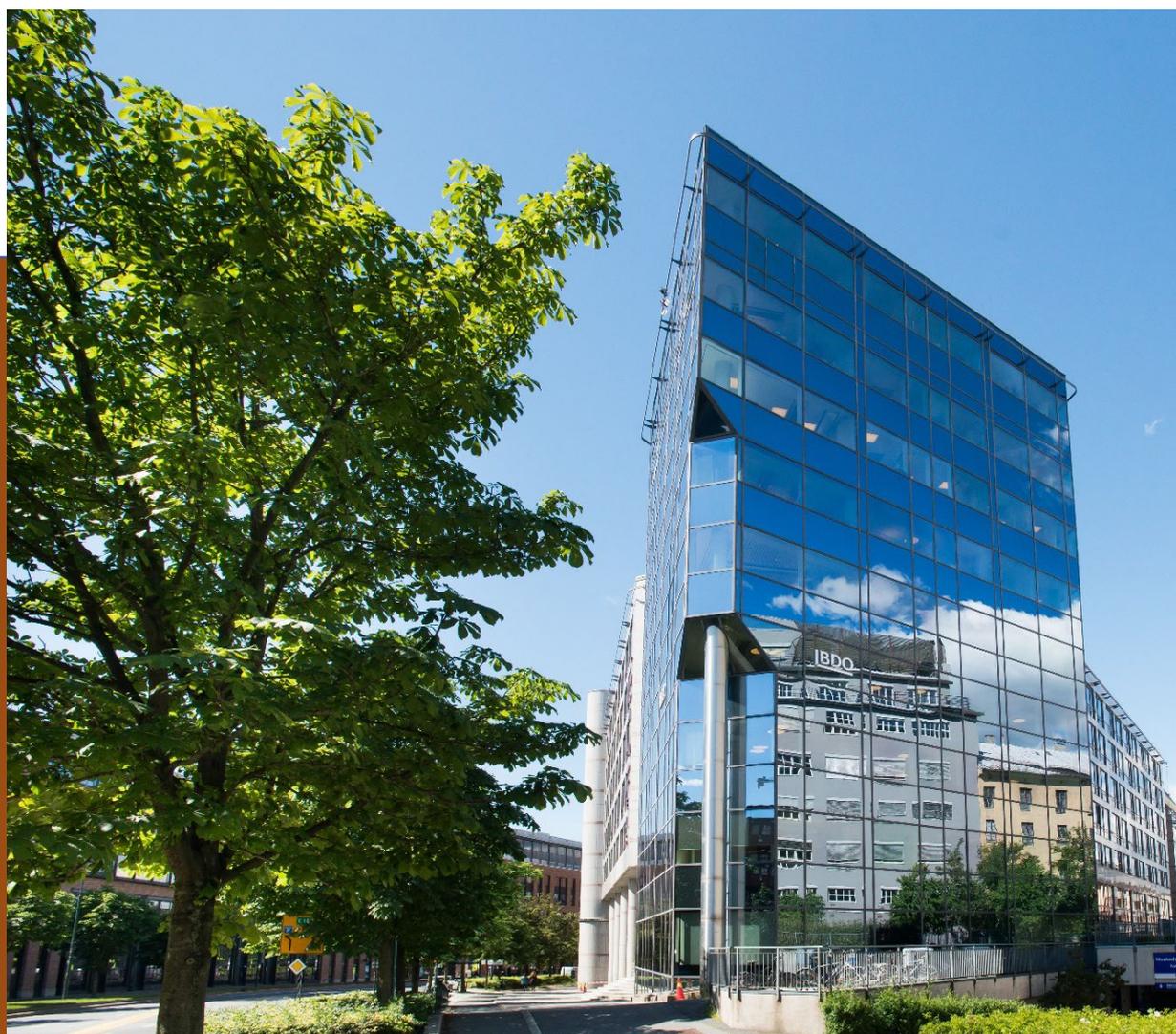


**OLAV THON**  
EIENDOMSSKAP

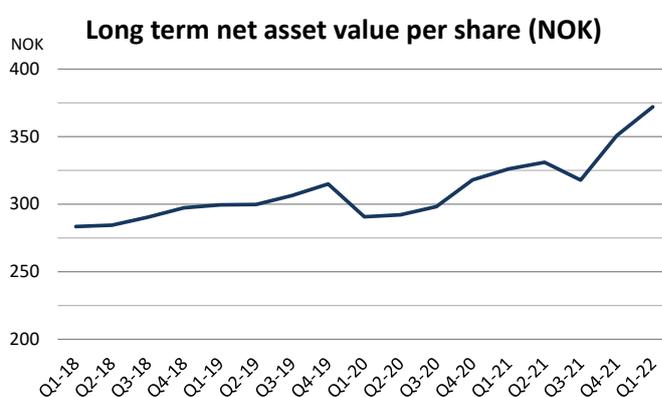
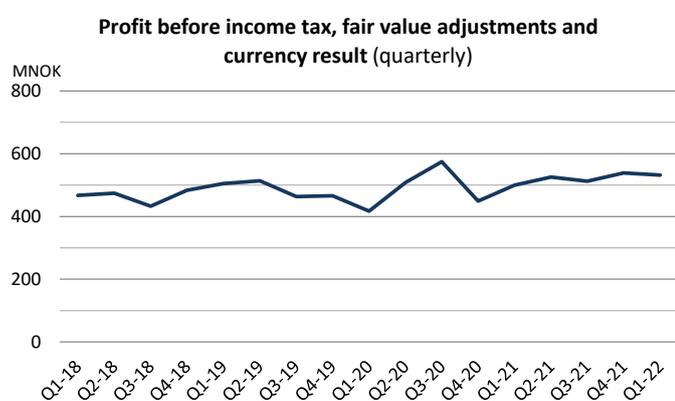


