SUPPLEMENT DATED 7 DECEMBER 2020
TO THE BASE PROSPECTUS DATED 24 JULY 2020

SAMHÄLLSBYGGNADSBOLAGET I NORDEN AB (PUBL)

(incorporated with limited liability in Sweden)

SBB TREASURY OYJ

(incorporated with limited liability in Finland)

€4,000,000,000
Euro Medium Term Note Programme
unconditionally and irrevocably guaranteed by

SAMHÄLLSBYGGNADSBOLAGET I NORDEN AB (PUBL)

(incorporated with limited liability in Sweden)

This base prospectus supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 24 July 2020 and the base prospectus supplement dated 3 November 2020 (together, the "**Base Prospectus**") prepared by Samhällsbyggnadsbolaget i Norden AB (publ) ("**SBB**", and in its capacity as guarantor of Notes issued by SBB Treasury Oyj, the "**Guarantor**") and SBB Treasury Oyj ("**SBBT**" and, together with SBB, the "**Issuers**") in connection with their Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €4,000,000,000 in aggregate principal amount of notes ("**Notes**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

The purpose of the Supplement is: (a) to update the sections entitled "Risk Factors", "Applicable Final Terms", "Use of Proceeds" and "Ownership Structure of SBB" in the Base Prospectus to enable the Issuers to issue Social Bonds and Sustainability Bonds (each as defined below) under the Programme; (b) to update certain parts, including adding recent developments to the section entitled "Description of SBB and its Operations"; (c) to append to, and incorporate by reference into, the Base Prospectus the financial information used in the preparation of the pro forma financial statements; and (d) to include a new section entitled "Pro Forma Financial Statements".

This Supplement has been approved by the Central Bank of Ireland (the "**CBI**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CBI only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval by the CBI should not be considered as an endorsement of the Issuers, the Guarantor or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

The Issuers and the Guarantor each accept responsibility for the information contained in this Supplement. To the best of the knowledge of each Issuer and the Guarantor, the information contained in this Supplement is in accordance with the facts and this Supplement makes no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus which may affect the assessment of the Notes issued under the Programme since the publication of the Base Prospectus.

AMENDMENTS TO "RISK FACTORS" SECTION

With effect from the date of this Supplement, the "Risk Factors" section shall be amended as follows:

1. The risk factor titled "*In respect of any Notes issued with a specific use of proceeds, such as a Green Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*" is deleted and replaced with the following:

"***In respect of any Notes issued with a specific use of proceeds, such as a Green Bond, Social Bond or Sustainability Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor***

The Final Terms relating to any specific Tranche of Notes may provide that it will be the relevant Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and/or environmental purposes, or projects and activities that promote social or sustainability purposes (either in those words or otherwise) ("**Eligible Assets**"). Prospective investors should have regard to the information in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the relevant Issuer that the use of such proceeds for any Eligible Assets will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Eligible Assets). Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "sustainable", "social" or equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "sustainable", "social" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Assets will meet any or all investor expectations regarding such "green", "Green", "sustainable", "social" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Assets.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the relevant Issuer or any other member of the Group) which may be made available in connection with the issue of any Notes and in particular with any Eligible Assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the relevant Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable", "social", or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the relevant Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Assets. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the relevant Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the relevant Issuer to apply the proceeds of any Notes so specified for Eligible Assets in, or substantially in, the manner described in the Base Prospectus and/or the relevant Final Terms, there can be no assurance that the relevant intended project(s) or use(s) the subject of, or related to, any Eligible Assets will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally disbursed for the specified Eligible Assets. Nor can there be any assurance that such Eligible Assets will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the relevant Issuer. Any such event or failure by the relevant Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Eligible Assets as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the relevant Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Assets and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose."

2. The following risk factors shall be added:

"***Risks relating to the Offer - The Offer is subject to significant uncertainties.***

On 27 November 2020, SBB launched a voluntary tender offer (the "**Offer**") to acquire Entra ASA ("**Entra**") in exchange for a combined consideration of cash and shares in SBB. At this stage there can be no assurance that the acquisition will proceed, on the basis of the terms of the Offer, or alternative terms. Completion of the Offer is subject to customary conditions including, but not limited to, 90 per cent. minimum acceptance of the Offer, satisfactory due diligence, and clearance from the Norwegian Competition Authority. The Offer is expected to be open until the end of 2020, however, the process is currently at a very early stage. There can be no assurance as to the timeline for completion of the Offer nor of the acquisition of Entra if the Offer is accepted.

Due to conditions out of the control of SBB, there is a risk that the acquisition may not be completed. There is also a competing offer from another potential purchaser. The terms of the Offer may change, and further developments are expected, during the process of negotiation. The uncertainty related to the completion of the Offer could result in an adverse impact on the price of SBB's shares and debt securities. If the acquisition is completed, Entra's business will become a part of the Group's business. There is a risk that this process is made more difficult by factors currently unknown to SBB. Whether or not synergies may be realised depends on a number of factors and is based on SBB's assessment of future circumstances. However, there is a risk that synergies may not be fully realised. Improved integration is required upon the acquisition of a new company to enable synergies in the new business. If the acquisition of Entra does proceed, or an integration process continues for a longer period of time than expected, there is a risk that the combined Group may be adversely affected. Information on Entra has been derived from public sources and has not been independently verified by SBB. As a result, following completion of the acquisition, the Group may become subject to liabilities or obligations of Entra about which it was previously unaware. If the consideration paid by SBB to acquire Entra proves over time to be too high, and this leads to write-downs in future, this may have a material adverse effect on the Group's business, results of operations and financial condition."

AMENDMENTS TO "APPLICABLE FINAL TERMS" SECTION

With effect from the date of this Supplement, the line titled "*Reasons for the Offer and Estimated Net Amount of Proceeds*" is deleted and replaced with the following:

4.	**REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS**	
	Reasons for the offer:	[*(See "Use of Proceeds" wording in Base Prospectus – if use of proceeds different will need to include those here.)*] [The Issuer intends the Notes will be [Green Bonds] [Social Bonds] [Sustainability Bonds] and the Issuer intends to apply the net proceeds from this offer of Notes specifically for Eligible Assets]
	Estimated net proceeds:	[ ]

AMENDMENTS TO "USE OF PROCEEDS" SECTION

With effect from the date of this Supplement, the "*Use of Proceeds*" section is updated by deleting both paragraphs of this section and replacing it with the following:

"The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes, including acquisitions, unless otherwise specified in the applicable Final Terms.

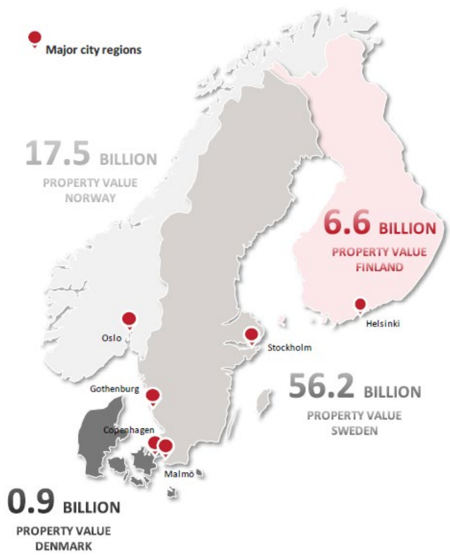
In particular, if so specified in the use of proceeds section of the applicable Final Terms, the relevant Issuer intends to apply the net proceeds from an offer of Notes specifically for Eligible Assets in accordance with SBB's Sustainable Financing Framework. Such Notes may be used to promote climate-friendly/environmental purposes ("**Green Bonds**"), social purposes ("**Social Bonds**") or a combination of both climate-friendly/environmental and social purposes ("**Sustainability Bonds**")."

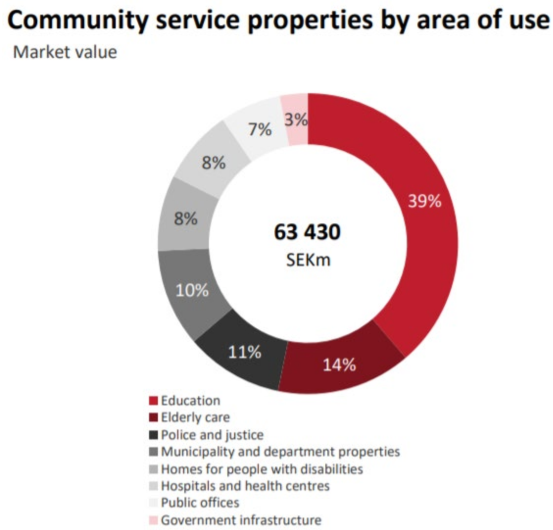
AMENDMENTS TO "DESCRIPTION OF SBB AND ITS OPERATIONS" SECTION

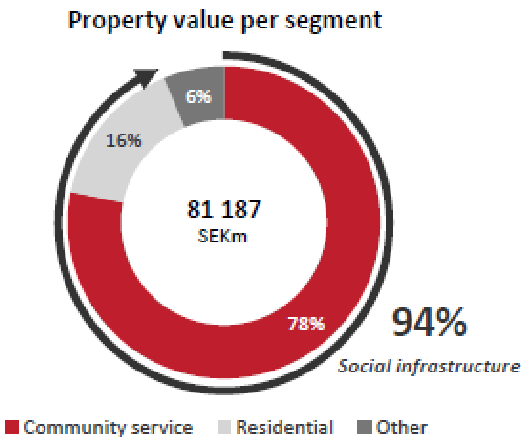
1. The Section "Property Value by Geography" on page 91 of the Base Prospectus and the first paragraph of the section "Operating Segments" on page 92 of the Base Prospectus (including the three diagrams at the end of the paragraph) are deleted and replaced with the following:

"Geographic locations of the SBB property portfolio

The Group's property portfolio is located entirely in the Nordic region with 78 per cent. of the gross asset value of the Group's property portfolio consisting of community service properties as of 30 September 2020. As of that date, properties in Sweden, Norway, Finland and Denmark accounted for 69 per cent., 22 per cent., 8 per cent. and 1 per cent., respectively, of the gross asset value of the Group's property portfolio. Rent-regulated residential properties in Sweden made up 16 per cent. of the gross asset value of the Group's property portfolio and the remaining 6 per cent. of the gross asset value of the Group's property portfolio as of 30 September 2020 was made up of other properties with development potential for building rights for social infrastructure. As for rental income, Sweden, Norway, Finland and Denmark accounted for 75 per cent., 15 per cent., 10 per cent. and 1 per cent., respectively, of the Group's rental income for the financial year ended 31 December 2019.







"

2. The following text is added to the section entitled "Recent Developments" on page 97 of the Base Prospectus:

SBB has signed agreements to sell a number of properties, including office properties in Karlshamn and Karlstad as well as apartments in Ronneby, for an aggregate property value of SEK 722 million. Furthermore, agreements were signed with Oscar Properties regarding the sale by SBB of a property portfolio worth SEK 1.4 billion, including SBB's joint venture Valerum. SBB has published a press release dated 7 October 2020 presenting a strategic update of a number of focus areas and the Board's ambition to suggest a dividend of SEK 1 per Class A and Class B common shares during the annual general meeting 2021. Agreements were signed regarding an acquisition of a property portfolio in Finland, primarily with elderly and other care homes for EUR 222 million, with an annual rental income of EUR 13.6 million and a net operating income of EUR 13.1 million. The transaction was financed with SBB's cash reserves. Following the end of the third quarter 2020, SBB carried out an external valuation of the transactions signed after the end of the quarter and contracts which will be signed during the forthcoming twelve months. These transactions have, in regard to community service properties, an average duration of 39.5 years and a fully indexed operating net income of SEK 101 million. In November 2020, SBB announced that Sveafastigheter Bostad will become a part of SBB. The acquisition consists of a total of approximately 7,100 apartments including a development portfolio and projects in progress, which in addition to Greater Stockholm are located in the Öresund Region and in Swedish university regions. Half of the transaction will be financed with an issue of 44,533,762 Class B shares to a subscription price of SEK 31.10 per share, and the rest of the transaction is financed by SBB's realisation of a number of financial assets.

In November 2020, SBB signed an agreement with Skellefteå's public housing company Skebo for the acquisition of Skebo's rent regulated residential and community properties on Morö Backe at an agreed property value of approximately SEK 1.3 billion. The acquisition of the properties on Morö Backe is to be financed through the sale of certain financial assets. The acquisition as well as the investment in new apartments is conditional on Skellefteå City Council approving the deal. In November 2020, SBB also announced a 50/50 joint venture with Magnolia Bostad for the development of investment properties. SBB is selling one project in Norrköping to the joint venture, and Magnolia Bostad is selling four projects located in Huddinge, Nacka, Sollentuna and Helsingborg, to the joint venture. The joint venture will be responsible for the future construction financing. SBB is also acquiring two projects consisting of elderly care homes located in Östersund and Nacka from Magnolia Bostad. The estimated property value of the projects upon completion is approximately SEK 470 million.

Offer to acquire Entra ASA

On 27 November 2020, SBB announced its Offer to acquire Entra in exchange for a combined consideration of cash and shares in SBB. At this stage there can be no assurance that the transaction will proceed, on the basis of the terms of the Offer, or alternative terms. Completion of the Offer is subject to customary conditions including, but not limited to, 90 per cent. minimum acceptance of the Offer, satisfactory due diligence, and clearance from the Norwegian Competition Authority. The board of directors of Entra have indicated that they are not going to recommend the Offer to its shareholders on its current terms. A competing offer to acquire Entra has also been made from another potential purchaser. The Offer is expected to be open until the end of 2020, however, the process is currently at a very early stage. There can be no assurance whether the Offer will be accepted, the timeline for completion of the Offer nor of the acquisition of Entra if the Offer is accepted.

SBB has offered Entra shareholders NOK 165 per Entra share, delivered as a combination of NOK 115.5 in cash (the "**Cash Consideration**") and NOK 49.5 (the "**Share Consideration**") in new SBB Class B Shares. Based on the SBB 5-day volume weighted average price to and including 23 November 2020, approximately 296 million SBB Class B shares will be issued to Entra shareholders to fund the Share Consideration and a total of NOK 21.0 billion will be paid as the Cash Consideration, resulting in a 30 per cent. Share Consideration and 70 per cent. Cash Consideration mix. SBB reserves the right to settle the Share Consideration for the Acquisition of Entra partially or wholly in cash at its sole discretion. Further, SBB is offering shareholders of Entra a mix & match facility, whereby each Entra shareholder, subject to certain restrictions, may elect to receive as much cash consideration or as much share consideration as possible for the tendered shares in Entra. The terms of the Offer may change, and further developments are expected, during the process of negotiation.

SBB will finance the Cash Consideration through a combination of existing cash reserves and an undrawn bridge facility entered into with Goldman Sachs. SBB intends to refinance such bridge loan through future bond issuance, and a portion of the bridge loan may be cancelled following the next bond issuance by SBB.

On 25 November 2020, Fitch Ratings Limited upgraded the rating outlook for SBB to positive from stable, which means that SBB's rating is currently BBB- with positive outlook for the company and its unsecured debt. The revision to positive outlook followed SBB's announced intention on 24 November 2020 to submit a voluntary public takeover bid to acquire Entra, and reflects the expected improvements in business profile in the event that the Offer is accepted. There can be no assurance that this position will be maintained if the Offer is not accepted. On 30 November 2020, S&P Global Ratings affirmed the rating of SBB's senior unsecured debt as BBB-, outlook stable.

The rationale behind the proposed business combination is to create the leading European social infrastructure player with significantly enhanced scale and visibility. Entra had total group assets of NOK 54,441 million as at 30 September 2020 (according to its published interim third quarter financial statements). If Entra were to be acquired by SBB there would be a significant increase in the operations of SBB. In the opinion of management the acquisition would also present an extension of SBB's existing strategy, adding to its social infrastructure portfolio within Norway. The management of SBB has estimated aggregate pre-tax run-rate synergies of approximately SEK 260 million per annum as a result of the combination. However, there can be no assurance that such synergies will be realised or that there will be no adverse impact on the operations of the Group.

Arctic Securities, Citigroup Global Markets Europe AG, DNB Markets and Goldman Sachs International are acting as financial advisors to SBB in connection with the Offer.

Ecological sustainability

In August 2020, SBB's management team adopted an environmental and quality management system designed to ensure a structured and uniform approach to issues of the environment and quality throughout the company. Matters including procedures for new construction, remodelling, renovation and management are regulated. Procedures are also defined for producing a training plan in the areas of the environment and quality.

During the third quarter of 2020, SBB initiated energy projects at the Isbjörnen 5 property in Södertälje, the Majsen 3 and Kråkan 1 properties in Avesta, the Västland 26:39 property in Sundsvall and the Kvarnluckan 1 property in Stockholm. In addition, SBB has initiated the procurement of additional energy projects at the Hosjö and Korsnäs areas in Falun, as well as at an additional four properties in Södertälje. The objective at all of these properties is to achieve energy savings of at least 30 per cent.. The projects will generate positive environmental effects and reduce CO_2 emissions. SBB has also begun the process of automating its energy monitoring work by developing an algorithm that analyses and compiles consumption data from energy invoices.

SBB has also decided to provide a housing app to all residential tenants commencing from the autumn of 2020. The objective is to provide added value to SBB's tenants, while also generating additional income streams through add-on sales and by mediating supplementary services. Use of the app is expected to minimise the use of paper for information and invoicing.

During the third quarter of 2020, Mid Sweden University and SBB agreed on a new long-term green lease for the Åkroken campus in Sundsvall. This long-term agreement enables SBB to invest in aquifer thermal energy storage and cooling for the premises of Mid Sweden University. The savings provided by this contractual solution will benefit both parties by reducing overall costs. The partnership will also enable the certification of the property, allowing it to be included in SBB's framework for green financing.

Social sustainability

During the third quarter of 2020, SBB decided to introduce youth housing in its portfolio of rent-regulated residentials. Making it easier for young people to secure their own rental contracts represents a clear social contribution by a landlord, with employment and housing being two crucial criteria in avoiding social exclusion. SBB's local leasing agents earmark smaller apartments (studio apartments and one-bedroom apartments, with living room, kitchen and bathroom), preferably in locations with good public transport. Applications, lease signings, terms and conditions are identical to SBB's ordinary administrative procedures, except that the tenant must be under 26 years of age on the date on which he/she signs the contract.

In September 2020, the Municipality of Nyköping adopted a major new detailed development plan for the Nöthagen area, adjacent to Nyköping station. Today, this is an industrial area, but five years from now, the beginnings of a new district will be completed with housing, schools, health care facilities and residential care units with a total 160,000 sqm. GFA. SBB has involved the relevant stakeholders, including public authorities, organizations and the local community during the consultation and review stages of the planning process. The new detailed development plan takes socio-demographic trends into account by transforming a brownfield site into a neighbourhood with housing, schools, health care facilities and residential care units, all with nearby public transport connections.

Economic sustainability

During the third quarter of 2020, SBB issued three green bonds amounting to SEK 400 million within its green financing framework, which was updated in the second quarter. This framework received a “Medium Green” assessment from the Center for International Climate and Environmental Research in Oslo, Norway (CICERO).

On 16 October 2020, SBB announced early redemption of the outstanding senior unsecured floating rate notes with ISIN SE0010414581."

AMENDMENTS TO "OWNERSHIP STRUCTURE OF SBB" SECTION

With effect from the date of this Supplement, the "*Ownership Structure of SBB section*" is updated by deleting the section titled "*Green Bond Framework*" on page 103 of the Base Prospectus, and replacing it with the following:

"**Sustainable Financing Framework**

On 16 November 2020, SBB established a sustainable financing framework (the "**Sustainable Financing Framework**") for the issue of green, social or sustainability bonds (replacing its previous Green Bond Framework). The Sustainable Financing Framework is in line with the Green Bond Principles ("**GBP**"), Social Bond Principles ("**SBP**") and Sustainability Bond Guidelines ("**SBG**") developed by the International Capital Market Association. SBB commissioned and received an independent valuation by ISS-ESG of the Sustainable Financing Framework and associated steering documents and routines for assessing the environmental and societal impact of the projects.

By setting up the Sustainable Financing Framework SBB offers investors further insights into its environmental and socially-focused strategy and commitments and thereby an opportunity for its investors to support those commitments. The Sustainable Financing Framework is aligned with the following four recommended components of the GBP, SBP and SBG: Use of Proceeds, Process for Project/Asset Evaluation and Selection, Management of Proceeds and Reporting. As such the Sustainable Financing Framework may be updated from time to time to reflect current market practices and potential updates in the GBP, SBP and SBG.

The Sustainable Financing Framework, together with the second party opinion by ISS ESG, are publicly available at SBB's website: https://corporate.sbbnorden.se/en/sustainability/ (but have not been incorporated in, and do not form part of, this Base Prospectus)."

AMENDMENTS TO "DOCUMENTS INCORPORATED BY REFERENCE" SECTION

With effect from the date of this Supplement, the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below:

1. adding the following paragraph as a new item (g) on page 23 of the Base Prospectus:

   "(g) the unaudited financial statements of Hemfosa for the year-ended 31 December 2019 as set out on pages 12 to 15 (inclusive) of Hemfosa's year-end report for 2019:

   https://corporate.sbbnorden.se/en/wp-content/uploads/sites/2/2020/05/year-end-report-january-december-2019.pdf ."

NEW SECTION

With effect from the date of this Supplement, the following section "Pro Forma Financial Statements" is added as a new section after the section "Ownership Structure of SBB" ending on page 103 of the Base Prospectus.

"PRO FORMA FINANCIAL STATEMENTS

PURPOSE OF THE PRO FORMA FINANCIAL STATEMENTS

SBB presents these pro forma financial statements for illustrative purposes only. The pro forma financial statements illustrate a hypothetical situation and do not reflect SBB's actual earnings or financial position. The pro forma financial statements are intended solely to provide information and highlight facts and not to show SBB's earnings or financial position at any specific future point in time.

BACKGROUND OF THE PRO FORMA FINANCIAL STATEMENTS

On 27 November 2020, SBB announced a public takeover bid regarding all shares in Entra (the "**Acquisition of Entra**"). The purchase price is estimated to amount to approximately SEK 29 billion, corresponding to NOK 165 per share in Entra. The purchase price comprises of 30 per cent. in a number of newly issued shares in SBB that represent a value of NOK 49.5 per share, and 70 per cent. as a cash portion that represents a value of NOK 115.5 per share. The number of SBB class B common shares that will be delivered under the share consideration will be calculated based on the volume-weighted average share price of the SBB class B common share during the last three trading days before the offer is declared unconditional by SBB in a stock exchange announcement and based on the average SEK/NOK exchange rate of Norges Bank on the last of these three trading days. The newly issued shares, intended to be approved within the framework of a non-cash issue comprise a total of 293,886,895 class B common shares based on the average price of SEK 29.311 per class B common share on 23 November 2020 and SEK/NOK exchange rate of 1.0466. Based on this preliminary calculation, the share consideration amounts to SEK 8,614 million and cash portion amounts to SEK 20,100 million.

The completion of the Acquisition of Entra is subject to several conditions, including, but not limited to, 90 per cent. minimum acceptance of the bid, satisfactory due diligence and clearance from the Norwegian Competition Authority. The unaudited pro forma financial statements have been prepared assuming the transaction will be approved.

The acquisition of Hemfosa Fastigheter AB (publ) ("**Hemfosa**") was completed on 23 December 2019 (the "**Acquisition of Hemfosa**"). Hemfosa Fastigheter AB (publ) is included in financial statements of SBB as of 23 December 2019 onwards.

To present the hypothetical impact of the Acquisition of Entra and the Acquisition of Hemfosa and the hypothetical impact of debt issued to finance the acquisitions on SBB's earnings if completed on 1 January 2019, and the hypothetical impact of the Acquisition of Entra on SBB's financial position if completed on 30 September 2020, SBB has included pro forma financial statements for the 2019 financial year and for the period 1 January – 30 September 2020. The following pro forma financial statements are presented here:

- Pro forma income statement for the financial year ended 31 December 2019
- Pro forma income statement for the nine months period ended 30 September 2020
- Pro forma balance sheet as of 30 September 2020

Because of their nature, the pro forma financial statements address a hypothetical situation and, therefore, do not represent SBB's actual financial position or results if the transactions had in fact occurred on those dates and is not representative of the results of operations for any future periods investors are cautioned not to place undue reliance on these pro forma financial statements.

BASIS AND ASSUMPTIONS ON WHICH THE PRO FORMA FINANCIAL STATEMENTS HAVE BEEN PREPARED

Subscription to the acquisitions

The acquisition of Hemfosa and Entra encompasses all shares in Hemfosa Fastigheter AB (publ) and Entra and full subscription to the acquisitions has been assumed in the pro forma financial statements.

Presentation format

Because the companies use different presentation formats for their income statements and balance sheets, for the purposes of these pro forma financial statements, the presentation formats in Hemfosa's and Entra's financial reports have, as far as possible, been adjusted to conform with SBB's presentation format. SBB did not have access to Entra's associated underlying accounts when preparing the pro forma accounts, meaning that it was not possible to present the distribution between items in Entra's accounts. Accordingly, to achieve comparability between the financial statements of SBB and Entra, Entra's presentation format has, in some instances, been used for pro forma purposes. The following adjustments have been made to the presentation format:

- Operating costs, maintenance, property administration and property tax in SBB are presented in the item Operating costs in the pro forma income statement
- Other long-term receivables in SBB are presented in the item Other long-term receivables and other assets in the pro forma balance sheet.
- Trade receivables in Entra are presented in the item Accounts receivable in the pro forma balance sheet.
- Other receivables in SBB are presented in the item Other receivables and other current assets in the pro forma balance sheet.
- Liabilities to credit institutions, bond loans and commercial papers in SBB are presented in the item Interest-bearing liabilities in the pro forma balance sheet.
- Other long-term liabilities, accounts payable, current tax liabilities, other liabilities and accrued expenses and prepaid income are presented in the item Other liabilities in the pro forma balance sheet.
- Other non-current liabilities and current liabilities are presented in the item Other liabilities in the pro forma balance sheet.

Entra include land lease agreement in the item Investment properties and lease liabilities in the item Other non-current liabilities. It has not been possible to distribute the items in Entra's balance sheet to conform with SBB's presentation form of separate balance sheet items.

Since the pro forma financial statements are presented in SEK million, figures in the pro forma financial statements and disclosures in the notes have, in some cases, been rounded off, which is why tables and totals do not always add up precisely.

Entra's financial statements are reported in NOK and have in the pro forma financial statements been translated to SEK according to the following exchange rates (which are the Sveriges Bank exchange rates, averaged for the period of each income statement, or on the closing date of the balance sheet):

- Pro forma income statement for the financial year ended 31 December 2019 – SEK 1 = NOK 0.9253
- Pro forma income statement for the nine months period ended 30 September 2020 – SEK 1 = NOK 1.0134
- Pro forma balance sheet as of 30 September 2020 – SEK 1 = NOK 1.0487

Accounting principles

The pro forma financial statements are based on SBB's financial statements which have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the EU. See SBB's annual report for 2019. Entra also applies the IFRS as adopted by the EU, which are detailed in Entra's annual report for 2019. The pro forma financial statements have been prepared under the assumption of going concern

Business v. asset acquisitions

Since SBB did not have complete access to the underlying accounts of Entra at the time of preparing the pro forma financial statements, it has not been possible to complete the classification whether the acquisition is a business combination or asset acquisition. The transaction is reported as a business combination acquisition in accordance with IFRS 3 in the pro forma financial statements.

Supporting documentation

For SBB, Hemfosa and Entra, the companies' audited annual financial statements for the 2019 financial year form the supporting documentation for the unaudited pro forma income statement for the financial year ended 31 December 2019. SBB's annual financial statement for the 2019 financial year was audited by EY, Hemfosa's annual report for the 2019 financial year was audited by KPMG and Entra's annual report for the 2019 financial year was audited by Deloitte. SBB's and Entra's interim financial statements for the period 1 January to 30 September 2020 form the supporting documentation for the unaudited pro forma income statement for the nine months period ended 30 September 2020 and the unaudited pro forma balance sheet as of 30 September 2020. SBB's interim report was reviewed by EY according to ISRE 2410. Entra's interim report has not been audited or reviewed by Entra's auditor.

The pro forma financial statements do not include all of the information required for financial statements under International Financial Reporting Standards, and should be read in conjunction with the historical information of the companies as presented in the annual reports. In addition to the aforementioned public information, SBB has not been privy to any documentation relating to Entra's accounts.

Pro forma adjustments

The overarching nature of the pro forma adjustments is described below. The adjustments are described in greater detail in the notes to the pro forma financial statements. General synergies or integration expenses have not been included in the pro forma financial statements.

Adjustments to accounting principles

Based on public information, SBB has performed an analysis of the significant differences between the accounting principles of SBB and Entra. In SBB's assessment, there are no significant differences between the accounting principles of SBB and Entra that would have any significant effects on the financial data.

Acquisition analysis

In the pro forma financial statements, the purchase price for the Acquisition of Entra was calculated at SEK 28,714 million. In the preliminary acquisition analysis, the value of SBB's shares has been calculated based on SBB's average share price on 23 November 2020, amounting to SEK 29.311 per class B common share and exchange rate of SEK 1 = NOK 1.0466.

Based on the above assumptions, the cash portion of the purchase price amounts to SEK 20,100 million and the portion for which the consideration will take the form of shares amounts to SEK 8,614 million.

When preparing the preliminary acquisition analysis, SBB did not have access to data allowing it to assess the fair value of Entra. This also means that the deferred tax related to the difference between the book values of investment properties and their tax values has not been determined. Accordingly, a preliminary acquisition analysis regarding Entra has been prepared based on Entra's consolidated balance sheet as of 30 September 2020.

When preparing the final acquisition analysis, all identifiable assets and liabilities will be recognized at fair value. Acquired properties will then be valued in accordance with SBB's process for determining the market value of each property. This value may deviate from the fair value of Entra's properties recognized as of 30 September 2020. When preparing the acquisition analysis, new intangible assets may also be identified, which may, in the future, entail amortization of these assets being charged against earnings. SBB has not had access to information enabling valuations of assets and liabilities and the transaction is reported as a business combination acquisition accordance with IFRS 3 in the pro forma financial statements.

In the preliminary purchase price analysis, the difference between Entra's net assets and the purchase price has been recognized as goodwill.

Transactions expenses and financing

Transaction and issue expenses are, for pro forma purposes, assumed to have been incurred on 1 January 2019 and adjustments have been made for these in the pro forma income statement for the financial year ended 31 December 2019 and pro forma balance sheet as of 30 September 2020. The transaction costs are non-recurring in further periods.

In connection with the Acquisition of Entra but after 30 September 2020, SBB raised a bridge loan to secure the financing on which the Acquisition of Entra based. In the pro forma income statements, the bridge loan is treated as if it had been raised in connection with the hypothetical acquisition date of 1 January 2019. The ultimate financing of the Acquisition of Entra may, however, look different, resulting in other interest expenses. In the pro forma income statement ending on 31 December 2019, financing costs for the Acquistion of Hemfosa are included as if the financing was raised on 1 January 2019 and are dependent on future changes in financing.

Entra has outstanding bonds subject to early redemption terms in the event of changes in ownership. It has not been possible to make a complete assessment of the outcome of the change of control on Entra's financing. For this reason, in the pro forma financial statements it is assumed that these loans will not be settled in connection with the implementation of the Acquisition of Entra.

Tax effect on adjustments

The tax effect has been taken into account in connection with all adjustments deemed tax deductible or taxable in the pro forma financial statements. The calculated tax effect may differ from the actual tax effect on implementation of the Acquisition of Entra and Hemfosa.

The tax calculations for current tax are based on a tax rate of 21.4 per cent. for 2019 and 2020.

PRO FORMA INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

(SEK million)	SBB IFRS (Audited)	Hemfosa IFRS (Audited)	Pro forma adjustments (Unaudited)	Note	Entra IFRS (Audited)	Pro forma adjustments (Unaudited)	Note	SBB Pro forma income statement Total (Unaudited)
Rental income	1,996	2,810			2 513			7,319
Operating costs	(731)	(803)			(203)			(1,737)
Net operating income	**1 265**	**2,007**	**-**		**2,310**	**-**		**5,582**
Central administration	(136)	(179)			(184)			(498)
Acquisition and restructuring costs	(83)	-	(83)	**A1**	-	(261)	**B1**	(427)
Other operating income and expenses	-	8			43			51
Result from associated companies/joint ventures	92	30			335			457
Profit before financial items	**1,138**	**1,867**	**(83)**		**2,504**	**(261)**		**5,165**
Financial income and expenses	(493)	(546)	(4)	**A2**	(592)	(239)	**B2**	(1,875)
Profit from property management	**645**	**1,320**	**(87)**		**1,913**	**(500)**		**3,291**
Changes in value, property	2,453	1,531			2,052			6,036
Dissolution of goodwill after property sales	-	-			-			-
Changes in value, derivatives	39	65			49			153
Profit before tax	**3,137**	**2,916**	**(87)**		**4,014**	**(500)**		**9,480**
Tax	(513)	(545)	1	**A3**	(547)	51	**B3**	- (1,553)
Net profit for the year	**2,624**	**2,372**	**(86)**		**3,466**	**(449)**		**7, 927**

Notes to the pro forma accounts

A1

Transaction expenses totalling SEK 83 million attributable to the Acquisition of Hemfosa are assumed to have arisen on 1 January 2019, entailing a pro forma adjustment in the income statement for acquisition and restructuring costs. The expenses are items of a non-recurring nature and are assumed not to be deductible.

A2

The cash consideration for the Acquisition of Hemfosa totalling SEK 11,372 million was financed through proprietary funds of SEK 9,243 million, bond loans and commercial papers of SEK 685 million and a rights issue of SEK 1,500 million. The new financings have an average annual interest rate of 0.65 per cent. This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 4 million. The adjustment is expected to have a continuing impact on SBB.

Arrangement fees related to the debt financing are assumed to be zero. The issuing costs for the rights issue are not adjusted for in the income statement.

This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 4 million.

A3

The pro forma adjustments presented regarding financing expenses have an impact on the tax expense for the period. The adjustment relates to a positive effect of SEK 1 million regarding tax related to the increased interest expenses (21.4 per cent. of SEK 4 million). The adjustment is expected to have a continuing impact on SBB.

B1

Transaction expenses totalling SEK 261 million attributable to the acquisition of Entra are assumed to have arisen on 1 January 2019, entailing a pro forma adjustment in the income statement for acquisition and restructuring costs. The expenses are items of a non-recurring nature and are assumed not to be deductible.

B2

The cash consideration for the acquisition of Entra totalling SEK 20,100 million, as well as transaction and issue expenses totalling SEK 373 million, will be financed through proprietary funds of SEK 5,822 million and a bridge loan of SEK 14,650 million. The bridge loan has an average annual interest rate of 1.2 per cent. This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 176 million. The ultimate financing may, however, look different, resulting in other interest expenses.

Arrangement fees for the utilized bridge loan of SEK 110 million has been accrued over the tenor of the loan (assumed to correspond to the pro forma period of 21 months) and is SEK 63 million for the period. The expenses are items of a non-recurring nature.

This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 239 million.

B3

The pro forma adjustments presented regarding financing expenses have an impact on the tax expense for the period. The adjustment relates to a positive effect of SEK 51 million regarding tax related to the increased interest expenses (21.4 per cent. of SEK 239 million). The ultimate financing may, however, look different, resulting in other interest expenses and also different tax expenses. The adjustment may have a continuing impact on SBB.

PRO FORMA INCOME STATEMENT FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	SBB IFRS	**Entra IFRS**	**Pro forma adjustments**	**Note**	**SBB Pro forma income statement Total**
	(Unaudited)	*(Unaudited)*	*(Unaudited)*		*(Unaudited)*
(SEK million)					
Rental income	3,868	1,739			5,607
Operating costs	(1,199)	(152)			(1,351)
Net operating income	**2, 669**	**1,587**	**-**		**4,256**
Central administration	(173)	(129)			(302)
Acquisition and restructuring costs	(49)				(49)
Other operating income and expenses	-	27			27
Result from associated companies/joint ventures	42	91			133
Profit before financial items	**2,489**	**1,576**	**-**		**4,065**
Financial income and expenses	(888)	(411)	(179)	**A1**	(1,478)
Profit from property management	**1,601**	**1,163**	**(179)**		**2,585**
Changes in value, property	5,248	1,491			6,739
Dissolution of goodwill after property sales	(439)				(439)
Changes in value, derivatives	(268)	(334)			(602)
Profit before tax	6,142	2,319	(179)		8,282
Tax	(408)	(495)	38	**A2**	(865)
Net profit for the year	**5,734**	**1,825**	**(141)**		**7,419**

Notes to the pro forma accounts

A1

The cash consideration for the acquisition of Entra totalling SEK 20,100 million, as well as transaction and issue expenses totalling SEK 373 million, will be financed through proprietary funds of SEK 5,822 million and a bridge loan of SEK 14,650 million. The bridge loan has an average annual interest rate of 1.2 per cent. This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 132 million. The ultimate financing may, however, look different, resulting in other interest expenses.

Arrangement fees for the utilized bridge loan of SEK 110 million have been accrued over the tenor of the loan (assumed to correspond to the pro forma period of 21 months) and are SEK 47 million for the period. The expenses are items of a non-recurring nature.

This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 179 million.

A2

The pro forma adjustments presented regarding financing expenses have an impact on the tax expense for the period. The adjustment relates to a positive effect of SEK 38 million regarding tax related to the increased interest expenses (21.4 per cent. of SEK 179 million). The ultimate financing may, however, look different, resulting in other interest expenses and also different tax expenses. The adjustment may have a continuing impact on SBB.

PRO FORMA BALANCE SHEET AS OF 30 SEPTEMBER 2020

	SBB IFRS	Entra IFRS	Pro forma adjustments	Note	SBB Pro forma balance sheet Total
	(Unaudited)	*(Unaudited)*	*(Unaudited)*		*(Unaudited)*
(*SEK million*)					
ASSETS	-	-	-		-
Fixed assets	-	-	-		-
Goodwill	6,261	111	6,428	**A**	12,800
Investment properties	81,187	49,434	-		130,621
Land lease agreements	460	-	-		460
Equipment, machinery and installations	16	-	-		16
Shares in associated companies/joint ventures	1,233	476	-		1,709
Receivables from associated companies/joint ventures	1,128	-	-		1,128
Financial assets at fair value	1,605		-		1,605
Derivatives		421			421
Other long-term receivables	23	299	-		322
Other fixed assets	-	17	-		17
Total fixed assets	**91,913**	**50,757**	**6,428**		**149,098**
Current assets					
Accounts receivables	21	63	-		84
Other receivables	2,241	285	-		2,526
Cash and cash equivalents	6,065	287	(5,932)	**B**	420
Inventory properties		398	-		398
Total current assets	**8,327**	**1,033**	**(5,932)**		**3,428**
TOTAL ASSETS	**100,240**	**51,790**	**496**		**152,526**
EQUITY AND LIABILITIES					
Equity	**41,983**	**24,203**	**(14,020)**	**C**	**52,166**
Interest-bearing liabilities	47,984	19,680	14,540	**D**	82,204
Deferred tax liabilities	6,310	5,571	-		11,881
Liabilities leasing	460	-	-		460
Derivatives	120	808	-		928
Other liabilities	3,383	1,528	(24)	**E**	4,887
Total liabilities	**58,257**	**27,587**	**14,516**		**100,360**
	-	-	-		-
TOTAL EQUITY AND LIABILITIES	**100,240**	**51,790**	**496**		**152,526**

Notes to the pro forma accounts

A

In the pro forma financial statements, the preliminary purchase price was calculated at SEK 28,714 million. The final value of shares issued in SBB and the exchange rate used in the purchase price calculation might differ from the value in the pro forma financial statements.

SBB has for the purposes of the pro forma financial statements performed a preliminary purchase price allocation. This allocation has formed the basis for the presentation in the pro forma balance sheet. The final allocation may significantly differ from this allocation and could materially affect the presentation in the pro forma balance sheet. The main uncertainty relates to the share price of SBB and the SEK/NOK exchange rate. For purposes of the pro forma balance sheet, the consideration has been estimated based on the share price and the SEK/NOK exchange rate as at 23 November 2020, whilst the final purchase price will be based on the average share price during the last three trading days before the offer is declared unconditional by SBB and the SEK/NOK exchange rate for the last of these three trading days.

Since SBB has not had access to information enabling valuation of assets and liabilities of Entra, the deferred tax relating to the difference between the book values of investment properties and their tax values could not be determined and has not been taken into account. Accordingly, the preliminary acquisition analysis has been based on the values recognized in Entra's balance sheet as of 30 September 2020.

The difference between Entra's net assets and the purchase price has been recognized as goodwill in the amount of SEK 6,428 million. This is a non-recurring adjustment.

Preliminary acquisition analysis as of 30 September 2020:

Purchase price	SEK 28,714 million
Acquired equity incl. non-controlling interest	SEK -24,203 million
Non-controlling interest	SEK 1,917 million
Goodwill	**SEK 6,428 million**

B

The cash consideration totalling SEK 20,100 million will be financed with proprietary funds of SEK 5,822 million and the bridge loan of SEK 14,650 million. This entails a pro forma adjustment of cash and cash equivalents by SEK 5,822 million before deduction of arrangement fees for the bridge loan of SEK 110 million. This entails a pro forma adjustment for cash and cash equivalents by SEK 5,932 million.

Transaction and issue expenses attributable to the acquisition are assumed to have arisen on 1 January 2019, entailing an adjustment being made in equity and cash and cash equivalents as of 30 September 2020. Transaction expenses are estimated at SEK 261 million and issue expenses are estimated at SEK 112 million. Only the issue expenses are assumed to be deductible.

This is a non-recurring adjustment.

C

Equity has been adjusted for the share issue, increasing equity by SEK 8,614 million following the deduction of issue expenses of SEK 88 million after tax. Transaction expenses are items of a non-recurring nature and are expected to reduce equity by SEK 261 million and acquired equity excl. non-controlling interest in Entra (SEK 22,286 million) has been eliminated. These are non-recurring adjustments.

Pro forma equity adjustments:

Non-cash issue	SEK 8,614 million
Issue expenses, after tax	SEK -88 million

Transaction expenses	SEK -261 million
Elimination of acquired equity incl. non-controlling interest	SEK -24,203 million
Non-controlling interest	SEK 1,917 million
Pro forma equity adjustment	**SEK -14,020 million**

D

Interest-bearing liabilities have been adjusted for the bridge loan of SEK 14,650 million used for the partial financing of the Acquisition of Entra, following the deduction of the expenses of SEK 110 million for raising the bridge loan. The expenses are items of a non-recurring nature.

E

Tax liabilities have been adjusted for tax attributable to issue expenses of SEK 24 million. The expenses are items of a non-recurring nature."

The following pages contain a copy of the auditor's report on the pro forma financial statements.

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To the Board of Directors of
Samhällsbyggnadsbolaget i Norden AB

Independent Practitioners' Assurance Report on the compilation of pro forma financial information included in a base prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Samhällsbyggnadsbolaget i Norden AB ("**SBB**") by the Board of Directors and Management of SBB. The pro forma condensed financial information consists of the unaudited condensed pro forma balance sheet as at 30 September 2020, the unaudited condensed pro forma income statement for the year ended 31 December 2019, the unaudited condensed pro forma income statement for the nine months ended 30 September 2020, and related notes as set out in section "**Pro Forma Financial Statements**" of the supplement dated 7 December 2020 to the base prospectus dated 24 July 2020 (together, the "**Base Prospectus**") issued by SBB. The applicable criteria on the basis of which the Board of Directors and Management have compiled the pro forma financial information are specified in Annex 20 to Commission delegated Regulation (EU) no. 2019/980 and described in section "**Pro Forma Financial Statements**" of the Base Prospectus (the "**applicable criteria**"). The historical financial information of (i) SBB and of Entra ASA for the nine months ended 30 September 2020; and (ii) Hemfosa Fastigheter AB's for the period 1 January – 22 December 2019, used in the compilation of the pro forma financial information is unaudited and accordingly we do not accept any responsibility for that information.

