



Q4

Quarterly Report 2021



Central, flexible and environment friendly office properties

Highlights

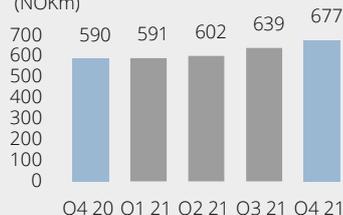
- Rental income of 677 million (590 million) in the quarter and 2,508 million (2,353 million) in 2021
- Net income from property management of 392 million (362 million) in the quarter and 1,534 million (1,451 million) in 2021
- Net value changes of 2,832 million (4,533 million) in the quarter and 5,264 million (5,705 million) in 2021
- Profit before tax of 3,216 million (4,923 million) in the quarter and 6,825 million (7,274 million) in 2021
- Net letting of 22 million (166 million) in the quarter
- Acquired Oslo Areal, a portfolio of 17 properties in the Greater Oslo region, transaction closed on 12 January 2022
- Proposing semi-annual dividend of 2.60 per share, corresponding to 5.10 per share for FY 2021 (4.90 per share for FY 2020)

Rental income

+ 87 mill.

Rental income

(NOKm)

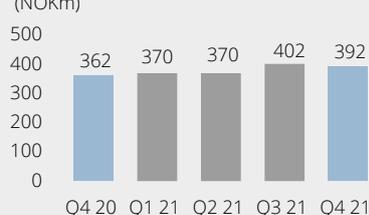


Property management

+ 30 mill.

Net income from PM

(NOKm)

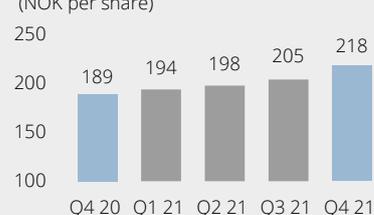


EPRA NRV

+ 15 %

EPRA NRV

(NOK per share)



Key figures

All amounts in NOK million	Q4-21	Q4-20	2021	2020	2019	2018
Rental income	677	590	2 508	2 353	2 338	2 243
Change period-on-period	15 %	-1 %	7 %	1 %	4 %	8 %
Net operating income	614	533	2 274	2 142	2 149	2 058
Change period-on-period	15 %	-3 %	6 %	0 %	4 %	8 %
Net income from property management ¹⁾	392	362	1 534	1 451	1 471	1 434
Change period-on-period	8 %	-6 %	6 %	-1 %	3 %	14 %
Net value changes ¹⁾	2 832	4 533	5 264	5 705	1 955	1 486
Change period-on-period	-38 %	697 %	-8 %	192 %	32 %	-58 %
Profit before tax	3 216	4 923	6 825	7 274	3 735	3 073
Change period-on-period	-35 %	373 %	-6 %	95 %	22 %	-39 %
Profit after tax	2 543	3 846	5 373	5 696	3 225	2 735
Change period-on-period	-34 %	273 %	-6 %	77 %	18 %	-39 %
Market value of the property portfolio ¹⁾	67 547	56 746	67 547	56 746	48 964	45 630
Net nominal interest bearing debt ¹⁾	26 594	20 930	26 594	20 930	19 585	18 941
Loan to value ¹⁾²⁾	38.4 %	36.4 %	38.4 %	36.4 %	39.6 %	40.5 %
Interest coverage ratio ¹⁾	3.4	3.5	3.5	3.4	3.3	3.6
Average outstanding shares (million)	182.1	182.1	182.1	182.1	182.4	183.6
All amounts in NOK per share	Q4-21	Q4-20	2021	2020	2019	2018
EPRA NRV ¹⁾	218	189	218	189	154	144
Change period-on-period	15 %	23%	15%	23 %	7 %	10 %
EPRA NTA ¹⁾	216	187	216	187	153	142
Change period-on-period	15 %	23%	15%	23 %	8 %	10 %
EPRA Earnings ¹⁾	1.56	1.44	6.07	5.73	5.81	5.59
Change period-on-period	8 %	-6 %	6 %	-1 %	4 %	7 %
Cash Earnings ¹⁾	2.11	1.92	8.32	7.83	8.01	7.74
Change period-on-period	10 %	-9 %	6 %	-2 %	3 %	14 %
Dividend ³⁾	2.60	2.50	5.10	4.90	4.70	4.50
Change period-on-period	4 %	4 %	4 %	4 %	4 %	10 %

Reference

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

²⁾ The definition of LTV is amended from Q4-21 to be measured by effective leverage. See the section "Definitions" for further information. Comparative figures have been updated to reflect the amended definition.

³⁾ Entra pays semi-annual dividends. Dividend for 2021 constitute dividend approved and paid for the first half of 2021 and proposed dividend for the second half of 2021.

Financial development

Results

Rental income

Rental income was up 15 per cent from 590 million in Q4 2020 to 677 million in Q4 2021, and up seven per cent from 2,353 million to 2,508 during the year. The changes in rental income are explained by the factors in the income bridge below.

All amounts in NOK million	Q4-20 Q4-21	2020 2021
Rental income previous period	590	2 353
Finalised development projects	43	58
Vacated properties for redevelopment	-2	-53
Acquisitions	39	91
Divestments	-1	-3
CPI growth	4	15
Like-for-like growth above CPI	1	35
Other	3	13
Rental income	677	2 508

Net contribution from development projects was 41 million in the quarter compared to the same quarter last year. During the last 12 months, Entra has finalised the redevelopment of Universitetsgata 7-9, Universitetsgata 2, Kristian Augusts gate 11, Kristian Augusts gate 13, Hagegata 22-24, Grønland 32 and Holtermanns veg 1-13 phase 1, contributing a total of 43 million on rental income compared to the same quarter last year. However, certain properties have been vacated in the same period for redevelopment and has thus reduced the rental income by 2 million in the quarter.

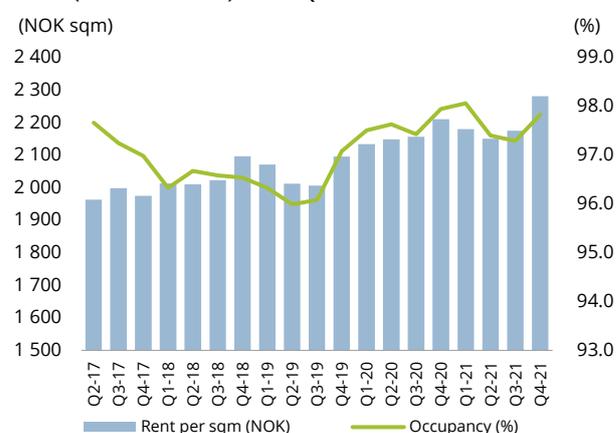
The acquisition of Lagårdsveien 6 and Kanalpiren in Stavanger, Møllendalsveien 1A and Lars Hilles gate 19 in Bergen and Hagegata 27, Fyrstikkalléen 1 and Universitetsgata 11 (Hotel Savoy) in Oslo contributed with rental income of 39 million compared to the same quarter last year, whereas divestment of Tollbodallmenningen 2A in Bergen in February 2021 reduced rental income by 1 million.

Compared to last year, rental income has been positively affected by an underlying like-for-like growth of 0.9 per cent (5 million) for the quarter and 2.3 per cent (50 million) for the year, of which the underlying CPI adjustment from November 2020 was 0.7 per cent (15 million). Near all of Entra's lease contracts are 100 per cent linked to positive changes in CPI. The annual adjustment is mostly made on a November to November basis. The CPI for November 2021 came in at 5.07 per cent.

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

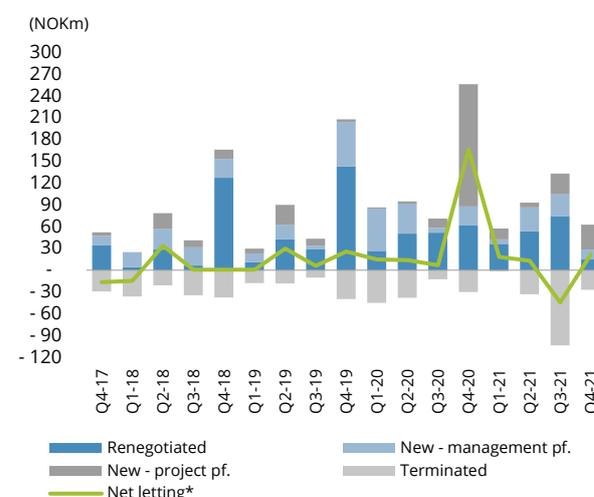
Average 12 months rolling rent per square meter was 2,282 (2,210) as of 31.12.21. The increase in 12 months rolling rent over the last four quarters is mainly a result of acquisitions and finalised projects.