REPORT FOR Q1 2022

## KEY FIGURES

Amounts in MNOK	APM*	31.03.2022	31.03.2021	31.12.2021
Net rental income		718	686	2 774
Fair value adjustments in investment properties and interest rate derivatives	1	1 891	497	2 647
Profit before income tax		2 468	1 087	4 767
Profit before income tax, fair value adjustments and currency result	2	532	500	2 068
Equity ratio	3	52 %	48 %	51 %
Equity per share (NOK)	4	316	275	298
Long-term net asset value per share (NOK)	4	372	326	351
Net cash flow from operations	5	536	560	1 997
Liquidity reserves	6	6 314	7 696	8 214
Amortisation next 12 months	7	3 444	5 058	3 335
Interest-bearing debt	8	20 193	20 509	20 114
Interest per balance sheet date	9	3,26 %	3,12 %	3,16 %
Loan to value ratio	8	33 %	37 %	35 %
Net investments	10	431	246	559
Market value properties	11	58 285	54 733	56 734
Annualized rental income level	12	3 315	3 250	3 270
Net yield properties	13	4,91 %	5,18 %	4,97 %
Sales, owned shopping centres		11 818	11 000	54 999
Share price per balance sheet date (NOK)		188,0	163,5	195,6

\* Definitions, calculations and explanations on the use of alternative performance measures (APM) are included at the end of the report.



# Olav Thon Eiendomsselskap

## Report for Q1 2022

### HIGHLIGHTS OF THE QUARTERLY REPORT<sup>1</sup>:

- The Group enjoyed solid financial development in the quarter, posting profit before income tax of NOK 2,468 (1,087) million.
- Profit before income tax, fair value adjustments and currency result amounted to NOK 532 (500) million.
- The Group's financial position is solid, and the Group's equity ratio at the end of the quarter was 52 % (48 %), while its liquidity reserves were NOK 6,314 (7,696) million.
- Retail sales in the shopping centre portfolio owned by the Group were NOK 11,818 (11,000) million, an increase of 7.4 %.
- The Group's subsidiary Amfi Drift AS, which manages shopping centres for external and internal owners, was sold to sister group Thon Holding AS in Q2 2022.



<sup>1</sup> The figures in brackets are for the corresponding period/date last year

## FINANCIAL POSITION/BALANCE SHEET AS AT 31 MARCH 2022

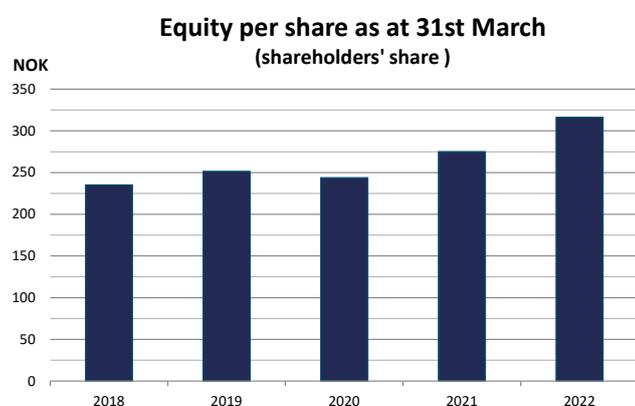
The Group's total assets were NOK 63,603 (59,855) million, with investment properties accounting for NOK 58,080 (54,530) million of that figure.

Total equity was NOK 33,229 (28,905) million and the equity ratio was 52 % (48 %).

Equity per share (majority share) was NOK 316 (275), while the NAV per share was NOK 372 (326).

Interest-bearing debt was NOK 20,193 (20,509) million with a loan to value ratio <sup>2</sup> of 34 % (37 %).

The Group's share of the equity in joint ventures and associated companies was NOK 3,102 (2,802) million.



Equity per share has increased by 35 % since 2018.

## SUMMARY OF THE RESULTS FOR Q1

Profit before income tax was NOK 2,468 (1,087) million.

Fair value adjustments of investment property and interest rate derivatives totalled NOK 1,891 (497) million<sup>3</sup>.

Profit before income tax, fair value adjustments and currency result amounted to NOK 532 (500) million.

## RENTAL INCOME AND PROPERTY-RELATED EXPENSES

Rental income was NOK 783 (733) million.

Property-related income amounted to NOK 281 (260) million and consists mainly of payments from the Group's tenants to cover letting and property administration costs as well as costs related to the operation of shopping centre associations.

Property-related expenses amounted to NOK 345 (308) million, including the above-mentioned letting and property administration costs of NOK 254 (209) million.

<sup>2</sup> For definitions, see alternative performance measures (APM) at the end of the report

<sup>3</sup> Includes investments in joint ventures and associated companies

Maintenance expenses for the property portfolio amounted to NOK 46 (36) million.

Net rental income was NOK 718 (686) million.

## FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The Group's investment properties increased in value by NOK 1,272 (61) million in Q1.

The Group's property portfolio consists of the following property segments:

- Shopping centre properties in Norway and Sweden
- Commercial property including rental housing, primarily in the Oslo area

Both property segments saw positive value development in Q1.

The value of the Group's shopping centre properties increased by NOK 886 (-80) million, while the value of its commercial property increased by NOK 386 (141).

## SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATED COMPANIES

The Group's share of the results of joint ventures and associated companies amounted to NOK 99 (62) million.

The increase on last year is primarily due to fair value adjustments of investment properties and interest rate derivatives in these companies amounting to NOK 52 (28) million.

Note 9 in the quarterly report shows underlying figures in the income statement and financial position for these companies.

## OTHER OPERATING INCOME AND EXPENSES

Other operating income amounted to NOK 41 (33) million and consisted mainly of sales revenue from other activities (NOK 32 million) and income from property management for external owners (NOK 9 million).

Other operating and administrative expenses amounted to NOK 96 (84) million, while scheduled depreciation amounted to NOK 9 (8) million.