The pro forma financial information has been compiled by the Board of Directors and Management to illustrate the impact of:

(i) the acquisition of all shares in Entra ASA (the acquisition of Entra ASA) as set out in section "*Pro Forma Financial Statements*" of the Base Prospectus on SBB's consolidated financial position as at 30 September 2020 and its consolidated financial performance for the year ended 31 December 2019 and the nine months ended 30 September 2020 as if the acquisition of Entra ASA had been completed at 30 September 2020 and 1 January 2019 respectively; and
(ii) the acquisition of all shares in Hemfosa Fastigheter AB (publ) (the acquisition of Hemfosa) as set out in section "*Pro Forma Financial Statements*" of the Base Prospectus on SBB's consolidated financial performance for the year ended 31 December 2019 as if the acquisition of Hemfosa had been completed at 1 January 2019.

As part of this process, information about SBB's, Hemfosa Fastigheter AB's and Entra ASA's consolidated financial position and financial performance has been extracted by the Board of Directors and Management from:

(i) SBB's and Entra ASA's consolidated financial statements for the year ended 31 December 2019;
(ii) Hemfosa Fastigheter AB's accounting records for the period 1 January – 22 December 2019; and

(iii) SBB's and Entra ASA's unaudited condensed consolidated financial information for the nine months ended 30 September 2020.

The auditor's report on SBB's financial statements for the year ended 31 December 2019 has been incorporated by reference in section "*Documents Incorporated by Reference*" of the Base Prospectus . The auditor's report on Entra ASA's and Hemfosa Fastigheter AB's financial statements for the year ended 31 December 2019 have not been included or incorporated by reference in the Base Prospectus.

The Board of Directors´ and Management´s Responsibility for the Pro Forma Financial Information

The board of Directors and Management are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Our Independence and Quality Control

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 firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express an opinion, as required by Regulation (EU) no. 2019/980 about whether the pro forma financial information has been compiled by the Board of Directors and Management on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether the Board of Directors and Management have compiled the pro forma financial information on the basis of the applicable criteria and whether this basis is consistent with the accounting policies of SBB. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in section "*Pro Forma Financial Statements*" of the Base Prospectus, considering the evidence supporting the adjustments and discussing the pro forma financial information with Management of SBB.

The aforementioned opinion does not require an audit of historical unadjusted financial information, the adjustments to conform the accounting policies of Hemfosa Fastigheter AB and Entra ASA to the accounting policies of SBB, or the assumptions summarized in section "*Pro Forma Financial Statements*" of the Base Prospectus. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to illustrate the impact of the acquisition of Entra ASA and the acquisition of Hemfosa on unadjusted financial information of SBB as if the acquisition of Entra ASA and the acquisition of Hemfosa occurred or had been undertaken at an earlier date selected for purposes of the illustration. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent SBB's actual financial position or performance. Accordingly, we do not provide any assurance that the actual outcome of (i) the acquisition of Entra ASA at 30 September 2020, for the year ended 31 December 2019 or the nine months ended 30 September 2020; and (ii) the acquisition of Hemfosa for the year ended 31 December 2019, would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis stated involves performing procedures to assess whether the applicable criteria used by the board of Directors and Management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria;
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information; and
- The pro forma financial information has been compiled on a basis consistent with the accounting policies of SBB.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

a) the pro forma financial information has been properly compiled on the basis stated in section "Pro Forma Financial Statements" of the Base Prospectus; and
b) that basis is consistent with the accounting policies of SBB.

Stockholm, 7 December 2020

ERNST & YOUNG AB

Mikael Ikonen	Ingemar Rindstig
Authorized Public Accountant	Authorized Public Accountant

NEW APPENDICES

With effect from the date of this Supplement, the following sections shall be appended to the Base Prospectus after the section "General Information" ending on page 113 of the Base Prospectus:

1. Appendix 1: Annual report of Entra for the 2019 financial year, containing the audited financial statements for the year ended 31 December 2019.

Annual Report 2019

Flexible, attractive and environment-friendly office properties

entra

Content

The statutory part of the annual report containing the Report of the Board of Directors, financial statements and auditor’s report can be found on pages 70–152. Comparable numbers for last year are provided in parenthesis. The calculation of Alternative performance measures, including EPRA key figures (European Public Real Estate Association), are presented on pages 156–162.

Entra’s ESG report can be found on pages 34–69. Entra report on ESG topics in accordance with the 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). Tables can be found on pages 163–175.

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

2019 in summary

Project development

- Completed 51,800 sqm. of development projects
- 66,000 sqm. under development at year end

Investment activity

- Acquired one and sold two properties, net + 5,300 sqm.

Asset management

- Gross letting of 371 million
- Portfolio occupancy of 97.1 % at year end

Financial

Rental income

2 338 mill

2018: 2 243 mill (4 %)

Net income from property management

1 471 mill

2018: 1 434 mill (+ 3 %)

Dividend per share

4.70

2018: 4.50 per share (+ 4 %)

NAV per share

151

2018: 141 (+ 7 %)

Loan to value

40.2 %

2018: 41.3 %

Rating

Baa1

Moody's Credit Rating

Non-financial

Customer satisfaction score of

86 vs Industry average 80

Employee satisfaction score of

85 vs national benchmark score of 71

Greenhouse gas intensity

4.53 (5.65)

kg CO_2e / sqm.

Energy consumption

135 (142)

kwh/sqm.

GRESB Score of

84

vs GRESB average 72

EPRA Sustainability reporting

Gold

	2019	2018	2017	2016	2015
All amounts in NOK million					
Rental income	2 338	2 243	2 075	1 899	1 760
Change period-on-period	4 %	8 %	9 %	8 %	(1 %)
Net operating income	2 149	2 058	1 913	1 740	1 574
Change period-on-period	4 %	8 %	10 %	11 %	-3 %
Net income from property management [1]	1 471	1 434	1 259	1 070	799
Change period-on-period	3 %	14 %	18 %	34 %	3 %
Profit before tax	3 735	3 073	5 030	3 306	3 075
Change period-on-period	22 %	-39 %	52 %	8 %	123 %
Profit after tax	3 225	2 735	4 514	2 722	2 721
Change period-on-period	18 %	-39 %	66 %	-	165 %
Market value of the property portfolio [1]	48 964	45 630	40 036	35 785	29 598
Net nominal interest bearing debt [1]	19 585	18 941	17 852	17 454	14 640
Loan to value [1]	40.2 %	41.3 %	43.3 %	47.6 %	46.1 %
Interest coverage ratio [1]	3.3	3.6	3.0	2.7	2.5
Number of shares	182.4	183.6	183.7	183.7	183.7
All amounts in NOK per share					
EPRA NAV [1]	151	141	127	101	89
Change period-on-period	7 %	11 %	26 %	14 %	16 %
EPRA NNNAV [1] [2]	141	131	118	93	81
Change period-on-period	9 %	11 %	26 %	15 %	20 %
EPRA Earnings [1]	5.81	5.59	5.23	4.27	3.25
Change period-on-period	4 %	7 %	22 %	31 %	8 %
Cash earnings [1]	8.01	7.74	6.81	5.80	4.96
Change period-on-period	3 %	14 %	17 %	17 %	21 %
Dividend per share [3]	4.70	4.50	4.10	3.45	3.00
Change period-on-period	4 %	10 %	19 %	15 %	20 %

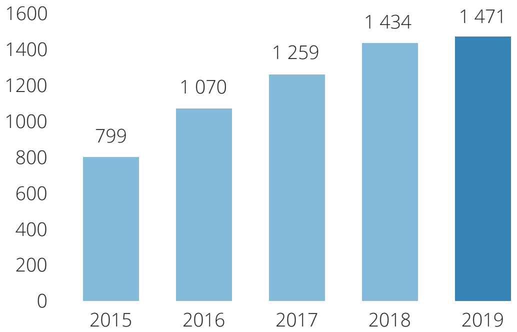
[1] Refer to section "Alternative performance measures" for calculation of the key figure

[2] EPRA NNNAV for 2019 is updated from reported for the fourth quarter of 2019. See page 160 for further information.

[3] Entra pays semi-annual dividends. Dividend for 2019 of 4.70 per share constitute dividend of 2.30 per share approved and paid for the first half 2019 and dividend of 2.40 per share proposed for the second half of 2019.

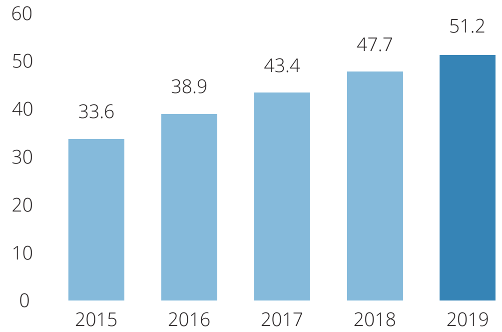
Net income from property management

NOKm



Total assets

NOKbn



Highlights in 2019

Q1 2019

In March 2019, Entra completed the new-build project Powerhouse Brattørkaia at Brattørkaia 17 in Trondheim. This is an energy positive and environment friendly office building of approximately 18,200 sqm., including a 2,500 sqm. parking basement. Powerhouse Brattørkaia utilises sun and sea water for heating and cooling. The building is covered by 3,500 sqm. of solar panels and thus produce around 500,000 kWh of renewable energy annually. This is more than twice as much as the building consumes for heating, cooling, ventilation and lighting. It means that the building has a positive energy balance in its lifetime also when all the energy that goes into building processes, materials and finally demolition is included. The property is certified BREEAM-NOR Outstanding and Energy class A. The project was developed at a yield-on-cost of 6.2 per cent.

Q2 2019

Entra started up the redevelopment project Rebel U2 in Universitetsgata 2, in central Oslo. Rebel U2 will be a technology and knowledge hub for large and small tech companies and will be managed 50/50 by Entra and an external partner. The 28,100 sqm. building will consist of office space, co-working areas a conference center and a variation of restaurants. Rebel U2 will offer a full-service concept through short term contracts with access to meeting rooms, complimentary beverages, wi-fi etc. through memberships. The project is expected to be completed in Q3 2021.

Q3 2019

During the quarter, Entra started redeveloping the 4,300 sqm office property in Kristian Augusts gate 13. The project demonstrates Entra's strong commitment to work for more sustainable solutions by incorporating a target of more than 60 per cent re-use of building materials. Occupancy is at 100 per cent as the property will be let to the co-working operator IWG/Spaces.

Entra sold the property Kristian Augusts gate 23 in Oslo for NOK 450 million, representing a premium of 26 per cent to book values as of 31 March 2019. The transaction was structured as a sale of shares and the buyer was The National Museum "Stiftelsen Nasjonalmuseet for Kunst". The National Museum was the current tenant of the property and had an option in their lease agreement to buy the property at pre-determined and contracted terms on which they decided to call. Closing took place 1 October 2019.

Q4 2019

In Tullinkvartalet in Oslo, Entra completed construction of a new 21,200 sqm. campus building for the University of Oslo's Faculty of Law. In addition, 1,800 sqm. next to the campus building will be redeveloped. The campus building is 100 per cent let of which the main tenant is the University on a 25-year lease. The smaller asset will be used as a project office for the nearby projects and thereafter be redeveloped. Thus, the reported occupancy for the two assets combined was 95 per cent as of 31.12.19. The project has high environmental ambitions and aims for a BREEAM-NOR Excellent classification. The property was developed at a yield on cost of 6.0 per cent.

Entra also finalised the redevelopment of Tollbugata 1A in Oslo. The property consists of two buildings totalling 9,000 sqm. adjacent to Oslo Central Station. The property was forward sold as part of the property swap transaction announced in December 2018, and the transaction closed in October 2019. The project was developed at a yield-on-cost of 5.3 per cent.

At Brattørkaia 12 in Trondheim, Entra finalised a 2,000 sqm. new office property which is fully let to The Norwegian State Educational Loan Fund ("Lånekassen"). The project aims for Energy class A. The property was developed at a yield on cost of 5.4 per cent.

In December, Entra acquired the 14,500 sqm office property Møllendalsveien 6-8, located in Entra's existing property cluster in Bergen.

Letter from the CEO

Delivering on our strategic priorities

2019 has been another solid and exciting year for Entra. We have finalized several large and extraordinary projects such as the first phase of Tullinkvartalet in Oslo and Powerhouse Brattørkaia in Trondheim. We have progressed the development pipeline and started two new redevelopment projects in 2019, and we have at least three major projects that we expect to start in 2020. We have again achieved an exceptionally high customer satisfaction score and throughout the year we have let a total of 160,000 sqm. As of year-end the occupancy in our management portfolio was 97.1 per cent. As several of our large properties in Central Oslo have been emptied and are in the process of being redeveloped our top line growth has been lower than normal this year. The underlying value growth has however continued, and our net asset values are up by 7 per cent.

Stepping up as CEO in July 2019 has been exciting and I am grateful for the confidence given to me by the Board of Directors. Having been a part of the corporate management team since 2013, I am committed towards Entra's strategic priorities of providing profitable growth, delivering the best customer experience and being an environmental leader within our industry. Also, the focus on owning, managing and developing office properties in clusters located on central transportation hubs in the four largest cities in Norway remains intact. We will continue to adapt the content of what we deliver but the strategy and direction remain firm.

Long-term perspective on value creation

We have a long-term perspective on everything we do in Entra. We seek to create enduring value in a sustainable way, and we want to contribute to urban development in our property clusters to also benefit our customers and the local communities.

We have a strong balance sheet and will continue to allocate capital in a responsible way for optimal value creation. Our growth stems mainly from property development, but we will also continue to make acquisitions which deliver value and progress our long-term strategy within our selected property clusters. Our property development projects has shown strong value contribution with an average valuation gain of 28 per cent upon completion for the 18 projects completed since 2015. We have continued to build our land bank and we currently have a project pipeline that can provide solid growth for at least 7-8 more years.

Having a green portfolio is becoming a prerequisite for the future. Both from a climate risk perspective, but also as this is becoming increasingly important for our customers. Further, we observe that certified properties have a better value development and obtain more favorable financing. Operating our business in a sustainable manner has been a core priority for Entra through many years. As of year-end, 54 per cent of our properties either are, or are in process of being certified BREEAM Very Good or better. In one of our ongoing redevelopment projects we target that at least 60 per cent of the building materials shall be reused, thus significantly reducing the carbon emissions associated with the construction. Entra is well positioned to answer to future demand for green and sustainable office solutions.

Developing the value chain

It is a clear trend that our customers and their employees expect more and more from the office premises, and we seek to adopt to the surge for more flexibility and value-added services. We will continue to selectively establish different types of office concepts as an integral part of our property portfolio to respond to these trends.

We remain focused on delivering operationally and being commercial in what we do every day, while at the same time progressing our long-term strategic goals.

For the past years our sector has been well supported by yield compressions, low interest rates and market rent growth. Going forward we believe that how you operate your core business will be a stronger differentiator. We have thus insourced strategic IT and accelerated our focus on technology and digitalization to better understand and leverage how technology development can strengthen and improve our core business.

We work with digitalization along three axes; to use technology as an enabler for reduced costs in our property management and project development, to improve the value proposition to our customers and to build an IT architecture that enables data driven optimizations.

The quality and competence of the employees in Entra is very high, and we are privileged to have such solid expertise in the entire value chain. We are recognized in the industry as a leader with strong interdisciplinary teams across the organization and we will continue to invest in our employees to meet the rapid changes and landscapes we are faced with.

Outlook

With very low vacancies, particularly in the Central Oslo market, and limited new-build activity we believe in continued rental growth in the near term. We expect the transaction market to remain active as demand for Norwegian office properties continue to be firm. Our business is well positioned, we have a strong balance sheet and considerable financial resources to continue developing and growing the portfolio in the years to come. We remain focused on delivering operationally and being commercial in what we do every day, while at the same time progressing towards our long-term strategic goals. In the short term our focus is to retain our high portfolio occupancy and continue to deliver attractive and profitable projects. In the longer term we continuously work to understand new customer trends and to be in the forefront on developing our product and services.

Oslo, 4 March 2020

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	2018
Shareholding in Entra	25,220	57,059	1,141
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, management 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
Norweegian	Norwegian	Norwegian	Norwegian
Male	Male	Female	Female
2018	2019	2018	2013
2,074	-	4,374	3,682
MSc degree and Master in Technology Management from the Norwegian University of Science and Technology (NTNU), Executive leadership pro-gramme from IMD Lausanne, Switzerland	Real estate study from the Norwegian Business School (BI)	Executive Master of Management innovation, brand-ing and digital communications from the Norwegian Business School (BI)	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 Faveo Project management, ODA (The Organisation Development Alliance) and Veidekke	Commercial Director at Storebrand Asset Management. Director of Sales & Marketing, Head of Commercial Real Estate and Partner at Malling & Co. Markets. Head of Commercial Real Estate and Investment Director at Colliers International. Advisor at Akershus Eiendom. Commercial Real Estate Advisor at Norsk Næringsmegling and Advisor Private Real Estate at Eiendomsforum. Officer with various positions in the Norwegian Armed Forces	Head of DigiLife, Senior busi-ness 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 a leading owner, manager and developer of office properties in Norway. Entra is focused on centrally located, high quality, environment friendly properties in Oslo, Bergen, Stavanger and Trondheim. The headquarter is located in Oslo.

The property portfolio is characterised by solid tenants on long leases with a high occupancy ratio. As of 31 December 2019, Entra owned and managed approximately 1.3 million sqm. in 89 properties. At the end of the year, the real estate portfolio had a market value of 49 billion and the average remaining lease period was 6.9 years. Entra has particular expertise in letting to the public sector, which represented approximately 60 per cent of the customer portfolio. Approximately 70 per cent of the management portfolio is located in Oslo (including Sandvika).

The company is a professional owner and manager of its own property portfolio. Through a high level of technical competence, integrated maintenance and control systems and on-site presence, the company's operational staff ensure that Entra's buildings function optimally for its customers every day. Entra creates additional value in its portfolio through 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 renovation of office properties.

Approximately 90 per cent of Entra's portfolio consists of office properties. In addition, Entra owns some cultural buildings such as the National Library and Rockheim, as well as some buildings that are used for education.

Entra's values - Responsible, Innovative, Hands-on and One team - characterise all activities in the Group. Entra's business concept is to develop, let and manage attractive and environmentally-leading buildings. The Group's business strategy has three focus areas: Profitable growth, High customer satisfaction and Environmental leadership. Operating the business in a sustainable manner is fundamental to the business strategy and operations.

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 500 tenants to the more than 40,000 users of Entra buildings provides new opportunities and extends our strategic positioning and how we interact with our customers going forward.

Strategy

Profitable growth

Entra has a solid track record of portfolio growth and value creation. In 2019, rental income increased by four per cent to NOK 2,238 million resulting from CPI adjustment of leases, completed property projects and solid letting activities.

Entra signed new and renegotiated leases with annual rent totalling NOK 371 million (160,000 sqm.) in 2019 and the occupancy ratio was 97.1 per cent (96.5 per cent) at year end. Net income from property management increased by three per cent to NOK 1,471 million. Entra's net asset value increased by 1.8 bn, as a result of solid project development, letting activities and strong underlying growth in market rents. In addition Entra paid out a

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

Profitable growth	+	Customer satisfaction	+	Environmental leadership

total of 840 million in dividends in 2019. At year-end 2019, Entra had total assets worth NOK 51.1 billion vs NOK 47.7 billion as of year-end 2018. Entra has throughout 2019 again demonstrated its ability to attract external debt capital on attractive terms from multiple sources of funding, and Entra's average interest rate was 2.99 per cent (2.85 per cent) at year end.

Cash earnings increased by 11 per cent in 2019. Entra's dividend policy is to distribute approximately 60 per cent of cash earnings to its shareholders. The term Cash Earnings is defined as net income from property management less payable tax. The board of Entra proposes to distribute a semi-annual dividend of NOK 2.40 per share for the second half of 2019. Entra's total dividend for 2019 will then be NOK 4.70 per share compared to NOK 4.50 per share for 2018.

Customer satisfaction

One of Entra's goals is to be the best in the industry in terms of customer satisfaction. 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 2019, Entra again achieved an exceptionally high customer satisfaction score of 86 versus an industry average of 80. On environmental matters, Entra achieved a score of 85 compared with a industry average of 73, showing that customers truly value Entra's environmental efforts. Entra's overall service score was 89 compared to an industry average of 81. 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. Entra has, amongst other initiatives, launched an app providing services to the office users.

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. 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's property portfolio shall be climate neutral
- Entra shall influence and set requirements for its counterparties
- Entra shall be an environmental leader in property management
- Entra's 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 on 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. On completion of buildings currently under construction, approximately 48 per cent of the rental income and 54 per cent of the property values in the portfolio stem from properties that are environmentally certified BREEAM Very Good or better.

For many years, Entra has had a strong focus on reducing energy consumption in its portfolio. Through a multiplicity of measures of varying scope Entra has managed to reduce the energy consumption of its management properties by 50 per cent since 2011. Energy consumption constitutes some 80 per cent of Entra's CO_2 footprint. Entra has a goal to reduce its current CO_2 footprint by at least 70 per cent from 2015-2030.

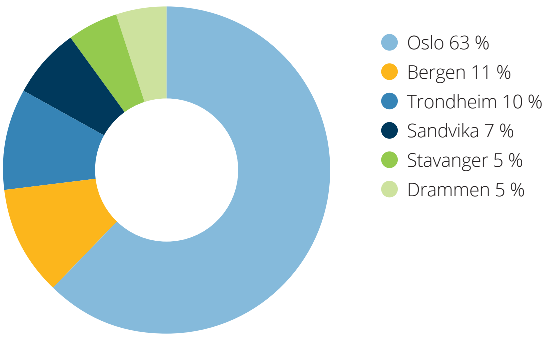
To provide insight for our stakeholders, we respond to the Global Real Estate Sustainability Benchmark (GRESB) and were proud to achieve Green Star status with a total score of 84 in 2019.

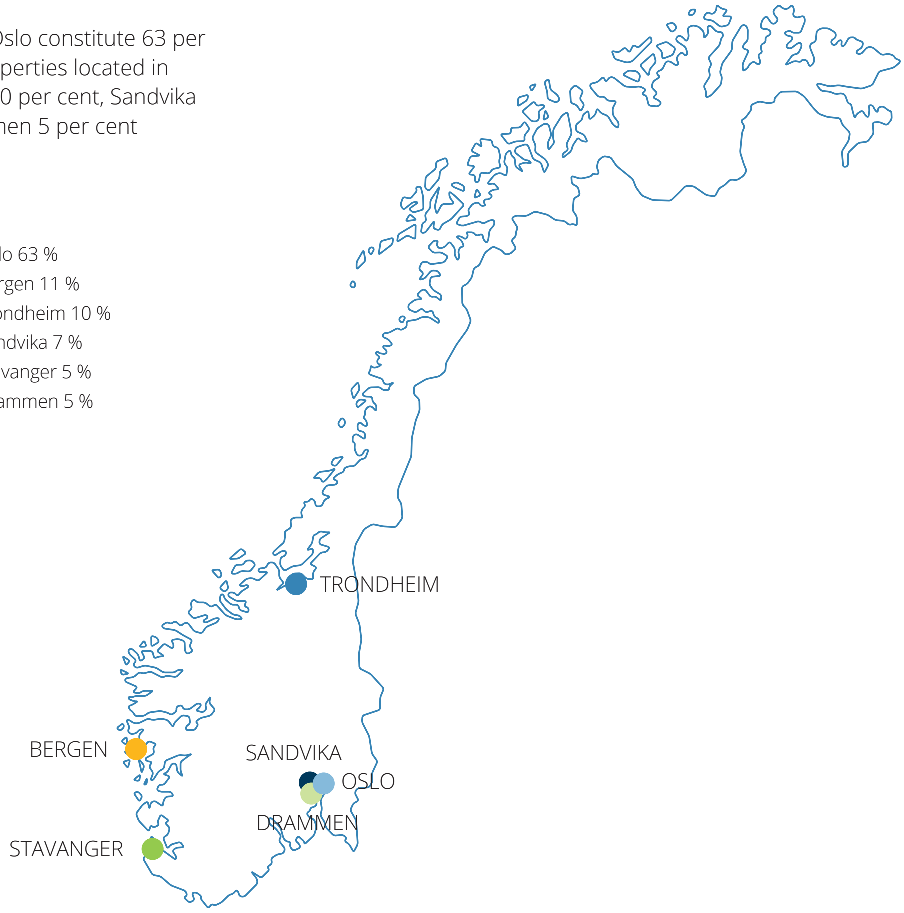
For a further description of Entra's ESG strategy and achievements, see the ESG report which is included in this annual report.

The property portfolio

Geographic exposure

Entra's management properties located in Oslo constitute 63 per cent of the portfolio values whereas the properties located in Bergen constitute 11 per cent, Trondheim 10 per cent, Sandvika 7 per cent, Stavanger 5 per cent and Drammen 5 per cent

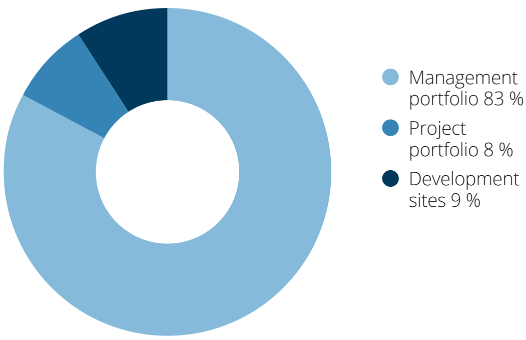




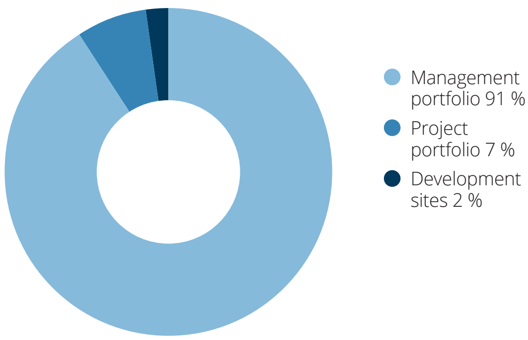
As of 31 December 2019, Entra's property portfolio comprised 89 properties, and the market value of the portfolio was 49 billion. A full list of the properties can be found at the end of this report.

The property portfolio consists primarily of management properties, with a significant concentration in the Oslo area.

Portfolio by area



Portfolio by value



Property management

The management portfolio

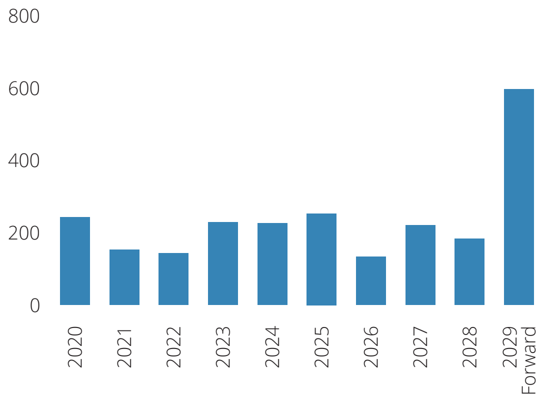
Entra's management portfolio consists of 89 buildings with a total area of approximately 1.1 million sqm. As of 31 December 2019, the management portfolio had a market value of around 45 billion (42 billion), and the occupancy rate was 97.1 per cent per cent (96.5 per cent). The weighted average unexpired terms for the Group's leases were 6.8 years (6.7) for the management portfolio and 6.9 years (7.4) 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 Cushman & Wakefield Realkapital) on a quarterly basis. The market value of the portfolio in Entra's balance sheet is based on the average of the two external appraiser's 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.

Year-on-year, the portfolio net yield decreased from 5.1 to 4.8 per cent. The 12 months rolling rent increased from 2,302 million to 2,318 million, whereas the portfolio market rent has increased from 2,370 million to 2,500 million.

Maturity profile of the management portfolio

(NOKm)



	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	35	583 428	97.0	6.7	28 163	48 272	1 380	2 365	4.5	1 545	2 647
Trondheim	11	154 776	95.3	7.2	4 506	29 111	255	1 648	5.3	272	1 760
Bergen	8	119 533	96.1	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
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					
Development sites	6	114 859		0.3	832	7 248					
Property portfolio	**89**	**1 327 787**		**6.9**	**48 964**	**36 877**					

See the section "Definitions". The calculation of net yield is based on the valuers' assumption of ownership costs, which at 31.12.19 corresponds to 7.6 per cent of market rent.

Letting and letting market

The letting market

According to Entra's consensus report, the office vacancy in the Oslo area has continued to decrease and has levelled out around 5.6 per cent. The vacancy level is primarily driven by increasing employment and moderate net new capacity to the market, stemming from limited construction activity and continued office-to-residential conversion. Vacancy is lowest in the city centre. Consequently, the uplift in rent levels is expected to continue. Modern, centrally located office premises are especially attractive and are expected to see the strongest growth.

In Bergen, the office vacancy has decreased to about 8 per cent due to low construction activity, office-to-residential conversion, and increased employment and new optimism in the oil and gas industry. Rents in the city centre of Bergen has increased due to high demand for centrally located premises, and low supply of modern, centrally located office premises.

The Stavanger area is experiencing increasing employment and optimism due to higher activity in the oil and gas sector. As a result of this, combined with low construction activity, office vacancies have fallen to about 11 per cent. Rents have levelled out in the main oil and gas intensive areas. In Stavanger city centre, the vacancy is low, there is an increasing demand for modern, flexible and centrally located office premises and rent levels appears to increase slightly.

In Trondheim, the overall office vacancy is currently around 12 per cent. Vacancy is highest in the fringe areas of the city. The market has shown ability to absorb the new capacity and most of the premises completed in 2019. The construction volume of new office space will increase in 2020. Rent levels in the city centre have increased, while there is a downward pressure on rents in the fringe areas.

Market data Oslo

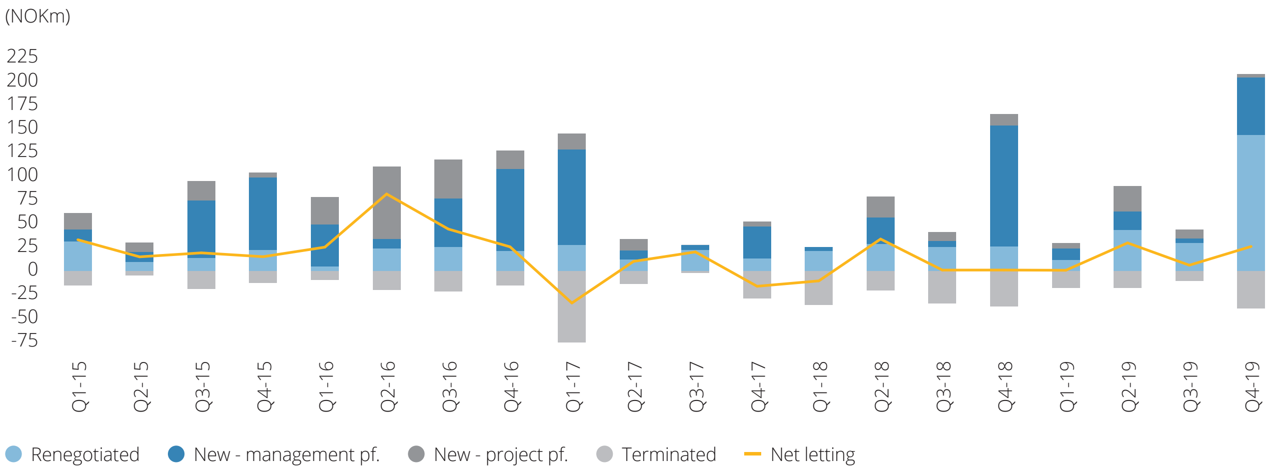
	2017	2018	2019	2020e	2021e	2022e
Vacancy Oslo incl. Fornebu and Lysaker (%)	7.1	6.1	5.6	5.8	6.1	6.3
Rent per sqm, high standard Oslo office	3 145	3 345	3 586	3 768	3 859	3 927
Prime yield (%)	3.7	3.7	3.7	3.7	3.7	3.7

Source: Entra Consensus report, January 2020

Letting activity in 2019

For 2019, gross letting including re-negotiated contracts was 371 million, and lease contracts with a total value of NOK 86 million were terminated. Net letting, defined as new lease contracts plus lease-up on renegotiated contracts less terminated contracts, came in at NOK 62 million.

Quarterly net letting



The largest contracts signed in 2019 were:

- New 10-year lease contract for 5,600 sqm. in Langkaia 1 in Oslo
- New 6-year lease contract for 3,000 sqm. in Verkstedveien 3 in Oslo with Codan Insurance
- New 10-year lease contract for 2,700 sqm. in Universitetsgata 7-9 in Oslo with the law firm Bull & Co
- New 10-year lease contract for 2,700 sqm. in Prinsens gate 1 in Trondheim with The County Governor of Trøndelag
- New 9-year lease contract for 1,700 sqm. and renegotiated lease contract for 7 years and 1,600 sqm. in Fredrik Selmers vei 4 at Helsfyr in Oslo, both with the Norwegian Tax Administration
- Renegotiated lease contract for 5 years and 7,600 sqm. in Stenersgata 1 in Oslo with the Immigration Appeals Board
- Renegotiated lease contract for 10 years and 4,100 sqm. in Tvetenveien 22 1 in Oslo with the Norwegian Government
- Renegotiated lease contract for 5 years and 5,100 sqm. in Dronningens gate 2 in Trondheim with The Norwegian Courts Administration
- Renegotiated lease contract for 5 years and 1,200 sqm. in Verkstedveien 1 in Oslo with PA Consulting

Occupancy in Entra's portfolio has remained stable during the year, and the Group had an occupancy level of 97.1 per cent as at 31 December 2019 compared to 96.5 per cent at 31 December 2018. The occupancy level was highest in Sandvika at 99.4 per cent and lowest in Trondheim with 95.3 per cent.

Tenants and tenant structure

Entra's tenant base comprises to a large extent public sector tenants with long-term leases, and as of 31 December 2019, public sector tenants accounted for approximately 60 per cent of rental income. Entra's public sector tenants are, or are wholly owned by, governmental, county or municipal bodies. As of 31 December 2019 the management properties had around 700 tenants, and the 20 largest tenants' share of Entra's rental income represents 40 per cent.

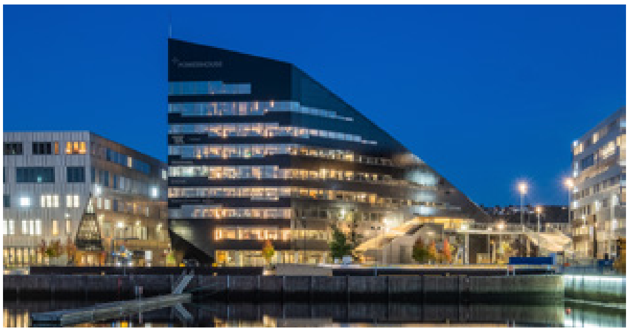
The following table sets out the 20 largest tenants in Entra's management properties as of 31 December 2019.

Tenant	Proportion of total contractual rent	Public/private sector
Norwegian Tax Administration	5.6 %	Public
The Norwegian Public Roads Administration	3.4 %	Public
National Library of Norway	3.1 %	Public
University College of Oslo	2.8 %	Public
Bane NOR SF division real estate	2.0 %	Public
Norconsult AS	1.9 %	Private
Norway Post	1.8 %	Public
The Immigration Appeals Board	1.8 %	Public
Oslo Police District	1.7 %	Public
Trondheim Municipality	1.6 %	Public
University College of Southeast Norway	1.6 %	Public
Borgarting Court of Appeal	1.5 %	Public
Sopra Steria AS	1.5 %	Private
Circle K AS	1.4 %	Private
Advokatfirma Hjort DA	1.4 %	Private
Bærum Municipality	1.3 %	Public
The Norwegian Directorate of eHealth	1.3 %	Public
The Norwegian Public Service Pension Fund	1.3 %	Public
Norwegian Petroleum Directorate	1.3 %	Public
The Norwegian Defence Estates Agency	1.2 %	Public
	39.6 %	

Projects and property development

Entra creates additional value in its portfolio through 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 redeveloping of office properties.

Projects completed in 2019



Powerhouse Brattørkaia
In Q1, Entra finalised the new-build project Powerhouse Brattørkaia in Trondheim. The property is an energy positive and environment friendly office building of 18,200 sqm., including a 2,500 sqm. parking basement. Powerhouse Brattørkaia utilises sun and sea water for heating and cooling. The building is covered by 3,500 sqm. of solar panels and thus produce around 500,000 kWh of renewable energy annually. This is more than twice as much as the building consumes for heating, cooling, ventilation and lighting. It means that the building has a positive energy balance in its lifetime also when all the energy that goes into building processes, materials and finally demolition is included. The property has extraordinarily high environmental qualities and has a BREEAM-NOR Outstanding classification.

Tullinkvartalet UiO
In Q4, Entra completed construction of a new 21,200 sqm. campus building for the University of Oslo's Faculty of Law in Tullinkvartalet in Oslo. In addition, 1,800 sqm. next to the campus building will be redeveloped. The campus building is fully let of which the main tenant is the university on a 25-year lease. The smaller asset will be used as a project office for the nearby projects and thereafter redeveloped. Thus, the reported occupancy for the two assets combined is currently 95 per cent. The project development has high environmental ambitions and aims for a BREEAM-NOR Excellent classification.

Tollbugata 1 A
In Q4, Entra has also finalised the redevelopment of Tollbugata 1A in Oslo. The property consisted of two buildings totalling 9,000 sqm. adjacent to Oslo Central Station. The property was forward sold as part of the property swap transaction announced in December 2018. The transaction closed in Q4 2019.

Brattørkaia 12
In Q4, Entra also finalised Brattørkaia 12 in Trondheim, a 2,000 sqm. new office property which is fully let to The Norwegian State Educational Loan Fund ("Lånekassen"). The project aims for Energy class A.

Portfolio of ongoing projects

As of 31 December 2019, Entra had a portfolio of ongoing projects with a total investment exceeding NOK 50 million of around 66,000 sqm. A full list of the project properties can be found at the back of this report. The portfolio of these projects is presented below.

	Ownership	Location	Expected completion	Project area	Occupancy	Estimated total project cost [1]	Of which accrued [1]	Yield on cost [2]
	%			sqm	%	NOKm	NOKm	%
Holtermanns veg 1-13	100	Trondheim	Jan-20	11 700	91	352	302	6.1
Kristian Augusts gate 13	100	Oslo	Aug-20	4 300	100	304	184	5.0
Universitetsgata 7-9	100	Oslo	Sep-21	21 900	49	1 235	559	5.9
Universitetsgata 2 – Rebel	100	Oslo	Sep-21	28 100	18	1 650	917	5.6
Total				**66 000**		**3 541**	**1 962**	

[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

In Tullinkvartalet in Oslo, Entra is building a new 21,900 sqm. office property in Universitetsgata 7-9 in Oslo. Occupancy is currently 49 per cent. The property is expected to be finalised in Q3 2021 with high environmental ambitions and aims for a BREEAM-NOR Excellent classification.

Universitetsgata 2 - Rebel

Next to Tullinkvartalet, Entra has the redevelopment project Rebel ongoing in Universitetsgata 2. Rebel will be a technology and knowledge hub for large and small tech companies and will be managed 50/50 by Entra and an external partner. The 28,100 sqm. building will consist of office space, co-working areas, conference centre and restaurants. Occupancy is currently 18 per cent. Rebel will offer a full-service concept through flexible short-term contracts with access to meeting rooms, wi-fi and more through memberships. The project is expected to be completed in Q3 2021.

Holtermanns veg 1-13

In Holtermanns veg 1-13 in Trondheim, Entra completed construction of a new office building Q1-20. This is the first of three planned buildings. The approved zoning allows total construction of approximately 48,000 sqm., where the first building is 11,700 sqm. This new-build includes a 2,000 sqm. basement with parking facilities. Expected completion is in the first quarter of 2020. The property is currently 91 per cent let. The project has high environmental ambitions and aims for a BREEAM-NOR Excellent classification.

Kristian Augusts gate 13

Entra is redeveloping the 4,300 sqm. office property in Kristian Augusts gate 13. The project will demonstrate Entra's strong commitment to work for more sustainable solutions by incorporating a target of more than 60 per cent re-use of building materials. Occupancy is at 100 per cent as the property will be let to the co-working operator IWG/Spaces. The construction project is expected to be completed in the second half of 2020.

Development sites and project pipeline

Entra's portfolio of development sites contains properties with zoned development potential but where no investment decision has been made. As of 31 December 2019, Entra had seven development sites with a total area of around 115,000 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 with possibilities to develop and extend the area in its existing portfolio.

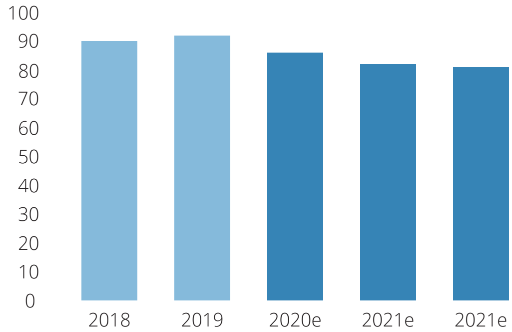
Transactions and transaction market

Transaction market

The solid pace observed in the transaction market over the last three years has continued. Transaction volume for 2019 ended up around 92 billion according to Entra consensus report vs. around 90 billion in 2018. The market remains active with strong demand from both national and international investors. The financing market continues to be well functioning, and the outlook for the Norwegian economy is solid. The overall high demand for Norwegian real estate has caused prime yield to remain stable at around 3.7 per cent and id expected to remain stable for the coming years according to Entra consensus report.

Transaction volume Norway

NOKm



Source: Entra Consensus report, January 2020

Transactions

Entra actively seeks to improve the quality of its property portfolio through a disciplined strategy of acquisitions and divestments. Entra focuses on the acquisition of large properties and projects in specific areas within its four core markets: Oslo and the surrounding area, Bergen, Trondheim and Stavanger. Target areas include areas in the city centres and selected clusters and communication hubs outside the city centres, 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 make the company well positioned to make acquisitions that meet these criteria.

Also, Entra actively divests smaller properties and properties outside its core markets. The acquisition and divestment strategy is flexible, allowing Entra to respond to market opportunities as they arise. The table on the next page outlines the property transactions Entra has done in 2018 and 2019.

Transactions in 2018 and 2019

Purchased properties

	Area	Transaction quarter	No of sqm.	Transaction value (NOKm)	Closing date
Part of Jåttåvågen Fase 2	Stavanger	Q4 2019	-	13	Q4 2019
Møllendalsveien 6-8	Bergen	Q4 2019	14 500	400	Q4 2019
Section of Kristian Augusts gate 11	Oslo	Q1 2019		23	Q1 2020
St. Olavs plass 5	Oslo	Q4 2018	16 530	850	Q4 2019
Bryn portfolio	Oslo	Q2 2018	57 000	1 400	Q3 2018
Johannes Bruns gate 16/16A, Nygårdsgaten 91/93	Bergen	Q2 2018	-	135	Q2/Q4 2018
Nils Hansens vei 20	Oslo	Q1 2018	3 150	50	Q2 2018
Sum			**91 180**	**2 871**	

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
Aasta Hansens vei 10	Oslo	Q4 2018	5 390	80	Q1 2019
Tollbugt 1, Pilestredet 19-23, Pilestredet 28	Oslo	Q4 2018	19 650	1 150	Q1/Q4 2019
Total			**34 240**	**1 753**	

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 59,000 sqm. and a 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 28,000 sqm. and development potential for two new office properties of 37,000 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 properties in Bergen; Lars Hilles gate 30 (Media City Bergen) and Allehelgens gate 6. Entra OPF Utvikling AS is consolidated in the Group's financial statements as Entra has a controlling vote on the Board of Directors.

