

ANNUAL REPORT 2022

OLAV THON
EIENDOMSELSKAP



OLAV THON EIENDOMSSSELKAP IN BRIEF

HISTORY

Olav Thon Eiendomsselskap ASA was founded in 1982 and its shares were listed on the Oslo Stock Exchange in 1983.

The company has grown significantly since its start-up, with its annual rental income from properties having risen from NOK 27 million originally to NOK 3,385 million at the start of 2023. In the same period, the company's market capitalisation has increased from NOK 200 million to NOK 18.2 billion.

Since the early 1990s, its main focus area has been shopping centre properties and Olav Thon Eiendomsselskap is today the largest shopping centre actor in Norway and also an important player in the Swedish shopping centre market.

The company is part of the Olav Thon Group, which is Norway's largest private property player and one of Norway's largest hotel operators (Thon Hotels). The Olav Thon Group is owned by the Olav Thon Foundation.

MAIN STRATEGY: ACQUIRE - DEVELOP - OWN

The company's strategy is to invest in properties with development potential within various property segments.

The company aims to realise the development potential of the property portfolio through active development, effective management and satisfied tenants. In a capital intensive industry, it is important for the company to have an unconditional and strong financial position.

The combination of a high current return on the property portfolio and value creation through active property development is expected to help maximise growth in value in both the short- and long-term.

BUSINESS OBJECTIVES

The overall goal for Olav Thon Eiendomsselskap's business is to achieve maximum growth in equity per share so that shareholders achieve a long-term return that is competitive with comparable investment alternatives.

BOARD AND SENIOR MANAGEMENT

- Olav Thon, Chairman of the Board
- Sissel Berdal Haga Thon, Board Member
- Stig O. Jacobsen, Board Member
- Line Norbye, Board Member
- Elisabeth Holvik, Board Member
- Dag Tangevald-Jensen, CEO
- Kjetil Nilsen, Deputy Board Member

HIGHLIGHTS 2022

- Profit before tax amounted to NOK 3,134 (4,767) million.
- Profit before tax, fair value adjustments and currency result amounted to NOK 2,174 (2,068) million.
- The Group's financial position is solid, and the Group's equity ratio at year end was 52% (51%), while its liquidity reserves were NOK 5,139 (8,214) million.
- Retail sales¹ in the shopping centre portfolio were NOK 57,032 million, up 3.3% on 2021.

¹⁾ The retail sales figures, which relate to wholly and jointly owned companies, are as reported by the tenants.



KEY FIGURES

	APM ¹	31.12.22	31.12.21
(Figures in NOK millions)			
Net rental income		2 879	2 774
Fair value adjustments in investment properties and interest rate derivatives	1	920	2 647
Profit before income tax		3 134	4 767
Profit before income tax, fair value adjustments and currency result	2	2 174	2 068
Equity ratio	3	52%	51%
Equity per share (NOK)	4	318	298
Long-term net asset value per share (NOK)	4	374	351
Net cash flow from operations	5	2 045	2 009
Liquidity reserves	6	5 139	8 214
Amortisation next 12 months	7	2 623	3 335
Interest-bearing debt	8	20 227	20 114
Interest per balance sheet date	9	4.45%	3.16%
Loan to value ratio	8	35%	35%
Net investments	10	889	559
Market value properties	11	57 715	56 734
Annualized rental income level	12	3 385	3 270
Net yield properties	13	5.10%	4.97%
Sales, owned shopping centres		57 032	55 235
Share price (NOK)		175.5	195.6

¹ Definitions, calculations and explanations on the use of alternative performance measures (APM) are included at the end of the report.

BOARD OF DIRECTORS' REPORT 2022

STATEMENT REGARDING THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), which are issued by IASB and approved by the EU. The accounting policies have been applied consistently to all periods presented.

In accordance with the requirements of the Norwegian Accounting Act, the Board of Directors confirms that the basis for continued operations is still present. The annual financial statements for 2022 have been prepared based on this assumption.

SUMMARY OF INCOME STATEMENT AND BALANCE SHEET FINANCIAL POSITION/BALANCE SHEET AS AT 31 DECEMBER 2022

The Group's total assets were NOK 62,584 (62,000) million, with investment properties accounting for NOK 57,699 (56,866) million of that figure.

Equity amounted to NOK 32,673 (31,342) million and the equity ratio was 52% (51%).

Equity per share (attributable to controlling interests) was NOK 318 (298), while the long-term net asset value per share was calculated at NOK 374 (351).

Interest-bearing debt was NOK 20,227 (20,114) million, with a loan-to-value ratio of 35% (35%).

The Group's share of the equity in joint ventures and associates was NOK 2,965 (3,004) million.

SUMMARY OF THE INCOME STATEMENT FOR 2022

Profit before tax was NOK 3,134 (4,767) million.

Fair value adjustments of investment properties and interest rate derivatives (inclusive of joint ventures and associates) amounted to NOK 920 (2,647).

Profit before tax, fair value adjustments and currency result amounted to NOK 2,174 (2,068) million.

RENTAL INCOME AND PROPERTY-RELATED EXPENSES

Rental income amounted to NOK 3,219 (2,990) million.

Property-related income amounted to NOK 1,006 (939) million and consisted mainly of payments from the Group's tenants to cover property service charges and operation of shopping centre associations.

