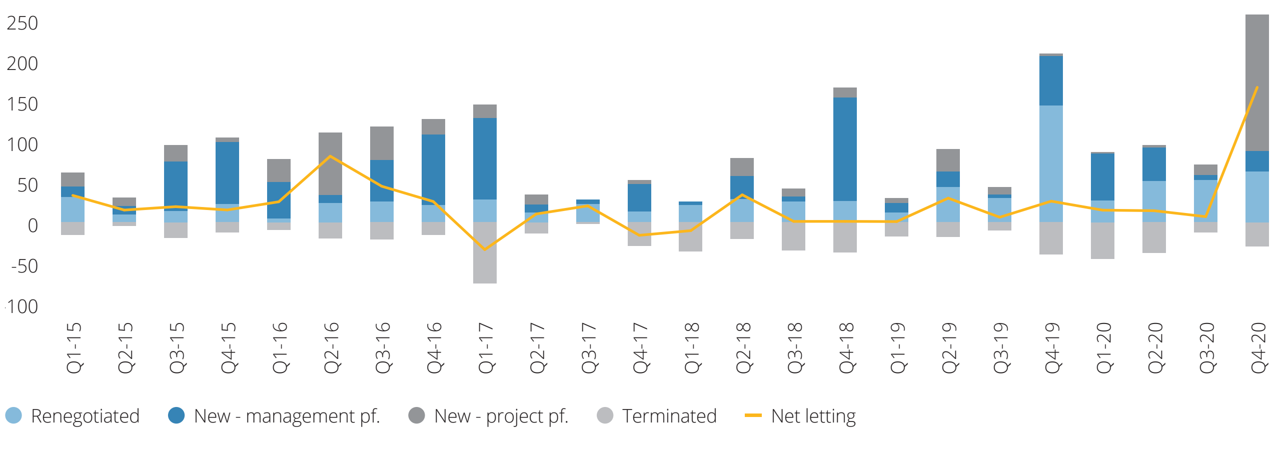
Source: Entra Consensus report, January 2021

Letting activity in 2020

For 2020, gross letting including renegotiated contracts was 508 million and lease contracts with a total value of 125 million were terminated. Net letting, defined as new lease contracts plus lease-up on renegotiated contracts less terminated contracts, came in at 202 million.

Quarterly net letting

(NOKm)



The largest contracts in 2020 were:

- New and renegotiated 17-year lease contract with University of South-Eastern Norway for 19,300 sqm at Papirbredden in Drammen
- New 10-year lease contract with Schjødt for 11,200 sqm in Tordenskiolds gate 12 in Oslo
- New 10-year lease contract with Sopra Steria for 10,500 sqm in Stenersgata 1 in Oslo
- New and renegotiated 10-year lease contract with Oslo Municipality for 10,100 sqm in Hagegata 22-24 in Oslo
- New 10-year lease contract with Statsbygg for 9,300 sqm in Biskop Gunnerus' gate 6 in Oslo
- New 10-year lease contract with Knowit for 7,200 sqm in Universitetsgata 7 in Oslo
- Renegotiated 10-year lease contract with Sopra Steria for 7,000 sqm in Biskop Gunnerus' gate 14A in Oslo

Occupancy in Entra's portfolio has remained stable during the year, and the Group had an occupancy level of 97.9 per cent as at 31 December 2020 compared to 97.1 per cent at 31 December 2019. The occupancy level was highest in Sandvika at 99.4 per cent and lowest in Trondheim and Bergen with 97.1 per cent.

Tenants and tenant structure

Entra's tenant base comprises to a large extent of public sector and high-quality private tenants on long-term leases. At year-end 2020, public sector tenants accounted for 58 per cent of total contractual rent. As of 31 December 2020, the management properties had around 700 tenants and the 20 largest tenants' share of Entra's rental income represents 43 per cent.

The following table sets out Entra's 20 largest tenants as of 31 December 2020.

Tenant	Proportion of total contractual rent	Public/private sector
Norwegian Tax Administration	5.4 %	Public
The Norwegian Public Roads Administration	3.3 %	Public
National Library of Norway	3.0 %	Public
University College of Oslo	2.9 %	Public
Oslo Municipality	2.8 %	Public
The Norwegian Armed Forces	2.6 %	Public
The Norwegian Police	2.5 %	Public
Sopra Steria	2.4 %	Private
Schjødt	1.9 %	Private
Trondheim Municipality	1.9 %	Public
Norconsult	1.9 %	Private
Norwegian Court	1.8 %	Public
Bærum Municipality	1.8 %	Public
University College of Southeast Norway	1.6 %	Public
Norway Post	1.5 %	Public
Circle K	1.3 %	Private
Bane NOR division real estate	1.3 %	Public
The Norwegian Public Service Pension Fund	1.2 %	Public
Norwegian Petroleum Directorate	1.2 %	Public
The Norwegian Enviroment Agency	1.2 %	Public
	43.4 %	

Projects and property development

The main growth and value lever for Entra stems from property and project development, and the company normally has 5-10 per cent of the portfolio in project development. The company has considerable expertise and experience in zoning, planning, building and redevelopment of office properties.

Projects completed in 2020

Holtermanns veg 1-13, stage 1

In Holtermanns veg 1-13 in Trondheim, Entra completed construction of a new office building in Q1-20. This is the first of three planned buildings. The approved zoning allows total construction of approximately 48,000 sqm, where this first building is 11,700 sqm. It includes a 2,000 sqm basement with parking facilities. The property is fully let. The property has high environmental ambitions and aims for a BREEAM-NOR Excellent classification.

Kristian August gate 13

Entra redeveloped the 4,300 sqm office property in Kristian Augusts gate 13. The project was a pioneer pilot within circular economy, and it demonstrates Entra's strong commitment to work for sustainable solutions. 80 per cent of the materials were re-used and the CO_2 emission from materials was reduced by 70 per cent The project in total showed a 45 per cent reduction in CO_2 emissions vs. a standard reference building. The property is fully let to the co-working operator IWG/Spaces. The project was completed in Q4 2020

Portfolio of ongoing projects

As of 31 December 2020, Entra had nine ongoing development projects exceeding 50 million, with total project area of around 147,500 sqm. These projects are presented below. A full list of the project properties can be found at the back of this report.

	Ownership	Location	Expected completion	Project area	Occupancy	Estimated total project cost [1]	Of which accrued [1]	Yield on cost [2]
	%			sqm	%	NOKm	NOKm	%
Redevelopment								
Universitetsgata 7-9	100	Oslo	Q3-21	21 900	86	1 295	940	5.8
Universitetsgata 2 - Rebel	100	Oslo	Q3-21	28 100	52	1 650	1 413	5.6
St.Olavs plass 5	100	Oslo	Q3-22	16 500	60	1 148	668	4.8
Tordenskiolds gate 12	100	Oslo	Q3-22	13 000	92	1 203	757	4.4
Stenersgata 1	100	Oslo	Q2-23	15 800	57	1 166	675	4.5
Schweigaards gate 15	100	Oslo	Q2-23	22 900	31	1 362	635	4.7
Møllendalsveien 6-8	100	Bergen	Q4-21	14 200	44	636	374	5.2
Refurbishment								
Grønland 32	100	Drammen	Q2-21	5 000	100	158	109	7.0
Hagegata 22-24	100	Oslo	Q4-21	10 100	100	433	373	5.5
Total				**147 500**		**9 051**	**5 944**	

[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)

Universitetsgata 7-9, Oslo

In Tullinkvartalet in Oslo, Entra is building a new 21,900 sqm office property in Universitetsgata 7-9 expected to be finalised in Q3 2021. Occupancy currently stands at 86 per cent and Entra has set high environmental ambitions for the project, aiming for a BREEAM-NOR Excellent classification.

Universitetsgata 2 - Rebel, Oslo

Next to Tullinkvartalet, Entra has the redevelopment project Rebel ongoing in Universitetsgata 2. Rebel will be a hub primarily for tech companies to be managed 50/50 by Entra and an external partner. The 28,100 sqm building will consist of office spaces, co-working areas, a conference centre and restaurants. Occupancy is currently 52 per cent, and the project is expected to be completed in Q3 2021.

St Olavs plass 5, Oslo
St. Olavs plass 5 is a 16,500 sqm office property located near Tullinkvartalet in Oslo. It is scheduled for completion in Q3 2022 and it is currently 60 per cent pre-let. The project is planned with a BREEAM-NOR Very Good classification.

Tordenskioldsgate 12, Oslo
In the middle of Oslo's central business district, Entra is redeveloping Tordenskiolds gate 12 for completion in Q3 2022. The property is 13,000 sqm and the project is 92 per cent pre-let.

Stenersgata 1, Oslo
Entra is also redeveloping 15,800 sqm of office space in Stenersgata 1. This is the first phase of a redevelopment project in the asset owned by Entra (offices) and Klepierre/Steen&Strøm (retail). The project is currently 57 per cent pre-let. The project is expected to be completed in Q2 2023 with a BREEAM-NOR Very Good classification

Schweigaardsgate 15, Oslo
Schweigaards gate 15 is a 22,900 sqm office building located near Oslo central station. Estimated completion is in Q2 2023. The project is 31 per cent pre-let.

Møllendalsveien 6-8, Bergen
In 2019, Entra acquired Møllendalsveien 6-8 in Bergen. The 14,200 sqm property is currently being redeveloped and is 44 per cent pre-let.

Grønland 32, Drammen
In Grønland 32, a central riverside location in Drammen outside Oslo, Entra is refurbishing 5,000 sqm in an approximately 7,400 sqm office building. The project is expected to be completed in Q2 2021. The project if fully let.

Hagegata 22-23, Oslo
In Tøyen in Oslo, Entra is refurbishing 10,100 sqm in Hagegata 22-24 The office space being refurbished makes up almost half of the building area, and occupancy in the project space will remain at about 80 per cent during the construction period. The project is fully let and is expected to be completed towards the end of 2021.

Development sites and project pipeline

Entra's portfolio of development sites contains properties with zoned development potential, but where no project start decision has been made. As of 31 December 2020, Entra had six development sites with a total area of 128,195 sqm. A list of the properties with defined land and development potential can be found at the end of this report. In addition, Entra continuously works to develop and extend the area in its existing portfolio.

Transactions and transaction market

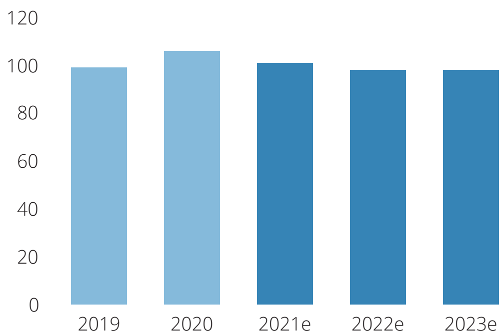
Transaction market

Total transaction volume for Norwegian commercial real estate came in above NOK 100 billion in 2020, of which office normally accounts for almost half. This is the second highest transaction volume ever in the Norwegian market, despite the activity being close to stand-still in the months following the outbreak of the Covid-19 pandemic in March. The current market is active, and both national and international investors report to be net buyers going forward. Property funds, syndicates and private property companies were the most active in 2020. For international investors, Norway is considered robust and low-risk, and the reduced financing costs and a weakened currency has made Norway more attractive.

The financing market continues to be well functioning, particularly for solid counterparties like Entra. Norway's central bank reduced the policy rate by 1.5 per cent to 0 per cent during the spring and as a result yields contracted significantly during the second half of 2020. Prime yield in Oslo is now estimated to be 3.25-3.30 per cent according to Entra's consensus report, and the spread to regional markets has narrowed with prime yield in Bergen reaching all-time low at 3.75 per cent.

Transaction volume Norway

NOKm



Source: Entra Consensus report, January 2021

Transactions

Entra actively seeks to improve the quality of its property portfolio. 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 2019 and 2020

Purchased properties

	Area	Transaction quarter	No of sqm.	Transaction value (NOKm)	Closing date
Østensjøveien 29	Oslo	Q4 2020	2 000	44	Q4 2020
Hagegata 27 (parking facility)	Oslo	Q3 2020	3 400	36	Q4 2020
Part of Kristian Augusts gate 11	Oslo	Q1 2019	-	23	Q1 2020
Share of Jåttåvågen Fase 2	Stavanger	Q4 2019	-	13	Q4 2019
Møllendalsveien 6-8	Bergen	Q4 2019	14 500	400	Q4 2019
Total			**19 900**	**516**	

Sold properties

	Area	Transaction quarter	No of sqm.	Transaction value	Closing date
Kristian Augusts gate 23	Oslo	Q3 2019	8 750	450	Q4 2019
Sorgenfriveien 11	Trondheim	Q3 2019	-	50	Q3 2019
Section of Karoline Kristiansens vei 2	Oslo	Q2 2019	450	23	Q2 2019
Sum			**9 200**	**523**	

Partly-owned companies

The vast majority of Entra's assets and development projects are wholly owned. In addition, Entra selectively gains access to properties and development projects through its shareholding in subsidiaries and jointly controlled entities. Entra's ownership interests currently include the following companies:

Papirbredden Eiendom AS (60 per cent)

Entra and Drammen Municipality own Papirbredden Eiendom AS. The company owns six office properties totalling 61,100 sqm and a future development potential of 60,000 sqm in Drammen.

Hinna Park Eiendom AS (50 per cent)

Entra and Camar Eiendom own Hinna Park Eiendom AS. The company owns three office properties totalling 36,000 sqm and development potential for two new office properties of 48,000 sqm. The company is consolidated in the Group's financial statements as Entra has a controlling vote on the Board of Directors.

Entra OPF Utvikling AS (50 per cent)

Entra and Oslo Pensjonsforsikring (OPF) own Entra OPF Utvikling AS. The company owns two office properties totalling 59,800 sqm. The company is consolidated in the Group's financial statements as Entra has a controlling vote on the Board of Directors.

Rebel US AS (50 per cent)

Rebel U2 AS will provide facility management services at Universitetsgata 2 in Oslo – with full-service solutions, flexible and short-term leases, co-working, conferences and events. In the financial accounts, Rebel U2 is classified as an associated company.

Oslo S Utvikling AS "OSU" (33.33 per cent)

OSU is a property development company that is undertaking primarily residential development in the city district Bjørvika, Oslo's CBD East. In the financial accounts, OSU is classified as an associated company.

Financing

The Group´s financing is diversified between bank and capital market instruments. The interest-bearing debt of 21,146 million as of year-end has a diversified maturity structure, with an average time to maturity of 5.4 years (4.9 years). As a general principle, Entra's financing is based on a negative pledge of the Group´s assets that enables a broad and flexible financing mix. Entra has strong banking relationships, and currently has significant business activities with five of the top six Nordic banks. Further, Entra has a strong presence in the Norwegian debt capital market as it is among the largest issuers in Norwegian kroner.

During the year, Entra's interest-bearing nominal debt increased by 1,245 million to 21,146 million (19,901 million). The increase in interest-bearing debt was mainly due to project investments. The change in interest-bearing debt comprised an increase in bond financing of 2,457 million and a decrease in bank and commercial paper financing of 612 million and 600 million, respectively.

The capital markets funding as at 31 December 2020 consisted of bonds and commercial paper outstanding of 14,057 million (11,600 million) and 1,200 million (1,800 million), respectively, which accounted for 72 per cent of total interest bearing debt. Bank funding of 5,889 million (6,501 million) represents the remaining part of the financing mix. The Group's bank facilities are mainly revolving credit facilities at the parent company, which enable active liquidity management by adjusting the facilities according to any ongoing cash needs or surplus. The Group's liquid assets amounted to 217 million (317 million) as at 31 December 2020. As of 31 December 2020, net nominal interest bearing debt after deduction of liquid assets was 20,930 million (19,585 million). In addition, the Group had committed, unutilised credit facilities totalling 7,290 million (6,190 million).

Entra is obtaining increasing access to "green financing" from debt investors, banks and other financial institutions, and at 31 December 2020 48 per cent of Entra's funding was "green". Entra is well positioned to utilise this conditional and favourable capital source, as the development and management portfolio consist of many highly environment friendly and BREEAM certified properties. Entra is established as a high-quality Green Bond issuer and has currently issued six Green Bonds with a total outstanding nominal amount of 8,045 million. CICERO (Norway's foremost institute for interdisciplinary climate research) has certified the Green Bond Framework. Entra was awarded the rating Dark Shade of Green, which is the best rating possible.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Maturity profile and composition of interest-bearing debt

Maturity profile	0-1 yrs	1-2 yrs	2-3 yrs	3-4 yrs	4+ yrs	Total	%
Commercial papers (NOKm)	1 200	-	-	-	-	1 200	6
Bonds (NOKm)	812	2 500	2 800	1 195	6 750	14 057	66
Bank loans (NOKm)	-	-	728	3 125	2 037	5 889	28
Total (NOKm)	**2 012**	**2 500**	**3 528**	**4 320**	**8 787**	**21 146**	**100**
Unutilised credit facilities (NOKm)	**-**	**-**	**1 500**	**1 660**	**4 130**	**7 290**	
Unutilised credit facilities (%)	-	-	21	23	57	100	

Interest rates and maturity structure

The Group's average interest cost as at 31 December 2020 was 2.38 per cent (2.99 per cent), and 50 per cent (59 per cent) of the Group's total interest-bearing debt was subject to fixed interest rates. At the same time, the average remaining term to maturity of the Group's interest rate hedging instruments was 2.4 years (3 years). The change in average interest rate stems mainly from lower Nibor interest rates and an increased exposure to floating rates in the debt portfolio.

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]		Average credit margin	
	Amount (NOKm)	Interest rate (%)	Amount (NOKm)	Credit margin (%)
<1 year	1 050	3.4	5 061	1.08
1-2 years	1 350	1.8	2 500	0.74
2-3 years	1 450	2.2	2 800	1.07
3-4 years	1 300	2.4	2 535	0.92
4-5 years	1 700	2.3	1 450	0.75
5-6 years	3 310	2.1	1 200	0.86
6-7 years	1 050	2.1	3 500	0.96
7-8 years	-	0.0	1 000	0.93
8-9 years	-	0.0	-	0.00
9-10 years	400	5.6	1 100	0.39
>10 years	100	1.8	-	0.00
Total	**11 710**	**2.4**	**21 146**	**0.92**

[1] Average reference rate (Nibor) is 0.34 per cent as at the reporting date.

Investment grade

Entra has a strong investment grade credit rating assigned by Moody's at Baa1 with Stable Outlook. According to the latest credit opinion, Entra's Baa1 long-term issuer rating reflects (1) its position as the largest office property company in Norway; (2) its leadership position in office properties in attractive locations on the fringes of the central business district (CBD) in Oslo; (3) its modern, high-quality property portfolio; (4) a clear, well-defined strategy to focus on offices in Norway's four largest cities and government tenants; (5) the large exposure to highly creditworthy governments and public tenants with very long-dated average lease maturities and consistently high occupancy rates across all cities; and (6) good liquidity and a high unencumbered asset ratio.

The Moody's Baa1 rating contributes to a strong credit availability for Entra in domestic and international debt capital markets and enables Entra to maintain its debt maturity profile.

Financing policy and status

The Group has adopted a conservative financial strategy that secures financial flexibility throughout an economic cycle. In this respect, Entra's financial profile is characterised by a moderate loan-to-value ratio, strong interest coverage ratio, diversified debt maturity and an ample liquidity position. Entra targets a loan-to-value ratio which shall be below 50 per cent over time. The Group´s loan-to-value ratio as at 31 December 2020 was 37.0 per cent, a decrease from 40.2 per cent at year-end 2019. The lower loan-to-value ratio is mainly due to positive value changes from both the management and project portfolio. The interest coverage ratio increased to 3.4 in 2020 from 3.3 in 2019, an increase which mainly stems from a lower interest cost during 2020.

The Group manages financial risk in accordance with a framework included in the financial policy. The main financial risks, in addition to financial leverage referred to above, are interest rate risk, financing and liquidity risk. The Group's financial policy is revised at least on an annual basis.

Financial risk	31.12.2020	Financial policy
Financial leverage		
Loan-to-value (LTV)	37 %	Below 50 per cent over time
Financing risk		
Financing commitments next 12m	362 %	Min. 100 %
Average time to maturity (debt)	5.4	Min. 3 years
Debt maturities <12 months	10 %	Max. 30 %
Interest rate risk		
Interest coverage ratio (ICR)	3.4	Min. 1.8x
Average time to maturity (hedges)	2.4	2-6 years
Maturity of hedges <12 months	50 %	Max 60 %
Credit risk / currency exposure		
Counterpart's credit rating	Fulfilled	Min. A-/A3
Share of debt per counterparty	Fulfilled	Max. 40 %
Currency exposure	Fulfilled	-

Risk management

Through owning, developing and managing properties, Entra is exposed to various risks that may affect the Group's ability to achieve the overall strategic targets and goals. Entra works continuously and in a structured manner to identify, monitor and manage these risks. The Group's risk management takes place through a structured analysis and decision-making process with the aim of creating a balance between the desire to limit uncertainty or risk and the task of creating growth and shareholder value.

Risk management aims to create a balance between the desire to limit risk and achieve defined objectives. To be able to estimate the effect of identified risks, an internal risk matrix is made where each individual risk is assessed, both from the perspective of effect and probability. The following 12 identified risks are viewed as the most important for the company to manage going forward.

Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Access to and price of financing Responsible: - CFO	A reduction in access to financing could weaken the company's global credit rating from Moody's, refinancing possibilities and ability to finance new investments. In such a situation, the company could be exposed to an increase in financing costs which would weaken the underlying result, debt service ability and dividend capacity. Greater risk aversion in financial markets could limit access to financing and weaken investor interest in the sector.	The development in the company's financing needs, ability and costs are monitored on a continuous basis and reported quarterly in business reviews in order to ensure that the financing operation supports the overall business strategy. We maintain strong relations with five of the top six Nordic banks and participants in the debt capital market. We maintain a diversified financing structure with a balanced maturity profile and financing mix in order to ensure stable and predictable access to capital. Entra has a strong investment grade credit rating assigned by Moody's at Baa1 with Stable Outlook. The rating contributes to a significant increase in credit availability for Entra in domestic and international debt capital markets and has enabled Entra to further extend its debt maturity profile. We have committed, unutilized revolving credit facilities in order to secure financing of debt maturities due in the next 12 months as well as interesting investment opportunities. We limit interest rate risk through interest rate hedges and by issuing fixed rates bonds. We monitor closely, and act upon, any new regulations in the bank and debt capital market with respect to possible implications for the company's future financing.	The market for commercial real estate financing has been open and attractively priced during most of 2020, except for a two-month period during March and April where financial markets entered a state of turbulence and risk aversion amid the outbreak of the Covid-19 pandemic. Market interest rates are on historically low levels and are expected to remain at relatively low levels for an extended period of time. We believe that Entra will be an attractive borrower in the coming period based on the company's predictable cash flow, strong tenant base, low leverage and solid global credit rating.

Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Health, Safety & Environment Responsible: - EVP Project development	There is an inherent risk that Entra does not fulfil its statutory and ethical HSE responsibilities in its' business in connection with the operation of buildings, in building construction projects and as employer of its own staff. Entra's HSE policy states that «it shall be safe to work, visit and move in and around Entra's properties and building projects».	Entra's employees have the necessary HSE training and the right expertise: - All new employees are given HSE training and an introduction to Entra's HSE management systems - «The Entra School» covers statutory and Entra policy HSE training. Entra has an open, clear and systematic HSE communication, and HSE is a topic at all board, top management, and employee meetings. Entra has HSE control/ management systems to ensure that we comply with HSE requirements and internal routines - Entra has implemented HSE working routines/ instructions to reduce HSE risk, both in construction projects and property management - Entra's HSE management system is accessible by all employees, and by external parties when required - Incidents are reported both on construction sites and in our management portfolio, and HSE reports are used to identify and mitigate areas of risk - Continuous efforts are made to ensure a strong HSE focus with Entra's contract partners - Audits are made of selected construction projects, suppliers and topics - We have during the Covid-19 pandemic systematically taken proactive measures to comply with new legislation and best practice to fulfill Entra's HSE policy Entra continuously focuses on enhancing the safety culture in the organisation. Entra's HSE Manager elected to represent property developers in a steering committee for industry-wide HSE system	Covid-19 affects all Entra's business areas. Appropriate infection control measures according to legislation and recommendations from the governments are implemented both in connection with the operation of buildings, in building construction projects and for Entra's own employees. Except for the Covid-19-situation, the ordinary HSE work has progressed as normal throughout the year. There is a strong focus on identifying and avoiding unwanted incidents at all levels in Entra. Severe incidents are followed up and investigated to ensure learning and future avoidance.

Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Development in value of property Responsible: - CFO	The property portfolio of Entra is valued quarterly by two external appraisers. A substantial negative development in the property value will affect both the profit and loss account through unrealized changes in value and through an increase in key figures like the loan to value ratio (LTV). A higher LTV could potentially have negative effects on Entra's cost of capital, access to capital and shareholders' interest and attention. During 2020, significantly decreased return requirements and increased demand for properties with solid tenants and long lease structures, have been the major drivers in the value changes of Entra's properties. Further, Entra have signed several contracts with solid tenants with long contract maturity in a major part of our project portfolio in the second part of 2020. The contract terms have been above or in line with the market expectations, which have led to a substantial value increase of these properties.	We follow up the risk quarterly through active dialogue and continuously monitor the market. We work continuously on portfolio optimization and risk mitigation in relation to geography, letting profile, segment, and «strategic fit». We focus on risk reducing measures in the portfolio, including rent levels, lease lengths, counter party risk, occupancy ratio, and the overall quality of the portfolio. We have an objective to keep LTV below 50 per cent over time, and we regularly simulate different negative scenarios in the market, which could affect the market value of Entra.	The value of Entra's property portfolio has increased substantially in recent years, mainly as a result of lower yield requirements but also as a result of ongoing project completion, market rental growth and signing of new and renegotiated leases. During 2020, market rents has been stable, but lower return requirements especially for properties with long maturity and solid tenants has been a substantial contributor to the positive value changes in the property portfolio. The risk of an increase in the interest levels could make investors seek to other type of assets, which could affect the return requirements and further the value of the properties.

Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Occupancy ratio Responsible: - EVP Market and commercial real estate development	The occupancy ratio in the management portfolio affects Entra's bottom line through growth in rental income and lower operating costs. The occupancy ratio in the management portfolio relates mainly to lease expiries and to what extent we are able to renegotiate with existing tenants. In addition, projects that are completed with vacant space will affect the occupancy ratio. In the long term, the occupancy ratio is also affected by how flexible our buildings are to changes in customer demand. The occupancy ratio in development projects indicates the level of risk Entra takes when we make investment decision.	The occupancy ratio in the management portfolio and in the development project portfolio are important key figures in all external and internal reporting. Vacancies and market opportunities are monitored regularly and reported quarterly through a detailed overview of all forthcoming lease expires in the next four years. Expiring lease contracts in the next four years, and the probability of renegotiation, are evaluated continuously. The largest customer accounts are followed up with separate "key account strategies". For all the major leases that expires during the next five years we focus on early involvement and broad contact with the relevant customers to identify future needs, flexibility related to increased/reduced space, and different ways of organizing the workplace. In all ongoing development projects, dedicated letting teams are established, consisting of letting, property and project resources. The letting teams work to ensure an optimized design and solution for the relevant building to attract new tenants. The occupancy ratio in projects is reported and followed up continuously and reported on externally every quarter. In the planning of future development projects, a separate early phase strategy is prepared in order to secure a flexible building and an attractive product independent of longterm workspace trends. Here, we combine markets and customer knowledge with building and operational expertise. In relation to Covid-19 implications, we are in regular contact with potential and existing tenants for direct customer insight, sharing relevant research, experience, analyses to better understand future needs and to reduce uncertainty.	Following the uncertainty of Covid-19 for many tenants, several offers, negotiations and contracts where postponed, and some stopped. During the last half of 2020, activity picked up again. The occupancy rate in the management portfolio during 2020 has been consistently high and in line with, or better, than historical averages for Entra. In addition, the occupancy rate in the project portfolio was high throughout 2020. Expected decrease in overall market vacancy, particular in Oslo, limits the market risk in Entra's total portfolio. Major leases expiring in the coming years could affect the occupancy ratio. The increased focus from potential tenants on space/cost efficiency and various organizational changes can impact the occupancy ratio negatively on forthcoming renegotiations. Due to increased rent levels in Central Oslo, tenants in the public sector tend to look for alternative locations outside city center.

Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Customer satisfaction Responsible: - COO	Customer satisfaction affects Entra in different ways. A high score on customer satisfaction over time reduces the risk that tenants will move out of our buildings. A high level of customer satisfaction is an important competitive advantage in any negotiating situation, allowing us to focus on other value drivers than price. Customer satisfaction can also be affected by other factors, such as negative comments about Entra in the media, or other situations that affect the reputation of the company negatively.	Customer satisfaction is measured annually through the Norwegian Tenant Index and is recorded and tracked on individual tenant level. This index is used by a large part of the real estate sector and enables us to benchmark ourselves with our competitors. The survey is a good tool to evaluate and analyze areas for improvement and where we perform better than our competitors. Large customers are followed up through "key account strategies" where we have set out how different parts of Entra work systematically to ensure the best customers experience. Feedback from the customer satisfaction survey is used as a basis for an action plan on how Entra can further improve to meet customer expectations. We carry out regular «customer journeys» together with our large customers to evaluate our customer offering and identify areas of improvement. Entra continuously works to develop our product and service offering based on ongoing dialogue with our customers.	In recent years, Entra's customer satisfaction has increased considerably. At the end of 2020, it was at a record high level of 87 points (area-weighted) two points up from last year. A customer satisfaction score of 80 or higher is considered very satisfactory across all industries. Entra has been above this level for six consecutive years, which supports the view that our systematic work on customer satisfaction is well established in the company's culture. On the other hand, we experience more demanding customers with increased service requirements. We also see both new and existing players in the real estate sector targeting our prime customers offering new concepts and services. This development supports our focus on continuously developing our product and service offering. Through a continually strong customer focus in the entire organization and solid deliveries in our extended service offering, we regard the risk of customer satisfaction moving below the targets we have set as low.

Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Project profitability Responsible: - EVP Project Development	Entra uses the net present value method to determine if a project is profitable using a discount rate that reflects the individual risk profile of the project. Project profitability is assessed continuously in relation to changes in financial key figures; mainly yield-on-cost and economic occupancy rate. Profitability is measured and reported against assumptions made at the time of the investment decision. Investments are also affected by several external factors that are outside the company's control, such as CPI growth, higher interest rate levels, changes in currency levels, taxes and duties, etc.	A thorough risk assessment exercise is performed before each investment decision. To reduce income risk, it is normally required that at least 50 per cent of the property is pre-let before project start. Working with one main contractor on a fixed price contract on each large project, including extensive use of turnkey construction contracts, reduces the risk of cost and time overruns. Mitigating Covid-19 risk by using local suppliers and materials, contractors, project managers and consultants, and therefore reduce dependence on global sourcing, public transport, as well as working with companies that have a good track record of handling the pandemic. Use of internal project managers to secure proper ownership, strong project management and key risk focus throughout the entire project. Financial parameters, quality and schedule performance are closely monitored and reported on regular basis for all ongoing projects. On all turn-key projects, we establish regularly meetings on business responsible management level with the main contractor with a proactive focus on identifying and mitigating risk and on cooperation climate in the project Letting-plans for known vacancies are established before project start and continuously updated during the project development phase. Letting-plans also includes Covid-19 measures.	Entra's project management process enables us to mitigate risks and keep project profitability intact, also taking into account the following changes in risk assessment through 2020: - The Covid-19 pandemic has increased uncertainty regarding supply-chain disruptions, worker absences, and tenant demand. - For coming redevelopment projects, we plan for a lower pre-let occupancy rate upon project commencement compared to that in recent years. - In the next two to three years, we have several redevelopment projects, which normally have higher risk than newbuilds - Changes in tenant demand from the traditional office space rent model with long leases to more flexible lease contracts increasing income risk and affecting project profitability. - Several projects are likely to be multi-user buildings giving increased flexibility in respect of future reletting of buildings. Experience indicates that this increases the likelihood of cost and schedule overruns, and lower income in the first years of operation. - Falling construction costs as a result of lower demand for contractors, reduce the cost pressure we have seen in recent years.

Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Build and retain critical competence Responsible: - EVP HR and organization	The risk that Entra does not manage to maintain the expected personnel quality and capacity on critical deliveries within the company's core business.	The development and management of competence is an integral part of the business strategy. We have initiated measures on recruitment to secure relevant talent and applicants with future-oriented competence. We work systematically with talent development and succession planning. We follow up employees with individual plans to develop competence and career development, including, but limited to, the "Entra School". Our employees participate in professional networks and participate on external courses. We follow up employees with provision for competence and career development. We conduct an annual employee survey to measure the engagement and satisfaction of employees and develop action plans where required. We benchmark and assess compensation and benefits to ensure that we are competitive. Through the Covid-19 pandemic, we have systematically taken proactive measures to ensure the collective and individual experience of safety and support employees to facilitate productivity, motivation and professional development.	Due to the Covid-19 crisis, we experience a higher focus on job safety and a general decrease in voluntary turnover during 2020 There is continued high level of activity in the property sector and a strong competition for talent and attractive candidates. Within certain areas of expertise, such as ICT/ digitalisation, building and environmental technology and technical management, we are experiencing strong competition in the labour market for leading edge competence.

Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Investment strategy Responsible: - CFO	Acquisition and divestments of assets, including portfolio rotation, is an important tool to achieve Entra's objectives. Particular risk factors identified include: - Diversification, including geographic, sector and type - Timing of transactions in relation to economic cycles and the lifecycle of the individual property - Access to development sites and property for development - Technical errors and incorrect assumption in valuations and investment calculations - Matters that are not revealed or overlooked in due diligence - Poor decision-making processes, including a lack of objectivity, an incorrect agenda/incentives, groupthink, the degree of risk appetite, and inadequate expertise	Our key employees have long experience from M&A combined with commercial real estate market knowledge. We evaluate each investment case by reference to strategy, risk and profitability. This is done at several levels, including the CFO unit, Entra's investment committee, executive management, and Board of directors. We review capital return requirement with the board at least annually, but more often if indicated by changes in macro and risk sentiment. We thoroughly scrutinize and verify assumptions in the investment model by different external and internal professionals. Financial models are always reviewed by at least two people. All investments exceeding 100 million must be approved by the Board of directors.	The economic cycle appears to be in a recovery phase after the severe adverse impact from the Covid-19 pandemic outbreak. There is greater competition for sites/ development projects. There is still significant activity in the transaction market, and the buyer interest stemming from both domestic and foreign investors is very strong.

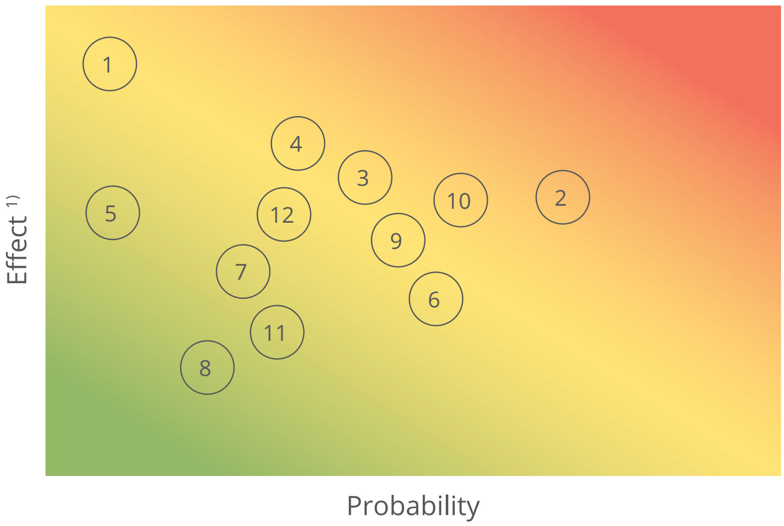
Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Compliance Responsible: - Chief Compliance Officer	Compliance is a compilation of Entra's specific assessment of risk factors within the compliance area. Entra's key risk factors within compliance are viewed to be the following: - Corruption and financial crime - Ethics - Social responsibility - Personal data protection - Insider rules - Information security	Risk assessment, monitoring, and follow-up is an integral part of Entra's operations on all levels, including the Board of directors, that discuss risk on a regular basis. Entra has a structured plan to follow up each key compliance risk, including, but not limited to, the following: Corruption and financial crime: - E-training program - Purchase and invoice controls - External and internal whistle blower channel Ethics: - Dilemma training - External and internal whistle blower channel Social responsibility: - Socially responsible purchasing - Procurement policy - Supplier controls Personal data protection: - Data processing agreements - Establishment/ follow-up of internal routines - E-training program - Focus on GDPR	The overall compliance risk is perceived to be unchanged during 2020. The introduction of GDPR lead to, as expected, a potentially higher impact on risk through fines on companies that are not compliant with the regulations. Management has, however, worked diligently during 2018-2020 to ensure that the company is compliant regarding GDPR.

Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Information security Responsible: - EVP Digitalisation and Business Development	Information security risk includes the threats that an external or internal attacker exploits vulnerability in Entra's ICT systems, processes, building technology systems or applications in order to cause harm to the company and/or users of the company's systems. Information security risk deals with the requirement for reliability and security in relation to the transfer and storage of information, including, but not limited to: - Cyber security that covers securing information values that are vulnerable via access from ICT systems - ICT security that covers securing information and communications technology in relation to confidentiality, integrity and availability.	We focus on security and employees' knowledge and attitudes, including training of all of Entra's employees. To increase focus and improve understanding of ICT threats, Nanolearning (short, internet-based learning sessions) are implemented for all employees. We use suppliers with certifications that focus on security. Relevant vendors are reviewed for focus on security. We have outsourced the operational part of ICT security to one of Norway's top-class companies. We regularly carry out analyses of critical systems related to operation of our buildings and the company, and major systems are connected to the external ICT security company's platform and fire wall. We use a third party to carry out audits and testing of actual security on systems and users. We continuously close identified security gaps. A strategy and action plan for the next three years has been updated and the plan is being executed upon. As part of the plan, an information security management system is being implemented, and the role CISO (chief information security officer) is established. Entra has acquired a cyber security insurance with a global insurance company, in order to have the ability to use all recourse necessary if a serious incident occurs and to reduce financial risk.	Increased cyber crime during Covid-19 pandemic. National Cyber Security Center (NCSC) reports an increase in specifically ransomware towards Norwegian companies. A new trend is that company data is threatened to be auctioned off unless ransom is payed. Increased and more sophisticated use of phishing and CxO fraud is a trend and is also noticeable in Entra; this requires more competent end users. Increased use of home office has escalated challenge to protect Entra users and Entra information. Entra's buildings are becoming more technologically sophisticated, and new technology also constitutes a possible increased security risk.

Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Climate related risk Responsible: - CFO	We consider short, medium- and long-term time horizons to be 0-3, 3-10 and 10+ years, respectively. Herein, we recognise that climate-related issues tend to manifest themselves over the medium to long term and that our properties have a lifetime of many decades. Regulatory changes imposed resulting from climate related risks are highly relevant and are monitored closely by Entra. Increased severity of extreme weather events such as storms and floods is a long-term risk. Property values constitutes most of Entra's balance sheet, and potential damage to property values could potentially be severe. Lagging behind with regards to new technology is a risk facing every company today on many levels, also climate related. Failure to comply and adapt to climate related matters is also a significant reputation risk which could result in e.g., lack of tenant interest, higher cost of capital in the financial market, and lack of ability to attract or retain talent. Also, not handling the company's corporate social responsibilities in an informed and good matter is a reputation risk, whereas the opposite is an opportunity. See also page 56-59 for a broader description of climate related risks facing Entra.	Entra's buildings are well maintained, and we build and refurbish buildings to higher standards than current regulation demand. All newbuilds and major refurbishment projects are certified according to BREEAM-NOR, and and we are well underway in certifying our management portfolio according to BREEAM-In-Use. We observe that green buildings get higher valuations, slightly higher letting price per sqm (believed to be a stronger trend going forward), and green financing is more favourable than traditional financing. We invest in new technology and methods for producing more energy of our own, and we actively seek to use technology to make our buildings smarter and greener. Technology is driving changes in how we work and has an impact on the space we occupy. Entra has a separate digital and technology department seeking to harmonise initiatives and drive the development. We actively work to reduce the CO_2 footprint, waste disposal, and energy consumption in our portfolio, and KPIs within energy efficiency and waste disposal are included in the scorecard for determining variable pay for all employees in Entra. The location of Entra's properties is not seen as particularly exposed to flooding. Damage to property from e.g. heavy rain is an integral part of risk management on individual asset level. When establishing outdoor façade scaffolding and weather protection superstructure for buildings, we focus on safe and "extreme weather" robust solutions. We engage in industry campaigns to build internal competence and enhance qualification processes for suppliers.	During 2020, the main initiatives within the climate related risk area in Entra have been to do inspections and improvements on the facades and roof surfaces of several of the buildings. We have also done risk assessments regarding natural hazards on 16 buildings as part of the BREEAM in-use certifications. While the gross risk related to climate has increased, Entra has invested significantly in process improvements and technologies to reduce this risk. As such, we find that the overall risk is unchanged during 2020.

Risk factors	Description/definition	How we monitor and manage the risk	Changes in risk assessment during 2020
Changed use of, and demand for, offices Responsible: - CFO	The overall demand for office space is primarily driven by the number of office workers in the economy, the space required per office worker, and the time each spend at the office The number of office workers in general, at least over the medium and long run, follows the state of the macro economy within a country Space per employee has in the last decades been reduced following the introduction of open spaces and activity based working The extent that each office worker spends time, and thus requires a separate desk, varies greatly from tenant to tenant. Work-from-home has in the last decades increased in popularity but it has not, until Covid-19, been a significant part of the daily life for most Norwegian office workers	We closely monitor key macro variables, e.g., economic activity, investments levels, employment participation ratios and unemployment, interest rates, asset prices, etc, to be prepared for major changes affecting Entra's business Entra's property portfolio has during the last six years been focused on the largest cities in Norway where we assess that the growth potential of office activity is the largest and thus with lowest residual risk. Further, we have streamlined the portfolio towards office clusters in the central parts of these cities with excellent commute opportunities In all renegotiations, we work closely with our tenants to provide optimal solutions for them. During the last decade, the public sector tenants have taken steps towards reducing the office space per employee significantly, and we now see limited risk of further reducing the required space per employee in our portfolio consisting of approximately 58 per cent public tenants Increased co-operation with prospective and existing tenant through Entra's new in-house tenant advisory team During the Covid-19 pandemic, almost all office workers have worked at least part of the time from home. Whilst all of Entra's buildings have been kept open and available for our tenants, we closely monitor the usage of our assets and assist our tenants in easing their use of the office	Whilst Covid-19 has reduced the economic activity in Norway during 2020, the underlying fundamentals for the Norwegian economy remain strong Covid-19 has also greatly increased the use of work-from-home, and there is a clear trend that the flexibility introduced with work-from-home is appreciated both by employers and employees. We believe, though, that the negative effects are not significant and thus fully manageable, as evidenced in a number of recent renegotiations in the Norwegian market during the summer/autumn where the new volumes required in most cases are equal to the volumes used prior to renegotiations. Thus, whilst work-from-home is clearly a negative contributor to the overall officed demand, the negative effect will at least be partly offset for the following reasons: - Employers / management have experienced that employees working in the office together with their co-workers are more proactive and creative. - The office has an important function with regards to organizational development and installing and maintaining the company's culture amongst the company's employees. This is particularly important with regards to the new hires - The costs of renting offices are normally a very small part of a company's cost base, estimated to around 5 + % of salaries and social costs for employees - Whilst most employees appreciate the flexibility by work-from-home, and particularly in the beginning of the pandemic, the trend is very clear that almost all employees prefer to spend at least a large majority of their working time at the office with their colleagues - In Norway, the typical day of working from home is Friday (and thereafter Monday). During mid-week, most employees are in the office, and the office design and volume must thus anyway be designed to fit almost 100 per cent of the employees - With Covid-19, and possible later pandemics in the coming years, the office designs need to take social distancing into account with desks further apart. In addition, it is our experience that most business require a significant increase in small meeting rooms (as it is difficult to do video meetings in open landscapes), which require more space - Time spent on commuting is limited for the majority of Norwegian employees seeing that we have smaller cities and well developed transportation infrastructure

Summary risk-matrix



1: Access to pricing of financing

2: Health, Safety & Environment

3: Development in value of property

4: Occupancy ratio

5: Customer satisfaction

6: Project profitability

7: Build and retain critical competance

8: Investment strategy

9: Compliance

10: Information security

11: Climate related risk

12: Changed use of, and demand for, offices

1) Both financial and/or non-financial effects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ESG in Entra

To operate our business in a sustainable manner is of key strategic importance to Entra and is seen as a prerequisite for the company's long-term results and value creation. Entra has a systematic approach towards understanding and managing the company's impact on society, as well as stakeholder requirements and expectations. This report highlights our 2020 activities in greater detail and outlines what we have planned for 2021.

Reporting standards and responses

To enable our stakeholders to compare and evaluate our reporting, we compile and align the ESG reporting for 2020 with three reporting frameworks: the European Public Real estate Association Sustainability Best Practices Recommendations on Sustainability Reporting (EPRA BPR), the Global Reporting Initiative Standards (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD).

The EPRA BPR Guidelines provide a consistent way of measuring sustainability performance for real estate companies and cover environmental, social and corporate governance categories. The GRI Standards, applicable to all industries, include both relevant disclosures for a range of economic, environmental and social topics as well as reporting principles related to the reporting process. This report has been developed in accordance with the GRI Core option. The TCFD framework provides for consistent climate-related financial risk disclosures. The EPRA, GRI and TCFD tables and references are included at the back of the annual report.

In this report we have also set out a review of our Environmental, Social and Governance (ESG) strategy relative to the UN Sustainable Development Goals (SDG).

We achieved the EPRA Sustainability Gold Level also in 2020 and the Global Real Estate Sustainability Benchmark (GRESB) Green Star status with a total score of 87, up from 84 in 2019.

Third party verification

Entra has engaged Deloitte to conduct a review and provide a limited level of assurance on Entra's ESG reporting. The review and assurance are carried out in accordance with the assurance standard ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" established by the International Auditing and Assurance Standards Board. The auditor's conclusion and scope of work is presented in the Auditor's report, included at the back of this Annual report.

Management approach

Sustainability is fundamental to Entra's strategy and has been so for more than a decade. The Board of Directors determine the sustainability strategy and review performance. This includes responding to climate related opportunities such as investment in renewables, improvements in energy efficiency and investment in low-carbon solutions. The Board also review and determine how to respond to different climate-related risks including policy, regulatory and legal risks, as well as the physical risks to our assets.

Entra's business units present business reviews to the Board of Directors at least on an annual basis. These reviews also include ESG targets and KPIs. Targets are then aggregated into company KPIs which are followed up on a regular basis.

The CEO is responsible for following up the implementation of the ESG strategy in Entra. Entra's risk management framework is structured to enable effective identification, evaluation and management of climate-related risk. Ownership and management of all risks is assigned to members of the corporate management, who are responsible for ensuring the operating effectiveness of the internal control systems and for implementing key risk mitigation plans. Implementation is mostly handled by the individual business units and is reported to the CEO/CFO through quarterly business reviews and in corporate management meetings.

Entra also has an ESG Committee with a separate responsibility to evaluate, follow-up and implement the ESG strategy as well as new initiatives. This Committee reports to corporate management on a regular basis.

Stakeholder dialogue

It is important for Entra to maintain an open and honest dialogue with its main stakeholders. Such dialogue provides valuable feedback and enables Entra to continue to improve, to build trust and to enhance its reputation.

A structured process towards selecting the report's content and confirming its validity is undertaken with various groups and individuals, in order to understand specific opportunities and concerns about our business and its impact. Such engagement is, amongst others, based on dialogue, meetings and feedback from business partners, shareholders, customers, investors, authorities and employees. Other sources of information include an assessment of media and industry reports. In 2020, the materiality analysis and focus areas have been revisited and the validity confirmed by Entra's Board and management.

