

## OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

## ALTERNATIVE PERFORMANCE MEASURES

Amounts in NOK million

Olav Thon Eiendomsselskap ASA prepares consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The company also wishes to present alternative performance measures (APM) in order to provide readers with a better understanding of the company's underlying financial results.

## 1. Fair value adjustments in investment properties and interest rate derivatives

Fair value adjustments in investment properties and interest rate derivatives affect the Group's profit before tax. These income statement items are considered to be more determined by external factors than the other profit and loss items.

	Q4 2023	Q4 2022	31.12.2023	31.12.2022
Fair value adjustments in:				
investment properties recognised in profit and loss	-1 922	-1 188	-4 367	114
investment properties in joint ventures	-89	-93	-155	-105
investment properties in associated companies	20	-16	3	10
interest rate derivatives recognised in profit and loss	-309	-61	183	878
interest rate derivatives in joint ventures	-13	-5	2	23
<b>Fair value adjustments, investment properties and derivatives</b>	<b>-2 312</b>	<b>-1 362</b>	<b>-4 332</b>	<b>920</b>

## 2. Profit before income tax, fair value adjustment and currency result

Profit before tax, fair value adjustments and currency is intended to give readers a better understanding of the Group's operating business development.

	Q4 2023	Q4 2022	31.12.2023	31.12.2022
Profit before income tax	-1 826	-799	-2 183	3 134
Income tax in joint ventures	-13	-21	8	-7
Income tax in associated companies	7	-1	8	10
Fair value adjustments investment properties and derivatives	2 312	1 362	4 332	-920
Currency gain	–	-35	–	-43
Currency loss	52	–	93	–
<b>Profit before income tax, fair value adjustment and currency result</b>	<b>532</b>	<b>506</b>	<b>2 259</b>	<b>2 174</b>

## 3. Equity ratio

Equity ratio is the Group's total book equity divided by the Group's total equity and debt on the balance sheet date, and indicates the relative proportion of equity used to finance a company's assets.

	31.12.2023	31.12.2022
Total equity	30 385	32 673
Total equity and debt	60 492	62 584
<b>Equity ratio</b>	<b>50 %</b>	<b>52 %</b>

#### 4. Long term net asset value per share and equity per share

Long term net asset value per share takes into account a fair value assessment of the deferred tax liabilities. Equity per share is calculated as the majority's share of equity divided by the number of shares.

	31.12.2023	31.12.2022
Majority share of equity	30 042	32 235
Deferred tax liabilities (deferred tax liabilities current assets excluded)	7 256	7 926
Fair value of debt - deferred tax liabilities - 6 %	-1 979	-2 162
<b>Long term net asset value</b>	<b>35 318</b>	<b>37 999</b>
Number of shares (own shares not included)	101 478 908	101 478 908
<b>Long term net asset value per share in NOK</b>	<b>348</b>	<b>374</b>
<b>Equity per share in NOK</b>	<b>296</b>	<b>318</b>

#### 5. Liquidity reserves

Calculation of liquidity reserves is considered to give the reader a better understanding of the Group's ability to service short-term liquidity needs.

	31.12.2023	31.12.2022
Unutilized overdrafts and other credit facilities	5 156	4 885
Cash and cash equivalents	226	254
<b>Liquidity reserves</b>	<b>5 382</b>	<b>5 139</b>

#### 6. Amortisation next 12 months

Amortisation for the next 12 months show interest-bearing debt that falls due over the next 12 months, and provides a picture of the Group's future obligations.

	31.12.2023	31.12.2022
Commercial papers	–	378
Bonds	1 500	2 155
Bank loans	27	88
<b>Amortisation next 12 months</b>	<b>1 527</b>	<b>2 622</b>

## 7. Net Interest-bearing debt and loan to value ratio

Splitting the Group's total debt into interest-bearing debt and non-interest-bearing debt is intended to give readers a better understanding of the Group's debt situation and the Group's financial position. Net interest-bearing debt is calculated by deducting the Group's cash and cash equivalents from its interest-bearing debt. Net interest-bearing debt is used in, among other things, the calculation of the Group's loan to value ratio.

