



**REPORT FOR Q4 AND
PRELIMINARY YEAR-END RESULTS
2019**

KEY FIGURES

| Amounts in NOK million | Q4 2019 | Q4 2018 | 31.12.19 | 31.12.18 |
|---|---------|---------|----------|----------|
| Net rental income | 680 | 632 | 2 685 | 2 487 |
| Fair value adjustments in investment properties and interest rate derivatives ¹⁾ | 518 | 173 | 425 | 1 022 |
| Profit before taxes | 968 | 657 | 2 337 | 2 880 |
| Profit before tax and fair value adjustments ¹⁾ | 450 | 483 | 1 912 | 1 857 |
| Equity per share (NOK) | | | 264 | 249 |
| Equity ratio | | | 46 % | 46 % |
| Non-current net asset value per share (NOK) ²⁾ | | | 315 | 297 |
| Net cash flow from operations | 422 | 405 | 1 766 | 1 665 |
| Cash reserves ³⁾ | | | 6 796 | 7 168 |
| Amortisation next 12 months | | | 4 913 | 6 137 |
| Interest-bearing debt ⁴⁾ | | | 21 481 | 21 597 |
| Interest rate as at 31.12 | | | 3,26 % | 3,04 % |
| Loan to value ratio ⁵⁾ | | | 39 % | 40 % |
| Net investments ⁶⁾ | 192 | 380 | 548 | 1 287 |
| Market value properties ⁷⁾ | | | 54 257 | 53 367 |
| Annual rental income ⁸⁾ | | | 3 215 | 3 100 |
| Yield | | | 5,13 % | 5,10 % |
| Sales, owned shopping centres | 15 386 | 15 098 | 50 211 | 48 980 |
| Sales, managed shopping centres | 1 624 | 2 943 | 8 058 | 9 603 |
| Share price as at 31.12 (NOK) | | | 167,8 | 140,0 |

Please note that as a result of rounding differences and reclassifications, figures and percentages will not always match the total sum.

1) Including value adjustments in joint ventures and associated companies

2) (Majority share of equity + deferred tax liabilities - fair value of debt (deferred tax 6%)) / Number of shares

3) Bank deposits etc. + Undrawn borrowing facilities

4) Unsecured part of interest-bearing debt NOK 5,430 million (31.12.19) and 4,864 million (31.12.18), respectively

5) (Interest bearing debt - Bank deposits etc) / Market value properties

6) Net supply of investment properties with addition for activated upgrades

7) Includes market value of investment properties and owner-occupied properties. In addition, the Group owns through jointly controlled companies/associated companies with market value (Group's share) MNOK 4,519 (31.12.19) and 4,729 (31.12.18).

8) Includes market rent for vacant premises

Olav Thon Eiendomsselskap

Report for Q4 and preliminary year-end results 2019

Olav Thon Eiendomsselskap achieved another good result in Q4.

THE HIGHLIGHTS OF THE INTERIM REPORT ARE AS FOLLOWS:¹

- Rental income was NOK 745 (722) million
- Profit before tax was NOK 968 (657) million
- Profit before tax and fair value adjustments was NOK 450 (483) million
- Net cash flow from operations was NOK 422 (405) million
- At the end of the year, the Group's equity ratio was 46% (46%), and equity per share had risen to NOK 264 (249)
- Cash reserves at the end of the year were NOK 6,796 (7,168) million
- Retail sales in the shopping centre portfolio owned by the Group were NOK 15,386 (15,098) million
- The Board proposes a dividend payment of NOK 5.00 (4.40) per share for 2019



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

FINANCIAL POSITION/BALANCE SHEET AS AT 31 DECEMBER 2019

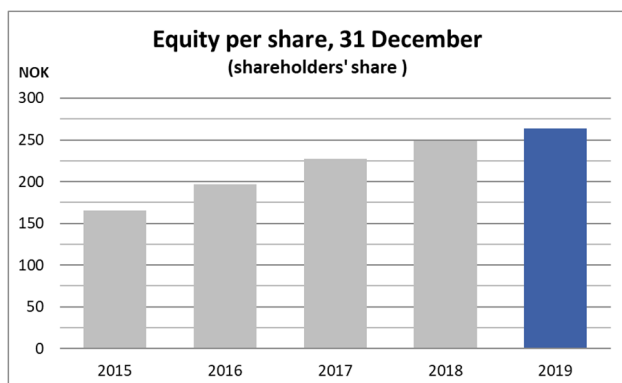
The Group's total assets were NOK 59,902 (58,573) million, with investment properties accounting for NOK 54,037 (53,174) million of that figure.

Total equity was NOK 27,795 (26,827) million and the equity ratio was 46% (46).

Equity per share (majority share) was NOK 264 (249), while "the triple net asset value per share" was calculated as being NOK 315 (297).

Interest-bearing debt was NOK 21,481 (21,597) million, with a loan to value ratio² of 39% (40%).

The Group's share of the equity in joint ventures and associated companies was NOK 2,914 (2,854) million.



Equity per share has increased by 59% since 2015.

SUMMARY OF RESULTS FOR Q4

Profit before tax was NOK 968 (657) million.

Fair value adjustments in investment properties and interest rate derivatives totalled NOK 518 (173) million.³

Profit before tax and fair value adjustments therefore amounted to NOK 450 (483) million.

RENTAL INCOME AND PROPERTY-RELATED EXPENSES

Rental income was NOK 745 (722) million.

Other property-related income amounted to NOK 255 (239) million and essentially consisted of payments from the Group's tenants to cover property service charges and the operation of shopping centre associations.

Property-related expenses amounted to NOK 321 (330) million, including the above-mentioned service charges of NOK 232 (220) million. Rental costs were reduced with NOK 13 (0) million following the transition to IFRS 16 – Leases.

Maintenance expenses for the property portfolio amounted to NOK 35 (31) million.

