

Q1

Quarterly Report 2021



Central, flexible and environment friendly office properties

Highlights

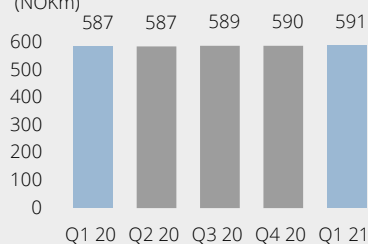
- Rental income of 591 million (587 million)
- Net income from property management of 370 million (357 million)
- Net value changes of 880 million (-337 million)
- Profit before tax of 1,290 million (58 million)
- Started up two new development projects
- Acquired three properties and divested one property

Rental income

+ 4 mill.

Rental income

(NOKm)

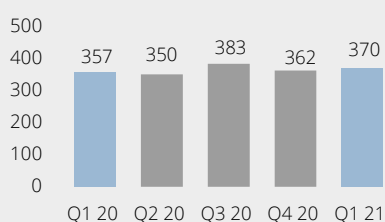


Property management

+ 13 mill.

Net income from PM

(NOKm)

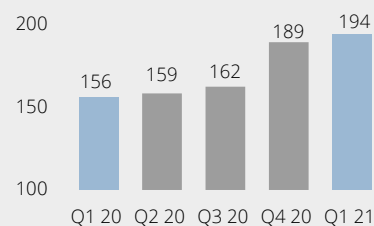


EPRA NRV

+ 25 %

EPRA NRV

(NOK per share)



Key figures

All amounts in NOK million	Q1-21	Q1-20	2020	2019	2018	2017
Rental income	591	587	2 353	2 338	2 243	2 075
Change period-on-period	1 %	0 %	1 %	4 %	8 %	9 %
Net operating income	539	545	2 142	2 149	2 058	1 913
Change period-on-period	-1 %	0 %	0 %	4 %	8 %	10 %
Net income from property management ¹⁾	370	357	1 451	1 471	1 434	1 259
Change period-on-period	4 %	-5 %	-1 %	3 %	14 %	18 %
Net value changes ¹⁾	880	-337	5 705	1 955	1 486	3 547
Change period-on-period	361 %	-173 %	192 %	32 %	-58 %	68 %
Profit before tax	1 290	58	7 274	3 735	3 073	5 030
Change period-on-period	2 142 %	-93 %	95 %	22 %	-39 %	52 %
Profit after tax	1 022	52	5 696	3 225	2 735	4 514
Change period-on-period	1 856 %	-93 %	77 %	18 %	-39 %	66 %
Market value of the property portfolio ¹⁾	58 031	49 428	56 746	48 964	45 630	40 036
Net nominal interest bearing debt ¹⁾	21 053	19 535	20 930	19 585	18 941	17 852
Loan to value ¹⁾	36.4 %	39.7 %	37.0 %	40.2 %	41.3 %	43.3 %
Interest coverage ratio ¹⁾	3.6	3.2	3.4	3.3	3.6	3.0
Average outstanding shares (million)	182.1	182.1	182.1	182.4	183.6	183.7
All amounts in NOK per share	Q1-21	Q1-20	2020	2019	2018	2017
EPRA NRV ¹⁾	194	156	189	154	144	130
Change period-on-period	25 %	6%	23%	7%	10%	24%
EPRA NTA ¹⁾	192	154	187	153	142	129
Change period-on-period	25 %	6%	23%	8%	10%	24%
EPRA Earnings ¹⁾	1.46	1.42	5.73	5.81	5.59	5.23
Change period-on-period	3 %	-2 %	-1 %	4 %	7 %	22 %
Cash Earnings ¹⁾	2.01	1.94	7.83	8.01	7.74	6.81
Change period-on-period	4 %	-5 %	-2 %	3 %	14 %	17 %
Dividend per share ²⁾	0.00	0.00	4.90	4.70	4.50	4.10
Change period-on-period	0 %	0 %	4 %	4 %	10 %	19 %

Reference

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.

Financial developments

Results

Rental income

Rental income was 591 million in the first quarter of 2021. Despite significant contribution from finalised projects, the top line growth is currently relatively flat as several of Entra's large assets has been vacated and prepared for redevelopment over the last 12 months. Rental income has only to a very limited extent been impacted by Covid-19. The underlying changes in rental income can be explained by the factors in the income bridge below.

All amounts in NOK million	Q1-20 Q1-21
Rental income previous period	587
Development projects	-20
Acquisitions	3
Divestments	-1
CPI growth	4
Like-for-like growth above CPI	14
Other	3
Rental income	591

Net contribution from development projects was negative 20 million in the quarter compared to the same quarter last year. During the last 12 months, Entra has vacated the following properties awaiting redevelopment: Parts of Stenersgata 1 and St. Olavs plass 5 in Oslo, Møllendalsveien 6-8 in Bergen, Kongens gate 87 in Trondheim and parts of Grønland 32 in Drammen. However, Holtermanns veg 1-13 phase 1 was finalised during Q1 2020 and has a positive contribution of 4 million on rental income compared to the same quarter last year.

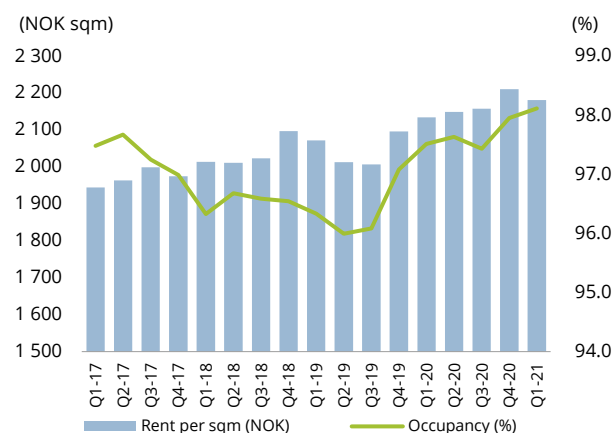
The acquisition of Lagårdsveien 6 in Stavanger and Hagegata 27 in Oslo contributed with rental income of 3 million compared to the same quarter last year, whereas divestment of Tollbodallmenningen 2A in February 2021 reduced rental income by 1 million.

Compared to Q1 last year, rental income has been positively affected by an underlying like-for-like growth of 3.1 per cent (18 million), of which the underlying CPI adjustment was 0.7 per cent (4 million). Near all of Entra's lease contracts are 100 per cent linked to positive changes in CPI. The annual adjustment is mostly made on a November to November basis.

Other effects stems from an administrative premium of 3 million per quarter during 2021.

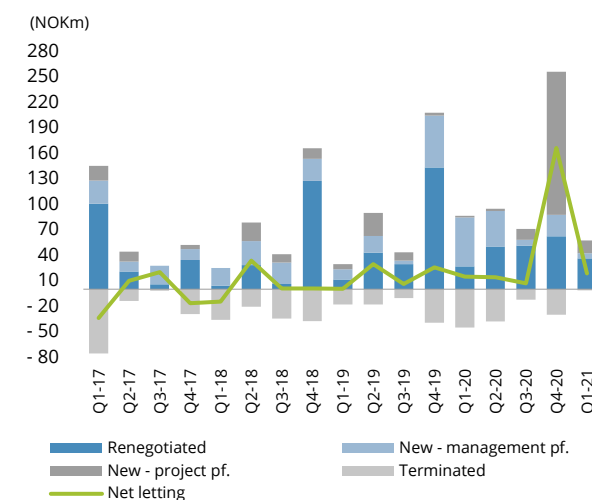
Average 12 months rolling rent per square meter was 2,180 (2,134) as of 31.03.21. The increase is mainly a result of reclassification to the project portfolio of the properties that have been vacated and are awaiting redevelopment.

