

Q1

Quarterly Report 2023



Holtermanns veg 1-13, Trondheim



Central, high-quality and environment friendly office properties

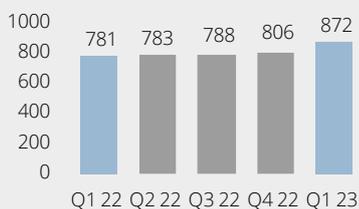
Highlights

- Rental income of 872 million (781 million)
- Net income from property management of 391 million (433 million)
- Net value changes of -451 million (3,146 million)
- Loss before tax of 70 million (profit of 3,583 million)
- Net letting of 5 million (-17 million)
- Divestment of one property

Rental income

+91 mill.

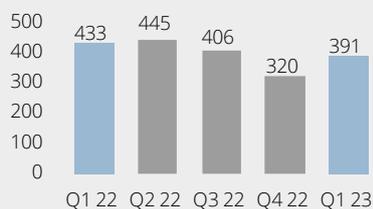
Rental income
(NOKm)



Property management

-42 mill.

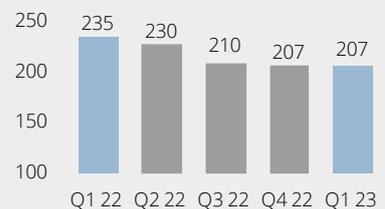
Net income from PM
(NOKm)



EPRA NRV

-12 %

EPRA NRV
(NOK per share)



Key figures

All amounts in NOK million	Q1-23	Q1-22	2022	2021	2020	2019
Rental income	872	781	3 158	2 508	2 353	2 338
Change period-on-period	12 %	32 %	26 %	7 %	1 %	4 %
Net operating income	798	717	2 895	2 274	2 142	2 149
Change period-on-period	11 %	33 %	27 %	6 %	0 %	4 %
Net income from property management ¹⁾	391	433	1 603	1 534	1 451	1 471
Change period-on-period	-10 %	17 %	5 %	6 %	-1 %	3 %
Net value changes ¹⁾	-451	3 146	-2 046	5 264	5 705	1 955
Change period-on-period	-114 %	257 %	-139 %	-8 %	192 %	32 %
Profit/loss before tax	-70	3 583	-467	6 825	7 274	3 735
Change period-on-period	-102 %	178 %	-107 %	-6 %	95 %	22 %
Profit/loss after tax	-53	2 814	-569	5 373	5 696	3 225
Change period-on-period	-102 %	175 %	-111 %	-6 %	77 %	18 %
Market value of the property portfolio ¹⁾	78 353	82 646	78 571	67 547	56 746	48 964
Net nominal interest-bearing debt ¹⁾	40 414	39 269	40 578	26 594	20 930	19 585
EPRA LTV ¹⁾	52.8 %	48.6 %	52.8 %	40.6 %	37.0 %	40.2 %
Effective leverage ¹⁾	49.9 %	46.1 %	50.1 %	38.4 %	36.4 %	39.6 %
Interest coverage ratio – last 12 months ¹⁾	2.24	3.53	2.48	3.68	3.50	3.35
Average outstanding shares (million)	182.1	182.1	182.1	182.1	182.1	182.4
All amounts in NOK per share	Q1-23	Q1-22	2022	2021	2020	2019
EPRA NRV ¹⁾	207	235	207	218	189	154
Change period-on-period	-12 %	21 %	-5 %	15 %	23 %	7 %
EPRA NTA ¹⁾	204	233	205	216	187	153
Change period-on-period	-12 %	21 %	-5 %	15 %	23 %	8 %
EPRA Earnings ¹⁾	1.57	1.75	6.45	6.07	5.73	5.81
Change period-on-period	-10 %	20 %	6 %	6 %	-1 %	4 %
Cash Earnings ¹⁾	2.13	2.35	8.63	8.32	7.83	8.01
Change period-on-period	-10 %	17 %	4 %	6 %	-2 %	3 %
Dividend ²⁾	0.00	0.00	5.10	5.10	4.90	4.70
Change period-on-period	0 %	0 %	0 %	4 %	4 %	4 %

Reference

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

²⁾ Entra has a policy of semi-annual dividends. Dividend for 2022 constitute dividend approved and paid for the first half of 2022 and proposed dividend for the second half of 2022.

Financial development

Results

Rental income

Rental income was up 12 per cent from 781 million in Q1 2022 to 872 million in Q1 2023. The changes in rental income are explained by the factors in the income bridge below.

All amounts in NOK million	Q1-22	Q1-23
Rental income previous period	781	
Finalised development projects	49	
Vacated properties for redevelopment	-10	
Acquisitions	18	
Divestments	-19	
CPI growth	41	
Like-for-like growth above CPI	2	
Other	11	
Rental income	872	

Net contribution from development projects was 39 million compared to the same quarter last year. During the last 12 months, Entra has finalised several redevelopment and newbuild projects, contributing a total of 49 million on rental income compared to last year. During the same period Entra has vacated Nedre Vollgate 11 in Oslo and Brattørkaia 13B in Trondheim for redevelopment and has thus reduced the rental income by 10 million in the quarter.

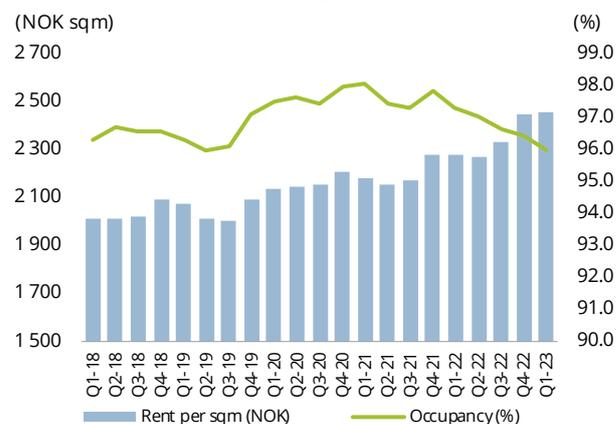
The acquisition of the Oslo Areal portfolio in January 2022 contributed with 18 million in the quarter compared to the same quarter last year. In the same period, the divestment of Karenslyst allé 8 A and B in Oslo, Borkenveien 1-3 in Sandvika, the Hinna Park portfolio in Stavanger and Konggata 51 and Grønland 32 in Drammen reduced rental income in the quarter by 19 million.

Compared to Q1 last year, rental income has been positively affected by an underlying like-for-like growth of 6.7 per cent (43 million), of which the CPI adjustment was 6.5 per cent (41 million). Near all of Entra's lease contracts are 100 per cent linked to positive changes in CPI. The annual adjustment is mostly made on a November to November basis, effective 1 January the following year.

Other effects in the quarter of 11 million is mainly related to three lease buyout agreements with a positive one-off effect of 12 million compared to the same quarter last year.

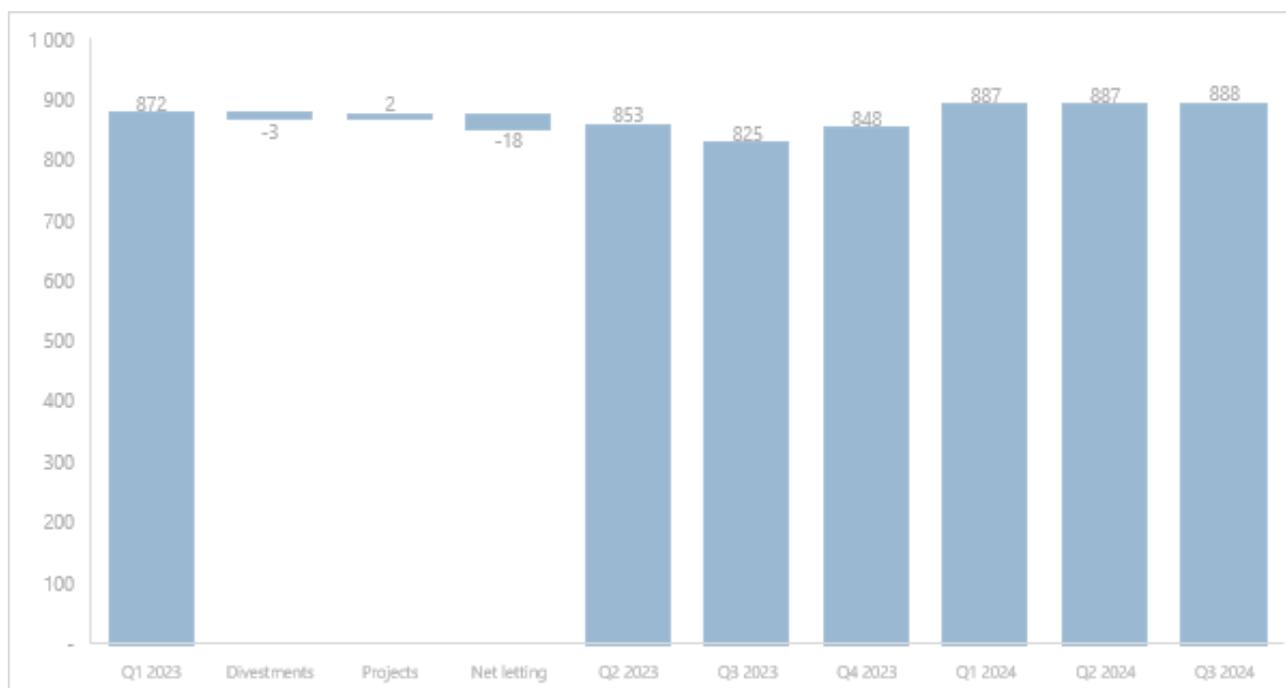
Average 12 months rolling rent per square meter was 2,454 (2,284) as of 31.03.23. The increase in 12 months rolling rent over the last four quarters is mainly a result of acquisitions and finalised projects with higher income per sqm.