Net rental income was therefore NOK 680 (632) million.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The value of the Group's investment properties increased by NOK 156 (439) million in Q4.

The Group's property portfolio consists of two different property segments:

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

The value of the Group's shopping centre properties fell by NOK 19 (-529) million, while the value of its commercial properties increased by NOK 164 (968) million.

For further information about the property portfolio, please refer to later sections and note 8 in this report.

SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATED COMPANIES

The Group's share of the results from joint ventures and associated companies amounted to NOK 112 (-32) million.

The increase was due to fair value adjustment in the shopping centre properties owned through joint ventures and associated companies.

A full overview of the income statements and balance sheets for these companies can be found in note 9 in this interim report.

OTHER OPERATING INCOME AND EXPENSES

Other operating income amounted to NOK 48 (52) million and consisted mainly of income from property management for external owners and sales revenue from other activities.

Other operating and administrative expenses amounted to NOK 99 (102) million, while scheduled depreciation amounted to NOK 7 (4) million.

FINANCIAL INCOME AND EXPENSES

Net financial expenses were NOK 198 (176) million.

The Group's net interest expenses were NOK 170 (165) million. The increase in the Group's net financial expenses was primarily due to higher average interest rate. The Group's average interest rate for Q4 was 3.17% (3.04).

In addition, other financial expenses amounted to NOK 28 (11) million, of which interest expenses related to leases according to IFRS 16 amounted to NOK 8 (0) million. See note 2 for a description of IFRS 16.

² See page 2 for definitions

³ Includes investments in joint ventures and associated companies

FAIR VALUE ADJUSTMENTS FINANCIAL INSTRUMENTS

Long-term market interest rates rose in both Norway and Sweden in Q4.

In Norway, the ten-year swap rate rose by 0.37 percentage points to 2.06%, while the corresponding rate in Sweden rose by 0.42 percentage points to 0.67%.

The interest rate development contributed to the increase in market value on the Group's financial instruments by NOK 286 (-152) million.

PRELIMINARY ANNUAL RESULTS 2019

Rental income was NOK 2,984 (2,828) million.

Other property-related expenses amounted to NOK 900 (874) million, while property-related expenses amounted to NOK 1,200 (1,215) million. Rental costs are reduced by NOK 35 (0) million following the transition to IFRS 16 – Leases.

Maintenance expenses for the property portfolio amounted to NOK 141 (97) million.

Net rental income was therefore NOK 2,685 (2,487) million.

The value of the Group's investment properties increased by NOK 217 (867) million, which is different from the development in the Group's property segments.

The value of the Group's commercial properties, which include rental housing, increased by NOK 792 (1,427) million, while the value of shopping centre properties portfolio fell by NOK 589 (-560) million.

Net financial expenses amounted to NOK 725 (651) million.

The Group's net interest expenses were NOK 672 (627) million. The increase was primarily due to higher average interest rate.

In addition, other financial expenses amounted to NOK 53 (27) million, of which interest expenses related to leases according to IFRS 16 amounted to NOK 26 (0) million.

The market value of the Group's financial instruments rose by NOK 164 (273) million, primarily due to somewhat higher long-term market rates in Norway throughout 2019.

Profit before tax was NOK 2,337 (2,880) million.

Fair value adjustments in investment properties and financial instruments amounted to NOK 425 (1,022) million (inclusive of joint ventures and associated companies).

Profit before tax and fair value adjustments therefore amounted to NOK 1,912 (1,857) million.

CASH FLOW AND LIQUIDITY**Q4**

Net cash flow from operations was NOK 422 (405) million.

Net cash flow from operating activities was NOK 285 (127) million, while investment activities increased cash by NOK 10 (-416) million.

Financing activities had an adverse effect of NOK 494 (35) million on liquidity, while currency effects amounted to NOK -2 (-1) million.

The Group's cash thereby declined by NOK 220 (254) million in Q4.

2019

In 2019, net cash flow from operations amounted to NOK 1,766 (1,665) million.

Net cash flow from operating activities was NOK 1,499 (1,586) million.

Net cash flow from investing activities was NOK -574 (-1,386) million, while financing activities reduced liquidity by NOK 847 (261) million.

Currency effects amounted to NOK 2 (0) million in 2019 and the Group's cash thereby increased by NOK 78 (-61) million.

Cash reserves were NOK 6,796 (7,168) million at the end of the year and consisted of short-term investments of NOK 386 (305) million and undrawn long-term credit facilities of NOK 6,410 (6,863) million.

INVESTMENTS AND SALES

The Group's net investments in Q4 amounted to NOK 192 (380) million. The Group's investments totalled NOK 548 (1,287) million for 2019.

MAJOR PROPERTY ACQUISITIONS AFTER THE REPORTING DATE**Oscar Hanssens Veg 1-3, Molde**

A retail and office property of 4,100 square metres near the Group's shopping centres in Molde was taken over in Q1 2020.

MAJOR PROPERTY PROJECTS⁴**Completed****Amfi Florø**

The centre has been being refurbished and expanded with a new 3,000-square metre building, while other upgrades were made to the existing shopping centre.

Completed projects in joint ventures and associated companies**Lagunen Storsenter, Bergen (42% stake)**

Final phase of the extension, among others a multiplex cinema with nine auditoriums was completed in Q4.

⁴ Over NOK 50 million

Under construction**Bernt Ankers Gate 6, Oslo**

Construction of a new building in the centre of Oslo with a total space of 5,600 square metres with 46 flats for rent and four smaller commercial premises for rent. The project is scheduled for completion in 2021.

Refurbishment of shopping centre portfolio

In addition to the major projects, smaller upgrade and refurbishments projects are taking place at several of the Group's shopping centres.

In planning phase

Olav Thon Eiendomsselskap is working with several larger property projects for the further development of its property portfolio. Whether these projects will be executed depends on factors such as official permits and market conditions.