RENT (12M ROLLING) PER SQM AND OCCUPANCY RATE



Compared to the same quarter last year, the occupancy rate went up by 70 basis points to 98.1 per cent. The market rental income of vacant space as of 31.03.21 was approximately 47 million on an annualised basis.

QUARTERLY NET LETTING

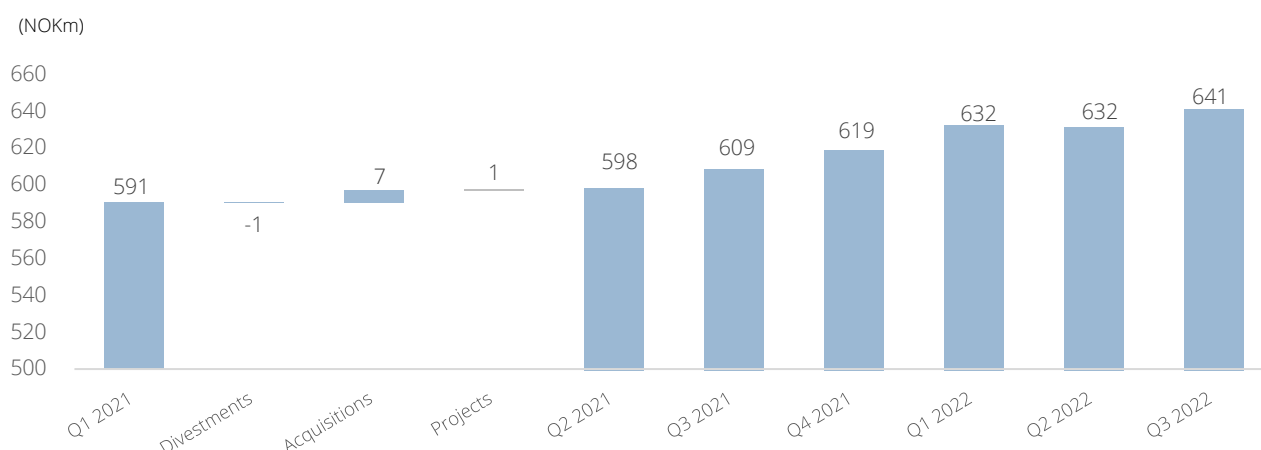


Gross letting, including re-negotiated contracts, was 57 million in the quarter of which 15 million is attributable to letting in the

project portfolio. Lease contracts with an annual lease of 1 million were terminated in the quarter. Net letting, defined as new lease contracts plus lease-up on renegotiated contracts less terminated contracts, came in at 18 million (15 million) in the quarter. The timing difference between net letting in the

management portfolio in the quarter and its effect on the financial results is normally 6-12 months, while new contracts signed in the project portfolio tend to have an even later impact on the results. Please see the project development section for further information regarding project completion.

RENTAL INCOME DEVELOPMENT



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

Operating costs

Total operating costs amounted to 51 million (42 million) in the quarter and is split as follows:

All amounts in NOK million	Q1-21	Q1-20
Maintenance	8	5
Tax, leasehold, insurance	14	12
Letting and prop. adm.	17	15
Direct property costs	13	11
Operating costs	51	42

Net operating income

As a consequence of the effects explained above, net operating income came in at 539 million (545 million) in the quarter.

Other revenue and other costs

Other revenues were 16 million (18 million) in the quarter and other costs were 10 million (9 million). Other revenue and other costs mainly consists of services provided to tenants and income and costs related to inventory properties (properties in

the Bryn portfolio which is expected to be zoned for residential development and subsequently sold to a third party at a predetermined price).

Administrative costs

Administrative costs amounted to 49 million (50 million) in the quarter and includes advisory fees of 3 million due to the strategic interest in Entra.

Share of profit from associates and JVs

All amounts in NOK million	Q1-21	Q1-20
Income from property management	0	1
Other income and costs	40	38
Share of profit from associates and JVs	40	38

Other income and costs from associates and JVs in the quarter mainly relates to the gains from the completion and delivery of residential apartments in Bjørnvika in Oslo. Please see the section Partly owned companies for a detailed breakdown of the results from associates and JVs.

Net realised financials

All amounts in NOK million	Q1-21	Q1-20
Interest and other finance income	1	3
Interest and other finance expense	-128	-151
Net realised financials	-127	-148

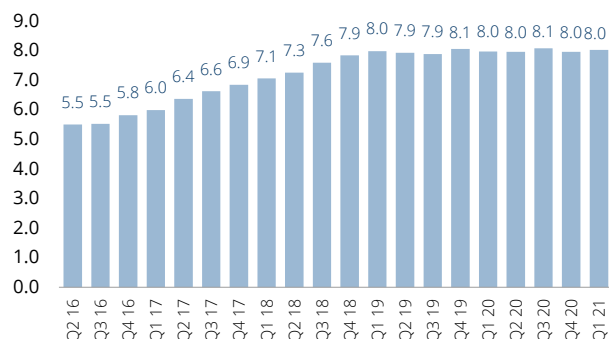
Net realised financials have decreased in the first quarter of 2021 mainly as a result of lower average Nibor interest rates on floating rate debt.

Net income and net income from property management

Net income came in at 410 million (394 million) in the quarter. When including only the income from property management from the results from associates and JVs, net income from property management for the Group was 370 million (357 million). This represents an increase of 4 per cent. For calculation of Net income from property management, see the section Alternative performance measures.

NET INCOME FROM PROPERTY MANAGEMENT PER SHARE

(Annualised, rolling 4 quarters)



Value changes

Net value changes amounted to 880 million (-337 million) in the quarter.

The valuation of the property portfolio resulted in net positive value changes of 781 million (nil) in the quarter. The first quarter of 2020 was impacted by the material valuation uncertainty due to the outbreak of the Covid-19 pandemic, and Entra chose not to recognise value change in that quarter.

266 million of the total value changes in the first quarter of 2021 relates to ongoing projects, mainly explained by reduced risk as each project is moving towards completion in combination with improved market conditions. Transactions contributed with 174 million as Entra exercised the purchase option on the property Lagårdsveien 6 in Stavanger and

divested Tollbodallmenningen 2A in Bergen. 160 million is related to yield effects, and 114 million is attributable to increased markets rents, primarily in Oslo, Bergen and Stavanger. About 61 million is a result of new contracts signed in the quarter partly offset by effects from terminated contracts. The remaining 7 million stems from other property related changes.

Net changes in value of financial instruments was 99 million (-337 million) in the quarter. The positive value change in the quarter is mainly explained by higher long-term interest rates.

Tax

Tax payable of 4 million (3 million) in the quarter is related to the partly owned entity Papirbredden in Drammen. The change in deferred tax was -264 million (-2 million) in the quarter.

