



Q3

Quarterly Report 2020



Central, flexible and environment friendly office properties

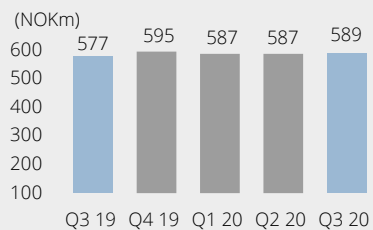
Highlights

- 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.

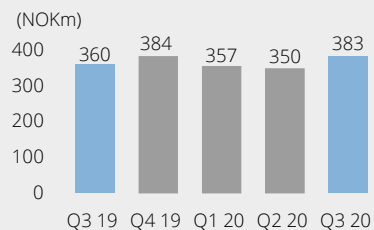
Rental income



Property management

+ 23 mill.

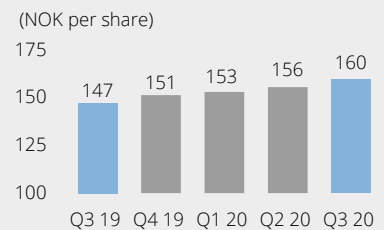
Net income from PM



EPRA NAV

+ 8 %

EPRA NAV



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 NNAV 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 calculation 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.

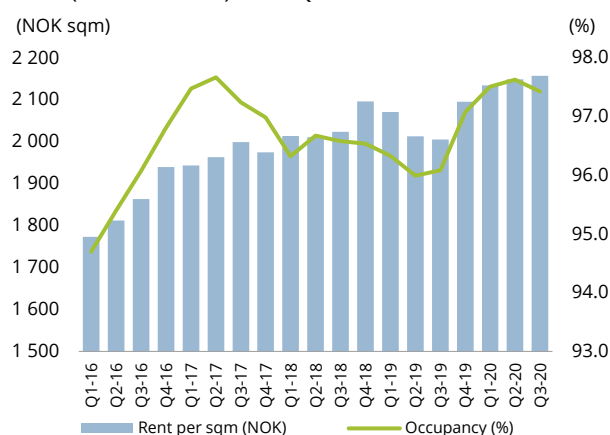
The acquisition of Møllendalsveien 6-8 in Bergen in December 2019 contributed with 6 million per quarter compared to last year, whereas divestment of two properties in Oslo during 2019 has reduced the rental income by 8 million per quarter.

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.

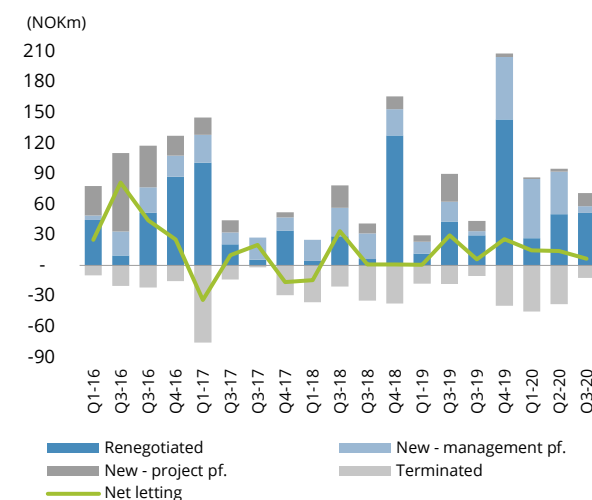
Average 12 months rolling rent per square meter was 2,157 (2,007) as of 30.09.20. The increase is mainly a result of reclassification to the project portfolio of the properties that have been vacated and are awaiting redevelopment.

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

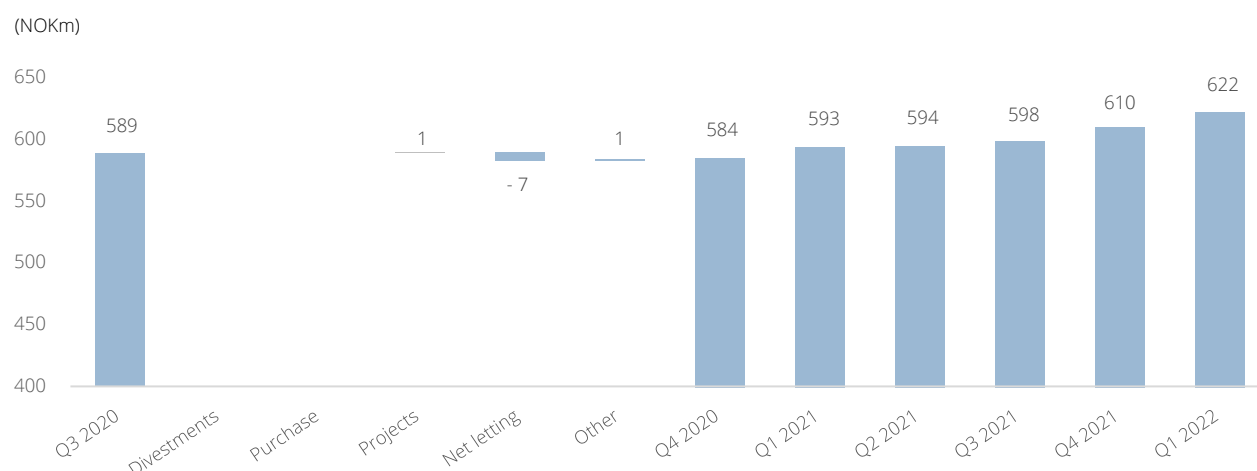


Gross letting, including re-negotiated contracts, was 71 million in the quarter of which 13 million is attributable to letting in the