Property-related expenses amounted to NOK 1,346 (1,155) million, including the

above-mentioned service charges of NOK 879 (756) million.

Maintenance expenses for the property portfolio amounted to NOK 147 (111) million.

The Group's energy expenses that are not re-invoiced to its tenants were NOK 28 (16) million.

Energy costs also account for the majority of the increase in the Group's share of service charges for vacant space, which amount to NOK 127 (98) million.

Net rental income amounted to NOK 2,879 (2,774) million.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The value of the Group's investment properties increased by NOK 114 (1,790) million.

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

Value development for the main segments differed somewhat in 2022.

The value of the Group's shopping centre properties increased by NOK 174 (837) million, while the value of its commercial property fell by NOK 60 (954).

For further details please refer to the section on property operations later in the report and note 14 in the consolidated annual financial statements.

SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATES

The Group's share of the results of joint ventures and associates amounted to NOK 122 (283) million.

For the most part, the fall from 2021 is explained by fair value adjustments of shopping centre properties and interest rate derivatives amounting to NOK -72 (140) million in these companies, with the fall being mitigated by tax amounting to NOK 7 (-54) million.

A summary of the income statements and balance sheets for these companies can be found in notes 3, 4 and 5.

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are affected by the sale of management company Amfi Drift AS in Q2. Information on the sale can be found later in the annual report.

Other operating income amounted to NOK 158 (165) million and consisted mainly of sales revenue from other activities of NOK 149 (125) million and income from property management for external owners, which amounted to NOK 9 (40) million.

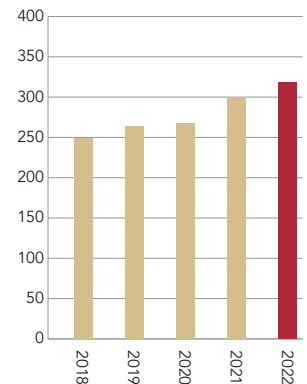
This amount includes a gain on the sale of Amfi Drift AS of NOK 69 (0) million.

Other operating and administrative expenses amounted to NOK 263 (351) million, while depreciation and amortisation amounted to NOK 26 (32) million.

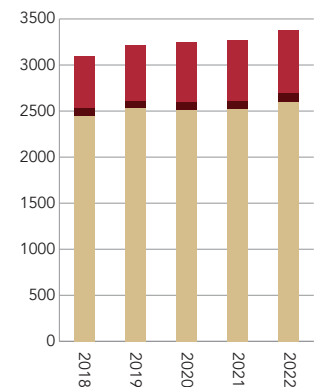
FINANCIAL INCOME AND EXPENSES

The Group's net financial items amounted to NOK 150 (136) million, with fair value adjustments of interest rate derivatives accounting for NOK 878 (716) million of that figure.

EQUITY PER SHARE (NOK)



ANNUAL RENTAL INCOME LEVEL MNOK



■ Other commercial property
■ Shopping centres
■ Property

Net interest expenses amounted to NOK 746 (665) million, NOK 15 (25) million of which were interest expenses related to lease liabilities.

Higher interest expenses are due to a higher average interest rate on the Group's interest-bearing debt.

Net gains related to the SEK exchange rate amounted to NOK 43 (113) million.

FAIR VALUE ADJUSTMENTS OF INTEREST RATE DERIVATIVES

The value of the Group's interest rate derivatives increased by NOK 878 (716) million, primarily due to higher long-term market interest rates during 2022.

CASH FLOW AND LIQUIDITY

Net cash flow from operations in 2022 was NOK 2,045 (2,009) million.

Net cash flow from operating activities was NOK 1,243 (1,684) million.

Net cash flow from investing activities was NOK -537 (-492) million, while financing activities reduced liquidity by NOK 900 (1,226) million.

The exchange rate effect on the Group's cash and cash equivalents was NOK 0 (-2) million, and liquidity reserves fell by NOK 194 (36) million in 2022.

The Group's liquidity reserves were NOK 5,139 (8,214) million at year end, consisting of short-term investments of NOK 254 (448) million and undrawn long-term credit facilities of NOK 4,885 (7,766) million.

PARENT COMPANY'S FINANCIAL STATEMENTS AND ALLOCATION OF PROFIT FOR THE YEAR

The parent company Olav Thon Eiendomsselskap ASA's financial statements have been prepared in

accordance with Norwegian accounting rules (NGAAP).

Olav Thon Eiendomsselskap ASA has been a pure holding company since 2020, and the Group's property portfolio is owned indirectly through subsidiaries.

The parent company's operating income amounted to NOK 0.4 (0.1) million, while profit before tax was NOK 2,335 (1,465) million as a result of dividends from subsidiaries.

Profit after tax for the year was NOK 2,300 (1,320) million.

The Board of Directors proposes the following allocation of the parent company's profit for the year:

Proposed dividend	
NOK 6.50 per share:	NOK 659 million
Transferred from other equity capital:	NOK 1,641 million
Allocated net result	NOK 2,300 million

The book value of the parent company's assets was NOK 23,718 (22,808) million at year end.

Book equity was NOK 4,070 (2,827) million and the equity ratio was 17.2% (12.4%) at year end.

PROPERTY OPERATIONS

PROPERTY PORTFOLIO AS AT 31 DECEMBER 2022

The Group's portfolio of investment properties is carried at fair value. For information about the valuation model and the variables used in the valuation, please see note 14.