## FINANCIAL INCOME AND EXPENSES

Net financial items amounted to NOK 446 (340) million, with fair value adjustments of interest rate derivatives accounting for NOK 570 (411) million of that figure.

Net interest expenses amounted to NOK 163 (165) million, NOK 5 (6) million of which were interest expenses for lease liabilities.

Unrealised gains related to the SEK exchange rate amounted to NOK 50 (104) million.

## FAIR VALUE ADJUSTMENTS, INTEREST RATE DERIVATIVES

Long-term market interest rates (swap rates) rose considerably in both Norway and Sweden in Q1.

In Norway, the 10-year swap rate rose by 1.00 percentage point to 2.90 %, while the corresponding rate in Sweden rose by 0.95 of a percentage point to 1.91 %.

As a result of the change in interest rates, the fair value of the Group's exchange rate derivatives increased by NOK 570 (411) million.

## CASH FLOW AND LIQUIDITY

Net cash flow from operations was NOK 536 (560) million.

Net cash flow from operating activities was NOK 455 (426) million.

Investment activities reduced liquidity by NOK 388 (229) million, while financing activities increased liquidity by NOK 169 (-311) million.

The currency effect on cash was NOK -2 (-2) million, and the Group's liquidity reserves therefore increased by NOK 235 (-117) million in Q1.

Liquidity reserves were NOK 6,314 (7,696) million as of 31 March 2022 and consisted of short-term investments of NOK 683 (367) million and undrawn long-term credit facilities of NOK 5,631 (7,329) million.

## INVESTMENTS

The Group's net investments in Q1 were NOK 431 (246) million.

## MAJOR PROPERTY PROJECTS<sup>4</sup>

### Under construction

#### Bernt Ankers Gate 6, Oslo

A property totalling 5,600 square metres in the centre of Oslo with 46 homes and four smaller commercial premises for rent. The final phase of the project is scheduled for completion in Q2 2022.

#### Brages Veg 1 and 3, Gardermoen Park Ullensaker

Two logistics properties with 23,600 and 23,000 square metres of space, respectively. Brages Veg 1 was completed in Q1 2022, while Brages Veg 3 is scheduled for completion in Q2 2022.

#### Arnlot Gellines Vei 1, Oslo

A property totalling 2,500 square metres centrally located in the east of Oslo with 22 homes for rent. The property is scheduled for completion in 2022/2023.

#### Amfi Vågen, Sandnes

This shopping centre property totalling 40,000 square metres is being renovated and upgraded, including new hospitality and experience areas. The centre is also being extended by a further

750 square metres of new space. The alterations are scheduled for completion in summer 2022.

### In planning phase

Olav Thon Eiendomsselskap has several property projects in the planning phase. The projects are primarily linked to the further development of its property portfolio, and whether they will be executed depends on factors such as official permits and market conditions.

## PROPERTY PORTFOLIO AS AT 31 MARCH 2022

The property portfolio was valued at NOK 58,080 (54,530) million, based on an average yield of 4.91 % (5.18 %).

The annual rental income level was NOK 3,315 (3,250) million.

The property portfolio is made up of the following main segments:

	Market value (Share)	Rental income level (Share)	Yield
Shopping centre properties	71 %	77 %	5.28 %
Other commercial properties	29 %	23 %	4.01 %
<b>Total portfolio</b>	<b>100 %</b>	<b>100 %</b>	<b>4.91 %</b>

The vacancy rate in the property portfolio was 3.5 % (4.0 %).



The rental income of the property portfolio has increased by 13 % since 2018.

## PROPERTY PORTFOLIO OWNED THROUGH JOINT VENTURES AND ASSOCIATED COMPANIES

The Group's share of the rental income of joint ventures and associated companies was NOK 285 (275) million.

The Group's share of the property values in these companies was NOK 4,485 (4,281) million.

## THE SHOPPING CENTRE BUSINESS AREA

At the end of the quarter, Olav Thon Eiendomsselskap wholly or partly owned 61 shopping centres in Norway and Sweden.

<sup>4</sup> Over NOK 50 million

The Group's subsidiary Amfi Drift AS, which manages shopping centres for external and internal owners, was sold to sister group Thon Holding AS in Q2 2022.

Olav Thon Eiendomsselskap is Norway's leading shopping centre actor with a solid market position.

The shopping centre portfolio includes Norway's largest shopping centre in terms of retail sales, Lagunen Storsenter in Bergen, and six of the country's nine largest shopping centres.

### Retail sales

Retail sales in the shopping centre portfolio wholly or partly owned by the Group amounted to NOK 11,818 (11,000) million in Q1.

The Group's shopping centres had the following retail sales in Q1, broken down by month:

NOK m	2022	2021	Change
January	3,806	3,640	4.6 %
February	3,715	3,352	10.8 %
March	4,297	4,008	7.2 %
<b>Total Q1</b>	<b>11,818</b>	<b>11,000</b>	<b>7.4 %</b>

### Norway

The Group's Norwegian shopping centres reported retail sales of NOK 11,037 (10,275) million in Q1.

### Sweden

In Sweden, the shopping centres had retail sales of SEK 781 (828) million.

## RISK FACTORS

The biggest risk factors to which Olav Thon Eiendomsselskap is exposed are considered to be market and financial risks associated with the property and financial markets in Norway and Sweden.

## THE PROPERTY MARKET

Trends in the property market in Norway and Sweden are affected by both macroeconomic factors and demand for commercial property as an investment object.

Changes in yield and market rents have a direct impact on the value of the property portfolio. Calculations of these effects can be found in note 8 in the quarterly report and on the company's website: [olt.no](http://olt.no).

The valuation as of 31 March 2022 was based on an average yield of 4.91 %. In the last three years, the yield has varied between 4.91 % and 5.35 %.

## THE FINANCIAL MARKETS

The most significant financial risk for Olav Thon Eiendomsselskap is considered to be the Group's access to financing in the banking and capital markets.