RENT (12M ROLLING) PER SQM AND OCCUPANCY RATE



Compared to the same quarter last year, the occupancy rate went down by 130 basis points to 96.0 per cent (97.3 per cent as of 31.03.22). The market rental income assessment of vacant space as of 31.03.23 was estimated to 147 million on an annualised basis.

RENTAL INCOME DEVELOPMENT



The graph above shows the estimated development of contracted rental income based on all reported events, including income effect from acquisitions and divestments, development projects, net letting based on new and terminated contracts in the management portfolio, and other effects such as estimated CPI adjustments. CPI adjustment with effect for 2024 is estimated to 4.5 per cent. The graph does not reflect any letting targets on the vacant areas in the portfolio or on contracts that will expire, 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. There is upside in the above graph with regards to letting of vacant space and potential rent uplift on a relatively large share of tenant renegotiations in 2023, but also a possible downside of up to 50 million in rental income for 2023 compared to the graph above if these leases are not renewed.

Operating costs

Total operating costs amounted to 74 million (64 million) in the quarter, and is split as follows:

All amounts in NOK million	Q1-23	Q1-22
Maintenance	4	5
Tax, leasehold, insurance	19	17
Letting and prop. adm.	29	25
Direct property costs	22	16
Operating costs	74	64

The increase in direct property costs is mainly driven by increased vacancy and higher energy prices. For areas occupied by tenants, the tenants are paying the full energy costs.

Net operating income

As a consequence of the effects explained above, net operating income came in at 798 million (717 million) in the quarter.

Other revenues and other costs

Other revenues were 18 million (20 million) in the quarter, and other costs were 12 million (19 million). Other revenue and other costs mainly consists of additional services provided to tenants and income and costs related to inventory properties (properties in the Bryn portfolio which will be zoned for residential development and subsequently sold to a third party at a predetermined price).

Administrative costs

Administrative costs amounted to 48 million (65 million) in the quarter. The decrease is mainly driven by one-off costs in the first quarter of 2022 following the acquisition of Oslo Areal.

Share of profit from associates and JVs

All amounts in NOK million	Q1-23	Q1-22
Income from property management	2	-6
Other income and costs	3	-1
Changes in market value	-11	7
Tax	-1	0
Share of profit from associates and JVs	-7	-1

Share of profit from associates and JVs in the quarter is negative in the quarter, mainly due to a negative value change in Galleri Oslo Invest, partly offset by positive operating results. See the section Partly owned companies for a detailed breakdown of the results from associates and JVs.

Net realised financials

All amounts in NOK million	Q1-23	Q1-22
Interest and other finance income	10	2
Interest and other finance expense	-376	-217
Net realised financials	-366	-215

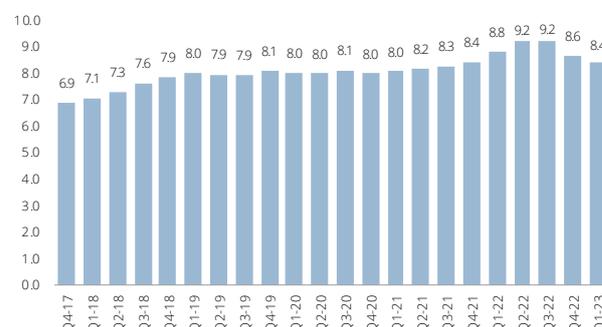
Net realised financials have increased since the first quarter last year due to a combination of higher Nibor interest rates on floating rate debt and higher interest-bearing debt. The increase in interest-bearing debt is mainly driven by the acquisition of the Oslo Areal portfolio that was completed in January 2022.

Net income and net income from property management

Net income came in at 382 million (438 million) in the quarter. When including only the profit from property management in the results from associates and JVs, Net income from property management for the Group was 391 million (433 million). 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 -451 million (3,146 million) in the quarter.

The quarterly valuation of the property portfolio by two external appraisers, resulted in negative changes in value of investment properties of 421 million (positive 2,837 million). The negative value change is predominantly due to an adjustment of the appraisers' estimated required rate of return, with some offsetting effects on the value changes from other factors such as market rent expectations, reduced risk in the project portfolio and letting effects.

Changes in value of financial instruments were -30 million (309 million) in the quarter, mainly explained by lower interest rates.

Tax

Tax payable of 3 million (4 million) in the quarter is related to the partly owned entity Papirbredden in Drammen. The change in deferred tax was 21 million (-765 million).

Profit/loss

Loss before tax was 70 million (profit of 3,583 million) in the quarter, mainly due to the changes in value of investment properties more than off-setting the healthy operating performance. Loss after tax was 53 million (profit of 2,814 million), which also equals the comprehensive income for the period.

EPRA Earnings

EPRA Earnings amounted to 285 million (318 million) in the quarter.

Balance sheet

The Group's assets amounted to 81,761 million (85,891 million) as of 31.03.23. Of this, investment properties, including investment properties held for sale, amounted to 78,414 million (82,713 million).

Long-term receivables and other assets, including other operating assets, which until 2023 was presented as a separate line item, increased to 665 million (650 million) at the end of the quarter.

Inventory properties of 475 million (472 million) at the end of the quarter relates to the properties expected to be zoned for residential development at Bryn in Oslo, and subsequently sold to a third party at a predetermined price.

Borrowings were 40,338 million (39,113 million) as of 31.03.23, of which 21,589 million were bank financing, 17,849 million were bonds outstanding and 900 million were commercial papers.

Book equity totalled 31,612 million (36,058 million) at 31.03.23. EPRA NRV per share was 207 (235) and EPRA NTA 204 (233).

Cash flow statement

Net cash flows from operating activities came in at 359 million (465 million) in the quarter. The decrease mainly relates to lower net income from property management and working capital movements.

The net cash flows from investment activities were -70 million (-13,139 million) in the quarter. Proceeds from property transactions of 312 million (1,120 million) in the quarter is related to the divestment of Grønland 32. The cash effect from

investment in and upgrading of investment properties was -395 million (-768 million).

Net cash flows from financing activities were -195 million (12,533 million) in the quarter. During the quarter, Entra had a net decrease in bank financing of 826 million, partly offset by a net increase in bond and commercial paper financing of 552 million and 80 million, respectively.

The net change in cash and cash equivalents was 94 million (-140 million) in the quarter.

Financing

In the quarter, Entra re-opened three green bond loans with total nominal value of 1,100 million. The bond loans were issued below par value, with proceeds from the issues of 997 million. In addition, Entra issued commercial paper loans of 1,200 million.

As of 31.03.23, net nominal interest-bearing debt after deduction of liquid assets of 319 million (168 million) was 40,414 million (39,269 million).

Effective leverage as of 31.03.23 was 49.9 per cent (46.1 per cent) and EPRA LTV was 52.8 per cent (48.2 per cent).

The average remaining term for the Group's debt portfolio was 4.1 years at 31.03.23 (4.5 years as of 31.03.22 and 4.3 years as of 31.12.22). The calculation takes into account that available long-term credit facilities can replace short-term debt.

Entra's financing is mainly based on negative pledge of the Group's assets, which enables a broad and flexible financing mix. As of 31.03.23, approximately 87 per cent of the Group's assets were non-pledged, and 47 per cent (53 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)	900	0	0	0	0	900	2
Bonds (NOKm)	2 078	0	1 600	4 029	10 509	18 216	45
Bank loans (NOKm)	640	5 757	7 560	6 660	1 000	21 617	53
Total (NOKm)	3 618	5 757	9 160	10 689	11 509	40 733	100

Unutilised credit facilities (NOKm)	360	0	940	5 980	0	7 280
Unutilised credit facilities (%)	5	0	13	82	0	100

Financing status, policy and financial covenants

All amounts in NOK millions	31.03.2023	Internal finance policy	Financial covenant
EPRA LTV (Loan-to-value)	52.8 %	Below 50 per cent over time	Below 75 per cent
Interest coverage ratio (ICR) – last 12 months ¹⁾	2.24x	Min. 1.80x	Min. 1.40x
Debt maturities <12 months	9 %	Max 30 %	N/A
Maturity of hedges <12 months	49 %	Max 60 %	N/A
Average time to maturity of interest rate hedge portfolio	4.6 years	N/A	N/A
Average interest rate hedge maturity of the Group's debt portfolio	2.6 years	2-6 years	N/A
Back-stop of short-term interest-bearing debt	201 %	Min. 100 %	N/A
Average time to maturity (debt)	4.1 years	Min. 3 years	N/A

¹⁾ From Q4 2022, Entra reports ICR for last 12 months in line with the Group's financial covenants. Refer to section "Alternative performance measures" for the calculation.