The property portfolio was valued at NOK 57,699 (56,866) million, based on an average required return of 5.10% (4.97%).

The annual rental income level, which shows the property portfolio's expected market rent for let and vacant space, increased by NOK 115 million to NOK 3,385 (3,270) million in 2022.

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

Segment	Market value (Share)	Rental income level (Share)	Yield
Shopping centre properties	71% (72%)	77% (77%)	5.46% (5.34%)
Commercial properties	29% (28%)	23% (23%)	4.21% (4.08%)

As at 31 December 2022, the vacancy rate in the property portfolio was 3.5% (3.7%).

PROPERTY PORTFOLIO OWNED BY JOINT VENTURES AND ASSOCIATES

In addition to the property portfolio carried on the Group's balance sheet, the Group owns shares in a further 12 shopping centres through joint ventures and associates. The shares in these companies are between 25% and 50%.

The Group's share of the rental income level was NOK 295 (285) million at year end, while the value of the property portfolio is estimated at NOK 4,436 (4,421) million.

THE SHOPPING CENTRE BUSINESS AREA

At year end, Olav Thon Eiendomsselskap wholly or partly owned 59 shopping centres in Norway and Sweden.

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

The shopping centre portfolio includes five of Norway's six largest shopping centres, including Lagunen Storsenter

in Bergen, Norway's largest shopping centre in terms of retail sales.

Total retail sales in 2022 amounted to NOK 57,032 (55,235) million, made up of NOK 53,453 (51,647) million in Norway and SEK 3,765 (3,581) million in Sweden².

COMMERCIAL PROPERTY

Olav Thon Eiendomsselskap has a substantial property portfolio in addition to the Group's shopping centre portfolio. The Commercial Property segment comprises 60 properties in different segments, including, retail, offices, logistics, hotel properties and 400 residential rentals in the Oslo area.

Further information on property operations can be found on the company's website: olt.no.

Investments

The Group's total net investments in 2022 amounted to NOK 889 (559) million and mainly consist of investments in property projects under construction and upgrades of the existing property portfolio.

SALE OF ENTERPRISE

Amfi Drift AS

Subsidiary Amfi Drift AS was sold in Q2 to Thon Holding AS, which is related to the company's principal shareholder, Olav Thon Gruppen AS.

Amfi Drift AS is a management company that runs parts of the Group's property portfolio, and the sale was carried out in order to concentrate operation of the Olav Thon Group's property portfolio.

MAJOR PROPERTY PURCHASES

Amfi Drøbak City, Frogn

In Q1, the Group acquired ownership of the shopping centre property, which it has leased since 1996.

²⁾ The retail sales figures, which relate to wholly and jointly owned companies, are as reported by the tenants.

Amfi Drøbak City is a shopping centre property covering approx. 20,000 square metres with 40 shops in the Municipality of Frogn, around 40 km south of Oslo.

Sørlandssenteret, Kristiansand

An agreement was signed in Q4 regarding acquisition of the remaining 50% of the Sørlandssenteret shopping centre in the Municipality of Kristiansand. Following the takeover in January 2023, Olav Thon Eiendomsselskap is the sole owner of Sørlandssenteret. The purchase price was based on a value of NOK 2.131 billion (100%).

Sørlandssenteret, which is located 12 km northeast of Kristiansand, is the largest shopping centre in the County of Agder. In 2022, total tenant sales were NOK 2.9 billion, making Sørlandssenteret Norway's sixth-largest shopping centre in terms of sales. The centre generated NOK 137 million in rental income in 2022.

Amfi Ulsteinvik

An agreement was signed in Q4 regarding the acquisition of Amfi Ulsteinvik, a shopping centre that the Group has managed for external owners for several years. The shopping centre, which is located in Ulsteinvik in the County of Møre og Romsdal, has a gross area of 12,000 square metres and generated NOK 14 million in rental income in 2022.

The shopping centre was taken over in mid-January 2023.

PROPERTY DEVELOPMENT

Property development is an important part of the Group's operations, and the following major property projects were completed in 2022.

Completed in 2022

Two logistics buildings totalling 47,000 square metres in Gardermoen Park near Oslo Airport in the Municipality of

Ullensaker. The properties have been let to external tenants on long-term leases.

New building totalling 5,600 square metres with 46 residential units for rent, centrally located in Oslo Sentrum/Oslo Øst.

Under construction

The following major property projects were under construction at the end of 2022:

Refurbishment and upgrading of the Amfi Vågen shopping centre property in Sandnes.

New building with a total area of 2,500 square metres and 22 residential units for rent, centrally located in Oslo Øst.

Projects in planning phase

Olav Thon Eiendomsselskap is working on a number of major property projects that are primarily linked to the further development of its property portfolio. Whether these projects will be executed depends on factors such as official permits and market conditions.

Further information on the Group's property projects can be found on the company's website: olt.no.

FINANCING

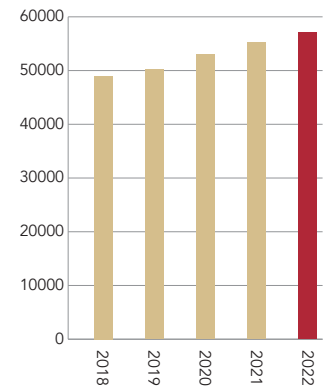
The Group's debt portfolio consists of long-term credit facilities with Nordic banks and direct borrowing in the capital markets in Norway and Sweden.