For more information about our property projects, please visit olt.no.

INVESTMENT PROPERTIES AS AT 31.12.19

The investment properties portfolio was valued at NOK 54,037 (53,174) million, based on an average yield of 5.13% (5.10).

Average yields by property segment were as follows:

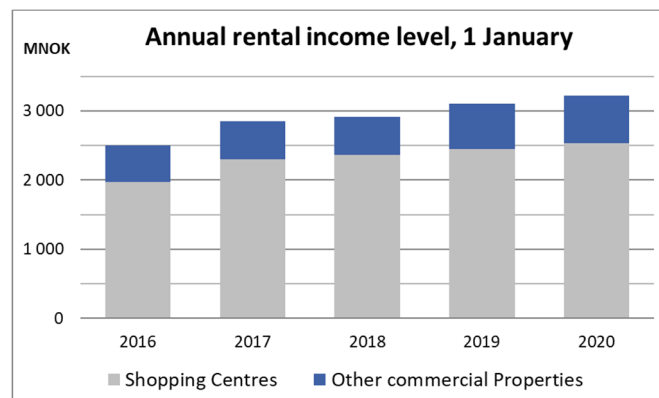
| | |
|-----------------------------|--------------|
| Shopping centre properties | 5.36% (5.28) |
| Other commercial properties | 4.43% (4.53) |

Annual rental income level was NOK 3,215 (3,100) million, with the following segment distribution:

| | |
|-----------------------------|----------|
| Shopping centre properties | 79% (79) |
| Other commercial properties | 21% (21) |

The vacancy rate in the property portfolio was 2.7% (2.5).

The increase in rental income compared with the previous year was due to completed property projects and the growth in rental income in parts of the property portfolio.



The property portfolio's annual rental income level has increased by 29% since 2016.

INVESTMENT PROPERTIES OWNED THROUGH JOINT VENTURES AND ASSOCIATED COMPANIES

In addition to the investment properties recognised on the Group's balance sheet, the Group's share of the rental income level of joint ventures and associated companies was NOK 280 (280) million.

The Group's share of the property values in these companies was NOK 4,519 (4,730) million.

SHOPPING CENTRES

At the end of the year, the shopping centre portfolio comprised 77 shopping centres, 16 of which are managed for external owners.

Olav Thon Eiendomsselskap is Norway's leading shopping centre player and has a solid market position.

The shopping centre portfolio includes Norway's largest shopping centre, Sandvika Storsenter in Bærum, and a total of seven of the country's nine largest shopping centres.

Shopping centres owned by the Group

Retail sales in the shopping centre portfolio owned by the Group amounted to NOK 15,386 (15,098) million in Q4, while retail sales amounted to NOK 50,211 (48,980) million for the full year 2019.

The comparative figures for 2018 have been corrected for retail sales in the Norwegian shopping centres no longer owned by the Group.

Similarly, the figures for the Swedish shopping centres have been corrected to take account of one shopping centre that is closed for refurbishment.

Norway

The Group's Norwegian shopping centres reported sales of NOK 14,370 (14,125) million for Q4. Sales for the full year 2019 amounted to NOK 46,745 (45,548) million.

Sweden

Retail sales in the Group's shopping centres in Sweden amounted to SEK 1,072 (1,042) million in Q4 and SEK 3,725 (3,665) million for the full year 2019.

Shopping centres managed for other owners

Retail sales in this part of the portfolio were NOK 1,624 (2,943) million in Q4, and NOK 8,058 (9,603) million for the full year 2019. The decrease was linked to several large management agreements ending in 2019.

RISK FACTORS

The biggest risk factors which Olav Thon Eiendomsselskap is exposed are considered being market and financial risks associated with the property and financial markets.

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 effect on the value of the property portfolio. Calculations of these effects can be found in the Norwegian 2018 annual report and on the company's website: olt.no.

The valuation as at 31 December 2019 was based on an average yield of 5.13%. The yield has varied between 5.10% and 5.32% over the last three years.

THE FINANCIAL MARKETS

Financial risk for Olav Thon Eiendomsselskap is mainly 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 cash reserves.

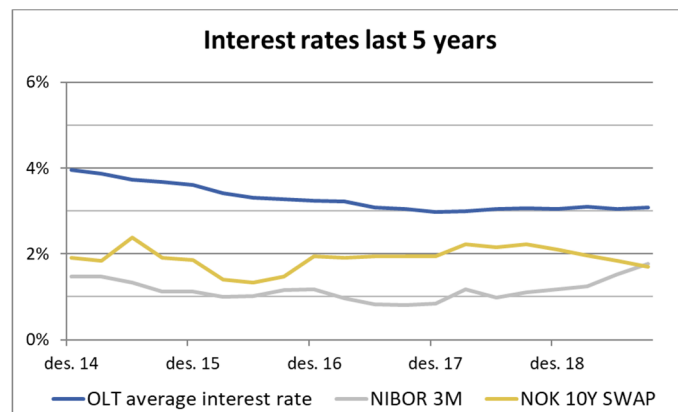
The Group's financing is described in more detail in the next section, and further information about financial risk management can be found in the Norwegian 2018 annual report and on the company's website: olt.no.

The Group's financial instruments (interest rate swaps) are carried at fair value. Interest rate swaps are primarily used to secure the Group long-term fixed interest rates and thereby ensure more predictable cash flow.

At year end, the portfolio of interest rate swaps entered for this purpose was NOK 11,539 (11,139) million and had a fair value of NOK -1,328 (-1,492) million.

Fair value is affected by both changes in long-term interest rates and volatility in the financial markets in Norway and Sweden. It is estimated that a change of 1 percentage point in interest rates would change the fair value of the portfolio by approx. NOK 750-850 million.