Profit

Profit before tax was 1,290 million (58 million) in the quarter. Profit after tax was 1,022 million (52 million), which also equals the comprehensive income after tax.

EPRA Earnings

EPRA Earnings amounted to 266 million (259 million) in the quarter. Refer to page 27 for further details.

Balance sheet

The Group's assets amounted to 60,443 million (51,789 million) as at 31.03.21. Of this, investment properties amounted to 58,149 million (49,559 million).

Inventory properties of 463 million (414 million) at the end of the quarter relates to the properties expected to be zoned for residential development and subsequently sold to a third party at a predetermined price.

Book equity totalled 30,218 million (24,551 million). EPRA NRV per share was 194 (156) as at 31.03.21 and EPRA NTA 192 (154). Refer to pages 28-29 for further details.

Cash flow statement

Net cash flow from operating activities came in at 380 million (483 million) in the quarter. The decrease mainly relates to working capital movements.

The net cash flow from investment activities was -501 million (-432 million) in the quarter, mainly driven by the cash effect from investment in and upgrades of investment properties of 392 million (412 million) and the acquisition of Lagårdsveien 6

in Stavanger. Proceeds from property transactions in the quarter is related to Tollbodallmenningen 2A in Bergen.

Net cash flow from financing activities was 128 million (-107 million) in the quarter, mainly driven by an increase in bank financing of 130 million.

The net change in cash and cash equivalents was 7 million (-57 million) in the quarter.

Financing

During the first quarter, Entra's nominal interest bearing debt increased by 130 million to 21,276 million. The change in interest bearing debt came from an increase in bank financing. In addition, Entra refinanced commercial paper loans of 400 million in the quarter.

As of 31.03.21, net nominal interest bearing debt after deduction of liquid assets of 223 million (260 million) was 21,053 million (19,535 million).

The average remaining term for the Group's debt portfolio was 5.0 years at 31.03.21 (4.8 years as of 31.03.20, 5.4 years as of 31.12.20). The calculation takes into account that available long-term credit facilities can replace short-term debt.

Entra's financing is mainly based on negative pledge of the Group's assets, which enables a broad and flexible financing mix. Entra's financing structure includes bank loans, bonds and commercial papers. At the end of the period, 72 per cent (69 per cent) of the Group's financing came from debt capital markets.

Maturity profile and composition interest bearing debt

Maturity profile	0-1 yrs	1-2 yrs	2-3 yrs	3-4 yrs	4+ yrs	Total	%
Commercial papers (NOKm)	1 200	0	0	0	0	1 200	6
Bonds (NOKm)	812	3 000	3 495	0	6 750	14 057	66
Bank loans (NOKm)	0	0	724	3 382	1 914	6 019	28
Total (NOKm)	2 012	3 000	4 219	3 382	8 664	21 276	100
Unutilised credit facilities (NOKm)	0	0	1 500	1 400	4 250	7 150	
Unutilised credit facilities (%)	0	0	21	20	59	100	

Financing policy and status

All amounts in NOK million	31.03.2021	Target
Loan-to-value (LTV)	36.4 %	Below 50 per cent over time
Interest coverage ratio (ICR)	3.6	Min. 1.8x
Debt maturities <12 months	9 %	Max 30 %
Maturity of hedges <12 months	50 %	Max 60 %
Average time to maturity (hedges)	2.2	2-6 years
Back-stop of short-term interest bearing debt	355 %	Min. 100 %
Average time to maturity (debt)	5.0	Min. 3 years

Interest rates and maturity structure

The average interest rate¹⁾ of the debt portfolio was 2.37 per cent (2.91 per cent) as at 31.03.21. The change in average interest rate stems mainly from lower Nibor interest rates.

50 per cent (59 per cent) of the Group's financing was hedged at a fixed interest rate as at 31.03.21 with a weighted average maturity of 2.2 years (2.9 years).

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

	0-1 yrs	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	5-6 yrs	6-7 yrs	7-8 yrs	8-9 yrs	9-10 yrs	10+ yrs	Total
Fixed rate instruments ²⁾ (NOKm)	950	1 550	1 250	1 300	2 300	3 560	200	0	0	500	0	11 610
Interest rate (%)	3.2	2.2	1.9	2.4	2.2	2.1	2.2	0.0	0.0	4.9	0.0	2.4
Maturity credit margins (NOKm)	4 931	3 000	3 495	1 600	1 450	2 700	2 000	1 000	0	1 100	0	21 276
Credit margin (%)	1.05	0.89	0.90	1.00	0.75	0.84	1.05	0.93	0.00	0.39	0.00	0.92

¹⁾ Average reference rate (Nibor) is 0.38 per cent as at the reporting date

²⁾ Excluding forward starting swaps and credit margins on fixed rate bonds (credit margins are displayed in the bottom of the table)

The property portfolio

Entra's management portfolio consists of 74 properties with a total area of approximately 1.1 million square meters. As of 31.03.21, the management portfolio had a market value of 49.3 billion. The occupancy rate was 98.1 per cent (97.4 per cent). The weighted average lease term for the Group's leases was 6.7 years (6.9) for the management portfolio and 6.9 years (7.0) when the project portfolio is included. For the management portfolio, the public sector represents approximately 58 per cent of the total rental income. The entire property portfolio consists of 91 properties with a market value of 58 billion.

Entra's properties are valued by two external appraisers (Akershus Eiendom/JLL and Newsec) on a quarterly basis. The market value of the portfolio in Entra's balance sheet is based on the average of the appraisers' valuation. Valuation of the management portfolio is performed on a property by property basis, using individual DCF models and taking into account the property's current characteristics combined with the external

appraiser's estimated return requirements and expectations on future market development.

The market value is defined as the external appraiser's estimated transaction value of the individual properties on valuation date. The project portfolio is valued based on the same principles, but with deduction for remaining investments and perceived risk as of valuation date. The land and development portfolio is valued based on actually zoned land.

Year-on-year, the portfolio net yield is reduced from 4.93 to 4.40 per cent. 12 months rolling rent per square meter increased from 2,134 to 2,180 mainly driven by properties that are vacated and classified to the project portfolio as they are awaiting redevelopment.

The market rent per square meter has increased by 1.2 per cent from the first quarter of 2020, from NOK 2,230 to 2,258.

	Properties (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value		12 months rolling rent		Net yield ¹⁾	Market rent	
					(NOKm)	(NOK/sqm)	(NOKm)	(NOK/sqm)	(%)	(NOKm)	(NOK/sqm)
Oslo	35	554 461	98.3	6.7	31 303	56 457	1 390	2 507	4.11	1 454	2 622
Trondheim	11	158 696	96.5	6.9	5 192	32 719	286	1 800	5.17	281	1 772
Bergen	6	103 223	97.3	5.2	4 736	45 878	215	2 081	4.17	258	2 501
Sandvika	9	98 990	99.5	7.5	3 184	32 169	174	1 754	5.16	154	1 558
Stavanger	6	93 449	99.3	6.1	2 615	27 983	152	1 625	5.32	155	1 658
Drammen	7	62 115	98.2	9.3	2 297	36 987	119	1 912	4.88	116	1 865
Management portfolio	74	1 070 934	98.1	6.7	49 328	46 061	2 335	2 180	4.40	2 418	2 258
Project portfolio	12	191 547		9.5	7 956	41 534					
Development sites	5	109 847		0.2	747	6 798					
Property portfolio	91	1 372 329		6.9	58 031	42 286					

¹⁾ See the section "Definitions". The calculation of net yield is based on the appraisers' assumption of ownership costs, which at 31.03.21 is 7.1 per cent of market rent.