RENT (12M ROLLING) PER SQM AND OCCUPANCY RATE



Compared to the same quarter last year, the occupancy rate went down by 10 basis points to 97.8 per cent. The market rental income of vacant space as of 31.12.21 was approximately 60 million on an annualised basis.

QUARTERLY NET LETTING



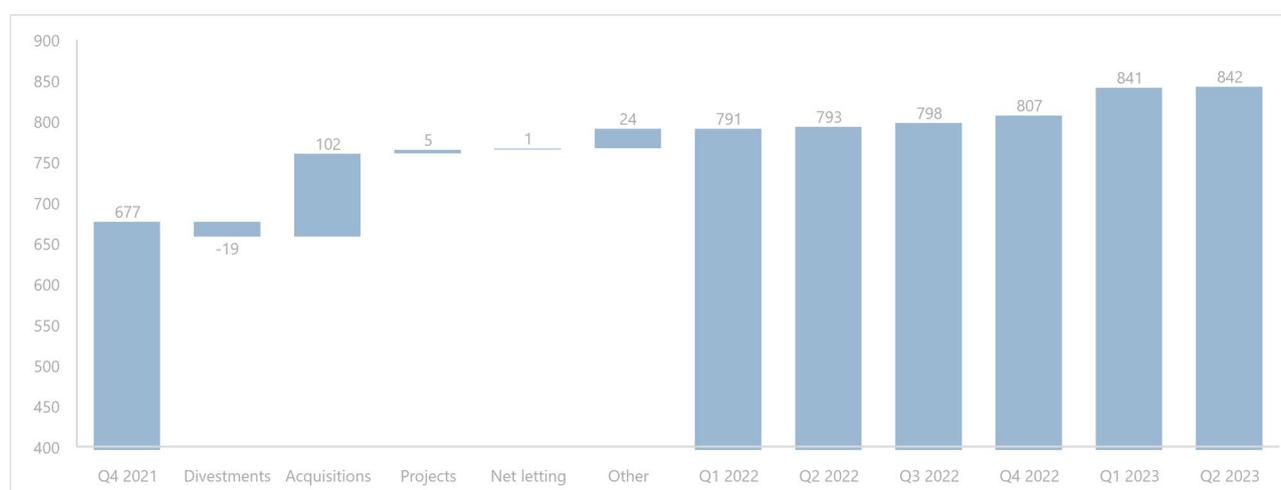
Gross letting, including re-negotiated contracts, was 63 million in the quarter of which 34 million is attributable to letting in the

project portfolio. Lease contracts with an annual lease of 27 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 22 million (166 million) in the quarter. For 2021, gross letting was 346 million and lease contracts with a total value of 165

million were terminated. Net letting for the year came in at 8 million. The timing difference between net letting in the management portfolio in the quarter and its effect on the financial results is normally 6-12 months, while new contracts signed in the project portfolio tend to have an even later impact on the results. Please see the project development section for further information regarding project completion.

RENTAL INCOME DEVELOPMENT



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

Operating costs

Total operating costs amounted to 62 million (57 million) in the quarter, and is split as follows:

All amounts in NOK million	Q4-21	Q4-20	2021	2020
Maintenance	7	12	29	33
Tax, leasehold, insurance	17	15	64	57
Letting and prop. adm.	24	15	89	70
Direct property costs	14	14	52	51
Operating costs	62	57	234	211

Net operating income

As a consequence of the effects explained above, net operating income came in at 614 million (533 million) in the quarter.

Other revenues and other costs

Other revenues were 21 million (44 million) in the quarter and other costs were 10 million (37 million). Other revenues and other costs mainly consists of services provided to tenants and income and costs related to inventory properties (properties in the Bryn portfolio which is expected to be zoned for residential development and subsequently sold to a third party at a predetermined price).

Administrative costs

Administrative costs amounted to 71 million (55 million) in the quarter. The increase is mainly driven by advisory fees related to the strategic interest for Entra and triggered by Balder's mandatory offer to acquire all outstanding shares in the company.

Share of profit from associates and JVs

All amounts in NOK million	Q4-21	Q4-20	2021	2020
Profit from property management	-6	1	-9	2
Other income and costs	-8	28	29	118
Share of profit from associates and JVs	-15	28	19	120

Share of profit from associates and JVs in the quarter is negative in the quarter, mainly due to lower than anticipated activity in Rebel U2 due to Covid-19 restrictions, and limited completion and delivery of residential apartments and commercial assets in Bjørvika by OSU. See the section Partly owned companies for a detailed breakdown of the results from associates and JVs.

Net realised financials

All amounts in NOK million	Q4-21	Q4-20	2021	2020
Interest and other finance income	2	4	7	11
Interest and other finance expense	-157	-128	-558	-551
Net realised financials	-155	-123	-551	-541

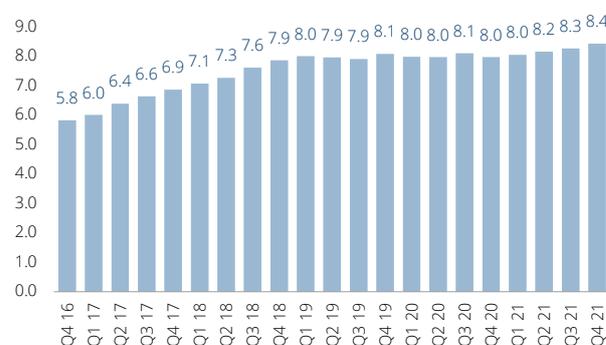
Net realised financials have increased in the fourth quarter of 2021 due to a combination of higher interest rates, higher interest-bearing debt and amortization of discounts on bond issues in the third quarter.

Net income and net income from property management

Net income came in at 384 million (390 million) in the quarter. When including only the profit from property management in the results from associates and JVs, net income from property management for the Group was 392 million (362 million), an increase of 8 per cent. For calculation of Net income from property management, see the section Alternative performance measures.

NET INCOME FROM PROPERTY MANAGEMENT PER SHARE

(Annualised, rolling 4 quarters)



Value changes

Net value changes amounted to 2,832 million (4,533 million) in the quarter.

The valuation of the property portfolio resulted in net positive value changes of 2,771 million (4,469 million) in the quarter. 1,730 million of the total value changes in the fourth quarter of 2021 is related to yield effects. 476 million is attributable to increased market rent expectations mainly in Oslo, but also a significant increase in the other cities. 389 million is related to projects, mainly explained by reduced risk as each project is moving towards completion in combination with improved market conditions. 92 million of the value change is related to the Hinna Park Eiendom portfolio in Stavanger. 62 million is a result of new contracts signed in the quarter, partly offset by effects from terminated contracts. The remaining 22 million stems from other property related changes.

Changes in value of financial instruments were 61 million (64 million) in the quarter. The positive value change is mainly explained by higher long-term interest rates.

Tax

Tax payable of 8 million (13 million) in the quarter is mainly related to the partly owned entity Papirbredden in Drammen. The change in deferred tax was 665 million (1,063 million).

Profit

Profit before tax was 3,216 million (4,923 million) in the quarter. Profit after tax was 2,543 million (3,846 million), and total comprehensive income was 2,521 million (3,827 million) in the quarter.

EPRA Earnings

EPRA Earnings amounted to 283 million (262 million) in the third quarter.

Balance sheet

The Group's assets amounted to 70,292 million (59,141 million) as at 31.12.21. Of this, investment properties amounted to 67,568 million (56,834 million). The property Borkenveien 1-3 in Sandvika is classified as held for sale on 31 December 2021 as the tenant has exercised the option to acquire the property during 2022.

Inventory properties of 469 million (461 million) at the end of the quarter relates to the properties expected to be zoned for residential development at Bryn in Oslo, and subsequently sold to a third party at a predetermined price.

Interest bearing debt were 26,579 million (21,146 million) as of 31.12.21, of which 19,582 million were bonds outstanding, 5,597 million were bank financing and 1,400 million were commercial papers.

Book equity totalled 33,571 million (29,205 million) at 31.12.21. EPRA NRV per share was 218 (189) and EPRA NTA 216 (187).

Cash flow statement

Net cash flow from operating activities came in at 392 million (285 million) in the quarter. The increase mainly relates to working capital movements.

The net cash flow from investment activities was -437 million (-301 million) in the quarter, mainly driven by the cash effect from investment in and upgrades of investment properties of -653 million (-293 million). Net payment on financial assets of 67 million (72 million) is mainly related to a seller credit in relation to a divestment of a property in 2019.

Net cash flow from financing activities was 98 million (-70 million) in the quarter. During the quarter, Entra had an increase in bank and commercial paper financing of 339 million and 250 million, respectively. In addition, Entra paid dividends of 455 million.

The net change in cash and cash equivalents was 53 million (-86 million) in the quarter.