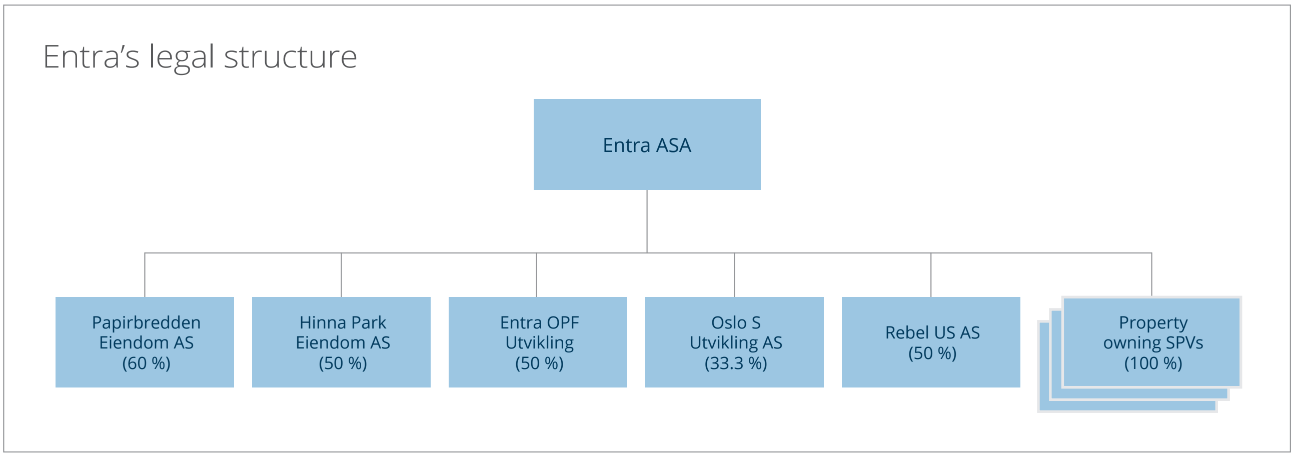
Oslo S Utvikling AS "OSU" (33.33 per cent)

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

Rebel US AS (50 per cent)

Rebel U2 AS will provide facility management services in Universitetsgata 2 in Oslo with full-service solutions, flexible and short-term leases, co-working, conferences and events.

The following chart sets out the Entra's overall legal structure:



Financial figures for partly owned entities and JVs (based on 100 per cent 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	111	85	133	329	44		4	49
Net operating income	107	79	122	308	44		4	48
Net income	82	43	117	241	1 027	-3	7	1 031
Changes in value of investment properties	80	61	355	496	-	-	-	-
Changes in value of financial instruments	3	6	-	9	8	-	-	8
Profit before tax	164	110	472	746	1 035	-3	7	1 039
Tax	-36	-24	-102	-162	-80	1	-1	-80
Profit for the period	**128**	**86**	**370**	**584**	**955**	**-3**	**6**	**959**
Non-controlling interests	51	43	185	279				
Entra's share of profit [1) 2)]					310	-1	3	320
Book value					372	14	11	397
Market value properties	**1 861**	**1 216**	**2 880**	**6 010**	**4 233**			**4 233**
Entra's share:								
Market value of properties								
EPRA NAV	1 116	608	1 440	3 164	1 411			1 411
EPRA NNNAV	687	236	1 466	2 388	773	14	11	797
EPRA Earnings [3)]	646	218	1 425	2 290	680	14	11	704

1) Recognised as Share of profit from associates and JVs

2) Entra's share of profit of OSU is in 2019 adjusted for realisation of excess value of 8 million

3) From 2019, earnings from the associated company OSU are excluded from EPRA Earnings as the business of this company is development of properties for sale and is not considered relevant for measurement of the operating performance of the underlying property portfolio under management.

Financing

The Group's financing is diversified between capital market instruments and bank loans. At year-end 2019, the nominal interest-bearing debt was NOK 19,901 million (NOK 19,171 million). The interest-bearing debt has a diversified maturity structure, with an average time to maturity of 4.9 years (4.1 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 NOK 730 million to NOK 19,901 million (NOK 19,171 million). The increase in interest-bearing debt was mainly due to project investments and acquisition of a property in Bergen. The change in interest-bearing debt comprised a decrease in commercial paper financing of NOK 700 million and an increase in bank and bond financing of NOK 730 million and NOK 700 million, respectively. As of 31.12.19, net nominal interest bearing debt after deduction of liquid assets of 317 million (230 million) was 19,585 million (18,941 million).

The capital markets funding as at 31 December 2019 consisted of bonds and commercial paper outstanding of NOK 11,600 million (NOK 10,900 million) and NOK 1,800 million (NOK 2,500 million), respectively, which accounted for 67 per cent of total interest-bearing debt. Bank funding of NOK 6,501 million (NOK 5,771 million) represents the remaining part of the financing mix. The Group's bank facilities are mainly revolving credit facilities, which enable active liquidity management by adjusting the facilities according to any ongoing cash needs or surplus. The Group's liquid assets amounted to NOK 317 million (NOK 230 million) as at 31 December 2019. In addition, the Group had committed, unutilised credit facilities totalling NOK 6,190 million (NOK 5,210 million).

Entra is obtaining increasing access to "green financing" from debt investors, banks and other financial institutions. 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 four Green Bonds with a total outstanding nominal amount of NOK 4,400 million. CICERO (Norway's foremost institute for interdisciplinary climate research) has certified the Green Bond Framework. Entra was awarded the rating Dark Green, which is the best rating possible.

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 paper (NOKm)	1 800	-	-	-	-	1 800
Bonds (NOKm)	700	1 300	2 500	2 800	4 300	11 600
Bank loans (NOKm)	-	728	-	3 560	2 214	6 501
Total (NOKm)	**2 500**	**2 028**	**2 500**	**6 360**	**6 514**	**19 901**
Commercial paper (%)	72	-	-	-	-	9
Bonds (%)	28	64	100	44	66	58
Bank loans (%)	-	36	-	56	34	33
Total (%)						**100**
Unutilised credit facilities (NOKm)	**-**	**750**	**1 000**	**2 440**	**2 000**	**6 190**
Unutilised credit facilities (%)	-	12	16	39	32	100

Interest rates and maturity structure

The Group's average interest cost as at 31 December 2019 was 2.99 per cent (2.85 per cent), and 59 per cent (57 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 3 years (3.4 years). The change in average interest rate stems mainly from higher Nibor interest rates and increased share of fixed interest rates in the debt portfolio, as part of the forward start swap portfolio has become fixed rate payer swaps.

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

	Fixed rate instruments [2]		Forward starting swaps [3]			Average credit margin	
	Amount (NOKm)	Interest rate (%)	Amount	Interest rate (%)	Tenor (years)	Amount (NOKm)	Credit margin (%)
<1 year	100	2.32	1 650	2.14	6.4	5 441	0.93
1-2 years	1 050	3.39				1 300	0.96
2-3 years	1 350	1.83				2 500	0.74
3-4 years	1 450	2.21				4 860	1.04
4-5 years	1 300	2.40				1 000	0.88
5-6 years	1 300	2.30				1 000	0.82
6-7 years	3 110	2.08				1 200	0.86
7-8 years	-	0.00				1 500	0.83
8-9 years	-	0.00				-	0.00
9-10 years	-	0.00				-	0.00
>10 years	500	4.85				1 100	0.39
Total	**10 160**	**2.41**	**1 650**	**2.14**	**6.4**	**19 901**	**0.88**

[1] Average reference rate (Nibor) is 1.78 per cent as of the reporting date.
[2] Excluding forward starting swaps and credit margins on fixed rate bonds (credit margins are displayed in the table to the right).
[3] The table displays future starting point, notional principal amount, average fixed rate and tenor for forward starting swaps.

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, issued in December 2019, 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 will contribute to a significant increase in credit availability for Entra in domestic and international debt capital markets and enables Entra to further extend 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 2019 was 40.2 per cent, a decrease from 41.3 per cent at year-end 2018. The lower loan-to-value ratio is mainly due to positive value changes from both the project and management portfolio. The interest coverage ratio decreased to 3.3 as at 31 December 2019 from 3.6 at the end of 2018, a decrease which mainly stems from a higher interest cost during 2019.

The Group manages financial risk in accordance with a frame-work 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	31.12.2019	Financial policy
Financial leverage		
Loan-to-value (LTV)	40.2 %	Below 50 per cent over time
Financing risk		
Back-stop of short-term interest bearing debt [1]	248 %	Min. 100 %
Average time to maturity (debt)	4.9	Min. 3 years
Debt maturities <12 months	13 %	Max. 30 %
Interest rate risk		
Interest coverage ratio (ICR)	3.3	Min. 1.8x
Average time to maturity (hedges)	3.0	2-6 years
Maturity of hedges <12 months	41 %	Max 60 %
Credit risk / currency exposure		
Counterpart's credit rating	Fulfilled	Min. A-/A3
Share of debt per counterparty	11 %	Max. 40 %
Currency exposure	Fulfilled	0

1) See the section Definitions

Risk management

Risk factors	Description/definition	How we monitor and minimize the risk	Changes in risk assessment during 2019
Access to and price of financing Responsible: - CFO	A reduction in access to capital 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 is 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 all 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 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 2019. Market interest rates have stabilized on relative low levels and are expected to remain at historically 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 minimize the risk	Changes in risk assessment during 2019
Development in value of property Responsible: - CFO	The property portfolio is valued quarterly by two external appraisers. A substantial negative development in the property values 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. Increasing market rents, and expectations that Entra is able to renegotiate on terms in line with increased market rents, have been the major driver in the value changes of Entra's properties in 2019.	We follow up the risk quarterly through active dialogue with the external appraisers and continuous 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.	➡ Entra's property portfolio has increased in value substantially in recent years, mainly as a result of lower yield requirements but also as a result of ongoing project completion and the signing of new and renegotiated leases. During 2019, the trend of rising market rents was more pronounced and has been a substantial part of the positive value changes in the property portfolio. The risk of an increase in long-term market interest rates, which then could affect investors' yield requirements and the market value of the portfolio, is still present. However, expectations of higher market rents, primarily in Oslo, will most likely offset this risk in the coming period.

Risk factors	Description/definition	How we monitor and minimize the risk	Changes in risk assessment during 2019
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 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 2019 it was at a record high level of 85 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 five consecutive years, which supports the view that our systematic work on customer satisfaction is well established in the company's culture and processes. We therefore consider the risk related to customer satisfaction as reduced compared to previous year. Through a continually strong customer focus in the entire organization, and securing 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 minimize the risk	Changes in risk assessment during 2019
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 needed competence. We have internal courses and measures to raise competence through 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 work systematically with talent development and succession planning. 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.	There is continued high level of activity in the property sector and a strong competition for talent and attractive candidates. Voluntary turnover in Entra has increased in the period 2018-2019 from previous years, albeit we are still experiencing a low turnover relative to comparable companies. 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 minimize the risk	Changes in risk assessment during 2019
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, suppppliers and topics. Entra continuously focuses on enhancing the safety culture in the organisation.	We consider the risk factor to be unchanged in 2019. 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 minimize the risk	Changes in risk assessment during 2019
Project profitability Responsible: - EVP Project Development	Entra uses net present value as one of the parameters for assessing profitability in project investments with a yield requirement that reflects the individual project's risk profile. Project profitability is assessed continuously in relation to changes in financial key figures; mainly the direct return – «yield on cost» – and economic occupancy ratio. Profitability is measured and reported against assumptions made at the time of the investment decision. Project investments are also affected by a number of external factors that are outside the company's control, such as development in the consumer price index, 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 cost risk. Internal project managers to secure proper ownership, strong project management and keen risk focus throughout the entire project. Financial parameters, quality and progress are closely monitored and reported on regularly for all ongoing projects. Letting plans for coming vacancies are established before project start and continuously updated during the project development phase.	Entra has experienced increased project profitability risk during 2019, mainly caused by the following factors: - Rising project costs as a result of a tighter contractor market, particularly in the Oslo area where Entra has several projects under development - In the next two years, a high degree of redevelopment projects, which normally have higher risk than newbuilds - For coming redevelopment projects, we might allow for a lower occupancy ratio upon project start than what has been the case in recent years. - New office and workplace concepts, such as co-working, providing more services and greater flexibility might involve innovative solutions that are untested. - Deviating from the traditional office space rent model, including cooperative solutions, turnover-based rent and other business concepts, might involve a greater risk compared to the traditional letting models. - Several projects are likely to be multi-user buildings giving increased flexibility in respect of future reletting of buildings. Experience indicates somewhat that this increases the likelihood of delays, increased costs and lower income in the first year of operation.

Risk factors	Description/definition	How we monitor and minimize the risk	Changes in risk assessment during 2019
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 processes, buildingsystems 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 (Information and Communications Technology) - 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 carried out by all employees. We use suppliers with certifications that 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. A strategy and action plan for the next three years has been updated and the plan is being executed. The new security law of 01.01.19 has impact on several of Entra's customers. To be a trusted advisor and partner, Entra is working systematically in order to mitigate the risk of losing existing and potential customers.	Industry analyses points to increased risk for corporates overall. In addition, Entra's buildings are becoming more technologically sophisticated, and new technology also constitutes a possible increased security risk.

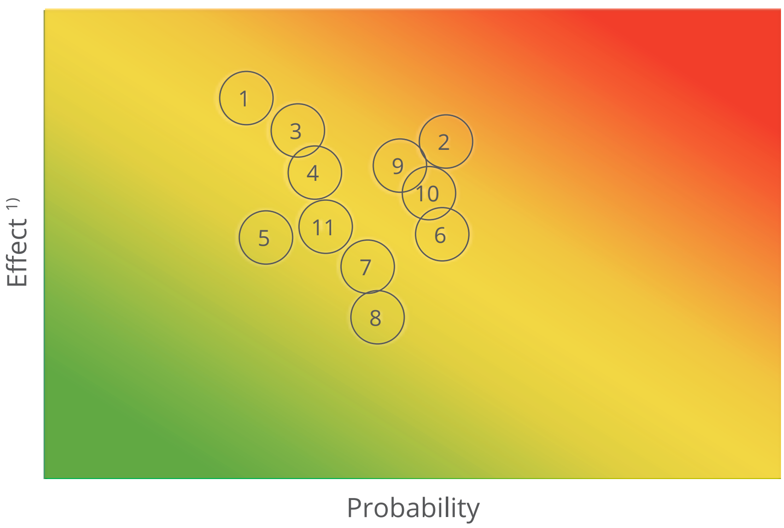
Risk factors	Description/definition	How we monitor and minimize the risk	Changes in risk assessment during 2019
Compliance Responsible: - Chief Compliance Officer	Compliance is a compilation of Entra's specific assessment of risk factors within the compliance area. Entra's key risk factors within compliance are viewed to be the following: - Corruption and financial crime - Ethics - Social responsibility - Personal data protection - Insider rules	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 - Supplier audits Ethics: - Dilemma training - External and internal whistle blower channel Social responsibility: - Socially responsible purchasing - Procurement policy - Supplier controls and audits Personal data protection: - Data processing agreements - Establishment/ follow-up of internal routines - Focus on GDPR Insider rules: - Training and follow-up of insider rules and regulations,	The overall compliance risk is perceived to be unchanged during 2018. 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 2019 to ensure that the company is compliant regarding GDPR.

Risk factors	Description/definition	How we monitor and minimize the risk	Changes in risk assessment during 2019
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, "group thinking", 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, top 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. 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 NOK 100 million must be approved by the Board of directors.	➡ The economic cycle appears to be stagnating/levelling out. 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 minimize the risk	Changes in risk assessment during 2019
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 and lease agreements 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, 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. This applies both to the 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 solution for the relevant building in relation to requirements and expectations from potential new tenants. The occupancy ratio in projects is reported and followed up internally continuously during the project and externally quarterly in connection with external reporting. 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 long-term workspace trends. Here, we combine markets and customer knowledge with building and operational expertise.	➡ The occupancy ratio in recent periods has been between 96 and 97 percent and was at the end of 2019 97.1 percent in the management portfolio. In addition, the occupancy rate in the project portfolio was high throughout 2019. Expected decrease in overall market vacancy, particular in Oslo, limits the market risk in Entra's total portfolio. There are several major leases expiring in the coming years that could affect the occupancy ratio significantly. 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, certain tenants in the public sector tend to look for alternative locations outside city center.

Risk factors	Description/definition	How we monitor and minimize the risk	Changes in risk assessment during 2019
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 life-time 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.	Entra's buildings are well maintained, and we build and refurbish buildings to higher standards than current regulation demand. All newbuilds and major redevelopment projects are certified according to BREEAM-NOR, and we have started 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 seperate 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. 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.	While the gross risk related to climate has increased, Entra has invested significantly in process improvements and technologies to reduce this risk. For a further discussion of climate related risks see the ESG report pages 46-53.

Summary risk-matrix



1: Access to and price of financing
2: Safety
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

[1] Both financial and/or non-financial effects


BERGEN MARITIME VIDEREGÅENDE SKOLE
FAGSKOLEN I HORDALAND

ESG report

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 2019 activities in greater detail, and outlines what we have planned for 2020.

Reporting standards and responses

To enable our stakeholders to compare and evaluate our reporting, we compile and align the Sustainability report for 2019 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 provide for consistent climate-related financial risk disclosures. The EPRA, GRI and TCFD tables and references are included at the back of the annual report for 2019.

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

We achieved the EPRA Sustainability Gold Level also in 2019 and the Global Real Estate Sustainability Benchmark (GRESB) Green Star status with a total score of 84, up from 81 in 2018.

Third party verification

Entra has engaged Deloitte to conduct a review and provide a limited level of assurance on Entra's ESG Report. 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 ESG 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 technologies. 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 a Sustainability Committee with a separate responsibility to evaluate, follow-up and implement the Environment strategy as well as new initiatives. This Committee reports to corporate management.

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 on an annual basis. The focus areas of this report have been revisited and confirmed by Entra's Board and management. Entra works with various groups and individuals 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 2019, the materiality analysis and focus areas have been revisited and their validity confirmed by Entra's management and Board of Directors.

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.

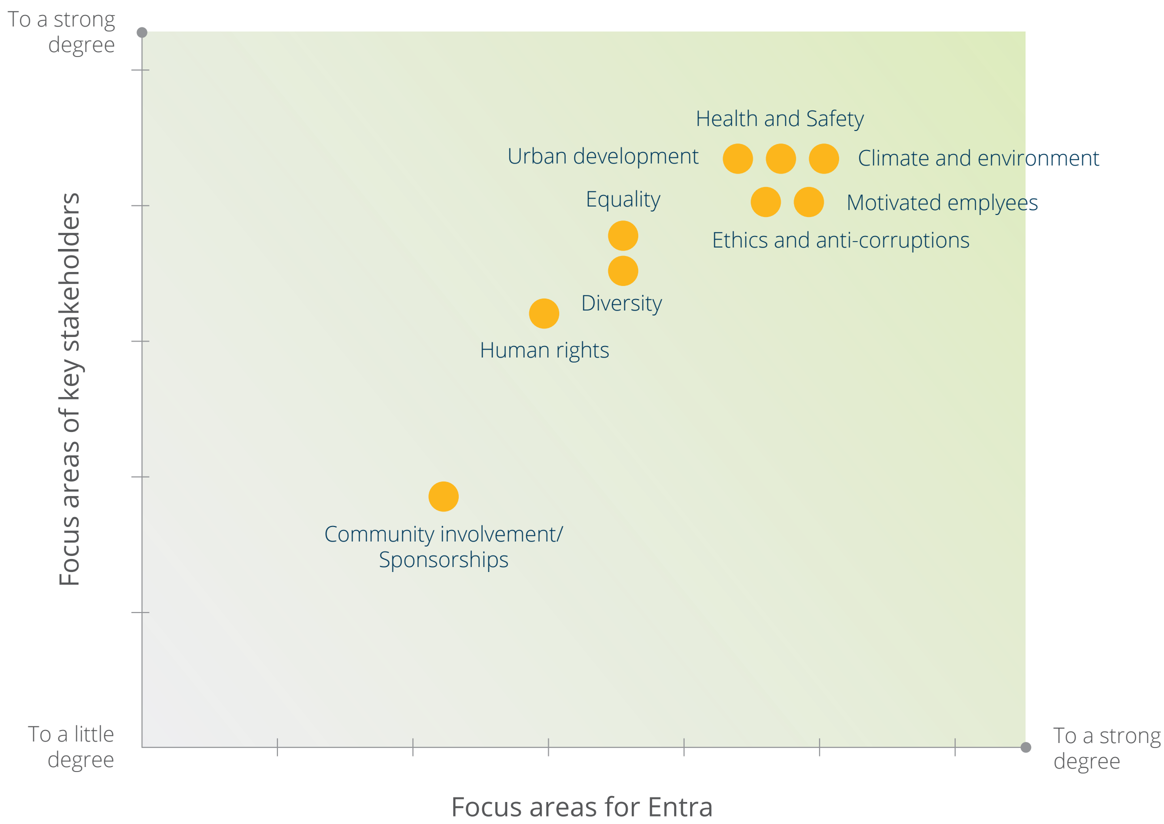
Materiality analysis and focus areas:

Entra believes that a systematic approach towards understanding and managing the company's external factors is a prerequisite for 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 the previous year and is illustrated on the next page.

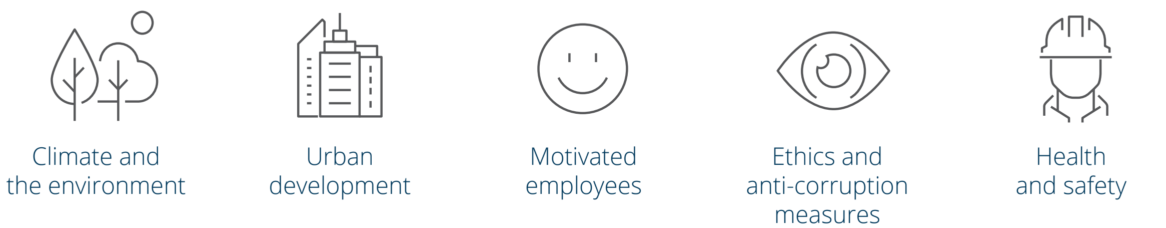
Entra's main stakeholders

Materiality analysis



Focus areas

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



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 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 two degrees Celsius rise in global temperature. 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 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 limit 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. In addition to the environment strategy outlined below, see EPRA, GRI and TCFD tables and references in the end of the annual report.

Entra's environment strategy 2018-2020

Entra's environment strategy 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.

Entra revise its environmental strategy on a regular basis. The current strategy for the period 2018-2020 is summed up in the figure on the next page and further outlined in the following text.

Entra's business shall be climate neutral

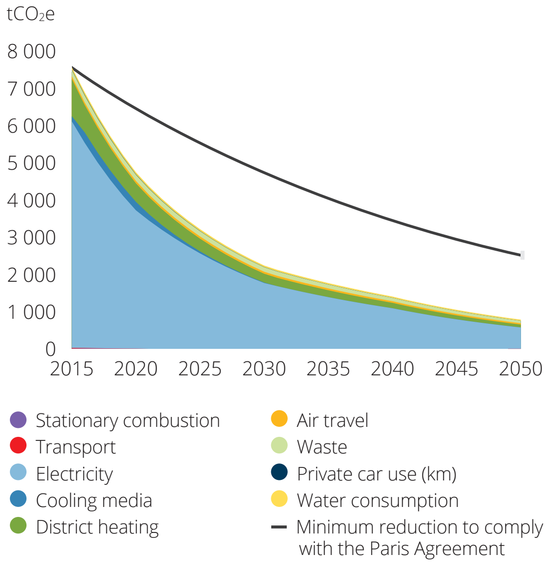
Entra has a corporate culture where environmental awareness is strongly embedded at all levels in the organization. This is something that Entra wish to maintain and further enhance and use as a lever in implementing an even broader environmental focus. Entra strives for a culture in which every one 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 initiatives 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 initiatives 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 is environmentally certified in accordance with the requirements set out in "Miljøfyrtårn" (Environment Lighthouse). 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 shall be climate neutral. Today, energy consumption amounts to approximately 80 per cent of Entra's direct CO_2 emissions and is thus the most important single source in impacting our carbon footprint. From 2018 to 2019, Entra reduced its greenhouse gas intensity from 5.65 tonnes per sqm. to 4.53 tonnes per sqm, mainly as a result of reduced energy consumption and greener electricity with lower CO_2 emissions. Entra has a goal to reduce its current CO_2 footprint by at least 70 per cent from 2015-2030. This will be achieved through, among other things, 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 calculation and projection have been made by CEMAsys and Entra, and the CO_2 factor for electricity used in the calculation is based on Electricity Nordic mix.

Entra scenario; Minimum reduction to comply with 2 degree ambition



In order to compensate for its own emissions and make Entra's business close to climate neutral Entra buys guarantees of origin ("green power") corresponding to the electricity consumption of the buildings where Entra is responsible for providing electricity. 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

Our environment strategy

Reduce | Reuse | Recycle

We shall be climate neutral

- Environmental awareness in the corporate culture
- Climate neutral operation and buildings
- Environmental leadership, an important part of social responsibility and reputation
- Environment certified organisation

The group

Our counterparties

We shall influence and set requirements for our counterparties

- Environmental requirements on suppliers
- Increased environmental awareness among users of Entra's buildings
- Share expertise and experience
- Sustainable and good urban development

We shall be an environmental leader within property management

- Good environmental leadership
- Reduce energy consumption and green house gas intensity
- Reduce and recycle waste
- Environmental measures on roof surfaces and planning for cyclists and pedestrians

The property portfolio

New buildings and re-development projects

Our projects shall be characterised by high quality, flexibility and a low environmental burden

- Standardisation and environmental requirements
- Certification: BREEAM Excellent
- Focus on renewable energy and low energy consumption
- Seek out innovation

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 its 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 our customers, the tenants of the buildings, but also our 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 75 per cent waste sorting on its 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 customers 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.

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 increased 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 with an objective to reduce this by at least 70 % from 2015-2030 • 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 Sustainability Gold • Retain CICERO rating "Dark shade of Green" • Ownership and follow-up of environmental targets in the regions and project development

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 Powerhousealliansen, 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.

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 the carrying out of environmental measures by customers • 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

Entra shall be an environmental leader

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 both the performance and management of 10 buildings in the portfolio. On asset performance seven were scored Excellent and three Very Good. On building management three were scored Outstanding, five Excellent and two Very good. Entra has another six Breeam-in-use certifications ongoing as of year-end 2019. In addition, Entra has BREEAM-NOR certified 14 of its completed project developments.

Over time Entra has built a culture in which energy management is an integrated part of its operations. Entra has worked diligently to reduce energy consumption in its portfolio (from 202 kwh/sqm. in 2011 to 133 kWh/sqm. in 2019). 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 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.

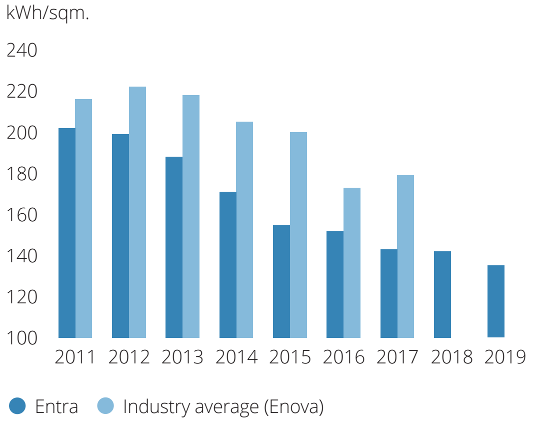
Entra will maintain its focus on reducing energy consumption in its management portfolio and has a target to get below 135kWh per sqm. in 2020. Entra works to reduce load on the energy grid and lower costs in relation to energy intensity in the portfolio.

Entra will continue to implement a culture where 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 for the period 2018-2020.

In 2020, Entra will investigate and establish a strategy for environmental measures on its roof surfaces (use of solar panels, solutions for surface water, biological diversity and climate risk). In 2019, Entra did a pilot project and implemented solar panels on the roof and facades of Professor Olav Hanssens vei 10 in Stavanger.

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. All Entra's buildings will have provision for bicycle parking.

Energy consumption in the portfolio 2011-2019



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

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 145 kWh/sqm. in 2018, 140 kWh/sqm. in 2019 and 133 kWh/sqm. in 2020 • 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	• 75 % waste sorting in 2019 in both projects and property management. Target for 2020 is 80 % • Reduce water consumption
Environmental measures	• Strategy for roof surfaces and facades • Make provision for bicycle transport • Actively seek innovative and environmentally friendly solutions

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

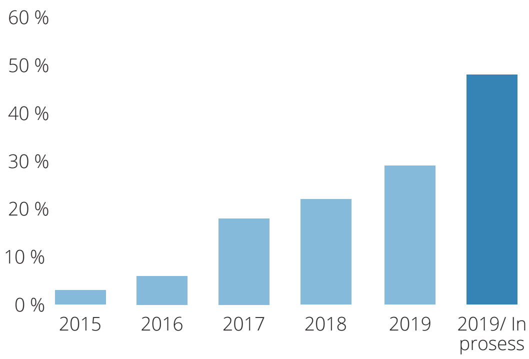
Entra is a leader in developing environmentally sustainable buildings and has for many years had high environmental ambitions on all its development projects. In cooperation with the Powerhouse alliance, Entra has redeveloped five older buildings to "Plus buildings/Powerhouses" at Kjørbo in Sandvika and at Brattørkaia in Trondheim a new-built Powerhouse was finalised and opened in 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

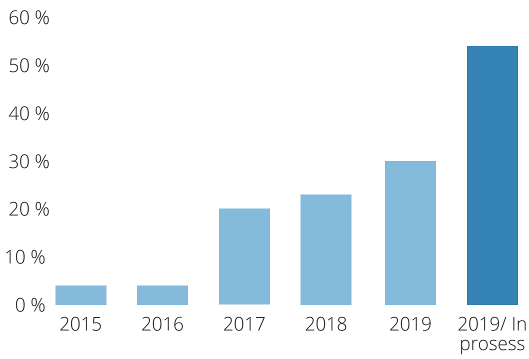
BREEAM certification of the portfolio

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

BY RENTAL INCOME



BY VALUE



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

Focus areas	Goals and measures
Standardisation and environmental requirements in projects	• Further develop 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

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 16 buildings.

Entra's new buildings and redevelopment projects shall be planned and built in accordance with Entra's specifications - the "Entra building". 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 in the future. 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 approximately NOK 3.5 million in support for its development projects in 2019.

Green Bonds

Entra has issued four 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

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 listed below:

Measure	Status
Certify the organization	Entra’s headquarters were certified as Miljøfyrtårn in 2017
Remove fossil heating in buildings	Completed on all Entra’s properties except two buildings which were acquired in 2018. A plan for phasing out will be established
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	16 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 conducted in 2020
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	To be implemented in Entra’s standard technical requirements
Demand fossil free construction sites	To be implemented in Entra’s standard technical requirements

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 high uncertainty, and these factors have a major impact on greenhouse gas emissions. There is also significant uncertainty with regard to how sensitive the climate system is to changes in greenhouse gas emissions, and uncertainty with regard to the effects of a given level of warming.

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. 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 on 6 October 2017 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 climate change affects other countries.

A moderate level of global warming and climate change will have both negative and positive effects on the Norwegian economy. Rich 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 2017 is shown on the next page 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 into two main buckets; (i) physical climate risk, and (ii) transition risk.

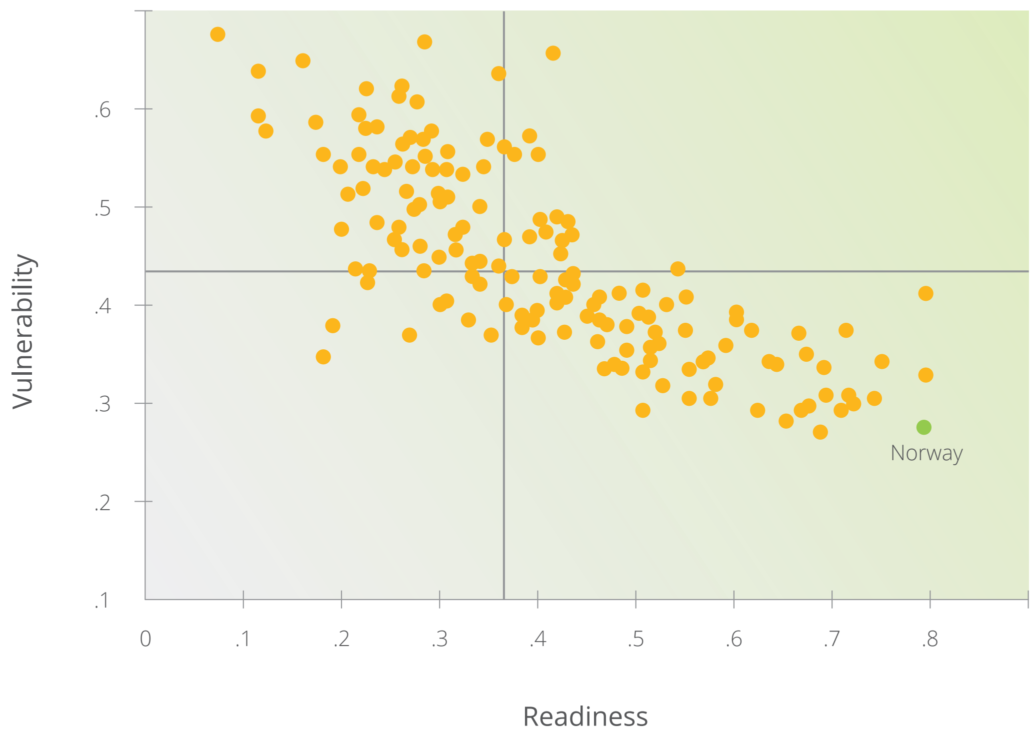
(i) Physical climate risk

- 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 century 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, 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.

- 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

Norway and other countires vulnerability and readiness for climate change



Source: University of Notre Dame: Global Adaption Index

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).

(ii) Transition 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, but we do not quite know when and how this will happen. 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.

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. The facades are checked visually at least once a year, and are more thoroughly checked based on an individual risk-assessment. 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 in 2020. This is also something that is considered in all of Entra's newbuilding projects.	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	Rising sea levels	High	High	Long	Some of Entra's buildings may be exposed to potentially rising sea levels. A portfolio assessment will be made in this respect during 2020 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	A new technical regulation is being prepared (TEK 20). 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 2021. The new technical regulations are most likely to contain stricter sustainability requirements. One of the areas that has been proposed to be tightened is on energy consumption, where there may be requirements for "almost zero energy building". This is an area well known to Entra through our work on passive houses and plus houses. This 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 regular operations.	Continue current strategy.
	Politics and regulations	Stricter regulations and climate requirements - Paris Agreement	High	High	Medium	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 8 years since new-built or fully redeveloped. In addition, we will continue to push for good and efficient operation in relation to energy savings.	Entra seeks to stay ahead of laws and regulations in all projects as well as in ordinary operations.	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 in 2020. 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 is 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. Entra is also involved in a recycling project together with Obos and Norwegian recycling working towards the industry to achieve increased material recycling of wood and concrete. This is to help establish more circular races for two of the largest waste products within the building and construction sector.	In Entras pilot project in Kristian Augusts gate 13 which is under redevelopmen Entra target to use as much as 60 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 other energy sources	High	Medium	Medium	Implementing solar and wind technology measures on buildings may impose significant costs.	Become more self-sufficient with energy	Entra monitors the technology development closely.
	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 rarely any explicit environmental requirements from tenants. However, it is assumed that this will change in the future and that 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.	Also on older buildings in Entra's portfolio, energy consumption is on average significantly lower than the industry, which in turn increases 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. 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 substantial sums in green bonds and bank loans. This will be further strengthened in the future, and we expect that during the next 2-3 years we will have 80 per cent of our debt portfolio as green.	Continue to develop 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. It is assumed that this will be strengthened in the future. Furthermore, a company's reputation deteriorates and confidence among the company's other stakeholders is reduced for companies lacking a sustainable business model.	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.	Entra seeks to be at the forefront in its reporting on the environment as well.	

[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's focus areas involves its employees and working environment, ethics and anti-corruption, HSE, urban development, human rights and community engagement.

Motivated employees

Entra focuses on developing a culture characterized by pride, positivity, responsibility and involvement. Emphasis is put on employee engagement and motivation, which is considered to form the basis for an individual's desire and willingness to work well and thus to contribute 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. There is a correlation between resources, tasks and authority. Together the employees create the basis for further development and growth. It is important that employees should consider Entra to be a good and attractive place to work.

At the end of 2019, the Group had 177 employees (including employees in partly owned Hinna Park), of which 172 work full time. 152 of the employees work in Oslo (including Sandvika and Drammen), ten in Bergen, twelve in Trondheim and three in Stavanger.

Focus on developing competence and engagement

Entra's value chain is broad and imposes significant requirements regarding relevant experience, expertise and coordination. Entra therefore acknowledges the individual employee's need for ongoing professional education 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. These include an introduction course for new employees, which is intended to enable employees to view their role in the company in a wider context. 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.

Employee relationship and employee satisfaction

Each year Entra carries out an employee job satisfaction survey. Since 2017 Entra has used the survey from Ennova for this purpose. The survey is standardized and gives a score both for the level of motivation and satisfaction of employees and the factors that drives their experience. Entra's results are 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 2019, Entra had an employee motivation and satisfaction score of 85, an improvement of two points from 2018's score. The score is also significantly above the national benchmark GELx score of 71 and also well above the "top in class" score of 77. The result of this survey confirms the continued positive development from the employee job satisfaction score measured in prior years.

Health and working environment

Entra carries out a number of measures to contribute to the health of its employees. As an example, all employees are offered annual health checks. Entra also has an internal sports club that is active in a number of sports such as running, cycling, skiing and yoga. Sick leave in Entra in 2019 was 2.6 per cent. This is low compared to a country average of approx 5.9 [1] per cent. 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 members.

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 from 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 towards a fully 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).

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 the Entra's personnel policy. Entra believes

[1] Source: Statistics Norway: Sickness absence Q3 2019

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. Employee benefits, such as flexible working hours and full pay during illness and parental leave regardless of the National Insurance scheme's limits, are important measures in the efforts to ensure equal opportunities.

There are especially two areas where Entra is actively working to increase diversity;

- to achieve a more balanced gender distribution in property management (which historically has consisted almost exclusively of men), and
- to increase the proportion of women at the level below group management and in the defined group of talents and key personnel.

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

Targets and status

Entra seeks to maintain high employee satisfaction and aims for a continued high score in the employee job satisfaction survey.

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. A direct point of contact to the law firm is available on www.entra.no and on Entra's intranet.

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 2019.

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 NOK 2-2.5 bn per year on external suppliers. The main suppliers are the largest construction companies in Norway and their sub-suppliers such as carpenters, electricians, plumbers etc. In property management, the largest suppliers are facility management suppliers such as canteen operations and cleaning services etc. Entra has signed framework agreements with its largest suppliers which mainly consist of large Norwegian companies.

Corporate Social Responsibility in the supply chain

The construction industry in which Entra operates faces serious challenges related to business crime and social dumping. 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 cleaning 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 labour or forced and compulsory labour in Entra's direct supply chain. There may, however, be more risk further down in the supply chain with sub-suppliers, although none has been identified in 2019.

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 supplier audits 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 2019, five 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.

Supplier reviews
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;

- 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

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 2019, Entra reviewed its ethical guidelines for suppliers 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.

Targets and status
During 2019, Entra revised the content in the "Socially Responsible Procurement Guidelines" for suppliers. The new version has further strengthened environmental requirements for purchasing materials, and there are stronger restrictions on the use of hazardous materials. In addition, vendors need to have an established return scheme for packaging and waste.

As part of its ongoing business Entra carried out supplier audits and other reviews as described above and will continue to do so in 2020.

Health, Safety and Environment (HSE)
HSE work is central to Entra in all parts of the value chain. 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 shall be safe to work, visit and travel in and around Entra's properties and development 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.

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 increase awareness internally among Entra's employees, suppliers and customers.

Targets and status
HSE targets are also aggregated into group KPI's with a main focus on avoiding serious accidents. The HSE targets for 2019 were:

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

Such incidents are reported to the Chief Executive 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.

The status at 31 December 2019 was that there had been one injury involving sick leave absence that was due to Entra in and around our buildings, and there had been no 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 2019, Entra performed five HSE audits of which of three 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 aims 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 means creating a good atmosphere and secure surroundings in and around its buildings for the benefit of tenants, visitors and others who pass through the area. Entra ensure that the space around its buildings and building sites is neat, clean and attractive. Entra gives consideration to 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 and Tøyen in Oslo and Hinna Park in Stavanger.

Human rights

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

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 through secure IT and HR systems.

Community engagement

In addition to its core areas for ESG work, Entra has had a community engagement 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 and Bjørvika, working to create a safer and better local environment for all those passing through the area. Entra is actively involved in Christmas campaigns to collect money to provide Christmas dinners for the homeless and Entra employees have been knitting scarves for the campaign "Support someone who dreads Christmas". At Tøyen in Oslo, Entra has established and arranged several community arrangements such as a new library for youths, festival with focus on re-use, waste sorting and refurbishment of a public square. At Hinna Park in Stavanger, Entra has arranged several neighborhood arrangements such as outdoor cinema. In total Entra has contributed with community engagement in and around 30 per cent of its portfolio (23 assets).

For 19 consecutive years, Entra has also been a key sponsor of Ridderrennet, a full week of skiing activities and competitions for all classes of visually and mobility disabled persons. Around 500 disabled skiers from different countries participate in various competitions at Beitostølen. In addition to monetary support, Entra employees also serve as volunteers during the event.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Corporate governance

Report on the Norwegian Code of Practice for Corporate Governance ("the Report")

Good corporate governance and corporate management reduce business-related risk, while enabling the company's resources to be utilised in an effective and sustainable manner. Corporate governance deals with issues and principles associated with the distribution of roles between the governing bodies in a company. It calls for effective co-operation and a defined division of responsibilities and roles between the shareholders, the Board and the management as well as respect for the Group's other stakeholders. Openness, transparency, accountability and equal treatment are of key importance and underpin confidence in Entra both internally and externally. The Group's value platform and ethical guidelines are a fundamental premise for its corporate governance.

1. Corporate Governance statement

Entra ASA is subject to the reporting requirements on corporate governance set out in section 3–3b 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), ("the Code"). The code is available at www.nues.no. The Board of Directors also believe that the Report to the Norwegian Parliament no. 27 (2013–2014) - "Diverse and value-creating ownership" is relevant for Entra.

This Report will be addressed at Entra's Annual General Meeting on 30 April 2020.

The Report is structured in the same way as the Code and covers each topic of the Code, including a description of Entra's compliance system and initiatives. The following elements are central in this Report:

- Entra shall maintain open, reliable and relevant communication with the outside world about the Group's business and matters related to corporate governance
- Entra shall have a board that is independent of the Group's management
- Emphasis shall be placed on avoiding as far as possible conflicts of interest between shareholders, the Board and management
- Entra shall have a clear division of work between the Board and management
- All shareholders shall receive equal treatment

1.1 The Board of Directors' Corporate Governance statement

Entra's 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 Accounting Act and the Code. 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 annual assessment and discussion by the Board.

