

Statement from the Board regarding the voluntary offers for all shares in Entra ASA

Reference is made to the voluntary offer made by Castellum Aktiebolag AB (publ) ("**Castellum**") on 7 January 2021 ("the **Castellum Offer**") and the voluntary offer made by Samhallsbyggnadsbolaget i Norden AB (publ) ("**SBB**") on 21 January 2021 (the "**SBB Offer**"), and together with the Castellum Offer, the "**Offers**") for all shares of Entra ASA ("**Entra**" or the "**Company**").

This statement is made by the Board of Directors (the "**Board**") of Entra as required by the Norwegian Securities Trading Act section 6-16 ref section 6-19. Given the situation with two competing Offers in the market, on different timelines, the Board has found it appropriate to consider both Offers concurrently.

Summary of the Castellum Offer

The terms of the Castellum Offer are set out in the offer document dated 7 January 2021 (the "**Castellum Offer Document**"). Below is a brief summary of the Castellum Offer. Reference is made to the Offer Document and the announcement for the full terms of the Castellum Offer.

The Consideration offered by Castellum consists of 8 newly issued common shares of Castellum ("**Castellum Consideration Shares**") for every 13 Entra shares and NOK 54.39 in cash per Entra share, valuing each Entra share at NOK 183.93 based on the Castellum share price at closing on 28 January 2021, of SEK 202.80 and with a SEK/NOK FX rate of 1.0380 applied as per Norges Bank on 28 January 2021.

Castellum has provided a calculation of estimated synergies from a combination with Entra. Assuming such synergies to be fully deliverable, this could add an additional value of up to NOK 11 per Entra share¹.

Castellum offers shareholders of Entra a mix & match facility whereby each shareholder, subject to the restrictions set out in the Castellum Offer Document, may elect to receive as much cash consideration or as much share consideration as possible for the tendered Entra Shares.

Oslo Børs has on 6 January 2021 announced that the Castellum Consideration Shares has been approved for listing on Oslo Børs on certain conditions. Reference is made to the announcement.

The Castellum Offer period closes on 6 February 2021 (unless extended), and settlement is expected on or about 16 February 2021. The Castellum Offer is subject to fulfilment or waiver by Castellum (in its sole discretion) of certain conditions, including the following main conditions:

- "Minimum Acceptance": valid acceptance of the Castellum Offer to such extent that Castellum becomes the owner of shares representing more than 90% of the issued and outstanding shares and voting rights in Entra on a fully diluted basis (including Entra Shares owned by Castellum).
- "Listing Approval": regulatory approvals, including by the Oslo Stock Exchange, of fulfilment of Listing conditions,

¹ Estimated by Castellum based on the value of annual synergies of SEK 300 million from financing and operating optimization, and assuming the proposed consideration mix of shares and cash.

Please refer to the Castellum Offer Document for further information on the full set of conditions.

Castellum has reported to hold 8.24 % of the outstanding Entra shares. Castellum is not represented on the Board of Entra.

Summary of the SBB Offer

The terms of the SBB Offer are set out in the offer document dated 21 January 2021 (the "**SBB Offer Document**"). Below is a brief summary of the SBB Offer. Reference is made to the SBB Offer Document and the announcement for the full terms of the SBB Offer.

The consideration offered by SBB consists of NOK 123.50 in cash and a number of SBB's Class B common shares (the "**SBB Class B Shares**") that represents a value of NOK 66.50, valuing each Entra share at NOK 190. Please refer to the SBB Offer Document for the characteristic of such shares, hereunder the limitations in shareholders rights attached to the Class B Shares.

The number of SBB Class B Shares that will be delivered will be calculated based on the volume-weighted average share price of the SBB Class B Share during the last three trading days before the SBB Offer is declared unconditional by SBB, and based on the SEK/NOK exchange rate of Norges Bank on the last of these three trading days.

SBB has provided a calculation of estimated synergies from a combination with Entra. Assuming such synergies to be fully deliverable, this could add an additional value of up to NOK 6 per Entra share².

SBB offers shareholders of Entra a mix & match facility whereby each shareholder, subject to the restrictions set out in the SBB Offer Document, may elect to receive as much cash consideration or as much share consideration as possible for the tendered Entra Shares.