Financing

During the fourth quarter, Entra's nominal interest bearing debt increased by 589 million to 26,903 million. The change in interest bearing debt came from an increase in bank and commercial paper financing of 339 million and 250 million, respectively.

In the quarter, Entra secured a ten-year green term-loan facility of 1,000 million with the Nordic Investment Bank. The facility is earmarked to the Entra redevelopment projects in Tordenskiolds gate 12 and St. Olavs plass 5 in Oslo with the aim of improving the energy efficiency of the buildings to increase the value offered to both owners and tenants. Both buildings are expected to be aligned with the EU Taxonomy for climate change mitigation and scheduled for completion in Q3 2022. The targeted certification level for both properties is BREEAM In-Use Excellent.

Further, Entra has extended bank facilities of 2,000 million by using extension options in the loan agreements. In addition, Entra issued commercial paper loans of 900 million.

As of 31.12.21, net nominal interest bearing debt after deduction of liquid assets of 309 million (217 million) was 26,594 million (20,930 million).

The average remaining term for the Group's debt portfolio was 6.1 years at 31.12.21 (5.4 years as of 31.12.20, 6.1 years as of 30.09.21). 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. As of 31.12.21, 79 per cent (72 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)	1 400	0	0	0	0	1 400	5
Bonds (NOKm)	2 345	1 579	924	1 600	13 438	19 886	74
Bank loans (NOKm)	0	1 020	272	1 420	2 905	5 617	21
Total (NOKm)	3 745	2 599	1 196	3 020	16 343	26 903	100
Unutilised credit facilities (NOKm)	0	0	1 500	3 080	4 250	8 830	
Unutilised credit facilities (%)	0	0	17	35	48	100	

Financing policy and status

All amounts in NOK millions	31.12.2021	Finance policy
Loan-to-value (LTV)	38.4 %	Below 50 per cent over time
Interest coverage ratio (ICR)	3.4	Min. 1.8x
Debt maturities <12 months	14 %	Max 30%
Maturity of hedges <12 months	53 %	Max 60%
Average time to maturity (hedges)	3.1	2-6 years
Back-stop of short-term interest bearing debt	236 %	Min. 100%
Average time to maturity (debt)	6.1	Min. 3 years

¹⁾ The definition of LTV is amended from Q4-21. See the section "Definitions" for further information.

Interest rates and maturity structure

The average interest rate¹⁾ of the debt portfolio was 2.25 per cent (2.38 per cent) as at 31.12.21. The change in average interest rate stems mainly from repurchase of outstanding bonds with high coupon rates.

47 per cent (50 per cent) of the Group's financing was hedged at a fixed interest rate as at 31.12.21 with a weighted average maturity of 3.1 years (2.4 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.

	<1 year	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	5-6 yrs	6-7 yrs	7-8 yrs	8-9 yrs	9-10 yrs	>10 yrs	Total
Fixed rate instruments ²⁾ (NOKm)	1 332	745	1 300	2 700	3 839	1 050	1 000	1 400	400	100	0	13 866
Interest rate (%)	1.83	2.81	2.55	1.94	1.84	2.10	0.92	1.50	5.63	1.75	0.00	1.99
Forward starting swaps ³⁾ (NOKm)		3 000										3 000
Interest rate (%)		1.73										1.73
Tenor (years)		7										7
Maturity credit margins (NOKm)	5 992	1 579	924	2 470	4 029	2 094	2 000	3 400	3 915	500	0	26 903
Credit margin (%)	0.99	1.06	0.80	0.75	0.77	0.86	0.84	0.76	0.74	0.85	0.00	0.84

¹⁾ Average reference rate (Nibor) is 0.79 per cent as of the reporting date.

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

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

The property portfolio

Entra's management portfolio consists of 80 properties with a total area of approximately 1.2 million square meters. As of 31.12.21, the management portfolio had a market value of 60.1 billion. The occupancy rate was 97.8 per cent (97.3 per cent). The weighted average lease term for the Group's leases was 6.8 years (6.9) for the management portfolio and 7.1 years (7.1) when the project portfolio is included. For the management portfolio, the public sector represents approximately 56 per cent of the total rental income. The entire property portfolio consists of 96 properties with a market value of 67.5 billion.

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

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

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

Year-on-year, the portfolio net yield is reduced from 4.44 to 4.24 per cent. 12 months rolling rent per square meter increased from 2,210 to 2,282 mainly driven by projects that are finalized in Central Oslo and by transactions of new properties to the portfolio.

The market rent per square meter has increased by 0.5 per cent from the fourth quarter of 2020, from 2,320 to 2,332.

	Properties (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value (NOKm) (NOK/sqm)		12 months rolling rent (NOKm) (NOK/sqm)		Net yield ¹⁾ (%)	Market rent (NOKm) (NOK/sqm)	
Oslo	38	635 820	97.8	7.2	39 729	62 485	1 683	2 647	3.96	1 732	2 724
Trondheim	10	152 188	98.7	6.3	5 589	36 722	297	1 953	5.01	278	1 826
Bergen	8	115 695	98.0	5.0	5 560	48 056	251	2 168	4.16	292	2 523
Sandvika	9	98 989	99.6	6.8	3 267	33 006	177	1 783	5.14	159	1 608
Stavanger	7	121 404	94.1	6.0	3 249	26 762	175	1 441	4.89	189	1 559
Drammen	8	69 421	99.1	8.5	2 707	38 991	141	2 034	4.94	133	1 923
Management portfolio	80	1 193 517	97.8	6.8	60 101	50 356	2 724	2 282	4.24	2 784	2 332
Project portfolio	11	154 090		9.6	6 463	41 943					
Development sites	5	109 847		0.4	984	8 956					
Property portfolio	96	1 457 453		7.1	67 547	46 346					

¹⁾ See the section "Definitions". The calculation of net yield is based on the appraisers' assumption of ownership costs, which at 31.12.21 is 6.5 per cent of market rent.

Letting activity

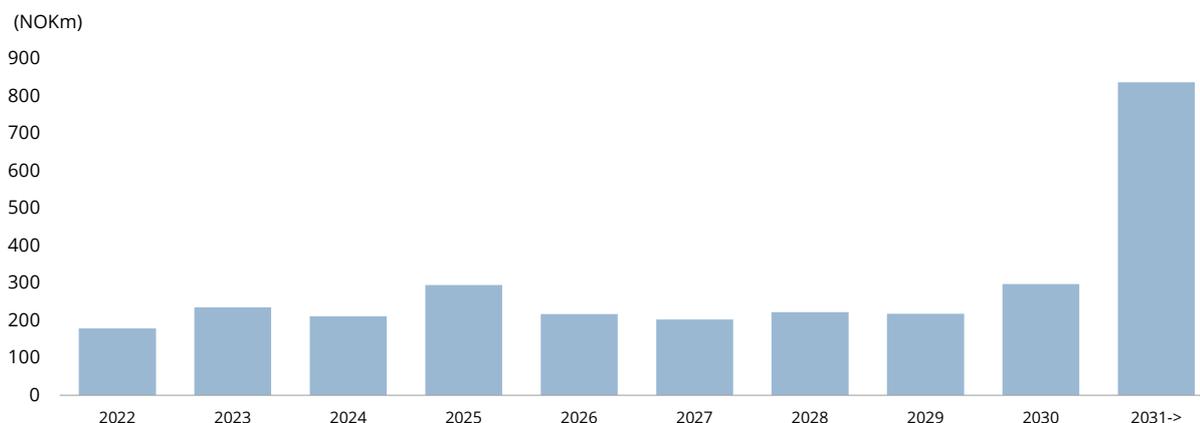
During the fourth quarter, Entra signed new and renegotiated leases with an annual rent totaling 63 million (25,400 square meters) and received notices of termination on leases with an annual rent of 27 million (9,900 square meters). Net letting was 22 million in the quarter. Net letting is calculated as the

annualised rent of new lease contracts plus lease-up on renegotiated contracts less terminated contracts. On an annual basis, Entra signed and renegotiated lease contracts of a total of 346 million, while lease contracts of 165 million was terminated. Net letting was 8 million.