2. Business

According to the Entra's Articles of Association, Entra's objective is to own, acquire, sell, operate, develop and manage real estate, and carry out other activities in this connection. The Group can invest in shares or ownership interests and participate in companies engaged in the business referred to above.

Entra's strategy is to actively work with new and existing tenants to ensure maximum retention, pursue strategic development projects, expand its commitment to environmental sustainability and optimise its property portfolio through focused acquisitions and divestments.

The Board is responsible for establishing the strategy, relevant targets and an appropriate risk profile for the Group that aims to create shareholder value. The strategy, targets and risk profiles are evaluated and amended on an annual basis.

A more detailed description of the Group's targets, main strategies, business, property portfolio and risk profile, as well as the full set of Articles of Association, are set out in Entra's annual report and on www.entra.no

3. Equity and dividends

3.1 Equity

At 31 December 2019, the Group's book equity was NOK 24,517 million (NOK 22,269 million), representing an equity ratio of 48 per cent (47 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.

3.2 Dividend

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.

3.3 Capital increases and purchases of own shares

Capital increase

The Board has not been authorised to issue shares.

Purchase of own shares

The Board has been authorised on behalf of the company to acquire Entra shares in the market with a combined nominal value up to NOK 3,642,641, corresponding to 2 per cent of outstanding shares, up to a maximum purchase price of NOK 729 million. The minimum and maximum amount that may be paid per share is respectively NOK 50 and NOK 200. Within these limits, the Board can decide at which prices and at which times acquisitions may take place. Own shares acquired in relation to this authorisation may only be used for cancellation through a reduction in capital, cf. the Norwegian Public Limited Liability Companies Act section 12-1. The authorisation is valid until the general meeting in 2020, but no longer than until 30 June 2020. Entra has repurchased no shares under the buy-back programme in 2019.

The Board has also been authorised on behalf of the company, to acquire up to 500,000 own shares with a maximum nominal value of NOK 500,000, provided that the company's total holding of such own shares does not at any time exceed 0.3 per cent of the outstanding shares. Own shares so acquired are to be used

CORPORATE GOVERNANCE IN ENTRA

	Compliance with the Code	Non-compliance with the Code
1. The Board of Directors' Corporate Governance statement	●	
2. Business	●	
3. Equity and dividends	●	
4. Equal treatment of shareholders and transactions with related parties	●	
5. Free transferability	●	
6. General meeting	[1] ●	
7. Nomination Committee	●	
8. Board composition and independence	●	
9. The work of the Board	●	
10. Risk management and internal controls	●	
11. Remuneration of the Board	●	
12. Remuneration of Senior Executives	●	
13. Information and communication	●	
14. Takeover bids	●	
15. Auditor	●	

[1] Minor deviation, cf. section 6.

for the purpose of establishing a share ownership scheme for all employees and a long-term share incentive scheme for the Senior Executives of the Entra Group. The lowest price per share to be paid is NOK 50 and the highest price per share to be paid is NOK 150. The authorisation is valid until the general meeting in 2020, but no longer than until 30 June 2020.

4. Equal treatment of shareholders and transactions with related parties

4.1 General

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

4.2 Capital increases without preferential rights and transactions in the group's own shares

The Board's mandate to acquire treasury shares is based on the assumption that acquisitions will take place in the market. Acquired shares may be cancelled through a reduction in capital, cf. the Norwegian Public Limited Liability Companies Act section 12-1 or be disposed through the share schemes for the Group's employees.

The Group's transactions in its own shares shall take place over the stock exchange or otherwise at market price. If there is limited liquidity in the share, consideration shall be given to meeting the requirement for equal treatment in other ways.

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 2019 between the company and shareholders, directors, executive personnel or parties closely related to such individuals that could be described as material transactions.

5. 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 section 13.3 in the Report. The Articles of Association place no restrictions on voting, ownership or negotiability in the shares.

6. General meeting

6.1 Exercise of rights

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.

6.2 Participation by proxy

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.

7. 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 of the Nomination Committee, 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 of daily management and the Board. 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.

8. Board composition and independence

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 in the annual report. In addition, information is given about those Board members who are considered to be independent. Board members are encouraged to own shares in the Group.

9. The work of the Board

9.1 The functions of the Board

The Board has responsibility for the management and control of the Group, including determining the Group's overall strategy and objectives, and for ensuring proper management and organisation of the Group's business. The Board shall also supervise day-to-day management and the Group's business in other respects. The Board adopts the overall governing documents for the Group's business, including, among others, the business plan and investment limits.

The Board shall keep itself informed about the Group's financial situation and ensure that its business, financial reporting and asset management are subject to adequate controls and in accordance with applicable legislation. The Board shall ensure that the Group has good internal controls and appropriate systems for risk management in relation to the extent and nature of the Group's business.

The Board's functions also include considering all matters that in relation to the Group are of an unusual nature or of major importance. The Board shall further consider matters that are specifically accorded to the Board by law.

Conflicts of interest and incapacity

Entra considers it important to be transparent and cautious in relation to transactions where there might be a close relationship between the Group and a shareholder, a shareholder's parent company, a Board member, a senior employee or closely related parties of any of these. The guidelines for the Board regulate the Board members' duty to report any other directorships, roles and related parties. The guidelines for the Board state that Board members and the CEO cannot participate in discussions or decisions on issues that affect them personally or affect a related party where they have a significant personal or financial interest in the matter. The Board has also approved guidelines for transactions with related parties, describing the rules and procedures for these types of transactions.

9.2 Composition of the Board

The Board consists of the following seven members: Siri Hatlen (Chair), Kjell Bjordal (Vice Chair), Ingrid Dahl Hovland, Widar Salbuvik, Camilla Aldona Cakste Tepfers, Mariann Halsvik Larsen and Erling Nedkvitne.

The Board schedules regular board meetings each year. Ordinarily, 7-8 meetings are held each year. Additional meetings are held on an ad hoc basis. 11 (10) Board meetings were held in 2019.

Siri Hatlen, Kjell Bjordal, Widar Salbuvik and Ingrid Dahl Hovland were elected at the general meeting on 20 April 2018 whereas Camilla A.C. Tepfers was elected on the general meeting on 26 April 2019. All board members are up for election at the general meeting to be held on 30 April 2020.

Linnea Tviberg Scharning and Erling Nedkvitne were elected by the employees in May 2018 for a two-year period. Linnea Tviberg Scharning was replaced by Marian Halsvik Larsen from 4 March 2019. The employee elected board members are up for election in 2020.

The Chair of the Audit Committee is Widar Salbuvik and the Chair of the Remuneration Committee is Siri Hatlen.

9.3 Organisation of 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 assessing 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.

9.4 Guidelines for the CEO

The Board has adopted guidelines that regulate the CEO's tasks and the relationship with the Board. The CEO is responsible for the day-to-day management of the Group and the Group's business and for ensuring that the Board's resolutions are implemented, as well as ensuring that the Group's employees and other involved parties receive sufficient information on the Board's resolutions. The CEO is further responsible for ensuring that the Board receives the information that is necessary for it to be able to exercise its functions in accordance with applicable statutory requirements at the relevant time and with board procedures.

The CEO is obliged to inform the Chair of the Board if the CEO finds that circumstances exist that require the Board to consider a matter, and the CEO is to notify the Board when the assumptions for a previous decision that is relevant to the business have changed significantly.

9.5 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 Committe, 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.

The Audit Committee acts as a preparatory body and supports the Board in the exercise of its responsibility relating to financial reporting, auditing, internal controls, compliance with ethical guidelines and overall risk management. 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 Audit Committee has an established calendar of meetings. 7 (7) meetings were held in 2019.

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.

PARTICIPATION IN BOARD MEETINGS AND BOARD COMMITTEES IN 2019

	Board meetings	Audit committee	Remuneration committee
Siri Hatlen (Chair)	11		4
Kjell Bjordal (Vice Chair)	11	4	4
Ingrid Dahl Hovland	11		
Widar Salbuvik	11	7	
Camilla Aldona Cakste Tepfers (from 26 April 2019)	6		
Katarina Staaf (until 26 April 2019)	3	3	
Mariann Halsvik Larsen (from 4 March 2019)	8		
Erling Nedkvitne	11		
Linnea Tviberg Scharning (until 4 March 2019)	2		

The Remuneration Committee is composed of the Chair of the Board and one or two shareholder-elected members of the Board, and shall be independent of Senior Executives. The CEO 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. 4 (4) meetings were held in 2019.

9.6 The Board members' shareholdings

At 31 December 2019, the Board members held the following portfolios of shares in the Group:

- Siri Hatlen (Chair) holds 1,163 shares
- Kjell Bjordal (Vice Chair) holds 44,704 shares
- Ingrid Dahl Hovland holds no shares
- Widar Salbuvik holds 10,000 shares
- Camilla Aldone Cakste Tepfers holds no shares
- Mariann Halsvik Larsen holds 3,117 shares
- Erling Nedkvitne holds 9,384 shares

10. Risk management and internal controls

10.1 General

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.

Entra works systematically to ensure continuous improvement of its internal controls linked to financial reporting and efficient operation. 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 the Annual Report.

10.2 Reporting

As part of the management's follow-up of the business, quarterly reports and reviews are prepared for all business areas. The Board undertakes a semi-annual review of the Group's risk and internal control activities. The Board is also informed quarterly of developments in the Group's risk exposure. 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.

10.3 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 valuers, 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.

10.4 Financial management

The Group is managed by means of financial targets linked to operational 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 building projects, in accordance with the Group's calculation model and required rate of return. The present value and other key financial metrics of building 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 central balance sheet key figures and cash flow.

Allocation of capital and risk profiles 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 provides updated key figures, which are monitored on a continuous basis. Reports are made to the management monthly 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.

10.5 Monitoring of risk management and internal controls

In consultation with the Audit Committee, management defines areas where the Group is to carry out a 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 an annual basis. An internal control plan is presented to the Board.

10.6 Monitoring ethical guidelines and socially responsible procurement

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 in the ESG report which is included in the Annual Report.

10.7 Monitoring of compliance

The Group's Chief Compliance Officer (CCO) is responsible for compliance with Entra's 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 semi-annual reports on compliance related matters.

11. 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 should not undertake separate assignments for the Group in addition to the Board appointment. If they nevertheless do, the whole Board is to be informed. Fees for such assignments are to be approved by the Board. If remuneration has been paid above the normal Board fee, this is to be specified in the annual report.

12. Remuneration of Senior Executives

12.1 Board statement regarding Senior Executives' remuneration

The Board prepares a statement on the determination of salaries and other remuneration of Senior Executives in accordance with section 6–16a of the Norwegian Public Companies Act. The statement is presented to the general meeting. The statement sets out the main principles for the Entra's Senior Executives' salary policy and seeks to contribute to the alignment of interests between the shareholders and Senior Executives.

12.2 Determination of salaries and compensation of Senior Executives

The Board assesses the CEO's terms and conditions of employment once a year following a recommendation from the Board's Remuneration Committee. The CEO consults the Remuneration Committee in connection with the annual adjustment of the salaries of the Group's Senior Executives.

12.3 Performance-related pay

The Group operates a performance-related pay scheme for Senior Executives. Performance-related pay for the Group's Senior Executives includes a performance-related pay scheme ("STI") and a long-term performance-based share incentive program ("LTI"). See note 15 to the consolidated financial statements for a more detailed description of the Group's performance-related pay scheme for Senior Executives.

13. Information and communication

13.1 Financial reporting 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.

13.2 Information to Entra's shareholders

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.

14. 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.

15. Auditor

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.

15.1 Plan for the auditor's work

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

15.2 Auditor's relationship to the Board

The auditor attends all meetings of the Audit Committee, as well as relevant Board meetings to consider and adopt the annual report and financial statements. At the meetings, the auditor goes through any significant changes in the Group's accounting principles, the evaluation of material accounting estimates and all 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.

15.3 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.

15.4 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. The management informs the Audit Committee of additional services supplied by the external auditor under a fixed item on the agenda at each meeting.

15.5 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.

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To the Board of Directors of Entra ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON ENTRA'S ESG REPORT FOR 2019

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 2019, the sections ESG report, pages 34 – 69, GRI and TCFD tables, pages 163 – 168, and EPRA Sustainability Performance Measures, pages 169 – 175, 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 interviews with management and individual resources 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.

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 2019 to be included in the Report, as described in the Report.
- ESG information presented for 2019 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 in accordance 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 2019.

Oslo, March 4, 2020
Deloitte AS

Eivind Skaug

Eivind Skaug
State Authorised Public Accountant

Frank Dahl

Frank Dahl
Deloitte Sustainability

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	44,704	10,000
Education	MSc degree 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 previously held positions such as EVP in Statkraft and CEO of Oslo University Hospital. She serves as the chair of the board of directors of Bane NOR, Norwegian University of Life Sciences, the Norwegian Board of Technology and Omsorgsbolig. She is also a board member of the Norwegian Trekking Association, Export Credit Norway, Norsk Luftambulanse, Anti-doping Norway, the Norwegian Glacier Museum and Nobels Peace Centre.	Bjordal is an independent business advisor and has previously held positions as CFO and CEO of Glamox Group, and CEO in NorAqua and EWOS Norway/ EWOS Group. He also serves as the chair of the board of directors of Sparebank1 SMN, Axess Group, Nordlaks Group and Norsk Landbrukskjemi.	Salbuvik is an independent business advisor and investor and was previously CEO of Pareto. 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 View 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		●	●

			
Ingrid Dahl Hovland	Camilla AC Tepfers	Mariann Halsvik Larsen	Erling Nedkvitne
Board member	*Board member*	*Board member, employee representative*	*Board member, employee representative*
1959	1969	1981	1962
Norwegian	Norwegian	Norwegian	Norwegian
Female	Female	Female	Male
2017	2019	2018	2018
-	-	3,117	10,855
MSc degree from the Norwegian University of Science and Technology (NTNU)	MSc degree from the Norwegian University of Science and Technology (NTNU)	MSc in Business degree from Nord University.	MSc degree from the University of Glasgow, Business Administration candidate from BI Norwegian Business school
Hovland currently serves as CEO the Norwegian Public Roads Administration ("Statens Vegvesen"). She was previously CEO of Nye Veier and has held management positions in Spenncon, Selvaagbygg, Veidekke, and the Public Road Administration. She also serves as chair of Undervisningsbygg Oslo.	Tepfers serves as co-founder and partner of inFuture. She has previous experience as EVP for innovation in DnB Nor 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 Unicef Norge	Halsvik Larsen is a Business Controller in Entra and has previous held positions within controlling functions in Altia Corporation, Hoegh Eiendom and DnB Eiendom	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
●	●		
●		●	●
●	●	●	●
●	●	●	●
●		●	
●			
		●	

Report of the Board of Directors 2019

2019 was another solid year for Entra. Net asset value grew by seven per cent mainly as a result of solid letting and project development and growth in market rents. Rental income grew by four per cent and net income from property management by three per cent. The Board proposes to pay a semi-annual dividend of NOK 2.40 per share for the second half of 2019 and thus NOK 4.70 per share for the full year, up from NOK 4.50 per share in 2018.

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 had rental income of 2,338 million (2,243 million) in 2019. Net operating income was 2,149 million (2,058 million) and net income from property management was 1,471 million (1,434 million). Net positive value changes were 1,955 million (1,486 million) and profit before tax was 3,735 million (3,073 million).

Entra signed new and renegotiated leases with an annual rent totalling 370 million. Net letting for the year was NOK 62 million.

The most important lever for securing profitable growth for Entra is through project development, and Entra normally has 7-8 per cent of the portfolio in project development. In 2019, Entra finished the new-build projects Powerhouse Brattørkaia in Trondheim, Tullinkvartalet in Oslo, Brattørkaia 12 in Trondheim and the redevelopment of Tollbugata 1A in Oslo. Entra also started a 28,100 sqm. redevelopment project in Universitetsgata 2 in Oslo as well as the redevelopment of 4,300 sqm. in Kristian Augusts gate 13 in Oslo. The project in Kristian Augusts gate 13 will demonstrate Entra's strong commitment to work for more sustainable solutions by incorporating a target of more than 60 per cent re-use of building materials.

To operate its business in a sustainable manner is of key strategic importance to Entra. Entra's ESG report can be found on pages 36-67. The outputs are compiled and aligned using two reporting frameworks: The EPRA Best Practices Recommendations on Sustainability Reporting and GRI (core requirements). Entra has also reviewed the UN Sustainable Development Goals for its business.

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 2019, Entra had one injury involving sick leave absence that was due to Entra in one of its buildings and no injuries involving sick leave absence in its construction projects that involved more than 16 days sick leave. Absence due to illness in Entra was 2.6 per cent in 2019 vs 4.2 per cent in 2018. This is low compared to a country average of 5.9 [1]. Cooperation with the employee organisations is good and constructive and yields a positive contribution to the operation of the Group.

The Board has supervised management and monitored the Group's business in accordance with good corporate governance. In 2019, the Board has focused 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.

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

Income

Rental income was up by 4 per cent from 2,243 million in 2018 to 2,338 million in 2019. The increased rental income is explained in the table on the next page.

[1] Source: Statistics Norway: Sickness absence Q3 2019

All amounts in NOK millions	2018 to 2019
Rental income in 2018	2 243
Development projects	- 2
Acquisitions	37
Divestments	-27
Other [1)]	13
Like-for-like growth	75
Rental income in 2019	**2 338**

[1)] Includes extraordinary lease buy-out of net 9 million

The increase in rental income in 2019 is mainly driven by an underlying like-for-like growth of 3.8 per cent (75 million), compared to an annual CPI of 3.5 per cent. Development projects affected rental income by -2 million as the completion of two newbuild projects, Powerhouse Brattørkaia and Tullinkvartalet, is offset by the vacating of Universitetsgata 2 and Schweigaaards gate 15 awaiting the redevelopment projects to begin.

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 97.1 per cent (96.5 per cent) as of 31 December 2019. The rental value of vacant space was approximately 69 million (82 million) on an annualised basis.

Operating costs amounted to 189 million (184 million) and are split as follows:

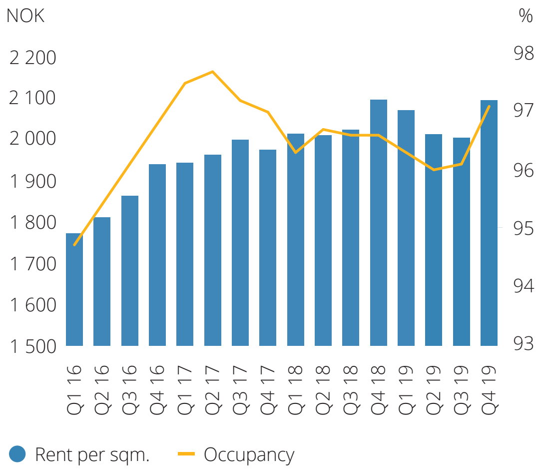
All amounts in NOK millions	2019	2018
Maintenance	33	35
Tax, leasehold, insurance	58	72
Letting and property administration	57	43
Direct property costs	40	34
Operating costs	**189**	**184**

As a consequence of the effects explained above, net operating income came in at 2,149 million (2,058 million) in 2019.

Other revenue totalled 300 million (521 million) and other costs amounted to 260 million (500 million) in 2019. 185 million (429 million) of other revenue and 166 million (429 million) of other costs are related to the development of Tollbugata 1A in Oslo, which was forward-sold and delivered to the buyer in November 2019.

Income and costs related to assets in the Bryn portfolio which was acquired in September 2018, and subsequently will be taken over by a third party and developed to residential buildings, is recognised under Other revenue and Other costs. The net effect of this is 14 million in 2019.

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



In addition to the effects explained above, Other revenue mainly consist of income from extra services provided to tenants. Other costs consist of other property costs mainly related to depreciation and rental expenses, in addition to the corresponding cost from extra services provided to tenants.

Administrative expenses amounted to 171 million (157 million) in 2019. The increase in 2019 is primarily related to Entra's innovation, technology and digitalization initiatives.

Entra's share of profit from associates and JVs was 312 million (156 million) in 2019. The profit mainly relates to the net gains from the completion and delivery of residential apartments and the recognition of income and cost related to the completion and sale of forward-sold commercial assets in Bjørvika.

Net realised financials amounted to -551 million (-491 million) and are composed as follows:

All amounts in NOK million	2019	2018
Interest and other finance income	10	17
Interest and other finance expense	-561	-509
Net realised financials	**-551**	**-491**

Net income came in at 1,780 million (1,587 million). When including only the income from property management in the results from JVs, the net income from property management was 1,471 million (1,434 million) for 2019. Refer to the alternative performance measures section of this report for calculation of the net income from property management.

Net value changes amounted to 1,955 million (1,486 million) for 2019. The valuation of the property portfolio resulted in a net positive value change of 1,909 million (1,387 million) for the financial year 2019.

During 2019, about 1,172 million in value change is attributable to increased market rent, primarily in the Oslo market, 170 million is related to the net effect from letting activities in the portfolio and 122 million is due to yield compression mainly in Bergen. In addition, about 430 million of value changes stems from development in the project portfolio as each project moves towards completion with a corresponding risk reduction. The remaining is a result of realised value changes from the divestment of several properties above book value throughout the year and negative effects from other property related changes.

Net changes in the value of financial instruments totalled 46 million (99 million) in 2019. The positive development is mainly explained by higher market interest rates and reduced time to maturity on high interest rate swaps, partly offset by a termination cost of 45 million for terminated swap contracts with a notional amount of 1,800 million during 2019.

Tax payable of 11 million (13 million) for 2019 is mainly related to the partly owned entity Papirbredden in Drammen. The change in deferred tax was -498 million (-325 million) in 2019. The effective tax rate during 2019 is less than the Norwegian corporate income tax rate mainly due to sales of properties without tax effect. At year-end 2019, the tax loss carry forward for the Group's wholly-owned subsidiaries was 68 million (321 million)

Profit before tax was 3,735 million (3,073 million) whereas profit after tax was 3,225 million (2,735 million). Total comprehensive income for the period was 3,229 million (2,729 million).

Balance sheet

The Group's assets amounted to 51,160 million (47,709 million) as at 31 December 2019. Of this, investment properties amounted to 49,095 million (44,714 million). No (3) properties were classified as held for sale as at 31 December 2019.

Inventory properties of 413 million (407 million) at the end of the quarter relates to the properties in the Bryn portfolio expected to be zoned for residential development and subsequently sold to a third party.

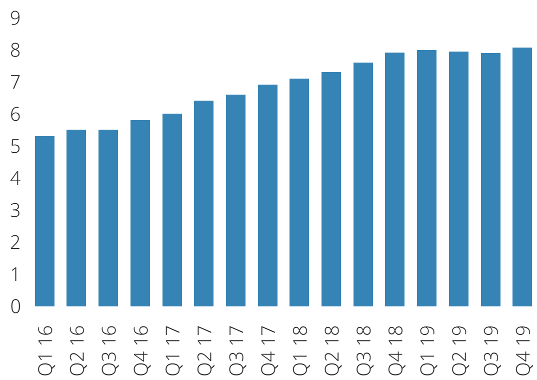
Other receivables and other current assets was 226 million (671 million) at the end of 2019. The 2018 amount included contract assets related to the forward-sold asset Tollbugata 1A, which was delivered to the buyer in November 2019.

Other non-current liabilities was 505 million (456 million) at the end of the year. The increase is mainly related to the capitalisation of lease liabilities of 235 million following the implementation of IFRS 16. The increase is partly offset by the derecognition of the provision for the contract obligation assumed from the University of Oslo for the remaining lease period from 2019 to 2025 at St. Olavs plass 5. The provision was derecognised following the acquisition of St. Olavs plass 5 in 2019.

Book equity totalled 24,517 million (22,269 million), representing an equity ratio of 48 per cent (47 per cent). Book equity per outstanding share was 135 (122). Equity per share was 151

Net income from property management per share (Annualised, rolling 4 quarters)

Per share



(141) based on the EPRA NAV standard and 141 (131) based on EPRA NNNAV. Outstanding shares at 31.12.19 totalled 182,109,045 (182,669,987) as Entra held 23,010 (1,062,474) treasury shares.

Cash flow statement

Net cash flow from operating activities came to 1,352 million (1,389 million) in 2019.

The net cash flow from investment activities was -1,005 million (-1,645 million) for 2019.

Proceeds from property transactions was 1,619 million (618 million) in 2019, mainly due to the disposal of Pilestredet 19-21, Pilestredet 28, Kristian Augusts gate 23, Aasta Hansteens vei 10 and Karoline Kristiansens vei 2. Purchase of investment properties was -1,241 million (-925 million), mainly due to the acquisition of St. Olavs plass 5 in Oslo and Møllendalsveien 6 and 8 in Bergen.

The cash effect from investment in and upgrades of investment properties amounted -1,427 million (-1,201 million) in 2019. Investment in property for sale and inventory properties of -192 million (-362 million) in 2019 mainly relates to construction costs related to the forward-sold asset Tollbugata 1A.

Dividends from associates and JVs of 308 million (231 million) in 2019 are mainly related to dividends from Oslo S Utvikling AS.

Net cash flow from financing activities was -260 million (297 million) in 2019.

Net proceeds of interest bearing debt was 731 million (1,211 million) in 2019. During 2019, Entra had a net decrease in commercial papers of 700 million, and an increase in bank loans and bond loans of 731 million and 700 million, respectively.

In 2019, Entra repurchased shares for 69 million (116 million) under the share buy-back program initiated in July 2018.

Dividends paid amount to 840 million (790 million) in 2019. For 2019, Entra paid dividends of NOK 2.30 per share to the shareholders for the first six months and has proposed NOK 2.40 per share for the second half year. For the financial year 2018, Entra paid out total dividends of NOK 4.50 per share.

Dividends paid to non-controlling interests was 75 million (8 million) in 2019. The dividends were paid to the non-controlling interests in Entra OPF Utvikling AS and Papirbredden Eiendom AS.

The net change in cash and cash equivalents was 87 million (41 million) for 2019.

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-diversified financial structure comprising of both bank credit facilities and capital markets instruments.

Maintaining strong banking relationships is a key focus for Entra, and currently the Group has significant business activities with five of the top six Nordic banks. 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 in domestic and international debt capital markets 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 become a global trend 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 highly environment friendly development projects and BREEAM certified investment properties, is well positioned for capitalizing on this favourable supply of green financing.

The debt capital markets funding accounted for 67 per cent (70 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 317 million (230 million) as at 31 December 2019. In addition, the Group had committed, unutilised credit facilities totalling 6,190 million (5,210 million). The Group's average interest rate as at 31 December 2019 was 2.99 per cent (2.85 per cent), and 59 per cent (57 per cent) of the Group's total interest bearing debt was subject to fixed interest rates. Entra's loan-to-value ratio decreased to 40.2 per cent (41.3 per cent) and the interest coverage ratio decreased to 3.3 (3.6) at year-end 2019.

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 60-67 provides a more detailed description of the corporate governance principles and reporting pursuant to Section 3-3b of the Norwegian Accounting Act.

Equality and diversity

At 31 December 2019, 38 per cent (35 per cent) of the Group's 177 employees were women and 62 per cent (65 per cent) were men. Three out of seven of the Senior Executives were women and four were men. Four of seven of the Board members were women and three were men. 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 is included in the EPRA sustainability performance measures section of the annual report and further information on Entra's efforts to increase diversity is included the ESG report.

Risks associated with the business

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

Entra's main risk factors, both financial and non-financial, are described on pages 28-34.

Shareholder information

Entra's share capital is NOK 182,132,055 divided into 182,132,055 shares, with each share having a par 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.

As of 31 December 2019, Entra had 5,846 shareholders. Norwegian investors held 35 per cent of the share capital. The 10 largest shareholders as of 31 December 2019 were as follows:

Shareholder	% holding
Folketrygdfondet	8.8 %
Norwegian Ministry of Trade, Industry and Fisheries	8.2 %
State Street Bank (Nominee)	7.4 %
The Bank of New York (Nominee)	3.4 %
JP Morgan Chase Bank (Nominee)	1.5 %
BNP Paribas Securities (Nominee)	1.5 %
Danske Invest Norske	1.4 %
State Street Bank (Nominee)	1.2 %
Morgan Stanley & Co. (Nominee)	1.1 %
State Street Bank (Nominee)	1.1 %
Sum 10 largest shareholders	**35.8 %**

Profit for the year and allocations

In 2019, the parent company Entra ASA made a profit after tax of 1,134 million (604 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 437 million (420 million) corresponding to 2.40 per share (2.30 per share) for the last six months of 2019. The remainder of the result after tax of 697 million is to be transferred to retained earnings.

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

Outlook

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

Solid letting and management of high quality assets, combined with deliberate and targeted project development of both new-builds and redevelopments are the main sources of profitable growth in Entra. Emerging trends like co-working, employee wellbeing and increased flexibility demands from tenants will impact Entra's priorities, making technology development and being close to the tenants even more important. Entra has in recent years had the most satisfied customers amongst the major Norwegian real estate companies, and a priority is to further develop end-user focus with product and service offerings to realize the vision of owning buildings where the most satisfied people work.

Environmental leadership and sustainability have been key priorities for Entra during the last decade and is an integral part of all business operations in the company. Circular economy and re-use of building materials has strong momentum, and through ambitious pilot projects Entra is leading and challenging the industry to work with circular value chains. There is a continued growing interest and commitment from all stakeholders for sustainable business operations, and the financial benefits are also materialising through increasing appreciation from tenants, lower cost of funding through green bond and bank financing, and higher valuations of environmentally friendly properties. In addition, a true and genuine purpose spurs employee motivation and attracts new talent to the company.

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

Modern, environmentally friendly offices located near public transportation hubs are attractive and obtain solid rents compared to premises located in less central areas. Entra's portfolio in Oslo constitutes around 63 per cent of the market value of the management portfolio, and particularly the central Oslo office market is expected to continue favourably with low vacancy levels and increasing market rents. The office market in Bergen is also developing positively from a solid base, and we continue to see a moderate recovery in Stavanger. Trondheim is expected to remain relatively stable.

Interest rates are expected to remain at historically low levels in the foreseeable future, as uncertainty in the global economy will impact economic growth prospects.

The Norwegian transaction market is very active and driven by strong demand supported by a well-functioning debt market. The yield compression levelled out during 2018, and one expects a relatively flat development over the coming years. Entra's high quality portfolio with a healthy mix of attractive yielding properties and value enhancing development project combined with a positive rental market outlook should provide a continued positive portfolio value development.

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

Oslo, 4 March 2020
The Board of Entra ASA

Siri Hatlen
Chair of the Board

Kjell Bjordal
Vice Chair

Widar Salbuvik
Board member

Ingrid Dahl Hovland
Board member

Camilla AC Tepfers
Board member

Mariann Halsvik Larsen
Board member

Erling Nedkvitne
Board member

Sonja Horn
CEO

Consolidated financial statements Entra ASA

Statement of comprehensive income 1 January to 31 December

All amounts in NOK million

	Note	2019	2018
Rental income	5, 6	2 338	2 243
Operating costs	10	-189	-184
Net operating income		**2 149**	**2 058**
Other revenue	9, 11	300	521
Other costs	9, 12	-260	-500
Administrative costs	13	-171	-157
Share of profit from associates and JVs	20	312	156
Net realised financials	16	-551	-491
Net income		**1 780**	**1 587**
- of which net income from property management		**1 471**	**1 434**
Changes in value of investment properties	19	1 909	1 387
Changes in value of financial instruments	7, 27	46	99
Profit before tax		**3 735**	**3 073**
Tax payable	28	-11	-13
Change in deferred tax	28	-498	-325
Profit for the year		**3 225**	**2 735**
Actuarial gains and losses	29	5	-7
Change in deferred tax on comprehensive income	28	-1	2
Total comprehensive income for the year		**3 229**	**2 729**
Profit attributable to:			
Equity holders of the Company		2 946	2 537
Non-controlling interest		279	198
Total comprehensive income attributable to:			
Equity holders of the Company		2 949	2 532
Non-controlling interest		279	198
Earnings per share			
Continuing operations			
Basic=Diluted (NOK)	36	16	14

Notes 1 through to 39 form an integral part of the consolidated financial statements.

Balance sheet – assets

All amounts in NOK million

	Note	31.12.2019	31.12.2018
NON-CURRENT ASSETS			
Intangible assets	17, 18	117	127
Investment properties	19	49 095	44 714
Other operating assets	18	22	23
Investments in associates and JVs	20	397	367
Financial derivatives	7	274	321
Long-term receivables and other assets	21	256	236
TOTAL NON-CURRENT ASSETS		**50 161**	**45 788**
CURRENT ASSETS			
Inventory properties	22	413	407
Investment properties held for sale	19	-	565
Trade receivables	23	43	47
Other receivables and other current assets	9, 24	226	671
Cash and bank deposits	25	317	230
TOTAL CURRENT ASSETS		**998**	**1 921**
TOTAL ASSETS		**51 160**	**47 709**

Notes 1 through to 39 form an integral part of the consolidated financial statements.

Balance sheet – equity and liabilities

All amounts in NOK million

	Note	31.12.2019	31.12.2018
EQUITY			
Shareholders equity	26, 37	22 570	20 524
Non-controlling interests	33	1 947	1 746
TOTAL EQUITY		**24 517**	**22 269**
LIABILITIES			
Interest bearing debt	27	17 362	14 931
Deferred tax liability	28	5 367	4 861
Financial derivatives	7	341	481
Other non-current liabilities	29, 30	505	456
Total non-current liabilities		**23 576**	**20 730**
Interest bearing debt	27	2 539	4 239
Trade payables		200	190
Other current liabilities	31	328	281
Total current liabilities		**3 067**	**4 710**
TOTAL LIABILITIES		**26 642**	**25 439**
TOTAL EQUITY AND LIABILITIES		**51 160**	**47 709**

Notes 1 through to 39 form an integral part of the consolidated financial statements.

Oslo, 4 March 2020
The Board of Entra ASA

Siri Hatlen
Chair of the Board

Kjell Bjordal
Vice Chair

Widar Salbuvik
Board member

Ingrid Dahl Hovland
Board member

Camilla AC Tepfers
Board member

Mariann Halsvik Larsen
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 01.01.2018	**184**	**-**	**3 556**	**15 159**	**433**	**19 331**
Profit for period				2 537	198	2 735
Other comprehensive income				-6		-6
Consolidation effect Entra OPF change of control					1 123	1 123
Dividend				-790	-8	-798
Net equity effect of LTI & employee share saving scheme				-1		-1
Repurchase of shares under share buy-back program		-1	-20	-94		-115
Equity 31.12.2018	**184**	**-1**	**3 535**	**16 806**	**1 746**	**22 269**
Change in accounting principle IFRS 16 (note 2)				-6	-4	-10
Equity 31.12.2018	**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 [1]				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**

[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 39 form an integral part of the consolidated financial statements.

Statement of cash flows 1 January to 31 December

All amounts in NOK million

	Note	2019	2018
Profit before tax		3 735	3 073
Income tax paid	28	-11	-9
Net expensed interest and fees on loans and leases	16	551	491
Net interest and fees paid on loans and leases		-582	-504
Share of profit from associates and jointly controlled entities	20	-312	-156
Depreciation and amortisation	18	8	15
Changes in value of investment properties	19	-1 909	-1 387
Changes in value of financial instruments	7, 27	-46	-99
Change in working capital		-81	-35
Net cash flow from operating activities		**1 352**	**1 389**
Proceeds from property transactions		1 619	618
Purchase of investment properties	19	-1 241	-925
Investment in and upgrades of investment properties	19	-1 427	-1 201
Investment in properties for sale and inventory properties	9, 22	-192	-362
Purchase of intangible and other non-current assets	18	-35	-15
Net payment financial assets		-23	9
Net payment of loans to associates and JVs		1	-
Net payments in associates and JVs	20	-16	-
Dividends from associates and JVs	20	308	231
Net cash flow from investment activities		**-1 005**	**-1 645**
Proceeds interest bearing debt	27	16 430	13 209
Repayment interest bearing debt	27	-15 699	-11 998
Repayment of lease liabilities	32	-9	-
Proceeds from issue of shares/repurchase of shares	26	-69	-116
Dividends paid	37	-840	-790
Dividends paid to non-controlling interests		-75	-8
Net cash flow from financing activities		**-260**	**297**
Change in cash and cash equivalents		87	41
Cash and cash equivalents at beginning of period		230	189
Cash and cash equivalents at end of period		**317**	**230**

Notes 1 through to 39 form an integral part of the consolidated financial statements.

Summary of Notes

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 89 (92) buildings with a total area of approximately 1.3 million (1.3 million) sqm. As of 31.12.19 the real estate portfolio had a market value of around 49 billion (46 billion).

The public sector represents approximately 60 per cent (63 per cent) of the total customer portfolio. Entra's strategic areas are Oslo, Sandvika, Drammen, Stavanger, Bergen and Trondheim. Entra has its head office in Oslo.

The consolidated financial statements were adopted by the Company's Board on 4 March 2020.

NOTE 2 ACCOUNTING PRINCIPLES

All amounts in NOK million

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 2019

New and amended standards adopted by the Group:
The Group applied IFRS 16 for the first time in 2019. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16 Leases
IFRS 16 was issued in January 2016 and is effective for accounting periods beginning on or after 1 January 2019. The standard replaced IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The distinction between operational and financial leases under IAS 17 is removed for lessees and replaced by a model which is to be used for all leases.

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

The Group adopted IFRS 16 on 1 January 2019, applying the modified retrospective transition method. Under the modified retrospective transition method, the cumulative effect of initially applying the standard is recognised at the date of initial application.

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

	Effect 01.01.2019
Investment properties	231
Total assets	**231**
Total equity	-10
Deferred tax liability	-3
Other non-current liabilities	235
Other current liabilities	9
Total equity and liabilities	**231**

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

Lease liabilities are measured at the net present value of fixed lease payments due under the contract. The lease term corresponds to the non-terminable period. Extension options are not included as the Group is not reasonably certain to exercise these options. 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.

Entra applies the fair value model in IAS 40 to its investment properties, where the rental expenses under the property lease contracts until the implementation of IFRS 16 were included in the individual property's assumed future cash flows. The leased properties meet the definition of investment properties in IAS 40 and Entra also applies the fair value model to right-of-use assets associated with the property lease contracts. By separating the rental expenses from the other cash flows of the property, the discounted cash flows of the property increase by an amount equal to the value of the right-of-use asset.

The difference between the value of right-of-use assets and lease liabilities is a deductible temporary difference which resulted in a reduction of the deferred tax liability.

On the transition to IFRS 16, the Group elected to use the practical expedient to apply the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.

Other leased assets
The Group has made an analysis of all the lease contracts on other assets to evaluate if they fulfil the criteria to qualify and to account a lease according to IFRS 16. No other material leased assets were identified in this analysis.

Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented under Operating costs in the statement of comprehensive income.

The impacts on the statement of comprehensive income in 2019 was the following:

- Reduction of the rents included in Operating costs of 9 million compared to accounting treatment in accordance with IAS 17;
- Financial costs on the lease debt of 12 million is included in Net realised financials; and
- Changes in the value of the right-of-use assets is included in Changes in value of investment properties.

Lease payments are presented in the statement of cash flows as follows:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented under operating activities;
- Cash paid for the interest portion of a lease liability is presented under operating activities; and
- Cash payments for the principal portion for a lease liability are presented under financing activities.

New standards and interpretations not yet adopted by the Group
A number of new IFRS standards and IFRIC interpretations are effective for annual 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;
- 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, 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 capitalised under the investment property. In such cases no provision is made for deferred tax (cf. 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 comprehensive income 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 comprehensive income 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 unrealised 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 valuers.

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 valuers. 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 at one entity and a financial liability or equity instrument at 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 other comprehensive income (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. For trade receivables and contract assets, the Group applies the "simplified approach" by utilising a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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 short-term leases (defined as 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 these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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 is presented as part of other liabilities in the balance sheet.

Entra applies the fair value model in IAS 40 to its investment properties, where the rental expenses under the property lease contracts before 1 January 2019 were included in the individual property's assumed future cash flows. The leased properties meet the definition of investment properties in IAS 40 and Entra applies the fair value model to right-of-use assets associated with the property lease contracts. The right-of-use assets associated with the investment properties are measured by discounting the assumed future cash flows under the lease contracts. The discount rate used to calculate the right-of-use asset is 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.

The Group also has certain leases of vehicles and technical and office equipment with lease terms of 12 months or less or with low value with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

Before 1 January 2019, rent payments for operating leases were expensed in a straight line over the duration of the lease.

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 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 three years. 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 B&S 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 comprehensive income or directly in equity. In such cases, the tax is either recognised in comprehensive income 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 valuers. The valuations at 31 December 2019 were obtained from Akershus Eiendom AS and Cushman & Wakefield Realkapital. 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 valuers 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 valuers 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).

The table below shows to what extent the value of the property portfolio is affected by inflation, market rents, discount rates (interest rates) 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.

Change variable	Change in per cent	Value change (NOKm)[1]
Inflation	+ 1,00	502
Market rent	+ 10,00	4 213
Discount rates	+ 0,25	-1 320
Exit yield	+ 0,25	-1 381

[1] Estimates by Cushman & Wakefield Realkapital in conjunction with valuations at 31 December 2019.

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 274 million (321 million).

Trade receivables at 31 December 2019 was 43 million (47 million), contract assets was nil (439 million), external loans was 143 million (106 million) and other long-term receivables was 91 million (94 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 2019 amounted to 317 million (230 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 2019.

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 2019, 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								
31.12.2019	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	37	21	379	561
Trade payables	200	-	-	-	-	-	-	-	200
Other financial liabilities	38	-	-	-	-	-	-	-	38
Total	**1 390**	**1 986**	**2 554**	**9 725**	**2 636**	**3 257**	**100**	**1 498**	**23 146**

	REMAINING TERM								
31.12.2018	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	-	-	69	4 228	970	339	-	-	5 606
Interest bearing bank loans – amortising	10	30	39	38	24	24	-	-	165
Interest bearing bank loans – estimated interest	34	103	136	191	41	18	-	-	523
Bonds – principal	-	1 700	700	3 800	3 600	-	-	1 100	10 900
Bonds – estimated interest	88	210	252	405	213	102	102	102	1 472
Commercial paper – principal	1 900	600	-	-	-	-	-	-	2 500
Commercial paper – estimated interest	14	4	-	-	-	-	-	-	18
Financial instruments									
- interest rate derivatives	25	44	61	50	12	-13	-31	-49	100
Trade payables	190	-	-	-	-	-	-	-	190
Other financial liabilities	49	-	-	-	-	-	-	-	49
Total	**2 309**	**2 690**	**1 257**	**8 712**	**4 860**	**470**	**71**	**1 153**	**21 522**

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								
31.12.2019	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
Unused credit facilities	-	-	750	3 440	2 000	-	-	-	6 190
Total unused credit facilities	**-**	**-**	**750**	**3 440**	**2 000**	**-**	**-**	**-**	**6 190**

UNUSED CREDIT FACILITIES

	TERM TO MATURITY								
31.12.2018	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	-	1 500	-	1 180	2 530	-	-	-	5 210
Total unused credit facilities	**-**	**1 500**	**-**	**1 180**	**2 530**	**-**	**-**	**-**	**5 210**

At 31 December 2019, the Group had 283 (197) million of available liquid assets. See Note 25.

Interest rate risk

The Group's liabilities are subject to fixed interest rates (59 per cent of liabilities at 31 December 2019 compared to 57 per cent at 31 December 2018). 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 2019, the weighted average remaining term to maturity was 3.0 years (3.4 years). The average interest rate was 2.99 per cent (2.85 per cent) at 31 December 2019.