SBB reserves the right to not deliver any SBB Class B Shares, and consequently partially or wholly settle the share component in cash at its sole discretion.

The SBB Offer Document indicates that SBB may pursue a secondary listing of the SBB Class B shares on the Oslo Stock Exchange in 2021.

The SBB Offer period closes on 26 February 2021 unless extended, and settlement is expected on or about 9 March 2021. The SBB Offer is subject to fulfilment or waiver by SBB (in its sole discretion) of certain conditions, including the following main condition:

- "Minimum acceptance": The Offer shall on or prior to the expiration of the SBB Offer Period have been validly accepted by the Entra Shareholders representing more than 90% of the issued and outstanding share capital and voting rights of Entra on a Fully Diluted basis, and such acceptances not being subject to any third party consents in respect of pledges or other rights.

Please refer to the SBB Offer Document for further information on the full set of conditions.

SBB has in the SBB Offer Document announced that it holds 1.8 % of the outstanding Entra shares. SBB is not represented on the Board of Entra.

² Based on SBB's annual synergies estimate of SEK 260 million from financing and operating optimization, capitalized with an assumed multiple of 16.5x, and assuming the proposed consideration mix of shares and cash.

The SBB Offer Document informs that SBB is in discussions with an un-named Norwegian institution with real estate exposure. The Board is not aware of any further details with respect to this process.

About Entra

Entra is the largest, and only liquid investment alternative offering investors Oslo-focused, high quality office exposure. Over 70 % of the Company's portfolio by value is located in the Greater Oslo region with prime locations in connection with public transportation hubs. Since Entra was taken public in 2014, the portfolio has been further refined through divestment of NOK 8.3 billion of non-core assets, NOK 8.2 billion on acquisitions and NOK 9.5 billion of project investments which has resulted in an unparalleled portfolio of modern, efficient and large office assets.

The value of Entra's property portfolio as of 31 December 2020 was NOK 56.7 billion. Entra's EPRA NRV is expected to be reported at NOK 189 per share as of 31 December 2020. The net yield on Entra's portfolio is currently estimated to 4.4 %. Entra has a strong balance sheet with a current loan to value of 37 % and Baa1 credit rating with stable outlook from Moody's.

Entra offers investors superior cash flow visibility and quality with approximately 60 % of rental income from public sector tenants with AAA credit rating and with a weighted average unexpired lease term (WAULT) of around seven years. The management portfolio has had a consistently high occupancy rate, currently at 98 %. Entra's operational platform and service organisation has placed the company consistently in the top three in the annual public Norwegian Tenant Index ranking of Norwegian landlords. The Company has proved resilient during Covid-19 with payments in 2020 collected at near normal levels. Entra is exposed to a solid Norwegian economy supported by strong public funding and a property market with low office vacancy rates and expectations for continued rental growth.

Sustainability has been an integrated part of Entra's business model for more than 10 years. Entra is working actively to reduce the CO2 footprint of its property portfolio and has a firm ambition to become a net zero carbon company by 2030. Entra has developed several Powerhouses, office buildings producing more energy than they consume over their life-time. In 2020, the company also redeveloped an office property where more than 80 % of the input factors came from re-used materials. 23 of Entra's properties are BREEAM certified and another 11 properties are in process. Entra has achieved a Green Star rating with a score of 87 on the Global Real Estate Sustainability Benchmark (GRESB) compared to an average score of 70. Entra established its first green bond in 2016 and currently has around 48 % of its debt portfolio in green bonds and bank loans.

Profitable project development has been the Company's major lever for growth, and Entra and its project development organisation has a proven track record of delivering attractive new-build and redevelopments projects. In the period from 2015 to 2020, Entra invested a total of NOK 9.5 billion across 19 projects with an average yield on cost of 6.4 %. The value of these projects upon completion was NOK 12.0 billion, representing an increase of 27 %.