Significant contracts in the quarter

- New 10-year lease contract with Rebel U2 for 2,700 sqm in St. Olavs plass 5 in Oslo
- New 7.5-year lease contract with Rambøll for 2,100 sqm in Nygårdsgaten 91-93 in Bergen
- New 5-year lease contract with Sopra Steria for 1,800 sqm in Nygårdsgaten 91-93 in Bergen
- New 5-year lease contract with Microsoft for 1,800 sqm in Kongens gate 87 in Trondheim
- New 10-year lease contract with Red Bull for 1,300 sqm in St. Olavs plass 5 in Oslo

MATURITY PROFILE OF THE MANAGEMENT PORTFOLIO:



Investments and divestments

Entra has invested a total of 633 million (433 million) in the portfolio of investment properties in the fourth quarter, and 5,766 million (1,807 million) in 2021. The decomposition of the investments is as follows:

All amounts in NOK million	Q4-21	Q4-20	2021	2020
Acquisitions	-37	37	3 500	193
Developments	568	309	1 837	1 306
- Newbuild projects	173	37	455	83
- Redevelopment projects ¹⁾	321	241	1 090	1 176
- Refurbishment ¹⁾	74	31	294	46
Investment properties	100	76	387	274
- Incremental lettable space	-	-	-	-
- No incremental lettable space and tenant incentives	63	62	260	186
- Other material non-allocated types of expenditure	37	14	127	88
Capitalised interest	3	12	42	35
Total Capital Expenditure	633	433	5 766	1 807
Conversion from accrual to cash basis	17	-103	-149	70
Total Capital Expenditure on cash basis	651	330	5 617	1 877

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

Project development

The portfolio of ongoing projects 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								
St. Olavs plass 5	100	Oslo	Q3-22	16 500	95	1 148	939	4.9
Tordenskiolds gate 12	100	Oslo	Q3-22	13 000	92	1 182	876	4.6
Stenersgata 1	100	Oslo	Q2-23	15 800	57	1 166	765	4.5
Schweigaards gate 15	100	Oslo	Q2-23 / Q1-24	22 900	34	1 362	738	4.7
Møllendalsveien 6-8	100	Bergen	Q4-21 / Q4-22	14 200	95	673	497	5.0
Newbuild								
Nygårdsgaten 91-93	100	Bergen	Q4-22	11 900	58	619	385	5.5
Holtermanns veg 1-13 phase 2	100	Trondheim	Q2-23	20 900	29	703	262	5.7
Total				115 200	66³⁾	6 853	4 463	

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

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

³⁾ Weighted average occupancy of the project portfolio

Status ongoing projects

At St. Olavs plass 5, Entra is redeveloping a 16,500 sqm office property located near Tullinkvartalet in Oslo. The project is scheduled for completion in Q3 2022 with occupancy currently at 95 per cent. The project is planned with a BREEAM-NOR Very Good classification.

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

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

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

Entra is further redeveloping the 14,200 sqm property in Møllendalsveien 6-8 in Bergen. The project is now 95 per cent

pre-let to two public tenants on 10-year contracts. The property is redeveloped in two phases. The first phase was completed in Q4 2021, and the second phase will be completed in Q4 2022.

Entra is building a new 11,900 sqm office building at Nygårdsgaten 91-93 in central Bergen. The project is planned for completion in Q4 2022, and the project is currently 58 per cent pre-let. The project aims for a BREEAM-NOR Excellent classification.

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

Projects finalised in the quarter

Entra finalised the refurbishment of 10,100 sqm in Hagegata 22-24 at Tøyen in Oslo. The project area made up almost half of the building, and occupancy in the project space remained at about 85 per cent during the construction period. The project was 100 per cent let.

Transactions

Entra actively seeks to improve the quality of its property portfolio and focuses on acquisitions of selected properties and urban development projects in specific areas within its four core markets: Oslo and the surrounding region, Bergen, Trondheim and Stavanger. Targeted locations include both areas in the city centers and selected clusters on 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 criteria. The acquisition and divestment strategy is flexible, allowing Entra to adapt to feedback from customers and market changes, and to create and respond to market opportunities as they arise.

Transactions 2020–2021

Acquired properties	Area	Transaction quarter	No of sqm	Transaction value	Closing quarter
Oslo Areal portfolio	Oslo	Q4 2021	222 500	13 550	Q1 2022
Universitetsgata 11 (Hotel Savoy)	Oslo	Q3 2021	5 550	185	Q3 2021
16.7 % of Oslo S Utvikling	Oslo	Q2 2021	-	475	Q3 2021
Lars Hilles gate 19	Bergen	Q2 2021	5 900	298	Q2 2021
Fyrstikkalléen 1	Oslo	Q2 2021	39 640	2 399	Q2 2021
Kanalpiren (through 50 % owned company Hinna Park Eiendom)	Stavanger	Q1 2021	25 900	375	Q2 2021
Møllendalsveien 1A	Bergen	Q1 2021	5 800	208	Q2 2021
Lagårdsveien 6	Stavanger	Q1 2021	13 600	126	Q1 2021
Østensjøveien 29	Oslo	Q4 2020	2 000	44	Q4 2020
Hagegata 27 (parking)	Oslo	Q3 2020	-	36	Q3 2020
Total			320 890	17 696	

Divested properties	Area	Transaction quarter	No of sqm	Transaction value	Closing date
Nytorget 1 (sold to 50 % owned company Hinna Park Eiendom)	Stavanger	Q2 2021	5 150	92	Q2 2021
Tollbodallmenningen 2A	Bergen	Q1 2021	1 800	40	Q1 2021
Total			6 950	132	

Partly owned companies

Papirbredden Eiendom (60 %)

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

Hinna Park Eiendom (50 %)

Entra and Camar Eiendom own Hinna Park Eiendom. The company owns five office properties totalling 67,000 sqm and development potential for two new office properties of 48,000 sqm. The company is consolidated in the Group's financial statements as Entra has a controlling vote on the Board of Directors. In January 2022, Entra and Camar Eiendom sold Hinna Park Eiendom to SVG Property. Refer to the Events after the balance sheet date section on page 16 for further information.

Entra OPF Utvikling (50 %)

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

Rebel U2 (50 %)

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

Oslo S Utvikling (50 %)

Oslo S Utvikling ("OSU") is a property development company that is undertaking primarily residential development in Bjørvika, Oslo's CBD East.

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

All amounts in NOK million	Papirbredden Eiendom	Hinna Park Eiendom	Entra OPF Utvikling	Total consolidated companies	OSU	Rebel U2	Other	Total associated companies & JVs
Share of ownership (%)	60	50	50		50	50		
Income	29	25	36	90	0	21	1	22
Net operating income	27	24	29	79	0	-2	1	-1
Net income	22	11	28	61	-20	-21	4	-38
Net value changes	93	234	99	426	0	0	0	0
Profit before tax	115	245	127	486	-20	-21	4	-38
Tax	-25	-53	-27	-105	5	5	-1	8
Profit for the period	90	191	100	381	-16	-16	2	-30
<i>Non-controlling interests</i>	36	96	50	182				
<i>Entra's share of profit*/**</i>					-8	-8	1	-15
<i>Book value</i>					850	0	22	872

¹⁾ Recognised as Share of profit from associates and JVs

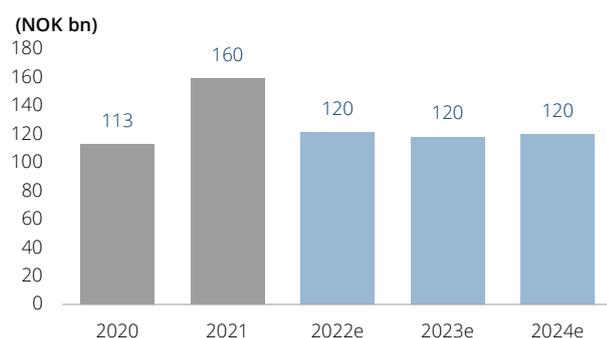
Market development

The Norwegian transaction market for commercial real estate reached record levels in 2021, both in terms of volume and in number of transactions. Total transaction value was around 160 billion in 2021 compared to 113 billion in 2020. The transaction pipeline and activity going into 2022 is solid, and the transaction market is expected to remain strong. Investor surveys show that a very high proportion of investors (80-90 per cent) expect to be net buyers in the next 12 months.

New construction volumes in Oslo ended up well below the yearly average construction volume of approximately 140,000 sqm seen over the period 1998-2021. 2022 is expected to see even less new construction due to fluctuating commodity prices and many projects being postponed during the pandemic.

Year-on-year growth in the November CPI, used to adjust most of Entra's leases, came in at 5.07 per cent in 2021. The financing market is well functioning, particularly for solid counterparties like Entra. The Central Bank of Norway increased the policy rate to 0.5 per cent in December 2021 and has signalled further increases over the next 12 months. There is some concern among investors due to projected increase in key policy rates. Yields are, however, not expected to increase significantly as the real interest rate, as a function of the expected interest rate and inflation figures, is expected to be negative for many years to come.