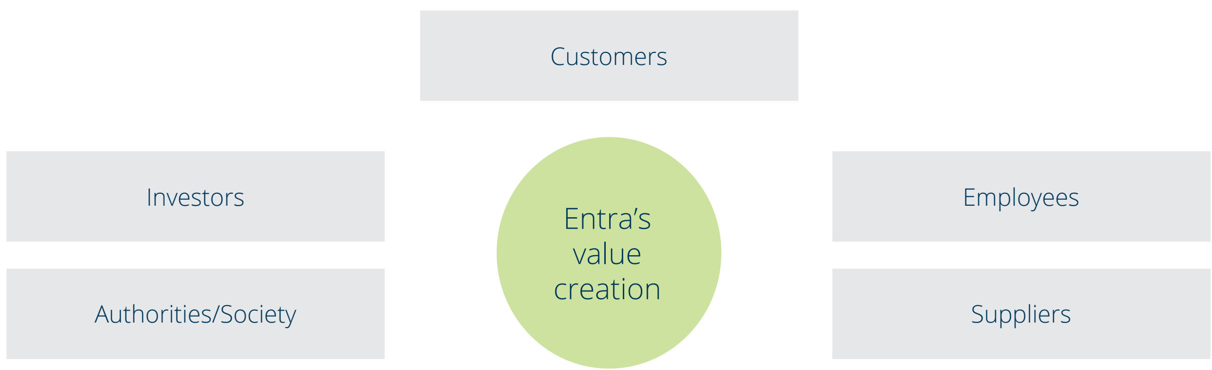
Entra's stakeholders are particularly concerned about how we handle environmental matters, governance, ethics and anti-corruption measures, our corporate culture and employee satisfaction and our role as a major owner and developer of properties in the largest cities in Norway.

Materiality analysis and focus areas:

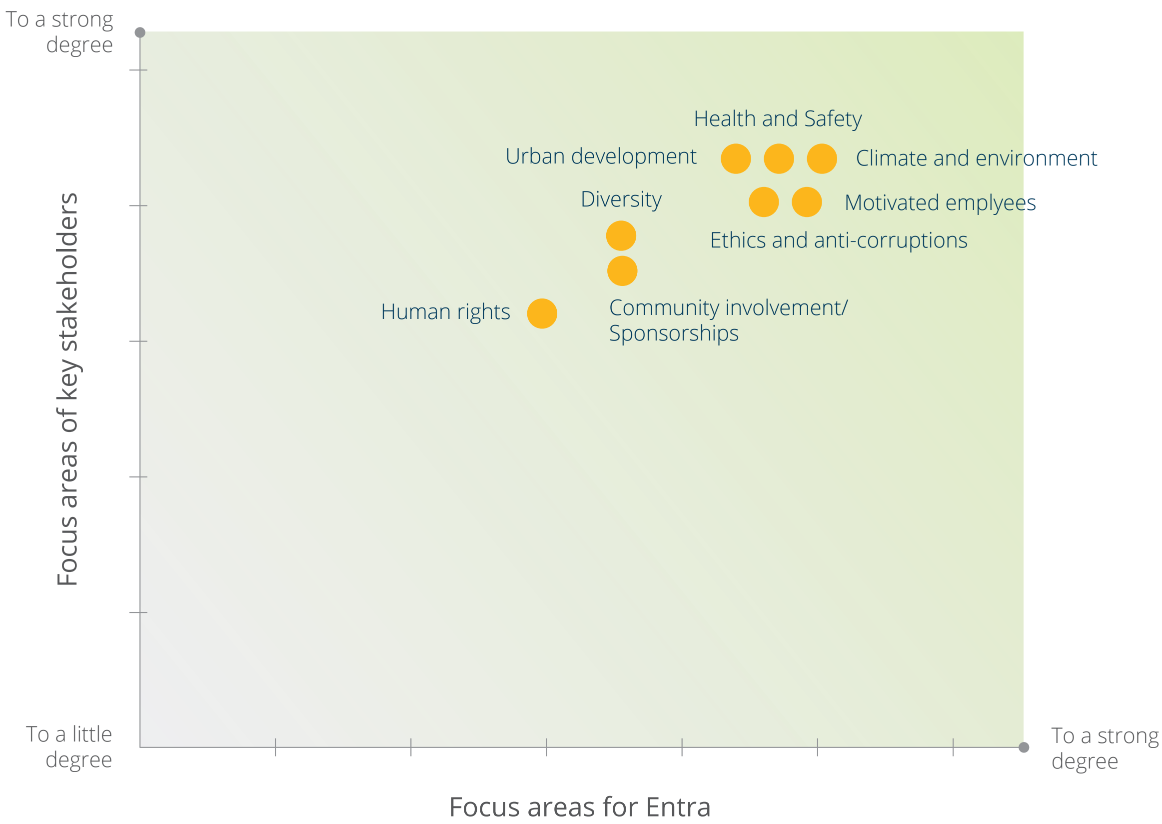
Entra believes that a systematic approach towards understanding and managing the company's external factors is a prerequisite for future value creation. The main steps in selecting the focus areas involve identifying and understanding topics that are important to our business strategy and to our stakeholders.

The focus areas and priorities are based on a broader materiality analysis of areas where Entra and its stakeholders believe the company can make an important and sustainable impact. The topics are believed to be important for future progress and long-term value creation. The outcome of the analysis is in all material aspects similar to previous years and is illustrated on the next page.

Entra's main stakeholders



Materiality analysis



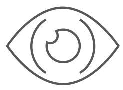
Focus areas

Based on the materiality analysis the following five areas continue to be seen as core to Entra.
The work within each field is further described in this report.

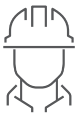
Climate and the environment

Urban development

Motivated employees



Ethics and anti-corruption measures



Health and safety

Supporting the UN Sustainable Development Goals

As a major participant in the Norwegian property market, we believe that we have an important role to play in supporting Norway's response to the 17 Sustainable Development Goals (SDGs). To do this we have reviewed our sustainability strategy and program against the SDGs to highlight where we align.

We see the following goals as particularly significant to our business and how we operate: SDG 9 Industry, Innovation and Infrastructure, SDG 11 Sustainable cities and communities, SDG 12 Responsible consumption and production, and SDG 13 Climate action.

Goal 9: Industry, innovation and infrastructure

Entra focuses on innovation and actively seeks innovative environmental solutions for its properties and building projects. Entra focuses primarily on low energy consumption and renewable energy in the existing asset portfolio and in all of its projects, with an overall ambition that new and totally renovated buildings will have an energy consumption of less than 40 kWh per sqm. (close to zero energy buildings). Entra also seeks solutions for increased production, storage and exchange of renewable energy.

Goal 11: Sustainable cities and communities

Entra seeks to contribute to cities and communities that are sustainable, attractive, inclusive and accessible for residents and others that work or visit the area. We take an active role in developing the areas and public spaces around our buildings, and we ensure they are accessible to those with disabilities. We seek to use environment friendly materials and solutions when developing and operating our buildings. We seek solutions for re-use of furniture and materials, and we focus on making and maintaining our buildings climate resilient.

Goal 12: Responsible consumption and production

Entra sets performance requirements in its development projects which focus on the efficient use of natural resources, lifecycle efficiency and high levels of waste reduction and recycling. This is reflected in our management of our buildings where we set targets for waste sorting and place focus on re-use of materials in our projects.

Goal 13: Climate action

We have set science-based targets which are set towards not exceeding a 1.5 degrees Celsius rise in global temperature, in line with the Paris agreement. This means we are committed to reducing our carbon emissions and making sure our portfolio is climate-resilient. For a more comprehensive description of our work on taking climate action, please see the section on Environment below.

Environment

Environmental leadership is one of Entra's three strategic pillars and Entra has over many years developed a corporate culture with a strong environmental focus throughout the entire company. Entra's work to prevent climate change is built on the precautionary principle. Entra's environmental leadership has become well-known among its stakeholders, and the environmental commitment contributes to its ability to attract the best and most competent resources.

Environment strategy

Entra is currently working to develop and renew its environmental strategy and to set new short and long-term environmental targets. Entra is deeply committed to contribute to the transition towards a low carbon society. The revised environmental strategy will be finalised during 2021.

The revised strategy will build on the principles in the 2018-2020 strategy, but will amongst other initiatives involve a target to become Net Zero Carbon within 2030 according to the definitions and targets set out by World Green Building Council. Our continuous efforts to reduce energy consumption along with initiatives to produce green energy will continue to be a core element in the environment strategy in order to reduce emissions from the buildings in its operational phase.

Our focus on reducing emissions in our construction projects will be enhanced. For redevelopment projects a stronger focus will be put on retaining and upgrading existing buildings rather than demolishing and building new. It will be greater focus on which building parts can be reused in accordance with Entra's strategy for circular economy. CO_2 accounting will be applied for all construction projects in order to better evaluate and make use of low emission materials. Our long-term goal is to have CO_2 emissions in our construction projects that are 50 per cent below the industry average, in accordance with the criteria's set in Futurebuilt Zero [1].

Entra will seek to make its property portfolio and construction projects in compliance with the requirements that will be set in the EU Taxonomy and is believed to be well under way.

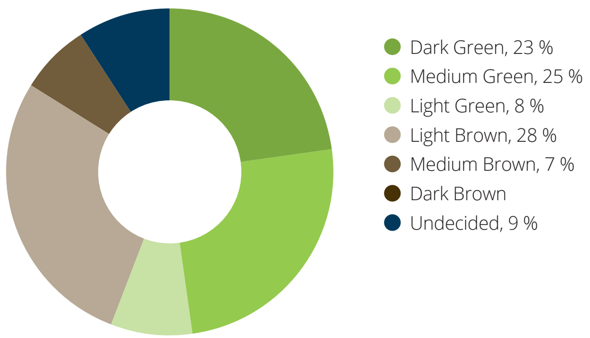
During 2020, Norway's foremost institute for interdisciplinary climate research CICERO Center for Climate Research and CICERO Shades of Green ("CICERO") expanded the Shades of Green methodology for evaluating green bonds to also include companies, and made an analysis of Entra. The CICERO methodology was based on a solid quantitative and qualitative analysis of a company's entire business, where both revenues and investments were classified with a shade of green (or brown) depending on how they aligned with a carbon-neutral future. CICERO also evaluated the company's sustainability strategy, governance structure and climate risk adaptation. The report published in June 2020 showed that more than half of Entra's revenues and more than half of Entra's asset values achieved green color shades. All of Entra's new-build projects were considered dark green, which means that new investments are in line with a future low-emission society. According to the CICERO report, Entra achieves the best score on climate-related governance structure and on reporting routines and standards.

Entra's environment strategy 2018-2020

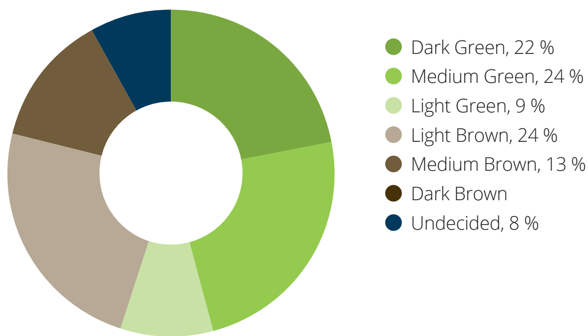
Entra's environment strategy for the period 2018-2020 has a 360° approach and includes strategies and targets for 1) own organisation 2) the property portfolio and property management 3) the development projects and 4) counterparties, hereunder suppliers and customers. The strategy and targets

Entra's portfolio by revenue and investments in 2019 as assessed by CICERO Green

SHADING BY REVENUE 2019



SHADING BY INVESTMENTS 2019



[1] https://www.futurebuilt.no/Nyheter#!/Nyheter/FutureBuilt-ZERO-veien-mot-nullutslipp.

are summed up in the figure above and further outlined in the following text.

Entra's business shall be climate neutral

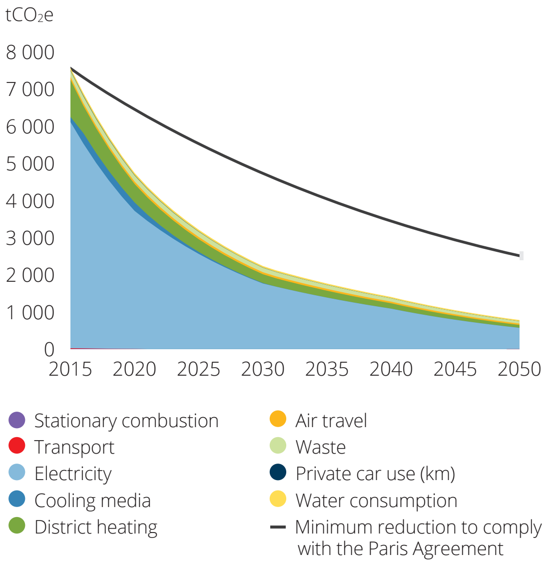
Entra has a corporate culture where environmental awareness is strongly embedded at all levels in the organization. This is something that Entra will maintain and and further enhance and use as a lever in implementing an even broader environmental focus. Entra strives for a culture in which every one of the company's employees seeks to influence suppliers, customers and partners to make wise environmental choices. This means that Entra will work actively with concepts for increased environmental engagement and responsibility among its employees, customers and suppliers. Entra still has much to gain from reinforcing its focus on a circular economy and concepts that contribute to reduced consumption, reuse and recycling of building materials and waste handling.

Entra has an ambition to act as an example in relation to a lessee's environmental focus. As a consequence, Entra's head office in Oslo was in 2017 environmentally certified in accordance with the requirements set out in "Miljøfyrtårn" (Environment Lighthouse). The certification will be renewed in 2021. As an extension of this, Entra will work on influencing attitudes and seek to lift everyone's awareness so that the company also is regarded as an environmental leader as an office user.

Entra's ambition is that operation of its buildings is climate neutral. Today, energy consumption amounts to approximately 75 per cent of Entra's direct CO_2 emissions in the management portfolio thus the most important single source in impacting our operational carbon footprint. From 2019 to 2020, Entra reduced its GHG intensity from 4.53 kg CO_2e/sqm to 4.45 kg CO_2e/sqm, mainly as a result of reduced energy consumption and greener electricity mix with lower CO_2 emissions. For several years Entra has communicated a target to reduce its direct CO_2 footprint by at least 70 per cent from 2015-2030 (Scope 1 and 2). This will be achieved through, among other things, reducing the energy consumption, replacing energy bought with green energy we have produced ourselves, phasing out environmentally harmful cooling media, reducing the quantity of waste, and focusing on green transport. The rapid developments taking place within solar and battery technology contribute to our optimism in this regard. The revised environmental strategy that will be finalised in 2021 will as stated above build on the principles in the 2018-2020 strategy. It will amongst other initiatives involve a target to become Net Zero Carbon within 2030 according to the definitions and targets set out by World Green Building Council.

The calculation and projection was made by CEMAsys.com and Entra in 2017, and the CO_2 factor for electricity used in the calculation is based on Electricity Nordic mix.

Entra scenario; Minimum reduction to comply with the Paris agreement



In order to compensate for emissions from electricity used in our buidlings and make Entra's business close to climate neutral Entra buys guarantees of origin ("green power") corresponding to the electricity consumption of its buildings. Entra will also gradually produce more and more renewable energy through new development and refurbishment projects.

Entra has also carried out a number of green measures in its buildings, and this has been an important contributor to succeeding in reducing energy consumption. These measures have, amongst others, been financed through green benefit agreements under which lessees have contributed to the financing through part of the reduced energy costs being used to finance the measure. Entra sees continued possibilities for implementing green measures, for example by using roof and wall surfaces for producing solar power. This type of investment usually has a long payback period, and Entra has adopted a slightly lower return requirement in relation to environment investments and innovation that protects the environment.

Entra shall influence and set requirements for its counterparties

Entra will work actively to influence and set requirements for its suppliers, customers and other interested parties to contribute to the "green transition". Specifically, this means that Entra prefers partners that also have a clear environmental profile and will put the environment on the agenda in meetings with their counterparties. Entra sets environmental requirements on its suppliers and partners through conditions on purchasing and social responsibility. Entra has imposed a total prohibition on the use of materials hazardous to health and the environment that are on the Substance of Very High Consern (SVHC) list and works towards fossil-free construction sites.

Entra seeks to increase awareness of the environment among users of its buildings. Not only its customers, the tenants of the

FOCUS AREAS AND TARGETS PURSUANT TO THE ABOVE ARE SUMMARISED BELOW:

Focus areas	Targets and measures
Environmental awareness is part of our corporate culture	• Work to improve expertise and increase environmental awareness and responsibility among the employees • Encourage employees to choose environmentally friendly transport
Climate neutral operations and property management	• Work actively to reduce the CO_2 footprint, target to reduce this by at least 70 per cent from 2015 to 2030 • Gradually replace energy bought with renewable energy produced by ourselves • Climate compensate for ongoing CO_2 emissions by: - Buying guarantees of origin for all electricity used in our buildings • Phasing out all cooling media that are not climate-friendly • Focus on innovation, consider lower return requirements for environmental investments
Environmental leadership is an important part of our social responsibility and reputation	• Attract the most competent and innovative people and partners • Make our environmental commitment known to our counterparties • Continue to issue green bonds and secure green bank financing where applicable
Environmental certification and reporting targets	• Organisation and head office certified in accordance with "Miljøfyrtårn" (Environment Lighthouse) process • Retain GRESB "Green Star" • Retain EPRA Gold • Retain CICERO rating "Dark shade of Green" • Ownership and follow-up of environmental targets in the regions and project development

FOCUS AREAS AND TARGETS PURSUANT TO THE ABOVE ARE SUMMARISED BELOW:

Focus areas	Targets and measures
Set environmental requirements for our suppliers	• Environmental requirements in Entra's conditions for purchasing and social responsibility • Requirements for reduced waste quantities, reuse and recycling • Require a prohibition on the use of materials hazardous to health and environment • Put the environment on the agenda in meetings and contracts with suppliers
Increased environmental awareness among users of Entra's buildings	• Carry out environmental measures that are visible and inspiring for people that work in and visit our buildings • Facilitate for customers to carry out own environmental initiatives such as energy and waste management • Enter into "green benefit agreements" with our customers
Share our expertise and experience	• Hold lectures, contribute to technical bodies, industry cooperation, industry organisations etc.
Contribute to sustainable and good urban development	• Contribute to relevant environmental solutions in property and urban development, with good transport and energy solutions, climate adaptation and greater biological diversity

buildings, but also their employees and visitors are included in this definition.

Entra seeks to implement environmental measures that are visible and inspiring for the people that work in our buildings. We will also create conditions for our tenants that enable the implementation of environmental measures, both by tenants individually and in cooperation with Entra through other initiatives. An example is waste sorting where Entra has developed waste sorting stations and supporting material/information brochures. This initiative also underpins Entra's ambition to achieve at least 70 per cent waste sorting on its operations of properties.

Green Benefit Agreements

These agreements are Entra's own scheme for working with customers on environmental measures. Entra's role is to identify the potential together with customers and then implement and finance the measures. Customers refund the cost through an increased rent for a set period of time on the basis that the customer's share of operating costs is reduced by more than the increase in rent. Once the initial investment has been paid down, the customer receives the benefit through lower common costs. Since 2011, Entra has signed more than 100 Green Benefit Agreements with its tenants.

In addition, Entra will continue to focus on reduction, reuse and recycling when making tenant alterations and furnishing premises and common areas, and will seek to influence customers and suppliers to make the right environmental choices.

Entra has been successful in making its environmental commitment known to its counterparties, and has shared, and will continue to share, its expertise and experience with the industry.

Membership of associations

Entra participates actively in various technical bodies, industry cooperation and industry organisations such as Powerhouse collaboration, Næring for Klima, Norwegian Green Building Council, Norsk Eiendom and Norges Bygg og Eiendomsforening (NBEF). Entra has signed up for Oslo European Green Capital Industry Challenges and participates in R&D projects such as "Svalvent" together with Sintef and in a cooperation project with Obos, Norsk Gjenvinning and CSR Consulting regarding industrial solutions for upcycling of materials.

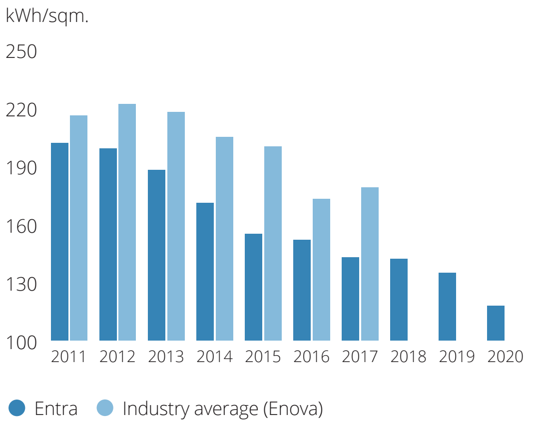
Entra shall be an environmental leader within property management

Entra shall have a continuous focus on environmental measures in the management portfolio.

Entra uses an environment management system to compare, follow-up and control the various buildings' environmental qualities with a focus on the consumption of energy and water, as well as waste and waste sorting. Entra has BREEAM-in-use certified the asset performance and management of 15 buildings in the portfolio of which 11 are certified Excellent and four Very Good. Entra has another seven Breeam-in-use certifications ongoing as of year-end 2020. In addition Entra has BREEAM NOR certified 15 of its newbuild and redevelopment projects.

Over time Entra has built a culture in which energy management is an integrated part of its operating organisation. Entra has worked diligently to reduce energy consumption in its portfolio (from 202 kwh/sqm. in 2011 to 118 kWh/sqm. in 2020). Energy consumption in 2020 was particularly low as activity in the buildings was significantly reduced during periods of lock down resulting from the Covid-19 pandemic. An important reason why Entra has succeeded in this work is focused and systematic work and technical upgrades over time, supported by an energy management system which has made it possible to measure, compare and follow up various initiatives. Entra has operational staff with high technical competence who have a daily focus on deviations and energy use. Entra is now at a level where continued reductions in consumption must primarily be driven through technological development and continuous upgrading of the management portfolio to green buildings.

Energy consumption in the portfolio 2011-2020



Internal measurement method used, deviates from EPRA methodology as corrected for differences in e.g. outside temperature.

Entra will maintain its focus on reducing energy consumption in its management portfolio and has a target to get below 127 kWh per sqm. in 2021. Entra works to reduce load on the energy grid and lower costs in relation to energy intensity in the portfolio.

Entra will continue to drive a culture where all Entra employees work systematically on all aspects of a circular economy – i.e. reducing, reusing and recycling. This means that Entra will focus on reducing the quantity of waste in buildings as well as looking at solutions for multi-use and reuse. Examples of this are paperless offices, a reduction in food waste in canteens, as well as a focus on reuse in relation to tenant alterations. Entra has set specific ambitions in relation to residual waste, the degree of sorting and water consumption.

In 2019 Entra did a pilot project and implemented solar panels on the roof and facades of Professor Olav Hanssens vei 10 in Stavanger. In 2020 Entra started an investigation of all its roof surfaces in order to plan for potential implementation of solar panels, solutions for surface water and biological diversity and also to consider the climate risk.

Part of Entra's strategy is to own properties close to public transportation hubs. Entra thus encourages its tenants' employees to use public transport, to cycle or to walk when commuting. All Entra's buildings will have provision for bicycle parking.

Entra's new-build and renovation projects shall be characterised by high quality, flexibility and a low environmental burden

Entra is a leader in developing environmentally sustainable buildings and has for many years had high environmental ambitions on all its development projects. In cooperation with the Powerhouse collaboration, Entra has redeveloped five older buildings to "Plus buildings/Powerhouses" at Kjørbo in Sandvika and at Brattørkaia in Trondheim a new-built Powerhouse was finalised and opened during 2019. A Powerhouse produces more energy than it uses over its lifetime, including the materials used for construction. In practice, the buildings therefore act as local power stations that deliver environmentally-friendly energy. Entra has thus contributed to increased focus of the entire industry to consider "virtually zero use of energy" on both new buildings and redevelopment projects.

Entra's new buildings are BREEAM-NOR certified, with a goal of obtaining, as a minimum, BREEAM-NOR Excellent, while for redevelopment projects the objective is a minimum of BREEAM-NOR Very Good. This requires, among other things, analysis of life-cycle costs, low energy consumption, a good internal climate and innovative measures. On completion of buildings currently under construction and ongoing certification processes Entra will have BREEAM-NOR built/redeveloped 19 buildings and BREEAM In-Use certified 22 buildings.

FOCUS AREAS AND MEASURES PURSUANT TO THE ABOVE ARE SUMMARISED BELOW:

Focus areas	Goals and measures
Good environmental leadership	• Use environment leadership system for control, comparison and follow-up of individual buildings (Optima)
Reduced energy consumption and intensity	• Target 140 kWh/sqm. 2019, 135 kWh/sqm. in 2020 and 127 kWh/sqm. in 2021 • Increase proportion of self-produced green energy
Reduce peak load	• Focus on load control in order to reduce energy demand during peak usage times
Reduce and recycle waste and water	• Target 70 per cent waste sorting in property management and 80 per cent in development projects • Reduce water consumption
Environmental measures	• Strategy for roof surfaces and facades • Make provision for bicycle transport • Actively seek innovative and environmentally friendly solutions

At Tullinløkka in Oslo, Entra has completed the first full-scale reuse project in Norway involving redevelopment of 4,300 sqm in Kristian Augusts gate 13, of which 900 sqm was added as new volume to the original building.

The real estate industry needs to find new solutions for a more circular economy and reuse building materials and inventory at a completely different level than today. Through this project Entra has proven that reuse is possible and has documented significant environmental benefits.

In this project 80 % of all the input factors came from re-used materials, both from the existing building itself and from external parties and projects. Windows, toilets, fancoils and ceiling tiles were taken from buildings ready for demolition around the city. Holow core slabs from the Government quarter were used as new floor separators and stairs were taken from a public pool beeing renovated in Oslo. It has been challenging to find all the pieces of the puzzle and to get necessary certifications to comply with regulatory requirements, but the environmental benefits are significant. The reduction in CO_2 emissions from materials used was 70 % and the CO_2 accounts showed a 45 % reduction in CO_2 emissions compared to a standard reference building.

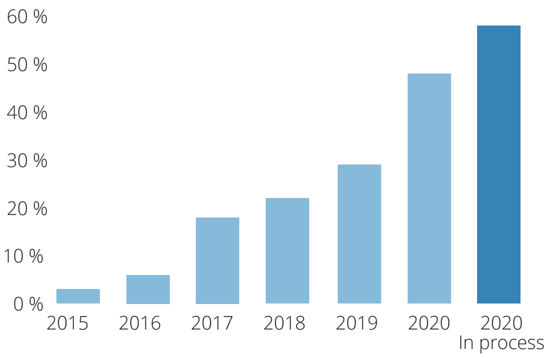
In Entra we are very proud of this project. It is a pioneer pilot project within circular economy that the entire industry as well as regulators both in Norway and across Europe has their eyes on. Following this project there has been simplifications to regulatory requirements for recertification of materials. This is an innovation project developed as part of the municipality of Oslo's Future Built program and the key learnings including the CO_2 accounts for the project has been documented and made available for the public.

Foto: MAD Arkitekter Kyrre Sundal

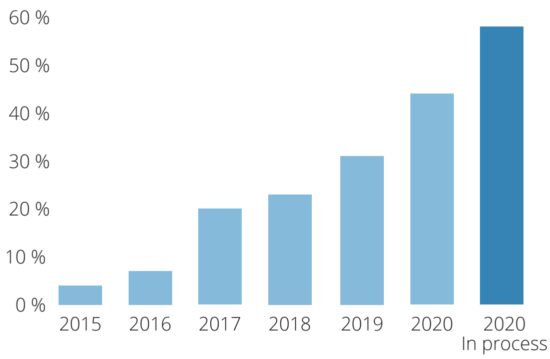
BREEAM certification of the portfolio

Percentage share of portfolio certified in accordance with BREEAM NOR/BREEAM In-Use Very Good or better

BY RENTAL INCOME



BY VALUE



Entra's new buildings and redevelopment projects shall be planned and built in accordance with Entra's specifications - the "Entra building". This is to ensure high quality and lower costs. In the "Entra building", focus is placed on standardisation that will give reduced costs in a life cycle cost perspective (LCC) and operating synergies. Standardised technological systems in the buildings will also simplify integration with new "smart building" technology. Entra is working with requirements for materials with low CO_2 emissions and low life-cycle costs. Planning will provide for flexible solutions, and multi-use and reuse of materials will be a focus area. Entra also plans to develop a standard delivery description for tenants where these factors are taken into account.

Entra applies for and receives financial support from Enova for individual environmental measures taken in its development projects. Entra received NOK 28 million in support for its development projects in 2020.

FOCUS AREAS AND MEASURES PURSUANT TO THE ABOVE ARE SUMMARISED BELOW:

Focus areas	Goals and measures
Standardisation and environmental requirements in projects	• Continuously develop and update the standard specification for projects (the "Entra building") • Develop a standard specification for tenant requirements • Set requirements for fossil-free construction sites and request fossil-free transport • Establish a strategy for all development projects in Entra with the following objectives: - request and facilitate flexible solutions and multi-use premises - requirements for reuse of materials, reduction of waste quantities and degree of sorting - more materials with low CO_2 emissions (documented through Enviornmental Produc Declaration (EPD) - choice of building products with low life cycle costs (LCC) • The environment strategy for the project is to be presented as part of the investment decision and reported in Business Reviews
Certification	• Objective of a minimum of BREEAM-NOR Excellent on all new development projects • Objective of a minimum of BREEAM-NOR Very good on major redevelopment projects
Focus on renewable energy and low energy consumption	• Ambition of close to zero energy buildings (energy consumption less than 40 kWh/sqm.) • Plan solutions for increased production, storage and exchange of renewable energy
Innovation	• Actively seek innovative and environmentally friendly solutions

THE ROADMAP TOWARDS 2050 BY THE GREEN BUILDING COUNCIL (”GRØNN BYGGALLIANSE”)

Entra has signed up to "The Roadmap towards 2050 for the Property Sector" by Grønn Byggallianse and Norsk Eiendom. Entra complies with and follows the 10 immediate measures set out in the Roadmap and listed below:

Measure	Status
Certify the organization	Entra's headquarter was certified as Miljøfyrtårn in 2017 and will be re-certified in 2021
Remove fossil heating in buildings	Completed on all Entra's properties except of four buildings where it is used bio-oil on peak-load.
Only buy building products that do not contain hazardous substances	Covered by Entra's sustainable purchasing procedures
Introduce BREEAM In-Use as a management system for the entire portfolio	22 properties certified or in process of being BREEAM-In-Use certified.
Conduct a study of what the roofs can and should be used for	Study will be completed in 2021
Demand and reward innovative environmental solutions	Request and demand innovative solutions in new-build development projects.
Require architects to make plans for re-use of materials and minimize waste.	Implemented in several of our projects. Possibilities investigated on a project by project basis
Order energy budgets to calculate real energy use	Implemented in Entra's standard technical requirements
Demand and prioritize building products with low CO_2 emissions	Implemented in several of our projects. Possibilities investigated on a project by project basis
Demand fossil free construction sites	Implemented in several of our projects. Possibilities investigated on a project by project basis

Green Bonds

Entra has issued six Green Bonds, capitalizing on the environmental qualities in a selection of its portfolio. CICERO Center for International Climate Research (Norway's foremost institute for interdisciplinary climate research) has provided a second opinion to Entra's Green Bond Framework where Entra was awarded the rating Dark Green, which is the best rating possible, for its future Green Bonds issues.

The rating Dark Green is given to projects and solutions that realise the long-term vision of a low-carbon and climate-resilient future already today. Typically, this will entail zero-emission solutions and governance structures that integrate environment concerns into all activities. Example projects include renewable energy projects such as solar or wind.

"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.*

No significant weaknesses perceived."

– CICERO, Second opinion

Climate risks and scenario analysis

Climate change and environmental damage are two of the most dramatic challenges facing the world today, and many countries are already feeling the effects of climate change. In our part of the world, the changes in the Arctic region are particularly dramatic and worrying.

Climate change means climate risk, not only physical risk but also transition risk – the risk associated with economic impacts of the transition to a low carbon economy. Future social developments, climate policy developments and technology developments are subject to significant uncertainty, and these factors have a major impact on greenhouse gas emissions. There is also uncertainty on how much the temperature will rise and wich climatescenario we will face in the years to come.

The analysis of economic implications of climate change is fraught with difficulty, and it is impossible to survey all potential impacts of climate change as no existing scenario or model can fully describe the workings of the entire physical world and how all physical, chemical, geological and biological processes influence each other. Current societies and ecosystems have taken many millennia to adapt to the world in which they exist, and it is impossible to predict how people and societies will respond when faced with rapid and large changes in their surroundings. Impacts of climate changes will thus depend on how rapidly they occur, how large the changes are, as well as the adaptability of societies and ecosystems. As such, many analyses are based on factors that lend themselves to some degree of quantification, but climate change will also have effects which are difficult to quantify, or which cannot meaningfully be quantified.

In the Official Norwegian Reports (NOU) 2018: 17 "Climate risk and the Norwegian economy", a report from a commission appointed by Royal Decree to assess climate-related risk factors and their significance for the Norwegian economy, three stylised future scenarios shed light on a wide range of potential outcomes:

1. *"Successful climate policy scenario"* involves a successful climate policy that delivers a swift transition to a low-emission society. No significant self-reinforcing mechanisms in the climate system are triggered, thus implying that the climate changes are moderate, and the worldwide economic implications are relatively minor. However, the transition to a low-emission society may be challenging for various stakeholders.
2. *"Late transition scenario"* involves late climate policy tightening – following a period of further warming. We are, at the same time, «lucky» – and no self-reinforcing mechanisms in the climate system are triggered. The climate changes and economic implications are considerably more pronounced than in the above scenario. There is a higher risk that the Norwegian economy will be indirectly affected by climate changes in other countries as the result of conflict escalation, diminished international cooperation and changes in global migration patterns. In addition, belated and more severe policy tightening will increase the risk of financial instability.
3. *"Dramatic climate change scenario"* is involving political failure and/or the triggering of self-reinforcing mechanisms in the climate system. The economic implications of such catastrophic climate changes cannot be meaningfully quantified. Risk management advice would be of minor use, and the relevant measure is quite simply an effective climate policy that reduces the probability of ending up in this scenario.

As such, a catastrophic climate change cannot be excluded. If critical tipping points are crossed, it may trigger self-reinforcing processes that entail major changes. The IPCC special report on 1.5°C warming indicates that some tipping points may be crossed between 1.5 and 2°C global warming.

As investments in commercial real estate, at least in the longer term, is very closely linked to macro development, understanding the environmental impact on Norwegian macro is also key for Entra.

The considerable uncertainty with regard to international developments means that the range of potential outcomes for the Norwegian economy is very wide. Over the long time horizon, the risk outlook will be dominated by the indirect physical risk associated with how the climate change affect other countries. However, direct physical risk and transition risk may also become important, especially the direct and indirect effects of changes in the value of the petroleum wealth.

A moderate level of global warming and climate change will have both negative and positive effects on the Norwegian economy. Countries in the Northern Hemisphere are generally less exposed to direct negative effects of climate change than are poorer countries in the South. Moreover, rich countries like Norway will by and large have more well-functioning institutions, a higher level of education and a more diversified industrial structure. Higher income levels and flexible labour markets imply a greater capacity for absorbing transition costs whilst transitioning to a low-emission society. Norway seems less vulnerable to climate change than most other countries and is also held to be one of the best placed countries with regard to adaptability.

However, the Norwegian economy is highly integrated into the global economy and directly exposed to developments elsewhere. If already vulnerable states experience major negative effects from climate change, there will be an increased risk of political instability, humanitarian disaster and violent conflict in and between states. Increased migration flows, unstable food prices, supply disruption and changing production and trading patterns will affect both the global and the Norwegian economy.

An overall assessment of the key risk factors nonetheless indicates that the Norwegian economy can, all in all, be considered relatively resilient. The ND-GAIN Country Index, a program of the University of Notre Dame's Environmental Change Initiative, uses two decades of data across 45 indicators to rank 181 countries annually based upon their vulnerability and their readiness to successfully adapt to climate change. The graph for 2018 is shown below where Norway is indicated in green (Source: https://gain.nd.edu/our-work/country-index/matrix/)

Entra has an active approach to assessing, monitoring, and following up on climate related risk, and climate risk is, together with other risks, a topic at the Board of Directors meetings at least two times per year. Actions and follow-ups from the assessments is being acted upon by the organization, including, but not limited to, ensuring that Entra's portfolio of assets are prepared to the extent possible for the possible challenges ahead.

In assessing the specific climate risk facing Entra, we have grouped the risks in two; (i) physical climate risk, and (ii) transition risk.

Norway and other countires vulnerability and readiness for climate change

Source: University of Notre Dame: Global Adaption Index

Physical climate risk

(i) Physical climate risk is risk associated with the implications of physical changes in the environment. The climate in Norway has changed significantly over the last decades and will continue to change, as in the rest of the world. The Norwegian climate is expected to become wilder, warmer and wetter, and torrential rain episodes may become more intense and frequent. This may result in altered flooding patterns, earth slides, changed snow patterns and shrinking glaciers. The oceans are likely to become warmer and more acidic. Rising sea levels will worsen the impact of storm surges. Climate change in the Arctic will also affect weather systems in our latitudes. Continued melting of Arctic sea ice could affect the polar jet stream that largely determines the weather patterns over Norway.

(ii) Commonly used benchmarks are the current climate or the pre-industrial climate situation. Norway will probably experience increased precipitation, more flooding, more frequent landslips and rising sea level, and these physical changes and the uncertainty associated therewith constitute risk factors. Many of the physical processes happen very slowly, from a human perspective. Even if net global emissions were to be reduced to zero within a short space of time, it may therefore take a very long time for the climate system to arrive at a new equilibrium.

The expected rising sea level is, however, in the Nordic countries expected to be at least partly offset by the rising of the land with the largest effect in the northern part of the Baltic Sea but with still significant effects across the Nordic countries. During the most recent ice age, the Nordic countries were pressed down by the weight of glaciers, which sat on top of the countries for about 100,000 years. The land is still rebounding, 10,000 years after the glacial ice melted away, and the gross rising for example in Oslo is around 5mm per year and Trondheim and Bergen of 4 and 2mm, respectively (source: www.kartverket.no and www.geoforskning.no).

Physical climate risks and opportunities for Entra

Area	Group	Type of risk	Probability	Consequence: [1]	Time horizon: [2]	Action	Opportunities	Implications for strategy
Physical risk	Acute	Stronger winds and storms	High	Medium	Short	Is experienced already. Entra must ensure that the buildings are dense and can withstand increased impact from strong wind gusts. Entra already has good maintenance programs for its buildings, including roofs and facades. This means that the buildings are already well equipped for large amounts of rain and heavy winds. Work on establishing a plan of measures for roofs and facades to withstand even greater quantities of water and more extreme weather has begun and is planned to be completed early 2021. When doing the inspections small repairs have been carried out.The plan of measures will also assess which roofs are suitable for water distortion and solar cells. This is also something that is considered in all of Entra's newbuilding projects. One measure for water retardation is sedum roofing, something Entra has already established on some roofs. Entra has established a program for periodically inspections of the facades where the frequency of inspetions of the the different buildings is based on a risk assessment. The aim for the inspections is to safeguard against fallout.	Entra's properties are built to high building standads and are considered to be safe and able to withstand considerable winds and storms.	Continue as is in terms of building planning and construction. Enhance focus on solid facades.
	Acute	Extreme rainfall	High	Medium	Short	May be required that buildings in cities must contribute to water depletion. For example, water retardant roofs, opening of streams, etc. A water retardation measure is sedum roofing, which Entra has already installed on some roofs. Sedum roofs also provide extra Breeam-in-use points.		There is a trade-off between using roofs for energy production or collecting water. Doing both can be problematic. Must also be considered if the roofs are solid enough to apply sedum rooms. For all new construction and redevelopment project water management is a priority
	Chronic	Flooding	Medium	Medium	Long	Some of Entra's buildings may be exposed to flooding. A portfolio assessment must be made in this respect in order to reveal such potential i the property portfolio.		Evaluation of locations exposed to flooding will be a key element in all transaction processes
	Chronic	Rising sea levels	Medium	Medium	Long	Some of Entra's buildings may be exposed to potentially rising sea levels. A portfolio assessment must be made in this respect in order to reveal such potential i the property portfolio.	The vast majority of Entra's buildings are located so that rising sea levels is not a direct problem. This could potentially increase the attractiveness of these locations in the future	Evaluation of locations exposed to rising sea levels will be a key element in all transaction processes

[1] Consequence / Financial impact: Lav < 10 mill, Medium 10-100 mill, Høy > 100 mill
[2] Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

Transition risks and opportunities for Entra

Area	Group	Type of risk	Probability	Consequence: [1]	Time horizon: [2]	Action	Opportunities	Implications for strategy
Transition risk	Politics and regulations	More stringent regulations and climate requirements	High	High	Medium	The reqirements in the EU taxonomy will be finalised in 2021. A new technical regulation is being prepared (TEK 21). When this is launched, a transition period is usually in place so that it is most likely to become fully applicable to projects that are initiated from 2022. The EU taxonomy and the new technical regulations is excpected to contain stricter sustainability requirements, including stricter demands on energy consumption. Entra is well positioned for this development from our work on passive and plus houses. The higher standards will result in increased costs in some projects, but we are familiar with the solutions and are close to meeting the requirements of several of our projects today.	Entra seeks to stay ahead of laws and regulations in all projects as well as in ordinary operations.	Continue current strategy
	Politics and regulations	Stricter regulations and climate requirements - Paris Agreement	High	High	Medium	Sudden implementation of new and stringent regulation of environmental qualities and emission in buildings may for the real estate industry in general, and thus also Entra, entail a risk that the portfolio that has not been built or upgraded in the last 10 years could have to low environmental qualities. Entra are calculating greenhouse gas emissions on all the new building projects. The aim of these calculations is to use solutions and materials with low emissions.	Entra's focus on high environmental qualities in its construction and redevelopment projects means that a steadily incresing part of the portfolio contributes directly to the ambitions of the Paris Agreement. Entra's portfolio is on average 7 years since new-built or fully redeveloped. In addition, we will continue to push for good and efficient operation in relation to energy savings.	Continue "as is"
	Politics and regulations	Requirements for increased reuse in construction projects	HIgh	High	Medium	Other regulation that is in the pipeline is related to reuse. The requirement in the EU Waste Framework Directive, which Norway is bound to follow through the EEA Agreement, is that 70 per cent (by weight) of non-hazardous building and construction waste should go to material recycling. Entra has over 90 per cent waste sorting rate in its projects and will have no trouble sorting into the fractions needed to facilitate material recycling. Entra has for the last two years participated in a project together with Obos and Norsk Gjenning with ambitions to challenge the manufactor industry to use recycled tree and concrete into their production. The result is that two industry partners have plans on developing these solutions. We expect that products with recycled materials will be in the market within two years. Entra is also in dialogue with a partner to test their recycled products within wood. To facilitate recycling products within wood, one of the solutions may be to establish a new wood fraction on the construction site so that wood products you do not want are sorted out. It will be easy for Entra to facilitate this.	In Entras pilot project in Kristian Augusts gate 13 which was completed in Q4 2020, Entra achieved 80 per cent reused materials.	Work to influence the authorities, suppliers and the industry in general with the aim of increasing reuse in all projects and thus reduce embodied carbon in properties and projects

[1] Consequence / Financial impact: Lav < 10 mill, Medium 10-100 mill, Høy > 100 mill
[2] Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

Area	Group	Type of risk	Probability	Consequence: [1]	Time horizon: [2]	Action	Opportunities	Implications for strategy
Transition risk	Technology	Solar and wind technology outperform current energy sources	High	Medium	Medium	Implementing solar and wind technology measures on buildings may impose significant costs		
	Market	Valuation of office properties	High	High	Medium	It is to be expected that valuation of property in the future will increasingly take into account the climate when assessing risk and determining return requirements. It is already seen that buildings with low environmental qualities achieve reduced interest and lower valuation.	Entra's portfolio, where environment has been a leading variable in all major construction projects over the last 10 years, is becoming increasingly attractive	Continue to have the environment and environmental qualities as a guideline in all projects
	Market	Tenant requirements	High	High	Medium	For the time being, there are few good examples of explicit environmental requirements from tenants. However, we do see a trend of increasing interest from tenants, and we believe that this will further expand in the future. Not being able to offer buildings with good environmental qualities and risk-reducing qualities can reduce the interest in the company's products / properties and in the worst case, make them difficult or impossible to rent. Entra have over severeal years reduced the energy consumption on our property portfolio. We also have a program where we are issuing BREEAM certificates on our buildings.	Also on older buildings in Entra's portfolio, energy consumption is on average significantly lower than the industry, which in turn increase the attractiveness of our buildings when attracting tenants.	Continue "as is"
	Market	Financial market requirements	High	High	Short	The financial market has taken on the importance of a sustainable business model and the degree to which the business is exposed to climate risk, and the introduction of the EU Taxonomy will further propel this trend. These assessments already have a major impact on access to capital and valuation of companies' equity and debt. This is only expected to be reinforced in the future as more and more investors take this into account in their investment decisions.	Entra's green financing started in 2016, and we now have almost half of our funding in green bonds and bank loans. This will be further strengthened in the future.	Continue the projects with high environmental quality requirements, which can form the basis for an increasing degree of green funding
	Reputation	Ability to attract the best workforce, confidence from other stakeholders	High	High	Short	A sustainable and responsible business model that responds and actively works to combat climate change is already very important for attracting talent. This is to be assumed that this will only be strengthened in the future and that the opposite will significantly reduce access to the best heads. Furthermore, the company's reputation deteriorates and confidence among the company's other stakeholders is reduced.	One concrete result of environmental strategy is that Entra is already attracting talent in various functional areas that want a purpose with their professional life	

[1] Consequence / Financial impact: Lav < 10 mill, Medium 10-100 mill, Høy > 100 mill
[2] Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

Area	Group	Type of risk	Probability	Consequence: [1]	Time horizon: [2]	Action	Opportunities	Implications for strategy
Responsibility risk	Responsibility risk	Lack of climate risk reporting	Low	High	Medium	A sustainable and responsible business model that responds and actively works to combat climate change is already very important for attracting talent. This is to be assumed that this will only be strengthened in the future and that the opposite will significantly reduce access to the best heads. Furthermore, the company's reputation deteriorates and confidence among the company's other stakeholders is reduced.	Entra seeks to be at the forefront in its reporting on the climate and on potential climate risks	Entra is deeply committed to contribute to the transition towards a low carbon society

Transition and responsitiblity risk

Transition risk is risk associated with the implications of climate policy and technological developments upon transition to a low-emission society. An ambitious climate policy is likely to result in carbon-intensive energy sources such as coal and oil being largely replaced by renewable sources such as sun, water and wind, and globally there is a shift towards more use of renewable energy sources, especially sun. This has major implications not only for energy producers such as Norway, but for large parts of society and the economy worldwide in coming years.

[1] Consequence / Financial impact: Lav < 10 mill, Medium 10-100 mill, Høy > 100 mill
[2] Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

Social

Entra is a sustainable and socially responsible company, has a high focus on social sustainability and has included several initiatives in its daily operations. Entra's focus areas includes its employees and working environment, HSE, urban development, human rights and community engagement.

Community engagement, initiatives within social sustainability and new initiatives that can contribute and support the employment of the new generation and disadvantaged groups currently not participating in the labour market will be focus areas in our social strategy in the years to come.

Entra will also initiate requirements in its own operations similar to requirements made to our suppliers and partners. When evaluating new initiatives, Entra will seek partners and suppliers with common objectives and targets. We will seek to clarify purposes and prioritise activities with the various sponsors to ensure desired targets and relevant KPIs.

Motivated employees

Entra strives to develop a value-based culture characterized by the company's core values; Innovative, responsible, Hands-on and One team. The core values and the company's principles for leadership are closely connected to how we act and how we follow up and develop our employees. Emphasis is put on employee motivation, which is considered to form the basis for an individual's desire and willingness to perform and thus to the development of the company. Employees are offered opportunities for personal and professional development through close dialogue with, and follow-up by, their immediate superior. It is fundamental that employees consider Entra to be a good and attractive place to work. At the end of 2020, the Group had 186 employees, of which four are temporary employees and six employees work part-time.

Health and working environment

Entra aims to be a health-promoting workplace and carries out a number of measures to contribute to the health and wellbeing of its employees. All employees are offered annual health checks and a broad range of health services through Entra's occupational health service and health insurance. Entra also has an internal sports club where employees on a voluntary basis engage in social activities and a number of sports such as hiking, golf, running, squash, skiing and yoga. During 2020, the internal sports club has facilitated interactive training sessions, so employees have been able to attend from home. Sick leave in Entra in 2020 was 3.1 per cent. This is low compared to a country average of 6.2 per cent [1]. The objective is a continued low level of sick leave.