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 31.12.2019	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

As at 31.12.2018	31.12.2019	31.12.2020	31.12.2022	31.12.2024	31.12.2026	31.12.2028	31.12.2028+	
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	43.4	0.3	12.5	14.3	21.4	5.5	2.6	100
Amount	8 311	50	2 400	2 749	4 110	1 051	500	19 171

KEY FIGURES FOR THE GROUP'S FINANCIAL INSTRUMENTS

	2019	2018
Nominal value of interest rate derivatives on the balance sheet date [1]	12 010	14 260
of which		
- Fixed-to-variable swaps [1]	3 000	3 200
- Variable-to-Fixed swaps	9 010	11 060
Range of fixed interest rates	From 1.1050 % to 5.6450 %	From 1.1050 % to 5.800 %
Variable rate basis	NIBOR	NIBOR
Average fixed rate excl. forward starting swaps	2.41 %	2.93 %
Average fixed rate incl. forward starting swaps	2.07 %	2.00 %
Fair value of derivatives on the balance sheet date (NOKm)	-68	-159
Change in fair value of interest rate derivatives over the year	46	99

[1] 3,000 million (3,200 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 9,010 million (11,060 million). At 31 December 2019 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.

	2019	2018
≤ 1 year	2 073	2 302
1 year < 5 years	8 679	8 856
≥ 5 years	6 127	6 425
Total [1]	**16 878**	**17 583**

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

	2019			2018		
Remaining term	No. of contracts	Contract rent	Contract rent, %	No. of contracts	Contract rent	Contract rent, %
≤ 1 year	238	250	10	243	227	9.5
1 year < 5 years	267	1 015	41	243	880	36.9
5 years < 10 years	101	847	35	112	844	35.4
≥ 10 years	26	343	14	28	433	18.2
Total	**632**	**2 456**	**100.0**	**626**	**2 385**	**100.0**

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

	2019				2018			
	Area (sqm.)	Occupancy (%)	Wault (yrs)	Share of public sector tenants (%)	Area (sqm.)	Occupancy (%)	Wault (yrs)	Share of public sector tenants (%)
Oslo	583 428	97.0	6.7	58	611 397	96.6	6.0	62
Trondheim	154 776	95.4	7.2	67	133 668	97.4	7.7	75
Bergen	119 533	96.1	6.0	59	104 986	93.2	7.4	56
Sandvika	98 961	99.8	8.4	57	98 733	99.4	9.2	61
Stavanger	78 607	99.4	7.2	50	78 612	95.8	8.5	51
Drammen	70 422	98.1	6.2	81	70 405	98.4	6.9	84
Total management portfolio	**1 105 727**	**97.1**	**6.8**	**60**	**1 097 801**	**96.5**	**6.7**	**63**
Project portfolio	107 201		9.6	76	103 322		17.1	76
Regulated development sites	114 859		0.3	-	97 859		0.4	-
Total property portfolio	**1 327 787**		**6.9**	**61**	**1 298 982**		**7.4**	**64**

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.

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 Digital and Business Development division. In addition, Entra has group and support functions within accounting and finance, legal, investment, procurement, communication and HR.

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

	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**					

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 31.12.19 corresponds to 7.6 per cent of market rent.

The Groups 20 largest tenants accounts for approximately 40 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	
31.12.2018	(#)	(sqm.)	(%)	(yrs)	(NOKm)	(NOK/sqm.)	(NOKm)	(NOK/sqm.)	(%)	(NOKm)	(NOK/sqm.)
Oslo	40	611 397	96.6	6.0	27 110	44 341	1 427	2 334	4.8	1 521	2 488
Trondheim	9	133 668	97.4	7.7	3 790	28 351	230	1 718	5.5	231	1 729
Bergen	7	104 986	93.2	7.4	3 912	37 258	206	1 966	4.8	233	2 222
Sandvika	9	98 733	99.4	9.2	2 865	29 022	170	1 726	5.5	144	1 459
Stavanger	5	78 612	95.8	8.5	2 175	27 668	140	1 783	6.0	127	1 610
Drammen	8	70 405	98.4	6.9	2 024	28 753	128	1 815	5.9	114	1 621
Total management portfolio	**78**	**1 097 801**	**96.5**	**6.7**	**41 876**	**38 145**	**2 302**	**2 097**	**5.1**	**2 370**	**2 159**
Project portfolio	7	103 322		17.1	3 065	29 666					
Regulated development sites	7	97 859		0.4	689	7 043					
Total property portfolio	**92**	**1 298 982**		**7.4**	**45 630**	**35 128**					

NOTE 7 CATEGORIES OF FINANCIAL INSTRUMENTS

All amounts in NOK million

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**

31.12.2018	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							
- shares		5	**5**	Interest-bearing non-current liabilities		14 931	**14 931**
- other financial assets	106		**106**	Interest-bearing current liabilities		4 239	**4 239**
Financial derivatives		321	**321**	Financial derivatives	481		**481**
Trade receivables	47		**47**	Other non-current liabilities		79	**79**
Other current receivables	671		**671**	Trade payables		190	**190**
Cash and cash equivalents	230		**230**	Other current liabilities		49	**49**
Total financial assets	**1 054**	**326**	**1 381**	**Total financial liabilities**	**481**	**19 488**	**19 968**

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

	31.12.2019	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	**-**		**-**	

ASSETS MEASURED AT FAIR VALUE

	31.12.2018	Level 1	Level 2	Level 3
Assets at fair value through profit or loss				
- Investment properties	44 714			44 714
- Derivatives	321		321	
- Investment properties held for sale	565			565
- Equity instruments	5			5
Total	**45 605**	**-**	**321**	**45 283**

LIABILITIES MEASURED AT FAIR VALUE

	31.12.2018	Level 1	Level 2	Level 3
Liabilities at fair value through profit or loss				
- Derivatives	481		481	
Total	**481**	**-**	**481**	**-**

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

	2019		2018	
	Fair value	Carrying amount	Fair value	Carrying amount
Loans to associates and jointly controlled entities	-	-	1	1
Other financial assets	168	168	106	106
Trade receivables	43	43	47	47
Total	**211**	**211**	**154**	**154**

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

	2019		2018	
	Fair value	Carrying amount	Fair value	Carrying amount
Seller's credit and withheld purchase price	81	81	150	150
Subordinated loans	18	18	13	13
Total	**100**	**100**	**163**	**163**

The difference between the fair value and the amortised cost of interest-bearing liabilities is described in note 27. 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 CONSTRUCTION CONTRACTS

All amounts in NOK million

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 redevelopment. Revenue from the construction contract and related costs were recognised over time according to the stage of completion. In 2019, the Group recognised other revenue of 185 million (429 million) and other costs of 166 million (429 million). The redevelopment was completed in October 2019 and the property was delivered to the buyer in November 2019.

The change in contract assets relates to the progression of the construction contracts. The net balance sheet position for ongoing construction contracts is as follows:

	2019	2018
Contract assets	-	439
Total	**-**	**439**
The contract assets relates to:		
Amounts due from reclassification from investment properties	-	429
Aggregate costs incurred	-	10
Total	**-**	**439**

Entra does not have any material contract liabilities.

NOTE 10 OPERATING COSTS

All amounts in NOK million

	2019	2018
Operating costs		
Maintenance	33	35
Tax, leasehold, insurance	58	72
Letting and property administration	57	43
Direct property costs	40	34
Total operating costs	**189**	**184**

NOTE 11 OTHER REVENUE

All amounts in NOK million

	2019	2018
Other revenue		
Sales of services provided to tenants	86	51
Construction contract revenue	186	451
Rental income from inventory properties	22	6
Other revenue	7	14
Total other revenue	**300**	**521**

NOTE 12 OTHER COSTS

All amounts in NOK million

	2019	2018
Other costs		
Costs related to services provided to tenants	68	47
Construction contract costs	167	433
Costs related to inventory properties	9	2
Other costs	16	18
Total other costs	**260**	**500**

NOTE 13 ADMINISTRATIVE COSTS

All amounts in NOK million

	2019	2018
Administrative costs		
Payroll and personnel expenses	104	101
Office expenses, furnishings and equipment	27	22
Consultancy fees	23	20
Other administrative owner costs	17	15
Total administrative costs	**171**	**157**

NOTE 14 PERSONNEL COSTS

All amounts in NOK million

PERSONNEL COSTS

	2019	2018
Salaries, performance-related pay and other taxable benefits [1)]	174	161
Employers' National Insurance contributions	27	25
Pension expenses	15	12
Other personnel costs	14	13
Total personnel costs	**229**	**210**
Of which capitalised as projects under development	-45	-35
Of which shared costs to be distributed amongst tenants	-40	-37
Of which related to the ongoing operation of properties	-3	-11
Total salary and personnel costs	**141**	**128**
Number of full-time equivalents	175	153
Number of employees at 31.12.	177	164

[1)] Salaries, performance-related pay and other taxable benefits includes a 10 million (13 million) provision for performance-related pay for all employees in 2019, which has not yet been paid out.

NOTE 15 STATEMENT ON THE DETERMINATION OF SALARIES AND OTHER REMUNERATION OF SENIOR EXECUTIVES

STATEMENT ON THE DETERMINATION OF SALARIES AND OTHER REMUNERATION OF SENIOR EXECUTIVES

The statement on the remuneration of the Chief Executive Officer (CEO) and other senior executives (hereafter "Senior Executives") of the company has been prepared in accordance with the provisions of the Norwegian Public Limited Companies Act, the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance.

The Board of directors believe that the Norwegian Government's guidelines on remuneration of Senior Executives are well suited for the determination of salaries and other remuneration of Senior Executives. Entra thus seeks to comply with these guidelines.

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 is of importance
- Management remuneration shall be competitive, but not leading in the relevant industry
- 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 consisting of the Chair of the Board and one additional board member to follow up on the remuneration of the Group's Senior Executives. The CEO normally participates in the committee's meetings unless the committee is considering issues regarding the CEO.

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 2020

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 2020 and up until the annual shareholders' meeting in 2021.

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 2020 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 2020, as well as predefined personal targets. The scorecard for 2020 consist of the following KPI`s 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 80 per cent and a cap at 120 per cent for both KPIs.

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

OVERVIEW OF REMUNERATION SCALE LTI SCHEME 2020

	Target scale 2020 (%)			Maximum LTI result CEO and deputy CEO (%) [1]	Maximum LTI result Senior Executives (%) [1]
	80	100	120		
RoE	4.5	**5.6**	6.7	15	10
TSR	80 % of index	**100 % of index**	120 % of index	15	10
Result LTI	-	**50**	100	30	20

[1] Calculated as actual achieved RoE / TSR divided by target RoE / TSR ("Result"). This Result is compared to the target scale for 2019 and if between 80 and 120 per cent, the linear percentage achievement is multiplied by the maximum LTI result. I.e. if the Result is 100 per cent on the target scale, LTI remuneration is calculated as 50 per cent multiplied by the maximum LTI of 20 per cent and 30 per cent for Senior Executives and CEO/deputy CEO, respectively. The maximum LTI payout is 20 and 30 per cent of the base salary for Senior Executives and CEO/deputy CEO, respectively.

The LTI remuneration will be distributed in shares which will have a vesting period of one year and a lock-up period of three years. LTI remuneration is not included in the basis for pensionable salary.

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.

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 the 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 6 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.

Determination of remuneration in 2019
Determination of remuneration of Senior executives for 2019 has been carried out in accordance with the guidelines determined by the Board in 2019. The base salary of the Senior Executives increased by on average 4.7 per cent (4.0 per cent) in 2019. Performance-related pay for 2018 was determined and paid in 2019 on the basis of the principles determined in 2018. Performance-related pay for 2019 will be determined and paid in 2020 on the basis of the principles determined in 2019.

OVERVIEW OF TOTAL REMUNERATION TO SENIOR EXECUTIVES IN 2019
PAYMENTS TO SENIOR EXECUTIVES

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 & Organisation 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) Performance-related pay is based on a 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. As such the earned LTI for 2019 also includes a portion of LTI earned in the previous three 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 & Organisation from 01.12.19.

The above amounts are subject to National Insurance contributions of 14.1 per cent.
Total loans given by Entra to senior executives were 111 thousand (56 thousand) at 31 December 2019.

OVERVIEW OF TOTAL REMUNERATION TO SENIOR EXECUTIVES IN 2018
PAYMENTS TO SENIOR EXECUTIVES

All amounts in NOK thousand	Salary	Performance related pay (STI) [1]	LTI [2]	Benefits in kind	Pension costs	Total remuneration 2018
Arve Regland, CEO	3 692	1 521	823	157	104	6 298
Anders Olstad, CFO	2 657	672	396	162	104	3 990
Sonja Horn, EVP Digital & Business Development to 31.03.18, EVP Property Management from 01.04.18	2 285	580	320	162	104	3 451
Åse Lunde, EVP Digital & Business Development from 01.04.18	1 220	289	55	128	79	1 770
Per Ola Ulseth, EVP Project Development from 01.09.18	709	152	29	45	35	970
Anders Solaas, EVP Letting and Property Development to 30.09.18	1 481	-	370	101	78	2 030
Geir Graff-Kallevåg, Acting EVP Oslo to 31.03.18 [3]	403	-	51	4	26	483
Ove Ågedal, Acting EVP Project Development from 01.01.18 to 31.08.18 [4]	1 219	327	67	24	69	1 706
Kristin Haug Lund, EVP Project Development to 31.12.17 [5]	1 423	-	-	45	34	1 502
Total	**15 090**	**3 541**	**2 110**	**828**	**632**	**22 201**

1) Performance-related pay is based on a provision based on targets met in 2018, which will be paid out in 2019.
2) The LTI scheme has a vesting period of one year and a lock-up of three years. As such the earned LTI for 2018 also includes a portion of LTI earned in the previous three years.
3) The remuneration is for the three months period Geir Graff-Kallevåg has been acting EVP Oslo.
4) The remuneration is for the eight months period Ove Ågedal has been acting EVP Project Development.
5) Kristin Haug Lund resigned at year end 2017. The remuneration is for the 3 months notice period and subsequent severance pay period.

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 2019 [1]	Total remuneration 2018 [1]
Board				
Siri Hatlen, Chair	461	49	510	497
Kjell Bjordal, Vice Chair	231	62	293	253
Widar Salbuvik	231	70	301	294
Ingrid Dahl Hovland	231	-	231	225
Camilla AC Tepfers from 26 April 2019	159	-	159	
Erling Nedkvitne, employee representative from 22 May 2018 [2]	231	-	231	159
Mariann Halsvik Larsen, employee representative from 4 March 2019 [2]	191	-	191	
Katarina Staaf until 26 April 2019	72	15	87	273
Linnea Tviberg Scharning, employee representative from 22 May 2018 until 4 March 2019 [2]	40	-	40	159
Cathrine Vaar Austheim, employee representative until 22 May 2018 [2]				67
Hans Petter Skogstad, employee representative until 22 May 2018 [2]				67
Total [1]	**1 847**	**196**	**2 043**	**1 993**

[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 16 NET REALISED FINANCIALS

All amounts in NOK million

	2019	2018
Interest income	9	17
Other finance income	1	-
Interest expenses on interest bearing debt	-566	-517
- of which capitalised borrowing costs	44	35
Interest expenses on lease liabilities (note 32)	-12	-
Other finance expenses	-28	-27
Total interest and other finance expense	**-551**	**-491**
Average interest on capitalised borrowing costs	3.0 %	2.9 %

NOTE 17 GOODWILL

All amounts in NOK million

MOVEMENT IN CARRYING AMOUNT OF GOODWILL

	2019	2018
Opening balance at 01.01	109	109
Amortisation from impairment	-	-
Closing balance at 31.12	**109**	**109**

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 2019.

NOTE 18 INTANGIBLE ASSETS AND OTHER OPERATING ASSETS

All amounts in NOK million

	2019			2018		
	Intangible assets	Property used by owner	Equipment	Intangible assets	Property used by owner	Equipment
Acquisition cost at 01.01.	55	3	42	41	3	38
Acquisitions	-3	-	7	13	-	4
Disposals	-44	-3	-	-	-	-1
Acquisition cost at 31.12.	**8**	**-**	**48**	**55**	**3**	**42**
Accumulated depreciation and write-downs at 01.01.	37	-	22	25	-	18
Depreciation and write-downs	4	-	4	11	-	4
Disposals	-41	-	-	-	-	-
Accumulated depreciation and write-downs at 31.12.	**-**	**-**	**26**	**37**	**-**	**22**
Carrying amount at 31.12.	**8**	**-**	**22**	**18**	**3**	**20**

NOTE 19 INVESTMENT PROPERTIES

All amounts in NOK million

VALUE OF INVESTMENT PROPERTIES

	2019	2018
Opening balance at 01.01 previous period	45 279	40 055
Change in accounting principle IFRS 16 (see note 2)	231	
Opening balance at 01.01	**45 510**	**40 055**
Other movements		
Purchase of investment properties	1 174	914
Investment in the property portefolio	1 472	1 161
Reclassified due to change of control	-	2 326
Capitalised borrowing costs	41	35
Sale of investment properties	-1 010	-171
Reclassified to construction contracts	-	-429
Change in value from investment properties	1 909	1 387
Closing balance at 31.12	**49 095**	**45 279**
Of which investment properties held for sale	-	565
Investment properties	**49 095**	**44 714**

No investment properties (3) are held for sale on 31 December 2019.

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 below.

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 Municipality (the refurbished building, the "Magazine" and the office building

"Halvbroren"). The tenant has the right to acquire the refurbished building and the "Magazine" 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 to, upon six months' notice, acquire "Halvbroren" if the tenant itself leases and uses more than 50 per cent of the building. As of 31 December 2019, 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 lease agreement entered into between Entra and Oslo Havn KF on 4 October 1979 relating to the Langkaia properties, the lessor has an option to acquire the buildings without any compensation and free of any encumbrances upon expiry of the lease agreement on 1 January 2031. As the property is valued based on the cash flow until expiry of the 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 (market value) 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, 5, 10, 15 and 20 years after the lease agreements commences. The lease agreement commenced in 2018, and according to this the options to acquire will be in year 2023, 2028, 2033 and 2038. The purchase price shall be based on a pre-agreed net yield (stated in the option agreement). 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 20 ASSOCIATES AND JOINTLY CONTROLLED ENTITES

All amounts in NOK million

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

31.12.2019	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

31.12.2018	Acquisition date	Business office	Shareholding/ voting rights (%)
Associated companies			
Ullandhaug Energi AS	07.07.2009	Stavanger	44.00
Jointly controlled entities			
Oslo S Utvikling AS	01.07.2004	Oslo	33.33
Hinna Park Facility Management AS	18.11.2016	Stavanger	50.00

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.

MOVEMENT IN CARRYING AMOUNT OF ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	Carrying amount 31.12.2017	Share of profit for 2018	Capital injection/ reduction/ reclassification	Change in accounting principles	Carrying amount 31.12.2018	Change in value in share of profit [1]
Associated companies	**6**	**2**	**-1**	**-**	**7**	**-**
Jointly controlled entities						
Entra OPF Utvikling AS [2]	1 125	-	-1 125	-	-	
Oslo S Utvikling AS	355	153	-230	80	358	14
Hinna Park Facility Management AS	-	1	-	-	2	-
Total associates and jointly controlled entities	**1 487**	**156**	**-1 356**	**80**	**367**	**14**

[1] Changes in value consist of interest rate hedging instruments, plus calculated deferred tax on the change.
[2] Entra OPF Utvikling was consolidated in the Group's financial statements from 1.1.18 due to change of control.

AGGREGATE FINANCIAL INFORMATION FOR ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

(Figures stated refer to Entra's ownership interest)

	Associates and Jointly controlled entities	
	2019	2018
Rental income	17	43
Net operating income	17	43
Net income	**336**	**158**
Changes in value of financial instruments	3	18
Profit before tax	**339**	**176**
Tax expense	-27	-20
Profit after tax	**312**	**156**
Total comprehensive income	**312**	**156**
Total assets	1 204	1 612
Shareholders equity	397	367
Non-controlling interests	29	
Total liabilities	777	1 246

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 2019.

SUMMARY OF SIGNIFICANT ACCOUNTING ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS OF OSLO S UTVIKLING AS AFTER IFRS ADJUSTMENTS FOR 2019 AND 2018 (100 PER CENT)

	2019	2018
Income statement:		
Rental income	44	124
Net operating income	**44**	**124**
Other revenue	3 655	2 324
Other costs	-2 565	-1 816
Administrative costs	-58	-56
Net realised financials	-50	-114
Net income	**1 027**	**462**
Changes in value of financial instruments	8	54
Profit before tax	**1 035**	**516**
Tax expense	-80	-58
Profit for the year	**955**	**458**
Total comprehensive income	**955**	**458**
Realisation of excess value	-8	0
Entra's share of total comprehensive income	**310**	**153**
Balance sheet:		
Current assets	**3 405**	**4 620**
of which cash and cash equivalents	128	66
Non-current assets	**15**	**50**
Current liabilities	**176**	**229**
of which current financial liabilities other than accounts payable and provisions	-	-
Non-current liabilities	**2 103**	**3 457**
of which non-current financial liabilities other than accounts payable and provisions	2 103	3 457
Net assets	**1 141**	**984**
of which attributable to non-controlling interest	88	-

RECONCILIATION OF CARRYING AMOUNT

	Shareholding (%)	2019	2018
Net assets attributable to equity holders of OSU	100.00	1 053	984
Group's shareholding in the company	33.33	351	328
Excess value	33.33	21	30
Carrying amount of Group's shareholding	**33.33**	**372**	**358**

CONTRACTUAL OBLIGATIONS

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

	2019	2018
Project development	649	1 018
Total contractual obligations	**649**	**1 018**

NOTE 21 LONG-TERM RECEIVABLES AND OTHER ASSETS

All amounts in NOK million

	2019	2018
External loans	77	106
Other long-term receivables	91	94
Financial assets at FVTPL	36	5
Other assets	52	31
Total long-term receivables and other assets	**256**	**236**

NOTE 22 INVENTORY PROPERTIES

In the third quarter of 2018, Entra acquired a development site at Bryn in Oslo. As part of the transaction, JM Norge AS has 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 Brynsveien 1, 2-4, 3, 6, 8, and 12. See notes 11 and 12 for information on rental income from letting of the properties and the related property costs.

NOTE 23 TRADE RECEIVABLES

All amounts in NOK million

TRADE RECEIVABLES

	2019	2018
Trade receivables	50	57
Provisions for bad debts	-8	-10
Net trade receivables	**43**	**47**

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 age analysis of these trade receivables is as follows:

	2019	2018
Up to 3 months	19	12
Over 3 months	12	40
Total overdue	**31**	**52**

NOTE 24 OTHER RECEIVABLES AND OTHER CURRENT ASSETS

All amounts in NOK million

OTHER RECEIVABLES

	2019	2018
Accrued interest	57	50
Accrued rental income, not invoiced	12	15
Advance payments and accruals	45	80
Contract assets	-	429
Current external loans	66	-
Other current receivables	46	97
Total other receivables and other current assets	**226**	**671**

NOTE 25 CASH AND BANK DEPOSITS

All amounts in NOK million

	2019	2018
Bank deposits	283	197
Restricted bank deposits	34	33
Total bank deposits	**317**	**230**

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

NOTE 26 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. Entra owns 23,010 (1,062,474) of its own shares at 31 December 2019.

As of 31 December 2019 Entra had 5,846 shareholders (5,267 shareholders). Norwegian investors held 35 per cent (55 per cent) of the share capital and foreign investors 65 per cent (45 per cent) at 31 December 2019.

The tables below sets out the change in share capital, the average number of shares in the last three years, the largest shareholders at year end, and shares owed by directors at 31 December 2019.

	No. of shares	Share capital (NOKm)	Share premium (NOKm)	Face value (NOK)
End of year 31.12.2017	183 732 461	184	2 619	1
End of year 31.12.2018	183 732 461	184	2 619	1
End of year 31.12.2019	182 132 055	182	2 595	1

Paid-in capital amounts to 3,705 million (3,718 million) and consists of 182 million (184 million) in share capital, of which nil (1 million) is related to treasury shares, and 3,523 million (3,535 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 25 April 2019 less a 20 per cent discount. A total of 92,123 (106,904) shares were acquired and sold to the employees in connection with the share purchase scheme in May 2019. In addition, Entra purchased 10,000 shares in March 2019 in connection with the LTI scheme for senior executives. A total of 11,201 shares were awarded to senior executives in March 2019.

In June 2019, Entra decreased the share capital by 1,600,406 shares as a result of a share buy-back program initiated in June 2018. As of 31 December 2019 Entra has a total of 182,132,055 shares outstanding. As of 31 December 2019 Entra owns 23,010 of its own shares.

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 2019 were as follows:

Shareholder	No of shares per 31.12.2019	Shareholding %	Country
Folketrygdfondet	16 062 672	8.8	Norway
Norwegian Ministry of Trade, Industry and Fisheries	15 000 000	8.2	Norway
State Street Bank and Trust Comp (Nominee)	13 470 986	7.4	United States
The Bank of New York Mellon (Nominee)	6 226 713	3.4	The Netherlands
JPMorgan Chase Bank (Nominee)	2 766 098	1.5	United States
BNP Paribas Securities Services (Nominee)	2 656 255	1.5	United Kingdom
Danske Invest Norske Inst. II.	2 627 721	1.4	Norway
State Street Bank and Trust Comp (Nominee)	2 246 994	1.2	United States
Morgan Stanley & Co. International (Nominee)	2 073 937	1.1	United Kingdom
State Street Bank and Trust Comp (Nominee)	2 051 757	1.1	Ireland
Verdipapirfondet DnB Norge	2 031 992	1.1	Norway
JPMorgan Chase Bank (Nominee)	1 826 326	1.0	United Kingdom
Meroc Lund 2 AB	1 800 547	1.0	Sweden
Principal Funds Inc	1 714 787	0.9	United States
BNP Paribas Securities Services (Nominee)	1 672 695	0.9	Luxembourg
Citibank, N.A. (Nominee)	1 666 273	0.9	Ireland
State Street Bank and Trust Comp (Nominee)	1 644 793	0.9	United States
Länförsäkringar Fastighetsfond	1 600 000	0.9	Sweden
State Street Bank and Trust Comp (Nominee)	1 549 136	0.9	United States
The Bank of New York Mellon (Nominee)	1 543 408	0.8	United Kingdom
Total 20 largest shareholders	**82 233 090**	**45.2**	
Total	**182 132 055**	**100.0**	

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

Shareholder	Position	Number of shares 2019	Number of shares 2018
Board of directors			
Siri Hatlen	Chair	1 163	1 163
Kjell Bjordal	Vice Chair	44 704	44 704
Widar Salbuvik	Board member	10 000	10 000
Ingrid Dahl Hovland	Board member	-	-
Camilla AC Tepfers	Board member from 26 April 2019	-	
Erling Nedkvitne	Employee representative	10 855	9 384
Mariann Halsvik Larsen	Employee representative from 4 March 2019	3 117	
Katarina Staaf	Board member until 26 April 2019		500
Linnea Tviberg Scharning	Employee representative until 4 March 2019		
Senior executives			
Sonja Horn	CEO	25 220	21 662
Anders Olstad	CFO	57 059	40 379
Per Ola Ulseth	EVP Project Development	2 074	-
Åse Lunde	EVP Digital and Business Development	4 373	1 753
Kjetil Hoff	COO	1 141	
Tore Bakken	EVP Market and Commercial Real Estate Development	-	
Kristine Marie Hilberg	EVP HR and Organisation	3 682	
Arve Regland	CEO until 30 June 2019		52 087
Shares held by board of directors and senior executives		**163 388**	**181 632**

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

NOTE 27 INTEREST BEARING LIABILITIES AND ACCRUED INTEREST

All amounts in NOK million

NON-CURRENT INTEREST BEARING DEBT

	Nominal value 2019	Market value 2019	Carrying amount 2019	Nominal value 2018	Market value 2018	Carrying amount 2018
Bank loans	6 462	6 462	6 462	5 731	5 731	5 731
Bonds	10 900	11 201	10 900	9 200	9 362	9 200
Total non-current interest bearing debt	**17 362**	**17 663**	**17 362**	**14 931**	**15 094**	**14 931**

CURRENT INTEREST BEARING DEBT

	Nominal value 2019	Market value 2019	Carrying amount 2019	Nominal value 2018	Market value 2018	Carrying amount 2018
Bank loans	39	39	39	39	39	39
Bonds	700	710	700	1 700	1 717	1 700
Commercial paper	1 800	1 800	1 800	2 500	2 500	2 500
Total current interest bearing debt	**2 539**	**2 549**	**2 539**	**4 239**	**4 257**	**4 239**

The average credit margin on the Group's loans at 31.12.2019 was 0.88 per cent (0.89 per cent).

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	31 December 2018	Change in accounting principle (note 2)	1 January 2019	New liabilities	Repayment	Other movements	Change in fair value	31 December 2019
Non-current interest bearing debt	14 931	-	14 931	12 530	-9 399	-700	-	17 362
Current interest bearing debt	4 239	-	4 239	3 900	-6 300	700	-	2 539
Non-current lease liabilities	-	235	235	-	-	-7	-	228
Current lease liabilities	-	9	9	-	-9	9	-	9
Financial derivatives	159	-	159	-	-	-45	-46	68
Total liabilities from financing activities	**19 330**	**244**	**19 574**	**16 430**	**-15 708**	**-43**	**-46**	**20 206**

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

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

THE GROUP'S BONDS AT 31.12.2018

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued [1]	Net balance [1]
NO0010552466	1 500	5.55 %	25.11.2019	500	500
NO0010740061	1 500	2.45 %	13.06.2022	1 200	1 200
NO0010686660	1 500	4.25 %	02.09.2020	700	700
NO0010670995	1 500	5.00 %	08.02.2023	500	500
NO0010715931	1 500	3M Nibor + 0.61 %	08.08.2019	1 200	1 200
NO0010766363	1 500	3M Nibor + 1.05 %	02.06.2021	1 300	1 300
NO0010774797	1 500	3M Nibor + 0.94 %	22.09.2023	1 000	1 000
NO0010766389	1 500	2.45 %	02.06.2023	1 100	1 100
NO0010282031	1 100	4.62 %	29.05.2030	1 100	1 100
NO0010789464	1 500	3M Nibor + 0.86 %	20.03.2024	1 000	1 000
NO0010811649	1 500	3M Nibor + 0.72 %	14.10.2022	1 300	1 300
					10 900

THE GROUP'S COMMERCIAL PAPER AT 31.12.2018

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued [1]	Net balance [1]
NO0010815996	600	1.18 %	12.02.2019	500	500
NO0010825326	600	1.29 %	12.03.2019	400	400
NO0010830912	600	1.25 %	23.01.2019	400	400
NO0010834377	600	1.36 %	12.04.2019	400	400
NO0010835721	600	1.28 %	17.01.2019	600	600
NO0010836331	600	1.44 %	10.05.2019	200	200
					2 500

[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 2019, 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.

	2019	2018
Carrying amount of liabilities secured through mortgages	2 541	2 581
Carrying amount of mortgaged assets		
Investment properties	5 056	4 820

NOTE 28 TAX

All amounts in NOK million

INCOME TAX EXPENSE

	2019	2018
Tax payable	11	13
Change in deferred tax on profit and loss	498	325
Change in deferred tax on comprehensive income	1	-2
Income tax expense	**510**	**338**

INCOME TAX PAYABLE IS CALCULATED AS FOLLOWS

	2019	2018
Profit before tax	3 735	3 073
Share of profit/loss at associates and jointly controlled entities	-312	-156
Other permanent differences	-1 107	-298
Historical change in tax - jointly controlled entities	-	-172
Changes in temporary differences	-1 982	-1 894
Changes in loss carry-forwards	-282	-496
Profit for tax purposes	**51**	**56**
Tax payable on the balance sheet	11	13
Tax payable on the balance sheet	**11**	**13**

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:

	2019	%	2018	%
Profit for accounting purposes multiplied by nominal tax rate	822	22.0	707	23.0
Tax on share of profit/loss at associates and jointly controlled entities	-69	-1.8	-36	-1.2
Tax on permanent differences	-244	-6.5	-69	-2.2
Historical change in tax - jointly controlled entities	-	0.0	-40	-1.3
Devaluation deferred tax asset	-	0.0	-4	-0.1
Effect of change in tax rate from 23 per cent to 22 per cent	-	0.0	-221	-7.2
Tax expense for accounting purposes	**509**	**13.6**	**338**	**11.0**

From the income year 2019 the tax rate on normal income is reduced from 23 per cent to 22 per cent. Deferred tax as at 31 December 2018 was measured using the new rate. The effect on tax for the period in 2018 was - 221 million.

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:

	2019	2018
Deferred tax liability	5 626	5 144
Deferred tax assets	259	283
Net deferred tax	**5 367**	**4 861**

CHANGE IN DEFERRED TAX (+)/DEFERRED TAX ASSETS (-)

	Non-current assets	Financial instruments	Current assets	Gains/ losses account	Provisions	Loss carried forward	Total
01.01.2018	**4 669**	**-54**	**1**	**39**	**-19**	**-186**	**4 450**
Recognised in profit and loss	408	29	3	-16	-2	114	535
Recognised in comprehensive income	-	-	-	-	2	-	2
Consolidation effect Entra OPF change of control	264	-	-	-	-	-168	96
Transferred between categories	-69		69				-
Acquisition of subsidiaries	10	-	-	-	-0	-11	-1
Effect of change in tax rate	-230	1	-3	-1	1	11	-221
31.12.2018	**5 053**	**-24**	**69**	**22**	**-19**	**-240**	**4 861**
Change in accounting principles	51	-	-	-	-54	-	-3
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**

Deferred tax linked to the retrospective accumulated change in the value of investment properties at 31 December 2019 is 4,582 million (4,050 million).

NOTE 29 PENSIONS

All amounts in NOK million

The Group's pension scheme for new employees is from 1 July 2015 a defined contribution scheme. The defined contribution scheme includes 161 (145) employees in the Group. The defined benefit pension scheme for the group cover a total of 15 (19) current employees and 63 (68) pensioners.

The Group also has a contractual early-retirement scheme (AFP) from the age 62. At 31 December 2019, 9 (9) former employees had chosen to make use of the AFP scheme. The net pension liabilities associated with the AFP scheme amounted to 21 million (24 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

	2019	2018
Present value of accrued pension liabilities in defined-benefit schemes in unit trusts	185	193
Fair value of pension scheme assets	-131	-130
Employers' NICs accrued	8	9
Net pension liabilities on the balance sheet at 31.12	**62**	**73**

CHANGE IN DEFINED-BENEFIT PENSION LIABILITIES OVER THE YEAR

	2019	2018
Pension liabilities at 01.01	193	187
Present value of pensions earned this year	2	2
Interest expense	5	4
Pension benefits paid	-7	-6
Plan amendment	-2	-
Actuarial losses (+)/gains (-)	-6	4
Pension liabilities at 31.12	**185**	**193**

CHANGE IN FAIR VALUE OF PENSION SCHEME ASSETS

	2019	2018
Pension scheme assets at 01.01	130	130
Anticipated return on pension scheme assets	3	3
Contributions from employer	7	4
Pension benefits paid	-7	-6
Actuarial losses (-)/gains (+)	-3	-2
Pension scheme funds at 31.12	**131**	**130**

TOTAL COST RECOGNISED IN THE INCOME STATEMENT

	2019	2018
Cost of pension benefits accrued during current period	-	3
Employers' National Insurance contributions	-	1
Contribution scheme	14	10
Total pension benefits accrued during the period	**15**	**13**
Net interest expense	1	1
Total pension benefits accrued in income statement	**16**	**14**
Actuarial losses (-)/gains (+) accrued in comprehensive income	-5	7
Total pension benefits accrued in total comprehensive income	**12**	**22**

The actual return on pension scheme assets was 1 million (1 million).

THE FOLLOWING ECONOMIC ASSUMPTIONS HAVE BEEN USED

	2019	2018
Discount rate	2.30 %	2.60 %
Anticipated return on pension scheme assets	2.30 %	2.60 %
Annual wage growth	2.25 %	2.75 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	1.25 %	2.50 %
Annual adjustment of pensions	1.25 %	1.75 %
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

	2019	2018	2017	2016	2015
Gross defined-benefit pension liabilities	185	193	187	198	172
Fair value pension funds 31.12	-131	-130	-130	-141	-137
Net defined-benefit pension liabilities	**54**	**64**	**57**	**56**	**35**

Expected payments to the defined contribution plan for the period 1 January 2020 - 31 December 2020 are 12 million (11 million) and for the defined benefit pension plan 7 million (9 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 2019, 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	1.80 %	17	9.6
Discount rate at 31.12.2019	2.30 %	-	-
0.5 percentage point increase	2.80 %	-15	-8.3

WAGE GROWTH

		Impact on liabilities (NOKm)	Impact as a percentage
0.5 percentage point reduction	1.75 %	-1	-0.3
Expected wage growth at 31.12.2019	2.25 %	-	-
0.5 percentage point increase	2.75 %	1	0.3

NOTE 30 OTHER NON-CURRENT LIABILITIES

All amounts in NOK million

	2019	2018
Lease liabilities (see note 32)	228	-
Pension liabilities (see note 29)	62	73
Prepayments from customers	82	89
Subordinated loans	18	13
Seller's credit and withheld purchase price	82	169
Other non-current liabilities	33	113
Total non-current liabilities	**505**	**456**

MOVEMENTS IN PROVISIONS FOR NON-CURRENT LIABILITIES

	2019	2018
Movements in provisions		
Opening balance at 01.01.	113	119
Provisions used during the year	-103	-1
Unused provisions reversed during the year	-	-5
Closing balance at 31.12.	**10**	**113**

NOTE 31 OTHER CURRENT LIABILITIES

All amounts in NOK million

	2019	2018
Lease liabilities (see note 32)	9	-
Holiday pay owed	17	16
Unpaid government taxes and duties	15	14
Interest accrued	160	130
Tenant prepayments	100	89
Provisions for current liabilities	20	14
Other liabilities	6	18
Total other current liabilites	**328**	**281**

Provisions mainly consist of provisions for salaries and fees.

NOTE 32 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 2019 was 966 million (703 million).

Total future minimum lease payments under non-cancellable operating leases at 31 December 2018 reconciles to lease liabilities recognised at 1 January 2019 as follows:

	2018
≤ 1 year	21
1 year < 5 years	85
≥ 5 years	504
Total	**610**
Discounted using a weighted average discount rate of 4.97 %	-367
Lease liability recognised as at 1 January 2019	**244**

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 27 for details on the movements in lease liabilities during the period.

Set out below are the amounts recognised in profit or loss:

	2019
Interest expense on lease liabilities	12
Expense relating to leases of low-value assets and short-term leases	1
Variable lease payments	9
Total amount recognised in profit or loss	**22**

The Group had total cash outflows for leases of 31 million in 2019 (32 million).

Refer to note 4 for maturity profile of the Group's lease liabilities based on contractual undiscounted payments as at 31 December 2019.

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 33 SUBSIDIARIES

All amounts in NOK million

The Group comprises the following legal entities at 31 December 2019. All subsidiaries are incorporated in Norway.

Subsidiary of Entra ASA			
Akersgata 34-36 AS	Entra Felleskost AS	Kristian Augusts gate 13 AS	Schweigaards gate 16 AS
Akersgata 51 AS	Entra Kultur 1 AS	Langkaia 1 AS	St. Olavs plass 5 AS
API St. Olavs Plass 5 AS	Entra OPF Utvikling AS	Lars Hilles gate 25 AS	St. Olav Plass 5 Domus AS
Biskop Gunnerus' gate 6 AS	Entra Service AS	Lilletorget 1 AS	Stenersgata 1 AS
Biskop Gunnerus' gate 14A AS	Entra Utleie AS	Malmskriverveien 18-20 AS	Stenersgata Parkering AS
Bispen AS	Fredrik Selmers vei 4 AS	Malmskriverveien 2-4 AS	Sundtkvartalet AS
Borkenveien 1-3 AS	Fredrik Selmers vei 6 AS	Marken 37 AS	Tollbodallmenningen 2A AS
Brattørkaia 13B AS	Grensesvingen 26 AS	Møllendalsveien 6 AS	Tordenskiolds gate 12 AS
Brattørkaia AS	Grønland 32 AS	Møllendalsveien 8 AS	Tullinkvartalet AS
Brynsengfaret 4 og 6 AS	Hagegata 22-24 AS	Nils Hansens vei 20 AS	Tvetenveien 22 AS
Brynsengfaret 6CD AS	Hinna Park Eiendom AS	Nonnesetergaten 4 AS	Universitetsgata 2 AS
Cort Adelers gate 30 AS	Holtermanns veg 1-13 AS	Nygårdsgaten 91 og 93 AS	Universitetsgata 7-9 AS
Drammensveien 134 II AS	Holtermanns veg 70 AS	Nytorget 1 AS	Vahls gate 1-3 AS
Drammensveien 134 P-Hus AS	Kaigaten 9 AS	Oslo Z AS	Valkendorfsgaten 6 AS
Drammensveien 134 Utearealer AS	Keysers gate 13 AS	Otto Sverdrups plass 4 AS	Verkstedveien 1 Monier AS
Dronningens gate 2 AS	Kjørboparken AS	Papirbredden Eiendom AS	Verkstedveien 3 AS
Entra Bryn AS	Kongens gate 87 AS	Professor Olav Hanssens vei 10 AS	Wexelsplass Garasje AS
Entra Eiendom AS	Konggata 51 AS	Schweigaards gate 15 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
Fjordpiren AS	Grønland 56 AS	Brattørkaia 15 AB-16 AS	Lars Hilles gate 30 Holding AS
Hinna Park Utvikling AS	Grønland 58 AS	Brattørkaia 17A AS	Allehelgens gate 6 Holding AS
Hinna Park Logistikk AS	Grønland 60 AS	Brattørkaia 17B AS	Lars Hilles gate 30 AS
HP Stadionblokken C AS	Kreftings gate 33 AS	Brattørkaia Energi AS	Allehelgens gate 6 AS
Oseberg Næring AS			
Troll Næring AS			
Ormen Lange AS			

Entra Bryn AS
Østensjøveien 43 AS
Østensjøveien 39/41 AS
Brynsveien 5 AS
Brynsveien 1 AS
Brynsveien 2-4 AS
Bryn Boligtomt 1 AS
Brynseng Eiendom AS
Brynsveien 3 Eiendom AS
Brynsveien 3A ANS
Brynsveien 3B ANS
Brynsveien 11/13 Eiendom AS
Brynsveien 12 Eiendom AS
Brynsveien 6 og 12 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.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

	Ownership interests held by non-controlling interests		Profit attributed to non-controlling interests for the year		Non-controlling interests	
	2019	2018	2019	2018	2019	2018
Papirbredden Eiendom AS	40 %	40 %	51	41	374	343
Hinna Park Eiendom AS	50 %	50 %	43	53	215	176
Entra OPF Utvikling AS	50 %	50 %	185	105	1 358	1 227
Total			**279**	**198**	**1 947**	**1 746**

See note 3 for considerations regarding consolidation of entities in which the Group holds less than a majority of shares.

NOTE 34 RELATED PARTIES

All amounts in NOK million

The Group's transactions and balances with associates and jointly controlled entities in 2019 mainly related to administrative fees, loans, interest payments on loans and dividends. The aggregate figures are shown in the table below.

	2019	2018
Income statement		
Other revenue	1	2
Dividends	308	231
Balance sheet		
Receivables	-	-
Loans	-	1

NOTE 35 AUDITOR'S FEE

All amounts in NOK thousand

	2019	2018
Statutory audit	2 928	2 882
Tax advice	195	233
Other services not related to auditing	39	35
Other assurance services	717	594
Total auditor's fee (excl. VAT)	**3 879**	**3 744**

NOTE 36 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.