Interest rates and maturity structure

The average nominal interest rate¹⁾ of the debt portfolio was 3.59 per cent (2.28 per cent) as at 31.03.23. The change in average interest rate mainly stems from higher market interest rates. The average nominal interest rate as of 31.03.23 is lower compared to 31.12.22 (3.70 per cent) mainly due to the effect of forward starting fixed rate swaps becoming ordinary payer swaps during the quarter. The average effective interest rate of the debt portfolio was 3.74 per cent as of 31.03.23. The effective interest rate is higher than the nominal interest rate mainly due to bond issuances below par value.

As of 31.03.23, Entra's portfolio of fixed interest rate hedges had a total volume of 22,709 million (21,616 million) and an average term to maturity of 4.6 years (5.1 years). 51 per cent

(46 per cent) of the Group's debt financing was hedged at a fixed interest rate as at 31.03.23.

As of 31.03.23, credit margins for the debt portfolio had an weighted average fixed term of 2.3 years (2.7 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	620	2.36	1 400	2.19	5.8	14 975	1.16
1-2 years	2 300	2.75	1 400	2.51	7.0	0	0.00
2-3 years	3 700	2.08				6 600	1.04
3-4 years	4 089	1.94				7 649	0.73
4-5 years	2 200	2.23				594	0.93
5-6 years	1 000	0.92				2 000	0.84
6-7 years	4 300	1.69				5 100	0.55
7-8 years	500	4.85				3 315	0.50
8-9 years	1 200	2.80				500	0.85
9-10 years	0	0.00				0	0.00
>10 years	0	0.00				0	0.00
Total	19 909	2.12	2 800	2.35	6.4	40 733	0.91

¹⁾ Average floating interest rate (Nibor) is 3.22 per cent as of 31.03.23. It is impacted by Nibor interest rate fixings, both in terms of duration and fixing 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 90 properties with a total area of approximately 1.4 million square meters. As of 31.03.23, the management portfolio had a market value of 73.4 billion. The occupancy rate was 96.0 per cent (97.3 per cent). The weighted average lease term for the Group's leases was 6.1 years (6.4 years) for the management portfolio and 6.3 years (6.6 years) when the project portfolio is included. For the management portfolio, the public sector represents approximately 57 per cent (55 per cent) of the total rental income. The entire property portfolio consists of 102 properties with a market value of 78.4 billion.

All of Entra's properties have in the first quarter been valued by two external appraisers: Newsec and Cushman & Wakefield Realkapital. 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 required rate of return 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 and development sites are valued based on the same principles, but with deduction for remaining investments and perceived risk as of valuation date. Unzoned land is valued based on the appraisers' assumptions on the market value of the land using the best estimate on the zoning and development process.

Year-on-year, the portfolio net yield has increased from 3.88 per cent to 4.32 per cent. From 31 December 2022, the net yield increased by 2 basis points from 4.30. 12 months rolling rent per square meter increased from 2,284 to 2,454, mainly driven by CPI growth, acquisitions and projects that are finalised in Central Oslo.

The market rent per square meter has increased by 7.0 per cent from the first quarter of 2022, from 2,477 to 2,652.

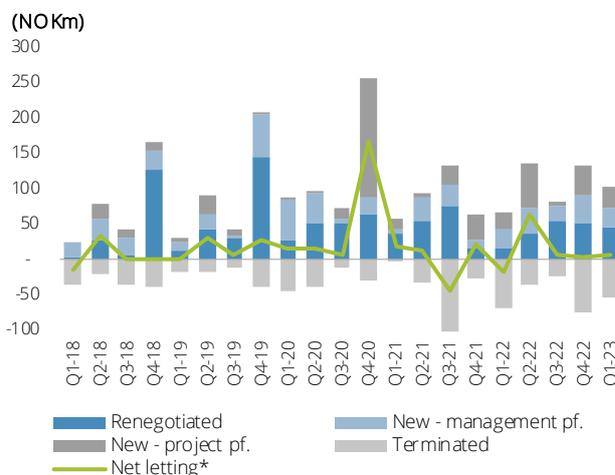
	Properties (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value (NOKm)		12 months rolling rent (NOK/sqm)		Net yield ¹⁾ (%)	Market rent (NOK/sqm)	
Oslo	52	846 397	95.5	6.2	52 398	61 907	2 269	2 681	4.03	2 515	2 971
Bergen	10	141 896	95.1	4.9	6 916	48 740	335	2 361	4.43	382	2 692
Trondheim	10	152 175	98.1	5.3	5 613	36 882	323	2 125	5.31	315	2 068
Sandvika	10	132 785	97.3	6.0	4 591	34 575	264	1 985	5.44	253	1 904
Drammen	6	61 293	98.5	9.1	2 289	37 341	124	2 023	5.05	118	1 920
Stavanger	2	54 216	99.4	7.4	1 562	28 814	93	1 721	5.42	102	1 872
Management portfolio	90	1 388 761	96.0	6.1	73 369	52 830	3 409	2 454	4.32	3 683	2 652
Project portfolio	9	112 783		10.4	4 429	39 271					
Development sites	3	89 587		0.5	556	6 201					
Property portfolio	102	1 591 132		6.3	78 353	49 244					

¹⁾ See the section "Definitions". The calculation of net yield is based on the appraisers' assumption of ownership costs, which at 31.03.23 is 6.6 per cent of market rent.

Letting activity

During the first quarter, Entra signed new and renegotiated leases with an annual rent totaling 103 million (38,900 sqm), of which 32 million is attributable to the project portfolio. Lease contracts with an annual rent of 54 million (23,600 square meters) were terminated in the quarter. Net letting came in at 5 million (-17 million) in the quarter.

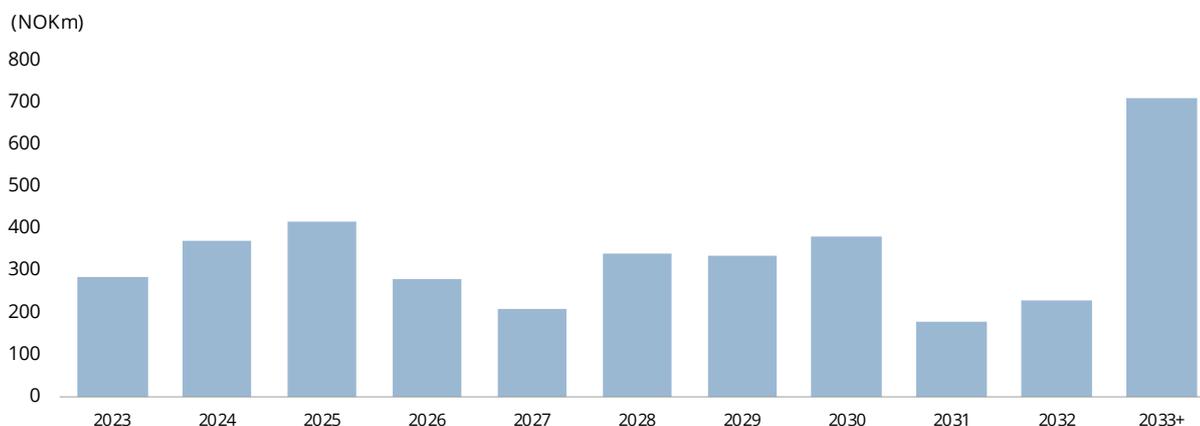
Net letting is calculated as the annualised rent of new lease contracts plus lease-up on renegotiated contracts less terminated contracts. The timing difference between net letting in the management portfolio in the quarter and its effect on the financial results is normally 6-12 months, while new contracts signed in the project portfolio tend to have an even later impact on the results. Reference is made to the project development section for further information regarding project completion.



Significant lease contracts in the quarter

- Renegotiated 10-year contract with The Norwegian Directorate for Education and Training for 5,630 sqm in Schweigaards gate 15B in Oslo
- New 3-year contract with Trondheim Torg for 5,500 sqm in Holtermanns veg 1-13 phase 2 in Trondheim
- Renegotiated 10-year contract with Municipality of Oslo for 3,800 sqm in Storgata 51 in Oslo
- New 25-year contract with Norges Realfagsgymnas for 2,750 sqm in Malmskriverveien 16 in Sandvika
- New 3-year contract with Trondheim Torg for 2,500 sqm in Prinsens gate 1 in Trondheim
- New 3-year contract with Trondheim Torg for 2,400 sqm in Kongens gate 87 in Trondheim
- New 8-year contract with Viken Fiber for 2,000 sqm in Grønland 53 in Drammen

MATURITY PROFILE:



Investments and divestments

Entra has invested a total of 531 million (14,172 million) in the portfolio of investment properties in the first quarter. The decomposition of the investments is as follows:

All amounts in NOK million	Q1-23	Q1-22	2022
Acquisitions	-	13 514	13 531
Developments	458	599	2 384
- <i>Newbuild projects</i>	-5	202	663
- <i>Redevelopment projects¹⁾</i>	414	343	1 400
- <i>Refurbishment¹⁾</i>	48	53	322
Investment properties	56	51	179
- <i>No incremental lettable space and tenant incentives</i>	32	39	143
- <i>Other material non-allocated types of expenditure</i>	24	13	36
Capitalised interest	18	8	59
Total Capital Expenditure	531	14 172	16 153
Conversion from accrual to cash basis	-134	349	61
Total Capital Expenditure on cash basis	397	14 520	16 214

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

Project development

The portfolio of ongoing projects with a total investment exceeding 100 million is presented below.