It is estimated that a change of 1 percentage point in the short-term interest rate would change the Group's average interest rate by around 0.50 percentage points. Net annual interest expenses would be changed by NOK 100-110 million.



As at 31 December 2019, the Group's average interest rate was 3.26%.⁵

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 still considered very good and the capital markets developed satisfactorily as well in Q4.

The Group's sources of financing in Q4 were the capital markets in both Norway and Sweden, as well as the Nordic bank market.

New lending of NOK 1,400 million and SEK 900 million was raised in the capital markets. In addition, long-term loan agreements were entered into with Nordic banks involving credit facilities totalling NOK 3,175 million.

At year end, the outstanding certificate and bond debt amounted to NOK 11,010 (11,850) million, distributed as follows:

| | |
|---------|---------------------------|
| Norway: | NOK 7,880 (8,585) million |
| Sweden: | SEK 3,315 (3,365) million |

Total credit facilities were NOK 27,891 (28,460) million, NOK 6,410 (6,863) million of which was undrawn.

For details of the Group's interest-bearing debt, see notes 11 and 12 in the interim report.

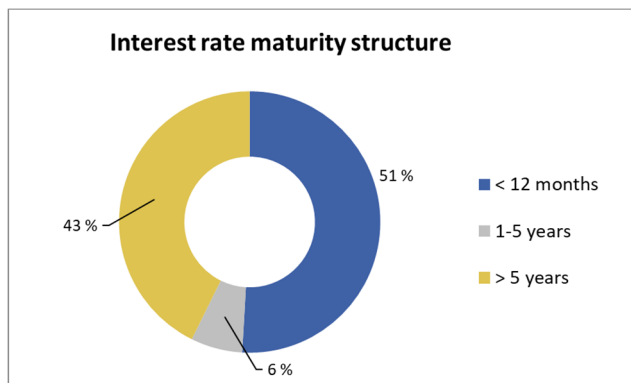
The debt had an average remaining term of 2.4 (2.1) years. 23% (31) of the debt falls due for repayment within 1 year.

At the end of the year, the Group had a fixed-rate ratio of 51% (54), with an average fixed-rate period of 3.6 (3.8) years.

⁵ Loans in NOK and SEK

The Group’s average interest rate was 3.26% (3.04), divided into the following currencies:

| Currency | Proportion of debt | Average interest rate |
|----------|--------------------|-----------------------|
| NOK | 84% | 3.70% |
| SEK | 16% | 0.98% |



49% of interest-bearing debt has a fixed-interest period of over 1 year. The average fixed-interest period is 3.6 years.

SHARES AND SHAREHOLDERS

The price of the Olav Thon Eiendomsselskap share was NOK 167.80 at the end of Q4, an increase from NOK 144.40 at the start of the quarter.

The share price therefore rose by 16.2% in Q4, while the main index of the Oslo Stock Exchange rose by 5.1%.

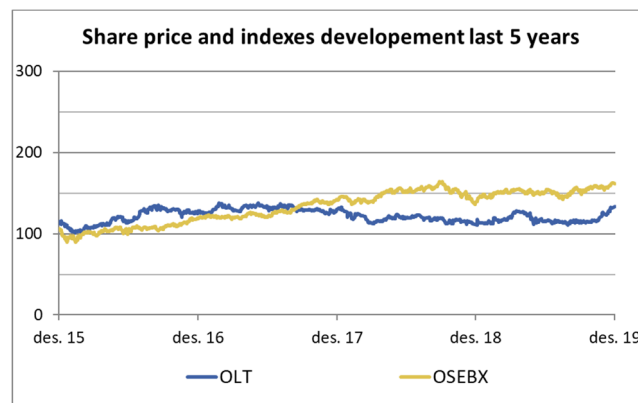
In 2019, shares in the company generated a total return of 23% (inclusive of the dividend), while the main index of the Oslo Stock Exchange rose by 16.5%.

6.6 (5.8) million shares were traded in 2019 with 16,223 (22,973) trades in the share on the Oslo Stock Exchange.

The highest and lowest prices in 2019 were NOK 167.80 and NOK 139.00, respectively.

The company’s market capitalisation at the end of the year was NOK 17.9 (14.9) billion, and the company’s largest shareholders were:

| | |
|---------------------------------------|-------------|
| Olav Thon Gruppen AS and subsidiaries | 71.9% |
| VPF Nordea Norge | 2.7% |
| Folketrygdfondet | 2.7% |
| Olav Thon Eiendomsselskap ASA | 2.7% |
| MP Pensjon | 2.2% |
| Otto Olsen Invest AS | 1.4% |
| Other owners | 16.4% |
| TOTAL | 100% |



The price of the Olav Thon Eiendomsselskap share has increased by 34% over the last 5 years.

DIVIDEND

As of fiscal year 2018, the company’s dividend policy has been adjusted, so that shareholders will receive a somewhat higher current return on equity investment.

Given a satisfactory equity ratio and liquidity, the ambition is to give shareholders a dividend corresponding to 30-40% of the Group’s profit, exclusive of fair value adjustments.

The Board proposes a dividend payment of NOK 5.00 (4.40) per share for 2019.

REORGANISATION OF THE OLAV THON EIENDOMSSSELKAP GROUP

At the Extraordinary Annual General Meeting in November 2019, a decision was made to reorganise the Group in order to turn the parent company into a pure holding company. Following the reorganisation, the Group’s property portfolio will be owned indirectly through subsidiaries, which will help give the Group greater financial flexibility.

A decision was also made to delete the company’s own shares (2,822,149) by reducing its share capital.

The reorganisation and deletion of the company’s own shares was completed on 30 January 2020.

OUTLOOK

The Norwegian economy is still developing well, although slightly lower growth is expected in the coming period. Norges Bank has increased its policy rate from 0.50% to 1.50% since September 2018 and is indicating that the rate will be held at this level going forward.