The risk is mitigated by maintaining a low loan to value ratio, a balanced debt portfolio and significant liquidity reserves.

The Group's financing is described in greater depth in the next section, and more details about financial risk management can be found in the annual report for 2021 and on the company's website: [olt.no](http://olt.no).

## FINANCIAL INSTRUMENTS

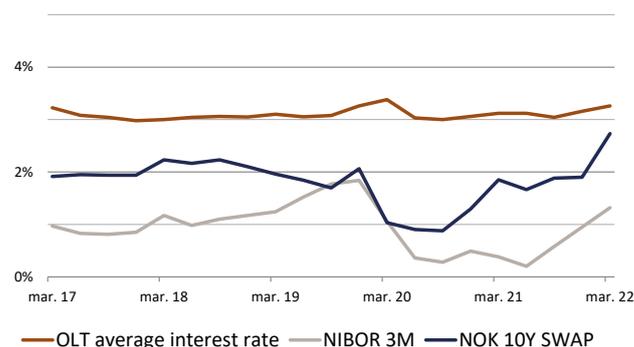
The Group's interest rate derivatives (interest rate swaps) are carried at fair value. Interest rate swaps are primarily used to secure the Group long-term fixed-rate periods.

At the end of Q1, the portfolio of interest rate derivatives was NOK 18,034 (13,801) million and had a fair value of NOK -418 (-1,337) million.

Fair value is affected both by changes in long-term interest rates and by the remaining term on interest rate derivatives.

It is estimated that a change of 1 percentage point in long-term interest rates would change the fair value of the portfolio by approximately NOK 600 – 700 million.

### Interest rates last 5 years



As of 31 March 2022, the Group's average interest rate was 3.26 %<sup>5</sup>.

## FINANCING

The Group's debt portfolio consists of long-term credit facilities with Nordic banks and direct borrowing in the capital markets in Norway and Sweden.

Access to financing is considered good despite the weak development of the capital markets in the first months of the quarter.

The Group's financing sources in Q1 were both the capital markets in Norway and Sweden and the Nordic banking market.

New loans amounting to NOK 900 million and SEK 850 million were raised on the capital markets.

In addition, a long-term loan agreement for NOK 800 million was signed with a Nordic bank.

<sup>5</sup> Loans in NOK and SEK

## INTEREST-BEARING DEBT AND MATURITY STRUCTURE

At the end of Q1, outstanding certificate and bond debt amounted to NOK 12,703 (12,228) million, broken down as follows:

Norway: NOK 10,730 (10,031) million  
 Sweden: SEK 2,100 (2,250) million

Total credit facilities were NOK 25,824 (27,338) million, NOK 5,631 (7,329) million of which was undrawn.

For details of the Group's interest-bearing debt see notes 11 and 12 and note 8 in 'Alternative performance measures' in the quarterly report.

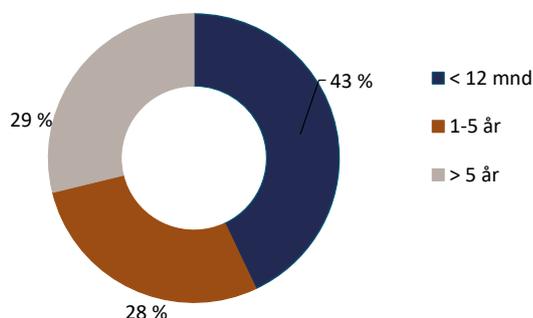
The debt had an average remaining term of 3.0 (2.8) years, and 17 % (25 %) of the debt is due for repayment within 1 year.

At the end of Q1, the Group had a fixed-rate ratio of 57 % (57 %), with an average fixed-rate period of 3.7 (3.6) years.

The Group's average interest rate was 3.26 % (3.12 %), divided between the following currencies:

Currency	Share of debt	Average interest rate
NOK	87 %	3.57 %
SEK	13 %	1.14 %

### Interest rate maturity structure



57 % of interest-bearing debt has a fixed-interest period of over 1 year, and the average fixed-interest period is 3.7 years.

## SHARES AND SHAREHOLDERS

The closing price of the Olav Thon Eiendomsselskap share was NOK 184.00 at the end of Q1, down from NOK 195.60 at the start of the quarter.

In recent years, the Olav Thon Eiendomsselskap share has generated the following return (including dividend) compared with the Oslo Stock Exchange:

	Return OLT	OSEBX
<b>Q1 2022</b>	-4 %	4%
<b>Last 12 months</b>	16 %	19 %
<b>Last 24 months</b>	71 %	78 %
<b>Last 36 months</b>	28 %	45 %

1,176,689 (2,892,188) shares were traded in Q1, with 3,590 (4,805) trades in the share on the Oslo Stock Exchange.

The highest and lowest prices in the quarter were NOK 199.80 and 177.00, respectively.

At the end of the quarter, the company's market capitalisation was NOK 19.5 (16.9) billion, and the company's largest shareholders were:

Olav Thon Gruppen AS and subsidiaries	73.9 %
Folketrygdfondet	2.4 %
MP Pensjon	2.2 %
VPF Nordea Norge	1.8 %
J.P. Morgan S.E.	1.1 %
Other owners	18.6 %
<b>TOTAL</b>	<b>100 %</b>

## OUTLOOK

Growth in the Norwegian economy is increasing again, and conditions in the Norwegian economy are getting back to normal following the reopening of society.

Norges Bank has raised its policy rate from 0 % to 0.75 %, and is indicating that the rate will rise further as the Norwegian economy returns to normal.

The war in Ukraine is causing increased uncertainty regarding economic development both in Norway and globally going forward, and may have a negative impact on the Group's framework conditions.

All in all, the Group's solid market position and finances are expected to help maintain good profit development in the future, even with increased uncertainty and higher market interest rates.