At year end, total credit facilities were NOK 25,112 (27,880) million, NOK 4,885 (7,766) million of which was undrawn.

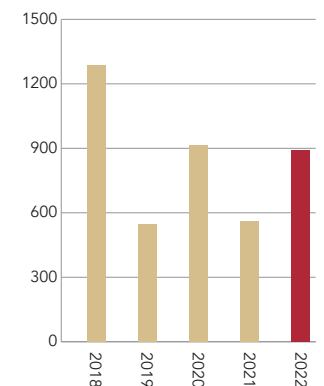
Interest-bearing debt therefore amounted to NOK 20,227 (20,114) million.

The capital markets in Norway and Sweden are important sources of financing and a substantial proportion of the Group's financing is raised in these financing markets.

SHOPPING CENTRE SALES MNOK



NET INVESTMENTS MNOK



At year end, the outstanding certificate and bond debt amounted to NOK 12,033 (13,523) million, made up as follows:

Norway:	NOK 11,088 (11,230) million
Sweden:	SEK 1,000 (2,250) million

The debt had an average residual term of 3.0 (3.0) years, and 13% (17%) of the debt is due for repayment within 1 year.

The Group's average interest rate was 4.45% (3.16%), divided between the following currencies:

Currency	Average interest rate	Share of debt
NOK	4.46%	87%
SEK	3.13%	13%

At year end, the Group had a fixed-rate ratio of 57% (57%), with an average fixed-rate period of 3.5 (3.9) years.

Further information on financial matters can be found on the company's website: olt.no.

ORGANISATION AND WORKING ENVIRONMENT

Olav Thon Eiendomsselskap practises equality and has zero tolerance for any form of discrimination or harassment of employees.

All employees are entitled to equal and fair treatment regardless of age, ethnic origin, disability, skin colour, nationality, political views and religion or other beliefs.

Olav Thon Eiendomsselskap has defined equal pay for men and women with comparable positions as a goal for its gender equality work. No systematic differences in pay between men and women have been identified in the Group.

Work is in progress to promote universal design of the company's general facilities,

so that they can also be used by persons with impaired functional ability.

The Board of Directors considers the above-mentioned conditions and general working environment to be satisfactory.

At the end of 2022, there were 292 (391) FTEs in the Group. On the same date, parent company Olav Thon Eiendomsselskap had 1 FTE.

40% of the Group's employees are women and 60% are men. The Group's sick leave rate in 2022 was 5.27% (3.8%).

No significant injuries or accidents occurred during business operations in the period. Nor have deficiencies in employee safety or the working environment otherwise been identified.

The company's Board of Directors consists of three women and two men.

At the company's Annual General Meeting on 19 May 2022, the following board members were elected for a term of 2 years ending in 2024:

- Olav Thon, Chairman of the Board
- Sissel Berdal Haga Thon
- Line Norbye
- Stig O. Jacobsen

Kjetil Nilsen was elected as a deputy board member for a term of 1 year ending in 2023.

Olav Thon Eiendomsselskap has not taken out insurance for members of the Board of Directors for their possible liability in relation to the company and third parties.

Statutory reporting regarding equality and anti-discrimination under section 26 of the Norwegian Equality and Discrimination Act for group companies can be found on the company's website: olt.no.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Olav Thon Eiendomsselskap follows the Olav Thon Group's guidelines for sustainable development and corporate social responsibility.

The Olav Thon Group is a member of the UN Global Compact, and works systematically in the areas of human rights, working conditions, the environment, anti-corruption and social responsibility.

This work is followed up with targets and measures, and is documented in an annual Sustainability Report in accordance with the Global Reporting Initiative (GRI) standards.

In autumn 2022, Olav Thon Eiendomsselskap adopted a Sustainability Strategy, which sets out the Group's ambitions, targets and plans for sustainability work in the period up to 2030.

Olav Thon Eiendomsselskap published its first ever sustainability report in 2022. It describes the company's extensive work in the areas of corporate social responsibility and sustainability.

Further information on this work and the sustainability report can be found on the company's website: olt.no.

TRANSPARENCY ACT

The Norwegian Transparency Act (Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions) came into force in 2022.

The Act is intended to ensure that enterprises respect fundamental human rights and decent working conditions in connection with the production of goods and services.

The Act imposes on enterprises a duty to provide information and a duty to carry

out due diligence. This has to be done in the form of an account, which must be publicly available.

Olav Thon Eiendomsselskap will publish an "Account of due diligence carried out pursuant to the Transparency Act" on the Group's website at olt.no by the deadline stipulated in the Act.

CORPORATE GOVERNANCE

Olav Thon Eiendomsselskap aims to maintain a high level of trust among investors, lenders, tenants and society in general, and therefore strives to achieve good corporate governance.

The management of the Group is essentially based on the principles set forth in the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES).

A supplementary report on corporate governance can be found on the company's website: olt.no.

Olav Thon Eiendomsselskap ASA's Board of Directors held five board meetings in 2022.