Transaction volume Norway



Market data Oslo

	2019	2020	2021e	2022e	2023e	2024e
Vacancy Oslo, incl. Fornebu and Lysaker (%)	5.5	6.8	6.8	6.4	6.3	6.4
Rent per sqm, high standard Oslo office	3 610	3 544	3 627	3 825	3 925	4 020
Prime yield (%)	3.7	3.3	3.3	3.4	3.5	3.5

Source : Entra Consensus report, Q4 2021

The activity level in the Oslo letting market was very high in the second half of 2021, and rent levels have been slightly positive during the pandemic. According to Entra's Consensus report, the Oslo office vacancy is expected to decrease towards 6.5 per cent as economic activity and employment growth continues. New-build volumes for the coming years is limited, particularly in the city centre of Oslo. Combined with strong underlying CPI growth, there are expectations for solid market rental growth in the years to come.

Bergen has also proven to be robust during the pandemic. Overall office vacancy is currently around eight per cent and seven per cent in the city centre. There is limited supply and fairly strong demand of modern premises in the city centre. Rent levels in Bergen have increased by around seven per cent during 2021, and there has been downward pressure on yields.

In Trondheim, vacancy in the city centre is around seven per cent and around eight per cent overall. Vacancy is highest in the fringe areas of the city. Rent levels in Central Trondheim have increased by around 10 per cent over the last two years.

In Stavanger, vacancy is around nine per cent. For the city centre and at Hinna Park, there is demand for modern, flexible, and centrally located office premises, and rent levels have held up well.

Organisation and HSE

At 31.12.21 the Group had 177 (186) employees.

In Q4 2021, Entra had one injury with long term absence from work in the ongoing projects. Entra has a continuous HSE focus and works continually to avoid injuries both in on-going projects and in the operations. Entra had an LTIF rate (number of accidents with lost time per million hours worked in last 12 months) on ongoing projects of 8.1 at the end of the fourth quarter 2021 (4.7 at the end of the fourth quarter 2020).

EU Taxonomy

Entra believes that 100 per cent of its income and investments will be eligible for EU Taxonomy alignment. While actual requirements for alignment are still to be finalised, Entra is prepared to report in accordance with the EU Taxonomy requirements as soon as it is finalised.

Risk management

Entra assesses risk on an ongoing basis, primarily through semi-annually comprehensive reviews of the Group's risk maps, which includes assessments of all risk factors in collaboration with all levels of the organization. Each risk factor is described and presented with the possible negative outcome given an increased probability of a situation to occur. Entra's main risk factors consist of both financial and non-financial risk. A thorough description and analysis is included on pages 28-39 in the 2020 annual report.

Share and shareholder information

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

As of 2 February 2022, Entra had 4,583 shareholders.

Norwegian investors held approximately 10 per cent of the share capital. The 10 largest shareholders (of which most are nominee accounts) as registered in VPS on 2 February 2022 were:

Shareholder	% holding
Fastighetsbolaget AB Balder	36.9%
Castellum AB	33.3%
J.P. Morgan Securities (Nominee)	2.3%
State Street Bank and Trust (Nominee)	2.0%
The Bank of New York Mellon (Nominee)	1.3%
Danske Invest Norske Institusjoner	1.0%
Verdipapirfondet Alfred Berg Gambak	0.8%
State Street Bank and Trust (Nominee)	0.7%
State Street Bank and Trust (Nominee)	0.7%
State Street Bank and Trust (Nominee)	0.7%
SUM 10 LARGEST SHAREHOLDERS	79.7%

Events after the balance sheet date

On 12 January 2022, Entra closed the acquisition of the Oslo Areal portfolio, with 17 properties in the Greater Oslo Region with property value of 13,550 million.

In January 2022, Entra divested its 50 per cent share in Hinna Park Eiendom to the newly established SVG Property AS ("SVG Property"). As settlement, Entra received 15 per cent of the shares in SVG Property, 64 million through a seller credit and a cash consideration of 99 million. Hinna Park Eiendom will be deconsolidated from Entra's financial statements from closing of the transaction, and the investment in SVG Property will be recognized as a financial asset at fair value through profit and loss.

The annual general meeting in Entra ASA will be held on 22 April 2022. In line with the dividend policy of distributing approximately 60 per cent of Cash Earnings, the board of Entra will propose to distribute a semi-annual dividend of NOK 2.60 per share for the second half of 2021. In October 2021, Entra paid out NOK 2.50 per share for the first six months of 2021. For the financial year 2021, Entra will thus have paid out NOK 5.10 per share, compared to NOK 4.90 per share in 2020. Refer to the section "Alternative performance measures" for calculation of Cash Earnings.

Outlook

When entering what might be the final stage of the Covid-19 pandemic, it is fair to conclude that the Norwegian society and office market has been less affected than most other countries. Further, Entra has proved to be very resilient, and our operations, projects and financial results have been only marginally impacted.

A shift to hybrid work seems abundantly clear for office and knowledge workers. However, both market data and Entra's experience throughout the last two years suggest only marginal cuts in demand for office space, primarily driven by three factors. Firstly, high density at the office is uncomfortable, and employees in general want more room around their desks than previously. Secondly, the office of the future must be more inviting to attract talent, and many tenants plan to implement more spacious, lounge-style, open seating plans and meeting rooms that accommodate a mix of in-person and remote participants. Thirdly, many employees want to work from home on Mondays and Fridays. As such, the need to facilitate for simultaneity in the office means that the shift towards hybrid office solutions might only offers meagre opportunities to economize on office space. In short, employers are reshaping offices to become more inviting social spaces that encourage face-to-face collaboration, creativity, and serendipitous interactions, which will benefit landlords like Entra.

Office rents in Norway have held up well throughout the pandemic, and the activity in the letting market has picked up. Entra is thus well positioned in a solid Norwegian economy supported by strong public funding and a property market with low office vacancy rates and expectations for continued rental growth.

Long-term interest rates have during recent months trailed upwards, which in isolation should impact investors' yield requirements. However, strong CPI growth, that is fully implemented into Entra's tenant contracts, and an expected very positive rental market particularly in Oslo, combined with solid macro and continued good investor appetite for

commercial real estate, should provide a strong mitigating force. The investment market is very active and competitive, and prime yields have remained stable.

Sustainability has been an integrated part of Entra's business model for more than 10 years. Entra is working actively to reduce the CO₂ footprint of its property portfolio and has a firm ambition to become a net zero carbon company by 2030. Assets representing almost 69 per cent of the value of the management portfolio are, or in the process of being, BREEAM certified. Entra issued its first green bond in 2016 and currently has 69 per cent of its debt portfolio in green bonds and bank loans.

With the acquisition of Oslo Areal, a portfolio of 17 properties located within Entra's existing clusters that was closed on 12 January 2022, Entra has significantly increased its exposure to Oslo and enhanced and expanded Entra's attractive project development pipeline for the years to come.

Even after the fully debt-financed 13.5 billion acquisition of Oslo Areal, Entra has a strong balance sheet, a well staggered debt maturity profile, and a diversified financing mix with an ample supply of unutilized credit facilities. Going forward, Entra will optimize and grow its high-quality portfolio and continue to build and progress the development pipeline. Entra will focus on its role as an urban developer and leverage its competitive advantages, including expertise, network and ESG leadership.

Entra owns and manages modern, flexible and environmentally friendly assets located in selected 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, 10 February 2022

The Board of Entra ASA

Financial statements

Statement of comprehensive income

All amounts in NOK million	Q4-21	Q4-20	2021	2020
Rental income	677	590	2 508	2 353
Operating costs	-62	-57	-234	-211
Net operating income	614	533	2 274	2 142
Other revenues	21	44	73	113
Other costs	-10	-37	-43	-79
Administrative costs	-71	-55	-210	-186
Share of profit from associates and JVs	-15	28	19	120
Net realised financials	-155	-123	-551	-541
Net income	384	390	1 561	1 569
- of which net income from property management	392	362	1 534	1 451
Changes in value of investment properties	2 771	4 469	5 057	5 980
Changes in value of financial instruments	61	64	206	-275
Profit before tax	3 216	4 923	6 825	7 274
Tax payable	-8	-13	-19	-26
Change in deferred tax	-665	-1 063	-1 433	-1 552
Profit for period/year	2 543	3 846	5 373	5 696
Actuarial gains and losses	-29	-25	-29	-25
Change in deferred tax on comprehensive income	6	5	6	5
Total comprehensive income for the period/year	2 521	3 827	5 351	5 677
Profit attributable to:				
Equity holders of the Company	2 362	3 728	5 064	5 460
Non-controlling interest	182	118	309	236
Total comprehensive income attributable to:				
Equity holders of the Company	2 339	3 709	5 042	5 440
Non-controlling interest	182	118	309	236