Oslo, 19 May 2022

Board of Directors, Olav Thon Eiendomsselskap ASA

## OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

**STATEMENT OF COMPREHENSIVE INCOME**

(NOK million)	Note	31.03.2022	31.03.2021	31.12.2021
Rental income	6	783	733	2 990
Property-related income		281	260	939
Property-related expenses		-345	-308	-1 155
<b>Net rental income</b>	<b>7</b>	<b>718</b>	<b>686</b>	<b>2 774</b>
Other operating income		41	33	165
Other operating expenses		-41	-35	-154
Administrative expenses	6	-55	-49	-197
Depreciation		-9	-8	-32
<b>Net income from property management</b>	<b>7</b>	<b>654</b>	<b>627</b>	<b>2 558</b>
Fair value adjustments, investment property	8	1 272	61	1 802
Fair value adjustments, right-of-use assets		-3	-3	-12
Share of profit from joint ventures and associates	9	99	62	283
<b>Operating profit</b>	<b>7</b>	<b>2 022</b>	<b>747</b>	<b>4 631</b>
Financial income	10	52	106	118
Financial expenses	10	-176	-177	-699
Fair value adjustments, interest rate derivatives		570	411	716
<b>Net financial items</b>		<b>446</b>	<b>340</b>	<b>136</b>
<b>Profit before income tax</b>		<b>2 468</b>	<b>1 087</b>	<b>4 767</b>
Change in deferred tax		-460	-148	-736
Income tax payable		-67	-74	-208
<b>Income tax</b>		<b>-527</b>	<b>-222</b>	<b>-944</b>
<b>Profit</b>		<b>1 941</b>	<b>865</b>	<b>3 822</b>
<b>Other Comprehensive income</b>				
<i>Items to be reclassified to P&amp;L in subsequent periods:</i>				
Currency translation differences from foreign operations		-55	-97	-103
<b>Total comprehensive income</b>		<b>1 886</b>	<b>768</b>	<b>3 720</b>
<b>Profit attributable to:</b>				
Shareholders of the parent		1 934	858	3 770
Non-controlling interests		6	7	53
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent		1 880	761	3 667
Non-controlling interests		6	7	53
Earnings per share, basic and diluted (NOK)		19	8	36

## OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

**BALANCE SHEET**

(NOK million)	Note	31.03.2022	31.03.2021	31.12.2021
<b>ASSETS</b>				
Deferred tax asset		0	326	0
Investment properties	8	58 080	54 530	56 530
Owner-occupied properties		187	189	187
Right-of-use assets		212	347	337
Fixed assets		52	70	58
Investments in joint ventures and associates	9	3 102	2 802	3 004
Other non-current assets		436	432	445
<b>Total non-current assets</b>		<b>62 070</b>	<b>58 696</b>	<b>60 560</b>
Trade receivables and other current receivables		850	793	992
Cash and cash equivalents		683	367	448
<b>Total current assets</b>		<b>1 533</b>	<b>1 159</b>	<b>1 440</b>
<b>Total assets</b>		<b>63 603</b>	<b>59 855</b>	<b>62 000</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		104	104	104
Share premium		318	318	318
Other equity		32 364	28 090	30 484
Non-controlling interests		443	393	436
<b>Total equity</b>		<b>33 229</b>	<b>28 905</b>	<b>31 342</b>
Deferred tax liabilities		7 950	7 233	7 493
Lease liabilities		215	348	341
Interest-bearing non-current liabilities	11	16 748	15 451	16 780
Other non-current liabilities	11	175	994	712
<b>Total non-current liabilities</b>		<b>25 088</b>	<b>24 026</b>	<b>25 325</b>
Income tax payable		185	116	209
Interest-bearing current liabilities	12	3 445	5 058	3 335
Trade payables and other current liabilities	12	1 656	1 751	1 790
<b>Total current liabilities</b>		<b>5 286</b>	<b>6 925</b>	<b>5 333</b>
<b>Total liabilities</b>		<b>30 374</b>	<b>30 951</b>	<b>30 658</b>
<b>Total equity and liabilities</b>		<b>63 603</b>	<b>59 855</b>	<b>62 000</b>

## OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

**STATEMENT OF CASH FLOW**

(NOK million)	31.03.2022	31.03.2021	31.12.2021
Net cash flow from operations	536	560	1 997
Expensed interest	165	168	670
Paid interest	-172	-172	-667
Paid income tax	-90	-128	-169
Change in working capital	15	-3	-147
<b>Net cash flow from operating activities</b>	<b>455</b>	<b>426</b>	<b>1 684</b>
Payment on the sale of tangible fixed assets	-	-	366
Acquisition of investment properties	-157	-238	-873
Acquisition of subsidiaries	-240	-	-
Other investments	9	9	14
<b>Net cash flow from investment activities</b>	<b>-388</b>	<b>-229</b>	<b>-492</b>
Proceeds from interest-bearing liabilities	3 033	3 879	14 550
Repayment of interest-bearing liabilities	-2 862	-4 188	-15 245
Payment on leasing liabilities	-2	-2	-11
Dividends paid	-	-	-520
<b>Net cash flow from financing activities</b>	<b>169</b>	<b>-311</b>	<b>-1 226</b>
Currency translation effects on cash and cash equivalents	-2	-2	-2
<b>Net change in cash</b>	<b>235</b>	<b>-117</b>	<b>-36</b>
Cash at beginning of period	448	484	484
Cash at end of period	683	367	448

## OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

**STATEMENT OF CHANGES IN EQUITY**

(NOK million)	Share capital	Share premium	Currency translation differences	Other Equity	Hedging reserve	Shareholders of the parent	Non-controlling interests	Total
<b>Equity 31.12.2020</b>	<b>104</b>	<b>318</b>	<b>32</b>	<b>27 310</b>	<b>-12</b>	<b>27 752</b>	<b>385</b>	<b>28 136</b>
Profit	-	-	-	858	-	858	7	865
Other comprehensive income	-	-	-97	-	-	-97	-	-97
Dividends paid	-	-	-	-	-	-	-	-
Other changes	-	-	-	1	-	1	-	1
<b>Equity 31.03.2021</b>	<b>104</b>	<b>318</b>	<b>-65</b>	<b>28 169</b>	<b>-12</b>	<b>28 514</b>	<b>393</b>	<b>28 905</b>
Profit	-	-	-	2 912	-	2 912	46	2 957
Other comprehensive income	-	-	-5	-	-	-5	-	-5
Dividends paid	-	-	-	-518	-	-518	-2	-520
Other changes	-	-	-	4	-	4	1	5
<b>Equity 31.12.2021</b>	<b>104</b>	<b>318</b>	<b>-70</b>	<b>30 567</b>	<b>-12</b>	<b>30 907</b>	<b>436</b>	<b>31 342</b>
Profit	-	-	-	1 934	-	1 934	6	1 941
Other comprehensive income	-	-	-55	-	-	-55	-	-55
Dividends paid	-	-	-	-	-	-	-	-
Other changes	-	-	-	0	-	0	-	0
<b>Equity 31.03.2022</b>	<b>104</b>	<b>318</b>	<b>-125</b>	<b>32 501</b>	<b>-12</b>	<b>32 787</b>	<b>443</b>	<b>33 229</b>

## OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

**NOTES TO THE ACCOUNTS**

(NOK million)

**Note 1 GENERAL INFORMATION**

Olav Thon Eiendomsselskap ASA is based in Norway and is listed on Oslo Stock Exchange. The head office is situated in Oslo. The Group's consolidated financial statements includes Olav Thon Eiendomsselskap ASA and subsidiaries, as well as the Group's interests in joint ventures and associated companies. The Group has activities in Norway and Sweden. The interim financial statements were adopted by the Board on May 19, 2022. There has been no audit of the interim financial information.

**Note 2 ACCOUNTING PRINCIPLES**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by IASB and as adopted by EU. The consolidated accounts have been prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting principles on which the interim report is based are in accordance with the principles used in the preparation of the annual report for 2021.

**Note 3 CHANGES IN GROUP STRUCTURE**

There are no significant changes in the Group structure during the quarter.

**Note 4 ESTIMATES**

Preparation of interim financial statements involves the use of judgements, estimates and assumptions that affect the application of accounting principles and amounts recognised in the Group's position and results. In preparing the interim financial statements, management has used the same assessments related to the application of accounting principles that formed the basis for the consolidated financial statements for 2021.

**Note 5 SUBSEQUENT EVENTS**

No events of significance to the assessment of the Group's position and results have occurred after the reporting date.

**Note 6 RELATED PARTY TRANSACTIONS**

The company has the following transactions with related parties.

<b>Transactions</b>	<b>Counterparty</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Rental income	Companies in Thon Holding Group	20	20	82
Operating and administration agreements	Companies in Thon Holding Group	38	33	128

**Note 7 BUSINESS SEGMENTS**

The Group has activities within two strategic business segments and two geographical areas.  
The segment reporting is based on the internal management reporting.

31.03.2022	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	573	210	-	783	731	51	783
Property-related income	243	38	-	281	263	18	281
Property-related expenses	-264	-81	-	-345	-293	-52	-345
<b>Net rental income</b>	<b>552</b>	<b>167</b>	<b>-</b>	<b>718</b>	<b>701</b>	<b>17</b>	<b>718</b>
Other operating income	20	-	22	41	41	-	41
Other operating expenses	-20	-	-21	-41	-41	-	-41
Administrative expenses	-47	-8	-	-55	-52	-3	-55
Depreciation	-6	-3	-	-9	-9	-0	-9
<b>Net income from property management</b>	<b>498</b>	<b>155</b>	<b>1</b>	<b>654</b>	<b>640</b>	<b>14</b>	<b>654</b>
Fair value adjustments, investment property	886	386	-	1 272	1 141	131	1 272
Fair value adjustments, right-of-use assets	-2	-1	-	-3	-3	-	-3
Share of profit from joint ventures & associates	99	0	-	99	99	-	99
<b>Operating profit</b>	<b>1 481</b>	<b>540</b>	<b>1</b>	<b>2 022</b>	<b>1 877</b>	<b>145</b>	<b>2 022</b>

31.03.2021	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	541	192	-	733	680	53	733
Property-related income	236	25	-	260	244	16	260
Property-related expenses	-232	-76	-	-308	-278	-30	-308
<b>Net rental income</b>	<b>545</b>	<b>141</b>	<b>-</b>	<b>686</b>	<b>647</b>	<b>39</b>	<b>686</b>
Other operating income	15	-	18	33	33	-	33
Other operating expenses	-17	-	-18	-35	-35	-	-35
Administrative expenses	-41	-8	-	-49	-46	-3	-49
Depreciation	-5	-3	-	-8	-8	-0	-8
<b>Net income from property management</b>	<b>497</b>	<b>130</b>	<b>-0</b>	<b>627</b>	<b>591</b>	<b>35</b>	<b>627</b>
Fair value adjustments, investment property	-80	141	-	61	129	-68	61
Fair value adjustments, right-of-use assets	-2	-1	-	-3	-3	-	-3
Share of profit from joint ventures & associates	66	-4	-	62	62	-	62
<b>Operating profit</b>	<b>480</b>	<b>267</b>	<b>-0</b>	<b>747</b>	<b>780</b>	<b>-33</b>	<b>747</b>