Letting activity

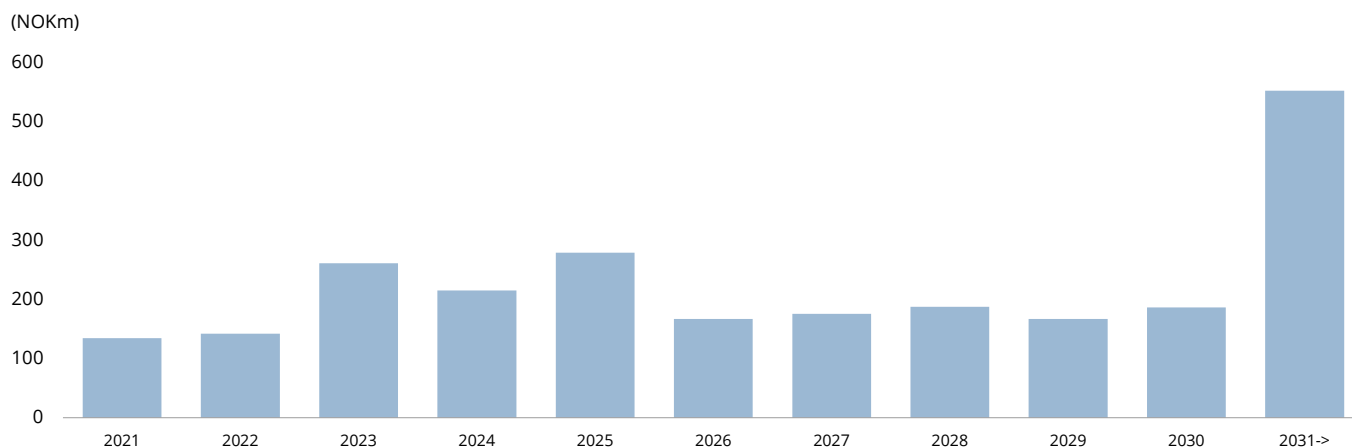
During the first quarter, Entra signed new and renegotiated leases with an annual rent totaling 57 million (36,800 square metres) and received notices of termination on leases with an annual rent of 1 million. Net letting was 18 million in the

quarter. Net letting is calculated as the annualised rent of new lease contracts plus lease-up on renegotiated contracts less terminated contracts.

Significant contracts in the quarter

- Renegotiated 5-year lease contract with Southwestern Police district for 12,900 sqm in Lagårdsveien 6 in Stavanger
- New 10-year lease contract with Volue for 3,500 sqm in Holtermanns veg 1-13 in Trondheim
- New 10-year lease contract with SANDS for 1,400 sqm in Nygårdsgaten 91/93 in Bergen
- New 10-year lease contract with WSP for 1,200 sqm in Holtermanns veg 1-13 in Trondheim
- Renegotiated 10-year lease contract with Alternative to violence (ATV) for 1,100 sqm in Lilletorget 1 in Oslo

MATURITY PROFILE OF THE MANAGEMENT PORTFOLIO:



Investments and divestments

Entra has invested a total of 538 million (466 million) in the portfolio of investment properties in the first quarter. The decomposition of the investments is as follows:

All amounts in NOK million	Q1-21	Q1-20	2020
Acquisitions	137	-	193
Developments	324	434	1 306
- Newbuild projects	40	27	83
- Redevelopment projects ¹⁾	239	376	1 176
- Refurbishment ¹⁾	46	31	46
Investment properties	66	24	274
- Incremental lettable space	-	-	-
- No incremental lettable space and tenant incentives	53	17	186
- Other material non-allocated types of expenditure	13	7	88
Capitalised interest	11	8	35
Total Capital Expenditure	538	466	1 807
Conversion from accrual to cash basis	-13	-54	70
Total Capital Expenditure on cash basis	525	412	1 877

¹⁾Also includes tenant alterations and maintenance capex when this is done as a part of asset redevelopment or refurbishment

Project development

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

	Ownership (%)	Location	Expected completion	Project area (sqm)	Occupancy (%)	Estimated total project cost ¹⁾ (NOKm)	Of which accrued ¹⁾ (NOKm)	Yield on cost ²⁾ (%)
Redevelopment								
Universitetsgata 7-9	100	Oslo	Q3-21	21 900	86	1 295	1 069	5.8
Universitetsgata 2 - Rebel	100	Oslo	Q3-21	28 100	54	1 650	1 449	5.6
St. Olavs plass 5	100	Oslo	Q3-22	16 500	60	1 148	698	4.8
Tordenskiolds gate 12	100	Oslo	Q3-22	13 000	92	1 203	766	4.4
Stenersgata 1	100	Oslo	Q2-23	15 800	57	1 166	666	4.5
Schweigaards gate 15	100	Oslo	Q2-23	22 900	34	1 362	637	4.7
Møllendalsveien 6-8	100	Bergen	Q4-21	14 200	44	636	379	5.2
Newbuild								
Nygårdsgaten 91/93	100	Bergen	Q4-22	11 900	14	619	262	5.3
Holtermanns veg 1-13 phase 2	100	Trondheim	Q2-23	20 900	29	703	103	5.7
Refurbishment								
Grønland 32	100	Drammen	Q2-21	5 000	100	158	126	7.0
Hagegata 22-24	100	Oslo	Q4-21	10 100	100	433	396	5.5
Total				180 300		10 373	6 551	

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

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

Status ongoing projects

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 out high environmental ambitions for the project, aiming for a BREEAM-NOR Excellent classification.

Next to Tullinkvartalet, Entra has the redevelopment project Rebel ongoing in Universitetsgata 2. Rebel will be a tech company hub 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 54 per cent and the project is expected to be completed in Q3 2021.

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

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 is 92 per cent pre-let.

Entra is also redeveloping 15,800 sqm in Stenersgata 1. This is the first phase of a redevelopment project comprising the office spaces. The project is 57 per cent pre-let. Tenant optionality has conservatively been taken into consideration in the occupancy rate. The project is expected to be completed in Q2 2023 with a BREEAM-NOR Very Good classification.

Schweigaards gate 15 is a 22,900 sqm office building located near Oslo central station. The redevelopment is estimated for completion in Q2 2023. The project is 34 per cent pre-let.

Entra is further redeveloping the 14,200 sqm property in Møllendalsveien 6-8 in Bergen. The project is 44 per cent pre-let on a 10-year contract and is expected to be completed in Q4 2021.

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 100 per cent pre-let and expected to be completed in Q2 2021.

In Tøyen in Oslo, Entra is refurbishing 10,100 sqm in Hagegata 22-24. The office space going into refurbishment 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 100 % pre-let and expected to be completed in Q4 2021.

Projects started up in the first quarter

Entra is building a new 11,900 sqm office building at Nygårdsgaten 91/93 in central Bergen. The project is planned for completion in Q4 2022, and the project is currently 14 per cent pre-let. The project aims for a BREEAM-NOR Excellent classification.