Workers' rights

Entra complies with established standards and employment legislation. Entra is a member of the Confederation of Norwegian Enterprise, and tariff agreements have been established with employee organisations. Entra is covered by collective bargaining and the agreements are made applicable to all employees. Negotiations and follow-up in the event of operational changes or restructurings follow Norwegian law.

Safety officer, working environment committee and Board representation

Entra has a safety officer and working environment committee. Employees are represented on Entra's Board with two employee-elected directors.

The safety officer's main function is to take care of employee's interests in matters that relate to the working environment. The safety officer is elected for two years among employees with experience and knowledge of working conditions in the company.

Entra's working environment committee is a decision-making and advisory body. The committee's most important function is to work for a safe working environment. The committee covers issues on its own initiative and at the request of the safety officer. All employees can contact the committee.

Employees in Entra are free to organise themselves and are organised in several different labour associations. Entra has established an accord with the Norwegian Engineers and Managers Association (FLT).

Employee relationship and employee engagement

Each year, Entra carries out an employee job engagement survey. In recent years including 2020, Entra used the survey from Ennova for this purpose. The survey is standardised and gives a score both for the level of motivation and satisfaction of employees and the factors that drives their behaviours and attitudes. Entra's score is compared against a representative national benchmark (GELx) and a benchmark "top in class" of the 25 per cent best in Ennova's client database. In 2020, Entra had an employee motivation and engagement score of 82. Even with a decrease of three points from 2019's score, the score is significantly above the national benchmark GELx score of 72 and above the "top in class" score of 78. The past year has been characterised by new ways of working, due to Covid-19 and social distancing. Many employees have been working from home most of the year and just rarely attended physical meetings. These changes may have affected the score in 2020.

[1] Source: Statistics Norway, Q3 2020

Equality and diversity

Different expertise and experience contribute positively to Entra's development and to a broader and better basis for decision-making. Equal opportunities and diversity are an integral part of Entra's standards. Entra believes in the benefits of diversity, and this goal is incorporated into Entra's recruitment procedures and is reflected in the composition of senior management. Entra strives for diversity on a broad basis, including gender, age, background, education, and nationality.

The Board of Directors consists of four women and three men, whereof the Chair is a woman. The senior management team in Entra consist of three women and four men, whereof the CEO is a woman. Of all other managers in Entra, 44 per cent are women and 56 per cent are men.

At the end of 2020, Entra had 116 men and 70 women employed, of which two men and one woman were employed in Hinna Park AS. 50 per cent of the temporary employees are women. 67 per cent of the employees working part-time are men and 33 per cent are women and all have voluntarily decided to work part-time as part of Entra's policy for seniors and early retirement.

Average parental leave in 2020 was fourteen and eighteen weeks for men and women, respectively.

Our work for equality and diversity

Entra seeks to have an organisation that reflects the diversity of a modern society, and have a particular focus on gender, age and ethnicity balance. Diversity is an important part of Entra's social responsibility work. In general, social responsibility is an important reputation factor when it comes to attract the new generation of competent employees. Entra has worked actively with diversity for many years and has had a particular focus on;

- Achieving a more balanced gender distribution in property management (which historically has consisted almost exclusively of men), and
- increasing the proportion of women in our defined group of talents and key personnel.

The work with diversity and gender equality in Entra is structured through;

- *HR reporting:* Annual reporting from HR to senior management and the Board, hereunder status on achievement of HR targets and plans and targets for the year to come.
- *ESG Committee:* Entra's ESG Committee is an interdisciplinary group working on all different aspects of ESG. In line with the adjusted commitment to social sustainability, the committee has been expanded with additional and dedicated resources, covering all ESG initiatives in Entra. The Committee works with the strategic focus areas for ESG, identifying objectives and KPIs in cooperation with the responsible in both business units and group functions.

GENDER EQUALITY IN ENTRA ASA – KEY METRICS

	2020	2019
Gender distribution among employees (women/men)	69/114	66/108
Employee level 1 gender distribution (women/men)	3/4	3/4
Employee level 2 gender distribution (women/men)	24/31	22/27
Employee level 3 gender distribution (women/men)	42/79	41/77
Women's average earnings in relation to men's (all employees)	96 %	101 %
Women's average salary in relation to men's at employee level 1	101 %	77 %
Women's average salary in relation to men's at employee level 2	89 %	87 %
Women's average salary in relation to men's at employee level 3	91 %	-
Women's average bonus in relation to men's (all employees)	110 %	101 %
Women's average bonus in relation to men's at employee level 1	125 %	69 %
Women's average bonus in relation to men's at employee level 2	82 %	87 %
Women's average bonus in relation to men's at employee level 3	105 %	-
Sick leave % (woman/men)	5.4 %/1.8 %	4.5 %/1.5 %
Absence for sick children, number of days total (women/men)	34/24	43/35
Average weeks of parental leave taken (women/men)	18/14	25/8
Number of employees working part-time (women/men)	2/4	2/3
Number of employees involuntarily working part-time (women/men)	0/0	0/0
Number of employees in temporarily positions (women/men)	2/2	2/1

Employee level 1 = top management
Employee level 2 = managerial positions
Employee level 3 = other employees

- *Practice and policy:* All practices that address diversity are anchored with group management and the Board. Entra's ethical guidelines covers diversity, discrimination, and harassment, including procedures for whistleblowing both internally and through an external law firm.

Entra's work for diversity is also given weight through procurement of products and services. Requirements for diversity are set for purchasing of external legal services and for providers of facility management services.

The company has structured and professional HR procedures that ensures follow-up of employees through the various phases of employment as well as safeguarding against discrimination.

Recruitment

Entra has professional recruitment processes that ensure transparency and equal opportunities. Most recruitments are handled using internal resources and is managed by the HR department. A recruitment process in Entra is a structured process which includes an analysis of the job description with the purpose of choosing the preferred tone of voice in the announcements to attract the right candidates, a relevant and position-adapted case for the candidate to solve, and a final interview with both the direct manager and their superior manager.

During a recruitment process Entra aims to be open-minded, and all announcements are written in a general language inviting everyone with the right competence to apply for a position. When recruiting for senior or key positions in Entra, both sexes should be represented in the final interview round. This applies for both internal and external recruitments and, if needed, targeted recruitment processes are used to fulfil this goal. If this for some reason is not achieved, it has to be justified. Furthermore, we have strived to attract younger employees within property management to secure continuity and transfer of experience. During 2020, Entra recruited 15 new employees, of which seven women and eight men.

Developing competence and engagement

Entra has HR processes where performance review, talent and succession planning and development plans are closely linked together. This includes a dedicated development plan in accordance with each employee's ambitions and potential.

Employees are evaluated based on achievements, ambitions, and potential by individual managers on specific criteria, including achievement of specific goals and compliance with Entra's values. This evaluation is part of a process where Entra builds its talent pool and secures succession planning.

Entra has also developed a training and competency policy for all positions in the Group. Some courses and training are offered to all or most of the employees, others are more specifically related to roles within property management.

Entra's value chain is broad and imposes significant requirements regarding relevant experience and expertise. Entra therefore acknowledges individual employee's needs for ongoing professional training suited to his/her area of work and has developed the Entra School to provide education and training programmes for all levels of the organisation. The Entra School includes an introduction course for new employees, which is intended to enable employees to view their role in the company in a wider context and an internal management and key talent development programme that runs for 1.5 years and focuses on the responsibilities and challenges of a management role. Ethics training occupies a central position in the introduction course and through annual dilemma training programmes.

Work-Life balance

Entra seeks to facilitate for a good work-life balance based on the ambitions, life phases and family situation of our employees. We act in compliance with the laws and collective agreements that regulate the various leave schemes and have implemented solutions that are easy to use if applying for a leave or time-off. Employee benefits, such as flexible working hours and full pay during illness and parental leave regardless of the National Insurance scheme limits, are important measures in the efforts to ensure equal opportunities.

Regular working hours are 37.5 per week, with the core time from 09:00 to 15:00. Some employees in senior positions or in special independent positions have exemptions from the rules of the Working Environment Act § 10.2. Entra seeks to minimize the amount of overtime, but extra work is expected to be done during hectic periods. We experience that there is a mutual understanding of this in the company and that flexible working hours or a day-off can be during less intense periods.

Facilitation

As far as practically possible Entra seeks to facilitate for the different needs of all employees. The premises are universally designed with sufficient space and accessibility for potential users of wheelchair. Our workplaces are designed in accordance with the Workplace Regulations 4-2: § 2-4. This statutory provision ensures that the workplace design takes disability into account.

Wages and working conditions

Entra has developed a policy for compensation and benefits that ensures that employees with a similar position and at the same level are assessed according to specific and similar criteria to ensure equality. There is equality in the remuneration of men and women and all employees are included in a collective bonus scheme. All employees are included in the same insurance schemes and there is an equal pension scheme based on the salary level. Entra has no employees working part-time involuntarily.

Annual salary and tariff settlement in Entra follow a standardised process. It is based on central negotiations with the union representatives and involves individual evaluation of the employee from their immediate superior based on standardised criteria's. This process ensures consistent and performance-based salary adjustments.

Evaluation and salary adjustments are anchored with HR and the CEO.

Targets

Entra seeks to maintain high employee engagement and targets a continued high score in the employee job engagement survey.

Entra actively seeks to increase the share of women within property management year on year. The challenge has historically been that there has been lower interest from women and required expertise within technical building operations and management. During the last years we have adjusted the tone of voice in announcements, definition of the roles and targeted search processes to attract more female candidates whilst maintaining the quality of applicants.

It will be difficult to achieve a 50 per cent share of women as the property management department contains almost one third of our employees and as the pool of applicants for new positions still has a majority of men. Our ambition is to have a relatively equal share of women and men in the rest of the company, and among our talents and strategic successors to leading roles. In 2020, 44 per cent of the company's talents and strategic successors were women, and we had 44 per cent women in senior positions (Level 2).

To achieve the targets the administration has defined concrete measures on how to hire and develop employees. Such measures include, amongst others, a requirement to include both sexes in the final interview round for key positions, talent development giving deliberate priority to women and leadership development and coaching to promote female talent.

Identified focus areas

Entra is in the process of further developing our recruitment strategy, with a desire to increase employment for young people or groups that are out of work.

One of the focus areas is recruitment of people from different employment programmes that are currently out of work for various reasons. These programmes consider the employer's need for manpower and helps finding potential candidates. Schemes allow for a shorter free practice period without employer liability where the goal is permanent employment. Entra has good experience with recruiting from such programmes, and is evaluating which departments' future recruitment needs that can be filled through these employment programmes.

The apprenticeship scheme is part of the Norwegian public education system. The public apprenticeship is a two-year program, and the employer must be approved by the county municipality. Entra plans to start the process for being approved during 2021.

Most departments in Entra already work with educational institutions or directly with students as examiners, supervisors or conducting lectures.

An internship is a temporary employment for students, where the candidate gets relevant work experience, and will be a benefit for both parties. Entra will further assess the opportunity with relevant universities or business schools.

Potential risks of discrimination

The main risk of discrimination in Entra is unconscious discrimination. This is a risk that never can be eliminated, but which will be assessed and acted upon if it occurs. When starting up new initiatives, Entra will also initiate training of managers on how to succeed with inclusion. Entra currently has no reports from employees, safety representative or union representatives that discrimination has been experienced as part of our work processes.

Measures implemented to counter discrimination and contribute to increased equality and diversity

We are working to further develop our understanding of diversity, while implementing measures related to our strategy for social sustainability. These concepts will have additional focus through 2021, where we will investigate how we can express this into more concrete targets.

Identified initiatives:

- Cooperation has been initiated with third parties to collect data related to diversity, which will also contribute to our work with diversity in Entra.
- A diversity policy will be developed that includes already incorporated procedures related to recruitment and development of employees.
- Courses in diversity and inclusion will be conducted with the aim of maintaining and increasing awareness on unconscious discrimination.
- Equality and discrimination will become a permanent agenda point in the working environment committee (AMU) to include input from union representatives and safety representatives where they receive an overview of areas of discrimination and current HR processes.
- To implement the strategies of young people's ability to enter the labour market, and the employment for vulnerable groups currently out of work.
- Continued focus on increasing the share of women in the property management department.

Evaluation of the work with diversity

Entra's efforts to increase the proportion of female employees have given results. Entra has an organisation characterised by equality, with an increasing proportion of women in the property management department. As diversity is an important part of Entra's social responsibility work, we will in future reports provide an evaluation of the results of the measures implemented to contribute to increased equality and diversity.

Human rights

Entra seeks to contribute to diversity and equal opportunities for all and will promote and respect internationally recognised human rights and work to prevent breaches of those.

Entra does not accept discrimination or bullying in the workplace. Everyone is to be treated with respect, irrespective of gender, religion, age, ethnicity, nationality, any disability or sexual orientation. In order to secure compliance, human rights are included in guidelines and management tools, including those dealing with fundamental values, ethical guidelines, socially responsible procurement, the focus on HSE and the working environment.

Entra provides its employees with opportunities for professional and personal development and facilitates training to ensure that employees have the right competence and are able to use their expertise and assume responsibility. Entra demonstrates respect for its employees' private life and take into account requirements for personal data protection (GDPR) through secure IT and HR systems.

Health, Safety and Environment (HSE)

HSE work is central to Entra in all parts of the value chain. It shall be safe to visit and work in our properties and projects. HSE is well established as a natural part of day-to-day operations, including being part of the bonus scheme for all employees, and is a focus area at all levels of the organisation and thus recognised widely in the organisation as a personal responsibility of all employees. Entra's HSE strategy involves systematic work with:

- HSE in the daily operation of the buildings
- HSE in development projects
- HSE for our employees

The internal HSE policy in Entra has the following targets:

- It should be safe to work, visit and travel in and around Entra's properties and construction projects
- For our own employees, we will have a health-promoting work environment where no one will be injured or sick as a result of their work
- All HSE related legal requirements must be met

Members of the senior management are involved in practical HSE work and are expected to take the lead through behaviour and leadership. As part of this, a review of the latest HSE report is regularly on the agenda at management meetings and Board meetings. HSE status is also an important item on the agenda at all employee meetings. After the outbreak of the Covid-19 pandemic, Entra's top priority has been to ensure that we are taking the necessary measures to protect the health and safety of our employees, our tenants and other users of our buildings. During 2020, a particular focus has also been on the safeguarding of Entra's parking facilities against fire.

Entra works actively to increase awareness with regard to the registration of all types of incidents (including accidents, near misses). The reporting of incidents is important in order to improve, and at the same time increase awareness internally among Entra's employees, suppliers and customers.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Targets and status

HSE targets are also aggregated into group KPI's with a main focus on avoiding serious accidents. The HSE targets for 2020 were:

- There shall be no injuries involving sick leave absence that are due to Entra in and around our buildings, and
- there shall be no injuries in our construction projects involving more than 16 days' sick leave.

Incidents are reported to the CEO and to the Board of Directors. The incidents are investigated to see what lessons can be learned and are an important element in further strengthening the HSE work.

There were no injuries involving sick leave absence that was due to Entra in and around our buildings in 2020, but there were two injuries involving sick leave absence in our construction projects that involved more than 16 days sick leave.

Entra performs regular HSE audits of both development projects and management properties. In 2020, Entra performed three HSE audits of which of one development project and two management properties.

Urban development

Entra's strategic core areas are the four main cities Oslo and the surrounding area, Bergen, Stavanger and Trondheim. Entra's goal in its core areas is to contribute to urban clusters that are attractive, inclusive and accessible for residents and other relevant parties. A part of Entra's environment strategy is to be located close to major public transportation hubs, thus contributing to less use of private cars to the benefit of public transport and environmentally-friendly alternatives such as bicycles.

For Entra, urban development includes creating good atmosphere and secure surroundings in and around its buildings for the benefit of tenants, visitors and others who pass through the area. Entra ensures that the space around its buildings and building sites is neat, clean, and attractive. Entra considers tenant composition in order to create life and variation among visitors and users of its buildings. Where applicable, Entra considers how to activate the ground floors of our buildings to contribute to city life at street level.

Entra emphasises the importance of a good dialogue with partners, competitors and other stakeholders in its work on urban development. Entra involves neighbours, local politicians and others who live or work in the group's urban development districts in connection with new buildings and refurbishments. Involvement may constitute meetings and correspondence with neighbours, open meetings, information to the local press and a one-on-one dialogue with selected target groups.

Examples of areas and buildings where Entra has contributed to positive urban development are Papirbredden in Drammen, Brattørkaia in Trondheim, Tullinkvartalet, Sundtkvartalet and Tøyen in Oslo, and Hinna Park in Stavanger. In the years to come, Entra will also be involved in the urban development of Bryn in Oslo.

Community engagement

Community engagement has been an important part of Entra's ESG work for many years.

Entra has been a sponsor of the Church City Mission ("Kirkens bymisjon") in Norway since 2014. Entra's financial support to, and dialogue with, the Church City Mission strengthens the constructive measures that the Church City Mission is carrying out in connection with social challenges in the cities covered by the agreement. In Oslo, Entra is involved, among other things, in the "Neighbour cooperation" project, which involves several companies located in the Oslo city centre, working to create a safer and better local environment for all those passing through the area, and contributes to increased employment to disadvantaged groups that are currently out of work. Entra is actively involved in Christmas campaigns to collect money to provide Christmas dinners for the homeless and Entra employees have been contributing to the campaign "Support someone who dreads Christmas".

Most planned community arrangements for 2020 was cancelled due to Covid-19, but some new or adjusted arrangements took place. The Pstereo festival in Trondheim was conducted as a digital concert from the rooftop of Rockheim, one of Entra's assets. At Hinna Park, they managed to arrange outdoor drive-in cinema at one of Entra's buildings, in accordance with applicable infection control rules. During autumn, both in Oslo and Drammen, there were activities with the purpose of the distribution of reflexes to visitors and employees at our facilities. In total Entra has contributed with community engagement in and around 44 per cent of its portfolio (77 assets) in 2020.

For 20 consecutive years, Entra has also been a key sponsor of Ridderrennet. Due to Covid-19 the annual competitions for disabled skiers from different countries was cancelled in 2020. To ensure the financial situation of the organisation and future competitions at Beitostølen, Entra's monetary support remained at the same level even though the competitions was cancelled.

In 2021, Entra will look into how the sponsorships with the Church City Mission can be further developed with activities that also can contribute to increased employment for disadvantaged groups that are currently out of work.

Governance

Board's Corporate Governance statement

Entra's Board ("the Board") actively adheres to good corporate governance standards and will at all times seek to ensure that Entra complies with the requirements of section 3-3 b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance of October 2018, issued by the Norwegian Corporate Governance Board (NUES). This is done by ensuring that good governance is an integral part of the decision-making process in matters dealt with by the Board. Moreover, Entra's corporate governance standards are subject to at least annual assessment and discussion by the Board.

Compliance with the Norwegian Code of Practice for Corporate Governance

CORPORATE GOVERNANCE IN ENTRA

	Compliance with the Code	Reference
1. The Board of Directors' Corporate Governance statement	●	Page 68
2. Business	●	Page 12-41
3. Equity and dividends	●	Page 76
4. Equal treatment of shareholders and transactions with related parties	●	Page 76-77
5. Free transferability	●	Page 76
6. General meeting	[1] ●	Page 77
7. Nomination Committee	●	Page 77-78
8. Board composition and independence	●	Page 71
9. The work of the Board	●	Page 71-73
10. Risk management and internal controls	●	Page 28-39 , 53-59 and 72-73
11. Remuneration of the Board	●	Page 73-74
12. Remuneration of Senior Executives	●	Page 74-76
13. Information and communication	●	Page 77
14. Takeover bids	●	Page 77
15. Auditor	●	Page 79-80

[1] Minor deviation, cf. section 6 below

Roles and responsibilities

Board of Directors

- Responsible for the long term success of Entra
- Sets the overall strategy and oversee its implementation
- Provides leadership and direction to the Group on its values and ethics
- Responsible for corporate goverance
- Sets risk appetite and investment strategies
- Determines significant investments, acquisitions and disposals
- Responsible for risk management
- Responsible for financial performance, financial management and financial reporting
- Appoints core executive management positions

Audit committee

- Preparatory body supporting the Board on the exercise of its responsibilities relating to
  - Financial reporting
  - Internal controls and financial reporting processes
  - Compliance with ethical guidelines
  - Overall risk management
  - Review of the performance and independence of the auditor

Remuneration Comittee

- Preparatory body to the Board's considerations on compensation issues
- Prepares principles for remuneration packages and employment terms of the CEO and other Senior Executives
- Oversight of remuneration practices for all employees

Nomination Comittee

- Reviews structure, size and compostion of the Board and its Committees
- Leads Board appointment processes
- Ensures shareholders' views are taken into account
- Recommends appointments to the Board

CEO

- Leads the executive team and responsible for the overall management of Entra
- Articulate vision, values and purpose
- Develops and implements strategy
- Responsible for the overall performance of the business

Executive management

- Supports the CEO on the implementation of strategy, financial performance and management of the group

Management commites

- Investment committee
- Sustainability committee
- Compliance

Board activity

The Board attends 8 regular board meetings each year. Additional meetings are held on an ad hoc basis. 30 Board meetings were held in 2020 as a number of extraordinary board meetings were held in November and December following the strategic interest in acquiring the company. The calendar below sets out the main topics discussed at each regular board Meeting.

BOARD REPRESENTATION AND PARTICIPATION IN BOARD

February

- Financial and operational performance
- HSE report
- Transactions and investments
- Annual results and the Q4 report
- Portfolio valuation
- Management remuneration, STI and LTI
- Portfolio investments

March

- Financial and operational performance
- HSE report
- Transactions and investments
- Annual results and Annual report
- Going concern and viability statement
- ESG strategy and reporting
- Technology and Innovation Review
- IT and cyber security update

April

- Financial and operational performance
- HSE report
- Transactions and investments
- Q1 report
- Portfolio valuation
- CEO and Board Committees instructions
- Compliance
- Procurement and vendor Review
- HR Review
- General remuneration principles
- Covid 19 implications, risks and contingency plans

June

- Financial and operational performance
- HSE report
- Transactions and investments
- Property site visits
- Board meeting calendar
- Project Development Review
- Portfolio strategy
- Customer strategy
- Macro economic update

July

- Financial and operational performance
- HSE report
- Transactions and investments
- Half year report
- Portfolio valuation

September

- Financial and operational performance
- HSE report
- Transactions and investments
- Property site visits
- IT and cyber security Review
- Strategic insight - mobility trends and implications on real estate

October

- Financial and operational performance
- HSE report
- Transactions and investments
- Q3 report
- Portfolio valuation
- Strategy session
- Environmental strategi
- Social sustainability strategy
- Competence development
- KPI
- Board evaluation

December

- Financial and operational performance
- HSE report
- Transactions and investments
- Budget scenarios / financial model
- Financing plan and policy
- Investment policy
- Risk review
- Customer satisfaction survey
- Employer satisfaction survey
- KPI's 2021
- ESG strategy and reporting
- CEO Review
- Strategic interest in Entra

Board composition and independence

The Board consists of the following seven members: Siri Hatlen (Chair), Kjell Bjordal (Vice Chair), Widar Salbuvik, Camilla AC Tepfers, Benedicte Schilbred Fasmer, Marit Rasmussen and Erling Nedkvitne.

The shareholders elect between five and eight shareholder-elected members to the Board, including the Chair, for a period of two years. Entra has established a group scheme for the election of two employees to the Board of Entra.

Emphasis is placed on the combined Board being able to safeguard the interests of the shareholders as a whole and the Group's need for expertise within the Group's main business and board work. In addition, the Board shall have the capacity to carry out its tasks. Consideration shall be given to the Board being able to function well in a collegiate manner. Participants in the Group management shall not be members of the Board.

The Board is composed so that it can act independently of special interests. All the shareholder-elected members are independent of the Senior Executives, the Group's main shareholders, and significant business connections.

Information regarding the Board members' expertise is provided on page 84-85. All board members except the employee representatives are independent. Board members are encouraged to own shares in the Group.

BOARD MEETINGS AND COMMITTEES IN 2020

	Board meetings	Audit committee	Remuneration committee	Board tenure since	Up for election
Siri Hatlen (Chair)	30		3	2012	AGM 2022
Kjell Bjordal (Vice Chair)	29	3	3	2012	AGM 2022
Widar Salbuvik	27	6		2016	AGM 2022
Camilla AC Tepfers	28			2018	AGM 2022
Benedicte Schilbred Fasmer	25	3		2020 [1)]	AGM 2021
Marit Rasmussen (employee representatives)	26			2020	2022
Erling Nedkvitne (employee representatives)	30		3	2018	2022

1) Since AGM April 2020

The Board's work

The Chair of the Board chairs board meetings. The Board has a Vice Chair who chairs meetings when the Chair cannot or should not lead the work of the Board. All directors receive regular information about the Group's operational and financial progress in advance of the Board meetings. The Company's business plan, strategy and risk are regularly reviewed and evaluated by the Board. The Board draws up and adopts an annual plan, including topics for the Board meetings. Ordinarily, the CEO proposes the agenda for each individual Board meeting. The final agenda is decided in consultation between the CEO and the Chair of the Board. In addition to the directors, Board meetings are attended by the CEO, CFO, other EVPs as needed, and the Chief Legal Officer (secretary of the Board). Other participants are called in on an ad-hoc basis. The Board decides on matters of material importance to the Group. These include, but are not limited to, approval of the annual and quarterly accounts, strategies and strategic plans, the approval of significant investments, the approval of significant contracts and the approval of substantial business acquisitions and disposals.

The Board receives quarterly reports and presentations on the Group's operational and financial status. The reports describe progress and status in the Group's operative and administrative functions during the reporting period. The individual business units hold meetings with the CEO and CFO to review operating activities prior to and in connection with such reporting. The reports form the basis for internal control, communication on status and necessary measures. The quarterly reports are reviewed at Board meetings, and also form the basis for the external financial reporting.

Each year the Board and its committees assess their own work and way of working as a basis for reviewing the need for changes and other measures. This assessment includes an evaluation of the Board's expertise, collectively and for each member, and how well the Board works as a team.

Monitoring and control of financial reporting

Procedures have been established for financial reporting that involve carrying out a review of significant estimates, provisions and accruals in conjunction with preparation of the quarterly and annual financial statements. Separate memorandums are prepared for significant accounting assessments and non-routine transactions and are discussed with the Audit Committee. The valuation of the Group's properties is subject to a separate review and assessment at management level at the close of each quarter. This involves, among other things, holding meetings with the external appraisers conducting quarterly valuations of Entra's investment properties, with a particular emphasis on discussing perceptions of the market, risk premiums and documentation.

The Group reconciles and documents all balance sheet items in the group companies each quarter. Balance sheet items such as bank deposits, receivables, non-current assets and liabilities are subject to special reviews. Bank loans, interest rates and interest rate hedging are subject to manual reconciliation each month. Ongoing projects are reviewed on a quarterly basis by the Project Development department. Rental income and other significant profit and loss items are subject to reconciliation each quarter. All reconciliations are reviewed and quality assured, as well as being analysed against the Group's forecasts and previous accounting periods.

Management reports significant operational and financial matters to the Board at the Group's Board meetings. Any significant matters and situations that arise outside Board meetings are discussed with the Chair of the Board and if necessary additional Board meetings are held.

In connection with the quarterly reporting, the Group's external auditor performs a review of the financial reporting, without issuing a review report.

The Group's quarterly and annual financial statements are reviewed by the Audit Committee before they are considered by the Board. As part of this process, management prepares a memorandum for the Audit Committee that describes significant accounting and financial assessments made during the quarter. The Audit Committee annually reviews the external auditor's audit report, as well as the findings and assessments of reviews and audits in conjunction with interim and annual reports, if applicable. Key audit matters and significant issues in the auditor's report are presented to the whole Board.

Financial management

The Group is managed by means of financial and operational targets linked to results and development, the return on equity and the weighted average cost of capital, the management of the debt portfolio and the return on the property portfolio. Risk assessments and profitability calculations are performed in connection with acquiring property and commencement of development projects, in accordance with the Group's calculation model and required rate of return. The expected net present value and other key financial metrics of development projects are monitored throughout the course of each project. Long-term projections are made of expected financial developments as a component of the Group's risk management, using a model with detailed assumptions concerning the business's results, cash flow and balance sheet. The projections take into account cyclical developments in the economy, financial parameters and the property market. Scenarios and simulations are prepared for various developments. The simulations provide insightful information for the Board and management in their monitoring of developments in key balance sheet figures and cash flow.

Allocation of capital and the attitude towards risk are important parameters for guiding financial operations. Entra's finance policy contains a framework for the day-to-day management of the Group's financial risk. Principles have been defined for borrowing, management of liquidity risk and interest rate risk, and credit and counterparty risk. The Group's model for financial projections is updated on a continuous basis. Quarterly reports are made in accordance with the management guidelines for the financial operations, and to the Board through the quarterly business report.

Systematic monitoring of the general economic situation and its impact on the Group's financial risk is carried out. Based on expected developments in the economy and analysis of the Group's financial position, expected developments in both short-term and long-term interest rates, the strategy for interest rate positioning, capital requirements and planned financing activities are discussed, as well as opportunities in the financing market.

Financial reporting and communication

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. Entra's reporting fulfils statutory requirements and provides sufficient information to allow the company's stakeholders to form as accurate a picture of the business as possible. Entra reports in accordance with the rules in the Norwegian Securities Trading Act, as well as with the requirements specified by the Oslo Stock Exchange for companies with listed shares and bonds.

Entra provides its shareholders, the Oslo Stock Exchange and the financial market in general with timely, consistent and precise information. Such information is given in the form of annual reports, quarterly reports, stock exchange notices and investor presentations and meetings. The Board has set an IR policy for Entra's reporting of financial and other information.

The Group considers it important to inform shareholders about the Group's development and economic and financial status. Management members (CEO, CFO and Investor Relations Manager) are available for discussions with shareholders in order to develop a balanced understanding of such shareholders' situation and focus, subject however to the provisions in legislation and regulations. Management and the Chair of the Board ensures that shareholders' viewpoints are communicated to the whole Board.

The Board has approved insider regulations relating to the handling of inside information and trading in the company's shares. Primary insiders require internal clearance by the Chief Legal Officer before they buy or sell Entra shares.

Risk management

The Board is responsible for ensuring that the Group's business, financial reporting and asset management are subject to adequate control and in accordance with applicable law. Entra's risk management is to support the Group's strategic and financial goals and help the Group avoid events that may have an adverse impact on the Group's operations, financial situation and reputation. This is further elaborated on pages 28-39 and 56-59 in the Annual Report.

Internal control and compliance

The Board reviews at least twice per year the Group's risk and internal control activities. This, combined with the management's risk assessments and information on ongoing measures, put the Board in a good position to judge whether the Group's risk management procedures are satisfactory. Risk management and internal controls are also considered by the Board's Audit Committee.

Entra works systematically to ensure continuous improvement of its internal controls linked to financial reporting and efficient operations. The Group has a proactive approach towards risk management, and potential risks are identified, assessed, quantified and managed. This is further elaborated in the section on Risk Management.

In consultation with the Audit Committee, management defines areas where the Group conducts review of internal controls. Both internal and external resources are used on these reviews. The results of the most important reviews related to internal control are presented to the Audit Committee and the Board on at least an annual basis. An internal control plan is presented to the Board.

The Group follows up issues relating to ethical guidelines and corporate social responsibility. The environmental perspective is an integral part of the assessments made in connection with the Group's potential investments. Special requirements have been defined for the Group's suppliers in the document "Socially Responsible Procurement", and a supplier verification process is conducted each year to ensure that the Group's suppliers are familiar with and adhere to the contractual conditions. This is further elaborated under the section "Ethics and anti-corruption".

The Group's Chief Compliance Officer (CCO) is responsible for ensuring that the company has implemented a compliance program that will ensure that Entra is compliant with regulatory and legal requirements as well as internal policies and bylaws. The CCO performs an annual review of the Group's governing documents, including guidelines for ethical conduct, procurement, sustainability, anti-corruption, data protection and privacy, and supports the Board and the CEO in ensuring that these guidelines are implemented and enforced. The CCO is further responsible for the Group's whistleblowing channels. The Board of Directors are provided at least semi-annual reports on compliance related matters.

Board committees

The Board has established an Audit Committee and a Remuneration Committee. The Board has established mandates for the work of the committees, which are subject to annual revision. In accordance with their respective mandates, the Audit Committee and the Remuneration Committee shall have two or three qualified shareholder representatives from the current Board. The representatives are in general elected by the Board for two years at a time. In case of Board changes during the election period affecting members of the Audit Committee or Remuneration Committee, the period lasts until the representative is up for next election as a Board member. The committees assist the Board with preparing its work, but decisions are taken by the whole Board.

Audit Committee

The Audit Committee acts as a preparatory body and supports the Board in assessing the integrity of Entra's financial reporting, internal controls and financial reporting processes, compliance with ethical guidelines, overall risk management and review of the performance and independence of the auditor. The CFO, the Head of Group Accounting, the Group Controller and the Head of Accounting (secretary of the Audit Committee) attend as representatives of the management. The Group's auditor also participates in all meetings. The CEO and other members of the management attend as required. The chair of the Audit Committee reports on the significant assessments discussed in an Audit Committee meeting in the first following board meeting. The Board further has access to the minutes from each Audit Committee meeting. The Audit Committee has an established calendar of meetings. 6 (7) meetings were held in 2020.

Remuneration Committee

The purpose of the Remuneration Committee is to act as a preparatory body for the Board's consideration of compensation issues. The Remuneration Committee's main task is to prepare the Board's consideration of matters relating to the salary and employment terms of the CEO and Senior Executives, as well as changes to them. In addition, the Remuneration Committee prepares the Board's consideration of principle issues relating to salary levels, result-related pay schemes (including share schemes), the pension scheme/conditions, employment contracts and similar for the Senior Executives of Entra, as well as other matters relating to compensation that are of particular importance for the Group's competitive position, profile, ability to recruit, reputation etc. The CEO discusses the handling of individual conditions of Senior Executives with the Remuneration Committee. The Remuneration Committee furthermore discusses and presents proposals to the Board on guidelines for the remuneration of Senior Executives, prepares the Board's statement on the determination of salaries and other remuneration of Senior Executives in accordance with section 6-16a of the Norwegian Public Companies Act, and deals with other statutory reporting requirements.

The Remuneration Committee is composed of the Chair of the Board and one or two members of the Board and shall be independent of Senior Executives. The CEO and EVP HR & communication attends as the representative of the management. The CEO does not participate in discussions on issues that affect the CEO personally or matters that relate to the Senior Executives as a whole. The Group's Chief Legal Officer acts as the committee's secretary. 3 meetings were held in 2020.

Salaries and remuneration of Board and senior executives

Remuneration of the Board

The general meeting determines each year the remuneration of the Board based on the Nomination Committee's proposal. The Board's remuneration shall reflect the Board's responsibilities, expertise, and use of time and the complexity of the business. Remuneration shall not be dependent on results and no share options shall be issued to Board members.

Board members or companies to which they are connected shall not normally undertake separate assignments for the Group in addition to the Board appointment. If they nevertheless do, the whole Board is to be informed, and the fees for such assignments are to be approved by the Board. If remuneration is paid above the normal Board fee, this is to be specified in the annual report.

Remuneration of Senior Executives

Board statement regarding Senior Executives' remuneration
Pursuant to section 6-16a in the Norwegian Public Limited Companies Act, the Board will present the following statement

BOARD REMUNERATION IN 2020

All amounts in NOK thousand	Board fees	Committee fees	Total remuneration 2020 [1]
Siri Hatlen, Chair	476	51	526
Kjell Bjordal, Vice Chair	238	45	284
Widar Salbuvik	238	72	311
Camilla AC Tepfers	238	-	238
Benedicte Schilbred Fasmer from 30 April 2020	161	34	196
Erling Nedkvitne, employee representative [2]	238	20	258
Marit Rasmussen, employee representative from 30 April 2020 [2]	161	-	161
Ingrid Dahl Hovland until 30 April 2020	77	-	77
Mariann Halsvik Larsen, employee representative until 30 April 2020 [2]	77	-	77
Total [1]	**1 906**	**222**	**2 128**

[1] The overview of the remuneration of the Board of Directors shows remuneration earned in the financial year.

[2] Does not include ordinary salary.

The Board and committee members received no other compensation than what is set out in the table.

regarding remuneration of the Chief Executive Officer (CEO) and other senior executives (hereafter "Senior Executives") to the 2021 annual general meeting.

Guidelines for management remuneration
Remuneration of Senior Executives is based on the following general principles:

- Entra shall be a professional organisation that attracts and retains skilled personnel and develops the competence of its staff. Entra thus needs to use remuneration, including competitive salaries, in order to ensure that the Group can recruit and retain competent and attractive expertise
- Moderation in the level of salaries of the Group's employees
- Management remuneration shall be competitive, but not leading
- The fixed salary shall be the main element of the remuneration, but all remuneration elements shall be considered in total
- The targets for any performance-related pay scheme shall be objective, measurable and definable, and there should be a clear correlation between the Group's business goals and the targets in such performance-related pay scheme
- Senior Executive remuneration shall be transparent and in line with the principles of good corporate governance

Process for determination of remuneration
The Board has established a separate Remuneration Committee. The Remuneration Committee functions as an advisory body for the Board and the CEO and is responsible primarily for:

- Making recommendations to the Board based on the committee's evaluation of the principles and systems underlying the remuneration of the CEO and other Senior Executives
- Making recommendations to the Board based on the committee's evaluation of the overall remuneration of the CEO, including the annual basis for bonus payments and bonus payments actually made
- Assisting the CEO in determining the remuneration of the other Senior Executives
- Advising the Board and the CEO in compensation matters which the committee finds to be of material or principle importance for Entra

Determination of remuneration in 2021
The guidelines for management remuneration set forth above form the basis for all remuneration of Senior Executives. The Board of Directors furthermore proposes that the following principles shall apply for 2021 and up until the annual shareholders' meeting in 2022.

The total remuneration of the CEO and other Senior Executives consists of a fixed package of salary and benefits supplemented by performance-based bonuses, share-based long-term incentive plans, employee share plans, pension and insurance arrangements.

Fixed remuneration
The fixed remuneration provided to Senior Executives includes a base salary (which is the main element of remuneration) and benefits in kind such as a car allowance, mileage agreements and telephone. The Senior Executives also have insurance coverage and other benefits in line with what is offered to the other employees in accordance with collective agreements, legislation and normal practice in Norwegian companies.

Performance-related pay
The Group operates performance-related pay schemes for Senior Executives. For the Group's Senior Executives, performance-related pay in 2021 includes a performance-related pay scheme ("STI") and a long-term performance based share incentive program ("LTI").

STI scheme
The STI scheme is based on set targets at Group level in accordance with Board approved scorecards for 2021, as well

as predefined personal targets. The scorecard for 2021 consist of the following KPIs and topics:

- NOI margin (net operating income less administrative cost/ rental income)
- Customer satisfaction score
- Energy consumption and waste management in the property portfolio
- HSE (health, safety and the environment)
- Employee satisfaction
- Compliance

For the CEO and the deputy CEO the STI scheme has a maximum limit of 50 per cent of base salary and for other Senior Executives the maximum limit is 30 per cent of base salary.

LTI scheme
The LTI scheme is based on two Key Performance Indicators (KPIs); Return on Equity before tax (RoE) and Total Shareholder Return (TSR), each weighting 50 per cent. The Board believes that these KPIs align the interest of Senior Executives and shareholders in a beneficial manner, even though both KPIs are also influenced by external factors beyond the control of management.

Actual performance is determined on a linear target scale between a hurdle at 100 per cent and a cap at 120 per cent for both KPIs.

1. Return on Equity: three-year average RoE before tax compared to a target determined by the Board of Directors
2. Total Shareholder Return: three-year Entra TSR performance compared to the performance of the FTSE EPRA/NAREIT index.

Overview of remuneration scale LTI scheme 2021

			Maximum LTI result CEO and Deputy CEO (%) [1]	Maximum LTI result Senior Executives (%) [1]
Target achived	100	120		
RoE	5.5	6.6	30	20
TSR	100 % of index	120 % of index	30	20
Result LTI	**-**	**100**	**60**	**40**

[1] Calculated as actual achieved RoE & TSR divided by target RoE & TSR ("Result"). This Result is compared to the applicable target scale and if between 100 and 120 per cent, the linear percentage achievement is multiplied with the maximum 2021 result. I.e., if the Result is 110 per cent on the target scale, 2021 remuneration is calculated by 50 per cent multiplied by maximum 2021 result of 40 per cent and 60 per cent for Senior Executives and CEO/Deputy CEO, respectively.

The LTI remuneration will be distributed in shares which will have a vesting period of five years, whereof 1/3 matures after three years, new 1/3 after four years and the remaining 1/3 after five years. LTI remuneration is not included in the basis for pensionable salary and there is a cap on share price increase under the LTI scheme at 200 per cent share price increase.

Share purchase scheme
The CEO and other Senior Executives are eligible to participate fully in Entra's discounted employee share purchase plan on the same terms as all other employees.

OVERVIEW OF TOTAL REMUNERATION TO SENIOR EXECUTIVES IN 2020

All amounts in NOK thousand	Salary	Performance related pay (STI) [1]	LTI [2]	Benefits in kind	Pension costs	Total remuneration 2020
Sonja Horn, CEO	3 728	1 385	738	140	110	6 100
Anders Olstad, CFO and Deputy CEO	3 262	1 257	669	140	110	5 438
Kjetil Hoff, COO	2 047	415	179	140	110	2 892
Per Ola Ulseth, EVP Project Development	2 027	416	255	140	110	2 948
Tore Bakken, EVP Market and Commercial Real Estate Development	2 084	426	226	140	110	2 985
Åse Lunde, EVP Digitalisation and Business Development	1 757	312	251	140	110	2 570
Kristine Marie Hilberg, EVP HR and Organisation	1 634	334	120	141	110	2 339
Total	**16 540**	**4 544**	**2 437**	**981**	**770**	**25 271**

[1] STI reflects the provision based on targets met in 2020, which will be paid out in 2021.
[2] The LTI scheme has a vesting period of three years and a lock-up period of three to five years. LTI is reported on expensed basis. As such, the earned LTI for 2020 also includes a portion of LTI earned in previous years.

The above amounts are subject to National Insurance contributions of 14.1 per cent. No loans were given by Entra to senior executives at 31 December 2020.

Pension benefits
The CEO and other Senior Executives has a contribution-based service pension on the same terms as other employees. The contributions are 5 per cent of salaries between 0 G and 7.1 G and 15 per cent of salaries from 7.1 G to 12 G.

Board compensation for company management and other employees
The CEO and certain other Senior Executives have a number of internal directorships in subsidiaries and partly-owned companies. They do not receive any remuneration for these directorships.

Employee-elected members of the Board of Entra ASA receive fees in line with shareholder-elected Board members.

Severance package arrangements
The CEO has the right to six months' severance pay based on the base salary in cases where the Board takes the initiative to terminate the employment. No other Senior Executives have pre-agreed severance pay agreements.

Remuneration in 2020
Determination of remuneration of Senior executives for 2020 has been carried out in accordance with the statement presented to the AGM on 30 April 2020. The base salary of the Senior Executives remained flat in 2020. Performance-related pay for 2019 was determined and paid in 2020 on the basis of the principles determined in 2019. Performance-related pay for 2020 is determined and paid in 2021 on the basis of the principles determined in 2020.

Equity and shareholders

Entra has only one share class. Each share carries one vote and otherwise has equal rights including the right to participate in general meetings.

Free transferability

The shares are freely negotiable, with the exception of shares purchased by employees at a discount, and shares allocated in connection with the company's long-term incentive (LTI) scheme, see the section on Salaries and remuneration of Board and senior executives above. The Articles of Association place no restrictions on voting, ownership or negotiability in the shares.

Equity and dividend

At 31 December 2020, the Group's book equity was NOK 29,205 million (NOK 24,517 million), representing an equity ratio of 49 per cent (48 per cent). The Board considers this to be satisfactory by reference to the Group's goals, strategy and risk profile. At any given time, the company's financial strength and exposure is considered in the light of its objectives, strategy and risk profile.

The Board of Entra targets to pay out dividends corresponding to approximately 60 per cent of Cash Earnings on a semi-annual basis. Cash Earnings is defined as net income from property management less tax payable.

Board authorisations

Capital increase
The Board has been authorised to increase the share capital by up to NOK 18,213,205, equivalent to 10 per cent of the company's share capital. The authorisation may be used for the purpose to strengthen the company's equity and to cover capital need in connection with business opportunities. The authorization shall be valid until the annual general meeting in 2021, and will in all cases expire on 30 June 2021.

Purchase of own shares
The Board has been authorised on behalf of the company to acquire Entra shares in the market with an aggregated par value of up to NOK 3,642,641, equivalent to approximately 2 per cent of the company's share capital, for a maximum purchase price of up to NOK 910,660,250. Treasury shares acquired under this authorisation may only be disposed of by way of a subsequent cancellation in connection with a share capital decrease, cf. section 12-1 (1) no. 2 of the Companies Act. The lowest and highest price to be paid per share is NOK 50 and NOK 250, respectively. The company's acquisition and divestment of own shares shall be carried out on a stock exchange or otherwise at a trading price and in accordance with generally accepted principles for equal treatment of shareholders. This authorisation shall be valid until the annual general meeting in 2021 and will in all cases expire on 30 June 2021.

The Board has also been authorised on behalf of the company to acquire up to 500,000 shares in Entra ASA on behalf of the company with an aggregated par value of up to NOK 500,000, equivalent to approximately 0.27 per cent of the company's share capital, for a maximum purchase price of up to NOK 125,000,000. Shares may be acquired for the purpose of carrying out the company's share scheme for all employees in the Entra group and the long-term share incentive scheme for members of the senior management in the Entra group. The lowest and highest price to be paid per share is NOK 50 and NOK 250, respectively. The company's acquisition of own shares shall be carried out on a stock exchange or otherwise at a trading price and in accordance with generally accepted principles for equal treatment of shareholders. Divestment shall be carried out in accordance with the purposes set out above, or on a stock exchange or otherwise at a trading price and in accordance with generally accepted principles for equal treatment of shareholders. This authorisation shall be valid until the annual general meeting in 2021 and will in all cases expire on 30 June 2021.

Equal treatment of shareholders and transactions with related parties

In the case of not immaterial transactions between Entra and a shareholder, a shareholder's parent company, a Board member, a Senior Executive or persons related to them, the Board is to ensure that a valuation is in place from an independent third party. This does not apply when the general meeting is to consider the matter in accordance with the rules in the Norwegian Public Companies Act. An independent valuation shall also be provided in the case of transactions between companies in the same group where there are minority shareholders in such companies.

The Board is not aware of any transactions in 2020 between the company and shareholders, directors, executive personnel or parties closely related to such individuals that could be described as material transactions.

Information and communication

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. Reporting fulfils statutory requirements and provides sufficient information to allow Entra's stakeholders to form as accurate a picture of the business as possible. Entra reports in accordance with the rules in the Norwegian Securities Trading Act, as well as with the requirements specified by the Oslo Stock Exchange for companies with listed shares and bonds.

Entra provides its shareholders, the Oslo Stock Exchange and the financial market in general with timely, consistent and precise information. Such information is given in the form of annual reports, quarterly reports, stock exchange notices and investor presentations. The Group's report on corporate social responsibility is integrated in the annual report. The Board has set an IR policy for Entra's reporting of financial and other information.

The Board has approved insider regulations relating to the handling of inside information and trading in the company's shares. Primary insiders require internal clearance by the Chief Legal Officer before they can buy or sell Entra shares.

The Group considers it important to inform shareholders about the Group's development and economic and financial status. Management members (CEO, CFO and Investor Relations Manager) are available for discussions with shareholders in order to develop a balanced understanding of such shareholders' situation and focus, subject however to the provisions in legislation and regulations. The Chair of the Board ensures that shareholders' viewpoints are communicated to the whole Board.

Information to the Group's shareholders is published on Entra's website at the same time as it is sent to the shareholders. The Board has determined an IR policy for Entra's contact with shareholders outside the general meeting.