	Location	BREEAM-NOR/ BREEAM In-Use	Completion	Project area (sqm)	Occupancy (%)	Total project cost ¹⁾ (NOKm)	Of which accrued ²⁾ (NOKm)	Yield on cost ³⁾ (%)
Redevelopment								
Stenersgata 1	Oslo	Very good	Q3-23	15 800	79	1 316	1 132	4.50
Schweigaards gate 15	Oslo	Very good	Q2-23 / Q1-24	22 900	83	1 422	1 170	4.80
Kongens gate 87	Trondheim	Excellent	Q2-23	7 100	86	261	234	5.60
Newbuild								
Holtermanns veg 1-13 phase 2	Trondheim	Excellent	Q2-23	20 900	67	703	635	5.80
Refurbishment								
Vahls gate 1-3	Oslo	Excellent	Q2-23	14 900	100	743	695	4.40
Brattørkaia 13B	Trondheim	Excellent	Q2-23	6 000	97	248	177	5.01
Total				87 600	82³⁾	4 693	4 043	

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

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

³⁾Weighted average occupancy of the project portfolio

Status ongoing projects

Entra is redeveloping 15,800 sqm in Stenersgata 1 in Oslo. This is the first phase of a redevelopment project comprising the office spaces. The project is 79 per cent pre-let and will be finalised in Q3 2023.

Schweigaards gate 15 is a 22,900 sqm office building located near Oslo Central Station. The first part of the redevelopment is estimated for completion in Q2 2023 and the second part in Q1 2024. The project is 83 per cent pre-let.

In Trondheim, Entra is redeveloping Kongens gate 87 for completion in Q2 2023. The property is 7,100 sqm and is 86 per cent pre-let.

In Holtermanns veg 1-13 in Trondheim, Entra is constructing a 20,900 sqm office building. This is the second of three planned buildings totaling 48,000 sqm and is 61 per cent pre-let. Expected completion is in Q2 2023.

In Vahls gate 1-3 nearby Oslo Central Station, Entra is refurbishing a 14,900 sqm office building. The refurbishment is estimated for completion in Q2 2023. The project is 100 per cent pre-let.

In Trondheim, Entra is also redeveloping Brattørkaia 13B. The property is 6,000 sqm, 97 per cent pre-let, and is estimated for completion in Q2 2023.

Transactions

Entra will continue to optimise its high-quality management and project portfolio through asset rotation to strengthen the balance sheet, and with strong focus on capital discipline and capital allocation. 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.

Entra actively seeks to improve the quality of its property portfolio and focuses on selected properties and urban

development projects in specific areas within its three core markets: Oslo and the surrounding region, Bergen, and Trondheim. Targeted locations include both areas in the city centers and selected clusters on public transportation hubs outside the city centers, allowing Entra to offer rental opportunities at a price range that fits its customer base. Entra's experience, financial strength and knowledge of its tenants makes the company well positioned to make acquisitions that meets these criteria.

Transactions 2022–2023

Acquired properties	Area	Transaction quarter	No of sqm	Transaction value (NOKm)	Closing quarter
Oslo Areal portfolio	Oslo	Q4 2021	225 100	13 550	Q1 2022
Total			225 100	13 550	

Divested properties	Area	Transaction quarter	No of sqm	Transaction value (NOKm)	Closing quarter
Borkenveien 1-3	Sandvika	Q3 2021	6 670	87	Q2 2022
Hinna Park Eiendom	Stavanger	Q1 2022	116 000	1 297	Q1 2022
Karenslyst allé 8 A and B	Oslo	Q4 2022	8 600	530	Q4 2022
Konggata 51	Drammen	Q4 2022	3 600	130	Q4 2022
Sørkedalsveien 6	Oslo	Q4 2022	21 850	1 230	Q2 2023
Grønland 32	Drammen	Q1 2023	7 400	335	Q1 2023
Total			164 120	3 609	

Partly owned companies

Papirbredden Eiendom (60 %)

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

Entra OPF Utvikling (50 %)

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

Oslo S Utvikling "OSU" (50 %)

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

Rebel U2 (50 %)

Rebel U2 is the operator of the technology hub in Universitetsgata 2 in Oslo. The company offers full-service solutions, flexible and short-term leases, co-working facilities as well as conference and event activity.

Galleri Oslo Invest (33.3 %)

Galleri Oslo Invest is a joint venture with the two other owners of the property Schweigaards gate 6-14 in Oslo ("Galleri Oslo"). The company owns and manages 10.6 per cent of Galleri Oslo.

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

All amounts in NOK million	Papirbredden Eiendom	Entra OPF Utvikling	Total consolidated companies	Oslo S Utvikling	Galleri Oslo Invest	Rebel U2	Other	Total associated companies & JVs
Share of ownership (%)	60	50		50	33	50		
Revenue	31	39	69	668	2	36	0	707
Net income	20	35	55	11	2	-4	7	16
Net value changes	-20	-41	-61	0	-34	0	0	-34
Profit before tax	0	-6	-6	11	-32	-4	7	-17
Tax	0	1	1	-3	0	1	-1	-3
Profit for the period	0	-5	-5	8	-32	-3	7	-20
<i>Non-controlling interests</i>	0	-2	-2					
<i>Entra's share of profit ^{1) 2)}</i>				2	-11	-1	3	-7
<i>Book value</i>				703	146	0	36	885

¹⁾ Recognised as Share of profit from associates and JVs

²⁾ Entra's share of profit of OSU is in Q1-23 adjusted for realisation of excess value of 2 million

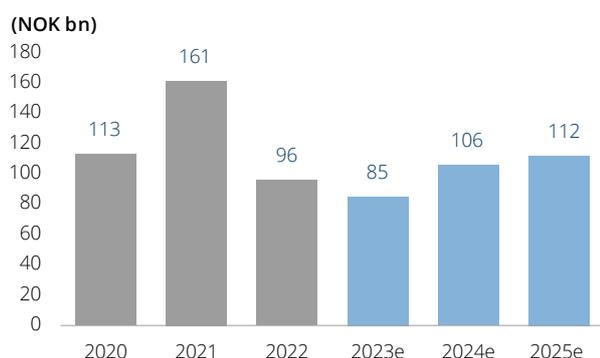
Market development

The current market volatility caused by high inflation and increasing interest rates have slowed down the activity in the property transaction market and put upward pressure on yields. In Q1 2023, the total transaction volume for commercial real estate in Norway was down to around 11 billion compared to 34 billion in Q1 2022. The activity is expected to pick up again in the second half of 2023 as buyers and sellers get more aligned on price levels, also assuming financing become more available and attractive. The underlying interest for centrally located office properties particularly with value-add potential remains intact, and there are indications that foreign investors again are more active in the Norwegian property market. Prime yield in Oslo is currently at around 4 per cent and is expected to reach a top of around 4.2 per cent in 2023, according to Entra's Consensus Report.

The new-build volume in Oslo has been and is expected to continue to be limited going forward. The significant increase in construction costs creates a temporary imbalance in return calculations, and new-build projects continue to be postponed.

Year-on-year growth in the November CPI, used to adjust most of Entra's leases in the following year, came in at 5.1 per cent in 2021 and 6.5 per cent in 2022.

Transaction volume Norway



Source: Entra Consensus report, Q1 2023

Market data Oslo

	2020	2021	2022	2023e	2024e	2025e
Vacancy Oslo, incl. Fornebu and Lysaker (%)	6.8	6.8	5.5	5.8	6.0	6.5
Rent per sqm, high standard Oslo office	3 544	3 600	3 995	4 145	4 218	4 282
Prime yield (%)	3.3	3.3	3.9	4.2	4.1	4.1

Source: Entra Consensus report, Q1 2023

The activity level in the Oslo letting market has been strong, and there has been a broad and robust growth in market rents over the last years. Particularly so in 2022 where market rents were up by more than 10 per cent. According to Entra's Consensus Report, office vacancy in Oslo is expected to increase slightly in the coming years, although from low levels. The combination of low vacancy and low new build volumes give room for continued market rental growth in the years to come although at a slower pace than seen over the last years.

In Bergen, the overall office vacancy is currently around eight per cent and six per cent in the city centre. The activity level in the letting market is high, and there is limited supply and solid demand for modern premises in the city centre.

The Trondheim office market has seen a strong development in recent years. Overall vacancy in Trondheim is now at record low levels below five per cent. Rent levels in Central Trondheim increased by 10-20 per cent in 2022 depending on location and asset quality.

ESG Metrics

It is of key strategic importance to operate our business in a sustainable manner, and it is a prerequisite for the company's long-term results and value creation. Entra has a systematic approach towards understanding and managing the company's impact on the environment and on society, as well as stakeholder requirements and expectations. The below table outlines selected figures and performance indicators in this respect. For further information on Entra's ESG work and performance, reference is made to the annual report for 2022. Please note that several operational ESG metrics in 2020 and 2021 were impacted by Covid-19.