Entra has during the fourth quarter of 2020 started up five new development projects and the portfolio of ongoing projects as of 31 December 2020 consists of 10 properties totalling 152,000 sqm. In addition, Entra has a short-term pipeline of zoned projects totaling 90,000 sqm and a long-term pipeline of 250,000-300,000 sqm. The value potential of these newbuilds and redevelopment projects is only partly reflected in the balance sheet of Entra. The Company has estimated that the additional value potential in unrisks and nominal terms of the ongoing and zoned projects should represent in the order of magnitude of NOK 20 per share, to be gradually realised within the next five to six years. This does not include the value potential in the 250,000-300,000 sqm unzoned, long-term pipeline.

Since the IPO in 2014, Entra has provided its shareholders with an annual total shareholder return of 21 %. Rental income has grown by 6 % p.a. and EPRA NRV per share has grown by 16 % p.a. (18 % if dividends paid in the period are included) per year. Entra pays out 60 % of its cash earnings as semi-

annual dividend. The Board believes that the Company's growth profile in the coming years is attractive and the strong capital structure and balance sheet enables Entra to ramp up growth or to pay out higher dividends to shareholders.

The considerations of the Board

The Board has reviewed the Offers and considered factors that the Board deems material and relevant for the assessment of whether any of the Offers should be accepted by the shareholders of Entra. These factors include, but are not limited to, Entra's current asset base and overall market position, its expected future development given its business plan and thereto related possibilities and risks, as well as evaluation of the relevant merits of the Castellum Offer and the SBB Offer. When comparing the Offers, the Board has inter alia considered short- and long-term value implications, the cash/share component of the offered considerations, and the strategic rationale for and implication of a combination.

The Board has also considered alternative strategic options available to Entra.

In its work the Board has consulted with ABG Sundal Collier ASA as financial advisor and Wikborg Rein Advokatfirma AS as legal advisor.

Both Offers are subject to acceptance by more than 90 % of the shares outstanding. Fastighets AB Balder (publ) ("**Balder**") and Folketrygfondet (the Government Pension Fund Norway), together holding more than 30 % of the outstanding Entra shares, have both publicly communicated that they do not intend to accept either of the Offers. On this basis, none of the offerors can achieve 90% acceptance, and in absence of waiver of this condition, both Offers will lapse.

The Board has, independently of the conditionality of the Offers, performed an analysis of the Offers relative to an independent Entra, the main conclusions of which are the following:

- The values of the Offers (when giving some effect to the synergies communicated by the offerors, most notably for the Castellum Offer, also given its larger share component) are around the same level, and broadly equal to Entra's EPRA NRV ("NAV") as of 31 December 2020, estimated at NOK 189 per share.
- While the Offers in the view of the Board could have been more compelling and with a clearer premium to Entra's underlying value to better motivate a change of control and strategy, the Offers are not clearly inadequate from a financial point of view.

The latter observation notwithstanding, it is the view of the Board that a shareholder with a long term horizon should carefully consider before electing to accept any of the Offers for the following main reasons:

- The Board believes that there is significant value and potential within the Company that is not reflected in the NAV set out above. In view of the Board, the strong market position and attractive development pipeline should make Entra capable of generating a competitive return going forward from the value represented by the Offers.
- The Board believes that the focused strategy of Entra is more appropriate and has more merits than the strategies implied by the combination with either Castellum or SBB - although Castellum's position in the office market is seen as more aligned with Entra's competence and strengths than SBB's concentration on residential and social infrastructure properties.

- The publicly stated rejections of the Offers of both Balder and Folketrygdfondet, are in the view of the Board supporting the Board's perspectives on Entra as an independent company. The Board appreciates that the views and objectives of the two major shareholders are not necessary representative for the interest of all our shareholders.

As for the 90% minimum acceptance condition, the Board notes that there is uncertainty on whether the condition will be waived for any of the Offers. Any acceptance of the Offers is irrevocable for the accepting shareholders. Each offeror may extend the offer period by up to 6 weeks, and acceptances will remain binding during such period. Where the offer condition is not waived, an accepting shareholder hence risks being locked in for up to 10 weeks, and will during such period not be able to sell its shares in the market or to accept an improved offer from another party.