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 Bjørsvika. 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

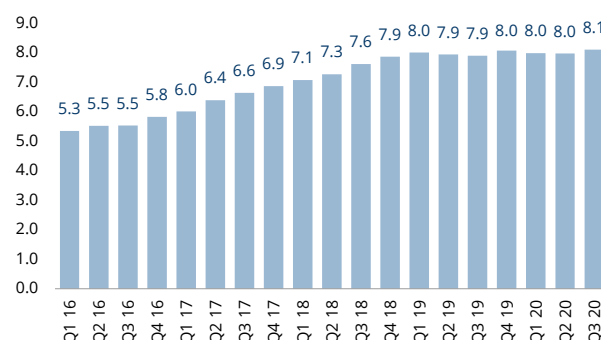
Net realised financials have decreased in the third quarter of 2020 mainly as a result of lower average Nibor interest rates on floating rate debt.

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/Keyzers gate 13.

Net cash flow from financing activities 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 rate¹⁾ 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 (sqm)	Occupancy (%)	Wault (year)	Market value		12 months rolling rent		Net yield ¹ (%)	Market rent	
					(NOKm)	(NOK/sqm)	(NOKm)	(NOK/sqm)		(NOKm)	(NOK/sqm)
Oslo	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

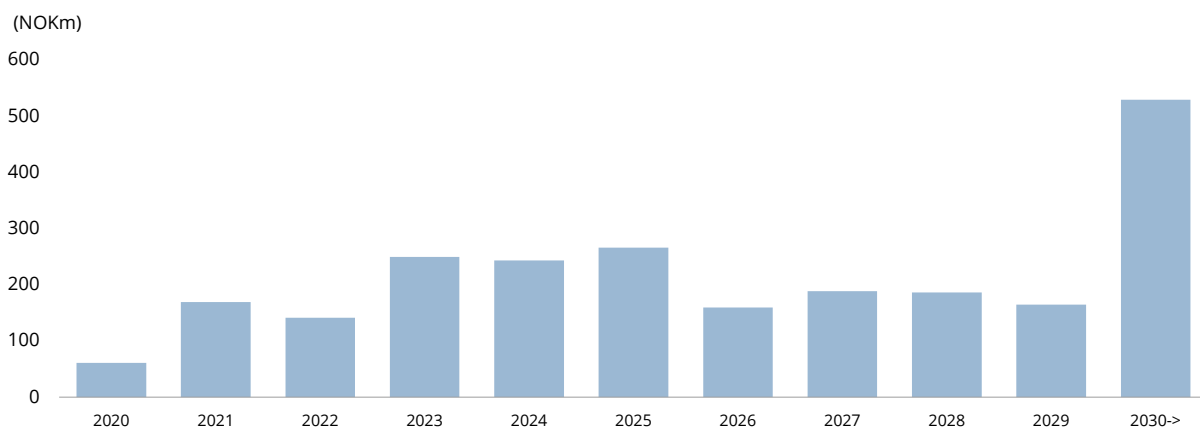
During the third quarter, Entra signed new and renegotiated leases with an annual rent totaling 71 million (31,800 square metres) and received notices of termination on leases with an annual rent of 12 million (6,500 square metres). Net letting was 7 million in the quarter. Net letting is calculated 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
<i>Non-controlling interests</i>	64	-3	16	78				
<i>Entra's share of profit¹⁾</i>					53	-1	0	53
<i>Book value</i>					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

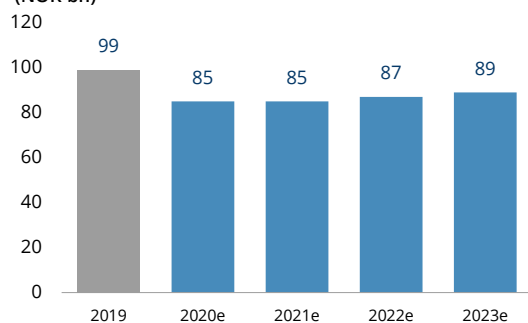
Market development

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

(NOK bn)



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 (Nominee)	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 (sqm)	Occupancy (%)	Wault (year)	Market value		12 months rolling rent		Net yield ¹ (%)	Market rent	
					(NOKm)	(NOK/sqm)	(NOKm)	(NOK/sqm)		(NOKm)	(NOK/sqm)
Oslo	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 (sqm)	Occupancy (%)	Wault (year)	Market value (NOKm) (NOK/sqm)		12 months rolling rent (NOKm) (NOK/sqm)		Net yield (%)	Market rent (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	YTD Q3-20	YTD Q3-20	YTD Q3-20	YTD Q3-19	YTD Q3-19	YTD Q3-19	YTD Q3-19
	IFRS reported	EPRA adjustments	Non- controlling Interests ¹⁾	EPRA Earnings	IFRS reported	EPRA adjustments	Non- controlling Interests ¹⁾	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	30.09.2020	30.09.2020	30.09.2019	31.12.2019
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NRV)	Attributable to shareholders (EPRA NRV)	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	30.09.2020	30.09.2020	30.09.2019	31.12.2019
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NTA)	Attributable to shareholders (EPRA NTA)	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	30.09.2020	30.09.2020	30.09.2019	31.12.2019
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NDV)	Attributable to shareholders (EPRA NDV)	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 INITIAL YIELD

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

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

All amounts in NOK million	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Investment property - wholly owned	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.

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Financial calendar

Fourth quarter 2020	12.02.2021
First quarter 2021	23.04.2021
Second quarter 2021	14.07.2021
Third quarter 2021	19.10.2021
Fourth quarter 2021	11.02.2022



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