Takeover bids

The Board has an approved set of guidelines for takeover bids and will handle such situations in accordance with Norwegian law and the Norwegian Code of Practice for Corporate Governance. In a bid situation, Entra's Board and Senior Executives have a responsibility to help ensure that shareholders are treated equally, and that the Group's business activities are not disrupted unnecessarily. The Board will not hinder or obstruct takeover bids for Entra's activities or shares. The Board will ensure that shareholders are given sufficient information and time to form an opinion on an offer. If a takeover offer is received, the Board will issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The guidelines have been followed during the recent strategic interest in Entra.

General meeting

The Board shall arrange for as many shareholders as possible to be able to exercise their rights to participate in Entra's general meeting, and for the general meeting to be an effective meeting place for shareholders and the Board, through, among other things, ensuring that:

- agenda documents are sufficiently detailed for shareholders to be able to take a position on all matters that are to be considered;
- the deadline for notice of attendance is set as close to the meeting as practically possible and in accordance with the provisions in the Articles of Association;
- the Board and chair of the Nomination Committee attend the general meeting
- routines are in place to ensure that the general meeting can elect an independent person to chair the general meeting; and
- the Board and the person chairing the meeting shall ensure that the general meeting is able to vote on each item, hereunder for individual candidates for appointment to the Group's governing bodies.

Shareholders who are not able to be present at the general meeting shall be given the opportunity to vote through a proxy or through electronic participation. Entra shall:

- give information on the procedure for attending by proxy;
- appoint a person who can vote for shareholders as proxy; and
- prepare a proxy form, which as far as possible is laid out in such a way that votes can be given for each matter that is to be considered and candidates who are to be elected.

The entire Board has not usually attended the General Meeting as the items on the agenda of the General Meeting have not required this. The Chair of the Board is always present, and other Board members participate on an ad-hoc basis. From the Group's perspective, this is considered to be sufficient.

Nomination Committee

Article 6 of the Group's Articles of Association states that the company shall have a Nomination Committee composed of up to five members.

The members of the Nomination Committee, including the chair, are elected by the general meeting for a period of up to two years. Members of the Nomination Committee shall be shareholders or representatives of shareholders and the committee should be composed so that broad shareholder interests are represented. Each gender shall be sought represented in the Nomination Committee.

The Nomination Committee shall give its recommendation to the general meeting regarding election of shareholder-elected members to the Board of Directors and members of the Nomination Committee, as well as remuneration to members of the Board of Directors and the Nomination Committee. The remuneration to members of the Nomination Committee is determined by the general meeting, and the general meeting may adopt instructions for the Nomination Committee. The Nomination Committee ensures that shareholders' views are taken into account when qualified members are nominated to the governing bodies of Entra, and shareholders are invited to provide input to the Nomination Committee.

None of the Committee's members represents Entra's management or Board, and they are all considered to be independent. The Nomination Committee is considered to have a composition that reflects the common interests of the community of shareholders.

See www.entra.no for more information on the members of the Group's Nomination Committee and the Nomination Committee's contact details.

Ethics and anti-corruption

Entra has zero tolerance for corruption in all parts of the group's business. Ethical behaviour is a necessary condition for a sustainable business. Entra conducts its business in an ethical and transparent manner, acts within the law and its ethical guidelines and behaves in line with its fundamental values of being responsible, innovative, hands-on, and one team.

Ethical Guidelines

Entra's ethical guidelines are built on principles of equal opportunities for all, concern for the environment and a society view that emphasizes ethics, transparency, honesty and sincerity. The long-term success of the Group is based on trust. To maintain this trust Entra must ensure that its behaviour is consistent with its corporate values. The Group's ethical guidelines describe the way Entra is to treat its stakeholders and the behaviour which is expected of its employees. The ethical guidelines provide guidance and support to the Group and its employees in decision making and problem-solving processes.

The ethical guidelines are incorporated in the management development programme and are evaluated by the Board on an annual basis. Entra creates ethical awareness through training programmes, including an e-learning programme, and all employees and the Board of Directors are required to sign the ethical guidelines annually.

Entra has established whistle-blowing routines. Internal and external questions about ethics, harassment, whistleblowing etc. can be directed to the Group's Compliance Officer, or anonymously to an independent, experienced law firm with a duty of confidentiality in order to lower the threshold for an employee compared with having to contact a member of staff in Entra. The Compliance Officer reports on any matters to the board twice a year. A direct point of contact on such matters to an external law firm is available on www.entra.no and on Entra's intranet. There have been no reported incidents in 2020.

Entra's fundamental procurement principle is to achieve the best possible total result through competition and supplier management. Procurement is also to take advantage of economies of scale.

Entra aims to be a responsible purchaser in all parts of the value chain and has established a set of processes and routines for procurement that include requirements on documentation, role/work division (dualism) and equal treatment of suppliers through competition. The routines are set to counter conflicts of interest and corruption.

New employees participate in procurement training covering processes, guidelines and tools for implementing best practice and fair procurement processes. Anti-corruption measures is an item on these training courses.

In 2017, Entra implemented dilemma training in ethics for its employees. The dilemma training is part of the introduction course for new employees and there is an annual target that all employees should complete such online training each year. 100 per cent of the employees as well as the Board of Directors completed online training course in 2020.

Entra continuously monitors the suppliers within its supplier base to ensure that the company only does business with serious counterparties.

Entra's supply chain

Entra spends approximately NOK 1.5-2 bn per year on external suppliers. The main suppliers are the largest construction companies in Norway and their sub-contractors. In property management, the largest suppliers deliver maintenance works within building/refurbishment, electrical, HVAC and plumbing. Entra also uses large facility services suppliers for facility operations. Entra has signed framework agreements with its largest suppliers to minimize risk and follow up suppliers.

Sustainability in the supply chain

The construction and real estate industry in which Entra operates faces serious challenges related to Corporate Social Responsibility (CSR), business crime and labour rights. Entra has established procedures to ensure that Entra only uses qualified suppliers.

Entra performs risk assessments for its entire value chain and facilitates action plans to reduce any identified risk. Entra has identified suppliers that perform work on Entra´s construction sites and facility services vendors as high-risk suppliers within social responsibility and follow-up this sector accordingly.

There is considered to be limited risk associated with rights to e.g. exercise freedom of association and collective bargaining, child labor or forced and compulsory labor in Entra's direct supply chain. But Entra has identified higher risk among sub-suppliers at construction sites in regards to violation of labour rights. Entra has therefore increased the supplier management focus towards these sub-contractors.

Supplier qualification requirements
Entra has set "Socially Responsible Purchasing Guidelines" that must be followed by both suppliers and their sub-suppliers in its supplier qualification requirements.

The document covers themes such as:

- Sustainable development and environmental considerations in the choice of materials
- External environment and focus on energy and environmental footprint savings
- HSE on construction sites
- Well-functioning work conditions and labour rights
- Economy and solidity
- Business ethics and relations

The guidelines are set to ensure that there are good working conditions in the suppliers' and in their sub-suppliers' businesses. The guidelines states that it is only allowed with two levels of sub suppliers for large suppliers and one for others.

Suppliers and sub-suppliers are to be registered in the Registry of Business Enterprises and are obliged to provide an corporate identity code.

Entra is against all forms of discrimination. All employees and hired staff who are engaged in working on contracts must have salary and working conditions that fulfil the statutory requirements in accordance with the applicable collective agreements at the relevant time. Entra may require a supplier to produce documentation that shows the salary terms and working conditions for employees and hired staff at the supplier and their sub-suppliers.

Supplier audits
Entra performs audits of its operations on an annual basis. The audits seek to assure that all operations follow Norwegian legislation and that principles stated in Entra's Socially Responsible Procurement Guidelines are followed. Risk factors in the supply chain as well as HSE risks are the main focus issues for the audits. An annual audit plan for Entra's operations and especially the property portfolio is prepared based on risks evaluated on the following:

- Project/property/supplier size and complexity
- Contract conditions, contract model and vendor selection
- The results of changes, previously conducted audits and controls
- Project organisation
- Start and life-time of the project

There are no set criteria for the number of audits to be performed each year, although there is typically a correlation with the number of projects in the portfolio.

During 2020 seven (7) supplier audits were carried out. The audits were undertaken by a combination of internal personnel and external audit companies, and the reports were thoroughly evaluated together with the handling of deviations, observations and suggestions for improvement.

The findings of violation of labor rights in one audit was so severe, that the contract with the sub- contractor was immediately cancelled.

Supplier reviews and verification
In addition to supplier audits, Entra performs bi-annual reviews of "high-risk suppliers", with annual sales to Entra exceeding NOK 0.2 million. The review emphasizes supplier adherence to Entra´s supplier qualification requirements. It includes;

- Checks that the latest version of "Socially Responsible Purchasing Guidelines" is adhered to
- Credit checks to ensure suppliers' financial stability
- Checks to ensure suppliers have reported tax/vat submissions (last six months)
- Checks whether construction suppliers are registered in the "StartBank" qualification system
- Checks to determine if cleaning vendors are listed in the regulatory register for cleaning companies

Supplier Management Programme
Since 2015, Entra has invited master agreement suppliers to annual meetings to discuss developing a common approach to the challenges faced by the industry (including HSE).

The main purpose is to have an established arena for dialogue and cooperation that, in addition to resolving commercial issues, will focus on contributing to meeting the sector's challenges relating to working conditions, corruption and business crime.

In 2020, Entra reviewed its ethical guidelines together with master agreement suppliers in order to ensure that the guidelines are being followed. The goal is closer involvement, increased awareness levels and better reporting.

Auditor

The Audit Committee evaluates and makes a recommendation to the Board and the general meeting regarding the choice of external auditor. When evaluating the auditor, emphasis is placed on the firm's qualifications, capacity and the auditor's fee. The general meeting elects the Group's auditor. Since 2012, Entra's auditor has been Deloitte. Eivind Skaug has been the responsible partner of the audit team since 2014.

Plan for the auditor's work

Each year the auditor presents a plan for the execution of the auditor's work to the Audit Committee that in turn informs the Board of its most important aspects.

Auditor’s relationship to the Board

The auditor attends all meetings of the Audit Committee, as well as the Board meeting in which the annual report and financial statements are considered and adopted. At the meetings, the auditor goes through any significant changes in the Group’s accounting principles, the evaluation of material accounting estimates and any material matters where there has been disagreement between the auditor and the management. There is one annual meeting with the Audit Committee and the auditor, and one meeting with the whole Board and the auditor, which is not attended by representatives from the management.

Auditor’s review of the Group’s internal controls and financial reporting

When presenting the results of the interim audit to the Audit Committee, the auditor focuses on the Group’s internal controls, identified weaknesses and proposals for improvements. The auditor summarises the findings and assessments of the annual audit for Group management and the Audit Committee. Material issues if applicable are summarised for the Board.

Auditor’s independence

Each year the auditor’s independence is assessed by the Audit Committee. The Board has drawn up guidelines on the engagement of the external auditor, governing what work the auditor can do for the Group in view of the requirement for independence. Any major assignments other than statutory audits are approved by the Audit Committee in advance. Management informs the Audit Committee of all additional services supplied by the external auditor at each Audit Committee meeting.

General meeting

The auditor attends the annual general meeting for consideration of the annual financial statements. The auditor’s fee for the statutory audit and other services is approved by the general meeting.


POWERHOUSE
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To the Board of Directors of Entra ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON ENTRA'S ESG REPORT FOR 2020

We have been engaged by the Board of Directors of Entra to provide limited assurance in respect of the environmental, social and governance information presented in the Entra – Annual Report 2020, the sections ESG in Entra, pages 42 – 81, GRI and TCFD tables, pages 177 – 182, and EPRA Sustainability Performance Measures, pages 183 - 189, in total referred to as "the Report". Our responsibility is to provide a limited level of assurance on the subject matters concluded on below.

Responsibilities of the Board of Directors

The Board of Directors are responsible for the preparation and presentation of the Report and that it has been prepared in accordance with the reporting criteria described in the Report, including the GRI Standards, level Core, and the Norwegian Code of Practice for Corporate Governance. The Board of Directors are also responsible for establishing such internal controls that they determine are necessary to ensure that the information is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion on the information in the Report. We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board.

Deloitte AS is subject to International Standard on Quality Control 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Considering the risk of material misstatement, our work included analytical procedures and inquiries with management and individuals responsible for the preparation of the Report and for sustainability management at corporate level, as well as a review on a sample basis of evidence supporting the information in the Report.

We believe that our work provides an appropriate basis for us to provide a conclusion with a limited level of assurance on the subject matters.

Registrert i Foretaksregisteret
Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

Deloitte.

Conclusions

Based on our work, nothing has come to our attention causing us not to believe that:

- Entra has applied procedures to identify, collect, compile and validate ESG information for 2020 to be included in the Report, as described in the Report.
- ESG information presented for 2020 is consistent with data accumulated as a result of these procedures and appropriately presented in the Report.
- Entra applies a reporting practice for its corporate governance reporting aligned with the Norwegian Code of Practice for Corporate Governance.
- Entra applies a reporting practice for its sustainability reporting aligned with the Global Reporting Initiative (GRI) Standards reporting principles and the reporting fulfils level Core according to the GRI Standards. Entra's GRI index presented in the Report appropriately reflects where information on each of the disclosures of the GRI Standards is to be found within the Entra - Annual Report 2020.

Oslo, March 3, 2021
Deloitte AS

Eivind Skaug
State Authorised Public Accountant

Frank Dahl
Sustainability expert

Board of Directors



	Siri Hatlen	Kjell Bjordal	Widar Salbuvik
Board position	*Chair*	*Vice Chair*	*Board member*
Born	1957	1953	1958
Nationality	Norwegian	Norwegian	Norwegian
Gender	Female	Male	Male
Member of the Board since	2012	2012	2016
Number of shares in Entra	1,163	50,000	20,000
Education	MSc from the Norwegian University of Science and Technology (NTNU) and an MBA degree from INSEAD	MSc in Business from the Norwegian School of Economics (NHH), AMP Wharton Business School	Graduate Programme in Economics and Business Administration from the Norwegian School of Economics (NHH)
Executive and non executive positions	Hatlen has experience from senior management positions in Statoil, EVP of Statkraft and as CEO of Oslo University Hospital. She is chair of the board of "Nye Rikshospitalet og Nye Aker", Norwegian University of Life Sciences, Vestre Viken HF and Omsorgsbolig Holding. She is vice chair at Anti-doping Norway, the Norwegian Glacier Museum and Nobels Peace Centre and a board member of the Norwegian Trekking Association, Export Credit Norway and Katapult	Bjordal is an independent business advisor and has previously held positions as CFO and CEO of Glamox Group, CEO in NorAqua and CEO in EWOS Norway/EWOS Group. He also serves as the chair of the board of directors of Sparebank1 SMN, Axio, Nordlaks Group, Norsk Landbrukskjemi and Norges Forskningsråd HAV	Salbuvik is an independent business advisor and investor and was previously CEO of Pareto AS. He also serves as chair of the board of, amongst others, Breiangen, Asset Buyout Partners, HR-Gruppen, Nysnø Klimainvesteringer, Sabar, Havfonn, Skolt Holding and Vindsteg and as vice chair in Bjørnøen and Kings Bay. He is also a board member of Ørn Software, Storstein, Zeiner Gruppen, Parks and My Production
Previous experience			
CEO	●	●	●
Property industry			●
Project management	●		
Technology management	●	●	●
Environment and CSR	●	●	●
Financing and stock market	●	●	●
Transactions and M&A		●	●
Accounting		●	●

			
Benedicte S. Fasmer	**Camilla AC Tepfers**	**Marit Rasmussen**	**Erling Nedkvitne**
Board member	*Board member*	*Board member, employee representative*	*Board member, employee representative*
1965	1969	1976	1962
Norwegian	Norwegian	Norwegian	Norwegian
Female	Female	Female	Male
2020	2019	2020	2018
-	-	454	12,392
MSc in Business from the Norwegian School of Economics (NHH)	MSc from the Norwegian University of Science and Technology (NTNU)	Market Communication from the the Norwegian Business School (BI)	Msc degree from University of Glasgow, Business Administration candidate from BI Norwegian Business school
Fasmer is CEO of Sparebank 1 SR-Bank and has more than 30 years of experience from the financial sector, industry and shipping. Fasmer also has more than 20 years of board experi-ence as non-executive director in listed and unlisted companies as well as government owned businesses. She is currently board member of Farvatn and Vocalink Limited	Tepfers serves as co-founder and partner of inFuture. She has previous experience as EVP at DnB Nor innovation and Senior VP at DnB eDevelopment. She has been a Lecturer at Norwegian University of Science and Tehcnology (NTNU) and a consultant with Icon Medialab. She serves as member of the board of directors of Strongpoint, Dyreparken Utvikling, InFuture and Polaris Media	Rasmussen is a property manager in Entra and has previous held positions within management, sales and marketing at Kolonihagen Bakeri, HR consultant in Sodexo and sales and marketing in Norpet and Zoomiljø Engros.	Nedkvitne is a Category Manager in Entra and has previously held positions as Procurement Manager in Caverion, Segment Manager in Onninen, European Product Marketing Manager in Omron Europe, Technical Manager in Omron Norway, and Project Manager in Siemens
●			
		●	●
	●		●
	●		
●			
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●			
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Report of the Board of Directors

Despite an eventful year starting with the Covid-19 pandemic in March, Entra continued to deliver strongly in 2020 on its three strategic pillars: Profitable growth, customer satisfaction and environmental leadership. Entra's operations and financials has only to a limited extent been impacted by the pandemic. Net asset value grew during 2020 by 23 per cent, primarily driven by compressed yields following the Norwegian central bank's reduction of the key policy rate from 1.5 per cent to 0 per cent, increasing both national and international investors' interest in Norwegian commercial real estate. Rental income grew by 1 per cent and net income from property management was down by 1 per cent. The Board proposes to pay a semi-annual dividend of NOK 2.50 per share for the second half of 2020 and thus NOK 4.90 per share for the full year, up from NOK 4.70 per share in 2019.

Entra is one of Norway's leading real estate companies and number one in the office segment, focusing on large, high quality, flexible and environment friendly office properties with central locations in the largest cities in Norway. Entra has its head office in Oslo.

Entra's rental income and results from property management has only to a limited extent been impacted by the Covid-19 situation in 2020. The Norwegian government implemented extensive support packages to ensure the survival of businesses, including a targeted cash support initiative to cover fixed costs for affected businesses. With solid infrastructure and a strong public funding, including the Government Pension Fund Global, Norway has proven to have the fundamentals in place for a recovery post-crisis.

Entra had rental income of 2,353 million (2,338 million) in 2020. Net operating income was 2,142 million (2,149 million) and net income from property management was 1,451 million (1,471 million). Net positive value changes were 5,705 million (1,955 million) and profit before tax was 7,274 million (3,735 million).

Entra's tenant base is robust with a WAULT of 7.1 and a solid backbone of public tenants, comprising 58 per cent of revenues, as well as limited exposure to industries most affected by the Covid-19 situation.

Due to solid letting activity, especially towards the end of the year, Entra signed new and renegotiated leases with an annual rent totalling 508 million. Net letting for the year was 202 million.

The most important lever for securing profitable growth for Entra is through project development, and Entra normally has 5-10 per cent of the portfolio in project development. In 2020, Entra started the redevelopment projects St. Olavs plass 5 in Oslo, Tordenskiolds gate 12 in Oslo and Møllendalsveien 6-8 in Bergen. Further, Entra started the refurbishment projects Hagegata 22-24 in Oslo and Grønland 32 in Drammen. In addition, Entra finished a new office building Holtermanns veg 1-13 in Trondheim.

After the outbreak of the Covid-19 pandemic, the Board's top priority has been to ensure that we are taking the necessary measures to protect the health and safety of our employees, our tenants and other users of our buildings. The Board has further supervised management and monitored the Group's business in accordance with good corporate governance. This includes a focus on organisational development, business strategy, hereunder new and ongoing development projects, active portfolio management (acquisitions and divestments), HSE, business and technology development, climate risk, sustainability and compliance.

In addition to planned activities, the Board has worked closely with management and the company's advisors to ensure the interests of all of Entra's shareholders following the strategic interest in Entra resulting in two unsolicited, voluntary offers made by Castellum Aktiebolag and Samhallsbyggnadsbolaget i Norden AB («SBB») for all the shares in Entra. The Board treated and evaluated both bids equally and published a combined statement regarding the bids on 29 January 2021. In addition, the Board has also considered alternative strategic options available to Entra. Castellum withdrew their offer on 6 February 2021 and the SBB offer expired on 26 February.

Statement of comprehensive income, balance sheet and statement of cash flows

Results

Rental income was up by 1 per cent from 2,338 million in 2019 to 2,353 million in 2020. The increased rental income is explained in the table below.

All amounts in NOK million	
Rental income in 2019	2 338
Development projects	-22
Acquisitions	19
Divestments	-26
CPI growth	33
Like-for-like growth above CPI	19
Other	-9
Rental income in 2020	**2 353**

The increase in rental income in 2020 is mainly driven by an underlying like-for-like growth of 2.5 per cent (52 million), of which the underlying CPI adjustment was 1.6 per cent. Projects affected rental income by -22 million as the completion of the newbuild projects Brattørkaia 12 and Holtermanns veg 1-13 stage 1 and full year effect of Brattørkaia 17A and the redevelopment project at Tullinkvartalet finalised in 2019, is offset by the vacating of Tordenskiolds gate 12, Schweigaards gate 15, Kongens gate 87 and part of Stenersgata 1, scheduled for redevelopment.

Nearly all 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.

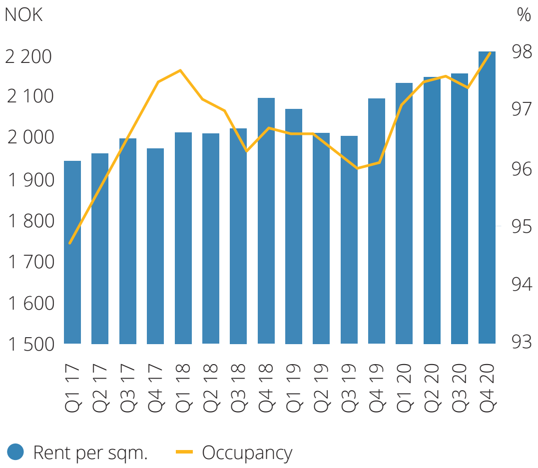
The occupancy rate was 97.9 per cent (97.1 per cent) as of 31 December 2020. The rental value of vacant space was approximately 48 million (69 million) on an annualised basis.

Operating costs amounted to 211 million (189 million) and are split as follows:

All amounts in NOK million	2020	2019
Maintenance	33	33
Tax, leasehold and insurance	57	58
Letting and property administration	70	57
Direct property costs	51	40
Operating costs	**211**	**189**

The increase in letting and property administration costs is mainly driven by technology initiatives and credit losses on trade receivables due to Covid-19. Direct property costs was up in 2020 mainly due to properties vacated to undergo redevelopment.

Rent (12m rolling) per sqm. and occupancy rate



As a consequence of the effects explained above, net operating income came in at 2,142 million (2,149 million) in 2020.

Other revenue totalled 113 million (300 million) and other costs amounted to 79 million (260 million) in 2020.

Other revenue includes 8 million from final settlement of the sale of Tollbugata 1A in Oslo, which was refurbished and delivered to the buyer in the fourth quarter of 2019. In 2019, Entra recognised other revenue of 185 million and other costs of 166 million from the refurbishment.

Other costs includes an impairment of intangible assets of 8 million. Other revenue and other costs further consists of services provided to tenants and income and costs related to inventory properties (properties in a portfolio which is expected to be zoned for residential development and subsequently sold to a third party at a predetermined price).

Administrative expenses amounted to 186 million (171 million) in 2020. The increase in 2020 is primarily driven by advisory fees due to the strategic interest in Entra, in addition to the company's technology and digitalisation initiatives.

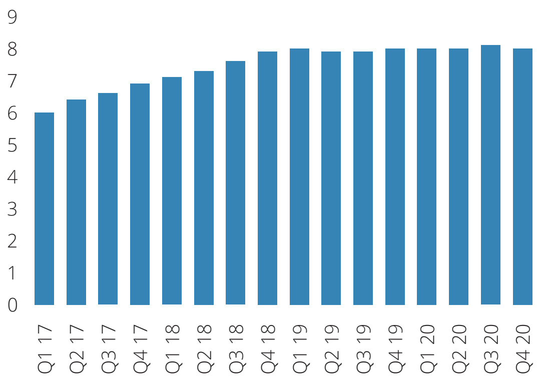
Entra's share of profit from associates and JVs was 120 million (312 million) in 2020. The profit mainly relates to the gains from OSU's completion and delivery of residential apartments and commercial assets in Bjørvika.

Net realised financials amounted to -541 million (-551 million) and are composed as follows:

All amounts in NOK million	2020	2019
Interest and other finance income	11	10
Interest and other finance expense	-551	-561
Net realised financials	**-541**	**-551**

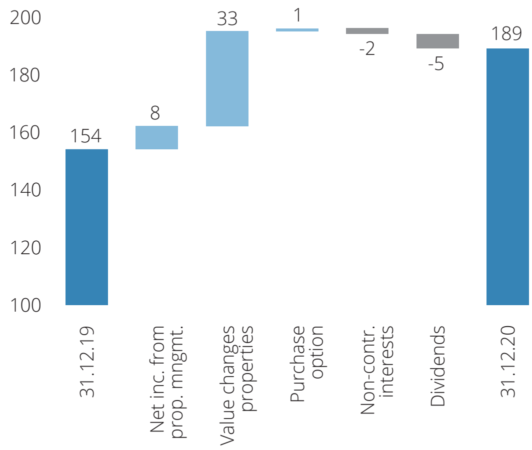
Net income from property management per share

Annualised, rolling 4 quarters



EPRA NRV

Per share



Net income came in at 1,569 million (1,780 million). When including only the income from property management in the results from JVs, the net income from property management was 1,451 million (1,471 million) for 2020. Reference is made to the alternative performance measures section of this report for calculation of the net income from property management.

Net value changes amounted to 5,705 million (1,955 million) for 2020.

The valuation of the property portfolio resulted in a net positive value change of 5,980 million (1,909 million) for the financial year 2020, of which about 4,180 million is attributable to compressed market yields.

Lower interest rates have contributed to a significant yield compression in the Norwegian market, particularly in Oslo, where eight of Entra's ten most valuable properties are located. Following the uncertainties from Covid-19, the activity in the transaction market was low during the spring, yields were relatively stable, and the yield gap increased. During the autumn, the activity in the transaction market picked up, and a number of transactions of relevance for Entra's portfolio were completed at yield levels significantly lower than observed in the first half of 2020. Prime yield in Oslo has fallen from around 3.60-3.70 at the end of 2019 to 3.25-3.30 percent in fourth quarter of 2020.

About 890 million of the value changes stems from development in the project portfolio, mainly explained by new lease contracts signed in 2020 and reduced risk as each project moves towards completion. In addition, 440 million is related to the net effect from strong letting activities in the portfolio and 240 million is due to increased market rents. The remaining is a result of realised value changes from the Munchs gate 4/Keysers gate 13 transaction and other effects from property related changes.

Net changes in the value of financial instruments totalled -275 million (46 million) in 2020. The negative value change is mainly due to a sharp reduction in market interest rates.

Tax payable is 26 million (11 million) in 2020, of which the Group's wholly-owned subsidiaries accounts for 12 million. The remaining tax payable is related to the partly owned entity Papirbredden in Drammen. The change in deferred tax was -1,552 million (-498 million)

Profit before tax was 7,274 million (3,735 million) whereas profit after tax was 5,696 million (3,225 million). Total comprehensive income for the period was 5,677 million (3,229 million).

Balance sheet

The Group's assets amounted to 59,141 million (51,160 million) as at 31.12.20. Of this, investment properties amounted to 56,834 million (49,095 million). The property Tollbodallmenningen 2A in Bergen is classified as held for sale as at 31.12.20.

Inventory properties of 461 million (413 million) relates to the properties in the Bryn portfolio expected to be zoned for residential development and subsequently sold to a third party at a predetermined price. The increase in 2020 is mainly related to the acquisition of the property Østensjøveien 29, a property adjacent to Entra's other inventory properties.

Book equity totalled 29,205 million (24,517 million). As at 31.12.20, EPRA NRV per share was 189 (154) and EPRA NTA 187 (153). Refer to pages 170-171 for further details.

Cash flow

Net cash flow from operating activities came to 1,521 million (1,352 million) in 2020. The increase mainly relates to working capital movements.

The net cash flow from investment activities was -1,868 million (-1,005 million) for 2020. Purchase of investment properties of -194 million (-1,241 million) includes the settlement regarding the purchase option for Munchs gate 4/Keysers gate 13, and the acquisitions of a part of Kristian Augusts gate 11 and a parking facility at Hagegata 27 in Oslo.

The cash effect from investment in and upgrades of investment properties amounted -1,683 million (-1,427 million) in 2020.

Investment in property for sale and inventory properties of -48 million (-192 million) in 2020 mainly relates to the acquisition of Østensjøveien 29 in Oslo, which is expected to be zoned for residential development and subsequently sold to a third party at a predetermined price.

Net payment on financial assets of 73 million is mainly related to the repayment of a sellers' credit structured as a bond in relation to a divestment of a property in 2017.

Net cash flow from financing activities was 246 million (-260 million) in 2020.

Net proceeds of interest bearing debt was 1,245 million (731 million) in 2020. During 2020, Entra had a net increase in bond loans of 2,457 million, and a net decrease in bank loans and commercial papers of 612 and 600 million, respectively.

Dividends paid amount to 874 million (840 million) in 2020. For 2020, Entra paid dividends of NOK 2.40 per share to the shareholders for the first six months and has proposed NOK 2.50 per share for the second half year. For the financial year 2020 Entra will thus have paid out NOK 4.90 per share compared to NOK 4.70 per share in 2019.

Dividends paid to non-controlling interests was 114 million (75 million) in 2020. The dividends was paid to the non-controlling interests in Entra OPF Utvikling AS and Papirbredden Eiendom AS.

The net change in cash and cash equivalents was -100 million (87 million) for 2020.

Going concern

The financial statements have been prepared based on the going concern assumption, and the Board confirms that this assumption is valid. The company is in a healthy financial position and has good liquidity.

Financial structure and exposure

The Group has a well staggered debt maturity profile and a diversified financial structure comprising of both bank credit facilities and capital markets instruments.

We have strong relationships and continuous dialogues with five of the top six Nordic banks, and we assess that the bank market is open and supportive to our funding needs. Entra has a strong presence in the Norwegian debt capital market as it is among the largest issuers in Norwegian kroner. Entra has a Moody's investment grade rating Baa1 with Stable Outlook. The Moody's Baa1 rating contributes to an increased credit availability and enables Entra to further extend its debt maturity profile.

The Group has adopted a conservative financial strategy that secures financial flexibility throughout an economic cycle. This is reflected in the financial policy through a set of financial risk parameters limiting risks related to financial leverage, interest rates, financing and liquidity. Consequently, Entra's financial profile is characterised by a moderate loan-to-value ratio, strong interest coverage ratio, diversified debt maturity and an ample liquidity position. As a general principle, Entra's financing is based on a negative pledge of the Group's assets that enables a broad and flexible financing mix.

"Green financing" has been well established within real estate finance. The real estate sector is responsible for about 40 per cent of global greenhouse gas emissions. This fact has spurred increasing awareness among investors and financial institutions that a conditional capital supply represents a key factor in accelerating the green shift within the sector. Entra, with its environment friendly development projects and BREEAM certified investment properties, is well positioned for capitalizing on this favourable supply of green financing and currently 48 per cent of Entra's financing is "green".

The debt capital markets funding accounted for 72 per cent (67 per cent) of the total interest bearing debt, with bank funding representing the remaining part of the financing mix. The Group's liquid assets amounted to 217 million (317 million) as at 31 December 2020. In addition, the Group had committed, unutilised credit facilities totalling 7,290 million (6,190 million). The Group's average interest rate as at 31 December 2020 was 2.38 per cent (2.99 per cent), and 50 per cent (59 per cent) of the Group's total interest bearing debt was subject to fixed interest rates. Entra's loan-to-value ratio decreased to 37 per cent (40.2 per cent) at year-end 2020 and the interest coverage ratio increased to 3.4 (3.3).

Corporate governance

Entra's Board has approved guidelines for good corporate governance in accordance with the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES).

The corporate governance section of this annual report on pages 68-80 provides a more detailed description of the corporate governance principles and reporting pursuant to Section 3-3b of the Norwegian Accounting Act.

Health, safety & environment

It should be safe to work, visit and live in and around Entra's properties and development projects. Entra's goal of being a zero-harm workplace for people, the environment and society underpins all the Group's health, safety and environmental work. HSE is an important focus area for the Board. The Board is satisfied with the dedicated HSE work in the organisation and the initiatives taken to prevent serious incidents.

In 2020, Entra had no injuries involving sick leave absence that was due to Entra in one of its buildings and two injuries involving sick leave absence in its construction projects that involved more than 16 days sick leave. Absence due to illness in Entra was 3.1 per cent in 2020, compared to 2.6 per cent in 2019. This is low compared to a country average of 6.2 [1]. Cooperation with the employee organisations is good and constructive and yields a positive contribution to the operation of the Group.

[1] Source: Statistics Norway: Sickness absence Q3 2020

To operate its business in a sustainable manner is of key strategic importance to Entra. Entra's ESG report can be found on pages 42-80. The outputs are compiled and aligned using three reporting frameworks: The EPRA Best Practices Recommendations on Sustainability Reporting, the Global Reporting Initiative Standards (GRI) Core option and the Task Force of Climate-related Financial Disclosures (TCFD). Entra has also reviewed the UN Sustainable Development Goals for its business.

Equality and diversity

At 31 December 2020, 38 per cent (38 per cent) of the Group's 186 employees were women and 62 per cent (62 per cent) were men. Three out of seven of the Senior Executives were women. Four of seven of the Board members were women. The Group believes in the benefits of diversity, and this goal is incorporated into Entra's recruitment procedures and is reflected in the composition of senior management. Entra strives for diversity on a broad basis, including gender, age, ethnicity, personal beliefs, background, education, sexual orientation and nationality. Key metrics regarding diversity and information on Entra's efforts to increase diversity is included the ESG report.

Risks associated with the business

The Board 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, both financial and non-financial, are described on pages 28-39.

Shareholder information

Entra's share capital is NOK 182,132,055 divided into 182,132,055 shares, with each share having a nominal value of NOK 1.00. All the shares have been issued in accordance with the Norwegian Public Limited Companies Act and are fully paid. Entra has one class of shares. All shares provide equal rights, including the right to any dividends. Each of the shares carries one vote. There are no share options or other rights to subscribe for or acquire shares issued by Entra.

Outstanding shares at 31 December 2020 totalled 182,129,247 (182,109,045) as Entra held 2,808 (23,010) treasury shares.

As of 31 December 2020, Entra had 5,660 shareholders. Norwegian investors held 29 per cent of the share capital. The 10 largest shareholders as of 31 December 2020 were as follows:

Shareholder	Shareholding %
Folketrygdfondet	11.8
Skandinaviska Enskilda Banken	9.6
Carnegie Investment Bank (Nominee)	8.2
Danske Bank (Nominee)	4.1
Credit Suisse (Nominee)	4.1
State Street Bank and Trust (Nominee)	3.6
The Bank of New York Mellon (Nominee)	3.0
JPMorgan Chase Bank, London (Nominee)	1.6
J.P. Morgan Bank, Luxembourg (Nominee)	1.5
Danske Invest Norske	1.5
Total 10 largest shareholders	**49.0**

Profit for the year and allocations

In 2020, the parent company Entra ASA made a profit after tax of 428 million (1,134 million), as set out in the financial statements prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

In accordance with the defined dividend policy of paying out approximately 60 per cent of cash earnings, defined as net income from property management less tax payable, the Board proposes that Entra ASA distributes a dividend of 455 million (437 million) corresponding to 2.50 per share (2.40 per share) for the last six months of 2020. The proposed dividend exceeds profit after tax for the year, and the variance is deducted from retained earnings.

The Board confirms that the company has sufficient equity and liquidity following payment of the proposed dividend.

Outlook

Despite an eventful year starting with the Covid-19 pandemic in March, Entra continued to deliver strongly in 2020 on its three strategic pillars: Profitable growth, customer satisfaction and environmental leadership.

The recent months has been influenced by the strategic interest in Entra resulting in two unsolicited, voluntary offers made by Castellum Aktiebolag and Samhallsbyggnadsbolaget i Norden AB («SBB») for all the shares in Entra ASA.

On 29 January, the Board recommended shareholders with a long-term view on their investment not to accept any of the offers as they stood. The conclusion was based on the Board's view of the company's capability to generate competitive returns in the future, the strategic merit of a focused Entra, and supported by the communicated positions of the two largest shareholders, Fastighets AB Balder and the Government Pension Fund Norway. Castellum withdrew their offer on 6 February and the SBB offer expired on 26 February.

Entra is the largest investment alternative offering investors Oslo-focused and high-quality office exposure. Over 70 per cent of the Company's portfolio by value is located in the Greater Oslo region with prime locations in connection with public transportation hubs. Since Entra was taken public in 2014, the portfolio has been refined through divestment of

8.3 billion of non-core assets, 8.2 billion on acquisitions and 9.5 billion of project investments which has resulted in an unparalleled portfolio of modern, efficient and large office assets.

Entra has a strong balance sheet with a loan to value of 37 per cent and Baa1 credit rating with stable outlook. The debt maturity profile is well staggered and the financing mix is diversified with cash and unutilized credit facilities of 7.3 billion, over three times all short term debt.

Entra offers investors superior cash flow visibility and quality with approximately 58 per cent of rental income from public sector tenants with AAA credit rating. The weighted average unexpired lease term (WAULT) is around seven years and the occupancy rate is approximately 98 per cent. Entra's operational platform and organisation has placed the company consistently amongst the top three performers in the annual Norwegian Tenant Index ranking of Norwegian landlords. The company has proved resilient during Covid-19 with payments collected at near normal levels. Entra is well positioned in a solid Norwegian economy supported by strong public finances and a property market with low office vacancy rates and expectations for continued rental growth.

Sustainability has been an integrated part of Entra's business model for more than 10 years. Entra is working actively to reduce the CO2 footprint of its property portfolio and has a firm ambition to become a net zero carbon company by 2030. We have developed several Powerhouses that produce more energy than they consume over their lifetime. In 2020, we also redeveloped a property where more than 80 per cent of the input factors came from re-used materials, thereby reducing the CO2 emissions by 45 per cent. Assets representing 57 per cent of the value of the management portfolio are, or in the process of being, BREAM certified. Entra issued its first green bond in 2016 and currently has 48 per cent of its debt portfolio in green bonds and bank loans.

Profitable project development has historically been the company's major lever for growth, and Entra has a track record of delivering attractive new-build and redevelopment projects. During 2015-2020, Entra invested a total of 9.5 billion in 19 projects with an average yield on cost of 6.4 per cent. The value of these projects upon completion was 12 billion, representing an increase of 27 per cent.

During 2019 and 2020, several large assets were taken out of the management portfolio for redevelopment and, as a result, top line growth has recently been lower than in previous years. Entra has during the fourth quarter started up five new development projects, and the portfolio of ongoing projects now consists of 9 assets totalling 147,500 sqm. Fully let, the ongoing development projects will add rental income of around 450 million phased in during 2021-2024. In addition, Entra has a short-term pipeline of zoned projects totalling around 90,000 sqm and a long-term pipeline of around 250,000-300,000 sqm. The value potential of these newbuilds and redevelopment projects is only partly reflected in the NAV.

The Norwegian society and office market are currently less affected by Covid-19 than most other countries. Going forward, the office market is expected to experience changes in workplace strategies and office layouts to accommodate a more mobile and digital way of working. We expect higher tenants' demand for more flexibility and somewhat changed modus operandi for many office users. This could also provide opportunities benefitting large and professional landlords.

Entra manages modern, flexible and environmentally friendly assets located in clusters near public transportation hubs. Combined with a solid tenant base with long lease contracts, a strong financial position, and an extensive project pipeline for future growth, Entra has a proven and resilient business profile that is well positioned for the future. The Board believes that the company's growth profile in the coming years is attractive supported by a strong capital structure and balance sheet. The Board is strongly committed to continue its work to create further shareholder values in an independent Entra.

Oslo, 3 March 2021
The Board of Entra ASA

Siri Hatlen Chair of the Board	Kjell Bjordal Vice Chair	Widar Salbuvik Board member
Benedicte Schilbred Fasmer Board member	Camilla AC Tepfers Board member	Marit Rasmussen Board member
Erling Nedkvitne Board member		Sonja Horn CEO

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Statement of comprehensive income 1 January to 31 December

All amounts in NOK million

	Note	2020	2019
Rental income	5, 6	2 353	2 338
Operating costs	9	-211	-189
Net operating income		**2 142**	**2 149**
Other revenue	10	113	300
Other costs	11	-79	-260
Administrative costs	12	-186	-171
Share of profit from associates and JVs	17	120	312
Net realised financials	14	-541	-551
Net income		**1 569**	**1 780**
- of which net income from property management		**1 451**	**1 471**
Changes in value of investment properties	16	5 980	1 909
Changes in value of financial instruments	7, 24	-275	46
Profit before tax		**7 274**	**3 735**
Tax payable	25	-26	-11
Change in deferred tax	25	-1 552	-498
Profit for the year		**5 696**	**3 225**
Actuarial gains and losses	26	-25	5
Change in deferred tax on comprehensive income	25	5	-1
Total comprehensive income for the year		**5 677**	**3 229**
Profit attributable to:			
Equity holders of the Company		5 460	2 946
Non-controlling interest		236	279
Total comprehensive income attributable to:			
Equity holders of the Company		5 440	2 949
Non-controlling interest		236	279
Earnings per share			
Continuing operations			
Basic=Diluted (NOK)	33	30	16

Notes 1 through to 36 form an integral part of the consolidated financial statements.

Balance sheet – assets

All amounts in NOK million

	Note	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
Intangible assets	15	109	117
Investment properties	16	56 834	49 095
Other operating assets	15	17	22
Investments in associates and JVs	17	527	397
Financial derivatives	7	347	274
Long-term receivables and other assets	18	252	256
TOTAL NON-CURRENT ASSETS		**58 086**	**50 161**
CURRENT ASSETS			
Inventory properties	19	461	413
Trade receivables	20	64	43
Other receivables and other current assets	21	279	226
Cash and bank deposits	22	217	317
TOTAL CURRENT ASSETS		**1 021**	**998**
Investment properties held for sale	16	33	-
TOTAL ASSETS		**59 141**	**51 160**

Notes 1 through to 36 form an integral part of the consolidated financial statements.

Balance sheet – equity and liabilities

All amounts in NOK million

	Note	31.12.2020	31.12.2019
EQUITY			
Shareholders' equity	23, 34	27 136	22 570
Non-controlling interests	30	2 069	1 947
TOTAL EQUITY		**29 205**	**24 517**
LIABILITIES			
Interest bearing debt	24	19 095	17 362
Deferred tax liability	25	6 914	5 367
Financial derivatives	7	690	341
Other non-current liabilities	27, 28	554	505
Total non-current liabilities		**27 253**	**23 576**
Interest bearing debt	24	2 051	2 539
Trade payables		281	200
Other current liabilities	29	351	328
Total current liabilities		**2 683**	**3 067**
TOTAL LIABILITIES		**29 936**	**26 642**
TOTAL EQUITY AND LIABILITIES		**59 141**	**51 160**

Notes 1 through to 36 form an integral part of the consolidated financial statements.

Oslo, 3 March 2021
The Board of Entra ASA

Siri Hatlen
Chair of the Board

Kjell Bjordal
Vice Chair

Widar Salbuvik
Board member

Benedicte Schilbred Fasmer
Board member

Camilla AC Tepfers
Board member

Marit Rasmussen
Board member

Erling Nedkvitne
Board member

Sonja Horn
CEO

Statement of changes in equity

All amounts in NOK million

	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Non-controlling interest	Total equity
Equity 01.01.2019	**184**	**-1**	**3 535**	**16 800**	**1 742**	**22 260**
Profit for period				2 946	279	3 225
Other comprehensive income				4		4
Equity transaction at fair value in JV *				11		11
Dividend				-840	-75	-915
Net equity effect of LTI & employee share saving scheme		-	-	-2		-2
Repurchase of shares		-1	-12	-54		-66
Share capital decrease	-2	2				-
Equity 31.12.2019	**182**	**-**	**3 523**	**18 865**	**1 947**	**24 517**
Profit for period				5 460	236	5 696
Other comprehensive income				-19		-19
Dividend				-874	-114	-989
Net equity effect of LTI & employee share saving scheme		-	-	-1		-
Equity 31.12.2020	**182**	**-**	**3 524**	**23 430**	**2 069**	**29 205**

[1] In 2019, 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.

Notes 1 through to 36 form an integral part of the consolidated financial statements.

Statement of cash flows 1 January to 31 December

All amounts in NOK million

	Note	2020	2019
Profit before tax		7 274	3 735
Income tax paid	25	-11	-11
Net expensed interest and fees on loans and leases	14	541	551
Net interest and fees paid on loans and leases		-553	-582
Share of profit from associates and jointly controlled entities	17	-120	-312
Depreciation and amortisation	15	13	8
Changes in value of investment properties	16	-5 980	-1 909
Changes in value of financial instruments	7, 24	275	-46
Change in working capital		83	-81
Net cash flow from operating activities		**1 521**	**1 352**
Proceeds from property transactions		15	1 619
Purchase of investment properties	16	-194	-1 241
Investment in and upgrades of investment properties	16	-1 683	-1 427
Investment in properties for sale and inventory properties	19	-48	-192
Purchase of intangible and other non-current assets	15	-21	-35
Net payment financial assets		73	-23
Net payment of loans to associates and JVs		-1	1
Investment in associates and JVs	17	-13	-16
Dividends from associates and JVs	17	3	308
Net cash flow from investment activities		**-1 868**	**-1 005**
Proceeds interest bearing debt	24	14 635	16 430
Repayment interest bearing debt	24	-13 390	-15 699
Repayment of lease liabilities	27	-9	-9
Proceeds from issue of shares/repurchase of shares	23	-	-69
Dividends paid	34	-874	-840
Dividends paid to non-controlling interests		-114	-75
Net cash flow from financing activities		**246**	**-260**
Change in cash and cash equivalents		-100	87
Cash and cash equivalents at beginning of period		317	230
Cash and cash equivalents at end of period		**217**	**317**

Notes 1 through to 36 form an integral part of the consolidated financial statements.

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Notes

NOTE 1 GENERAL INFORMATION

Entra ASA ("the Company") is listed on Oslo Stock Exchange with the ticker ENTRA. The Company and its subsidiaries (together "Entra" or "the Group") is one of Norway's leading real estate companies, focusing on high quality, flexible office buildings with central locations. The Group owns and manages 90 (89) buildings with a total area of approximately 1.3 million (1.3 million) square metres. As of 31 December 2020 the real estate portfolio had a market value of around 57 billion (49 billion). The public sector represents approximately 58 per cent (60 per cent) of the total customer portfolio. Entra's strategic areas are Oslo, Trondheim, Bergen, Sandvika, Stavanger and Drammen. Entra has its head office in Oslo.

The consolidated financial statements were adopted by the Company's Board on 3 March 2021.

NOTE 2 ACCOUNTING PRINCIPLES

ACCOUNTING PRINCIPLES

The most important accounting principles applied in the preparation of the annual financial statements are described below. These principles are applied in the same way for all periods presented, unless otherwise indicated in the description.

BASIC PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretation Committee (IFRIC), as adopted by the EU, as well as additional Norwegian reporting requirements pursuant to the Norwegian Accounting Act.

The consolidated financial statements have been prepared on the basis of the historical cost principle, with the following modifications: investment properties as well as certain financial assets and financial liabilities have been measured at fair value. Financial instruments measured at fair value include the Group's derivatives.

Presenting the accounts in accordance with IFRS requires the management to make certain assessments and assumptions. The application of the Group's accounting principles also requires management to exercise judgement. Estimates and subjective judgements are based on past experience and other factors that are considered appropriate. Actual results may deviate from these estimates.

Estimates and underlying assumptions are continuously reassessed. Changes in accounting estimates are recognised in the period in which the changes occur if they apply only to that period. If the changes also apply to future periods, the impact is distributed over the current and future periods. Note 3 details items in the accounts that are based on a significant amount of subjective judgement.

The consolidated financial statements have been presented on the assumption of the business being a going concern.

Application of new and revised International Financial Reporting Standards (IFRSs) in 2020

New and amended standards adopted by the Group

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below.