31.12.2021	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	2 188	801	-	2 990	2 796	193	2 990
Other property-related income	826	113	-	939	868	71	939
Property-related expenses	-851	-304	-	-1 155	-1 033	-121	-1 155
<b>Net rental income</b>	<b>2 164</b>	<b>610</b>	<b>-</b>	<b>2 774</b>	<b>2 631</b>	<b>143</b>	<b>2 774</b>
Other operating income	91	-	74	165	165	-	165
Other operating expenses	-90	-	-63	-154	-154	-	-154
Administrative expenses	-164	-33	-	-197	-184	-13	-197
Depreciation	-19	-12	-	-32	-32	-	-32
<b>Net income from property management</b>	<b>1 982</b>	<b>565</b>	<b>11</b>	<b>2 558</b>	<b>2 428</b>	<b>130</b>	<b>2 558</b>
Fair value adjustments, investment property	845	957	-	1 802	1 849	-47	1 802
Fair value adjustments, right-of-use assets	-9	-3	-	-12	-12	-	-12
Share of profit from joint ventures & associates	279	4	-	283	283	-	283
<b>Operating profit</b>	<b>3 097</b>	<b>1 523</b>	<b>11</b>	<b>4 631</b>	<b>4 548</b>	<b>83</b>	<b>4 631</b>

### Note 8 INVESTMENT PROPERTY

	31.03.2022	31.03.2021	31.12.2021
Opening balance	56 530	54 453	54 453
Acquisitions/expenditure on properties	151	235	859
Acquisitions and divestments companies/investment property	241	-	-369
Change in fair value recognised in the period	1 272	61	1 802
Effect of currency exchange differences in foreign operations	-113	-218	-215
Other changes	-1	-0	-
<b>Closing balance</b>	<b>58 080</b>	<b>54 530</b>	<b>56 530</b>

The table below presents a sensitivity analysis showing changes in fair value of investment properties when yield and rent levels is changed.

Fair Value	Rent level		
	- 10 %	Unchanged	+ 10 %
<b>Investment property</b>			
- 1 %-points	65 572	72 813	80 053
- 0,5 %-points	58 191	64 612	71 033
Unchanged	52 313	58 080	63 848
+ 0,5 %-points	47 520	52 755	57 990
+ 1,0 %-points	43 537	48 330	53 122

**Note 9 JOINT VENTURES AND ASSOCIATED COMPANIES**

The table below shows underlying figures in the income statement and financial position for joint ventures and associated companies.

<b>Joint ventures</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Net rental income	95	92	287
Fair value adjustments, investment property	39	15	129
Fair value adjustments, interest rate derivatives	16	11	17
Expenses	-52	-50	-122
Income taxes	-5	-12	-54
<b>Profit</b>	<b>93</b>	<b>56</b>	<b>258</b>
Investment properties	3 620	3 422	3 563
Other assets	291	243	259
<b>Total assets</b>	<b>3 911</b>	<b>3 665</b>	<b>3 822</b>
Equity	2 551	2 257	2 458
Non-current liabilities	1 248	1 293	1 262
Current liabilities	112	115	101
<b>Total equity and liabilities</b>	<b>3 911</b>	<b>3 665</b>	<b>3 822</b>

<b>Associated companies</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Net rental income	14	13	59
Fair value adjustments, investment property	-3	2	-5
Expenses	-4	-6	-21
Income taxes	-1	-2	-7
<b>Profit</b>	<b>6</b>	<b>7</b>	<b>25</b>
Investment properties	865	859	858
Other assets	163	166	169
<b>Total assets</b>	<b>1 028</b>	<b>1 025</b>	<b>1 027</b>
Equity	551	545	545
Non-current liabilities	460	464	467
Current liabilities	16	16	15
<b>Total equity and liabilities</b>	<b>1 028</b>	<b>1 025</b>	<b>1 027</b>

**Note 10 FINANCIAL INCOME AND FINANCIAL EXPENSES**

	31.03.2022	31.03.2021	31.12.2021
Interest income	2	2	5
Currency gain	50	104	113
Other financial income	-	0	0
<b>Total financial income</b>	<b>52</b>	<b>106</b>	<b>118</b>
Interest expenses	-160	-161	-645
Interest expenses related to lease liabilities	-5	-6	-25
Currency loss	-0	-0	-0
Other financial expenses	-11	-10	-28
<b>Total financial expenses</b>	<b>-176</b>	<b>-177</b>	<b>-699</b>

**CURRENCY ITEMS**

Currency translation differences from foreign operations	-55	-97	-103
Currency translation effects on cash and cash equivalents	-2	-2	-2
Other currency items	52	107	115
<b>Total currency effects</b>	<b>-4</b>	<b>7</b>	<b>10</b>

**Note 11 NON-CURRENT LIABILITIES**

	31.03.2022	31.03.2021	31.12.2021
Bonds	9 363	7 465	10 215
Other interest-bearing liabilities	7 385	7 986	6 565
<b>Total Interest-bearing current liabilities</b>	<b>16 748</b>	<b>15 451</b>	<b>16 780</b>
Fair value interest rate swaps	151	958	689
Other liabilities	24	36	22
<b>Total non-current liabilities</b>	<b>175</b>	<b>994</b>	<b>712</b>

**Note 12 CURRENT LIABILITIES**

	31.03.2022	31.03.2021	31.12.2021
Commercial papers	948	1 676	1 725
Bonds	2 391	3 087	1 583
Bank loans	105	295	27
<b>Total Interest-bearing current liabilities</b>	<b>3 445</b>	<b>5 058</b>	<b>3 335</b>
Fair value interest rate swaps	267	380	299
Lease liabilities	9	9	9
Trade payables	176	214	137
Accrued interest	25	24	31
Duties payable	143	129	115
Other current liabilities	1 036	996	1 200
<b>Total trade payables and other current liabilities</b>	<b>1 656</b>	<b>1 751</b>	<b>1 790</b>