	Q1 2023	2022	2021	2020	2019
Resource efficiency in property management portfolio					
Energy consumption (kWh/sqm/L12M)	126	126	131	123	136
Change in energy consumption year on year, like for like	-0.2 %	-1 %	5.6 %	-10.1 %	-2.8 %
Energy consumption – temperature adjusted (kWh/sqm/L12M)	121	121	123	118	135
Fossil free energy in property management portfolio					
Share of produced green energy in % of energy consumption	1.2 %	1.3 %	1.5 %	1.4 %	0.9 %
Waste management					
Waste in property management (kg/sqm/L12M)	3.1	3.2	2.5	2.7	3.6
Waste sorting in % property management	68 %	70 %	69 %	71 %	65 %
Waste sorting in % in project development portfolio	95 %	94 %	95 %	92 %	94 %
Water management					
Water consumption (m ³ /sqm/L12M)	0.2	0.2	0.2	0.2	0.3
BREEAM NOR/BREEAM-In-Use certification of property portfolio¹⁾					
Certified properties, % of sqm	51 %	60 %	51 %	51 %	29 %
Certified properties, number of properties	39	39	28	24	18
Certified properties, % of rental income	57 %	56 %	60 %	54 %	35 %
Certified properties, % of property values	60 %	58 %	53 %	52 %	38 %
ESG BENCHMARKS					
GRESB points / stars awarded (out of 5 possible)		90	92/5	87/5	84/4
EPRA Sustainability Benchmark		GOLD	GOLD	GOLD	GOLD
Environment Lighthouse award ("Miljøfyrtårn")		Yes	Yes	Yes	Yes
MSCI ESG Rating		AAA	AAA	NA	NA
EU Taxonomy eligible	100 %	100 %			
Share of green financing (green bonds or bank loans)	48 %	45 %	69 %	48 %	32 %
Social					
Number of full-time employees	205	208	174	186	174
Diversity (% women/men)	35/65	36/64	37/63	38/62	38/62
Sick leave (% of total days L12M)	2.7 %	2.9 %	2.6 %	3.1 %	2.6 %
Injuries with long term absence ongoing projects	0	5	1	0	0
Accidents with lost time ongoing projects (per mill. hrs. L12M)	7.4	4.9	8.1	4.7	2.0

Other information

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 14 April 2023, Entra had 5,236 shareholders. Norwegian investors held approximately 13 per cent of the share capital.

As of 14 April 2023, Fastighets AB Balder held shares, in its own name and through nominees, equaling 39.9 per cent of the shares in Entra ASA and thus had negative control. Castellum AB held shares equaling 33.3 per cent of the shares in Entra.

The 10 largest shareholders (of which most are nominee accounts) as registered in Euronext VPS on 14 April 2023 were:

Shareholder	% holding
Castellum AB	33.3%
Fastighets AB Balder	27.5%
Skandinaviska Enskilda Banken (Nominee)	6.9%
Skandinaviska Enskilda Banken	1.6%
Danske Bank (Nominee)	1.4%
SEB CMU / Secfin pooled account	1.4%
State Street Bank and Trust (Nominee)	1.2%
Goldman Sachs International (Nominee)	1.1%
Danske Invest Norske	0.9%
The Bank of New York Mellon (Nominee)	0.8%
SUM 10 LARGEST SHAREHOLDERS	76.0%

Events after the balance sheet date

The Board has proposed that the annual general meeting (AGM) to be held today approves the distribution of a dividend of NOK 2.50 per share for the second half of 2022. The Board has also proposed that the AGM grants the Board an authorisation to resolve distribution of dividends for the first half of 2023, in accordance with the dividend policy.

Considering the current market situation, the Board wishes to signal that the Board's decision will be affected by the future development in the financing and property market, and that such decision may be to retain up to 100 % of the cash flow in order to strengthen the company's balance sheet. Such decision will be made in October 2023.

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 organisation. Each risk factor is described and presented with the possible negative outcome given an increased probability of a situation to occur. Entra's main risk factors consist of both financial and non-financial risk. A thorough description and analysis is included on pages 28-39 in the 2022 annual report.

Outlook

Russia's invasion of Ukraine and the following geopolitical uncertainty has added momentum to already high inflation levels. Central banks, trying to mitigate the inflation, hiked key policy rates, and higher interest rates are making an impact on the economies. Whilst it still is difficult to make meaningful assessments of the actual impact on the global economy, higher global demand for energy has provided, and is expected to continue to provide, further stimulus to an already strong Norwegian, energy-producing economy. The uniquely strong fiscal position of Norway, with an all-time high sovereign wealth fund, continues to smooth business cycles and improve the performance of the Norwegian economy, thus Norway still stands out on a significantly more positive tangent than almost all other countries.

Both Norwegian market data and Entra's experience suggest only marginal impact from Covid-19 on demand for office space. Norwegian employers are seeking attractive, central locations and reshaping offices to become more inviting social spaces that encourage face-to-face collaboration, creativity, and serendipitous interactions, which will benefit office property owners like Entra.

The demand for offices particularly in Oslo is still strong, driven by a combination of positive employment growth and limited supply of new office capacity, the latter following limited start of new office projects during the last two-three years. Entra is thus well positioned in a solid Norwegian economy and a property market with low office vacancy rates and expectations for continued rental growth. And, as proven during the pandemic, Entra's high quality tenants provide a stable and solid fundament for the company's future revenues and cash flow.

Interest rates and credit margins have during the last year moved sharply upwards, which impacts capital intensive industries like the real estate industry. Real estate companies with relatively short debt maturities, high volumes of debt maturing in the near future, exotic debt structures and higher gearing are particularly impacted both in terms of availability of funding and increased cost of debt. Even though Entra is in a different situation, the company's cost of debt has also increased significantly but is expected to stabilise around current levels in the next quarters.

Entra's high credit quality and strong and long-lasting relationship with its five Nordic partner banks, as evidenced by the company's securing new and extending existing bank facilities and continuing to issue new bonds and commercial papers during the last three quarters, is expected to contribute to competitive access to funding also going forward.

The Central Bank of Norway was one of the very first central banks to raise policy rates, and to signal that they are now

approaching peak levels in this business cycle. The policy rate was raised to 3.0 per cent in March and is expected to level out around 3.5 per cent during mid 2023.

The value of Entra's property portfolio has decreased by around 7 per cent since peak valuations in Q1 2022, with an effective net yield expansion of approximately 65 basis points. CPI growth of 6.5 per cent in 2022, that was 98 per cent implemented into Entra's tenant contracts from 1 January 2023, high CPI growth expected also in 2024, and an expected continued positive rental market, supported by limited new construction activity, particularly in Oslo, should provide a mitigating force to potentially higher yield levels. The commercial real estate market is one of few asset classes that provide investors with inflation protection.

Divestments of five assets in Oslo and Drammen during the last half year of 2.2 billion, and in line with the most recent book values, to four different investors indicate that Entra's assets are attractive for several types of buyers. Nevertheless, we note increased uncertainty amongst investors primarily driven by increased financing costs. The company is continuing to strengthen the balance sheet and has several active divestment processes ongoing.

Sustainability has been an integrated part of Entra's business model for almost 15 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. A significant part of Entra's modern and energy efficient management portfolio is currently, or is in the process of being, BREEAM certified, and Entra is thus well positioned for the upcoming EU Taxonomy and EPBD regulations.

Entra has a well staggered debt maturity profile with limited amounts of debt maturing in the near future, and a diversified financing mix with an ample supply of unutilised credit facilities. Entra will continue to optimise its high-quality management and project portfolio through asset rotation, and with strong focus on capital discipline and capital allocation. Entra will focus on its recognised role as an urban developer and leverage its competitive advantages and ESG leadership.

Uncertainty, particularly in the financial markets, will likely prevail also in the months to come. However, Entra, operating in a strong Norwegian economy with modern, flexible and environmentally friendly assets located in attractive clusters near public transportation hubs, a solid tenant base with long lease contracts, a strong financial position, and an attractive project pipeline for future growth, has a proven and resilient business profile that is well positioned for the future.

Oslo, 25 April 2023
The Board of Entra ASA

Financial statements

Statement of comprehensive income

All amounts in NOK million	Q1-23	Q1-22	2022
Rental income	872	781	3 158
Operating costs	-74	-64	-263
Net operating income	798	717	2 895
Other revenues	18	20	112
Other costs	-12	-19	-85
Administrative costs	-48	-65	-210
Share of profit from associates and JVs	-7	-1	-37
Net realised financials	-366	-215	-1 095
Net income	382	438	1 579
- of which net income from property management	391	433	1 603
Changes in value of investment properties	-421	2 837	-2 519
Changes in value of financial instruments	-30	309	473
Profit/loss before tax	-70	3 583	-467
Tax payable	-3	-4	-31
Change in deferred tax	21	-765	-71
Profit/loss for the period	-53	2 814	-569
Actuarial gains and losses not to be reclassified	0	0	16
Change in deferred tax on comprehensive income	0	0	-4
Total comprehensive income/loss for the period	-53	2 814	-557
Profit/loss attributable to:			
Equity holders of the Company	-50	2 666	-634
Non-controlling interest	-2	149	65
Total comprehensive income/loss attributable to:			
Equity holders of the Company	-50	2 666	-621
Non-controlling interest	-2	149	65