In Holtermanns veg 1-13 in Trondheim, Entra is constructing a 20,900 sqm office building, the second of three planned buildings on the property totaling 48,000 sqm. The property is currently 29 per cent pre-let. Expected completion of this building stage is in Q2 2023. This project aims for a BREEAM-NOR Excellent classification.

Transactions

Entra actively seeks to improve the quality of its property portfolio and 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 2020–2021

Acquired properties	Area	Transaction quarter	No of sqm	Transaction value	Closing quarter
Kanalpiren (through 50 % owned company Hinna Park Eiendom)	Stavanger	Q1 2021	25 900	375	Q2 2021
Møllendalsveien 1A	Bergen	Q1 2021	5 800	208	Q2 2021
Lagårdsveien 6	Stavanger	Q1 2021	13 600	126	Q1 2021
Østensjøveien 29	Oslo	Q4 2020	2 000	44	Q4 2020
Hagegata 27 (parking)	Oslo	Q3 2020	-	36	Q3 2020
Total			47 300	789	

Divested properties		Transaction quarter	No of sqm	Transaction value	Closing quarter
Tollbodallmenningen 2A	Bergen	Q1 2021	1 800	40	Q1 2021
Total			1 800	40	

Partly owned companies

Papirbredden Eiendom AS (60 %)

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 %)

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 %)

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 U2 AS (50 %)

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.

Oslo S Utvikling AS "OSU" (33.33 %)

OSU is a property development company that is undertaking primarily residential development in the city district Bjørvika, Oslo's CBD East.

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

All amounts in NOK million	Papirbredden Eiendom AS	Hinna Park Eiendom AS	Entra OPF Utvikling AS	Total consolidated companies	Oslo S Utvikling AS	Rebel U2 AS	Other	Total associated companies & JVs
Share of ownership (%)	60	50	50		33	50		
Rental income	28	21	35	84	1		1	2
Net operating income	26	19	29	75	0		0	0
Net income	22	8	29	58	159	-3	-1	155
Net value changes	15	15	40	70	0	0	0	0
Profit before tax	37	23	69	128	159	-3	-1	155
Tax	-8	-4	-15	-27	-35	1	0	-34
Profit for the period	29	19	53	101	123	-2	-1	121
<i>Non-controlling interests</i>	11	9	27	48				
<i>Entra's share of profit¹⁾</i>					41	-1	0	40
<i>Book value</i>					534	10	22	567
Market value properties (100 %)	2 194	1 180	3 115	6 489	2 339			2 339

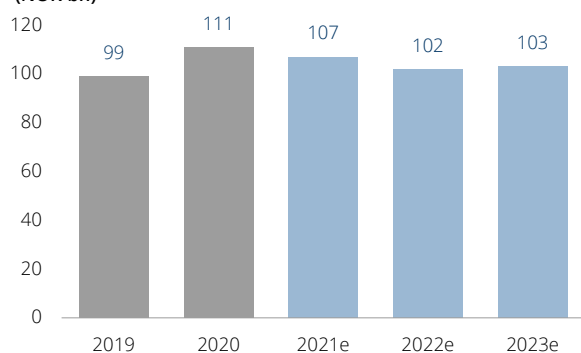
¹⁾ Recognised as Share of profit from associates and JVs

Market development

Total transaction volume in 2020 came in at 111 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 during the first half of 2020. The market has continued to be active with a total transaction volume of around 21 billion in Q1 2021. Both national and international investors report to be net buyers going forward. For international investors, Norway is considered robust and low-risk.

The financing market continue 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 of 2020 and as a result yields contracted significantly. Despite the increase in long term interest rates seen in Q1 2021, the prime yield remains at 3.30 per cent according to Entra's consensus report. The spread to regional markets has narrowed with prime yield in Bergen reaching all-time low at 3.75 per cent.

TRANSACTION VOLUME NORWAY (NOK bn)



Source: Entra Consensus report, Q1 2021

According to Entra's consensus report, 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 decreased slightly in 2020 but is expected to rise by around 4,4 per cent over the next two years. 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 today. New supply in the city centre is fairly limited also going forward.

In Bergen, the office vacancy is currently around 8 per cent. There is limited supply of modern premises in the city centre and fairly strong 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 9 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. Overall vacancy is currently around 11 per cent, and there is downward pressure on rent levels in the main oil and gas intensive areas such as Forus. In the city centre and at Hinna Park there is demand for modern, flexible and centrally located office premises, and rent levels have held up.

Market data Oslo

	2018	2019	2020	2021e	2022e	2023e
Vacancy Oslo, incl. Fornebu and Lysaker (%)	6.1	5.5	6.9	7.6	7.2	7.0
Rent per sqm, high standard Oslo office	3 345	3 610	3 544	3 607	3 700	3 890
Prime yield (%)	3.7	3.7	3.3	3.3	3.4	3.5

Source: Entra Consensus report, Q1 2021

Organisation and HSE

At 31.03.21 the Group had 186 (179) employees.

In Q1 2021, Entra had no injuries with long term absence from work in the ongoing projects. Entra has a continuous HSE focus and works continually to avoid injuries both in on-going projects and in the operations. Entra had an LTIF rate (number of accidents with lost time per million hours worked in last 12 months) on ongoing projects of 4.2 at the end of the first quarter 2021 (2.2 at the end of the first quarter 2020).

Risk management

Entra assesses risk on an ongoing basis, primarily through semi-annually comprehensive reviews of the Group's 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. Entra's main risk factors consist of both financial and non-financial risk. A thorough description and analysis is included on pages 28-39 in the 2020 annual report.

Share and shareholder information

Entra's share capital is NOK 182,132,055 divided into 182,132,055 shares, each with a par value of NOK 1 per share. Entra has one class of shares and all shares provide equal rights, including the right to any dividends.

As of 20 April 2021, Entra had 4,777 shareholders. Norwegian investors held 27 per cent of the share capital. The 10 largest shareholders as registered in VPS on 20 April 2021 were:

Shareholder	% holding
Fastighets AB Balder	29.9 %
Folketrygdfondet	11.8 %
Castellum AB	10.0 %
Swedbank (Nominee)	4.2 %
DNB Markets	3.0 %
State Street Bank and Trust (Nominee)	2.8 %
Skandinaviska Enskilda Banken	2.8 %
The Bank of New York Mellon (Nominee)	1.4 %
Danske Invest Norske	1.3 %
Vanguard	1.2 %
Total 10 largest shareholders	68.3 %

Annual general meeting and dividend

The annual general meeting in Entra ASA will be held on 23 April 2021. In line with the dividend policy of distributing approximately 60 per cent of Cash Earnings, the board of Entra has proposed to distribute a semi-annual dividend of NOK 2.50 per share for the second half of 2020. The last day the share is traded including the right to receive the dividend is 23 April 2021. The dividend will be paid on or about 4 May 2021.

Outlook

The Norwegian society and office market has been less affected by Covid-19 than most other countries, and Entra has proved resilient during Covid-19 with only marginal P&L impact. All of Entra's assets have been open and available for the tenants throughout the pandemic. The vaccine program in Norway is progressing, and the government is preparing for a gradual reopening of the society through Q2 2021. Both real estate investors and tenants seem to believe that the vaccination soon will bring things back to a new normal and re-start the economy. In general, office rents and the interest for office products and investments is thus holding up well.