Demand for commercial property is high in Norway, although investors’ interest in shopping centre property remains subdued. The generally high level of demand for commercial property is expected to persist, due to low interest rates among others.

Private consumption is expected to rise going forward and retail trade is expected to develop generally positively in the coming period. The visible differences in the development between

different segments and actors in the retail trade is expected to persist going forward.

Online shopping is perceived to continue grow faster than the physical retail trade, although it currently accounts for just a small proportion of the total retail trade.

The Group's shopping centres are gradually adapting to new consumer behaviour and digitalisation of the retail trade. The change is taking place both by expanding the product and service offerings at the centres and by making use of new technology in the communication with customers.

The vacancy rate in the Oslo area office market is falling and rental prices are developing positively in most areas of the city. A relatively low level of new construction and the high demand for office premises are expected to result in a strong office market going forward.

The Group's solid market position and financial position are expected to contribute to a satisfactory financial performance in the period ahead.

Oslo, 13 February 2020

Board of Directors, Olav Thon Eiendomsselskap ASA

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED GROUP ACCOUNTS

STATEMENT OF COMPREHENSIVE INCOME

| (NOK million) | Note | Q4 2019 | Q4 2018 | 31.12.2019 | 31.12.2018 |
|---|-------|------------|-------------|--------------|--------------|
| Rental income | 6, 7 | 745 | 722 | 2 984 | 2 828 |
| Other property-related income | 7 | 255 | 239 | 900 | 874 |
| Property-related expenses | 7 | -321 | -330 | -1 200 | -1 215 |
| Net rental income | | 680 | 632 | 2 685 | 2 487 |
| Other operating income | 7 | 48 | 52 | 167 | 179 |
| Other operating expenses | 7 | -48 | -45 | -157 | -159 |
| Administrative expenses | 6, 7 | -51 | -57 | -189 | -191 |
| Depreciation | | -7 | -4 | -24 | -20 |
| Net income from property management | | 623 | 577 | 2 482 | 2 296 |
| Fair value adjustments, investment property | 8 | 156 | 439 | 217 | 867 |
| Fair value adjustments, right-of-use investment property | | -11 | - | -14 | - |
| Results from joint ventures and associates | 9 | 112 | -32 | 213 | 96 |
| Operating profit | | 880 | 984 | 2 898 | 3 259 |
| Financial income | 10 | 5 | 2 | 12 | 8 |
| Financial expenses | 2, 10 | -203 | -178 | -737 | -659 |
| Fair value adjustments, interest rate derivatives | | 286 | -152 | 164 | 273 |
| Net financial items | | 88 | -327 | -561 | -379 |
| Profit before tax | | 968 | 657 | 2 337 | 2 880 |
| Income taxes | | -185 | 133 | -523 | -364 |
| Profit for the period | | 783 | 790 | 1 814 | 2 516 |
| Other Comprehensive income | | | | | |
| <i>Items to be reclassified to P&L in subsequent periods:</i> | | | | | |
| Exchange differences from foreign operations | | 32 | 90 | -46 | -43 |
| Hedging of net investment | | -37 | -88 | 39 | 42 |
| Income taxes on other comprehensive income | | 8 | 21 | -8 | -9 |
| Total comprehensive income | | 786 | 812 | 1 798 | 2 505 |
| Profit for the period attributable to: | | | | | |
| Shareholders of the parent | | 781 | 812 | 1 833 | 2 516 |
| Non-controlling interests | | 2 | -22 | -19 | -1 |
| Total comprehensive income attributable to: | | | | | |
| Shareholders of the parent | | 785 | 834 | 1 818 | 2 505 |
| Non-controlling interests | | 2 | -22 | -19 | -1 |
| Earnings per share, basic and diluted (NOK) | | 8 | 8 | 18 | 24 |

The layout of the statement of comprehensive income has been changed from 2019, due to the intention of giving more relevant information. There are no material changes. Some records has been moved without any changes of content. There have been added two new lines for summation. Comparative figures have been made for previous periods.

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED GROUP ACCOUNTS

STATEMENT OF FINANCIAL POSITION

| (NOK million) | Note | 31.12.2019 | 31.12.2018 |
|--|------|---------------|---------------|
| ASSETS | | | |
| Deferred tax asset | | 328 | 328 |
| Investment properties | 3, 8 | 54 037 | 53 174 |
| Right-of-use investment properties | 2 | 365 | - |
| Owner-occupied properties | | 191 | 193 |
| Other fixed assets | | 88 | 82 |
| Investments in joint ventures and associates | 9 | 2 914 | 2 854 |
| Other non-current assets | | 592 | 594 |
| Total non-current assets | | 58 516 | 57 225 |
| Trade and other current receivables | | 1 000 | 1 043 |
| Bank deposits and cash | | 386 | 305 |
| Total current assets | | 1 386 | 1 349 |
| Total assets | | 59 902 | 58 573 |
| EQUITY AND LIABILITIES | | | |
| Share capital | | 106 | 106 |
| Share premium reserve | | 318 | 318 |
| Other equity | | 26 918 | 25 906 |
| Non-controlling interests | | 452 | 496 |
| Total equity | | 27 795 | 26 827 |
| Deferred tax liabilities | | 7 282 | 7 020 |
| Lease liabilities | 2 | 360 | - |
| Non-current liabilities | 11 | 17 706 | 16 844 |
| Long term liabilities | | 25 348 | 23 864 |
| Income tax payable | 12 | 267 | 219 |
| Interest-bearing current liabilities | 12 | 4 913 | 6 138 *) |
| Trade payables and other current liabilities | 12 | 1 579 | 1 525 *) |
| Short term liabilities | | 6 759 | 7 882 |
| Total liabilities | | 32 107 | 31 746 |
| Total equity and liabilities | | 59 902 | 58 573 |

*) The classification of short term liabilities has been adjusted between interest-bearing and other liabilities for the figures of 2018.