	31.12.2023	31.12.2022
Bonds, non-current	10 309	9 500
Bonds, current	1 500	2 155
Commercial papers, current	–	378
Debt to credit institutions, long-term	9 161	8 105
Debt to credit institutions, short-term	27	88
<b>Interest-bearing debt*</b>	<b>20 997</b>	<b>20 227</b>
Cash and cash equivalents	-226	-254
<b>Net interest-bearing debt</b>	<b>20 772</b>	<b>19 973</b>
Market value properties (see APM 11)	56 568	57 715
<b>Loan to value ratio</b>	<b>37 %</b>	<b>35 %</b>

* Unsecured part of interest-bearing debt (where the Group has not provided collateral)	11 809	10 995
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## 8. Interest per balance sheet date

Interest on the balance sheet date is accounted interest expenses on the balance sheet date converted to annualized interest divided by interest-bearing debt on the balance sheet date.

	31.12.2023	31.12.2022
Annualized interest expenses on interest-bearing debt as of the balance sheet date	1 130	803
Annualized interest expenses on current interest rate swaps per balance sheet date	-43	97
<b>Annualized interest expenses per balance sheet date</b>	<b>1 086</b>	<b>901</b>
Interest-bearing debt	20 997	20 227
<b>Interest per balance sheet date</b>	<b>5,17 %</b>	<b>4,45 %</b>

## 9. Interest coverage ratio

The interest coverage ratio shows the Group's ability to pay its interest obligations. It is calculated by dividing the net income from property management before depreciation (12-month rolling) on net interest expenses from interest-bearing debt (12-month rolling).

	31.12.2023	31.12.2022
Net income from property management (12-month rolling)	3 167	2 747
Depreciation (12-month rolling)	17	26
<b>Net income from property management before depreciation (12-month rolling)</b>	<b>3 184</b>	<b>2 773</b>
Interest expenses on interest-bearing debt (12-month rolling)	1 053	745
Interest income (12-month rolling)	-31	-15
<b>Net interest expenses (12-month rolling)</b>	<b>1 022</b>	<b>730</b>
<b>Interest coverage ratio</b>	<b>3,1</b>	<b>3,8</b>

## 10. Net investments

Net investments is calculated by using fair value of investments in investment properties in addition to net supply of other fixed assets and other investments.

	Q4 2023	Q4 2022	31.12.2023	31.12.2022
Investment properties	128	219	698	684
Acquisitions and divestments companies	–	13	1 222	71
Other fixed assets	7	6	8	18
Other investments	64	35	101	115
<b>Net investments</b>	<b>199</b>	<b>273</b>	<b>2 029</b>	<b>889</b>

## 11. Market value properties

Market value of properties shows the sum of the market value of investment properties owned and owner-occupied properties, which are accounted for according to different accounting principles in the Group's balance sheet. The market value does not include investment property defined as right-to-use assets.

	31.12.2023	31.12.2022
Market value investment properties - owned (see note 8)	56 382	57 509
Market value owner-occupied properties	187	206
<b>Market value properties</b>	<b>56 568</b>	<b>57 715</b>

In addition, the Group owns properties through joint ventures and associated companies:

Market value of properties joint venture (Group share)	2 410	3 549
Market value of properties associated companies (Group share)	896	887

## 12. Annualized rental income level

The annualized rental income level shows the real estate portfolio's expected market rent for leased and vacant premises, and provides a picture of the Group's earning potential.

	31.12.2023	31.12.2022
Annualized market rent leased premises	3 665	3 268
Annualized market rent vacant premises	135	117
<b>Annualized rental income level</b>	<b>3 800</b>	<b>3 385</b>

In addition, the Group owns properties through joint ventures and associated companies:

Annualized market rent leased premises owned through JV's and associated companies	224	286
Annualized market rent vacant premises owned through JV's and associated companies	6	9
<b>Annualized rental income level owned through joint ventures and associated companies</b>	<b>230</b>	<b>295</b>
<b>Total annualized rental income level</b>	<b>4 030</b>	<b>3 680</b>

## 13. Yield properties

Yield is the annualized rental income level less normalized (over time) lessor's owner costs divided by the market value of properties adjusted for plots and the relevant non-rental part of properties.

	31.12.2023	31.12.2022
Annualized rental income level	3 800	3 385
Lessor's owner cost	499	464
<b>Annualized net rental income level</b>	<b>3 301</b>	<b>2 921</b>
Market value properties	56 568	57 715
Adjustment market value for plots etc.	586	424
<b>Market value properties after adjustment</b>	<b>55 983</b>	<b>57 291</b>
<b>Yield properties</b>	<b>5,90%</b>	<b>5,10%</b>