	2019	2018
Total comprehensive income for the year attributable to equity holders of the Company (NOKm)	2 949	2 532
Average number of outstanding shares (Note 26)	182 354 790	183 564 901
Basic earnings per share (NOK)	16	14

NOTE 37 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 2.40 (2.30) per share for the second half of 2019. In October 2019, Entra paid out 2.30 per share (2.20 per share) for the first six months of 2019. For the financial year 2019 Entra will thus have paid out 4.70 per share (4.50 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 38 LEGAL DISPUTES

Entra is currently involved in legal disputes with Oslo municipality and the Norwegian Ministry of Local Government and Modernisation.

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 has appealed the ruling, and we expect a ruling by the higher court June 2020. 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. In 2013, the Ministry of Local Government and Modernisation gave notice to Entra that they intended to exercise the purchase option on the property in April 2014. Near closing, the Ministry of Local Government and Modernisation gave notice that they would not close the transaction as they were not granted funding to the purchase in the National Budget for 2014.

From that time, Entra has been of the opinion that the purchase option was voided. 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. According to the ruling, the Ministry of Local Government and Modernisation has the right to purchase the property as of June 2018 for 486 million. The estimated settlement according to the ruling is reflected in the measurement of the fair value of the property. Entra disagrees with, and has appealed, the ruling, and we expect a ruling by the higher court June 2020.

The current annual rental income is 39 million and the remaining lease term is 15 years. If it, in the end, is not ruled in favour of Entra, the property will be derecognized when Entra ceases to control of the property.

NOTE 39 SUBSEQUENT EVENTS

There have been no significant events since year end.

Parent company financial statements Entra ASA

Statement of income
1 January to 31 December

All amounts in NOK million

	Note	2019	2018
Sales revenue	3	119	107
Total revenue		**119**	**107**
Payroll and related costs	4	-225	-207
Depreciation and impairments	9	-7	-13
Other operating costs	5.17	-72	-62
Total operating costs		**-303**	**-282**
Operating profit		**-184**	**-175**
Income from investment in subsidiary	16	622	726
Income from investments in associates and jointly controlled entities		308	231
Interest income from Group companies		73	68
Other financial income	6	935	276
Interest expense from Group companies		-20	-8
Interest expense		-481	-430
Other financial costs	7	-135	-51
Net financials		**1 302**	**812**
Profit before tax		**1 117**	**637**
Tax expense	8	17	-33
Profit for the year		**1 134**	**604**

Balance sheet – assets

All amounts in NOK million

	Note	31.12.2019	31.12.2018
NON-CURRENT ASSETS			
Deferred tax assets	8	6	-
Other intangible assets	9	-	11
Total intangible assets		**6**	**11**
Property and equipment	9	8	10
Total property & equipment		**8**	**10**
Investment in subsidiary	10	21 124	20 819
Investments in associates and jointly controlled entities	10	212	211
Loan to associates and jointly controlled entities	11	-	1
Investment in shares		36	5
Loan to Group companies	11, 16	3 058	1 913
Other long-term receivables and other assets	11	137	131
Total non-current financial assets		**24 566**	**23 080**
Total non-current assets		**24 580**	**23 101**
CURRENT ASSETS			
Trade receivables		4	3
Receivables on Group companies	16	663	823
Other current receivables		154	80
Total current receivables		**821**	**905**
Cash and bank deposits		198	138
Total current assets		**1 019**	**1 043**
TOTAL ASSETS		**25 599**	**24 144**

Balance sheet – equity and liabilities

All amounts in NOK million

	Note	31.12.2019	31.12.2018
EQUITY			
Share capital	12, 13	182	184
Own shares	12, 13	-	-1
Share premium reserve	12	2 595	2 603
Other paid-in capital	12	929	932
Total paid-in capital		**3 705**	**3 718**
Retained earnings	12	2 055	1 829
Total equity		**5 761**	**5 547**
NON-CURRENT LIABILITIES			
Interest bearing debt	14	14 860	12 390
Pension liability	15	61	72
Deferred tax liability	8	-	10
Other non-current liabilities		18	98
Total non-current liabilities		**14 939**	**12 569**
CURRENT LIABILITIES			
Interest bearing debt	14	2 500	4 200
Trade payables		7	9
Liabilities to Group companies	16	1 785	1 256
Proposed dividend		437	420
Other current liabilites		171	143
Total current liabilities		**4 900**	**6 028**
Total liabilities		**19 839**	**18 597**
TOTAL EQUITY AND LIABILITIES		**25 599**	**24 144**

Oslo, 4 March 2020
The Board of Entra ASA

Siri Hatlen
Chair of the Board

Kjell Bjordal
Vice Chair

Widar Salbuvik
Board member

Ingrid Dahl Hovland
Board member

Camilla AC Tepfers
Board member

Mariann Halsvik Larsen
Board member

Erling Nedkvitne
Board member

Sonja Horn
CEO

Statement of cash flows 1 January to 31 December

All amounts in NOK million

	2019	2018
Profit before tax	1 117	637
Net expensed interest and fees on loans	559	489
Net interest and fees paid on loans	-551	-493
Income from investment in subsidiary, associates and joint controlled entities	-930	-957
Gain and loss on sale of shares	-930	-270
Depreciation and write-downs of non-current assets	7	13
Impairment of shares	78	-
Change in working capital	45	46
Net cash flow from operating activities	**-604**	**-534**
Proceeds from sales of investments	1 184	581
Payments made on investments in subsidiaries	-264	-3 495
Payments made on investments in associates and jointly controlled entities	-1	-
Proceeds from subsidiaries - Group contribution/dividend/repayment of equity	812	749
Proceeds from associates and jointly controlled entities - dividend	308	231
Purchase of other shares	-32	-1
Proceeds/repayments from loans to subsidiaries	-1	86
Proceeds/repayments made on loans to associates and jointly controlled entities	1	-
Purchase of intangible assets, equipment and other assets	-28	-15
Payments made on loans to external	-66	10
Net change in cash pool balance	-1 109	1 275
Net cash flow from investing activities	**802**	**-579**
Proceeds interest bearing debt	16 430	13 190
Repayment interest bearing debt	-15 660	-11 116
Repayment of equity	-69	-116
Dividends paid	-839	-790
Net cash flow from financing activities	**-138**	**1 167**
Change in cash and cash equivalents	60	54
Cash and cash equivalents at beginning of period	138	84
Cash and cash equivalents at end of year	**198**	**138**

Summary of Notes

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 89 (92) buildings with a total area of approximately 1.3 million (1.3 million) sqm. As of 31.12.19 the real estate portfolio had a market value of around 49 billion (46 billion). The public sector represents approximately 60 per cent (63 per cent) of the total customer portfolio. Entra's strategic areas are Oslo, Sandvika, Drammen, Stavanger, Bergen and Trondheim. Entra has its head office in Oslo.

The financial statements were adopted by the Company's Board on 4 March 2020.

The company has changed its presentation form for the statement of income from function to nature in 2019. The 2018 figures has been restated.

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.

Intangible assets - Software

Purchased software is recognised at cost (including expenditure on making programs operative) and is amortised over the expected useful life. Expenses directly associated with development of identifiable and unique software owned by the group and which is likely to generate net financial benefits for more than one year are capitalised as intangible assets, and are depreciated over the useful life, normally 5 years. Expenses relating to the maintenance of software are expenses as incurred.

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. For information on maturities, please see Note 14. 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

	2019	2018
Salaries, performance-related pay and other taxable benefits [1)]	170	157
Employers' National Insurance contributions	26	24
Pension expenses	13	13
Other personnel costs	16	13
Total payroll and related costs	**225**	**207**
Number of full-time equivalents	172	150
Number of employees at 31.12.	174	161

[1)] See note 15 "Statement on the determination of salaries and other remuneration of senior executives" to the consolidated financial statements for the Entra Group for information and details related to remuneration for senior executives and the Board of Director's.

NOTE 5 OTHER OPERATING COSTS

All amounts in NOK million

	2019	2018
Cost of renting premises	11	11
Consulting services	20	14
Office expenses, furnishings and equipment	20	16
Other costs	21	21
Total operating costs	**72**	**62**

NOTE 6 OTHER FINANCIAL INCOME

All amounts in NOK million

	2019	2018
Gain on sales of share	930	270
Other interest income	6	6
Total other financial income	**935**	**276**

NOTE 7 OTHER FINANCIAL COSTS

All amounts in NOK million

	2019	2018
Fees and premiums	12	14
Termination cost	42	33
Write-downs of financial assets	78	-
Other financial costs	3	3
Total other financial costs	**135**	**51**

NOTE 8 TAX

All amounts in NOK million

	2019	2018
Tax expense		
Change in deferred tax recognised in profit and loss	-17	33
Total tax expense	**-17**	**33**
Income tax payable is calculated as follows		
Profit before tax	1 117	637
Dividend received	-353	-231
Other permanent differences	-841	-262
Change in temporary differences	39	51
Change in loss carry-forwards	37	-195
Profit for tax purposes	**-**	**-**

CHANGE IN DEFERRED TAX (+)/DEFERRED TAX ASSETS (-)

	Non-current assets	Financial instruments	Gains/losses account	Provisions	Loss carried forward	Total
31.12.2017	**-7**	**7**	**44**	**-20**	**-45**	**-21**
Recognised in profit and loss	-	-2	-9	-1	45	33
Recognised in equity	-	-	-	-2	-	-2
Effect of change in tax rate	-	-	-2	1	-	-
31.12.2018	**-7**	**5**	**34**	**-21**	**-1**	**10**
Recognised in profit and loss	1	-3	-7	-	-8	-17
Recognised in equity	-	-	-	1	-	1
31.12.2019	**-6**	**2**	**27**	**-20**	**-9**	**-6**

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:

	2019	%	2018	%
Profit for accounting purposes multiplied by nominal tax rate	246	22.0 %	146	23.0 %
Tax on dividend	-78	-6.9 %	-53	-8.3 %
Tax on permanent differences	-185	-16.6 %	-60	-9.5 %
Effect of change in tax rate	-	0.0 %	(0)	-0.1 %
Tax expenses for accounting purposes	**-17**	**-1.5 %**	**33**	**5.1 %**

From the income year 2019 the tax rate on normal income is reduced from 23 per cent to 22 per cent. Deferred tax as at 31 December 2018 was measured using the new rate. The effect on tax for the period in 2018 was 1 million.

NOTE 9 INTANGIBLE ASSETS, PROPERTY AND EQUIPMENT

All amounts in NOK million

	Intangible assets	Property and equipment
Acquisition cost at 01.01.2019	47	20
Acquisition	-4	3
Disposal	-43	-3
Acquisition cost at 31.12.2019	**-**	**20**
Accumulated depreciation at 01.01.2019	36	10
Depreciation	4	3
Disposal	-40	-
Accumulated depreciation at 31.12.2019	**-**	**12**
Carrying amount at 31.12.2019	**-**	**8**
Anticipated useful life	3 years	3-5 years
Depreciation schedule	linear	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 %
Valkendorfsgaten 6 AS	05.01.2015	Oslo	100
Entra Felleskost AS	01.06.2015	Oslo	100
Entra Service AS	01.06.2015	Oslo	100
Brattørkaia AS	31.01.2006	Oslo	100
Brattørkaia 13B AS	31.12.2016	Oslo	100
Universitetsgata 2 AS	03.09.2001	Oslo	100
Brynsengfaret 4 og 6 AS	01.01.2014	Oslo	100
Biskop Gunnerus' gate 14A AS	26.03.2001	Oslo	100
Schweigaards gate 15 AS	01.01.2014	Oslo	100
Biskop Gunnerus' gate 6 AS	05.01.2015	Oslo	100
Tordenskiolds gate 12 AS	05.01.2015	Oslo	100
Akersgata 34-36 AS	01.06.2015	Oslo	100
Nonnesetergaten 4 AS	10.02.2003	Oslo	100
Entra Utleie AS	02.06.2005	Oslo	100
Kjørboparken AS	21.12.2005	Oslo	100
Bispen AS	24.10.2007	Oslo	100
Hagegata 22-24 AS	01.10.2008	Oslo	100
Holtermanns veg 1-13 AS	24.09.2010	Oslo	100
Oslo Z AS	20.09.2000	Oslo	100
Schweigaards gate 16 AS	20.02.2013	Oslo	100
Lilletorget 1 AS	01.07.2014	Oslo	100
Fredrik Selmers vei 4 AS	01.06.2015	Oslo	100
Otto Sverdrups plass 4 AS	01.06.2015	Oslo	100
Stenersgata 1 AS	19.02.2016	Oslo	100
Holtermanns veg 70 AS	22.12.2015	Oslo	100
Lars Hilles gate 25 AS	01.08.2016	Oslo	100
Stenersgata Parkering AS	19.10.2016	Oslo	100
Entra Kultur 1 AS	28.02.2002	Oslo	100
Nils Hansens vei 20 AS	03.04.2018	Oslo	100
Langkaia 1 AS	21.11.2003	Oslo	100
St. Olavs plass 5 AS	04.12.2018	Oslo	100
Keysers gate 13 AS	11.12.2019	Oslo	100
Fredrik Selmers vei 6 AS	11.12.2019	Oslo	100
Wexelsplass Garasje AS	11.06.2012	Oslo	100
Grensesvingen 26 AS	11.12.2019	Oslo	100
Cort Adelers gate 30 AS	11.12.2019	Oslo	100
Brynsengfaret 6CD AS	11.12.2019	Oslo	100
Tvetenveien 22 AS	11.12.2019	Oslo	100
Papirbredden Eiendom AS	12.01.2011	Oslo	60
Tullinkvartalet AS	21.11.2011	Oslo	100
Universitetsgata 7-9 AS	01.04.2012	Oslo	100
Kristian Augustsgate 13 AS	20.01.2017	Oslo	100
Akersgata 51 AS	11.12.2019	Oslo	100
St. Olav Plass 5 Domus AS	15.11.2019	Oslo	100
Entra Eiendom AS	24.04.2012	Oslo	100
Borkenveien 1-3 AS	11.12.2019	Oslo	100
Malmskriverveien 2-4 AS	11.12.2019	Oslo	100
Malmskriverveien 18-20 AS	11.12.2019	Oslo	100

Grønland 32 AS	11.12.2019	Oslo	100
Kongens gate 87 AS	11.12.2019	Oslo	100
Dronningens gate 2 AS	11.12.2019	Oslo	100
Tollbodallmenningen 2A AS	20.10.2016	Oslo	100
Marken 37 AS	20.10.2016	Oslo	100
Nygårdsgaten 91 og 93 AS	11.05.2018	Oslo	100
Kaigaten 9 AS	11.12.2019	Oslo	100
Møllendalsveien 6 AS	02.12.2019	Oslo	100
Møllendalsveien 8 AS	02.12.2019	Oslo	100
Entra OPF Utvikling AS	21.04.2012	Oslo	50
Vahls gate 1-3 AS	27.04.2017	Oslo	100
Sundtkvartalet AS	19.06.2014	Oslo	100
Konggata 51 AS	05.01.2015	Oslo	100
Nytorget 1 AS	01.06.2015	Oslo	100
Professor Olav Hanssens vei 10 AS	20.10.2016	Oslo	100
Verkstedveien 1 Monier AS	01.09.2016	Oslo	100
Verkstedveien 3 AS	01.09.2016	Oslo	100
Drammensveien 134 II 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
Entra Bryn AS	16.05.2018	Oslo	100
Hinna Park Eiendom AS	20.12.2013	Stavanger	50

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

	2019	2018
Loan to associates and jointly controlled entities	-	1
Loan to Group companies	3 058	1 913
Receivable buy-out agreement	13	15
Subordinated loans	75	104
Total	**3 146**	**2 032**

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 31.12.2017	**184**		**2 619**	**937**	**2 150**	**5 889**
Net equity effect of LTI share program					-1	-1
Repurchase of shares under share buy-back program		-1	-15	-5	-94	-115
Profit for the year					604	604
Equity effect of actuarial gains and losses					-6	-6
Additional dividend					-404	-404
Proposed dividend					-420	-420
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**

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. Entra owns 23,010 (1,062,474) of its own shares at 31 December 2019.

As of 31 December 2019 Entra had 5,846 shareholders (5,267 shareholders). Norwegian investors held 35 per cent (55 per cent) of the share capital and foreign investors 65 per cent (45 per cent) at 31 December 2019.

The tables below sets out the change in share capital, the average number of shares in the last two years, the largest shareholders at year end, and shares owned by directors at 31 December 2019.

	No. of shares	Share capital (NOKm)	Share premium (NOKm)	Face value (NOK)
End of year 31.12.2018	183 732 461	184	2 619	1
End of year 31.12.2019	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 25 April 2019 less a 20 per cent discount. A total of 92,123 (106,904) shares were acquired and sold to the employees in connection with the share purchase scheme in May 2019. In addition, Entra purchased 10,000 shares in March 2019 in connection with the LTI scheme for senior executives. A total of 11,201 shares were awarded to senior executives in March 2019.

In June 2019, Entra decreased the share capital by 1,600,406 shares as a result of a share buy-back program initiated in June 2018. As of 31 December 2019 Entra has a total of 182,132,055 shares outstanding. As of 31 December 2019 Entra owns 23,010 of its own shares.

The 20 largest shareholders as registered in the VPS as of 31 December 2019 were as follows:

Shareholder	No of shares per 31.12.19	Shareholding %	Country
Folketrygdfondet	16 062 672	8.8	Norway
Norwegian Ministry of Trade, Industry and Fisheries	15 000 000	8.2	Norway
State Street Bank and Trust Comp (Nominee)	13 470 986	7.4	United States
The Bank of New York Mellon (Nominee)	6 226 713	3.4	The Netherlands
JPMorgan Chase Bank (Nominee)	2 766 098	1.5	United States
BNP Paribas Securities Services (Nominee)	2 656 255	1.5	United Kingdom
Danske Invest Norske Inst. II.	2 627 721	1.4	Norway
State Street Bank and Trust Comp (Nominee)	2 246 994	1.2	United States
Morgan Stanley & Co. International (Nominee)	2 073 937	1.1	United Kingdom
State Street Bank and Trust Comp (Nominee)	2 051 757	1.1	Ireland
Verdipapirfondet DnB Norge	2 031 992	1.1	Norway
JPMorgan Chase Bank (Nominee)	1 826 326	1.0	United Kingdom
Meroc Lund 2 AB	1 800 547	1.0	Sweden
Principal Funds Inc	1 714 787	0.9	United States
BNP Paribas Securities Services (Nominee)	1 672 695	0.9	Luxembourg
Citibank, N.A. (Nominee)	1 666 273	0.9	Ireland
State Street Bank and Trust Comp (Nominee)	1 644 793	0.9	United States
Lanforsakringar Fastighetsfond	1 600 000	0.9	Sweden
State Street Bank and Trust Comp (Nominee)	1 549 136	0.9	United States
The Bank of New York Mellon (Nominee)	1 543 408	0.8	United Kingdom
Total 20 largest shareholders	**82 233 090**	**45.2**	
Total	**182 132 055**	**100.0**	

SHARES HELD BY DIRECTORS AND SENIOR EXECUTIVE OFFICERS AT 31.12. [1)]

Shareholder	Position	Number of shares 2019	Number of shares 2018
Board of directors			
Siri Hatlen	Chair	1 163	1 163
Kjell Bjordal	Vice Chair	44 704	44 704
Widar Salbuvik	Board member	10 000	10 000
Ingrid Dahl Hovland	Board member	-	-
Camilla AC Tepfers	Board member from 26 April 2019	-	
Erling Nedkvitne	Employee representative	10 855	9 384
Mariann Halsvik Larsen	Employee representative from 4 March 2019	3 117	
Katarina Staaf	Board member until 26 April 2019		500
Linnea Tviberg Scharning	Employee representative until 4 March 2019		
Senior executives			
Sonja Horn	CEO	25 220	21 662
Anders Olstad	CFO	57 059	40 379
Per Ola Ulseth	EVP Project Development	2 074	-
Åse Lunde	EVP Digital and Business Development	4 373	1 753
Kjetil Hoff	COO	1 141	
Tore Bakken	EVP Market and Commercial Real Estate Development	0	
Kristine Marie Hilberg	EVP HR and Organisation	3 682	
Arve Regland	CEO until 30 June 2019		52 087
Shares held by board of directors and senior executives		**163 388**	**181 632**

[1)] Share holding is stated in the table below 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

	Carrying amount 2019	Carrying amount 2018
Non-current interest bearing debt		
Bank loans	5 060	4 290
Bond loans	9 800	8 100
Total non-current interest bearing debt	**14 860**	**12 390**
Current interest bearing debt		
Bond loans	700	1 700
Commercial paper	1 800	2 500
Total current interest bearing debt	**2 500**	**4 200**

MATURITY STRUCTURE OF DEBT

Year	Loan amount 2019	Loan amount 2018
2020		700
2021	1 300	1 620
2022	2 500	5 500
2023	6 360	3 570
2024	1 000	1 000
Later than 5 years	3 700	
Total	**14 860**	**12 390**

UNUSED CREDIT FACILITIES

At 31 December 2019, the maturity structure of the company's new unused credit facilities was as follows:

MATURITY STRUCTURE OF COMMITTED, UNUSED CREDIT FACILITIES

Year	Loan amount 2019	Loan amount 2018
2019		1 500
2020		
2021	750	680
2022	1 000	500
2023	2 440	2 530
2024	2 000	
Total	**6 190**	**5 210**

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 2019 the weighted average remaining term to maturity was 3.4 years (3.7 years). The company's average interest rate was 2.9 per cent (2.8 per cent) at 31 December 2019.

ENTRA ASA PORTFOLIO OF LOANS AND INTEREST RATE HEDGES HAVE THE FOLLOWING INTEREST RATE MATURITY PROFILE

			INTEREST RATE HEDGE WITH FUTURE START	
	%	Fixed interest 2019	Volume	Maturity (year)
Up to 1 year	45 %	7 860	1 650	6.39
1-2 years	5 %	850		
2-4 years	15 %	2 550		
4-6 years	15 %	2 600		
6-8 years	17 %	3 000		
Over 8 years	3 %	500		
Total	**100 %**	**17 360**		

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 2019 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 2019

	Maturity	Nominal value	Market value
ISIN NO0010740061	13.06.2022	800	803
ISIN NO0010766389	02.06.2023	1 100	1 101
ISIN NO0010852684	22.05.2026	900	904
Total		**2 800**	**2 808**

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, 64 per cent (61 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 36 per cent (39 per cent) of the company's interest bearing debt.

CASH FLOW HEDGING

	2019	2018
Hedged item		
Variable interest rate liabilities	17 360	16 590
Hedge		
Interest rate swaps (variable-to-fixed)	11 150	10 200
Hedge ratio (unhedged position)	**6 210**	**6 390**
Hedge ratio (% hedged)	**64 %**	**61 %**

Changes in the cash flow hedges over the financial year:

CHANGE IN VALUE

	2019	2018
Opening balance market value of liability	407	598
Change in value	-119	-190
Closing balance – market value of liability	**289**	**407**

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 decrease in the company's market value of liabilities for fiscal year 2019 is mainly a reduced term for old interest rate swaps agreements with high-rate interest rate.

FAIR VALUE HEDGING
Entra ASA has the following fair value hedges for the company's outstanding fixed-rate bonds:

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 %**	**0 %**	**68 %**	**75 %**
Hedge ratio (% hedged)	**40 %**	**100 %**	**32 %**	**25 %**

FAIR VALUE HEDGING 2018

	Total	Maturity structure up to 1 year	Maturity structure 1-5 years	Maturity structure > 5 years
Hedged item				
Fixed interest rate liabilities	4 000	500	3 500	-
Hedge				
Interest rate swaps (fixed-to-variable)	2 100	500	1 600	-
Hedge ratio (unhedged position)	**47 %**	**0 %**	**54 %**	**0 %**
Hedge ratio (% hedged)	**53 %**	**100 %**	**46 %**	**0 %**

Changes in the value of fair value hedges over the financial year:

CHANGE IN VALUE

	2019	2018
Opening balance – market value of liabilities (+) /receivables (-)	-67	-119
Change in value	41	51
Closing balance – market value of liabilities (+) /receivables (-)	**-27**	**-67**

At 31 December 2019, 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 from 1 July 2015 a defined contribution scheme. The defined contribution scheme includes 160 (144) employees. The defined benefit pension scheme cover a total of 13 (17) current employees and 63 (68) pensioners.

The company also has a contractual early-retirement scheme (AFP) from the age of 62. At 31 December 2019, 9 (9) former employees had chosen to make use of the AFP scheme. At 31 December 2019, the net pension liabilities associated with the AFP scheme amounted to NOK 21 million (NOK 24 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

	2019	2018
Present value of accrued pension liabilities in defined-benefit schemes in unit trusts	182	190
Fair value of pension scheme assets	-128	-127
Employers' NICs accrued	8	9
Net pension liabilities on the balance sheet at 31.12	**61**	**72**

CHANGE IN DEFINED-BENEFIT PENSION LIABILITIES OVER THE YEAR

	2019	2018
Pension liabilities at 01.01	190	185
Present value of pensions earned this year	2	2
Interest expense	5	4
Pension benefits paid	-7	-6
Plan amendment	-2	-
Actuarial losses/(gains)	-6	5
Pension liabilities at 31.12	**182**	**190**

CHANGE IN FAIR VALUE OF PENSION SCHEME ASSETS

	2019	2018
Pension scheme assets at 01.01	127	129
Anticipated return on pension scheme assets	3	3
Contributions from employer	7	3
Pension benefits paid	-7	-6
Actuarial (gains)/losses	-2	-2
Pension scheme funds at 31.12	**128**	**127**

TOTAL COST RECOGNISED IN THE INCOME STATEMENT

	2019	2018
Cost of pension benefits accrued during current period	2	2
Plan amendment	-2	-
Employers' National Insurance contributions	-	-
Contribution scheme and contractual early-retirement scheme	13	11
Total pension benefits accrued during the period	**13**	**13**
Net interest expense	2	1
Total pension benefits accrued in income statement	**15**	**14**
Actuarial losses (-)/gains (+) accrued in equity	-5	7
Total pension benefits accrued	**9**	**21**

The actual return on pension scheme assets was NOK 1 million (NOK 1 million).

THE FOLLOWING ECONOMIC ASSUMPTIONS HAVE BEEN USED

	2019	2018
Discount rate	2.30 %	2.60 %
Anticipated return on pension scheme assets	2.30 %	2.60 %
Annual wage growth	2.25 %	2.75 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	2.00 %	2.50 %
Annual adjustment of pensions	1.25 %	1.75 %
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.

	2019	2018
Gross defined-benefit pension liabilities	182	190
Fair value pension funds	-128	-127
Net defined-benefit pension liabilities	**53**	**63**

Expected payments to the defined contribution plan and contractual early-retirement scheme for the period 1 January to 31 December 2020 are 11 million and for the defined benefit pension plan 7 million.

NOTE 16 RELATED PARTY TRANSACTIONS AND INTRA-GROUP BALANCES

All amounts in NOK million

Transactions with related parties	Counterparty	2019	2018
Services for property management	Subsidiary	43	48
Services for Project development	Subsidiary	44	35
General manager fee	Subsidiary	1	1
Accounting and management fee	Subsidiary	27	21
Accounting and management fee	Jointly controlled entity	1	1
Rental cost	Subsidiary	12	13
Group contribution/dividends	Subsidiary	622	726
Dividends	Jointly controlled entity	308	231
Interest income	Subsidiary	73	68
Interest expense	Subsidiary	20	8

RECEIVABLES

	2019	2018
Long term loan to Group companies	3 058	1 913
Trade receivables from Group companies	4	3
Short term receivables to Group companies	86	97
Group contributions/dividends from subsidiary	577	726
Total	**3 724**	**2 738**

LIABILITIES

	2019	2018
Short term liabilites to Group companies	1 785	1 256
Total	**1 785**	**1 256**

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

	2019	2018
Remuneration to auditor (excluding VAT)		
Statutory audit	1 158	1 308
Tax advice	103	
Other services not related to auditing		
Other assurance services	548	297
Total	**1 809**	**1 605**

Responsibility statement

We declare to the best of our knowledge that

- the Entra ASA consolidated financial statements for 2019 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 2019 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, 4 March 2020
The Board of Entra ASA

Siri Hatlen
Chair of the Board

Kjell Bjordal
Vice Chair

Widar Salbuvik
Board member

Ingrid Dahl Hovland
Board member

Camilla AC Tepfers
Board member

Mariann Halsvik Larsen
Board member

Erling Nedkvitne
Board member

Sonja Horn
CEO

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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. The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2019, 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 2019 and income statement, statement of changes in equity, cash flow 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 2019, 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 2019, 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.

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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 identified by independent valuers. Each quarter, all properties are valued by two independent external 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.	The Group has established internal controls to ensure that relevant property information is included in the external valuations. We have assessed the design of these controls, and for a sample of these controls we have tested if they have operated effectively in the reporting period. For a sample of the investment properties, we reconciled the property information regarding annual rent and square meters in the external valuers' reports to the Group's own records. We met with the external valuers, and assessed their qualifications and expertise. We reviewed their terms of engagement in order to determine whether there were unusual fee terms 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 external 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, 8 and 19 regarding valuation of investment properties was adequate.

Other information

Management is responsible for the other information. The other information comprises the annual report, but does not include 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 and fair presentation of the financial statements of the parent company in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the 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 parent company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The 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 and 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's 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 fair presentation.
- 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.

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Page 4

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.

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 proposal for the allocation of the profit 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, 4 March 2020
Deloitte AS

Eivind Skaug

Eivind Skaug
State Authorised Public Accountant

Alternative performance measures

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

ENTRA'S FINANCIAL APMS:

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

All amounts in NOK million

NET INCOME FROM PROPERTY MANAGEMENT & CASH EARNINGS

	2019	2018
Net income	1 780	1 587
Less:		
Other income and costs in associates and JVs	309	153
Tax from associates and JVs	-	-1
Net income from property management	**1 471**	**1 434**
Tax payable	-11	-13
Cash earnings	**1 460**	**1422**

MARKET VALUE OF THE PROPERTY PORTFOLIO

	31.12.2019	31.12.2018
Investment properties	49 095	44 714
Investment properties held for sale	-	565
Other	-131	352
Market value of the property portfolio	**48 964**	**45 630**

NET NOMINAL INTEREST BEARING DEBT

	31.12.2019	31.12.2018
Nominal value of interest bearing debt	19 901	19 171
Cash and bank deposits	-317	-230
Net nominal interest bearing debt	**19 585**	**18 941**

DEBT RATIO – LOAN-TO-VALUE (LTV)

	31.12.2019	31.12.2018
Total net nominal interest bearing debt	19 846	19 019
- Net nominal interest bearing debt	19 585	18 941
- Other interest bearing liabilities	261	78
Total market value of the property portfolio	49 377	46 037
- Market value of the property portfolio	48 964	45 630
- Inventory properties	413	407
Debt ratio (LTV) %	**40.2**	**41.3**

INTEREST COVERAGE RATIO (ICR)

	2019	2018
Net income	1 780	1 587
Depreciation	8	15
Results from associates and joint ventures	-312	-156
Net realised financials	551	491
EBITDA adjusted	**2 027**	**1 937**
Interest cost	577	517
Other finance expense	28	27
Applicable net interest cost	**606**	**544**
Interest Coverage Ratio (ICR)	**3.3**	**3.6**

EPRA reporting

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

SUMMARY EPRA PERFORMANCE MEASURES

		Unit	2019 / 31.12.2019	2018 / 31.12.2018
A	EPRA earnings per share (EPS)	NOK	5.81	5.59
B	EPRA NAV per share	NOK	151	141
	EPRA triple net asset value per share (NNNAV)	NOK	141	131
C	EPRA net initial yield	%	4.8	5.0
	EPRA, "topped-up“ net initial yield	%	4.8	5.0
D	EPRA vacancy rate	%	2.9	3.3
E	EPRA cost ratio (including direct vacancy costs	%	15.0	14.8
	EPRA cost ratio (excluding direct vacancy costs)	%	13.4	13.3

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

	2019	2018
Aquisitions	**1 174**	**914**
Developments	**1 352**	**1 104**
- Newbuild projects	791	812
- Redevelopment projects [1]	561	292
Like-for-like portfolio	**120**	**58**
- Tenant alterations	112	51
- Maintenance capex	8	7
Other	**41**	**35**
- Capitalised borrowing cost	41	35
Capital expenditure	**2 686**	**2 110**

[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 2019	EPRA adjustments 2019	Non-controlling interests 2019 [1]	EPRA Earnings 2019	IFRS reported 2018	EPRA adjustments 2018	Non-controlling interests 2018 [1]	EPRA Earnings 2018
Rental income	2 338	-	153	2 185	2 243	-	136	2 106
Operating costs	-189	-	-10	-179	-184	-	-11	-173
Net operating income	**2 149**	**-**	**143**	**2 006**	**2 058**	**-**	**125**	**1 933**
Other revenue	300	-	1	299	521	-	4	517
Other costs	-260	-	-1	-259	-500	-	-	-500
Administrative costs	-171	-	-7	-164	-157	-	-7	-150
Share of profit from associates and JVs [2]	312	310	-	2	156	173	-	-17
Net realised financials	-551	-	-25	-526	-491	-	-26	-465
Net income	**1 780**	**310**	**112**	**1 357**	**1 587**	**173**	**96**	**1 318**
Changes in value of investment properties	1 909	1 909	-	-	1 387	1 387	-	-
Changes in value of financial instruments	46	46	-	-	99	99	-	-
Profit before tax//EPRA Earnings before tax	**3 735**	**2 265**	**112**	**1 357**	**3 073**	**1 659**	**96**	**1 318**
Tax payable [3]	-11	-	-4	-7	-13	-	-4	-9
Change in deferred tax [3]	-498	-187	-19	-292	-325	-35	-7	-283
Profit for period/EPRA Earnings	**3 225**	**2 077**	**89**	**1 059**	**2 735**	**1 624**	**85**	**1 026**
Average outstanding shares in period (million)				182.4				183.6
EPRA Earnings per share (NOK)				5.81				5.59

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

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

[3] The corporate income tax rate is 22 per cent for 2019 and 23 per for 2018.

B. NET ASSET VALUE – EPRA NAV AND EPRA NNNAV

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

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

All amounts in NOK million

	31.12.2019	31.12.2018
Total equity	**24 517**	**22 269**
Less: Non-controlling interests	1 947	1 746
NAV per financial statement	**22 570**	**20 524**
Add: Adjustment to property portfolio	-	1
Add: Revaluation of investments made in JVs	400	981
Add: Net market value on financial derivatives	68	159
Add: Deferred tax arising on revaluation moments	4 517	4 065
EPRA NAV	**27 555**	**25 729**
Market value on property portfolio	48 964	45 630
Tax value on property portfolio	18 944	17 800
Basis for calculation of tax on gain on sale	30 021	27 830
Less: Market value of tax on gain on sale (5 % tax rate)	**1 501**	**1 391**
Net market value on financial derivatives	68	159
Tax expense on realised financial derivatives [1]	15	35
Less: Net result from realisation of financial derivatives	**53**	**124**
Market value of interest bearing debt [2]	20 212	19 351
Nominal value of interest bearing debt	19 901	19 171
Basis for calculation of tax on realisation of interest bearing debt	311	180
Market value of tax on realization [1]	68	40
Less: Net result from realisation of interest bearing debt	**242**	**140**
Less: MV of tax on gain on sale (5 % tax rate) & realisation of financial derivatives in JVs	**93**	**142**
EPRA NNNAV [2]	**25 666**	**23 931**
Outstanding shares at period end (million)	182.1	182.7
EPRA NAV per share (NOK)	151	141
EPRA NNNAV per share (NOK) [2]	141	131

[1] 22 per cent from 31.12.2018

[2] The market value of interest bearing debt was in the report for the fourth quarter of 2019 reported as 19,910, resulting in a reported EPRA NNNAV of 25,901 (142 per share).

C. EPRA NET INTIAL YIELD

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

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

All amounts in NOK million

	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Investment property - wholly owned	31 374	4 961	2 952	1 316	225	2 180	43 008
Investment property - share of JVs/Funds	-	-	-	608	1 116	1 440	3 164
Total property portfolio	**31 374**	**4 961**	**2 952**	**1 924**	**1 341**	**3 620**	**46 172**
Less projects and land and developments	-3 210	-455	-30	-119	-	-266	-4 081
Completed management portfolio	**28 163**	**4 506**	**2 922**	**1 805**	**1 341**	**3 354**	**42 091**
Allowance for estimated purchasers` cost	52	15	10	4	5	8	93
Gross up completed management portfolio valuation	**28 215**	**4 521**	**2 932**	**1 809**	**1 346**	**3 362**	**42 184**
12 months rolling rent	1 380	255	173	111	86	169	2 173
Estimated ownership cost	104	18	12	8	5	16	162
Annualised net rents	**1 276**	**237**	**161**	**103**	**81**	**153**	**2 011**
Add: Notional rent expiration of rent free periods or other lease incentives	-	-	-	-	-	-	-
Topped up net annualised net rents	**1 276**	**237**	**161**	**103**	**81**	**153**	**2 011**
EPRA NIY (net initial yield)	**4.5 %**	**5.2 %**	**5.5 %**	**5.7 %**	**6.0 %**	**4.6 %**	**4.8 %**
EPRA "topped-up" NIY (net initial yield)	**4.5 %**	**5.2 %**	**5.5 %**	**5.7 %**	**6.0 %**	**4.6 %**	**4.8 %**

D. EPRA VACANCY

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

All amounts in NOK million

	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Market rent vacant areas	46	13	-	1	2	7	69
Total market rent	1 545	272	150	101	80	206	2 354
Vacancy	**3.0 %**	**4.7 %**	**0.2 %**	**0.6 %**	**2.2 %**	**3.6 %**	**2.9 %**

E. EPRA COST RATIO

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

All amounts in NOK million

	2019	2018
Operating costs	-189	-184
Administrative costs	-171	-157
Share of joint ventures expences	-	-8
Less: Ground rent cost	9	18
EPRA Cost (including direct vacancy cost)	**-351**	**-332**
Direct vacancy cost	-38	-34
EPRA Cost (excluding direct vacancy cost)	**-313**	**-298**
Gross rental income less ground rent	**2 338**	**2 243**
Share of joint ventures and fund (GRI)	-	-
Total gross rental income less ground rent	**2 338**	**2 243**
Epra cost ratio (including direct vacancy cost)	**15.0 %**	**14.8 %**
Epra cost ratio (excluding direct vacancy cost)	**13.4 %**	**13.3 %**

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

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 2019 (ESG), the Annual Report 2019 (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; 2019 in Summary; The business; Employees and Organisation, ESG: EPRA Sustainability Performance Measures
102-8	Information on employees and other workers	AR, Board report; ESG; Motivated employees - Equality and diversity; EPRA Sustainability Performance Measures
102-9	Supply chain	ESG; Ethics and anti-corruption - Entra's supply chain
102-10	Significant changes to the organization and its supply chain	No significant changes in 2019
102-11	Precautionary Principle or approach	ESG; Climate and the Environment
102-12	External initiatives	ESG: Reporting standards and responses; Supporting the UN Sustainability Development Goals; Climate and the the Environment;
102-13	Membership of associations	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, ESG; Ethics and Anti-corruption, Corporate governance
GOVERNANCE		
102-18	Governance structure	ESG; Corporate Governance
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	ESG; Stakeholder dialogue
102-41	Collective bargaining agreements	ESG; Motivated employees - Workers' rights
102-42	Identifying and selecting stakeholders	ESG; Stakeholder dialogue
102-43	Approach to stakeholder engagement	ESG; Stakeholder dialogue
102-44	Key topics and concerns raised	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 2 and 33
102-46	Defining report content and topic Boundaries	ESG; Stakeholder dialogue, Materiality anaysis and foucs areas
102-47	List of material topics	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 2019
102-51	Date of most recent report	Annual Report 2018
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, ESG; Reporting standards and responses
102-55	GRI content index	Enclosure to ESG report
102-56	External assurance	ESG; Third party verification

SPECIFIC STANDARD DISCLOSURES

Disclosure #	Disclosure name	Referance and/or response
ECONOMIC		
103 1-3	Management approach for economic standards and disclosures	AR: Board report; ESG; Management approach, Corporate Governance
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 ESG: Climate risks and Scenario analysis
201-3	Defined benefit plan obligations and other retirement plans	AR; Note 29
GRI Standard: Anti-corruption		
205-1	Operations assessed for risks related to corruption	AR; Risk management, ESG; Ethics and anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	ESG; Ethics and anti-corruption
205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption in 2019
GRI Standard: Anti-competitive Behaviour		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No such incidents in 2019
ENVIRONMENTAL		
103 1-3	Management approach for environmental standards and disclosures	AR:Board report; 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 Performance Measures
302-2	Energy intensity	ESG; Climate and environment; EPRA Sustainability reporting
302-4	Reduction of energy consumption	ESG: Climate and the environment;
GRI Standard: Emissions		
305-1	Direct (Scope 1) GHG emissions	ESG: EPRA Sustainability Performance Measures
305-2	Energy indirect (Scope 2) GHG emissions	ESG: EPRA Sustainability Performance Measures
305-3	Other indirect (Scope 3) GHG emissions	ESG: EPRA Sustainability Performance Measures
305-4	GHG emissions intensity	ESG: Climate and Environment; EPRA Sustainability reporting
GRI Standard: Effluents and waste		
306-2	Waste by type and disposal method	ESG: EPRA Sustainability Performance Measures
306-3	Significant spills	There has been no such incidents in 2019
GRI Standard: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	There has been no such incidents in 2019

GRI Standard: Supplier environmental assessment		
308-1	New suppliers that were screened using environmental criteria	ESG: Ethics and anti-corruption, supplier qualification requirements
SOCIAL		
103 1-3	Management approach for social standards and disclosures	AR:Board report; 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	ESG: Motivated employees - Workers' rights
GRI Standard: Occupational Health and Safety		
403-1	Workers representation in formal joint management–worker health and safety committees	ESG: 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	ESG: EPRA Sustainability Performance Measures
404-3	Percentage of employees receiving regular performance and career development reviews	ESG: EPRA Sustainability Performance Measures
GRI Standard: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	ESG: EPRA Sustainability Performance Measures
GRI Standard: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	There has been no such incidents in 2019
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	ESG: Ethics and anti-corruption There has been no such incidents in 2019
GRI Standard: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	ESG: Ethics and anti-corruption There has been no such incidents in 2019
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	ESG: Ethics and anti-corruption There has been no such incidents in 2019
GRI Standard: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	ESG; 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 2019
417-3	Incidents of non-compliance concerning marketing communications	There has been no such incidents in 2019
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 2019
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 2019

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 climate risk and opportunity is discussed in our ESG Report on pages 34–6, and as part of the overall risk analysis on page 28–34. 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 ESG report pg 36 and 46–53	**-> pages Rsk factors pg 34, ESG report pages 46–53**	**-> pages Rsk factors pg 28–34, ESG report pages 46–53**	**-> pages ESG report pages 46–53**
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 ESG report pg 36 and 46–53	**-> pages Rsk factors pg 28–34, ESG report pages 46–53**	**-> pages Risk factors pg 28–34, ESG report pages 46–53**	**-> pages EPRA reporting pages 169–174**
	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 46–53	**-> pages Risk factors pg 28–34, ESG report pages 46–53**	**-> pages ESG report pages 40–52**

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 our single-let properties as we have no management control of these properties and are unable to collect utilities data. 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 for. 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 2019 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 office space HQ 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.

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 pages 68-69.

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.

NORMALISATION

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 sustainability 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.