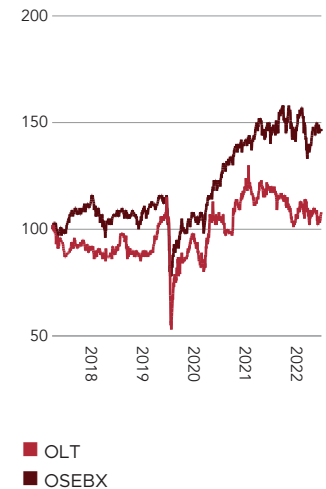
SHARE INFORMATION

The price of Olav Thon Eiendomsselskap shares at the end of 2022 was NOK 175.50, down from NOK 195.60 at the start of the year.

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

	Share price and dividend OLT	Main index Oslo Stock Exchange
2022	-7%	-1%
Last 3 years	14%	26%
Last 5 years	16%	47%

SHARE PRICE AND OSEBX DEVELOPEMENT LAST 5 YEARS



Share trades

In 2022, 5.6 (5.3) million shares were traded and 11,830 (18,024) transactions in the share were conducted on the Oslo Stock Exchange.

The highest and lowest prices in 2022 were NOK 199.8 (214) and NOK 164 (157), respectively.

Shareholders

Olav Thon Eiendomsselskap ASA has issued 103,623,171 shares, which have equal rights.

As at 31 December 2022, the company owned 2,144,263 treasury shares, which means that the number of shares with voting rights stands at 101,478,908.

At year end, the company had 3,744 shareholders, with Norwegian investors owing 97.8% of the shares.

At year end, the company's market capitalisation was NOK 18.2 (20.3) billion, and the company's five largest shareholders were as follows:

Largest

shareholders	31.12.2022	31.12.2021
Olav Thon Gruppen as (incl. subsidiaries)	73.9%	73.9%
Folketrygde-fondet	2.3%	2.4%
MP Pensjon	2.2%	2.2%
Olav Thon Eiendoms-selskap	2.1%	0.0%
VPF Nordea Verdi	1.4%	1.9%
Others	18.1%	19.6%
Total	100%	100%

Dividend

The company's dividend policy is that shareholders should receive a dividend equivalent to 30-40% of the Group's profit excluding fair value adjustments,

given a satisfactory solvency ratio and liquidity.

In 2022, a dividend of NOK 6.50 per share for 2021 was paid to shareholders in the company on 19 May 2022.

The Board proposes that a dividend of NOK 6.50 (6.50) per share be paid for 2022.

Further information on shares and shareholders can be found on the company's website: olt.no.

Share buy-back

In September, Olav Thon Eiendomsselskap launched an offer to shareholders to buy back up to 3 million shares. On the deadline for acceptance, the company bought back 2,144,263 own shares (2.1%) for NOK 185 per share.

OLAV THON EIENDOMSSSELKAP'S RISK FACTORS

The Group's risk factors can be divided into the following main categories:

- Market risk
- Financial risk
- Operational risk

MARKET RISK

The Group's market risk is related to the general development of the property markets, which are affected by both general macroeconomic developments and demand for commercial property as an investment object.

The market risk is related to both the development of properties' market value and the development of rental prices for retail, office and residential properties.

The market value and rental price development of the properties is affected by macroeconomic variables such as changes in gross domestic product (GDP), unemployment, inflation and interest rate changes.

Changes in the market's required returns used in the sale of commercial property and changes in market rents for properties have a direct effect on property values. Calculations of this effect can be found in note 14 in the annual report.

The commercial property market in 2022

The commercial property market showed weak development overall in 2022, and a substantial increase in financing costs resulted in lower demand for commercial property. This resulted to a general decrease in market value in several segments.

The sales volume in the transaction market for commercial property in Norway in 2022 was down on the two previous years, but was nevertheless on a par with 2019, which was high historically.

Rental prices for shopping centre properties largely showed stable development.

The rental price trend was largely up on the office rental market in the Oslo area, but there were some differences in rental price and vacancy rate between the different parts of the city.

The Group's market risk

Value development differed somewhat for the shopping centre property and commercial property segments in 2022. The value of the Group's shopping centre properties increased by NOK 174 million, while the value of the commercial properties decreased by NOK 60 million.

Rental prices showed a stable trend for shopping centre properties and stable or slightly rising rent for commercial properties.

The risk of a substantially higher vacancy rate and a significant fall in the Group's rental income is considered moderate.

A sensitivity analysis of what effects any changes in required return and rental income would have on property values and the equity ratio can be found in note 14 and on the company's website: olt.no.

FINANCIAL RISK

Olav Thon Eiendomsselskap's financial risk is considered mainly to be the Group's access to financing in the banking and capital markets, and the cost of that financing.

Access to financing depends on both developments in the financial markets and the Group's creditworthiness.

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

The cost of financing depends on market interest rates and the specific credit margin the Group has to pay.

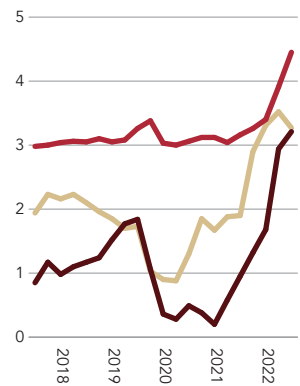
The credit margin is linked to both the Group's creditworthiness and developments in the credit market.

Credit rating

In February 2021, Olav Thon Eiendomsselskap was awarded an Investment Grade Rating of Baa2 with stable outlook by Moody's. The Group's rating class and outlook were both confirmed in March 2023, which means that they have remained unchanged since February 2021.

The credit rating has strengthened the Group's access to financing in the capital market.