Entra owns an unparalleled portfolio of modern, efficient and large office assets on central locations in connection with public transportation hubs. The weighted average unexpired lease term (WAULT) is around seven years, and the occupancy rate is 98 per cent. The company offers investors superior cash flow visibility and quality with 58 per cent of rental income from public sector tenants with AAA credit rating.

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. Entra is thus well positioned in a solid Norwegian economy supported by strong public funding and a property market with low office vacancy rates and expectations for continued rental growth.

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 like Entra.

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. Assets representing 58 per cent of the value of the management portfolio are, or in the process of being, BREEAM certified. Entra issued its first green bond in 2016 and currently has more than 50 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 newbuild and redevelopment projects with significant value creation. During 2019 and 2020, several large assets were taken out of the management portfolio for redevelopment and, as a result, top line growth was lower than in previous years. These properties are now in the process of being redeveloped, and Entra started up seven new development projects over the last two quarters. The portfolio of large, ongoing development projects currently consists of 11 assets totalling 180,000 sqm. Fully let, these projects will add net rental income of around 530 million, phased in during 2021-2024.

Entra has a strong balance sheet, a well staggered debt maturity profile, and a diversified financing mix with an ample supply of unutilized credit facilities. Entra will continue to actively use the balance sheet to progress the project pipeline and grow the portfolio going forward.

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.

Oslo, 22 April 2021

The Board of Entra ASA

Financial statements

Statement of comprehensive income

All amounts in NOK million	Q1-21	Q1-20	2020
Rental income	591	587	2 353
Operating costs	-51	-42	-211
Net operating income	539	545	2 142
Other revenue	16	18	113
Other costs	-10	-9	-79
Administrative costs	-49	-50	-186
Share of profit from associates and JVs	40	38	120
Net realised financials	-127	-148	-541
Net income	410	394	1 569
- of which net income from property management	370	357	1 451
Changes in value of investment properties	781	0	5 980
Changes in value of financial instruments	99	-337	-275
Profit before tax	1 290	58	7 274
Tax payable	-4	-3	-26
Change in deferred tax	-264	-2	-1 552
Profit for period/year	1 022	52	5 696
Actuarial gains and losses	0	0	-25
Change in deferred tax on comprehensive income	0	0	5
Total comprehensive income for the period/year	1 022	52	5 677
Profit attributable to:			
Equity holders of the Company	974	36	5 460
Non-controlling interest	48	17	236
Total comprehensive income attributable to:			
Equity holders of the Company	974	36	5 440
Non-controlling interest	48	17	236

Balance sheet

All amounts in NOK million	31.03.2021	31.03.2020	31.12.2020
Intangible assets	109	117	109
Investment properties	58 149	49 559	56 834
Other operating assets	16	19	17
Investments in associates and JVs	567	448	527
Financial derivatives	270	416	347
Long-term receivables and other assets	271	242	252
Total non-current assets	59 383	50 801	58 086
Inventory properties	463	414	461
Trade receivables	72	29	64
Other receivables and other current assets	301	284	279
Cash and bank deposits	223	260	217
Total current assets	1 060	988	1 021
Investment properties held for sale	0	0	33
Total assets	60 443	51 789	59 141
Shareholders' equity	28 109	22 607	27 136
Non-controlling interests	2 109	1 944	2 069
Total equity	30 218	24 551	29 205
Interest bearing debt	19 226	17 478	19 095
Deferred tax liability	7 178	5 369	6 914
Financial derivatives	514	821	690
Other non-current liabilities	572	503	554
Total non-current liabilities	27 490	24 172	27 253
Interest bearing debt	2 051	2 323	2 051
Trade payables	273	251	281
Other current liabilities	411	492	350
Total current liabilities	2 735	3 066	2 683
Total liabilities	30 225	27 238	29 936
Total equity and liabilities	60 443	51 789	59 141

Changes in equity

All amounts in NOK million	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Non-controlling interests	Total equity
Equity 31.12.2019	182	0	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 schemes		0	0	-1		0
Equity 31.12.2020	182	0	3 524	23 430	2 069	29 205
Profit for period				974	48	1 022
Other comprehensive income				0		0
Dividend					-8	-8
Net equity effect of LTI scheme		0	0	-1		-1
Equity 31.03.2021	182	0	3 524	24 403	2 109	30 218

Statement of cash flows

All amounts in NOK million	Q1-21	Q1-20	2020
Profit before tax	1 290	58	7 274
Income tax paid	-5	-10	-11
Net expensed interest and fees on loans and leases	127	148	541
Net interest and fees paid on loans and leases	-107	-131	-553
Share of profit from associates and jointly controlled entities	-40	-38	-120
Depreciation and amortisation	1	1	13
Changes in value of investment properties	-781	0	-5 980
Changes in value of financial instruments	-99	337	275
Change in working capital	-6	119	83
Net cash flow from operating activities	380	483	1 521
Proceeds from property transactions	36	0	15
Acquisition of investment properties	-134	0	-194
Investment in and upgrades of investment properties	-392	-412	-1 683
Investment in properties for sale and inventory properties	-2	-2	-48
Acquisition of intangible and other non-current assets	-3	-7	-21
Net payment financial assets	1	1	73
Net payment of loans to associates and JVs	-8	0	-1
Investments in associates and JVs	0	-13	-13
Dividends from associates and JVs	0	0	3
Net cash flow from investment activities	-501	-432	-1 868
Proceeds interest bearing debt	2 730	3 195	14 635
Repayment interest bearing debt	-2 600	-3 301	-13 390
Repayment of lease liabilities	-2	-2	-9
Proceeds from issue of shares/repurchase of shares	0	1	0
Dividends paid	0	0	-874
Dividends paid to non-controlling interests	0	0	-114
Net cash flow from financing activities	128	-107	246
Change in cash and cash equivalents	7	-57	-100
Cash and cash equivalents at beginning of period	217	317	317
Cash and cash equivalents at end of period	223	260	217

NOTE 1 – ACCOUNTING PRINCIPLES

The results for the period have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles that have been used in the preparation of the interim financial statements are in conformity with the principles used in preparation of the annual financial statements for 2020.

The financial reporting covers Entra ASA, subsidiaries, associated companies and jointly controlled entities. The interim financial statements have not been audited.

NOTE 2 – SEGMENT INFORMATION

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, finance, legal, investment, procurement, communication and HR.

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

Operating segments Q1–21

	Properties (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value (NOKm) (NOK/sqm)		12 months rolling rent (NOKm) (NOK/sqm)		Net yield ¹⁾ (%)	Market rent (NOKm) (NOK/sqm)	
Oslo	35	554 461	98.3	6.7	31 303	56 457	1 390	2 507	4.11	1 454	2 622
Trondheim	11	158 696	96.5	6.9	5 192	32 719	286	1 800	5.17	281	1 772
Bergen	6	103 223	97.3	5.2	4 736	45 878	215	2 081	4.17	258	2 501
Sandvika	9	98 990	99.5	7.5	3 184	32 169	174	1 754	5.16	154	1 558
Stavanger	6	93 449	99.3	6.1	2 615	27 983	152	1 625	5.32	155	1 658
Drammen	7	62 115	98.2	9.3	2 297	36 987	119	1 912	4.88	116	1 865
Management portfolio	74	1 070 934	98.1	6.7	49 328	46 061	2 335	2 180	4.40	2 418	2 258
Project portfolio	12	191 547		9.5	7 956	41 534					
Development sites	5	109 847		0.2	747	6 798					
Property portfolio	91	1 372 329		6.9	58 031	42 286					

¹⁾ See the section "Definitions". The calculation of net yield is based on the appraisers' assumption of ownership costs, which at 31.03.21 is 7.1 per cent of market rent.