PERFORMANCE NARRATIVE ON SOCIAL PERFORMANCE

Diversity-employee gender is calculated as a percentage of female to men. The women's share of Group employees has increased from 2018 to 2019. Diversity pay gender ratio is calculated men to woman. In 2019 Entra hired a female CEO which has affected the gender pay ratio from 2018 to 2019. The Chairman in Entra since 2012 is a woman.

Employee turnover is stable. In 2019, 32 people started working in Entra and 17 people left the company. Over a two-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 2019. Turnover rate is calculated based on people that left Entra divided on the number of employees by the end of 2019.

There has been no serious incidents involving direct employees in Entra in 2018 or 2019 (calculated per 100,000 hours worked). The Injury rate, Lost day rate and Accident severity rate has been 0 both in 2018 and 2019.

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 2019. For an outline on our plans for managing future performance please refer to the ESG report, pages 40–53.

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 2019, absolute electricity consumption across the 66 managed assets with available data, totaled 89,111 MWh, a 4 per cent decrease from 2018. Measured as like-for-like, the increase was 4 per cent. Landlord-obtained consumption amounted to 59,633 MWh, of which 1.3 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 48 managed assets totaled 45,019 MWh, a like-for-like decrease of 2 per cent compared with 2018. Landlord-obtained consumption amounted to 37,335 MWh.

Total direct fuel consumption was 0.6 MWh in 2019, down from 23 MWh in 2018. Entra is currently working towards phasing out fossil fuel consumption within its portfolio, and has in 2019 removed one of two oil boilers.

Building energy intensity across the 56 management properties in our portfolio with like-for-like performance data was 138 kWh per square meter in 2019, down by 3 per cent in comparison with 2018. Greenhouse gas intensity from building energy across the same assets fell to 4.61 kg CO_2e per square meter, a drop of 21 per cent compared with 2018. This decrease is mainly explained by a 13 per cent reduction in the Nordic mix electricity emission factor.

GHG emissions presented in the EPRA table are based on local-based and market-based emission factors for electricity. If calculated using market-based emission factor for electricity, the GHG emission from electricity is about 1,933 tonnes CO_2e in 2019, down from about 3,536 tonnes CO_2e for 2018. In 2018 and 2019 Entra has purchased guarantees of origin for all electricity purchased by Entra (land-lord 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 2019 was 277,800 m^3 compared with 241,246 m^3 in 2018. On a like-for-like basis, total water consumption increased by 7 per cent due to various reasons, such as some properties included in like-for-like become fully let, shifts in tenant consumption etc. Examples is more properties with training and shower facilities, possibilities for bike wash and one tenant using more water in combination with research. Building water intensity across the 55 assets with like-for-like performance data was 0.25 m^3 per square meter in 2019, a 4 per cent decrease from 2018.

Waste

In 2019, absolute waste creation across the 57 managed assets with available data was approximately on same level as 2018, with 3,383 tons. Like-for-like increase with 15 per cent from 2,773 tons in 2018 to 3,189 tons in 2019. This is mainly explained by Entra's increased registration of waste data and fully let properties. 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 114,097 kWh in 2019, a 10 per cent rise compared to 103,563 kWh in 2018. This increase is explained by a larger number of active users due to fully let building, with a direct effect on the amount of lighting and ventilation needed.

Entra's pro-rated share of district heating and cooling increased by 2 per cent from 87,857 kWh in 2018 to 89,785 kWh in 2019.

The property at which Entra is a tenant does not have fuels as an energy source.

Energy intensity for Entra's headquarters was 72 kWh per square meter in 2019, up by 7 per cent in comparison with 2018. Greenhouse gas intensity from energy ended at 2.05 kg CO_2e per square meter down from 2.12. This is mainly explained by a reduction of 13 per cent in the Nordic mix factor from IEA energy statistics for 2019.

Entra's proportionate share of water consumption in 2019 was 751 m^3 compared with 984 m^3 in 2018. This 24 per cent decrease is a directly consequence of a flood in the basement autumn 2018 and wardrobes and shower facilities were closed in the beginning of 2019 due to refurbishment. Building water intensity was 0.27 m^3 per square meter in 2019, compared to 0.35 m^3 per square meter in 2018.

Entra's proportionate share of total waste created decreased by 3 per cent from 13.2 tonnes in 2018 to 12.8 tons in 2019. Most of this decrease directly reflects on less refurbishments/reconstructions in the building due to fully let.

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 uses 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

					Total portfolio				Headquarter (s)	
					Absolute performance (Abs)		Like-for-like performance (LfL)		Absolute performance (Abs)	
Impact area	EPRA Code	Units of measure	Indicator		2018	2019	2018	2019	2018	2019
Energy	Elec-Abs, Elec-LfL	annual kWh	Electricity	Total landlord-obtained electricity	59 380 667	59 632 854	48 514 539	54 998 002	103 563	114 097
				Proportion of landlord-obtained electricity from renewable resources	0.3 %	1.3 %	0.4 %	1.5 %	0 %	0 %
				Total tenant-obtained electricity	33 002 301	29 477 833	31 520 871	28 000 616	-	-
				Total landlord- and tenant-obtained electricity consumption	**92 382 968**	**89 110 687**	**80 035 410**	**82 998 618**	**103 563**	**114 097**
		No. of applicable properties		*Electricity disclosure coverage*	*64 out of 81*	*66 out of 80*	*58 out og 67*	*56 out og 67*	*1 out of 1*	*1 out of 1*
		%		*Proportion of electricity estimated*	*0 %*	*0 %*	*0 %*	*0 %*	*0 %*	*0 %*
	DH&C-Abs, DH&C-LfL	annual kWh	District heating and cooling	Total landlord-obtained district heating and cooling	37 130 714	37 334 811	30 010 283	36 928 726	87 857	89 785
				Proportion of landlord-obtained heating and cooling from renewable resources	0 %	0 %	0 %	0 %	0 %	0 %
				Total tenant-obtained heating and cooling	8 938 120	7 684 613	7 599 056	6 030 519	-	-
				Total landlord- and tenant-obtained heating and cooling	**46 068 834**	**45 019 424**	**37 609 339**	**42 959 245**	**87 857**	**89 785**
		No. of applicable properties		*District heating and cooling disclosure coverage*	*50 out of 81*	*48 out of 80*	*45 out of 67*	*44 out of 67*	*1 out of 1*	*1 out of 1*
		%		*Proportion of district heating and cooling estimated*	*0 %*	*0 %*	*0 %*	*0 %*	*0 %*	*0 %*
	Fuels-Abs, Fuels-LfL	annual kWh	Fuels	Total direct landlord-obtained fuels	-	-	-	-	-	-
				Proportion of landlord obtained fuels from renewable resources	0 %	0 %	0 %	0 %	0 %	0 %
				Total tenant-obtained fuels	22 952	604	22 952	604	-	-
				Total landlord- and tenant-obtained fuels	**22 952**	**604**	**22 952**	**604**	**-**	**-**
		No. of applicable properties		*Fuels disclosure coverage*	*2 out of 2*	*1 out of 1*	*2 out of 2*	*1 out of 1*	*NA*	*NA*
		%		*Proportion of fuels estimated*	*0 %*	*0 %*	*0 %*	*0 %*	*0 %*	*0 %*
	Energy-Int	annual kWh / sqm.	**Energy Intensity**	**Building energy intensity**	**145**	**136**	**142**	**138**	**68**	**72**
Greenhouse gas emissions	GHG-Dir-Abs	annual tonnes CO_2e	Direct	Scope 1	298	74	298	74	-	-
	GHG-Indir-Abs	annual tonnes CO_2e	Indirect/location based	Scope 2	5 113	4 413	4 543	4 143	6	6
		annual tonnes CO_2e	Indirect/market based	Scope 2	3 536	1 933	3 536	1 543	NA	NA
			Indirect	Scope 3	972	907	836	836	5	3
	GHG-Int	kg CO_2e / m^2 / year	**GHG emissions intensity**	**GHG Scope 1 and 2 intensity from building energy**	**5.65**	**4.53**	**5.86**	**4.61**	**2.12**	**2.05**
		No. of applicable properties		*Energy and associated GHG disclosure coverage*	*64 out of 81*	*66 out of 80*	*58 out og 67*	*56 out og 67*	*1 out of 1*	*1 out of 1*
		%		*Proportion of energy and associated GHG estimated*	*0 %*	*0 %*	*0 %*	*0 %*	*0 %*	*0 %*

Water	Water-Abs, Water-LfL	annual cubic metres (m^3)	Water	Municipal water		241 246	277 800	205 822	219 892	984	751
	Water-Int	annual m^3 / m^2	**Water Intensity**	**Building water intensity**		**0.29**	**0.29**	**0.26**	**0.25**	**0.35**	**0.27**
		No. of applicable properties		*Water disclosure coverage*		*59 out of 81*	*64 out of 80*	*53 out of 67*	*55 out of 67*	*1 out of 1*	*1 out of 1*
		%		*Proportion of water estimated*		*0 %*	*0 %*	*0 %*	*0 %*	*0 %*	*0 %*
Waste	Waste-Abs, Waste-LfL	annual tonnes	Waste type	Hazardous waste		18	28	14	28	0.22	0.06
				Non-Hazardous waste		3 350	3 355	2 759	3 161	13.00	12.76
				Total waste created		**3 368**	**3 383**	**2 773**	**3 189**	**13.2**	**12.8**
		proportion by disposal route (%)	Disposal routes, hazardous	Reuse		4 %	4 %	0 %	4 %	0 %	0 %
				Recycling		13 %	8 %	14 %	8 %	2 %	8 %
				Incineration (with or without energy recovery)		75 %	80 %	75 %	81 %	95 %	61 %
				Landfill (with of without energy recovery)		9 %	7 %	10 %	6 %	3 %	32 %
			Disposal routes, non-hazardous	Reuse		0 %	0 %	0 %	0 %	0 %	0 %
				Recycling		47 %	45 %	48 %	45 %	41 %	40 %
				Incineration (with or without energy recovery)		34 %	34 %	33 %	34 %	43 %	42 %
				Landfill (with of without energy recovery)		0.5 %	0.5 %	1 %	0.5 %	1 %	1 %
				Biodiesel production		18 %	20 %	19 %	20 %	16 %	18 %
		No. of applicable properties		*Waste disclosure coverage*		*53 out of 81*	*57 out of 80*	*48 out of 67*	*49 out of 67*	*1 out of 1*	*1 out of 1*
		%		*Proportion of waste estimated*		*0 %*	*0 %*	*0 %*	*0 %*	*0 %*	*0 %*

Certification	Cert-Tot	% total floor area	Level of certification	BREEAM-NOR	Outstanding	1 %	2 %	1 %	3 %
					Excellent	5 %	6 %	6 %	7 %
					Very Good	11 %	14 %	14 %	16 %
		No. of applicable properties				*10 out of 81*	*14 out of 80*	*10 out of 67*	*14 out of 67*
	Cert-Tot	% total floor area	Level of certification	BREEAM In-use: Asset Performance	Excellent	5 %	15 %	6 %	18 %
					Very Good	2 %	5 %	3 %	5 %
		No. of applicable properties				*3 out of 81*	*10 out of 80*	*3 out of 67*	*10 out of 67*
	Cert-Tot	% total floor area	Level of certification	BREEAM In-use: Building Management	Outstanding	0 %	6 %	0 %	7 %
					Excellent	5 %	11 %	6 %	12 %
					Very Good	2 %	3 %	3 %	4 %
					Good	0 %	0 %	0 %	0 %
		No. of applicable properties				*3 out of 81*	*10 out of 80*	*3 out of 67*	*10 out of 67*

Data Qualifying Note

1: 1: NA = "Not applicable"
2: GHG Scope 1 emissions from fossil fuels and refrigerants are calculated using DEFRA factors.
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 DEFRA and Ecoinvent 2.2 factors.
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 2018	Corporate performance 2019
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	40 %	43 %
					Managerial positions	33 %	46 %
	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	126 %	118 %
					Senior Management	72 %	77 %
					Managerial positions	90 %	87 %
		Ratio average bonus		Direct employees bonus within significant employee categories as identified in diversity-emp	Board of directors	NA	NA
					Senior Management	50 %	69 %
					Managerial positions	84 %	87 %
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	35
	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		28	32
		Rate	New hires	Direct employees		17.4 %	18.3 %
		Total number	Turnover	Direct employees		15	17
		Rate	Turnover	Direct employees		9.3 %	9.8 %
Health and safety	H&S-Emp	Per 100 000 hours worked	Injury rate	Direct employees		-	-
		Per 100 000 hours worked	Lost day rate	Direct employees		-	-
		Per 100 000 hours worked	Accident severity rate	Direct employees		-	-
		Days per employee	Absentee rate	Direct employees		4.2 %	2.6 %
		Total number	Fatalities	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		1 372	1 831
Community Engagement	Comty-Eng	Narrative		Community engagement, impact assessments and/or development programs		See narrative in the ESG report on page 58	

GOVERNANCE

	EPRA Code	Units of measure	Indicator		Corporate performance 2018	Corporate performance 2019
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	5	6
		Average tenure (years)	Board members	Composition of highest governance body	3.4	3.9
	Gov-Selec	Narrative on process		Process for nominating and selecting the highest governance body	See narrative in the ESG report on page 62	
	Gov-Col	Narrative on process		Process for managing conflicts of interest	See narrative in the ESG report on page 63	

Social data note

1: Diversity-Emp: Genter diversity, percentage of female to men
2: Diversity-pay: gender pay ratio men to women
3: NA = "Not applicable"
4: Employees training, 124 out of 177 attending educational training over a longer periode in 2019

The property portfolio

Management portfolio

The following table sets forth the properties with management area as of 31 December 2019.

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 %	14 104	-	-	14 104
Group	Biskop Gunnerus' gate 14	Oslo	Office	100 %	100 %	50 705	-	-	50 705
Group	Biskop Gunnerus' gate 6	Oslo	Office	100 %	100 %	9 300	-	-	9 300
Group	Borkenveien 1-3	Sandvika	Education	100 %	100 %	6 668	-	-	6 668
Group	Brattørkaia 13 B	Trondheim	Office	100 %	63 %	6 333	-	-	6 333
Group	Brattørkaia 14	Trondheim	Culture	100 %	100 %	5 220	-	-	5 220
Group	Brattørkaia 15 A, B	Trondheim	Office	100 %	97 %	16 907	-	-	16 907
Group	Brattørkaia 16	Trondheim	Office	100 %	100 %	11 217	-	-	11 217
Group	Brattørkaia 17 A	Trondheim	Office	100 %	90 %	17 991	-	-	17 991
Group	Brattørkaia 17 B	Trondheim	Office	100 %	96 %	19 962	-	-	19 962
Group	Brynsengfaret 6	Oslo	Office	100 %	99 %	35 505	-	13 600	49 105
Group	Brynsengfaret 6 C	Oslo	Residential	100 %	100 %	349	-	-	349
Group	Cort Adelers gate 30, Kontorbygget	Oslo	Office	100 %	100 %	12 309	-	-	12 309
Group	Cort Adelers gate 30, Skolebygget	Oslo	Education	100 %	100 %	3 546	-	-	3 546
Group	Drammensveien 134	Oslo	Office	100 %	99 %	20 359	-	-	20 359
Group	Dronningens gate 2	Trondheim	Office	100 %	100 %	5 158	-	-	5 158
Group	Fredrik Selmers vei 4	Oslo	Office	100 %	96 %	37 966	-	17 000	54 966
Group	Grønland 32	Drammen	Office	100 %	91 %	7 354	-	-	7 354
Group	Grønland 51	Drammen	Office	60 %	100 %	15 271	-	-	15 271
Group	Grønland 53	Drammen	Office	60 %	99 %	11 390	-	-	11 390
Group	Grønland 56	Drammen	Office	60 %	100 %	504	-	-	504
Group	Grønland 58	Drammen	Education	60 %	100 %	21 472	-	-	21 472
Group	Grønland 60	Drammen	Culture	60 %	93 %	8 854	-	-	8 854
Group	Hagegata 22	Oslo	Office	100 %	99 %	12 817	-	-	12 817
Group	Hagegata 23	Oslo	Office	100 %	100 %	10 672	-	-	10 672
Group	Henriks Ibsens gate 110	Oslo	Culture	100 %	100 %	18 724	-	-	18 724
Group	Jåttåvågveien 18	Stavanger	Office	50 %	98 %	9 180	-	-	9 180
Group	Jåttåvågveien 7	Stavanger	Office	50 %	100 %	5 299	-	-	5 299
Group	Kaigaten 9	Bergen	Office	100 %	100 %	9 991	-	-	9 991
Group	Keysers gate 15	Oslo	Office	100 %	100 %	1 746	-	-	1 746
Group	Kjørbo gård	Sandvika	Office	100 %	90 %	1 795	-	-	1 795
Group	Kjørboveien 12-26	Sandvika	Office	100 %	100 %	25 574	-	-	25 574
Group	Kjørboveien 3	Sandvika	Other	100 %	100 %	16 353	-	-	16 353
Group	Kjørboveien 33	Sandvika	Office	100 %	100 %	14 670	-	-	14 670
Group	Kongens gate 87	Trondheim	Office	100 %	100 %	7 689	-	-	7 689
Group	Konggata 51	Drammen	Education	100 %	100 %	3 576	-	-	3 576
Group	Kreftings gate 33	Drammen	Office	60 %	100 %	2 001	-	-	2 001
Group	Laberget 22	Stavanger	Office	50 %	100 %	15 756	-	-	15 756
Group	Lakkegata 53	Oslo	Office	100 %	99 %	31 566	-	-	31 566
Group	Langkaia 1A	Oslo	Office	100 %	91 %	39 403	-	-	39 403
Group	Lilletorget 1	Oslo	Office	100 %	95 %	14 867	-	-	14 867
Group	Malmskriverveien 18-20	Sandvika	Office	100 %	100 %	9 233	-	-	9 233

Group/ JV	Property name	City	Type of asset	Share of ownership	Occupancy	Management area	Project area	Land & dev. area	Total area
Group	Malmskriverveien 2	Sandvika	Office	100 %	100 %	2 957	-	-	2 957
Group	Malmskriverveien 4	Sandvika	Office	100 %	99 %	5 674	-	-	5 674
Group	Marken 37	Bergen	Education	100 %	46 %	2 950	-	-	2 950
Group	Munchs gate 4 / Keysers gate 13	Oslo	Office	100 %	100 %	10 839	-	-	10 839
Group	Nonnesetergaten 4	Bergen	Office	100 %	100 %	17 207	-	-	17 207
Group	Nytorget 1	Stavanger	Office	100 %	100 %	5 205	-	-	5 205
Group	Otto Sverdrups plass 4	Sandvika	Education	100 %	100 %	16 038	-	-	16 038
Group	Prinsens gate 1	Trondheim	Office	100 %	93 %	33 376	-	-	33 376
Group	Professor Olav Hanssens vei 10	Stavanger	Office	100 %	100 %	37 219	-	-	37 219
Group	Schweigaards gate 15 B	Oslo	Office	100 %	99 %	14 487	-	-	14 487
Group	Schweigaards gate 16	Oslo	Office	100 %	99 %	15 498	-	-	15 498
Group	Stenersgata 1	Oslo	Office	100 %	100 %	40 283	-	-	40 283
Group	Tollbuallmenningen 2A	Bergen	Office	100 %	100 %	1 823	-	-	1 823
Group	Tordenskiolds gate 12	Oslo	Office	100 %	97 %	12 920	-	-	12 920
Group	Trondheimsporten	Trondheim	Office	100 %	100 %	29 032	-	-	29 032
Group	Tullinkvartalet	Oslo	Office	100 %	100 %	20 795	1 810	-	22 605
Group	Tvetenveien 22	Oslo	Office	100 %	100 %	4 126	-	-	4 126
Group	Vahls gate 1-3	Oslo	Office	100 %	100 %	14 857	-	-	14 857
Group	Valkendorfs gate 6	Bergen	Office	100 %	97 %	13 260	-	-	13 260
Group	Verkstedveien 1	Oslo	Office	100 %	100 %	31 690	-	-	31 690
Group	Verkstedveien 3	Oslo	Office	100 %	99 %	8 387	-	-	8 387
Group	Wexels plass	Oslo	Other	100 %	88 %	1 035	-	-	1 035
Group	Fredrik Selmers vei 6	Oslo	Office	100 %	80 %	14 698	-	-	14 698
Group	Grensesvingen 26	Oslo	Office	100 %	98 %	18 169	-	-	18 169
Group	Brattørkaia 12	Trondheim	Office	100 %	100 %	1 891	-	-	1 891
Group	Observatoriegata 1	Oslo	Office	100 %	100 %	7 110	-	-	7 110
Group	Observatoriegata 1 - Magasinet	Oslo	Culture	100 %	100 %	10 600	-	-	10 600
Group	Akersgata 34 og 36	Oslo	Office	100 %	100 %	6 143	-	-	6 143
Group	Akersgata 51 / Apotekergata 6	Oslo	Office	100 %	81 %	17 848	-	-	17 848
Group	Lars Hilles gate 30	Bergen	Office	50 %	94 %	45 706	-	-	45 706
Group	Nils Hansens vei 20	Oslo	Office	100 %	51 %	3 088	-	-	3 088
Group	Østensjøveien 43	Oslo	Office	100 %	90 %	6 823	-	-	6 823
Group	Brynsveien 11-13	Oslo	Office	100 %	75 %	12 404	-	-	12 404
Group	Østensjøveien 39-41	Oslo	Office	100 %	96 %	5 664	-	-	5 664
Group	Brynsveien 5	Oslo	Office	100 %	97 %	6 126	-	-	6 126
Group	Møllendalsveien 6-8	Bergen	Office	100 %	100 %	14 493	-	-	14 493
Total Group						**1 099 778**	**1 810**	**30 600**	**1 132 188**

Project portfolio

The following table sets forth the properties with project area as of 31 December 2019.

Group/ JV	Property name	City	Type of asset	Share of ownership	Management area	Project area	Land & dev. area	Total area
Group	Universitetsgata 2	Oslo	Office	100 %	-	28 146	-	28 146
Group	Universitetsgata 7	Oslo	Office	100 %	-	21 985	-	21 985
Group	Schweigaards gate 15	Oslo	Office	100 %	-	22 797	-	22 797
Group	Kristian Augusts gate 13	Oslo	Office	100 %	-	4 297	-	4 297
Group	Holtermanns veg 1	Trondheim	Office	100 %	-	11 666	-	11 666
Group	St. Olavs plass 5	Oslo	Office	100 %	-	16 500	-	16 500
Total Group					**-**	**105 391**	**-**	**105 391**

Land & Development portfolio

The following table sets forth the properties with land and development area as of 31 December 2019.

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 %	-	-	18 964	18 964
Group	Oseberg (tomt)	Stavan≤ger	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
Total Group					**5 949**	**-**	**84 259**	**90 208**


Info

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
Back-stop of short-term interest bearing debt	Unutilised credit facilities divided by short-term interest bearing debt
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.
Cash Earnings	Net income from property management less tax payable
Contractual rent	Annual cash rental income being received as of relevant date
EPRA	European Public Real Estate Association
GRESB	Global ESG Benchmark for Real Assets
Gross yield	12 months rolling rent divided by the market value of the management portfolio
Interest Coverage Ratio ("ICR")	Net income from property management excluding depreciation and amortisation for the Group, divided by net interest on interest bearing nominal debt and fees and commitment fees related to investment activities
Independent Appraisers	Akershus Eiendom and Cushman & Wakefield Realkapital
Land and dev. properties	Property / plots of land with planning permission for development
Like-for-like	The percentage change in rental income from one period to another given the same income generating property portfolio in the portfolio. The figure is thus adjusted for purchases and divestments of properties and active projects
Loan-to-value ("LTV")	Total net nominal value of interest bearing debt divided by the total market value of the property portfolio.
Management properties	Properties that are actively managed by the company
Market rent	The annualised market rent of the management properties, fully let as of the relevant date, expressed as the average of market rents estimated by the Independent Appraisers
Market value of portfolio	The market value of all properties owned by the parent company and subsidiaries. The figure does not include Inventory properties.
Net Income from property management	Net income from property management is calculated as Net Income less value changes, tax effects and other income and other cost from associates and JVs
Net letting	Net letting is calculated as the annualised rent of new lease contracts plus lease-up on renegotiated contracts less terminated contracts
Net nominal interest bearing debt	Nominal interest bearing debt less cash and bank deposits
Net rent	12 months rolling rent less the Independent Appraisers' estimate of ownership costs of the management properties of the Group
Net yield	Net rent divided by the market value of the management properties of the Group
Occupancy	Estimated market rent of occupied space of the management properties, divided by the market rent of the total space of the management portfolio
Outstanding shares	The number of shares registered with a deduction for the company's own repurchased shares at a given point in time. EPRA Earnings and Cash Earnings per share amounts are calculated using the weighted average number of ordinary shares outstanding during the period. All other per share amounts are calculated using the number of ordinary shares outstanding at period end.
Period-on-period	Comparison between one period and the equivalent period the previous year
Property portfolio	Properties owned by the parent company and subsidiaries, regardless of their classification for accounting purposes. Does not include the market value of properties in associates and jointly controlled entities
Project properties	Properties where it has been decided to start construction of a new building and/or redevelopment
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

2. Appendix 2: Interim report of Entra, containing the unaudited financial statements for the period 1 January to 30 September 2020.

Q3

Quarterly Report 2020

Central, flexible and environment friendly office properties

entra

Highlights

- Limited effects from Covid-19 on operations and financials in the quarter
- Rental income of 589 million (577 million)
- Net income from property management of 383 million (360 million)
- Net value changes of 918 million (471 million)
- Profit before tax of 1,354 million (900 million)
- Net letting of 7 million
- Preparing for start of two new re-development projects

Rental income

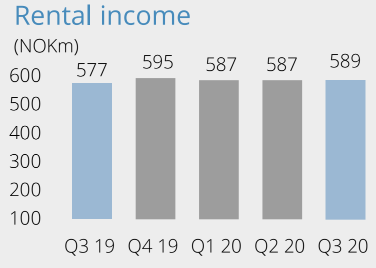
+ 12 mill.

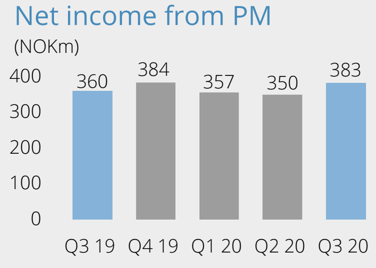
Property management

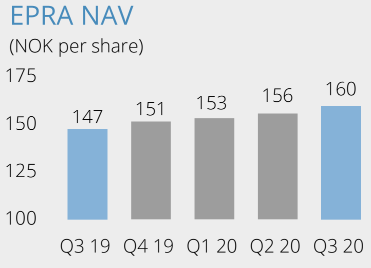
+ 23 mill.

EPRA NAV

+ 8 %







Key figures

All amounts in NOK million	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19	2019	2018	2017
Rental income	589	577	1 763	1 743	2 338	2 243	2 075
Change period-on-period	2 %	1 %	1 %	4 %	4 %	8 %	9 %
Net operating income	543	530	1 609	1 602	2 149	2 058	1 913
Change period-on-period	2 %	1 %	0 %	4 %	4 %	8 %	10 %
Net income from property management[1]	383	360	1 089	1 087	1 471	1 434	1 259
Change period-on-period	6 %	-2 %	0 %	0 %	3 %	14 %	18 %
Profit before tax	1 354	900	2 351	2 694	3 735	3 073	5 030
Change period-on-period	50 %	36 %	-13 %	14 %	22 %	-39 %	52 %
Profit after tax	1 068	723	1 850	2 194	3 225	2 735	4 514
Change period-on-period	48 %	37 %	-16 %	12 %	18 %	-39 %	66 %
Market value of the property portfolio[1]	51 842	48 071	51 842	48 071	48 964	45 630	40 036
Net nominal interest bearing debt[1]	20 380	19 071	20 380	19 071	19 585	18 941	17 852
Loan to value[1]	39.5 %	39.9 %	39.5 %	39.9 %	40.2 %	41.3 %	43.3 %
Interest coverage ratio[1]	3.7	3.2	3.4	3.3	3.3	3.6	3.0
Average outstanding shares (million)	182.1	182.1	182.1	182.4	182.4	183.6	183.7

All amounts in NOK per share	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19	2019	2018	2017
EPRA NAV[1]	160	147	160	147	151	141	127
Change period-on-period	8 %	7 %	8%	7 %	7 %	11 %	26 %
EPRA NNNAV[1]	147	137	147	137	141	131	118
Change period-on-period	8 %	7 %	8%	7 %	9 %	11 %	26 %
EPRA NRV[1] [2]	162	150	162	150	154	144	130
Change period-on-period	8 %	N/A	8%	N/A	7%	10%	24%
EPRA NTA[1]	161	149	161	149	153	142	129
Change period-on-period	8 %	N/A	8%	N/A	8%	10%	24%
EPRA NDV[1]	128	120	128	120	124	116	105
Change period-on-period	7 %	N/A	7%	N/A	7%	11%	28%
EPRA Earnings[1]	1.52	1.43	4.69	4.28	5.81	5.59	5.23
Change period-on-period	7 %	-1 %	22 %	0 %	4 %	7 %	22 %
Cash earnings[1]	2.08	1.96	5.91	5.91	8.01	7.74	6.81
Change period-on-period	6 %	-2 %	0 %	1 %	3 %	14 %	17 %
Dividend per share[3]	0.00	0.00	2.40	2.30	4.70	4.50	4.10
Change period-on-period	0 %	0 %	4 %	5 %	4 %	10 %	19 %

Reference
[1] Refer to section "Alternative performance measures" for calculation of the key figure
[2] The EPRA NRV calclutation was amended from Q3-20. See page 29 for further information. Figures for previous periods were adjusted from Q3-20.
[3] Entra pays semi-annual dividends. Dividend year to date Q3-20 relates to dividend approved on 9 July and paid on 12 October.

Financial developments

Results

Rental income

Rental income was up 2 per cent from 577 million in Q3 2019 to 589 million in Q3 2020 and 1 per cent from 1,743 million to 1,763 million for the first nine months of 2020. 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. The underlying changes in rental income can be explained by the factors in the below income bridge.

All amounts in NOK million	Q3-19 Q3-20	YTD Q3-19 YTD Q3-20
Rental income previous period	577	1 743
Development projects	-3	4
Acquisitions	6	19
Divestments	-8	-26
CPI growth	8	25
Like-for-like growth above CPI	9	11
Other	0	-12
Rental income	**589**	**1 763**

Net contribution from development projects was negative 3 million in the quarter compared to the same quarter last year. During the last 12 months, Entra has finalised the redevelopment project in Tullinkvartalet as well as three new-build projects, Brattørkaia 12, Powerhouse Brattørkaia and Holtermanns veg 1-13, in Trondheim. However, during the year the properties Kongens gate 87 in Trondheim and Tordenskjolds gate 12, Schweigaards gate 15 and parts of Stenersgata 1-3 in Oslo have been vacated and are awaiting redevelopment.

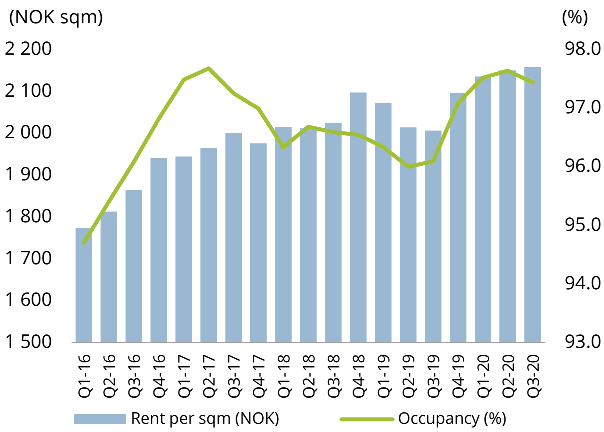
The acquisition of Møllendalsveien 6-8 in Bergen in December 2019 contributed with 6 million per quarter compared to last year, whereas divestment of two properties in Oslo during 2019 has reduced the rental income by 8 million per quarter.

Compared to last year, rental income has been positively affected by an underlying like-for-like growth of 3.4 per cent (17 million) for the quarter and 2.3 per cent (36 million) for the first nine months. The annual indexation of the lease contracts constituted 1.6 per cent. Near all of Entra's lease contracts are 100 per cent linked to positive changes in CPI. The annual adjustment is mostly made on a November to November basis.

The first nine months of 2019 includes an extraordinary lease buy-out of 12 million.

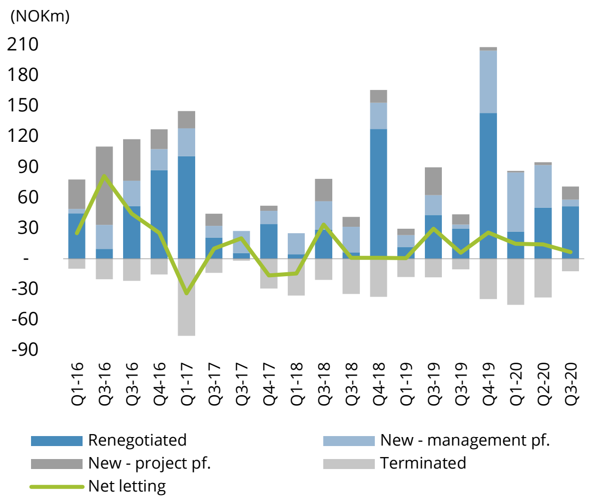
Average 12 months rolling rent per square meter was 2,157 (2,007) as of 30.09.20. The increase is mainly a result of reclassification to the project portfolio of the properties that have been vacated and are awaiting redevelopment.

RENT (12M ROLLING) PER SQM AND OCCUPANCY RATE



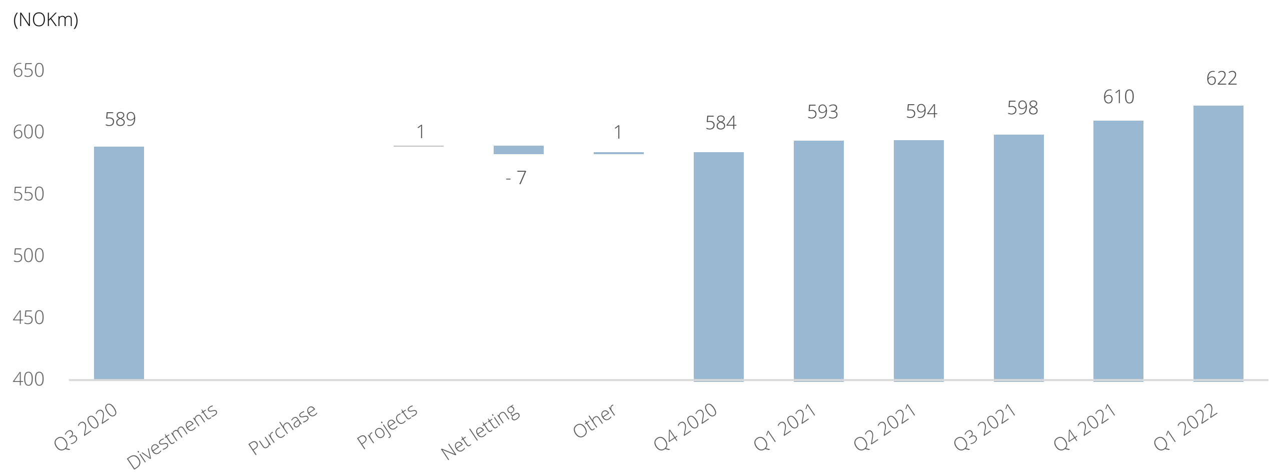
Compared to the same quarter last year, the occupancy rate went up by 130 basis points to 97.4 per cent. The market rental income of vacant space as of 30.09.20 was approximately 62 million on an annualised basis.

QUARTERLY NET LETTING



Gross letting, including re-negotiated contracts, was 71 million in the quarter of which 13 million is attributable to letting in the project portfolio. Lease contracts with an annual lease of 12 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 7 million (6 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.

RENTAL INCOME DEVELOPMENT



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

Operating costs

All amounts in NOK million	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19
Maintenance	9	8	21	24
Tax, leasehold, insurance	13	15	42	45
Letting and prop. adm.	12	16	55	41
Direct property costs	12	8	36	31
Operating costs	**46**	**47**	**154**	**140**

The 14 million increase in letting and property administration costs year to date 2020 is mainly related to an increase in expected credit losses on trade receivables due to Covid-19 accrued for in the second quarter, including increased uncertainty on the collectability of certain older receivables.

Net operating income

As a consequence of the effects explained above, net operating income came in at 543 million (530 million) in the quarter.

Other revenue and other costs

Other revenues were 31 million (100 million) in the quarter and other costs were 20 million (90 million).

Other revenue and other costs in 2020 mainly consists of 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). The remaining mainly stems from services provided to tenants.

In the third quarter of 2019, 71 million of other revenue and 60 million of other costs were related to the development of Tollbugata 1A in Oslo, which was forward-sold and delivered to the buyer in the fourth quarter of 2019.

Administrative costs

Administrative costs amounted to 42 million (41 million) in the quarter.

Share of profit from associates and JVs

All amounts in NOK million	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19
Income from property management	0	0	2	3
Other income and costs	52	68	90	222
Share of profit from associates and JVs	**53**	**69**	**92**	**224**

Other income and costs from associates and JVs in the quarter mainly relates to the gains from the completion and delivery of residential apartments and commercial assets, in addition to a reversal of an impairment charge for one of the residential development properties in Bjørvika. For a detailed breakdown of the results from associates and JVs, see the section Partly owned companies.

Net realised financials

All amounts in NOK million	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19
Interest and other finance income	1	3	7	8
Interest and other finance expense	-130	-143	-424	-419
Net realised financials	**-129**	**-139**	**-417**	**-410**

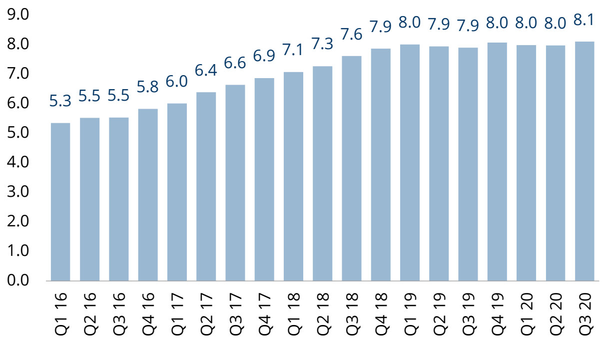
Net realised financials have decreased in the third quarter of 2020 mainly as a result of lower average Nibor interest rates on floating rate debt.

Net income and net income from property management

Net income came in at 435 million (429 million) in the quarter. When including only the income from property management in the results from JVs, net income from property management for the Group was 383 million (360 million). This represents an increase of 6 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 918 million (471 million) in the quarter.

The valuation of the property portfolio resulted in a net positive value change of 892 million (483 million) in the quarter. About 660 million of the total value changes is attributable to yield effects, primarily in the central parts of Oslo, Trondheim and Drammen. About 215 million is a net result of new and terminated lease contracts in the quarter. In the project portfolio, about 16 million relates to ongoing projects, mainly explained by new lease contracts signed in the period and reduced risk as each project is moving towards completion. The net effect of market rents is negligible in the quarter.

Net changes in value of financial instruments was 26 million (-12 million) in the quarter. The positive value change in the quarter is mainly due to reduced time to maturity on interest rate swaps on existing fixed rate debt.

Tax

Tax payable of 3 million (3 million) in the quarter is related to the partly owned entity Papirbredden in Drammen. The change in deferred tax was -283 million (-174 million).

The Group, except for certain partly owned companies with marginal tax effect, is currently not in a tax payable position due to tax loss carry forward. At year-end 2019, the tax loss carry forward for the Group's wholly-owned subsidiaries was 68 million (321 million).

Profit

Profit before tax was 1,354 million (900 million) in the quarter. Profit after tax was 1,068 million (723 million), which also equals the comprehensive income for the period.

EPRA Earnings

EPRA Earnings amounted to 276 million (261 million) in the third quarter of 2020. Refer to pages 27-28 for further details.

Balance sheet

The Group's assets amounted to 54,441 million (50,420 million) as at 30.09.20. Of this, investment properties amounted to 51,965 million (46,944 million).

Inventory properties of 418 million (413 million) at the end of the quarter 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.

Other receivables and other current assets was 300 million (826 million) at the end of the quarter. The 2019 amount included contract assets related to the forward-sold asset Tollbugata 1A, which was delivered to the buyer in the fourth quarter of 2019.

Other non-current liabilities was 495 million (597 million) at the end of the quarter. The decrease is mainly related to the derecognition of a provision for the contract obligation assumed from the University of Oslo for the remaining lease period at St. Olavs plass 5, following the acquisition of the property in the fourth quarter of 2019.

Book equity totalled 25,442 million (23,555 million). EPRA has revised its Best Practices Recommendations for the calculation of NAV. EPRA NAV and EPRA NNNAV are replaced by three new metrics: EPRA NRV, EPRA NTA and EPRA NDV. Entra presents all five NAV metrics in the third quarter of 2020. EPRA NAV per share was 160 (147) as at 30.09.20, EPRA NNNAV 147 (137), EPRA NRV 162 (150), EPRA NTA 161 (149) and EPRA NDV 128 (120). Refer to pages 28-30 for further details.

Cash flow statement

Net cash flow from operating activities came in at 561 million (392 million) in the quarter. The increase mainly relates to working capital movements.

The net cash flow from investment activities was -505 million (-235 million) in the quarter, mainly driven by the cash effect from investment in and upgrades of investment properties of -367 million (-252 million) and payment of the settlement regarding the purchase option for Munchs gate 4/Keysers gate 13.

Net cash flow from financing acitivites was -12 million (-20 million) in the quarter. During the quarter, Entra had a decrease in bond financing of 200 million and an increase in bank financing of 190 million.

The net change in cash and cash equivalents was 44 million (137 million) in the quarter.

Financing

During the third quarter, Entra's gross interest bearing nominal debt decreased by 10 million to 20,682 million. The change in interest bearing debt comprised a decrease in bond financing of 200 million and an increase in bank financing of 190 million.

In the quarter, Entra re-opened an existing seven-year green bond loan with 500 million and has refinanced commercial paper loans of 400 million.

Further, the weighted average maturity of Entra's bank facilities have been extended in the quarter by using extension options in the loan agreements. Bank facilities with a total volume of 8,250 million have thus been extended, bringing the weighted average maturity for these facilities up to 4.4 years as of 30.09.2020 (2.9 years as of 30.06.2020). During the quarter, the partly-owned subsidiary Hinna Park Eiendom AS established extension options in its loan agreement and has extended its bank term loan of 728 million from short-term debt as of 30.06.2020 to a new three-year maturity.

As of 30.09.20, net nominal interest bearing debt after deduction of liquid assets of 302 million (350 million) was 20,380 million (19,071 million).

The average remaining term for the Group's debt portfolio was 5.5 years at 30.09.20 (5.1 years as of 30.09.2019, 4.8 years as of 30.06.2020). 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, 71 per cent (70 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)	1 600	0	0	0	0	1 600	8
Bonds (NOKm)	812	1 200	4 100	1 195	5 750	13 057	63
Bank loans (NOKm)	0	0	728	3 378	1 920	6 025	29
Total (NOKm)	**2 412**	**1 200**	**4 828**	**4 573**	**7 670**	**20 682**	**100**

Unutilised credit facilities (NOKm)	**0**	**0**	**1 500**	**1 410**	**4 250**	**7 160**
Unutilised credit facilities (%)	0	0	21	20	59	100

Financing policy and status

All amounts in NOK millions	30.09.2020	Target
Loan-to-value (LTV)	39.5 %	Below 50 per cent over time
Interest coverage ratio (ICR)	3.7	Min. 1.8x
Debt maturities <12 months	12 %	Max 30 %
Maturity of hedges <12 months	48 %	Max 60 %
Average time to maturity (hedges)	2.6	2-6 years
Back-stop of short-term interest bearing debt	297 %	Min. 100 %
Average time to maturity (debt)	5.5	Min. 3 years

Interest rates and maturity structure

The average interest rate[1)] of the debt portfolio was 2.33 per cent (2.87 per cent) as at 30.09.20. The change in average interest rate stems mainly from lower Nibor interest rates.