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED GROUP ACCOUNTS

CONDENSED CASH FLOW STATEMENT

| (NOK million) | Q4 2019 | Q4 2018 | 31.12.2019 | 31.12.2018 |
|--|-------------|-------------|--------------|---------------|
| Net cash flow from operations | 422 | 405 | 1 766 | 1 665 |
| Expensed interest | 183 | 167 | 710 | 633 |
| Interest paid | -180 | -168 | -707 | -636 |
| Income tax paid | 4 | -41 | -215 | -116 |
| Change in working capital | -144 | -235 | -55 | 42 |
| Net cash flow from operating activities | 285 | 127 | 1 499 | 1 586 |
| Payment on the sale of tangible fixed assets | - | - | - | 17 |
| Acquisition of investment properties | -22 | -323 | -673 | -1 161 |
| Acquisition of subsidiaries | - | - | -55 | -22 |
| Other investments | 11 | -93 | 155 | -220 |
| Net cash flow from investing activities | -10 | -416 | -574 | -1 386 |
| Proceeds from interest-bearing liabilities | 5 394 | 3 772 | 19 065 | 18 617 |
| Repayment of interest-bearing liabilities | -5 863 | -3 763 | -19 071 | -18 622 |
| Payment on leasing liabilities | -2 | - | -6 | - |
| Dividends paid | -23 | 26 | -495 | -256 |
| Acquisition of own shares | - | - | -341 | - |
| Net cash flow from financing activities | -494 | 35 | -847 | -261 |
| Net change in cash | -220 | -254 | 78 | -61 |
| Cash at beginning of period | 608 | 560 | 305 | 366 |
| Currency effects | -2 | -1 | 2 | - |
| Cash at end of period | 386 | 305 | 386 | 305 |

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED GROUP ACCOUNTS

STATEMENT OF CHANGES IN EQUITY

| (NOK million) | Share capital | Share premium reserve | Exchange differences from foreign operations | Other Equity | Hedging reserve | Shareholders of the parent | Non-controlling interests | Total |
|----------------------------|---------------|-----------------------|--|---------------|-----------------|----------------------------|---------------------------|---------------|
| Equity 31.12.2017 | 106 | 318 | -43 | 23 655 | 26 | 24 062 | 518 | 24 580 |
| Profit for the period | | | - | 2 516 | - | 2 516 | -1 | 2 516 |
| Other comprehensive income | | | -43 | - | 32 | -11 | - | -11 |
| Dividends paid | | | - | -233 | - | -233 | -24 | -256 |
| Other changes | | | - | -3 | - | -3 | 2 | -1 |
| Equity 31.12.2018 | 106 | 318 | -87 | 25 935 | 58 | 26 331 | 496 | 26 827 |
| Profit for the period | | | - | 1 833 | - | 1 833 | -19 | 1 814 |
| Other comprehensive income | | | -46 | - | 30 | -16 | - | -16 |
| Acquisitions of own shares | | | - | -341 | - | -341 | - | -341 |
| Dividends paid | | | - | -456 | - | -456 | -25 | -481 |
| Other changes | | | - | -10 | - | -10 | 0 | -9 |
| Equity 31.12.2019 | 106 | 318 | -132 | 26 963 | 88 | 27 343 | 452 | 27 795 |

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED GROUP ACCOUNTS

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 encompass 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.

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 new accounting standard, IFRS 16 - Leases, was implemented with effect from 1. January 2019. The discount rate for these lease agreements is set in the interval 4.8 % - 9.3 %. The lease agreements applicable under IFRS 16 are mainly long term leases of real estate.

With the exception of the implementation of the new standard, IFRS 16, the accounting principles that were used as a basis for the interim report are in accordance with the principles used when preparing the 2018 annual report and should be read together with this.

The interim financial statements were adopted by the Board on the 12th February 2020.

There has been no audit of the interim financial information.

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 for assets, liabilities, income and expenses.

In preparing these interim financial statements, management has used the same judgements regarding application of accounting principles that were used in the consolidated financial statements for 2018.

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

| Transactions | Counterparty | Counterparty associate of | 31.12.2019 | 31.12.2018 |
|---|--------------------------------------|------------------------------|------------|------------|
| Current leases | Companies in Olav Thon Gruppen AS | Olav Thon Foundation | 122 | 66 |
| Current operating and administration agreements | Thon Eiendomsdrift AS | Olav Thon Foundation | 125 | 122 |

Note 7 BUSINESS SEGMENTS

At 31.12.2019, the Group has activities within two strategic business segments and two geographical areas.

The segment reporting is based on the internal management reporting.

The operating segments:

- * Shopping centres
- * Commercial property

The geographical areas:

- * Norway
- * Sweden

| Business segments | Operating segments | | | | Geographical areas | | |
|---|--------------------|---------------------|----------------|------------|--------------------|------------|------------|
| | Shopping centres | Commercial property | Other activity | Group | Norway | Sweden | Group |
| Q4 2019 | | | | | | | |
| Rental income | 556 | 189 | - | 745 | 694 | 51 | 745 |
| Other property-related income | 228 | 27 | - | 255 | 236 | 20 | 255 |
| Property-related expenses | -243 | -77 | - | -321 | -287 | -34 | -321 |
| Net rental income | 541 | 139 | - | 680 | 643 | 37 | 680 |
| Other operating income | 18 | - | 29 | 48 | 48 | - | 48 |
| Other operating expenses | -21 | - | -27 | -48 | -48 | - | -48 |
| Administrative expenses | -43 | -8 | - | -51 | -47 | -4 | -51 |
| Depreciation | -4 | -3 | - | -7 | -7 | -0 | -7 |
| Net income from property management | 493 | 128 | 2 | 623 | 589 | 33 | 623 |
| Fair value adjustments, investment property | -19 | 164 | - | 145 | 256 | -111 | 145 |
| Results from joint ventures and associates | 112 | - | - | 112 | 112 | - | 112 |
| Operating profit | 586 | 292 | 2 | 880 | 957 | -77 | 880 |