## OLAV THON EIENDOMSELSKAP 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.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Fair value adjustments in;			
investment properties recognised in profit and loss	1 272	61	1 802
right-of-use assets recognised in profit and loss	-3	-3	-12
investment properties in joint ventures	39	15	129
investment properties in associated companies	-3	2	-5
interest rate derivatives recognised in profit and loss	570	411	716
interest rate derivatives in joint ventures	16	11	17
<b>Fair value adjustments, investment properties and derivatives</b>	<b>1 891</b>	<b>497</b>	<b>2 647</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.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Profit before income tax	2 468	1 087	4 767
Income tax in joint ventures	5	12	54
Income tax in associated companies	1	2	7
Fair value adjustments investment properties / derivatives	-1 891	-497	-2 647
Currency gain	-50	-104	-113
Currency loss	0	0	0
<b>Profit before income tax, fair value adjustment and currency result</b>	<b>532</b>	<b>500</b>	<b>2 068</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.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Total equity	33 229	28 905	31 342
Total equity and debt	63 603	59 855	62 000
<b>Equity ratio</b>	<b>52 %</b>	<b>48 %</b>	<b>51 %</b>

**ALTERNATIVE PERFORMANCE MEASURES** (continued)**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.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Majority share of equity	32 786	28 512	30 906
Deferred tax liabilities (deferred tax liabilities current assets excluded)	7 936	7 225	7 493
Fair value of debt - deferred tax liabilities - 6 %	-2 164	-1 970	-2 043
<b>Long term net asset value</b>	<b>38 558</b>	<b>33 767</b>	<b>36 355</b>
Number of shares	103 623 171	103 623 171	103 623 171
<b>Long term net asset value per share in NOK</b>	<b>372</b>	<b>326</b>	<b>351</b>
<b>Equity per share in NOK</b>	<b>316</b>	<b>275</b>	<b>298</b>

**5. Net cash flow from operating activities**

Net cash flow from operations is considered to give readers a better understanding of the liquidity generated from the Group's operating activities. This is important for assessing the Group's financial results and financial position.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Net cash flow from operating activities	455	426	1 684
Expensed/paid interest	-6	-4	3
Paid income tax	-90	-128	-169
Change in working capital	15	-3	-147
<b>Net cash flow from operations</b>	<b>536</b>	<b>560</b>	<b>1 997</b>

**6. 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.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Unutilized overdrafts and other credit facilities	5 631	7 329	7 766
Cash and cash equivalents	683	367	448
<b>Liquidity reserves</b>	<b>6 314</b>	<b>7 696</b>	<b>8 214</b>

**7. 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.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Commercial papers	948	1 676	1 725
Bonds	2 391	3 087	1 583
Bank loans	105	295	27
<b>Amortisation next 12 months</b>	<b>3 444</b>	<b>5 058</b>	<b>3 335</b>

**ALTERNATIVE PERFORMANCE MEASURES** (continued)**8. 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.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Bonds, non-current	9 363	7 465	10 215
Bonds, current	2 391	3 087	1 583
Commercial papers, current	948	1 676	1 725
Debt to credit institutions, long-term	7 385	7 986	6 565
Debt to credit institutions, short-term	105	295	27
<b>Interest-bearing debt*</b>	<b>20 193</b>	<b>20 509</b>	<b>20 114</b>
Cash and cash equivalents	-683	-367	-448
<b>Net interest-bearing debt</b>	<b>19 510</b>	<b>20 142</b>	<b>19 666</b>
Market value properties	58 285	54 733	56 734
<b>Loan to value ratio</b>	<b>33 %</b>	<b>37 %</b>	<b>35 %</b>

* Unsecured part of interest-bearing debt (where the Group has not provided collateral)	11 023	8 197	11 843
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**9. 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.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Annualized interest expenses on interest-bearing debt as of the balance sheet date	408	276	330
Annualized interest expenses on current interest rate swaps per balance sheet date	251	364	306
<b>Annualized interest expenses per balance sheet date</b>	<b>658</b>	<b>639</b>	<b>635</b>
Interest-bearing debt	20 193	20 509	20 114
<b>Interest per balance sheet date</b>	<b>3,26 %</b>	<b>3,12 %</b>	<b>3,16 %</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.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Investment properties	151	235	859
New companies	241	0	-369
Other fixed assets	3	3	12
Other investments	36	9	57
<b>Net investments</b>	<b>431</b>	<b>246</b>	<b>559</b>

**ALTERNATIVE PERFORMANCE MEASURES** (continued)**11. Market value properties**

Market value of properties shows the sum of the market value of investment properties and owner-occupied properties, which are accounted for according to different accounting principles in the Group's balance sheet.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Market value investment properties	58 080	54 530	56 530
Market value owner-occupied properties	205	203	205
<b>Market value properties</b>	<b>58 285</b>	<b>54 733</b>	<b>56 734</b>

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

Market value of properties joint venture (Group share)	3 620	3 422	3 563
Market value of properties associated companies (Group share)	865	859	858

**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.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Annualized market rent leased premises	3 198	3 121	3 150
Annualized market rent vacant premises	117	129	120
<b>Annualized rental income level</b>	<b>3 315</b>	<b>3 250</b>	<b>3 270</b>

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

Annualized market rent leased premises owned through joint ventures and associated companies	270	261	271
Annualized market rent vacant premises owned through joint ventures and associated companies	15	14	14
<b>Annualized rental income level owned through joint ventures and associated companies</b>	<b>285</b>	<b>275</b>	<b>285</b>

<b>Total annualized rental income level</b>	<b>3 600</b>	<b>3 525</b>	<b>3 555</b>
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**13. Net yield properties**

Net 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.

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.12.2021</b>
Annualized rental income level	3 315	3 250	3 270
Lessor's owner cost	471	440	477
<b>Annualized net rental income level</b>	<b>2 844</b>	<b>2 810</b>	<b>2 793</b>
Market value properties	58 285	54 733	56 734
Adjustment market value for plots etc	405	512	572
<b>Market value properties after adjustment</b>	<b>57 880</b>	<b>54 221</b>	<b>56 163</b>
<b>Net yield properties</b>	<b>4,91 %</b>	<b>5,18 %</b>	<b>4,97 %</b>



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