Operating segments Q1-20

	Properties (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value (NOKm) (NOK/sqm)		12 months rolling rent (NOKm) (NOK/sqm)		Net yield (%)	Market rent (NOKm) (NOK/sqm)	
Oslo	34	557 981	97.4	6.9	26 838	48 098	1 377	2 467	4.75	1 459	2 614
Trondheim	12	166 442	96.4	7.5	4 894	29 402	272	1 632	5.17	294	1 767
Bergen	8	119 538	97.2	5.9	4 794	40 104	239	1 999	4.55	278	2 326
Sandvika	9	98 988	99.8	8.2	2 922	29 520	173	1 746	5.51	150	1 520
Stavanger	5	78 607	99.4	6.9	2 293	29 174	142	1 808	5.76	133	1 691
Drammen	8	70 422	97.5	5.8	2 085	29 611	129	1 825	5.79	121	1 720
Management portfolio	76	1 091 978	97.4	6.9	43 826	40 135	2 331	2 134	4.93	2 436	2 230
Project portfolio	8	120 981		9.2	4 723	39 035					
Development sites	6	114 859		0.3	832	7 248					
Property portfolio	90	1 327 818		7.0	49 381	37 190					

NOTE 3 – INVESTMENT PROPERTIES

All amounts in NOK million	Q1-21	Q1-20	2020
Closing balance previous period	56 867	49 095	49 095
Acquisition of investment properties	137	0	193
Investment in the property portfolio	390	456	1 580
Capitalised borrowing costs	11	8	35
Divestment of investment properties	-37	0	-15
Changes in value of investment properties	781	0	5 980
Closing balance	58 149	49 559	56 867
Investment properties held for sale	0	0	33
Investment properties	58 149	49 559	56 834

Acquisition of investment properties in 2021 is related to the acquisition of Lagårdsveien 6 in Stavanger. Divestment of investment properties in 2021 is related to the divestment of the property Tollbodallmenningen 2A in Bergen, classified as held for sale at 31 December 2020.

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

All amounts in NOK million	Fair value level	31.03.2021	31.03.2020	31.12.2020
Assets measured at fair value:				
Assets measured at fair value through profit or loss				
- Investment properties	Level 3	58 149	49 559	56 834
- Investment properties held for sale	Level 3	0	0	33
- Derivatives	Level 2	270	416	347
- Equity instruments	Level 3	36	34	37
Total		58 455	50 009	57 251
Liabilities measured at fair value:				
Financial liabilities measured at fair value through profit or loss				
- Derivatives	Level 2	514	821	690
Total		514	821	690

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
- Net value changes
- 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 and EPRA NDV
- EPRA Net Initial Yield
- EPRA Cost Ratio

NET INCOME FROM PROPERTY MANAGEMENT & CASH EARNINGS

All amounts in NOK million	Q1-21	Q1-20	2020
Net income	410	394	1 569
Less:			
Other income and costs in associates and JVs	40	38	118
Net income from property management	370	357	1 451
Tax payable	-4	-3	-26
Cash Earnings	366	353	1 425

NET VALUE CHANGES

All amounts in NOK million	Q1-21	Q1-20	2020
Changes in value of investment properties	781	0	5 980
Changes in value of financial instruments	99	-337	-275
Net value changes	880	-337	5 705

MARKET VALUE OF THE PROPERTY PORTFOLIO

All amounts in NOK million	31.03.2021	31.03.2020	31.12.2020
Investment properties	58 149	49 559	56 834
Investment properties held for sale	0	0	33
Other	-118	-131	-121
Market value of the property portfolio	58 031	49 428	56 746

NET NOMINAL INTEREST BEARING DEBT

All amounts in NOK million	31.03.2021	31.03.2020	31.12.2020
Nominal value of interest bearing debt	21 276	19 795	21 146
Cash and bank deposits	-223	-260	-217
Net nominal interest bearing debt	21 053	19 535	20 930

DEBT RATIO (LTV)

All amounts in NOK million except ratio	31.03.2021	31.03.2020	31.12.2020
Total net nominal interest bearing debt	21 316	19 797	21 192
- Net nominal interest bearing debt	21 053	19 535	20 930
- Other interest bearing liabilities	263	261	263
Total market value of the property portfolio	58 494	49 842	57 207
- Market value of the property portfolio	58 031	49 428	56 746
- Inventory properties	463	414	461
Debt ratio (LTV) %	36.4	39.7	37.0

INTEREST COVERAGE RATIO (ICR)

All amounts in NOK million except ratio	Q1-21	Q1-20	2020
Net income	410	394	1 569
Depreciation	1	1	13
Results from associates and joint ventures	-40	-38	-120
Net realised financials	127	148	541
EBITDA adjusted	498	505	2 002
Interest cost	131	153	555
Other finance expense	8	6	30
Applicable net interest cost	139	159	585
Interest Coverage Ratio (ICR)	3.6	3.2	3.4

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 latest edition of the Best Practices Recommendations Guidelines. Accordingly, Entra presents only the three new NAV metrics; EPRA NRV, EPRA NTA and EPRA NDV; which has replaced the previous NAV metrics EPRA NAV and EPRA NNNAV. 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, see www.epra.com.

Summary table EPRA performance measures		Unit	Q1-21 / 31.03.2021	Q1-20 / 31.03.2020
A	EPRA earnings per share (EPS)	NOK	1.46	1.42
B	EPRA NRV per share	NOK	194	156
	EPRA NTA per share	NOK	192	154
	EPRA NDV per share	NOK	153	125
C	EPRA Net Initial Yield (NIY)	%	4.37	4.91
	EPRA, "topped-up" NIY	%	4.37	4.91
D	EPRA Vacancy Rate	%	1.9	2.5
E	EPRA Cost Ratio (including direct vacancy costs)	%	16.6	15.4
	EPRA Cost Ratio (excluding direct vacancy costs)	%	14.6	13.7

The details for the calculation of the performance measures are shown on the following pages.

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 the associated tax effects. In addition, earnings from the jointly controlled entity OSU is adjusted for as the business of this company is development of residential properties for sale and is not considered relevant for measurement of the underlying operating performance of the property portfolio under management.