Balance sheet

All amounts in NOK million	31.12.2021	31.12.2020
Intangible assets	109	109
Investment properties	67 568	56 834
Other operating assets	28	17
Investments in associates and JVs	872	527
Financial derivatives	254	347
Long-term receivables and other assets	225	252
Total non-current assets	69 056	58 086
Inventory properties	469	461
Trade receivables	77	64
Other receivables and other current assets	295	279
Cash and bank deposits	309	217
Total current assets	1 149	1 021
Investment properties held for sale	87	33
Total assets	70 292	59 141
Shareholders' equity	31 263	27 136
Non-controlling interests	2 308	2 069
Total equity	33 571	29 205
Interest bearing debt	22 788	19 095
Deferred tax liability	8 307	6 914
Financial derivatives	355	690
Other non-current liabilities	650	554
Total non-current liabilities	32 099	27 253
Interest bearing debt	3 791	2 051
Trade payables	465	281
Other current liabilities	367	350
Total current liabilities	4 622	2 683
Total liabilities	36 722	29 936
Total equity and liabilities	70 292	59 141

Changes in equity

All amounts in NOK million	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Non-controlling interests	Total equity
Equity 31.12.2019	182	0	3 523	18 865	1 947	24 517
Profit for period				5 460	236	5 696
Other comprehensive income				-19		-19
Dividend				-874	-114	-989
Net equity effect of LTI & employee share saving schemes		0	0	-1		0
Equity 31.12.2020	182	0	3 524	23 430	2 069	29 205
Profit for period				5 064	309	5 373
Other comprehensive income				-23		-23
Dividend				-911	-70	-981
Net equity effect of LTI & employee share saving schemes		0	0	-4		-4
Equity 31.12.2021	182	0	3 524	27 557	2 308	33 571

Statement of cash flows

All amounts in NOK million	Q4-21	Q4-20	2021	2020
Profit before tax	3 216	4 923	6 825	7 274
Income tax paid	0	-2	-11	-11
Net expensed interest and fees on loans and leases	155	123	551	541
Net interest and fees paid on loans and leases	-131	-109	-603	-553
Share of profit from associates and jointly controlled entities	15	-28	-19	-120
Depreciation and amortisation	2	9	5	13
Changes in value of investment properties	-2 771	-4 469	-5 057	-5 980
Changes in value of financial instruments	-61	-64	-206	275
Change in working capital	-31	-98	3	83
Net cash flow from operating activities	392	285	1 488	1 521
Proceeds from property transactions	1	0	42	15
Acquisition of investment properties	3	-37	-3 540	-194
Investment in and upgrades of investment properties	-653	-293	-2 078	-1 683
Investment in properties for sale and inventory properties	-2	-42	-7	-48
Acquisition of intangible and other non-current assets	-2	-3	-13	-21
Net payment financial assets	67	72	70	73
Net payment of loans to associates and JVs	0	0	-16	-1
Investments in associates and JVs	0	0	-476	-13
Dividends from associates and JVs	150	2	152	3
Net cash flow from investment activities	-437	-301	-5 865	-1 868
Proceeds interest bearing debt	2 750	4 000	23 348	14 635
Repayment interest bearing debt	-2 161	-3 536	-17 888	-13 390
Repayment of lease liabilities	-2	-2	-10	-9
Dividends paid	-455	-437	-911	-874
Dividends paid to non-controlling interests	-33	-94	-70	-114
Net cash flow from financing activities	98	-70	4 469	246
Change in cash and cash equivalents	53	-86	92	-100
Cash and cash equivalents at beginning of period	256	303	217	317
Cash and cash equivalents at end of period	309	217	309	217

NOTE 1 – ACCOUNTING PRINCIPLES

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

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

NOTE 2 – SEGMENT INFORMATION

The Group has one main operational unit, led by the COO. The property portfolio is divided into six different geographic areas in Oslo, Sandvika, Drammen, Stavanger, Bergen and Trondheim, with management teams monitoring and following upon each area. The geographic units are supported by a Market and Property Development division and a Project Development division. In addition, Entra has group and support functions within accounting, finance, legal, investment, digitalisation, 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 Q4-21

	Properties (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value (NOKm) (NOK/sqm)		12 months rolling rent (NOKm) (NOK/sqm)		Net yield ¹⁾ (%)	Market rent (NOKm) (NOK/sqm)	
Oslo	38	635 820	97.8	7.2	39 729	62 485	1 683	2 647	3.96	1 732	2 724
Trondheim	10	152 188	98.7	6.3	5 589	36 722	297	1 953	5.01	278	1 826
Bergen	8	115 695	98.0	5.0	5 560	48 056	251	2 168	4.16	292	2 523
Sandvika	9	98 989	99.6	6.8	3 267	33 006	177	1 783	5.14	159	1 608
Stavanger	7	121 404	94.1	6.0	3 249	26 762	175	1 441	4.89	189	1 559
Drammen	8	69 421	99.1	8.5	2 707	38 991	141	2 034	4.94	133	1 923
Management portfolio	80	1 193 517	97.8	6.8	60 101	50 356	2 724	2 282	4.24	2 784	2 332
Project portfolio	11	154 090		9.6	6 463	41 943					
Development sites	5	109 847		0.4	984	8 956					
Property portfolio	96	1 457 453		7.1	67 547	46 346					

¹⁾ See the section "Definitions". The calculation of net yield is based on the appraisers' assumption of ownership costs, which at 31.12.21 is 6.5 per cent of market rent.

Operating segments Q4-20

	Properties (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value (NOKm) (NOK/sqm)		12 months rolling rent (NOKm) (NOK/sqm)		Net yield (%)	Market rent (NOKm) (NOK/sqm)	
Oslo	34	550 010	98.0	6.9	31 158	56 650	1 388	2 524	4.1	1 506	2 738
Trondheim	11	158 940	97.1	7.1	5 157	32 445	288	1 813	5.3	281	1 770
Bergen	7	105 045	97.1	5.4	4 712	44 859	218	2 080	4.3	258	2 458
Sandvika	9	98 988	99.4	7.5	3 157	31 893	177	1 790	5.3	154	1 556
Stavanger	5	78 607	99.0	6.3	2 272	28 900	139	1 762	5.6	129	1 641
Drammen	7	62 107	97.6	9.5	2 281	36 729	119	1 909	4.9	116	1 863
Management portfolio	73	1 053 697	97.9	6.9	48 737	46 253	2 329	2 210	4.44	2 444	2 320
Project portfolio	11	162 785		9.7	7 048	43 294					
Development sites	6	128 195		5.3	961	7 497					
Property portfolio	90	1 344 677		7.1	56 746	42 200					

NOTE 3 – INVESTMENT PROPERTIES

All amounts in NOK million	Q4-21	Q4-20	2021	2020
Closing balance previous period	64 250	50 736	56 867	49 095
Acquisition of investment properties	-37	37	3 500	193
Investment in the property portfolio	668	385	2 224	1 580
Capitalised borrowing costs	3	12	42	35
Divestment of investment properties	-1	0	-35	-15
Changes in value of investment properties	2 771	4 469	5 057	5 980
Closing balance	67 655	56 867	67 655	56 867
Investment properties held for sale	87	33	87	33
Investment properties	67 568	56 834	67 568	56 834

Acquisition of investment properties in 2021 is related to the acquisition of Lagårdsveien 6 and Laberget 24-28 (Kanalpiren) in Stavanger, Møllendalsveien 1A and Lars Hilles gate 19 in Bergen, and Fyrstikkalléen 1 and Universitetsgata 11 (Hotel Savoy) in Oslo. Divestment of investment properties in 2021 is related to the divestment of the property Tollbodallmenningen 2A in Bergen.

The property Borkenveien 1-3 in Sandvika is classified as held for sale at 31 December 2021 as the tenant has exercised the option to acquire the property. The transaction is expected to close in the first quarter of 2022.

In addition to the transactions mentioned above, the property Nytorget 1 in Stavanger was in 2021 sold by Entra to Hinna Park Eiendom, a partly owned company controlled by Entra. As Hinna Park Eiendom is consolidated in Entra's financial statements, the transaction is not reflected in the Group's financial statements. In January 2022, Entra and Camar Eiendom sold Hinna Park Eiendom to SVG Property. Refer to the Events after the balance sheet date section on page 16 for further information.