For Entra shareholders with a shorter investment horizon, both the Castellum Offer and the SBB Offer, may represent a fair proposal from a financial point of view. However, a compelling alternative for such shareholders would also be to sell shares in the market during the relevant offer period should the Entra share price remain above the current values of the Offers. In deciding between the two Offers, the shareholders' preference between cash and shares and strategy of the new combined company will be relevant, and the Board will hence not make any definitive recommendation on which of the two Offers would be better. In the absence of a waiver or amendment of the 90% minimum acceptance condition pertaining to both Offers, the Board cautions against the acceptance of such conditional Offers.

Where the 90% minimum acceptance condition is waived and any of the offerors acquire shares tendered under the relevant Offer(s), the ownership structure of Entra may end up as concentrated, with key shareholders potentially having different objectives for their ownership. This may reduce liquidity, complicate governance and may have an adverse effect on valuation. The Board would see such an outcome as not being in the best interest of Entra and its (current) shareholders.

Should it become probable that any of the offerors may be able to acquire a significant ownership in Entra, shareholders not having accepted a relevant offer should be alert to the possibility of such adverse effects on liquidity and share pricing, which may make the acceptance of a relevant offer more attractive. Shareholders should in such a scenario take into consideration that if one of the offerors acquire at least 1/3 of the shares of Entra, a mandatory cash offer will be triggered.

Recommendation

The Board recommends that the Entra shareholders with a long term view on their investment do not accept any of the Offers. The recommendation is based on available information. The Board's conclusion is based on its view of the Company's capability to generate competitive returns in the future, the strategic merit of a focused Entra, and supported by the communicated positions of the Company's two largest shareholders. The Board is strongly committed to continue its work to create further shareholder values in an independent Entra. The recommendation is unanimous.

The Board retains the right to amend, qualify or withdraw its statement with respect to the Offers.

The Board has currently not entered into any restrictive agreements with respect to its possibility to pursue and engage in respect of other strategic opportunities for Entra and its shareholders.

Important information

The analysis and recommendations set out above is, unless otherwise specified, based on the current terms of the Offers.

The Board strongly advises, also given the different nature of the Offers, that each shareholder forms its own view of the merits of the various consideration elements offered by Castellum and SBB in light of each shareholders' investment strategy. Shareholders should be aware that acceptance of any of the Offers is irrevocable and the accepting shareholders shares will in that period be blocked and non-tradeable. This also applies in the event an Offer is amended or extended, and for the full offer period. The Board and management of Entra has not performed any due diligence of SBB and only an initial limited scope due diligence in relation to Castellum.

Shareholders should thus carefully study the Offer Documents and ultimately draw their own conclusions on whether to accept any of the Offers. The Board furthermore recommends shareholders to seek advice from professional advisors with respect to tax consequences and other legal effects of accepting any of the Offers and receiving Consideration Shares in either Castellum or SBB.

The Board emphasises that estimation of underlying values is highly uncertain and sensitive to a number of assumptions, hereunder that the Company will be successful in delivering on its business plan. Short term there is considerable risk that the share price may decline if the Offers are withdrawn or lapse. A more concentrated shareholder structure that may follow from the recent developments around Entra and the Offers, may affect liquidity and index weighting for the Entra share with potential negative implication for future trading price. Also, existing shareholders representing more than 30 % of the shares, will potentially have significant influence over the Company going forward.

Entra shareholders would, through the share component in both Offers, retain a certain exposure to future value creation in both Entra and the buyer. This would include the synergies that have been communicated by both bidders, were such to be realised in whole or in part. The Board recognises that certain synergies, operational and financial, could be available in relation to the Offers, but cannot verify that such synergies can be fully realised.

Given the existence of two competing offers, the absence of any restrictive agreement with any of the offerors, the updated valuation of 9 December 2020 and the analysis done by its financial advisor, the Board has not seen it necessary to obtain an independent "fairness opinion" as recommended by NUES (the Norwegian Corporate Governance Code).

Statement from the employees of Entra

The Board has not received any statements from Entra's employees about the Offer. The employee elected members of the Board has participated in the dealings of the Board and the conclusion referred above.

Shares of the Board and management

No member of the Board or the management of Entra have accepted any of the Offers for their shares.