INTEREST RATES LAST FIVE YEARS



■ OLT average rate
■ 10-years swap rent
■ 3-month NIBOR

Trends in the financing markets

Access to financing is judged satisfactory in 2022 despite relatively weak financing markets.

Interest rate development

In 2022, Norges Bank raised its policy rate from 0.50% to 2.75%.

The short-term Norwegian money market interest rate (3-month NIBOR) rose from 0.95% to 3.21% at year end. The long-term money market rate (10-year swap rate) rose from 1.90% to 3.17% at year end.

The Swedish Central Bank raised its interest rate from 0% to 2.50% in 2022, while the short-term money market interest rate (3-month STIBOR) rose from -0.05% to 2.70% at year end. The long-term money market rate (10-year swap rate) rose from 0.96% to 3.09% at year end.

The credit market

The credit margin indicated for new loans issued by the Group gradually increased in the first three quarters, but fell back slightly in Q4.

At year end, the credit spread for 5-year unsecured bond issues in Norway was indicated at 2.00% (0.95%), while 12-month unsecured commercial papers were indicated at 1.20% (0.25%).

The Group's financial risk factors

The Group's operations entail various types of financial risk factor.

- Liquidity risk
- Interest rate risk
- Currency risk
- Credit risk

Descriptions of financial risk management and financial risk objectives can be found in note 18 in the annual report for 2022. The status of the different risks factors at year end is described below.

LIQUIDITY RISK

The Group's liquidity reserves at year end amounted to NOK 5,139 (8,214) million. The debt portfolio had an average residual term of 3.0 (3.0) years and 17% (17%) of the debt is due for repayment within 1 year.

As at 31 December 2022, the liquidity reserve represents 189% of debt maturing in the next 12 months.

Interest rate risk

At year end, the Group had a fixed-rate ratio with a fixed-rate period exceeding one year of 57% (57%), with an average fixed-rate period of 3.5 (3.9) years.

The average interest rate at year end was 4.45% (3.16%).

Interest rate hedging in the group is mainly through the use of interest rate derivatives (interest rate swaps) at portfolio level.

At year end, the portfolio of interest rate derivatives was NOK 19,943 (18,087) million and is made up of the following main groups:

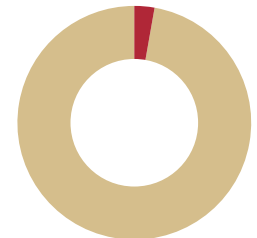
	MNOK
Variable to fixed interest rate	11,243
Fixed to variable interest rate	2,900
Variable to fixed interest rate - forward-dated	5,800
Total	19,943

At year end, total fair value was NOK -110 (-988) million.

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

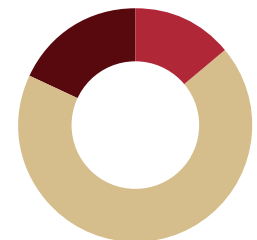
It is estimated that a change of 1 percentage point in interest rates would change the market value of the portfolio by approximately NOK 550 - 650 million.

UNUTILIZED CREDIT FACILITIES



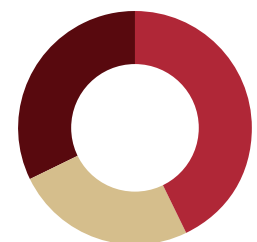
■ < 12 months (3%)
■ 1-5 years (87%)

REPAYMENT STRUCTURE



■ < 12 months (19%)
■ 1-5 years (66%)
■ > 5 years (14%)

INTEREST MATURITY STRUCTURE



■ < 12 months (43%)
■ 1-5 years (24%)
■ > 5 years (33%)

Currency risk

At year end, the Group had a hedge ratio of 96%, which means that 96% of the Group's assets in Sweden are financed with Swedish kronor.

At year end, 87% of the Group's interest-bearing debt was nominated in Norwegian kroner, with an average interest rate of 4.64%. The debt borrowed in Swedish kronor stood at 13% and had an average interest rate of 3.13%.

Credit risk

Provisions for rental business losses remained roughly unchanged during 2022. Realised credit losses have represented less than 0.5% of the Group's rental income in recent years.

OPERATIONAL RISK

The Group's operational risk is primarily associated with the failure of employees and operational management systems to function as expected.

Management is organised so that the risk arising from the activities and absence of an individual is relatively low, and

the Group's management systems are considered robust.

OUTLOOK

The Norwegian economy is booming and unemployment has fallen to low levels, but there are signs of slower economic growth. Price growth has increased considerably and is much higher than Norges Bank's inflation target.

In order to curb rising inflation, Norges Bank raised its policy rate from 0.5% to 2.75% in 2022, with a further rise to 3.0% in March 2023. Norges Bank is indicating that the interest rate will be raised further in 2023 in order to curb inflation.

The war in Ukraine, high inflation and sharp interest rate rises are causing uncertainty regarding economic development in Norway and worldwide going forward.

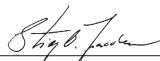
Despite increased uncertainty, it is assumed that the Group's strong market position and solid finances will help maintain good operating profit development in the future.