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

All amounts in NOK million	Fair value level	31.12.2021	31.12.2020
Assets measured at fair value:			
Assets measured at fair value through profit or loss			
- Investment properties	Level 3	67 568	56 834
- Investment properties held for sale	Level 3	87	33
- Derivatives	Level 2	254	347
- Equity instruments	Level 3	32	37
Total		67 941	57 251
Liabilities measured at fair value:			
Financial liabilities measured at fair value through profit or loss			
- Derivatives	Level 2	355	690
Total		355	690

NOTE 5 – SUBSEQUENT EVENTS

Refer to the Events after the balance sheet date section on page 16 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
- Net value changes
- Cash Earnings
- Market value of the property portfolio
- Net nominal interest bearing debt
- Debt ratio – Loan-to-value (LTV)
- Interest coverage ratio (ICR)
- EPRA Earnings
- EPRA Net Asset Value metrics – EPRA NRV, EPRA NTA and EPRA NDV
- EPRA Net Initial Yield
- EPRA Cost Ratio

NET INCOME FROM PROPERTY MANAGEMENT & CASH EARNINGS

All amounts in NOK million	Q4-21	Q4-20	2021	2020
Net income	384	390	1 561	1 569
Less:				
Other income and costs in associates and JVs	-8	28	28	118
Net income from property management	392	362	1 534	1 451
Tax payable	-8	-13	-19	-26
Cash Earnings	384	349	1 515	1 425

NET VALUE CHANGES

All amounts in NOK million	Q4-21	Q4-20	2021	2020
Changes in value of investment properties	2 771	4 469	5 057	5 980
Changes in value of financial instruments	61	64	206	-275
Net value changes	2 832	4 533	5 264	5 705

MARKET VALUE OF THE PROPERTY PORTFOLIO

All amounts in NOK million	31.12.2021	31.12.2020
Investment properties	67 568	56 834
Investment properties held for sale	87	33
Other	-108	-121
Market value of the property portfolio	67 547	56 746

NET NOMINAL INTEREST BEARING DEBT

All amounts in NOK million	31.12.2021	31.12.2020
Nominal value of interest bearing debt	26 903	21 146
Cash and bank deposits	-309	-217
Net nominal interest bearing debt	26 594	20 930

DEBT RATIO (LTV)

All amounts in NOK million except ratio	31.12.2021	31.12.2020
Total debt	26 996	21 545
- Carrying amount of interest bearing debt	26 579	21 146
- Other interest bearing liabilities	418	399
Total assets	70 292	59 141
Debt ratio (LTV) % ¹⁾	38.4	36.4

¹⁾ The definition of LTV is amended from Q4-21 to be measured by effective leverage. See the section "Definitions" for further information. Comparative figures have been updated to reflect the amended definition.

INTEREST COVERAGE RATIO (ICR)

All amounts in NOK million except ratio	Q4-21	Q4-20	2021	2020
Net income	384	390	1 561	1 569
Depreciation	2	9	5	13
Results from associates and joint ventures	15	-28	-19	-120
Net realised financials	155	123	551	541
EBITDA adjusted	555	494	2 098	2 002
Interest cost	145	131	552	555
Other finance expense	18	8	49	30
Applicable net interest cost	163	139	600	585
Interest Coverage Ratio (ICR)	3.4	3.5	3.5	3.4

EPRA REPORTING

The following performance indicators have been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its latest edition of the Best Practices Recommendations Guidelines. Accordingly, Entra presents only the three new NAV metrics; EPRA NRV, EPRA NTA and EPRA NDV; which has replaced the previous NAV metrics EPRA NAV and EPRA NNNAV. The EPRA Best Practices Recommendations Guidelines focus on making the financial statements of public real estate companies clearer and more comparable across Europe. For further information about EPRA, see www.epra.com.

Summary table EPRA performance measures		Unit	Q4-21 / 31.12.2021	Q4-20 / 31.12.2020
A	EPRA earnings per share (EPS)	NOK	1.56	1.44
B	EPRA NRV per share	NOK	218	189
	EPRA NTA per share	NOK	216	187
	EPRA NDV per share	NOK	174	149
C	EPRA Net Initial Yield (NIY)	%	4.21	4.42
	EPRA, "topped-up" NIY	%	4.21	4.42
D	EPRA Vacancy Rate	%	2.0	1.9
E	EPRA Cost Ratio (including direct vacancy costs)	%	19.5	18.6
	EPRA Cost Ratio (excluding direct vacancy costs)	%	17.6	16.4

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

A. EPRA EARNINGS

EPRA Earnings is a measure of the operational performance of the property portfolio. EPRA Earnings is calculated based on the income statement, adjusted for non-controlling interests, value changes on investment properties, changes in the market value of financial instruments and the associated tax effects. In addition, earnings from the jointly controlled entity OSU is adjusted for as the business of this company is development of residential properties for sale and is not considered relevant for measurement of the underlying operating performance of the property portfolio under management.

EPRA Earnings – Quarterly

All amounts in NOK million	Q4-21	Q4-21	Q4-21	Q4-21	Q4-20	Q4-20	Q4-20	Q4-20
	IFRS reported	EPRA adjustments	Non-controlling Interests ¹⁾	EPRA Earnings	IFRS reported	EPRA adjustments	Non-controlling Interests ¹⁾	EPRA Earnings
Rental income	677	0	42	635	590	0	38	552
Operating costs	-62	0	-5	-57	-57	0	-2	-54
Net operating income	614	0	37	577	533	0	36	497
Other revenues	21	0	1	21	44	0	1	43
Other costs	-10	0	0	-10	-37	0	-4	-33
Administrative costs	-71	0	-2	-70	-55	0	-2	-53
Share of profit from associates and JVs	-15	-8	0	-7	28	29	0	0
Net realised financials	-155	0	-7	-148	-123	0	-5	-118
Net income	384	-8	28	363	390	29	25	336
Net value changes	2 832	2 832	0	0	4 533	4 533	0	0
Profit before tax/EPRA Earnings before tax	3 216	2 824	28	363	4 923	4 562	25	336
Tax payable	-8	0	-2	-6	-13	0	0	-12
Change in deferred tax	-665	-586	-4	-74	-1 063	-997	-5	-61
Profit for period/EPRA Earnings	2 543	2 238	22	283	3 846	3 565	20	262
Average outstanding shares (million)				182.1				182.1
EPRA Earnings per share				1.56				1.44

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

EPRA Earnings – Year to date

All amounts in NOK million	2021			2020			2020	
	IFRS reported	EPRA adjustments	Non-controlling Interests ¹⁾	EPRA Earnings	IFRS reported	EPRA adjustments	Non-controlling Interests ¹⁾	EPRA Earnings
Rental income	2 508	0	164	2 344	2 353	0	153	2 199
Operating costs	-234	0	-17	-217	-211	0	-12	-199
Net operating income	2 274	0	147	2 127	2 142	0	142	2 000
Other revenues	73	0	1	72	113	0	2	110
Other costs	-43	0	0	-43	-79	0	-4	-75
Administrative costs	-210	0	-7	-203	-186	0	-8	-179
Share of profit from associates and JVs	19	32	0	-13	120	121	0	-1
Net realised financials	-551	0	-27	-524	-541	0	-23	-517
Net income	1 561	32	113	1 417	1 569	121	109	1 339
Net value changes	5 264	5 264	0	0	5 705	5 705	0	0
Profit before tax/EPRA Earnings before tax	6 825	5 295	113	1 417	7 274	5 826	109	1 339
Tax payable	-19	0	-6	-13	-26	0	-6	-20
Change in deferred tax	-1 433	-1 115	-19	-299	-1 552	-1 259	-18	-274
Profit for period/EPRA Earnings	5 373	4 180	88	1 105	5 696	4 567	85	1 044
Average outstanding shares (million)				182.1				182.1
EPRA Earnings per share				6.07				5.73

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

B. EPRA NET ASSET VALUE METRICS

EPRA NET REINSTATEMENT VALUE (NRV)

The objective of the EPRA NRV measure is to highlight the value of net assets on a long-term basis and assumes that no selling of assets takes place. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Real estate transfer taxes are generally not levied on property transactions in Norway, and such taxes are accordingly not included in Entra's valuation certificates. Consequently, no adjustment is done for real estate transfer taxes in Entra's calculation of EPRA NRV.

All amounts in NOK million	31.12.2021	31.12.2021	31.12.2021	31.12.2020
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NRV)	Attributable to shareholders (EPRA NRV)
IFRS equity	33 571	-2 308	31 263	27 136
Revaluation of investments made in JVs	426	0	426	249
Revaluation of purchase option	0	0	0	176
Net Asset Value (NAV) at fair value	33 996	-2 308	31 689	27 561
Deferred tax properties and financial instruments	8 514	-462	8 053	6 673
Net fair value on financial derivatives	101	-6	94	329
Goodwill as a result of deferred tax	-109	55	-55	-55
EPRA Net Reinstatement Value (NRV)	42 502	-2 721	39 781	34 508
Outstanding shares at period end (million)			182.1	182.1
EPRA NRV per share (NOK)			218	189

EPRA NET TANGIBLE ASSETS (NTA)

The EPRA NTA is focused on reflecting a company's tangible assets and assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax liability. Entra has adopted second option in the EPRA BPR guidelines to adjust for deferred tax, estimating the real tax liability based how the company has completed property transactions in recent years.