Amendments to IFRS 3: Definition of a Business

The amendments to IFRS 3 Business Combinations clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, they clarify that a business can exist without including all of the inputs and processes needed to create outputs.

The other key amendments include:

- Removal of the assessment of whether market participants are capable of replacing any missing outputs or processes and continuing to produce outputs
- Adding guidance and illustrative examples to help entities assess whether a substantive process has been acquired
- Narrowing the definitions of business and outputs by focusing on goods or services provided to customers and by removing the reference to an ability to reduce costs
- Adding an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020. These amendments had no impact on the consolidated financial statements of the Group for 2020. The majority of acquisitions of subsidiaries entered into by the Group have in recent years were accounted for as asset acquisitions. As such, the Group expects that the amendments will have limited effect on the accounting treatment of future transactions.

There are several other new and amendments to standards and interpretations which are applicable for the first time in 2020, but either not relevant or do not have an impact on the consolidated financial statements of the Group.

New standards and interpretations not yet adopted by the Group
A number of new IFRS standards and IFRIC interpretations are effective for annual reporting periods beginning after 1 January 2020, and have not been applied in preparing these consolidated financial statements. None of the new accounting standards or interpretations that have not yet come into effect are expected to have a significant impact on the Group's consolidated financial statements.

CONSOLIDATION PRINCIPLES

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any addition facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including vote patterns at previous shareholder's meetings.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method is used to account for purchases of subsidiaries that constitute a business. The consideration given is measured at the fair value of the transferred assets, the equity instruments that have been issued, liabilities assumed on the transfer of control and direct costs relating to the actual purchase. The cost of acquisition also includes the fair value of all assets or liabilities that are the result of an agreement on contingent consideration.

Identifiable purchased assets, assumed liabilities and contingent liabilities are recognised at fair value on the date of acquisition. The costs associated with the business combination are expensed when they are incurred.

If the aggregate of the consideration, the carrying amount of non-controlling interests and the fair value on the acquisition date of any previously held ownership interests exceeds the fair value of the acquired entity's identifiable net assets, the difference is capitalised as goodwill. If the aggregate is less than the company's net assets, the difference is immediately recognised in profit or loss.

Contingent consideration is recognised at fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss or recognised as a change in other comprehensive income (OCI), if the contingent consideration is classified as an asset or a liability. Contingent consideration classified as equity is not remeasured, and subsequent settlement is recognised in equity.

For accounting purposes, acquisitions of subsidiaries that do not constitute a business as defined in IFRS 3, such as subsidiaries that only consist of a property, are treated as asset acquisitions. The cost of acquisition is then attributed to the individual identifiable assets and liabilities based on their relative fair values on the acquisition date. Expenses associated with the transaction are capitalized under the investment property. In such cases no provision is made for deferred tax in accordance with the exceptions in IAS 12.

Intra-group transactions, balances and unrealised gains are eliminated. Unrealised losses are eliminated, but are considered evidence of impairment in terms of writing down the value of the transferred asset. If necessary, the accounting policies at subsidiaries are changed in order to bring them into line with the Group's accounting policies.

Transactions with non-controlling interests

Transactions with non-controlling interests in subsidiaries are treated as equity transactions. If shares are acquired from a non-controlling interest, the difference between the payment and the proportion of the carrying amount of the subsidiary's net assets attributable to the shares is recognised in the equity of the parent company's owners. Gains and losses arising from the sale of shares to non-controlling interests are similarly recognised in equity.

If the Group loses control, any residual holding is remeasured at fair value through profit or loss (FVTPL). Thereafter, the fair value is used as the acquisition cost for accounting purposes, and the holding is treated as an investment in an associate, in a jointly controlled entity or in a financial asset. Amounts previously included in OCI that relate to the company are treated as if the Group had disposed the underlying asset and liability. This may result in amounts that were previously included in OCI being reclassified to the income statement.

Joint arrangements

Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures. In a joint arrangement, no single party controls the arrangement on its own. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Entra classifies its investments based on an analysis of the degree of control and the underlying facts. This includes an assessment of voting rights, ownership structure and the relative strength, purchase and sale rights controlled by Entra and other shareholders. Each individual investment is assessed. Upon changes in underlying facts and circumstances, a new assessment must be made as to whether this is still a joint venture. Changes in contractual rights and obligations relating to the underlying asset or debt and changes in the shareholders agreement might lead to a shift in the accounting method.

In joint ventures, the Group's share of the companies' profit/loss after tax, adjusted for amortisation of excess value and any deviations from accounting policies, are presented on a separate line in the consolidated income statement. Joint ventures are recognised in the consolidated accounts using the equity method and presented as non-current assets.

A transaction that entails a change of control from an investment in a joint venture to an investment in a subsidiary is treated as a realisation and require that a gain/loss at the time of derecognition of the joint venture has to be calculated and recognised in the income statement as results from associates and JVs according to the equity method. Equity transactions in a joint venture is presented as an equity transaction in the Group's statement of changes in equity.

Associates

Associates are companies over which the Group has significant influence but not control or joint control. Significant influence normally exists where the Group's investment represents between 20 and 50 per cent of the capital with voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Investments in associates include any excess values and goodwill identified at the time of acquisition, less any subsequent impairment losses.

The Group's share of the profit and loss of associates is recognised and added to the carrying amount of the investments. The Group's share of the comprehensive income of associates is recognised in the Group's comprehensive income and added to the carrying amount of the investments. The Group does not recognise its share of a loss if this would result in a negative carrying amount for the investment (including the entity's unsecured receivables), unless the Group has taken over obligations or made payments on behalf of the associate.

The Group's share of unrealised gains on transactions between the Group and its associates is eliminated. This also applies to unrealized losses, unless there is a permanent loss of value. Where necessary, the accounts of associates have been brought into line with the Group's accounting policies. Gains and losses arising from the dilution of ownership interests in associates are recognised in profit or loss.

If the Group no longer has significant influence, any residual holding is remeasured at FVTPL. Thereafter, the fair value is used as the acquisition cost for accounting purposes, and the holding is treated as a financial asset. Amounts relating to the company that were previously recognised in comprehensive income are treated as if the associate had disposed of the underlying assets and liabilities. This may result in amounts that were previously included in comprehensive income being reclassified to the income statement. If the Group reduces its shareholding but retains significant influence, a proportionate share of the amounts previously recognised in comprehensive income is reclassified to the income statement.

INVESTMENT PROPERTY

Investment properties are owned with the aim of achieving a long-term return from rental income and increase in value. Investment properties are recognised at fair value, based on market values estimated by independent appraisers.

Initial measurement also takes into consideration the property's cost price, which includes direct transaction costs such as document duty and other public duties, legal fees and due diligence costs. Transaction costs associated with properties acquired through business combinations (as defined in IFRS 3) are expensed.

Subsequent expenditure is added to the investment property's carrying amount, if it is probable that future financial benefits associated with the expenditure will flow to the Group and the expense can be measured reliably. Other maintenance costs are recorded through the income statement in the period in which they are incurred. When investment properties are disposed of, the difference between the net sales proceeds and carrying amount is recognised as change in value from investment properties.

Investment properties are valued at each reporting date. The values are estimated by independent appraisers. The valuation is based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return.

The required rate of return for each property is defined as being a long-term risk-free interest rate plus a property-specific risk supplement. The latter is defined on the basis of the property segment to which the property belongs, its location, standard, occupancy rate, tenants' financial reliability and remaining lease term. Known market transactions with similar properties in the same geographical area are also taken into consideration.

Changes in fair value, including gains and losses on sale of investment properties, are recognised as "Changes in value of investment properties".

Investment properties held for sale

Investment properties are classified as held for sale if their carrying amount will be recovered through a sales transaction rather than through their continuing use. This condition is regarded as met if the sale is highly probable and the investment property is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the investment property, and an active programme to locate a buyer and complete the plan must have been initiated. Further, the investment property must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification. Investment properties classified as held for sale are measured at fair value in the same way as other investment properties.

Borrowing costs

Borrowing costs for capital used to finance investment properties under construction are capitalised under the asset in question. When calculating the capitalised borrowing costs, the average interest rate on the company's debt portfolio over the course of the year is used, unless there is separate financing for the specific project. In such cases the specific borrowing cost for the loan in question is used. When calculating the average interest rate to be used for the capitalisation of borrowing costs, loans taken out for specific projects are not included.

REVENUE RECOGNITION

Revenue from lease contracts

The Group enters into lease agreements as a lessor with respect to its investment properties. Lease contracts where a significant proportion of the risks and benefits of ownership remain with Entra are classified as operating leases. Revenue recognition under a lease commences at the inception of the lease. Rent payments for the leases are recognised in a straight line over the duration of the lease.

In negotiating a new or renewed operating lease, Entra may provide incentives for the lessee to enter into the agreement. Examples of such incentives are rent exemptions, up-front payments to the lessee or the reimbursement or assumption by the lessor of costs of the lessee (such as relocation costs, leasehold improvement and costs associated with a pre-existing lease commitment of the lessee). Entra recognises the aggregate benefit of incentives as a reduction of rental income over the lease on a straight-line basis. The accrued loss of rent or costs is presented under other receivables. Payments relating to the termination of contracts are recognised in the period from the contract being entered into until the date of its termination. Rental income encompasses the fair value of the payments received for services that fall within the ordinary activities of the company. Rental income is presented net of VAT, rebates and discounts.

Rental income from letting of inventory properties is presented as "Other revenue".

Costs for shared services provided to the tenants by external parties do not affect the result beyond an administrative premium recognised as rental income. Shared costs are charged to tenants and recognised in the balance sheet together with payments on account of tenants. Shared costs are settled after the balance sheet date.

Revenue from contracts with customers

In determining the basis for revenue recognition from contracts with customers, the Group identifies the distinct performance obligations under the contracts, allocate the transaction price to each identified performance obligation and account for revenue as each performance obligation is met.

Revenue from development of commercial properties, including transactions that are structured as sale of shares, are recognised over time according to the stage of completion if the buyer does not have the right to cancel a contract, and the Group as a seller can require a buyer to pay the consideration agreed in the contract even if the buyer acts to terminate a contract. A project's stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as percentage of total estimated costs. Contract assets related to non-invoiced revenue from such construction contracts are included in "Other receivables and other current assets".

Revenue from development of inventory properties for sale is recognised when the properties are handed over to the customer as the Group does not have an enforceable right to collect payment for the benefits performed to date.

Service income for extra services to tenants is recognised in the period the service is performed.

FINANCIAL INSTRUMENTS

A financial instrument is defined as being any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments are recognised on the transaction date, i.e. the date on which the Group commits to buying or selling the asset. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and FVTPL. For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Further, the financial assets shall be held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows. The majority of the Group's financial assets are classified as measured at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade and other current receivables, cash and cash equivalents and other financial assets.

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, and financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL. The Group's financial assets at FVTPL includes financial derivates and shares held for trading.

The Group recognises an allowance for expected credit losses on all debt instruments not held at FVTPL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Financial liabilities are classified upon initial recognition as financial liabilities at FVTPL and financial liabilities at amortised cost. Financial liabilities at FVTPL comprise loans designated at fair value upon initial recognition and derivatives. Financial liabilities at amortised cost consist of liabilities that do not fall under the category at FVTPL.

Trade receivables, contract assets and other financial assets
Trade receivables, contract assets and other financial assets are classified as financial assets measured at amortised cost. Interest is ignored if it is insignificant. The Group applies the simplified approach in IFRS 9 to measure the loss allowance at lifetime expected credit losses. A provision for bad debt are determined by estimating expected credit losses with reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques or significant assumptions made during the current reporting period. Any subsequent payments received against accounts for which a provision has previously been made are recognised in the income statement. Trade receivables, contract assets and other financial assets are classified as current assets, unless they are due more than twelve months after the balance sheet date. If so, they are classified as non-current assets.

Cash and cash equivalents
Cash and cash equivalents consist of bank deposits and other short-term, highly liquid investments with an original term to maturity of no more than three months.

Financial derivatives
The Group uses derivatives to manage its interest rate risk. Derivatives are initially recognised at fair value on the date on which the contract was signed, and subsequently at fair value. Gains or losses on remeasurement at fair value are recognised in the income statement. Regular payments are presented as interest and other finance expenses. Changes in the value of the derivatives are presented under "Changes in value of financial instruments".

The fair value of interest rate swaps is the estimated amount the Group would receive or pay to redeem the contracts on the balance sheet date. This amount will depend on interest rates and the contracts' remaining term to maturity. The derivatives are classified on the balance sheet as current or non-current, depending on whether they are expected to be redeemed under or over 12 months from the balance sheet date.

Trade payables and other non-interest bearing financial liabilities
Trade payables and other non-interest bearing liabilities are classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method. Interest is ignored if it is insignificant.

Interest bearing liabilities
Interest bearing liabilities are classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as net realised financials in the statement of profit or loss. The liabilities are measured at their nominal value when the effect of discounting is immaterial.

Interest bearing liabilities are classified as current liabilities where the debt is due for repayment less than 12 months from the balance sheet date.

LEASE CONTRACTS (THE GROUP AS A LESSEE)
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease contracts in which it is the lessee, except for leases with a lease term of 12 months or less, and leases of low value assets (such as vehicles and technical and office equipment), for which the Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Only fixed payments are included in the initial measurement of the lease liability, and 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 features that affect Entra's incremental borrowing rate, such as tenant-specific factors and the length of the lease. The lease liability is presented as part of other liabilities in the balance sheet.

For lease contracts where the leased properties meet the definition of investment properties in IAS 40, Entra applies the fair value model to the associated right-of-use assets. The right-of-use assets are measured by discounting the assumed future cash flows under the lease contracts. The discount rate used to calculate the right-of-use asset may be different from the discount rate used to calculate the lease liability. The right-of-use assets are presented as part of investment properties in the balance sheet.

INTANGIBLE ASSETS

Goodwill

Goodwill is the difference between the cost and the fair value of the Group's share of net identifiable assets in the entity on the acquisition date. Goodwill arising from the acquisition of subsidiaries that constitute a business as defined in IFRS 3, is classified as an intangible asset. For the purposes of impairment testing, goodwill is allocated to the relevant cash-generating units. Goodwill is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the acquisition from which the goodwill arose. Goodwill is tested for impairment annually and is recognised at cost less any impairment losses. Impairment of goodwill is not reversed. Gains and losses on the sale of an operation include the carrying amount of goodwill relating to the sold operation.

Goodwill arising from the purchase of shares in associates and jointly controlled entities is included under the investment in the associate or jointly controlled entity, and is tested for impairment as part of the carrying amount of the investment.

Impairment of intangible assets

Intangible assets with an uncertain useful life are not depreciated and are instead tested annually for impairment. Intangible assets that are depreciated are also tested for impairment if there is any indication to suggest that future cash flows cannot justify the carrying amount of the asset. Write-downs are recorded through the income statement as the difference between the carrying amount and the recoverable amount. The recoverable amount is the value in use or fair value, whichever is the higher, less selling costs. When testing for impairment, intangible assets are grouped at the lowest possible level at which it is possible to identify independent cash flows (cash-generating units). In conjunction with each financial report, the company assesses whether it is possible to reverse past write-downs of non-financial assets (except goodwill).

PENSIONS

The Group has both defined benefit and defined contribution pension schemes. A defined benefit pension scheme is a pension arrangement that defines the pension payment an employee will receive on retirement. The pension benefit payable is dependent on a number of factors, such as the employee's age, number of years of membership of the Norwegian Public Service Pension Fund and salary.

The recognised pension obligation relating to defined benefit plans is the present value of the defined benefit on the balance sheet date less the fair value of the plan assets. The gross pension obligation is calculated annually by an independent actuary using the projected credit unit method. The gross pension obligation is discounted using a discount rate based on bonds with preference rights, which mature around the same time as the related pension obligations.

Changes to benefits payable under the pension plan are recognised in the income statement as they arise. Actuarial gains/losses resulting from new information or changes to actuarial assumptions are recognised against equity via comprehensive income in the period they arise.

Contributions to defined contributions plans are recognised in the income statement in the period in which they accrue.

SHARE BASED PAYMENTS

The Group has a share-based incentive program for executives ("LTI"). The LTI scheme is reported in accordance with IFRS 2. LTI remuneration is share-based and has a vesting period of one year and a lock-up period of three to five years. The fair value at the grant date is measured applying Black-Scholes (BS) based on the market price. The fair value of the shares allocated through the LTI is calculated on the basis of the share price at grant date, taking into account the likelihood of the employee still being employed after the lock-up period. The amount is recognised as payroll expenses at grant date and accrued for the period from grant date to the date when the shares are without any restrictions.

SHARE DISCOUNTS

Sales of shares to employees in the share saving scheme are reported in accordance with IFRS 2. The recognised discount is calculated as the difference between market price and purchase price at the time of purchase, taking into account the agreed lock-in period for the shares. The effect of the agreed lock-in period is calculated as the value of a put option using the BS model. The assumptions relating to volatility are based on the actual fluctuations in the price of Entra's shares. The share of the discount that represents the difference between the calculated BS value and the market value of the shares is recognised against equity and the remaining discount, that represents the difference between the paid amount for the shares by the employees and the BS value, is recognised as payroll expenses at the time of allocation.

TAX

The tax expense consists of tax payable and deferred tax. Tax is charged to the income statement, except where it relates to items that are recognised in OCI or directly in equity. In such cases, the tax is either recognised in OCI or directly in equity.

Deferred tax is calculated using the liability method for all temporary differences between the tax values and consolidated accounting values of assets and liabilities. Deferred tax liabilities are not calculated and recognised upon initial recognition of assets or liabilities obtained through an acquisition of a subsidiary not classified as a business combination. Deferred tax is defined using tax rates and laws which are enacted or likely to be enacted on the balance sheet date, and which are expected to be used when the deferred tax asset is realised or when the deferred tax is utilised.

Deferred tax is calculated and provided or reduced in the event of adjustments to the value of investment properties at a nominal tax rate of 22 per cent. A deferred tax asset is recognised to the extent that it is likely that future taxable profit will be available against which the temporary differences can be offset.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in jointly controlled entities, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

PROVISIONS

The Group recognises provisions for legal claims when a legal or self-imposed obligation exists as a result of past events, when it is likely that an outflow of resources will be required to settle the obligation and its amount can be estimated with a sufficient degree of reliability.

In cases where there are several obligations of the same nature, the likelihood of settlement is determined by assessing the Group as a whole. A provision for the Group is recognised even if there is little likelihood of settlement of the Group's individual elements.

Provisions are measured at the present value of expected payments to settle an obligation. A discount rate before tax is used which reflects the present market situation. Any increase in an obligation as a result of a changed time value is reported as a financial expense.

A provision for onerous contracts is recognised when the expected benefits to be derived by Entra from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract and taking into consideration any reasonably obtainable subleases.

INVENTORY PROPERTIES
The Group's residential projects involve zoning, development and construction. Where the Group constructs the residential projects, the individual units are handed over to the purchaser when they are completed. Properties under zoning for residential purposes may be handed over to other residential developers. The residential projects are intended for sale in the ordinary course of business or which is in the process of construction or development for such sale. Inventory property thus comprise properties held for resale, property under development and construction, and completed units which are not sold. Inventories are measured at the lower of cost and net realisable value.

OTHER OPERATING ASSETS (EQUIPMENT)
Other operating assets are recognised at acquisition cost, less depreciation. The acquisition cost includes costs directly related to the acquisition of the asset. Other operating assets are depreciated in a straight line over their anticipated remaining useful life.

The assets' remaining useful life and residual value are reassessed on each balance sheet date and changed if necessary. If the carrying amount of an asset is higher than its recoverable amount, the value of the asset is written down to the recoverable amount.

Gains and losses on disposals are recognised through profit or loss, and are calculated as the difference between the sales price and the carrying amount at the time of disposal.

CURRENCY
The Group's presentation currency is NOK. This is also the functional currency of the parent company and all its subsidiaries.

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured at cost in a foreign currency are translated to NOK using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to NOK using the exchange rate on the balance sheet date. Exchange rate fluctuations are recognised in profit or loss as they arise.

SEGMENT INFORMATION
Operating segments are reported in the same way as in internal reports to the Group's highest decision-making authority. The Group's highest decision-making authority, which is responsible for allocating resources and assessing the profitability of the operating segments, has been identified as the Board of Directors and the CEO.

STATEMENT OF CASH FLOWS
The statement of cash flows is prepared using the indirect method. This means that the statement is based on the Group's profit before tax in order to present cash flows from operating, investing and financing activities respectively. Interest on leases and net interest and fees paid on loans are presented as operating cash flows. Dividends paid to shareholders and non-controlling interests are presented under financing activities.

DIVIDENDS
Entra pays semi-annual dividends. Dividend payments to the company's shareholders for the first half year are classified as debt from the date on which a resolution regarding the dividend is passed by the Board of Directors. Dividend payments to the company's shareholders for the second half year are classified as debt from the date on which a resolution regarding the dividend is passed by the Annual General Meeting.

NOTE 3 CRITICAL ACCOUNTING ESTIMATES AND SUBJECTIVE JUDGEMENTS

Fair value of investment properties

Investment properties are measured at their fair value based on external, independent valuations.

Each quarter, all the properties are valued by two independent, external appraisers. The valuations at 31 December 2020 were obtained from Akershus Eiendom/JLL and Newsec. The valuations are mainly based on the discounted cash flow method, which involves discounting future cash flows over a specified period using an estimated discount rate and then adding a residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as future cash flows based on an expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates and inflation. The market rent for each property takes into account the property's situation, standard and leases signed for comparable properties in the area. For the duration of existing lease terms, the discount rate is mainly based on an assessment of the individual tenants' financial solidity and classification. After the end of the lease term, cash flows are discounted using a discount rate that takes into account the risk relating to letting and location. Inflation is estimated using the consensus of a selection of banks and official statistics.

When carrying out their valuations, the appraisers receive comprehensive details of the leases for the properties, floor space and details of any vacant premises, and up-to-date information about all ongoing projects. Any uncertainties relating to the properties/projects and leases are also clarified verbally and in writing as and when required. The Group management performs internal controls to ensure that all relevant information is included in the valuations.

The appraisers perform their valuations on the basis of the information they have received, and estimate future market rents, yields, inflation and other relevant parameters. Each individual property is assessed in terms of its market position, rental income (contractual rents versus market rents) and ownership costs, with estimates being made for anticipated vacancy levels and the need for alterations and upgrades. The remaining term of the leases is also assessed for risk, along with any special clauses in the contracts. Each property is also compared with recently sold properties in the same segment (location, type of property, mix of tenants, etc).

Market transactions serve as important reference points for the appraisers and the number of transactions thus influence the level of uncertainty in the valuations. Total transaction volume in the Norwegian market in 2020 came in above NOK 100 billion. This is the second highest transaction volume ever in the Norwegian market, despite the activity being close to stand-still during the outbreak of the Covid-19 pandemic in March 2020. During the autumn, the activity in the transaction market picked up, and a number of transactions of relevance for Entra's portfolio were completed, providing the appraisers with relevant reference transactions for the valuation of Entra's portfolio at year-end.

The table below shows to what extent the value of the management property portfolio is affected by market rents and exit yields (market yields), assuming that all other factors are equal. However, there are interrelationships between these variables, and it is expected that a change in one variable may influence one or more of the other variables.

Value change (NOK million)[1]		% Δ Yield				
		-0.50 %	-0.25 %	0.00 %	0.25 %	0.50 %
% Δ Market rent	**-10.0 %**	2 812	-1 537	-5 315	-8 629	-11 559
	-5.0 %	5 947	1 342	-2 658	-6 165	-9 266
	0.0 %	9 081	4 221	-	-3 701	-6 973
	5.0 %	12 215	7 100	2 658	-1 237	-4 680
	10.0 %	15 350	9 979	5 315	1 227	-2 387

[1] Estimates by Newsec in conjunction with valuations at 31 December 2020.

Consolidation of entities in which the Group holds less than a majority of shares

Entra considers that it controls Entra OPF Utvikling AS and Hinna Park Eiendom AS even though it owns 50 per cent of the shares in the companies. In this assessment, Entra has considered all relevant facts and circumstances in assessing whether the voting rights are sufficient to give Entra power over the two companies. A key consideration is whether Entra has the practical ability to unilaterally direct the relevant activities that affect the amount of Entra's return. The relevant activities, including property management, ongoing maintenance and minor redevelopment projects, are directed by the Board of Directors in the two companies. The shareholder agreements include certain provisions that restricts Entra from making significant changes to the business of the two companies. These provisions are not considered to give the co-investors power over the companies, and are only considered to be protective rights. As Entra shall appoint the Chairman of the two companies and the Chairman has a double vote in the Board of Directors of the companies, Entra has concluded it controls these companies.

Fair value of financial derivatives

The Group uses interest rate derivatives and fixed rate loans to manage the interest rate risk. The financial derivatives are valued at fair value in the Group's balance sheet. See note 8 for further information on the valuation of the Group's financial derivatives.

NOTE 4 FINANCIAL RISK MANAGEMENT

All amounts in NOK million

Governance structure, exposure and reporting

The Board of Entra ASA has defined limits for the financial exposure of the Group through the financial policy. The financial policy regulates the following:

- Allocation of responsibility for financial management
- Overall limits and principles for management of financial exposure
- Principles for borrowing
- Definitions of financial risk parameters and key controls that must be in place to ensure adequate risk management
- Requirements for reporting and monitoring. The Group's overall financial risk exposure is reported regularly to the Board.

There is a responsibility and authority matrix for the Finance department, which defines authority for the day-to-day management of financial transactions within the overall framework of financial management.

The Group must ensure that there is adequate operational risk management and internal control through clear areas of responsibility and allocation of duties. The procedures relate in particular to the management of financial exposure and the division of responsibility between the various roles in the Finance department and the department's financial systems. There are guidelines for managing financial exposure, which include checklists related to the control of current transactions.

The finance department is continuously assessing the Group's financial risks and opportunities. Projections and simulations are made in the corporate financial model based on detailed assumptions on macroeconomic development, financial parameters and the property market. The simulations are intended to provide information for the Board and management in their monitoring of key financial figures for the Group.

The Group's finance strategy shall ensure that the Group has financial flexibility and that it achieves competitive financial terms. The Group is exposed to financial risk and has defined the following relevant risk areas:

- Financing risk
- Capital management and solvency
- Interest rate risk
- Credit/counterparty risk
- Currency risk

Financing risk

Financing risk is the risk that the Group will be unable to meet its financial obligations when they are due and that financing will not be available at a reasonable price.

The Group seeks to limit financing risk through:

- minimum level of committed capital to cover refinancing requirements
- average time to maturity requirements for the group's financing
- the use of various credit markets and counterparties
- diversified maturity structure for the Group's financing

Capital management and solvency

The main purpose of the Group's capital management is to maintain a good balance between debt and equity, in order to maximise the value of the shares in the Group, while also maintaining a good credit rating and obtaining loan terms with lenders that reflect the risk profile of the Group. The Group has defined a target for the Loan-To-Value ratio which shall not exceed 50 per cent over a time period. There are covenants in the Group's loan agreements that specify requirements in relation to the company's financial strength.

Interest rate risk

Interest rate risk arises from the interest-bearing debt being affected by changes in market rates. Interest rate risk affects the Group's cash flows and the market value of the Group's liabilities. The main purpose of the Group's interest rate strategy is to ensure that the Group achieves the desired balance between the interest expense and interest rate risk. The Group's interest rate risk is managed within the following financial policy requirements:

- minimum 40 per cent of the interest-bearing debt to be hedged at fixed interest rate.
- average remaining time to maturity for interest rate hedges in the interval 2-6 years.
- diversification of the maturity structure for fixed interest rates.

Credit and counterparty risk

Stable, predictable and long-term access to capital is critical for Entra. Entra considers that the ability of creditors to behave predictably over the long term is often dependent on their creditworthiness. For this reason, Entra wants the Group's creditors to be of a good credit quality and has established credit rating limits for the Group's creditors. The credit ratings of the Group's financial counterparties are continuously monitored. The fair value of all financial derivative assets was 347 million (274 million).

Trade receivables at 31 December 2020 was 64 million (43 million), contract assets was 11 million (nil), external loans was 69 million (143 million) and other long-term receivables was 89 million (91 million). The concentration of credit risk with respect to trade debtors is assessed to be low, as the majority of Entra's customers are paying their rent in advance. The creditworthiness of counterparties in construction contracts that give rise to contract assets and contracts with debtors that give rise to other receivables are thoroughly evaluated before entering into the contracts.

Cash and bank deposits at 31 December 2020 amounted to 217 million (317 million). The deposits were placed with financial institutions with A-/A3 or better credit ratings.

Currency risk

The Group shall not incur any currency risk. The Group did not have any currency exposure at 31 December 2020.

Financial covenants

There are covenants in the Group's bank loan agreements relating to interest cover ratio (ICR) and the loan-to-value of property (LTV). At 31 December 2020, the Group was not in breach of any covenants.

There are no covenants in relation to the Group's bond or commercial paper loans.

MATURITY PROFILE OF ALL FINANCIAL INSTRUMENTS

	REMAINING TERM								
31.12.2020	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Interest-bearing bank loans – principal	-	-	-	3 771	465	1 500	-	-	5 736
Interest-bearing bank loans – amortising	10	30	39	50	24	-	-	-	153
Interest-bearing bank loans – estimated interest	22	66	87	137	49	4	-	-	366
Bonds – principal	-	812	2 500	3 995	2 650	3 000	1 100	-	14 057
Bonds – estimated interest	50	224	270	378	272	151	102	-	1 447
Commercial paper – principal	400	800	-	-	-	-	-	-	1 200
Commercial paper – estimated interest	1	3	-	-	-	-	-	-	4
Financial instruments									
- interest rate derivatives	34	79	88	154	73	-49	-55	-	325
Lease liabilities	6	15	21	42	38	21	20	360	523
Trade payables	281	-	-	-	-	-	-	-	281
Other financial liabilities	45	-	-	-	-	-	-	-	45
Total	**850**	**2 029**	**3 005**	**8 528**	**3 571**	**4 627**	**1 166**	**361**	**24 137**

	REMAINING TERM								
31.12.2019	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Interest-bearing bank loans – principal	-	-	709	3 560	235	1 839	-	-	6 343
Interest-bearing bank loans – amortising	10	30	28	49	30	12	-	-	159
Interest-bearing bank loans – estimated interest	47	140	171	274	106	62	-	-	801
Bonds – principal	-	700	1 300	5 300	2 000	1 200	-	1 100	11 600
Bonds – estimated interest	64	284	301	497	215	127	102	51	1 641
Commercial paper – principal	1 000	800	-	-	-	-	-	-	1 800
Commercial paper – estimated interest	13	11	-	-	-	-	-	-	23
Financial instruments									
- interest rate derivatives	12	7	25	3	7	-21	-23	-31	-20
Lease liabilities	6	15	21	42	42	27	21	368	540
Trade payables	200	-	-	-	-	-	-	-	200
Other financial liabilities	38	-	-	-	-	-	-	-	38
Total	**1 390**	**1 986**	**2 554**	**9 725**	**2 636**	**3 246**	**100**	**1 488**	**23 125**

The table is based on undiscounted contractual cash flows.The maturity analysis is based on the earliest possible redemption for instruments where the counterparty has a choice as to when to redeem the instrument. Estimated interest is based on the interest rate on the individual loan/ instrument on the balance sheet date. In order to manage its liquidity risk, the Group has available, unused credit facilities with Norwegian and international banks, as well as available liquid assets.

UNUSED CREDIT FACILITIES

	TERM TO MATURITY								
31.12.2020	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Unused credit facilities	-	-	-	3 160	4 130	-	-	-	7 290
Total unused credit facilities	**-**	**-**	**-**	**3 160**	**4 130**	**-**	**-**	**-**	**7 290**

UNUSED CREDIT FACILITIES

31.12.2019	TERM TO MATURITY								
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Unused credit facilities	-	-	750	3 440	2 000	-	-	-	6 190
Total unused credit facilities	**-**	**-**	**750**	**3 440**	**2 000**	**-**	**-**	**-**	**6 190**

At 31 December 2020, the Group had 206 (283) million of available liquid assets. See Note 22.

Interest rate risk
The Group's liabilities are subject to fixed interest rates (50 per cent of liabilities at 31 December 2020 compared to 59 per cent at 31 December 2019). The Group uses a variety of derivatives to adapt its portfolio to the chosen fixed rate structure. The choice of fixed interest profile is based on an evaluation of the Group's financial strength and ability to generate long-term, stable cash flow.

At 31 December 2020, the weighted average remaining term to maturity was 2.4 years (3.0 years). The average interest rate was 2.38 per cent (2.99 per cent) at 31 December 2020.

The table below shows the nominal value of outstanding current and non-current interest-bearing debt including derivatives.

MATURITY STRUCTURE OF THE GROUP'S EXPOSURE TO NOMINAL INTEREST RATE RISK

As at 31.12.2020	31.12.2021	31.12.2022	31.12.2024	31.12.2026	31.12.2028	31.12.2030	31.12.2030+	
Term to maturity	Up to 1 year	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Percentage	9.5	11.8	37.1	15.1	21.3	5.2	-	100
Amount	2 012	2 500	7 847	3 187	4 500	1 100	-	21 146

As at 31.12.2019	31.12.2020	31.12.2021	31.12.2023	31.12.2025	31.12.2027	31.12.2029	31.12.2029+	
Term to maturity	Up to 1 year	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Percentage	41.2	5.3	14.1	15.1	21.9	-	2.5	100
Amount	2 500	2 028	8 860	2 291	3 123	-	1 100	19 901

KEY FIGURES FOR THE GROUP'S FINANCIAL INSTRUMENTS

	2020	2019
Nominal value of interest rate derivatives on the balance sheet date [1)]	12 210	12 010
of which		
- Fixed-to-variable swaps [1)]	3 300	3 000
- Variable-to-Fixed swaps	8 910	9 010
Range of fixed interest rates	From 1.1050 % to 5.6450 %	From 1.1050 % to 5.6450 %
Variable rate basis	NIBOR	NIBOR
Average fixed rate excl. forward starting swaps	2.37 %	2.41 %
Average fixed rate incl. forward starting swaps	2.37 %	2.07 %
Fair value of derivatives on the balance sheet date (NOKm)	-343	-68
Change in fair value of interest rate derivatives over the year	-275	46

[1)] 3,300 million (3,000 million) of swaps linked to the fixed-interest bonds issued by the Group are included in the volume of interest rate swaps. These bonds are swapped to a variable rate in order to ensure that the Group is in a position to manage its interest rate fixing independently of the bonds. The real volume used for interest rate fixing is therefore 8,910 million (9,010 million). At 31 December 2020 the Group has no interest rate options or option-related products.

NOTE 5 RISK LEASE MANAGEMENT

All amounts in NOK million

The Group mainly enters into lease contracts with fixed rent for the lease of property. Lease payments for the majority of the contracts include CPI increases.

THE GROUP'S FUTURE ACCUMULATED RENT FROM NON-TERMINABLE OPERATIONAL LEASE CONTRACTS AT 31.12.

	2020	2019
≤ 1 year	2 450	2 073
1 year < 2 years	2 286	2 443
2 year < 3 years	2 157	2 271
3 year < 4 years	1 918	2 109
4 year < 5 years	1 702	1 855
≥ 5 years	7 887	6 127
Total [1]	**18 401**	**16 878**

THE GROUP'S LEASE CONTRACTS AT 31.12 HAVE THE FOLLOWING MATURITY STRUCTURE MEASURED IN ANNUAL RENT [1]

	2020			2019		
Remaining term	No. of contracts	Contract rent	Contract rent, %	No. of contracts	Contract rent	Contract rent, %
≤ 1 year	232	173	7	238	250	10
1 year < 5 years	245	883	34	267	1 015	41
5 years < 10 years	105	896	35	101	847	35
≥ 10 years	46	626	24	26	343	14
Total	**628**	**2 578**	**100**	**632**	**2 456**	**100**

The table above shows the remaining non-terminable contractual rent for current leases without taking into account the impact of any options.

[1] The rent is stated as the annualised contractual rent, and is therefore not reconcilable with the rental income for the year for accounting purposes.

OTHER PARAMETERS RELATING TO THE GROUP'S LEASE PORTFOLIO

	2020				2019			
	Area (sqm.)	Occupancy (%)	Wault (yrs)	Share of public sector tenants (%)	Area (sqm.)	Occupancy (%)	Wault (yrs)	Share of public sector tenants (%)
Oslo	550 010	98.0	6.9	58	583 428	97.0	6.7	58
Trondheim	158 940	97.1	7.1	77	154 776	95.4	7.2	67
Bergen	105 045	97.1	5.4	55	119 533	96.1	6.0	59
Sandvika	98 988	99.4	7.5	57	98 961	99.8	8.4	57
Stavanger	78 607	99.0	6.3	51	78 607	99.4	7.2	50
Drammen	62 107	97.6	9.5	84	70 422	98.1	6.2	81
Total management portfolio	**1 053 697**	**97.9**	**6.9**	**61**	**1 105 727**	**97.1**	**6.8**	**60**
Project portfolio	162 785		9.7	23	107 201		9.6	76
Regulated development sites	128 195		5.3	-	114 859		0.3	-
Total property portfolio	**1 344 677**		**7.1**	**58**	**1 327 787**		**6.9**	**61**

On account of the high occupancy rate, the high proportion of public sector tenants and the relatively long average remaining contract term, the risk to the Group's cash flow is considered low. The main effect of the Covid-19 pandemic on rental income in 2020 is a reduction in turnover based rents of approximately 14 million from 2019.

NOTE 6 SEGMENT INFORMATION

All amounts in NOK million

The Group has one main operational unit, led by the COO. 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 Market and Property Development division, Project Development division and a Digitalisation 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.

	No. of properties	Area	Occupancy	Wault	Market value		12 month rolling rent		Net yield	Market rent	
31.12.2020	(#)	(sqm.)	(%)	(yrs)	(NOKm)	(NOK/sqm.)	(NOKm)	(NOK/sqm.)	(%)	(NOKm)	(NOK/ sqm.)
Oslo	34	550 010	98.0	6.9	31 158	56 650	1 388	2 524	4.1	1 506	2 738
Trondheim	11	158 940	97.1	7.1	5 157	32 445	288	1 813	5.3	281	1 770
Bergen	7	105 045	97.1	5.4	4 712	44 859	218	2 080	4.3	258	2 458
Sandvika	9	98 988	99.4	7.5	3 157	31 893	177	1 790	5.3	154	1 556
Stavanger	5	78 607	99.0	6.3	2 272	28 900	139	1 762	5.6	129	1 641
Drammen	7	62 107	97.6	9.5	2 281	36 729	119	1 909	4.9	116	1 863
Total management portfolio	**73**	**1 053 697**	**97.9**	**6.9**	**48 737**	**46 253**	**2 329**	**2 210**	**4.4**	**2 444**	**2 320**
Project portfolio	11	162 785		9.7	7 048	43 294					
Regulated development sites	6	128 195		5.3	961	7 497					
Total property portfolio	**90**	**1 344 677**		**7.1**	**56 746**	**42 200**					

The calculation of net yield is based on the appraisers' assumption of ownership costs, which at 31.12.20 corresponds to 7.2 per cent of market rent.

The Groups 20 largest tenants accounts for approximately 43 per cent of the Group's total rental income. The Group does not have any tenants contributing to more than 10 per cent of the Group's rental income.

	No. of properties	Area	Occupancy	Wault	Market value		12 month rolling rent		Net yield	Market rent	
31.12.2019	(#)	(sqm.)	(%)	(yrs)	(NOKm)	(NOK/sqm.)	(NOKm)	(NOK/sqm.)	(%)	(NOKm)	(NOK/ sqm.)
Oslo	35	583 428	97.1	6.7	28 163	48 272	1 380	2 365	4.5	1 545	2 647
Trondheim	11	154 776	95.2	7.2	4 506	29 111	255	1 648	5.3	272	1 760
Bergen	8	119 533	95.6	6.0	4 794	40 105	239	1 999	4.6	278	2 327
Sandvika	9	98 961	99.8	8.4	2 922	29 528	173	1 747	5.5	150	1 521
Stavanger	5	78 607	99.4	7.2	2 293	29 174	142	1 808	5.8	133	1 691
Drammen	8	70 422	98.1	6.2	2 085	29 611	129	1 825	5.8	121	1 720
Total management portfolio	**76**	**1 105 727**	**97.1**	**6.8**	**44 764**	**40 483**	**2 318**	**2 096**	**4.8**	**2 500**	**2 261**
Project portfolio	7	107 201		9.5	3 368	31 420					
Regulated development sites	6	114 859		0.3	832	7 248					
Total property portfolio	**89**	**1 327 787**		**6.9**	**48 964**	**36 877**					

NOTE 7 CATEGORIES OF FINANCIAL INSTRUMENTS

All amounts in NOK million

31.12.2020	Financial assets at amortised cost	Financial assets at FVTPL	Total		Financial liabilities at FVTPL	Financial liabilities at amortised cost	Total
					Held for trading		
Assets				**Liabilities**			
Financial investments				Interest-bearing non-current liabilities		19 095	**19 095**
- shares		37	**37**	Interest-bearing current liabilities		2 051	**2 051**
- other financial assets	158		**158**	Lease liabilities		230	**230**
Financial derivatives		347	**347**	Financial derivatives	690		**690**
Trade receivables	64		**64**	Other non-current liabilities		102	**102**
Other current receivables	279		**279**	Trade payables		281	**281**
Cash and cash equivalents	217		**217**	Other current liabilities		121	**121**
Total financial assets	**717**	**384**	**1 102**	**Total financial liabilities**	**690**	**21 879**	**22 569**

31.12.2019	Financial assets at amortised cost	Financial assets at FVTPL	Total		Financial liabilities at FVTPL	Financial liabilities at amortised cost	Total
					Held for trading		
Assets				**Liabilities**			
Financial investments				Interest-bearing non-current liabilities		17 362	**17 362**
- shares		36	**36**	Interest-bearing current liabilities		2 539	**2 539**
- other financial assets	168		**168**	Lease liabilities		237	**237**
Financial derivatives		274	**274**	Financial derivatives	341		**341**
Trade receivables	43		**43**	Other non-current liabilities		100	**100**
Other current receivables	226		**226**	Trade payables		200	**200**
Cash and cash equivalents	317		**317**	Other current liabilities		38	**38**
Total financial assets	**754**	**309**	**1 063**	**Total financial liabilities**	**341**	**20 477**	**20 818**

NOTE 8 INFORMATION ABOUT FAIR VALUE

All amounts in NOK million

Investment properties are valued at fair value based on independent external valuations.

Financial derivatives are measured at fair value using valuation methods where the significant parameters are obtained from quoted market data.

The Group uses the following hierarchy to classify assets and liabilities, based on the valuation methods used to measure and disclose their fair value.

Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.
Level 2: Other techniques where all of the parameters that have a significant impact on measuring fair value are either directly or indirectly observable.
Level 3: Valuation techniques that use parameters that significantly affect the valuation, but which are not observable.

ASSETS MEASURED AT FAIR VALUE

	31.12.2020	Level 1	Level 2	Level 3
Assets at fair value through profit or loss				
- Investment properties	56 834			56 834
- Derivatives	347		347	
- Investment properties held for sale	33			33
- Equity instruments	37			37
Total	**57 251**		**347**	**56 903**

LIABILITIES MEASURED AT FAIR VALUE

	31.12.2020	Level 1	Level 2	Level 3
Liabilities at fair value through profit or loss				
- Derivatives	690		690	
Total	**690**	**-**	**690**	**-**

ASSETS MEASURED AT FAIR VALUE

	31.12.2019	Level 1	Level 2	Level 3
Assets at fair value through profit or loss				
- Investment properties	49 095			49 095
- Derivatives	274		274	
- Investment properties held for sale	-			-
- Equity instruments	36			36
Total	**49 404**		**274**	**49 131**

LIABILITIES MEASURED AT FAIR VALUE

	31.12.2019	Level 1	Level 2	Level 3
Liabilities at fair value through profit or loss				
- Derivatives	341		341	
Total	**341**	**-**	**341**	**-**

INFORMATION ABOUT THE FAIR VALUE OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

	2020		2019	
	Fair value	Carrying amount	Fair value	Carrying amount
Loans to associates and jointly controlled entities	1	1	-	-
Other financial assets	158	158	168	168
Trade receivables	64	64	43	43
Total	**222**	**222**	**211**	**211**

INFORMATION ABOUT THE FAIR VALUE OF FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

	2020		2019	
	Fair value	Carrying amount	Fair value	Carrying amount
Seller's credit and withheld purchase price	84	84	81	81
Subordinated loans	18	18	18	18
Total	**102**	**102**	**100**	**100**

The difference between the fair value and the amortised cost of interest-bearing liabilities is described in note 24. Other financial liabilities, except for the amounts above, are short term and the difference between the fair value and the amortised cost is marginal.

NOTE 9 OPERATING COSTS

All amounts in NOK million

	2020	2019
Operating costs		
Maintenance	33	33
Tax, leasehold, insurance	57	58
Letting and property administration	70	57
Direct property costs	51	40
Total operating costs	**211**	**189**

NOTE 10 OTHER REVENUE

All amounts in NOK million

	2020	2019
Other revenue		
Sales of services provided to tenants	82	86
Rental income from inventory properties	21	22
Construction contract revenue	8	186
Other revenue	2	7
Total other revenue	**113**	**300**

In 2018, the Group entered into a property swap transaction with Aberdeen Eiendomsfond Norge I regarding certain properties in Oslo, including Tollbugata 1A, which was under refurbishment. Revenue from the construction contract and related costs were recognised over time according to the stage of completion. The refurbishment was completed and delivered in 2019, with final settlement recognised as construction contract revenue in 2020.

NOTE 11 OTHER COSTS

All amounts in NOK million

	2020	2019
Other costs		
Costs related to services provided to tenants	58	68
Costs related to inventory properties	12	9
Construction contract costs	-	167
Other costs	9	16
Total other costs	**79**	**260**

NOTE 12 ADMINISTRATIVE COSTS

All amounts in NOK million

	2020	2019
Administrative costs		
Payroll and personnel expenses	105	104
Office expenses, furnishings and equipment	42	27
Consultancy fees	29	23
Other administrative owner costs	10	17
Total administrative costs	**186**	**171**

NOTE 13 PERSONNEL COSTS

All amounts in NOK million

PERSONNEL COSTS

	2020	2019
Salaries, performance-related pay and other taxable benefits [1]	191	174
Employers' National Insurance contributions	26	27
Pension expenses	14	15
Other personnel costs	9	14
Total personnel costs	**241**	**229**
Of which capitalised as projects under development	-49	-45
Of which shared costs distributed amongst tenants	-45	-40
Total salary and personnel costs	**147**	**144**
Number of full-time equivalents	184	175
Number of employees at 31.12.	186	177

[1] Salaries, performance-related pay and other taxable benefits includes a 15 million (10 million) provision for performance-related pay for all employees in 2020, which has not yet been paid out.

REMUNERATION OF SENIOR EXECUTIVES

The total remuneration of the CEO and other Senior Executives consists of a fixed package of salary and benefits supplemented by performance related bonuses (short-term incentive - STI), share-based long-term incentive plans (LTI), employee share plans, pension and insurance arrangements. For further details on Entra's compensation policy and practice, please refer to pages 73 to 76 in the corporate governance section of this annual report.

OVERVIEW OF TOTAL REMUNERATION OF SENIOR EXECUTIVES IN 2020

All amounts in NOK thousand	Salary	Performance related bonus (STI) [1]	LTI [2]	Benefits in kind	Pension costs	Total remuneration 2020
Sonja Horn, CEO	3 728	1 385	738	140	110	6 100
Anders Olstad, CFO and Deputy CEO	3 262	1 257	669	140	110	5 438
Kjetil Hoff, COO	2 047	415	179	140	110	2 892
Per Ola Ulseth, EVP Project Development	2 027	416	255	140	110	2 948
Tore Bakken, EVP Market and Commercial Real Estate Development	2 084	426	226	140	110	2 985
Åse Lunde, EVP Digitalisation and Business Development	1 757	312	251	140	110	2 570
Kristine Marie Hilberg, EVP HR and Organisation	1 634	334	120	141	110	2 339
Total	**16 540**	**4 544**	**2 437**	**981**	**770**	**25 271**

[1] STI reflects the provision based on targets met in 2020, which will be paid out in 2021.

[2] The LTI scheme has a vesting period of one year and a lock-up period of three to five years. LTI is reported on expensed basis. As such, the earned LTI for 2020 also includes a portion of LTI earned in previous years.