Balance sheet

All amounts in NOK million	31.03.2023	31.03.2022	31.12.2022
Investment properties	77 184	82 627	77 404
Investments in associates and JVs	885	915	891
Financial derivatives	651	539	698
Long-term receivables and other assets	665	650	661
Total non-current assets	79 385	84 731	79 655
Inventory properties	475	472	472
Trade receivables	58	83	56
Other receivables and other current assets	294	350	525
Cash and bank deposits	319	168	226
Total current assets	1 146	1 073	1 278
Investment properties held for sale	1 230	87	1 230
Total assets	81 761	85 891	82 162
Shareholders' equity	29 642	33 928	29 693
Non-controlling interests	1 970	2 130	1 978
Total equity	31 612	36 058	31 671
Borrowings	36 696	35 069	38 091
Deferred tax liability	8 182	8 938	8 216
Financial derivatives	293	330	310
Other non-current liabilities	627	630	673
Total non-current liabilities	45 798	44 967	47 291
Borrowings	3 642	4 044	2 423
Trade payables	354	355	355
Other current liabilities	354	466	421
Total current liabilities	4 351	4 866	3 200
Total liabilities	50 149	49 833	50 490
Total equity and liabilities	81 761	85 891	82 162

Changes in equity

All amounts in NOK million	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Non-controlling interests	Total equity
Equity 31.12.2021	182	0	3 524	27 557	2 308	33 571
Profit for period				-634	65	-569
Other comprehensive income				12		12
Dividend				-947	-76	-1 023
Divestment of subsidiary with non-controlling interests					-318	-318
Net equity effect of LTI & employee share saving schemes		0	0	-1		-1
Equity 31.12.2022	182	0	3 524	25 987	1 978	31 671
Profit for period				-50	-2	-53
Dividend				0	-6	-6
Net equity effect of LTI scheme				-1		-1
Equity 31.03.2023	182	0	3 524	25 936	1 970	31 612

Statement of cash flows

All amounts in NOK million	Q1-23	Q1-22	2022
Profit before tax	-70	3 583	-467
Income tax paid	-7	-31	-43
Net expensed interest and fees on loans and leases	366	212	1 096
Net interest and fees paid on loans and leases	-328	-147	-985
Share of profit from associates and jointly controlled entities	7	1	37
Depreciation and amortisation	1	2	4
Changes in value of investment properties	421	-2 837	2 519
Changes in value of financial instruments	30	-309	-473
Change in working capital	-62	-10	-179
Net cash flows from operating activities	359	465	1 509
Proceeds from property transactions	312	1 120	1 824
Acquisition of investment properties	0	-13 446	-13 465
Investment in and upgrading of investment properties	-395	-768	-2 745
Investment in inventory properties	-2	-3	-4
Acquisition other non-current assets	-1	-3	-5
Net payment financial assets	15	0	-23
Net payment of loans to associates and JVs	0	-1	-3
Investments in associates and JVs	0	-165	-166
Dividends from associates and JVs	0	128	128
Net cash flows from investment activities	-70	-13 139	-14 459
Proceeds interest-bearing debt	3 877	14 810	30 900
Repayment interest-bearing debt	-4 071	-2 276	-16 999
Repayment of lease liabilities	-1	-1	-5
Dividends paid	0	0	-947
Dividends paid to non-controlling interests	0	0	-82
Net cash flows from financing activities	-195	12 533	12 867
Change in cash and cash equivalents	94	-140	-83
Cash and cash equivalents at beginning of period	226	309	309
Cash and cash equivalents at end of period	319	168	226

NOTE 1 – ACCOUNTING PRINCIPLES

The results for the period have been prepared in accordance with IAS 34 Interim Financial Reporting. Except for the change that the Group's Other operating assets from 2023 is presented as part of Long-term receivables and other assets, 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 2022.

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 up on each area. The geographic units are supported by a Market and Property Development division and a Project Development division. In addition, Entra has group and support functions within accounting, finance, legal, investment, ICT, procurement, communication and HR.

The geographic areas do not have their own profit responsibility. The geographical areas are instead monitored 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, which is the board and CEO, for the purpose of resource allocation and assessment of segment performance. Hence, the Group report the segment information based upon these six geographic areas.

Operating segments Q1–23

	Properties (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value (NOKm) (NOK/sqm)		12 months rolling rent (NOKm) (NOK/sqm)		Net yield ¹⁾ (%)	Market rent (NOKm) (NOK/sqm)	
Oslo	52	846 397	95.5	6.2	52 398	61 907	2 269	2 681	4.03	2 515	2 971
Bergen	10	141 896	95.1	4.9	6 916	48 740	335	2 361	4.43	382	2 692
Trondheim	10	152 175	98.1	5.3	5 613	36 882	323	2 125	5.31	315	2 068
Sandvika	10	132 785	97.3	6.0	4 591	34 575	264	1 985	5.44	253	1 904
Drammen	6	61 293	98.5	9.1	2 289	37 341	124	2 023	5.05	118	1 920
Stavanger	2	54 216	99.4	7.4	1 562	28 814	93	1 721	5.42	102	1 872
Management portfolio	90	1 388 761	96.0	6.1	73 369	52 830	3 409	2 454	4.32	3 683	2 652
Project portfolio	9	112 783		10.4	4 429	39 271					
Development sites	3	89 587		0.5	556	6 201					
Property portfolio	102	1 591 132		6.3	78 353	49 244					

¹⁾ See the section "Definitions". The calculation of net yield is based on the appraisers' assumption of ownership costs, which at 31.03.23 is 6.7 per cent of market rent.

Operating segments Q1-22

	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	53	823 156	96.9	6.4	53 774	65 327	2 082	2 530	3.63	2 327	2 827
Bergen	8	115 695	98.2	4.8	5 695	49 226	248	2 147	4.02	293	2 535
Trondheim	10	152 181	98.3	6.0	5 789	38 042	298	1 957	4.84	287	1 884
Sandvika	11	140 925	98.9	6.3	4 980	35 340	249	1 768	4.76	235	1 669
Drammen	8	72 225	95.9	8.7	2 997	41 497	136	1 882	4.28	136	1 882
Stavanger	2	54 216	99.5	8.3	1 653	30 480	89	1 645	4.94	87	1 612
Management portfolio	92	1 358 397	97.3	6.4	74 888	55 130	3 103	2 284	3.88	3 365	2 477
Project portfolio	11	153 604		9.6	6 958	45 297					
Development sites	4	90 542		0.6	800	8 838					
Property portfolio	107	1 602 543		6.6	82 646	51 572					

NOTE 3 – INVESTMENT PROPERTIES

All amounts in NOK million	Q1-23	Q1-22	2022
Closing balance previous period	78 634	67 655	67 655
Acquisition of investment properties	0	13 514	13 531
Investment in the property portfolio	514	650	2 563
Capitalised borrowing costs	18	8	59
Divestment of investment properties	-330	-1 950	-2 654
Changes in value of investment properties	-421	2 837	-2 519
Closing balance	78 414	82 713	78 634
Investment properties held for sale	1 230	87	1 230
Investment properties	77 184	82 627	77 404

Divestment of investment properties is related to the divestment of the property Grønland 32 in Drammen. The property Sørkedalsveien 6 in Oslo is classified as held for sale as an agreement to divest the asset was signed in December 2022 with closing in June 2023.

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

All amounts in NOK million	Fair value level	31.03.2023	31.03.2022	31.12.2022
Assets measured at fair value:				
Assets measured at fair value through profit or loss				
- Investment properties	Level 3	77 184	82 627	77 404
- Investment properties held for sale	Level 3	1 230	87	1 230
- Derivatives	Level 2	651	539	698
- Equity instruments	Level 3	333	331	344
Total		79 399	83 584	79 676
Liabilities measured at fair value:				
Financial liabilities measured at fair value through profit or loss				
- Derivatives	Level 2	293	330	310
Total		293	330	310

NOTE 5 – SUBSEQUENT EVENTS

Refer to the Events after the balance sheet date section on page 16 for information on significant events after period end.

ALTERNATIVE PERFORMANCE MEASURES

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

ENTRA'S FINANCIAL APMs:

- Net Income from property management
- Cash Earnings
- Net value changes
- Market value of the property portfolio
- Net nominal interest-bearing debt
- Effective leverage
- Interest coverage ratio (ICR)
- Net operating income¹⁾
- EPRA Earnings
- EPRA Net Asset Value metrics – EPRA NRV, EPRA NTA and EPRA NDV
- EPRA Net Initial Yield
- EPRA Cost Ratio
- EPRA LTV (Loan-to-Value)

¹⁾ The calculation of Net operating income is not presented below as it is included in the Statement of comprehensive income.