All amounts in NOK million	31.12.2021	31.12.2021	31.12.2021	31.12.2020
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NTA)	Attributable to shareholders (EPRA NTA)
IFRS equity	33 571	-2 308	31 263	27 136
Revaluation of investments made in JVs	426	0	426	249
Revaluation of purchase option	0	0	0	176
Net Asset Value (NAV) at fair value	33 996	-2 308	31 689	27 561
Reversal deferred tax liability as per balance sheet	8 307	-386	7 921	6 607
Adjustment estimated real tax liability ¹⁾	-249	-51	-301	-294
Net fair value on financial derivatives	101	-6	94	329
Goodwill as a result of deferred tax	-109	55	-55	-55
Intangible assets	0	0	0	0
EPRA Net Tangible Assets (NTA)	42 045	-2 696	39 349	34 148
Outstanding shares at period end (million)			182.1	182.1
EPRA NTA per share (NOK)			216	187

¹⁾ Estimated real deferred tax liability related to temporary differences of properties has been calculated to 1.2 per cent of the based on a discount rate of 5.0 per cent and the assumption that 50 per cent of the property portfolio are realized over 50 years in transactions structured as sale of properties in corporate wrappers, with an average tax discount of 6.5 per cent. Further, the real tax liability related to the gains/losses account is estimated by assuming an amortisation of 20 per cent annually and a discount rate of 5.0 per cent.

EPRA NET DISPOSAL VALUE (NDV)

The EPRA NDV measure provides readers of financial reports with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability. This enables readers of financial reports to understand the full extent of liabilities and resulting shareholder value under an orderly sale of business and/or if liabilities are not held until maturity. The measure should not be viewed as a "liquidation NAV" for Entra, as fair values may not represent liquidation values, and as an immediate realization of Entra's assets may be structured as sale of property-owning companies, resulting in the deferred tax liabilities only partially crystallising.

All amounts in NOK million	31.12.2021	31.12.2021	31.12.2021	31.12.2020
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NDV)	Attributable to shareholders (EPRA NDV)
IFRS equity	33 571	-2 308	31 263	27 136
Revaluation of investments made in JVs	426	0	426	249
Revaluation of purchase option	0	0	0	176
Net Asset Value (NAV) at fair value	33 996	-2 308	31 689	27 561
Fair value adjustment fixed interest rate debt, net of tax	-5	0	-5	-378
Goodwill as a result of deferred tax	-109	55	-55	-55
EPRA Net Disposal Value (NDV)	33 882	-2 253	31 629	27 128
Outstanding shares at period end (million)			182.1	182.1
EPRA NDV per share (NOK)			174	149

C. EPRA NET INITIAL YIELD

EPRA Net Initial Yield (NIY) 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" NIY 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	45 004	6 220	3 365	1 611	389	3 449	60 038
Investment property - share of JVs	0	0	0	954	1 391	1 642	3 986
Total property portfolio	45 004	6 220	3 365	2 565	1 780	5 091	64 025
Less projects and land and developments	-5 275	-632	-98	-135	0	-1 172	-7 312
Completed management portfolio	39 729	5 589	3 267	2 430	1 780	3 918	56 713
Allowance for estimated purchasers' cost	59	17	10	6	6	11	107
Gross up completed management portfolio valuation	39 788	5 605	3 277	2 436	1 785	3 929	56 820
12 months rolling rent	1 683	297	177	133	94	176	2 560
Estimated ownership cost	109	17	8	12	5	15	166
Annualised net rents	1 574	280	168	121	89	161	2 393
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	1 574	280	168	121	89	161	2 393
EPRA NIY	3.96%	5.00%	5.13%	4.96%	5.00%	4.11%	4.21%
EPRA "topped-up" NIY	3.96%	5.00%	5.13%	4.96%	5.00%	4.11%	4.21%

D. EPRA VACANCY RATE

Estimated Market Rental Value (ERV) of vacant space divided by the 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	38	4	1	6	1	4	53
Total market rent	1 732	278	159	137	88	214	2 609
EPRA vacancy rate	2.2%	1.3%	0.4%	4.1%	1.2%	1.9%	2.0%

E. EPRA COST RATIO

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

All amounts in NOK million	Q4-21	Q4-20	2021	2020
Operating costs	-62	-57	-234	-211
Administrative costs	-71	-55	-210	-186
Less: Ground rent cost	2	2	8	9
EPRA cost (including direct vacancy cost)	-132	-110	-437	-388
Direct vacancy cost	-13	-13	-44	-44
EPRA cost (excluding direct vacancy cost)	-119	-97	-393	-343
Gross rental income less ground rent	677	590	2 508	2 353
Total gross rental income less ground rent	677	590	2 508	2 353
EPRA cost ratio (including direct vacancy cost)	19.5%	18.6%	17.4%	16.5%
EPRA cost ratio (excluding direct vacancy cost)	17.6%	16.4%	15.7%	14.6%

DEFINITIONS

12 months rolling rent	- The contractual rent of the management properties of the Group for the next 12 months as of a certain date, adjusted for (i) signed new contracts and contracts expiring during such period, (ii) contract based CPI adjustments based on Independent Appraisers' CPI estimates and (iii) the Independent Appraisers' estimates of letting of current and future vacant areas.
Capital expenditure	- Property related capital expenditure, split into four components: (i) Acquisition, (ii) Development, (iii) Like-for-like portfolio and (iv) Other. The components Development and Like-for-like portfolio combined ties to the line item Investment in the property portfolio in the investment properties rollforward, while the two other categories ties to separate line items in the rollforward.
Back-stop of short-term interest bearing debt	- Unutilised credit facilities divided by short-term interest bearing debt.
Cash Earnings	- Net income from property management less tax payable
Contractual rent	- Annual cash rental income being received as of relevant date
EPRA NDV – Net Disposal Value	- EPRA NDV is a NAV metric reflecting the IFRS equity including the full extent of the deferred tax liability as per the balance sheet, including fair value of fixed interest rate debt and excluding goodwill as a result of deferred tax.
EPRA NRV – Net Reinstatement Value	- EPRA NRV is a NAV metric reflecting the IFRS equity excluding (i) deferred tax liability as per the balance sheet in respect of properties and financial instruments, (ii) fair value of financial instruments and (iii) goodwill as a result of deferred tax.
EPRA NTA – Net Tangible Assets	- EPRA NTA is a NAV metric reflecting the IFRS equity including only the estimated real tax liability, and excluding (i) fair value of financial instruments, and (ii) goodwill and intangible assets as per the balance sheet.
Gross yield	- 12 months rolling rent divided by the market value of the management portfolio
Interest Coverage Ratio ("ICR")	- Net income from property management excluding depreciation and amortisation for the Group, divided by net interest on interest bearing nominal debt and fees and commitment fees related to investment activities
Independent Appraisers	- Akershus Eiendom/JLL and Newsec
Land and dev. properties	- Property / plots of land with planning permission for development
Like-for-like	- The percentage change in rental income from one period to another given the same income generating property portfolio in the portfolio. The figure is thus adjusted for acquisition and divestments of properties and active projects
Loan-to-value ("LTV")	- Effective leverage, measured by total interest bearing liabilities, including debt, lease liabilities, pension liabilities and seller's credits, divided by total assets.
Management properties	- Properties that are actively managed by the company
Market rent	- The annualised market rent of the management properties, fully let as of the relevant date, expressed as the average of market rents estimated by the Independent Appraisers
Market value of the property portfolio	- The market value of all properties owned by the parent company and subsidiaries. The figure does not include Inventory properties.
Net Asset Value ("NAV")	- Net Asset Value the total equity that the company manages for its owners. Entra presents NAV calculations in line with EPRA recommendation, where the difference mainly is explained by the expected turnover of the property portfolio.
Net income from property management	- Net income from property management is calculated as Net Income less value changes, tax effects and other income and other costs from residential development in 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.

Contact info

Sonja Horn
CEO
Phone: + 47 905 68 456
sh@entra.no

Anders Olstad
CFO
Phone: + 47 900 22 559
ao@entra.no

Tone K. Omsted
Head of IR
Phone: + 47 982 28 510
tom@entra.no

Entra ASA
Post box 52 Økern
0508 Oslo, Norway
Phone: + 47 21 60 51 00
post@entra.no

Financial calendar

First quarter 2022 22.04.2022

Second quarter 2022 13.07.2022

Third quarter 2022 18.10.2022

Fourth quarter 2022 09.02.2023



Head office

Biskop Gunnerus' gate 14 A
0185 Oslo, Norway

Postal address

Post box 52 Økern
0508 Oslo, Norway

Phone: +47 21 60 51 00
post@entra.no

Customer service centre

Phone: +47 800 36 872
service@entra.no

www.entra.no