52 per cent (57 per cent) of the Group's financing was hedged at a fixed interest rate as at 30.09.20 with a weighted average maturity of 2.6 years (3.2 years).

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

	Fixed rate instruments[2)]		Forward starting swaps[3)]			Average credit margin	
	Amount (NOKm)	Interest rate (%)	Amount	Interest rate (%)	Tenor (years)	Amount (NOKm)	Credit margin (%)
<1 year	1 050	3.4	800	2.22	5.3	4 847	1.05
1-2 years	1 350	1.8				1 200	0.78
2-3 years	1 450	2.2				4 100	0.95
3-4 years	1 000	2.6				3 285	0.94
4-5 years	1 200	2.2				1 450	0.75
5-6 years	2 300	2.0				1 200	0.86
6-7 years	2 260	2.2				3 500	0.96
7-8 years	0	0.0				0	0.00
8-9 years	0	0.0				0	0.00
9-10 years	400	5.6				1 100	0.39
>10 years	100	1.8				0	0.00
Total	**11 110**	**2.4**	**800**	**2.22**	**5.3**	**20 682**	**0.91**

[1)] Average reference rate (Nibor) is 0.29 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 table to the right).

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

The property portfolio

Entra's management portfolio consists of 75 properties with a total area of approximately 1.1 million square meters. As of 30.09.20, the management portfolio had a market value of 45.3 billion. The occupancy rate was 97.4 per cent (96.1 per cent). The weighted average lease term for the Group's leases was 6.9 years (6.2) for the management portfolio and 6.9 years (6.9) when the project portfolio is included. For the management portfolio, the public sector represents approximately 59 per cent of the total rental income. The entire property portfolio consists of 90 properties with a market value of 51.8 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 stable at 4.8 per cent. 12 months rolling rent per square meter increased from 2,007 to 2,157 mainly driven by properties that are vacated and classified to the project portfolio as they are awaiting redevelopment.

The market rent has increased by 2.4 per cent, from 2,196 to 2,249 per square meter.

	Properties	Area	Occupancy	Wault	Market value		12 months rolling rent		Net yield[1]	Market rent	
	(#)	(sqm)	(%)	(year)	(NOKm)	(NOK/sqm)	(NOKm)	(NOK/sqm)	(%)	(NOKm)	(NOK/sqm)
Oslo	34	549 679	97.9	6.7	27 775	50 529	1 375	2 501	4.6	1 439	2 618
Trondheim	11	158 940	96.9	7.2	4 928	31 005	286	1 798	5.5	280	1 763
Bergen	8	119 538	93.8	5.5	4 885	40 863	220	1 837	4.1	288	2 412
Sandvika	9	98 988	99.4	7.8	3 072	31 034	175	1 771	5.4	154	1 559
Stavanger	5	78 607	99.0	6.5	2 231	28 377	138	1 755	5.7	129	1 636
Drammen	8	69 461	98.0	9.1	2 370	34 126	126	1 816	5.0	128	1 837
Management portfolio	**75**	**1 075 214**	**97.4**	**6.9**	**45 260**	**42 094**	**2 319**	**2 157**	**4.8**	**2 418**	**2 249**
Project portfolio	9	137 632		9.3	5 800	42 144					
Development sites	6	114 859		0.3	784	6 826					
Property portfolio	**90**	**1 327 705**		**6.9**	**51 845**	**39 048**					

[1] See the section "Definitions". The calculation of net yield is based on the appraisers' assumption of ownership costs, which at 30.09.20 corresponds to 7.2 per cent of market rent.

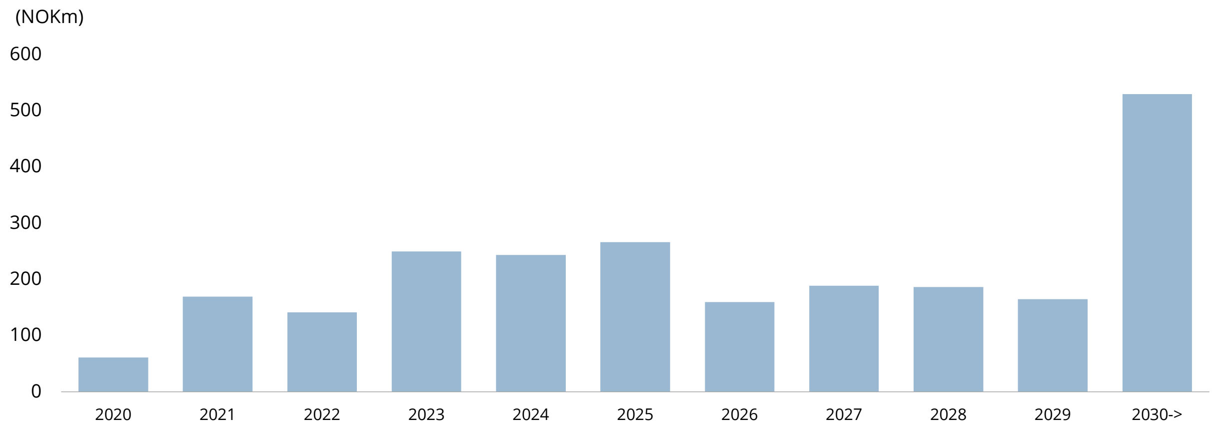
Letting activity

During the third quarter, Entra signed new and renegotiated leases with an annual rent totaling 71 million (31,800 square metres) and received notices of termination on leases with an annual rent of 12 million (6,500 square metres). Net letting was 7 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. For the first nine months, Entra signed new and renegotiated lease contracts of a total of 252 million, while lease contracts of 96 million was terminated. Net letting in the period was 35 million.

Significant contracts signed in the quarter:

- 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 WSP Norway for 3,800 sqm in St. Olavs plass 5 in Oslo
- Renegotiated 5-year lease contract with Vestre Viken HF for 3,500 sqm in Konggata 51 in Drammen

MATURITY PROFILE OF THE MANAGEMENT PORTFOLIO:



Investments and divestments

Entra has invested a total of 336 million (256 million) in the portfolio of investment properties in the third quarter. The decomposition of the investments is as follows:

All amounts in NOK million	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19	2019
Aquisitions	0	0	156	23	1174
Developments	272	216	997	896	1395
- Newbuild projects	*-20*	*56*	*46*	*349*	*419*
- Redevelopment projects[1)]	*278*	*151*	*935*	*524*	*925*
- Refurbishment[1)]	*13*	*9*	*15*	*23*	*50*
Investment properties	56	29	198	76	77
- Incremental lettable space	0	0	0	0	0
- No incremental lettable space and tenant incentives	*35*	*25*	*124*	*69*	*67*
- Other material non-allocated types of expenditure	*21*	*5*	*75*	*6*	*10*
Capitalised interest	9	10	23	28	41
Total Capital Expenditure	**336**	**256**	**1 374**	**1 023**	**2 686**
Conversion from accrual to cash basis	*164*	*-4*	*173*	*-53*	*-19*
Total Capital Expenditure on cash basis	**500**	**252**	**1 547**	**971**	**2 668**

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

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								
Kristian Augusts gate 13	100	Oslo	Q4-20	4 300	100	304	284	5.0
Universitetsgata 7-9	100	Oslo	Q3-21	21 900	86[3)]	1 235	839	5.9[3)]
Universitetsgata 2 - Rebel	100	Oslo	Q3-21	28 100	37	1 650	1 326	5.6
Refurbishment								
Grønland 32	100	Drammen	Q2-21	5 000	100	158	99	7.0
Hagegata 22-24	100	Oslo	Q4-21	10 100	100	433	363	5.5
Total				**69 400**		**3 780**	**2 912**	

[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)

[3)] New contract signed in October will increase project cost and slightly affect yield on cost

Status ongoing projects

In Tullinkvartalet in Oslo, Entra is building a new 21,900 sqm office property in Universitetsgata 7-9 in Oslo. Occupancy is currently 52 per cent. The property is expected to be finalised in Q3 2021 with high environmental ambitions and aims for a BREEAM-NOR Excellent classification.

Entra is further renovating and expanding a 4,300 sqm office property at Kristian Augusts gate 13. The project will demonstrate Entra's strong commitment to work for more sustainable solutions by incorporating a target of more than 60 per cent re-use of building materials. Occupancy is at 100 per cent as the property will be let to the co-working operator IWG/Spaces. The project is expected to be completed in Q4 2020.

Next to Tullinkvartalet, Entra also has the renovation project Rebel ongoing in Universitetsgata 2. Rebel will be a hub for large and small tech companies and will be managed 50/50 by Entra and an external partner. The 28,100 sqm building will consist of office space, co-working areas, conference centre and restaurants. Occupancy is currently 37 per cent. Rebel will offer a full-service concept through flexible short-term contracts with access to meeting rooms, wi-fi and more through memberships. The project is expected to be completed in Q3 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 for Vestre Viken HF. The project is expected to be completed in Q2 2021.

In Tøyen in Oslo, Entra is refurbishing almost 10,100 sqm in Hagegata 22-24 based on a new contract signed by the Municipality of Oslo on behalf of the borough administration in Gamle Oslo. The office space going into refurbishment is almost half of the area in the properties. 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.

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	Closing quarter
Share of Jåttåvågen Fase 2	Stavanger	Q4 2019	-	13	Q4 2019
Møllendalsveien 6-8	Bergen	Q4 2019	14 500	400	Q4 2019
Section of Kristian Augusts gate 11	Oslo	Q1 2019	-	23	Q2 2020
Sum			**14 500**	**436**	

Sold properties		Transaction quarter	No of sqm	Transaction value	Closing quarter
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

Papirbredden Eiendom AS (60 %)

Entra and Drammen Municipality own Papirbredden Eiendom AS. The company owns six office properties totalling 59,000 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 28,000 sqm and development potential for two new office properties of 37,000 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 properties in Bergen, Lars Hilles gate 30 (Media City Bergen) and Allehelgens gate 6. The company is consolidated in the Group's financial statements as Entra has a controlling vote on the Board of Directors.

Oslo S Utvikling AS "OSU" (33.33 %)

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

Rebel U2 AS (50 %)

Rebel U2 AS will provide facility management services in Universitetsgata 2 in Oslo – with full-service solutions, flexible and short-term leases, co-working, conferences and events.

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	20	35	83	1		1	2
Net operating income	27	18	29	74	-1		0	-2
Net income	22	8	29	59	210	-2	0	208
Changes in value of investment properties	183	-19	13	178	0	0	0	0
Changes in value of financial instruments	1	2	0	2	2	0	0	2
Profit before tax	206	-9	42	240	212	-2	0	210
Tax	-45	3	-9	-52	-52	0	0	-52
Profit for the period	**161**	**-6**	**33**	**188**	**160**	**-2**	**0**	**159**
Non-controlling interests	64	-3	16	78				
Entra's share of profit[1)]					53	-1	0	53
Book value					465	11	23	500
Market value properties (100 %)	**2 099**	**1 096**	**2 952**	**6 147**	**3 481**			**3 481**

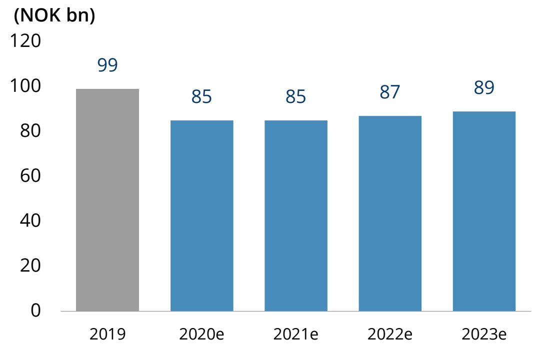
[1)] Recognised as Share of profit from associates and JVs

Market development

The Norwegian transaction market came close to a stand-still during the outbreak of the Covid-19 pandemic in March/April. However, the market has improved substantially during Q2 and Q3 as the country has re-opened and Norway's central bank has reduced the policy rate by 1.5 per cent to 0 per cent. The current market is active, and both national and international investors report increased interest as the yield gap has become more attractive. According to Entra's consensus report, total transaction volume is expected to come in at a normalised level of 85 billion for 2020 as a whole.

The financing market continue to be well functioning, particularly for solid counterparties like Entra. Yields are under downward pressure and the Oslo prime yield is now estimated to be 3.5 per cent according to Entra consensus report, down 10-20 basis points since the second quarter. Lower risk investments seem to be in favour and centrally located properties with low counterparty risk are seeing significant yield compression. During the last quarter, prime assets in Oslo have been sold at yields lower than 3.2 per cent.

TRANSACTION VOLUME NORWAY



Source: Entra Consensus report, Q3 2020

According to Entra consensus report, the office vacancy is expected to increase from 5-6 per cent to more normalised levels at around 7-8 per cent. The expected increase is mainly driven by lower economic activity combined with some large projects being finalised in the Eastern Oslo fringe area over the next couple of years. As a consequence, market rents are expected to drop by 3-4 per cent according to Entra's consensus report. In the city centre of Oslo, the vacancy was only 3-4 per cent prior to the Covid-19 outbreak, and new supply is fairly limited also going forward. The letting activity has picked up during Q2 and Q3, and modern, centrally located office premises continue to be attractive also in the current market environment.

In Bergen, the office vacancy is currently around eight 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 11 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 society 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	7.0	7.7	7.3	7.1
Rent per sqm, high standard Oslo office	3 345	3 610	3 495	3 473	3 591	3 682
Prime yield (%)	3.7	3.7	3.5	3.5	3.5	3.6

Source: Entra Consensus report, Q3 2020

Organisation and HSE

At 30.09.20 the Group had 181 (176) employees.

In Q3 2020, Entra had no injuries with long term absence from work in the ongoing projects. Entra has a continuous HSE focus both in on-going projects and in the operations and works continually to avoid injuries. Entra had an LTIF rate (number of accidents with lost time per million hours worked in last 12 months) on ongoing projects of 4.8 at the end of the third quarter 2020 (2.0 at the end of the third quarter 2019).

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 28-33 in the 2019 annual report.

The main risk factors described in the annual report does not include an evaluation of a pandemic. Depending on the length of crisis and the potential impact of a second wave of the pandemic, and the strength and effect of the government interventions, the Covid-19 or similar situations may have adverse effects on Entra's business. Entra has a strong tenant base with a seven-year WAULT with a solid backbone of high-quality tenants, including public tenants comprising 59 per cent of revenue. Less than 10 per cent of Entra's rental income stems from industries that are most affected by the current situation, and the effect on Entra's revenues in year to date 2020 have been negligible. Entra continuously work on risk reducing measures in the portfolio, including rent levels, lease lengths, counter party risk, occupancy ratio, and the overall quality of the portfolio. Entra further maintains a diversified financing structure with a balanced maturity profile and financing mix in order to ensure stable and predictable access to capital.

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 12 October 2020, Entra had 7,364 shareholders. Norwegian investors held 29 per cent of the share capital. The 10 largest shareholders as registered in VPS 12 October 2020 were:

Shareholder	% holding
Folketrygdfondet	11.5%
Norwegian Ministry of Trade, Industry and Fisheries	8.2%
State Street Bank (Nominee)	6.5%
The Bank of New York (Nominee)	3.4%
JP Morgan Securities	2.1%
Euroclear Bank (Nominiee)	1.9%
BNP Paribas Securities (Nominee)	1.7%
JP Morgan Chase Bank (Nominee)	1.6%
Danske Invest Norske	1.5%
State Street Bank (Nominee)	1.2%
SUM 10 LARGEST SHAREHOLDERS	**39.7%**

Events after the balance sheet date

On 12 October 2020, Entra paid out a semi-annual dividend of NOK 2.40 per share. The share was traded ex right to receive the dividend from 2 October 2020.

Outlook

Entra's tenant base is strong with almost seven-year WAULT and a solid backbone of public tenants, comprising 59 per cent of revenues, as well as limited exposure to industries most affected by the Covid-19 situation. Further, the oil and gas price levels justify continued activity for the oil and gas industry, which is an important part of Norway's export industry. Regardless, Entra's direct exposure to oil and gas is limited with only around two per cent of total revenues through a fully consolidated 50/50 joint venture.

The yield gap in Norway has increased significantly during recent months following reduced interest rates. The transaction market is very strong, and we have experienced a downward pressure on prime yields in the quarter. We expect that this will benefit the valuations of Entra's assets also going forward.

Well into the Covid-19 crisis, it is still difficult to assess the overall impact on the global and Norwegian economy and the longer-term implications for the commercial real estate sector. We have, however, somewhat more clarity about the slowdown in economic activity and the cascading impact of supply-and-demand shocks propagating through the system. With solid infrastructure and a strong public funding, including the Government Pension Fund Global, Norway has the fundamentals in place for a recovery. The situation is nevertheless being carefully monitored.

The Norwegian office market seems to be less affected than in larger cities in most other countries. This is primarily driven by smaller cities with relatively short distances between home and office enabling commute by bike or by foot, enough office space per employee to safeguard individuals, and smaller office buildings with relatively better elevator and stairway capacity to safely bring people into the office.

We believe that the negative effect stemming from Covid-19 to a large extent will be offset by specific factors in the Norwegian market. The value of social interaction in the office is underpinned by recent empirical research about the importance of the office as a key contributor to employee, and thus also company, productivity and growth. As such, we expect higher tenants' demand for more flexibility and somewhat changed modus operandi for many office users going forward, but we do not believe that the effect for Entra will be material.

Entra's financial position is strong, and has been further strengthened during the quarter, with a well staggered debt maturity profile, a diversified financing mix, and cash and unutilized credit facilities of 7.2 billion, almost three times all debt falling due next 12 months. We have strong relationships and continuous dialogues with our five banks, and we assess that the bank market is open and supportive to our funding needs. During the third quarter, the debt capital markets continued to become more attractive with increased liquidity and contraction of credit spreads. Capitalising on this favourable development, we have in the quarter tapped another 0.5 billion in a green bond and extended 8.3 billion of bank facilities. Entra has also ample headroom to financial covenants, which are Loan-to-value of 75 per cent (39.5 per cent as of Q3) and Interest coverage ratio of 1.4 (3.7 as of Q3).

Uncertainty will prevail also in the months to come. Going forward, the office market will experience changes in workplace strategies and office layouts to accommodate a more mobile and digital way of working. Entra manages modern, flexible and environmentally friendly assets located in attractive 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, 15 October 2020

The Board of Entra ASA

Financial statements

Statement of comprehensive income

All amounts in NOK million	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19	2019
Rental income	589	577	1 763	1 743	2 338
Operating costs	-46	-47	-154	-140	-189
Net operating income	543	530	1 609	1 602	2 149
Other revenue	31	100	69	241	300
Other costs	-20	-90	-42	-217	-260
Administrative costs	-42	-41	-131	-131	-171
Share of profit from associates and JVs	53	69	92	224	312
Net realised financials	-129	-139	-417	-410	-551
Net income	**435**	**429**	**1 179**	**1 309**	**1 780**
- of which net income from property management	**383**	**360**	**1 089**	**1 087**	**1 471**
Changes in value of investment properties	892	483	1 511	1 439	1 909
Changes in value of financial instruments	26	-12	-339	-53	46
Profit before tax	**1 354**	**900**	**2 351**	**2 694**	**3 735**
Tax payable	-3	-3	-13	-9	-11
Change in deferred tax	-283	-174	-489	-492	-498
Profit for period/year	**1 068**	**723**	**1 850**	**2 194**	**3 225**
Actuarial gains and losses	0	0	0	0	5
Change in deferred tax on comprehensive income	0	0	0	0	-1
Total comprehensive income for the period/year	1 068	723	1 850	2 194	3 229
Profit attributable to:					
Equity holders of the Company	990	659	1 731	2 017	2 946
Non-controlling interest	78	64	118	177	279
Total comprehensive income attributable to:					
Equity holders of the Company	990	659	1 731	2 017	2 949
Non-controlling interest	78	64	118	177	279

Balance sheet

All amounts in NOK million	30.09.2020	30.09.2019	31.12.2019
Intangible assets	117	143	117
Investment properties	51 965	46 944	49 095
Other operating assets	18	21	22
Investments in associates and JVs	500	460	397
Financial derivatives	443	318	274
Long-term receivables and other assets	314	229	256
Total non-current assets	**53 355**	**48 116**	**50 161**
Inventory properties	418	413	413
Trade receivables	66	49	43
Other receivables and other current assets	300	826	226
Cash and bank deposits	302	350	317
Total current assets	**1 086**	**1 639**	**998**
Investment properties held for sale	0	665	0
Total assets	**54 441**	**50 420**	**51 160**
Shareholders' equity	23 427	21 636	22 570
Non-controlling interests	2 016	1 919	1 947
Total equity	**25 442**	**23 555**	**24 517**
Interest bearing debt	18 244	15 982	17 362
Deferred tax liability	5 856	5 350	5 367
Financial derivatives	849	484	341
Other non-current liabilities	495	597	505
Total non-current liabilities	**25 444**	**22 413**	**23 576**
Interest bearing debt	2 444	3 439	2 539
Trade payables	252	299	200
Other current liabilities	859	714	328
Total current liabilities	**3 555**	**4 452**	**3 067**
Total liabilities	**28 999**	**26 865**	**26 642**
Total equity and liabilities	**54 441**	**50 420**	**51 160**

Changes in equity

All amounts in NOK million	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Non-controlling interests	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		0	0	-2		-2
Repurchase of shares		-1	-12	-54		-66
Share capital decrease	-2	2				0
Equity 31.12.2019	**182**	**0**	**3 523**	**18 865**	**1 947**	**24 517**
Profit for period				1 731	118	1 850
Dividend				-874	-50	-924
Net equity effect of LTI & employee share saving scheme		0	0	-1		0
Equity 30.09.2020	**182**	**0**	**3 524**	**19 721**	**2 016**	**25 442**

Statement of cash flows

All amounts in NOK million	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19	2019
Profit before tax	1 354	900	2 351	2 694	3 735
Income tax paid	0	0	-10	-8	-11
Net expensed interest and fees on loans and leases	129	139	417	410	551
Net interest and fees paid on loans and leases	-106	-108	-444	-457	-582
Share of profit from associates and jointly controlled entities	-53	-69	-92	-224	-312
Depreciation and amortisation	1	2	4	7	8
Changes in value of investment properties	-892	-483	-1 511	-1 439	-1 909
Changes in value of financial instruments	-26	12	339	53	-46
Change in working capital	155	-2	181	-23	-82
Net cash flow from operating activities	**561**	**392**	**1 236**	**1 013**	**1 352**
Proceeds from property transactions	0	50	15	362	1 619
Purchase of investment properties	-134	0	-156	-23	-1 241
Investment in and upgrades of investment properties	-367	-252	-1 391	-947	-1 427
Investment in properties for sale and inventory properties	-3	-27	-6	-140	-192
Purchase of intangible and other non-current assets	-2	-15	-19	-30	-35
Net payment financial assets	1	7	1	-19	-23
Net payment of loans to associates and JVs	-1	1	-1	1	1
Investments in associates and JVs	0	0	-13	0	-16
Dividends from associates and JVs	0	1	2	141	308
Net cash flow from investment activities	**-505**	**-235**	**-1 567**	**-655**	**-1 005**
Proceeds interest bearing debt	3 000	2 570	10 635	13 300	16 430
Repayment interest bearing debt	-3 010	-2 590	-9 854	-13 050	-15 699
Repayment of lease liabilities	-2	0	-7	0	-9
Proceeds from issue of shares/repurchase of shares	0	0	0	-69	-69
Dividends paid	0	0	-437	-420	-839
Dividends paid to non-controlling interests	0	0	-20	0	-75
Net cash flow from financing activities	**-12**	**-20**	**316**	**-238**	**-260**
Change in cash and cash equivalents	44	137	-15	120	87
Cash and cash equivalents at beginning of period	259	213	317	230	230
Cash and cash equivalents at end of period	**302**	**350**	**302**	**350**	**317**

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 2019.

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 Q3–20

	Properties	Area	Occupancy	Wault	Market value		12 months rolling rent		Net yield[1]	Market rent	
	(#)	(sqm)	(%)	(year)	(NOKm)	(NOK/sqm)	(NOKm)	(NOK/sqm)	(%)	(NOKm)	(NOK/sqm)
Oslo	34	549 679	97.9	6.7	27 775	50 529	1 375	2 501	4.6	1 439	2 618
Trondheim	11	158 940	96.9	7.2	4 928	31 005	286	1 798	5.5	280	1 763
Bergen	8	119 538	93.8	5.5	4 885	40 863	220	1 837	4.1	288	2 412
Sandvika	9	98 988	99.4	7.8	3 072	31 034	175	1 771	5.4	154	1 559
Stavanger	5	78 607	99.0	6.5	2 231	28 377	138	1 755	5.7	129	1 636
Drammen	8	69 461	98.0	9.1	2 370	34 126	126	1 816	5.0	128	1 837
Management portfolio	**75**	**1 075 214**	**97.4**	**6.9**	**45 260**	**42 094**	**2 319**	**2 157**	**4.8**	**2 418**	**2 249**
Project portfolio	9	137 632		9.3	5 800	42 144					
Development sites	6	114 859		0.3	784	6 826					
Property portfolio	**90**	**1 327 705**		**6.9**	**51 845**	**39 048**					

[1] See the section "Definitions". The calculation of net yield is based on the appraisers' assumption of ownership costs, which at 30.09.20 corresponds to 7.2 per cent of market rent.

Operating segments Q3–19

	Properties	Area	Occupancy	Wault	Market value		12 months rolling rent		Net yield	Market rent	
	(#)	(sqm)	(%)	(year)	(NOKm)	(NOK/sqm)	(NOKm)	(NOK/sqm)	(%)	(NOKm)	(NOK/sqm)
Oslo	37	602 093	95.9	5.5	27 231	45 228	1 333	2 214	4.5	1 516	2 517
Trondheim	10	153 399	94.5	7.2	4 436	28 920	253	1 649	5.3	268	1 745
Bergen	7	105 041	94.6	6.0	4 182	39 816	214	2 040	4.7	249	2 373
Sandvika	9	98 961	99.7	8.4	2 906	29 366	172	1 736	5.5	150	1 515
Stavanger	5	78 334	99.4	7.2	2 268	28 957	140	1 786	5.7	133	1 693
Drammen	8	71 029	98.3	6.2	2 053	28 899	128	1 797	5.8	120	1 695
Management portfolio	**76**	**1 108 858**	**96.1**	**6.2**	**43 077**	**38 848**	**2 225**	**2 007**	**4.8**	**2 435**	**2 196**
Project portfolio	7	100 377		17.3	4 183	41 672					
Development sites	6	114 859		0.3	811	7 061					
Property portfolio	**89**	**1 324 094**		**6.9**	**48 071**	**36 305**					

NOTE 3 – INVESTMENT PROPERTIES

All amounts in NOK million	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19	2019
Closing balance previous period	50 736	46 920	49 095	45 279	45 279
Implementation of IFRS 16		0		231	231
Purchase of investment properties	0	0	156	23	1 174
Investment in the property portfolio	328	245	1 195	971	1 472
Capitalised borrowing costs	9	10	23	28	41
Sale of investment properties	0	-50	-15	-362	-1 010
Changes in value of investment properties	892	483	1 511	1 439	1 909
Closing balance	**51 965**	**47 609**	**51 965**	**47 609**	**49 095**
Investment properties held for sale	0	665	0	665	0
Investment properties	**51 965**	**46 944**	**51 965**	**46 944**	**49 095**

Purchase of investment properties in 2020 includes the settlement regarding the purchase option for Munchs gate 4/Keysers gate 13 and the acquisition of a section of Kristian Augusts gate 11 in Oslo.

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

All amounts in NOK million	Fair value level	30.09.2020	30.09.2019	31.12.2019
Assets measured at fair value:				
Assets measured at fair value through profit or loss				
- Investment properties	Level 3	51 965	46 944	49 095
- Investment properties held for sale	Level 3	0	665	0
- Derivatives	Level 2	443	318	274
- Equity instruments	Level 3	34	31	36
Total		**52 442**	**47 958**	**49 404**
Liabilities measured at fair value:				
Financial liabilities measured at fair value through profit or loss				
- Derivatives	Level 2	849	484	341
Total		**849**	**484**	**341**

NOTE 5 – SUBSEQUENT EVENTS

Refer to the Events after the balance sheet date section on page 15 for information on significant events after period end.

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 NAV, EPRA NNNAV, 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	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19	2019
Net income	435	429	1 179	1 309	1 780
Less:					
Other income and costs in associates and JVs	52	68	90	222	309
Net income from property management	**383**	**360**	**1 089**	**1 087**	**1 471**
Tax payable	-3	-3	-13	-9	-11
Cash earnings	**380**	**357**	**1 076**	**1 078**	**1 460**

MARKET VALUE OF THE PROPERTY PORTFOLIO

All amounts in NOK million	30.09.2020	30.09.2019	31.12.2019
Investment properties	51 965	46 944	49 095
Investment properties held for sale	0	665	0
Other	-122	462	-131
Market value of the property portfolio	**51 842**	**48 071**	**48 964**

NET NOMINAL INTEREST BEARING DEBT

All amounts in NOK million	30.09.2020	30.09.2019	31.12.2019
Nominal value of interest bearing debt	20 682	19 421	19 901
Cash and bank deposits	-302	-350	-317
Net nominal interest bearing debt	**20 380**	**19 071**	**19 585**

DEBT RATIO (LTV)

All amounts in NOK million except ratio	30.09.2020	30.09.2019	31.12.2019
Total net nominal interest bearing debt	20 642	19 330	19 846
- Net nominal interest bearing debt	*20 380*	*19 071*	*19 585*
- Other interest bearing liabilities	*262*	*259*	*261*
Total market value of the property portfolio	52 261	48 484	49 377
- Market value of the property portfolio	*51 842*	*48 071*	*48 964*
- Inventory properties	*418*	*413*	*413*
Debt ratio (LTV) %	**39.5**	**39.9**	**40.2**

INTEREST COVERAGE RATIO (ICR)

All amounts in NOK million except ratio	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19	2019
Net income	435	429	1 179	1 309	1 780
Depreciation	1	2	4	7	8
Results from associates and joint ventures	-53	-69	-92	-224	-312
Net realised financials	129	139	417	410	551
EBITDA adjusted	**513**	**502**	**1 508**	**1 501**	**2 027**
Interest cost	129	142	424	427	577
Other finance expense	10	13	22	23	28
Applicable net interest cost	**139**	**155**	**446**	**450**	**606**
Interest Coverage Ratio (ICR)	**3.7**	**3.2**	**3.4**	**3.3**	**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, see www.epra.com.

	Summary table EPRA performance measures	Unit	Q3-20 / 30.09.2020	Q3-19 / 30.09.2019
A	EPRA earnings per share (EPS)	NOK	1.52	1.43
B	EPRA NAV per share	NOK	160	147
	EPRA NNNAV per share	NOK	147	137
	EPRA NRV per share	NOK	162	150
	EPRA NTA per share	NOK	161	149
	EPRA NDV per share	NOK	128	120
C	EPRA Net Initial Yield (NIY)	%	4.7	4.7
	EPRA, "topped-up" NIY	%	4.7	4.7
D	EPRA Vacancy Rate	%	2.6	3.8
E	EPRA Cost Ratio (including direct vacancy costs)	%	15.4	15.0
	EPRA Cost Ratio (excluding direct vacancy costs)	%	13.7	13.7

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

A. EPRA EARNINGS

EPRA Earnings is a measure of the operational performance of the property portfolio. EPRA Earnings is calculated based on the income statement, adjusted for non-controlling interests, value changes on investment properties, changes in the market value of financial instruments and 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 properties for sale and is not considered relevant for measurement of the underlying operating performance of the property portfolio under management.

EPRA Earnings – Quarterly

All amounts in NOK million	Q3-20 IFRS reported	Q3-20 EPRA adjustments	Q3-20 Non-controlling Interests[1]	Q3-20 EPRA Earnings	Q3-19 IFRS reported	Q3-19 EPRA adjustments	Q3-19 Non-controlling Interests[1]	Q3-19 EPRA Earnings
Rental income	589	0	39	550	577	0	36	542
Operating costs	-46	0	-4	-42	-47	0	-2	-45
Net operating income	**543**	**0**	**35**	**508**	530	0	33	497
Other revenue	31	0	1	30	100	0	0	100
Other costs	-20	0	0	-20	-90	0	0	-89
Administrative costs	-42	0	-2	-40	-41	0	-1	-40
Share of profit from associates and JVs	53	53	0	-1	69	68	0	0
Net realised financials	-129	0	-6	-123	-139	0	-5	-134
Net income	**435**	**53**	**28**	**354**	**429**	**68**	**26**	**334**
Changes in value of investment properties	892	892	0	0	483	483	0	0
Changes in value of financial instruments	26	26	0	0	-12	-12	0	0
Profit before tax/EPRA Earnings before tax	**1 354**	**972**	**28**	**354**	**900**	**539**	**26**	**334**
Tax payable	-3	0	-1	-2	-3	0	-1	-2
Change in deferred tax	-283	-202	-4	-76	-174	-97	-5	-72
Profit for period/EPRA Earnings	**1 068**	**769**	**22**	**276**	**723**	**442**	**20**	**261**
Average outstanding shares (million)				182.1				182.1
EPRA Earnings per share				1.52				1.43

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

EPRA Earnings – Year to date

All amounts in NOK million	YTD Q3-20 IFRS reported	YTD Q3-20 EPRA adjustments	YTD Q3-20 Non-controlling Interests[1)]	YTD Q3-20 EPRA Earnings	YTD Q3-19 IFRS reported	YTD Q3-19 EPRA adjustments	YTD Q3-19 Non-controlling Interests[1)]	YTD Q3-19 EPRA Earnings
Rental income	1 763	0	115	1 648	1 743	0	116	1 626
Operating costs	-154	0	-9	-145	-140	0	-7	-133
Net operating income	1 609	0	106	1 503	1 602	0	109	1 493
Other revenue	69	0	1	67	241	0	1	240
Other costs	-42	0	0	-42	-217	0	-1	-217
Administrative costs	-131	0	-6	-125	-131	0	-5	-126
Share of profit from associates and JVs	92	0	0	92	224	222	0	2
Net realised financials	-417	0	-18	-399	-410	0	-18	-392
Net income	**1 179**	**0**	**84**	**1 096**	**1 309**	**222**	**86**	**1 001**
Changes in value of investment properties	1 511	1 511	0	0	1 439	1 439	0	0
Changes in value of financial instruments	-339	-339	0	0	-53	-53	0	0
Profit before tax//EPRA Earnings before tax	**2 351**	**1 172**	**84**	**1 096**	**2 694**	**1 608**	**86**	**1 001**
Tax payable	-13	0	-5	-8	-9	0	-4	-5
Change in deferred tax	-489	-243	-12	-233	-492	-262	-15	-215
Profit for period/EPRA Earnings	**1 850**	**929**	**66**	**855**	**2 194**	**1 346**	**67**	**781**
Average outstanding shares (million)				182.1				182.1
EPRA Earnings per share				4.69				4.28

[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 its Best Practices Recommendations (BPR) guidelines for calculating NAV, with two NAV metrics: EPRA NAV and EPRA NNNAV. Since the introduction of EPRA NAV and EPRA NNNAV, European real estate companies have evolved into actively managed entities, including non-property operating activities, which has resulted in more active ownership, higher asset turnover, 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). Entra presents all five Net Asset Value metrics for the third quarter of 2020.

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	30.09.2020	30.09.2019	31.12.2019
IFRS equity attributable to shareholders	**23 427**	**21 636**	**22 570**
Add: Adjustment to property portfolio	0	0	0
Add: Revaluation of investments made in JVs	342	539	400
Add: Net market value on financial derivatives	406	167	68
Add: Deferred tax arising on revaluation moments	4 911	4 474	4 517
EPRA NAV	**29 087**	**26 816**	**27 555**
Market value on property portfolio	51 842	48 071	48 964
Tax value on property portfolio	19 815	18 449	18 944
Basis for calculation of tax on gain on sale	32 027	29 622	30 021
Less: Market value of tax on gain on sale (5% tax rate)	**1 601**	**1 481**	**1 501**
Net market value on financial derivatives	406	167	68
Tax expense on realised financial derivatives	89	37	15
Less: Net result from realisation of financial derivatives	**317**	**130**	**53**
Market value of interest bearing debt[1)]	21 133	19 740	20 212
Carrying value of interest bearing debt	20 688	19 421	19 901
Basis for calculation of tax on realisation of interest bearing debt	445	319	311
Market value of tax on realisation	98	70	68
Less: Net result from realisation of interest bearing debt	**347**	**249**	**242**
Less: MV of tax on gain on sale (5% tax rate) & realisation of financial derivatives in JVs	**61**	**93**	**93**
EPRA NNNAV	**26 760**	**24 863**	**25 666**
Outstanding shares at period end (million)	182.1	182.1	182.1
EPRA NAV per share (NOK)	160	147	151
EPRA NNNAV per share (NOK)	147	137	141

1) The market value of interest bearing debt was in the report for Q4 2019 reported as 19,910 million, resulting in a reported EPRA NNNAV of 25,901 million (142 per share). The calculation of EPRA NNNAV for Q4 2019 was updated from the 2019 annual report.

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	30.09.2020 Total	30.09.2020 Attributable to non-controlling interests	30.09.2020 Attributable to shareholders (EPRA NRV)	30.09.2019 Attributable to shareholders (EPRA NRV)	31.12.2019 Attributable to shareholders (EPRA NRV[1])
IFRS equity	25 442	-2 016	23 427	21 636	22 570
Revaluation of investments made in JVs	281	0	281	448	309
Net Asset Value (NAV) at fair value	**25 724**	**-2 016**	**23 708**	**22 084**	**22 879**
Deferred tax properties and financial instruments	5 901	-357	5 544	5 185	5 199
Net fair value on financial derivatives	406	-16	390	153	56
Goodwill as a result of deferred tax	-109	55	-55	-55	-55
EPRA Net Reinstatement Value (NRV)	**31 922**	**-2 334**	**29 588**	**27 368**	**28 080**
Outstanding shares at period end (million)			182.1	182.1	182.1
EPRA NRV per share (NOK)			162	150	154

[1] The EPRA NRV as at 31.12.19 was in the quarterly reports for the first and second quarters of 2020 reported as 28,458 million (NOK 156 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 31.12.19.

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	30.09.2020 Total	30.09.2020 Attributable to non-controlling interests	30.09.2020 Attributable to shareholders (EPRA NTA)	30.09.2019 Attributable to shareholders (EPRA NTA)	31.12.2019 Attributable to shareholders (EPRA NTA)
IFRS equity	25 442	-2 016	23 427	21 636	22 570
Revaluation of investments made in JVs	281	0	281	448	309
Net Asset Value (NAV) at fair value	**25 724**	**-2 016**	**23 708**	**22 084**	**22 879**
Reversal deferred tax liability as per balance sheet	5 856	-276	5 580	5 128	5 118
Adjustment estimated real tax liability[1]	-274	-62	-335	-221	-196
Net fair value on financial derivatives	406	-16	390	153	56
Goodwill as a result of deferred tax	-109	55	-55	-55	-55
Intangible assets	-8	4	-4	-4	-4
EPRA Net Tangible Assets (NTA)	**31 596**	**-2 311**	**29 285**	**27 086**	**27 799**
Outstanding shares at period end (million)			182.1	182.1	182.1
EPRA NTA per share (NOK)			161	149	153

[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	30.09.2020 Total	30.09.2020 Attributable to non-controlling interests	30.09.2020 Attributable to shareholders (EPRA NDV)	30.09.2019 Attributable to shareholders (EPRA NDV)	31.12.2019 Attributable to shareholders (EPRA NDV)
IFRS equity	25 442	-2 016	23 427	21 636	**22 570**
Revaluation of investments made in JVs	281	0	281	448	309
Net Asset Value (NAV) at fair value	**25 724**	**-2 016**	**23 708**	**22 084**	**22 879**
Fair value adjustment fixed interest rate debt, net of tax	-347	0	-347	-249	-242
Goodwill as a result of deferred tax	-109	55	-55	-55	-55
EPRA Net Disposal Value (NDV)	**25 267**	**-1 961**	**23 307**	**21 781**	**22 582**
Outstanding shares at period end (million)			182.1	182.1	182
EPRA NDV per share (NOK)			128	120	124

C. EPRA NET INTIAL YIELD

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

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

All amounts in NOK million	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Investment property - wholly owned	33 666	5 142	3 091	1 324	271	2 204	45 699
Investment property - share of JVs/Funds	0	0	0	548	1 260	1 476	3 283
Total property portfolio	**33 666**	**5 142**	**3 091**	**1 871**	**1 531**	**3 680**	**48 981**
Less projects and land and developments	-5 892	-214	-19	-94	0	-271	-6 490
Completed management portfolio	**27 775**	**4 928**	**3 072**	**1 777**	**1 531**	**3 409**	**42 491**
Allowance for estimated purchasers' cost	54	15	10	4	5	8	96
Gross up completed management portfolio valuation	**27 829**	**4 943**	**3 081**	**1 782**	**1 536**	**3 417**	**42 587**
12 months rolling rent	1 375	286	175	109	83	149	2 176
Estimated ownership cost	101	17	9	9	5	15	156
Annualised net rents	**1 273**	**269**	**166**	**100**	**78**	**133**	**2 019**
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	**1 273**	**269**	**166**	**100**	**78**	**133**	**2 019**
EPRA Net Initial Yield (NIY)	**4.6%**	**5.4%**	**5.4%**	**5.6%**	**5.1%**	**3.9%**	**4.7%**
EPRA "topped-up" NIY	**4.6%**	**5.4%**	**5.4%**	**5.6%**	**5.1%**	**3.9%**	**4.7%**

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	31	9	1	1	2	15	58
Total market rent	1 439	280	154	98	85	213	2 269
EPRA Vacancy Rate	**2.1%**	**3.1%**	**0.6%**	**0.8%**	**2.2%**	**7.2%**	**2.6%**

E. EPRA COST RATIO

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

All amounts in NOK million	Q3-20	Q3-19	YTD Q3-20	YTD Q3-19	2019
Operating costs	-46	-47	-154	-140	-189
Administrative costs	-42	-41	-131	-131	-171
Share of joint ventures expenses	0	0	0	0	0
Less: Ground rent cost	-2	2	12	6	9
EPRA Cost (including direct vacancy cost)	**-91**	**-86**	**-273**	**-265**	**-351**
Direct vacancy cost	-10	-7	-36	-19	-38
EPRA Cost (excluding direct vacancy cost)	**-81**	**-79**	**-237**	**-246**	**-313**
Gross rental income less ground rent	589	577	1 763	1 758	2 338
Share of joint ventures	0	0	0	0	0
Total gross rental income less ground rent	**589**	**577**	**1 763**	**1 758**	**2 338**
EPRA Cost Ratio (including direct vacancy cost)	**15.4%**	**15.0%**	**15.5%**	**15.1%**	**15.0%**
EPRA Cost Ratio (excluding direct vacancy cost)	**13.7%**	**13.7%**	**13.4%**	**14.0%**	**13.4%**

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 portfolio	- The market value of all properties owned by the parent company and subsidiaries. The figure does not include Inventory properties.
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.