Oslo, 25 April 2023

Board of Directors, Olav Thon Eiendomsselskap ASA



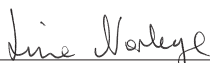
Olav Thon (Chairman of the Board)



Stig O. Jacobsen



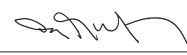
Sissel Berdal Haga Thon



Line Norbye



Elisabeth Holvik



Dag Tangevald-Jensen
(CEO)

DECLARATION PURSUANT TO SECTION 5-5 OF THE NORWEGIAN SECURITIES TRADING ACT

We confirm that, to the best of our knowledge, the company's annual financial statements for 2022 have been prepared in accordance with applicable accounting standards and that the disclosures in the financial statements give a true and fair view of the Group's and the company's assets, liabilities, financial position and profit or loss taken as a whole.

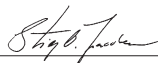
The Board of Directors confirms that the Annual Report provides a fair overview of the development and financial performance and position of the Group and the company and describes the principal risks and uncertainties the Group faces.

Oslo, 25 April 2023

Board of Directors, Olav Thon Eiendomsselskap ASA



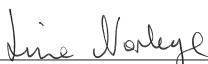
Olav Thon (Chairman of the Board)



Stig O. Jacobsen



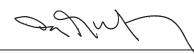
Sissel Berdal Haga Thon



Line Norbye



Elisabeth Holvik



Dag Tangevald-Jensen
(CEO)

Every effort has been made to ensure that this translation of the Norwegian text is a true translation. However, in case of any discrepancy, the Norwegian version takes precedence. Full version of the annual report is in Norwegian.

GROUP

STATEMENT OF COMPREHENSIVE INCOME

	2022	2021
(Figures in NOK millions)		
Rental income	3 219	2 990
Property-related income	1 006	939
Property-related expenses	-1 346	-1 155
Net rental income	2 879	2 774
Other operating income	158	165
Other operating expenses	-83	-154
Administrative expenses	-180	-197
Depreciation	-26	-32
Net income from property management	2 747	2 558
Fair value adjustments, investment property	114	1 790
Share of profit from joint ventures and associates	122	283
Operating profit	2 984	4 631
Financial income	58	118
Financial expenses	-786	-699
Fair value adjustments, interest rate derivatives	878	716
Net financial items	150	136
Profit before income tax	3 134	4 767
Change in deferred tax	-444	-736
Income tax payable	-224	-208
Income tax	-668	-944
Profit	2 466	3 822
Other Comprehensive income		
Items to be reclassified to P&L in subsequent periods:		
Currency translation differences from foreign operations	-45	-103
Total comprehensive income	2 420	3 720
Profit attributable to:		
Shareholders of the parent	2 452	3 770
Non-controlling interests	14	53
Total comprehensive income attributable to:		
Shareholders of the parent	2 406	3 667
Non-controlling interests	14	53
Earnings per share, basic and diluted (NOK)	24	36

GROUP STATEMENT OF FINANCIAL POSITION


	2022	2021
(Figures in NOK millions)		
ASSETS		
Investment properties	57 699	56 866
Owner-occupied properties	186	187
Fixed assets	50	58
Investments in joint ventures and associates	2 965	3 004
Other non-current assets	374	445
Total non-current assets	61 274	60 560
Trade receivables and other current receivables	1 056	992
Cash and cash equivalents	254	448
Total current assets	1 310	1 440
Total assets	62 584	62 000
EQUITY AND LIABILITIES		
Share capital	101	104
Share premium	318	318
Other equity	31 815	30 484
Non-controlling interests	438	436
Total equity	32 673	31 342
Deferred tax liabilities	7 940	7 493
Lease liabilities	196	341
Interest-bearing non-current liabilities	17 605	16 780
Non-current liabilities	100	712
Total non-current liabilities	25 841	25 325
Income tax payable	225	209
Interest-bearing current liabilities	2 622	3 335
Trade payables and other current liabilities	1 224	1 790
Total current liabilities	4 070	5 333
Total liabilities	29 911	30 658
Total equity and liabilities	62 584	62 000

Oslo, 25 April 2023


Board of Directors, Olav Thon Eiendomsselskap ASA



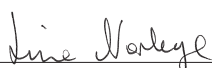
Olav Thon (Chairman of the Board)



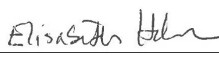
Stig O. Jacobsen



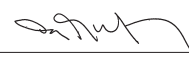
Sissel Berdal Haga Thon



Line Norbye



Elisabeth Holvik


Dag Tangevald-Jensen
(CEO)

GROUP

STATEMENT OF CASH FLOW

	2022	2021
(Figures in NOK millions)		
Profit before income tax	3 134	4 767
Fair value adjustments, investment property	-114	-1 790
Fair value adjustment, interest rate derivatives	-878	-716
Expensed interest	760	670
Paid interest	-747	-667
Paid income tax	-207	-169
Share of profit from joint ventures and associated companies	-122	-283
Depreciation of fixed assets	26	32
Change in operating related accruals	-608	-159
Net cash flow from operating activities	1 243	1 684
Proceeds from sale of property, plant and equipment	-	366
Purchase of investment properties and property, plant and equipment	-706	-873
Sale of subsidiaries	191	-
Net payments of acquisition of subsidiaries	-263	-
Other investments	240	14
Net cash flow from investment activities	-537	-492
Proceeds from interest-bearing liabilities	9 404	14 550
Repayment of interest-bearing liabilities	-9 206	-15 245
Payment on leasing liabilities	-8	-11
Dividends paid	-691	-520
Payments of purchase of own shares	-398	-
Net cash flow from financing activities	-900	-1 226
Currency translation effects on cash and cash equivalents	-0	-2
Net change in cash and cash equivalents	-194	-36
Cash and cash equivalents as at 1 January	448	484
Cash and cash equivalents as at 31 December	254	448
Unutilized overdrafts and other credit facilities	4 885	7 766