NET INCOME FROM PROPERTY MANAGEMENT & CASH EARNINGS

All amounts in NOK million	Q1-23	Q1-22	2022
Net income	382	438	1 579
Less:			
Net results from residential development in associates and JVs	3	-1	-31
Value changes in associates and JVs	-11	7	-10
Gain on sale of JV	0	0	6
Tax from associates and JVs	-1	0	11
Net income from property management	391	433	1 603
Tax payable	-3	-4	-31
Cash Earnings	388	429	1 572
Average outstanding shares (million)	182.1	182.1	182.1
Cash Earnings per share	2.13	2.35	8.63

NET VALUE CHANGES

All amounts in NOK million	Q1-23	Q1-22	2022
Changes in value of investment properties	-421	2 837	-2 519
Changes in value of financial instruments	-30	309	473
Net value changes	-451	3 146	-2 046

MARKET VALUE OF THE PROPERTY PORTFOLIO

All amounts in NOK million	31.03.2023	31.03.2022	31.12.2022
Investment properties	77 184	82 627	77 404
Investment properties held for sale	1 230	87	1 230
Other	-61	-67	-62
Market value of the property portfolio	78 353	82 646	78 571

NET NOMINAL INTEREST-BEARING DEBT

All amounts in NOK million	31.03.2023	31.03.2022	31.12.2022
Borrowings	40 338	39 113	40 515
Unamortised borrowing costs	394	324	289
Nominal value of interest-bearing debt	40 733	39 437	40 804
Cash and bank deposits	-319	-168	-226
Net nominal interest-bearing debt	40 414	39 269	40 578

EFFECTIVE LEVERAGE

All amounts in NOK million except ratio	31.03.2023	31.03.2022	31.12.2022
Borrowings	40 338	39 113	40 515
Other interest-bearing liabilities	453	464	667
Total debt	40 792	39 577	41 182
Total assets	81 761	85 891	82 162
Effective leverage (Total debt/Total assets)	49.9 %	46.1 %	50.1 %

INTEREST COVERAGE RATIO (ICR)

All amounts in NOK million except ratio	Q2-22	Q3-22	Q4-22	Q1-23	Q1-23 L12M	Q1-22 L12M	Q4-22 L12M
Net income	444	393	305	382	1 523	1 589	1 579
Depreciation	1	1	1	1	4	6	4
Results from associates and joint ventures	2	17	17	7	43	22	37
Net realised financials	238	275	368	366	1 247	639	1 095
EBITDA	684	685	691	756	2 816	2 256	2 715
Interest cost	231	278	370	364	1 243	621	1 079
Commitment fees ¹⁾	4	2	4	4	14	19	15
Applicable interest cost	234	281	374	368	1 258	640	1 094
Interest Coverage Ratio (ICR) ²⁾					2.24	3.53	2.48

¹⁾ From Q4-22, Entra is only including interest cost and commitment fees in the calculation of applicable interest cost, excluding amortisation of previously paid borrowing costs. Comparative figures have been updated to reflect the amended definition.

²⁾ From Q4-22, Entra reports ICR for the last 12 months in line with the Group's financial covenants.

EPRA REPORTING

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

Summary table EPRA performance measures		Unit	Q1-23 / 31.03.2023	Q1-22 / 31.03.2022
A	EPRA Earnings per share	NOK	1.57	1.75
B	EPRA NRV per share	NOK	207	235
	EPRA NTA per share	NOK	204	233
	EPRA NDV per share	NOK	169	192
C	EPRA Net Initial Yield (NIY)	%	4.29	4.05
	EPRA, "topped-up" NIY	%	4.29	4.05
D	EPRA Vacancy Rate	%	4.0	2.7
E	EPRA Cost Ratio (including direct vacancy costs)	%	13.7	16.0
	EPRA Cost Ratio (excluding direct vacancy costs)	%	11.2	14.9
F	EPRA LTV	%	52.8	48.6

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

A. EPRA EARNINGS

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

All amounts in NOK million	Q1-23				Q1-22			
	IFRS reported	Non-controlling Interests	Other EPRA adjustments	EPRA Earnings	IFRS reported	Non-controlling Interests	Other EPRA adjustments	EPRA Earnings
Rental income	872	-32	0	840	781	-34	0	747
Operating costs	-74	3	0	-71	-64	2	0	-61
Net operating income	798	-29	0	769	717	-31	0	686
Other revenues	18	0	0	18	20	0	0	20
Other costs	-12	0	0	-12	-19	0	0	-19
Administrative costs	-48	1	0	-48	-65	1	0	-64
Share of profit from associates and JVs	-7	0	9	2	-1	0	-4	-4
Net realised financials	-366	3	0	-364	-215	4	0	-211
Net income	382	-25	9	366	438	-26	-4	408
Net value changes	-451	28	423	0	3 146	-162	-2 984	0
Profit/loss before tax	-70	3	433	366	3 583	-188	-2 988	408
Tax payable	-3	1	0	-2	-4	2	0	-2
Change in deferred tax	21	-2	-97	-78	-765	38	640	-87
Profit/loss for period/EPRA Earnings	-53	2	335	285	2 814	-149	-2 347	318
Average outstanding shares (million)				182.1				182.1
EPRA Earnings per share				1.57				1.75

B. EPRA NET ASSET VALUE METRICS

EPRA NET REINSTATEMENT VALUE (NRV)

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

All amounts in NOK million	31.03.2023	31.03.2023	31.03.2023	31.03.2022	31.12.2022
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NRV)	Attributable to shareholders (EPRA NRV)	Attributable to shareholders (EPRA NRV)
IFRS equity	31 612	-1 970	29 642	33 928	29 693
Approved, not paid dividend	0	0	0	0	0
Revaluation of investments made in JVs	259	0	259	408	268
Net Asset Value (NAV) at fair value	31 871	-1 970	29 901	34 336	29 961
Deferred tax properties and financial instruments	8 499	-374	8 125	8 707	8 133
Net fair value on financial derivatives	-358	-2	-360	-213	-390
EPRA Net Reinstatement Value (NRV)	40 012	-2 346	37 666	42 830	37 703
Outstanding shares at period end (million)			182.1	182.1	182.1
EPRA NRV per share (NOK)			207	235	207

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 the second option in the EPRA BPR guidelines to adjust for deferred tax, estimating the real tax liability based how the company has completed property transactions in recent years.

All amounts in NOK million	31.03.2023	31.03.2023	31.03.2023	31.03.2022	31.12.2022
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NTA)	Attributable to shareholders (EPRA NTA)	Attributable to shareholders (EPRA NTA)
IFRS equity	31 612	-1 970	29 642	33 928	29 693
Approved, not paid dividend	0	0	0	0	0
Revaluation of investments made in JVs	259	0	259	408	268
Net Asset Value (NAV) at fair value	31 871	-1 970	29 901	34 336	29 961
Reversal deferred tax liability as per balance sheet	8 182	-312	7 869	8 635	7 902
Adjustment estimated real tax liability ¹⁾	-135	-41	-176	-392	-201
Net fair value on financial derivatives	-358	-2	-360	-213	-390
EPRA Net Tangible Assets (NTA)	39 560	-2 326	37 234	42 366	37 272
Outstanding shares at period end (million)			182.1	182.1	182.1
EPRA NTA per share (NOK)			204	233	205

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 realised over 50 years in transactions structured as sale of properties in corporate wrappers, with an average tax discount of 6.5 per cent. Further, the real tax liability related to the gains/losses account is estimated by assuming an amortisation of 20 per cent annually and a discount rate of 5.0 per cent.

EPRA NET DISPOSAL VALUE (NDV)

The EPRA NDV measure illustrates 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 realisation of Entra's assets may be structured as sale of property-owning companies, resulting in the deferred tax liabilities only partially crystallising.

All amounts in NOK million	31.03.2023	31.03.2023	31.03.2023	31.03.2022	31.12.2022
	Total	Attributable to non-controlling interests	Attributable to shareholders (EPRA NDV)	Attributable to shareholders (EPRA NDV)	Attributable to shareholders (EPRA NDV)
IFRS equity	31 612	-1 970	29 642	33 928	29 693
Approved, not paid dividend	0	0	0	0	0
Revaluation of investments made in JVs	259	0	259	408	268
Net Asset Value (NAV) at fair value	31 871	-1 970	29 901	34 336	29 961
Fair value adjustment fixed interest rate debt, net of tax	957	0	957	634	1 089
EPRA Net Disposal Value (NDV)	32 828	-1 970	30 858	34 969	31 050
Outstanding shares at period end (million)			182.1	182.1	182.1
EPRA NDV per share (NOK)			169	192	170

C. EPRA NET INITIAL YIELD

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

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

All amounts in NOK million except ratio	Oslo	Bergen	Trondheim	Sandvika	Drammen	Stavanger	Total 31.03.23	Total 31.03.22
Investment property - wholly owned	55 855	3 808	6 916	4 661	0	1 616	72 857	76 678
Investment property - share of JVs ¹⁾	0	1 604	0	0	1 373	0	2 977	3 243
Total property portfolio	55 855	5 412	6 916	4 661	1 373	1 616	75 834	79 921
Less projects, land and developments	-3 457	-100	-1 303	-70	0	-54	-4 985	-11 001
Completed management portfolio	52 398	5 312	5 613	4 591	1 373	1 562	70 849	68 920
Allowance for estimated purchasers' cost	76	11	17	13	4	3	122	127
Gross up completed management portfolio valuation	52 474	5 323	5 630	4 604	1 377	1 565	70 971	69 047
12 months rolling rent	2 269	254	323	264	74	93	3 278	2 984
Estimated ownership cost	156	23	25	14	5	9	232	187
Annualised net rents	2 113	231	298	250	69	85	3 046	2 797
Add: Notional rent expiration of rent-free periods or other lease incentives	0	0	0	0	0	0	0	0
Topped up net annualised net rents	2 113	231	298	250	69	85	3 046	2 797
EPRA NIY	4.03 %	4.34 %	5.30 %	5.43 %	5.04 %	5.41 %	4.29 %	4.05 %
EPRA "topped-up" NIY	4.03 %	4.34 %	5.30 %	5.43 %	5.04 %	5.41 %	4.29 %	4.05 %

¹⁾ The value of "Investment property - share of JVs" is from Q1-23 updated to reflect Entra's ownership in the JVs consolidated in Entra's financial statements as the annualised net rents exclude the net rents attributable to non-controlling interests. Comparative figures are updated.