The above amounts are subject to National Insurance contributions of 14.1 per cent.
No loans were given by Entra to senior executives at 31 December 2020.

OVERVIEW OF TOTAL REMUNERATION OF SENIOR EXECUTIVES IN 2019

All amounts in NOK thousand	Salary	Performance related pay (STI) [1]	LTI [2]	Benefits in kind	Pension costs	Total remuneration 2019
Sonja Horn, EVP Property Management until 30.06.19, CEO from 01.07.19	3 090	950	456	155	108	4 759
Anders Olstad, CFO	2 808	581	469	155	108	4 120
Kjetil Hoff, acting EVP Property Management from 01.08.19 to 31.10.19, COO from 01.11.19 [3]	877	127	39	29	45	1 117
Per Ola Ulseth, EVP Project Development	2 003	353	119	155	108	2 738
Tore Bakken, EVP Market & Commercial Real Estate Development from 21.01.19	2 131	347	87	128	99	2 792
Åse Lunde, EVP Digital & Business Development	1 756	304	133	155	108	2 456
Kristine Marie Hilberg, EVP HR & Organization from 01.12.19 [4]	149	24	6	11	9	200
Arve Regland, CEO until 30.06.2019	2 098	-	200	76	53	2 427
Total	**14 913**	**2 686**	**1 509**	**864**	**638**	**20 610**

1) STI reflects the provision based on targets met in 2019, which will be paid out in 2020.

2) The LTI scheme has a vesting period of one year and a lock-up period of three years. LTI is reported on expensed basis. As such, the earned LTI for 2019 also includes a portion of LTI earned in previous years.

3) The remuneration is for the five months period Kjetil Hoff has been acting EVP Property Management and COO.

4) The remuneration is for the one month period Kristine Marie Hilberg has been EVP HR & Organization from 01.12.19.

The above amounts are subject to National Insurance contributions of 14.1 per cent.

All amounts in NOK thousand	Board fees	Committee fees	Total remuneration 2020 [1]	Total remuneration 2019 [1]
Board				
Siri Hatlen, Chair	476	51	526	510
Kjell Bjordal, Vice Chair	238	45	284	293
Widar Salbuvik	238	72	311	301
Camilla AC Tepfers from 26 April 2019	238	-	238	159
Benedicte Schilbred Fasmer from 30 April 2020	161	34	196	
Erling Nedkvitne, employee representative [2]	238	20	258	231
Marit Rasmussen, employee representative from 30 April 2020 [2]	161	-	161	
Ingrid Dahl Hovland until 30 April 2020	77	-	77	231
Mariann Halsvik Larsen, employee representative from 4 March 2019 until 30 April 2020 [2]	77	-	77	191
Katarina Staaf until 26 April 2019				87
Linnea Tviberg Scharning, employee representative until 4 March 2019 [2]				40
Total [1]	**1 906**	**222**	**2 128**	**2 043**

1) The overview of the remuneration of the Board of Directors shows remuneration earned in the financial year.

2) Does not include ordinary salary.

The Board and committee members received no other compensation than what is set out in the table.
The above amounts are subject to National Insurance contributions of 14.1 per cent.

NOTE 14 NET REALISED FINANCIALS

All amounts in NOK million

	2020	2019
Interest income	9	9
Other finance income	1	1
Interest expenses on interest bearing debt	-544	-566
- of which capitalised borrowing costs	35	44
Interest expenses on lease liabilities (note 27)	-11	-12
Other finance expenses	-31	-28
Total interest and other finance expense	**-541**	**-551**
Average interest on capitalised borrowing costs	2.6 %	3.0 %

NOTE 15 INTANGIBLE ASSETS AND OTHER OPERATING ASSETS

All amounts in NOK million

	2020			2019		
	Intangible assets	Goodwill	Equipment	Intangible assets	Goodwill	Equipment
Acquisition cost at 01.01.	8	146	48	55	146	42
Acquisitions	-	-	1	-3	-	7
Disposals	-	-	-14	-44	-	-
Acquisition cost at 31.12.	**8**	**146**	**35**	**8**	**146**	**48**
Accumulated depreciation and write-downs at 01.01.	-	37	26	37	37	22
Depreciation and write-downs	8	-	5	4	-	4
Disposals	-	-	-14	-41	-	-
Accumulated depreciation and write-downs at 31.12.	**8**	**37**	**18**	**-**	**37**	**26**
Carrying amount at 31.12.	**-**	**109**	**17**	**8**	**109**	**22**

The goodwill relates to the acquisiton of 50 per cent of the shares of the business in Hinna Park Eiendom AS. The Group performs an annual impairment test of the goodwill at year-end. No impairment indicators were identified at 31 December 2020.

NOTE 16 INVESTMENT PROPERTIES

All amounts in NOK million

VALUE OF INVESTMENT PROPERTIES

	2020	2019
Closing balance at 31.12 previous period	49 095	45 279
Change in accounting principle IFRS 16	-	231
Opening balance at 01.01	**49 095**	**45 510**
Other movements		
Purchase of investment properties	193	1 174
Investment in the property portefolio	1 580	1 472
Capitalised borrowing costs	35	41
Sale of investment properties	-15	-1 010
Change in value from investment properties	5 980	1 909
Closing balance at 31.12	**56 867**	**49 095**
Of which investment properties held for sale	33	-
Investment properties	**56 834**	**49 095**

The property Tollbodallmenningen 2A in Bergen is held for sale on 31 December 2020.

Investment properties are valued at fair value based on independent external valuations. The valuation method is included at level 3 in the valuation hierarchy. Reference is made to note 8.

For information about valuations and fair value calculations for investment properties, see Note 3 "Critical accounting estimates and subjective judgements".

Certain of the Group's properties are subject to purchase options, as described on next page.

Pursuant to the lease agreements entered into between Entra and the Norwegian Ministry of Culture on 22 April 2005, 15 October 2003 and 30 June 2005, respectively, the tenant has an option to acquire the three buildings comprising the National Library in Henrik Ibsens gate 110/Observatoriegaten 1 in Oslo (the refurbished buildings "Magasinet" and "Halvbroren"). The tenant has the right to acquire the refurbished buildings at expiry of each 25 year lease period (expiring on 6 June 2030 and 31 December 2029, respectively). The leases include an unlimited number of 25-year extension periods, at market rents. Further, the tenant has the right, upon six months' notice, to acquire "Halvbroren" if the tenant itself leases and uses more than 50 per cent of the building. As of 31 December 2020, the tenant leased and used 66 per cent (66 per cent) of the building. The purchase price for all three buildings shall equal the market value of the buildings based on the capitalised future rental income based on the assumption that the lease agreements are continuously prolonged in accordance with the renewal clause in the lease agreements.

Pursuant to the lease agreement entered into between Entra and Bærum municipality on 23 June 2005, which expires on 27 January 2027, the tenant has an option to acquire Vøyenenga School in Bærum municipality. The option is exercisable in 2022 at a purchase price of 86.9 million; and in 2027 at a purchase price of 63.3 million.

Pursuant to the ground lease agreement entered into between Entra and Oslo Havn KF on 4 October 1979 relating to the Langkaia properties, the ground lessor has an option to acquire the buildings without any compensation and free of any encumbrances upon expiry of the ground lease agreement on 1 January 2031. As the property is valued based on the cash flow until expiry of the ground lease agreement (i.e. no residual value), there will be an ongoing decrease in the balance sheet value until 2030.

Pursuant to the lease agreement entered into between Entra and University of Oslo ("UiO") on 16 June 2016, the tenant has an option to acquire the property Kristian Augusts gate 15-21 (building and land) in 2034 and in 2044. The purchase price shall be based on a gross market yield at time of calling the option and valued at a remaining wault of fifteen years of the lease agreement. The gross yield has a cap at 5.25 percent (gross yield < 5.25 per cent). The option to acquire must be called twelve months ahead of the two points in time at the latest. If the option to acquire is called at the first possible point in time (after 15 years), the remaining rent compensation paid by UiO to Entra regarding St. Olavs Plass 5 (previous lease agreement), must be paid in full together with the purchase price for the property.

Pursuant to the lease agreement and option agreement entered into between Entra and BI Norwegian Business School ("BI") on 15 February 2016, the tenant has an option to acquire the company which owns the building Brattørkaia 16 in year 2023, 2028, 2033 and 2038. The purchase price shall be based on a pre-agreed net yield. The net rent at the time of exercising the option, includes value added tax (vat) compensation. The option to acquire must be called twelve months ahead of the four points in time at the latest.

NOTE 17 ASSOCIATES AND JOINTLY CONTROLLED ENTITES

All amounts in NOK million

Investments in associates and jointly controlled entities are recognised using the equity method.

31.12.2020	Acquisition date	Business office	Shareholding/ voting rights (%)
Associated companies			
Ullandhaug Energi AS	07.07.2009	Stavanger	44.00
H2O Eiendom AS	02.12.2019	Oslo	25.00
Jointly controlled entities			
Oslo S Utvikling AS	01.07.2004	Oslo	33.33
Hinna Park Facility Management AS	18.11.2016	Stavanger	50.00
Rebel U2 AS	10.10.2019	Oslo	50.00

31.12.2019	Acquisition date	Business office	Shareholding/ voting rights (%)
Associated companies			
Ullandhaug Energi AS	07.07.2009	Stavanger	44.00
H2O Eiendom AS	02.12.2019	Oslo	25.00
Jointly controlled entities			
Oslo S Utvikling AS	01.07.2004	Oslo	33.33
Hinna Park Facility Management AS	18.11.2016	Stavanger	50.00
Rebel U2 AS	10.10.2019	Oslo	50.00

MOVEMENT IN CARRYING AMOUNT OF ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	Carrying amount 31.12.2019	Share of profit for 2020	Capital injection/ reduction/	Equity transaction at fair value	Carrying amount 31.12.2020	Change in value in share of profit [1]
Associated companies	**8**	**2**	**-2**	**-**	**21**	**-**
Jointly controlled entities						
Oslo S Utvikling AS	372	121	-	-	493	2
Rebel U2 AS	14	-3	-		11	-
Hinna Park Facility Management AS	3	-	-	-	2	-
Total associates and jointly controlled entities	**397**	**120**	**-2**	**-**	**527**	**2**

[1] Changes in value consist of interest rate hedging instruments, plus calculated deferred tax on the change.

MOVEMENT IN CARRYING AMOUNT OF ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	Carrying amount 31.12.2018	Share of profit for 2019	Capital injection/ reduction/	Equity transaction at fair value	Carrying amount 31.12.2019	Change in value in share of profit [1]
Associated companies	**7**	**2**	**-1**	**-**	**8**	**-**
Jointly controlled entities						
Oslo S Utvikling AS	358	310	-307	11	372	2
Rebel U2 AS	-	-1	15		14	-
Hinna Park Facility Management AS	2	1	-	-	3	-
Total associates and jointly controlled entities	**367**	**312**	**-293**	**11**	**397**	**2**

[1] Changes in value consist of interest rate hedging instruments, plus calculated deferred tax on the change.

AGGREGATE FINANCIAL INFORMATION FOR ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

(Figures stated refer to Entra's ownership interest)

	Associates and Jointly controlled entities	
	2020	2019
Rental income	3	17
Net operating income	-2	17
Net income	**149**	**336**
Changes in value of financial instruments	2	3
Profit before tax	**151**	**339**
Tax expense	-31	-27
Profit after tax	**120**	**312**
Total comprehensive income	**120**	**312**
Total assets	834	1 204
Shareholders equity	527	397
Non-controlling interests	29	29
Total liabilities	278	777

The Group owns 33.33 per cent of Oslo S Utvikling AS (OSU), which represents a significant asset to the Group. OSU is a property development company established for the purpose of developing properties at Bjørvika, Oslo. OSU is jointly controlled by the Group, and is accounted for using the equity method.

There has not been any change in the share of ownership or voting rights in this jointly controlled company in 2020.

SUMMARY OF SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS OF OSLO S UTVIKLING AS (100 PER CENT)

	2020	2019
Income statement:		
Rental income	4	44
Operating costs	-9	-
Net operating income	**-5**	**44**
Other revenue	2 308	3 655
Other costs	-1 776	-2 565
Administrative costs	-49	-58
Net realised financials	-25	-50
Net income	**454**	**1 027**
Changes in value of financial instruments	7	8
Profit before tax	**461**	**1 035**
Tax expense	-94	-80
Profit for the year	**367**	**955**
Total comprehensive income	**367**	**955**
Realisation of excess value	-1	-8
Entra's share of total comprehensive income	**121**	**310**
Balance sheet:		
Current assets	**2 275**	**3 405**
of which cash and cash equivalents	120	128
Non-current assets	**16**	**15**
Current liabilities	**330**	**176**
of which current financial liabilities other than accounts payable and provisions	-	-
Non-current liabilities	**454**	**2 103**
of which non-current financial liabilities other than accounts payable and provisions	175	2 103
Net assets	**1 507**	**1 141**
of which attributable to non-controlling interest	87	88

RECONCILIATION OF CARRYING AMOUNT

	Shareholding (%)	2020	2019
Net assets attributable to equity holders of OSU	100.00	1 420	1 053
Group's shareholding in the company	33.33	473	351
Excess value	33.33	20	21
Carrying amount of Group's shareholding	**33.33**	**493**	**372**

CONTRACTUAL OBLIGATIONS

All contractual obligations on the balance sheet date that have not been capitalised are included in the table below.

	2020	2019
Project development	172	649
Total contractual obligations	**172**	**649**

NOTE 18 LONG-TERM RECEIVABLES AND OTHER ASSETS

All amounts in NOK million

	2020	2019
External loans	69	77
Other long-term receivables	89	91
Financial assets at FVTPL	37	36
Purchase option	3	3
Other assets	55	49
Total long-term receivables and other assets	**252**	**256**

The purchase option is for the property Lagårdsveien 6 in Stavanger. The option had expiration date in 2022, but was called in January 2021. Refer to note 36 for further information.

NOTE 19 INVENTORY PROPERTIES

Entra owns a development site at Bryn in Oslo. As part of the acquisition of the site, JM Norge AS agreed to acquire land expected to be zoned for residential development subject to detailed plan. The properties expected to be zoned for residential development are Østensjøveien 29 and Brynsveien 1, 2-4, 3, 6, 8 and 12. See notes 10 and 11 for information on rental income from letting of the properties and the related property costs.

NOTE 20 TRADE RECEIVABLES

All amounts in NOK million

TRADE RECEIVABLES

	2020	2019
Trade receivables	76	50
Provision for bad debts	-12	-8
Net trade receivables	**64**	**43**

There is no concentration of credit risk with respect to trade debtors as the majority of Entra's customers are paying their rent in advance. The provision for bad debt has increased in 2020 due to Covid-19.

The age analysis of these trade receivables is as follows:

	2020	2019
Up to 3 months	21	19
Over 3 months	14	12
Total overdue	**34**	**31**

NOTE 21 OTHER RECEIVABLES AND OTHER CURRENT ASSETS

All amounts in NOK million

OTHER RECEIVABLES

	2020	2019
Accrued interest	38	57
Accrued income, not invoiced	24	12
Contract assets	11	-
Advance payments and accruals	36	45
Current external loans	-	66
Other current receivables	171	46
Total other receivables and other current assets	**279**	**226**

NOTE 22 CASH AND BANK DEPOSITS

All amounts in NOK million

	2020	2019
Bank deposits	181	283
Restricted bank deposits	35	34
Total bank deposits	**217**	**317**

Restricted bank deposits relate to the withholding tax account and guarantees for loans.

NOTE 23 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Entra's share capital is 182,132,055 divided into 182,132,055 shares, with each share having a par value of 1.00. All the shares have been issued in accordance with the Norwegian Public Limited Companies Act and are fully paid. Entra has one class of shares. All shares provide equal rights, including the right to any dividends. Each of the shares carries one vote. There are no share options or other rights to subscribe for or acquire shares issued by Entra. At 31 December 2020, Entra owns 2,808 (23,010) of its own shares and has a total of 182,129,247 (182,109,045) shares outstanding.

As at 31 December 2020, Entra had 5,660 shareholders (5,846 shareholders). Norwegian investors held 29 per cent (35 per cent) of the share capital and foreign investors 71 per cent (65 per cent).

	Number of shares	Par value (NOK)	Share capital (NOK million)
31 December 2019	182 132 055	1	182
31 December 2020	182 132 055	1	182

Paid-in capital amounts to 3,706 million (3,705 million) and consists of 182 million (182 million) in share capital, of which nil (nil million) is related to treasury shares, and 3,524 million (3,523 million) in other paid-in capital.

Entra ASA has a share purchase scheme, offering all employees, including management, the opportunity to purchase shares in Entra ASA at a 20 per cent discount. The shares are subject to two-year lock-in period. The purchase price in the employee offering was calculated as the volume weighted average share price the last 30 days (VWAP) until and including 29 April 2020 less a 20 per cent discount. A total of 102,699 (92,123) shares were acquired and sold to the employees in connection with the share purchase scheme in May 2020. In addition, a total of 12,503 (11,201) shares were awarded to senior executives in March 2020.

For other changes in shareholders' equity, see the consolidated statements of changes in equity.

The 20 largest shareholders as registered in the VPS as of 31 December 2020 were as follows:

Shareholder	No of shares per 31.12.2020	Shareholding %	Country
Folketrygdfondet	21 410 459	11.8	Norway
Skandinaviska Enskilda Banken	17 515 896	9.6	Sweden
Carnegie Investment Bank	15 000 000	8.2	Sweden
Danske Bank	7 548 473	4.1	Sweden
Credit Suisse (Switzerland)	7 429 442	4.1	Switzerland
State Street Bank and Trust	6 539 212	3.6	United States
The Bank of New York Mellon	5 526 713	3.0	The Netherlands
JPMorgan Chase Bank, London	2 944 427	1.6	United States
J.P. Morgan Bank Luxembourg	2 725 199	1.5	United Kingdom
Danske Invest Norske	2 669 821	1.5	Norway
The Bank of New York Mellon	2 648 544	1.5	United Kingdom
DNB Markets Aksjehandel	2 380 128	1.3	Norway
J.P. Morgan Securities	2 352 070	1.3	United States
State Street Bank and Trust	2 160 036	1.2	Ireland
State Street Bank and Trust	2 137 669	1.2	United States
J.P. Morgan Securities	1 950 712	1.1	United Kingdom
Verdipapirfondet KLP Aksjenorge	1 897 031	1.0	Norway
State Street Bank and Trust Comp	1 847 914	1.0	United States
Verdipapirfondet Alfred Berg Gambak	1 762 142	1.0	Norway
State Street Bank and Trust Comp	1 472 637	0.8	United States
Total 20 largest shareholders	**109 918 525**	**60.4**	
Total	**182 132 055**	**100.0**	

SHARES HELD BY BOARD OF DIRECTORS AND SENIOR EXECUTIVES AT 31.12. [1)]

Shareholder	Position	Number of shares 2020	Number of shares 2019
Board of directors			
Siri Hatlen	Chair	1 163	1 163
Kjell Bjordal	Vice Chair	50 000	44 704
Widar Salbuvik	Board member	20 000	10 000
Camilla AC Tepfers	Board member	-	-
Benedicte Schilbred Fasmer	Board member from 30 April 2020	-	
Erling Nedkvitne	Employee representative	12 392	10 855
Marit Rasmussen	Employee representative from 30 April 2020	454	
Ingrid Dahl Hovland	Board member until 30 April 2020		-
Mariann Halsvik Larsen	Employee representative until 30 April 2020		3 117
Senior executives			
Sonja Horn	CEO	30 404	25 220
Anders Olstad	CFO and Deputy CEO	61 185	57 059
Kjetil Hoff	COO	3 845	1 141
Per Ola Ulseth	EVP Project Development	5 495	2 074
Åse Lunde	EVP Digitalisation and Business Development	7 544	4 373
Tore Bakken	EVP Market and Commercial Real Estate Development	3 353	-
Kristine Marie Hilberg	EVP HR and Organisation	3 808	3 682
Shares held by board of directors and senior executives		**199 643**	**163 388**

[1)] Share holding is stated in the table above only if the person has been a director or senior executive at 31.12 the applicable year.

NOTE 24 INTEREST BEARING LIABILITIES AND ACCRUED INTEREST

All amounts in NOK million

NON-CURRENT INTEREST BEARING DEBT

	Nominal value 2020	Market value 2020	Carrying amount 2020	Nominal value 2019	Market value 2019	Carrying amount 2019
Bank loans	5 850	5 850	5 830	6 462	6 462	6 462
Bonds	13 245	13 722	13 265	10 900	11 201	10 900
Total non-current interest bearing debt	**19 095**	**19 572**	**19 095**	**17 362**	**17 663**	**17 362**

CURRENT INTEREST BEARING DEBT

	Nominal value 2020	Market value 2020	Carrying amount 2020	Nominal value 2019	Market value 2019	Carrying amount 2019
Bank loans	39	39	39	39	39	39
Bonds	812	819	812	700	710	700
Commercial paper	1 200	1 200	1 200	1 800	1 800	1 800
Total current interest bearing debt	**2 051**	**2 058**	**2 051**	**2 539**	**2 549**	**2 539**

The average credit margin on the Group's loans at 31.12.2020 was 0.92 per cent (0.88 per cent).

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	31 December 2019	New liabilities	Repayment	Other movements	Change in fair value	31 December 2020
Non-current interest bearing debt	17 362	11 435	-8 890	-812	-	19 095
Current interest bearing debt	2 539	3 200	-4 500	812	-	2 051
Non-current lease liabilities	228	-	-	-8	-	220
Current lease liabilities	9	-	-9	10	-	10
Financial derivatives	68	-	-	-	275	343
Total liabilities from financing activities	**20 206**	**14 635**	**-13 399**	**2**	**275**	**21 718**

THE GROUP'S BONDS AND COMMERCIAL PAPER ARE SUBJECT TO THE FOLLOWING TERMS

THE GROUP'S BONDS AT 31.12.2020

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued [1]	Net balance [1]
NO0010766363	1 500	3M Nibor + 1.05 %	02.06.2021	1 300	812
NO0010740061	1 500	2.45 %	13.06.2022	1 200	1 200
NO0010811649	1 500	3M Nibor + 0.72 %	14.10.2022	1 300	1 300
NO0010670995	1 500	5.00 %	08.02.2023	500	500
NO0010766389	1 500	2.45 %	02.06.2023	1 100	1 100
NO0010774797	1 500	3M Nibor + 0.94 %	22.09.2023	1 200	1 200
NO0010789464	1 500	3M Nibor + 0.86 %	20.03.2024	1 195	1 195
NO0010282031	1 100	4.62 %	29.05.2030	1 100	1 100
NO0010852692	1 500	3M Nibor + 0,83 %	25.05.2025	1 450	1 450
NO0010852684	1 500	2.79 %	22.05.2026	1 200	1 200
NO0010886856	2 000	3M Nibor + 1,10 %	29.06.2027	2 000	2 000
NO0010895964	2 000	1.66 %	21.04.2028	1 000	1 000
					14 057

THE GROUP'S COMMERCIAL PAPER AT 31.12.2020

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued [1]	Net balance [1]
NO0010891260	600	0.67 %	20.01.2021	400	400
NO0010895857	400	0.71 %	15.04.2021	400	400
NO0010907330	600	0.70 %	20.05.2021	400	400
					1 200

THE GROUP'S BONDS AT 31.12.2019

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued [1]	Net balance [1]
NO0010686660	1 500	4.25 %	02.09.2020	700	700
NO0010766363	1 500	3M Nibor + 1.05 %	02.06.2021	1 300	1 300
NO0010740061	1 500	2.45 %	13.06.2022	1 200	1 200
NO0010811649	1 500	3M Nibor + 0.72 %	14.10.2022	1 300	1 300
NO0010670995	1 500	5.00 %	08.02.2023	500	500
NO0010766389	1 500	2.45 %	02.06.2023	1 100	1 100
NO0010774797	1 500	3M Nibor + 0.94 %	22.09.2023	1 200	1 200
NO0010789464	1 500	3M Nibor + 0.86 %	20.03.2024	1 000	1 000
NO0010282031	1 100	4.62 %	29.05.2030	1 100	1 100
NO0010852692	1 500	3M Nibor + 0,83 %	25.05.2025	1 000	1 000
NO0010852684	1 500	2.79 %	22.05.2026	1 200	1 200
					11 600

THE GROUP'S COMMERCIAL PAPER AT 31.12.2019

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued [1]	Net balance [1]
NO0010850076	600	1.70 %	23.01.2020	400	400
NO0010858202	600	1.75 %	14.02.2020	400	400
NO0010859663	600	1.78 %	12.03.2020	200	200
NO0010863699	600	1.86 %	17.04.2020	400	400
NO0010866080	600	2.04 %	20.05.2020	400	400
					1 800

[1] nominal values

MORTGAGES

In general the Group's financing is based on the parent company borrowing from external parties using negative pledge clauses. Wholly-owned subsidiaries are generally financed using intra-group loans.

For projects/properties with special characteristics, separate mortgage-based financing can be arranged. At 31 December 2020, there are one bond loan that is secured with pledge on assets. The bond of 1,100 million (1,100 million) is secured against the National Library and associated buildings, located at Henrik Ibsens gate 110 in Oslo. The lender also has a mortgage on the rental income from the property.

For subsidiaries that are not wholly-owned by Entra ASA, separate financing is generally arranged without any guarantee from the share-holders. This kind of financing is generally secured through a mortgage.

	2020	2019
Carrying amount of liabilities secured through mortgages	2 529	2 541
Carrying amount of mortgaged assets		
Investment properties	5 794	5 056

NOTE 25 TAX

All amounts in NOK million

INCOME TAX EXPENSE

	2020	2019
Tax payable	26	11
Change in deferred tax on profit and loss	1 552	498
Change in deferred tax on comprehensive income	-5	1
Income tax expense	**1 572**	**510**

INCOME TAX PAYABLE IS CALCULATED AS FOLLOWS

	2020	2019
Profit before tax	7 274	3 735
Share of profit/loss at associates and jointly controlled entities	-120	-312
Other permanent differences	18	-1 107
Changes in temporary differences	-6 965	-1 982
Changes in loss carry-forwards	-90	-282
Profit for tax purposes	**117**	**51**
Tax payable on the balance sheet	26	11
Tax payable on the balance sheet	**26**	**11**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2020	%	2019	%
Profit for accounting purposes multiplied by nominal tax rate	1 600	22.0	822	22.0
Tax on share of profit/loss at associates and jointly controlled entities	-26	-0.4	-69	-1.8
Tax on permanent differences	4	0.1	-244	-6.5
Tax expense for accounting purposes	**1 578**	**21.7**	**509**	**13.6**

DEFERRED INCOME TAX

The Group has offset deferred tax assets and deferred tax liabilities on the balance sheet as the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority. The following net value was recognised:

	2020	2019
Deferred tax liability	7 191	5 626
Deferred tax assets	278	259
Net deferred tax	**6 914**	**5 367**

CHANGE IN DEFERRED TAX (+)/DEFERRED TAX ASSETS (-)

	Non-current assets	Financial instruments	Current assets	Gains/ losses account	Provisions	Loss carried forward	Total
01.01.2019	**5 104**	**-24**	**69**	**22**	**-72**	**-240**	**4 858**
Recognised in profit and loss	426	13	-3	-1	1	62	498
Recognised in comprehensive income	-	-	-	-	1	-	1
Acquisition of subsidiaries	10	-	-	-	-	-	10
31.12.2019	**5 540**	**-11**	**66**	**20**	**-70**	**-178**	**5 367**
Recognised in profit and loss	1 584	-57	-17	-2	24	20	1 552
Recognised in comprehensive income	-	-	-	-	-5	-	-5
31.12.2020	**7 124**	**-68**	**49**	**19**	**-52**	**-158**	**6 914**

NOTE 26 PENSIONS

All amounts in NOK million

The Group's pension scheme for new employees is a defined contribution scheme. The defined contribution scheme includes 169 (161) employees in the Group. The defined benefit pension scheme for the group cover a total of 15 (15) current employees and 70 (70) pensioners.

The Group also has a contractual early-retirement scheme (AFP) from the age 62. At 31 December 2020, 6 (9) former employees had chosen to make use of the AFP scheme. The net pension liabilities associated with the AFP scheme amounted to 18 million (21 million), which is included under total pension liabilities in the table below.

The Group's pension scheme satisfies the requirements of the Norwegian Act on Compulsory Occupational Pensions.

The cost for the accounting period shows the employees' pension entitlement of the agreed future pension in the financial year.

THE BALANCE SHEET LIABILITIES HAVE BEEN CALCULATED AS FOLLOWS

	2020	2019
Present value of accrued pension liabilities in defined-benefit schemes in unit trusts	206	185
Fair value of pension scheme assets	-130	-131
Employers' NICs accrued	10	8
Net pension liabilities on the balance sheet at 31.12	**86**	**62**

CHANGE IN DEFINED-BENEFIT PENSION LIABILITIES OVER THE YEAR

	2020	2019
Pension liabilities at 01.01	185	193
Present value of pensions earned this year	2	2
Interest expense	4	5
Pension benefits paid	-6	-7
Plan amendment	-	-2
Actuarial losses (+)/gains (-)	21	-6
Pension liabilities at 31.12	**206**	**185**

CHANGE IN FAIR VALUE OF PENSION SCHEME ASSETS

	2020	2019
Pension scheme assets at 01.01	131	130
Anticipated return on pension scheme assets	3	3
Contributions from employer	3	7
Pension benefits paid	-6	-7
Actuarial losses (-)/gains (+)	-1	-3
Pension scheme funds at 31.12	**130**	**131**

TOTAL COST RECOGNISED IN THE INCOME STATEMENT

	2020	2019
Cost of pension benefits accrued during current period	2	-
Employers' National Insurance contributions	-	-
Contribution scheme	13	14
Total pension benefits accrued during the period	**15**	**15**
Net interest expense	1	1
Total pension benefits accrued in income statement	**16**	**16**
Actuarial losses (-)/gains (+) accrued in comprehensive income	25	-5
Total pension benefits accrued in total comprehensive income	**41**	**12**

The actual return on pension scheme assets was 2 million (1 million).

THE FOLLOWING ECONOMIC ASSUMPTIONS HAVE BEEN USED

	2020	2019
Discount rate	1.70 %	2.30 %
Anticipated return on pension scheme assets	1.70 %	2.30 %
Annual wage growth	2.00 %	2.25 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	2.00 %	2.00 %
Annual adjustment of pensions	1.25 %	1.25 %
Mortality rates	K2013	K2013
Disability rates	200 % * K63	200 % * K63
Proportion of entitled employees making use of AFP	20 %	20 %

The actuarial assumptions are based on generally accepted assumptions in the insurance industry with regard to demographic factors. The pension scheme assets are invested in government bonds.

AMOUNTS FOR THE CURRENT YEAR AND FOR THE FOUR PREVIOUS YEARS

	2020	2019	2018	2017	2016
Gross defined-benefit pension liabilities	206	185	193	187	198
Fair value pension funds 31.12	-130	-131	-130	-130	-141
Net defined-benefit pension liabilities	**76**	**54**	**64**	**57**	**56**

Expected payments to the defined contribution plan for the period 1 January 2021 - 31 December 2021 are 13 million (12 million) and for the defined benefit pension plan 5 million (7 million).

SENSITIVITY ANALYSIS
The present value of pension obligations is dependent on several different factors that are determined by a number of actuarial assumptions.

The assumptions used to calculate net pension costs (revenue) include the discount rate. Any changes to these assumptions will affect the carrying amount of the pension obligations.

The Group determines the relevant discount rate at the end of each year. This is the interest rate used to calculate the present value of the future estimated outgoing cash flows required to fulfil the pension obligations. When determining the relevant discount rate, the Group looks at the interest rate for high-quality corporate bonds or bonds with preference rights, which mature around the same time as the related pension obligations. At 31 December 2020, the discount rate was determined on the basis of bonds with preference rights.

The table below sets out a sensitivity analysis for the assumptions used to calculate pension assets and liabilities.

DISCOUNT RATE

		Impact on liabilities (NOKm)	Impact as a percentage
0.5 percentage point reduction	1.20 %	20	9.9
Discount rate at 31.12.2020	1.70 %	-	-
0.5 percentage point increase	2.20 %	-17	-7.9

ADJUSTMENT OF G

		Impact on liabilities (NOKm)	Impact as a percentage
0.5 percentage point reduction	1.50 %	-17	-8.5
Expected wage growth at 31.12.2020	2.00 %	-	-
0.5 percentage point increase	2.50 %	19	10.5

NOTE 27 LEASES

THE GROUP AS A LESSEE

The Group has entered into certain operating leases of ground, parking lots and buildings classified as investment properties, with remaining lease terms between 8 and 60 years. The Group applies the fair value model to right-of-use assets associated with the property lease contracts. Leased assets included in investment properties at 31 December 2020 was 934 million (966 million).

The majority of the lease payments for the Langkaia properties, where the lease agreement expires on 1 January 2031, are based on the turnover of the property. Only the fixed parts of the lease payments are included in the lease liability. Variable, turnover based lease payments for the property is included in Operating costs.

See note 24 for details on the movements in lease liabilities during the period.

Set out below are the amounts recognised in profit or loss:

	2020	2019
Interest expense on lease liabilities	11	12
Expense relating to leases of low-value assets and short-term leases	1	1
Variable lease payments	9	9
Total amount recognised in profit or loss	**22**	**22**

The Group had total cash outflows for leases of 31 million in 2020 (31 million).

Refer to note 4 for maturity profile of the Group's lease liabilities based on contractual undiscounted payments as at 31 December 2020.

THE GROUP AS A LESSOR

The Group has entered into operating leases on its investment property portfolio. Refer to note 5 for the Group's future accumulated rent from non-terminable operational lease contracts, maturity structure and further details relating to the Group's lease portfolio.

NOTE 28 OTHER NON-CURRENT LIABILITIES

All amounts in NOK million

	2020	2019
Lease liabilities (note 27)	220	228
Pension liabilities (note 26)	86	62
Prepayments from customers	107	82
Subordinated loans	18	18
Seller's credit and withheld purchase price	84	82
Other non-current liabilities	40	33
Total non-current liabilities	**554**	**505**

NOTE 29 OTHER CURRENT LIABILITIES

All amounts in NOK million

	2020	2019
Accrued interest	124	160
Tenant prepayments	129	100
Lease liabilities (note 27)	10	9
Holiday pay owed	19	17
Publict taxes and duties	17	15
Income tax payable	26	11
Provisions for current liabilities	17	10
Other liabilities	9	6
Total other current liabilites	**351**	**328**

NOTE 30 SUBSIDIARIES

All amounts in NOK million

The Group comprises the following legal entities at 31 December 2020. All subsidiaries are incorporated in Norway..

Subsidiary of Entra ASA			
Akersgata 34-36 AS	Entra Kultur 1 AS	Konggata 51 AS	Schweigaards gate 15 AS
Akersgata 51 AS	Entra Labs AS	Kristian Augusts gate 13 AS	Schweigaards gate 16 AS
Biskop Gunnerus' gate 14A AS	Entra OPF Utvikling AS	Lagårdsveien 6 AS	St. Olavs plass 5 AS
Biskop Gunnerus' gate 6 AS	Entra Service AS	Langkaia 1 AS	Stenersgata 1 AS
Bispen AS	Entra Simpli AS	Lars Hilles gate 25 AS	Stenersgata Parkering AS
Borkenveien 1-3 AS	Entra Utleie AS	Lilletorget 1 AS	Sundtkvartalet AS
Brattørkaia 13B AS	Fredrik Selmers vei 4 AS	Malmskriverveien 2-4 AS	Tollbodallmenningen 2A AS
Brattørkaia AS	Fredrik Selmers vei 6 AS	Malmskriverveien 18-20 AS	Tordenskiolds gate 12 AS
Brynsengfaret 4 og 6 AS	Grensesvingen 26 AS	Marken 37 AS	Tullinkvartalet AS
Brynsengfaret 6CD AS	Grønland 32 AS	Møllendalsveien 6-8 AS	Tvetenveien 22 AS
Cort Adelers gate 30 AS	Hagegata 22-24 AS	Nils Hansens vei 20 AS	Universitetsgata 2 AS
Drammensveien 134 AS	Hinna Park Eiendom AS	Nonnesetergaten 4 AS	Universitetsgata 7-9 AS
Drammensveien 134 P-Hus AS	Holtermanns veg 1-13 AS	Nygårdsgaten 91 og 93 AS	Vahls gate 1-3 AS
Drammensveien 134 Utearealer AS	Holtermanns veg 70 AS	Nytorget 1 AS	Valkendorfsgaten 6 AS
Dronningens gate 2 AS	Kaigaten 9 AS	Oslo Z AS	Verkstedveien 1 Monier AS
Entra Bryn AS	Keysers gate 13 AS	Otto Sverdrups plass 4 AS	Verkstedveien 3 AS
Entra Eiendom AS	Kjørboparken AS	Papirbredden Eiendom AS	Veslepiggen AS
Entra Felleskost AS	Kongens gate 87 AS	Professor Olav Hanssens vei 10 AS	Wexelsplass Garasje AS

Shares in subsidiaries owned through subsidiaries:

Hinna Park Eiendom AS [1]	**Papirbredden Eiendom AS** [2]	**Brattørkaia AS**	**Entra OPF Utvikling AS** [3]
Hinna Park AS	Grønland 51 AS	Brattørkaia 14 AS	Entra OPF Utvikling Holding AS
Hinna Park Utvikling AS	Grønland 56 AS	Brattørkaia 15 AB-16 AS	Lars Hilles gate 30 Holding AS
Oseberg Næring AS	Grønland 58 AS	Brattørkaia 17A AS	Allehelgens gate 6 Holding AS
Troll Næring AS	Grønland 60 AS	Brattørkaia 17B AS	Lars Hilles gate 30 AS
Fjordpiren AS	Kreftings gate 33 AS	Brattørkaia Energi AS	Allehelgens gate 6 AS
Hinna Park Logistikk AS			
HP Stadionblokken C AS			
Ormen Lange AS			

Entra Bryn AS
Brynseng Eiendom AS
Brynsveien 11/13 Eiendom AS
Brynsveien 5 AS
Østensjøveien 39/41 AS
Østensjøveien 43 AS
Bryn Boligtomt 1 AS
Brynsveien 1 AS
Brynsveien 2-4 AS
Brynsveien 3 Eiendom AS
Brynsveien 3A ANS
Brynsveien 3B ANS
Brynsveien 6 og 12 AS
Østensjøveien 29 ANS

[1] Entra ASA owns 50 per cent of the shares in Hinna Park Eiendom AS. The remaining 50 per cent is owned by Camar Eiendom AS.
[2] Papirbredden Eiendom AS is owned by Entra ASA with voting and owner shares of 60 per cent and Drammen Municipality with 40 per cent.
[3] Entra ASA owns 50 per cent of the shares in Entra OPF Utvikling AS. The remaining 50 per cent is owned by Oslo Pensjonsforsikring AS.

NON-CONTROLLING INTERESTS

The following tables summarises the information relating to each of the Group's subsidiaries that have non-controlling interests (NCI), before any intra-group eliminations with the Group.

31.12.2020	Papirbredden Eiendom AS	Hinna Park Eiendom AS	Entra OPF Utvikling AS	Total
NCI ownership interests	40 %	50 %	50 %	
Rental income	113	79	136	329
Net operating income	110	73	123	305
Net income	**87**	**25**	**122**	**235**
Changes in value of investment properties	334	-66	186	454
Changes in value of financial instruments	-4	-1	-	-5
Profit before tax	**417**	**-42**	**308**	**684**
Tax	-92	12	-66	-146
Profit for the period	**326**	**-29**	**242**	**538**
Profit allocated to NCI	**130**	**-15**	**121**	**236**
Current assets	13	30	29	72
Non-current assets	2 181	1 335	3 082	6 598
Current liabilities	-54	-32	-8	-94
Non-current liabilities	-1 005	-932	-274	-2 211
Equity	**1 135**	**401**	**2 829**	**4 365**
Equity attributable to NCI	**454**	**201**	**1 414**	**2 069**
Net cash flows from operating activities	102	17	126	245
Net cash flows from investment activities	-1	-3	-13	-18
Net cash flows from financing activities	-137	-1	-130	-268
Change in cash and cash equivalents	**-37**	**13**	**-17**	**-41**

31.12.2019	Papirbredden Eiendom AS	Hinna Park Eiendom AS	Entra OPF Utvikling AS	Total
NCI ownership interests	40 %	50 %	50 %	
Rental income	111	85	133	329
Net operating income	107	79	122	308
Net income	**82**	**43**	**117**	**241**
Changes in value of investment properties	80	61	355	496
Changes in value of financial instruments	3	6	-	9
Profit before tax	**164**	**110**	**472**	**746**
Tax	-36	-24	-102	-162
Profit for the period	**128**	**86**	**370**	**584**
Profit allocated to NCI	**51**	**43**	**185**	**279**
Current assets	50	11	42	104
Non-current assets	1 862	1 400	2 895	6 157
Current liabilities	40	29	6	76
Non-current liabilities	937	951	216	2 104
Equity	**935**	**431**	**2 716**	**4 081**
Equity attributable to NCI	**374**	**215**	**1 358**	**1 947**
Net cash flows from operating activities	89	24	123	236
Net cash flows from investment activities	-3	-20	-13	-36
Net cash flows from financing activities	-75	-5	-110	-190
Change in cash and cash equivalents	**11**	**-1**	**-**	**10**

See note 3 for considerations regarding consolidation of entities in which the Group holds less than a majority of shares.

NOTE 31 RELATED PARTIES

All amounts in NOK million

The Group's transactions and balances with associates and jointly controlled entities in 2020 mainly related to administrative fees, loans, interest payments on loans and dividends. The aggregate figures are shown in the table below.

	2020	2019
Income statement		
Other revenue	5	1
Dividends	3	308
Balance sheet		
Receivables	4	-
Loans	1	-

NOTE 32 AUDITOR'S FEE

All amounts in NOK thousand

	2020	2019
Statutory audit	3 230	2 928
Tax advice	177	195
Other services not related to auditing	101	39
Other assurance services	374	717
Total auditor's fee (excl. VAT)	**3 882**	**3 879**

NOTE 33 EARNINGS PER SHARE

Basic earnings per share is calcuated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

Entra has not issued options or other financial instruments which have a dilutive effect on outstanding shares.

	2020	2019
Total comprehensive income for the year attributable to equity holders of the Company (NOKm)	5 440	2 949
Average number of outstanding shares	182 120 760	182 354 790
Basic earnings per share (NOK)	30	16

NOTE 34 DIVIDEND PER SHARE AND DIVIDEND POLICY

Entra targets a dividend pay-out ratio of approximately 60 per cent of cash earnings. Refer to the alternative performance measures section of the annual report for calculation of cash earnings.

Entra's dividend policy is based on semi-annual dividend payments. In line with the dividend policy, the board of Entra will propose to distribute a semi-annual dividend of 2.50 (2.40) per share for the second half of 2020. In October 2020, Entra paid out 2.40 per share (2.30 per share) for the first six months of 2020. For the financial year 2020 Entra will thus have paid out 4.90 per share (4.70 per share).

Dividend payments to the company's shareholders for the second half year are classified as debt from the date on which a resolution regarding the dividend is passed by the Annual General Meeting.

NOTE 35 LEGAL DISPUTES

Entra was in 2016 in zoning processes regarding two of the Groups properties in Oslo. Oslo municipality claimed Entra for a contribution for unrelated projects, of which 16 million was paid in 2017. Entra was of the opinion that the claim was unlawful and applied for a ruling by Oslo District Court, which ruled in favour of Entra in June 2019. Oslo municipality appealed the ruling, and Borgarting Court of Appeal ruled in favour of Oslo municipality in January 2021. Entra disagrees with, and has appealed, the ruling to the Supreme Court. Entra's claim is regarded as a contingent asset and is not recognised in the balance sheet.

The Norwegian Ministry of Local Government and Modernisation has had an option to buy the property Munchs gate 4/Keysers gate 13, which is let to the Norwegian Ministry of Justice and Public Security. Entra has been of the opinion that the purchase option was voided in 2014. The Ministry of Local Government and Modernisation had a conflicting view and applied for a ruling by the Oslo District Court, which ruled in favour of the Ministry of Local Government and Modernisation in September 2019. Entra appealed the ruling. In June 2020, the parties entered into a settlement where it was agreed that the option is lapsed. Entra further agreed to pay a compensation to the Norwegian Ministry of Local Government and Modernisation and reset the rent for the property to the current market.

NOTE 36 SUBSEQUENT EVENTS

Entra has called an option to acquire the property Lagårdsveien 6 in Stavanger. The property was acquired for 126 million, while Newsec, one of Entra's external appraisers, has estimated the fair market value at 313 million. The transaction closed in January 2021 and is not reflected in the financial statements for the fourth quarter of 2020. The excess value of the purchase is however reflected in all EPRA NAV metrics at as at 31 December 2020.

Furthermore, Entra has acquired Møllendalsveien 1A in Bergen for a property value of 208 million. The property is 5,800 sqm and located next to Møllendalsveien 6-8, which Entra acquired in 2019. The transaction is expected to close in March/April 2021.

Entra has also sold Tollbodallmenningen 2A in Bergen for 40 million.

Parent company financial statements Entra ASA

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Statement of income 1 January to 31 December

All amounts in NOK million

	Note	2020	2019
Sales revenue	3	136	119
Total revenue		**136**	**119**
Payroll and related costs	4	-234	-225
Depreciation and impairments	9	-3	-7
Other operating costs	5.17	-95	-72
Total operating costs		**-332**	**-303**
Operating profit		**-196**	**-184**
Income from investment in subsidiary		1 137	622
Income from investments in associates and jointly controlled entities		3	308
Interest income from Group companies		94	73
Other financial income	6	14	935
Interest expense from Group companies		-12	-20
Interest expense		-472	-481
Other financial costs	7	-32	-135
Net financials		**732**	**1 302**
Profit before tax		**536**	**1 117**
Tax expense	8	-108	17
Profit for the year		**428**	**1 134**

Balance sheet – assets

All amounts in NOK million

	Note	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
Deferred tax assets	8	4	6
Total intangible assets		**4**	**6**
Property and equipment	9	7	8
Total property & equipment		**7**	**8**
Investment in subsidiary	10	21 404	21 124
Investments in associates and jointly controlled entities	10	224	212
Loan to associates and jointly controlled entities	11	1	-
Investment in shares		37	36
Loan to Group companies	11, 16	4 257	3 058
Other long-term receivables and other assets	11	124	137
Total non-current financial assets		**26 046**	**24 566**
Total NON-CURRENT ASSETS		**26 057**	**24 580**
CURRENT ASSETS			
Trade receivables	16	8	4
Receivables on Group companies	16	1 097	663
Other current receivables		62	154
Total current receivables		**1 167**	**821**
Cash and bank deposits		141	198
Total current assets		**1 307**	**1 019**
TOTAL ASSETS		**27 365**	**25 599**

Balance sheet – equity and liabilities

All amounts in NOK million

	Note	31.12.2020	31.12.2019
EQUITY			
Share capital	12, 13	182	182
Own shares	12, 13	-	-
Share premium reserve	12	2 595	2 595
Other paid-in capital	12	929	929
Total paid-in capital		**3 706**	**3 705**
Retained earnings	12	1 571	2 055
Total equity		**5 276**	**5 761**
NON-CURRENT LIABILITIES			
Interest bearing debt	14	16 608	14 860
Pension liability	15	85	61
Other non-current liabilities		1	18
Total non-current liabilities		**16 694**	**14 939**
CURRENT LIABILITIES			
Interest bearing debt	14	2 012	2 500
Trade payables		14	7
Liabilities to Group companies	16	2 750	1 785
Proposed dividend		455	437
Tax payable	8	10	-
Other current liabilites		152	171
Total current liabilities		**5 394**	**4 900**
Total liabilities		**22 088**	**19 839**
TOTAL EQUITY AND LIABILITIES		**27 365**	**25 599**

Oslo, 3 March 2021
The Board of Entra ASA

Siri Hatlen
Chair of the Board

Kjell Bjordal
Vice Chair

Widar Salbuvik
Board member

Benedicte Schilbred Fasmer
Board member

Camilla AC Tepfers
Board member

Marit Rasmussen
Board member

Erling Nedkvitne
Board member

Sonja Horn
CEO

Statement of cash flows 1 January to 31 December

All amounts in NOK million

	2020	2019
Profit before tax	536	1 117
Net expensed interest and fees on loans	504	559
Net interest and fees paid on loans	-513	-551
Income from investment in subsidiary, associates and joint controlled entities	-1 140	-930
Gain and loss on sale of shares	-8	-930
Depreciation and write-downs of non-current assets	3	7
Impairment of shares	-	78
Change in working capital	7	45
Net cash flow from operating activities	**-611**	**604**
Proceeds from sales of investments	-	1 184
Payments made on investments in subsidiaries	-24	-264
Payments made on investments in associates and jointly controlled entities	-13	-1
Proceeds from subsidiaries - Group contribution/dividend/repayment of equity	716	812
Proceeds from associates and jointly controlled entities - dividend	3	308
Payments/repayments of other shares	-1	-32
Proceeds/repayments from loans to subsidiaries	-	-1
Proceeds/repayments made on loans to associates and jointly controlled entities	-1	1
Purchase of equipment and other assets	-21	-28
Proceeds from loans to external	75	-
Payments made on loans to external	-	-66
Net change in cash pool balance	-565	-1 109
Net cash flow from investing activities	**171**	**802**
Proceeds interest bearing debt	14 635	16 430
Repayment interest bearing debt	-13 378	-15 660
Repayment of equity	-	-69
Dividends paid	-874	-839
Net cash flow from financing activities	**382**	**-138**
Change in cash and cash equivalents	-58	60
Cash and cash equivalents at beginning of period	198	138
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Notes

NOTE 1 GENERAL INFORMATION

Entra ASA ("the Company") is listed on Oslo Stock Exchange with the ticker ENTRA. Entra ASA and its subsidiaries (together "Entra" or "the Group") is one of Norway's leading real estate companies, focusing on high quality, flexible office buildings with central locations. The Group owns and manages 90 (89) buildings with a total area of approximately 1.3 million (1.3 million) square metres. As of 31 December 2020 the real estate portfolio had a market value of around 57 billion (49 billion). The public sector represents approximately 58 per cent (60 per cent) of the total customer portfolio. Entra's strategic areas are Oslo, Trondheim, Bergen, Sandvika, Stavanger and Drammen. Entra has its head office in Oslo.