GROUP

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Currency translation differences	Other equity	Hedging reserve	Majority share of equity	Non-controlling interests	Total
(NOK millions)								
Equity 31 Dec 2020	104	318	32	27 310	-12	27 752	385	28 136
Profit				3 770		3 770	53	3 822
Other comprehensive income			-103		0	-103		-103
Dividends paid				-518		-518	-2	-520
Other changes				5		5	1	6
Equity 31 Dec 2021	104	318	-70	30 567	-12	30 907	436	31 342
Profit				2 452		2 452	14	2 466
Other comprehensive income			-45	0		-45		-45
Acquisitions of own shares	-2			-396		-398		-398
Dividends paid				-674		-674	-17	-691
Other changes				-6		-6	5	0
Equity 31 Dec 2022	101	318	-116	31 943	-12	32 235	438	32 673

GROUP

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.

As a result of rounding differences, numbers and percentages do not always match the total.

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

Fair value adjustments in investment properties and interest rate derivatives affect the company's profit before tax, both in the Group's financial statements and in joint ventures and associated companies. These income statement items are considered to be more exogenously determined than the other income statement items.

	2022	2021
Fair value adjustments in:		
investment properties recognised in profit and loss	114	1 790
investment properties in joint ventures	-105	129
investment properties in associated companies	10	-5
interest rate derivatives recognised in profit and loss	878	716
interest rate derivatives in joint ventures	23	17
Fair value adjustments, investment properties & interest rate derivatives	920	2 647

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

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

	2022	2021
Profit before income tax	3 134	4 767
Income tax in joint ventures	-7	54
Income tax in associated companies	10	7
Fair value adjustments investment properties / interest rate derivatives	-920	-2 647
Currency gain	-43	-113
Currency loss	0	0
Profit before income tax, fair value adjustment and currency result	2 174	2 068

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.

	2022	2021
Total equity	32 673	31 342
Total equity and debt	62 584	62 000
Equity ratio	52%	51%

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.

	2022	2021
Majority share of equity	32 235	30 906
Deferred tax liabilities (deferred tax liabilities current assets excluded)	7 926	7 493
Fair value of debt - deferred tax liabilities - 6 %	-2 162	-2 043
Long term net asset value	37 999	36 355
Number of shares (own shares not included)	101 478 908	103 623 171
Long term net asset value per share in NOK	374	351
Equity per share in NOK	318	298

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.

	2022	2021
Net cash flow from operating activities	1 243	1 684
Expensed / paid interest	13	3
Paid income tax	-207	-169
Change in working capital	-608	-159
Net cash flow from operations	2 045	2 009

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.

	2022	2021
Unutilized overdrafts and other credit facilities	4 885	7 766
Cash and cash equivalents	254	448
Liquidity reserves	5 139	8 214

7. Amortisation next 12 months

Installments 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.

	2022	2021
Commercial papers	378	1 725
Bonds	2 155	1 583
Bank loans	89	27
Amortisation next 12 months	2 623	3 335

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.

	2022	2021
Bonds, non-current	9 500	10 215
Bonds, current	2 155	1 583
Commercial papers, current	378	1 725
Debt to credit institutions, long-term	8 105	6 565
Debt to credit institutions, short-term	88	27
Interest-bearing debt¹⁾	20 227	20 114
Cash and cash equivalents	-254	-448
Net interest-bearing debt	19 973	19 666
Market value properties	57 715	56 734
Loan to value ratio	35%	35%

¹⁾ Unsecured part of interest-bearing debt (debt where the group has not provided collateral) 10 995 11 843

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.

	2022	2021
Annualized interest expenses on interest-bearing debt as of the balance sheet date	803	330
Annualized interest expenses on current interest rate swaps per balance sheet date	97	306
Annualized interest expenses per balance sheet date	901	635
Interest-bearing debt	20 227	20 114
Interest per balance sheet date	4.45%	3.16%

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.

	2022	2021
Investment properties	684	859
New companies	71	-369
Other fixed assets	18	12
Other investments	115	57
Net investments	889	559

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. The market value of properties does not include investment property defined as right to use assets.

	2022	2021
Market value investment properties	57 509	56 530
Market value owner-occupied properties	206	205
Market value properties	57 715	56 734

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

Market value of properties joint venture (group share)	3 549	3 563
Market value of properties associated companies (group share)	887	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.

	2022	2021
Annualized market rent leased premises	3 268	3 150
Annualized market rent vacant premises	117	120
Annualized rental income level	3 385	3 270

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

Annualized market rent leased premises owned through joint ventures and associated companies	286	271
Annualized market rent vacant premises owned through joint ventures and associated companies	9	14
Annualized rental income level owned through joint ventures and associated companies	295	285

Total annualized rental income level	3 680	3 555
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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.

	2022	2021
Annualized rental income level	3 385	3 270
Lessor's owner cost	464	477
Annualized net rental income level	2 921	2 793
Market value properties	57 715	56 734
Adjustment market value for plots etc	424	572
Market value properties after adjustment	57 291	56 163
Net yield properties	5.10%	4.97%

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