D. EPRA VACANCY RATE

Estimated Market Rental Value (ERV) of vacant space divided by the ERV of the whole portfolio. All figures are adjusted for actual share of ownership of each property.

All amounts in NOK million except rate	Oslo	Bergen	Trondheim	Sandvika	Drammen	Stavanger	Total 31.03.23	Total 31.03.22
Market rent vacant areas	114	15	6	7	1	1	143	87
Total market rent	2 515	297	315	253	71	102	3 552	3 241
EPRA vacancy rate	4.5 %	5.0 %	1.9 %	2.7 %	1.5 %	0.6 %	4.0 %	2.7 %

E. EPRA COST RATIO

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

All amounts in NOK million except ratio	Q1-23	Q1-22	2022
Operating costs	-74	-64	-263
Administrative costs	-48	-65	-210
Less: Ground rent cost	3	3	15
EPRA cost (including direct vacancy cost)	-119	-125	-459
Direct vacancy cost	21	8	50
EPRA cost (excluding direct vacancy cost)	-98	-117	-409
Gross rental income less ground rent	872	781	3 158
Total gross rental income less ground rent	872	781	3 158
EPRA cost ratio (including direct vacancy cost)	13.7 %	16.0 %	14.5 %
EPRA cost ratio (excluding direct vacancy cost)	11.2 %	14.9 %	13.0 %

F. EPRA LTV

Loan-to-Value (LTV) is an expression of the gearing of a company. In the BPR guidelines released in March 2022, EPRA introduced guidance on recommended LTV disclosure called EPRA LTV. The main overarching concepts in EPRA LTV are: (1) any capital which is not equity (i.e. which value accrues to the shareholders of the company) is considered as debt irrespective of its IFRS classification, (2) assets are included at fair value, net debt at nominal value, and (3) the EPRA LTV is calculated based on proportional consolidation (i.e. include the Group's share in the net debt and net assets of joint ventures and material associates). Entra has included its share of net debt and net assets in all joint ventures. In the periods disclosed below, Entra has no material associated companies.

All amounts in NOK million except ratio	31.03.2023 Group as reported	Proportionate consolidation		31.03.2023 Combined EPRA LTV	31.03.2022 ³⁾ Combined EPRA LTV	31.12.2022 ⁴⁾ Combined EPRA LTV
		Share of joint ventures	Non-contr. interests			
Bond loans	18 216	0	0	18 216	19 886	17 541
Bank loans	21 617	699	-259	22 057	18 438	22 852
Commercial papers	900	0	0	900	1 250	820
Net payables ¹⁾	668	91	-12	747	751	777
Cash and bank deposits	-319	-91	36	-374	-206	-248
Net debt	41 082	699	-235	41 546	40 119	41 743
Investment properties	77 184	141	-2 520	74 806	79 901	75 009
Properties held for sale ²⁾	1 705	1 849	0	3 554	2 365	3 695
Other financial assets (equity instruments)	333	0	0	333	331	344
Total property value	79 222	1 990	-2 520	78 693	82 597	79 048
EPRA LTV (Net debt/Total property value)	51.9 %			52.8 %	48.6 %	52.8 %

¹⁾ Net payables include trade payables, other current and non-current liabilities, trade receivables, and other receivables and other assets, excluding financial assets

²⁾ Properties held for sale include investment properties held for sale and inventory properties, i.e. properties classified as inventories as they are held with the intent to be sold in the future

³⁾ Net payables as of 31.03.22 is updated to include other non-current liabilities and long-term receivables and other assets, excluding equity instruments, in accordance with updated guidance from EPRA issued in Q3-22. Combined Net payables as of 31.03.22 is consequently increased from 426 million to 747 million, increasing the combined EPRA LTV from 48.2 per cent to 48.6 per cent

⁴⁾ The total combined nominal value of interest-bearing debt as of 31.12.22 was in the report for Q4 2022 reported as 40,983 million, resulting in a reported EPRA LTV of 52.5 %. The calculation was in the annual report for 2022 updated to reflect the actual combined nominal value of interest-bearing debt of 41,213 million and EPRA LTV of 52.8 %.

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.
Borrowings	- Carrying amount of interest-bearing debt
Cash Earnings	- Net income from property management less tax payable. Cash Earnings per share is calculated as Cash Earnings divided by the average outstanding shares for the period.
Contractual rent	- Annual cash rental income being received as of relevant date
Effective Leverage	- Total interest-bearing liabilities, including debt, lease liabilities, pension liabilities and seller's credits, divided by total assets
EPRA LTV ("Loan-to-value")	- Net debt divided by total property value. Property values are included at fair value, net debt at nominal value. EPRA LTV is calculated based on proportional consolidation for partly-owned subsidiaries, associates and JVs.
EPRA NDV – Net Disposal Value	- EPRA NDV is a NAV metric reflecting the IFRS equity including the full extent of the deferred tax liability as per the balance sheet, including fair value of fixed interest rate debt and excluding goodwill as a result of deferred tax.
EPRA NRV – Net Reinstatement Value	- EPRA NRV is a NAV metric reflecting the IFRS equity excluding (i) deferred tax liability as per the balance sheet in respect of properties and financial instruments, (ii) fair value of financial instruments and (iii) goodwill as a result of deferred tax.
EPRA NTA – Net Tangible Assets	- EPRA NTA is a NAV metric reflecting the IFRS equity including only the estimated real tax liability, and excluding (i) fair value of financial instruments, and (ii) goodwill and intangible assets as per the balance sheet.
Gross yield	- 12 months rolling rent divided by the market value of the management portfolio
Interest Coverage Ratio ("ICR")	- Net income from property management excluding depreciation and amortisation for the Group (i.e. the Group's EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortisation), divided by net interest on interest-bearing nominal debt and commitment fees related to investment activities. ICR is presented for last four quarters in line with Entra's financial covenants.
Independent Appraisers	- Newsec and Cushman & Wakefield Realkapital
Land and dev. properties	- Property / plots of land with planning permission for development
Like-for-like	- The percentage change in rental income from one period to another given the same income generating property portfolio in the portfolio. The figure is thus adjusted for acquisition and divestments of properties and active projects
Management properties	- Properties that are actively managed by the company
Market rent	- The annualised market rent of the management properties, fully let as of the relevant date, expressed as the average of market rents estimated by the Independent Appraisers
Market value of the property portfolio	- The market value of all properties owned by the parent company and subsidiaries. The figure does not include Inventory properties.
Net Asset Value ("NAV")	- Net Asset Value the total equity that the company manages for its owners. Entra presents NAV calculations in line with EPRA recommendation, where the difference mainly is explained by the expected turnover of the property portfolio.
Net income from property management	- Net Income less value changes, tax effects and other income and other costs from residential development in associates and JVs
Net letting	- 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 operating income	- Rental income less operating costs such as maintenance, property tax, leasehold expenses (not including financial expenses on leases recognised in accordance with IFRS 16), insurance fees, letting and property administration costs and direct property costs.
Net rent	- 12 months rolling rent less the Independent Appraisers' estimate of ownership costs of the management properties of the Group
Net yield	- Net rent divided by the market value of the management properties of the Group
Newbuild	- A new building on bare land
Occupancy	- Estimated market rent of occupied space of the management properties, divided by the market rent of the total space of the management portfolio.
Outstanding shares	- The number of shares registered less the company's own repurchased shares at a given point in time. EPRA Earnings and Cash Earnings per share amounts are calculated using the weighted average number of ordinary shares outstanding during the period. All other per share amounts are calculated using the number of ordinary shares outstanding at period end.
Period-on-period	- Comparison between one period and the equivalent period the previous year
Property portfolio	- Properties owned by the parent company and subsidiaries, regardless of their classification for accounting purposes. Does not include the market value of properties in associates and jointly controlled entities
Project properties	- Properties where it has been decided to start construction of a new building and/or renovation
Redevelopment	- Extensive projects such as full knock-down and rebuild, and projects where external walls are being materially impacted (e.g. taking a building back to its core or changing brick facades to glass).
Refurbishment	- Projects extensively impacting an existing building, but not knocking it down or materially affecting external walls
Total area	- Total area including the area of management properties, project properties and land / development properties
Total net nominal interest-bearing debt	- Net nominal interest-bearing debt and other interest-bearing liabilities, including seller's credits and lease liabilities for land and parking lots in connection with the property portfolio
WAULT	- Weighted Average Unexpired Lease Term measured as the remaining contractual rent amounts of the current lease contracts of the management properties of the Group, including areas that have been re-let and signed new contracts, adjusted for termination rights and excluding any renewal options, divided by Contractual rent, including renewed and signed new contracts.

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Financial calendar

Second quarter 2023 **14.07.2023**

Third quarter 2023 **18.10.2023**

Fourth quarter 2023 **09.02.2024**