| Business segments | Operating segments | | | | Geographical areas | | |
|---|--------------------|---------------------|----------------|------------|--------------------|-----------|------------|
| | Shopping centres | Commercial property | Other activity | Group | Norway | Sweden | Group |
| Q4 2018 | | | | | | | |
| Rental income | 516 | 207 | - | 722 | 672 | 50 | 722 |
| Other property-related income | 223 | 16 | - | 239 | 221 | 18 | 239 |
| Property-related expenses | -254 | -76 | - | -330 | -296 | -33 | -330 |
| Net rental income | 485 | 147 | - | 632 | 597 | 35 | 632 |
| Other operating income | 24 | - | 27 | 52 | 52 | - | 52 |
| Other operating expenses | -20 | - | -25 | -45 | -45 | - | -45 |
| Administrative expenses | -52 | -5 | - | -57 | -54 | -3 | -57 |
| Depreciation | -2 | -2 | - | -4 | -4 | -0 | -4 |
| Net income from property management | 435 | 139 | 3 | 577 | 545 | 32 | 577 |
| Fair value adjustments, investment property | -529 | 968 | - | 439 | 467 | -28 | 439 |
| Results from joint ventures and associates | -32 | - | - | -32 | -32 | - | -32 |
| Operating profit | -126 | 1 107 | 3 | 984 | 980 | 4 | 984 |

| Business segments | Operating segments | | | | Geographical areas | | |
|---|--------------------|---------------------|----------------|--------------|--------------------|------------|--------------|
| | Shopping centres | Commercial property | Other activity | Group | Norway | Sweden | Group |
| 31.12.2019 | | | | | | | |
| Rental income | 2 218 | 766 | - | 2 984 | 2 782 | 203 | 2 984 |
| Other property-related income | 817 | 83 | - | 900 | 831 | 69 | 900 |
| Property-related expenses | -906 | -293 | - | -1 200 | -1 085 | -115 | -1 200 |
| Net rental income | 2 129 | 556 | - | 2 685 | 2 528 | 157 | 2 685 |
| Other operating income | 78 | - | 89 | 167 | 167 | - | 167 |
| Other operating expenses | -75 | - | -82 | -157 | -157 | - | -157 |
| Administrative expenses | -158 | -31 | - | -189 | -175 | -14 | -189 |
| Depreciation | -12 | -12 | - | -24 | -23 | -0 | -24 |
| Net income from property management | 1 962 | 513 | 7 | 2 482 | 2 339 | 143 | 2 482 |
| Fair value adjustments, investment property | -589 | 792 | - | 203 | 390 | -187 | 203 |
| Results from joint ventures and associates | 213 | - | - | 213 | 213 | - | 213 |
| Operating profit | 1 585 | 1 306 | 7 | 2 898 | 2 941 | -43 | 2 898 |

| Business segments | Operating segments | | | | Geographical areas | | |
|---|--------------------|---------------------|----------------|--------------|--------------------|------------|--------------|
| | Shopping centres | Commercial property | Other activity | Group | Norway | Sweden | Group |
| 31.12.2018 | | | | | | | |
| Rental income | 2 152 | 676 | - | 2 828 | 2 625 | 202 | 2 828 |
| Other property-related income | 807 | 67 | - | 874 | 803 | 71 | 874 |
| Property-related expenses | -947 | -268 | - | -1 215 | -1 098 | -117 | -1 215 |
| Net rental income | 2 011 | 475 | - | 2 487 | 2 331 | 156 | 2 487 |
| Other operating income | 92 | - | 88 | 179 | 179 | - | 179 |
| Other operating expenses | -79 | - | -80 | -159 | -159 | - | -159 |
| Administrative expenses | -164 | -27 | - | -191 | -178 | -14 | -191 |
| Depreciation | -12 | -9 | - | -20 | -20 | -0 | -20 |
| Net income from property management | 1 848 | 440 | 8 | 2 296 | 2 153 | 142 | 2 296 |
| Fair value adjustments, investment property | -560 | 1 427 | - | 867 | 856 | 11 | 867 |
| Results from joint ventures and associates | 96 | - | - | 96 | 96 | - | 96 |
| Operating profit | 1 384 | 1 867 | 8 | 3 259 | 3 105 | 154 | 3 259 |

Note 8 INVESTMENT PROPERTY

| | 31.12.2019 | 31.12.2018 |
|---|---------------|---------------|
| Opening balance | 53 174 | 51 435 |
| Acquisitions/expenditure on properties | 647 | 1 152 |
| Investment property from companies bought in the period | 100 | 22 |
| Change in fair value recognised in the period | 217 | 867 |
| Effect of currency exchange differences in foreign operations | -102 | -110 |
| Other changes | -1 | -192 |
| Closing balance | 54 037 | 53 174 |

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.