All amounts in NOK million	Q1-21		Q1-21		Q1-20		Q1-20	
	IFRS reported	EPRA adjustments	Non-controlling Interests ¹⁾	EPRA Earnings	IFRS reported	EPRA adjustments	Non-controlling Interests ¹⁾	EPRA Earnings
Rental income	591	0	39	551	587	0	38	549
Operating costs	-51	0	-4	-47	-42	0	-2	-40
Net operating income	539	0	35	504	545	0	35	509
Other revenue	16	0	0	16	18	0	1	17
Other costs	-10	0	0	-10	-9	0	-2	-7
Administrative costs	-49	0	-2	-47	-50	0	-2	-48
Share of profit from associates and JVs	40	41	0	-1	38	38	0	0
Net realised financials	-127	0	-6	-121	-148	0	-6	-141
Net income	410	41	28	341	394	38	25	331
Net value changes	880	880	0	0	-337	-337	0	0
Profit before tax/EPRA Earnings before tax	1 290	922	28	341	58	-299	25	331
Tax payable	-4	0	-1	-2	-3	0	-1	-2
Change in deferred tax	-264	-187	-5	-73	-2	73	-5	-70
Profit for period/EPRA Earnings	1 022	735	21	266	52	-226	19	259
Average outstanding shares (million)				182.1				182.1
EPRA Earnings per share				1.46				1.42

¹⁾ Excluding non-controlling interests in relation to EPRA adjustments.

B. EPRA NET ASSET VALUE METRICS

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	31.03.2021	31.03.2021	31.03.2021	31.03.2020	31.12.2020
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NRV)	Attributable to shareholders (EPRA NRV ²)	Attributable to shareholders (EPRA NRV)
IFRS equity	30 218	-2 109	28 109	22 607	27 136
Revaluation of investments made in JVs	208	0	208	304	249
Revaluation of purchase option ¹⁾	0	0	0	0	176
Net Asset Value (NAV) at fair value	30 426	-2 109	28 317	22 911	27 561
Deferred tax properties and financial instruments	7 286	-396	6 891	5 160	6 673
Net fair value on financial derivatives	244	-11	233	387	329
Goodwill as a result of deferred tax	-109	55	-55	-55	-55
EPRA Net Reinstatement Value (NRV)	37 847	-2 461	35 386	28 404	34 508
Outstanding shares at period end (million)			182.1	182.1	182.1
EPRA NRV per share (NOK)			194	156	189

¹⁾ In January 2021, Entra acquired the property Lagårdsveien 6 for an option price of 126 million. Newsec, one of Entra's external appraisers, estimated the fair market value of the property to 313 million. The difference between the option price and the fair market value was included in NAV at fair value at 31.12.20, adjusted for transaction fees and the carrying amount of the option. The full market value of the property is included in the IFRS equity following the closing of the transaction.

²⁾ The EPRA NRV as at 31.03.20 was in the quarterly report for the first quarter of 2020 reported as 28,835 million (NOK 158 per share). The revaluation of investments made in JVs and share of EPRA NRV attributable to non-controlling interests was revisited in the third quarter of 2020, resulting in a reduction in the EPRA NRV as at 31.03.20.

EPRA NET TANGIBLE ASSETS (NTA)

The EPRA NTA is focused on reflecting 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	31.03.2021	31.03.2021	31.03.2021	31.03.2020	31.12.2020
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NTA)	Attributable to shareholders (EPRA NTA)	Attributable to shareholders (EPRA NTA)
IFRS equity	30 218	-2 109	28 109	22 607	27 136
Revaluation of investments made in JVs	208	0	208	304	249
Revaluation of purchase option	0	0	0	0	176
Net Asset Value (NAV) at fair value	30 426	-2 109	28 317	22 911	27 561
Reversal deferred tax liability as per balance sheet	7 178	-319	6 859	5 117	6 607
Adjustment estimated real tax liability ¹⁾	-283	-56	-339	-236	-294
Net fair value on financial derivatives	244	-11	233	387	329
Goodwill as a result of deferred tax	-109	55	-55	-55	-55
Intangible assets	0	0	0	-4	0
EPRA Net Tangible Assets (NTA)	37 455	-2 440	35 015	28 121	34 148
Outstanding shares at period end (million)			182.1	182.1	182.1
EPRA NTA per share (NOK)			192	154	187

¹⁾ 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.

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	31.03.2021	31.03.2021	31.03.2021	31.03.2020	31.12.2020
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NDV)	Attributable to shareholders (EPRA NDV)	Attributable to shareholders (EPRA NDV)
IFRS equity	30 218	-2 109	28 109	22 607	27 136
Revaluation of investments made in JVs	208	0	208	304	249
Revaluation of purchase option	0	0	0	0	176
Net Asset Value (NAV) at fair value	30 426	-2 109	28 317	22 911	27 561
Fair value adjustment fixed interest rate debt, net of tax	-337	0	-337	-35	-378
Goodwill as a result of deferred tax	-109	55	-55	-55	-55
EPRA Net Disposal Value (NDV)	29 980	-2 055	27 926	22 821	27 128
Outstanding shares at period end (million)			182.1	182.1	182.1
EPRA NDV per share (NOK)			153	125	149

C. EPRA NET INITIAL YIELD

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

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

All amounts in NOK million	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Investment property - wholly owned	38 340	5 463	3 273	1 672	335	2 459	51 541
Investment property - share of JVs	0	0	0	590	1 317	1 557	3 464
Total property portfolio	38 340	5 463	3 273	2 262	1 652	4 016	55 006
Less projects and land and developments	-7 037	-270	-89	-118	-232	-838	-8 584
Completed management portfolio	31 303	5 192	3 184	2 143	1 420	3 178	46 422
Allowance for estimated purchasers' cost	56	15	10	6	5	8	100
Gross up completed management portfolio valuation	31 359	5 207	3 194	2 149	1 425	3 187	46 522
12 months rolling rent	1 390	286	174	121	74	144	2 189
Estimated ownership cost	102	17	9	10	4	13	156
Annualised net rents	1 288	268	164	111	70	132	2 034
Add: Notional rent expiration of rent free periods or other lease incentives	0	0	0	0	0	0	0
Topped up net annualised net rents	1 288	268	164	111	70	132	2 034
EPRA NIY (net initial yield)	4.11%	5.15%	5.15%	5.18%	4.91%	4.13%	4.37%
EPRA "topped-up" NIY (net initial yield)	4.11%	5.15%	5.15%	5.18%	4.91%	4.13%	4.37%

D. EPRA VACANCY RATE

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	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Market rent vacant areas	26	10	1	1	1	4	42
Total market rent	1 454	281	154	124	72	182	2 267
EPRA vacancy rate	1.8%	3.5%	0.5%	0.5%	1.7%	2.2%	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	Q1-21	Q1-20	2020
Operating costs	-51	-42	-211
Administrative costs	-49	-50	-186
Share of joint venture expenses	0	0	0
Less: Ground rent cost	2	2	9
EPRA cost (including direct vacancy cost)	-98	-90	-388
Direct vacancy cost	-11	-9	-44
EPRA cost (excluding direct vacancy cost)	-86	-81	-343
Gross rental income less ground rent	591	587	2 353
Share of joint ventures	0	0	0
Total gross rental income less ground rent	591	587	2 353
EPRA cost ratio (including direct vacancy cost)	16.6%	15.4%	16.5%
EPRA cost ratio (excluding direct vacancy cost)	14.6%	13.7%	14.6%

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	- EPRA NDV is a NAV metric reflecting 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	- EPRA NRV is a NAV metric reflecting 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	- EPRA NTA is a NAV metric reflecting 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 acquisition 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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Financial calendar

Second quarter 2021 14.07.2021

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