The financial statements were adopted by the Company's Board on 3 March 2021.

NOTE 2 ACCOUNTING PRINCIPLES

ACCOUNTING PRINCIPLES

The most important accounting principles applied in the preparation of the annual financial statements are described below. These principles are applied in the same way for all periods presented, unless otherwise indicated in the description.

Basic principles

The annual financial statements have been prepared in accordance with Norwegian Accounting Act of 1998 and good accounting practice (NGAAP).

The annual financial statements have been prepared on the basis of the historical cost principle.

Presenting the accounts in accordance with NGAAP requires the management to make certain assessments and assumptions. The application of the company's accounting principles also requires management to exercise judgement. Estimates and subjective judgements are based on past experience and other factors that are considered appropriate. Actual results may deviate from these estimates.

Estimates and underlying assumptions are continuously reassessed. Changes in accounting estimates are recognised in the period in which the changes occur if they apply only to that period. If the changes also apply to future periods, the impact is distributed over the current and future periods.

The annual financial statements have been presented on the assumption of the business being a going concern.

General principles for measurement and classification of assets and liabilities

Assets intended for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables that are repayable within a year are classified as current assets. When classifying non-current and current liabilities, equivalent criteria have been applied.

Current assets are valued at the lower of the acquisition cost and fair value.

Income recognition

Revenue is recognised when it is earned, i.e. when the claim to remuneration arises. This occurs when the service is performed, as the work is being done. The revenue is recognised with the value of the remuneration at the time of transaction.

Costs

Costs are normally reported in the same period as the related income. Where there is no clear link between expenditure and the income, allocation is determined on the basis of assessment criteria.

Currency

The presentation currency is NOK. This is also the functional currency of the company.

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items on the balance sheet are translated at the exchange rate on the balance sheet date.

Property and equipment

Property and equipment are recognised at acquisition cost on the balance sheet and are depreciated to a schedule over the anticipated useful life of the assets. The acquisition cost includes costs directly related to the acquisition of the asset. Direct maintenance of property and equipment is recognised in the income statement on an ongoing basis. Additions or improvements are added to the asset´s cost price and are depreciated in line with the asset.

Subsidiaries

Investments in subsidiaries are included in the company accounts using the cost method. Investments are written down to their fair value if the reduction in value is other than temporary and the write-down appears to be necessary in accordance with generally accepted accounting principles.

Dividends and Group contributions from subsidiaries are recognised as income from the investment in the subsidiary in the year that the allocation is made by the subsidiary. Dividends and group contributions from subsidiaries that exceed the retained earnings over the period of ownership are considered as repayments of the acquisition cost.

Jointly controlled entities and associates

Jointly controlled entities are entities where the company shares control with other parties, and where an agreement between the parties ensures that strategic decisions on financial and operating policies are unanimous. This applies to companies where a shareholder agreement ensures joint control of the business.

Associates are entities over which the company has significant influence but not control. Significant influence normally exists where the company's investment represents between 20 and 50 per cent of the capital with voting rights.

Investments in jointly controlled entities and associates are included in the company accounts using the cost method. Investments are written down to their fair value if the reduction in value is other than temporary and the write-down appears to be necessary in accordance with generally accepted accounting principles.

Trade receivables

Trade receivables and other receivables are reported at nominal value after deduction of loss provisions. Loss provisions are made on the basis of an individual assessment of each receivables.

Cash and cash equivalents

Cash and cash equivalents consist of bank deposits and other short-term, highly liquid investments with an original term to maturity of no more than three months.

The company has an account in a group cash pooling arrangement and finances its subsidiaries' liquidity requirements.

Non-current liabilities

Non-current liabilities are shown on the balance sheet at nominal value on the initial date. Premiums and discounts in connection with taking on non-current liabilities, as well as arrangement fees, are accrued over the period of the loan. Similarly, in the event of the repurchase of bonds, premiums and discounts are accrued over the remaining term to maturity for the relevant liabilities.

All of the company's debt is subject to variable rates (including fixed rate bonds, which are swapped to a variable rate). The company has then used interest rate swaps to convert its debt to fixed rate loans with varying maturities. The company accrues these interest-rate swaps in such a way that the fixed rate is expensed in the income statement. On the termination of interest rate swap agreements, the profit or loss is accrued over the remaining term to maturity of the agreement in question.

The company has chosen to apply accounting principles which mean that changes in the value of the company's interest rate swaps are not recognised in the income statement. Hedged items are carried at their nominal value.

In general, the Group's financing is based on negative pledge clauses.

Pension

The company has both a defined-benefit pension scheme and a defined contribution pension-scheme. A defined benefit pension scheme is a pension arrangement that defines the pension payment an employee will receive on retirement. The guarantee means that employees will receive at least 66 per cent of their pension qualifying salary. Any income over and above 12 times the National Insurance Scheme's basic amount is not included in the qualifying salary. The pension benefit payable is based on the employee's salary, average percentage of full-time equivalents and length of service (30 years' service qualifies for a full pension).

The recognised pension obligation relating to defined-benefit plans is the present value of the defined-benefit on the balance sheet date less the fair value of the plan assets. The gross pension obligation is calculated annually by an independent actuary using the projected credit unit method. The gross obligation is discounted using a discount rate based on bonds with preference rights, which mature around the same time as the related pension obligations.

Changes to benefits payable under the pension plan are recognised in the income statement as they arise.

Actuarial gains/losses resulting from new information or changes to actuarial assumptions are recognised against equity.

Defined contribution schemes comprise arrangements whereby the company makes annual contributions to the employees' pension plans, and where the future pension is determined by the amount of the contributions and the return on the pension plan assets. In the defined contribution schemes, the cost is equal to the contributions to the employees' pension savings in the accounting period and are recognised in the income statement in the period in which they accrue.

Tax

The tax expense consists of tax payable and deferred tax. Tax is charged to the income statement, except where it relates to items that are recognised directly in equity. In such cases, the tax is recognised directly in the balance.

Deferred tax is calculated using the liability method for all temporary differences between the tax values and accounting values of assets and liabilities. Deferred tax is defined using tax rates and laws which are enacted or likely to be enacted on the balance sheet date, and which are expected to be used when the deferred tax asset is realised or when the deferred tax is utilised

A deferred tax asset is recognised to the extent that it is likely that future taxable profit will be available against which the temporary differences can be offset.

In principle, deferred tax is not calculated on temporary differences arising from investments in subsidiaries. This does not apply in cases where the company is not in control of when the temporary differences will be reversed, and it is probable that they will be reversed in the foreseeable future.

STATEMENT OF CASH FLOWS
The statement of cash flows is prepared using the indirect method. This means that the statement is based on the company's profit before tax in order to present cash flows from operating, investing and financing activities respectively. Dividends paid to shareholders are presented under financing activities.

DIVIDENDS
Dividend payments to the company's shareholders for the fiscal year are classified as debt at the balance sheet date.

GROUP
Entra ASA is the parent company of a group of companies. The consolidated financial statements can be obtained from Entra ASA, Postboks 52, Økern NO-0508 Oslo.

NOTE 3 REVENUE

Sales revenue consists of property management services, project development services and administrative services provided to subsidiaries, associates and jointly controlled entities. All services are delivered in Norway.

NOTE 4 PAYROLL AND RELATED COSTS

All amounts in NOK million

	2020	2019
Salaries, performance-related pay and other taxable benefits [1]	178	170
Employers' National Insurance contributions	26	26
Pension expenses (note 15)	16	13
Other personnel costs	13	16
Total payroll and related costs	**234**	**225**
Number of full-time equivalents	181	172
Number of employees at 31.12.	183	174

[1] See note 13 Personnel Costs to the consolidated financial statements for information and details related to remuneration for senior executives and the Board of Directors.

NOTE 5 OTHER OPERATING COSTS

All amounts in NOK million

	2020	2019
Cost of renting premises	19	11
Consultancy fees	24	20
Office expenses and equipment	32	20
Other costs	21	21
Total other operating costs	**95**	**72**

NOTE 6 OTHER FINANCIAL INCOME

All amounts in NOK million

	2020	2019
Gain on sales of share	8	930
Other interest income	6	6
Other financial income	-	-
Total other financial income	**14**	**935**

NOTE 7 OTHER FINANCIAL COSTS

All amounts in NOK million

	2020	2019
Fees and premiums	25	12
Termination cost	6	42
Write-downs of financial assets	-	78
Other financial costs	1	3
Total other financial costs	**32**	**135**

NOTE 8 TAX

All amounts in NOK million

	2020	2019
Tax expense		
Tax payable	10	
Change in deferred tax recognised in profit and loss	97	-17
Total tax expense	**108**	**-17**
Income tax payable is calculated as follows		
Profit before tax	536	1 117
Dividend received	-49	-353
Other permanent differences	3	-841
Change in temporary differences	8	39
Change in loss carry-forwards	-40	37
Group contribution	-410	-
Profit for tax purposes	**48**	**-**
Tax payable (22 %)	**10**	**0**

CHANGE IN DEFERRED TAX (+)/DEFERRED TAX ASSETS (-)

	Non-current assets	Financial instruments	Gains/losses account	Provisions	Loss carried forward	Total
31.12.2018	**-7**	**5**	**34**	**-21**	**-1**	**10**
Recognised in profit and loss	-	-3	-7	-	-8	-17
Recognised in equity	-	-	-	1	-	1
31.12.2019	**-6**	**2**	**27**	**-20**	**-9**	**-6**
Recognised in profit and loss	1	4	-5	-7	9	1
Recognised in equity	-	-	-	1	-	1
31.12.2020	**-5**	**6**	**22**	**-26**	**-**	**-4**

The tax on profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits as follows:

	2020	%	2019	%
Profit for accounting purposes multiplied by nominal tax rate	118	22.0 %	246	22.0 %
Tax on dividend	-11	-2.0 %	-78	-6.9 %
Tax on permanent differences	1	0.1 %	-185	-16.6 %
Tax expenses for accounting purposes	**108**	**20.1 %**	**-17**	**-1.5 %**

NOTE 9 PROPERTY AND EQUIPMENT

All amounts in NOK million

	Property and equipment
Acquisition cost at 01.01.2020	20
Acquisition	2
Disposal	-7
Acquisition cost at 31.12.2020	**14**
Accumulated depreciation at 01.01.2020	12
Depreciation	3
Disposal	-7
Accumulated depreciation at 31.12.2020	**8**
Carrying amount at 31.12.2020	**7**
Anticipated useful life	3-5 years
Depreciation schedule	linear

NOTE 10 SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

Investments in subsidiaries, jointly controlled entities and associates are recognised using the cost-method.

SUBSIDIARY

	Acquisition date	Business office	Shareholding/ voting rights %
Akersgata 34-36 AS	01.06.2015	Oslo	100
Akersgata 51 AS	11.12.2019	Oslo	100
Biskop Gunnerus' gate 14A AS	26.03.2001	Oslo	100
Biskop Gunnerus' gate 6 AS	05.01.2015	Oslo	100
Bispen AS	24.10.2007	Oslo	100
Borkenveien 1-3 AS	11.12.2019	Oslo	100
Brattørkaia 13B AS	31.12.2016	Oslo	100
Brattørkaia AS	31.01.2006	Oslo	100
Brynsengfaret 4 og 6 AS	01.01.2014	Oslo	100
Brynsengfaret 6CD AS	11.12.2019	Oslo	100
Cort Adelers gate 30 AS	11.12.2019	Oslo	100
Drammensveien 134 AS	01.09.2016	Oslo	100
Drammensveien 134 P-Hus AS	01.09.2016	Oslo	100
Drammensveien 134 Utearealer AS	01.09.2016	Oslo	100
Dronningens gate 2 AS	11.12.2019	Oslo	100
Entra Bryn AS	16.05.2018	Oslo	100
Entra Eiendom AS	24.04.2012	Oslo	100
Entra Felleskost AS	01.06.2015	Oslo	100
Entra Kultur 1 AS	28.02.2002	Oslo	100
Entra Labs AS	01.04.2020	Oslo	100
Entra OPF Utvikling AS	21.04.2012	Oslo	50
Entra Service AS	01.06.2015	Oslo	100
Entra Simpli AS	01.04.2020	Oslo	100
Entra Utleie AS	02.06.2005	Oslo	100
Fredrik Selmers vei 4 AS	01.06.2015	Oslo	100
Fredrik Selmers vei 6 AS	11.12.2019	Oslo	100
Grensesvingen 26 AS	11.12.2019	Oslo	100
Grønland 32 AS	11.12.2019	Oslo	100
Hagegata 22-24 AS	01.10.2008	Oslo	100
Hinna Park Eiendom AS	20.12.2013	Stavanger	50
Holtermanns veg 1-13 AS	24.09.2010	Oslo	100
Holtermanns veg 70 AS	22.12.2015	Oslo	100
Kaigaten 9 AS	11.12.2019	Oslo	100
Keysers gate 13 AS	11.12.2019	Oslo	100
Kjørboparken AS	21.12.2005	Oslo	100
Kongens gate 87 AS	11.12.2019	Oslo	100
Konggata 51 AS	05.01.2015	Oslo	100
Kristian Augusts gate 13 AS	20.01.2017	Oslo	100
Lagårdsveien 6 AS	18.11.2020	Oslo	100
Langkaia 1 AS	21.11.2003	Oslo	100
Lars Hilles gate 25 AS	01.08.2016	Oslo	100
Lilletorget 1 AS	01.07.2014	Oslo	100
Malmskriverveien 18-20 AS	11.12.2019	Oslo	100
Malmskriverveien 2-4 AS	11.12.2019	Oslo	100
Marken 37 AS	20.10.2016	Oslo	100
Møllendalsveien 6-8 AS	02.12.2019	Oslo	100
Nils Hansens vei 20 AS	03.04.2018	Oslo	100
Nonnesetergaten 4 AS	10.02.2003	Oslo	100

Nygårdsgaten 91 og 93 AS	11.05.2018	Oslo	100
Nytorget 1 AS	01.06.2015	Oslo	100
Oslo Z AS	20.09.2000	Oslo	100
Otto Sverdrups plass 4 AS	01.06.2015	Oslo	100
Papirbredden Eiendom AS	12.01.2011	Oslo	60
Professor Olav Hanssens vei 10 AS	20.10.2016	Oslo	100
Schweigaards gate 15 AS	01.01.2014	Oslo	100
Schweigaards gate 16 AS	20.02.2013	Oslo	100
St. Olavs plass 5 AS	04.12.2018	Oslo	100
Stenersgata 1 AS	19.02.2016	Oslo	100
Stenersgata Parkering AS	19.10.2016	Oslo	100
Sundtkvartalet AS	19.06.2014	Oslo	100
Tollbodallmenningen 2A AS	20.10.2016	Oslo	100
Tordenskiolds gate 12 AS	05.01.2015	Oslo	100
Tullinkvartalet AS	21.11.2011	Oslo	100
Tvetenveien 22 AS	11.12.2019	Oslo	100
Universitetsgata 2 AS	03.09.2001	Oslo	100
Universitetsgata 7-9 AS	01.04.2012	Oslo	100
Vahls gate 1-3 AS	27.04.2017	Oslo	100
Valkendorfsgaten 6 AS	05.01.2015	Oslo	100
Verkstedveien 1 Monier AS	01.09.2016	Oslo	100
Verkstedveien 3 AS	01.09.2016	Oslo	100
Veslepiggen AS	16.10.2020	Oslo	100
Wexelsplass Garasje AS	11.06.2012	Oslo	100

JOINTLY CONTROLLED ENTITIES

	Acquisition date	Business office	Shareholding/ voting rights %
Oslo S Utvikling AS	01.07.2004	Oslo	33.33
Hinna Park Facility Management AS	18.11.2016	Stavanger	50

ASSOCIATED COMPANIES

	Acquisition date	Business office	Shareholding/ voting rights %
Ullandhaug Energi AS	07.07.2009	Stavanger	44
H2O Eiendom AS	02.12.2019	Oslo	25

NOTE 11 RECEIVABLES WHICH FALL DUE AFTER MORE THAN ONE YEAR

All amounts in NOK million

	2020	2019
Loan to associates and jointly controlled entities	1	-
Loan to Group companies	4 257	3 058
Receivable buy-out agreement	12	13
Subordinated loans	1	75
Total	**4 270**	**3 146**

NOTE 12 EQUITY

All amounts in NOK million

	Share capital	Own shares	Share premium reserve	Other paid-in capital	Retained earnings	Total equity
Equity at 31.12.2018	**184**	**-1**	**2 603**	**932**	**1 829**	**5 547**
Profit for the year					1 134	1 134
Equity effect of actuarial gains and losses					4	4
Additional dividend					-419	-419
Proposed dividend					-437	-437
Net equity effect of LTI and employee share saving scheme					-2	-2
Repurchase of shares under share buy-back program	-	-1	-9	-3	-54	-66
Share capital decrease	-2	2				-
Equity at 31.12.2019	**182**	**-**	**2 595**	**929**	**2 055**	**5 761**
Profit for the year					428	428
Equity effect of actuarial gains and losses					-19	-19
Additional dividend					-437	-437
Proposed dividend					-455	-455
Net equity effect of LTI and employee share saving scheme		-	-	-	-1	-1
Equity at 31.12.2020	**182**	**-**	**2 595**	**929**	**1 571**	**5 276**

NOTE 13 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Entra's share capital is 182,132,055 divided into 182,132,055 shares, with each share having a par value of 1.00. All the shares have been issued in accordance with the Norwegian Public Limited Companies Act and are fully paid. Entra has one class of shares. All shares provide equal rights, including the right to any dividends. Each of the shares carries one vote. There are no share options or other rights to subscribe for or acquire shares issued by Entra. At 31 December, Entra owns 2,808 (23,010) of its own shares and has a total of 182,129,247 (182,109,045) shares outstanding.

As of 31 December 2020 Entra had 5,660 shareholders (5,846 shareholders). Norwegian investors held 29 per cent (35 per cent) of the share capital and foreign investors 71 per cent (65 per cent) at 31 December 2020.

	No. of shares	Share capital (NOKm)	Share premium (NOKm)	Par value (NOK)
End of year 31.12.2019	182 132 055	182	2 595	1
End of year 31.12.2020	182 132 055	182	2 595	1

Entra ASA has a share purchase scheme, offering all employees, including management, the opportunity to purchase shares in Entra ASA at a 20 per cent discount. The shares are subject to two-year lock-in period. The purchase price in the employee offering was calculated as the volume weighted average share price the last 30 days (VWAP) until and including 29 April 2020 less a 20 per cent discount. A total of 102,699 (92,123) shares were acquired and sold to the employees in connection with the share purchase scheme in May 2020. In addition, a total of 12,503 (11,201) shares were adwarded to senior executives in March 2020.

The 20 largest shareholders as registered in the VPS as of 31 December 2020 were as follows:

Shareholder	No. of shares per 31.12.2020	Shareholding %	Country
Folketrygdfondet	21 410 459	11.8	Norway
Skandinaviska Enskilda Banken	17 515 896	9.6	Sweden
Carnegie Investment Bank	15 000 000	8.2	Sweden
Danske Bank	7 548 473	4.1	Sweden
Credit Suisse (Switzerland)	7 429 442	4.1	Switzerland
State Street Bank and Trust	6 539 212	3.6	United States
The Bank of New York Mellon	5 526 713	3.0	The Netherlands
JPMorgan Chase Bank, London	2 944 427	1.6	United States
J.P. Morgan Bank Luxembourg	2 725 199	1.5	United Kingdom
Danske Invest Norske	2 669 821	1.5	Norway
The Bank of New York Mellon	2 648 544	1.5	United Kingdom
DNB Markets Aksjehandel	2 380 128	1.3	Norway
J.P. Morgan Securities	2 352 070	1.3	United States
State Street Bank and Trust	2 160 036	1.2	Ireland
State Street Bank and Trust	2 137 669	1.2	United States
J.P. Morgan Securities	1 950 712	1.1	United Kingdom
Verdipapirfondet KLP Aksjenorge	1 897 031	1.0	Norway
State Street Bank and Trust Comp	1 847 914	1.0	United States
Verdipapirfondet Alfred Berg Gambak	1 762 142	1.0	Norway
State Street Bank and Trust Comp	1 472 637	0.8	United States
Total 20 largest shareholders	**109 918 525**	**60.4**	
Total	**182 132 055**	**100.0**	

SHARES HELD BY BOARD OF DIRECTORS AND SENIOR EXECUTIVE AT 31.12. [1)]

Shareholder	Position	Number of shares 2020	Number of shares 2019
Board of directors			
Siri Hatlen	Chair	1 163	1 163
Kjell Bjordal	Vice Chair	50 000	44 704
Widar Salbuvik	Board member	20 000	10 000
Camilla AC Tepfers	Board member	-	-
Benedicte Schilbred Fasmer	Board member from 30 April 2020	-	
Erling Nedkvitne	Employee representative	12 392	10 855
Marit Rasmussen	Employee representative from 30 April 2020	454	
Ingrid Dahl Hovland	Board member until 30 April 2020		-
Mariann Halsvik Larsen	Employee representative until 30 April 2020		3 117
Senior executives			
Sonja Horn	CEO	30 404	25 220
Anders Olstad	CFO and Deputy CEO	61 185	57 059
Kjetil Hoff	COO	3 845	1 141
Per Ola Ulseth	EVP Project Development	5 495	2 074
Åse Lunde	EVP Digitalisation and Business Development	7 544	4 373
Tore Bakken	EVP Market and Commercial Real Estate Development	3 353	-
Kristine Marie Hilberg	EVP HR and Organisation	3 808	3 682
Shares held by board of directors and senior executives		**199 643**	**163 388**

[1)] Share holding is stated in the table above only if the person has been a director or senior executive at 31.12 the applicable year.

NOTE 14 INTEREST BEARING DEBT AND FINANCIAL INSTRUMENTS

All amounts in NOK million

	Nominal value 2020	Carrying amount 2020	Nominal value 2019	Carrying amount 2019
Non-current interest bearing debt				
Bank loans	4 460	4 442	5 060	5 060
Bond loans	12 145	12 165	9 800	9 800
Total non-current interest bearing debt	**16 605**	**16 608**	**14 860**	**14 860**
Current interest bearing debt				
Bond loans	812	812	700	700
Commercial paper	1 200	1 200	1 800	1 800
Total current interest bearing debt	**2 012**	**2 012**	**2 500**	**2 500**

MATURITY STRUCTURE OF DEBT

Year	Nominal value 2020	Nominal value 2019
2020		
2021		1 300
2022	2 500	2 500
2023	2 800	6 360
2024	4 035	1 000
2025	1 570	
Later than 5 years	5 700	3 700
Total	**16 605**	**14 860**

UNUSED CREDIT FACILITIES

At 31 December 2020, the maturity structure of the company's new unused credit facilities was as follows:

MATURITY STRUCTURE OF COMMITTED, UNUSED CREDIT FACILITIES

Year	Loan amount 2020	Loan amount 2019
2020		
2021		750
2022		1 000
2023	1 500	2 440
2024	1 660	2 000
2025	4 130	
Total	**7 290**	**6 190**

SPECIAL TERMS AND CONDITIONS IN ENTRA ASA'S LOAN AGREEMENTS

In general, the financing is based on negative pledge clauses.

LOANS AND INTEREST RATE HEDGES

Interest rate hedging at Entra ASA is part of the Group's overall risk management, and must be viewed in that context. Interest-rate positions should support the company's strategic development, risk profile and anticipated future market interest rates based on the Group's interest rate view. The Group's guidelines on managing interest rate risk are expressed as a preferred interest rate structure (standard portfolio).

At 31 December 2020 the weighted average remaining term to maturity was 2,6 years (3.4 years). The company's average interest rate was 2,4 per cent (2.9 per cent) at 31 December 2020.

ENTRA ASA PORTFOLIO OF LOANS AND INTEREST RATE HEDGES HAVE THE FOLLOWING INTEREST RATE MATURITY PROFILE

	%	Fixed interest 2020
Up to 1 year	45	8 317
1-2 years	6	1 100
2-4 years	15	2 750
4-6 years	26	4 900
6-8 years	6	1 050
Over 8 years	3	500
Total	**100**	**18 617**

The effect of interest rate hedges is shown in the income statement. The fair value of the company's portfolio of interest rate hedges is not shown on the balance sheet.

INTEREST BEARING DEBT ASSOCIATED WITH HEDGING ACTIVITIES

Entra ASA uses interest rate derivatives and fixed rate loans to manage the interest rate risk associated with the company's interest bearing debt financing.

The company's debt financing consists of bank loans, as well as commercial paper and bonds. The bank loans are subject to variable interest rates. Commercial paper is subject to variable interest rates. The company has issued both fixed-rate and variable-rate bonds. Outstanding fixed-rate bonds are hedged using fixed-to-variable interest rate swaps. As a result, the hedged bonds are classified as part of the company's portfolio of variable rate loans. Fixed rate bonds without hedging amounted per 31 December 2020 to 2.800 million. These bonds are fixed rate and is included as part of the company's cash flow hedges.

NOT VALUE HEDGED FIXED RATE BONDS IN 2020

	Maturity	Nominal value	Market value
ISIN NO0010740061	13.06.2022	800	817
ISIN NO0010766389	02.06.2023	1 100	1 134
ISIN NO0010852684	22.05.2026	900	947
Total		**2 800**	**2 898**

The company's exposure to variable interest rates is hedged for cash flow risk using variable-to-fixed interest rate swaps.

CASH FLOW HEDGING

Entra ASA's debt are directly or indirectly subject to variable interest rates. Entra ASA uses variable-to-fixed interest rate derivatives to manage the company's interest rate risk. Cash flows are hedged by matching the terms and volumes of the interest rate derivatives with the expected maturity profile of the company's interest bearing debt. The expected maturity profile of Entra ASA's interest- bearing debt is based on an assessment of the need to refinance existing debt and to obtain additional financing.

The table below shows that after taking into account cash flow hedges, 55 per cent (64 per cent) of the company's interest bearing liabilities are effectively subject to fixed interest rates.

Changes in NIBOR rates will therefore affect the interest expense on 45 per cent (36 per cent) of the company's interest bearing debt.

CASH FLOW HEDGING

	2020	2019
Hedged item		
Variable interest rate liabilities	18 617	17 360
Hedge		
Interest rate swaps (variable-to-fixed)	10 300	11 150
Hedge ratio (unhedged position)	**8 317**	**6 210**
Hedge ratio (% hedged)	**55 %**	**64 %**

Changes in the cash flow hedges over the financial year:

CHANGE IN VALUE

	2020	2019
Opening balance - market value of liability	289	407
Change in value	337	-119
Closing balance - market value of liability	**625**	**289**

The fair value of the company's interest rate swaps used as cash flow hedges specifies the present value of the contractual fixed-interest rate agreements. The present value represents the market value of the company's liabilities to the counterparty of the interest rate swaps. The change in value over the financial year represents the change in the market value of liabilities. The reason for the increase in the company's market value of liabilities for financial year 2020 is mainly due to lower interest rate.

FAIR VALUE HEDGING

Entra ASA has the following fair value hedges for the company's outstanding fixed-rate bonds:

FAIR VALUE HEDGING 2020

	Total	Maturity structure up to 1 year	Maturity structure 1-5 years	Maturity structure > 5 years
Hedged item				
Fixed interest rate liabilities	5 000	-	2 800	2 200
Hedge				
Interest rate swaps (fixed-to-variable)	2 200	-	900	1 300
Hedge ratio (unhedged position)	**56 %**	**-**	**68 %**	**41 %**
Hedge ratio (% hedged)	**44 %**	**-**	**32 %**	**59 %**

FAIR VALUE HEDGING 2019

	Total	Maturity structure up to 1 year	Maturity structure 1-5 years	Maturity structure > 5 years
Hedged item				
Fixed interest rate liabilities	4 700	700	2 800	1 200
Hedge				
Interest rate swaps (fixed-to-variable)	1 900	700	900	300
Hedge ratio (unhedged position)	**60 %**	**-**	**68 %**	**75 %**
Hedge ratio (% hedged)	**40 %**	**100 %**	**32 %**	**25 %**

Changes in the value of fair value hedges over the financial year:

CHANGE IN VALUE

	2020	2019
Opening balance – market value of liabilities (+) /receivables (-)	-27	-67
Change in value	-	41
Closing balance – market value of liabilities (+) /receivables (-)	**-26**	**-27**

At 31 December 2020, the market value of the company's fair value hedges represented a receivable for the company.

NOTE 15 PENSION

All amounts in NOK million

The company's pension scheme for new employees is a defined contribution scheme. The defined contribution scheme includes 168 (160) employees. The defined benefit pension scheme cover a total of 13 (13) current employees and 70 (70) pensioners.

The company also has a contractual early-retirement scheme (AFP) from the age of 62. At 31 December 2020, 6 (9) former employees had chosen to make use of the AFP scheme. The net pension liabilities associated with the AFP scheme amounted to NOK 18 million (NOK 21 million), which is included under total pension liabilities in the table below.

The company's pension scheme satisfies the requirements of the Norwegian Act on Compulsory Occupational Pensions.

THE BALANCE SHEET LIABILITIES HAVE BEEN CALCULATED AS FOLLOWS

	2020	2019
Present value of accrued pension liabilities in defined-benefit schemes in unit trusts	201	182
Fair value of pension scheme assets	-127	-128
Employers' NICs accrued	11	8
Net pension liabilities on the balance sheet at 31.12	**85**	**61**

CHANGE IN DEFINED-BENEFIT PENSION LIABILITIES OVER THE YEAR

	2020	2019
Pension liabilities at 01.01	182	190
Present value of pensions earned this year	1	2
Interest expense	4	5
Pension benefits paid	-6	-7
Plan amendment	-	-2
Actuarial losses/(gains)	21	-6
Pension liabilities at 31.12	**201**	**182**

CHANGE IN FAIR VALUE OF PENSION SCHEME ASSETS

	2020	2019
Pension scheme assets at 01.01	128	127
Anticipated return on pension scheme assets	3	3
Contributions from employer	3	7
Pension benefits paid	-6	-7
Actuarial (gains)/losses	-1	-2
Pension scheme funds at 31.12	**127**	**128**

TOTAL COST RECOGNISED IN THE INCOME STATEMENT

	2020	2019
Cost of pension benefits accrued during current period	1	2
Plan amendment	-	-2
Employers' National Insurance contributions	-	-
Contribution scheme and contractual early-retirement scheme	13	13
Total pension benefits accrued during the period	**14**	**13**
Net interest expense	1	2
Total pension benefits accrued in income statement	**16**	**15**
Actuarial losses (-)/gains (+) accrued in equity	25	-5
Total pension benefits accrued	**40**	**9**

The actual return on pension scheme assets was NOK 2 million (NOK 1 million).

THE FOLLOWING ECONOMIC ASSUMPTIONS HAVE BEEN USED

	2020	2019
Discount rate	1.70 %	2.30 %
Anticipated return on pension scheme assets	1.70 %	2.30 %
Annual wage growth	2.00 %	2.25 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	2.00 %	2.00 %
Annual adjustment of pensions	1.25 %	1.25 %
Mortality rates	K2013	K2013
Disability rates	200 % * K63	200 % * K63
Proportion of entitled employees making use of AFP	20 %	20 %

The actuarial assumptions are based on generally accepted assumptions in the insurance industry with regard to demographic factors.

The pension scheme assets are invested in government bonds.

	2020	2019
Gross defined-benefit pension liabilities	201	182
Fair value pension funds	-127	-128
Net defined-benefit pension liabilities	**75**	**53**

Expected payments to the defined contribution plan for the period 1 January to 31 December 2021 are 12 million and for the defined benefit pension plan 4 million.

NOTE 16 RELATED PARTY TRANSACTIONS AND INTRA-GROUP BALANCES

All amounts in NOK million

Transactions with related parties	Counterparty	2020	2019
Services for property management	Subsidiary	54	43
Services for project development	Subsidiary	49	44
General manager fee	Subsidiary	1	1
Accounting and management fee	Subsidiary	30	27
Accounting and management fee	Jointly controlled entity	1	1
Digitization and market resources fee	Jointly controlled entity	3	-
Rental cost	Subsidiary	14	12
Group contribution/dividends	Subsidiary	1 137	622
Dividends	Jointly controlled entity	3	308
Interest income	Subsidiary	94	73
Interest expense	Subsidiary	12	20

RECEIVABLES

	2020	2019
Long term loan to Group companies	4 257	3 058
Trade receivables from Group companies	4	4
Short term receivables to Group companies	5	86
Group contributions/dividends from subsidiary	1 092	577
Total	**5 358**	**3 724**

LIABILITIES

	2020	2019
Short term liabilites to Group companies	2 339	1 785
Group contribution to subsidiary	410	-
Total	**2 750**	**1 785**

The company has established a group cash pooling arrangement. The net bank deposits are presented as Entra ASA's cash at bank. The company has signed long-term loan agreements with its subsidiaries. Loans to subsidiaries are classified as current financial assets (short-term element) and non-current financial assets (long-term element). Loan from subsidiaries are classified as current liabilities.

NOTE 17 AUDITOR'S FEE

All amounts in NOK thousand

	2020	2019
Remuneration to auditor (excluding VAT)		
Statutory audit	1 389	1 158
Tax advice	13	103
Other assurance services	259	548
Total	**1 661**	**1 809**

Responsibility statement

We declare to the best of our knowledge that

- the Entra ASA consolidated financial statements for 2020 have been prepared in accordance with IFRS and IFRICs as adopted by the European Union, and additional Norwegian disclosure requirements in the Norwegian Accounting Act, and that
- the financial statements for the parent company, Entra ASA, for 2020 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that
- the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and results for Entra ASA and the Entra Group for period as a whole, and that
- the Board of Directors' Report includes a true and fair review of the development, performance and financial position of Entra ASA and the Entra Group, together with a description of the principal risks and uncertainties that they face.

Oslo, 3 March 2021
The Board of Entra ASA

Siri Hatlen
Chair of the Board

Kjell Bjordal
Vice Chair

Widar Salbuvik
Board member

Benedicte Schilbred Fasmer
Board member

Camilla AC Tepfers
Board member

Marit Rasmussen
Board member

Erling Nedkvitne
Board member

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To the General Meeting of Entra ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Entra ASA, which comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise the balance sheet as at 31 December 2020, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment property

Key audit matter	How the matter was addressed in our audit
The majority of the Group's assets consist of Investment property. Investment property is recognised at fair value, based on fair values from third party valuers.	The Group has established internal control to ensure that relevant property information is included in the external valuations. We have assessed the design of the control and tested if it has operated effectively in the reporting period.

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Each quarter, all properties are valued by two third party valuers. Market transactions serve as important reference points for the third party valuers and the level of transactions thus influence the level of uncertainty in the assumptions used by the third party valuers. We refer to note 3 “Critical accounting estimates and subjective judgments” for further information. The fair value is based on assumptions and estimates as well as property specific information. These assumptions and estimates require significant judgment and therefore valuation of investment property is a key audit matter.	For a sample of the investment properties, we reconciled the property information regarding annual rent and square meters in third party valuers’ reports to the Group’s own records. We met with the third party valuers and discussed and challenged their judgements and estimates used in the valuation for a sample of investment properties, particularly in light of the market development during the second half of 2020. We assessed their qualifications and expertise and reviewed their terms of engagement in order to determine whether there were any matters that might have affected their objectivity. We assessed the valuation methods used against generally accepted valuation standards and practices. For a sample of investment properties, we obtained the third party valuers’ valuation reports and reconciled the values used in the financial statements to the valuation reports. For a sample of investment properties, we obtained and assessed the Group’s analysis and rationale for the changes in fair value from quarter to quarter. In carrying out the procedures related to valuation of investment property, we used our internal valuation specialists. We assessed whether the disclosures in note 3 and 8 regarding valuation of investment properties were adequate.

Other information
Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements
The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 3 March 2021
Deloitte AS

Eivind Skaug

Eivind Skaug
State Authorised Public Accountant (Norway)

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
- EPRA Net Asset Value metrics – EPRA NRV, EPRA NTA, EPRA NDV, EPRA NAV and EPRA NNNAV
- EPRA net initial yield
- EPRA cost ratio

NET INCOME FROM PROPERTY MANAGEMENT & CASH EARNINGS

All amounts in NOK million	2020	2019
Net income	1 569	1 780
Less:		
Other income and costs in associates and JVs	118	309
Net income from property management	**1 451**	**1 471**
Tax payable	-26	-11
Cash earnings	**1 425**	**1 460**

MARKET VALUE OF THE PROPERTY PORTFOLIO

All amounts in NOK million	31.12.2020	31.12.2019
Investment properties	56 834	49 095
Investment properties held for sale	33	-
Other	-121	-131
Market value of the property portfolio	**56 746**	**48 964**

NET NOMINAL INTEREST BEARING DEBT

All amounts in NOK million	31.12.2020	31.12.2019
Nominal value of interest bearing debt	21 146	19 901
Cash and bank deposits	-217	-317
Net nominal interest bearing debt	**20 930**	**19 585**

DEBT RATIO – LOAN-TO-VALUE (LTV)

All amounts in NOK million except ratio	31.12.2020	31.12.2019
Total net nominal interest bearing debt	21 192	19 846
- Net nominal interest bearing debt	20 930	19 585
- Other interest bearing liabilities	263	261
Total market value of the property portfolio	57 207	49 377
- Market value of the property portfolio	56 746	48 964
- Inventory properties	461	413
Debt ratio (LTV) %	**37.0**	**40.2**

INTEREST COVERAGE RATIO (ICR)

All amounts in NOK million except ratio	2020	2019
Net income	1 569	1 780
Depreciation	13	8
Results from associates and joint ventures	-120	-312
Net realised financials	541	551
EBITDA adjusted	**2 002**	**2 027**
Interest cost	555	577
Other finance expense	30	28
Applicable net interest cost	**585**	**606**
Interest Coverage Ratio (ICR)	**3.4**	**3.3**

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

SUMMARY EPRA PERFORMANCE MEASURES

		Unit	2020 / 31.12.2020	2019 / 31.12.2019
A	EPRA earnings per share (EPS)	NOK	5.73	5.81
B	EPRA NRV per share	NOK	189	154
	EPRA NTA per share	NOK	187	153
	EPRA NDV per share	NOK	149	124
	EPRA NAV per share	NOK	186	151
	EPRA NNNAV per share	NOK	172	141
C	EPRA net initial yield	%	4.4	4.8
	EPRA, "topped-up" net initial yield	%	4.4	4.8
D	EPRA vacancy rate	%	1.9	2.9
E	EPRA cost ratio (including direct vacancy costs	%	16.5	15.0
	EPRA cost ratio (excluding direct vacancy costs)	%	14.6	13.4

The details for the calculation of the key figures are shown in tables on the following pages.

EPRA CAPITAL EXPENDITURE

All amounts in NOK million	2020	2019
Aquisitions	**193**	**1 174**
Developments	**1 306**	**1 395**
- Newbuild projects	83	419
- Redevelopment projects [1)]	1176	925
- Refurbishment [1)]	46	50
Investment properties	**274**	**77**
- Incremental lettable space	-	-
- No incremental lettable space and tenant incentives	186	67
- Other material non-allocated types of expenditure	88	10
Capitalised interest	35	41
Total Capital Expenditure	**1 807**	**2 686**
Conversion from accrual to cash basis	70	-19
Total Capital Expenditure on cash basis	**1 877**	**2 668**

[1)] Also includes tenant alterations and maintenance capex when this is done as a part of asset redevelopment

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	IFRS reported 2020	EPRA adjustments 2020	Non-controlling interests 2020 [1]	EPRA Earnings 2020	IFRS reported 2019	EPRA adjustments 2019	Non-controlling interests 2019 [1]	EPRA Earnings 2019
Rental income	2 353	-	153	2 199	2 338	-	153	2 185
Operating costs	-211	-	-12	-199	-189	-	-10	-179
Net operating income	**2 142**	**-**	**142**	**2 000**	**2 149**	**-**	**143**	**2 006**
Other revenue	113	-	2	110	300	-	1	299
Other costs	-79	-	-4	-75	-260	-	-1	-259
Administrative costs	-186	-	-8	-179	-171	-	-7	-164
Share of profit from associates and JVs	120	121	-	-1	312	310	-	2
Net realised financials	-541	-	-23	-517	-551	-	-25	-526
Net income	**1 569**	**121**	**109**	**1 339**	**1 780**	**310**	**112**	**1 357**
Changes in value of investment properties	5 980	5 980	-	-	1 909	1 909	-	-
Changes in value of financial instruments	-275	-275	-	-	46	46	-	-
Profit before tax//EPRA Earnings before tax	**7 274**	**5 826**	**109**	**1 339**	**3 735**	**2 265**	**112**	**1 357**
Tax payable	-26	-	-6	-20	-11	-	-4	-7
Change in deferred tax	-1 552	-1 259	-18	-274	-498	-187	-19	-292
Profit for period/ EPRA Earnings	**5 696**	**4 567**	**85**	**1 044**	**3 225**	**2 077**	**89**	**1 059**
Average outstanding shares (million)				182.1				182.1
EPRA Earnings per share (NOK)				5.73				5.81

[1] Excluding non-controlling interests in relation to EPRA adjustments..

B. EPRA NET ASSET VALUE METRICS

Net Asset Value (NAV) is the total equity that the company manages for its owners. Net asset value can be calculated in different ways, where the difference mainly is explained by the expected turnover of the property portfolio. In 2003, EPRA introduced the two NAV metrics EPRA NAV and EPRA NNNAV. Since the introduction of these metrics, real estate companies have evolved into actively managed entities, including non-property operating activities, and balance sheet financing has shifted from traditional bank lending into capital markets. In the BPR guidelines released in October 2019, EPRA introduced three new Net Asset Value metrics: EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV). As EPRA NAV and EPRA NNNAV are key performance measures widely used by Entra's stakeholders, Entra presents all five Net Asset Value metrics for 2020 and also bridges between the new NAV metrics and the EPRA NAV metrics calculated in line with the EPRA November 2016 BPR.

EPRA NET REINSTATEMENT VALUE (NRV)

The objective of the EPRA NRV measure is to highlight the value of net assets on a long-term basis and assumes that no selling of assets takes place. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Real estate transfer taxes are generally not levied on property transactions in Norway, and such taxes are accordingly not included in Entra's valuation certificates. Consequently, no adjustment is done for real estate transfer taxes in Entra's calculation of EPRA NRV.

All amounts in NOK million	31.12.2020 Total	31.12.2020 Attributable to non-controlling interests	31.12.2020 Attributable to shareholders (EPRA NRV)	31.12.2019 Total	31.12.2019 Attributable to non-controlling interests	31.12.2019 Attributable to shareholders (EPRA NRV)
IFRS equity	29 205	-2 069	27 136	24 517	-1 947	22 570
Revaluation of investments made in JVs	249	-	249	309	-	309
Revaluation of purchase option [1]	176	-	176	-	-	-
Net Asset Value (NAV) at fair value	**29 630**	**-2 069**	**27 561**	**24 826**	**-1 947**	**22 879**
Deferred tax properties and financial instr.	7 056	-383	6 673	5 529	-330	5 199
Net fair value on financial derivatives	343	-14	329	68	-11	56
Goodwill as a result of deferred tax	-109	55	-55	-109	55	-55
EPRA Net Reinstatement Value (NRV)	**36 919**	**-2 411**	**34 508**	**30 314**	**-2 234**	**28 080**
Outstanding shares at period end (million)			182.1			182.1
EPRA NRV per share (NOK)			189			154

[1] In January 2021, Entra acquired the property Lagårdsveien 6 for an option price of 126 million. Newsec, one of Entra's external appraisers, has estimated the fair market value of the property to 313 million. The difference between the option price and the fair market value is included in NAV at fair value, adjusted for transaction fees and the carrying amount of the option.

EPRA NET TANGIBLE ASSETS (NTA)

The EPRA NTA metric reflects a company's tangible assets and assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax liability. Entra has adopted second option in the EPRA BPR guidelines to adjust for deferred tax, estimating the real tax liability based how the company has completed property transactions in recent years.

All amounts in NOK million	31.12.2020 Total	31.12.2020 Attributable to non-controlling interests	31.12.2020 Attributable to shareholders (EPRA NTA)	31.12.2019 Total	31.12.2019 Attributable to non-controlling interests	31.12.2019 Attributable to shareholders (EPRA NTA)
IFRS equity	29 205	-2 069	27 136	24 517	-1 947	22 570
Revaluation of investments made in JVs	249	-	249	309	-	309
Revaluation of purchase option	176	-	176	-	-	-
Net Asset Value (NAV) at fair value	**29 630**	**-2 069**	**27 561**	**24 826**	**-1 947**	**22 879**
Reversal deferred tax as per balance sheet	6 914	-307	6 607	5 367	-249	5 118
Estimated real tax liability	-238	-55	-294	-133	-63	-196
Net fair value on financial derivatives	343	-14	329	68	-11	56
Goodwill as a result of deferred tax	-109	55	-55	-109	55	-55
Intangible assets	-	-	-	-8	4	-4
EPRA Net Tangible Assets (NTA)	**36 538**	**-2 391**	**34 148**	**30 011**	**-2 212**	**27 799**
Outstanding shares at period end (million)			182.1			182.1
EPRA NTA per share (NOK)			187			153

Estimated real tax liability

The Group's estimated real deferred tax liability related to temporary differences of properties has been calculated to 1.2 per cent of the based on a discount rate of 5.0 per cent and the assumption that 50 per cent of the property portfolio are realized in 50 years in transactions structured as sale of companies in which the tax discount is 6.5 per cent. Further, the real tax liability related to the gains/losses account is estimated by assuming an amortisation of 20 per cent annually and a discount rate of 5.0 per cent.

All amounts in NOK million	31.12.2020 Nom. tax liability	31.12.2020 Real tax liability	31.12.2019 Nom. tax liability	31.12.2019 Real tax liability
Non-current assets	7 124	384	5 540	299
Financial instruments	-68	-	-11	-
Current assets	49	49	66	66
Gains/losses account	19	15	20	16
Provisions	-52	-52	-70	-70
Loss carried forward	-158	-158	-178	-178
Deferred tax liability	**6 914**	**238**	**5 367**	**133**

EPRA NET DISPOSAL VALUE (NDV)

The EPRA NDV measure provides readers of financial reports with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability. This enables readers of financial reports to understand the full extent of liabilities and resulting shareholder value under an orderly sale of business and/or if liabilities are not held until maturity. The measure should not be viewed as a "liquidation NAV" for Entra, as fair values may not represent liquidation values, and as an immediate realization of Entra's assets may be structured as sale of property-owning companies, resulting in the deferred tax liabilities only partially crystallising.