| Joint ventures | Q4 2019 | Q4 2018 | 31.12.2019 | 31.12.2018 |
|---|----------------|----------------|-------------------|-------------------|
| Net rental income | 92 | 102 | 378 | 375 |
| Fair value adjustments, investment property | 70 | -95 | 33 | -121 |
| Fair value adjustments, interest rate derivatives | 10 | -4 | 8 | 32 |
| Expenses | -74 | -43 | -252 | -232 |
| Profit | 98 | -41 | 167 | 54 |
| Investment properties | | | 3 638 | 3 848 |
| Other assets | | | 341 | 366 |
| Total assets | | | 3 979 | 4 214 |
| Equity | | | 2 373 | 2 346 |
| Non-current liabilities | | | 1 478 | 1 738 |
| Current liabilities | | | 128 | 129 |
| Total equity and liabilities | | | 3 979 | 4 214 |

| Associated companies | Q4 2019 | Q4 2018 | 31.12.2019 | 31.12.2018 |
|---|----------------|----------------|-------------------|-------------------|
| Net rental income | 18 | 28 | 75 | 191 |
| Fair value adjustments, investment property | 7 | -14 | 17 | -29 |
| Fair value adjustments, interest rate derivatives | - | - | - | - |
| Expenses | -11 | -5 | -46 | -121 |
| Profit | 14 | 9 | 46 | 42 |
| Investment properties | | | 881 | 882 |
| Other assets | | | 150 | 114 |
| Total assets | | | 1 031 | 996 |
| Equity | | | 541 | 507 |
| Non-current liabilities | | | 466 | 460 |
| Current liabilities | | | 24 | 28 |
| Total equity and liabilities | | | 1 031 | 996 |

Note 10 FINANCIAL INCOME AND FINANCIAL EXPENSES

| | Q4 2019 | Q4 2018 | 31.12.2019 | 31.12.2018 |
|--|-------------|-------------|-------------|-------------|
| Interest income | 5 | 2 | 11 | 6 |
| Other financial income | 0 | -0 | -0 | 2 |
| Total financial income | 5 | 2 | 11 | 8 |
| Interest expenses | -175 | -167 | -683 | -633 |
| Interest expenses related to lease liabilities | -8 | - | -26 | - |
| Other financial expenses | -20 | -11 | -27 | -27 |
| Total financial expenses | -203 | -178 | -737 | -659 |

Note 11 NON-CURRENT LIABILITIES

| | 31.12.2019 | 31.12.2018 |
|---|---------------|---------------|
| Bonds | 7 538 | 5 771 |
| Other interest-bearing liabilities | 9 030 | 9 688 |
| Non-interest-bearing liabilities (fair value interest rate swaps) | 1 063 | 1 320 |
| Other liabilities | 75 | 65 |
| Total | 17 706 | 16 844 |

Note 12 CURRENT LIABILITIES

| | 31.12.2019 | 31.12.2018 |
|---|--------------|--------------|
| Commercial paper debt | 2 258 | 3 118 |
| Bonds | 1 214 | 2 960 |
| Interest-bearing current liabilities | 1 440 | 60 |
| Non-interest-bearing liabilities (fair value interest rate swaps) | 265 | 172 |
| Lease liabilities | 9 | - |
| Trade payables | 117 | 152 |
| Accrued interest | 57 | 54 |
| Duties payable | 70 | 107 |
| Income tax payable | 267 | 219 |
| Other current liabilities | 1 062 | 1 040 |
| Total | 6 759 | 7 882 |

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED GROUP ACCOUNTS

ALTERNATIVE PERFORMANCE MEASURES

Amounts in NOK million

Olav Thon Eiendomsselskap ASA prepares financial information 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.

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 accounts and in joint ventures and associated companies. These income statement items are considered to be more exogenously determined than the other income statement items.

| | Q4 2019 | Q4 2018 | 31.12.2019 | 31.12.2018 |
|--|----------------|----------------|-------------------|-------------------|
| Fair value adjustments, investment property - Profit and loss | 156 | 439 | 217 | 867 |
| Fair value adjustments, right-of-use investment property - Profit and loss | -11 | - | -14 | - |
| Fair value adjustments, investment property - Joint ventures | 70 | -95 | 33 | -121 |
| Fair value adjustments, investment property - Associated companies | 7 | -14 | 17 | -29 |
| Fair value adjustments, interest rate derivatives - Profit and loss | 286 | -152 | 164 | 273 |
| Fair value adjustments, interest rate derivatives - Joint ventures | 10 | -4 | 8 | 32 |
| Fair value adjustments, investment property & interest rate derivatives | 518 | 173 | 425 | 1 022 |

Profit before tax and fair value adjustments

Profit before fair value adjustments in investment properties and interest rate derivatives is intended to give readers a better understanding of the Group's operating business development.

| | Q4 2019 | Q4 2018 | 31.12.2019 | 31.12.2018 |
|--|----------------|----------------|-------------------|-------------------|
| Profit before tax | 968 | 657 | 2 337 | 2 880 |
| Adjusted for fair value adjustments in investment property and interest rate derivatives | -518 | -173 | -425 | -1 022 |
| Profit before tax and fair value adjustments | 450 | 483 | 1 912 | 1 857 |

ALTERNATIVE PERFORMANCE MEASURES (continued)**Non-current net asset value per share**

Normalised net asset value per share after taking into account a fair value assessment of the deferred tax liabilities.

| | 31.12.2019 | 31.12.2018 |
|---|-------------------|-------------------|
| Majority share of equity | 27 343 | 26 331 |
| Deferred tax liabilities (deferred tax liabilities current assets excluded) | 7 267 | 7 014 |
| Fair value of debt - deferred tax liabilities - 6 % | -1 982 | -1 913 |
| Non-current net asset value | 32 628 | 31 432 |
| Number of shares (own shares not included) | 103 623 171 | 105 745 320 |
| Non-current net asset value per share in NOK | 315 | 297 |

Interest-bearing debt

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 arrived at by deducting the Group's bank deposits and cash 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.

| | 31.12.2019 | 31.12.2018 |
|---|-------------------|-------------------|
| Bonds, non-current | 7 538 | 5 771 |
| Bonds, current | 1 214 | 2 960 |
| Commercial paper debt, current | 2 258 | 3 118 |
| Other interest-bearing liabilities, non-current | 9 030 | 9 688 |
| Other interest-bearing liabilities, current | 1 440 | 60 |
| Interest-bearing debt | 21 481 | 21 597 |
| Bank deposits and cash | -386 | -305 |
| Net interest-bearing debt | 21 095 | 21 292 |



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