All amounts in NOK million	31.12.2020 Total	31.12.2020 Attributable to non-controlling interests	31.12.2020 Attributable to shareholders (EPRA NDV)	31.12.2019 Total	31.12.2019 Attributable to non-controlling interests	31.12.2019 Attributable to shareholders (EPRA NDV)
IFRS equity	29 205	-2 069	27 136	24 517	-1 947	22 570
Revaluation of investments made in JVs	249	-	249	309	-	309
Revaluation of purchase option	176	-	176	-	-	-
Net Asset Value (NAV) at fair value	**29 630**	**-2 069**	**27 561**	**24 826**	**-1 947**	**22 879**
Fair value adj. fixed interest rate debt, net of tax	-378	-	-378	-242	-	-242
Goodwill as a result of deferred tax	-109	55	-55	-109	55	-55
EPRA Net Disposal Value (NDV)	**29 143**	**-2 015**	**27 128**	**24 475**	**-1 892**	**22 582**
Outstanding shares at period end (million)			182.1			182
EPRA NDV per share (NOK)			149			124

BRIDGES BETWEEN NEW NAV METRICS AND PREVIOUS NAV METRICS

All amounts in NOK million	31.12.2020	31.12.2019
EPRA NRV	**34 508**	**28 080**
Revaluation of investments made in JVs	74	91
Deferred tax	-724	-682
Goodwill and other intangible assets	55	55
Net fair value on financial derivatives attributable to non-controlling interests	14	11
EPRA NAV	**33 927**	**27 555**
EPRA NTA	**34 148**	**27 799**
Revaluation of investments made in JVs	74	91
Deferred tax	-363	-405
Goodwill and other intangible assets	55	55
Net fair value on financial derivatives attributable to non-controlling interests	14	11
Intangible assets	-	4
EPRA NAV	**33 927**	**27 555**
EPRA NDV	**27 128**	**22 582**
Deferred tax	4 184	3 031
Goodwill as a result of deferred tax	55	55
Revaluation of investments made in JVs	-	-2
EPRA NNNAV	**31 367**	**25 666**

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.

All amounts in NOK million	31.12.2020	31.12.2019
IFRS equity attributable to shareholders	27 136	22 570
Add: Adjustment to property portfolio	-	-
Add: Revaluation of investments made in JVs	323	400
Add: Revaluation of purchase option	176	-
Add: Net market value on financial derivatives	343	68
Add: Deferred tax arising on revaluation moments	5 949	4 517
EPRA NAV	**33 927**	**27 555**
Market value on property portfolio	56 746	48 964
Tax value on property portfolio	19 934	18 944
Basis for calculation of tax on gain on sale	36 812	30 021
Less: Market value of tax on gain on sale (5 % tax rate)	**1 841**	**1 501**
Net market value on financial derivatives	343	68
Tax expense on realised financial derivatives	75	15
Less: Net result from realisation of financial derivatives	**267**	**53**
Market value of interest bearing debt	21 631	20 212
Nominal value of interest bearing debt	21 146	19 901
Basis for calculation of tax on realisation of interest bearing debt	**484**	**311**
Market value of tax on realization	107	68
Less: Net result from realisation of interest bearing debt	**378**	**242**
Less: MV of tax on gain on sale (5 % tax rate) & realisation of financial derivatives in JVs	74	93
EPRA NNNAV	**31 367**	**25 666**
Outstanding shares at period end (million)	182.1	182.1
EPRA NAV per share (NOK)	186	151
EPRA NNNAV per share (NOK)	172	141

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 except ratio	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Investment property - wholly owned	38 344	5 409	3 181	1 345	301	2 388	50 968
Investment property - share of JVs	-	-	-	594	1 309	1 534	3 438
Total property portfolio	**38 344**	**5 409**	**3 181**	**1 939**	**1 611**	**3 922**	**54 406**
Less projects and land and developments	-6 902	-198	-19	-106	-202	-750	-8 178
Completed management portfolio	**31 442**	**5 211**	**3 162**	**1 833**	**1 408**	**3 172**	**46 228**
Allowance for estimated purchasers' cost	57	15	10	5	5	8	99
Gross up completed management portfolio valuation	**31 498**	**5 226**	**3 172**	**1 837**	**1 413**	**3 180**	**46 327**
12 months rolling rent	1 387	288	177	109	74	148	2 183
Estimated ownership cost	105	18	9	9	4	13	158
Annualised net rents	**1 281**	**270**	**168**	**101**	**70**	**135**	**2 025**
Add: Notional rent expiration of rent free periods or other lease incentives	-	-	-	-	-	-	-
Topped up net annualised net rents	**1 281**	**270**	**168**	**101**	**70**	**135**	**2 025**
EPRA NIY (net initial yield)	**4.1 %**	**5.2 %**	**5.3 %**	**5.5 %**	**5.0 %**	**4.2 %**	**4.4 %**
EPRA "topped-up" NIY (net initial yield)	**4.1 %**	**5.2 %**	**5.3 %**	**5.5 %**	**5.0 %**	**4.2 %**	**4.4 %**

D. EPRA VACANCY

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio. All figures are adjusted for actual share of ownership of each property.

All amounts in NOK million except ratio	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Market rent vacant areas	30	8	1	1	2	4	46
Total market rent	1 568	301	154	98	72	183	2 376
EPRA vacancy rate	**1.9 %**	**2.7 %**	**0.6 %**	**0.8 %**	**2.7 %**	**2.3 %**	**1.9 %**

E. EPRA COST RATIO

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

All amounts in NOK million except ratio	2020	2019
Operating costs	-211	-189
Administrative costs	-186	-171
Share of joint ventures expences	0	0
Less: Ground rent cost	9	9
EPRA Cost (including direct vacancy cost)	**-388**	**-351**
Direct vacancy cost	-44	-38
EPRA Cost (excluding direct vacancy cost)	**-343**	**-313**
Gross rental income less ground rent	**2 353**	**2 338**
Share of joint ventures and fund (GRI)	0	0
Total gross rental income less ground rent	**2 353**	**2 338**
Epra cost ratio (including direct vacancy cost)	**16.5 %**	**15.0 %**
Epra cost ratio (excluding direct vacancy cost)	**14.6 %**	**13.4 %**


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GRI table

The reports have been prepared in accordance with the GRI Standards: Core option. Deloitte has been enaged to conduct a limited assurance on the reporting. Page references relate to the ESG Report 2020 (ESG), the Annual Report 2020 (AR)

GENERAL DISCLOSURES

Disclosure #	Disclosure name	Referance and/or response
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Entra ASA
102-2	Activities, brands, products, and services	AR, The business
102-3	Location of headquarters	AR, The business
102-4	Location of operations	AR, The business
102-5	Ownership and legal form	AR, Board Report: Shareholder Information
102-6	Markets served	AR, The business
102-7	Scale of the organization	AR: This is Entra: Our results: The business: Employees and Organisation, ESG: EPRA Sustainability reporting
102-8	Information on employees and other workers	AR, Board report: AR, Social: Motivated employees - Equality and diversity: EPRA Sustainability reporting
102-9	Supply chain	AR, Governance: Ethics and anti-corruption - Entra's supply chain
102-10	Significant changes to the organization and its supply chain	No significant changes in 2020
102-11	Precautionary Principle or approach	Enviroment: Climate and the environment
102-12	External initiatives	AR, ESG: Reporting standards and responses: Supporting the UN Sustainability Development Goals: Climate and the the environment:
102-13	Membership of associations	AR, ESG: Reporting standards and responses: Climate and the environment - Membership of associations: Motivated employees
STRATEGY		
102-14	Statement from senior decision-maker	AR: Letter from CEO and Board of Directors Report
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	AR: Letter from CEO: The Business, Corporate governance AR, Governance: Ethics and Anti-corruption
GOVERNANCE		
102-18	Governance structure	AR, Governance
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	AR, ESG: Stakeholder dialogue
102-41	Collective bargaining agreements	AR, Social: Motivated employees - Workers rights
102-42	Identifying and selecting stakeholders	AR, ESG: Stakeholder dialogue
102-43	Approach to stakeholder engagement	AR, ESG: Stakeholder dialogue
102-44	Key topics and concerns raised	AR, ESG: Materiality analysis and focus areas, Supporting the UN Sustainable Development Goals: Stakeholder dialogue

REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	AR: Note 3 and 30
102-46	Defining report content and topic Boundaries	AR, ESG: Stakeholder dialogue, Materiality anaysis and foucs areas
102-47	List of material topics	AR, ESG: Stakeholder dialogue, Materiality anaysis and foucs areas
102-48	Restatements of information	No significant restatements of information
102-49	Changes in reporting	No significant changes from previous reporting periods
102-50	Reporting period	Annual report for 2020
102-51	Date of most recent report	Annual Report 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Back of AR
102-54	Claims of reporting in accordance with the GRI Standards	AR: First page, AR, ESG: Reporting standards and responses
102-55	GRI content index	Appendix to Annual Report
102-56	External assurance	Appendix to Annual Report: Third party verification by Deloitte

SPECIFIC STANDARD DISCLOSURES

Disclosure #	Disclosure name	Referance and/or response
ECONOMIC		
103 1-3	Management approach for economic standards and disclosures	AR:Board report: Coroprate goverance AR, ESG: Management approach
GRI Standard: Economic performance		
201-1	Direct economic value generated and distributed	AR: Key figures, Financial Statmenents
201-2	Financial implications and other risks and opportunities due to climate change	AR: Risk management Environment: Climate and the environment
201-3	Defined benefit plan obligations and other retirement plans	AR: Note 26
GRI Standard: Anti-corruption		
205-1	Operations assessed for risks related to corruption	AR: Risk management, AR, Governance: Ethics and anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	AR,Governance: Ethics and anti-corruption
205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption in 2020
GRI Standard: Anti-competitive Behaviour		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There has been no such incidents in 2020
ENVIRONMENTAL		
103 1-3	Management approach for environmental standards and disclosures	AR:Board report: Goverance AR, ESG: Management approach: Materiality analysis and focus areas: Climate and the environment
GRI Standard: Energy		
302-1	Energy consumption within the organization	ESG: EPRA Sustainability reporting
302-2	Energy intensity	Enviroment: Climate and environment: EPRA Sustainability reporting
302-4	Reduction of energy consumption	Environment: Climate and the environment:
GRI Standard: Water and Effluents		
303-3	Water withdrawal	AR, ESG: EPRA Sustainability reporting
GRI Standard: Emissions		
305-1	Direct (Scope 1) GHG emissions	AR, ESG: EPRA Sustainability reporting
305-2	Energy indirect (Scope 2) GHG emissions	AR, ESG: EPRA Sustainability reporting
305-3	Other indirect (Scope 3) GHG emissions	AR, ESG: EPRA Sustainability reporting
305-4	GHG emissions intensity	Environment: Climate and environment: EPRA Sustainability reporting
GRI Standard: Waste		
306-3	Waste generated	AR, ESG: EPRA Sustainability reporting
306-4	Waste diverted from disposal	AR, ESG: EPRA Sustainability reporting
306-6	Waste diverted to landfill	AR, ESG: EPRA Sustainability reporting

GRI Standard: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	There has been no such incidents in 2020
GRI Standard: Supplier environmental assessment		
308-1	New suppliers that were screened using environmental criteria	AR, Governance: Ethics and anti-corruption, supplier qualification requirements
SOCIAL		
103 1-3	Management approach for social standards and disclosures	AR:Board report: Coroprate goverance AR, ESG: Management approach: Materiality analysis and focus areas: Motivated employees: Ethics and anti-corruption: Health, safety and environment (HSE): Urban development
GRI Standard: Labor/Management relations		
402-1	Minimum notice periods regarding operational changes	AR, Social: Motivated employees - Workers rights
GRI Standard: Occupational Health and Safety		
403-1	Workers representation in formal joint management–worker health and safety committees	AR, Social: Motivated employees - Safety officer, working environment committee and board representation
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	ESG: Health, Safety and Enviroment (HSE); EPRA Sustainability Performance Measures
GRI Standard: Training and education		
404-1	Average hours of training per year per employee	AR, ESG: EPRA Sustainability reporting
404-3	Percentage of employees receiving regular performance and career development reviews	AR, ESG: EPRA Sustainability reporting
GRI Standard: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	AR, ESG: EPRA Sustainability reporting
GRI Standard: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	There has been no such incidents in 2020
GRI Standard: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk	AR, Governance: Ethics and anti-corruption There has been no such incidents in 2020
GRI Standard: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	AR, Governance: Ethics and anti-corruption There has been no such incidents in 2020
GRI Standard: Forced or Compulsory Labor		
409-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	AR, Governance: Ethics and anti-corruption There has been no such incidents in 2020
GRI Standard: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	AR, Social: Community Engagement
GRI Standard: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	Entra sertify new-build and rehabilitation projects in accordance with the BREEAM standard. The BREEAM standard is a third party certification of the assessment of an asset's environmental, social and economic sustainability performance, using standards developed by BRE
417-2	Incidents of non-compliance concerning product and service information and labeling	There has been no such incidents in 2020
417-3	Incidents of non-compliance concerning marketing communications	There has been no such incidents in 2020
GRI Standard: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There has been no such incidents in 2020
GRI Standard: Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	There has been no such incidents in 2020

Reporting according to the Task Force on Climate-Related Financial Disclosures (TCFD)

Entra has started a process to adapt the company's reporting in accordance with the recommendations in the TCFD framework to describe how we work strategically with climate related risks and opportunities. Entra's approach to meet climate risk and opportunities is discussed in the ESG work description on pages 42-82, and as part of the overall risk analysis on pages 28- 39. The table below describes the scope of the reporting and page references are made for the respective areas.

Governance	Strategy	Risk Management	Indicators and goals
Recommended disclosures	Recommended disclosures	Recommended disclosures	Recommended disclosures
A. The Board's monitoring of climate-related risks and opportunities	A. Climate-related risks and opportunities the organisation has identified	A. The organization's process for identifying climate-related risks	A. The organisations indicators for evaluating climate-related risks and opportunities
-> pages 42-43 and 72-73	**-> pages 53-59**	**-> pages 37, and 53-59**	**-> pages 37, and 53-59**
B. Management's role regarding assessing and managing climate-related risks and opportunities	B. Impact from risks and opportunities on the organisations operations, strategy and financial planning	B. The organizations' processes for managing climate-related risks	B. Emissions of Sclope 1, 2 and 3 under the Greenhouse Gas Protocol
-> pages 42-43	**-> pages 37, and 53-59**	**-> pages 37, and 53-59**	**-> 183-186**
	C. Preparation of the organisation's strategy in consideration of various climate-related scenarions	C. Integration of the above processes in the organizations general risk management	C. Goals for managing climate-related risks and opportunities
	-> pages 46–59	**-> pages 37, and 53-59**	**-> pages 53-59**

EPRA Sustainablility Performance Measures

Entra reports on its energy, GHG emissions, water, waste and social governance impacts in accordance with the EPRA Sustainability Best Practice Recommendations (sBPR). This common reporting standard is a framework developed by property companies to promote transparency in sustainability reporting. To give our stakeholders greater confidence, this report has been independently assured by Deloitte based on the international standard ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

ORGANIZATIONAL BOUNDARY

Entra reports on asset-level sustainability impacts for assets within the management portfolio over which it has full operational control. This boundary coincides with the Group organizational structure as determined for financial reporting purposes and excludes assets under construction or in redevelopment. We do not report data for single-let properties as we have no management control of these properties and are unable to collect utilities data. For the reporting year 2020 this is only one property. The environmental reporting period corresponds to the period from 1 January to 31 December.

DATA COVERAGE

For each asset-level performance measure, Entra discloses the number of properties reported on out of the total number of management properties in the Group portfolio. Entra does not presently have data collection on each asset-level performance measure for every asset within the organizational boundary but aims to increase the data coverage going forward as it creates conditions for proper efficient technical management in our buildings.

Like-for-like performance measures include properties consistently in operation during the two most recent full reporting years and exclude asset acquisitions, disposals, major refurbishments and developments as well as fully vacant properties. Like-for-like performance measures also exclude assets with changes in the level of data coverage between the two reporting periods where the missing data cannot be reliably estimated.

ESTIMATION

In general estimation of missing data for partially unavailable or unreliable utility consumption for asset-level performance measures is carried out to a very small extent. In these cases, data for missing periods is estimated using known consumption from other periods for the metered supply in question. The proportion of estimated data is disclosed as a percentage of the total data provided for the relevant performance measure. The same method of estimation is used for all performance measures and for all assets. For 2020 there was no estimation except for HQ as described below.

Note that while there is limited estimation of waste data itself, the percentage of waste per disposal route is calculated by multiplying actual waste created by the proportion of waste solutions for each waste group. This information on waste processing is provided directly by our waste management supplier.

As information is unavailable for Entra's HQ office space only, all performance measures for Entra's headquarters (excluding electricity) are calculated based on Entra's proportionate share of actual utility data for the property where Entra is a tenant.

Entra does not carry out data adjustment based on climate or occupancy rates. Variations in asset-level performance attributed to fluctuations in these factors are instead commented directly in the performance narrative, if relevant. As of 31 December 2020, the portfolio occupancy was 97.9 per cent.

THIRD PARTY ASSURANCE

Entra has obtained third party assurance of its sustainability data for this reporting period. Statement from our auditors can be found on page 82-83.

LANDLORD/TENANT BOUNDARY

Entra is responsible, as landlord, for obtaining a portion of the overall utilities consumed at the assets level. Total landlord-obtained consumption includes both utilities for common areas as well as tenant consumption sub-metered from the landlord. The remaining consumption is obtained and paid directly by the tenants. Entra has access to tenant-obtained consumption data and reports on whole building consumption for all asset-level environmental performance measures. Utilities purchased by Entra as the landlord (landlord-obtained) and those directly purchased by tenants (tenant-obtained) are presented separately under total consumption.

NORMALIZATION

As a majority of Entra's management portfolio is utilized as office space, floor area is deemed the most appropriate denominator for asset-level performance measures. Whole building consumption is divided by Gross Leasable Area (GLA). The denominator GLA is closely aligned with the numerator as total consumption includes tenant-obtained utilities and is also consistent with the areas disclosed in Entra's financial reporting.

For absolute intensities, Entra either includes pre-existing data or pro-rates consumption up to the full year for properties entering or exiting the management portfolio during the reporting period. This removes the mismatch between the collected consumption data in the numerator and GLA as the denominator for more comparable absolute intensities.

Number of hours/days worked is used as the denominator when calculating health and safety performance measures.

SEGMENTAL ANALYSIS

Segmental reporting and analysis by geography or property type does not grant significantly greater insight into asset-level performance measures. As presented in its financial reports, Entra's management portfolio contains mainly office properties within Oslo, Norway and other regional cities, of which Oslo represents the majority location of portfolio value.

DISCLOSURE ON OWN OFFICES

Entra discloses the environmental impact of its own occupation separately within its ESG reporting. As Entra is a tenant at a property within its own management portfolio, this data is also included in the total portfolio consumption. Please refer to the paragraph on estimation for a note concerning the calculation of data for Entra's headquarters.

COVID-19 SITUATION

2020 was a challenging year due to the outbreak of the Covid-19 pandemic. The Norwegian government acted swiftly at the outset of the crisis in March and implemented actions to safeguard the population. From 12th of March 2020 everyone who can was encouraged to work from home and avoid using public transportation - especially in the biggest cities. We have no concrete measures on how many people that have worked from an Entra office building in 2020 as we do not count people entering security gates. Nevertheless, we know that utilizations are directly correlated with the number of people in the building, and that activity in the office buildings throughout the year has been considerably reduced.

PERFORMANCE NARRATIVE ON SOCIAL PERFORMANCE

Diversity-employee gender is calculated as a percentage of female to men. The female share of Group employees is unchanged from 2019 to 2020. Diversity pay gender ratio is calculated woman to men. In June 2019 Entra hired a female CEO which has affected the gender pay ratio on senior management level from 2019 to 2020. The Chairman in Entra since 2012 is a woman.

Employee turnover is stable. In 2020, 15 people started working in Entra and 6 people left the company. Over a two to three-year period Entra has focused on new technology, increased environmental activities, and staffed up with a new digitalization department. New hire rates are calculated based on people started in Entra divided on the number of employees by the end of 2020. Turnover rate is calculated based on people that left Entra divided on the number of employees by the end of 2020.

There have been no serious incidents involving direct employees in Entra in 2019, but in 2020 there have been 1 injury involving sick leave absence in our construction projects.

The Injury rate, Lost day rate and Accident severity rate (all calculated per 1,000,000 hours worked) were zero or close to zero in both 2019 and 2020.

PERFORMANCE NARRATIVE ON OUR MANAGED ASSETS

The following provides a short commentary on the asset-level performance indicators for Entra's management portfolio and headquarters for 2020. For an outline on our plans for managing future performance please refer to the ESG report, pages 42-59.

MANAGEMENT PORTFOLIO

Energy

Entra's focus on improving energy efficiency has given results over the past 10 years, not only through concrete measures such as replacing central environment operation control systems and improving the zoning control of outdoor environments but also by generally optimizing the management of its properties. In 2020, absolute electricity consumption across the 63 managed assets with available data, totaled 81,692 MWh, an 8 per cent decrease from 2019. Measured as like-for-like, the decrease was 4 per cent. Landlord-obtained absolute consumption amounted to 56,969 of which 2 per cent came from renewable resources. Entra aims to increase this proportion by extending its green energy consumption through solar panels, wind and hydropower.

Absolute district heating and cooling consumption across the 47 managed assets totaled 37,750 MWh, a decrease of 16 per cent compared with 2019. Landlord-obtained consumption amounted to 32,457 MWh.

There was no use of fuels in 2020, compared to 0,6 MWh in 2019. Entra is currently working towards phasing out fossil fuel consumption within its portfolio and has in 2020 removed all oil boilers.

Building energy intensity across the 60 management properties in our portfolio with like-for-like performance data was 124 kWh per square meter in 2020, down by 10 per cent in comparison with 2019.

Greenhouse gas

In 2020 Entra changed system for calculation of GHG emission. Entra has used Optima EOS system for monitoring energy, water and waste for several years. We have connected this system directly to an environmental module, automatically calculating Scope 1-3 based on consumption of energy, water and waste. This method gives a more detailed calculation than the previous calculation method. Combined with a different use of CO_2 factor on waste and a more detailed breakdown of the guarantee of origin for all electricity purchased by Entra, the outcome for 2020 is not directly comparable with 2019. Greenhouse gas intensity from building energy across the same assets fell to 4.18 kg CO_2e per square meter, a drop of 9 per cent compared with 2019. This decrease is mainly explained by less energy consumption.

GHG emissions presented in the EPRA table are based on local-based and market-based emission factors for electricity. If calculated using a market-based emission factor for electricity, the GHG emission from electricity is about 10,503 tonnes CO_2e in 2020. Due to the changes in system and methodology, as described above, GHG data is not comparable with 2019 where GHG emission from electricity was 1,933. In 2019 and 2020 Entra has purchased guarantees of origin for all electricity purchased by Entra (landlord obtained electricity consumption).

Water
100 per cent of water consumption comes from municipal water supplies sources. Absolute water consumption across the 64 managed assets with available data in 2020 was 156,699 m^3 compared with 277,800 m^3 in 2019. On a like-for-like basis, total water consumption decreased by 31 per cent primarily due to Covid-19. Building water intensity across the 60 assets with like-for-like performance data was 0.16 m^3 per square meter in 2020, a 36 per cent decrease from 2019.

Waste
In 2020, Absolute waste creation across the 60 managed assets with available data was 2,501 tons. Compared with 3,383 tons in 2019 this was a decrease of 26 per cent. Like-for-like decreased with 25 per cent from 3,189 tons in 2019 to 2,378 tons in 2020. This is mainly explained by reduced activity as a result of Covid-19. Entra continuously works towards greater coverage of waste created by tenants who have waste groups managed independently of Entra's waste monitoring system.

Entra Headquarters
Entra's electricity consumption at its headquarters totaled 106,281 kWh in 2020, a 7 per cent decrease compared to 114,097 kWh in 2019. This decrease is explained by less activity in the building due to Covid-19, with a direct effect on the amount of lighting and ventilation needed.

Entra's pro-rata share of district heating and cooling decreased by 33 per cent from 89,785 kWh in 2019 to 60,363 kWh in 2020.

The property at which Entra is a tenant does not have fuels as an energy source.

Energy intensity for Entra's headquarters was 59 kWh per square meter in 2020, down by 18 per cent in comparison with 2019. Greenhouse gas intensity from energy ended at 2.15 kg CO_2e per square meter compared to 2.05 in 2019. This is mainly explained by the change in calculation method and factors on waste.

Entra's proportionate share of water consumption in 2020 was 384 m^3 compared with 751 m^3 in 2019. This 49 per cent decrease is a directly consequence of home office and Covid-19. Building water intensity was 0.14 m^3 per square meter in 2020, compared to 0.27 m^3 per square meter in 2019.

Entra's proportionate share of total waste decreased by 43 per cent from 21,5 tonnes in 2019 to 12,2 tons in 2020. Most of this decrease directly reflects the activity at HQ due to Covid-19 and home office (effect on paper and food waste).

Location of EPRA Sustainability Performance in companies' reports
Entra reports the entirety of the EPRA Sustainability Performance Measures in its Annual Report, including a comprehensive EPRA sBPR table that use the performance measure codes.

Reporting period
Entra reports both absolute and like-for-like performance measures for the two most recent years, but may choose to report performance measures over a longer period in the future should this provide meaningful data.

Materiality
Entra has not conducted a materiality review for the EPRA performance indicators as we consider all the sustainability performance measures in the EPRA table to be material.

EPRA Sustainablility Performance Measures

ENVIRONMENT

Impact area	EPRA Code	Units of measure	Indicator		Total portfolio: Absolute performance (Abs) 2019	Total portfolio: Absolute performance (Abs) 2020	Total portfolio: Like-for-like by property type (LfL) 2019	Total portfolio: Like-for-like by property type (LfL) 2020	Headquarter (s): Absolute performance (Abs) 2019	Headquarter (s): Absolute performance (Abs) 2020
Energy	Elec-Abs, Elec-LfL	annual kWh	Electricity	Total landlord-obtained electricity	59 632 854	56 969 079	54 998 002	55 333 987	114 097	106 281
				Proportion of landlord-obtained electricity from renewable resources	1.3 %	2.0 %	1.5 %	2.1 %	-	-
				Total tenant-obtained electricity	29 477 833	24 723 370	28 000 616	24 118 774	-	-
				Total landlord- and tenant-obtained electricity consumption	**89 110 687**	**81 692 449**	**82 998 618**	**79 452 761**	**114 097**	**106 281**
		No. of applicable properties		*Electricity disclosure coverage*	*66 out of 80*	*63 out of 77*	*56 out og 67*	*60 out of 68*	*1 out of 1*	*1 out of 1*
		%		*Proportion of electricity estimated*	-	-	-	-	-	-
	DH&C-Abs, DH&C-LfL	annual kWh	District heating and cooling	Total landlord-obtained district heating and cooling	37 334 811	32 456 978	36 928 726	32 056 683	89 785	60 363
				Proportion of landlord-obtained heating and cooling from renewable resources	-	-	-	-	-	-
				Total tenant-obtained heating and cooling	7 684 613	5 293 362	6 030 519	5 293 362	-	-
				Total landlord- and tenant-obtained heating and cooling	**45 019 424**	**37 750 340**	**42 959 245**	**37 350 045**	**89 785**	**60 363**
		No. of applicable properties		*District heating and cooling disclosure coverage*	*48 out of 80*	*47 out of 77*	*44 out of 67*	*45 out of 68*	*1 out of 1*	*1 out of 1*
		%		*Proportion of district heating and cooling estimated*	-	-	-	-	-	-
	Fuels-Abs, Fuels-LfL	annual kWh	Fuels	Total direct landlord-obtained fuels	-	-	-	-	-	-
				Proportion of landlord obtained fuels from renewable resources	-	-	-	-	-	-
				Total tenant-obtained fuels	604	-	604	-	-	-
				Total landlord- and tenant-obtained fuels	**604**	**-**	**604**	**-**	**-**	**-**
		No. of applicable properties		*Fuels disclosure coverage*	*1 out of 1*	*0 out of 0*	*1 out of 1*	*0 out of 0*	*NA*	*NA*
		%		*Proportion of fuels estimated*	-	-	-	-	-	-
	Energy-Int	annual kWh / sqm.	**Energy Intensity**	**Building energy intensity**	**136**	**123**	**138**	**124**	**72**	**59**
Greenhouse gas emissions	GHG-Dir-Abs	annual tonnes CO_2e	Direct	Scope 1	74	66	74	27	-	-
	GHG-Indir-Abs	annual tonnes CO_2e	Indirect/location based	Scope 2	4 413	4 255	4 143	3 925	6	6
			Indirect	Scope 3	907	1 339	836	1 232	7	7
	GHG-Int	kg CO_2e / sqm. / year	**GHG emissions intensity**	**GHG Scope 1 and 2 intensity from building energy**	**4.53**	**4.45**	**4.61**	**4.18**	**2.05**	**2.15**
		No. of applicable properties		*Energy and associated GHG disclosure coverage*	*66 out of 80*	*63 out of 77*	*56 out og 67*	*60 out of 68*	*1 out of 1*	*1 out of 1*
		%		*Proportion of energy and associated GHG estimated*	-	-	-	-	-	-
Greenhouse gas emissions - Guarantee of origin	GHG-Indir-Abs	annual tonnes CO_2e	Indirect/location based	Scope 2	1 933	10 503	1 543	10 172	NA	NA

Water	Water-Abs, Water-LfL	annual cubic metres (m^3)	Water	Municipal water		277 800	156 699	219 892	151 280	751	384
	Water-Int	annual m^3 / sqm.	**Water Intensity**	**Building water intensity**		**0.29**	**0.16**	**0.25**	**0.16**	**0.27**	**0.14**
		No. of applicable properties		*Water disclosure coverage*		*64 out of 80*	*64 out of 77*	*55 out of 67*	*60 out of 68*	*1 out of 1*	*1 out of 1*
		%		*Proportion of water estimated*		-	-	-	-	-	-
Waste	Waste-Abs, Waste-LfL	annual tonnes	Waste type	Hazardous waste		28	23	28	23	0.06	0.01
				Non-Hazardous waste		3 355	2 477	3 161	2 354	21.46	12.19
				Total waste created		**3 383**	**2 501**	**3 189**	**2 378**	**21.5**	**12.2**
		proportion by disposal route (%)	Disposal routes, hazardous	Reuse		4 %	4 %	4 %	4 %	-	-
				Recycling		8 %	11 %	8 %	11 %	8 %	50 %
				Incineration (with or without energy recovery)		80 %	75 %	81 %	75 %	61 %	1 %
				Landfill (with of without energy recovery)		7 %	10 %	6 %	10 %	32 %	49 %
			Disposal routes, non-hazardous	Reuse		-	-	-	-	-	-
				Recycling		45 %	47 %	45 %	47 %	56 %	57 %
				Incineration (with or without energy recovery)		34 %	32 %	34 %	31 %	26 %	23 %
				Landfill (with of without energy recovery)		0.5 %	0.5 %	0.5 %	0.5 %	-	0.4 %
				Biodiesel production		20 %	21 %	20 %	22 %	17 %	19 %
		No. of applicable properties		*Waste disclosure coverage*		*57 out of 80*	*60 out of 77*	*49 out of 67*	*54 out of 68*	*1 out of 1*	*1 out of 1*
		%		*Proportion of waste estimated*		-	-	-	-	-	-

Certification	Cert-Tot	% total floor area	Level of certification	BREEAM-NOR	Outstanding	2 %	2 %	3 %	3 %
					Excellent	6 %	7 %	7 %	7 %
					Very Good	14 %	17 %	16 %	18 %
		No. of applicable properties				*14 out of 80*	*15 out of 77*	*14 out of 67*	*15 out of 68*
	Cert-Tot	% total floor area	Level of certification	BREEAM In-use: Asset Performance	Excellent	15 %	31 %	18 %	33 %
					Very Good	5 %	6 %	5 %	7 %
		No. of applicable properties				*10 out of 80*	*15 out of 77*	*10 out of 67*	*15 out of 68*
	Cert-Tot	% total floor area	Level of certification	BREEAM In-use: Building Management	Outstanding	6 %	9 %	7 %	10 %
					Excellent	11 %	23 %	12 %	25 %
					Very Good	3 %	5 %	4 %	5 %
					Good	-	-	-	-
		No. of applicable properties				*10 out of 80*	*15out of 77*	*10 out of 67*	*15 out of 68*

Data Qualifying Note

1: 1: NA = "Not applicable"
2: GHG Scope 1 emissions from fossil fuels and refrigerants are calculated using Returgass factor.
3: GHG Scope 2 emissions from use of electricity and district heating and cooling are calculated using a location based approach. For electricity, a three-year rolling average of the Nordic mix factor from IEA energy statistics reports is utilized.
4: GHG Scope 2 alternative Electricity emission - Market based method (REC's, GoO)
5: GHG Scope 3 emissions from travel, waste and water consumption are calculated using a location based approach and "Climate accounting for waste management" 2009, Raadal, Modahl and Lyng.
6. Entra's headquarters data is also included in the total portfolio as that Entra is a tenant at one of its own properties.

EPRA Sustainablility Performance Measures

SOCIAL

	EPRA Code	Units of measure	Indicator			Corporate performance 2019	Corporate performance 2020
Diversity	Diversity-Emp	% of employees	Gender diversity	Direct employees within significant employee categories having strategic influence on company activities	Board of directors	57 %	57 %
					Senior Management	43 %	43 %
					Managerial positions	46 %	44 %
	Diversity-Pay	Ratio average basic salary	Gender pay ratio	Direct employees basic salary within significant employee categories as identified in diversity-emp	Board of directors	118 %	109 %
					Senior Management	77 %	101 %
					Managerial positions	87 %	89 %
		Ratio average bonus		Direct employees bonus within significant employee categories as identified in diversity-emp	Board of directors	NA	NA
					Senior Management	69 %	125 %
					Managerial positions	87 %	82 %
Employee Training and Development	Emp-training	Average hours	Training and development	Direct employees training hours (vocational, paid educational leave, external courses, specific topics, etc.)		35	24
	Emp-dev	% of employees	Performance appraisals	Direct employees who receive regular performance and career development review		100 %	100 %
	Emp-Turnover	Total number	New hires	Direct employees		32	15
		Rate	New hires	Direct employees		18.3 %	8.2 %
		Total number	Turnover	Direct employees		17	6
		Rate	Turnover	Direct employees		9.8 %	3.3 %
Health and safety	H&S-Emp	% og total days	Sick leave	Direct employees		2.6 %	3.1 %
		Total number	Incidents, direct employees	Developments		-	1
				Managed portfolio		-	-
			Lost day injuries, direct employees	Developments		-	1
				Managed portfolio		-	-
			Fatalities , direct employees	Developments		-	-
				Managed portfolio		-	-
		Per 100 000 hours worked	Incident rate	Direct employees		-	0.33
		Per 100 000 hours worked	Lost day rate	Direct employees		-	0.33
		Per 100 000 hours worked	Accident severity rate	Direct employees		-	-
	H&S-Asset	%	% of assets	Assets for which H8S impacts are assessed or reviewed for compliance		100 %	100 %
	H&S-Comp	Total number	Number of incidents	Registered internal control deviations at assets in management portfolio		1 831	1 662
Community Engagement	Comty-Eng	Narrative		Community engagement, impact assessments and/or development programs			See narrative on page 58

GOVERNANCE

	EPRA Code	Units of measure	Indicator		Corporate performance 2019	2020
Governance	Gov-Board	Total number	Executive board members	Composition of highest governance body	-	-
		Total number	Non-executive board members	Composition of highest governance body	7	7
		Total number	Non-executive board members with competance within environmental topics	Composition of highest governance body	6	5
		Average tenure (years)	Board members	Composition of highest governance body	3.9	4.3
	Gov-Selec	Narrative on process		Process for nominating and selecting the highest governance body	See narrative on page 71 and 77	
	Gov-Col	Narrative on process		Process for managing conflicts of interest	See narrative on page 76-77	

Social data note

1: Diversity-Emp: Genter diversity, percentage of female to men
2: Diversity-pay: gender pay ratio women to men
3: NA = "Not applicable"
4: Employees training, 116 out of 186 attending educational training over a longer periode in 2020
5: Incidents are actual injuries

The property portfolio

Management portfolio

The following table sets forth the properties with management area as of 31 December 2020.

Group/ JV	Property name	City	Type of asset	Share of ownership	Occupancy	Management area	Project area	Land & dev. area	Total area
Group	Allehelgensgate 6	Bergen	Office	50 %	100.0 %	14 104	-	-	14 104
Group	Biskop Gunnerus' gate 14	Oslo	Office	100 %	99.7 %	50 705	-	-	50 705
Group	Biskop Gunnerus' gate 6	Oslo	Office	100 %	100.0 %	9 300	-	-	9 300
Group	Borkenveien 1-3	Sandvika	Education	100 %	100.0 %	6 668	-	-	6 668
Group	Brattørkaia 13 B	Trondheim	Office	100 %	52.3 %	6 333	-	-	6 333
Group	Brattørkaia 14	Trondheim	Culture	100 %	100.0 %	5 220	-	-	5 220
Group	Brattørkaia 15 A, B	Trondheim	Office	100 %	99.0 %	16 907	-	-	16 907
Group	Brattørkaia 16	Trondheim	Office	100 %	100.0 %	11 217	-	-	11 217
Group	Brattørkaia 17 A	Trondheim	Office	100 %	100.0 %	17 991	-	-	17 991
Group	Brattørkaia 17 B	Trondheim	Office	100 %	97.9 %	19 652	-	-	19 652
Group	Brynsengfaret 6	Oslo	Office	100 %	99.3 %	35 505	-	13 600	49 105
Group	Brynsengfaret 6 C	Oslo	Residential	100 %	95.9 %	349	-	-	349
Group	Cort Adelers gate 30, Kontorbygget	Oslo	Office	100 %	84.2 %	12 061	-	-	12 061
Group	Cort Adelers gate 30, Skolebygget	Oslo	Education	100 %	100.0 %	3 963	-	-	3 963
Group	Drammensveien 134	Oslo	Office	100 %	100.0 %	20 359	-	-	20 359
Group	Dronningens gate 2	Trondheim	Office	100 %	100.0 %	5 158	-	-	5 158
Group	Fredrik Selmers vei 4	Oslo	Office	100 %	99.0 %	38 080	-	18 500	56 580
Group	Grønland 51	Drammen	Office	60 %	100.0 %	15 271	-	-	15 271
Group	Grønland 53	Drammen	Office	60 %	95.0 %	11 390	-	-	11 390
Group	Grønland 56	Drammen	Office	60 %	100.0 %	504	-	-	504
Group	Grønland 58	Drammen	Education	60 %	99.9 %	21 472	-	-	21 472
Group	Grønland 60	Drammen	Culture	60 %	95.4 %	8 854	-	-	8 854
Group	Hagegata 22	Oslo	Office	100 %	99.4 %	12 817	-	-	12 817
Group	Hagegata 23	Oslo	Office	100 %	100.0 %	10 672	-	-	10 672
Group	Henriks Ibsens gate 110	Oslo	Culture	100 %	100.0 %	18 724	-	-	18 724
Group	Jåttåvågveien 18	Stavanger	Office	50 %	95.7 %	9 180	-	-	9 180
Group	Jåttåvågveien 7	Stavanger	Office	50 %	99.8 %	5 299	-	-	5 299
Group	Kaigaten 9	Bergen	Office	100 %	100.0 %	9 991	-	-	9 991
Group	Keysers gate 15	Oslo	Office	100 %	100.0 %	1 746	-	-	1 746
Group	Kjørbo gård	Sandvika	Office	100 %	90.0 %	1 795	-	-	1 795
Group	Kjørboveien 12-26	Sandvika	Office	100 %	100.0 %	25 601	-	-	25 601
Group	Kjørboveien 3	Sandvika	Other	100 %	100.0 %	16 353	-	-	16 353
Group	Kjørboveien 33	Sandvika	Office	100 %	100.0 %	14 670	-	-	14 670
Group	Konggata 51	Drammen	Education	100 %	100.0 %	3 576	-	-	3 576
Group	Kreftings gate 33	Drammen	Office	60 %	91.6 %	1 040	-	-	1 040
Group	Laberget 22	Stavanger	Office	50 %	100.0 %	15 756	-	-	15 756
Group	Lakkegata 53	Oslo	Office	100 %	99.0 %	31 566	-	-	31 566
Group	Langkaia 1A	Oslo	Office	100 %	99.8 %	39 403	-	-	39 403
Group	Lilletorget 1	Oslo	Office	100 %	98.1 %	14 867	-	-	14 867
Group	Malmskriverveien 18-20	Sandvika	Office	100 %	100.0 %	9 233	-	-	9 233
Group	Malmskriverveien 2	Sandvika	Office	100 %	100.0 %	2 957	-	-	2 957
Group	Malmskriverveien 4	Sandvika	Office	100 %	92.9 %	5 674	-	-	5 674

Group/ JV	Property name	City	Type of asset	Share of ownership	Occupancy	Management area	Project area	Land & dev. area	Total area
Group	Marken 37	Bergen	Education	100 %	100.0 %	2 950	-	-	2 950
Group	Munchs gate 4 / Keysers gate 13	Oslo	Office	100 %	100.0 %	10 839	-	-	10 839
Group	Nonnesetergaten 4	Bergen	Office	100 %	100.0 %	17 212	-	-	17 212
Group	Nytorget 1	Stavanger	Office	100 %	100.0 %	5 205	-	-	5 205
Group	Otto Sverdrups plass 4	Sandvika	Education	100 %	100.0 %	16 038	-	-	16 038
Group	Prinsens gate 1	Trondheim	Office	100 %	95.8 %	33 848	-	-	33 848
Group	Professor Olav Hanssens vei 10	Stavanger	Office	100 %	99.5 %	37 219	-	-	37 219
Group	Schweigaards gate 15 B	Oslo	Office	100 %	98.5 %	14 487	-	-	14 487
Group	Schweigaards gate 16	Oslo	Office	100 %	99.1 %	15 498	-	-	15 498
Group	Stenersgata 1	Oslo	Office	100 %	100.0 %	16 137	24 618	-	40 755
Group	Tollbuallmenningen 2A	Bergen	Office	100 %	100.0 %	1 823	-	-	1 823
Group	Trondheimsporten	Trondheim	Office	100 %	100.0 %	29 032	-	-	29 032
Group	Tullinkvartalet	Oslo	Office	100 %	99.2 %	20 795	-	-	20 795
Group	Tvetenveien 22	Oslo	Office	100 %	100.0 %	4 126	-	-	4 126
Group	Vahls gate 1-3	Oslo	Office	100 %	100.0 %	14 857	-	-	14 857
Group	Valkendorfs gate 6	Bergen	Office	100 %	96.3 %	13 260	-	-	13 260
Group	Verkstedveien 1	Oslo	Office	100 %	100.0 %	31 690	-	-	31 690
Group	Verkstedveien 3	Oslo	Office	100 %	99.5 %	8 387	-	-	8 387
Group	Wexels plass	Oslo	Other	100 %	94.3 %	1 035	-	-	1 035
Group	Fredrik Selmers vei 6	Oslo	Office	100 %	79.3 %	14 698	-	-	14 698
Group	Grensesvingen 26	Oslo	Office	100 %	99.1 %	18 169	-	-	18 169
Group	Brattørkaia 12	Trondheim	Office	100 %	100.0 %	1 917	-	-	1 917
Group	Observatoriegata 1	Oslo	Office	100 %	100.0 %	7 110	-	-	7 110
Group	Observatoriegata 1 - Magasinet	Oslo	Culture	100 %	100.0 %	10 600	-	-	10 600
Group	Akersgata 34 og 36	Oslo	Office	100 %	100.0 %	6 143	-	-	6 143
Group	Akersgata 51 / Apotekergata 6	Oslo	Office	100 %	88.6 %	17 848	-	-	17 848
Group	Holtermanns veg 1	Trondheim	Office	100 %	99.1 %	11 429	-	-	11 429
Group	Lars Hilles gate 30	Bergen	Office	50 %	94.5 %	45 706	-	-	45 706
Group	Nils Hansens vei 20	Oslo	Office	100 %	58.0 %	3 088	-	-	3 088
Group	Østensjøveien 43	Oslo	Office	100 %	85.1 %	6 823	-	-	6 823
Group	Brynsveien 11-13	Oslo	Office	100 %	95.5 %	12 404	-	-	12 404
Group	Østensjøveien 39-41	Oslo	Office	100 %	76.9 %	5 664	-	-	5 664
Group	Brynsveien 5	Oslo	Office	100 %	94.1 %	6 126	-	-	6 126
Group	Hagegata 27	Oslo	Parking	100 %		3 366	-	-	3 366
Grand Total					**97.9 %**	**1 047 513**	**24 618**	**32 100**	**1 104 231**

Project portfolio

The following table sets forth the properties with project area as of 31 December 2020.

Group/ JV	Property name	City	Type of asset	Share of ownership	Management area	Project area	Land & dev. area	Total area
Group	Grønland 32	Drammen	Office	100 %	-	7 354	-	7 354
Group	Kongens gate 87	Trondheim	Office	100 %	236	7 453	-	7 689
Group	Tordenskiolds gate 12	Oslo	Office	100 %	-	12 920	-	12 920
Group	Universitetsgata 2	Oslo	Office	100 %	-	28 146	-	28 146
Group	Universitetsgata 7	Oslo	Office	100 %	-	22 365	-	22 365
Group	Schweigaards gate 15	Oslo	Office	100 %	-	22 797	-	22 797
Group	Kristian Augusts gate 13	Oslo	Office	100 %	-	4 297	-	4 297
Group	St. Olavs plass 5	Oslo	Office	100 %	-	16 531	-	16 531
Group	Møllendalsveien 6-8	Bergen	Office	100 %	-	14 493	-	14 493
Group	Kristian Augusts gate 21, Oslo	Oslo	Office	100 %	-	1 810		1 810
Grand Total					**236**	**138 166**	**-**	**138 402**

Land & Development portfolio

The following table sets forth the properties with land and development area as of 31 December 2020.

Group/ JV	Property name	City	Type of asset	Share of ownership	Management area	Project area	Land & dev. area	Total area
Group	Ormen Lange (tomt)	Stavanger	Office	50 %	-	-	30 800	30 800
Group	Oseberg (tomt)	Stavanger	Office	50 %	5 949	-	18 005	23 954
Group	Holtermanns veg 1, Byggetrinn 2	Trondheim	Office	100 %	-	-	17 735	17 735
Group	Holtermanns veg 1, Byggetrinn 3	Trondheim	Office	100 %	-	-	12 955	12 955
Group	Lars Hilles gate 25	Bergen	Office	100 %	-	-	5 800	5 800
Group	Nygårdsgaten 91	Bergen	Office	100 %	-	-	10 800	10 800
Grand Total					**5 949**	**-**	**96 095**	**102 044**


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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
EPRA NDV – Net Disposal Value	The IFRS equity including the full extent of the deferred tax liability as per the balance sheet, including fair value of fixed interest rate debt and excluding goodwill as a result of deferred tax.
EPRA NRV – Net Reinstatement Value	The IFRS equity excluding (i) deferred tax liability as per the balance sheet in respect of properties and financial instruments, (ii) fair value of financial instruments and (iii) goodwill as a result of deferred tax.
EPRA NTA – Net Tangible Assets	The IFRS equity including only the estimated real tax liability, and excluding (i) fair value of financial instruments, and (ii) goodwill and intangible assets as per the balance sheet.
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/JLL and Newsec
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 the property portfolio	The market value of all properties owned by the parent company and subsidiaries. The figure does not include Inventory properties.
Net Asset Value ("NAV")	Net Asset Value the total equity that the company manages for its owners. Entra presents NAV calculations in line with EPRA recommendation, where the difference mainly is explained by the expected turnover of the property portfolio.
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
Newbuild	A new building on bare land
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 less 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
Redevelopment	Extensive projects such as full knock-down and rebuild, and projects where external walls are being materially impacted (e.g. taking a building back to its core or changing brick facades to glass).
Refurbishment	Projects extensively impacting an existing building, but not knocking it down or materially affecting external walls
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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